

LANE EDUCATION SERVICE DISTRICT	BOARD MEETING
1200 Hwy 99 N	Tuesday, April 7, 2026
Eugene, Oregon 97402	Regular Meeting: 6:00 PM

5:00 PM Executive Session

6:00 PM Budget Overview

6:30 PM Regular Meeting

LANE ESD BOARD MEETING AGENDA

Tuesday, April 7, 2026

1. 6:00 PM Work Session: Budget Committee Orientation

The Budget Committee will attend an orientation for the 2025-26 Budget process.

Board of Directors

2026-27 Core & Flex Model 3-2-2026 8

Lane ESD 2025-2027 Local Service Plan - Year 2 9

Budget Committee Orientation Docs - 2025-26 21

2. 6:30 Call Regular Meeting To Order

Board Chair

3. Welcome

Guests attending the meeting will be introduced.

Board Chair

4. Lane Education Service District Statement of Accountability: Land Acknowledgment

Lane ESD acknowledges that the lands we call Lane County - the lands that sustain our children, our future, and our collective well-being - are the traditional ancestral home of the Kalapuya, Siuslaw, Molalla, and other indigenous people who have lived in Lane County since time immemorial. Native children, families, and communities bear witness to a legacy of displacement and forced relocation. As an educational institution we are accountable for addressing the current and former silencing, erasure and genocide of native people in Oregon and Turtle Island. We aim to join with indigenous people, honoring their resilience, courage, and self-determination in a purposeful pursuit of justice.

Board Member

5. Agenda Review

Since the agenda was posted, items titled "Consideration of Possible Action Following Executive Session" have been added to the agenda, items 8.D. and 8.E.

Board Chair

6. Public Participation

This is an opportunity for the audience to address the Board on topics either on, or not on, the agenda. There will also be opportunities for the audience to comment on specific agenda items as the Board addresses them.

Comments Regarding Staff Members - Speakers may offer objective criticism of ESD operations and programs. The Board will not hear comments regarding any individual ESD staff member. The Board chair will direct the visitor to the procedures in Board policy KL - Public Complaints for Board consideration of a complaints involving a staff member. The association contract governing the employee's rights will be followed. A commendation involving a staff member should be sent to the superintendent, who will forward it to the staff member, his/her supervisor and the Board.

The Board requests that a public comment add information or a perspective that has not already been mentioned previously, and that the patron refrains from repeating a similar point. To make a comment or present a topic during public comment, if the opportunity is available on the Board agenda, please complete the Intent to Speak card and submit it to the Board secretary prior to the start of the meeting. An individual that has submitted an Intent to Speak card and has been invited to speak by the Board chair, will be allowed three minutes.

Any person, who is invited by the Board chair to speak to the Board during a meeting, should state his/her name and address and, if speaking for an organization, the name of the organization. A spokesperson should be designated to represent a group with a common purpose.

Chair Harris

7. Presentation: Long Range Facilities Plan

Superintendent Scurto and consultants from Soderstrom Architects will present information on long-range facilities planning.

Superintendent Scurto and Soderstrom Architects

26-04-07 Lane ESD Board Presentation_r1

45

8. Action Items

Board Chair

A. Consent Agenda

The Lane ESD Board of Directors has agreed to implement a consent agenda. All items in the consent agenda are adopted by a single motion unless a member of the Board or the Superintendent requests that such item be removed from the consent agenda and acted upon separately.

Generally, consent agenda items are matters which members of the Board agree are routine in nature and should be acted upon in one motion to conserve time and to enable the Board to focus on the other matters on the agenda.

Back-up materials for consent agenda items are included in the agenda packet as needed. Minutes of this meeting will reflect action on each item.

If any board member wishes to withdraw any consent group item, it will be moved to the appropriate section of the agenda.

BE IT RESOLVED that the Board of Directors of Lane ESD adopts the consent group as submitted and listed below.

