

COMPETITIVE SALE—The Bonds will be sold pursuant to a competitive sale held at 9:00 a.m. (Pacific Time) on Wednesday, June 25, 2025, as further described in the Notice of Sale attached hereto.

PRELIMINARY OFFICIAL STATEMENT DATED JUNE 16, 2025

\$149,700,000⁽¹⁾

Administrative School District No. 1 (Bend-La Pine)
Deschutes County, Oregon
General Obligation Bonds, Series 2025

DATED: July 9, 2025 (estimated “Date of Delivery”) **DUE:** June 15, as shown on the inside cover

PURPOSE— The \$149,700,000⁽¹⁾ General Obligation Bonds, Series 2025 (the “Bonds”) are being issued by the Administrative School District No. 1 (Bend-La Pine) (the “District”), located in Deschutes County, Oregon. The Bonds are being issued to finance capital costs for the District. See “Purpose and Use of Proceeds” herein.

MOODY’S RATINGS—“Aa2” underlying; “Aa1” enhanced. See “Oregon School Bond Guaranty Program” and “Ratings” herein.

NOT BANK QUALIFIED— The District has NOT designated the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended (the “Code”).

BOOK-ENTRY ONLY SYSTEM— The Bonds will be issued, executed and delivered in fully registered form under a book-entry only system and registered in the name of Cede & Co., as owner and nominee for The Depository Trust Company (“DTC”). DTC will act as initial securities depository for the Bonds. Individual purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interest in the Bonds purchased.

PRINCIPAL AND INTEREST PAYMENTS—Interest on the Bonds will be paid on December 15, 2025 and semiannually thereafter on June 15 and December 15 of each year to the maturity or earlier redemption of the Bonds. Principal of and interest on the Bonds will be payable by the District’s Paying Agent, initially U.S. Bank Trust Company, National Association, to DTC which, in turn, will remit such principal and interest to the DTC participants for subsequent disbursement to the beneficial owners of the Bonds at the address appearing upon the registration books on the last business day of the month preceding a payment date (the “Record Date”).

MATURITY SCHEDULE—See inside front cover.

REDEMPTION— The Bonds are subject to optional redemption prior to their stated maturities as further described herein.

SECURITY— The Bonds are general obligations of the District. Pursuant to ORS 287A.315 the District has pledged its full faith and credit and taxing power to pay the Bonds. The District has covenanted for the benefit of the owners of the Bonds that the District shall levy annually, as necessary, a direct ad valorem tax upon all of the taxable property within the District which is sufficient after taking into consideration discounts taken and delinquencies that may occur in the payment of such taxes, and other legally available amounts to pay all Bond principal and interest when due. This tax shall be in addition to all other taxes of the District and this tax shall not be limited in rate, amount or otherwise by Sections 11 or 11b of Article XI of the Oregon Constitution. The Bonds do not constitute a debt or indebtedness of Deschutes County, the State of Oregon, or any political subdivision thereof other than the District.

Payment of the principal of and interest on the Bonds when due is guaranteed by the full faith and credit of the
State of Oregon
under the provisions of the Oregon School Bond Guaranty Act. See “Oregon School Bond Guaranty Program” within.

TAX MATTERS— *In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the District (“Bond Counsel”), under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Bonds is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In the opinion of Bond Counsel, interest on the Bonds is exempt from State of Oregon personal income tax under existing law. See “Tax Matters” herein for a discussion of the opinion of Bond Counsel.*

DELIVERY— The Bonds are offered for sale to the original purchaser subject to the final approving legal opinion of Bond Counsel. It is expected that the Bonds will be available for delivery to the Paying Agent for Fast Automated Securities Transfer on behalf of DTC, on or about the Date of Delivery.

⁽¹⁾ Preliminary, subject to change.

This cover page contains certain information for quick reference only. It is not a summary of the issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

This is a Preliminary Official Statement, subject to correction and change. The District has authorized the distribution of the Preliminary Official Statement to prospective purchasers and others. Upon the sale of the Bonds, the District will complete and deliver a final Official Statement substantially in this form.

Administrative School District No. 1 (Bend-La Pine)

Deschutes County, Oregon

General Obligation Bonds, Series 2025

DATED: Date of Delivery

DUE: June 15, as shown below

MATURITY SCHEDULE –

Due June 15	Amount ⁽¹⁾	Interest Rate	Yield	CUSIP® 250325	Due June 15	Amount ⁽¹⁾	Interest Rate	Yield	CUSIP® 250325
2026	\$ 1,765,000				2037	\$ 6,265,000			
2027	2,000,000				2038	6,935,000			
2028	2,655,000				2039	7,700,000			
2029	3,120,000				2040	22,020,000			
2030	3,835,000				2041	24,085,000			
2031	4,385,000				2042	4,635,000			
2032	4,975,000				2043	5,095,000			
2033	5,615,000				2044	5,580,000			
2034	6,345,000				2045	6,100,000			
2035	7,100,000				2046	6,650,000			
2036	5,600,000				2047	7,240,000			

(1) Preliminary, subject to change.

The CUSIP® numbers herein are provided by CUSIP Global Services (CGS), which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. CUSIP is a registered trademark of the American Bankers Association. CUSIP numbers are provided for convenience of reference only. CUSIP numbers are subject to change. Neither the District nor the Purchaser take any responsibility for the accuracy of such CUSIP numbers.

No website mentioned in this Official Statement is part of this Official Statement, and readers should not rely upon any information presented on any such website in determining whether to purchase the Bonds. Any references to any website mentioned in this Official Statement are not hyperlinks and do not incorporate such websites by reference.

No dealer, broker, salesman or other person has been authorized by the District or Piper Sandler & Co. (the “Municipal Advisor”) to give information or to make any representations with respect to the Bonds, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The Bonds have not been registered under the Securities Act of 1933, as amended, and the Resolution has not been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such acts. The registration or qualification of the Bonds in accordance with applicable provisions of securities laws of the States in which the Bonds have been registered or qualified and the exemption from the registration or qualification in other states cannot be regarded as a recommendation thereof. Neither these States nor any of their agencies have passed upon the merits of the Bonds or the accuracy or completeness of this Official Statement. Any representation to the contrary may be a criminal offense.

This Preliminary Official Statement has been “deemed final” by the District, pursuant to Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, except for information which is permitted to be excluded from this Official Statement under said Rule 15c2-12.

Administrative School District No. 1 (Bend-La Pine)

520 NW Wall Street
Bend, Oregon 97703
(541) 355-1026

Board of Directors

Marcus LeGrand ⁽¹⁾	Chair
Carrie McPherson Douglass ⁽¹⁾	Vice-Chair
Kina Chadwick ⁽¹⁾	Director
Cameron Fischer	Director
Shirley Olson ⁽¹⁾	Director
Amy Tatom	Director
Ross Tomlin ⁽¹⁾	Director

School Administrative Staff

Dr. Steve Cook	Superintendent
Daniel Emerson	Chief Financial Officer

Bond Counsel

Hawkins Delafield & Wood LLP
Portland, Oregon
(503) 402-1320

Municipal Advisor

Piper Sandler & Co.
Portland, Oregon
(503) 275-8300

Paying Agent

U.S. Bank Trust Company, National Association
Portland, Oregon
(503) 464-4199

(1) Terms expire June 30, 2025. Board members LeGrand, Chadwick, Olson, and Tomlin were successful in running for re-election during the May 2025 election. Board member McPherson Douglass did not run for re-election. Jennifer Lynch was elected to the Board; her term will begin as of July 1, 2025.

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Official Notice of Sale

\$149,700,000⁽¹⁾

Administrative School District No. 1 (Bend-La Pine), Deschutes County, Oregon General Obligation Bonds, Series 2025

NOTICE IS HEREBY GIVEN that bids will be received on behalf of the Administrative School District No. 1 (Bend-La Pine) (the “District”), located in Deschutes County, Oregon for the purchase of the above-captioned General Obligation Bonds, Series 2025 (the “Bonds”) on:

Bid Date:	Wednesday, June 25, 2025
Bid Time:	9:00 a.m., Prevailing Pacific Time
Electronic Bids:	PARITY Bidding System (“Parity”)

Security

The Bonds are general obligations of the District. Pursuant to Oregon Revised Statutes (“ORS”) 287A.315 the District has pledged its full faith and credit and taxing power to pay the Bonds. The District covenants for the benefit of the owners of the Bonds that the District shall levy annually, as necessary, a direct ad valorem tax upon all of the taxable property within the District which is sufficient after discounts taken and delinquencies that may occur in the payment of such taxes, and other legally available amounts to pay all Bond principal and interest when due. This tax shall be in addition to all other taxes of the District and this tax shall not be limited in rate, amount or otherwise by Section 11 or 11b of Article XI of the Oregon Constitution. See “Security for the Bonds” in the Preliminary Official Statement.

THE BONDS DO NOT CONSTITUTE A DEBT OR INDEBTEDNESS OF DESCHUTES COUNTY (THE “COUNTY”), THE STATE, OR ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE DISTRICT.

Credit Enhancement

Payment of the principal of and interest on the Bonds when due is guaranteed by the full faith and credit of the State of Oregon under the provisions of the Oregon School Bond Guaranty Act.

Ratings

The District has received a rating on the Bonds of “Aa2” from Moody’s, and will pay the cost thereof. See “Rating” in the Preliminary Official Statement. The State Guaranty is rated “Aa1” by Moody’s Investors Service.

Interest Payments and Maturity

Interest on the Bonds is payable semiannually on June 15 and December 15 of each year until maturity, commencing December 15, 2025. The Bonds will be dated with their date of delivery, will be issued in the aggregate principal amount of \$149,700,000⁽¹⁾, and will mature on June 15 of the following dates in the following amounts, subject to adjustment as provided below:

Due		Due		Due		Due	
June 15	Amount ⁽¹⁾	June 15	Amount ⁽¹⁾	June 15	Amount ⁽¹⁾	June 15	Amount ⁽¹⁾
2026	\$ 1,765,000	2033	\$ 5,615,000	2040	\$ 22,020,000	2047	\$ 7,240,000
2027	2,000,000	2034	6,345,000	2041	24,085,000		
2028	2,655,000	2035	7,100,000	2042	4,635,000		
2029	3,120,000	2036	5,600,000	2043	5,095,000		
2030	3,835,000	2037	6,265,000	2044	5,580,000		
2031	4,385,000	2038	6,935,000	2045	6,100,000		
2032	4,975,000	2039	7,700,000	2046	6,650,000		

(1) Preliminary, subject to change.

Adjustment of Par Amount and Maturities

The Bonds will be awarded based on the maturity schedule above. However, the District reserves the right to decrease the total principal amount of the Bonds by an amount not to exceed twenty percent (20.00%) of the total following the opening of the bids. Within the limitations of the last sentence, the District also reserves the right to increase or decrease the par amount of any maturity by the greater of twenty percent (20.00%) of the par amount of that maturity or \$1,000,000 in order to properly size the issue and adjust debt service. Notice of any adjustment will be given to the winning bidder after bid opening. The underwriter's spread will be preserved at the same percentage as bid.

Optional Redemption

The Bonds maturing in years 2026 through 2035, inclusive, are not subject to optional redemption prior to maturity. The Bonds maturing on June 15, 2036 and on any date thereafter are subject to redemption at the option of the District prior to their stated maturity dates at any time on or after June 15, 2035, as a whole or in part, and if in part, with maturities to be selected by the District at a price of par, plus accrued interest, if any, to the date of redemption. See "Description of the Bonds-Redemption Provisions" in the Preliminary Official Statement for a summary of such terms.

Term Bonds

Bidders may designate two or more consecutive maturities of the Bonds, with identical interest rates, as Term Bonds. Each Term Bonds will mature on the final maturity date of its consecutive maturities, in an aggregate principal amount equal to the sum of the principal amounts of its consecutive maturities. Term Bonds will be subject to mandatory redemption at par and in accordance with operational procedures then in effect for The Depository Trust Company ("DTC"), New York, New York, in the amounts and on the dates which would have been consecutive maturities. See "Description of the Bonds - Redemption Provisions" in the Preliminary Official Statement for a summary of such terms. If no Term Bonds are designated in the winning bid, the Bonds will mature serially as provided in this Official Notice of Sale.

Book-Entry Only

The Bonds will be issued in registered, book-entry only form through DTC. Bonds will be available in denominations of \$5,000, or integral multiples. Unless the book-entry-only system is discontinued, Bond principal and interest payments will be made by the District to DTC through the District's Paying Agent. DTC will be responsible for making payments to beneficial owners of Bonds.

Authorization and Purpose

Article XI, Section 11 of the Oregon Constitution ("Article XI, Section 11"), requires majority voter approval for new or additional *ad valorem* property taxes for all May and November elections. The ballot measure for the Bonds was approved by a majority of the District's voters at the November 8, 2022 election. See "Authorization for Issuance" in the Preliminary Official Statement. Under and in accordance with State laws and provisions, specifically ORS Chapter 287A and ORS Section 328.205, the Bonds are being issued pursuant to an authorizing vote of electors of the District at the November 8, 2022 election and Resolution No. 1986 (the "Resolution") adopted by the District's Board of Directors (the "Board") on April 8, 2025 to finance capital costs.

Bidding Constraints

All bids will be subject to the terms and conditions of this Official Notice of Sale. All bids for the Bonds must comply with the following conditions: (1) the interest rate must be a multiple of 1/8 or 1/20th of one percent; (2) the Bonds must bear interest from their date to their stated maturity date at the interest rate specified in the bid; (3) all Bonds maturing on the same date must bear the same rate of interest; (4) bids must be for an amount of not less than one hundred percent (100.00%) and not more than one hundred and fifteen percent (115.00%) of the principal amount of the Bonds; (5) no bid will be considered that does not offer to purchase all of the Bonds; and (6) each individual maturity of the Bonds must be reoffered at a yield that will produce a price of not less than one hundred percent (100.00%) of the principal amount for that maturity.

Bids

Bids must be submitted via **PARITY**. Bids must be received by the **PARITY** system not later than the date and time indicated in the first paragraph of this Official Notice of Sale. To the extent any instructions or directions set forth in **PARITY** conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control. Bidders electing to submit bids through **PARITY** must obtain access to the **PARITY** system and bear all risks associated with using that system, including errors and delays in receipt of bids.

For further information about submitting a bid using **PARITY**, potential bidders may contact **PARITY** at Telephone: (212) 849-5021.

Selection of Best Bid and Award of Sale

Unless all bids are rejected, the Bonds will be sold to the responsible bidder submitting the bid which results in the lowest true interest cost based on the submitted bid to the District. True interest cost will be determined by doubling the semiannual interest rate necessary to discount the debt service on the Bonds to July 9, 2025 (the estimated closing date of the Bonds), and the price bid for the Bonds. Each bidder is requested to supply the total interest cost and the true interest cost that the District will pay on the Bonds if the bid is accepted.

Good Faith Deposit

The winning bidder will be required to provide a good faith deposit in the amount of \$1,500,000 in immediately available funds wired to the District not later than 2:00 p.m. (Prevailing Pacific Time) on June 25, 2025. The District or the District's Municipal Advisor will provide the wire information immediately upon the award of bids. If the good faith deposit is not provided in the manner and by the time indicated in this Notice, the District may award the sale to the next most favorable bidder or may cancel the sale.

The good faith deposit will be held by the District to secure the District from any loss resulting from the failure of the bidder to comply with the terms of its bid, and will be forfeited to the District as liquidated damages if the bidder to whom the Bonds are awarded withdraws its bid or fails to complete its purchase of the Bonds in accordance with this Official Notice of Sale and its bid.

Interest earnings on the good faith deposit will be the property of the District, and will not be credited against the purchase price of the Bonds. The successful bidder shall pay the balance of the purchase price of the Bonds at closing, in funds immediately available to the District on the date and at the time of closing.

Right of Rejection

The District reserves the right to reject any or all bids for any reason, and to waive any irregularities.

Right to Cancel, Change Timing and Terms of Sale

The District reserves the right to change the date, timing or terms under which the Bonds are offered for sale, or to cancel the sale based on market conditions, as communicated through TM3, the Bond Buyer Wire, or the Bloomberg News Network.

Establishment of Issue Price

By submitting a bid, each bidder is certifying that it is an underwriter of municipal bonds who has an established industry reputation for underwriting new issuances of municipal bonds, and that its bid is a firm offer to purchase the Bonds and is not a "courtesy bid" being submitted for the purpose of assisting in meeting the competitive sale requirements relating to the establishment of the "issue price" of the Bonds pursuant to Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), including the requirement that bids be received from at least three (3) underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds (the "Competitive Sale Requirements"). Prior to the formal award of the sale, and promptly after bids for the Bonds are due, the winning bidder shall provide the Municipal Advisor with the reoffering prices and yields (the "Initial Reoffering Prices"). The Municipal Advisor will advise the winning bidder at that time if the Competitive Sale Requirements were met. Bids are not subject to cancellation in the event that the competitive sale requirements are not satisfied.

Hold-the-Offering-Price. If the Municipal Advisor has informed the winning bidder that the Competitive Sale Requirements are not met, the winning bidder:

- (a) will offer the Bonds to the public at the Initial Reoffering Prices and provide Bond Counsel with reasonable supporting documentation prior to the delivery of the Bonds, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel,
- (b) will neither offer nor sell to any person any Bonds within any maturity for which less than ten percent (10%) of such maturity has been sold to the public at the Initial Reoffering Prices as of the date of award (the "Unsold Bonds") at a price that is higher, or a yield that is lower, than the Initial Reoffering Price of such maturity until the earlier of (i) the date on which the winning bidder has sold to the public at least 10 percent of the Bonds of such maturity at a price that is no higher, or a yield that is no lower, than the Initial Reoffering Price of such maturity or (ii) the close of business on the 5th business day after the date of the award of the Bonds, and
- (c) has or will include within any agreement among underwriters, any selling group agreement and each retail distribution agreement or any similar document (to which the winning bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, language obligating each underwriter to comply with the limitations on the sale of the Bonds as set forth in (a) and (b) above.

For purposes of this Notice, a "maturity" refers to Bonds that have the same interest rate, credit and payment terms.

For purposes of this Notice, the "public" does not include (i) the winning bidder or any person that agrees pursuant to a written contract with the winning bidder to participate in the initial sale of the Bonds to the public (such as a retail distribution agreement between a national lead underwriter and a regional firm under which the regional firm participates in the initial sale of the Bonds to the public), or (ii) any entity that is a "related party" to an entity identified in (i).

Two entities are "related parties" if the entities are subject, directly or indirectly, to more than 50 percent common ownership of (i) the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) their capital interests or profit interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

Regardless of whether or not the Competitive Sale Requirements were met, the winning bidder shall submit to the District a certificate (the "Issue Price Certificate"), satisfactory to Bond Counsel and the winning bidder, prior to the delivery of the Bonds substantially in the form attached hereto as Appendix A to the Notice of Sale.

The District acknowledges that, in making any representations as set forth above regarding the Hold-the-Offering-Price rule, the winning bidder will rely on (i) the agreement of each underwriter to comply with the Hold-the-Offering-Price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the Hold-the-Offering-Price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the Hold-the-Offering-Price rule, as set forth in the retail distribution agreement and the related pricing wires. The District further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the Hold-the-Offering-Price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the Hold-the-Offering-Price rule as applicable to the Bonds.

Legal Opinion

The approving opinion of Hawkins Delafield & Wood LLP, Bond Counsel, of Portland, Oregon, substantially in the form attached to the Preliminary Official Statement as Appendix A, will be delivered to the District at closing. A reliance letter will be provided at no cost to the successful bidder.

Tax-Exempt Status

In the opinion of Bond Counsel, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the District in connection with the Bonds, and Bond Counsel has assumed compliance by the District with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code. In addition, in the opinion of Bond Counsel to the District, under existing statutes, interest on the Bonds is exempt from State of Oregon personal income tax.

Not Bank Qualified

The District has not designated the Bonds as "qualified tax-exempt obligations" under Section 265(b)(3)(B) of the Code.

Delivery

It is expected that delivery of the Bonds will be made to the Paying Agent under DTC's Fast Automated Securities Transfer (FAST) program, without cost to the bidder. Delivery of the Bonds will be made on or about July 9, 2025.

CUSIP

The Municipal Advisor will apply for CUSIP numbers prior to the sale date. The charge of the CUSIP Service Bureau will be paid by the District.

CUSIP identification numbers will appear on the Bonds, but neither the failure to insert such numbers on the Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder thereof to accept delivery of and pay for the Bonds in accordance with the terms of this Official Notice of Sale.

Continuing Disclosure

The District will undertake to provide continuing disclosure for the benefit of the owners in compliance with SEC Rule 15c2-12. The form of the undertaking is attached as Appendix D to the Preliminary Official Statement.

Compliance with SEC Rules

The District agrees to provide the successful bidder with one copy of the Final Official Statement in Adobe Portable Document Format (PDF), not later than the seventh business day following the date on which bids are due, to enable the successful bidder to satisfy its responsibilities under the SEC rules, at the expense of the District. The District will also provide paper copies of the Final Official Statement at the request and expense of the bidder. Bidders should expect that the Final Official Statements will not be available prior to the seventh business day following the date on which bids are due, and should not issue confirmations which request payment prior to that date. This provision will constitute a contract with the successful bidder upon acceptance of its bid by the District, in compliance with Section 240.15c2-12(b)(3) in Chapter II of Title 17 of the Code of Federal Regulations.

Bidder's Option Insurance

Bids for the Bonds may not be conditioned upon obtaining insurance or any other credit enhancement. The District does not intend to qualify the Bonds for municipal bond insurance. If the successful bidder wishes to obtain municipal bond insurance for any of the Bonds, the District will cooperate with the bidder and the insurer to allow the insurance to be issued, but only if doing so does not increase the District's risks or expense. All costs related to municipal bond insurance for the Bonds must be paid by the successful bidder, and no difficulty with, or failure to obtain, any municipal bond insurance will excuse the successful bidder from its obligation to purchase the Bonds pursuant to its bid.

Closing Certificates

At the time of payment for the delivery of the Bonds, the District will furnish the successful bidder a certificate confirming that there is no material litigation pending that is not disclosed in the Official Statement, and that the portions of the Official Statement describing the District do not contain any material misstatements or omissions.

Municipal Advisor

Requests for additional information about this sale should also be directed to Lauren MacMillan, Piper Sandler & Co. (the "Municipal Advisor") at (503) 275-8302.

Preliminary Official Statement and Additional Information

The Preliminary Official Statement for the Bonds (with this Official Notice of Sale) is available in electronic form from i-Deal Prospectus. For information on electronic delivery, please call the i-Deal Prospectus at (212) 849-5024 or contact the Municipal Advisor.

- End of Official Notice of Sale -

FORM OF ISSUE PRICE CERTIFICATE

\$_____,_____,_____

Administrative School District No. 1 (Bend-La Pine), Deschutes County, Oregon General Obligation Bonds, Series 2025

_____, as the [lead] underwriter and winning bidder (the "Winning Bidder") in connection with the competitive sale by the Administrative School District No. 1 (Bend-La Pine), Deschutes County, Oregon (the "District") of its \$_____ aggregate principal amount General Obligation Bonds, Series 2025 (the "Bonds") pursuant to the Notice of Sale published on [PUBLICATION DATE], hereby certifies as follows:

[the following (1)-(4) to be used if competitive sale requirements are met]

1. The Winning Bidder reasonably expected to reoffer the Bonds on [SALE DATE] to the Public at the prices or yields set forth in the District's final Official Statement relating to the Bonds (the "Official Statement").
2. ATTACHMENT I is a true and correct copy of the bid provided by the Winning Bidder to purchase the Bonds.
3. The Winning Bidder was not given the opportunity to review other bids prior to submitting its bid.
4. The bid submitted by the Winning Bidder constituted a firm offer to purchase the Bonds.

[the following (1)-(4) to be used if competitive sale requirements are not met]

1. As of [SALE DATE] (the "Sale Date"), all of the Bonds have been the subject of an offering to the Public at the prices or yields set forth in the District's Official Statement relating to the Bonds (the "Official Statement").
2. Attached hereto as ATTACHMENT I is a copy of the pricing wire for the Bonds or an equivalent communication showing that each Maturity of the Bonds was offered to the Public on the Sale Date at the price or yield set forth in the Official Statement (the "Initial Offering Price").
3. As of the Sale Date, except for the [PLEASE IDENTIFY UN/UNDERSOLD MATURITIES] (the "Unsold Maturities"), the first price or yield at which at least 10 percent of each Maturity of the Bonds was sold by the Underwriters to the Public was the price or yield set forth in the Official Statement (the "Initial Offering Price").
4. Following the Sale Date, with respect to each Unsold Maturity, the Underwriters, as defined below, in compliance with the applicable provisions of the Notice of Sale, have each agreed in writing not to, and have not, offered or sold the Bonds comprising any such Unsold Maturity to the Public at a price that is higher or yield that is lower than the Initial Offering Price during the period starting on the Sale Date and ending on the earlier of the following: (a) the close of the fifth business day after the Sale Date, or (b) the date on which at least 10 percent of the bonds of the Unsold Maturity has been sold to the Public.

5. For purposes of this certificate, the following definitions will apply:

"Public" means any person (including an individual, trust, estate, partnership, association, company or corporation) other than an Underwriter or a Related Party, as defined below, to an Underwriter.

“Underwriter” means (i) the Winning Bidder, (ii) any person that agrees pursuant to a written contract with the Winning Bidder to form an underwriting syndicate to participate in the initial sale of the Bonds to the Public, and (iii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) or (ii) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

“Related Party” means any entity if an Underwriter and such entity are subject, directly or indirectly, to more than 50 percent common ownership of (i) the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) their capital interests or profit interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

We understand that the representations contained herein may be relied upon by the District in making certain of the representations contained in the Tax Certificate, and we further understand that Hawkins Delafield & Wood LLP, as bond counsel to the District, may rely upon this certificate, among other things, in providing an opinion with respect to the exclusion from gross income of interest on the Bonds pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”). The undersigned is certifying only as to facts in existence on the date hereof. Nothing herein represents the undersigned’s interpretation of any laws; in particular the regulations under the Code, or the application of any laws to these facts. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein. Although certain information furnished in this Certificate has been derived from other purchasers who may be considered Related Parties to the Winning Bidder and cannot be independently verified by us, we have no reason to believe it to be untrue in any material respect.

Dated as of the ____ day of _____, 2025.

[Name of Winning Bidder]

By: _____
Authorized Officer

Name: _____

Title: _____

OFFICIAL STATEMENT
Administrative School District No. 1 (Bend-La Pine)
Deschutes County, Oregon

\$149,700,000⁽¹⁾
General Obligation Bonds, Series 2025

Administrative School District No. 1 (Bend-La Pine) (the “District”), located in Deschutes County, Oregon, a school district duly organized and existing under and by virtue of the laws of the State of Oregon (the “State”) furnishes this Official Statement in connection with the offering of \$149,700,000⁽¹⁾ aggregate principal amount of General Obligation Bonds, Series 2025 (the “Bonds”), dated the Date of Delivery. This Official Statement, which includes the cover page, inside cover page, appendices, Notice of Sale and its attachments, provides information concerning the District and the Bonds.

Certain statements contained in this Official Statement do not reflect historical facts but are forecasts and “forward-looking statements.” No assurance can be given that the future results discussed herein will be achieved, and actual results may differ materially from the forecasts described herein. In this respect, words such as “estimated,” “projected,” “anticipate,” “expect,” “intend,” “plan,” “believe” and similar expressions are intended to identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. All projections, assumptions and other forward-looking statements are expressly qualified in their entirety by the cautionary statements set forth in this Official Statement.

Description of the Bonds

Authorization for Issuance

Ballot Measure. Article XI, Section 11 of the Oregon Constitution (“Article XI, Section 11”), requires majority voter approval for new or additional *ad valorem* property taxes for all May and November elections. The ballot measure for the Bonds was approved by a majority of the District’s voters at the November 8, 2022 election. Final election results were as follows:

Official Voter Tally

	Number of Votes	Percentage of Total Votes
Yes	42,265	59.51%
No	28,782	40.49%

Source: Deschutes County Elections Division, December 2, 2022.

The ballot measure authorized the issuance of \$249,700,000 aggregate principal amount of general obligation bonds in one or more series and with each series to mature over a period not to exceed 25 years. The District issued \$100,000,000 of the authorized amount in 2023. This issue is for the remaining authorization.

Under and in accordance with State laws and provisions, specifically Oregon Revised Statutes (“ORS”) Chapter 287A and Section 328.205, the Bonds are being issued pursuant to the approving vote described above and Resolution No. 1986 (the “Resolution”) adopted by the District’s Board of Directors (the “Board”) on April 8, 2025.

(1) Preliminary, subject to change.

Principal Amount, Date, Interest Rates and Maturities

The Bonds will be issued in the aggregate principal amount posted on the cover of this Official Statement and will be dated and bear interest from the Date of Delivery. The Bonds will mature on the dates and in the principal amounts set forth on the inside cover of this Official Statement. Interest on the Bonds is payable semiannually on June 15 and December 15 of each year, commencing December 15, 2025, until the maturity or earlier redemption of the Bonds and will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Paying Agent and Registration Features

Paying Agent. The principal of and interest on the Bonds will be payable by U.S. Bank Trust Company, National Association (the "Paying Agent") to The Depository Trust Company ("DTC"), which, in turn, is obligated to remit such principal and interest to its participants ("DTC Participants") for subsequent disbursement to the persons in whose names such Bonds are registered (the "Beneficial Owners") of the Bonds, as further described in Appendix C attached hereto.

Book-Entry System. The Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co. as owner and as nominee for DTC. DTC will act as securities depository for the Bonds. Individual purchases and sales of the Bonds may be made in book-entry form only in minimum denominations of \$5,000 within a single maturity and integral multiples thereof. Purchasers will not receive certificates representing their interest in the Bonds. See "Appendix C – Book Entry Only System" for additional information.

Procedure in the Event of Revisions of Book-Entry Transfer System. If the District discontinues maintaining the Bonds in book-entry only form, the District shall cause the Paying Agent to authenticate and deliver replacement Bonds in fully registered form in authorized denominations in the names of the Beneficial Owners or their nominees; thereafter the provisions set forth in the Bonds, regarding registration, transfer and exchange of Bonds shall apply.

Redemption Provisions

Optional Redemption. The Bonds maturing in years 2026 through 2035, inclusive, are not subject to optional redemption prior to maturity. The District reserves the right to redeem all or any portion of the Bonds maturing on or after June 15, 2036 at the option of the District on June 15, 2035 and on any date thereafter in whole or in part, in any order of maturity with maturities selected by the District, at a price of par, plus accrued interest to the date of redemption. [A Term Bond subject to optional redemption and redeemed in part will have the principal amount redeemed within the respective mandatory redemption dates selected by the District.]

For as long as the Bonds are in book-entry only form, if fewer than all of the Bonds of a maturity are called for redemption, the selection of Bonds within a maturity to be redeemed shall be made by DTC in accordance with its operational procedures then in effect. See Appendix C attached hereto. If the Bonds are no longer held in book-entry only form, then the Paying Agent would select Bonds for redemption by lot.

[*Mandatory Redemption.* If not previously redeemed under the provisions for optional redemption, the Term Bonds maturing on June 15 in the years ____ and ____ are subject to mandatory redemption (in such manner as the Paying Agent and DTC will determine or by lot by the Paying Agent) on June 15 of the following years in the following principal amounts, at a price of par plus accrued interest to the date of redemption.]

[TO BE PROVIDED IN FINAL OFFICIAL STATEMENT]

Notice of Redemption (Book-Entry). So long as the Bonds are in book-entry only form and unless DTC consents to a shorter period, the Paying Agent shall notify DTC of any redemption not less than 20 days and not more than 60 days prior to the date fixed for redemption, and shall provide such information in connection therewith as required by a letter of representation submitted to DTC. Unless waived by the Paying Agent, the District shall give written notice of the intended redemption of the Bonds to the Paying Agent not later than five business days before the date notice of redemption of the Bonds is required to be made. The District reserves the right to rescind any redemption notice.

Notice of Redemption (No Book-Entry). During any period in which the Bonds are not in book-entry only form, unless waived by any Owner of the Bonds to be redeemed, official notice of any redemption of Bonds shall be given by the Paying Agent on behalf of the District by mailing a copy of an official redemption notice in a form generally accepted in the municipal markets by first class mail, postage prepaid, at least 30 days and not more than 60 days prior to the date fixed for redemption, to the Owners of the Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Owner to the Paying Agent. Unless waived by the Paying Agent, the District shall give written notice of the intended redemption of the Bond to the Paying Agent not later than five business days before the date notice of redemption of the Bonds is required to be made. The District reserves the right to rescind any redemption notice.

Conditional Notice. Any notice of optional redemption to the Paying Agent or to the Owners may state that the optional redemption is conditional upon receipt by the Paying Agent of moneys sufficient to pay the redemption price of such Bonds or upon the satisfaction of any other condition, and/or that such notice may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before payment of such redemption price if any such condition so specified is not satisfied or if any such other event occurs. Notice of such rescission or of the failure of any such condition shall be given by the Paying Agent to affected Owners of Bonds as promptly as practicable.

Defeasance

The District may defease the Bonds by setting aside, with a duly appointed escrow agent, in a special escrow account irrevocably pledged to the payment of the Bonds to be defeased, cash or direct obligations of the United States or obligations the principal of and interest on which are fully and unconditionally guaranteed by United States in an amount which, in the opinion of an independent certified public accountant, is sufficient without reinvestment to pay all principal and interest on the defeased Bonds until their maturity date or any earlier redemption date. Bonds which have been defeased pursuant to the Resolution shall be deemed paid and no longer outstanding, and shall cease to be entitled to any lien, benefit or security under the Resolution except the right to receive payment from such special escrow account.

Default and Remedies

The occurrence of one or more of the following shall constitute an Event of Default under the Resolution and the Bonds:

- a. Failure by the District to pay Bond principal, interest or premium when due;
- b. Failure by the District to observe and perform any covenant, condition or agreement on its part to be observed or performed for the benefit of Owners of Bonds, for a period of sixty (60) days after written notice to the District by the Owners of fifty-one (51%) percent or more of the principal amount of Bonds then Outstanding specifying such failure and requesting that it be remedied; provided however, that if the failure stated in the notice cannot be corrected within such sixty (60) day period, it shall not constitute an Event of Default so long as corrective action is instituted by the District within the sixty (60) day period and diligently pursued, and the default is corrected as promptly as practicable after the written notice referred to in this paragraph; or,
- c. The District is adjudged insolvent by a court of competent jurisdiction, admits in writing its inability to pay its debts generally as they become due, files a petition in bankruptcy, or consents to the appointment of a receiver for the payments.

The Owners of fifty-one (51%) percent or more of the principal amount of Bonds then Outstanding may waive any Event of Default and its consequences, except an Event of Default as described in (a) of this Section.

Upon the occurrence and continuance of any Event of Default the Owners of fifty-one (51%) percent or more of the principal amount of Bonds then Outstanding may take whatever action may appear necessary or desirable to enforce or to protect any of the rights of the Owners of Bonds, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in the Resolution or the

Bonds or in aid of the exercise of any power granted in the Resolution or in the Bonds or for the enforcement of any other legal or equitable right vested in the Owners of Bonds by the Resolution or the Bonds or by law. However, the Bonds shall not be subject to acceleration.

No remedy in the Resolution conferred upon or reserved to Owners of Bonds is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Resolution or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. To entitle the Owners of Bonds to exercise any remedy reserved to them, it shall not be necessary to give any notice other than such notice as may be required by the Resolution or by law.

Purpose and Use of Proceeds

Purpose

The proceeds from the sale of the Bonds will be used to finance capital costs (the "Project") and to pay the costs of issuance of the Bonds.

Specifics on the Project include:

- Repairs, maintenance and preservation of existing buildings District-wide including replacement of aging roofs, inefficient heating and ventilation systems and making energy saving improvements;
- Making District-wide safety upgrades including classroom locking systems and fire life safety systems;
- Modernizing aging classrooms including replacing the oldest and most inefficient buildings at Bend Senior High School and adding instructional spaces, and equipping and furnishing schools at other District facilities; and
- Financing other capital costs for the District.

Sources and Uses of Funds

The proceeds of the Bonds are estimated to be applied as follows:

Estimated Sources and Uses of Funds

Sources of Funds⁽¹⁾	
Par Amount of Bonds	\$ 149,700,000 ⁽²⁾
Original Issue Premium/ (Discount)	_____
Total Sources of Funds	<u>\$ _____</u>
Uses of Funds⁽¹⁾	
Available for the Project	\$ _____
Underwriting, Credit Enhancement and Issuance Costs	_____
Total Uses of Funds	<u>\$ _____</u>

(1) Amounts will be provided in the final Official Statement.

(2) Preliminary, subject to change.

Security for the Bonds

General

The Bonds are general obligations of the District. Pursuant to ORS 287A.315 the District has pledged its full faith and credit and taxing power to pay the Bonds. The District covenants for the benefit of the owners of the Bonds that the District shall levy annually, as necessary, a direct ad valorem tax upon all of the taxable property within the District which is sufficient after taking into consideration discounts taken and delinquencies that may occur

in the payment of such taxes, and other legally available amounts to pay all Bond principal and interest when due. This tax shall be in addition to all other taxes of the District, and this tax shall not be limited in rate, amount or otherwise by Sections 11 or 11b of Article XI of the Oregon Constitution.

The District may, subject to applicable laws, apply other funds available to make payments with respect to the Bonds and thereby reduce the amount of future tax levies for such purpose.

The Bonds do not constitute a debt or indebtedness of Deschutes County (the "County"), the State, or any political subdivision thereof other than the District.

Oregon School Bond Guaranty Program

Guaranty Provisions. Article XI-K of the Constitution of the State of Oregon (the "State") allows the State to guarantee the general obligation bonded indebtedness of school districts, education service districts, and community college districts (generally "school district" or "school districts") in order to secure lower interest costs on general obligation bonds of such districts. Payment of the principal of and interest on the Bonds when due is guaranteed by the full faith and credit of the State under the provisions of the Oregon School Bond Guaranty Act - Oregon Revised Statutes (ORS) 328.321 to 328.356 (the "Act"). As provided in ORS 328.326(1)(a):

The State Treasurer may, by issuing a certificate of qualification to a school district, pledge the full faith and credit and taxing power of the state to guarantee full and timely payment of the principal of, either at the stated maturity or by advancement of maturity pursuant to a mandatory sinking fund payment, and interest on school bonds as such payments shall become due, except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration.

The Act further provides that (i) the guaranty of the State does not extend to the payment of any redemption premium due on any bonds guaranteed under the Guaranty Act and (ii) any bond guaranteed by the State under the Act that is refunded no longer has the benefit of the guaranty from and after the date on which that bond is considered to be paid.

Guaranty Procedures - Regularly Scheduled Debt Service Payments. Each school district with outstanding, unpaid bonds guaranteed under the Act, shall transfer moneys sufficient for the scheduled debt service payment to its paying agent at least 15 days before any principal or interest payment date for the bonds. The paying agent may invest the moneys for the benefit of the school district until the payment date. A school district that is unable to transfer the scheduled debt service payment to the paying agent 15 days before the payment date shall immediately notify the paying agent and the State Treasurer. Such notification shall be made to the Office of the State Treasurer as prescribed in the Act. The Act further provides that if sufficient funds are not transferred to the paying agent as required above, the paying agent shall notify the State Treasurer of that failure at least 10 days before the scheduled debt service payment in the manner prescribed in the Act.

Monitoring. Beginning with bonds issued with the guaranty of the State on and after October 30, 2009, a school district with outstanding, unpaid bonds which are guaranteed under the Act, must enter into an agreement with a paying agent under which the paying agent provides the district with notice by January 15 of each year of any required debt service amounts (including any scheduled deposits to a sinking fund for the bonds) due during the following fiscal year. The paying agent must also notify the district of any debt service amounts (including any scheduled deposits to a sinking fund) that must be paid or deposited over the next two fiscal years. In addition, for bonds originally issued as tax credit bonds under the Internal Revenue Code and any bonds resulting from conversion of such bonds ("Qualified Bonds"), the district must provide written verification by May 1 of each year to its paying agent that it has made any required sinking fund deposits. The paying agent must notify the State Treasurer if it does not receive such verification. Further, the district must report to the State Treasurer, at least annually, the amount of monies paid into its debt service fund to pay the Qualified Bonds and a calculation demonstrating that such deposits are projected to be sufficient to repay the Qualified Bonds in full when payment is due. If annual payments are not made to the debt service fund, the district must

demonstrate that the current balance in the fund, plus any scheduled future deposits, will be sufficient to repay the Qualified Bonds when due.

Payment under the Guarantee. If sufficient moneys to pay a scheduled debt service payment have not been transferred to the paying agent, the State Treasurer shall, on or before the scheduled payment date, transfer sufficient moneys to the paying agent to make the scheduled debt service payment. If sufficient moneys of the State are not on hand and available at the time the State is required to make a debt service payment under its guaranty on behalf of the school district, the State Treasurer may singly or in combination:

- Obtain from the Common School Fund or from any other State funds that qualify to make a loan under ORS 293.205 to 293.225, a loan sufficient to make the required payment;
- Borrow money, if economical and convenient, as authorized by ORS 286A.045;
- Issue State general obligation bonds as provided for in Article XI-K of the Constitution and the Act; and,
- With the approval of the Legislative Assembly, or the Emergency Board if emergency funds are lawfully available for making the required payment in the interim between sessions of the Legislative Assembly, pay moneys from the General Fund or any other funds lawfully available for the purpose or from emergency funds amounts sufficient to make the required payment.

Any payment of scheduled debt service payments by the State Treasurer on behalf of a school district (i) discharges the obligation of the issuing school district to its bondholders for the payment, and (ii) transfers the rights represented by the general obligation of the school district from the bondholders to the State.

State Repayment. If one or more payments are made by the State Treasurer as provided for in the Act, the State Treasurer shall pursue recovery from the school district of all moneys necessary to reimburse the State. In seeking recovery, the State Treasurer may (i) intercept any payments from the General Fund, the State School Fund, the income of the Common School Fund and any other source of operating moneys provided by or through the State to the school district that issued the bonds that would otherwise be paid to the school district by the State, and (ii) exercise the rights of a secured creditor in any money or assets pledged by the school district to secure its reimbursement obligation to the State. The Treasurer may apply any intercepted payments or secured assets to reimburse the State for payments made pursuant to the State's guaranty until all obligations of the school district to the State arising from those payments, including any interest and penalties, are paid in full. The State has no obligation to the school district or to any person or entity to replace any moneys intercepted under the Act. The authority of the Treasurer to intercept payments under the Act has priority over all claims against money provided by the State to a school district, including a claim based on a fund's diversion agreement under ORS 238.698.

Additionally, in accordance with the Act, if the State Treasurer determines that it is necessary the State Treasurer shall pursue any legal action, including but not limited to mandamus or foreclosure of a security interest, against the school district or school district board and may compel the school district to (i) levy and provide property tax or other revenues to pay debt service on its bonds and other obligations when due, and (ii) meet its repayment obligations to the State. The Attorney General shall assist the State Treasurer in pursuing such rights of recovery under the Act.

At all times, the school district shall continue to be responsible for the payment of all debt service payments on its bonds. A school district that issued bonds for which the State makes all or part of a debt service payment shall be responsible for reimbursing all moneys drawn or paid by the State Treasurer on its behalf. In addition the school district shall pay interest to the State on all moneys paid by the State from the date the moneys were drawn to the date they are repaid at a rate to be determined by the State Treasurer, in the State Treasurer's discretion, to be sufficient to cover the costs of funds to the State plus the costs of administration of the guaranty obligation and of collection of reimbursement.

Guaranty Limit. Under Article XI-K of the State Constitution, the amount of debt that the State may incur in honoring its guaranty of school bonds may not exceed, at any one time, one-half of one percent of the real market value (RMV) of all taxable property in the State. The State of Oregon has not issued bonds to provide money to satisfy its guaranty of school bonds participating in the program and does not anticipate the need to issue bonds for this purpose in the future.

As of May 6, 2025, the State had guaranteed the following (not including this bond issue or those issues guaranteed between the date identified above and the date of this issue) under the Guaranty Act:

Number of bond issues guaranteed under the Guaranty Program:	285
Aggregate principal amount outstanding of bonds guaranteed at:	\$ 10,129,513,664
Aggregate debt service amount outstanding of bonds guaranteed at:	\$ 15,383,043,205

Guaranty Contact Person. As of the date of this Official Statement, requests for information regarding the Guaranty Program may be directed to:

Elizabeth Steiner, MD, Oregon State Treasurer
Oregon School Bond Guaranty Program
Office of the State Treasurer
Debt Management Division
867 Hawthorne Ave SE
Salem, OR 97301-5241
Phone (503) 378-4930 – Fax (503) 378-2237

State of Oregon – Financial and Operating Information. The most recent Annual Comprehensive Financial Report (the “ACFR”) of the State, and its most recent Official Statement for its general obligation debt, are currently on file with the Electronic Municipal Market Access (“EMMA”) system, operated by the Municipal Securities Rulemaking Board (“MSRB”). The financial and operating information with respect to the State contained in the ACFR, and such Official Statement, are hereby included by reference in this Official Statement. Additionally, the ACFR and the most recent Official Statement for its general obligation debt are available upon request from the State’s contact person as indicated under Guaranty Contact Person above.

As of the date of this Official Statement, the outstanding general obligation bonds of the State are rated “AA+” by Fitch Ratings, “Aa1” by Moody’s Investors Service, and “AA+” by S&P Global Ratings.

State of Oregon – Continuing Disclosure. The State has executed a Master Disclosure Certificate (the “Certificate”) for the benefit of registered and beneficial holders of bonds guaranteed under the Guaranty Program and to assist Underwriters of such bonds in complying with paragraph (b)(5) of Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. § 240.15c2-12) (the “Rule”). The Certificate can be found in Appendix E. The State, in accordance with the Certificate, provides annually copies of its most recent ACFR of the State to the MSRB through depositing such information with EMMA. In addition, the State will provide the MSRB, through EMMA, event notices as described in the Certificate pertaining to the State of Oregon’s guaranty of the bonds. These filings may be accessed on EMMA-MSRB, search Issuers for State of Oregon.

State Intercepts

Pursuant to ORS 328.346(1)(c), the authority of the State Treasurer to intercept payments and the lien in any pledged moneys under the Oregon School Bond Guaranty (“OSBG”) program, have priority over all claims against money provided by the state to a school district, including a claim that is based on a funds diversion agreement under ORS 238.698. Such funds diversion agreements include intercept agreements for pension bonds, qualified school construction and qualified zone academy bonds. The same statute provides that such funds diversion agreements have priority over all other claims against money provided by the state to a school district other than claims under the OSBG. The District’s General Obligation Bonds, Series 2017; General Obligation Bonds, Series 2019; General Obligation Refunding Bonds, Series 2021, and General Obligation Bonds, Series 2023 are secured by the OSBG. The District’s Limited Tax Pension Obligations, Series 2002; Limited Tax Pension Obligations, Series 2003; and Limited Tax Pension Obligations, Series 2004 each have an intercept agreement.

Bonded Indebtedness

Debt Limitation

General Obligation Bonds. ORS 328.245 establishes a parameter of bonded indebtedness for school districts. Kindergarten through twelfth grade school districts may issue an aggregate principal amount up to 7.95 percent of the Real Market Value of all taxable properties within the district if the district's voters approve the general obligation bonds. General obligation bonds are secured by the power to levy an additional tax outside the limitations of Article XI, Sections 11 and 11b. **The Bonds are general obligation bonds and are subject to this debt limitation. The District's remaining debt capacity under this debt limit is shown below:**

Administrative School District No. 1 (Bend-La Pine) General Obligation Debt Capacity

Measure 5 Real Market Value (Fiscal Year 2025) ⁽¹⁾	\$ 59,850,222,005
Debt Capacity	
General Obligation Debt Capacity (7.95% of Real Market Value)	\$ 4,758,092,649
Less: Outstanding Debt Subject to Limit	(517,310,000) ⁽²⁾
Remaining General Obligation Debt Capacity	\$ 4,240,782,649
Percent of Capacity Issued	10.87%

- (1) Value represents the Real Market Value of taxable properties, including the reduction in Real Market Value of specially assessed properties such as farm and forestland. This value is also commonly referred to as the Measure 5 Real Market Value by county assessors. The District's fiscal year commences July 1 and ends on June 30 of the following year (the "Fiscal Year"). *Source: Deschutes County Department of Assessment and Taxation.*
- (2) Represents voter-approved, unlimited-tax general obligations of the District, including the Bonds. Preliminary, subject to change. *Source: Administrative School District No. 1 (Bend-La Pine) Audited Financial Reports for the Fiscal Year Ended June 30, 2024, and this issue.*

Full Faith and Credit Obligations/Limited Tax Obligations. School districts may pledge their full faith and credit for "limited tax bonded indebtedness" or "full faith and credit obligations" in addition to pledging the full faith and credit for voter approved general obligation bonds. The Oregon Constitution and statutes do not limit the amount of limited tax bonded indebtedness that a school district may issue. Full faith and credit obligations can take the form of certificates of participation, notes or capital leases. Collection of property taxes to pay principal and interest on such limited-tax debt is subject to the limitations of Article XI, Sections 11 and 11b. **The full faith and credit of the District is pledged to pay the Bonds in addition to the unlimited property tax authorized by voters. The Bonds are not limited tax obligations.**

Pension Bonds. ORS 238.694 authorizes school districts to issue full faith and credit obligations to pay pension liabilities without limitation as to principal amount. Pension bonds are not general obligations as defined under State law and districts are not authorized to levy additional taxes to make pension bond payments. **The Bonds are not pension bonds.**

Revenue Bonds. Pursuant to ORS 287A. 150, school districts may issue revenue bonds that are secured solely by a specified source of revenues, such as transportation fees or construction excise taxes. **The Bonds are not revenue bonds.**

Notes. ORS 287A.180 provides that school districts may borrow money in anticipation of tax revenues or other monies and to provide interim financing ("notes"). **The Bonds are not notes.**

Outstanding Long-Term Debt

Issue Description	Date of Issue	Date of Maturity	Amount Issued	Amount Outstanding ⁽¹⁾
<i>General Obligation Bonds</i> ⁽²⁾ :				
Series 2017	08/31/17	06/15/37	\$ 175,000,000	\$ 149,390,000
Series 2019	07/24/19	06/15/39	93,300,000	73,075,000
Series 2021	12/07/21	06/15/33	80,795,000	58,590,000
Series 2023	03/02/23	06/15/47	100,000,000	86,555,000
Series 2025 ⁽³⁾	07/09/25	06/15/47	149,700,000	149,700,000
Total General Obligation Bonds				<u>517,310,000</u>
<i>Full Faith and Credit Obligations:</i>				
Series 2019	03/21/19	03/01/29	1,390,000	556,000
Series 2020	05/28/20	06/01/30	1,250,000	625,000
2025 Apple Lease	05/15/25	06/15/28	1,856,494	1,432,035
Total Full Faith and Credit Obligations				<u>2,613,035</u>
<i>Pension Obligations</i> ⁽²⁾ :				
Series 2002	10/31/02	06/30/28	40,926,719	12,850,000
Series 2003	04/21/03	06/30/28	25,316,993	8,160,000
Series 2004	02/19/04	06/30/28	5,930,000	1,680,000
Total Pension Obligations				<u>22,690,000</u>
Total Long-Term Debt				<u>\$ 542,613,035</u>

(1) As of Date of Delivery.

(2) Also secured by the full faith and credit of the District.

(3) This issue. Preliminary, subject to change.

Source: Administrative School District No. 1 (Bend-La Pine) Audited Financial Reports for the Fiscal Year Ended June 30, 2024.

**General Obligation Bonds
Projected Debt Service Requirements**

Fiscal Year	Outstanding Bonds		The Bonds⁽¹⁾		Total Debt Service⁽¹⁾
	Principal	Interest	Principal	Interest	
2026	\$ 23,885,000	\$ 12,649,617	\$ 1,765,000	\$ 6,986,000	\$ 45,285,617
2027	26,190,000	11,737,067	2,000,000	7,396,750	47,323,817
2028	28,555,000	10,711,637	2,655,000	7,296,750	49,218,387
2029	30,970,000	9,688,163	3,120,000	7,164,000	50,942,163
2030	18,840,000	8,745,658	3,835,000	7,008,000	38,428,658
2031	20,400,000	8,170,785	4,385,000	6,816,250	39,772,035
2032	22,060,000	7,533,329	4,975,000	6,597,000	41,165,329
2033	23,825,000	6,816,520	5,615,000	6,348,250	42,604,770
2034	25,650,000	6,032,013	6,345,000	6,067,500	44,094,513
2035	27,570,000	5,219,213	7,100,000	5,750,250	45,639,463
2036	14,325,000	4,343,213	5,600,000	5,395,250	29,663,463
2037	15,440,000	3,881,200	6,265,000	5,115,250	30,701,450
2038	16,660,000	3,381,250	6,935,000	4,802,000	31,778,250
2039	17,885,000	2,846,850	7,700,000	4,455,250	32,887,100
2040	5,680,000	2,271,000	22,020,000	4,070,250	34,041,250
2041	6,190,000	1,987,000	24,085,000	2,969,250	35,231,250
2042	5,890,000	1,739,400	4,635,000	1,765,000	14,029,400
2043	6,390,000	1,503,800	5,095,000	1,533,250	14,522,050
2044	6,925,000	1,248,200	5,580,000	1,278,500	15,031,700
2045	7,485,000	971,200	6,100,000	999,500	15,555,700
2046	8,085,000	671,800	6,650,000	694,500	16,101,300
2047	8,710,000	348,400	7,240,000	362,000	16,660,400
	<u>\$ 367,610,000</u>	<u>\$ 112,497,311</u>	<u>\$ 149,700,000</u>	<u>\$ 100,870,750</u>	<u>\$ 730,678,061</u>

(1) Principal and interest are provided for illustrative purposes only; amounts and structure are preliminary, subject to change.

Summary of Overlapping Debt
(As of April 16, 2025)

Overlapping Issuer Name	Percent Overlapping	Gross Direct Debt ⁽¹⁾	Net Direct Debt ⁽²⁾
City of Bend	100.00%	\$ 257,155,883	\$ 251,705,883
City of La Pine	100.00%	1,231,059	1,231,059
La Pine Parks & Recreation District	100.00%	215,000	215,000
Lazy River Special Road District	100.00%	9,500	9,500
Sunriver Service	100.00%	5,543,483	0
Bend Metro Park & Rec District	99.89%	18,072,114	18,072,114
Deschutes Cty RFPD 2 (Bend)	75.39%	5,745,084	5,745,084
Central Oregon Regional Housing Authority	72.06%	1,837,674	1,837,674
Deschutes County	72.06%	45,072,737	27,616,995
Deschutes Public Library District	72.06%	133,527,180	133,527,180
High Desert ESD	65.48%	5,446,853	2,464,143
Central Oregon Community College	61.15%	25,082,951	22,022,488
Alfalfa RFPD	3.94%	7,096	7,096
		<u>\$ 498,946,614</u>	<u>\$ 464,454,216</u>

(1) Gross Direct Debt includes all unlimited (general obligation bonds) and limited (full faith and credit obligations) tax supported debt. Limited tax pension obligations are included.

(2) Net Debt is Gross Direct Debt less self-supporting limited and unlimited tax supported debt.

Source: Debt Management Division, The Office of the State Treasurer.

Debt Ratios

The following table presents information regarding the District's direct debt, including the Bonds, and the estimated portion of the debt of overlapping taxing districts allocated to the District's property owners.

Debt Ratios

Total Real Market Value ⁽¹⁾ (Fiscal Year 2025)	\$ 60,352,735,359	
Estimated Population	143,600	
Per Capita Real Market Value	\$ 420,284	
Debt Information	Gross Direct Debt ⁽²⁾	Net Direct Debt ⁽³⁾
District Direct Debt ⁽⁴⁾	\$ 532,773,035	\$ 532,773,035
Overlapping Direct Debt	<u>498,946,614</u>	<u>464,454,216</u>
Total Direct Debt ⁽⁴⁾	<u>\$ 1,031,719,649</u>	<u>\$ 997,227,251</u>
Bonded Debt Ratios⁽⁴⁾		
District Direct Debt to Real Market Value	0.88%	0.88%
Total Direct Debt to Real Market Value	1.71%	1.65%
Per Capita District Direct Debt	\$ 3,710	\$ 3,710
Per Capita Total Direct Debt	\$ 7,185	\$ 6,944

(1) Value represents the total Real Market Value of taxable properties, without the reduction available to specially assessed properties such as farm and forestland.

(2) Gross Direct Debt includes all debt with an unlimited (general obligation bonds) and limited (full faith and credit obligations) tax pledge. Limited tax pension obligations are included.

(3) Net Debt is Gross Direct Debt less any self-supporting obligations which are paid from other revenue sources.

(4) Includes the Bonds. Preliminary, subject to change.

Sources: Deschutes County Department of Assessment and Taxation, U.S. Census Bureau, Small Area Income and Poverty Program Estimate (SAIPE) data as of January 1, 2023; Debt Management Division, The Office of the State Treasurer as of April 16, 2025 and Administrative School District No. 1 (Bend-La Pine) Audited Financial Reports for the Fiscal Year Ended June 30, 2024.

Debt Payment Record

The District has promptly met principal and interest payments on outstanding borrowings in the past 10 years when due.

Future Financings

Long-term Borrowings. The District anticipates borrowing approximately \$1.5 million on an annual basis to finance the purchase of iPads.

Short-term Borrowings. The District does not anticipate issuing short-term borrowings within the next twelve months.

The District

Public School Districts

Under Oregon law (ORS Chapter 332), the District is responsible for educating children residing within the boundaries of the District. The District discharges this responsibility by building, operating, and maintaining school facilities; developing and maintaining approved educational programs and courses of study, including vocational programs and programs for students with disabilities, in accordance with State standards; and carrying out programs for transportation and feeding of pupils in accordance with District, State, and federal programs.

Under Oregon law, local school districts are subject to supervision by the State. The State Board of Education, a group of seven persons appointed by the Governor, establishes standards for educational programs and facilities, adopts rules of general governance, and prescribes courses of study. The administrative functions of the State Board of Education are handled through the Department of Education, whose executive head is the Deputy Superintendent of Public Instruction. The Deputy Superintendent is appointed by the Governor, who serves as the Superintendent of Public Instruction.

School districts that do not meet the rules and regulations of the State Board of Education (e.g., there must be at least 265 consecutive calendar days between the first and last instructional day of each school year) are classified as “non-standard.” Under ORS 327.103, the Superintendent of Public Instruction may withhold portions of SSF monies otherwise allocated to any district that is found to be non-standard if deficiencies are not corrected before the beginning of the school year immediately following the date such district was found to be non-standard unless withholding of SSF monies would create an undue hardship or an extension has been granted by the Superintendent of Public Instruction. Such extension may not exceed 12 months. **The District has never been classified as “non-standard.”**

Charter Schools

Under ORS Chapter 338 (“Charter School Law”), public charter schools are separate legal entities operating under a binding charter agreement with a sponsor, which may include the local board of education in which the public charter school is located, the State Board of Education or an institution of higher education. A charter school is a public school operated by parents, teachers and/or community members as a semi-autonomous school within a school district. A public charter school is subject to certain laws pertaining to school district public schools, is released from others and must operate consistent with its charter agreement. Funding for public charter schools is based upon providing a minimum of between 80 and 95 percent of the State’s funding formula per ADMw (see “State Revenue Sources - State School Fund Formula” herein), with the excess retained by the sponsoring District. Student enrollment in a public charter school is voluntary.

The District currently sponsors two public charter schools, Bend International School and Desert Sky Montessori Charter School (the “Charter Schools”). The current charter agreement with Bend International School is set to terminate June 30, 2026, and the agreement with Desert Sky Montessori Charter School is set to terminate June 30, 2028. If the charter agreements were terminated with the District, the District would have no claim to any assets of the Charter Schools.

Charter School Law could be modified by the Legislature at any time, the Charter Agreements could terminate, or the enrollment associated with the Charter School could decline. Such changes could affect the District's sources of revenue in the future. However, the District does not anticipate any such reductions would materially affect its ability to operate the District or repay the Bonds. See "Revenue Sources – State Revenue Sources" for additional information on SSF revenue for Oregon public charter schools.

General Description

The District was formed in 1961, following a successful vote for the consolidation of five school districts. The District has grown from nine schools serving 3,000 students in 1961 to its purview now as Oregon's sixth largest school district.

The District encompasses 1,700 square miles of land in central Oregon, approximately 175 miles southeast of Portland and 130 miles east of Salem, the State capital. The District's western border is bracketed by the Cascade Mountain Range, while the eastern border runs 60 miles into the high desert. The District extends to the north just past the limits of the City of Bend and to the south, to the Deschutes and Klamath County line. The District's population is estimated at 143,600 and includes the entirety of the cities of Bend and La Pine, as well as the unincorporated community of Sunriver.

The District operates seven high schools, seven middle schools, nineteen elementary schools and two K-8 schools. The District also offers an online program for grades K-12. The District also sponsors two Charter Schools as discussed above. Historical and projected enrollments are shown in the following table:

Historical and Projected Enrollment

Fiscal Year	Average Daily Membership(w) ⁽¹⁾	Enrollment ⁽²⁾			Teaching Staff ⁽³⁾	Student to Teacher Ratio
		District	Charter	Total		
2026 ⁽⁴⁾	19,103.4	16,231	385	16,616	990.0	16.4
2025 ⁽⁵⁾	19,305.7	16,466	383	16,849	1,001.0	16.4
2024	19,487.7	16,668	385	17,053	949.0	17.6
2023	19,689.9	17,356	382	17,738	865.0	20.1
2022	19,668.7	17,419	385	17,804	907.0	19.2
2021	19,871.4	17,233	378	17,611	928.0	18.6
2020	21,118.9	18,321	351	18,672	986.0	18.6

(1) Weighted Average Daily Membership is the enrollment figure, adjusted for part-time students and students with special needs, that is used to allocate revenues appropriated by the State to school districts.

(2) Enrollment is the number of students attending classes as of October 1 each year.

(3) Full-time equivalent licensed employees. Includes classroom, music, physical education, special education teachers, librarians and counselors.

(4) Projected.

(5) Preliminary, subject to change.

Source: Oregon Department of Education and the District.

As a result of the COVID-19 pandemic, enrollment began declining in 2020 and dropped by approximately 1,300 students from Fiscal Year 2020 through Fiscal Year 2024. The continued decline in enrollment is primarily attributed to significant increases in housing costs which resulted in some families moving out of District boundaries and increased homeschooling activity. Since the pandemic, the District has continued to see small year over year decreases in enrollment despite similar historical birth rates and overall net in-migration to the region. The District is in the process of contracting with Portland State University for a full demographic study to inform future enrollment projections.

Staff

As of March 2025, the District had 1,494 full-time employees and 1,074 part-time employees.

Bargaining Units

Bargaining Unit	No. of Employees	Contract Expires
Oregon School Employees Association	891 (classified)	June 30, 2027
Oregon Education Association	1,096 (licensed)	June 30, 2027

Source: *The District*.

The Board of Directors

The policies of the District are established by an elected seven-member Board. The current members of the Board are:

Board of Directors

Name	Position	Occupation	Service Began	Term Expires
Marcus LeGrand	Chair	College Administrator	July 2021	June 30, 2025 ⁽¹⁾
Carrie McPherson Douglass	Vice Chair	Nonprofit Leader	February 2017	June 30, 2025 ⁽¹⁾
Kina Chadwick	Director	Organizational Development Professional	December 2022	June 30, 2025 ⁽¹⁾
Cameron Fischer	Director	University Instructor	July 2023	June 30, 2027
Shirley Olson	Director	Retired School Admin	July 2021	June 30, 2025 ⁽¹⁾
Amy Tatom	Director	Family Nurse Practitioner	July 2019	June 30, 2027
Ross Tomlin	Director	Retired College Admin	December 2024	June 30, 2025 ⁽¹⁾

(1) Board members LeGrand, Chadwick, Olson, and Tomlin were successful in running for re-election during the May 2025 election. Board member McPherson Douglass did not run for re-election. Jennifer Lynch was elected to the Board. The term for Board members elected at the May 2025 election will be from July 1, 2025 through June 30, 2029.

Source: *The District*.

Key Administrative Officials

The day-to-day affairs of the District are managed by a professional administrative staff which includes the following principal officials:

Dr. Steve Cook, Superintendent. Dr. Cook joined the District in 2021, from Coeur d'Alene School District in Idaho, where he served as Superintendent. Dr. Cook has developed his professional career within public education with 13 years of experience as a teacher, 12 years as a building administrator, and is now entering his 12th year serving in a district leadership role. He served in these various roles with Douglas County School District, Colorado, Bonner Springs School District, Kansas and South Gray School District, Kansas. Dr. Cook earned a Bachelor's degree in Science Education from Kansas State University, a Master's degree in Educational Leadership and Administration from Emporia State University and a Doctorate in Education from the University of Kansas.

Daniel Emerson, Chief Financial Officer. Mr. Emerson joined the District in July 2024 from Deschutes County, Oregon, where he most recently served as the Budget and Financial Planning Manager, overseeing the County's \$727M budget, and organizational long-term strategic financial plan. Mr. Emerson has eight years of public sector financial experience, working in a variety of roles from executive leadership and fiscal administration, to grant management, business intelligence and financial analytics. Mr. Emerson earned a Bachelor's degree from the University of Oregon.

Revenue Sources

The following section summarizes certain major revenue sources of the District.

Oregon School District Funding

Oregon school districts and education service districts receive revenue from local, State and Federal sources. The following section summarizes these primary revenue sources.

Local Revenue Sources - Property Taxes

Most local governments, school districts, education service districts and community college districts ("local governments") have permanent authority to levy property taxes for operations ("Permanent Rates") up to a maximum rate (the "Operating Tax Rate Limit"). Local governments that have never levied property taxes may request that the voters approve a new Operating Tax Rate Limit. Most local governments also have the authority to levy property taxes for debt service associated with general obligation bonds outside of the Operating Tax Rate Limit upon receiving voter approval.

Local governments may not increase their Operating Tax Rate Limits; rather they may only request that voters approve limited term levies for operations or capital expenditures ("Local Option Levies").

Local Option Levies that fund operating expenses are limited to five years, and Local Option Levies dedicated to capital expenditures are limited to ten years.

The District does not currently have a Local Option Levy. The District sought voter approval for a \$1.00/\$1,000 of assessed value local Option Levy at the May 2024 election but the measure was not approved. The District may pursue voter approval of a Local Option Levy in the future and anticipates that if it were to pursue such approval it would be in approximately Fiscal Year 2027.

ORS 327.333 through 327.339 provides local option equalization grants to school districts with Local Option Levies which have a total assessed property value per student less than the total assessed property value per student of a designated target district. For the 2023-25 biennium \$7,291,463 is currently expected to be transferred from the State School Fund for the Local Option Equalization Grants Account and all districts eligible are expected to receive their full grant. If the amount of money available is insufficient to make grant payments, the grant payments are to be proportionally reduced. Equalization grants are only available to school districts, no other local governments are eligible.

Local governments impose property taxes by certifying their levies to the county assessor(s) of the county(ies) in which the local government is located. Property taxes ordinarily can only be levied once each Fiscal Year. The local government ordinarily must notify the county assessor(s) of its levies by July 15.

Valuation of Property – Real Market Value. "Real Market Value" is the minimum amount in cash which could reasonably be expected by an informed seller acting without compulsion, from an informed buyer acting without compulsion, in an "arms-length" transaction during the period for which the property is taxed.

Property subject to taxation includes all privately owned real property (land, buildings and improvements) and personal property (machinery, office furniture and equipment) for non-residential taxpayers. There is no property tax on household furnishings (exempt since 1913), personal belongings, automobiles (exempt since 1920), crops, orchards, business inventories or intangible property such as stocks, bonds or bank accounts, except for centrally assessed utilities, for which intangible personal property is subject to taxation.

Property used for charitable, religious, fraternal and governmental purposes is exempt from taxation. Special assessments that provide a reduction in the taxable value may be granted (upon application) for veterans' homesteads, farm and forest land, open space and historic buildings. The Real Market Value of specially assessed properties is often called the "Taxable Real Market Value" or "Measure 5 Real Market Value." This differential affects the District's value (See "Taxable Property Values" table herein.) The assessment roll, a listing of all taxable property, is prepared as of January 1 of each year.

Valuation of Property – Assessed Value. Property taxes are imposed on the assessed value of property. The assessed value of each parcel cannot exceed its Taxable Real Market Value, and ordinarily is less than its Taxable Real Market Value. The assessed value of property was initially established in 1997 as a result of a constitutional amendment. That amendment (now Article XI, Section 11, often called “Measure 50”) assigned each property an assessed value and limited increases in that assessed value to three percent per year, unless the property is improved, rezoned, subdivided, or ceases to qualify for exemption. When property is newly constructed or reassessed because it is improved, rezoned, subdivided, or ceases to qualify for exemption, it is assigned an assessed value that is comparable to the assessed value of similar property within the county. Counties are generally responsible for managing the assessment and taxation process, with some exceptions (see “Property Tax Collections” herein.)

The Oregon Department of Revenue (“ODR”) appraises and establishes values for utility property, forestland and most large industrial property for county tax rolls. It collects taxes on harvested timber for distribution to schools, county taxing districts, and State programs related to timber. Certain properties, such as utilities, are valued on the unitary valuation approach. Under the unitary valuation approach, the taxpaying entity’s operating system is defined and a value is assigned for the operating unit using the market value approach (cost, market value and income appraisals). Values are then allocated to the entities’ operations in Oregon, and then to each county the entity operates in and finally to site locations.

Generally speaking, industrial properties are valued using an income approach, but ODR may apply additions or retirements to the property value through a cost of materials approach. Under the income and cost of materials approaches, property values fluctuate from year-to-year.

Tax Rate Limitation – Measure 5. A tax rate limitation was established in 1990 as the result of a constitutional amendment. That amendment (now Article XI, Section 11b, often called “Measure 5”) separates property taxes into two categories: one to fund the public school system (kindergarten through grade twelve school districts, education service districts and community college districts, collectively, “Education Taxes”) and one to fund government operations other than the public school system (“General Government Taxes”). Education Taxes are limited to \$5 per \$1,000 and General Government taxes are limited to \$10 per \$1,000 of the Taxable Real Market Value of property (the “Measure 5 Limits”). Taxes levied by general purpose governments (such as cities and counties) may be subject to the \$5 per \$1,000 limit if those taxes are used for educational services provided by public schools. If the taxes on a property exceed the Measure 5 Limit for Education or General Government, then tax rates are compressed to the Measure 5 Limit. Local Option Levy rates compress to zero before there is any compression of Permanent Rates. In Fiscal Year 2025, there was \$539,125 of compression of the District’s Permanent Rate due to the tax rate limitation. The loss of revenue due to compression is functionally redistributed across all school districts in the State through the mechanics of the State School Fund Distribution Formula described herein (see “State Revenue Sources – State School Fund Formula”).

Taxes imposed to pay the principal and interest on the following bonded indebtedness are not subject to Measure 5 Limits: (1) bonded indebtedness authorized by a specific provision of the Oregon Constitution; and (2) general obligation bonded indebtedness incurred for capital costs approved by the electors of the issuer and bonds issued to refinance such bonds. **Property taxes imposed to pay the principal of and interest on the Bonds are NOT subject to the limitations of Article XI, Sections 11 and 11b.**

Property Tax Collections. Each county assessor is required to deliver the tax roll to the county tax collector in sufficient time to mail tax statements on or before October 25 each year. All tax levy revenues collected by a county for all taxing districts within the county are required to be placed in an unsegregated pool, and each taxing district shares in the pool in the same proportion as its levy bears to the total of all taxes levied by all taxing districts within the county. As a result, the tax collection record of each taxing district is a *pro-rata* share of the total tax collection record of all taxing districts within the county combined.

Taxpayers may choose to make payments in one lump sum by 15th of November of the same Fiscal Year, or in installments. Under the partial payment schedule, taxes are payable in three equal installments on the 15th of November, February and May of the same Fiscal Year. The method of giving notice of taxes due, the county treasurer’s account for the money collected, the division of the taxes among the various taxing districts, notices of delinquency, and collection procedures are all specified by detailed statutes. The lien for property taxes is prior to all other liens or encumbrances of any kind on real or personal property subject to taxation. By law, a

county may not commence foreclosure of a tax lien on real property until three years have passed since the first delinquency.

The following tables represent historical tax information for the District.

Taxable Property Values

Fiscal Year	Total Real Market Value	% Change	M5 Real Market Value ⁽¹⁾	% Change	Total Assessed Valuation	Urban Renewal Excess ⁽²⁾	AV Used to Calculate Rates ⁽³⁾	% Change
2025	\$ 60,352,735,359	3.2%	\$ 59,850,222,005	3.2%	\$ 23,982,556,043	\$ 330,606,051	\$ 23,651,949,992	4.6%
2024	58,485,294,768	8.9%	58,008,194,573	9.0%	22,878,332,010	274,088,278	22,604,243,732	5.7%
2023	53,684,585,181	30.9%	53,242,475,430	30.9%	21,642,667,372	257,889,118	21,384,778,254	5.6%
2022	41,024,134,861	17.7%	40,675,964,296	17.8%	20,490,220,040	233,732,325	20,256,487,715	5.3%
2021	34,861,643,931	6.2%	34,535,388,533	6.2%	19,406,541,880	160,920,849	19,245,621,031	5.2%
2020	32,827,950,235	---	32,516,711,644	---	18,440,663,549	154,135,362	18,286,528,187	---

(1) Value represents the Real Market Value of taxable properties, including the reduction in Real Market Value of specially assessed properties such as farm and forestland. This value is also commonly referred to as the Measure 5 Real Market Value by county assessors.

(2) Includes City of Bend and City of La Pine urban renewal areas.

(3) Assessed value of property in the District on which the Permanent Rate is applied to derive *ad valorem* property taxes, excluding urban renewal, exempt property within enterprise zones and any other offsets.

Note: General obligation bonds may be levied on the Total Assessed Value.

Source: Deschutes County Department of Assessment and Taxation.

Property Tax Exemption Programs. Oregon statutes authorize a wide variety of full and partial property tax exemptions, including exemptions for property owned or used by cities, counties, schools and other local governments, property of the federal government, property used by religious and charitable entities, property used for low-income housing, historical properties or transit-oriented property.

The Oregon Enterprise Zone program is a State of Oregon economic development program that allows for property tax exemptions for three to five years. In exchange for receiving property tax exemption, participating firms are required to meet the program requirements set by State statutes and the local sponsor.

The Low-Income Housing program allows land acquired and held by a nonprofit corporation for the purpose of building residences to be sold to certain individuals is exempt from property tax. This exemption only applies to the land on which the residences are to be built.

The Strategic Investments Program (“SIP”) provides tax incentives for capital investments by “traded-sector” businesses, including manufacturing. SIP recipients receive a 15-year property tax exemption on new construction over \$25 million outside of urban areas, and over \$100 million in urban areas. The exemption value (\$25 million or \$100 million) then increases three percent per year. SIP recipients pay an annual Community Service Fee which is equal to 25 percent of the value of the tax break, which is allocated to local governments through local negotiations. The Community Service Fee is not considered a property tax and thus is outside of the Measure 5 Limit. There are no SIP Agreements within the District’s boundaries.

A Senior Citizen Property Tax Deferral Program allows certain homeowners to defer taxes until death or sale of the home. A similar program is offered for Disability Tax Deferral, which does not have an age limitation.

ORS 307.250 allows a portion of the assessed value of a disabled veteran’s or a veteran’s surviving spouse’s/partner’s residential property to be exempt from property tax. The amount of the initial exemption is \$15,000 or \$18,000 of the assessed value of the property, dependent on meeting certain qualifications. Once the initial exemption is granted, the exemption amount increases by three percent each year.

GASB Statement No. 77 requires local governments to disclose information related to tax abatement programs and amounts abated. Tax abatements result from agreements entered into by the reporting government, as well as those that are initiated by other governments, which reduce the reporting government’s tax revenues. The District does not administer any tax abatement programs, however, overlapping jurisdictions (cities, counties)

may offer tax abatement programs which affect the District's assessed value and property tax collections. In Fiscal Year 2024, the District reported a loss of \$780,028 in tax revenues due to tax abatement programs.

Tax Rates and Collections. The following table presents the Fiscal Year 2025 tax rates for the District and other taxing jurisdictions within the County which overlap the District. The District's Operating Tax Rate Limit is \$4.7641 per \$1,000 of assessed property value. The Operating Tax Rate Limit was calculated in conjunction with the implementation of Measure 50 in 1997. The Permanent Rates shown in the following table are the rates that are actually applied to the assessed value of the taxing district. The Permanent Rates may be different from the Operating Tax Rate Limit of the taxing district due to the decision by the taxing district to levy less than its Operating Tax Rate Limit.

**Fiscal Year 2025 Representative Levy Rate
(Rates per \$1,000 of Assessed Value)**

	Permanent Rate	Bond Levy Rate	Local Option Rate ⁽¹⁾	Consolidated Rate	Urban Renewal Portion of the Consolidated Rate ⁽²⁾
General Government					
Deschutes County	\$ 1.2783	\$ 0.0000	\$ 0.0000	\$ 1.2783	\$ 0.0238
Deschutes County Library	0.5500	0.3089	0.0000	0.8589	0.0102
County Wide Law Enforcement	1.2500	0.0000	0.0000	1.2500	0.0234
County Extension / 4H	0.0224	0.0000	0.0000	0.0224	0.0003
911	0.3618	0.0000	0.0000	0.3618	0.0067
City of Bend	2.8035	0.5766	0.7600	4.1401	0.0525
Bend Metro Park and Recreation	1.4610	0.1279	0.0000	1.5889	0.0273
Total General Government	7.7270	1.0134	0.7600	9.5004	0.1442
Education					
Administrative District No. 1 (Bend-La Pine)	4.7641	1.6804	0.0000	6.4445	0.0895
High Desert ESD	0.0964	0.0000	0.0000	0.0964	0.0016
Central Oregon Community College	0.6204	0.0818	0.0000	0.7022	0.0115
Total Education	5.4809	1.7622	0.0000	7.2431	0.1026
Total Tax Rate	\$ 13.2079	\$ 2.7756	\$ 0.7600	\$ 16.7435	\$ 0.2468

NOTE: County assessors report levy rates by tax code. Levy rates apply to the assessed property value. Measure 5 Limits are based on the Taxable Real Market Value and are only reported in total dollar amount of compression, if any, for each taxing jurisdiction (see "Local Revenue Sources - Property Taxes - Tax Rate Limitation - Measure 5" herein).

- (1) Local Option Levies are voter-approved serial levies. They are limited by ORS 280.060 to five years for operations or ten years for capital construction. Local Option Levy rates compress to zero before there is any compression of overlapping jurisdictions' Permanent Rates.
- (2) A portion of a taxing district's consolidated rate is contributed to the City of Bend Urban Renewal Agency through division of tax. The City of Bend Urban Renewal Agency has three established areas - Juniper Ridge, Murphy Crossing and Core Area.

Source: Deschutes County Department of Assessment and Taxation. Note that there are 106 tax codes in the County that overlap the District and Tax Code 1001 has the highest property value of these tax codes.

**Deschutes County ⁽¹⁾
Tax Collection Record**

Fiscal Year	Percent Collected as of	
	Levy Year⁽²⁾	6/30/2024⁽³⁾
2024	98.94%	98.94%
2023	99.09%	99.62%
2022	99.13%	99.77%
2021	99.05%	99.93%
2020	98.73%	99.98%
2019	98.71%	99.99%

- (1) Percentage of total tax levy collection in Deschutes County. Pre-payment discounts are considered to be collected when outstanding taxes are calculated. The tax rates are before offsets.
- (2) The percentage of taxes collected in the “year of the levy” represents taxes collected in a single levy year, beginning July 1 and ending June 30.
- (3) The percentage of taxes shown in the column represents taxes collected cumulatively from July 1 of a given levy year through June 30, 2024.

Source: Deschutes County Department of Assessment and Taxation.

Major Taxpayers
(As of Fiscal Year 2025)
Administrative School District No. 1 (Bend-La Pine)

Taxpayer	Business/Service	Assessed Value ⁽¹⁾	Percent of Value	Tax ⁽²⁾
Crowdstrike Inc	Datacenter	\$ 127,360,310	0.53%	\$ 2,084,277
PacifiCorp (PP&L)	Electrical Utility	129,445,181	0.54%	2,058,397
TDS Baja Broadband LLC	Telecommunications	87,334,891	0.36%	1,411,845
Lonza Bend Inc	Scientific Research and Development	75,907,370	0.32%	1,249,490
Cascade Natural Gas Corp	Natural Gas Utility	72,338,323	0.30%	1,159,901
Deschutes Brewery Inc.	Brewery and Restaurant	64,514,720	0.27%	1,061,965
Touchmark at Mount Bachelor Village LLC	Senior Living Community	58,018,210	0.24%	971,428
Suterra LLC	Agricultural Biocontrol	52,806,620	0.22%	864,191
CVSC LLC	Shopping Center	51,461,040	0.21%	861,989
Gas Transmission Northwest	Natural Gas Utility	62,934,610	0.26%	790,734
Subtotal - ten of District's largest taxpayers		782,121,275	3.26%	
All other District's taxpayers		23,200,434,768	96.74%	
Total District		<u>\$ 23,982,556,043</u>	<u>100.00%</u>	

Deschutes County

Taxpayer	Business/Service	Assessed Value ⁽¹⁾	Percent of Value	Tax ⁽²⁾
PacifiCorp (PP&L)	Electrical Utility	\$ 180,050,298	0.53%	\$ 2,924,953
Crowdstrike Inc	Datacenter	127,360,310	0.38%	2,084,277
TDS Baja Broadband LLC	Telecommunications	99,745,917	0.30%	1,629,108
Cascade Natural Gas Corp	Natural Gas Utility	91,623,646	0.27%	1,507,000
Lonza Bend Inc	Scientific Research and Development	89,386,880	0.26%	1,448,316
Deschutes Brewery Inc.	Brewery and Restaurant	64,514,720	0.19%	1,061,965
Touchmark at Mount Bachelor Village LLC	Senior Living Community	58,018,210	0.17%	971,428
Gas Transmission Northwest	Natural Gas Utility	74,611,996	0.22%	967,569
PCC Structurals Inc.	Manufacturing	49,099,450	0.15%	916,117
Suterra LLC	Agricultural Biocontrol	52,806,620	0.16%	864,191
Subtotal - ten of County's largest taxpayers		887,218,047	2.63%	
All other County's taxpayers		32,912,079,668	97.55%	
Total County		<u>\$ 33,739,457,095</u>	<u>100.00%</u>	

(1) Assessed value does not exclude offsets such as urban renewal and farm tax credits.

(2) Tax amount is the total tax paid by the taxpayer within the boundaries of the District and County, respectively. This amount is distributed to individual local governments by the County. A breakdown of amounts paid to each individual local government is not available.

Source: Deschutes County Department of Assessment and Taxation.

Construction Excise Tax

School districts may levy a tax for capital improvements on new residential, commercial and industrial development ("Construction Excise Tax"). Affordable housing, public improvements, agricultural buildings, hospitals, private schools, and religious facilities are exempted from the Construction Excise Tax. The Construction Excise Tax for Fiscal Year 2026 is limited to: (i) \$1.67 per square foot on residential construction and (ii) 84¢ per square foot on non-residential construction up to the lesser of \$41,800 per building permit or per structure. The tax rate limits are adjusted annually by the Oregon Department of Revenue for changes in construction costs. The Construction Excise Tax is not subject to voter approval.

Revenue generated through a Construction Excise Tax can be used to acquire land, construct, reconstruct or improve school facilities, acquire or install equipment, furnishings or other tangible property, pay for architectural, engineering, legal or other costs related to capital improvements, any expenditure for assets that have a useful life of more than one year, or the payment of obligations and related costs of issuance that are issued to finance or refinance capital improvements.

Construction Excise Taxes in the District. The District does not have plans at this time to impose a construction tax levy.

State Revenue Sources

One of the largest sources of revenue for school districts and education service districts is State aid appropriated by the Oregon Legislature and distributed through the Oregon Department of Education (“ODE”). ODE funding supports pre-kindergarten through 12th grade education, including funding for operation for the State’s 197 school districts and 19 education service districts, through the State School Fund (“SSF”). The SSF is funded primarily by State General Fund revenues. General Fund dollars consist primarily of funds from income taxes. Educational districts also receive funds from the Corporate Activity Tax in a targeted grant format (see “Corporate Activity Tax” herein), and from Lottery Funds for other programs.

State School Fund Formula. State aid is provided to school districts pursuant to a formula set by the Legislative Assembly. The objective of the formula is to provide equitable funding for all school districts. Available State and local resources determine the actual amount of the allocation. Under the current formula, each student is given a factor as an enrolled student that is then adjusted to include additional factors such as English as a Second Language, students with disabilities with an Individualized Education Plan, attendance at a remote small school, and poverty statistics. The formula allocates revenues to districts based on the total of all weighted student factors by measuring the “Weighted Average Daily Membership” or “ADMw” for each district. If a district’s ADMw calculation has declined, the greater of the current year or prior year will be used to calculate the district’s share of formula revenue (referred to as the “extended” ADMw). Each district’s share of the formula is broken into a general purpose grant, transportation grant, small school district supplement and a high cost disability grant.

The SSF grant (the “SSF Grant”) to each school district is the district’s share of the formula minus local revenues. Local revenues include tax offsets, local property taxes for school operations (specifically excluding taxes for voter approved general obligation bonds and, subject to certain limitations, amounts raised from Local Option Levies), Common School Fund, county school fund, State timber revenues, and money received in lieu of property taxes. Collections from Local Option Levies are not included in the calculation as local revenue if they are less than the lesser of (i) \$2,985.13 per student, or (ii) 25 percent of a district’s total state resources.

Under the SSF distribution formula for the general purpose grant, ADMw is multiplied by a statewide target grant (currently \$4,500). A factor of \$25 per year per student that a district’s average teachers’ experience exceeds the State average is added to (or subtracted from if below the State average) this calculation. The result is multiplied by a funding ratio to arrive at the State’s general purpose grant.

The SSF distribution formula uses the Small Area Income Poverty Estimates published every year by the US Census Bureau, which provides a count of children living in families in poverty in each school district, for additional weighting for poverty.

School districts currently receive 95.5 percent of the total SSF distribution and education service districts (“ESDs”) receive the remaining 4.5 percent. ESDs provide a variety of services to school districts based on the regionally determined Local Service Plan that is required to be approved by the component school districts. Individual school districts are permitted to withdraw from their ESD and receive 90 percent of their district’s prorated share of State funds allocated to the ESD.

Charter Schools. Per ORS 338.155, students attending a public charter school shall be considered to be residents of the school district in which the public charter school is located for purposes of distribution of State School Fund (“SSF”) revenue. A school district shall contractually establish, with any public charter school that is sponsored by the board of the school district, payment for provision of educational services to the public charter school’s students. The payment shall be an amount per weighted average daily membership (ADMw) of the public charter school that is at least equal to:

(a) Eighty percent of the amount of the school district’s General Purpose Grant per ADMw as calculated under ORS 327.013 for students who are enrolled in kindergarten through grade eight; and

(b) Ninety-five percent of the amount of the school district's General Purpose Grant per ADMw as calculated under ORS 327.013 for students who are enrolled in grades 9 through 12.

The sponsoring district may collect the maximum amount of SSF revenue allowable per ADMw and retain any excess over the formula identified above.

District Charter School Impact. In Fiscal Year 2024, under the charter agreement, the District collected the General Purpose Grant per ADMw attributable to Charter School students and distributed 2.7 percent to the Charter Schools and retained 97.3 percent, which is approximately \$177.9 million in resources over and above what is shared with the Charter Schools. The District does not charge a Management Fee to the Charter Schools for services rendered. Should the Charter Agreements be terminated or the Charter School enrollment reduced, the District could experience a loss in revenue. The District does not anticipate that any changes to the District's revenue from charter schools will affect its ability to repay the Bonds.

Corporate Activity Tax. In 2019, the Legislature approved the Student Success Act (the "SSA"). The SSA imposes a tax on certain taxable commercial activity (the "Corporate Activity Tax") and designates the revenues be deposited in the newly created Fund for Student Success. SSA funds were designed to be used to reduce class sizes, increase instructional time and provide a well-rounded education to all students.

A prescribed amount of Corporate Activity Tax revenues are allocated to the SSF with the balance allocated between three separate accounts. Of the balance, at least 20 percent will be allocated to an Early Learning Account, up to 30 percent will be allocated to the Statewide Education Initiatives Account and at least 50 percent is to be allocated to a Student Investment Account, for which districts are required to apply for through a non-competitive grant process. Each program has rules on how funds will be distributed to districts; some are based on a per student formula and others are subject to the submission of an application by each district. The Student Investment Account provides the largest amount of funds directly to school districts on a per student formula following the submission of a grant application.

School Finance Grants. The State provides grants that are available to districts for various purposes. Several of these are highlighted below:

The transportation grant provides reimbursement for the costs of transporting students to and from school. The reimbursement for each school district is between 70 percent and 90 percent of approved transportation costs, depending upon the ranking of the school district. School districts are ranked based on the approved transportation costs per ADMw. Funds are subject to approval of school district grant requests by ODE and are deducted from the SSF.

Measure 98 ("M98") the "High School Graduation and Career and College Readiness Act," was approved by voters at the November 2016 election. M98 requires the State to direct funding of approximately \$800 annually to each Oregon high school student for purposes of dropout-prevention and providing career technical and college readiness programs. The measure requires the Oregon Department of Education to track rates of college attendance and the need for remedial classes for those who attend, as well as provide other performance and financial accountability audits. For the 2023-2025 biennium the state legislature appropriated \$324.7 million to M98.

The high cost disability grant (\$110.0 million statewide in the 2021-23 biennium) is distributed on a pro-rata basis to all qualifying districts and is equal to the approved costs of providing special education and related services to a resident pupil with disabilities in excess of \$30,000. For costs in excess of \$30,000 the district is eligible to apply for reimbursement from the fund. Reimbursements are prorated depending on the number of claims if requests are in excess of the fund's capacity. For the 2023-2025 biennium the state legislature appropriated \$110.0 million.

The 2023 Legislative Assembly approved House Bill 3198, the "Early Literacy Success Initiative," and allocated \$90 million of grant funds for school districts to help improve reading instruction, reduce disparities among student groups who have been historically underserved, train teachers and staff and offer summer programs. School districts are required to provide a 25 percent match in order to receive the funds.

Measure 99 ("M99"), the "Outdoor School Lottery Fund Initiative" was approved by voters in the November 2016 election and created a fund, derived from state lottery proceeds, to support outdoor school programs across the state. The fund is administered by Oregon State University. For the 2023-2025 biennium the State legislature appropriated \$56.4 million for this program.

The Oregon School Capital Improvement Matching Program ("OSCIM") provides matching grants to districts which pass a local general obligation bond. The goal of the program is to encourage local communities to invest in their district's public schools. Commitments are made to districts ahead of an election, allowing districts to inform their communities of the potential for additional funds from the state if the local bond is approved. The matching grants are currently for up to \$6 million for most districts and some districts may receive up to \$12 million in matching grants. The legislature appropriated \$160 million for OSCIM grants for the 2023-2025 biennium. The District received an OSCIM Grant of \$8 million in connection with the issuance of its General Obligation Bonds, Series 2023 and has fully drawn down the funds.

State Legislature and Current Funding

The State has a citizen legislature consisting of the Senate, whose 30 members are elected to serve four-year terms, and the House of Representatives, which has 60 members elected for two-year terms (the "Legislature" or "Legislative Assembly").

The Legislature convenes annually at the State Capitol in Salem, but sessions may not exceed 160 days in odd-numbered years and 35 days in even-numbered years. Five-day extensions are allowed by a two-thirds vote in each house. The Legislative Assembly convenes on the second Monday in January in odd-numbered years, and in February in even-numbered years.

State K-12 Education Budget. SSF funding is set biennially in the State budget adopted by the Legislative Assembly in odd-numbered years (the "Legislatively Adopted Budget"). The State budget covers two fiscal years (a biennium) beginning July 1 of an odd-numbered year to June 30 of the next odd-numbered year, including funding for State agencies. The Legislative Assembly has the power to subsequently approve revisions to the Legislatively Adopted Budget. Such revised State budget is termed the "Legislatively Approved Budget."

The State Constitution requires the Legislative Assembly to balance the State's General Fund budget. The Department of Administrative Services Office of Economic Analysis (the "OEA") produces a forecast of projected revenues (a "Revenue Forecast") for the biennium generally each March, June (May in odd-numbered years), September and December. The OEA also produces a "Close of Session Forecast" after the end of the legislative session in odd years that reflects the May economic forecast adjusted for any changes made by the legislature.

Revenue Forecasts are based upon currently available information and upon a wide variety of assumptions. The actual results will be affected by future national and state economic activity and other events. If OEA's assumptions are not realized or if other events occur or fail to occur, the State's financial projections may not be achieved. Copies of the Revenue Forecasts are available from OEA at: www.oregon.gov/DAS/OEA.

If, over the course of a biennium, the forecasted revenues decline significantly from the Close of Session Forecast, the Legislative Assembly may meet to rebalance the budget, the Governor may direct that expenditures be reduced pro rata, or the Legislative Assembly may adjust the budget when it meets in a regular session or in a special session.

Revenue Forecasts. On May 14, 2025 the OEA released the May 2025 Revenue Forecast (the "May 2025 Forecast"). The May 2025 Forecast for gross General Fund revenues for the 2023-25 biennium was \$27.846 billion, up \$2.5859 billion from the Close of Session (2023) Forecast but down \$162.3 million from the March 2025 Forecast. According to the May 2025 Forecast, the economic outlook exhibits significantly slower growth over the next year than was anticipated in the March 2025 Forecast, which translates directly through to the revenue picture. Expected income growth for individuals in 2025 is below historical norms, driven by lower growth in employment income and declines in capital gains. According to the May 2025 Forecast, business income is projected to turn negative in 2025 before turning positive in 2026 and 2027. The resulting General Fund revenue growth is modestly below average rates of the past four decades. This results in a mild downward revision relative to the March 2025 Forecast for both the current and next biennia.

In addition to the reduction in 2023-25 biennium revenues of \$162.3 million relative to the March 2025 Forecast, the 2025 legislature appropriated additional spending allowance for the current biennium, effectively reducing the ending balance by an additional \$248.9 million. All told, the ending balance in the General Fund is now projected at \$2.17 billion, a decline of \$414.0 million from the prior forecast.

For the 2025-27 biennium, the most significant change is to personal income taxes, which have been adjusted downward by \$529.0 million. Corporate income taxes are increased slightly, up \$24.6 million from the prior forecast. Total revenues have been revised downward by \$334.2 million. Including the \$414.0 decrease in the beginning balance carried forward from the prior biennium, the total decline in available resources is \$755.7 million. This outlook also affects non-General Fund revenues such as the Corporate Activity Tax, Lottery and Marijuana Taxes. Corporate Activity Tax revenues in 2025-27 have declined \$44.4 million from the previous forecast. Lottery earnings are revised downward by \$36.7 million due mostly to weaker-than-expected Video Lottery sales. Marijuana tax revenues are also adjusted modestly, downward by \$7.6 million from March 2025 Forecast.

The next Revenue Forecast is due to be released on August 27, 2025.

State General Fund Forecast Summary
(\$ in Millions)

	2023-25 Biennium Revenue Forecast			May 2025 Forecast Change From	
	Close of Session	March 2025	May 2025	March 2024	Close of Session
Structural Revenues					
Personal Income Tax	\$ 21,019.7	\$ 22,570.0	\$ 22,425.2	\$ (144.8)	\$ 1,405.5
Corporate Income Tax	2,228.9	3,222.1	3,144.8	(77.3)	915.9
All Other Revenues	2,011.3	2,216.2	2,275.9	59.8	264.6
Gross General Fund Revenues	25,259.9	28,008.2	27,845.9	(162.3)	2,585.9
Beginning Fund Balance	7,493.5	8,082.5	8,084.8	2.3	591.3
Offsets, Transfers and Actions	(437.0)	(496.8)	(502.0)	(5.1)	(64.9)
Net Available Resources	\$ 32,316.4	\$ 35,593.9	\$ 35,428.7	\$ (165.2)	\$ 3,112.3

Source: Oregon Office of Economic Analysis, "Oregon Economic and Revenue Forecast, May 2025." May 14, 2025.

Income Tax Rebate. When total actual revenue collections in the General Fund (excluding corporate income tax receipts) exceed the Close of Session forecast by two percent or more, the collections above the forecasted amount are returned to individual income taxpayers, commonly known as the "kicker." Any kicker recorded in one biennium is provided as a credit in the following biennium, reducing revenues available in that subsequent biennium. A personal tax kicker of \$5.6 billion was generated for the 2021-23 biennium. The personal tax kicker was distributed as a refundable income tax credit on taxpayer's 2023 tax returns filed in 2024. According to the May 2025 Forecast, as a result of the growth in personal income taxes and other General Fund revenues, it is now expected that non-corporate General Fund revenues will end the biennium 6.7% above the Close of Session forecast. Should this be the case, a kicker credit of \$1,639.1 million will be generated for the 2025-27 biennium.

When corporate income tax collections exceed the Close of Session forecast by two percent or more, the treatment is different: those revenues are retained in the General Fund and dedicated to funding K-12 education. According to the May 2025 Forecast, the corporate kicker now stands at an expected \$915.8 million and will be retained in the General Fund and spent on education next biennium. However, there is no guarantee that future Legislatures will allocate budgets such that total K-12 spending is increased by the amount of revenue generated by any corporate tax kicker.

State Reserve Funds. The Legislature has two budgetary reserve funds, the Rainy Day Fund and the Education Stability Fund. With the approval of three-fifths of each house, the Legislative Assembly may appropriate up to

two-thirds of the money in the Rainy Day Fund or Education Stability Fund for use in any biennium if certain economic or revenue triggers occur.

Rainy Day Fund. The Rainy Day Fund may be drawn on for any General Fund purpose in the event of a decline in employment, a projected budgetary shortfall or a declaration of a state of emergency. Additionally, the Rainy Day Fund receives biennial deposits from the ending General Fund balance in an amount equal to the lesser of (a) the actual General Fund ending balance for the preceding biennium or (b) one percent of the amount of General Fund appropriations for the preceding biennium. The amount on deposit with the Rainy Day Fund is capped at 7.5 percent of General Fund revenues for the prior biennium.

Education Stability Fund. The Education Stability Fund must be spent on public education. Under the Oregon Constitution, 18 percent of the net proceeds from the State Lottery must be deposited in the Education Stability Fund on a quarterly basis. The Education Stability Fund currently does not retain earnings in the fund. The amount in the Education Stability Fund may not exceed five percent of the amount that was collected as revenues in the State's General Fund during the prior biennium.

The May 2025 Forecast indicates that the Rainy Day Fund and the Education Stability Fund balances were \$1.906 billion and \$1.008 billion, respectively. The funds were projected to end the 2023-25 biennium with balances of \$2.54 billion and \$1.237 billion, respectively.

2023-25 Biennium State Budget. The budget adopted by the Legislature for the 2023-25 biennium (the "2023-25 Legislatively Approved Budget") includes \$121.264 billion total funds, a 3.6 percent decrease from the 2021-23 Legislatively Approved Budget. The 2023-25 Legislatively Approved Budget is comprised of planned expenditures of \$31.876 billion in General Funds, \$1.617 billion Lottery Funds, \$49.870 billion Other Funds, and \$37.901 billion Federal Funds. The combined General Fund and Lottery Funds figure is up by 17.2 percent over the 2021-23 Legislatively Approved Budget.

2025-27 Biennium State Budget. The Governor proposed a budget for the 2025-27 biennium (the "2025-27 Governor's Budget") as of December 2, 2024 which includes \$137.745 billion in expenditures, representing an approximate 10.4 percent increase over the 2023-25 Legislatively Approved Budget. According to the 2025-27 Governor's Budget, Oregon's economy, like the national economy, faces improving economic prospects and seems poised to experience a soft-landing heading into the 2025-27 biennium. Trade policy and fiscal policy during the next presidential term present significant sources of risk to the baseline forecast. While the revenue outlook is uncertain, the State has been proactively funding reserves to weather a potential downturn; see "Revenue Sources - State Legislature and Current Funding - State Reserve Funds" herein.

The 2025-27 Governor's Budget includes proposed expenditures of \$37.429 billion in General Funds, \$1.862 billion Lottery Funds, \$41.132 billion Federal Funds, and \$57.322 billion Other Funds. Education is one of the Governor's three priorities; for the 2025-27 biennium, \$11.36 billion is allocated to the State School Fund (a 14.7 percent increase from the 2023-25 biennium), \$1.2 billion to the Student Investment Account (an 11 percent increase from the 2023-25 biennium), and \$340.8 million to the Measure 98/High School Success Act (a 3.3 percent increase from the 2023-25 biennium).

On March 19, 2025 the Co-Chairs of the Legislature's Ways and Means Committee released their budget framework for the 2025-27 biennium (the "2025-27 Co-Chair's Budget"). The document notes that although the March 2025 Forecast showed a moderate increase in overall resources, downward revisions in corporate income and other consumption-based taxes, combined with elevated economic risks, require prudent budget planning. The 2025-27 adopted budget will be based on the Revenue Forecast released in May. The 2025-27 Co-Chair's Budget includes \$38.04 billion in total expenditures of General and Lottery Funds. The 2025-27 Co-Chair's Budget includes \$11.36 billion total funds for the SSF, comprised of \$10.468 billion of General (including the corporate income tax rebate) and Lottery Fund revenues with the balance funded by corporate activity tax, marijuana tax and other revenues.

Development of the budget for the 2025-27 biennium is occurring during a period of significant uncertainty surrounding federal funding (see "Certain Investment Considerations - Federal Funding Uncertainty" herein). Approximately 32 percent of the State budget is supported with federal revenues that provide funding for health

care, education, transportation infrastructure, natural resources, and other important programs. The Congressional proposals to reduce federal spending by up to 30 percent could have a significant impact on the core programs and services provided by the State. The Legislative Assembly convened on January 21, 2025. Legislative committees will review the 2025-27 Governor’s Budget and pass a Legislatively Adopted Budget for the biennium before the Close of Session in June 2025. The Legislature may choose to accept the Governor’s recommendations or make revisions in whole or in part.

State School Fund Appropriations. The Legislature appropriated a combined total of \$10.2 billion for the SSF in the 2023-25 biennium, representing a \$900 million increase over the 2021-23 Legislatively Approved Budget of \$9.3 billion and the highest funding level ever placed into the fund. However, the Oregon Association of School Business Officials (“OASBO”) calculated a current service level cost of \$10.3 billion. Despite the increase in SSF appropriations, some districts are having to make cuts or use reserves due to falling enrollment, increasing staff costs and the loss of federal emergency funding related to COVID-19. Additional funding for specific programs is projected to be available to schools (see “Revenues Sources – State Revenue Sources - Corporate Activity Tax” herein). The District’s General Fund budget for Fiscal Year 2025 and 2026 is included in “Financial Factors – Budgetary Process.”

The 2025-27 Governor’s Budget and 2025-27 Co-Chair’s Budget include a proposed \$11.36 billion appropriation for the SSF, an 11 percent increase from the 2023-25 biennium. With input from education stakeholders, the Governor’s budget analysts adopted changes to the calculation of the current service level (the “CSL”) which are considered a more accurate estimate of schools’ cost growth. The changes increased the CSL by \$515 million. The 2025-27 Co-Chair’s Budget notes that the amount assumes accountability measures are adopted to improve measurable outcomes and support student success..

Current and historical state funding levels are detailed in the following table.

**State School Fund Appropriations
(\$ in Millions)**

Biennium	Fiscal Year	Budget Appropriation
2025-27 ⁽¹⁾	2027	\$ 5,793
	2026	5,566
2023-25	2025	5,202
	2024	4,998
2021-23	2023	4,741
	2022	4,555
2019-21	2021	4,590
	2020	4,410
2017-19	2019	4,100
	2018	4,100

(1) Preliminary, subject to change. Based on \$11.36 billion appropriation included in the 2025-27 Governor’s Budget and 2025-27 Co-Chair’s Budget, see “Revenue Sources – State School Funding – State School Fund Appropriations” above.
Source: Oregon Department of Education, School Finance Unit: <https://www.oregon.gov/ode/schools-and-districts/grants/Pages/School-District-and-ESD-payment-Statements.aspx>

SSF Grant Estimates for the District. ODE provides SSF Grant estimates to each school district. Estimates are revised periodically throughout the year. The most recent ODE estimates for the District’s SSF Grant for Fiscal Years 2025 and 2026, are shown in the following table.

Administrative School District No. 1 (Bend-La Pine)
Historical and Projected Weighted Average Daily Membership and State School Fund Grant
State School Fund Grant Apportionment

	2025	2026
Extended ADMw:		
Current Fiscal Year Estimated ADMw	19,305.7	19,103.4
Prior Fiscal Year Estimated ADMw	19,487.7	19,308.7
Extended ADMw (greater of Current or Prior Year)	<u>19,487.7</u>	<u>19,308.7</u>
Experience Adjustment:		
District Average Teacher Experience	14.45	14.45
State Average Teacher Experience	12.09	12.09
Experience Adjustment (District and State Teacher Experience Difference)	<u>2.36</u>	<u>2.36</u>
Local Revenue:		
Property Taxes	\$ 108,640,410	\$ 113,746,509
Federal Forest Fees	0	0
Common School Fund	2,385,703	2,397,312
County School Fund	412,208	340,000
State Managed Timber	0	0
In-lieu of Property Taxes	0	0
Revenue Adjustments	0	0
Local Revenue	<u>\$ 111,438,321</u>	<u>\$ 116,483,821</u>
Transportation Grant:		
Net Eligible Transportation Costs	\$ 12,658,971	\$ 13,500,000
Grant (70% of Net Eligible Transportation Costs)	\$ 8,861,280	\$ 9,450,000
General Purpose Grant:		
(Extended ADMw x [\$4,500 + (\$25 x Experience Adjust.)]) x Funding Ratio =	\$ 207,657,471	\$ 217,907,186
Total Formula Revenue:		
General Purpose Grant + Transportation Grant =	\$ 216,518,750	\$ 227,357,186
State School Fund Grant:		
Total Formula Revenue - Local Revenue =	\$ 105,080,429	\$ 110,873,365

Source: Oregon Department of Education, School Finance Office, Fiscal Year 2025 data as of April 29, 2025 and Fiscal Year 2026 data as of March 3, 2025 <http://www.oregon.gov/ode/schools-and-districts/grants/Pages/default.aspx>.

School districts are required to file their annual audited financials with ODE within six months of the end of the fiscal year pursuant to ORS 327.137. Extensions may be granted by ODE for extenuating circumstances such as natural disasters. Any school district failing to file prior to the deadline and without an extension will not receive SSF payments until after the audit report has been filed. ODE will schedule the payment with the next regularly scheduled SSF payment date.

Federal Funding

The District receives federal funding. Such funding is generally restricted to specific purposes. The District reported receipt of \$24,517,473 of federal funds in Fiscal Year 2024. Of this amount, \$293,846 was reported in the District's General Fund, and \$24,223,627 in the Special Revenue Fund. The General Fund portion of federal funding comes primarily from federal revenue related to Medicaid billing and a Federal grant for child care for teen parents. The Special Revenue Fund portion was largely federal grants for providing school lunches, Title I, IDEA and COVID relief funding. For Fiscal Year 2025, the District has budgeted to receive \$15,951,978 of federal funds. However, federal funding may be subject to reduction or withdrawal. See "Certain Investment Considerations - Federal and State Actions" herein. The District has attempted to mitigate federal funding

uncertainty by taking a fiscally conservative budgetary approach and reducing Title funds by ten percent while holding IDEA revenues flat in the approved Fiscal Year 2026 budget. Furthermore, the District has done extensive federal funding scenario modeling and is prepared to make reductions as necessary while still maintaining academic excellence should federal funding come in lower than budgeted.

Financial Factors

Financial Reporting and Accounting Policies

The District's basic financial statements were prepared using modified accrual accounting in conformity with generally accepted accounting principles ("GAAP") as prescribed by the Governmental Accounting Standards Board ("GASB").

Additional information on the District's accounting methods is available in the District's audited financial statements. A copy of the District's audited financial report for Fiscal Year 2024 is attached hereto as Appendix B.

Auditing

Each Oregon political subdivision must obtain an audit and examination of its funds and account groups at least once each year pursuant to the Oregon Municipal Audit Law, ORS 297.405-297.555. Political subdivisions having annual expenditures of less than \$150,000, with the exception of counties and school districts, are exempt from this requirement. All Oregon counties and school districts, regardless of amount of annual expenditures, must obtain an audit annually. The required audit may be performed by the State Division of Audits or by independent public accountants certified by the State as capable of auditing political subdivisions. School districts are required to file their audit annually with ODE within six months of the end of the fiscal year pursuant to ORS 327.137. See "Revenue Sources - State School Funding" herein.

The District's audits for the Fiscal Years 2020 and 2021 were performed by SGA Certified Public Accountants and Consultants, LLP, Bend, Oregon. The District's audits for Fiscal Years 2022 through 2024 ("District Audited Financial Statements") were performed by Sensiba LLP, CPAs, Bend, Oregon (the "Auditor"). The audit report for Fiscal Year 2024 indicates the financial statements, in all material respects, fairly present the District's financial position of the governmental activities, and each major fund and the respective changes in financial position and the cash flows, where applicable, in conformance with accounting principles generally accepted in the United States of America. The Auditor was not requested to review this Official Statement and has not completed any additional auditing review procedures subsequent to the issuance of their report on the 2024 Fiscal Year.

Future financial statements may be obtained from the Electronic Municipal Market Access ("EMMA") system, a centralized repository operated by the Municipal Securities Rulemaking Board ("MSRB"), currently located at: www.emma.msrb.org.

Summaries of the District's Net Position and Changes in Net Position follow.

Statement of Net Position (Fiscal Years)

Assets	2020	2021	2022	2023	2024
Cash and investments	\$ 201,766,682	\$ 108,193,267	\$ 74,574,891	\$ 169,016,606	\$ 157,039,512
Property taxes receivables	3,189,354	2,744,923	2,603,157	2,699,978	3,036,798
Accounts and other receivables	1,730,812	3,525,537	2,438,393	2,715,358	2,805,331
Intergovernmental receivables	4,559,932	10,269,380	8,791,795	15,629,562	21,071,921
Prepaid items	1,066,853	1,809,027	1,367,414	1,526,278	2,199,342
Inventories	680,491	828,314	605,523	627,007	590,882
Net OPEB RHIA asset	1,740,207	3,194,226	2,727,253	2,747,616	3,234,674
Asset held for resale	356,002	-	-	-	-
Capital assets, net of depreciation					
Land	33,104,836	33,104,836	35,947,289	36,876,933	36,876,933
Construction in progress	102,267,438	191,522,671	44,143,716	33,330,029	21,105,264
Site Improvements	12,903,466	12,885,462	14,035,316	16,356,783	47,671,397
Buildings and improvements	303,916,893	300,387,908	457,339,588	465,499,252	451,060,223
Vehicles and equipment	9,085,386	9,493,607	12,364,821	13,863,522	16,816,912
Leased buildings and equipment	-	-	6,004,735	5,265,584	4,641,398
Leased equipment	-	-	-	159,569	121,940
Subscription based information technology	-	-	-	1,015,338	790,623
Total Assets	<u>676,368,352</u>	<u>677,959,158</u>	<u>662,943,891</u>	<u>767,329,415</u>	<u>769,063,150</u>
Deferred Outflows of Resources					
Pension related deferred outflows	51,958,458	66,792,984	58,458,061	57,110,789	56,865,439
OPEB related deferred outflows	944,623	805,889	619,390	1,490,900	1,153,257
OPEB RHI deferred outflows	-	376,473	1,021,170	461,364	22,996
Deferred changes on advanced refunding	5,037,717	3,737,661	10,385,699	8,357,573	6,491,955
Total Deferred Outflows of Resources	<u>57,940,798</u>	<u>71,713,007</u>	<u>70,484,320</u>	<u>67,420,626</u>	<u>64,533,647</u>
Liabilities					
Accounts payable	14,242,638	10,809,848	4,217,339	5,824,319	7,230,283
Accrued payroll and related charges	13,627,343	16,473,711	14,967,327	15,529,326	16,282,933
Accrued interest	705,516	646,158	484,413	1,919,700	566,998
Unearned revenue	-	-	98,166	253,338	812,948
Retainage payable	1,311,176	1,466,796	655,923	238,483	444,087
Claims and judgements due within one year	262,382	320,543	220,020	309,658	677,767
Long-term liabilities due within one year	27,289,821	29,876,566	35,126,512	32,906,609	37,024,415
Rental deposits	3,954	-	-	3,250	3,250
Accrued compensated absences	45,636	47,446	35,770	45,430	49,108
Noncurrent liabilities due in more than one year					
Net pension liability	162,784,846	203,590,516	106,176,637	142,358,706	175,270,123
Other postemployment benefits, implicit rate subsidy	10,151,850	9,014,603	8,763,022	9,903,355	10,399,994
Claims and judgements due in more than one year	262,382	320,543	220,020	309,658	677,766
Long-term liabilities due in more than one year	446,929,958	414,679,838	384,710,344	456,059,990	416,503,850
Total Liabilities	<u>677,617,502</u>	<u>687,246,568</u>	<u>555,675,493</u>	<u>665,661,822</u>	<u>665,943,522</u>
Deferred Inflows of Resources					
PERS deferred inflows	9,107,526	7,094,720	89,853,728	48,858,469	18,778,604
OPEB - RHI deferred inflows	344,367	1,178,412	1,086,900	375,585	308,792
OPEB - implicit subsidy deferred inflows	517,268	2,176,056	2,544,986	2,694,035	2,306,547
Leases deferred outflows	-	-	157,585	190,413	-
Total Deferred Inflows of Resources	<u>9,969,161</u>	<u>10,449,188</u>	<u>93,643,199</u>	<u>52,118,502</u>	<u>21,393,943</u>
Net Position					
Net investment in capital assets	165,268,026	191,763,920	223,516,283	237,354,596	248,815,616
Restricted for:					
Transportation	2,355,508	2,240,373	1,484,951	2,689,734	2,913,018
Federal, state, and private grants	1,328,165	3,010,991	7,207,911	6,338,670	5,589,283
Energy efficiency program	1,904,213	1,647,760	1,419,467	1,304,775	1,495,751
Debt service	4,031,467	4,693,630	4,662,158	5,387,006	5,459,984
Net OPEB RHIA asset	-	-	-	2,747,616	3,234,674
Capital projects	14,075,145	7,459,277	6,565,808	12,472,944	11,607,916
Unrestricted	<u>(142,240,037)</u>	<u>(158,839,542)</u>	<u>(160,747,059)</u>	<u>(151,325,624)</u>	<u>(132,856,910)</u>
Total Net Position	<u>\$ 46,722,487</u>	<u>\$ 51,976,409</u>	<u>\$ 84,109,519</u>	<u>\$ 116,969,717</u>	<u>\$ 146,259,332</u>

Source: District Audited Financial Statements.