1. Lane ESD Board Meeting Minutes of March 3rd, 2026
2. Lane ESD Board Special Meeting Minutes of March 31st, 2026
3. Personnel Actions, dated April 1, 2026

Board Chair

Draft - LESD Regular Board Meeting Minutes - March, 3 2026	67
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Draft - LESD Board Special Meeting - Minutes - March 31 2026	75
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Consent Agenda - Personnel Actions April 2026.	78
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B. Accept Financial Report

BE IT RESOLVED that the Board of Directors of Lane ESD accepts the Financial Report for February 2026.

Board Chair

February 2026 Financial Report	79
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C. Accept Financial Audit for 2024-25

The Board of Directors will review and accept the Financial Audit for 2024-25.

Audit Committee Representatives

Lane Education Service District - Board Letter - 2025 83

Financial Report Memo - Fiscal Year Ended June 30, 2025 90

Lane Education Service District - Financial Statements - 2025 - Comp 93

D. Consideration of Possible Board Action Following Executive Session

Consideration of possible Board action related to the hearing held in executive session.

Chair Harris

E. Consideration of Possible Board Action Following Executive Session

Consideration of possible Board action related to the hearing held in executive session.

Chair Harris

F. Grant Proposal | Blind and Visually Impaired Student Fund (BVIS) for Story Boxes and Alphabet Bins

The purpose of this grant is to fund Lane ESD's vision of a "Beloved Community" by utilizing story boxes and alphabet bins to create an inclusive, exploratory environment where every child feels a sense of belonging. By providing high-quality, tactile literacy tools that are accessible to all learners regardless of their starting point, we are eliminating physical and cognitive barriers to engagement. Furthermore, we will intentionally select stories that mirror the lived experiences of marginalized students, fostering a justice-centered space where they see themselves represented and valued.

Suggested motion:

BE IT RESOLVED that the Board of Directors of Lane ESD approves the Story Boxes and Alphabet Bins grant proposal.

Superintendent Scurto

Grant Proposal_Lane BVIS__VI Team _ Story Boxes and Alphabet Bins 199

G. Grant Proposal | Blind and Visually Impaired Student Fund (BVIS) for Low Vision Devices

The purpose of this grant proposal to the Blind and Visually Impaired Student Fund is to fund Visio Desks and Visio Books for Lane ESD. Visio Desks and Books are portable electronic magnifiers, designed for students with low vision to help them access standard classroom materials.

Suggested motion:

BE IT RESOLVED that the Board of Directors of Lane ESD approves the Low Vision Device grant proposal to Blind and Visually Impaired Student Fund.

Superintendent Scurto

Grant Proposal_Lane BVIS__VI Team - Low Vision Devices

202

H. Grant Proposal | Blind and Visually Impaired Student Fund (BVIS) for Materials and Equipment

The purpose of this grant proposal to the Blind and Visually Impaired Student Fund for Materials and Equipment for Lane County students. Funding being sought is to purchase white canes, low vision magnification devices, visual development kits, and materials to construct dark rooms for vision work.

Suggested motion:

BE IT RESOLVED that the Board of Directors of Lane ESD approves the grant proposal to the Blind and Visually Impaired Student Fund for Materials and Equipment for Lane County students.

Superintendent Scurto

Grant Proposal - SpEd-Materials and Equipment for Students of Lane County with Visual Impairments.

205

I. Grant Proposal | Blind and Visually Impaired Student Fund (BVIS) Grants

The purpose of this grant proposal is to apply for BVIS grants for various visually impaired (VI) student needs that would have previously been provided at the now closed Oregon School for the Blind. Staff will write various mini-grants for equipment (high and low tech), student events, and

community engagement.

Suggested motion:

BE IT RESOLVED that the Board of Directors of Lane ESD approves the grant proposal to apply for BVIS grants.

Superintendent Scurto

Grant Proposal_Lane BVIS__MiniGrants

208

9. Discussion/Reports

A. Legislative Update

Superintendent Scurto will provide an update in legislative activities if there are any updates.

Superintendent Tony Scurto

B. Superintendent Report

Superintendent Tony Scurto

10. Information from Administrative Staff

The Directors of Human Resources, School Improvement, Special Education, and Technology have submitted written reports to the Board on matters of interest concerning their area of responsibility.