Statement of Activities (Fiscal Years)

Revenues:	2020	2021	2022	2023	2024
Program Revenues:					
Charges for services	\$ 3,598,513	\$ 845,262	\$ 1,918,620	\$ 3,997,630	\$ 3,613,327
Operating grants and contributions ⁽¹⁾	22,602,272	40,577,044	49,933,024	54,172,373	53,984,880
Capital grants and contributions	654,279	792,332	814,814	761,416	1,736,001
General Revenues:					
Property taxes	120,853,389	124,734,452	131,384,127	138,212,796	144,138,815
Federal aid, unrestricted	168,798	166,513	441,794	384,184	82,392
State aid, unrestricted	100,477,697	103,023,574	97,395,640	103,471,920	107,226,084
Intermediate aid, unrestricted	2,765,259	2,529,325	2,324,042	1,639,208	2,217,219
Earnings on investments	6,335,210	399,617	549,175	4,592,956	9,982,680
Other local revenue	1,984,017	1,520,638	2,137,059	5,499,278	4,497,396
Gain/loss on sale of capital assets	56,426	(23,792)	40,865	30,425	85,603
Insurance proceeds/Restitution	460	73	1,583	-	-
Total Revenues	259,496,320	274,565,038	286,940,743	312,762,186	327,564,397
Expenses:					
Instruction	145,664,265	158,447,406	146,397,335	151,827,379	160,307,139
Support services	81,360,622	84,467,124	88,839,307	102,236,483	110,219,119
Community services	9,726,492	9,715,851	10,695,151	11,497,029	12,035,860
Unallocated interest expense	17,647,600	16,680,731	8,875,840	14,341,098	15,712,664
Total Expenses	254,398,979	269,311,112	254,807,633	279,901,989	298,274,782
Increase (decrease) in net position	5,097,341	5,253,926	32,133,110	32,860,197	29,289,615
Net position- July 1	41,625,135	46,722,487	51,976,409	84,109,520	116,969,717
Restatement of Net Position	11	(4)	-	-	-
Total Net Position	\$ 46,722,487	\$ 51,976,409	\$ 84,109,519	\$ 116,969,717	\$ 146,259,332

- (1) As part of COVID-19 relief funding, the District was awarded reimbursement grants through ESSER I, ESSER II and ESSER III of approximately \$29 million total between Fiscal Years 2019 to 2024. ESSER Funds were only available through Fiscal Year 2024. In Fiscal Year 2021, the District also began to receive funds annually from the Student Investment Account which are expected to continue to be available. The District received approximately \$15.7 million and \$16.5 million in Fiscal Year 2024 and Fiscal Year 2025, respectively, however, the amount received is variable; see "Revenue Sources – State Revenue Sources – Corporate Activity Tax" herein.

Source: District Audited Financial Statements.

A five-year summary of the District's General Fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance follows.

General Fund Balance Sheet
(Fiscal Years)

Assets	2020	2021	2022	2023	2024
Deposits and investments	\$ 35,868,584	\$ 42,906,225	\$ 40,600,795	\$ 44,147,084	\$ 46,805,348
Receivables	3,562,525	3,272,874	3,307,452	5,551,567	8,467,566
Prepaid items	1,026,853	1,769,027	1,327,414	1,486,278	2,159,342
Inventories	144,334	201,477	190,142	168,539	170,993
Total Assets	<u>40,602,296</u>	<u>48,149,603</u>	<u>45,425,803</u>	<u>51,353,468</u>	<u>57,603,249</u>
Liabilities, Deferred Inflow of Resources, and Fund Balances					
Liabilities:					
Accounts payable	2,389,066	3,696,867	2,698,945	3,161,192	2,684,236
Accrued payroll and related charges	12,703,558	13,384,397	12,691,040	13,019,851	12,537,806
Rental deposits	3,954	-	-	-	-
Retainage payable	25,885	-	-	-	-
Total Liabilities:	<u>15,122,463</u>	<u>17,081,264</u>	<u>15,389,985</u>	<u>16,181,043</u>	<u>15,222,042</u>
Deferred Inflow of Resources:					
Leases deferred inflows	-	-	157,585	190,413	-
Unavailable revenue - property taxes	1,592,966	1,277,893	1,304,224	1,452,834	1,627,754
Total Deferred Inflow of Resources:	<u>1,592,966</u>	<u>1,277,893</u>	<u>1,461,809</u>	<u>1,643,247</u>	<u>1,627,754</u>
Fund Balances:					
Nonspendable	1,171,187	1,970,504	1,517,556	1,654,817	2,330,335
Restricted	2,355,508	2,240,373	1,484,951	2,689,734	2,913,018
Assigned	13,367,283	16,669,105	19,991,056	22,516,245	21,940,448
Unassigned	6,992,889	8,910,464	5,580,446	6,668,382	13,569,652
Total Fund Balances	<u>23,886,867</u>	<u>29,790,446</u>	<u>28,574,009</u>	<u>33,529,178</u>	<u>40,753,453</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balance	<u>\$ 40,602,296</u>	<u>\$ 48,149,603</u>	<u>\$ 45,425,803</u>	<u>\$ 51,353,468</u>	<u>\$ 57,603,249</u>

Source: District Audited Financial Statements.

**General Fund Statement of Revenues, Expenditures and
Changes in Fund Balance
(Fiscal Years)**

Revenues	2020	2021	2022	2023	2024
Property taxes	\$ 85,930,110	\$ 89,157,959	\$ 93,688,922	\$ 99,008,655	\$ 104,201,185
Tuition	25,600	24,448	17,664	18,887	14,552
Investment earnings	1,158,963	387,028	356,189	1,985,546	3,749,789
Other local sources	4,197,215	3,475,100	5,585,675	6,581,718	6,024,745
Intermediate sources	2,765,259	2,529,325	2,324,042	1,639,208	2,217,218
State sources	93,926,231	95,459,174	90,964,234	96,977,290	99,151,786
Federal grant sources	201,716	184,499	451,237	412,325	293,846
Total Revenues	<u>188,205,094</u>	<u>191,217,533</u>	<u>193,387,963</u>	<u>206,623,629</u>	<u>215,653,121</u>
Expenditures					
Instruction	113,359,646	114,169,846	117,338,548	118,158,968	117,295,345
Support services	67,270,394	66,305,391	73,025,024	78,527,259	83,781,976
Community services	361,758	277,879	361,773	280,452	391,449
Debt Service					
Principal	468,210	599,822	1,063,776	672,676	1,102,659
Interest	56,706	76,644	260,547	166,594	266,585
Capital outlay	4,181,736	2,902,569	2,720,954	4,826,714	5,944,417
Total Expenditures	<u>185,698,450</u>	<u>184,332,151</u>	<u>194,770,622</u>	<u>202,632,663</u>	<u>208,782,431</u>
Excess (deficiency) of revenues over expenditures	<u>2,506,644</u>	<u>6,885,382</u>	<u>(1,382,659)</u>	<u>3,990,966</u>	<u>6,870,690</u>
Other Financing Sources (Uses)					
Insurance proceeds	460	-	-	-	-
Proceeds from long-term debt	1,250,000	-	-	-	-
Lease financing	-	-	121,016	79,054	127,952
Sale of fixed assets	56,426	14,376	42,128	30,425	85,603
Subscription based IT financing	-	-	-	672,545	-
Restitution	-	73	1,583	-	-
PERS UAL Payment	-	(1,000,000)	-	-	-
Transfer of funds	190,617	3,750	1,495	182,178	140,031
Total Other Financing Sources (Uses)	<u>1,497,503</u>	<u>(981,801)</u>	<u>166,222</u>	<u>964,202</u>	<u>353,586</u>
Change in fund balance	4,004,147	5,903,581	(1,216,437)	4,955,168	7,224,276
Fund balance at beginning of year	<u>19,882,720</u>	<u>23,886,865</u>	<u>29,790,446</u>	<u>28,574,010</u>	<u>33,529,177</u>
Ending fund balance	<u>\$ 23,886,867</u>	<u>\$ 29,790,446</u>	<u>\$ 28,574,009</u>	<u>\$ 33,529,178</u>	<u>\$ 40,753,453</u>

Source: District Audited Financial Statements.

Fiscal Year 2025 Estimate. The District currently projects Fiscal Year 2025 General Fund revenues of approximately \$225,634,261 expenditures of \$227,662,696, and an ending balance of \$38,725,018. Federal COVID-19 relief funds received during Fiscal Years 2021 through and including 2024 were no longer available in Fiscal Year 2025. The District has chosen to use General Fund balance to support some ongoing services as expenditure cuts are determined.

Budgetary Process

The District prepares an annual budget in accordance with Oregon Local Budget Law (ORS Chapter 294) which establishes standard procedures for all budget functions for Oregon local governments. Under the applicable provisions, there must be public participation in the budget process and the adopted budget must be balanced.

The District's administrative staff evaluates the budget requests of the various departments of the District to determine the funding levels of the operating programs. The budget is presented to the public through public hearings held by a budget committee consisting of Board members and lay members. After giving due consideration to the input received from the citizens, the Board of Directors adopts the budget, authorizes the levying of taxes and sets appropriations. The budget must be adopted no later than June 30 of each Fiscal Year. The Proposed Fiscal Year 2026 Budget was presented on April 8, 2025 and approved on May 13, 2025. Adoption by the Board is scheduled for June 17, 2025. The District does not expect to update this Official Statement with information related to the proposed, approved or adopted budgets.

The budget may be amended during the applicable Fiscal Year through the adoption of a supplemental budget. Supplemental budgets may be adopted by the Board pursuant to ORS 294.471.

General Fund Budget (Fiscal Years)

Resources	2025 Adopted	2026 Approved
Local Sources	\$ 117,155,555	\$ 121,284,843
Intermediate Sources	2,280,000	3,798,102
State Sources	98,770,013	107,760,280
Federal Sources	310,000	610,000
Other Financing Sources	1,678,000	-
Transfers	500,000	1,057,111
Beginning Fund Balance	35,264,961	38,725,018
Total Resources	\$ 255,958,529	\$ 273,235,354
Requirements		
Instruction	\$ 133,216,244	\$ 141,600,578
Support Services	96,105,485	103,866,645
Enterprise and Community Services	470,622	499,586
Debt Service	2,213,658	865,422
Contingencies	500,000	500,000
Ending Fund Balance	23,452,520	25,903,123
Total Requirements	\$ 255,958,529	\$ 273,235,354

Source: District Approved Fiscal Year 2026 Budget.

Investments

ORS 294.035 authorizes Oregon political subdivisions to invest in obligations, ranging from U.S. Treasury obligations and Agency securities to municipal obligations, bankers' acceptances, commercial paper, certificates of deposit, corporate debt and guaranteed investment contracts, all subject to certain size and maturity limitations. No municipality may have investments with maturities in excess of 18 months without adopting a written investment policy which has been reviewed by the Oregon Short Term Fund Board. ORS 294.052 authorizes Oregon political subdivisions to invest proceeds of bonds or certificates of participation and amounts held in a fund or account for such bonds or certificates of participation under investment agreements if the agreements: (i) produce a guaranteed rate of return; (ii) are fully collateralized by direct obligations of, or obligations guaranteed by, the United States; and (iii) require that the collateral be held by the municipality, an agent of the municipality or a third-party safekeeping agent. The District has its own investment policy which is available upon request.

Political subdivisions are also authorized to invest approximately \$61.749 million (adjusted for inflation) in the Local Government Investment Pool of the Oregon Short-Term Fund, which is managed by the State Treasurer's office. Such investments are managed in accordance with the "prudent person rule" (ORS 293.726) and administrative regulations of the State Treasurer which may change from time to time. Eligible investments presently include all of those listed above, as well as repurchase agreements and reverse repurchase agreements. A listing of investments held by the Oregon Short-Term Fund is available on the Oregon State Treasury website under "Other OSTF Reports - OSTF Detailed Monthly Reports" at [http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-\(OSTF\).aspx](http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-(OSTF).aspx).

Pension System

General. The District participates in a retirement pension benefit program under the State of Oregon Public Employees Retirement System ("PERS" or the "System"). After six full months of employment, all District employees are required to participate in PERS. Employer contribution rates are calculated as a percentage of covered payroll. Employees are required to contribute six percent of their annual salary as well; however, employers are allowed to pay the employees' contribution in addition to the required employers' contribution. See "Employer Contribution Rates" herein.

T1/T2 Pension Programs. Employees hired before August 29, 2003 participate in the "Tier 1" or "Tier 2" pension programs (the "T1/T2 Pension Programs"). The benefits provided through the T1/T2 Pension Programs are based primarily on a defined benefit model and provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to members and their beneficiaries. Different benefit structures apply to participants depending on their date of hire. Between January 1, 2004 and June 30, 2020, six percent of each employee's salary was contributed to fund individual retirement accounts under a separate defined contribution program known as the Individual Account Program (the "IAP"). Effective July 1, 2020, the six percent contribution for employees who earn in excess of \$2,500 per month (indexed annually for inflation) was split in two, with two-and-one-half percent of the employee's salary deposited in the "Employee Pension Stability Account" ("EPSA") and 3.50 percent of salary sent to the IAP. The threshold amount was raised in June 2021 to \$3,333 per month (indexed annually for inflation). Effective January 1, 2025, the monthly threshold for this contribution is \$3,777 per month.

OPSRP. Employees hired on or after August 29, 2003 participate in the Oregon Public Service Retirement Plan ("OPSRP") unless membership was previously established in the T1/T2 Pension Programs. OPSRP is a defined benefit pension plan, but also provides access to the IAP. As stated above, effective July 1, 2020, the six percent contribution for employees that earn in excess of \$2,500 per month (indexed annually for inflation) was split in two, with 0.75 percent of the employee's salary deposited in the EPSA and 5.25 percent of salary sent to the IAP. Effective January 1, 2025, the monthly threshold for this contribution split is \$3,777 per month.

RHIA/RHIPA. The Oregon PERS Health Insurance Program offers optional medical, dental, and long-term care insurance plans to eligible T1/T2 retirees, their spouses, and dependents. See "Other Postemployment Benefits, Retirement Health Insurance Account" herein.

Actuarial Valuation. Actuarial valuations are performed annually as of December 31 of each year and are designed to measure the liabilities, assets and funded status of the System for each employer, as well as determine employer contribution rates. The valuations are based on complex models which utilize assumptions on rates of return, payroll growth rates and demographic trends. The valuations as of December 31 of odd-number years are used by the Oregon Public Employees Retirement System Board (the "PERB") to set employer contribution rates; valuations as of even-numbered years are used for advisory purposes only. Should the assumptions used in the actuarial model prove inaccurate, liabilities of the System may be higher or lower than estimated. Any increases or decreases in liabilities will be absorbed into future contribution rates assessed against employer payrolls. An employer's unfunded actuarial liability ("UAL") is equal to the excess of the actuarially determined present value of the employer's benefit obligations to employees over the existing assets available to pay those benefits. PERS' current actuary is Milliman, Inc. ("Milliman," or the "Actuary").

Actuarial valuations are performed for the entire System (the "System Valuation"), and for most participating employers, including the District (the "District Valuation"). School Districts are valued as an actuarial pool ("School District Pool Valuation"). Valuations are released nine to eleven months after the valuation date. Current payroll

rates are based on the System’s actuarial valuation report as of December 31, 2023 (the “2023 Valuation”), and those rates will extend through June 30, 2027, including the rates for the District. The December 31, 2023 System-wide Valuation Results (the “2023 System Valuation”), was released in October 2024. The 2023 System Valuation provides System, School Pool and SLGRP rates for the 2025-27 biennium. The 2023 System Valuation shows that rates on both a System-wide basis and for the pool in which the District participates are projected to rise. See “Actuarial Assumptions” and “Employer Contribution Rates” herein.

Valuation Date	Release Date	Rates Effective
December 31, 2019	October 2020	July 1, 2021 - June 30, 2023
December 31, 2020	December 2021	Advisory only for July 1, 2023 – June 30, 2025
December 31, 2021	October 2022	July 1, 2023 – June 30, 2025
December 31, 2022	December 2023	Advisory only for July 1, 2025 – June 30, 2027
December 31, 2023	October 2024	July 1, 2025 – June 30, 2027

System Actuarial Organization. An employer participates in PERS either on an independent basis, or through an actuarial pool, as follows:

T1/T2 Pension Programs

- *Independents:* An Independent Employer is one for whom its T1/T2 Pension Programs assets and liabilities are based on an actuarial analysis performed on its employee base. The District is not an independent employer.
- *School District Pool:* All kindergarten through grade 12 public school district and education service district public employers are pooled for actuarial purposes for the T1/T2 pension programs (the “School District Pool”). Each School District Pool member’s allocated share of the pool’s assets and liabilities is based on the member’s proportionate share of the School District Pool’s pooled payroll, which share may shift in the future due to relative growth in payroll. Further, the District’s Allocated T1/T2 UAL may increase if other pool participants fail to pay their full employer contributions. **The District is a member of the School District Pool.**
- *State and Local Government Rate Pool:* For the T1/T2 Pension Programs, all State agencies, certain Oregon local governments and all community college public employers are pooled (the “State and Local Government Rate Pool” or “SLGRP”). Each SLGRP member’s allocated share of the pool’s assets and liabilities is based on the member’s proportionate share of the SLGRP’s pooled payroll which share may shift in the future due to relative growth in payroll. Further, a SLGRP member’s Allocated T1/T2 UAL may increase if other pool participants fail to pay their full employer contributions. The District is not a member of the SLGRP.

OPSRP

- *OPSRP’s* assets and liabilities are pooled on a System-wide basis. These assets and liabilities are not tracked or calculated on an employer basis. The District’s allocated share of OPSRP’s assets and liabilities is based on the District’s proportionate share of OPSRP’s pooled payroll.

Actuarial Assumptions. Actuarial assumptions are set each biennium and are applied to the System’s valuations. Significant actuarial assumptions and methods used since the 2020 System Valuation included (a) the Entry Age Normal method, (b) asset valuation method based on market value, (c) the assumed earnings rate (the “Assumed Rate”) on the investment of present and future assets of 6.90 percent, (d) payroll growth rate of 3.40 percent, (e) consumer price inflation of 2.40 percent per year, (f) UAL amortization method of a level percentage of payroll, with the 2019 UAL attributable to the Tier 1 and Tier 2 pension programs amortized over a 22-year period, and all subsequent UALs attributable to Tier 1 and Tier 2 amortized over a 20-year period. Any UAL attributable to OPSRP is amortized over 16 years (fixed) from the date of the first rate-setting valuation at which the UAL is

recognized, (g) a rate collar to limit increases or decreases in employer contribution rates from biennium to biennium (the “Rate Collar”) (see “Rate Collar” herein), and (h) a portion of the IAP is redirected to the EPSA resulting in a direct offset and reduction of Employer contribution. Beginning with the 2022 Valuation, payrolls shall be assumed to grow at an additional 2 percent above the 3.40 percent base assumption for the next two years.

Employer Contribution Rates. Employer contribution rates are calculated as a percent of covered payroll. The rates are based on the current and projected cost of benefits and the anticipated level of funding available from the Oregon Public Employees Retirement Fund (“OPERF”), including anticipated investment performance of the fund. Contribution rates are subject to future adjustment based on factors such as the result of subsequent actuarial valuations, litigation, decisions by the PERB and changes in benefits resulting from legislative modifications. Pursuant to ORS 238.225, all participating employers are required to make their contribution to PERS based on the employer contribution rates set by the PERB. Employees are required to contribute six percent of their annual salary to the IAP and, if applicable, the EPSA. Employers are allowed to pay the employees’ contribution in addition to the required employers’ contribution. The District has elected to make the employee contribution.

Rate Collar. The PERB uses a rate collar (the “Rate Collar”) to limit increases (or decreases) in employer contribution rates from biennium to biennium in order to smooth the impact of significant increases or decreases from one valuation to the next.

Beginning with the 2023-25 biennium, for employers participating in either the School District pool or the SLGRP, the collar will be applied as a fixed percentage of payroll, with a limit of three percent of pay for the Tier 1/Tier 2 UAL rate and one percent of pay for OPSRP rate. Further, reductions in the UAL rate would not be allowed unless a funded level thresholds of at least 88 percent is reached, at which point a portion of the reduction would be allowed, gradually increasing until the funded status reaches 90 percent, when the full reduction would be permitted. A wider rate collar was adopted for independent employers who do not participate in either the School District pool or the SLGRP.

System Funded Status & UAL. According to the 2023 System Valuation, the UAL for the System as of December 31, 2023 was \$29.4 billion, and the funded status, excluding Side Accounts for the System, was approximately 72 percent. This is an increase in UAL and decrease in funded status from the 2022 Valuation, which estimated that the UAL for the System was \$28.6 billion and the funded status was approximately 73 percent, excluding side accounts, due to investment underperformance in 2023 and changes in salary growth assumptions.

The funded status of PERS and related contribution rates of the District will change over time depending on a variety of factors, including the market performance of the investments in which the OPERF is invested, future changes in compensation and benefits of covered employees, demographic characteristics of members, methodologies and assumptions used by the actuary in estimating the assets and liabilities of PERS, legislative or judicial actions, and other actions taken by the PERB. The annual rate of return in 2024 was 5.71 percent which was lower than the assumed earnings rate of 6.90 percent. Year to date return in 2025 through April was 2.09 percent. Total returns in 2024 and thereafter, along with the factors mentioned above, may affect the System-wide and District UALs and related contribution rates in future valuations. Under current PERS policies, modification to contribution rates based upon investment performance in 2024 and 2025 will occur during the 2027-29 biennium.

The table below includes the UAL and funded status for the System and the pool in which the District participates from the five most recent actuarial valuations.

Unfunded Actuarial Liability and Funded Status⁽¹⁾
(\$ in millions)

Valuation Date	System ⁽²⁾		School District Pool	
	UAL	Funded Status	UAL	Funded Status
12/31/23	\$ 29,381.3	72.4%	\$ 7,866.2	75.9%
12/31/22	28,032.9	72.8%	7,853.8	75.8%
12/31/21	20,038.2	79.6%	5,656.7	82.8%
12/31/20	28,043.8	70.6%	8,612.3	72.6%
12/31/19	24,600.0	72.0%	7,900.0	74.0%

(1) Does not take into account offsets for deposits made by individual employers from pension bond proceeds or cash on hand in side accounts (see “Side Accounts and Pension Bonds” herein).

(2) System UAL includes total of SLGRP, School District Pool, Independent Employers, and OPSRP.

Source: System Valuations and PERS.

Side Accounts and Pension Bonds. The District has issued pension bonds (the “Pension Bonds”) and used other cash resources to make lump sum payments to PERS. These lump sum payments have been deposited into “side accounts” (the “Side Accounts”) that are amortized over a fixed period and used to reduce the contribution rates of the District. The District also has debt service payments due on its Pension Bonds as shown in the “Projected Pension Bond Debt Service” table below. See also “Outstanding Long-Term Debt” herein.

The District has made lump sum deposits to PERS as follows:

Date	Original Deposit	Value of Side Account as of 2023 Valuation	Source of Funds	Projected End Date of Rate Credits
10/31/2002	\$ 40,499,272	\$ 19,868,527	Bonds	12/31/2027
04/30/2003	25,000,000	12,070,404	Bonds	12/31/2027
02/27/2004	5,642,462	2,254,143	Bonds	12/31/2027
07/30/2020	1,250,000	1,339,812	Cash ⁽¹⁾	12/31/2039
Total	\$ 72,341,734	\$ 35,532,886		

(1) In conjunction with the District’s cash deposit of \$1,000,000, the District was awarded a State match of \$250,000 through the PERS Employer Incentive Fund program.

Source: 2023 District Valuation, and the District.

Debt service is also due on the Pension Bonds as follows:

Administrative School District No. 1 (Bend-La Pine)
Projected Pension Bond Debt Service

Fiscal Year	Outstanding Pension Bonds		Total Debt Service
	Principal	Interest	
2026	\$ 8,610,000	\$ 1,269,533	\$ 9,879,533
2027	9,555,000	787,792	10,342,792
2028	4,525,000	253,176	4,778,176
	<u>\$ 22,690,000</u>	<u>\$ 2,310,501</u>	<u>\$ 25,000,501</u>

Source: The District.

Net Unfunded Actuarial Liability. The District's net unfunded pension UAL is the total of the District Allocated T1/T2 UAL and District Allocated OPSRP UAL, less the balance in the District's Side Account. The District's net unfunded pension UAL as reported in the District's actuarial valuation reports as of December 31, 2020 (the "2020 District Valuation"), December 31, 2021 (the "2021 District Valuation") December 31, 2022 (the "2022 District Valuation") and as of December 31, 2023 (the "2023 District Valuation") is shown in the following table.

**Administrative School District No. 1 (Bend-La Pine)
Net Unfunded Pension Liability**

	2020 Valuation	2021 Valuation	2022 Valuation	2023 Valuation
Allocated pooled T1/T2 UAL	\$ 238,859,697	\$ 163,662,549	\$212,590,690	\$204,572,602
Allocated pooled OPSRP UAL	21,697,868	14,724,920	31,495,414	34,682,008
District Side Account	<u>(55,864,681)</u>	<u>(55,938,884)</u>	<u>(44,278,017)</u>	<u>(35,532,886)</u>
Net unfunded pension actuarial accrued liability	<u>\$ 204,692,884</u>	<u>\$ 122,448,585</u>	<u>\$ 199,808,087</u>	<u>\$ 203,721,724</u>

Source: District Valuations.

District Contribution Rates. The District's prior contribution rates for the 2023-25 biennium under the 2021 District Valuation and current rates for the 2025-27 biennium under the 2023 District Valuation are provided in the following table.

**Administrative School District No. 1 (Bend-La Pine)
Pension Contribution Rates (Percent of Covered Payroll)**

	2021 Valuation			2023 Valuation		
	<u>2023-25 Biennium</u>			<u>2025-27 Biennium</u>		
	T1/T2	OPSRP General	OPSRP P&F	T1/T2	OPSRP General	OPSRP P&F
Normal cost rate	14.48	9.89	14.68	15.40	10.47	15.74
T1/T2 UAL rate	14.10	14.10	14.10	14.01	14.01	14.01
OPSRP UAL rate	1.69	1.69	1.69	2.69	2.69	2.69
Side account rate relief	(8.55)	(8.55)	(8.55)	(6.38)	(6.38)	(6.38)
Member redirect offset ⁽¹⁾	(2.40)	(0.65)	(0.65)	(2.40)	(0.65)	(0.65)
Retiree Healthcare rate (RHIA) ⁽²⁾	0.00	0.00	0.00	0.00	0.00	0.00
Total net contribution rate (%)	<u>19.32</u>	<u>16.48</u>	<u>21.27</u>	<u>23.32</u>	<u>20.14</u>	<u>25.41</u>
SB 849 rate reduction ⁽³⁾				<u>(1.68)</u>	<u>(1.68)</u>	<u>(1.68)</u>
Total amended net contribution rate (%)				<u>21.64</u>	<u>18.46</u>	<u>23.73</u>

- (1) Redirected member contributions (2.50 percent of payroll for Tier 1/Tier 2 and 0.75 percent of payroll for OPSRP) will be used to offset employer contribution rates. The redirect of the IAP does not apply to members with monthly pay below a certain threshold. The values shown in the table incorporate an estimate of the effect of this limitation. (See "Pension System herein).
- (2) Contribution rates to fund RHIA benefits are included in the total District employer contribution rate, but are not a cost related to pensions. See "Other Postemployment Benefits - Retirement Health Insurance Account" below.
- (3) Senate Bill 849 directed the PERB to apply the \$168 million balance in the School Districts Unfunded Liability Fund against all school district employers' individual 2025-2027 employer contribution rates, reducing rates by 1.68 percent.

Source: 2021 District Valuation, 2023 District Valuation.

District Contributions. The District's historical and projected annual contributions to PERS and pension bond debt service are provided in the following table.

**Administrative School District No. 1 (Bend-La Pine)
Pension Contributions**

Fiscal Year	District Contribution⁽¹⁾	Pension Bond Debt Service	Total
2025 ⁽²⁾	\$ 25,747,549	\$ 9,432,032	\$ 35,179,581
2024	22,628,048	9,002,191	31,630,239
2023	19,805,335	8,584,219	28,389,554
2022	18,917,828	8,186,264	27,104,092
2021	20,763,856	7,924,096	28,687,952
2020	19,809,362	7,366,352	27,175,714

(1) District's contribution to PERS which is net of the side account rate credit draw.

(2) Budgeted.

Source: *The District and District Audited Financial Statements.*

GASB 67 and GASB 68. GASB Statements No. 67 and No. 68 modify the accounting and financial reporting of pensions by state and local governments and pension plans. Statement No. 67 ("GASB 67"), Financial Reporting for Pension Plans, addresses financial reporting for state and local government pension plans. Statement No. 68 ("GASB 68"), Accounting and Financial Reporting for Pensions, establishes accounting and financial reporting requirements for governments that provide their employees with pensions. The PERS System is subject to GASB 67; each participating employer, including the District is subject to GASB 68. PERS contracted with Milliman to provide information for local governments to use in their financial statements.

The District's proportionate share of the System's net pension liability and pension expense under GASB 68 follows.

**Administrative School District No. 1 (Bend-La Pine)
Pension Amounts under GASB 68**

Measurement Date	District's Share of Net Pension Liability	District's Proportionate Share	Pension Expense
6/30/2024	\$ 199,822,459	0.8990%	\$ 30,122,887
6/30/2023	175,270,123	0.9357%	26,012,727
6/30/2022	142,358,706	0.9297%	17,076,091
6/30/2021	106,176,637	0.8873%	12,652,159
6/30/2020	203,590,516	0.9329%	44,568,506

Source: *Oregon Public Employees Retirement System– GASB 68 Exhibits prepared by Milliman.*

Other Postemployment Benefits

Retirement Health Insurance Account. PERS retirees who receive benefits through the Tier 1 and Tier 2 plans and are enrolled in certain PERS administered health insurance programs, may receive a subsidy towards the payment of health insurance premiums. Under ORS 238.420, retirees may receive a subsidy for Medicare supplemental health insurance of up to \$60 per month towards the cost of their health insurance premium under the RHIA plan. The RHIA program's assets and liabilities are pooled on a system-wide basis and are not tracked or calculated on an employer basis. According to the 2023 Valuation, this program had a surplus of approximately \$400.2 million as of December 31, 2023. The District's allocated share of the RHIA program's assets and liabilities is based on the District's proportionate share of the program's pooled payroll. According to the 2023 District Valuation, the District's allocated share of the RHIA program's surplus was \$3,387,052.

Medical Benefits - Implicit Subsidy. Under ORS 243.303 the District is required to offer the same healthcare benefits for current District employees to all retirees and their dependents until such time as the retirees are eligible for Medicare. GASB Statement No. 75 refers to this as an “implicit subsidy” and requires that the corresponding liability be determined and reported. The benefits under this program are entirely paid by the retired employees.

The District’s projections of total OPEB Liability under GASB 75 follows:

Projection of Total OPEB Liability – Implicit Rate Subsidy

	2020	2021	2022	2023	2024
Total Liability Beginning of Fiscal Year	\$ 9,765,371	\$ 10,151,851	\$ 9,014,603	\$ 8,763,022	\$ 9,903,355
Changes for the year:					
Service cost	\$ 541,842	\$ 560,806	\$ 670,411	\$ 568,049	\$ 616,994
Interest	401,158	423,167	214,438	321,962	388,360
Difference between expected and actual experience	-	(2,013,990)	-	1,209,153	-
Changes in assumptions	-	159,713	(827,579)	(694,512)	(180,543)
Benefit payments	(556,520)	(266,944)	(308,851)	(264,319)	(328,172)
Balance end of Fiscal Year	<u>\$ 10,151,851</u>	<u>\$ 9,014,603</u>	<u>\$ 8,763,022</u>	<u>\$ 9,903,355</u>	<u>\$ 10,399,994</u>
Estimated Covered Payroll	\$ 103,269,319	\$ 109,072,808	\$ 112,344,992	\$ 124,582,784	\$ 28,943,181
Total OPEB Liability as % of Covered Payroll	9.83%	8.26%	7.80%	7.95%	35.93%

Source: District Audited Financial Statements.

See Note I “Other Post-Employment Benefits (OPEB)” of the District’s audited financial statements for Fiscal Year 2024 for more information on the District’s liability under GASB 75.

Paid Leave

In 2019, the Legislature adopted House Bill 2005 (“HB 2005”) to create a family and medical leave insurance program to provide to employees and certain other individuals compensated time off from work for up to 12 weeks to: (1) care for a child following birth or adoption; (2) care for a family member with a serious health condition; or (3) recover from an individual’s own serious health condition. Unless employers have an equivalent program in place, they are required to withhold and contribute 0.6 percent of each worker’s wages as the employee contribution to the fund. For larger organizations – with 25 or more employees – the employer is also responsible for contributing on behalf of each of their workers. In those cases, the employer contribution is 0.4 percent of wages. The program has a ceiling for annual wages at \$132,900 for each employee. The Oregon Employment Department began collecting these contributions January 1, 2023. Employees were able to apply for leave benefits beginning September 3, 2023. The required contributions are not expected to have a material impact on the District’s finances, however, there are additional, unknown costs in situations where the District will need to hire and/or backfill certain positions with overtime. The District cannot predict how many employees will take leave or when they will take leave, nor can it predict the potential implications on the finances or operations of the District.

Risk Management

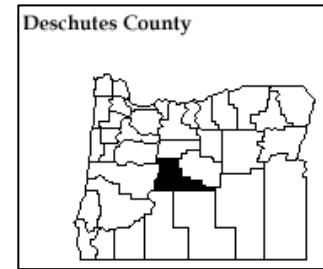
The District is exposed to various risks of loss. A description of the risks is provided in the District’s audited financial statements. The audited financial statement for Fiscal Year 2024 is attached hereto as Appendix B. See also “Certain Investment Considerations” herein.

Demographic Information

General

The District is located in Deschutes County (the “County”) in central Oregon. It encompasses the cities of Bend and La Pine (the “Cities”) and unincorporated areas of the County, including Sunriver.

Historical data has been collected from generally accepted standard sources, usually from public bodies. This section includes information on the Cities and Deschutes County.



Population

The following table shows the historical population for the State, the County and the Cities of Bend and La Pine:

Population

	State of Oregon	Deschutes County	City of Bend	City of La Pine
July 1 ⁽¹⁾				
2024	4,263,385	208,612	104,089	3,110
2023	4,250,027	206,212	102,558	2,978
2022	4,233,291	203,830	100,987	2,804
2021	4,218,425	201,916	100,081	2,630
2020	4,237,174	199,061	99,278	2,549
April 1 ⁽²⁾				
2020	4,237,256	198,253	99,178	2,512
2010	3,831,074	157,733	76,639	1,653
2000	3,421,399	115,367	52,029	N/A

(1) Source: Center for Population Research and Census, Portland State University.

(2) Source: U.S. Census Count on April 1.

Economic Overview

The major industries that comprise the County’s economy include construction, manufacturing, tourism, retail trade, government, education, and healthcare. Major employers in the District include St. Charles Health System, the District, Deschutes County, Sunriver Resort, Mt. Bachelor Ski Resort, and Central Oregon Community College. Major agricultural commodities produced in the region include cattle, hay, nursery crops, horses, and mules.

Currently, private education and health services accounts for 18.3 percent of the total non-farm employment in the County, while transportation and utilities accounts for 16.7 percent, leisure and hospitality 14.5 percent, professional and business services 12.1 percent, and government jobs 11.6 percent.

Income. Historical personal income and per capita income levels for the County and the State are shown below:

Total Personal and Per Capita Income

Year	Deschutes County				State of Oregon			
	Personal Income (\$000 Omitted)	Dividends, Interest, Rent (\$000 Omitted)	Per Capita Income	Per Capita Dividends, Interest, Rent	Personal Income (\$000 Omitted)	Dividends, Interest, Rent (\$000 Omitted)	Per Capita Income	Per Capita Dividends, Interest, Rent
2024 ⁽¹⁾	N/A	N/A	N/A	N/A	\$ 305,794,700	\$ 61,945,500	\$ 71,524	\$ 14,489
2023	\$ 16,894,729	\$ 4,765,812	\$ 81,025	\$ 22,856	287,182,452	59,305,789	67,838	14,009
2022	15,686,986	4,306,024	75,972	20,854	271,773,249	53,717,257	64,107	12,671
2021	14,483,872	3,553,517	70,556	17,310	265,378,893	49,556,905	62,347	11,643
2020	12,746,735	3,165,093	63,905	15,868	240,173,697	44,203,203	56,577	10,413
2019	11,268,998	2,910,697	57,708	14,906	220,029,440	43,081,993	52,189	10,219

Note: Dollar estimates are in current dollars (not adjusted for inflation).

(1) Data for fourth quarter; preliminary and subject to change. Data released March 28, 2025.

Source: U.S. Department of Commerce, Bureau of Economic Analysis; data as of November 14, 2024.

Employment. Non-farm employment within the County is described in the following tables:

Deschutes County Labor Force Summary ⁽¹⁾ (by place of residence)

							2025 Change from				
	2020	2021	2022	2023	2024	2025 ⁽²⁾	2020	2021	2022	2023	2024
Civilian Labor Force	98,885	103,130	104,070	106,639	109,394	110,977	12,092	7,847	6,907	4,338	1,583
Unemployment	7,761	5,374	4,086	3,955	4,470	4,768	-2,993	-606	682	813	298
Percent of Labor Force	7.8%	5.2%	3.9%	3.7%	4.1%	4.3%	---	---	---	---	---
Total Employment	91,124	97,756	99,984	102,684	104,924	106,209	15,085	8,453	6,225	3,525	1,285

Non-Agricultural Wage & Salary Employment ⁽³⁾

							2025 Change from				
	2020	2021	2022	2023	2024	2025 ⁽²⁾	2020	2021	2022	2023	2024
Total Nonfarm Payroll Employment	83,180	87,280	90,740	94,470	96,780	98,320	15,140	11,040	7,580	3,850	1,540
Total Private	74,070	78,120	81,030	84,190	86,230	85,910	11,840	7,790	4,880	1,720	-320
Mining, logging and construction	7,380	7,890	8,090	8,190	8,120	8,030	650	140	-60	-160	-90
Manufacturing	5,340	5,740	6,190	6,260	6,410	6,770	1,430	1,030	580	510	360
Trade, transportation, and utilities	15,830	16,450	16,520	16,890	16,960	16,410	580	-40	-110	-480	-550
Information	1,700	1,760	1,800	1,850	1,830	1,810	110	50	10	-40	-20
Financial activities	5,040	5,490	5,380	5,310	5,360	5,260	220	-230	-120	-50	-100
Professional and business services	10,320	10,600	11,210	11,630	11,730	11,880	1,560	1,280	670	250	150
Private education and health services	14,550	15,090	15,300	16,120	17,360	17,950	3,400	2,860	2,650	1,830	590
Leisure and hospitality	11,090	12,130	13,420	14,530	14,970	14,280	3,190	2,150	860	-250	-690
Other services	2,840	2,970	3,110	3,430	3,490	3,520	680	550	410	90	30
Government	9,110	9,160	9,710	10,280	10,550	11,420	2,310	2,260	1,710	1,140	870

(1) Civilian labor force includes employed and unemployed individuals 16 years and older by place of residence. Employed includes nonfarm payroll employment, self-employed, unpaid family workers, domestics, agriculture and labor disputants. Data are adjusted for multiple job-holding and commuting.

(2) Data for month of March; preliminary and subject to change.

(3) Nonfarm payroll data are based on the 1987 Standard Industrial Classification manual. The data are by place of work. Persons working multiple jobs are counted more than once. The data excludes the self-employed, volunteers, unpaid family workers, and domestics.

Source: State of Oregon Employment Department.

Major Employers in the County

Company	Service	Location	No. Employees
St. Charles Health System	Healthcare	Bend/Redmond	4,565
Administrative School District No. 1 (Bend-La Pine)	Education	Bend/Redmond	2,300
Deschutes County	Local Government	County-wide	1,243
Mt. Bachelor	Hospitality	Bend	1,117
Sunriver Resort	Hospitality	Sunriver	950
Redmond School District	Education	Redmond	919
Central Oregon Community College (COCC)	Higher Education	County-wide	830
Safeway (includes Albertsons)	Retail	County-wide	810
City of Bend	Local Government	Bend	763
Summit Medical Group	Healthcare	Bend	736

Note: Total number of employees may include full, part-time, temporary and seasonal employment.

Source: District Fiscal Year 2024 Annual Comprehensive Financial Report sourcing: Economic Development for Central Oregon, Oregon Department of Education, and Deschutes County Finance Department.

Building Permits. Residential building permits are an indicator of growth within a region. The number and valuation of new single-family and multi-family residential building permits in the City of Bend are listed below:

City of Bend Residential Building Permits

Year	New Single Family		New Multi Family			Total
	Number	Construction Cost	Number	Units	Construction Cost	Construction Cost
2025 ⁽¹⁾	230	\$ 93,455,143	8	20	\$ 3,837,203	\$ 97,292,346
2024	513	205,424,592	31	132	26,764,342	232,188,934
2023	619	226,505,320	71	995	161,910,603	388,415,923
2022	619	189,660,516	41	574	70,574,180	260,234,696
2021	747	218,222,155	52	710	92,980,983	311,203,138
2020	652	140,349,502	64	424	70,449,688	210,799,190

(1) As of April.

Source: U.S. Census Bureau.

Higher Education. Central Oregon Community College, a two-year college with campuses in Redmond and Bend provides general education courses, occupational and technical preparatory training, lower division college transfer courses, skills upgrading and employee technical training. Higher education courses are also available through satellite campuses of George Fox University in Redmond, and Oregon State University's Cascades Campus in Bend.

Healthcare. Healthcare services are available at St. Charles Medical Center-Bend, a regional medical center that offers a wide variety of specialized medical facilities including open heart surgery, a cancer center, and extensive diagnostic services.

Transportation: State Highway 97 is the main north-south highway accessing the District. U.S. Highway 20 services east-west traffic. State Highway 126 connects with the major east-west state highways. The area is serviced by both Union Pacific and Burlington Northern railroads as well as several trucking companies. The Redmond Airport, located 16 miles north of Bend, is the commercial service airport for Central Oregon and also serves air cargo and general aviation. Local public bus transportation is provided by the Bend Area Transit System which operates bus routes Monday through Saturday.

Certain Investment Considerations

In addition to factors set forth elsewhere in this Official Statement, this section describes certain factors and considerations that purchasers of the Bonds should carefully consider in connection with an investment in the Bonds. The following is not meant to present an exhaustive list of the risks and considerations associated with the purchase of any Bonds (and other considerations that may be relevant to particular investors) and the order in which the information is presented does not necessarily reflect the relative importance of the various factors. Prospective investors are advised to consider the following factors, along with all other information contained or incorporated by reference in this Official Statement, in evaluating whether to purchase the Bonds. Any one or more of the risk factors discussed below, among others, could lead to a decrease in the market value and/or in the marketability of the Bonds. There can be no assurance that other risk factors not discussed herein will not become material in the future.

General

Economic Considerations. Global and national economic conditions may have had, and may in the future have, significant effects on the finances and operations of the District and its property taxes. No assurance can be given that future changes in economic conditions will not have an effect on the District and its finances and operations, nor can there be any assurances the changes in economic conditions will not have an impact on the taxpayers of the District. It is difficult for the District to predict the occurrence of such economic changes or the potential effect on the finances and operations of the District and its property taxes until the extent and duration of such changes are known.

Public Health Considerations. The financial and operating condition of the District may be materially affected by a national or localized outbreak of an infectious disease, such as the outbreak of avian influenza, measles, COVID-19, or other highly contagious or epidemic disease (an “Outbreak”). There can be no assurances that an Outbreak, including COVID-19 in the State, nationally and globally, will not materially affect the District, state and national economies and accordingly, materially adversely affect the operations and financial condition of the District. The District cannot predict the effects of such events.

Cybersecurity

The District, like other public and private entities, relies on a large and complex technology environment to conduct its operations, and consequently faces the threat of cybersecurity incidents. The District routinely face cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks on computers and other sensitive digital networks and systems. Cybersecurity incidents could result from unintentional events, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the District’s information technology systems to misappropriate assets and/or information or to cause operational disruption and damage. The District has not had a material Cybersecurity incident in the past five years.

To reduce and mitigate the risk of business operations impact and/or damage from cybersecurity incidents, the District has invested in multiple forms of cybersecurity and operational safeguards. No assurances can be given that the security and operational control measures of the District will be successful in guarding against any and each cyber threat and attack.

The results of any attack on the computer and information technology systems could have a material adverse impact on the operations of the District and damage the digital networks and systems. The District cannot predict the outcome of any such attack, nor its effect on the operations and finances of the District.

Environmental Considerations

The District, like all communities in the State, may be subject to unpredictable natural or man-made disasters, such as seismic events, seasonal storms, excessive/high winds, flood, fire, toxic dumping or acts of terrorism, any of which could adversely affect the District and the collection and receipt of revenues. In the event of such calamities, there may be significant damage to both property and infrastructure, including the school facilities. The occurrence of a severe natural disaster could have negative effects on the economic, financial and operational status of both the District and its citizens, which could have an adverse impact on the District’s ability to make payments of principal of and interest on the Bonds.

Wildfire Risks. In recent years, portions of the State have experienced wildfires that have burned millions of acres and destroyed thousands of homes and structures. Within the last five years, the District has not experienced material wildfire damage within its boundaries. Property damage due to future wildfires could result in a significant decrease in the assessed value of property of the District. It is not possible for the District to make any representation or prediction regarding the extent to which wildfires could cause reduced economic activity within the boundaries of the District or the extent to which wildfires may affect the value of taxable property within the District.

Drought. Areas of the State have experienced varying levels of drought conditions in recent years, and may experience extended drought conditions in the future. The Governor declared a drought emergency in the County in 2020, 2021, 2022 and 2023. As of June 10, 2025, the U.S. Drought Monitor reports that 88.8 percent of the County is not currently experiencing drought conditions while 11.2 percent of the County is experiencing abnormally dry conditions. Extended drought conditions may affect development of undeveloped properties and the value of properties within the boundaries of the District, which may negatively affect the financial condition and operations of the District.

No Acceleration; Limitation of Remedies

The Bonds are not subject to acceleration. The rights of holders are limited by the terms of the Resolution. See “Description of the Bonds – Default and Remedies” herein.

Change in Law

State legislation is introduced before the Oregon Legislative Assembly and as described below, initiatives and referenda are placed on the ballot from time to time that could affect the finances or operations of the District. The District cannot predict whether any such legislation, initiative or referenda will be introduced, enacted or approved in the future, nor can it predict the potential implications on the finances or operations of the District.

Federal and State Actions

The District receives federal funding for various purposes including Title I, IDEA and National School Lunch Program. See “Revenue Sources – Federal Funding” herein. The current federal administration has recently issued a series of executive orders and implemented policies purporting to suspend or limit federal spending and funding to state and local governments, including school districts. Certain of these actions have been challenged and in some cases enjoined. These federal policies, and potentially future federal policies, if implemented, may adversely impact federal revenues received by the District.

Additionally, other federal and State statutory and regulatory changes, administrative rulings, interpretations of policy, or funding restrictions, whether taken as part of federal or State budgetary actions or otherwise, may reduce funds made available to the District to support certain programs and operations. At the same time, the federal or State government may maintain or increase the responsibilities of the District in certain areas, notwithstanding reductions in federal or State funding for such activities.

The Bonds are unlimited tax general obligation bonds (see “Security for the Bonds” and “Local Revenue Sources - Property Taxes” herein) and therefore the District does not expect that the loss or reduction of federal or state revenues would impact its ability to pay debt service on the Bonds.

Federal tariffs imposed on international products could increase the cost and timeline of the Project and other capital projects of the District. As a result, the District could be required to adjust the scope of the Project, however, it is not expected to impact its ability to pay debt service on the Bonds.

The Initiative and Referendum Process

Article IV, Section 1 of the Oregon Constitution reserves to the people of the State the initiative power to amend the State Constitution or to enact legislation by placing measures on the statewide general election ballot for consideration by the voters. Oregon law therefore permits any registered Oregon voter to file a proposed initiative with the Oregon Secretary of State’s office without payment of fees or other burdensome requirements.

Consequently, a large number of initiative measures are submitted to the Oregon Secretary of State's office, and a much smaller number of petitions obtain sufficient signatures to be placed on the ballot.

Because many proposed statewide initiative measures are submitted to the Oregon Secretary of State's office that do not qualify for the ballot, the District does not formally or systematically monitor the impact of those measures or estimate their financial effect prior to the time the measures qualify for the ballot. The District also does not formally or systematically monitor efforts to qualify measures for the ballot that would initiate new provisions for, or amend, the District's charter and ordinances. Consequently, the District does not ordinarily disclose information about proposed initiative measures that have not qualified for the ballot.

Pursuant to ORS 250.125, a five-member Committee composed of the Secretary of State, the State Treasurer, the Director of the Department of Revenue, the Director of the Department of Administrative Services, and a local government representative must prepare an estimate of the direct financial impact of each measure ("Financial Estimate Statements") to be printed in the voters' pamphlet and on the ballot.

Initiative Process

To place a proposed statewide initiative on a general election ballot, the proponents must submit to the Secretary of State initiative petitions signed by the number of qualified voters equal to a specified percentage of the total number of votes cast for all candidates for governor at the gubernatorial election at which a governor was elected for a term of four years next preceding the filing of the petition with the Secretary of State. Any elector may sign an initiative petition for any measure on which the elector is entitled to vote. Statewide initiatives may only be filed for general elections in even-numbered years.

A statewide initiative petition must be submitted to the Secretary of State not less than four months prior to the general election at which the proposed measure is to be voted upon. As a practical matter, proponents of an initiative have approximately two years in which to gather the necessary number of signatures. State law permits persons circulating initiative petitions to pay money to persons obtaining signatures for the petition. Once an initiative measure has gathered a sufficient number of signatures and qualified for placement on the ballot, the State is required to prepare a formal estimate of the measure's financial impact. Typically, this estimate is limited to an evaluation of the direct dollar impact.

Historical Initiative Petitions. According to the Elections Division of the Secretary of State, the total number of initiative petitions that qualified for the ballot and the numbers that passed in recent general elections are as follows:

Recent Initiative Petitions

Year of General Election	Number of Initiatives that Qualified	Number of Initiatives that were Approved
2014	4	2
2016	4	3
2018	4	0
2020	2	2
2022	2	2
2024	2	1

Source: Elections Division, Oregon Secretary of State, Initiative, Referendum and Referral Log.

Referendum

"Referendum" generally means measures that have been passed by a legislative body, such as the Legislative Assembly or the governing body of a district, county or other political subdivision and referred to the electors by the legislative body, or by petition prior to the measure's effective date.

In Oregon, both houses of the Legislative Assembly must vote to refer a statute or constitutional amendment for a popular vote. Such referrals cannot be vetoed by the governor. Any change to the Oregon Constitution passed by the Legislative Assembly requires referral to voters. In the case of a referendum by petition, proponents of the referendum must obtain a specified number of signatures from qualified voters. The required number of signatures is equal to four percent of the votes cast for all candidates for governor at the preceding gubernatorial election.

Legal Matters and Litigation

Legal Matters

Legal matters incident to the authorization, issuance and sale of Bonds are subject to the approving legal opinion of Bond Counsel, substantially in the form attached hereto as Appendix A. Bond Counsel has reviewed this document only to confirm that the portions of it describing the Bonds and the authority to issue them conform to the Bonds and the applicable laws under which they are issued.

Litigation

There is no litigation pending questioning the validity of the Bonds nor the power and authority of the District to issue the Bonds. There is no litigation pending which would materially affect the finances of the District or affect the District's ability to meet debt service requirements on the Bonds.

Under the Oregon law local public bodies, such as the District, are subject to the following limits on liability. The State of Oregon is subject to different limits.

Personal Injury and Death Claim. The liability of a local public body and its officers, employees and agents acting within the scope of their employment or duties, to any single claimant for covered personal injury or death claims (and not property claims) arising out of a single accident or occurrence may not exceed \$879,200, for causes of action arising on or after July 1, 2025, and before July 1, 2026. The liability limits to all claimants for covered personal injury or death claims (and not property claims) arising from a single accident or occurrence may not exceed \$1,758,300 for causes of action arising on or after July 1, 2025, and before July 1, 2026.

Property Damage or Destruction Claim. The liability limits of a public body and its officers, employees and agents acting within the scope of their employment or duties, for covered claims for damage and destruction of property that arise from causes of action arising on or after July 1, 2025: (a) \$144,200, adjusted as described below, to any single claimant, and (b) \$721,000, adjusted as described below, to all claimants.

For causes of action arising on or after July 1, 2026, the liability limits for both a single claimant and all claimants will be adjusted based on a determination by a State Court Administrator of the percentage increase or decrease in the cost of living for the previous calendar year as provided in the statutory formula. The adjustment may not exceed three percent for any year.

Tax Matters

Opinion of Bond Counsel

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the District, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the District in connection with the Bonds, and Bond Counsel has assumed compliance by the District with certain ongoing covenants to comply

with applicable requirements of the Code to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code.

In addition, in the opinion of Bond Counsel to the District, under existing statutes, interest on the Bonds is exempt from State of Oregon personal income tax.

Bond Counsel expresses no opinion as to any other federal, state, or local tax consequences arising with respect to the Bonds, or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action thereafter taken or not taken, any fact or circumstance that may thereafter come to its attention, any change in law or in interpretations thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action thereafter taken or not taken in reliance upon an opinion of other counsel, regarding federal, state or local tax matters, including, without limitation exclusion from gross income for federal income tax purposes of interest on the Bonds.

Certain Ongoing Federal Tax Requirements and Covenants

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Bonds to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The District has covenanted to comply with certain applicable requirements of the Code to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Bonds.

Prospective owners of the Bonds should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount

“Original issue discount” (“OID”) is the excess of the sum of all amounts payable at the stated maturity of a Bond (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the “issue price” of a maturity means the first price at which at least 10 percent of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the Bonds. In general, the issue price for each maturity of Bonds is expected to be the initial public offering price set forth on the inside cover page of the Official Statement. Bond Counsel further is of the opinion that, for any Bonds having OID (a “Discount Bond”), OID that has accrued and is properly allocable to the owners of the Discount Bonds under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Bonds.

In general, under Section 1288 of the Code, OID on a Discount Bond accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Bond. An owner's adjusted basis in a Discount Bond is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Discount Bond. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Bond even though there will not be a corresponding cash payment.

Owners of Discount Bonds should consult their own tax advisors with respect to the treatment of original issue discount for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Bonds.

Bond Premium

In general, if an owner acquires a Bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Bond after the acquisition date (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates), that premium constitutes "bond premium" on that Bond (a "Premium Bond"). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner's yield over the remaining term of the Premium Bond determined based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner's regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Owners of any Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid on tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under federal or state law or otherwise prevent beneficial owners of the Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Bonds.

Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

Continuing Disclosure

The Securities and Exchange Commission Rule 15c2-12 (the “Rule”) requires at least annual disclosure of current financial information and timely disclosure of certain events with respect to the Bonds. Pursuant to the Rule, the District has agreed to provide audited financial information and certain financial information or operating data at least annually, and timely notice of certain events (collectively, “Continuing Disclosure”) to the MSRB through its EMMA system (so long as such method of disclosure continues to be approved by the Securities and Exchange Commission for such purposes).

Prior Undertakings. During the last five fiscal years, the District was obligated to provide Continuing Disclosure filings for its General Obligation Refunding Bonds, Series 2013; General Obligation Bonds, Series 2013B; General Obligation Bonds, Series 2017; General Obligation Bonds, Series 2019; General Obligation Refunding Bonds, Series 2021; General Obligation Bonds, Series 2023; Full Faith and Credit Refunding Obligations, Series 2011; Limited Tax Pension Obligations, Series 2002B; Limited Tax Pension Obligations, Series 2003A & 2003B; Limited Tax Pension Obligations, Series 2004; and Limited Tax Pension Refunding Obligations, Series 2012 (“Outstanding Debt”). The District’s undertakings require its annual financial information filing within 270 days of the end of the Fiscal Year (usually March 27), with the exception of the General Obligation Bonds, Series 2017; General Obligation Bonds, Series 2019; General Obligation Refunding Bonds, Series 2021; and General Obligation Bonds, Series 2023 which have a filing deadline of nine months after the end of the Fiscal Year (March 31).

Failure to File – Audited Financial Statements. The District failed to file its audited financial statements for Fiscal Year 2020 prior to the deadline for its Pension Obligation Bonds; these bonds were issued as part of a pooled issuance through the Oregon School Boards Association and carry a different base CUSIP than the District’s other debt. The District subsequently filed the audited financial statements for Fiscal Year 2020 on October 27, 2021.

Failure to File – Notice of Incurrence of Financial Obligation. The Continuing Disclosure Certificate for the District’s General Obligation Bonds, Series 2019 includes two additional material events related to the incurrence of financial obligations and the occurrence of events reflecting financial difficulties. The District was aware of the new requirement at the time of issuance but due to staff turnover, notice of incurrence of a financial obligation was not filed when the District completed a full faith and credit financing directly with a bank in May 2020 (see “Bonded Indebtedness - Outstanding Long-Term Debt” herein). Notice was provided on October 27, 2021.

District staff have undergone training and adjusted procedures to ensure filings are attached to the Pension Obligation Bonds and to track the two additional material events required to be filed under the continuing disclosure certificates related to the District’s recent public borrowings in order to maintain compliance in the future. A copy of the form of the District’s Continuing Disclosure Certificate for the Bonds is attached hereto as Appendix D.

Municipal Advisor

In connection with the authorization and issuance of the Bonds, the District has retained Piper Sandler & Co., Portland, Oregon, as its Municipal Advisor (the “Municipal Advisor”).

The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for, the accuracy, completeness, or fairness of the information contained in this Official Statement.

Preliminary Official Statement

The District has executed a “deemed final” letter that deemed final the Preliminary Official Statement pursuant to Securities and Exchange Commission Rule 15c2-12 (except for the omission of the following information: offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity,

delivery dates, credit enhancement, if any, ratings, insurance, and other terms of the securities depending on such matters). The District has also represented to the Municipal Advisor that the information in this Preliminary Official Statement, except for matters relating to DTC and its book-entry system, the State and the State School Bond Guaranty Program, the Paying Agent, the information under the heading "Municipal Advisor" and the statement regarding the Municipal Advisor in the italicized paragraph on page ii, does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

Ratings

As noted on the cover page of this Official Statement, Moody's Investors Service has assigned its underlying rating of "Aa2" to the Bonds. Moody's Investors Service has also assigned its rating of "Aa1" to the Bonds based on the District's participation in the Oregon School Bond Guaranty Program. See "Security for the Bonds - Oregon School Bond Guaranty Program" herein. There is no assurance that the ratings will be retained for any given period of time or that the ratings will not be revised downward or withdrawn entirely by the rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of the ratings will be likely to have an adverse effect on the market price of the Bonds.

Purchaser of the Bonds

The Bonds are being purchased by _____ and they will receive compensation of \$ _____. The purchaser of the Bonds may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the initial offering prices corresponding to the yields set forth on page i of this Official Statement, and such initial offering prices may be changed from time to time by such purchaser. After the initial public offering, the public offering prices may be varied from time to time. In connection with the offering of the Bonds, the purchaser of the Bonds may overallocate or effect transactions which stabilize or maintain the market price of the Bonds at levels above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued or recommenced at any time.

Certificate with Respect to Official Statement

At the time of the original delivery of and payment for the Bonds, the District will deliver a certificate of its authorized representative to the effect that the representative has examined this Official Statement and the financial and other data concerning the District contained herein and that to the best of the representative's knowledge and belief, the Official Statement, both as of its date and as of the date of delivery of the Bonds, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

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Appendix A

Form of Bond Counsel Opinion

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[Closing Date], 2025

Administrative School District No. 1 (Bend-La Pine)
520 NW Wall Street
Bend, Oregon 97703

Re: Administrative School District No. 1 (Bend-La Pine), Deschutes County, Oregon \$[Principal Amount] General Obligation Bonds, Series 2025

Ladies and Gentlemen:

We have acted as bond counsel to the Administrative School District No. 1 (Bend-La Pine) located in Deschutes County, Oregon (the “District”) in connection with the issuance by the District of the \$[Principal Amount] aggregate principal amount of General Obligation Bonds, Series 2025 (the “Bonds”), which are dated [Closing Date], 2025. The Bonds are issued pursuant to Oregon Revised Statutes Chapter 287A and Section 328.205, an approving vote of the electors and Resolution No. 1986 adopted by the Board of Directors of the District on April 8, 2025 (the “Bond Resolution”). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Bond Resolution.

We have examined the applicable law, a duly certified transcript of proceedings of the District, prepared in part by us, and other documents which we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied on the representations of the District contained in the Bond Resolution and other certified proceedings and certifications of officials of the District and others furnished to us without undertaking to verify such representations and certifications by independent investigation.

On the basis of the foregoing examination, and in reliance thereon, and on the basis of our examination of such other matters of fact and questions of law as we deem relevant under the circumstances, and subject to the limitations expressed herein, we are of the opinion, under existing law, as follows:

A. The Bonds have been legally authorized and issued under and pursuant to the Constitution and statutes of the State of Oregon, and are valid and legally binding obligations of the District enforceable against the District in accordance with their terms, subject to: (i) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors’ rights generally (whether now or hereafter in existence); (ii) the application of equitable principles and to the exercise of judicial discretion in appropriate cases; (iii) common law and statutes affecting the enforceability of contractual obligations generally; and (iv) principles of public policy concerning, affecting, or limiting the enforcement of rights or remedies against governmental entities such as the District.

B. Pursuant to ORS 287A.315, the District has pledged its full faith and credit and taxing power to pay the Bonds. The District has covenanted for the benefit of the owners to levy annually, as necessary, a direct ad valorem tax upon all of the taxable property within the District which is sufficient, after taking into consideration discounts taken and delinquencies that may occur in the payment of such taxes and other legally available amounts, to pay all Bond principal and interest when due. This tax shall be in addition to all other taxes of the District, and

this tax shall not be limited in rate, amount or otherwise, by Sections 11 or 11b of Article XI of the Oregon Constitution.

C. Under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described below, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Bonds is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. [Bond Counsel further is of the opinion that, for any Bonds having original issue discount (a “Discount Bond”), original issue discount that has accrued and is properly allocable to the owners of the Discount Bonds under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Bonds.] In rendering our opinion, we have relied on certain representations, certifications of fact, and statements of reasonable expectations made by the District and others in connection with the Bonds, and we have assumed compliance by the District with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code.

The Code establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds in order that, for federal income tax purposes, interest on the Bonds not be included in gross income pursuant to Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of Bond proceeds, restrictions on the investment of Bond proceeds prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such requirements may cause interest on the Bonds to become subject to federal income taxation retroactive to their date of issue, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of delivery of the Bonds, the District will execute a Tax Certificate (the “Tax Certificate”) containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Certificate, the District covenants that it will comply with the provisions and procedures set forth therein and that they will do and perform all acts and things required by the Code to assure that interest paid on the Bonds will, for federal income tax purposes, be excluded from gross income.

In rendering the opinion in paragraph C hereof, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectation, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of interest paid on the Bonds, and (ii) compliance by the District with the procedures and covenants set forth in the Tax Certificate as to such tax matters.

D. Interest on the Bonds is exempt from State of Oregon personal income tax.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Bonds, or the ownership or disposition thereof, except as stated in paragraphs C and D above. We render our opinion under existing statutes and court decisions as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Bonds.

This opinion is limited to matters of Oregon law and applicable federal law, and we assume no responsibility as to the applicability of laws of other jurisdictions.

This opinion is provided to you as a legal opinion only, and not as a guaranty or warranty of the matters

discussed herein. No opinions may be inferred or implied beyond the matters expressly stated herein. No qualification, limitation or exception contained herein shall be construed in any way to limit the scope of the other qualifications, limitations and exceptions. For purposes of this opinion, the terms “law” and “laws” do not include unpublished judicial decisions, and we disclaim the effect of any such decision on the opinions expressed.

We have acted solely as bond counsel to the District regarding the sale and issuance of the Bonds and have not represented any other party in connection with the Bonds.

We have not been engaged or undertaken to review the accuracy, completeness, or sufficiency of the official statement or other offering materials relating to the Bonds, and we express no opinion relating thereto. We express no opinion as to the creditworthiness of the District, the investment quality of the Bonds or the adequacy of the security for the Bonds.

The opinions expressed herein are solely for your benefit in connection with the above referenced financing and may not be relied on in any manner or for any purpose by any person or entity other than the District and any person to whom we may send a formal reliance letter indicating that the recipient is entitled to rely on this opinion, nor may copies be furnished to any other person or entity, without the prior written consent of Hawkins Delafield & Wood LLP.

Very truly yours,

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Appendix B

Financial Statements

The District's Auditor has not performed any further review of the District's financial statements since the date of the audit contained herein. The Auditor was not requested to review this Official Statement and has not completed any additional auditing review procedures subsequent to the issuance of its report on the 2024 Fiscal Year.

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**ADMINISTRATIVE SCHOOL DISTRICT NO. 1
(BEND – LA PINE SCHOOLS)
DESCHUTES COUNTY, OREGON**

520 NW Wall Street
Bend, OR 97703



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR FISCAL YEAR ENDED JUNE 30, 2024

Prepared by the Business Office
Dan Emerson – Chief Financial Officer
Nick Shein – Assistant Director of Finance – Budget
Matt Gayman – Assistant Director of Finance – Accounting

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Business Office
Education Center
520 NW Wall Street
Bend, OR 97703

December 13, 2024

To the Board of Directors and citizens of Deschutes County Administrative School District No. 1 (Bend-La Pine Schools):

We are pleased to submit the Annual Comprehensive Financial Report of Administrative School District No. 1, Deschutes County, Oregon (Bend-La Pine Schools or the District), as of and for the year ended June 30, 2024. Oregon Revised Statutes 297.425 requires the accounts and fiscal affairs of the district be audited and reviewed at least once each fiscal year. This report is published to accomplish that requirement.

Audits and reviews required by Oregon Revised Statutes 297.425 shall inquire into:

- The principles of accounting and methods followed by Bend-La Pine Schools in recording, summarizing and reporting its financial transactions and financial condition;
- The accuracy and legality of the transactions, accounts, records, files and financial reports of the officers and employees of Bend-La Pine Schools as they relate to its fiscal affairs; and
- Compliance with requirements, orders and regulations of other public officials which pertain to the financial condition or financial operations of Bend-La Pine Schools.

The management of Bend-La Pine Schools assumes full responsibility for the completeness and reliability of the information contained in this report. The District maintains a system of internal accounting controls designed to provide reasonable assurance that assets are safeguarded against loss or unauthorized use and that financial records can be relied upon to produce financial statements in accordance with GAAP. The concept of reasonable assurance recognizes that the cost of maintaining the system of internal accounting controls should not exceed benefits likely to be derived.

Sensiba issued an unmodified (“clean”) opinion on Bend-La Pine Schools’ financial statements for the year ended June 30, 2024. Sensiba’s audit opinion report is located at the front of the financial section of this report.

In addition to meeting the requirements set forth above, the independent audit also was designed to meet the special needs of federal grantor agencies as provided for in the Federal Single Audit Act and the Office of Management and Budget’s (OMB) Uniform Guidance. These standards require the independent auditor not only report on the fair presentation of the basic financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis on the administration of federal awards. The results of the independent audit for the fiscal year ended June 30, 2024 can be found in the Audit Comments and Disclosures Section of this report.

Management’s discussion and analysis (MD&A) immediately follows Sensiba’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Bend-La Pine Schools Profile

Bend-La Pine Schools is the fifth largest school district in the State of Oregon. Constituted by 33 schools

and 2 charter schools across our 1,700 square miles across the communities of Bend, La Pine, and Sunriver. The District was formed in 1961 as the result of an election that consolidated five school districts.

Bend-La Pine Schools serves approximately 16,900 students in kindergarten through grade twelve and currently operates nineteen elementary schools, seven middle schools, and seven high schools. There are also two district-sponsored charter schools.

The District is governed by a seven-member board elected to four-year terms, five members by zones based on voter precincts and two at-large members. The Board is the governing body, and as such is exclusively responsible for its decisions and is accountable for the decisions it makes. The Board is focused on policies that elevate student achievement and create world class schools. The latitude afforded under state law allows the School Board to significantly influence operations. This authority includes, but is not limited to, adoption and appropriation of the budget, control over all assets, negotiating collective bargaining agreements, short-term borrowing, and contracting and developing the programs of the District. The Board of Directors together with seven appointed community members, comprises the fourteen-member Budget Committee. In addition, community members take an active role in the District's schools through volunteer programs, site committees and parent groups.

We are the second largest employer in Central Oregon, with 85% of our \$249 million operating budget focused on people. We celebrate an award-winning staff of over 2000, including Teachers of the Year, numerous Presidential Math and Science honorees, James Madison Fellowship winners, and School Nurses of the Year.

Visioning

Bend-La Pine Schools' strategic plan is built on a simple, but profound promise: every student in Bend-La Pine Schools is known by name, strengths, and needs, and graduates ready for college, career, community engagement and life.

At Bend-La Pine Schools we value the work of our teachers and staff, who help enrich our students' school experiences. Our schools are home to state and national award-winning activities, including journalism, band, speech and debate, robotics, DECA, Future Farmers of America, Future Business Leaders of America, and more. With over 33 career technical education programs and 60 courses available for both high school and college credit in our 7 high schools, we provide comprehensive and highly enriching opportunities for our students to access their passions and pathways to a successful future.

Each year, Bend-La Pine works to build upon our successes in order to deliver the best teaching and learning environment in Oregon. 1360 Bend-La Pine Schools students flipped their tassels in 2024, accepting high school diplomas and preparing for studies at prestigious universities and colleges around the world, or beginning post-high school training at hundreds of institutions. 428 of these students earned honors diplomas and 119 earned the Seal of Biliteracy.

The Board of Directors, in partnership with district leadership, has provided clear direction and focus towards this promise through the development of the Board's Goals:

1. Students are engaged and develop a **strong academic foundation**.
2. Students have a **passion, purpose, and plan** for their future.
3. Students, families, and staff **experience wellness, inclusion, and belonging** in our schools.
4. Operational systems align and support an academically effective and sustainable organization

These goals are also informed by the 2019-20 Excellence and Equity Review, where we engaged with

the community to identify focal points in how we deliver upon the goals identified above:

1. Empower student, family, and community voice.
2. Create safer, healthier, more equitable school environments for students and families.
3. Review and redesign curriculum to include anti-racist resources and diverse perspectives.
4. Focus on core curricula, instruction, and assessment practices that elevate learning for all students.
5. Diversify staff in all classifications.

At Bend-La Pine Schools we strive to connect students with meaningful experiences beyond academics. Through community service efforts and an emphasis on kindness, empathy and social emotional learning in the classroom, we are helping all of our students thrive on their respective paths toward limitless futures.

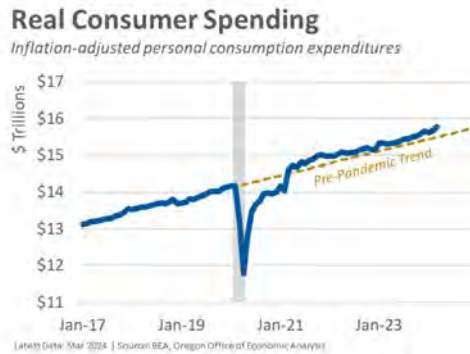
Local and State Economy

Bend-La Pine Schools is located entirely within Deschutes County. Deschutes County is the most populous county in the eastern part of Oregon with a 2024 population of approximately 210,500 people. With its varied topography, tourism is one of Deschutes County largest economic sectors. The Mount Bachelor ski resort and nearby Cascade Lakes are large draws for tourists. Recreational activities include downhill and cross-country skiing, hiking, biking, rafting, golfing, camping, fishing, picnicking, rock climbing, and general sightseeing. Oregon State University - Cascades (OSU-Cascades) is located in Bend and is the first public university to open in Oregon in more than 50 years. Bend is also home to the Deschutes Brewery, the 12th largest craft brewery in the nation in 2023 according to the Brewers Association, and the largest of over a thirty microbreweries in the city.

In FY2023-24, the taxable assessed value of property in Deschutes County increased by approximately 5.6 percent. The area's economic base has diversified significantly since 1980, when the region was known for its wood products. The top employers in the area are St. Charles Medical Center, a regional health service organization; Bend-La Pine Schools; Deschutes County; Mt. Bachelor, a ski resort; Sunriver Resort, a luxury resort community; Redmond School District; Central Oregon Community College; Safeway, a national grocery store chain; City of Bend; and Summit Medical Group, a regional health care organization. Due to its strong and healthy local economy, Bend-La Pine Schools has maintained a credit rating of Aa2 from Moody's Investor Service, the Aa2 rating is a little stronger than the US school districts median of Aa3. The key credit factors include an extensive tax base with a healthy wealth and income profile, a solid financial position, and mid-ranged debt and pension burdens.

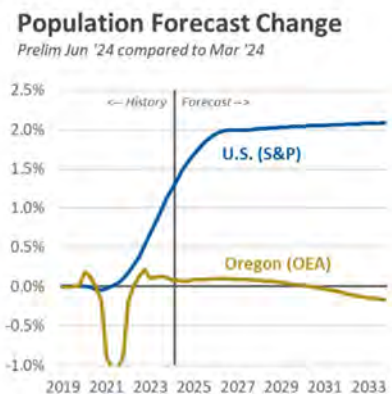
According to the June 2024 Oregon Economic and Revenue Forecast, economists continue to predict an inflationary boom as growth is still outpacing expectations and household income gains have generally kept pace with rising prices due to inflation. Fundamental indicators of economic health are positive, and the Federal Reserve is expected to reduce interest rates only after continued decreases in inflation show in economic data.

With all the turmoil of the last three and a half years, it is easy to lose sight of the fact that incomes are higher today than they were expected to be in pre-pandemic forecasts. All told, incomes continue to grow and consumer spending remains strong enough to keep the economy out of a recession.



Although inflation has fallen significantly, it remains higher than the Federal Reserve’s target of two percent. The challenge now will be to keep monetary policy tight enough to slow growth and cool inflation, but loose enough to avoid a recession. Most economists now see inflation stabilizing in years ahead without a recession, and for rate *cuts* in the second half of the year.

Another factor in the state and local economy is population. In an August 2022 update from the Oregon Office of Economic Analysis, for the first time in recorded history, there were more deaths than births in Oregon. While national populations have grown due to immigration, Oregon has yet to see migration trends counteract a shrinking population and longer term predicted population changes are negative. Without those migration trends, Oregon’s economic growth could be slower than anticipated.



The significance of this decline, is that Oregon is increasingly reliant upon in-migration to grow our economy and labor force. Without net in-migration, Oregon’s state-wide workforce will shrink in the decades ahead. Oregon economists had already been predicting a 6 percent decline for K-12 population from 2020 to 2030, even before the latest birth rates were made available.

In contrast to the state birth rates trends, the birth rates for the district in 2021 at 1,332 were the highest since 2009, and a growth of 5% over 2020 births. Overall, the population in Bend has increased by over 35,000 between 2010 and 2020, a growth rate of over 45 percent.

The District has made substantial investments in school facilities to keep pace with that growth. While some facilities are almost 100 years old, over 95 percent of the net book value of buildings are related to assets placed in service since the beginning of the 21st century.

The FY2024-25 projected enrollment for Bend-La Pine Schools is 16,940 a decrease of 194 students compared with enrollment of 17,134 on October 1, 2023. This represents slight reduction year over year,

with the projected enrollment still below the pre-pandemic measurement of 18,672 students on October 1, 2019.

State Support for Oregon Public Schools

Generally, Oregon public schools receive funding from two primary sources, local property taxes and a state school support grant, with the latter predominately from income taxes. The state's school support formula recognizes local property taxes as an offset to the payment due from the state.

Public schools, together with education service districts and community colleges, have had an aggregate maximum property tax rate for operations of \$5.00 per \$1,000 of real market valuation since the passage of Ballot Measure 5 in 1990. On May 20, 1997, Oregon voters approved Ballot Measure 50, which limited the annual increase in taxable property values. Under Measure 50, the legislature is required to continue to fund revenue lost by schools due to property tax limitations and established a permanent tax rate of \$4.7641 per \$1,000 of assessed value on property for our district.

Since Ballot Measure 5 passed in 1990, school districts across Oregon rely upon the state for the majority of their financing. Even though districts collect revenue locally through the property tax, school funding is essentially equalized through the allocations under the state school fund, which accounts for more than 50% of the District's general fund revenue. The State of Oregon is more dependent upon a single revenue source, state income tax, than any other state in the country. Accordingly, the financial outlook for the District is tied closely to the condition of the Oregon economy. The second most important source of revenue for the District, and the source of funds to pay its capital bonds, is local property taxes. Real estate values and associated assessed values of real property are the most important factor in the strength of this revenue source.

The 2023-25 Oregon's legislatively adopted budget included \$10.2 billion for the State School Fund (SSF) which makes up the state portion of the amount distributed to School Districts and Education Service Districts (ESDs) through the school funding formula. The 2023-25 budget represents an increase of almost \$900 million, or 9.68%, over the 2021-23 funding level. Funding from the SSF was split 49/51 between the two school years of the biennium. Overall, general purpose funding for School Districts and ESDs depends on both the state contribution through the SSF and the contributions of local revenue including property taxes, timber revenue, and distributions from the Common School Fund.

The FY2023-24 ending fund balance in the General Fund Operations subfund is \$27.58 million, which is approximately \$17.1 million more than the budgeted \$10.39 million.

Major Initiatives

In May 2017, voters approved a general obligation bond issue in the amount of \$268 million for the construction of Caldera High School, North Star Elementary School, and other capital projects. School bond projects will increase student and staff safety, improve access to school sites, and address chronic overcrowding through upgrades and updates made to schools and classrooms throughout the district. Caldera High School and North Star Elementary School will add more capacity to keep pace with the growing community.

- Caldera High School: Bend-La Pine's first new high school in two decades, opened its doors to students in the Fall of 2021. The new school includes nearly 60 classrooms, including several Career and Technical Education classrooms, a 600-seat auditorium, library, football stadium, sports fields and includes two secure main entries. 1 class of incoming freshman will be added each year until the school reaches full capacity in the 2024 school year.

In November 2022, voters approved a general obligation bond issue in the amount of \$247.9 million.

\$100 million in bonds were sold in March 2023 to fund the first phase. Nearly 100 individual projects are planned that will increase student and staff safety, improve access to school sites and upgrade technology. The primary construction project will be the renovation of the Bend High School campus.



Long-term Financial Planning

We forecast revenues, expenditures and fund balance in a five-year rolling plan. Revenue forecasts consider historical increases in formula revenue from the State with adjustments for current information, as well as increases tied to the consumer price index for other types of revenues. Forecasts for salary expenditures consider contracts with employee associations while forecasts for non-salary items consider the increase in the consumer prices index as well as other external factors. The long-term impact of adding additional schools is also considered.

Because approximately one-half of operational funding is derived from state income tax, the Board of Directors instituted an executive limit that prohibits management from proposing an ending fund balance less than five percent of total revenue in the general fund operations. The FY2023-24 adopted budget included an ending fund balance for general fund operations set at 5 percent of resources, in accordance with the executive limitation. The actual FY2023-24 ending fund balance for the General Fund Operations subfund is \$27.58 million.

Relevant Financial Policies and Information

Bend-La Pine Schools has adopted a comprehensive set of financial policies. District management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP) and statutory requirements. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Single Audit

As a recipient of federal financial assistance, the District is also responsible for ensuring that an adequate internal control structure is in place, including that portion related to federal financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

Budgetary Control

Bend-La Pine Schools maintains numerous budgetary controls. The objective of these budgetary controls is to ensure compliance with the requirements of Local Budget Law as outlined in the Oregon Revised Statutes 294.305 through 294.565, inclusive. The Board of Directors adopts the annual budget, makes appropriations, and levies taxes after the public hearing and before the beginning of the year for which the budget has been prepared. After adoption, the budget may be revised through procedures specified in State statute and Board policy.

The legal level of budgetary control is set at the major fund and major function level. At this level district and school administrators have discretion to reassign resources within major function levels.

The District also maintains an encumbrance accounting system to account for commitments for goods and services, which have not yet been provided or rendered. Encumbrances outstanding at year-end are not reported as expenditures in the financial statements for GAAP purposes.

Accounting Policies

Detailed descriptions of the District's accounting policies are contained in the Notes to Basic Financial Statements on pages 28-70, and they are an integral part of this report. These policies describe the basis of accounting, funds and accounts used, valuation policies for inventories and investments, and other significant accounting information. Please note that totals may not precisely add up due to rounding. We consider the differences to be immaterial.

Charter Schools

Oregon statute provides state funding for charter schools that flows through the district for schools that local boards of education have granted a charter. The District sponsors two charter schools; Bend International School and Desert Sky Montessori. The charter schools are not considered a component unit of the District under GASB 61.

Debt Administration

We have been very active in managing our debt over the last 30 years. Many general obligation issues have been "refunded" (refinanced), saving millions for taxpayers by locking in lower interest rates and shortening the maturity of the bonds. In November 2021, the District closed on a refunding of our 2013 Bonded debt. While savings from refunding do not directly impact the district's financial statements, the taxpayers will save approximately \$7.5 million dollars over the next 10 years.

In November 2002, the district joined a state-wide consortium to issue \$40.9 million of taxable pension bonds to finance a portion of the estimated 2001 unfunded actuarial liability with the Oregon Public Employees Retirement System (PERS). In April 2003, the District participated in the second state-wide effort to issue \$25.3 million of taxable pension bonds to apply to the estimated unfunded actuarial liability with the PERS. In February 2004, the District participated in the third state-wide effort to issue \$5.9 million of taxable pension bonds to apply to the unfunded actuarial liability. As a result of these pension bond issuances the PERS employer rates will be lower than the rates assessed for the school district pool for the foreseeable future.

The statutory debt limit is established by Oregon law, specifically ORS 328.245(1) and (2), at 7.95 percent of the real market value of property within the taxing district's boundary. At June 30, 2024 our net bonded debt is approximately \$4.215 billion less than the statutory debt limit.

Independent Audit

The provisions of Oregon law, specifically ORS 297.425 through 297.555, require that an independent audit be made of all public school district funds within six months following the close of each fiscal year. The auditors, selected by the Board of Directors, have completed their audit of our financial statements and their opinion is included in the Financial Section of this report.

This report also includes Audit Comments and Disclosures required under the Minimum Standards for Audits of Oregon Municipal Corporations Section of the Oregon Administrative Rules. In addition, the District is required to have an audit of its Federal Assistance Programs in accordance with the Single Audit Act, Office of Management and Budget (OMB) Compliance Supplement and the provisions of Government Auditing Standards promulgated by the U.S. Comptroller General as they pertain to the financial and compliance audits. A report on the District's compliance with applicable Federal laws and regulations related to the Single Audit Act, OMB Compliance Supplement is included with this report beginning on page 146.

Awards

ASBO Certificate of Excellence in Financial Reporting

The Association of School Business Officials International (ASBO) awarded its Certificate of Excellence in Financial Reporting to the District for our Annual Comprehensive Financial Report for the year ended June 30, 2023. Receiving this award is recognition that we have met the highest standards of excellence in school financial reporting as adopted by the Association of School Business Officials International. We have received a Certificate of Excellence for the last 40 years. We believe our current report continues to conform to the Certificate of Excellence program requirements, and we are submitting it to ASBO for review.

GFOA Certificate of Achievement of Excellence

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for our Annual Comprehensive Financial Report for the year ended June 30, 2023. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We have received a Certificate of Achievement for the last 41 years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA for review.

Acknowledgments

We wish to express our appreciation to the entire Business Office staff and members of other District departments who assisted in the preparation of this Annual Comprehensive Financial Report. We also wish to extend our appreciation to the members of the Board of Directors for their expectations of excellence, and their dedication to our financial operations.

Respectfully submitted,



Daniel Emerson
Chief Financial Officer



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

**Administrative School District #1,
Deschutes County**

**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'.

**Ryan S. Stechschulte
President**

A handwritten signature in black ink, reading 'James M. Rowan'.

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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Administrative School District No. 1
(Bend - La Pine Schools)
Deschutes County, Oregon**

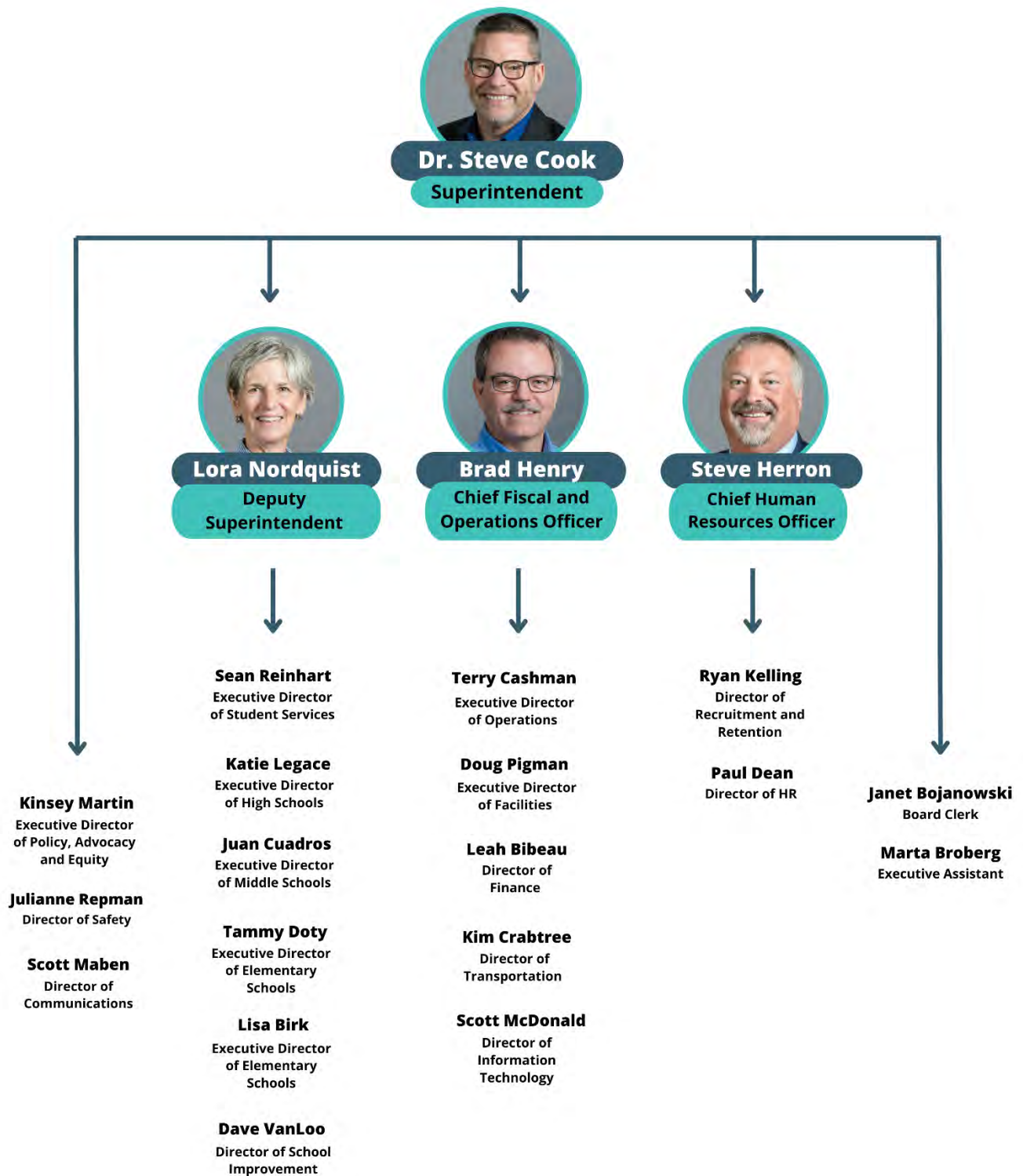
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

Administrative School District No. 1
Deschutes County, Oregon
Organizational Chart
June 30, 2024



Administrative School District No. 1
Deschutes County, Oregon
Principal Officials
June 30, 2024

BOARD OF DIRECTORS

Marcus LeGrand – Chair Bend, Oregon	<u>Term Expires</u> June 30, 2025
Carrie McPherson Douglass – Vice Chair Bend, Oregon	June 30, 2025
Kina Chadwick Bend, Oregon	June 30, 2025
Cameron Fischer Bend, Oregon	June 30, 2025
Amy Tatom Bend, Oregon	June 30, 2027
Shirley Olson Sunriver, Oregon	June 30, 2025
Zone 6 Position	Vacant

ADMINISTRATIVE STAFF

Dr. Steven Cook	Superintendent
Brad Henry	Chief Operations and Financial Officer

The above members of the Board and administrative staff can be reached by mail at 520 NW
Wall Street, Bend, OR 97703





Independent Auditor's Report

To the Board of Directors
Bend-La Pine Schools
Deschutes County, Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of Bend-La Pine Schools (District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Bend-La Pine Schools, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the proportionate share of net pension liability and contributions – PERS, schedule of the proportionate share of net OPEB liability and contributions – Retiree Health Insurance Account, schedule of changes in total OPEB liability and related ratios – medical benefit, and the schedules of revenues, expenditures, and changes in fund balance, budget and actual for the general and special revenue funds 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 management's discussion and analysis, schedule of the proportionate share of net pension liability and contributions – PERS, schedule of the proportionate share of net OPEB liability and contributions – RHIA, and the schedule of changes in total OPEB liability and related ratios – medical benefit, 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.

The schedules of revenues, expenditures, and changes in fund balance, budget and actual for the general and special revenue funds have 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 schedules of revenues, expenditures, and changes in fund balance, budget and actual for the general and special funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise District's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information 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. The 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 schedule of expenditures of federal awards is 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 introductory sections as identified in the table of contents; combining schedule of assets, liabilities and fund balance – general fund sub funds; combining schedule of revenue, expenditures and changes in fund balance general fund sub funds; budgetary schedules for the general fund sub funds, the debt service, capital project, and the private purpose trust funds; the combining schedules of detailed revenues and expenditures – budgetary basis; schedules required by Oregon Department of Education as identified in the table of contents; and the statistical section as identified in the table of contents, but does not include the basic financial statements and our auditor's 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.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 13, 2024 on our consideration of District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering District's internal control over financial reporting and compliance.

Other Reporting Required by Oregon Minimum Standards for Audits of Oregon Municipal Corporations

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 13, 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 our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Brenda Bawlett

Sensiba LLP
Bend, Oregon

December 13, 2024

Management's Discussion and Analysis

Management's Discussion and Analysis

The management of Bend-La Pine Schools (District) presents this narrative overview to facilitate both a short and long-term analysis of the financial activities of the District for the fiscal year ended June 30, 2024. This Management's Discussion and Analysis (MD&A) is based on currently known facts, decisions, and conditions that existed as of the date of the independent auditor's report. We encourage readers to consider the information presented here in conjunction with additional information provided in the Transmittal Letter found on pages iv – xi of this report.

Financial Highlights

Key financial highlights for FY2023-24 are as follows:

- The District's net position of governmental activities increased by \$29.2 million, which represents a 25 percent increase from FY2022-23.
- For governmental activities, general revenues accounted for \$268.2 million, 81.9 percent of total revenues of \$327.6 million. Program specific revenues in the form of charges for services, grants, and contributions accounted for \$59.3 million, 18.1 percent of total revenues.
- The District had \$298.3 million in expenses related to governmental activities; only \$59.3 million was offset by program specific charges for services, grants or contributions. General revenues of \$268.2 million were adequate to provide for the governmental activities of the District.
- The District's net proportionate share of the Oregon PERS pension liability increased by \$32.9 million.
- At the end of FY2023-24, the District's governmental funds reported a combined fund balance of \$160 million, a decrease of \$8.1 million from FY2022-23, the result of a reduction in cash and investments within the Capital Project Fund due to construction activity.

Overview of the Financial Statements

The following discussion and analysis is intended to serve as an introduction to the District's basic financial statements and other required supplementary information. The District's basic financial statements are comprised of three components:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

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

The Statement of Net Position presents information on all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the two reported as net position.

The Statement of Activities presents information showing how the District's net position changed during FY2023-24. 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 result in cash flows in a future fiscal period. Examples of such items include earned, but uncollected, property taxes and earned, but unused, compensated absences.

The governmental activities of the District include the following:

- Instruction
 - Regular instruction
 - Special programs including summer school
- Support Services
 - Students
 - Instructional staff
 - General administration
 - School administration
 - Business, transportation and maintenance
 - Central activities
 - Supplemental retirement program
- Enterprise and Community Services
 - Food services
 - Other enterprise and community services

The government-wide financial statements can be found on pages 20 and 21 in the basic financial statements.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to demonstrate transparency and ensure compliance with finance-related legal requirements.

Governmental funds. Governmental funds are used to account for activities where the emphasis is placed on available financial resources, rather than upon net income determination. Therefore, unlike the government-wide financial statements, governmental fund financial statements focus on the acquisition and use of current spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

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 government's near-term financial decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations can be found on pages 23 and 25 in the basic financial statements.

The District maintains four governmental funds. Information is presented separately in the governmental

fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances. The four governmental funds are:

- General
- Special Revenue
- Debt Service
- Capital Projects

Fiduciary fund. The District is the trustee, or fiduciary, for its scholarship programs. This activity is presented as a private-purpose trust fund. All of the District's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position on page 26. These activities are excluded from the District's other financial statements because the assets cannot legally be utilized by the District to finance its operation.

The District adopts an annual appropriated budget for all governmental funds. To demonstrate compliance with the budget, budgetary comparison statements have been provided for the General Fund and the Special Revenue Fund on pages 77 and 78. Budgetary comparisons for the Debt Service Fund and Capital Projects Fund funds have been provided as supplementary information on pages 97 and 98. The District was fully compliant with Oregon Budget Law in FY2023-24.

The governmental fund financial statements can be found on pages 22 and 24 in the basic financial statements.

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

Required supplementary information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligation to provide pension and other post-employment benefits to its employees.

Supplementary information. The combining schedules of the General Fund subfunds and budgetary comparisons follow the required supplementary information in this report.

Government-Wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial health. The District's assets and deferred outflows of resources exceeded liabilities and deferred inflow of resources by \$146.2 million at the close of the fiscal year ending June 30, 2024, an increase of \$29.3 million.

A majority of the District's net position reflects its investment in capital assets (e. g. land, buildings, vehicles and equipment) less depreciation, amortization and any outstanding related debt used to acquire those assets. At June 30, 2024 this portion of the net position is positive which indicates the District has \$259.9 million more in capital assets, net of depreciation and amortization, than associated debt. The District uses capital assets to provide services to students and other district residents, consequently, these assets are not available for future

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spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources required to pay the debt must be provided from other sources (generally property taxes), since the capital assets themselves cannot be used to liquidate these liabilities.

Capital assets, which consist of land, buildings, land improvements, construction in progress, vehicles, and equipment, represent about 75 percent of total assets. This percentage remained constant year over year.

The District's largest liability, accounting for 63 percent of total liabilities, is the long-term portion of general obligation bonds and other debt. The net pension liability is the next largest liability and accounts for approximately 26 percent of total liabilities. Together the long-term debt and net pension liability represent 89 percent of total liabilities. Current liabilities, representing about 10 percent of total liabilities, consist of payables on accounts, benefits, and the current portion of long-term debt. Information on long-term debt activity is presented on pages 64-67.

The District as a Whole

The statement of net position provides the perspective of the District as a whole. The following table provides a summary of the District's net position for June 30, 2024 and June 30, 2023.

	<u>Governmental Activities</u>		<u>Change</u>
	<u>2024</u>	<u>2023</u>	
Capital assets	\$ 579,085,000	\$ 572,368,000	\$ 6,717,000
Current and other assets	189,978,000	194,962,000	(4,984,000)
<u>Total assets</u>	<u>769,063,000</u>	<u>767,330,000</u>	<u>1,733,000</u>
<u>Deferred outflow of resources</u>	<u>64,534,000</u>	<u>67,421,000</u>	<u>(2,887,000)</u>
Long-term liabilities	640,910,000	641,893,000	(983,000)
Current liabilities	25,033,000	23,768,000	1,265,000
<u>Total liabilities</u>	<u>665,943,000</u>	<u>665,661,000</u>	<u>282,000</u>
Pension deferrals - inflows	21,394,000	52,119,000	(30,725,000)
Net Position			
Net investment in capital assets	248,816,000	237,355,000	11,461,000
Restricted	30,300,000	30,941,000	(641,000)
Unrestricted	(132,856,000)	(151,326,000)	18,470,000
<u>Total net position</u>	<u>\$ 146,260,000</u>	<u>\$ 116,970,000</u>	<u>\$ 29,290,000</u>

Rounded to nearest thousand

Governmental Activities

The District's net position increased by approximately \$29.3 million in FY2023-24. Capital assets increased by \$6.7 million and changes in pension related liabilities, deferred inflows and deferred outflows decreased net position by \$2.4 million. There was a net increase in the restriction for capital projects of approximately \$13.2 million.

The Statement of Activities shows the cost of program services, and offsetting those are charges for services, operating grants and contributions. The following table shows the changes in net position for governmental activities between FY2023-24 and FY2022-23.

Changes in Net Position, Fiscal Year Ended June 30

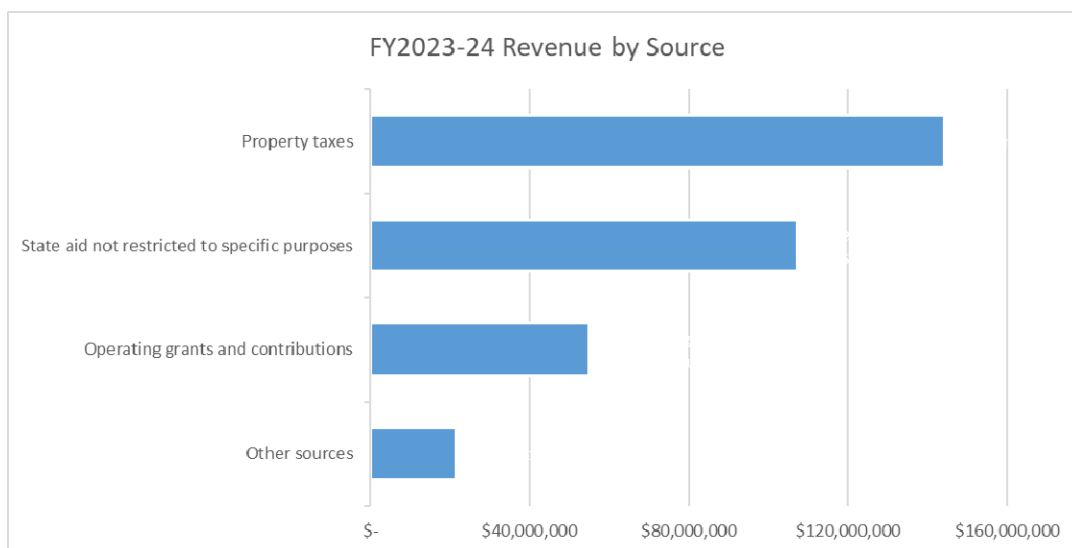
	<u>Governmental Activities</u>		
	<u>2024</u>	<u>2023</u>	<u>Change</u>
Revenues			
Programs revenues			
Charges for services	\$ 3,613,000	\$ 3,998,000	\$ (385,000)
Operating grants and contributions	54,874,000	54,172,000	702,000
Capital grants and contributions	847,000	761,000	86,000
General revenues			
Property taxes	144,139,000	138,213,000	5,926,000
Federal aid not restricted to specific purposes	83,000	384,000	(301,000)
State aid not restricted to specific purposes	107,226,000	103,472,000	3,754,000
Intermediate aid not restricted to specific purposes	2,217,000	1,639,000	578,000
Earnings on investments	9,983,000	4,593,000	5,390,000
Other local revenue	4,583,000	5,530,000	(947,000)
<u>Total Revenues</u>	<u>327,565,000</u>	<u>312,762,000</u>	<u>14,803,000</u>
Expenses			
Instruction	160,307,000	151,827,000	8,480,000
Support services	110,219,000	102,237,000	7,982,000
Enterprise and community services	12,036,000	11,497,000	539,000
Interest on long-term liabilities	15,713,000	14,341,000	1,372,000
<u>Total Expenses</u>	<u>298,275,000</u>	<u>279,902,000</u>	<u>18,373,000</u>
Changes in net position	29,290,000	32,860,000	(3,570,000)
Net position - beginning of year	116,970,000	84,110,000	32,860,000
<u>Net position - end of year</u>	<u>\$ 146,260,000</u>	<u>\$ 116,970,000</u>	<u>\$ 29,290,000</u>

Rounded to nearest thousand

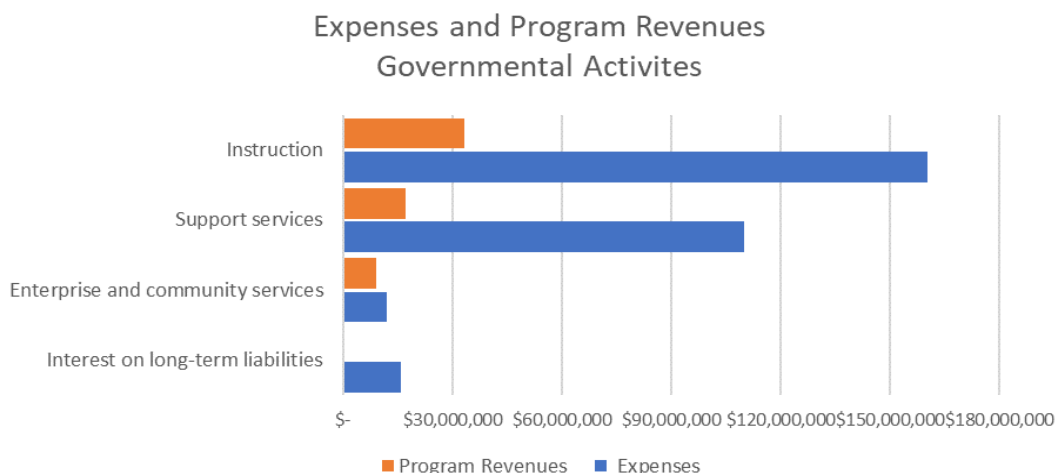
The increase in property taxes is the result of growth in assessed values within Deschutes County. The increase in State aid not restricted to specific purposes is a reflection of the increase in the District's proportional share of the State School fund. Increases on earnings from investments is a result of higher interest rates and a larger cash balance which resulted from a prior voter approved bond levy.

Net position of the District's governmental activities increased by \$29.2 million. Total governmental expenses of \$298.3 million were offset by program revenues of \$59.3 million and general revenues of \$268.2 million. Program revenues supported about 18.1 percent of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes and state aid. Together these sources total \$251.4 million and represent 77 percent of total governmental revenue.



Overall expenses increased by \$18.4 million or about 6.6 percent. The increase in instruction and support services was driven by a combination of contractual increases, along with inflationary growth in the cost of supplies and materials. The increase in interest expense is a result of regular interest expense associated with District obligations.



The District's Funds

The District's governmental funds (as presented on the balance sheet on page 22) reported a FY2023-24 combined fund balance of \$160 million, a decrease of \$8.1 million compared with the FY2022-23 combined fund balance of \$168.1 million. The primary reason for the decrease in combined fund balance was a reduction in cash and investments within the Capital Project Fund due to construction activity. The following schedule shows the fund balance and change in fund balance as of June 30, 2024 and 2023.

	Fund Balance	Fund Balance		Percentage
	June 30, 2024	June 30, 2023	Change	Change from June 30, 2023
General	40,753,000	33,529,000	7,224,000	22%
Special Revenue	11,943,000	13,070,000	(1,127,000)	-9%
Debt Service	5,460,000	5,387,000	73,000	1%
Capital Projects	101,863,000	116,160,000	(14,297,000)	-12%
<u>Total fund balances</u>	<u>160,019,000</u>	<u>168,146,000</u>	<u>(8,127,000)</u>	<u>-5%</u>

Rounded to nearest thousand

General Fund

The District's general fund balance increased by \$7.2 million. The increase is primarily attributable to an increase in the State School Fund Formula revenues.

The following table summarizes the revenues and expenditures for FY2023-24 and FY2022-23:

	FY2023-24	FY2022-23	Percentage change
Revenues			
Property taxes	\$ 104,201,000	\$ 99,009,000	5.24%
Tuition	15,000	19,000	-21.05%
Investment earnings	3,750,000	1,986,000	88.82%
Other local sources	6,025,000	6,582,000	-8.46%
Intermediate sources	2,217,000	1,639,000	35.27%
State sources	99,152,000	96,977,000	2.24%
Federal grant sources	294,000	412,000	-28.64%
Other financing sources	354,000	964,000	-63.28%
<u>Total revenues & other financing sources</u>	<u>\$ 216,008,000</u>	<u>\$ 207,588,000</u>	4.06%
Expenditures by function			
Instruction	\$ 117,295,000	\$ 118,159,000	-0.73%
Support services	83,782,000	78,527,000	6.69%
Community services	391,000	280,000	39.64%
Debt Service	1,369,000	839,000	63.17%
Capital outlay	5,944,000	4,827,000	23.14%
Other financing uses	-	-	100.00%
<u>Total expenditures & other financing uses by function</u>	<u>\$ 208,781,000</u>	<u>\$ 202,632,000</u>	3.03%

Rounded to nearest thousand

The increase in property taxes reflects the growth in assessed valuation in Deschutes County. Investment earnings have increased, mainly the result of higher interest rates and a larger cash balance due to a prior approved bond levy.

Support services expenditures increased over FY2022-23. These expenditures increased primarily due to contractual obligations with employees, and inflationary growth in the costs of supplies and services.

General Fund Budgeting Highlights

Original budget compared to final budget.

There were no changes to the FY2023-24 original budget.

Final budget compared to actual results.

The most significant differences between estimated revenues and actual revenues were as follows:

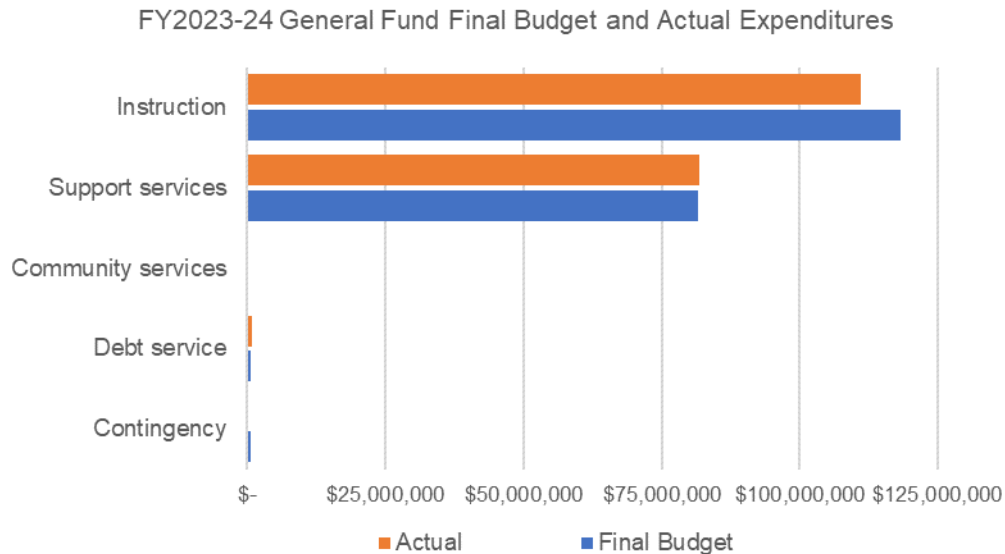
Revenue Source	Revenues - Final Budget	Actual Revenues	Difference	Difference from Final Budget
Property taxes	\$ 103,643,000	\$ 104,201,000	\$ 558,000	1%
Tuition	10,000	15,000	5,000	0%
Investment earnings	900,000	2,735,000	1,835,000	204%
Other local sources	2,760,000	3,184,000	424,000	15%
Intermediate sources	2,370,000	2,217,000	(153,000)	-6%
State sources	91,963,000	98,305,000	6,342,000	7%
Federal sources	310,000	294,000	(16,000)	-5%
Total revenues	201,956,000	210,951,000	8,995,000	4%

Rounded to nearest thousand

The differences in property taxes, state sources and other local sources are all components of the State School Fund formula. When property tax revenues and certain local sources like the County School Fund are more than estimated, state sources are reduced accordingly. The Federal Communications Commission's eRate program provides rebates and discounts for telecommunications, internet access and internal connections to eligible schools and libraries.

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A review of actual expenditures compared to appropriations in the final budget yields significant variances in the instruction function. This variance is due to a number of factors. Staffing costs were less than budgeted due to difficulties in recruiting and retention. Additionally, costs for supplies and materials were below budget due to supply chain issues.



Special Revenue Fund

The District's special revenue fund balance decreased over the 2023-24 school year by \$1.1 million. The following table summarizes the revenues and expenditures for FY2023-24 and FY2022-23.

	FY2023-24	FY2022-23	Percentage change
Revenues			
Investment earnings	\$ 425,000	\$ 367,000	15.80%
Food Service	1,614,000	2,018,000	-20.02%
Other local sources	6,316,000	6,871,000	-8.08%
Intermediate sources	395,000	395,000	0.00%
State sources:	24,058,000	26,635,000	-9.68%
Federal grant sources	24,224,000	18,856,000	28.47%
Total revenues & other financing sources	\$ 57,032,000	\$ 55,142,000	3.43%
Expenditures by function			
Instruction	\$ 28,707,000	\$ 24,297,000	18.15%
Support services	16,530,000	17,654,000	-6.37%
Community services	11,518,000	11,268,000	2.22%
Debt Service	-	542,000	-100.00%
Capital outlay	1,248,000	1,493,000	-16.41%
Other financing uses	157,000	182,000	-13.74%
Total expenditures & other financing uses by function	\$ 58,160,000	\$ 55,436,000	4.91%

The increase in federal grant sources was a result of final Elementary and Secondary School Emergency Relief (ESSER) allocations.

The increase in expenditures for instruction resulted from use of federal ESSER and state Student Investment Account grant funds to provide additional academic supports to historically underserved student groups, support student health and safety, reduce class size and increase student access to a well-rounded education.

Long-term Debt

At June 30, 2024, the District had total debt outstanding of \$427.9 million net of unamortized premium/discount and consisting of general obligation bonds, limited tax pension bonds, notes from direct borrowings and full faith and credit obligations.

During FY2023-24, the District's total debt decreased by \$32.1 million. The driving factor in the decreased debt was the District's 2013 general obligation bond matured and all debt obligations were settled.