Administrative Staff

HR Board Report - April 2026.

211

SI - Board Update - 04_07_26

213

April 2026, IT Board Report

214

11. Board Member Reports and Comments/Agenda Planning

Lane ESD Board, Liaisons, Advisors

A. Agenda Planning

Board members are invited to send agenda items to be considered for the next board meeting. Please call or email to the Board Chair or Superintendent.

Board Chair

B. Board Member Reports

Board members are asked to submit their reports in writing to be attached to Boardbook. Reports can be sent to the Executive Assistant in advance of the meeting.

Board, Advisors, Liaisons

12. Announcements/Correspondence

Board Chair

A. Announcements

Board Chair

1. **Lane ESD Board Member Activities and Opportunities**

13. Adjournment

- The next regular meeting is scheduled to be held Tuesday, May 5th, at the Lane ESD Main Campus, 1200 Highway 99 N, Eugene.

Chair Harris

Lane Education Service District
2026-27 Core and Flex Fund Model
 March 2, 2026

	2024-25			2025-26			2026-27								
	ODE ESD Estimate Dated 4/29/2025			ODE ESD Estimate Dated 3/3/2026			ODE Estimate Dated 3/2/2026								
Resolution Funds Available															
Total State School Funds		\$25,528,800		\$26,929,900		\$27,924,300									
Designated for Districts		x 90%		x 90%		x 90%									
Net Funds Available		\$22,975,900		\$24,236,900		\$25,131,900									
Core Service Allocation															
Technology Services		\$ 1,314,200		\$ 1,500,000		\$ 1,540,000									
School Improvement		558,700		917,500 ¹		855,000 ¹									
Connected Lane County		76,300		80,000		80,000									
Innovation/Projects		165,000 ¹		12,750 ^{RS2}		12,750 ^{RS2}									
Promise Programs		135,000		90,000		90,000									
High Cost Pool		100,000		100,000		100,000									
Lane Career Academy		-		375,000		360,000									
Total Core Services		\$ 2,349,200 10.2%		\$ 3,075,250 12.7%		\$ 3,037,750 12.1%									
Flex Dollar Allocation															
			PD Funds												
Bethel	\$ 2,409,100	11.79%	\$ 23,800	\$ 2,513,900	11.88%	\$ 2,650,100	11.99%								
Blachly	200,600	0.98%	2,000	217,400	1.03%	209,400	0.95%								
Creswell	526,400	2.58%	5,000	546,400	2.58%	584,300	2.64%								
Crow-Applegate-Lorane	173,600	0.85%	1,900	179,600	0.85%	216,300	0.98%								
Eugene	7,447,200	36.46%	73,700	7,669,850	36.24%	8,021,850	36.31%								
Fern Ridge	673,800	3.30%	6,400	708,100	3.35%	736,200	3.33%								
Junction City	758,000	3.71%	7,400	766,300	3.62%	809,700	3.66%								
Lowell	501,500	2.46%	4,900	528,700	2.50%	488,200	2.21%								
Mapleton	117,100	0.57%	1,200	114,600	0.54%	123,200	0.56%								
Marcola	444,200	2.17%	4,300	482,900	2.28%	527,800	2.39%								
McKenzie	137,400	0.67%	1,300	147,800	0.70%	156,300	0.71%								
Oakridge	263,400	1.29%	2,600	279,800	1.32%	292,700	1.32%								
Pleasant Hill	455,400	2.23%	4,600	466,500	2.20%	504,300	2.28%								
Siuslaw	553,000	2.71%	5,400	578,200	2.73%	602,300	2.73%								
South Lane	1,304,600	6.39%	13,100	1,413,000	6.68%	1,460,800	6.61%								
Springfield	4,459,400	21.83%	44,400	4,548,600	21.49%	4,710,700	21.32%								
Total Flex Dollar Allocation	\$20,424,700	100.00%	\$202,000 89.8%	\$21,161,650	100.00% 87.3%	\$22,094,150	100.00% 87.9%								
Total Core, Flex & PD Funds				\$22,975,900				\$24,236,900				\$25,131,900			



2025-2027 (Year Two)

Local Service Plan

Our shared commitment to equity, empowerment, and collaboration in education.