The debt service fund had \$49.4 million in revenues and \$49.4 million in expenditures for regularly scheduled debt service payments. Overall fund balance increased by approximately \$73,000.

The following table summarizes the debt outstanding at June 30, 2023 and 2022.

	Governmental Activities		
	FY2023-24	FY2022-23	Change
General obligation bonds	\$ 395,810,000	\$ 420,200,000	\$ (24,390,000)
Limited tax pension obligation bonds	30,420,000	37,335,000	(6,915,000)
Full faith and credit bonds	-	545,000	(545,000)
Notes payable	1,709,000	1,973,000	(264,000)
Total outstanding debt	\$ 427,939,000	\$ 460,053,000	\$ (32,114,000)

Rounded to nearest thousand

The District's general obligation debt is issued with the Oregon School Bond Guaranty. The outstanding general obligations of the State are rated "AA+" by Fitch, "Aa1" by Moody's Investors Service and "AA+" by S&P Global Ratings. In February 2023, Moody's confirmed the District's Aa2 bond rating in its research credit opinion report.

State statutes limit the amount of general obligation debt a school district may issue to 7.95 percent of its total real market valuation. The current debt limitation of the District is approximately \$4.6 billion and the District is well within this limit. The current legal debt margin is approximately \$4.2 billion. More detailed information on long-term debt activity can be found in the notes to the basic financial statements beginning on page 28.

Capital Projects Fund

The District's capital projects fund balance decreased by \$14.3 million, reflecting increased Capital Outlay expenditures in 2023-2024. The following table summarizes the revenues and expenditures for FY2023-24 and FY2022-23.

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	FY2023-24	FY2022-23	Percentage change
Revenues			
Investment earnings	\$ 5,220,000	\$ 1,498,000	248.46%
Other local sources	443,000	716,000	-38.13%
State sources	176,000	851,000	-79.32%
General obligation debt issued	-	100,000,000	-100.00%
Premium from general obligation debt	-	5,904,000	-100.00%
Other financing sources	17,000	212,000	-91.98%
Total revenues & other financing sources	\$ 5,856,000	\$ 109,181,000	-94.64%
Expenditures by function			
Facilities acquisition & construction	\$ 6,771,000	\$ 3,702,000	82.90%
Capital outlay	13,383,000	11,175,000	19.76%
Total expenditures by function	\$ 20,154,000	\$ 14,877,000	35.47%

Rounded to nearest thousand

Net capital assets increased by \$6.7 million in FY2023-24. See Note "D" on page 41 in the basic financial statements for further details on the District's capital assets. Major capital asset events during the FY2023-24 included the following:

- Bend High School – Roof replacements, production kitchen modernization and instructional space modernization.
- REALMS Middle and High School – Phase 4 of the campus interior remodel.
- District wide improvements in classroom technology, security and technology infrastructure.

Economic Factors and FY2023-24 Budgets and Rates

The following economic factors currently affect the District and were considered in developing the FY2023-24 budget.

- FY2024-25 is the second year of the 2024-25 biennium. The operating budget was based a state funding level of \$10.2 billion with a 49/51 split between the first and second year of the biennium.
- The FY2024-25 ending fund balance for General Fund Operations was budgeted at 5 percent of revenues.
- Student enrollment was projected to be 16,940, a decrease of 194 students compared with the October 1, 2023 enrollment of 17,134.

- Funding from the State School Fund was estimated to be \$216.5 million.
- FY2024-25 budgeted salary decreased by 2.9 percent for our Certified staff and increased by 11.7 percent for Classified staff. The district's contribution to health insurance increased approximately 4.56% compared to FY2023-24 levels.
- FY2024-25 PERS employer rates are 16.48 percent for OPSRP and 19.32 percent for Tier1/Tier2 members.
- The District completed negotiating new agreements for wages and benefits with all employee groups in 2024
- During the 2019 legislative session, Oregon's leaders made a commitment to our children, our educators, our schools and our state with the passage of the Student Success Act. When fully implemented, the Student Success Act is expected to invest \$1 billion annually in early learning and K-12 education each year. At the heart of the SSA is a commitment to improving access and opportunities for students who have been historically underserved in the education system. In FY2024-25 the District expects to receive \$16.4 million from the Student Success Act.

New Accounting Standards Implemented

Requests for Information

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about the financial report, need additional information or would like to request a copy, contact the Finance Director at Bend-La Pine Schools, 520 NW Wall Street, Bend, Oregon 97703.

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B E N D  L A P I N E
S c h o o l s

E D U C A T I N G T H R I V I N G S T U D E N T S

Basic Financial Statements

Administrative School District No. 1
Deschutes County, Oregon
Statement of Net Position
June 30, 2024

	Governmental Activities
	2024
Assets:	
Cash and investments	\$ 157,039,512
Property taxes receivable	3,036,798
Accounts and other receivables	2,805,331
Intergovernmental receivables	21,071,921
Prepaid items	2,199,342
Inventories	590,882
Net OPEB RHIA asset	3,234,674
Capital assets, net of amortization and depreciation	
Land	36,876,933
Construction in progress	21,105,264
Site improvements	47,671,397
Buildings and improvements	451,060,223
Vehicles and equipment	16,816,912
Leased buildings	4,641,398
Leased equipment	121,940
Subscription based information technology	790,623
Total assets	769,063,150
Deferred outflow of resources:	
Pension related deferred outflows	56,865,439
OPEB - implicit subsidy deferred outflows	1,153,257
OPEB - RHI deferred outflows	22,996
Deferred charges on advanced refunding	6,491,955
Total deferred outflows of resources	64,533,647
Liabilities	
Accounts payable	7,230,283
Accrued payroll and related charges	16,282,933
Accrued interest	566,998
Unearned revenue	812,948
Retainage payable	444,087
Claims and judgements due within one year	677,767
Long-term liabilities due within one year	37,024,415
Rental deposits	3,250
Accrued compensated absences	49,108
Noncurrent liabilities due in more than one year	
Net pension liability	175,270,123
Other postemployment benefits, implicit rate subsidy	10,399,994
Claims and judgements due in more than one year	677,766
Long-term liabilities due in more than one year	416,503,850
Total liabilities	665,943,522
Deferred inflows of resources:	
PERS deferred inflows	18,778,604
OPEB - RHI deferred inflows	308,792
OPEB - implicit subsidy deferred inflows	2,306,547
Total deferred inflows of resources	21,393,943
Net investment in capital assets	248,815,616
Restricted for:	
Transportation	2,913,018
Federal, state, and private grants	5,589,283
Energy efficiency program	1,495,751
Debt service	5,459,984
Net OPEB RHIA asset	3,234,674
Capital projects	11,607,916
Unrestricted	(132,856,910)
Total net position	\$ 146,259,332

Totals may not precisely add due to rounding

See notes to basic financial statements

Administrative School District No. 1
Deschutes County, Oregon
Statement of Activities
Year Ended June 30, 2024

					Net (Expense) Revenue and Changes in Net Position
	Program Revenues				Governmental Activities
Functions	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	2024
Governmental Activities					
Instruction					
Regular instruction	\$ 122,288,950	\$ 678,934	\$ 23,797,866	\$ -	\$ (97,812,150)
Special programs including summer school	38,018,189	-	7,892,149	-	(30,126,040)
Total direct classroom services	160,307,139	678,934	31,690,015	-	(127,938,190)
Support Services					
Students	24,804,250	-	9,408,379	-	(15,395,871)
Instructional staff	12,589,117	-	4,813,046	-	(7,776,071)
General administration	1,447,167	-	-	-	(1,447,167)
School administration	18,043,251	-	-	-	(18,043,251)
Business, transportation and maintenance	38,838,705	951,072	668,223	1,736,001	(35,483,409)
Central activities	14,494,577	-	289,075	-	(14,205,502)
Supplemental retirement program	2,052	-	-	-	(2,052)
Total classroom support services	110,219,119	951,072	15,178,723	1,736,001	(92,353,323)
Enterprise and Community Services					
Food services	9,510,537	1,614,226	5,080,550	-	(2,815,761)
Other enterprise and community services	2,525,323	369,095	2,035,592	-	(120,636)
Total enterprise and community services	12,035,860	1,983,321	7,116,142	-	(2,936,397)
Unallocated interest expense	15,712,664	-	-	-	(15,712,664)
Total school district	\$ 298,274,782	\$ 3,613,327	\$ 53,984,880	\$ 1,736,001	(238,940,574)
General revenues:					
Property taxes levied for general purposes					104,430,182
Property taxes levied for debt service					39,708,633
Federal aid not restricted to specific purposes					82,392
State aid not restricted to specific purposes					107,226,084
Intermediate aid not restricted to specific purposes					2,217,219
Earnings on investments					9,982,680
Other local revenue					4,497,396
Gain on sale of capital assets					85,603
Total general revenues					268,230,189
Change in net position					29,289,615
Net position - beginning					116,969,717
Net position - ending					\$ 146,259,332

Totals may not precisely add due to rounding

See notes to basic financial statements

Administrative School District No. 1
Deschutes County, Oregon
Balance Sheet - Governmental Funds
June 30, 2024

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Totals
Assets					
Cash and investments	\$ 46,805,348	\$ -	\$ 5,243,393	\$ 105,146,858	\$ 161,045,510
Receivables:					
Due from other funds	3,693,824	-	-	-	3,693,824
Property taxes	2,189,634	-	847,164	-	3,036,798
Accounts and other receivables	1,431,832	622,825	-	750,674	2,805,331
Intergovernmental receivables	1,152,276	19,919,645	-	-	21,071,921
Prepaid items	2,159,342	40,000	-	-	2,199,342
Inventories	170,993	419,889	-	-	590,882
Total assets	\$ 57,603,249	\$ 21,002,359	\$ 6,090,557	\$ 105,897,532	\$ 190,593,697
Liabilities, deferred inflows and fund balances					
Liabilities					
Due to other funds	\$ -	\$ 3,849,911	\$ -	\$ -	3,849,911
Accounts and interest payable	2,684,236	679,238	-	3,559,423	6,922,897
Accrued payroll and related charges	12,537,806	3,693,824	-	51,303	16,282,933
Unearned revenue	-	812,948	-	-	812,948
Rental deposits	-	-	-	3,250	3,250
Retainage payable	-	23,584	-	420,503	444,087
Total liabilities	15,222,042	9,059,505	-	4,034,479	28,316,026
Deferred inflows of resources					
Leases deferred inflows	-	-	-	-	-
Unavailable revenue - property taxes	1,627,754	-	630,573	-	2,258,327
Total deferred inflows of resources	1,627,754	-	630,573	-	2,258,327
Fund balances					
Nonspendable	2,330,335	459,889	-	-	2,790,224
Restricted	2,913,018	7,085,038	5,459,984	101,863,053	117,321,093
Assigned	21,940,448	4,397,927	-	-	26,338,375
Unassigned	13,569,652	-	-	-	13,569,652
Total fund balances	40,753,453	11,942,854	5,459,984	101,863,053	160,019,344
Total liabilities, deferred inflows and fund balances	\$ 57,603,249	\$ 21,002,359	\$ 6,090,557	\$ 105,897,532	\$ 190,593,697

Totals may not precisely add due to rounding

See notes to basic financial statements

Administrative School District No. 1
Deschutes County, Oregon
Reconciliation of Governmental Funds
Balance Sheet to Statement of Net Position
June 30, 2024

Total fund balances, June 30, 2024 (page 22) \$ 160,019,344

Capital assets are not financial resources and therefore are not reported in the governmental funds:

Cost	\$ 790,628,356	
Accumulated depreciation and amortization	(211,543,666)	579,084,690

Deferred outflows and inflows of resources related to pensions and other post-employment benefits (OPEB) are applicable to future periods and, therefore, are not reported in the government funds

Deferred outflows of resources related to pensions	\$ 56,865,439	
Deferred outflows of resources related to OPEB Implicit	1,153,257	
Deferred outflow of resources related to OPEB - RHI	22,996	
Deferred inflow of resources related to pensions	(18,778,604)	
Deferred inflow of resources related to OPEB - RHI	(308,792)	
Deferred inflow of resources related to OPEB Implicit	(2,306,547)	36,647,749

A portion of the District's property taxes are collected after year-end, but are not available soon enough to pay for the current years' operations, and therefore, are not reported as revenue in the governmental funds.	2,258,327
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Net OPEB-RHIA asset reported in the government wide statement of net position	3,234,674
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Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

These liabilities consist of:

Long-term debt	\$ (1,445,000)	
Accrued interest payable	(566,998)	
Arbitrage Rebate Payable, LT	(307,386)	
Bonds payable	(426,230,000)	
Proportionate share of the PERS net pension liability	(175,270,123)	
Net OPEB obligation-implicit rate subsidy	(10,399,994)	
Lease liability	(5,175,057)	
Subscription based technology agreement liability	(751,610)	
Compensated absences	(49,108)	
Accrued claims and judgments	(1,355,530)	
Early retirement benefits payable	-	(621,550,806)

Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Unamortized portion of bond issuance premium	\$ (19,926,600)	
Deferred outflow on refunding	6,491,955	(13,434,645)

Total net position (page 20)	\$ 146,259,332
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Totals may not precisely add due to rounding

See notes to basic financial statements

Administrative School District No. 1
Deschutes County, Oregon
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds
Year Ended June 30, 2024

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Totals
Revenues					
Property taxes	\$ 104,201,185	\$ -	\$ 39,708,632	\$ -	\$ 143,909,817
Tuition	14,552	-	-	-	14,552
Investment earnings	3,749,789	425,455	894,842	5,219,980	10,290,066
Other local sources:					
Food services	-	1,614,226	-	-	1,614,226
Print shop	887,923	-	-	-	887,923
Indirect costs charged to grants	435,859	-	-	-	435,859
Charges for services	1,905,791	-	-	-	1,905,791
Other local sources	2,795,172	6,316,302	-	443,355	9,554,829
Intermediate sources:					
County school funds	412,208	-	-	-	412,208
ESD apportionment	1,705,000	395,000	-	-	2,100,000
Other Intermediate sources	100,010	-	-	-	100,010
State sources:					
State school fund	96,862,720	56,779	8,864,519	-	105,784,018
Common school fund	2,289,066	-	-	-	2,289,066
Other state sources	-	24,000,732	-	176,476	24,177,208
Federal grant sources	293,846	24,223,627	-	-	24,517,473
Total revenues	215,653,121	57,032,121	49,467,993	5,839,811	327,993,046
Expenditures					
Current:					
Instruction	117,295,345	28,707,138	-	-	146,002,483
Support services	83,781,976	16,529,689	-	-	100,311,665
Community services	391,449	11,517,818	-	-	11,909,267
Facilities acquisition and construction	-	-	-	6,770,510	6,770,510
Debt service:					
Principal	1,102,659	-	31,850,000	-	32,952,659
Interest	266,585	-	17,545,013	95	17,811,693
Capital outlay	5,944,417	1,247,965	-	13,382,926	20,575,308
Total expenditures	208,782,431	58,002,610	49,395,013	20,153,531	336,333,585
Revenues over (under) expenditures	6,870,690	(970,489)	72,980	(14,313,720)	(8,340,539)
Other financing sources (uses)					
General obligation bonds issued	-	-	-	-	-
General obligation bonds issued - premium	-	-	-	-	-
Lease financing	-	-	-	-	-
Subscription based information technology financing	127,952	-	-	-	127,952
Sale of capital assets	85,603	-	-	-	85,603
Restitution	-	-	-	-	-
Issuance of long-term debt	-	-	-	-	-
PERS UAL Payment	-	-	-	-	-
Transfer to general fund	-	(140,031)	-	-	(140,031)
Transfer to capital project fund	-	(16,500)	-	-	(16,500)
Transfer from special revenue fund	140,031	-	-	16,500	156,531
Total other financing sources (uses)	353,586	(156,531)	-	16,500	213,555
Net change in fund balances	7,224,276	(1,127,020)	72,980	(14,297,220)	(8,126,984)
Fund balances, beginning of year	33,529,177	13,069,874	5,387,004	116,160,273	168,146,328
Fund balances, end of year	\$ 40,753,453	\$ 11,942,854	\$ 5,459,984	\$ 101,863,053	\$ 160,019,344

Totals may not precisely add due to rounding

See notes to basic financial statements

Administrative School District No. 1
Deschutes County, Oregon
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balance of Governmental Funds to
the Statement of Activities
Year Ended June 30, 2024

Net change in fund balance (page 24) \$ (8,126,984)

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

Governmental funds report capital outlay as expenditures. However, in the
statement of activities, the cost of those assets is allocated over their estimated
useful lives and reported as amortization or depreciation expense. This is the amount
by which capital outlays exceeded amortization and depreciation in the current period:

Expenditures for capital and right of use assets and construction in progress	\$ 27,345,911	
Less current year amortization and depreciation	(20,605,910)	
Net (Loss)\Gain on asset disposal	(22,320)	6,717,681

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. This is the amount
by which repayments exceeded proceeds:

Debt issued	\$ -	
Lease financing	-	
Subscription based information technology financing	(127,952)	
Payment to escrow agent	-	
Debt principal repaid	32,952,659	32,824,707

In the statement of activities, pension expense is adjusted based on the actuarially
determined contribution changes (3,076,902)

Governmental funds report the effect of issuance costs, premiums, and discounts
when debt is first issued, whereas these amounts are deferred and amortized in
the statement of activities. This amount is the net effect of these differences:

Amortization of deferred outflow on debt refunding	\$ (1,865,619)	
Amortization of premiums, net of discount amortization	2,611,643	
Premiums on long-term debt issued in current year	-	746,024

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

Accreted interest on PERS UAL bonds	-	
Accrued interest on general obligation bonds and other long term debt	1,352,702	1,352,702

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. 228,997

Arbitrage (307,386)

Certain expenses in the statement of activities do not require the use of current financial
resources and, therefore, are not reported as expenditures in governmental funds

Estimated claims and judgments	\$ (736,217)	
Early retirement benefits	1,982	
Compensated absences	(3,678)	
OPEB RHIA	115,483	
OPEB - implicit subsidy	(446,794)	(1,069,224)

Change in net position (page 21) \$ 29,289,615

Totals may not precisely add due to rounding

See notes to basic financial statements

Administrative School District No. 1
Deschutes County, Oregon
Statement of Fiduciary Net Position
Fiduciary Fund - Private Purpose Trust Fund
June 30, 2024

	<u>2024</u>
Assets	
Cash and investments	\$ 88,963
<u>Net position held in trust for scholarships</u>	<u>\$ 88,963</u>

Statement of Changes in Fiduciary Net Position
Fiduciary Fund - Private Purpose Trust Fund
Year Ended June 30, 2024

	<u>2024</u>
Additions:	
Donations	\$ 11,885
Investment earnings	6,102
Total revenues	17,987
Deductions:	
Scholarships	20,013
Change in net position	(2,026)
<u>Net position - beginning</u>	<u>90,987</u>
<u>Net position - ending</u>	<u>\$ 88,961</u>

See notes to basic financial statements

Notes to Basic Financial Statements

1. Summary of significant accounting policies

A. Description of government-wide 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 nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support.

B. Reporting entity

Bend La-Pine Schools was organized under provisions of the Oregon Statutes pursuant to ORS Chapter 332 and provides education services to children from grades K-12 located in Bend, La Pine and surrounding areas. The District has seven high schools, two K-8 schools, one K-8 charter school, seven middle schools, one K-5 charter school, and seventeen elementary schools with an approximate total enrollment of 17,000 students. The Average Daily Membership (ADMr) in FY2023-24 was 16,461 and the Weighted ADM (ADMw) was 19,057 from the Oregon Department of Education's June 20, 2024 ADMw Breakout . The District is governed by a separately elected seven-member Board of Education (Board) who approves the administrative officials. The daily functioning of the District is under the supervision of the Superintendent. As required by generally accepted accounting principles, all activities of the District have been included in 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 service districts, which provide service within the District's boundaries. However, none of these legally separate entities meet the criteria for inclusion in the financial reporting entity.

C. Basis of presentation – government-wide financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. Separate financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Basis of presentation – fund financial statements

The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category — governmental and fiduciary — are presented. The emphasis of fund financial statements is on major governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

- a. General fund
Accounts for all general operating revenues and expenditures of the District, and for all financial resources not accounted for in another fund. Principal revenue sources are property taxes and state school support.
- b. Special Revenue fund
Accounts for revenues derived from specific grants and other earmarked revenue sources. Principal revenue sources are federal and state grants, student fundraising activities, and school lunch sales.
- c. Debt Service fund
Accounts for the accumulation of resources and payment of general obligation bond and limited tax pension obligation bond principal and interest from governmental resources such as property taxes and state school support.
- d. Capital Projects fund
Accounts for the acquisition and construction of major capital facilities or other improvements. Principal revenue sources are general obligation bond proceeds and interest earnings from cash and investments.

Additionally, the District reports the following fund type:

- e. Private Purpose Trust fund
This fund uses the economic resources measurement focus and accrual basis of accounting, and accounts 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 various trust agreements.

During the course of operations, the District has activity between funds for various purposes. Certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

E. Measurement focus and basis of accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned

and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Property taxes are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the District.

The private-purpose trust fund is reported using the economic resources measurement focus and the accrual basis of accounting.

F. Budgetary information

a. Budgetary basis of accounting

Annual budgets are adopted on a basis "consistent with generally accepted accounting principles" for all funds consistent with Oregon Local Budget Law.

The appropriated budget is prepared and appropriated by fund and major function as required by Oregon Local Budget Law. The district's administrators may make transfers of appropriations within appropriation levels. Transfers between appropriation levels require the approval of the School Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the major appropriation level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability, and to facilitate effective cash planning and

control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated.

b. Excess of expenditures over appropriations

No expenditures exceeded appropriation for the fiscal year ending June 30, 2024

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

a. Cash and cash equivalents

The District's cash and investments are considered to be cash on hand, demand and savings deposits, and short-term investments with maturities of three months or less from the date of acquisition.

State statutes authorize the District to invest in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bankers' acceptances and the State of Oregon Treasurer's Local Government Investment Pool (LGIP).

Investments are reported at fair value. The LGIP operates in accordance with appropriate state laws and regulations. The reported value of the LGIP is the same as the fair value of the LGIP shares.

The State Treasurer's LGIP is not registered with the U.S. Securities and Exchange Commission as an investment company. The state's investment policies are governed by the Oregon Revised Statutes and the Oregon Investment Council. The State Treasurer is the investment officer for the Council and is responsible for all funds in the State Treasury. Investments in the fund are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board, which establishes diversification percentages and specifies the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements.

Amounts in the State Treasurer's LGIP are not required by law to be collateralized.

b. Investments

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:

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

c. Inventories and prepaid items

Print Shop supplies, maintenance supplies, food and other cafeteria supplies are stated at average invoice cost. Donated commodities from the United States Department of Agriculture in the Nutrition Services Fund are included in the District's inventories at fair market wholesale value. Inventory items are charged to expenditures of user departments at the time of withdrawal from inventory (consumption method).

Prepaid items primarily consist of prepaid software support fees, and are reported using the consumption method, where items are charged to expenditure as the service is provided.

d. Capital assets

Capital assets are recorded at original or estimated original cost. Donated capital assets are recorded at their acquisition value on the date donated. The District defines capital assets as assets with an initial cost of more than \$5,000 and an estimated life in excess of one year. The District also follows GASB implementation guide 2021-1 which states "A government should capitalize assets whose individual acquisition costs are less than the threshold for an individual asset if those assets in the aggregate are significant." Interest incurred during construction is not capitalized. Maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Capital assets are depreciated using the straight-line method over the following useful lives:

<u>Asset Types</u>	<u>Estimated Lives</u>
Buildings and improvements	20 to 50 years
Equipment	5 to 10 years

e. Deferred outflows/inflows of resources

The statement of net position reports 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 a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. The statement of net position reports one type related to the total PERS pension liability, one type related to bond refunding, and one type related to the total OPEB liability. These amounts are deferred and recognized as an outflow of resources in the period that the amounts become available.

A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Another item in this category is related to the pension plan due to differences in expected and actual experiences, differences in expected and actual earnings, and contributions made after the actuary's measurement date.

The statement of net position 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 a future period so it will not be recognized as an inflow of resources (revenue) until that time. The District has four items that arise for reporting in this category. The balance sheet reports unavailable revenues from property taxes and deferred inflows from leases. The statement of net position reports one type related to the total PERS pension liability, one type related to the total OPEB liability and one type related to leases. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

f. Net position flow assumption

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

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

g. Fund balance flow assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of restricted, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and

unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

h. Fund balance policies

In the fund financial statements, governmental funds are categorized by the nature of the resources within the fund. The district reports fund balance using the following categories:

- i. Nonspendable fund balance – indicates the portion of fund equity that cannot be spent as it is not in a spendable format, such as inventories and prepaid expenditures.
- ii. Restricted fund balance – indicates the portion of fund equity for which the use is externally restricted by grantors, creditors, or law.
- iii. Assigned fund balance – indicates the portion of fund equity that the District intends to use for a specific purpose imposed by the Superintendent or designee. The Governing Body delegated the authority to the Superintendent or designee to assign fund balance.
- iv. Unassigned fund balance – indicates the amount of general fund equity that is available for budgeting in future periods. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

H. Revenues and expenditures/expenses

a. Program revenues

Program revenues report grants and contributions that are restricted to meeting the operational or capital requirements of a particular function of the District. This includes state school fund grant money for bus replacement, federal reimbursement for bond interest payments, all reimbursable grants, money for the National School Lunch Program, and the portion of the state school fund for transportation representing 70% of allowable transportation expenditures. All taxes or other internally dedicated resources are reported as general revenues rather than as program revenues.

b. Property taxes

Property taxes are levied and become a lien on all taxable property as of July 1. Property taxes are payable on November 15. Collection dates are November 15, February 15, and

May 15. Discounts are allowed if the amount due is received by November 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

c. Compensated absences

District personnel currently work under an annual contract based upon the number of workdays in each year. Employees under such contracts have no vested vacation pay benefits. Beginning in FY2008-09, certain administrators were able to accrue unused vacation leave from year to year up to a total of 30 days. Upon resignation or termination of employment, these employees will receive pay for up to 20 of these accrued vacation days. Currently, accumulated compensatory benefits earned by employees are paid as of June 30 each year. Sick pay does not vest.

d. 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 total pension liability, pension related deferred outflows of resources, deferred inflows of resources related to pensions, pension expense, fiduciary net position of PERS and any changes thereto 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. GASB Statements 68 and 71 have been implemented as of July 1, 2014.

The District's early retirement stipend plan ended during FY2023-24.

e. Postemployment benefits other than pensions (OPEB)

For the purpose of measuring the total OPEB liability, OPEB related deferred outflows of resources, deferred inflows of resources related to OPEB, OPEB expense, fiduciary net position of PERS and any changes thereto have been determined on the same basis as they are reported by PERS. For this purpose, PERS benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

2. Reconciliation of government-wide and fund financial statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “Capital assets are not financial resources and therefore are not reported in the governmental funds.” The details of this \$579,084,690 are as follows:

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Land	\$ 36,876,933
Construction in progress	21,105,264
Buildings and improvements	638,032,050
Less: Accumulated depreciation buildings and improvements	(186,971,827)
Site improvements	58,549,173
Less: Accumulated depreciation site improvements	(10,877,776)
Vehicles and equipment	28,083,700
Less: Accumulated depreciation vehicles and equipment	(11,266,788)
Right-of-use leased buildings	6,513,956
Less: Accumulated amortization right-of-use leased buildings	(1,872,558)
Right-of-use leased equipment	201,570
Less: Accumulated amortization right-of-use leased equipment	(79,630)
Right-of-use SBITA	1,265,708
Less: Accumulated amortization right-of-use SBITA	(475,085)
Total capital assets	\$ 579,084,690

Another element of the reconciliation is that other long-term assets “are not available soon enough to pay for the current year’s operations and, therefore, are not reported as revenue in the governmental funds.” The \$2,258,327 in long-term assets are comprised of property taxes collected after year-end but not soon enough to pay for current year operations.

Another element of that reconciliation is the net OPEB-RHIA asset is reported in the government wide statement. That asset is applicable to future periods and not a current year contribution, therefore it is not reported in the governmental funds. The asset totals \$3,234,674.

Another element of that reconciliation explains that “Long-term liabilities not payable in the current year are not reported as governmental fund liabilities.” These long-term liabilities are not due and payable in the current period, and, therefore, are not reported in the funds. The details of that \$(621,550,806) difference are as follows:

Long-term debt	\$ (1,445,000)
Accrued interest payable	(566,998)
Arbitrage Rebate Payable, LT	(307,386)
Bonds payable	(426,230,000)
Proportionate share of the PERS net pension liability	(175,270,123)
Net OPEB obligation-implicit rate subsidy	(10,399,994)
Lease liability	(5,175,057)
Subscription based technology agreement liability	(751,610)
Compensated absences	(49,108)
Accrued claims and judgments	(1,355,530)
Total long term liabilities not payable in current year	\$ (621,550,806)

Another element of that reconciliation explains that “deferred outflows and inflows of resources related to pensions and other post-employment benefits (OPEB) are applicable to future periods

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and, therefore, are not reported in the government funds.” The details of that \$36,647,749 difference are as follows:

Deferred outflows of resources related to pensions	\$ 56,865,439
Deferred outflows of resources related to OPEB Implicit	1,153,257
Deferred outflow of resources related to OPEB - RHI	22,996
Deferred inflow of resources related to pensions	(18,778,604)
Deferred inflow of resources related to OPEB - RHI	(308,792)
Deferred inflow of resources related to OPEB Implicit	(2,306,547)
<u>Total deferred inflows/outflows related to pension plan</u>	<u>\$ 36,647,749</u>

The final element of that reconciliation explains that “Governmental funds report the effect of premiums, discounts and refunding and similar items when debt is first issued, whereas these amounts are deferred or amortized in the statement of activities”. The details of that \$(13,434,645) difference are as follows:

Unamortized portion of bond issuance premium	\$ (19,926,600)
Deferred outflow on refunding	6,491,955
<u>Total debt deferrals and amortizations</u>	<u>\$ (13,434,645)</u>

- B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities
The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balance – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.” The details of this \$6,717,681 difference are as follows:

Outlay for capital and right-to-use assets	\$ 27,345,911
Depreciation and amortization expense	(20,605,910)
Net loss\gain on asset disposal	(22,320)
<u>Total capital outlay net of depreciation and amortization for the current period</u>	<u>\$ 6,717,681</u>

Another element of that reconciliation states “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. This is the amount by which repayments exceeded proceeds.” The detail of this \$32,824,707 difference is as follows:

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Subscription based information technology financing	(127,952)
Debt principal repaid	32,952,659
<u>Net adjustment for issuance and payment of long-term debt</u>	<u>\$ 32,824,707</u>

Another element of that reconciliation states "Certain expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds." The details of this \$(1,069,224) difference are as follows:

Claims and judgments	\$ (736,217)
Early retirement benefits	1,982
Compensated absences	(3,678)
Amortization of OPEB obligation - RHIA	115,483
Amortization of OPEB obligation - implicit subsidy	(446,794)
Net adjustment to decreases in net changes in fund balances - total	
<u>government funds to arrive at changes in net position of governmental activities</u>	<u>\$ (1,069,224)</u>

Another element of that reconciliation states that "Governmental funds report the effect of issuance costs, premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this \$746,024 difference are as follows:

Amortization of deferred outflow in debt refunding	\$ (1,865,619)
Amortization of premiums	2,611,643
<u>Total components of debt issuance costs and adjustments</u>	<u>\$ 746,024</u>

Another element of that reconciliation states "Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds" whereas they are recognized as revenue when levied in the government wide statement. The property taxes that are not measurable and available total \$228,997.

Another element of that reconciliation states "In the statement of activities interest is accrued on long-term debt, whereas in the governmental funds it is recorded as an interest expense when due." The details of this \$1,352,702 are as follows:

Accrued interest on general obligation bonds	1,352,702
<u>Total components of interest adjustments on long term debt</u>	<u>\$ 1,352,702</u>

The final element of the reconciliation is related to adjustments for the net pension asset and liability, allocations to expenses for net changes in deferred inflows due to the District's share in the PERS system's differences between projected and actual earnings, and contributions subsequent to the measurement date that are not recorded in the budgetary basis financial statements. The details of the \$(3,076,902) are as follows:

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Total pension liability	\$(32,911,417)
Deferred outflows - actual experience	1,660,877
Deferred outflows - changes in assumptions	(6,766,889)
Deferred outflows - actual earnings	3,150,322
Deferred outflows - actual change in proportionate share	(602,554)
Deferred outflows - change in employer contribution and proportionate share	(560,174)
Deferred outflows - contribution difference	2,417,136
Deferred outflows - contribution after measurement date	2,873,067
Deferred inflow - actual change in proportionate share	1,930,954
Deferred inflow - actual earnings	25,450,984
Deferred inflow - changes in assumptions	87,979
Deferred inflow - actual experience	192,813
<u>Total components of pension liability adjustments at measurement date</u>	<u>\$ (3,076,902)</u>

3. Stewardship, compliance and accountability

A. Violations of legal or contractual provisions

For the year ended June 30, 2024, no expenditures exceeded appropriations. There were no violations of legal or contractual provisions.

B. Deficit fund equity

The District did not have any funds with a negative fund balance.

4. Detailed notes on all activities and funds

A. Cash deposits with financial institutions

In the case of deposits, and in the event of a bank failure, the district's deposits may not be returned. As of June 30, 2024, the district's bank balances were \$51,402,158, and \$50,649,156 of that amount was exposed to custodial credit risk because it was uninsured and collateralized by securities held by the pledging or financial institutions trust department or agent, but not in the government's name. All deposits were in bank depositories qualified by the Oregon State Treasury which maintains the collateral program for local governments.

Deposits with financial institutions are comprised of bank demand deposits and certificates of deposit. Of these balances all were deposited in banking institutions covered by Federal depositor insurance. However, a portion of these deposits exceed the federal deposit insurance corporation limit and are not federally insured.

a. Cash balance

During the fiscal year ended 6/30/2024, Bend-La Pine Schools experienced a temporary negative cash balance of 3,849,911 in its Special Revenue Fund. This negative cash balance was due to the timing of the request for ESSER (Elementary and Secondary School Emergency Relief) funds, which resulted in a delay between disbursements made by the fund and the anticipated receipt of the federal funds.

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The negative cash balance in the Special Revenue Fund was resolved after the fiscal year-end, when the ESSER funds were received and the cash balance was restored to a positive position. As of 6/30/2024 the total cash balance for Bend-La Pine Schools remained positive across all funds, and no overall liquidity concerns were identified.

Management does not anticipate any long-term financial impact as a result of this timing difference, and the Special Revenue Fund is expected to maintain a positive cash position going forward.

B. Investments

As of June 30, 2024, the District was invested as follows:

<u>Investment Type</u>	<u>Classification</u>	<u>Total</u>	<u>Moody's Aaa</u>
Local Government Investment Pool	N/A	\$ 21,714,237	N/A
US Treasury securities	Level 1	86,877,071	86,877,071
<u>Total</u>		<u>\$ 108,591,308</u>	<u>\$ 86,877,071</u>

a. Interest rate risk

Interest rate risk is lessened by generally matching investment maturities with cash requirements so that sales prior to maturities are minimized. The District's investment policy requires that only investments that can be held to maturity shall be purchased. At June 30, 2024 the District's investment holdings meet the requirement of this policy.

b. Credit risk

For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The District minimizes custodial credit risk by limiting investments to the types of securities allowed by law. The District School Board annually approves a list of financial institutions with which the District will do business. All of the investments, except for the investment in the Local Government Investment Pool which is not evidenced by securities, are held in safekeeping by the financial institution's counterparty in the financial institution's general customer account.

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. The LGIP seeks to exchange shares

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at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. The pool is comprised of a variety of investments. As of June 30, 2024, the fair value of the position in the LGIP is 100.73 percent 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.

c. Concentration of credit risk

Oregon Revised Statutes do not limit investments as to credit rating for securities purchased from U.S. Government Agencies. More than 5 percent of the School District's total investments are in securities by the following insurers:

<u>Issuer</u>	<u>Percentage of Total</u>
Oregon Short Term Fund	20.00%
US Treasury Securities	<u>80.00%</u>
<u>Total</u>	<u>100.00%</u>

d. Custodial credit risk – investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District has a Third-Party Safekeeping Agreement (TPSA) with US Bank to hold certain securities in trust. All of the securities subject to the TPSA are held in trust in the District's name. The District does not have a policy for custodial credit risk for certificates of deposit.

C. Receivables

The accounts and other receivables in the General Fund are primarily balances due from other government entities such as Oregon Department of Education and High Desert Education Service District for reimbursement of expenditures. The accounts and other receivables in Special Revenue Funds represent balances due from state and federal governments for special program grants.

Accounts and other receivables on the Statement of Net Position are comprised of the following as of June 30, 2024:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Accounts and other receivables	\$ 1,431,832	\$ 622,825	\$ 750,675	\$ 2,805,332
Intergovernmental receivables	<u>1,152,276</u>	<u>19,919,645</u>	<u>-</u>	<u>21,071,920</u>
<u>Total</u>	<u>\$ 2,584,108</u>	<u>\$ 20,542,470</u>	<u>\$ 750,675</u>	<u>\$ 23,877,252</u>

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D. Capital assets

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

	Balance June 30, 2023	Increases	Decreases	Balance June 30, 2024
Capital assets not being depreciated				
Land	\$ 36,876,933			\$ 36,876,933
Construction in progress	33,330,029	21,178,134	33,402,899	21,105,264
<u>Total non-depreciable assets</u>	<u>70,206,962</u>	<u>21,178,134</u>	<u>33,402,899</u>	<u>57,982,197</u>
Capital assets being depreciated and amortized:				
Buildings and improvements	647,975,020	23,293	9,966,263	638,032,050
Right-of-use leased buildings	6,513,956			6,513,956
Site improvements	28,003,871	33,414,600	2,869,298	58,549,173
Vehicles and equipment	41,038,747	6,004,830	18,959,877	28,083,700
Right-of-use SBITA	1,270,779	127,952	133,022	1,265,708
Right-of-use leased equipment	201,570			201,570
<u>Total depreciable assets at cost</u>	<u>725,003,946</u>	<u>39,570,675</u>	<u>31,928,460</u>	<u>732,646,158</u>
Less accumulated depreciation and amortization for:				
Buildings and improvements	(182,475,768)	14,462,322	9,966,263	(186,971,827)
Right-of-use leased buildings	(1,248,372)	624,186		(1,872,558)
Site improvements	(11,647,088)	2,099,986	2,869,298	(10,877,776)
Vehicles and equipment	(27,175,224)	3,029,121	18,937,557	(11,266,788)
Right-of-use SBITA	(255,441)	286,873	67,229	(475,085)
Right-of-use leased equipment	(42,002)	37,629		(79,630)
<u>Depreciation and amortization expense</u>	<u>(222,843,896)</u>	<u>20,540,116</u>	<u>31,840,347</u>	<u>(211,543,665)</u>
<u>Total depreciable assets, net</u>	<u>502,160,050</u>	<u>60,110,792</u>	<u>63,768,807</u>	<u>521,102,493</u>
<u>Total capital assets, net</u>	<u>\$572,367,012</u>	<u>\$81,288,926</u>	<u>\$97,171,706</u>	<u>\$579,084,690</u>

Depreciation expense for the year was charged to the following programs:

Program	Buildings	Equipment	Improvements	Total
Business, transportation and maintenance	\$ 1,122,234	\$2,030,173	\$ 192,589	\$ 3,344,996
Central Activities	3,900,519	700,879	240,063	4,841,461
Food Services	3,274	19,738		23,012
Students	10,060,481	602,832	1,657,370	12,320,684
Central	-	-	9,963	9,963
<u>Total depreciation and amortization expense</u>	<u>\$15,086,508</u>	<u>\$3,353,623</u>	<u>\$ 2,099,986</u>	<u>\$20,540,116</u>

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Net investment in capital assets is calculated as follows:

Invested in Capital Assets net of related debt

All capital assets net of depreciation

Land	36,876,933	
Construction in progress	21,105,265	
Buildings and improvements	451,060,223	
Right-of-use leased buildings	4,641,398	
Site improvements	47,671,398	
Vehicles and equipment	16,816,912	
Right-of-use SBITAs	790,622	
Right-of-use leased equipment	121,940	\$ 579,084,690

SBITAs Liability	(751,610)	
Lease Liability	(5,175,056)	
Short and long term debt	(395,810,000)	
Loan for buses	(1,445,000)	
Retainage payable	(420,503)	
Accounts payable (capital construction)	(3,487,396)	
Bond premium/discounts	(19,926,600)	
Advanced refunding outflow	6,491,955	
Unspent bond proceeds	90,255,137	
Investment in capital assets, net of related debt	248,815,616	

E. Leases: Lessee

Under GASB Statement No. 87, Leases, the District recognizes a lease liability and an intangible right-to-use asset in the government-wide financial statements for each lease. The lease liability is measured as the present value of all expected payments during the lease term, reduced by the principal portion of lease payments made. The lease asset is the initial lease liability, adjusted lease payments made before the commencement date plus certain direct costs. The lease asset is amortized on a straight-line basis.

The District monitors changes in circumstances that would require remeasurement of leases, and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long term debt on the statement of net position.

a. Brinson Lease

On May 16, 2018, the District entered into a noncancelable lease for the Brinson building, which contains the REALMS Middle and High School programs. The lease terminates on May 15, 2031 and has an assumed interest rate is 3.25 percent based on our estimated borrowing rate.

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b. Twin Knolls Lease

On January 1, 2013 the District entered into a noncancelable lease for the Twin Knolls building, which contains our Transition Co-Op program. The lease terminates on June 30, 2034 and has an assumed interest rate of 3.25 percent based on our estimated borrowing rate.

c. Copier Lease

On March 31, 2022 the District entered into a noncancelable lease for printer and copier equipment. The lease terminates on March 30, 2027 and the interest rate of 7.62 percent is implicit to the lease.

d. Turf Tank Lease

On August 16, 2022 the District entered into a noncancelable lease for a robotic field painter for sports fields. The lease terminates on August 15, 2028 and the interest rate of 5.5 percent is implicit to the lease.

Lease liabilities are as follows:

	Balance at June 30, 2023	Increases	Decreases	Balance at June 30, 2024	Due within One Year
Brinson Lease	\$ 4,280,515		\$ 429,019	\$ 3,851,496	\$460,279
Twin Knolls Lease	1,292,224		91,021	1,201,203	95,805
Copier Lease	92,511		22,731	69,780	24,525
Turf Tank Lease	64,054		11,477	52,577	12,108
<u>Total</u>	<u>\$ 5,729,304</u>	<u>\$ -</u>	<u>\$ 554,248</u>	<u>\$ 5,175,056</u>	<u>\$592,717</u>

Debt service requirements on leases are as follows:

	Brinson Lease		Twin Knolls Lease		Copier Lease		Turk Tank Lease	
As of June	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
30								
2025	460,279	118,396	95,805	37,620	24,525	4,475	12,108	2,892
2026	493,083	102,953	100,748	34,434	26,462	2,538	12,774	2,226
2027	527,497	86,419	105,853	31,084	18,793	541	13,477	1,523
2028	563,592	68,742	111,127	27,565	-	-	14,218	782
2029	601,437	49,866	116,575	23,873	-	-	-	-
2030-2034	1,205,609	38,176	671,095	57,479	-	-	-	-
<u>Total</u>	<u>\$3,851,496</u>	<u>\$464,553</u>	<u>\$1,201,204</u>	<u>\$212,054</u>	<u>\$69,780</u>	<u>\$7,554</u>	<u>\$52,577</u>	<u>\$7,423</u>

F. Leases: Lessor

Under GASB Statement No. 87, Leases, the District recognizes a lease receivable and a deferred inflow of resources in the government-wide and government funds financial statements for each qualifying lease. The District monitors changes in circumstances that would require remeasurement of leases, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable. While there was lease activity during FY2023-24, due to lease expirations and changes in lease terms there are not any lease receivables or deferred inflows of resources to report.

G. Subscription based information technology arrangements

Under GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs) the District now recognizes a subscription liability and an intangible right-to-use asset in the government-wide financial statements for each arrangement. The subscription liability is measured as the present value of all expected payments during the subscription term. The subscription asset is the initial subscription liability, payments made before the commencement date, and certain capitalizable implementation costs. The subscription asset is amortized on a straight-line basis.

The District monitors changes in circumstances that would require remeasurement of SBITAs, and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with other capital assets and subscription liabilities are reported with long term debt on the statement of net position.

a. CDW-G EMG

On November 23, 2022 the District entered into an arrangement for enterprise mobility management software. The arrangement terminated on December 28, 2023 and the interest rate of 6.95 percent was based on estimated lending rates. This arrangement was paid in full at commencement.

b. CVE Technologies

Prior to July 1, 2022 the District entered into an arrangement for phone software. The arrangement terminates on August 9, 2026 and the interest rate of 4.85 percent is based on estimated lending rates.

c. Instructure Canvas/Cloud

Prior to July 1, 2022 the District entered into an arrangement for digital classroom software. The arrangement terminated on June 30, 2024 and the interest rate of 4.85 percent was based on estimated lending rates.

d. Palo Alto Security

Prior to July 1, 2022 the District entered into an arrangement for security software. The arrangement terminates on June 30, 2025 and the interest rate of 4.85 percent is based on estimated lending rates. This arrangement was paid in full at commencement.

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e. PowerSchool

Prior to July 1, 2022 the District entered into an arrangement for enterprise resource planning software. The arrangement terminates on June 30, 2028 and the interest rate of 7.82 percent is based on estimated lending rates.

f. EZ Lease

On September 29, 2023 the District entered into an arrangement for lease management software. The arrangement terminates on September 28, 2026 and the interest rate of 8.5 percent is based on estimated lending rates.

g. Rosetta Stone

On October 7, 2023 the District entered into an arrangement for foreign language software. The arrangement terminates on October 6, 2025 and the interest rate of 8.5 percent is based on estimated lending rates. This arrangement was paid in full at commencement.

h. Really Great Reading

Prior to July 1, 2022 the District entered into an arrangement for reading curriculum software. The arrangement terminates on June 30, 2029 and the interest rate of 4.85 percent is based on estimated lending rates. The Really Great Reading arrangement has a variable payment schedule based on the number of classrooms and students supported, which can lead to differences between the actual outflow of resources and the estimated outflows used to calculate the subscription asset. For the fiscal year ending June 30, 2024 the variable payments not included in the Really Great Reading SBITA asset are as follows:

	Actual Payments	Estimated Payments Used in SBITA Calculation	Payments Excluded From SBITA Calculation
<u>Really Great Reading</u>	<u>\$136,326</u>	<u>\$ 52,059</u>	<u>\$ 84,267</u>

The schedule of subscription assets for all arrangements is as follows:

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	Balance at June			Balance at June
	30, 2023	Increases	Decreases	30, 2024
Instructure Canvas/Cloud	\$ 118,806	\$ -	\$ 118,806	\$ -
CDW-G EMG	14,216	-	14,216	-
PowerSchool Software	382,982	-	-	382,982
Palo Alto Security	147,581	-	-	147,581
Really Great Reading	297,233	-	-	297,233
CVE Technologies -	309,960	-	-	309,960
EZLease	-	8,313	-	8,313
Rosetta Stone	-	119,639	-	119,639
Total	\$ 1,270,779	\$ 127,952	\$ 133,022	\$ 1,265,708

The schedule of subscription amortization for all arrangements is as follows:

	Balance at June			Balance at June
	30, 2023	Increases	Decreases	30, 2024
Instructure Canvas/Cloud	\$ 59,403	\$ 59,403	\$ 118,806	\$ -
CDW-G EMG	7,826	6,390	14,216	-
PowerSchool Software	21,109	72,375	-	93,484
Palo Alto Security Software	49,194	49,194	-	98,388
Really Great Reading	42,462	42,462	-	84,924
CVE Technologies - Phone	75,447	75,447	-	150,893
EZLease	-	2,094	-	2,094
Rosetta Stone	-	43,867	-	43,867
Total	\$ 255,441	\$ 351,231	\$ 133,022	\$ 473,650

The schedule of subscription liability for all arrangements is as follows:

	Balance at June			Balance at June
	30, 2023	Increases	Decreases	30, 2024
PowerSchool Software	\$ 291,171	\$ -	\$ 59,148	\$ 232,022
Really Great Reading	226,326	-	41,082	185,244
CVE Technologies -	152,211	-	74,304	77,907
EZLease	-	5,313	2,548	2,765
Rosetta Stone	-	61,913	45,939	15,973
Total	\$ 669,708	\$ 67,226	\$ 223,022	\$ 513,912

The schedule of future subscription payments for all arrangements is:

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	CVE Technologies		EZLease		PowerSchool		Really Great		Rosetta Stone	
As of June 30	Liability	Interest	Liability	Interest	Liability	Interest	Liability	Interest	Liability	Interest
2025	74,304	7,382	2,548	452	59,148	22,770	41,082	10,977	60,615	4,185
2026	77,907	3,779	2,765	235	67,665	18,144	43,075	8,984	15,973	227
2027	-	-	-	-	77,032	12,853	45,164	6,895	-	-
2028	-	-	-	-	87,326	6,829	47,354	4,705	-	-
2029	-	-	-	-	-	-	49,651	2,408	-	-
<u>Total Payments</u>	<u>\$152,211</u>	<u>\$11,161</u>	<u>\$5,313</u>	<u>\$ 687</u>	<u>\$291,171</u>	<u>\$60,595</u>	<u>\$226,326</u>	<u>\$33,969</u>	<u>\$76,589</u>	<u>\$4,411</u>

H. Pension plan

a. PERS pension program

The District is participating in the State of Oregon Public Employees Retirement System (PERS), a cost-sharing multiple-employer defined benefit pension plan administered by PERS. 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, and Internal Revenue Code Section 401(a). Oregon PERS produces an independently audited Annual Comprehensive Financial Report which can be found at: <https://www.oregon.gov/pers/emp/pages/annual-reports.aspx>. The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, fiduciary net position of PERS and any changes thereto 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. GASB Statements 68 and 71 were implemented as of July 1, 2014.

- i. Pension benefits – The PERS retirement allowance is payable monthly for life. Members may select from 13 retirement benefit options that are actuarially equivalent to the base benefit. These options include survivorship benefits and lump-sum refunds. The basic benefit is most commonly 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 benefit result.
- 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 conditions are met:
 - The member was employed by PERS employer at the time of death,

- The member died within 120 days after termination of PERS covered employment,
 - The member died as a result of injury sustained while employed in a PERS-covered job, or
 - The member was on an official leave of absence from a PERS-covered job at the time of death.
- 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 for General Service members is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
- iv. Benefit changes after retirement – Members may choose to continue participation in a variable account after retiring and may experience annual benefit fluctuations caused by changes in fair value of the underlying global equity investments of the account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living adjustments (COLA), starting with the monthly benefits received or entitled to be received on August 1. The COLA is capped at 2.0%.
- 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 retire under the police and fire classification, the individual's last 60 months of retirement credit preceding retirement eligibility must be classified as retirement credit for service as a police officer or fire fighter. 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, or, if the pension program is terminated, the date on which termination becomes effective.
- ii. Death benefits – Upon the death of a nonretired member, the spouse or other person who is constitutionally required to be treated in the same manner as the

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spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

- 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 from a 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.

c. Contributions

PERS members are required to contribute 6 percent of their salary and the employer makes contributions at an actuarially-determined rate as adopted by the PERS Board. The rate for Tier I and Tier II for the year ended June 30, 2024 was 19.32 percent of covered annual payroll. The rate for OPSRP for the year ended June 30, 2024 was 16.48 percent. The contribution requirements of plan members are established by state statute. The employer contribution is set and may be amended by the Retirement Board.

At June 30, 2024, the District reported a total pension liability of \$175,270,123 for its proportionate share of the total pension liability. The pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the total pension liability was determined by an actuarial valuation as of December 31, 2021. The District's proportion of the total 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. At the measurement date of June 30, 2023, the District's proportion was .94 percent, an increase from June 30, 2022 when the District's proportion was .93 percent. For the year ended June 30, 2024, the District recognized a pension expense of \$26,012,727.

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 8,571,244	\$ 694,962
Changes of assumptions	15,569,961	116,091
Net difference between projected and actual earnings on investments	3,150,322	-
Changes in proportionate share	5,257,433	3,822,490
Differences between employer contributions and employer's proportionate share of the system contributions	1,344,416	14,145,061
Subtotal-amortized deferrals	33,893,376	\$ 18,778,604
District contributions subsequent to the measurement date	22,972,063	
Total PERS deferred outflows	\$ 56,865,439	

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District contributions subsequent to the measurement date but before June 30, 2024 will be recognized as a reduction of the total pension liability in the fiscal year ending June 30, 2025.

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

Year ending	Amount
June 30, 2025	\$ 383,812
June 30, 2026	(7,162,357)
June 30, 2027	16,197,591
June 29, 2028	5,360,447
June 30, 2029	335,279
Total deferred outflow (inflow) of resources	\$ 15,114,772

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated June 30, 2023. Oregon PERS produces an independently audited ACFR which can be found in the following location: <https://www.oregon.gov/pers/emp/pages/annual-reports.aspx>

d. 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 I and Tier II 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 (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an actuarially determined amount for funding a disability benefit component, and (3) 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

	Pension
Valuation date	December 31, 2021
Measurement date	June 30, 2023
Experience Study	2020, published July 20, 2021
Actuarial assumptions:	
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
Cost-of-living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	<p><i>Healthy retirees and beneficiaries:</i> 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><i>Active members:</i> 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><i>Disabled retirees:</i> 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 methods and assumptions show above are based on the 2022 Experience Study, which reviewed experience for the four year period ended on December 31, 2022.

e. **Discount rate**

The discount rate used to measure the total pension liability was 6.90 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and 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 was applied to all periods of projected benefit payments to determine the total pension liability.

f. Depletion Date Projection

GASB 67 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position (fair value of investment assets, all others at cost) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 67 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 67 (paragraph 43) does allow for alternative evaluations of projected solvency if such evaluation can reliably be made. GASB does not recommend a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

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

- PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 67 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions. This means that the projections would not reflect any adverse future experience that might impact the plan's funded position.

Based on these circumstances, it is our third-party actuary's opinion that the detailed depletion date projections outlined in GASB 67 would clearly indicate that the fiduciary net position is always projected to be sufficient to cover benefit payments and administrative expenses.

Detailed information about PERS' fiduciary net position is available in the separately issued financial report available online at the following website:
<https://www.oregon.gov/pers/emp/pages/annual-reports.aspx> or by contacting PERS at the following address: PO BOX 23700 Tigard, OR 97281-3700.

g. 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. 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.

The table below shows Milliman's assumptions for each asset class.

<u>Long-Term Expected Rate of Return</u>¹				
Asset Class	Target Allocation	Annual Arithmetic Return²	20-Year Annualized Geometric Mean	Annual Standard Deviation
Global Equity	27.50 %	8.57 %	7.07 %	17.99 %
Private Equity	25.50	12.89	8.83	30.00
Core Fixed Income	25.00	4.59	4.50	4.22
Real Estate	12.25	6.90	5.83	15.13
Master Limited Partnerships	0.75	9.41	6.02	27.04
Infrastructure	1.50	7.88	6.51	17.11
Hedge Fund of Funds - Multistrategy	1.25	6.81	6.27	9.04
Hedge Fund Equity - Hedge	0.63	7.39	6.48	12.04
Hedge Fund - Macro	5.62	5.44	4.83	7.49
Assumed Inflation - Mean			2.35 %	1.41 %

¹ Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, including revisions adopted at the OIC meeting on January 25, 2023.

² The arithmetic mean is a component that goes into calculating the geometric mean. Expected rates of return are presented using the geometric mean, which the Board uses in setting the discount rate.

h. Sensitivity of the District's proportionate share of the total pension liability to changes in the discount rate

The following presents the District's proportionate share of the total pension liability calculated using the discount rate of 6.90 percent, as well as what the District's proportionate share of the total pension liability would be if it were calculated using a discount rate that is 1- percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate.

	Discount rate	Proportionate share of total pension liability (asset)	
1% decrease	5.90%	\$	289,513,242
Current discount rate	6.90%		175,270,123
1% increase	7.90%		79,660,739

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i. Deferred inflows of resources and deferred outflows of resources

Deferred inflows of resources and deferred outflows of resources are calculated at the Plan level and are allocated to employers based on their proportionate share. For the measurement period ended June 30, 2024, employers will report the following deferred inflows of resources and/or deferred outflows of resources:

- A difference between expected and actual experience
- Changes in assumptions
- Changes in employer proportion since the prior measurement date
- Net difference between projected and actual investment earnings

Differences between expected and actual experience, changes in assumptions and changes in employer proportion are amortized over the average remaining service lives of all plan participants, including retirees, determined as of the beginning of the respective measurement period. Employers are required to recognize pension expense based on the balance of the closed period "layers" attributable to each measurement period. The average remaining service lives determined as of the beginning of each measurement period are described below:

Fiscal Year ended June 30, 2023 - 5.4 years
Fiscal Year ended June 30, 2022 - 5.5 years
Fiscal Year ended June 30, 2021 - 5.4 years
Fiscal Year ended June 30, 2020 - 5.3 years
Fiscal Year ended June 30, 2019 - 5.2 years
Fiscal Year ended June 30, 2018 - 5.2 years

The net difference between projected and actual earnings attributable to each measurement period is amortized over a closed five-year period.

i. Other post-employment benefits (OPEB)

The District provides subsidized health benefits to retirees under age 65, as required by ORS 243.303. Retirees electing to remain on district-sponsored health plans must pay the entire premium in order to maintain coverage. However, while the District does not directly contribute to the cost of the premium for retirees, the premium itself does not represent the full cost of covering these retirees (since they are older than the active population, retirees can be expected to generate higher medical claims and therefore higher premiums for the active population). This additional cost is called the "implicit rate subsidy" and is required to be valued under GASB Statement 75. The GASB 75 valuation is based on the following employee census:

<u>Employee Group</u>	<u>Employee Count</u>
Retirees receiving benefits	60
Retirees not receiving benefits	64
Active employees receiving benefits	1,584
Active employees not receiving benefits	493
<u>Total Employees</u>	<u>2,201</u>

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Currently, the District participates in the Oregon Educators Benefit Board, a statewide agent multiple-employer plan for health insurance benefits.

a. Other post-employment benefit health insurance subsidy

- i. Funding policy – These benefits are not funded at this time.
- ii. Total OPEB liability – The District’s total OPEB liability of 10,399,994 was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2022.
- iii. Actuarial assumptions and other inputs – The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	July 1, 2022 Data was collected as of March 2023, and benefits were valued as if the data was representative of data on July 1, 2022																
Measurement Date	June 30, 2024																
Fiscal Year Ends	June 30, 2024																
Actuarial Cost Method	Entry Age Normal, level percent of salary																
Interest Rate for Discounting Future Liabilities	4.00% per year, based on all years discounted at municipal bond rate based on Bond Buyer 20-Bond General Obligation Index as of June 30, 2023, an increase from 3.75% in the previous valuation.																
Inflation Rate	2.5 percent per year																
Payroll Growth	3.5 percent per year																
Salary Merit Scale	Total payroll increase is overall payroll growth plus merit table below. Sample rates are as follows: <table> <tr> <th><u>Duration</u></th><th><u>Rate</u></th></tr> <tr> <td>0</td><td>4.15%</td></tr> <tr> <td>5</td><td>2.98%</td></tr> <tr> <td>10</td><td>1.79%</td></tr> <tr> <td>15</td><td>0.72%</td></tr> <tr> <td>20</td><td>-0.11%</td></tr> <tr> <td>25</td><td>-0.55%</td></tr> <tr> <td>30 +</td><td>-0.59%</td></tr> </table>	<u>Duration</u>	<u>Rate</u>	0	4.15%	5	2.98%	10	1.79%	15	0.72%	20	-0.11%	25	-0.55%	30 +	-0.59%
<u>Duration</u>	<u>Rate</u>																
0	4.15%																
5	2.98%																
10	1.79%																
15	0.72%																
20	-0.11%																
25	-0.55%																
30 +	-0.59%																

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Annual Premium Increase Rate	<p>The initial rates are based in part on the 2023 Segal Health Plan Cost Trend Survey, tempered by our expectation of the impact of ORS 243.866, as amended in 2017. Rates are trended down in accordance with prevalent actuarial practice based in part on the Society of Actuaries - Getzen Longer Term Healthcare Trends Resource Model, as updated October 2021.</p> <table><tr><th><u>Year</u></th><th><u>Rate</u></th><th><u>Year</u></th><th><u>Rate</u></th></tr><tr><td>2022-23</td><td>4.00%</td><td>2032-33</td><td>5.40%</td></tr><tr><td>2023-24</td><td>4.50%</td><td>2033-34</td><td>5.30%</td></tr><tr><td>2024-25</td><td>5.00%</td><td>2034-35</td><td>5.20%</td></tr><tr><td>2025-26</td><td>5.50%</td><td>2035-36</td><td>5.10%</td></tr><tr><td>2026-27</td><td>6.00%</td><td>2036-37</td><td>5.00%</td></tr><tr><td>2027-28</td><td>5.90%</td><td>2037-38</td><td>4.90%</td></tr><tr><td>2028-29</td><td>5.80%</td><td>2038-39</td><td>4.80%</td></tr><tr><td>2029-30</td><td>5.70%</td><td>2039-40</td><td>4.70%</td></tr><tr><td>2030-31</td><td>5.60%</td><td>2040-41</td><td>4.60%</td></tr><tr><td>2031-32</td><td>5.50%</td><td>2041+</td><td>4.50%</td></tr></table>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	2022-23	4.00%	2032-33	5.40%	2023-24	4.50%	2033-34	5.30%	2024-25	5.00%	2034-35	5.20%	2025-26	5.50%	2035-36	5.10%	2026-27	6.00%	2036-37	5.00%	2027-28	5.90%	2037-38	4.90%	2028-29	5.80%	2038-39	4.80%	2029-30	5.70%	2039-40	4.70%	2030-31	5.60%	2040-41	4.60%	2031-32	5.50%	2041+	4.50%
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Mortality Rates	<p>Active Employees: PUB-2010 Employee Tables for Teachers, sex-distinct, projected generationally, 125% of published rates for makes, 100% of published rates for females.</p> <p>Retirees: PUB-2010 Retiree Tables for Teachers, sex distinct, projected generationally, 80% of published rates blended with 20% of PUB 2010 Retiree Tables for General Employees for males, 100% of published rates for females.</p> <p>Beneficiaries: Pub-2010 Employee and Retiree Table for General Employees, sex distinct, projected generationally, set back 12 months for males, no set back for females; 115% of published rates for non-annuitant males, 125% of published rates for non-annuitant females</p> <p>Improvement scale: Unisex Social Security Data Scale (60 year average), with data through 2017</p>																																												

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Turnover Rates	<p>As developed for the valuation of benefits under Oregon PERS. For the current school year, it is assumed that the terminations are reflected in the census date provided.</p> <table><tr><th><u>Years of Service</u></th><th><u>Male</u></th><th><u>Female</u></th></tr><tr><td>0</td><td>16.63%</td><td>13.50%</td></tr><tr><td>5</td><td>6.86%</td><td>7.13%</td></tr><tr><td>10</td><td>3.31%</td><td>3.85%</td></tr><tr><td>15</td><td>2.30%</td><td>2.68%</td></tr><tr><td>20</td><td>1.62%</td><td>1.95%</td></tr><tr><td>25</td><td>1.20%</td><td>1.50%</td></tr><tr><td>30 +</td><td>1.20%</td><td>1.50%</td></tr></table>	<u>Years of Service</u>	<u>Male</u>	<u>Female</u>	0	16.63%	13.50%	5	6.86%	7.13%	10	3.31%	3.85%	15	2.30%	2.68%	20	1.62%	1.95%	25	1.20%	1.50%	30 +	1.20%	1.50%
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Disability Rates	<p>As developed for the valuation of benefits under Oregon PERS. Sample rates are as follows:</p> <table><tr><th><u>Age</u></th><th><u>Rate</u></th></tr><tr><td>30</td><td>0.0164%</td></tr><tr><td>35</td><td>0.0252%</td></tr><tr><td>40</td><td>0.0406%</td></tr><tr><td>45</td><td>0.0666%</td></tr><tr><td>50</td><td>0.1151%</td></tr></table>	<u>Age</u>	<u>Rate</u>	30	0.0164%	35	0.0252%	40	0.0406%	45	0.0666%	50	0.1151%												
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Retirement Rates	As developed for the valuation of benefits under Oregon PERS. For the current school year, it is assumed that the retirements are reflected in the census data provided.																																																																																																																																																																															
	<table><tr><th></th><th colspan="3">Tier 1 / Tier 2</th><th colspan="3">OPSRP</th></tr><tr><th></th><th colspan="3">Years of Service</th><th colspan="3">Years of Service</th></tr><tr><th>Age</th><th>< 15</th><th>15 - 29</th><th>30 +</th><th>< 15</th><th>15 - 29</th><th>30 +</th></tr><tr><td><55</td><td>0.0%</td><td>0.0%</td><td>25.0%</td><td>0.0%</td><td>0.0%</td><td>0.0%</td></tr><tr><td>55</td><td>1.5%</td><td>3.5%</td><td>25.0%</td><td>0.5%</td><td>2.5%</td><td>5.0%</td></tr><tr><td>56</td><td>1.5%</td><td>3.5%</td><td>25.0%</td><td>0.5%</td><td>2.5%</td><td>5.0%</td></tr><tr><td>57</td><td>1.5%</td><td>3.5%</td><td>25.0%</td><td>1.0%</td><td>2.5%</td><td>7.5%</td></tr><tr><td>58</td><td>1.5%</td><td>11.0%</td><td>27.5%</td><td>1.5%</td><td>3.0%</td><td>30.0%</td></tr><tr><td>59</td><td>4.5%</td><td>11.0%</td><td>27.5%</td><td>1.5%</td><td>3.0%</td><td>25.0%</td></tr><tr><td>60</td><td>6.5%</td><td>12.5%</td><td>27.5%</td><td>2.5%</td><td>3.75%</td><td>20.0%</td></tr><tr><td>61</td><td>6.5%</td><td>12.5%</td><td>27.5%</td><td>2.5%</td><td>5.0%</td><td>20.0%</td></tr><tr><td>62</td><td>15.0%</td><td>21.0%</td><td>34.0%</td><td>6.0%</td><td>12.0%</td><td>30.0%</td></tr><tr><td>63</td><td>13.0%</td><td>19.5%</td><td>27.5%</td><td>6.0%</td><td>10.0%</td><td>20.0%</td></tr><tr><td>64</td><td>13.0%</td><td>19.5%</td><td>27.5%</td><td>6.0%</td><td>10.0%</td><td>20.0%</td></tr><tr><td>65</td><td>25.5%</td><td>33.5%</td><td>45.0%</td><td>12.5%</td><td>35.0%</td><td>20.0%</td></tr><tr><td>66</td><td>23.0%</td><td>36.5%</td><td>45.0%</td><td>12.5%</td><td>33.0%</td><td>20.0%</td></tr><tr><td>67</td><td>21.0%</td><td>34.5%</td><td>38.0%</td><td>11.0%</td><td>22.0%</td><td>30.0%</td></tr><tr><td>68</td><td>21.0%</td><td>28.0%</td><td>28.5%</td><td>9.0%</td><td>20.0%</td><td>25.0%</td></tr><tr><td>69</td><td>21.0%</td><td>28.0%</td><td>28.5%</td><td>9.0%</td><td>20.0%</td><td>25.0%</td></tr><tr><td>70</td><td>21.0%</td><td>28.0%</td><td>28.5%</td><td>9.0%</td><td>20.0%</td><td>25.0%</td></tr><tr><td>71</td><td>21.0%</td><td>28.0%</td><td>28.5%</td><td>9.0%</td><td>20.0%</td><td>25.0%</td></tr><tr><td>72</td><td>21.0%</td><td>28.0%</td><td>28.5%</td><td>9.0%</td><td>20.0%</td><td>25.0%</td></tr><tr><td>73</td><td>21.0%</td><td>28.0%</td><td>28.5%</td><td>9.0%</td><td>20.0%</td><td>25.0%</td></tr><tr><td>74</td><td>21.0%</td><td>28.0%</td><td>28.5%</td><td>9.0%</td><td>20.0%</td><td>25.0%</td></tr><tr><td>75</td><td>100.0%</td><td>100.0%</td><td>100.0%</td><td>100.0%</td><td>100.0%</td><td>100.0%</td></tr></table>		Tier 1 / Tier 2			OPSRP				Years of Service			Years of Service			Age	< 15	15 - 29	30 +	< 15	15 - 29	30 +	<55	0.0%	0.0%	25.0%	0.0%	0.0%	0.0%	55	1.5%	3.5%	25.0%	0.5%	2.5%	5.0%	56	1.5%	3.5%	25.0%	0.5%	2.5%	5.0%	57	1.5%	3.5%	25.0%	1.0%	2.5%	7.5%	58	1.5%	11.0%	27.5%	1.5%	3.0%	30.0%	59	4.5%	11.0%	27.5%	1.5%	3.0%	25.0%	60	6.5%	12.5%	27.5%	2.5%	3.75%	20.0%	61	6.5%	12.5%	27.5%	2.5%	5.0%	20.0%	62	15.0%	21.0%	34.0%	6.0%	12.0%	30.0%	63	13.0%	19.5%	27.5%	6.0%	10.0%	20.0%	64	13.0%	19.5%	27.5%	6.0%	10.0%	20.0%	65	25.5%	33.5%	45.0%	12.5%	35.0%	20.0%	66	23.0%	36.5%	45.0%	12.5%	33.0%	20.0%	67	21.0%	34.5%	38.0%	11.0%	22.0%	30.0%	68	21.0%	28.0%	28.5%	9.0%	20.0%	25.0%	69	21.0%	28.0%	28.5%	9.0%	20.0%	25.0%	70	21.0%	28.0%	28.5%	9.0%	20.0%	25.0%	71	21.0%	28.0%	28.5%	9.0%	20.0%	25.0%	72	21.0%	28.0%	28.5%	9.0%	20.0%	25.0%	73	21.0%	28.0%	28.5%	9.0%	20.0%	25.0%	74	21.0%	28.0%	28.5%	9.0%	20.0%	25.0%	75	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
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Participation	Of the active employees currently enrolled in the medical plan, 70% are assumed to remain enrolled at retirement until Medicare eligibility.																																																																																																																																																																															
Plan Enrollment	Current and future retirees are assumed to remain enrolled in the plans in which they are currently enrolled, if any.																																																																																																																																																																															
Lapse	None assumed.																																																																																																																																																																															
Marital Status	40% of future retirees electing coverage are assumed to cover a spouse as well. Males are assumed to be three years older than their female spouses. Actual marital status and ages as of the valuation date are used for current retirees, if available																																																																																																																																																																															
Coverage of Eligible Children	We have assumed no impact of dependent children on the implicit subsidy																																																																																																																																																																															

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Health Care Claims Cost	2022-23 claims costs for an age 64 retiree or spouse are assumed range from 11,819 to 16,296 depending on the plan selected. The age specific claims costs were developed based on the OEGB health plans' overall demographics and total premiums, to the extent data was available
Aging Factors	Aging factors are used to adjust the age 64 per capita claims cost. Claims costs are reduced by 3.25% to 4.00% by age for those under 64.
Dental and Vision Costs	We have assumed no implicit subsidy due to dental or vision costs
Changes Since Prior Valuation	Premium increase rates were modified to better reflect the anticipated experience and current Oregon law. General inflation and payroll growth assumptions were increased to better reflect anticipated experience. Demographic assumptions were revised to match (as closely as possible) those developed in the most recent experience study for Oregon PERS

Changes in the Total OPEB Liability:

Balance at June 30, 2023	\$ 9,903,355
Changes for the year	
Service Cost	616,994
Interest	388,360
Changes in assumptions	(180,543)
Benefit payments	(328,172)
Net Changes	496,639
Total OPEB Liability at June 30, 2024	\$ 10,399,994

As of June 30, 2024, the deferred inflows and outflows were as follows:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 1,073,400	\$ 1,006,994
Changes in assumptions or other input	79,857	1,299,553
Total	\$ 1,153,257	\$ 2,306,547

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

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<u>Year ended June 30</u>	<u>OPEB Expense</u>
2025	\$ (230,391)
2026	(293,470)
2027	(293,470)
2028	(293,467)
2029	(61,688)
Thereafter	19,196
<u>Total deferred outflows recognized as expense</u>	<u>\$ (1,153,290)</u>

- iv. Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.00 percent) or one percentage point higher (5.00 percent) than the current rate:

	1% Decrease 3.00%	Current discount rate 4.00%	1% Increase 5.00%
<u>Total OPEB liability</u>	<u>\$ 11,135,172</u>	<u>\$ 10,399,994</u>	<u>\$ 9,701,224</u>

- v. Sensitivity of the total OPEB liability to changes in the healthcare trend rate – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a healthcare trend rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease 3.00%, Graded Up to 5.00%, Then Back Down to 3.50%	Current Trend Rate 4.00%, Graded Up to 6.00%, Then Back Down to 4.50%	1% Increase 5.00%, Graded Up to 7.00%, Then Back Down to 5.50%
<u>Total OPEB liability</u>	<u>\$ 9,190,748</u>	<u>\$ 10,399,994</u>	<u>\$ 11,813,695</u>

- vi. Total OPEB Expense – The following presents the total OPEB expense of the District.

Change in Total OPEB Liability	496,639
Decrease in Deferred Outflows	337,643
Decrease in Deferred Inflows	(387,488)
<u>Employer Contributions</u>	<u>328,172</u>
<u>Total OPEB expense</u>	<u>774,966</u>

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b. Other post-employment benefits, PERS Retiree Health Insurance Account (RHIA)

Oregon Public Employees Retirement System (PERS or the system) administers the Retirement Health Insurance Account (RHIA) cost-sharing, multiple-employer defined benefit Other Postemployment Benefit (OPEB) plan (Plan) for units of state government, political subdivisions, community colleges, and school districts, containing multiple actuarial pools. Plan assets may be used to pay the benefits of the employees of any employer that provides OPEB through the Plan. Contributions are mandatory for each employer that is a member of PERS. As of the June 30, 2023 measurement date, there were 812 participating employers.

At June 30, 2023, the District reported a total OPEB asset of \$3,234,674 for its proportionate share of the total OPEB liability/asset. The measurement date was as of June 30, 2023 and the actuarial valuation date was as of December 31, 2021. As of the June 30, 2023 measurement date, the District's proportionate share was .88 percent, which is higher than .77 percent determined for the prior measurement period.

At June 30, 2024, the District also reported an OPEB related deferred outflow of \$(288,984) calculated as follows:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ -	\$ 81,207
Changes of assumptions	-	34,877
Net difference between projected and actual earnings on investments	9,173	-
Changes in proportionate share	10,635	192,708
Differences between employer contributions and employer's proportionate share of system contributions	-	-
Subtotal-amortized deferrals	19,808	\$ 308,792
District contributions subsequent to the measurement date	3,188	
Total deferred outflow and inflow	\$ 22,996	

District contributions subsequent to the measurement date of June 30, 2023, but before June 30, 2024, will be recognized as an increase to the total OPEB asset in the fiscal year ending June 30, 2025.

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

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June 30, 2024

Year ending June 30	Amount
2025	\$ (285,289)
2026	(166,111)
2027	119,542
2028	42,873
Total	\$ (288,984)

i. Actuarial methods and assumptions –

Actuarial Methods and Assumptions

	<u>RHIA</u>
Valuation date	December 31, 2021
Measurement date	June 30, 2023
Experience Study	2020, published July 20, 2021
Actuarial assumptions:	
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
Retiree healthcare participation	Healthy retirees: 27.5% Disabled retirees: 15.0 %
Healthcare cost trend rate	Not applicable
Mortality	<p>Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

- ii. Discount rate – The discount rate used to measure the total OPEB liability at June 30, 2023 was 6.90 percent, and remained unchanged from the previous valuation. 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.
- iii. Long-term expected rate of return – To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 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. 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. For more information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means, see PERS' audited financial statements at: <https://www.oregon.gov/pers/emp/pages/annual-reports.aspx>
- iv. Depletion date projection – GASB 75 generally requires that a blended discount rate be used to measure the Total OPEB liability (the actuarial accrued liability calculated using the individual entry age normal cost method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's fiduciary net position (fair value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the fiduciary net position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 75 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 75 (paragraph 82) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for the OPEBB plan:

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

- GASB 75 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan’s funded position.

Based on these circumstances, it is our third-party actuary’s opinion that the detailed depletion date projections outlined in GASB 75 would clearly indicate that the fiduciary net position is always projected to be sufficient to cover benefit payments and administrative expenses.

- v. Sensitivity of the District’s proportionate share of the total OPEB liability/asset to the changes in the discount rate – The following presents the District’s proportionate share of the total OPEB liability/asset calculated using the discount rate of 6.90 percent, as well as what the District’s proportionate share would be if it were calculated using a discount rate that is 1-percentage point lower (5.90 percent) or a 1-percentage-point higher (7.90 percent) than the current rate.

	Discount rate	Proportionate share of total pension liability (asset)
1% decrease	5.90%	\$ (2,940,325)
Current discount rate	6.90%	(3,234,674)
1% increase	7.90%	(3,487,223)

- vi. Deferred inflows of resources and deferred outflows of resources – Deferred inflows of resources and deferred outflow of resources are calculated at the Plan level and are allocated to employers based on their proportionate share. For the measurement period ended June 30, 2023, employers will report the following deferred inflows or resources and/or deferred outflows of resources:
- A difference between expected and actual experience
 - Changes in assumptions
 - Changes in employer proportion since the prior measurement date
 - Net difference between projected and actual earnings. One-year’s amortization is recognized in the employer’s total OPEB expense for the measurement period

Differences between expected and actual experience, changes in assumptions and changes in employer proportion are amortized over the average remaining service lives of all plan participants, including retirees, determined as of the beginning of the respective measurement period. Employers are required to recognize OPEB expense based on the balance of the closed period “layers” attributable to each measurement period. The average remaining service lives determined as of the beginning of each measurement period are described below:

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Fiscal Year ended June 30, 2023 - 2.3 years

Fiscal Year ended June 30, 2022 - 2.5 years

Fiscal Year ended June 30, 2021 - 2.7 years

The net difference between projected and actual investment earnings attributable to each measurement period is amortized over a closed five-year period.

- vii. Total OPEB Expense – The following presents the total OPEB expense of the District.

Employer's proportionate share of OPEB income	(374,380)
Changes in proportionate share	263,570
<u>Total OPEB income</u>	<u>(110,810)</u>

- viii. Combined OPEB Expense – The following presents the combined OPEB expense of the District.

Retiree Health Insurance Subsidy	774,966
PERS Retiree Health Insurance Account	(110,810)
<u>Total OPEB expense</u>	<u>664,156</u>

J. Commitments and contingencies

The District has contractual commitments for construction and improvement projects. As of June 30, 2024, those commitments are:

<u>Project</u>	<u>Commitment Remaining</u>
LaPine High Wrestling Room	80,285
Bear Creek Access	3,927
Buckingham Cafeteria	515,399
Education Center	269,444
Fire Alarm Systems	961,855
Door Hardware Replacement	754,543
Paving	397,820
LaPine Middle Roof	1,051,839
<u>Bend High Renovation</u>	<u>6,896,130</u>
<u>Total commitments remaining</u>	<u>\$ 10,931,243</u>

K. Risk management

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District carries commercial insurance for risks of loss, including workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not

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exceeded commercial insurance coverage in any of the past three fiscal years. Insurance coverage has not changed significantly from prior years.

A liability for estimated unemployment claims is presented in the government-wide statements as a claim and judgement. The liability represents the district's estimate of its share of unemployment claims during FY2023-24 that were unpaid as of June 30, 2024. The estimate was calculated based on district experience and actual claims paid after June 30, 2024. A reconciliation of the claims liability at the end of the year are as follows:

	2024	2023
Beginning balance	\$ 334,113	\$ 307,408
Claims incurred	722,164	79,918
Claims paid	(91,245)	(53,213)
Ending balance	<u>\$ 965,032</u>	<u>\$ 334,113</u>

A liability for estimated general liability claims is also presented in the government-wide statements as a claim and judgement. The liability represents the district's estimate of its share of various general liability claims during FY2023-24 that were unpaid as of June 30, 2024. The liability was calculated using actual claims settled and paid after June 30, 2024. A reconciliation of the claims liability at the end of the year are as follows:

	2024	2023
Beginning balance	\$ 285,202	\$ 132,632
Claims incurred	360,534	315,933
Claims paid	(255,235)	(163,363)
Ending balance	<u>\$ 390,501</u>	<u>\$ 285,202</u>

Reimbursement claims under federal and state program grants may be subject to further audit and adjustment by grantor agencies. State school support from the Oregon Department of Education may also be subject to further audit and adjustment. Disallowed claims could become a liability of the General Fund. Any such amounts are not expected to be significant. Accordingly, management does not anticipate any material adverse consequences arising from such actions.

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. Because 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.

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the District's legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the District.

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a. Environmental matters

The District has complied with EPA standards for asbestos removal or encasement as well as maintenance of an asbestos management plan. In addition, the District's fuel storage facilities meet EPA standards including annual testing requirements. We are developing a healthy and safe schools plan outlined by the state, which includes items like lead and radon testing.

L. Long-term liabilities

The District has outstanding general obligation bonds, limited tax pension bonds and notes from direct borrowings related to governmental activities totaling \$395,810,000, \$30,420,000 and \$1,445,000 respectively. The District has pledged property taxes and all unobligated revenues from the general fund to the punctual payment of principal and interest in the notes from direct borrowings. The District's outstanding notes from direct borrowings provide that in the event of default all amounts payable under the agreement will become immediately due and payable. The District does not have any open or unused lines of credit.

The changes in long-term obligations for governmental activities for the year ended June 30, 2024 are as follows:

	Balance at June 30, 2023	Increases/ Accretion	Decreases	Balance at June 30, 2024	Due within One Year
General obligation bonds	\$420,200,000	\$ -	\$24,390,000	\$395,810,000	\$28,200,000
Full faith and credit bonds	545,000	-	545,000	-	-
Limited tax pension obligation bonds	37,335,000	-	6,915,000	30,420,000	7,730,000
Notes from direct borrowings	1,709,000	-	264,000	1,445,000	264,000
Unamortized bond premium	22,538,243	-	2,611,643	19,926,600	-
Early retiree program	1,982	-	1,982	(0)	-
Lease liability	5,729,304	-	554,248	5,175,056	592,717
SBITA liability	908,068	-	156,458	751,610	237,698
<u>Total</u>	<u>\$488,966,596</u>	<u>\$ -</u>	<u>\$35,438,330</u>	<u>\$453,528,266</u>	<u>\$37,024,415</u>

Debt service requirements on long-term debt at June 30, 2024, exclusive of the remaining issue discount for limited tax pension obligation bonds, are as follows:

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As of June 30	General Obligation Bonds		Limited Tax Pension Obligation Bonds		Notes from Direct Borrowings	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	28,200,000	13,420,267	7,730,000	1,702,032	264,000	36,298
2026	23,885,000	12,649,617	8,610,000	1,269,533	264,000	29,608
2027	26,190,000	11,737,067	9,555,000	787,792	264,000	22,919
2028	28,555,000	10,711,637	4,525,000	253,176	264,000	16,231
2029	30,970,000	9,688,163	-	-	264,000	9,542
2030-2034	110,775,000	37,298,304	-	-	125,000	2,852
2035-2039	91,880,000	19,671,725	-	-	-	-
2040-2044	31,075,000	8,749,400	-	-	-	-
2045-2047	24,280,000	1,991,400	-	-	-	-
Total	395,810,000	125,917,577	30,420,000	4,012,534	1,445,000	117,450

a. 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 District school facilities. The original amount of the general obligation bond issues are as follows:

Issue	Original Amount
2013 Refunding	81,050,000
2017 GO Bond	175,000,000
2019 GO Bond	93,300,000
2021 Refunding	80,795,000
2023 GO Bond	100,000,000
Total debt issued	\$ 530,145,000

Debt service on bond principal and bond interest is paid from the Debt Service Fund. The District is subject to statutory limitations on indebtedness. As of June 30, 2024, the District's net bonded debt is \$4,215,841,469 less than the statutory debt limit. Certain issues of the District's bonds are subject to federal arbitrage regulations. The District employs the services of an arbitrage rebate specialist to determine the amount of the arbitrage liability if applicable. For FY 2024 the District recorded a positive yield liability in the amount of \$307,385.92 for the 2019 GO Bond.

In February 2023, Moody's affirmed the District's Aa2 bond rating.

A summary of outstanding general obligation bonds is below:

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Issue	Issue Date	Maturity		2024 Principal Payments	2024 Interest Payments
		Date	Interest Rate		
2013 Refunding	3/7/2013	6/15/2024	4.25% - 5.00%	\$ 14,800,000	\$ 333,000
2017 GO Bond	8/31/2017	6/15/2037	2.82%	-	5,306,213
2019 GO Bond	7/24/2019	6/15/2039	3.00% - 5.00%	1,705,000	2,706,800
2021 Refunding	12/7/2021	6/15/2033	4.00% - 5.00%	2,335,000	1,261,354
2023 GO Bond	3/2/2023	6/15/2047	4.00% - 6.00%	5,550,000	5,828,656
<u>Total General Obligation Bonds</u>				<u>\$ 24,390,000</u>	<u>\$ 15,436,022</u>

b. Limited tax pension obligation bonds

The District participated in the Oregon School Board Association (OSBA) Pension Bond Pool for the purpose of funding the District's allocated portion of the PERS Unfunded Actuarial Liability (UAL). Bonds in the amount of \$40,926,720 were issued October 31, 2002, additional bonds in the amount of \$25,316,992 were issued April 21, 2003 and \$5,930,000 were issued February 19, 2004. The bonds are being amortized over 25-26 years. In February 2012 the District refinanced a portion of the 2002 Pension Bonds. This refinance was structured to save approximately \$45,000 per year in interest. Debt service on bond principal and interest is paid from the debt service fund. General fund resources typically have been used to liquidate the limited tax pension obligation bonds.

A summary of outstanding limited tax pension obligation bonds is below:

Issue	Issue Date	Maturity		2024 Principal Payments	2024 Interest Payments
		Date	Interest Rate		
PERS 10/02	10/31/2002	6/30/2028	5.55%	\$ 3,925,000	\$ 1,174,658
PERS 4/03	4/21/2003	6/30/2028	5.68%	2,480,000	760,237
PERS 4/04	2/19/2004	6/30/2028	3.25% - 5.528%	510,000	152,296
<u>Total limited tax pension obligation bonds</u>				<u>\$ 6,915,000</u>	<u>\$ 2,087,191</u>

c. Full faith and credit bonds

On March 21, 2011, the District issued full faith and credit bonds to refinance a long-term loan taken out in 2009 that was used to finance the repair of Summit High School athletic fields. The refunding was undertaken to reduce total debt service payments over the life of the debt by \$886,848 and resulted in an economic gain to the taxpayers of approximately \$740,000. The bonds matured in January 2024 and the interest rates range from 2 to 4%.

A summary of the full faith and credit bonds is below:

Issue	Issue Date	Maturity		2024 Principal Payments	2024 Interest Payments
		Date	Interest Rate		
Series 2011	3/22/2011	1/15/2024	2.00% - 4.00%	545,000	21,800
<u>Total full faith and credit bonds</u>				<u>\$ 545,000</u>	<u>\$ 21,800</u>

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June 30, 2024

d. Notes from direct borrowings

On March 21, 2019, the District financed \$1,390,000 to purchase 10 school buses. This loan matures in 2029 and the fixed interest rate is 2.76%. The interest rate will increase by 1.50% in an Event of Default that extends beyond 60 days after a written demand is made to the District to cure such failure. On May 20, 2020 the District financed \$1,250,000 to purchase additional school buses. The loan matures in 2030 and the fixed interest rate is 2.282%. The interest rate, at the option of the lender, shall increase to 5.282% in an occurrence and continuation of an Event of Default. The payments on these notes from direct borrowings are made from the general fund.

A summary of outstanding notes on direct borrowings is below:

Issue	Issue Date	Maturity Year	Interest Rate	2024 Principal Payments	2024 Interest Payments
2019 Bus Purchase	3/21/2019	2029	2.76%	139,000	23,018
2020 Bus Purchase	5/28/2020	2030	2.28%	125,000	19,968
<u>Total notes from direct borrowings</u>				<u>\$ 264,000</u>	<u>\$ 42,986</u>

e. Other long-term liabilities

The District carries the liabilities below. With the exception of early retirement, all listed liabilities are liquidated from the general fund. Early retirement is liquidated from the special revenue fund.

	Balance June 30, 2023	Additions	Payments	Balance June 30, 2024	Due within one year
Long-term liabilities					
Other post-employment benefits	\$ 9,903,355	\$ 824,811	\$ 328,172	\$ 10,399,994	\$ -
Total pension liability	142,358,706	32,911,417	-	175,270,123	-
Claims and judgments	619,316	736,216	-	1,355,532	677,766
Accrued compensated absences	45,430	49,108	45,430	49,108	49,108
Early retirement	1,982	-	1,982	-	-
<u>Total long-term liabilities</u>	<u>\$ 152,928,789</u>	<u>\$ 34,521,552</u>	<u>\$ 375,584</u>	<u>\$ 187,074,757</u>	<u>\$ 726,874</u>

M. Fund balances

The District categorizes its fund balance for major funds as nonspendable, restricted, assigned or unassigned. Nonspendable fund balance represents resources that can't be spent as they are not in a spendable format. Restricted fund balances represent resources whose use is constrained by restrictions imposed by law or externally imposed restrictions placed by creditors, grantors or contributors. Assigned fund balances represent amounts the district intends to use for specific purposes and are imposed by the Superintendent or designee. The authority for the Superintendent or designee to assign resources for specific purposes is granted by the School Board, the District's governing body.

For the classification of unrestricted ending fund balance the District first reduces assigned amounts, then unassigned amounts when expenditures are incurred for purposes for which

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amounts in any of those unrestricted fund balance classifications could be used. At times when restricted and unrestricted amounts can be used, the District uses restricted amounts first.

Details of fund balance classifications displayed in the aggregate:

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	June 30, 2024	June 30, 2023
Nonspendable:						
Inventory	\$ 170,989	\$ 419,893	\$ -	\$ -	\$ 590,882	\$ 627,007
Prepaid items	2,159,343	40,000	-	-	2,199,343	1,526,278
Total Nonspendable	2,330,332	459,893	-	-	2,790,225	2,153,285
Restricted for:						
Capital projects	-	-	-	101,863,053	101,863,053	116,160,274
Debt service	-	-	5,459,984	-	5,459,984	5,387,006
Energy efficiency program	-	1,495,751	-	-	1,495,751	1,304,775
Federal, state, and private grants	-	5,589,283	-	-	5,589,283	6,338,670
Transportation equipment	2,913,019	-	-	-	2,913,019	2,689,734
Total Restricted	2,913,019	7,085,034	5,459,984	101,863,053	117,321,090	131,880,459
Assigned to:						
Appropriated fund balance	11,812,441	-	-	-	11,812,441	9,227,482
Student athletics	367,374	-	-	-	367,374	516,367
Facility usage	1,096,583	-	-	-	1,096,583	1,039,491
Instructional materials	2,139,655	-	-	-	2,139,655	3,564,696
Maintenance equipment replacement	1,344,187	-	-	-	1,344,187	1,758,395
Technology replacement	2,358,174	-	-	-	2,358,174	3,775,642
Print shop equipment	285,876	-	-	-	285,876	380,557
Insurance and risk reserves	2,536,158	-	-	-	2,536,158	2,253,615
Student activities	-	3,076,073	-	-	3,076,073	3,009,340
Early retirement program	-	402,826	-	-	402,826	404,878
Student and staff safety	-	736,259	-	-	736,259	701,487
Other programs	-	182,769	-	-	182,769	812,255
Total Assigned	21,940,448	4,397,927	-	-	26,338,375	27,444,205
Unassigned	13,569,654	-	-	-	13,569,654	6,668,382
Total fund balances	\$40,753,453	\$11,942,854	\$5,459,984	\$101,863,053	\$160,019,344	\$168,146,331

N. Interfund transfers

Transfers are comprised of the following:

	Transfers In	Transfers Out
Maintenance Replacement Fund	\$ 140,031	\$ -
Capital Projects Fund	16,500	-
Special Revenue Fund	-	156,531
Total	\$ 156,531	\$ 156,531

Transfers between funds were used for SB 1149 energy efficiency projects.

O. Tax abatements

GASB 77, Tax Abatement Disclosures became effective for those periods beginning after December 15, 2015. All such abatement programs are authorized by Oregon Revised Statutes or by local resolution or ordinance. Some programs are initiated by the County and others by other local governments and state agencies. For the year ended June 30, 2024, the District's revenues were estimated to be reduced by the following amounts for each program:

Program	Estimated Tax Exempted/Abated to District
Construction in process in Enterprise Zone	\$ 13,698
Enterprise zones	167,284
Housing for low income rental	598,138
Solar projects	908
Total exempted/abated	\$ 780,028

P. Termination benefits

Special termination benefits were made available to employees who met guidelines of a plan adopted by the Board on May 3, 1983 and revised in 2009. On May 27, 2009, the School Board voted to implement a phasing out of the program. All employees participating in the plan before the effective date of the phase out period will receive benefits as anticipated when they retire. Beginning in FY2009-10, benefits for retirees under the plan were reduced each year by 10 percent and on June 30, 2013, the plan closed to new retirees.

The maximum monthly benefit paid by the District is equal to .1667 times the base salary divided by 12. Base salary is the average of the scheduled annual gross regular salary for the three highest completed paid contract years before retirement, but shall not exceed \$36,000. Employees do not contribute to the plan and accrue no vested benefits prior to their acceptance in the program.

The District's liability under the program is reported in the government-wide statements. The plan is funded by an assessment charged against payroll in all funds. The assessed charges are accumulated and stipends paid from the special revenue fund. The intent of this assessment is to fund the plan on a "pay-as-you-go" basis and not to accumulate resources in the special revenue fund for this plan.

These benefits are in addition to benefits that may become available under the pension plan administered under the State of Oregon Public Employees Retirement System. The expenditures incurred under the post-employment benefit plan during the current fiscal year totaled \$1,966 and covered 2 retirees.

The program concluded on June 30, 2024.

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B E N D  L A P I N E
S c h o o l s

E D U C A T I N G T H R I V I N G S T U D E N T S

Required Supplementary Information

Administrative School District No. 1
Deschutes County, Oregon
Required Supplementary Information
Schedule of Changes in Total OPEB Liability and Related Ratios-Medical Benefit
June 30, 2024

Total OPEB Liability	2024	2023	2022	2021	2020	2019	2018
Service cost	\$ 616,994	\$ 568,049	\$ 670,411	\$ 560,806	\$ 541,842	\$ 501,534	\$ 489,301
Interest	388,360	321,962	214,438	423,167	401,158	346,262	325,807
Difference between expected and actual experience	-	1,209,153	-	(2,013,990)	-	1,165,745	-
Changes in assumptions	(180,543)	(694,512)	(827,579)	159,713	-	(724,174)	-
Benefit payments	(328,172)	(264,319)	(308,851)	(266,944)	(556,520)	(512,221)	(540,824)
Net change in total OPEB liability	496,639	1,140,333	(251,581)	(1,137,247)	386,480	777,146	274,284
Total OPEB Liability - beginning	9,903,355	8,763,022	9,014,603	10,151,850	9,765,371	8,988,225	8,713,941
Total OPEB Liability - ending	<u>\$ 10,399,994</u>	<u>\$ 9,903,355</u>	<u>\$ 8,763,022</u>	<u>\$ 9,014,603</u>	<u>\$ 10,151,851</u>	<u>\$ 9,765,371</u>	<u>\$ 8,988,225</u>
Estimated covered payroll	\$128,943,181	\$124,582,784	\$112,344,992	\$109,072,808	\$103,269,319	\$99,777,120	\$91,648,023
Total OPEB Liability as a percentage of covered payroll	8.07%	7.95%	7.80%	8.26%	9.83%	9.79%	9.81%

The amounts presented for each fiscal year were actuarially determined at July 1 and rolled forward to the measurement date.

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

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.

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Deschutes County, Oregon
Required Supplementary Information
Schedule of the Proportionate Share of the Net Pension Liability for PERS
June 30, 2024

Year ended June 30	(a) Employers proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) Employers covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2024	0.94%	\$ 175,270,123	\$ 125,426,366	139.74%	81.70%
2023	0.93%	\$ 142,358,706	\$ 118,966,841	119.66%	84.50%
2022	0.89%	106,176,637	109,277,918	97.16%	87.60%
2021	0.93%	203,590,516	103,024,521	197.61%	75.80%
2020	0.95%	162,784,846	98,767,292	164.82%	80.23%
2019	0.95%	144,280,577	94,269,442	153.05%	82.07%
2018	0.94%	126,760,591	89,909,286	140.99%	83.10%
2017	0.95%	142,785,408	85,328,728	167.34%	80.50%
2016	0.94%	54,255,989	80,204,296	67.65%	91.90%
2015	0.88%	(19,970,972)	76,452,742	-26.12%	103.60%

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

Administrative School District No. 1
Deschutes County, Oregon
Required Supplementary Information
Schedule of Employer Contributions for PERS
June 30, 2024

Year ended June 30	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer covered payroll	Contributions as a percent of covered payroll
2024	\$ 22,628,048	\$ 22,628,048	-	\$ 131,946,661	17.15%
2023	\$ 19,805,335	\$ 19,805,335	-	\$ 125,426,366	15.79%
2022	18,917,828	18,917,828	-	\$ 118,966,841	15.90%
2021	20,763,856	20,763,856	-	109,277,918	19.00%
2020	19,809,362	19,809,362	-	103,024,521	19.23%
2019	14,469,727	14,469,727	-	98,767,292	14.65%
2018	13,898,819	13,898,819	-	94,269,442	14.74%
2017	8,751,328	8,751,328	-	89,909,286	9.73%
2016	8,379,165	8,379,165	-	85,328,728	9.82%
2015	10,122,605	10,122,605	-	80,204,296	12.62%
2014	9,674,212	9,674,212	-	76,452,742	12.65%

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

Administrative School District No. 1
Deschutes County, Oregon
Required Supplementary Information
Schedule of the Proportionate Share of the Net OPEB Liability - RHIA
June 30, 2024

Year ended June 30	(a) Employer's proportion of net OPEB asset (NOA)	(b) Employer's proportionate share of net OPEB asset (NOA)	(c) Employers covered payroll	(b/c) NOA as a percentage of covered payroll	Plan fiduciary net position as a percentage of total OPEB asset
2024	0.88%	\$ (3,234,674)	\$ 125,426,366	-2.58%	201.6%
2023	0.77%	\$ (2,747,616)	\$ 118,966,841	-2.31%	194.6%
2022	0.79%	(2,727,253)	109,277,918	-2.50%	183.9%
2021	1.57%	(3,194,226)	103,024,521	-3.10%	150.1%
2020	0.90%	(1,740,207)	98,767,292	-1.76%	144.4%
2019	0.90%	(999,849)	94,269,442	-1.06%	124.0%
2018	0.87%	(363,209)	89,909,286	-0.40%	108.9%
2017	0.88%	240,400	85,328,728	0.28%	94.2%

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

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

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.

Administrative School District No. 1
Deschutes County, Oregon
Required Supplementary Information
Schedule of Employer Contributions for OPEB - RHIA
June 30, 2024

Year ended June 30	Statutorily required contribution	Contributions in the relation to the statutorily required contribution	Contributio n deficiency (excess)	Employer covered payroll	Contributions as a percent of covered payroll
2024	\$ 18,894	\$ 18,894	-	\$131,946,661	0.01%
2023	\$ 19,010	\$ 19,010	-	\$125,426,366	0.02%
2022	23,535	23,535	-	118,966,841	0.02%
2021	99,696	99,696	-	109,277,918	0.09%
2020	446,816	446,816	-	103,024,521	0.43%
2019	429,920	429,920	-	98,767,292	0.44%
2018	433,280	433,280	-	94,269,442	0.46%
2017	394,714	394,714	-	89,909,286	0.44%

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

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

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.

Administrative School District No. 1
Deschutes County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
General Fund
Year Ended June 30, 2024

	General Fund					
	Budgeted Amounts		Variance with	Actuals		
	Adopted	Final	Final Budget Over (Under)	Budget Basis	Adjustments	GAAP Basis
Revenues						
Property taxes	\$ 103,643,000	\$ 103,643,000	\$ 558,185	\$ 104,201,185	\$ -	\$ 104,201,185
Tuition	10,493	10,493	4,059	14,552	-	14,552
Investment earnings	960,400	960,400	2,789,389	3,749,789	-	3,749,789
Other local sources	7,453,848	7,453,848	(1,429,104)	6,024,744	-	6,024,744
Intermediate sources	2,370,000	2,370,000	(152,781)	2,217,219	-	2,217,219
State sources	92,821,213	92,821,213	6,330,573	99,151,786	-	99,151,786
Federal sources	310,000	310,000	(16,154)	293,846	-	293,846
Total revenues	207,568,954	207,568,954	8,084,167	215,653,121	-	215,653,121
Expenditures						
Current:						
Instruction	127,952,678	125,452,678 (1)	(6,934,586)	118,518,092	(1,222,747)	117,295,345
Support services	88,532,343	91,002,643 (1)	(2,626,949)	88,375,694	(4,593,718)	83,781,976
Community services	538,467	538,467 (1)	(147,018)	391,449	-	391,449
Debt service	1,422,948	1,452,648 (1)	(83,404)	1,369,244	(1,369,244)	-
Principal	-	-	-	-	1,102,659	1,102,659
Interest	-	-	-	-	266,585	266,585
Capital outlay	-	-	-	-	5,944,417	5,944,417
Contingency	500,000	500,000 (1)	(500,000)	-	-	-
Total expenditures	218,946,436	218,946,436	(10,291,957)	208,654,479	127,952	208,782,431
Revenues over (under) expenditures	(11,377,482)	(11,377,482)	18,376,124	6,998,642	(127,952)	6,870,690
Other financing sources (uses)						
Lease financing	100,000	100,000	(100,000)	-	-	-
Subscription based information technology financing	-	-	-	-	127,952	127,952
Sale of capital assets	-	-	85,603	85,603	-	85,603
Restitution	-	-	-	-	-	-
Issuance of long-term debt	1,550,000	1,550,000	(1,550,000)	-	-	-
Transfer from special revenue fund	500,000	500,000	(359,969)	140,031	-	140,031
Total other financing sources (uses)	2,150,000	2,150,000	(1,924,366)	225,634	127,952	353,586
Net change in fund balances	(9,227,482)	(9,227,482)	16,451,758	7,224,276	-	7,224,276
Fund balance, beginning of year	24,183,213	24,183,213	9,345,964	33,529,177	-	33,529,177
Fund balance, end of year	\$ 14,955,731	\$ 14,955,731	\$ 25,797,722	\$ 40,753,453	\$ -	\$ 40,753,453

Totals may not precisely add due to rounding

(1) Appropriation level

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classification into capital outlay, principal and interest categories.

See notes to basic financial statements

Administrative School District No. 1
Deschutes County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
Special Revenue Fund
Year Ended June 30, 2024

	Special Revenue Fund					
	Budgeted Amounts		Variance with	Actuals		
	Adopted	Final	Final Budget Over (Under)	Budget Basis	Adjustments	GAAP Basis
Revenues						
Investment earnings	\$ 123,429	\$ 123,429	\$ 302,026	\$ 425,455	\$ -	\$ 425,455
Other local sources	8,517,931	8,517,931	(587,403)	7,930,528	-	7,930,528
Intermediate sources	400,000	400,000	(5,000)	395,000	-	395,000
State sources	26,931,690	26,931,690 ⁽²⁾	(2,874,179)	24,057,511	-	24,057,511
Federal sources	27,220,585	27,220,585	(2,996,958)	24,223,627	-	24,223,627
Total revenues	63,193,635	63,193,635	(6,161,514)	57,032,121	-	57,032,121
Expenditures						
Current						
Instruction	32,304,480	32,304,480 ⁽¹⁾	(3,437,731)	28,866,749	(159,611)	28,707,138
Support services	20,254,305	20,254,305 ⁽¹⁾	(2,815,634)	17,438,671	(908,982)	16,529,689
Community services	11,959,285	11,959,285 ⁽¹⁾	(262,095)	11,697,190	(179,372)	11,517,818
Debt service	550,000	550,000 ⁽¹⁾	(550,000)	-	-	-
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	1,247,965	1,247,965
Total expenditures	65,068,070	65,068,070	(7,065,460)	58,002,610	-	58,002,610
Revenues over (under) expenditures	(1,874,435)	(1,874,435)	903,946	(970,489)	-	(970,489)
Other financing sources (uses)						
Transfer to general fund	(900,000)	(900,000)	743,469	(156,531)	-	(156,531)
Total other financing sources (uses)	(900,000)	(900,000) ⁽¹⁾	743,469	(156,531)	-	(156,531)
Net change in fund balance	(2,774,435)	(2,774,435)	1,647,415	(1,127,020)	-	(1,127,020)
Fund balance, beginning of year	6,279,656	6,279,656	6,790,218	13,069,874	-	13,069,874
Fund balance, end of year	\$ 3,505,221	\$ 3,505,221	\$ 8,437,633	\$ 11,942,854	\$ -	\$ 11,942,854

Totals may not precisely add due to rounding

(1) Appropriation level

(2) Included in this State Revenue is the required match of \$56,779.27 for National School Lunch Support.

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classification into capital outlay, principal and interest categories.

See notes to basic financial statements

Supplementary Information

Description of Fund Types

General Fund

This fund accounts for general operating revenues, expenditures and transfers of the District. The principal sources of revenue are from the local tax levy and state school support.

Subfund account groupings are used to separate accounting records for management purposes. The subfund account groupings are as follows:

- General Operations
- Athletics and Activities
- Instructional Materials
- Transportation Equipment
- Print Shop Equipment
- Facility Usage
- Technology Reserve
- Maintenance Replacement
- Insurance Reserve

Special Revenue Fund

The special revenue fund accounts for revenue sources that are set aside for specific purposes or have legal restrictions that determine how and on what the funds may be disbursed.

The District accounts for grant funds, student body funds and nutritional services activities in special revenue funds. The grant funds include Title grants, IDEA (special education), Family Advocate Network and various other grants received from federal, state or other sources.

Debt Service Fund

The debt service fund is used to account for all sources and uses related to the general obligation debt, PERS UAL refunding debt, and Summit High Athletic field project debt of the District.

The main source used to pay for the general obligation debt of the District is property taxes levied at a rate to cover the debt for the current period. The source used to pay for the PERS UAL refunding debt of the District is a portion of the State School Fund. The source used to pay the long-term debt for the Summit High Athletic field project is general resources of the district.

Capital Projects Fund

The capital projects fund is used to account for the transactions related to projects funded through the issuance of general obligation bonds. The major source of revenue for this fund is proceeds from the issuance of bonds.

Private Purpose Trust Fund

The private purpose trust fund accounts for revenues and expenses of individual bequests and grants held by the District. The fund assets have been contributed by individuals and are subject to restrictions set forth in the trust agreements.

Combining Statements of General Fund Subfunds

Administrative School District No. 1
Deschutes County, Oregon
Combining Statements of Assets, Liabilities and Fund Balance
General Fund - Subfunds
(GAAP Basis)
June 30, 2024

	General Operations	Athletics and Activities	Instructional Materials
Assets			
Cash and investments	\$ 37,500,715	\$ 367,375	\$ 2,139,653
Receivables:		-	
Property taxes	2,189,634	-	-
Accounts and other receivables	1,389,264	-	-
Intergovernmental receivables	1,152,276	-	-
Prepaid items	2,159,342	-	-
Inventories	45,102	-	-
Total assets	\$ 44,436,333	\$ 367,375	\$ 2,139,653
Liabilities, deferred inflows and fund balances			
Liabilities			
Accounts and interest payable	\$ 2,684,236	\$ -	\$ -
Accrued payroll and related charges	12,537,806	-	-
Total liabilities	15,222,042	-	-
Deferred inflows of resources			
Leases deferred inflows	-	-	-
Unavailable revenue - property taxes	1,627,754	-	-
Total deferred inflows of resources	1,627,754	-	-
Fund balances			
Nonspendable	2,204,444	-	-
Restricted	-	-	-
Assigned	11,812,441	367,375	2,139,653
Unassigned	13,569,652	-	-
Total fund balances	27,586,537	367,375	2,139,653
Total liabilities, deferred inflows and fund balances	\$ 44,436,333	\$ 367,375	\$ 2,139,653

Totals may not precisely add due to rounding

Transportation Equipment	Print Shop Equipment	Facility Usage	Technology Reserve	Maintenance Replacement	Insurance Reserve	2024
\$ 2,913,018	\$ 284,127	\$ 1,055,762	\$ 2,358,175	\$ 1,344,187	\$ 2,536,160	\$ 50,499,172
-	-	-	-	-	-	2,189,634
-	1,746	40,822	-	-	-	1,431,832
-	-	-	-	-	-	1,152,276
-	-	-	-	-	-	2,159,342
-	125,891	-	-	-	-	170,993
<u>\$ 2,913,018</u>	<u>\$ 411,764</u>	<u>\$ 1,096,584</u>	<u>\$ 2,358,175</u>	<u>\$ 1,344,187</u>	<u>\$ 2,536,160</u>	<u>\$ 57,603,249</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,684,236
-	-	-	-	-	-	12,537,806
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,222,042</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	1,627,754
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,627,754</u>
-	125,891	-	-	-	-	2,330,335
2,913,018	-	-	-	-	-	2,913,018
-	285,873	1,096,584	2,358,175	1,344,187	2,536,160	21,940,448
-	-	-	-	-	-	13,569,652
<u>2,913,018</u>	<u>411,764</u>	<u>1,096,584</u>	<u>2,358,175</u>	<u>1,344,187</u>	<u>2,536,160</u>	<u>40,753,453</u>
<u>\$ 2,913,018</u>	<u>\$ 411,764</u>	<u>\$ 1,096,584</u>	<u>\$ 2,358,175</u>	<u>\$ 1,344,187</u>	<u>\$ 2,536,160</u>	<u>\$ 57,603,249</u>

Administrative School District No. 1
Deschutes County, Oregon
Combining Statements of Revenues, Expenditures and Changes in Fund Balance
General Fund Subfunds
(GAAP Basis)
Year Ended June 30, 2024

	General Operations	Athletics and Activities	Instructional Materials
Revenues			
Property taxes	\$ 104,201,185	\$ -	\$ -
Tuition	14,552	-	-
Investment earnings	2,735,469	98,823	180,392
Print shop	-	-	-
Indirect costs charged to grants	435,859	-	-
Charges for services	1,905,791	-	-
Other local sources	841,939	556,470	-
County school funds	412,208	-	-
ESD apportionment	1,705,000	-	-
Other Intermediate sources	100,010	-	-
State school fund	96,015,720	-	-
Common school fund	2,289,066	-	-
Other state sources	-	-	-
Federal grant sources	293,846	-	-
Total revenues	210,950,645	655,293	180,392
Expenditures			
Current:			
Instruction	109,961,887	4,442,507	2,832,191
Support services	81,425,986	223,372	290,665
Community services	193,075	-	-
Debt service:			
Principal	675,310	-	140,618
Interest	196,071	-	21,259
Capital outlay	1,695,978	26,355	-
Total expenditures	194,148,307	4,692,234	3,284,733
Revenues over (under) expenditures	16,802,338	(4,036,941)	(3,104,341)
Other financing sources (uses)			
Subscription based information technology financing	127,952	-	-
Lease financing	-	-	-
Sale of capital assets	1,525	-	-
Restitution	-	-	-
Issuance of long-term debt	-	-	-
PERS UAL Payment	-	-	-
Transfer from special revenue fund	-	-	-
Transfers	(6,784,379)	3,885,549	1,679,300
Total other financing sources (uses)	(6,654,902)	3,885,549	1,679,300
Net change in fund balances	10,147,436	(151,392)	(1,425,041)
Fund balances, beginning of year	17,439,101	518,767	3,564,694
Fund balances, end of year	\$ 27,586,537	\$ 367,375	\$ 2,139,653

Totals may not precisely add due to rounding

Transportation Equipment	Print Shop Equipment	Facility Usage	Technology Reserve	Maintenance Replacement	Insurance Reserve	2024
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 104,201,185
-	-	-	-	-	-	14,552
163,031	25,529	68,295	210,072	109,129	159,049	3,749,789
-	887,923	-	-	-	-	887,923
-	-	-	-	-	-	435,859
-	-	-	-	-	-	1,905,791
179,846	-	369,095	199,603	170,859	477,360	2,795,172
-	-	-	-	-	-	412,208
-	-	-	-	-	-	1,705,000
-	-	-	-	-	-	100,010
847,000	-	-	-	-	-	96,862,720
-	-	-	-	-	-	2,289,066
-	-	-	-	-	-	-
-	-	-	-	-	-	293,846
<u>1,189,877</u>	<u>913,452</u>	<u>437,390</u>	<u>409,675</u>	<u>279,988</u>	<u>636,409</u>	<u>215,653,121</u>
-	-	87,459	-	-	(28,699)	117,295,345
-	962,425	131,376	-	365,589	382,563	83,781,976
-	-	198,374	-	-	-	391,449
-	-	-	-	-	-	-
264,000	22,731	-	-	-	-	1,102,659
42,986	6,269	-	-	-	-	266,585
<u>1,402,839</u>	<u>-</u>	<u>173,465</u>	<u>2,177,142</u>	<u>468,638</u>	<u>-</u>	<u>5,944,417</u>
<u>1,709,825</u>	<u>991,425</u>	<u>590,674</u>	<u>2,177,142</u>	<u>834,227</u>	<u>353,864</u>	<u>208,782,431</u>
(519,948)	(77,973)	(153,284)	(1,767,467)	(554,239)	282,545	6,870,690
-	-	-	-	-	-	127,952
-	-	-	-	-	-	-
84,078	-	-	-	-	-	85,603
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	140,031	-	140,031
<u>659,154</u>	<u>-</u>	<u>210,376</u>	<u>350,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>743,232</u>	<u>-</u>	<u>210,376</u>	<u>350,000</u>	<u>140,031</u>	<u>-</u>	<u>353,586</u>
223,284	(77,973)	57,092	(1,417,467)	(414,208)	282,545	7,224,276
<u>2,689,734</u>	<u>489,737</u>	<u>1,039,492</u>	<u>3,775,642</u>	<u>1,758,395</u>	<u>2,253,615</u>	<u>33,529,177</u>
<u>\$ 2,913,018</u>	<u>\$ 411,764</u>	<u>\$ 1,096,584</u>	<u>\$ 2,358,175</u>	<u>\$ 1,344,187</u>	<u>\$ 2,536,160</u>	<u>\$ 40,753,453</u>

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B E N D  L A P I N E
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E D U C A T I N G T H R I V I N G S T U D E N T S

Budgetary Comparisons

Administrative School District No. 1
Deschutes County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
General Fund - Operations Subfund
Year Ended June 30, 2024

	Budgeted Amounts		Variance with Final Budget	Actuals		
	Adopted	Final	Over (Under)	Budget Basis	Adjustments	GAAP Basis
Revenues						
Property taxes	\$ 103,643,000	\$ 103,643,000	\$ 558,185	\$ 104,201,185	\$ -	\$ 104,201,185
Tuition	10,493	10,493	4,059	14,552	-	14,552
Investment earnings	900,000	900,000	1,835,469	2,735,469	-	2,735,469
Other local sources	2,760,000	2,760,000	423,588	3,183,588	-	3,183,588
Intermediate sources	2,370,000	2,370,000	(152,781)	2,217,219	-	2,217,219
State sources	91,963,462	91,963,462	6,341,324	98,304,786	-	98,304,786
Federal sources	310,000	310,000	(16,154)	293,846	-	293,846
Total revenues	201,956,955	201,956,955	8,993,690	210,950,645	-	210,950,645
Expenditures						
Current						
Instruction	120,645,800	118,145,800	(6,991,261)	111,154,539	(1,192,652)	109,961,887
Support services	79,117,449	81,617,449	183,911	81,801,360	(375,374)	81,425,986
Community services	162,083	162,083	30,992	193,075	-	193,075
Debt service	651,667	651,667	219,714	871,381	(871,381)	-
Principal	-	-	-	-	675,310	675,310
Interest	-	-	-	-	196,071	196,071
Capital outlay	-	-	-	-	1,695,978	1,695,978
Contingency	500,000	500,000	(500,000)	-	-	-
Total expenditures	201,076,999	201,076,999	(7,056,644)	194,020,355	127,952	194,148,307
Revenues over (under) expenditures	879,956	879,956	16,050,334	16,930,290	(127,952)	16,802,338
Other financing sources (uses)						
Sale of capital assets	-	-	1,525	1,525	-	1,525
Lease financing	-	-	-	-	-	-
Subscription based information technology financing	-	-	-	-	127,952	127,952
PERS UAL Payment	-	-	-	-	-	-
Transfers to general subfunds	(6,387,108)	(6,387,108)	(397,271)	(6,784,379)	-	(6,784,379)
Total other financing sources (uses)	(6,387,108)	(6,387,108)	(395,746)	(6,782,854)	127,952	(6,654,902)
Net change in fund balance	(5,507,152)	(5,507,152)	15,654,588	10,147,436	-	10,147,436
Fund balance, beginning of yea	15,900,000	15,900,000	1,539,101	17,439,101	-	17,439,101
Fund balance, end of year	\$ 10,392,848	\$ 10,392,848	\$ 17,193,689	\$ 27,586,537	\$ -	\$ 27,586,537

Totals may not precisely add due to rounding

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classification into capital outlay, principal and interest categories.