About Lane Education Service District

Lane Education Service District (ESD) provides services to sixteen component districts in Lane County. Our purpose is to **SERVE** our communities!

Support - Provide comprehensive services in technology, school improvement, special education, and administrative services that support our component districts' missions to achieve equitable outcomes for all students.

Empower - Empower educators, students, and communities by offering professional development and innovative programs to enhance culturally responsive-sustaining learning experiences.

Resource - Deliver fiscally sound services that support equitable allocation for students countywide.

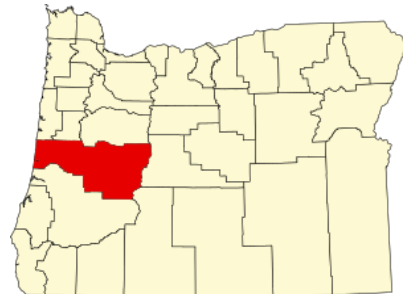
Vision - Cultivate a clear vision for educational excellence and equity, guiding strategic planning, and fostering a shared mission among Lane County's invested communities.

Engage - Promote engagement and collaboration among educators, families, and community partners to create a supportive educational environment that promotes justice-centered engagement for all invested communities.

Component School Districts

Bethel
Blachly
Creswell
Crow-Applegate-Lorane
Eugene
Fern Ridge
Junction City
Lowell

Mapleton
Marcola
McKenzie
Oakridge
Pleasant Hill
Siuslaw
South Lane
Springfield



Purpose of the Local Service Plan

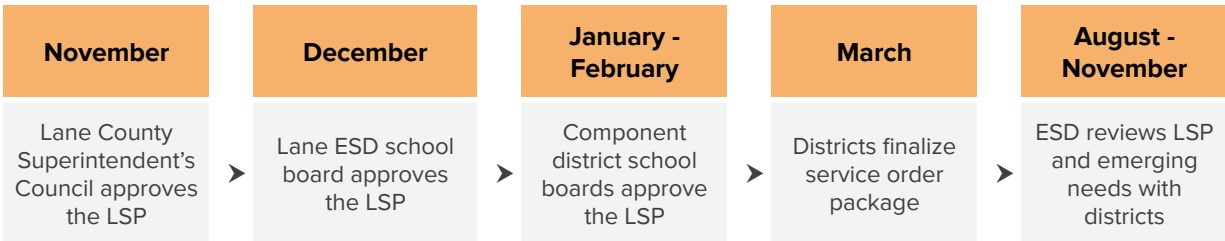
The Local Service Plan is a foundational document for Lane ESD and our component school districts, designed to outline the range of services and programs offered to support district needs. Its primary purpose is to define the services available and clarify how resources, staffing, and funding will be allocated to support districts effectively. With this document, districts can make informed decisions about which services best align with their unique needs and goals, selecting from available services each year.

Additionally, the Local Service Plan plays an essential role in promoting equity and access by ensuring that all districts—regardless of their size or individual resources—have the opportunity to access crucial educational services, especially in areas where Lane County’s smaller districts may struggle to provide these independently. The plan also promotes accountability and transparency, clearly documenting the services to be delivered and setting mutual expectations for the ESD and our component districts. This transparency enables stakeholders to assess service outcomes and effectiveness.

Recommended Use of the Local Service Plan

The district may:

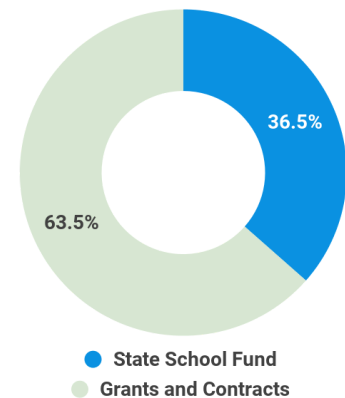
- familiarize itself with funding structures and services in the Local Service Plan.
- assess their needs and priorities to meet their goals and mission.
- determine which ESD services could provide valuable support or enhancement.
- submit its service order package to the ESD by March 31st, 2026.
- review the document throughout the year to determine if additional services are needed.