Administrative School District No. 1
Deschutes County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
General Fund - Athletics and Activities Subfund
Year Ended June 30, 2024

	Budgeted Amounts		Variance with Final Budget Over (Under)	Actuals		
	Adopted	Final		Budget Basis	Adjustments	GAAP Basis
Revenues						
Investment earnings	\$ -	\$ -	\$ 98,823	\$ 98,823	\$ -	\$ 98,823
Other local sources	\$ 520,000	\$ 520,000	\$ 36,470	\$ 556,470	\$ -	\$ 556,470
State sources	-	-	-	-	-	-
Total revenues	520,000	520,000	135,293	655,293	-	655,293
Expenditures						
Current						
Instruction	4,019,528	4,019,528	449,334	4,468,862	(26,355)	4,442,507
Support services	768,232	768,232	(544,860)	223,372	-	223,372
Capital outlay	-	-	-	-	26,355	26,355
Total expenditures	4,787,760	4,787,760	(95,526)	4,692,234	-	4,692,234
Revenues over (under) expenditures	(4,267,760)	(4,267,760)	230,819	(4,036,941)	-	(4,036,941)
Other financing sources						
Transfers from general fund operations	3,885,549	3,885,549	-	3,885,549	-	3,885,549
Net change in fund balance	(382,211)	(382,211)	230,819	(151,392)	-	(151,392)
Fund balance, beginning of year	422,211	422,211	96,556	518,767	-	518,767
Fund balance, end of year	\$ 40,000	\$ 40,000	\$ 327,375	\$ 367,375	\$ -	\$ 367,375

Totals may not precisely add due to rounding

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classification into capital outlay, principal and interest categories.

Administrative School District No. 1
Deschutes County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
General Fund - Instructional Materials Subfund
Year Ended June 30, 2024

	Budgeted Amounts		Variance with Final Budget Over (Under)	Actuals		
	Adopted	Final		Budget Basis	Adjustments	GAAP Basis
Revenues						
Investment earnings	\$ -	\$ -	\$ 180,392	\$ 180,392	\$ -	\$ 180,392
Other local sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
<u>Total revenues</u>	<u>-</u>	<u>-</u>	<u>180,392</u>	<u>180,392</u>	<u>-</u>	<u>180,392</u>
Expenditures						
Current						
Instruction	2,677,350	2,677,350	154,841	2,832,191		2,832,191
Support services	7,300	7,300	283,365	290,665		290,665
Debt service	87,550	87,550	74,327	161,877	(161,877)	-
Principal	87,550	87,550	(87,550)		140,618	140,618
Interest	-	-			21,259	21,259
<u>Total expenditures</u>	<u>2,859,750</u>	<u>2,859,750</u>	<u>424,983</u>	<u>3,284,733</u>	<u>-</u>	<u>3,284,733</u>
Revenues over (under) expenditures	(2,859,750)	(2,859,750)	(244,591)	(3,104,341)	-	(3,104,341)
Other financing sources						
Transfers from general fund operations	1,679,300	1,679,300	-	1,679,300	-	1,679,300
Net change in fund balance	(1,180,450)	(1,180,450)	(244,591)	(1,425,041)	-	(1,425,041)
<u>Fund balance, beginning of year</u>	<u>1,092,900</u>	<u>1,092,900</u>	<u>2,471,794</u>	<u>3,564,694</u>	<u>-</u>	<u>3,564,694</u>
<u>Fund balance, end of year</u>	<u>\$ (87,550)</u>	<u>\$ (87,550)</u>	<u>\$ 2,227,203</u>	<u>\$ 2,139,653</u>	<u>\$ -</u>	<u>\$ 2,139,653</u>

Totals may not precisely add due to rounding

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classification into capital outlay, principal and interest categories.

Administrative School District No. 1
Deschutes County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
General Fund - Transportation Equipment Subfund
Year Ended June 30, 2024

	Budgeted Amounts		Variance with Final Budget Over (Under)	Actuals		
	Adopted	Final		Budget Basis	Adjustments	GAAP Basis
Revenues						
Investment earnings	\$ 25,000	\$ 25,000	\$ 138,031	\$ 163,031	\$ -	\$ 163,031
Other local sources	-	-	179,846	179,846	-	179,846
State sources	857,751	857,751	(10,751)	847,000	-	847,000
Total revenues	882,751	882,751	307,126	1,189,877	-	1,189,877
Expenditures						
Current						
Support services	1,425,000	1,425,000	(22,161)	1,402,839	(1,402,839)	-
Debt service	551,731	551,731	(244,745)	306,986	(306,986)	-
Principal	-	-	-	-	264,000	264,000
Interest	-	-	-	-	42,986	42,986
Capital outlay	-	-	-	-	1,402,839	1,402,839
Total expenditures	1,976,731	1,976,731	(266,906)	1,709,825	-	1,709,825
Revenues over (under) expenditures	(1,093,980)	(1,093,980)	574,032	(519,948)	-	(519,948)
Other financing sources (uses)						
Issuance of long-term debt	1,550,000	1,550,000	(1,550,000)	-	-	-
Sale of capital assets	-	-	84,078	84,078	-	84,078
Transfers from general fund operations	372,259	372,259	286,895	659,154	-	659,154
Total other financing sources	1,922,259	1,922,259	(1,179,027)	743,232	-	743,232
Net change in fund balance	828,279	828,279	(604,995)	223,284	-	223,284
Fund balance, beginning of year	650,011	650,011	2,039,723	2,689,734	-	2,689,734
Fund balance, end of year	\$ 1,478,290	\$ 1,478,290	\$ 1,434,728	\$ 2,913,018	\$ -	\$ 2,913,018

Totals may not precisely add due to rounding

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classification into capital outlay, principal and interest categories.

Administrative School District No. 1
Deschutes County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
General Fund - Print Shop Subfund
Year Ended June 30, 2024

	Budgeted Amounts		Variance with Final Budget Over (Under)	Actuals		
	Adopted	Final		Budget Basis	Adjustments	GAAP Basis
Revenues						
Investment earnings	\$ -	\$ -	\$ 25,529	\$ 25,529	\$ -	\$ 25,529
Other local sources	865,000	865,000	22,923	887,923	-	887,923
Total revenues	865,000	865,000	48,452	913,452	-	913,452
Expenditures						
Current						
Support services	893,300	893,300	69,125	962,425	-	962,425
Debt service	161,700	161,700	(132,700)	29,000	(29,000)	-
Principal	-	-	-	-	22,731	22,731
Interest	40,100	-	-	-	6,269	6,269
Capital outlay	-	-	-	-	-	-
Total expenditures	1,095,100	1,055,000	(63,575)	991,425	-	991,425
Revenues over (under) expenditures	(230,100)	(190,000)	112,027	(77,973)	-	(77,973)
Other financing sources (uses)						
Lease financing	100,000	100,000	(100,000)	-	-	-
Sale of capital assets	-	-	-	-	-	-
Total other financing sources	100,000	100,000	(100,000)	-	-	-
Net change in fund balances	(130,100)	(90,000)	12,027	(77,973)	-	(77,973)
Fund balance, beginning of year	375,000	375,000	114,737	489,737	-	489,737
Fund balance, end of year	\$ 244,900	\$ 285,000	\$ 126,764	\$ 411,764	\$ -	\$ 411,764

Totals may not precisely add due to rounding

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classification into capital outlay, principal and interest categories.

Administrative School District No. 1
Deschutes County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
General Fund - Facility Usage Subfund
Year Ended June 30, 2024

	Budgeted Amounts		Variance with Final Budget Over (Under)	Actuals		
	Adopted	Final		Budget Basis	Adjustments	GAAP Basis
Revenues						
Investment earnings	\$ -	\$ -	\$ 68,295	\$ 68,295	\$ -	\$ 68,295
Other local sources	411,000	411,000	(41,905)	369,095	-	369,095
Total revenues	411,000	411,000	26,390	437,390	-	437,390
Expenditures						
Current						
Instruction	310,000	310,000	(218,801)	91,199	(3,740)	87,459
Support services	420,000	420,000	(118,899)	301,101	(169,725)	131,376
Community services	376,384	376,384	(178,010)	198,374	-	198,374
Capital outlay	-	-	-	-	173,465	173,465
Total expenditures	1,106,384	1,106,384	(515,710)	590,674	-	590,674
Revenues over (under) expenditures	(695,384)	(695,384)	542,100	(153,284)	-	(153,284)
Other financing sources (uses)						
Transfers from General Fund Operations	100,000	100,000	110,376	210,376	-	210,376
Net change in fund balance	(595,384)	(595,384)	652,476	57,092	-	57,092
Fund balance, beginning of year	877,290	877,290	162,202	1,039,492	-	1,039,492
Fund balance, end of year	\$ 281,906	\$ 281,906	\$ 814,678	\$ 1,096,584	\$ -	\$ 1,096,584

Totals may not precisely add due to rounding

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classification into capital outlay, principal and interest categories.

Administrative School District No. 1
Deschutes County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
General Fund - Technology Reserve Subfund
Year Ended June 30, 2024

	Budgeted Amounts		Variance with Final Budget Over (Under)	Actuals		
	Adopted	Final		Budget Basis	Adjustments	GAAP Basis
Revenues						
Investment earnings	\$ -	\$ -	\$ 210,072	\$ 210,072	\$ -	\$ 210,072
Other local sources	2,241,280	2,241,280	(2,041,677)	199,603	-	199,603
State sources	-	-	-	-	-	-
Total revenues	2,241,280	2,241,280	(1,831,605)	409,675	-	409,675
Expenditures						
Current						
Instruction	-	-	-	-	-	-
Support services	4,117,138	4,117,138	(1,939,996)	2,177,142	(2,177,142)	-
Capital outlay	-	-	-	-	2,177,142	2,177,142
Total expenditures	4,117,138	4,117,138	(1,939,996)	2,177,142	-	2,177,142
Revenues over (under) expenditures	(1,875,858)	(1,875,858)	108,391	(1,767,467)	-	(1,767,467)
Net change in fund balance	(1,525,858)	(1,525,858)	108,391	(1,417,467)	-	(1,417,467)
Fund balance, beginning of year	1,821,176	1,821,176	1,954,466	3,775,642	-	3,775,642
Fund balance, end of year	\$ 295,318	\$ 295,318	\$ 2,062,857	\$ 2,358,175	\$ -	\$ 2,358,175

Totals may not precisely add due to rounding

Administrative School District No. 1
Deschutes County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
General Fund - Maintenance Replacement Subfund
Year Ended June 30, 2024

	Budgeted Amounts		Variance with Final Budget Over (Under)	Actuals		
	Adopted	Final		Budget Basis	Adjustments	GAAP Basis
Revenues						
Investment earnings	\$ -	\$ -	\$ 109,129	\$ 109,129	\$ -	\$ 109,129
Other local sources	256,568	256,568	(85,709)	170,859	-	170,859
State sources	-	-	-	-	-	-
Total revenues	256,568	256,568	23,420	279,988	-	279,988
Expenditures						
Current						
Support services	980,703	980,703	(146,476)	834,227	(468,638)	365,589
Capital outlay	-	-	-	-	468,638	468,638
Total expenditures	980,703	980,703	(146,476)	834,227	-	834,227
Revenues over (under) expenditures	(724,135)	(724,135)	169,896	(554,239)	-	(554,239)
Other financing sources (uses)						
Transfer from special revenue fund	500,000	500,000	(359,969)	140,031	-	140,031
Total other financing sources (uses)	500,000	500,000	(359,969)	140,031	-	140,031
Net change in fund balance	(224,135)	(224,135)	(190,073)	(414,208)	-	(414,208)
Fund balance, beginning of year	1,034,455	1,034,455	723,940	1,758,395	-	1,758,395
Fund balance, end of year	\$ 810,320	\$ 810,320	\$ 533,867	\$ 1,344,187	\$ -	\$ 1,344,187

Totals may not precisely add due to rounding

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classification into capital outlay, principal and interest categories.

Administrative School District No. 1
Deschutes County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
General Fund - Insurance Reserve Subfund
Year Ended June 30, 2024

	Budgeted Amounts		Variance with Final Budget Over (Under)	Actuals		
	Adopted	Final		Budget Basis	Adjustments	GAAP Basis
Revenues						
Investment earnings	\$ 35,400	\$ 35,400	\$ 123,649	\$ 159,049	\$ -	\$ 159,049
Other local sources	400,000	400,000	77,360	477,360	-	477,360
Total revenues	435,400	435,400	201,009	636,409	-	636,409
Expenditures						
Current						
Instruction	300,000	300,000	(328,699)	(28,699)	-	(28,699)
Support services	773,521	773,521	(390,958)	382,563	-	382,563
Capital outlay	-	-	-	-	-	-
Total expenditures	1,073,521	1,073,521	(719,657)	353,864	-	353,864
Revenues over (under) expenditures	(638,121)	(638,121)	920,666	282,545	-	282,545
Net change in fund balance	(638,121)	(638,121)	920,666	282,545	-	282,545
Fund balance, beginning of year	2,010,170	2,010,170	243,445	2,253,615	-	2,253,615
Fund balance, end of year	\$ 1,372,049	\$ 1,372,049	\$ 1,164,111	\$ 2,536,160	\$ -	\$ 2,536,160

Totals may not precisely add due to rounding

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classification into capital outlay, principal and interest categories.

Administrative School District No. 1
Deschutes County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
Debt Service Fund
Year Ended June 30, 2024

	Budgeted Amounts		Variance with Final Budget Over (Under)	Actuals		
	Adopted	Final		Budget Basis	Adjustments	GAAP Basis
Revenues						
Property taxes	\$ 39,028,538	\$ 39,028,538	\$ 680,094	\$ 39,708,632	\$ -	\$ 39,708,632
Investment earnings	50,000	50,000	844,842	894,842	-	894,842
State sources	9,002,191	9,002,191	(137,672)	8,864,519	-	8,864,519
Total revenues	48,080,729	48,080,729	1,387,264	49,467,993	-	49,467,993
Expenditures						
Current:						
Support services	3,000	3,000	(1) (3,000)	-	-	-
Debt service	49,395,014	49,395,014	(1) (1)	49,395,013	(49,395,013)	-
Principal	-	-	-	-	31,850,000	31,850,000
Interest	-	-	-	-	17,545,013	17,545,013
Total expenditures	49,398,014	49,398,014	(3,001)	49,395,013	-	49,395,013
Revenues over (under) expenditures	(1,317,285)	(1,317,285)	1,390,265	72,980	-	72,980
Net change in fund balance	(1,317,285)	(1,317,285)	1,390,265	72,980	-	72,980
Fund balance, beginning of year	4,564,485	4,564,485	822,519	5,387,004	-	5,387,004
Fund balance, end of year	\$ 3,247,200	\$ 3,247,200	\$ 2,212,784	\$ 5,459,984	\$ -	\$ 5,459,984

Totals may not precisely add due to rounding

(1) Appropriation level

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classification into capital outlay, principal and interest categories.

Administrative School District No. 1
Deschutes County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
Capital Projects Fund
Year Ended June 30, 2024

	Budgeted Amounts		Variance with Final Budget Over (Under)	Actuals		
	Adopted	Final		Budget Basis	Adjustments	GAAP Basis
Revenues						
Investment earnings	\$ 523,500	\$ 523,500	\$ 4,696,480	\$ 5,219,980	\$ -	\$ 5,219,980
Other local sources	-	-	443,355	443,355	-	443,355
State sources	-	-	176,476	176,476	-	176,476
Total revenues	523,500	523,500	5,316,311	5,839,811	-	5,839,811
Expenditures						
Current						
Facilities acquisition and construction	47,500,000	47,500,000 (1)	(27,346,564)	20,153,436	(13,382,926)	6,770,510
Capital outlay	-	-	-	-	13,382,926	13,382,926
Debt service	10,000	10,000	(9,905)	95	(95)	-
Principal	-	-	-	-	-	-
Interest	-	-	-	-	95	95
Total expenditures	47,510,000	47,510,000	(27,356,469)	20,153,531	-	20,153,531
Revenues over (under) expenditures	(46,986,500)	(46,986,500)	32,672,780	(14,313,720)	-	(14,313,720)
Other financing sources						
General obligation bonds issued - premium	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Transfer from special revenue fund	400,000	400,000	(383,500)	16,500	-	16,500
Total other financing sources	400,000	400,000	(383,500)	16,500	-	16,500
Net change in fund balance	(46,586,500)	(46,586,500)	32,289,280	(14,297,220)	-	(14,297,220)
Fund balance, beginning of year	117,814,000	117,814,000	(1,653,727)	116,160,273	-	116,160,273
Fund balance, end of year	\$ 71,227,500	\$ 71,227,500	\$ 30,635,553	\$ 101,863,053	\$ -	\$ 101,863,053

Totals may not precisely add due to rounding

(1) Appropriation level

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classification into capital outlay, principal and interest categories.

Administrative School District No. 1
Deschutes County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
Private Purpose Trust Fund
Year Ended June 30, 2024

	Budgeted Amounts		Variance with Final Budget Over (Under)	Actuals		
	Adopted	Final		Budget Basis	Adjustments	GAAP Basis
Revenues						
Investment earnings	\$ -	\$ -	\$ 6,105	\$ 6,105	\$ -	\$ 6,105
Donations	20,000	20,000	(8,115)	11,885	-	11,885
Total revenues	20,000	20,000	(2,010)	17,990	-	17,990
Expenditures						
Current						
Community services	25,000	25,000 (1)	(4,987)	20,013	-	20,013
Total expenditures	25,000	25,000	(4,987)	20,013	-	20,013
Revenues over (under) expenditures	(5,000)	(5,000)	2,977	(2,023)	-	(2,023)
Net change in fund balances	(5,000)	(5,000)	2,977	(2,023)	-	(2,023)
Fund balance, beginning of year	90,879	90,879	108	90,987	-	90,987
Fund balance, end of year	\$ 85,879	\$ 85,879	\$ 3,085	\$ 88,964	\$ -	\$ 88,964

(1) Appropriation level

The adjustments column represents differences between Budget and GAAP basis of accounting. Oregon local budget law requires budgeting at the functional level, whereas GAAP requires additional classification into capital outlay, principal and interest categories.

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Other Information

Administrative School District No. 1
Deschutes County, Oregon
Schedule of Revenues (Budgetary Basis) by ODE Object
Year Ended June 30, 2024

	100 - General Funds
Revenue from Local Sources	
1110 - Ad Valorem Taxes	\$ 104,201,185
1311 - Tuition from Individuals	14,252
1330 - Tuition Summer School	300
1411 - Transportation Fees Individual	11,508
1412 - Trans Dist in Oregon	29,772
1500 - Earnings on Investments	3,749,788
1600 - Food Service	-
1700 - Extracurricular Activities	556,470
1910 - Rentals	369,095
1920 - Private Source Donatn Contrib	-
1960 - Recovery Prior Yr Expenditure	3,848
1970 - Services Provided Other Funds	1,864,510
1980 - Fees Charged to Grants	435,859
1990 - Miscellaneous	2,753,679
Revenue from Local Sources Total	113,990,268
Revenue from Intermediate Sources	
2101 - County School Funds	412,208
2199 - Other Intermediate Sources	100,010
2102 - Education Svc Dist Apportionment	1,705,000
Revenue from Intermediate Sources Total	2,217,219
Revenue from State Sources	
3101 - State School Fund Gen Support	96,015,720
3102 - State School Fund Lunch Match	-
3199 - Other Unrestrictd Grants n Aid	-
3222 - St School Fund Transp Equip	847,000
3299 - Other Restricted Grants in Aid	-
Revenue from State Sources Total	99,151,786
4200 - Unrestr Fed Rev Thru State	-
4202 - Fed Rev Thru State Medicaid	82,392
4300 - Restricted Fed Revenue Direct	-
4500 - Restr Federal Rev Thru State	211,453
4801 - Federal Forest Fees	-
Revenue from Federal Sources Total	293,846
Revenue from Other Sources	
5100 - Long term Debt Financing	-
5200 - Interfund Transfers	140,031
5300 - Sale of Fixed Assets	85,603
5400 - Fund Balance	33,529,177
Revenue from Other Sources Total	33,754,811
Total Revenues	\$ 249,407,929

200 - Special Revenue Funds	300 - Debt Service Funds	400 - Capital Projects Funds	700 - Trust and Agency Funds	Totals
\$ -	\$ 39,708,633	\$ -	\$ -	\$ 143,909,817
-	-	-	-	14,252
-	-	-	-	300
-	-	-	-	11,508
-	-	-	-	29,772
425,455	894,841	5,219,982	6,103	10,296,168
1,614,226	-	-	-	1,614,226
3,315,074	-	-	-	3,871,544
-	-	41,938	-	411,032
489,552	-	-	11,885	501,437
884	-	-	-	4,732
-	-	-	-	1,864,510
-	-	-	-	435,859
2,510,789	-	401,417	-	5,665,885
<u>8,355,981</u>	<u>40,603,474</u>	<u>5,663,336</u>	<u>17,988</u>	<u>168,631,046</u>
-	-	-	-	412,208
-	-	-	-	100,010
395,000	-	-	-	2,100,000
<u>395,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,612,219</u>
-	8,864,519	-	-	104,880,239
56,779	-	-	-	56,779
-	-	-	-	-
-	-	-	-	847,000
24,000,731	-	176,476	-	24,177,207
<u>24,057,510</u>	<u>8,864,519</u>	<u>176,476</u>	<u>-</u>	<u>132,250,291</u>
-	-	-	-	-
-	-	-	-	82,392
99,795	-	-	-	99,795
24,123,830	-	-	-	24,335,283
-	-	-	-	-
<u>24,223,625</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,517,470</u>
-	-	-	-	-
-	-	16,500	-	156,531
-	-	-	-	85,604
13,069,874	5,387,004	116,160,274	90,987	168,237,317
<u>13,069,874</u>	<u>5,387,004</u>	<u>116,176,774</u>	<u>90,987</u>	<u>168,479,452</u>
<u>\$ 70,101,988</u>	<u>\$ 54,854,998</u>	<u>\$ 122,016,586</u>	<u>\$ 108,975</u>	<u>\$ 496,490,477</u>

Administrative School District No. 1
Deschutes County, Oregon
General Fund Schedule of Expenditures by Function (Budgetary Basis)
Year Ended June 30, 2024

	Object 100	Object 200
Instruction		
1111 - Primary, K-5 Programs	\$ 27,645,976	\$ 14,623,578
1113 - Elementary Extracurricular	-	-
1121 - Middle School Programs	11,534,706	6,071,771
1122 - Middle School Extracurricular	574,239	145,008
1131 - High School Programs	10,984,826	5,771,436
1132 - High School Extracurricular	2,280,611	638,616
1210 - Talented and Gifted Programs	324,180	168,571
1220 - Restrictive Prog Fr Disability	6,594,599	3,740,825
1250 - Less Restrictive Prog Disabled	3,757,629	2,097,028
1272 - Title I	8,512	3,106
1280 - Alternative Education	828,985	438,071
1291 - English Second Language	1,495,759	804,509
1292 - Teen Parent Programs	121,459	56,663
1400 - Summer School Programs	31,203	9,507
Instruction Total	66,182,684	34,568,689
Support Services		
2110 - Attendance and Social Work	322,152	192,020
2120 - Guidance Services	3,847,398	1,979,996
2130 - Health Services	1,508,360	723,717
2140 - Psychological Services	1,202,427	573,432
2150 - Speech Pathology and Audiology	1,896,482	943,932
2190 - Service Dir, Stu Support Svcs	874,527	461,375
2210 - Improvement of Instruction Svc	1,605,523	675,730
2220 - Educational Media Services	1,259,777	782,898
2230 - Assessment and Testing	287,893	144,830
2240 - Instructional Staff Developmnt	77,588	27,658
2310 - Board of Education Services	111,336	45,668
2320 - Executive Administration Svcs	383,410	152,530
2410 - Office of the Principal Svcs	11,360,707	5,567,218
2490 - Other Support Services	67,588	33,771
2510 - Business Support Services	52,527	22,806
2520 - Fiscal Services	1,150,583	524,468
2540 - Oper/Maint of Plant Services	7,782,008	4,293,715
2550 - Student Transportation Svcs	5,157,131	2,841,971
2570 - Internal Services	562,072	288,292
2620 - Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	88,007	46,543
2630 - Information Services	242,703	97,747
2640 - Staff Services	1,377,112	1,041,263
2660 - Technology Services	2,450,730	1,225,823
2680 - Interp and Translation	61,086	30,911
Support Services Total	43,729,125	22,718,316
Enterprise and Community Services		
3300 - Community Services	231,845	149,288
Enterprise and Community Services Total	231,998	149,288
Other Uses/Expenditures Total		
5100 - Debt Service	-	-
Other Uses/Expenditures Total	-	-
Total General Fund	\$ 110,143,807	\$ 57,436,293

Object 300	Object 400	Object 500	Object 600	Totals
\$ 1,948,126	\$ 1,978,287	\$ 972,857	\$ 2,911	\$ 47,171,735
368	39	-	-	407
817,733	643,963	222,558	9,787	19,300,517
69,219	87,459	9,633	9,570	895,128
835,329	1,079,889	226,298	22,303	18,920,079
1,334,851	352,890	16,721	48,680	4,672,369
12,185	-	-	-	504,937
385,736	34,916	-	77	10,756,152
199,536	20,843	-	-	6,075,035
-	-	-	-	11,618
6,492,594	14,861	-	-	7,774,513
105,794	24,275	-	950	2,431,289
8,173	2,384	-	-	188,678
-	244	-	-	40,955
<u>12,209,645</u>	<u>4,240,050</u>	<u>1,448,068</u>	<u>94,278</u>	<u>118,743,413</u>
379,784	1,700	-	-	895,655
72,449	90,819	-	50	5,990,713
16,273	25,903	-	3,601	2,277,855
15,020	17,829	-	600	1,809,307
76,437	9,712	-	351	2,926,914
106,484	76,474	-	900	1,519,759
398,760	42,394	-	1,013	2,723,420
56,109	170,394	-	1,979	2,271,158
263,103	714	-	-	696,540
230,386	72,791	-	6,506	414,929
356,706	30,629	-	16,121	560,460
244,222	78,953	-	8,350	867,463
210,162	236,178	24,218	7,491	17,405,974
-	298	-	-	101,657
4,699	326	-	993	81,350
65,089	237,162	-	1,614,119	3,591,421
5,377,800	1,253,583	756,630	9,283	19,473,018
1,006,436	1,076,468	1,402,839	278,541	11,763,385
144,759	178,379	-	175,195	1,348,697
-	-	-	-	134,549
100,912	13,489	-	2,710	457,561
300,766	76,038	-	67,744	2,862,923
762,209	1,259,678	2,184,711	300	7,883,450
-	218	-	-	92,215
<u>10,188,563</u>	<u>4,950,128</u>	<u>4,368,397</u>	<u>2,195,845</u>	<u>88,150,373</u>
6,318	3,844	-	-	391,296
<u>6,318</u>	<u>3,844</u>	<u>-</u>	<u>-</u>	<u>391,449</u>
-	-	-	1,369,243	1,369,243
-	-	-	1,369,243	1,369,243
<u>\$ 22,404,526</u>	<u>\$ 9,194,022</u>	<u>\$ 5,816,465</u>	<u>\$ 3,659,366</u>	<u>\$ 208,654,479</u>

Administrative School District No. 1
Deschutes County, Oregon
Special Revenue Funds Schedule of Expenditures by Function (Budgetary Basis)
Year Ended June 30, 2024

	Object 100	Object 200
Instruction		
1111 - Primary, K-5 Programs	\$ 1,174,330	\$ 711,362
1113 - Elementary Extracurricular	2,368	931
1121 - Middle School Programs	513,591	346,415
1122 - Middle School Extracurricular	4,445	1,043
1131 - High School Programs	7,371,447	4,127,848
1132 - High School Extracurricular	39,121	9,402
1210 - Talented and Gifted Programs	-	-
1220 - Restrictive Prog Fr Disability	224,313	135,431
1250 - Less Restrictive Prog Disabled	2,864,043	1,642,974
1271 - Remediation	12,884	3,973
1272 - Title I	1,287,141	743,708
1280 - Alternative Education	504,900	325,506
1291 - English Second Language	508,299	291,000
1292 - Teen Parent Programs	31,421	17,239
1299 - Other Special Ed Programs	-	-
1400 - Summer School Programs	54,010	20,246
Instruction Total	14,592,314	8,377,077
Support Services		
2110 - Attendance and Social Work	493,401	330,573
2120 - Guidance Services	3,895,724	2,363,250
2130 - Health Services	371,550	251,111
2140 - Psychological Services	45,690	20,799
2150 - Speech Pathology and Audiology	74,355	42,552
2190 - Service Dir, Stu Support Svcs	-	-
2210 - Improvement of Instruction Svc	2,988,742	1,639,685
2220 - Educational Media Services	77,545	46,721
2230 - Assessment and Testing	-	-
2240 - Instructional Staff Developmnt	513,123	283,612
2310 - Board of Education Services	-	-
2320 - Executive Administration Svcs	-	-
2410 - Office of the Principal Svcs	12,831	7,746
2490 - Other Support Services	117,106	61,777
2510 - Business Support Services	-	72
2520 - Fiscal Services	78,272	34,405
2540 - Oper/Maint of Plant Services	38,214	14,096
2550 - Student Transportation Svcs	-	-
2570 - Internal Services	-	-
2620 - Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-	-
2630 - Information Services	-	-
2640 - Staff Services	141,527	71,029
2660 - Technology Services	-	-
2680 - Interp and Translation	22,363	24,776
2700 - Supplemental Retirement Progm	1,966	86
Support Services Total	8,872,408	5,192,286
Enterprise and Community Services		
3100 - Food Services	3,586,179	1,930,056
3300 - Community Services	393,117	297,369
3500 - Custody and Care of Children	-	-
Enterprise and Community Services Total	3,979,296	2,227,425
Other Uses/Expenditures Total		
5100 - Debt Service	-	-
5200 - Transfers of Funds	-	-
Other Uses/Expenditures Total	-	-
Total Special Revenue Funds	\$ 27,444,019	\$ 15,796,788

Object 300	Object 400	Object 500	Object 600	Object 700	Totals
\$ 538,404	\$ 142,446	\$ 40,245	\$ -	\$ -	\$ 2,606,786
43,727	176,928	23,037	-	-	246,990
143,186	141,323	-	615	-	1,145,130
37,601	99,411	-	532	-	143,031
471,449	768,054	38,925	7,972	-	12,785,694
620,636	1,431,739	41,454	4,494	-	2,146,847
-	-	-	-	-	-
57,206	86,398	-	4,448	-	507,796
200,998	152,939	15,950	-	-	4,876,904
29,946	2,064	-	-	-	48,868
78,366	14,444	-	-	-	2,123,660
407,662	8,789	-	-	-	1,246,857
20,251	234	-	-	-	819,785
1,668	100	-	-	-	50,428
2,412	13,989	-	23	-	16,424
4,084	23,206	-	-	-	101,546
<u>2,657,597</u>	<u>3,062,064</u>	<u>159,610</u>	<u>18,085</u>	<u>-</u>	<u>28,866,745</u>
109,085	55,701	78,767	7,664	-	1,075,190
813,215	27,547	-	-	-	7,099,736
33,515	2,898	-	-	-	659,074
56,620	-	-	-	-	123,109
31,443	106	-	-	-	148,456
-	-	-	-	-	-
178,912	67,747	-	8,247	-	4,883,334
236	32,013	-	115	-	156,629
50,774	-	-	-	-	50,774
387,045	43,071	-	1,181	-	1,228,032
-	-	-	-	-	-
-	-	-	-	-	-
5,963	12,525	-	-	-	39,065
30,363	1,877	-	-	-	211,123
-	-	-	253,020	-	253,092
-	-	-	-	-	112,677
147,425	74,533	830,215	-	-	1,104,483
9,284	1,559	-	-	-	10,843
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	212,556
-	20,950	-	-	-	20,950
-	-	-	-	-	47,138
-	-	-	-	-	2,052
<u>1,853,880</u>	<u>340,526</u>	<u>908,981</u>	<u>270,227</u>	<u>-</u>	<u>17,438,312</u>
311,224	3,567,325	179,372	4,379	-	9,578,535
1,376,813	50,993	-	718	-	2,119,010
-	-	-	-	-	-
<u>1,688,037</u>	<u>3,618,317</u>	<u>179,372</u>	<u>5,098</u>	<u>-</u>	<u>11,697,545</u>
-	-	-	-	-	-
-	-	-	-	156,531	156,531
-	-	-	-	156,531	156,531
<u>\$ 6,199,514</u>	<u>\$ 7,020,908</u>	<u>\$ 1,247,963</u>	<u>\$ 293,410</u>	<u>\$ 156,531</u>	<u>\$ 58,159,133</u>

Administrative School District No. 1
Deschutes County, Oregon
Debt Service Funds Schedule of Expenditures by Function (Budgetary Basis)
Year Ended June 30, 2024

	Object 300	Object 600	Totals
Support Services			
2520 - Fiscal Services	\$ -	\$ -	\$ -
Support Services Total	-	-	-
Other Uses/Expenditures Total			
5100 - Debt Service	-	49,395,013	49,395,013
Other Uses/Expenditures Total	-	49,395,013	49,395,013
Total Debt Service Funds	\$ -	\$ 49,395,013	\$ 49,395,013

Administrative School District No. 1
Deschutes County, Oregon
Capital Project Funds Schedule of Expenditures by Function (Budgetary Basis)
Year Ended June 30, 2024

	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Totals
Facilities Acquisition and Construction							
4110 - Constr Service Area Direction	\$ 972,993	\$ 509,479	\$ 12,676	\$ 8,718	\$ 71,182	\$ -	\$ 1,575,047
4120 - Site Acquisition and Development Services	-	-	123,545	-	1,299	-	124,844
4150 - Building Acquisition, Construction, and Improvement Services	9,520	3,565	5,112,544	16,548	13,310,446	904	18,453,528
4190 - Other Facilities and Construction Services	-	-	-	-	-	112	112
Facilities Acquisition and Construction Total	<u>982,513</u>	<u>513,044</u>	<u>5,248,765</u>	<u>25,266</u>	<u>13,382,927</u>	<u>1,017</u>	<u>20,153,531</u>
Total Capital Project Funds	<u>\$ 982,513</u>	<u>\$ 513,044</u>	<u>\$ 5,248,765</u>	<u>\$ 25,266</u>	<u>\$ 13,382,927</u>	<u>\$ 1,017</u>	<u>\$ 20,153,531</u>

Administrative School District No. 1
 Deschutes County, Oregon
 Trust and Agency Funds Schedule of Expenditures by Function (Budgetary Basis)
 Year Ended June 30, 2024

	Object 300	Totals
Enterprise and Community Services		
<u>3300 - Community Services</u>	<u>20,013</u>	<u>20,013</u>
<u>Enterprise and Community Services Total</u>	<u>20,013</u>	<u>20,013</u>
 Total Trust and Agency Funds	 \$ 20,013	 \$ 20,013

Administrative School District No. 1
 Deschutes County, Oregon
 Supplemental Information as Required by the Oregon Department of Education
 for the Year Ended June 30, 2024

A. Energy Bill for Heating - All Funds

Please enter your expenditures for electricity and heating fuel for these Functions
 and Objects.

Function	Objects 325 & 326
2540	\$ 2,692,116
2550	-

B. Replacement of Equipment - General Fund

Include all General Fund expenditures in object
 542, except for the following exclusions:

Fund	Amount
General	None

Exclude these functions:

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

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B E N D  L A P I N E
S c h o o l s

E D U C A T I N G T H R I V I N G S T U D E N T S

Statistical Section Contents

This part of Bend-La Pine School's statistical comprehensive annual financial report presents detailed information as a context for understanding what the financial statements, note disclosures, and required supplementary information say about the District's overall financial health.

Financial Trends 119-125

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity 126-131

These schedules contain information to help the reader assess the District's most significant local revenue source, property taxes.

Debt Capacity 132-135

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information..... 136-137

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information 138-145

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

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B E N D  L A P I N E
S c h o o l s

E D U C A T I N G T H R I V I N G S T U D E N T S

Administrative School District No. 1
Deschutes County, Oregon
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(in thousands)

Fiscal Year Ended June 30	Governmental Activities			Total Governmental Activities Net Position
	Net Investment in Capital Assets	Restricted	Unrestricted	
2024	\$ 260,918,628	\$ 44,159,750	\$ (158,819,000)	\$ 146,259,000
2023	237,355,000	30,941,000	(151,326,000)	116,970,000
2022, as restated	223,516,000	24,068,000	(163,474,000)	84,110,000
2021, as restated	191,764,000	22,246,000	(162,034,000)	51,976,000
2020, as restated	165,268,000	25,434,000	(143,980,000)	46,722,000
2019, as restated	155,762,000	18,840,000	(132,977,000)	41,625,000
2018, as restated	146,069,000	15,323,000	(131,121,000)	30,272,000
2017, as restated	127,031,000	18,345,000	(126,579,000)	18,795,000
2016	118,403,000	25,671,000	(116,242,000)	27,832,000
2015, as restated	111,248,000	8,557,000	(58,038,000)	61,767,000

Note:

Fiscal years ending June 30, 2018 through June 30, 2022 were restated in fiscal year 2023 to move the Net OPEB RHIA asset from Unrestricted to Restricted to accurately report the asset as Restricted Net Position

Administrative School District No. 1
Deschutes County, Oregon
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(in thousands)

	2015, as restated	2016	2017, as restated
Expenses			
Governmental activities			
Regular instruction	\$ 74,280	\$ 81,791	\$ 81,756
Special programs including summer school	23,932	23,739	25,782
Students	10,070	10,740	11,461
Instructional staff	6,066	6,012	6,244
General administration	740	737	746
School administration	9,478	10,640	10,450
Business, transportation and maintenance	3,232	75,610	50,235
Central activities	3,968	6,261	7,015
Supplemental retirement program	676	507	394
Food services	5,804	6,344	6,217
Other enterprise and community services	1,606	1,713	1,767
Interest on long-term liabilities	12,965	12,304	12,416
Total governmental activities expenses	152,817	236,398	214,484
Program revenues			
Governmental activities			
Charges for services			
Regular instruction	3,634	3,985	834
Business, transportation and maintenance	932	965	927
Food services	1,443	1,633	1,869
Other enterprise and community services	350	340	315
Operating grants and contributions	19,425	18,203	18,776
Capital grants and contributions	636	662	713
Total governmental activities program revenues	26,420	25,788	23,433
Total governmental net expense	(126,397)	(210,610)	(191,051)
General revenues and other changes in net position			
Governmental activities			
Property taxes levied for:			
General purposes	63,524	67,577	71,211
Debt service	20,383	21,312	22,118
Federal aid not restricted to specific purposes	190	242	-
State aid not restricted to specific purposes	75,139	82,316	84,340
Intermediate aid not restricted to specific purposes	2,003	2,198	2,497
Earnings on investments	470	390	610
Other local revenue	2,349	2,639	4,618
Gain/loss on sale of capital assets	-	-	-
Restitution	-	-	-
Insurance proceeds	-	-	-
Total governmental activities general revenues and other	164,058	176,674	185,394
Change in net position governmental activities	\$ 37,661	\$ (33,936)	\$ (5,657)

	2018	2019	2020	2021	2022	2023	2024
\$	99,305	\$ 104,943	\$ 111,703	\$ 121,073	\$ 110,116	\$ 113,989	\$ 122,289
	31,563	31,741	33,961	37,374	36,281	37,838	38,018
	14,906	15,651	17,402	18,753	20,705	22,783	24,804
	7,600	7,786	8,468	9,413	9,032	10,885	12,589
	859	915	916	914	909	1,108	1,447
	12,930	13,366	15,348	15,951	13,989	16,377	18,043
	29,153	31,022	31,698	31,370	31,821	35,865	38,839
	6,460	6,635	7,404	7,996	12,349	15,209	14,495
	276	189	125	70	34	9	2
	7,536	7,497	7,363	7,434	8,836	9,180	9,511
	2,041	2,115	2,363	2,282	1,859	2,317	2,525
	15,757	15,787	17,648	16,681	8,876	14,341	15,713
	<u>228,386</u>	<u>237,647</u>	<u>254,399</u>	<u>269,311</u>	<u>254,807</u>	<u>279,902</u>	<u>298,275</u>
	809	784	630	113	588	687	679
	921	925	800	605	842	887	951
	2,063	2,321	1,857	23	224	2,018	1,614
	343	618	311	104	264	406	369
	20,958	22,117	22,602	40,577	49,933	54,172	54,874
	873	746	654	792	815	761	847
	<u>25,967</u>	<u>27,511</u>	<u>26,854</u>	<u>42,214</u>	<u>52,666</u>	<u>58,931</u>	<u>59,334</u>
	<u>(202,420)</u>	<u>(210,136)</u>	<u>(227,544)</u>	<u>(227,097)</u>	<u>(202,141)</u>	<u>220,971</u>	<u>(238,941)</u>
	75,808	80,353	86,058	88,715	93,725	99,210	104,430
	30,655	32,546	34,796	36,019	37,659	39,003	39,709
	1,292	215	169	167	442	384	82
	92,740	94,700	100,478	103,024	97,396	103,472	107,226
	2,718	2,795	2,765	2,529	2,324	1,639	2,217
	1,850	5,557	6,335	400	549	4,593	9,983
	3,374	1,721	1,984	1,521	2,137	5,499	4,497
	19	1	56	(24)	41	30	86
	-	-	-	-	2	-	-
	5,441	3,602	1	-	-	-	-
	<u>213,895</u>	<u>221,490</u>	<u>232,642</u>	<u>232,351</u>	<u>234,275</u>	<u>253,831</u>	<u>268,230</u>
\$	<u>11,475</u>	<u>\$ 11,353</u>	<u>\$ 5,097</u>	<u>\$ 5,254</u>	<u>\$ 32,134</u>	<u>\$ 32,860</u>	<u>\$ 29,289</u>

Administrative School District No. 1
Deschutes County, Oregon
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(in thousands)

	2015	2016	2017	2018
General fund				
Nonspendable	\$ 1,397,000	\$ 1,010,000	\$ 1,740,000	\$ 1,040,000
Restricted	815,000	905,000	117,000	530,000
Assigned	5,664,000	6,160,000	6,003,000	9,625,000
Unassigned	3,926,000	5,454,000	3,758,000	5,877,000
<u>Total general fund</u>	<u>\$ 11,802,001</u>	<u>\$ 13,529,001</u>	<u>\$ 11,618,000</u>	<u>\$ 17,072,000</u>
All other governmental funds				
Nonspendable, reported in				
Special revenue fund	\$ 331,000	\$ 376,000	\$ 415,000	\$ 475,000
Restricted, reported in				
Special revenue fund	3,076,000	3,360,000	4,221,000	4,513,000
Debt service fund	2,272,000	2,511,000	1,937,000	2,385,000
Capital project fund	34,888,000	18,895,000	8,764,000	175,098,000
Assigned, reported in				
Special revenue fund	2,212,000	2,710,000	2,890,000	3,175,000
<u>Total all other governmental funds</u>	<u>\$ 42,779,000</u>	<u>\$ 27,852,000</u>	<u>\$ 18,227,000</u>	<u>\$ 185,646,000</u>

2019	2020	2021	2022	2023	2024
\$ 1,400,000	\$ 1,171,000	\$ 1,971,000	\$ 1,518,000	\$ 1,655,000	\$ 2,330,000
1,623,000	2,356,000	2,240,000	1,485,000	2,690,000	2,913,000
12,380,000	13,367,000	16,669,000	19,991,000	22,516,000	21,940,000
4,480,000	6,993,000	8,910,000	5,580,000	6,668,000	13,570,000
<u>\$ 19,883,000</u>	<u>\$ 23,887,000</u>	<u>\$ 29,790,000</u>	<u>\$ 28,574,000</u>	<u>\$ 33,529,000</u>	<u>\$ 40,753,000</u>
\$ 373,000	\$ 576,000	\$ 667,000	\$ 455,000	\$ 498,000	\$ 460,000
4,980,000	3,232,000	4,659,000	8,627,000	7,643,000	6,499,000
3,585,000	4,032,000	4,694,000	4,662,000	5,387,000	5,460,000
123,285,000	145,228,000	51,115,000	21,857,000	116,160,000	101,863,000
3,087,000	4,619,000	5,903,000	4,281,000	4,928,000	4,983,000
<u>\$ 135,310,000</u>	<u>\$ 157,687,000</u>	<u>\$ 67,038,000</u>	<u>\$ 39,882,000</u>	<u>\$ 134,617,000</u>	<u>\$ 119,266,000</u>

Administrative School District No. 1
Deschutes County, Oregon
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(in thousands)

	2015	2016	2017
Revenues			
Property taxes	\$ 84,294	\$ 88,977	\$ 93,175
Tuition	931	8	3
Investment earnings	376	390	610
Other local sources	12,263	13,021	15,446
Intermediate sources	2,303	2,642	2,866
State sources	77,342	85,964	86,094
Federal sources	14,579	12,613	11,419
Total revenues	192,088	203,615	209,612
Expenditures			
Current			
Instruction	97,324	101,799	103,774
Support services	55,626	59,016	63,011
Community services	7,969	8,545	8,492
Facilities acquisition and construction	-	-	727
Debt service:			
Principal	14,339	15,617	17,465
Interest	13,644	13,315	12,979
Capital outlay	50,817	22,696	14,699
Total expenditures	239,719	220,988	221,146
Revenues over (under) expenditures	(47,631)	(17,373)	(11,534)
Other financing sources (uses)			
Refunding bonds issued	-	-	-
Payment to refunded bond escrow agent	-	-	-
Premium on bonds issued	-	-	-
General obligation bonds issued	-	4,175	-
PERS UAL Payment	-	-	-
General obligation bonds issued-premium	-	-	-
Insurance proceeds	-	-	-
Lease financing	-	-	-
Subscription based information technology financing	-	-	-
Sale of capital assets	272	-	-
Restitution	-	-	-
Lease purchase / long term loan proceeds	-	-	-
Total other financing sources (uses)	272	4,175	-
Net change in fund balances	\$ (47,359)	\$ (13,198)	\$ (11,534)
Ratio of total debt service to noncapital expenditures	15%	15%	15%

Note: The figures in this chart include all funds presented on page 24 of the basic financial statements.

2018	2019	2020	2021	2022	2023	2024
\$ 106,499	\$ 112,924	\$ 120,726	\$ 125,177	\$ 131,348	\$ 138,012	\$ 143,910
6	19	26	24	18	19	15
1,850	5,557	6,335	400	549	4,593	10,290
13,753	12,574	11,326	7,602	10,528	16,186	14,399
3,395	3,590	3,160	2,924	2,719	2,034	2,612
97,036	101,165	107,666	115,966	121,160	133,026	132,250
12,519	10,869	11,158	24,350	22,738	19,268	24,517
<u>235,058</u>	<u>246,698</u>	<u>260,397</u>	<u>276,443</u>	<u>289,060</u>	<u>313,137</u>	<u>327,993</u>
112,662	117,178	121,838	131,611	139,140	142,456	146,002
65,657	69,673	72,652	75,299	87,400	96,182	100,312
9,278	9,251	9,037	9,041	10,825	11,548	11,909
2,416	1,569	2,156	1,832	1,510	3,702	6,771
21,030	22,135	21,871	25,913	29,813	33,822	32,953
17,668	18,558	21,167	19,108	15,760	15,140	17,812
26,746	60,853	87,822	97,721	31,785	17,495	20,575
<u>255,458</u>	<u>299,217</u>	<u>336,543</u>	<u>360,524</u>	<u>316,233</u>	<u>320,345</u>	<u>336,334</u>
			0			
(20,400)	(52,519)	(76,146)	(84,081)	(27,175)	(7,207)	(8,341)
-	-	-	-	80,795	-	-
-	-	-	-	(82,245)	-	-
12,809	-	7,920	-	31	-	-
175,000	-	93,300	-	-	100,000	-
-	-	-	(1,000)	-	-	-
-	-	-	-	-	5,904	-
5,441	3,602	1	-	-	-	-
-	-	-	-	121	673	-
-	-	-	-	-	-	128
21	1	56	334	99	242	86
-	-	-	-	2	-	-
-	1,390	1,250	-	-	-	-
<u>193,271</u>	<u>4,993</u>	<u>102,527</u>	<u>(665)</u>	<u>(1,197)</u>	<u>106,897</u>	<u>214</u>
<u>\$ 172,871</u>	<u>\$ (47,526)</u>	<u>\$ 26,381</u>	<u>\$ (84,746)</u>	<u>\$ (28,372)</u>	<u>\$ 99,690</u>	<u>\$ (8,127)</u>
17%	17%	17%	17%	16%	16%	16%

Administrative School District No. 1
Deschutes County, Oregon
Assessed Value and Estimated Value of Taxable Property in Deschutes County
Last Ten Fiscal Years
(in thousands of dollars)

Fiscal Year Ended June 30	Real Property		Personal Property		Manufactured Homes		Public
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value
2024	\$ 30,423,785	\$ 78,521,799	\$ 890,105	\$ 890,105	\$ 97,682	\$ 239,833	\$ 852,663
2023	28,853,678	71,360,846	735,632	735,632	92,994	210,014	853,781
2022	27,365,201	54,432,055	627,551	627,551	90,106	173,790	834,257
2021	25,896,554	46,294,856	586,141	586,165	84,899	147,202	803,586
2020	24,642,529	43,452,590	524,739	524,739	81,184	131,478	710,117
2019	23,380,813	39,872,595	508,792	508,792	78,182	112,683	668,084
2018	22,107,667	35,571,219	482,975	482,975	74,665	103,958	600,475
2017	20,943,309	31,302,357	451,004	451,007	65,759	79,422	560,616
2016	19,847,234	27,721,055	415,663	415,679	60,520	70,526	652,906
2015	18,803,090	24,717,972	393,213	393,227	53,660	58,261	475,914

Source:

Valuation information has been obtained from the Deschutes County Assessor, and includes all property within Deschutes County.

Note:

Total Direct Rate column represents the District Direct rate

Utilities	Exemptions	Total			
Estimated Actual Value	Assessed Value	Taxable Assessed Value	Estimated Actual Value	Total Direct Rate	Assessed Value as a Percentage of Estimated Actual Value
\$ 919,209	\$ 60,873	\$ 32,203,361	\$ 80,510,072	\$ 6.55	40.075%
938,116	59,461	30,476,624	73,185,145	6.61	41.724%
910,502	58,719	28,858,395	56,085,178	6.65	51.559%
887,767	57,288	27,313,792	47,858,703	6.66	57.191%
784,443	54,658	25,903,911	44,838,592	6.67	57.893%
736,374	51,211	24,584,663	41,179,234	6.67	59.826%
628,510	47,457	23,218,324	36,739,204	6.67	63.327%
582,833	45,078	21,975,610	32,370,540	6.22	68.027%
677,075	43,032	20,933,290	28,841,302	6.23	72.730%
492,477	39,804	19,686,343	25,322,403	6.26	77.900%

Administrative School District No. 1
Deschutes County, Oregon
Property Tax Rates - All Direct and Overlapping Governments
Last Ten Fiscal Years Ended June 30th

	2015	2016	2017	2018
Administrative School District No. 1	\$ 6.26	\$ 6.23	\$ 6.22	\$ 6.67
High Desert ESD	0.10	0.10	0.10	0.10
Central Oregon Community College	0.75	0.74	0.74	0.74
Deschutes County	4.70	4.76	4.75	4.80
City of Bend	3.22	3.20	3.19	3.18
Bend Parks & Recreation	1.66	1.63	1.63	1.62
City of La Pine	1.98	1.98	1.98	1.98
La Pine Park & Recreation	0.30	0.30	0.30	0.30
Sunriver Service District	3.31	3.31	3.31	3.31
La Pine RFPD	2.41	2.47	2.41	2.41
Sunriver Library CSD	0.05	0.04	-	-
Total	\$ 24.74	\$ 24.76	\$ 24.63	\$ 25.11

Source:

Property tax rates have been obtained from the Deschutes County Assessor;
rates are per \$1,000 of assessed value.

Notes:

The tax rates for all districts include the amount needed to service bonded long-term debt.
The District's operating tax rate is set by Oregon State Statute and cannot be
increased by the District.

2019	2020	2021	2022	2023	2024
\$ 6.67	\$ 6.67	\$ 6.66	\$ 6.65	\$ 6.61	\$ 6.55
0.10	0.10	0.10	0.10	0.10	0.10
0.73	0.73	0.72	0.72	0.70	0.70
4.19	4.19	4.19	4.16	4.25	4.94
3.17	3.16	3.16	3.15	3.30	3.28
1.62	1.61	1.61	1.59	1.59	1.59
1.98	1.98	1.98	1.98	1.98	1.98
0.30	0.30	0.30	0.30	0.30	0.30
3.31	3.31	3.31	3.31	3.78	3.78
2.41	2.41	2.41	2.41	2.41	3.05
-	-	-	-	-	-
<u>\$ 24.48</u>	<u>\$ 24.46</u>	<u>\$ 24.44</u>	<u>\$ 24.37</u>	<u>\$ 25.02</u>	<u>\$ 26.27</u>

Bend-La Pine Schools

2023-2024						2014-2015			
Taxpayer	Type of Business	Tax	Assessed Value	Percent of Value	Rank	Tax	Assessed Value	Percent of Value	
Crowdstrike Inc	Cybersecurity technology	\$ 2,347,103	\$ 150,504,520	0.66%		\$ -	\$ -	-	
TDS Baja Bendbroadband LLC	Telecommunications	1,781,021	114,839,959	0.50%		-	-	-	
Pacificorp (P P&I)	Electrical utility	1,752,118	115,553,484	0.51%	2	847,425	59,309,000	0.42%	
Lonza Bend Inc	Biotechnology services	1,034,963	65,869,980	0.29%		-	-	-	
Deschutes Brewery Inc.	Brewery and restaurant	1,007,054	64,178,020	0.28%	7	538,285	36,254,180	0.26%	
Cascade Natural Gas Corp	Natural gas utility	1,003,849	65,218,168	0.29%	5	586,619	40,671,000	0.29%	
Touchmark at Mount Bachelor Village	Retirement community	900,510	56,328,370	0.25%	3	677,049	44,393,000	0.32%	
Suterra LLC	Pest control products	835,129	53,551,460	0.23%	8	477,156	36,206,060	0.26%	
CVSC LLC	Retail stores	799,370	49,981,000	0.22%	6	550,568	37,108,420	0.27%	
Gas Transmission NW Corp.	Natural gas utility	754,831	60,176,597	0.26%	4	667,930	57,271,400	0.41%	
Bend Cable Communications	Telecommunications	-	-	-	1	885,498	60,151,000	0.43%	
Sunriver Resort Limited Partnership	Real Estate Development	-	-	-	9	429,671	32,110,280	0.23%	
Dechutes Properties	Real Estate Development	-	-	-	10	399,061	26,490,386	0.19%	
Subtotal top ten of District's major taxpayers			796,201,558	3.48%		6,059,262	429,964,726	3.07%	
All other District's taxpayers			22,082,120,452	96.52%			13,565,595,520	96.93%	
Total District			\$ 22,878,322,010	100.00%			\$ 13,995,560,246	100.00%	

Deschutes County

2023-2024						2014-2015			
Taxpayer	Type of Business	Tax	Assessed Value	Percent of Value	Rank	Tax	Assessed Value	Percent of Value	
Pacificorp (P P&I)	Electrical utility	\$ 2,594,053	\$ 165,071,483	0.51%	1	\$ 1,285,493	\$ 86,338,000	0.44%	
Crowdstrike Inc	Cybersecurity technology	2,347,103	150,504,520	0.47%		-	-	-	
TDS Baja Bendbroadband LLC	Telecommunications	2,092,117	132,582,625	0.41%		-	-	0.00%	
Cascade Natural Gas Corp.	Natural gas utility	1,336,228	83,375,075	0.26%	4	766,056	51,236,000	0.26%	
Lonza Bend Inc	Biotechnology services	1,233,304	79,640,120	0.25%		-	-	-	
Deschutes Brewery Inc.	Brewery and restaurant	1,007,054	64,178,020	0.20%	7	538,285	36,254,180	0.18%	
Gas Transmission NW Corp.	Natural gas utility	949,916	72,792,854	0.23%	3	844,801	69,580,600	0.35%	
Touchmark at Mount Bachelor Village, LLC	Retirement community	900,510	56,328,370	0.17%	5	677,049	44,393,000	0.23%	
PCC Structurals Inc	Manufacturing	898,026	47,675,520	0.15%		-	-	-	
Suterra LLC	Pest control products	835,130	53,551,460	0.17%	10	477,156	36,206,060	0.18%	
Bend Cable Communications	Cable company	-	-	-	2	1,042,040	69,563,000	0.35%	
CVSC LLC	Retail stores	-	-	-	6	550,568	37,108,420	0.19%	
CentryLink	Telecommunications	-	-	-	9	491,167	33,857,800	0.17%	
Wal-Mart Stores Inc	Retail stores	-	-	-	8	511,189	30,356,000	0.15%	
Subtotal-top ten County major taxpayers			905,700,047	2.81%		7,183,804	494,893,060	2.51%	
All other County's taxpayers			31,297,660,846	97.19%			19,191,449,763	97.49%	
Total Deschutes County			\$ 32,203,360,893	100.00%			\$ 19,686,342,823	100.00%	

Administrative School District No. 1
Deschutes County, Oregon
Property Tax Levies and Collections for Operations and Debt Service
Last Ten Fiscal Years

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2024	\$ 148,163,031	\$ 142,603,220	96.2%	\$ 684,224	\$ 143,287,444	96.7%
2023	141,553,464	136,565,409	96.5%	524,226	137,089,635	96.8%
2022	134,904,226	130,126,897	96.5%	639,789	130,766,685	96.9%
2021	128,098,347	123,228,650	96.2%	932,472	124,161,121	96.9%
2020	121,960,693	117,451,670	96.3%	932,472	118,384,141	97.1%
2019	115,946,713	111,169,277	95.9%	834,376	112,003,653	96.6%
2018	109,136,848	104,709,632	95.9%	718,005	105,427,638	96.6%
2017	96,003,356	91,614,978	95.4%	805,801	92,420,779	96.3%
2016	91,728,870	87,438,223	95.3%	673,894	88,112,117	96.1%
2015	85,961,207	82,295,410	95.7%	798,588	83,093,998	96.7%

Source:
Levy information was obtained from Deschutes County

Administrative District No. 1
Deschutes County, Oregon
Computation of Direct and Overlapping Debt
June 30, 2024

Jurisdiction	Gross Bonded Debt Outstanding	Percentage Applicable to ASD No. 1	Amount Applicable to ASD No. 1
Alfalfa RFPD	\$ 180,000	3.94%	\$ 7,096
Bend Metro Park & Rec District	18,092,540	99.89%	18,072,114
Central Oregon Community College	42,155,000	61.15%	25,776,982
Central Oregon Regional Housing Authority	2,550,200	72.06%	1,837,674
City of Bend	258,338,813	100.00%	258,338,813
City of La Pine	1,327,225	100.00%	1,327,225
Deschutes County	64,314,800	72.06%	46,345,245
Deschutes Cty RFPD 2 (Bend)	7,620,000	75.39%	5,745,084
Deschutes Public Library District	185,300,000	72.06%	133,527,180
High Desert ESD	10,411,899	65.48%	6,817,930
La Pine Parks & Recreation District	245,000	100.00%	245,000
Lazy River Special Road District	9,500	100.00%	9,500
Sunriver Service	5,543,483	100.00%	5,543,483
Subtotal, overlapping debt			503,593,326
Administrative School District No. 1 direct debt			453,528,267
Total direct and overlapping debt			\$ 957,121,593

Source:

The gross debt outstanding and the percentage applicable has been obtained from the Oregon State Treasury.
Percentage applicable to the District is the ratio of the district boundary to the entire area subject to the debt.

Note:

Gross bonded debt outstanding does not include self-supporting unlimited-tax general obligation bonds and self-supporting full faith and credit debt.

Administrative School District No. 1
Deschutes County, Oregon
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Total	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Full Faith & Credit Obligations	Loans	Leases & SBITA Liability	Premium on Bonds			
2024	\$ 395,810,000	\$ 30,420,000	\$ 1,445,000	\$ 5,926,667	\$ 19,926,600	\$ 453,528,267	N/A	\$ 2,154
2023	420,200,000	37,880,000	1,709,000	-	22,538,243	482,327,243	2.85%	2,324
2022	347,720,000	44,570,479	1,973,000	-	19,376,799	413,640,278	2.80%	2,034
2021	366,995,000	50,553,728	2,579,566	-	24,361,227	444,489,521	3.20%	2,256
2020	387,870,000	56,000,794	3,179,388	-	27,019,428	474,069,610	3.84%	2,456
2019	313,540,000	60,715,358	2,397,598	-	21,757,826	398,410,782	3.57%	2,108
2018	332,610,000	64,873,184	1,674,714	-	24,019,209	423,177,108	4.00%	2,313
2017	175,635,000	68,512,872	2,322,093	-	13,364,007	259,833,971	2.73%	1,471
2016	190,155,000	71,684,756	2,950,381	-	14,317,119	279,107,256	3.10%	1,635
2015	198,705,000	74,441,297	3,560,201	-	16,125,570	292,832,068	3.76%	1,760

Sources:

Personal and per capita income numbers were obtained from the Bureau of Economic Analysis.

Administrative School District No. 1
Deschutes County, Oregon
Legal Debt Margin Information
Last Ten Fiscal Years
(in thousands)

Fiscal Year	Real Market Value	Computation of Debt Margin			
		Debt Limit = Real Market Value X .0795	Total General Obligation Bonds	Legal Debt Margin	Ratio of Legal Debt Margin to the Debt Limit
2024	\$ 58,008,195	\$ 4,611,652	\$ 395,810	\$ 4,215,842	91%
2023	53,242,475	4,232,777	420,200	3,812,577	90%
2022, as restated	40,675,964	3,233,739	347,720	2,886,019	89%
2021, as restated	34,535,389	2,745,563	387,870	2,357,693	86%
2020, as restated	32,827,950	2,609,822	387,870	2,221,952	85%
2019, as restated	30,243,766	2,404,379	313,540	2,090,839	87%
2018, as restated	26,993,818	2,146,009	332,610	1,813,399	85%
2017, as restated	23,788,200	1,891,162	175,635	1,715,527	91%
2016, as restated	21,279,466	1,691,718	190,155	1,501,563	89%
2015, as restated	18,608,982	1,479,414	198,705	1,280,709	87%

Debt limit by Oregon State Law is 7.95% of real market value.

Source:

Debt limitation formula has been obtained from Oregon Revised Statutes 328.245 (1), (2).
Real market value was obtained from Deschutes County

Note:

Fiscal years 2014 through 2022 were restated in fiscal year 2023 to remove any assets in the debt service fund from the computation of the legal debt margin. Fund balance in the debt service fund was the primary asset, which we do not believe should be included in the computation.

Administrative School District No. 1
Deschutes County, Oregon
Ratio of Net Bonded Debt to Real Market Value and Net Bonded Debt Per Capita
Last Ten Fiscal Years

Fiscal Year Ended June 30	Gross Bonded Debt	Debt Service Fund Balance	Net Bonded Debt	Ratio of Net Bonded Debt to Real Market Value	Net Bonded Debt Per Capita
2024	\$ 415,736,600	\$ 5,460,000	\$ 410,276,600	0.51%	1,949
2023	442,738,243	5,387,000	437,351,243	0.60%	2,107
2022	367,096,799	4,662,158	362,434,641	0.65%	1,782
2021	391,356,227	4,693,630	386,662,597	0.81%	1,963
2020	414,889,428	4,031,467	410,857,961	0.92%	2,129
2019	335,297,826	3,585,422	331,712,404	0.81%	1,755
2018	356,629,209	2,359,500	354,269,709	0.96%	1,937
2017	188,999,007	1,937,200	187,061,807	0.58%	1,059
2016	204,472,119	2,510,423	201,961,696	0.70%	1,183
2015	214,830,570	2,271,973	212,558,597	0.84%	1,277

Gross Bonded Debt has been modified to include the unamortized bond premium and discount

Sources:

Population data from World Population Review
Real market value comes from Deschutes County

Administrative School District No.1
Deschutes County, Oregon
Demographic and Economic Statistics
Last Ten Fiscal Years

Calendar		Unemployment	Per capita	Total Personal	Civilian	Average Daily	Annual	
Year	Population	Rate	Income	Income	Labor Force	Membership	Cost Per	ADMw
2024	210,543	4.0%	N/A	N/A	107,419	16,461	18,120	19,057
2023	207,561	3.8%	81,025	16,894,729,000	101,900	17,158	16,313	19,283
2022	203,390	3.4%	71,627	14,794,468,000	105,407	17,192	14,821	19,331
2021	197,015	5.9%	67,743	13,873,903,000	102,109	17,260	15,604	19,517
2020	193,000	12.4%	61,216	12,351,409,000	98,044	18,448	13,790	20,775
2019	188,980	4.2%	56,447	11,159,204,000	96,706	18,256	13,017	20,550
2018	182,930	4.0%	55,143	10,587,224,000	95,138	18,172	12,568	20,853
2017	176,635	3.7%	50,955	9,522,219,000	93,336	17,851	12,015	20,687
2016	170,740	5.1%	49,881	9,012,257,000	88,985	17,425	13,476	20,230
2015	166,400	6.2%	46,005	7,788,057,000	81,325	16,467	9,201	19,192

Sources:

Unemployment rate and labor force information is for Deschutes County and was obtained from the State of Oregon Employment Department - Oregon Labor Market Information System (OLMIS).
Qualityinfo.org

Personal and per capita income numbers came from the Bureau of Economic Analysis.

Administrative School District No. 1
Deschutes County, Oregon
Principal Employers
Current Year and Nine Years Ago

Employer	2024			2015		
	Employees	Rank	Percentage of Total County Employees	Employees	Rank	Percentage of Total County Employees
St Charles Medical Center	4,565	1	4.76%	2,830	1	3.76%
Administrative School District No. 1	2,300	2	2.40%	1,750	2	2.32%
Deschutes County	1,243	3	1.30%	1,046	3	1.39%
Mt Bachelor	1,117	4	1.16%	775	8	1.03%
Sunriver Resort	950	5	0.99%	900	4	1.19%
Redmond School District	919	6	0.96%	819	7	1.09%
COCC	830	7	0.87%	-	-	-
Safeway (includes Albertsons)	810	8	0.84%	-	-	-
City of Bend	763	9	0.80%	-	-	-
Summit Medical Group	736	10	0.77%	-	-	-
Les Schwab	-	-	-	880	5	1.17%
Bright Wood Corporation	-	-	-	870	6	1.16%
McDonalds	-	-	-	668	9	0.89%
Bend Memorial Clinic	-	-	-	652	10	0.87%
Total	14,233		14.84%	11,190		14.87%

Sources:

Economic Development for Central Oregon, Oregon Department of Education,
Deschutes County Finance Department.

Administrative School District No. 1
Deschutes County, Oregon
Full-time Equivalent Employees by Function
Last Ten Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Function:				
Regular instruction	685	736	754	767
Special programs including summer school	288	290	301	313
Student services	124	128	134	148
Instructional staff	51	53	55	57
General administration	2	2	2	2
School administration	115	127	119	124
Business, transportation and maintenance	210	218	230	229
Central activities	33	38	40	41
Food services	69	70	71	72
Other enterprise and community services	14	14	12	14
Facilities acquisition and construction	6	5	5	10
<u>Total</u>	<u>1,597</u>	<u>1,681</u>	<u>1,723</u>	<u>1,777</u>

Source:

Information was obtained from District's payroll records

Note:

FTE is as of June 1 and does not include vacant positions.

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
786	781	831	820	795	786
297	297	294	308	306	321
146	157	171	207	211	202
57	57	54	64	75	76
2	2	3	3	3	3
134	132	136	145	144	145
231	243	230	242	246	244
42	44	45	52	50	50
72	74	60	70	78	80
14	15	14	13	14	15
10	11	12	10	8	9
<u>1,791</u>	<u>1,813</u>	<u>1,850</u>	<u>1,934</u>	<u>1,930</u>	<u>1,931</u>

Administrative School District No. 1
Deschutes County, Oregon
Operating Indicators by Function
Last Ten Fiscal Years

	2015	2016	2017
Function:			
Instruction			
Enrollment	17,163	17,534	18,034
Transportation			
Number of buses	130	139	134
Miles driven per year	1,580,045	1,951,595	1,733,345
Cost per mile	\$ 4.54	\$ 3.64	\$ 4.31
Students transported to school daily	4,705	4,595	4,945
Food services			
Free lunch participants	4,701	4,371	4,034
Reduced lunch participants	953	1,007	1,002
Percent free/reduced of total enrollment	33%	31%	28%

Source:

Information was obtained from the District's transportation and food service departments.

Note:

Enrollment is as of October 1 of each fiscal year

- * Food Services - Since 2018 Four schools have been, and continue to be, Community Eligibility Provision school - no counts taken
- * Food Services - Since 2021 Nine schools have been, and continue to be Community Eligibility Provision school - no counts taken
- * Due to Covid-19, all students were eligible for free lunches in 2022 - sperate counts were not taken
- * Food Services - Since 2023 Twenty schools have been, and continue to be Community Eligibility Provision school - no counts taken

2018	2019	2020	2021	2022	2023	2024
18,375	18,428	18,672	17,612	17,500	17,438	16,980
124	126	131	125	131	127	142
1,684,249	1,636,116	1,201,119	947,521	1,581,272	1,597,725	1,708,354
\$ 6.16	\$ 6.34	\$ 8.63	\$ 10.95	\$ 6.56	\$ 6.49	\$ 6.07
5,216	5,395	6,100	2,021	3,138	4,031	4,247
3,949	4,159	4,317	3,113	N/A	2,464	1,578
1,081	1,218	1,037	316	N/A	576	324
27%	29%	29%	19%	N/A	17%	11%

Administrative School District No. 1
Deschutes County, Oregon
Capital Asset Statistics by Function
Last Ten Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Function:										
Instruction										
Number of elementary schools	17	18	18	18	18	19	19	19	19	19
Number of middle schools	5	7	7	7	7	7	7	7	7	7
Number of high schools	5	5	5	5	7	7	7	7	7	7
Elementary school enrollment	7,827	8,046	8,260	8,370	8,244	8,222	7,606	7,522	7490	7513
Middle school enrollment	3,862	3,962	4,125	4,268	4,403	4,523	4,187	3,982	3876	3798
High school enrollment	5,474	5,526	5,649	5,737	5,781	5,927	5,819	5,996	6072	5669
General administration										
Number of buildings	1	1	1	1	1	1	1	1	1	1
Business, transportation and maintenance										
Number of buildings	4	4	4	4	4	4	4	4	4	4

Source:

Information was obtained from the District's capital asset and student enrollment records.

Administrative School District No. 1
Deschutes County, Oregon
School Building Capacity and Enrollment
June 30, 2024

Building	Enrollment	Capacity Without Modular Classrooms	Percent of Capacity	Year of Building Construction
Elementary Schools				
Amity Creek	140	150	93%	1948
Bear Creek	517	600	86%	1963
Buckingham	367	600	61%	1980
Ensworth	148	300	49%	2005
Elk Meadow	482	600	80%	1993
Highland	382	375	102%	1918
High Lakes	435	600	73%	2000
RE Jewell	456	600	76%	1974
Juniper	444	560	79%	1965
La Pine	409	600	68%	1993
Lava Ridge	428	600	71%	1994
North Star	320	600	53%	2019
Pine Ridge	555	600	93%	2004
Ponderosa	471	600	79%	2008
Rosland	227	300	76%	2010
Silver Rail	448	600	75%	2015
Westside Village (K-8)	209	382	55%	1949
William E Miller	506	600	84%	2009
Three Rivers (K-8)	425	450	94%	1989
Total elementary schools	7,369	9,717	76%	
Middle Schools				
Cascade	615	800	77%	1978
High Desert	691	800	86%	1993
Pilot Butte	646	825	78%	1967
Pacific Crest	629	800	79%	2015
La Pine	259	550	47%	1978
REALMS	149	150	99%	1993
Skyview	576	800	72%	2000
Total middle schools	3,565	4,725	75%	
High Schools				
Bend	1,176	1,550	76%	1956
La Pine	447	550	81%	1961
Bend Tech Academy	99	200	50%	1948
Mountain View	1,182	1,500	79%	1978
REALMS	154	200	77%	1993
Caldera	1,252	1,500	83%	2021
Summit	1,305	1,500	87%	2000
Total high schools	5,615	7,000	80%	

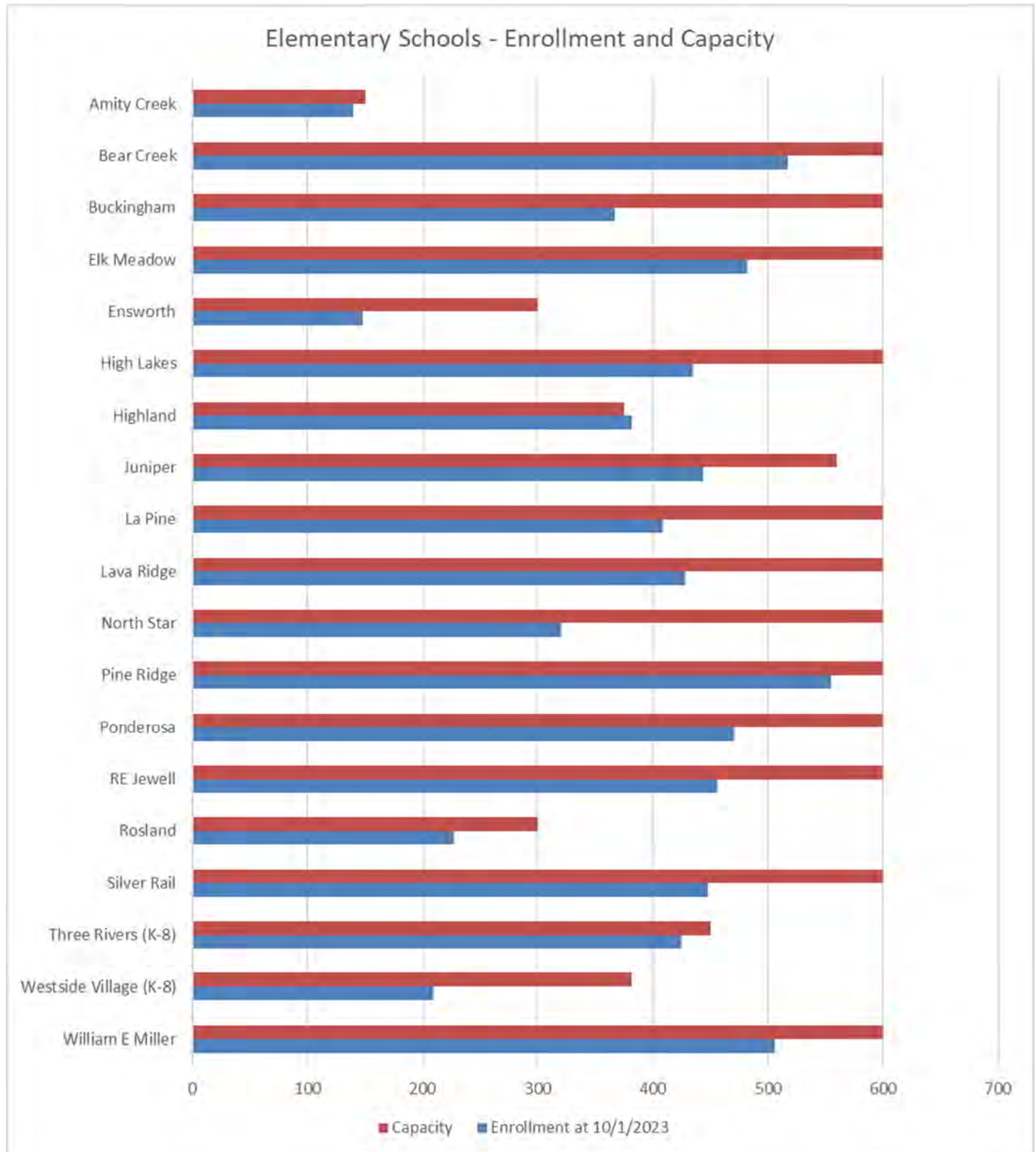
Note:

Enrollment is as of October 1, 2023

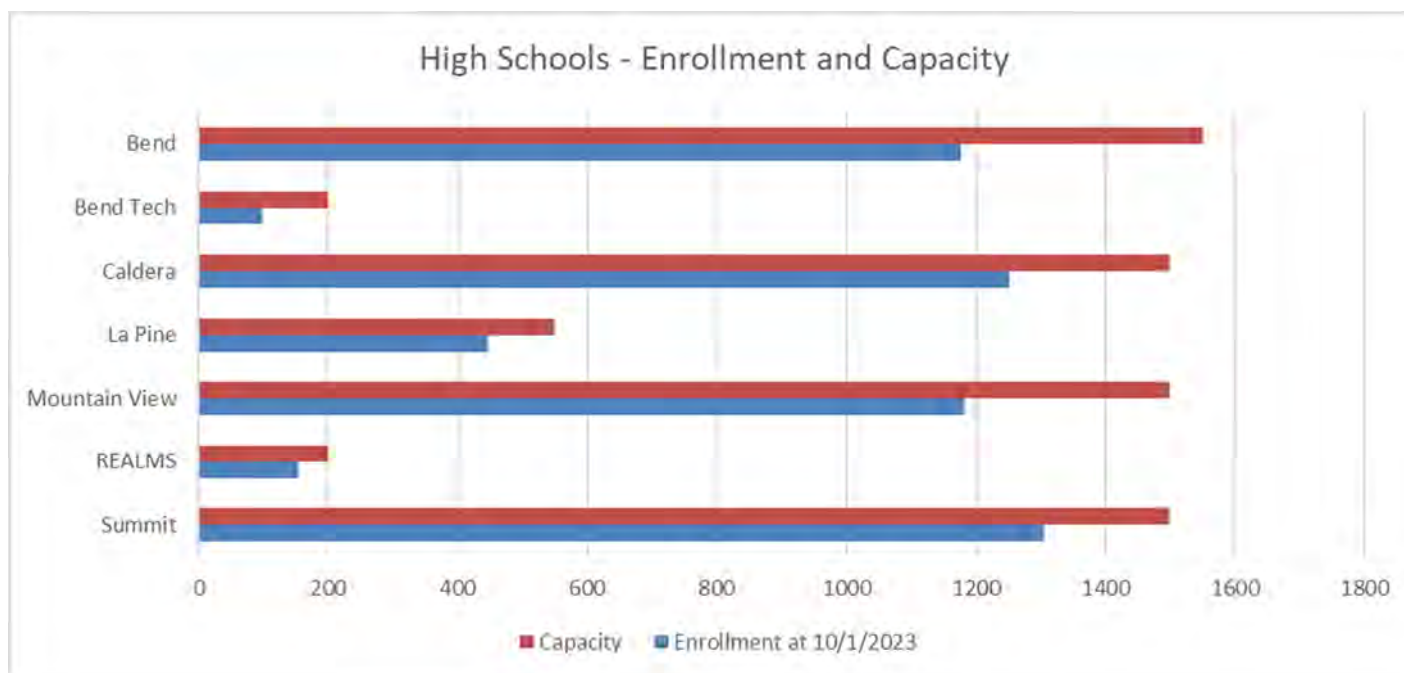
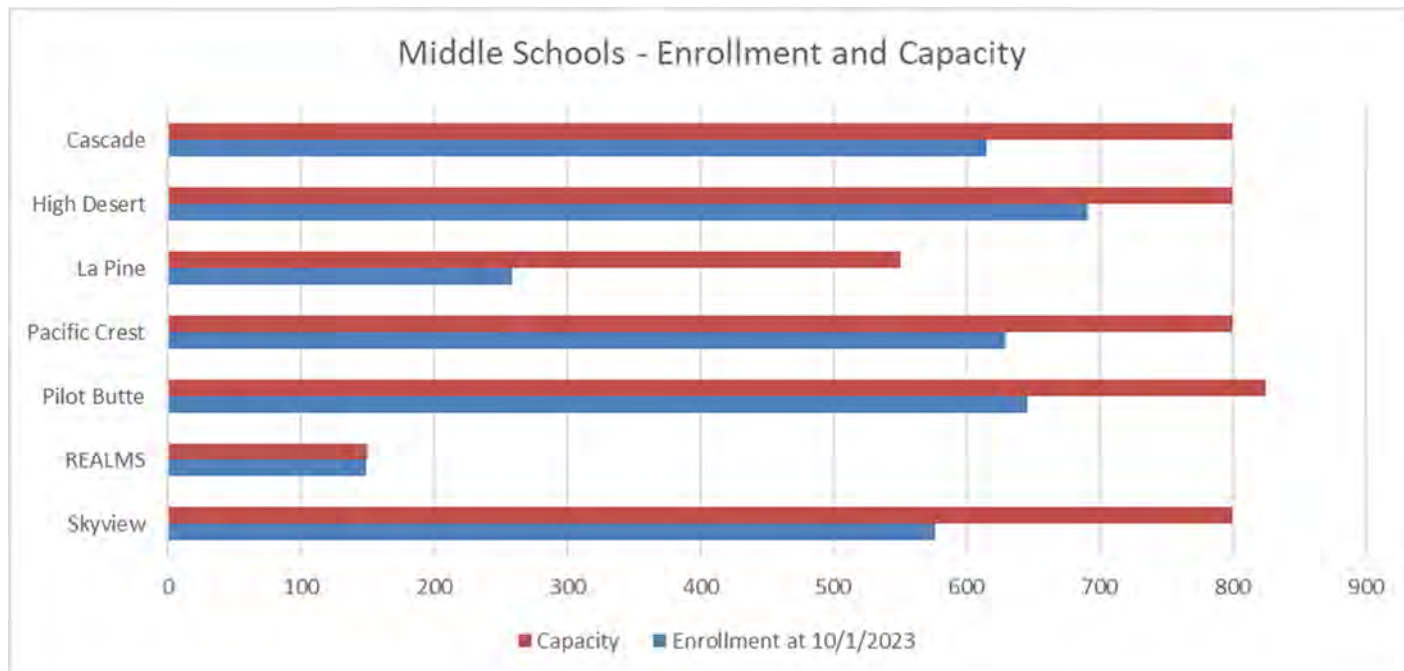
Many buildings have undergone remodels since original construction

Information obtained from District's student enrollment and capital asset records

Administrative School District No. 1
 Deschutes County, Oregon
 Elementary School Enrollment and Capacity
 October 1, 2023



Administrative School District No. 1
 Deschutes County, Oregon
 Middle and High School Enrollment and Capacity
 October 1, 2023



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B E N D  L A P I N E
S c h o o l s

E D U C A T I N G T H R I V I N G S T U D E N T S



INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS

Board of Directors
Bend-La Pine Schools
Deschutes County, Oregon

We have audited the basic financial statements of the Bend-La Pine Schools, Deschutes County, Oregon (the District) as of and for the year ended June 30, 2024 and have issued our report thereon dated December 13, 2024. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

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

- **Deposit of public funds with financial institutions**
- **Indebtedness limitations, restrictions and repayment**
- **Budgets legally required**
- **Insurance and fidelity bonds in force or required by law**
- **Programs funded from outside sources**
- **Authorized investment of surplus funds**
- **Public contracts and purchasing**
- **Oregon state school fund factors**

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 District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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

A handwritten signature in black ink that reads "Brenda Bartlett". The signature is written in a cursive, flowing style.

Brenda Bartlett, CPA
Sensiba LLP
Bend, Oregon

December 13, 2024

Grant Compliance



Independent Auditor's Report

The Board of Directors
Bend-La Pine Schools

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund, of Bend-La Pine Schools as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Bend-La Pine Schools' basic financial statements, and have issued our report thereon dated December 13, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bend-La Pine Schools' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Sensiba LLP
Bend, Oregon

December 13, 2024



Independent Auditor's Report

Board of Directors
Bend-La Pine Schools

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Bend-La Pine Schools' 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 Bend-La Pine Schools' major federal programs for the year ended June 30, 2024. Bend-La Pine Schools' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Bend-La Pine Schools complied, in all material respects, with the 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Bend-La Pine Schools 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 Bend-La Pine Schools' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's 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 Bend-La Pine Schools' 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 GAAS, *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 Bend-La Pine Schools' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 Bend-La Pine Schools' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Bend-La Pine Schools' 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 Bend-La Pine Schools' 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 a 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 Auditor's 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.

Brenda Baulett

Sensiba LLP
Bend, Oregon

December 13, 2024

Administrative School District No. 1
Deschutes County, Oregon
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2024

	Pass Through		Assistance	Other	From Direct	From Pass		
Federal Agency	Agency	Federal Program Title	Listing	Identification	Awards	Through	Total Awards	Footnote
USDA	Oregon Dept. of Education	School Breakfast Program	10.553	902001	-	1,012,792	1,012,792	
		National School Lunch Program	10.555	902001	-	3,200,326	3,200,326	
		Food Distribution (Commodities)	10.555	902001	-	589,949	589,949	
		Summer Food Service Program for Children	10.559	902001	-	55,902	55,902	
		Summer Food Service Program for Children	10.559	Health insp	-	1,086	1,086	
		Fresh Fruit and Vegetable Program	10.582	902001	-	65,950	65,950	
		Subtotal Child Nutrition Cluster			-	4,926,006	4,926,006	
		Child and Adult Care Food Program	10.558	902001	-	214,315	214,315	
		COVID-19 Pandemic EBT Administrative Costs	10.649	n/a	-	6,180	6,180	
Total USDA					-	5,146,501	5,146,501	
Dept of Defense		National Junior ROTC	12.U01	n/a	99,795	-	99,795	
U.S. Dept of Education	Oregon Dept. of Education	Title I Grants to Local Education Agencies	84.010	76917	-	97,620	97,620	1
		Title I Grants to Local Education Agencies	84.010	72465	-	300,674	300,674	1
		Title I Grants to Local Education Agencies	84.010	75142	-	202,247	202,247	1
		Title I Grants to Local Education Agencies	84.010	76430	-	2,667,037	2,667,037	1
		Title I Grants to Local Education Agencies	84.010	67939	-	23,314	23,314	1
		Subtotal Title I			-	3,290,892	3,290,892	
		Special Education - Grants to States	84.027	75281	-	170,768	170,768	
		Special Education - Grants to States	84.027	73970	-	321,479	321,479	
		Special Education - Grants to States	84.027	77921	-	2,490,863	2,490,863	
		Subtotal Special Education Cluster (IDEA)			-	2,983,110	2,983,110	
		English Language Acquisition State Grants	84.365	77019	-	94,232	94,232	
		Subtotal English Language Acquisition State Grants			-	94,232	94,232	
		Supporting Effective Instruction	84.367	76627	-	370,902	370,902	
		Supporting Effective Instruction	84.367	72662	-	19,620	19,620	
		Subtotal Supporting Effective Instruction			-	390,521	390,521	
		Student Support and Academic Enrichment	84.424	72859	-	52,379	52,379	1
		Student Support and Academic Enrichment	84.424	77060	-	167,698	167,698	1
		Subtotal Student Support and Academic Enrichment			-	220,076	220,076	
		COVID-19 Education Stabilization Fund	84.425U	95917	-	14,055	14,055	1
		COVID-19 Education Stabilization Fund	84.425W	69320	-	17,097	17,097	1
		COVID-19 Education Stabilization Fund	84.425U	75937	-	56,735	56,735	1
		COVID-19 Education Stabilization Fund	84.425U	64837	-	11,811,890	11,811,890	1
		Subtotal Education Stabilization Fund			-	11,899,777	11,899,777	
Total Passed Through Oregon Department of Education					-	18,878,609	18,878,609	
High Desert ESD	Career and Technical Education - Basic Grants to States	84.048	n/a	-	17,432	17,432		
	Education for Homeless Children and Youth	84.196	n/a	-	18,306	18,306		
	Total Passed Through High Desert ESD			-	35,738	35,738		
Dept of Human Services	Special Education - State Vocational Rehabilitation	84.126A	n/a	-	32,744	32,744		
Total US Dept of Education					-	18,947,092	18,947,092	
Total Federal Financial Assistance					99,795	24,093,592	24,193,387	

(1) Audited as major programs

Administrative School District No. 1
Deschutes County, Oregon
Notes to Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2024

Significant Accounting Policies

Note A - Purpose of the Schedule

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal award activity of Bend-La Pine Schools (the District). The information in this schedule is prepared in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the SEFA presents only a selected portion of the operations of the District, it is not intended and does not present the financial position or changes in net position of the District.

Note B – Summary of Significant Accounting Policies

Basis of Presentation - Expenditures on the SEFA are reported on the modified accrual basis of accounting. Under a modified accrual basis, revenues are recorded when measurable and available, or in the case of grants where the expenditure is the prime factor for determining eligibility, when the expenditure is made. Expenditures are recorded when a liability is incurred. Such expenditures are recognized using the Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The District has elected not to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance, and is instead using the indirect rate approved by the Oregon Department of Education based on actual District expenses in the prior year. For the fiscal year ending June 30, 2024, the indirect rate used was 4.11%.

Federal Financial Assistance - Pursuant to the Uniform Guidance, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance or direct appropriations. Accordingly, nonmonetary federal assistance, including federal surplus property, is included in federal financial assistance and, therefore, is reported on the Schedule, if applicable. Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts between the state and federal government for which the federal government procures tangible goods or services are not considered to be federal financial assistance.

Major Programs - The Uniform Guidance establishes criteria to be used in defining major federal financial assistance programs. Major programs for the District are those programs selected for testing by the auditor using a risk-assessment model, as well as certain minimum expenditure requirements, as outlined in the Uniform Guidance. Programs with similar requirements may be grouped into a cluster for testing purposes.

Note C – Child Nutrition Cluster

The District commingles cash receipts from the US Department of Agriculture with similar state grants. When reporting expenditures on this schedule, the District assumes it expends federal monies first. The District reports commodities consumed on the Schedule at fair value.

**BEND-LA PINE SCHOOLS
DESCHUTES COUNTY, OREGON**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weaknesses identified?
- Significant deficiencies?

No

None reported

Noncompliance material to the financial statements noted?

No

Federal Awards

Internal control over major federal programs:

- Material weaknesses identified?
- Significant deficiencies identified?

No

None reported

Type of auditor's report issued on compliance for major federal programs:

Unmodified

Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)?

No

Identification of major federal programs:

<u>Assistance Listing No.</u>	<u>Name of Federal Program or Cluster</u>
84.425U, 84.425W	Elementary and Secondary School Emergency Relief Fund
84.010	Title I-A
84.424	Title IV-A

Dollar threshold used to distinguish between Type A and Type B programs

\$750,000

Auditee qualified as low-risk auditee?

No

**BEND-LA PINE SCHOOLS
DESCHUTES COUNTY, OREGON**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2024

Section II – Financial Statement Findings

None reported.

Section III – Federal Award Findings and Questioned Costs

None reported.

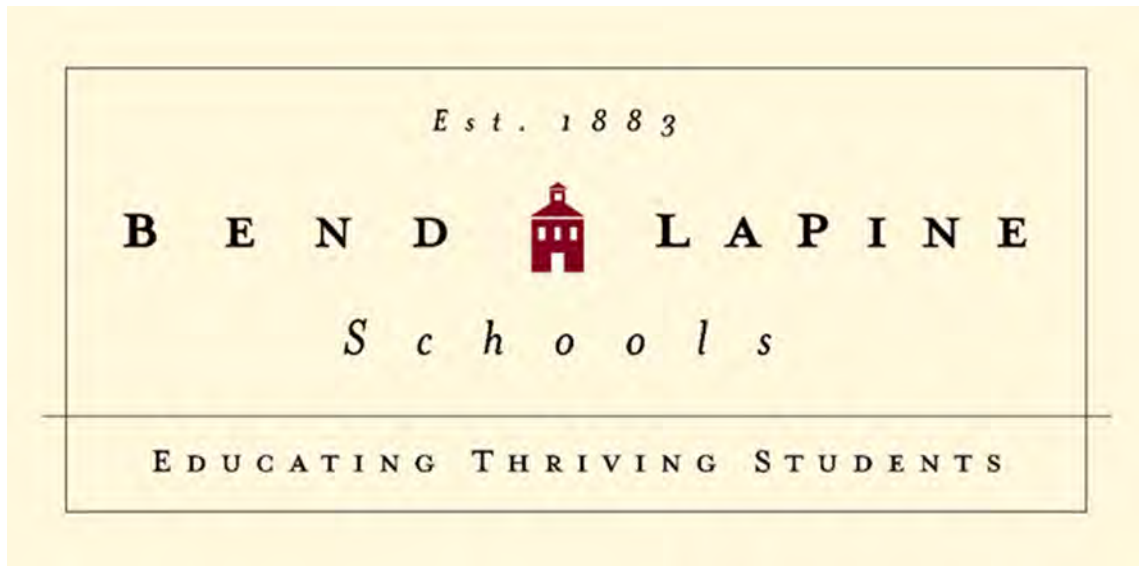
Section IV – State Award Findings and Questioned Costs

None reported.

We would like to take this opportunity to express our appreciation for all of the efforts of these staff members who assisted in the preparation of this Annual Comprehensive Financial Report: Brenda Spreier, Staff Accountant; Jessica Houser, Assistant Finance Director - Operations; Kristi Scheiderman, Lead Accountant; Lauren Kuhnke, Staff Accountant; Michael Asher, Graphic Designer; and Robin Carlson, Staff Accountant.

We would also like to recognize the following Business Office staff for their indirect support of the financial reporting process and year round support of District finances: Amy Coronado, April Diehl, April Jorgenson, Brenda Spreier, GraceAnne McJunkin, Jenny Helvie, Jenny Ostrom, Kate Pardo, Lisa Brinlee, Meryll Paris, Scott Blanchard, and Suzy Keitzman.

The Finance Team



Appendix C

Book Entry Only System

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**SAMPLE OFFERING DOCUMENT LANGUAGE
DESCRIBING BOOK-ENTRY-ONLY ISSUANCE**

(Prepared by DTC--bracketed material may apply only to certain issues)

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed

by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

[6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.]

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

[9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.]

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

Appendix D

Form of Continuing Disclosure Certificate

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FORM OF CONTINUING DISCLOSURE CERTIFICATE

[\$[Principal Amount]]
Administrative School District No. 1 (Bend-La Pine)
Deschutes County, Oregon
General Obligation Bonds, Series 2025

This Continuing Disclosure Certificate (the “Certificate”) is executed and delivered by Administrative School District No. 1 (Bend-La Pine) located in Deschutes County, Oregon (the “Issuer”) in connection with the issuance of the above-captioned bonds (the “Securities”).

Section 1. Purpose of Certificate. This Certificate is being executed and delivered by the Issuer, and constitutes the Issuer’s written undertaking for the benefit of the Bondowners and to assist the underwriter of the Securities in complying with paragraph (b)(5) of the United States Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. § 240.15c2-12) as amended (the “Rule”).

Section 2. Definitions. Unless the context otherwise requires, the terms defined in this Section shall, for purposes of this Certificate, have the meanings herein specified.

“Beneficial Owner” means any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of any Securities, including persons holding Securities through nominees or depositories.

“Bondowners” means the registered owners of the Securities, as shown on the bond register maintained by the paying agent and registrar for the Securities, and any Beneficial Owners.

“Commission” means the United States Securities and Exchange Commission.

“EMMA” means the Electronic Municipal Market Access system for municipal securities disclosure established by the MSRB and accessible at <http://emma.msrb.org/>.

“MSRB” means the United States Municipal Securities Rulemaking Board or any successor to its functions.

“Official Statement” means the final official statement for the Securities dated _____, 2025.

“Rule” means the Commission’s Rule 15c2-12 under the Securities Exchange Act of 1934, as it has been and may be amended.

Section 3. Financial Information. The Issuer, as the “obligated person,” agrees to provide or cause to be provided to the MSRB, the following annual financial information and operating data:

- A. Issuer's annual financial statements prepared in accordance with Oregon Local Budget Law (or any successor statute) and in accordance with generally accepted accounting principles so prescribed by the Governmental Accounting Standards Board (or its successors) and generally of the type included in the Official Statement in Appendix B entitled "Financial Statements."
- B. To the extent not included in its annual financial statements, the Issuer shall also provide information, of the type set forth in the Official Statement, containing: (1) the total real market value and total assessed value of taxable property within the Issuer (as indicated in the records of the county assessors), or other statement of property valuation that reflects then current Oregon statutes pertaining to property valuation; (2) the amount or rate of property taxes levied by the Issuer for the fiscal year for both operations and debt service, and the amount of property taxes the Issuer received during the fiscal year; (3) the total principal amount of general obligation bonds and other tax-supported obligations of the Issuer which are outstanding at the end of the fiscal year; (4) the major taxpayers for Deschutes County; and (5) ADMw, or a successor measurement of student enrollment that determines funding level, if any.

Section 4. Timing. The information described in Section 3 of this Certificate shall be provided by the Issuer for each of its fiscal years in which the Securities are outstanding. The Issuer shall provide that information on or before nine months after the end of each fiscal year, commencing no later than March 31, 2026, for the fiscal year ended June 30, 2025. The information described in Section 3 of this Certificate will be provided in the form of audited financial statements if they are then available, and otherwise will be provided in the form of unaudited financial statements. If the information described in Section 3 of this Certificate is initially provided in the form of unaudited financial statements, the Issuer shall provide audited financial statements promptly after they become publicly available. The Issuer's current fiscal year ends June 30. The Issuer may adjust its fiscal year by providing written notice of the change of fiscal year to the MSRB. In lieu of providing such annual financial information and operating data, the Issuer may cross-reference to other documents provided to the MSRB.

Section 5. Material Events. The Issuer agrees to provide or cause to be provided to the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, notice of any of the following events with respect to the Securities:

- 1. Principal and interest payment delinquencies;
- 2. Non-payment related defaults, if material;
- 3. Unscheduled draws on debt service reserves reflecting financial difficulties;
- 4. Unscheduled draws on credit enhancements reflecting financial difficulties;
- 5. Substitution of credit or liquidity providers or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

7. Modifications to the rights of security holders, if material;

8. Bond calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution or sale of property securing repayment of the Securities, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the obligated person; (note: for the purposes of the event identified in this paragraph 12, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person);

13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

15. Incurrence of a financial obligation of the obligated person if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material. For the purposes of this paragraph 15 and paragraph 16 below, “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii); the term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule;

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

The Issuer may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if, in the judgment of the Issuer, such other event is material with respect to the Securities, but the Issuer does not undertake any commitment to provide such notice of any event except those events listed above.

Section 6. Failure to File Annual Financial Information. The Issuer agrees to provide or cause to be provided, in a timely manner, to the MSRB, notice of a failure by the Issuer to provide the annual financial information described in Section 3 of this Certificate on or prior to the time set forth in Section 4 of this Certificate.

Section 7. Termination. The Issuer's obligation under this Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Securities. This Certificate, or any provision of this Certificate, shall be null and void if the Issuer (a) obtains an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require this Certificate, or any provision of this Certificate, are invalid, have been repealed retroactively or otherwise do not apply to the Securities; and (b) notifies the MSRB of such opinion and the termination of its obligations under this Certificate.

Section 8. Amendment. Notwithstanding any other provision of this Certificate, the Issuer may amend this Certificate under the following conditions:

A. If the amendment relates to the provisions of Sections 3 or 5 of this Certificate, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Issuer, or type of business conducted; and,

B. If this Certificate, as amended, would, have complied with the requirements of the Rule at the time of the original issuance of the Securities, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

C. The amendment does not materially impair the interest of the Bondowners as determined either by parties unaffiliated with the Issuer (such as nationally recognized bond counsel) or by approving vote of the Bondowners pursuant to the terms of the governing instrument for the Securities as it is in effect at the time of the amendment.

In the event of any amendment of a provision of this Certificate, the Issuer shall describe such amendment in its next annual filing pursuant to Section 3 of this Certificate, and shall include, as applicable, a narrative explanation of the reason for the amendment and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of the amendment shall be given in the same manner as for a material event under Section 5 of this Certificate, and (ii) the annual filing pursuant to Section 3 of this Certificate for the first fiscal year that is affected by the change in accounting principles should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Bondowner's Remedies Under This Certificate. Bondowners may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Certificate. A default under this Certificate shall not be deemed a default or an event of default under the documents authorizing issuance of the Securities, and no monetary damages shall arise or be payable hereunder, and the sole remedy under this Certificate in the event of any failure of the Issuer to comply with this Certificate shall be an action to compel performance.

Section 10. Form of Information. All information required to be provided under this certificate will be provided in an electronic format as prescribed by the MSRB.

Section 11. Submitting Information Through EMMA. So long as the MSRB continues to approve the use of EMMA, any information required to be provided to the MSRB under this Certificate may be provided through EMMA. As of the date of this Certificate, the web portal for EMMA is emma.msrb.org.

Section 12. Dissemination Agent. The Issuer may, from time to time, engage or appoint an agent to assist the Issuer in disseminating information hereunder (the "Dissemination Agent"). The Issuer may discharge any Dissemination Agent with or without appointing a successor Dissemination Agent.

Section 13. Choice of Law. This Certificate shall be governed by and construed in accordance with the laws of the State of Oregon, provided that to the extent this Certificate addresses matters of federal securities laws, including the Rule, this Certificate shall be construed in accordance with such federal securities laws and official interpretations thereof.

Dated as of the ____ day of _____ 2025.

**Administrative School District No. 1 (Bend-La Pine)
Deschutes County, Oregon**

Authorized Officer

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Appendix E

State of Oregon Master Disclosure Certificate

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MASTER DISCLOSURE CERTIFICATE

This Master Disclosure Certificate (the "Certificate"), dated December 29, 2023, is executed, and delivered by the State of Oregon, acting by and through its State Treasurer (the "State") in connection with implementation of the Oregon School Bond Guaranty Act (the "Act") by which the timely payment of principal and interest on certain General Obligation Bonds (the "Guaranteed Bonds") issued from time to time by Oregon school districts is guaranteed by the State pursuant to the provisions of the Act (the "Oregon School Bond Guaranty Program").

Section 1. Purpose of Certificate. This Certificate is being executed and delivered by the State for the benefit of registered and beneficial holders of Guaranteed Bonds and to assist Underwriters of such Guaranteed Bonds in complying with paragraph (b)(5) of Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. § 240.15c2-12), as amended (the "Rule").

Section 2. Annual Comprehensive Financial Report. The State hereby agrees to provide or cause to be provided at least annually to the Municipal Securities Rulemaking Board (the "MSRB") through its EMMA ("Electronic Municipal Market Access") site, the Annual Comprehensive Financial Report (the "ACFR") of the State of Oregon for the prior fiscal year. The ACFR will be available no later than 9 months after the end of the State's fiscal year (presently June 30). The ACFR will include audited financial statements of the State prepared in accordance with generally accepted accounting principles as established by the Government Accounting Standards Board as in effect from time to time; provided, however, that if the ACFR is not available within 9 months after the end of the preceding fiscal year, unaudited financial statements will be provided with audited financial statements to follow when available. The ACFR may be provided by way of cross-reference to other documents previously provided to the MSRB. If the cross-referenced document is a final official statement within the meaning of the Rule, it shall be available from the MSRB EMMA site.

Section 3. Material Events. Subject to limitations of Section 8 below, the State agrees to provide or cause to be provided, in a timely manner, to the MSRB, within ten business days after the occurrence of the event, notice of the occurrence of the following events but only with respect to its guaranty of any Guaranteed Bonds:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determination of taxability, Notices of Proposed Issue (IRS Form 5701-

TEB) or other material notices or determinations with respect to the tax-exempt status of the Guaranteed Bonds, or any other material events affecting the tax status of the Guaranteed Bonds;

- (7) modifications to rights of holders of the Guaranteed Bonds, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Guaranteed Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or other similar event of the State; (Note: For the purposes of the event identified in this paragraph 12, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.);
- (13) the consummation of a merger, consolidation, or acquisition involving the State or the sale of all or substantially all of the assets of the State, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material and;
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (15) incurrence of a financial obligation of the State, if material, or agreement to covenants, events of defaults, remedies, priority rights, or other similar terms of financial obligation of the State, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the State, any of which reflect financial difficulties.

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

The State intends the words used in the immediately preceding paragraphs (15) and (16) and the definition of Financial Obligation in this Section to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

Notice of events listed in (8) and (9) above need not be given any earlier than notice of the underlying event, if any, is required to be given to registered or beneficial owners of affected Guaranteed Bonds. The State may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if, in the judgment of the State, such other event is material with respect to the Guaranteed Bonds, but the State does not undertake any commitment to provide such notice of any event except those events listed above.

Section 4. Failure to File ACFR. The State agrees to provide or cause to be provided, in a timely manner to the MSRB notice of a failure by the State to provide the ACFR on or prior to the time set forth in Section 2.

Section 5. Dissemination Agent. The State may, from time to time, engage or appoint an agent to assist the State in disseminating information hereunder (the "Dissemination Agent"). The State may discharge any Dissemination Agent with or without appointing a successor Dissemination Agent.

Section 6. Termination of Obligations. Pursuant to paragraph (b)(5)(iii) of the Rule, the State's obligation to provide annual financial information and notice of material events, as set forth above, shall terminate if and when the State no longer remains an obligated person with respect to the Guaranteed Bonds which shall occur upon either redemption in full of the Guaranteed Bonds, or legal defeasance of the Guaranteed Bonds. In addition, and notwithstanding the provisions of Section 9 below, the State may rescind its obligations under this Master Disclosure Certificate, in whole or in part, if those portions of the Rule that required the execution and delivery of this Master Disclosure Certificate are repealed or are declared invalid by a court of competent jurisdiction.

Section 7. Enforceability and Remedies. The State agrees that this Master Disclosure Certificate is intended to be for the benefit of registered and beneficial holders of the Guaranteed Bonds and shall be enforceable by or on behalf of any such holder; provided that, the right of any holder to challenge the adequacy of the information furnished hereunder shall be limited to an action by or on behalf of holders representing at least twenty-five percent (25%) of the aggregate outstanding principal amount of Guaranteed Bonds. Any failure by the State to comply with the provisions of this undertaking shall not be a default under the Act or under the documents pursuant to which any Guaranteed Bonds are issued. This Master Disclosure Certificate confers

no rights on any person or entity other than the State, holders of the Guaranteed Bonds, and any Dissemination Agent.

Section 8. Limitation on Scope of Undertaking. Notwithstanding anything expressed or implied to the contrary herein, the State makes no undertaking to provide financial information, operating data, or material events disclosure on behalf of or with respect to Oregon school districts participating in the Oregon School Bond Guaranty Program. Any such information will be provided according to the terms of separate continuing disclosure undertakings executed and delivered by such school districts. The State is not responsible for the adequacy, accuracy or timeliness of such information, and any failure by a school district to comply with its undertaking shall not constitute a breach by the State under this Master Disclosure Certificate. The State shall provide only the ACFR and material events disclosure relating to the State's guaranty of Guaranteed Bonds.

Section 9. Amendment. Notwithstanding any other provision of this Master Disclosure Certificate, the State may amend this Master Disclosure Certificate without the consent of holders of the Guaranteed Bonds under the following conditions:

- (1) The amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person or type of business conducted;
- (2) This Master Disclosure Certificate, as amended, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (3) The amendment does not materially impair the interest of holders of the Guaranteed Bonds, as determined either by parties unaffiliated with the State (such as nationally recognized bond counsel), or by approving vote of holders representing at least sixty percent (60%) of the aggregate outstanding principal amount of the Guaranteed Bonds.

The State shall provide to the MSRB, notice of any amendment which changes the accounting principles followed by the State in preparation of its annual financial information. The initial annual financial information after the amendment shall explain, in narrative form, the reasons for the amendment and the effect of the change in the type of operating data or financial information being provided.

Section 10. Choice of Law. This Master Disclosure Certificate shall be governed by and construed in accordance with the laws of the State of Oregon, provided that to the extent this Master Disclosure Certificate addresses matters of federal securities laws, including the Rule, this Master Disclosure Certificate shall be construed in accordance with such federal securities laws and official interpretations thereof.

STATE OF OREGON



By: _____
Jaime Alvarez, Director
Debt Management Division

Dated: December 29, 2023