How Services are Funded

State School Fund resources are provided to ESDs to offer services for children with special needs, technology, school improvement, and administrative support to component school districts as described in the Local Service Plan. Pursuant to ORS 327.019, 90% of these resources are allocated to component school districts based on weighted student population (ADMw). Of the amount allocated to districts, approximately 12% goes directly to services available to all districts (Core Services), while approximately 88% is allocated as flex funds, which can be used to purchase services through the local service plan menu (Menu Services or Custom Services).

Local Service Plan Resources



Core Services provide stability and flexibility in meeting student needs where the level of support may vary from district to district and year to year; this commitment supports the equitable distribution of resources for students county-wide and basic operational needs.

Menu Services are optional for districts to choose from using their allocated Flex funds and individual district budgets.

Custom Services can be requested by an individual district or group of districts based on a specific need. These services may include staffing or the provision of services.

Grants and Contracts support specialized, innovative, and often temporary programs or services with qualifying conditions at no cost to districts. The ESD intentionally applies for grants that extend the services of the four component areas provided through the State School Fund to support the educational mission of the county.

State and Federal Contracts are in place to ensure that the ESD supports school districts in implementing state and federal educational policies and programs, complies with mandates, and provides specialized services.

Grants are targeted funds that the ESD has identified and applied for to support specific educational programs and initiatives for the component districts.

Core Services

Core services are available to all component districts at no cost and represent approximately 12% of the local service plan allocations to districts.

SERVICE AREA	SERVICE	DESCRIPTION
Programs for Children with Special Needs	Life Skills High-Cost Pool	Provides funds to districts with an overrepresentation of Life Skills students (including districts that do not participate in the ESD Life Skills consortium).
Technology Support	Network Services	Provide high-speed internet access, CIPA-compliant internet filtering, 24-7 internet connectivity monitoring, and utilization reporting with reliability and equitable access as the focus areas.
	Professional Development	Organize regional professional development opportunities and support local partnerships, including an internship program.
	Technology Leadership	Facilitate opportunities for regional technology leaders to provide problem-solving collaboration, job-alike groups, state and regional initiatives, consortium purchases, lifecycle plan assistance, and director mentoring and coaching.
	Grant Support	Assistance in the writing, coordination, and implementation of county-wide grant activities
	Cybersecurity	Assist with developing and maintaining incident response plans, cybersecurity handbooks, insurance compliance, vulnerability scanning and reports.
School Improvement Services	Curriculum and Instruction*	General education curriculum and instructional services include professional development, coaching, and consultation to assist districts in curriculum adoption, instruction, and assessment. Lane ESD has content specialists in Health, Social Studies/Ethnic Studies, English Language Arts, Math, Science, Career Connected Learning, and Project Based Learning.
	Curriculum Leaders*	This network meets monthly during the school year and comprises district and building administrators from all 16 component districts. Experts on topics of interest give presentations, the work of component districts is featured, resources are shared, and leaders can network with job-alikes across districts.

	Promise Programs	The Lane Regional Promise supports teachers in obtaining College Now endorsements to offer college credit for courses taken in high school.
	Lane Career Academy	The Lane Career Academy collaboration provides Lane County students with technical education to access high-wage, high-demand jobs. Current programming includes HOPE Factory (construction/manufacturing); future programming to include Emergency Medical Services (EMS) and Behavioral Health.
Administrative and Support Services	Home School	Home Schooling is a mandated service in which Lane ESD is responsible for accepting notifications from parents or guardians who intend to educate their children at home. Lane ESD is a primary information source for parents, students, schools, and districts. The ESD is also responsible for monitoring compliance with homeschool notification requirements, monitoring academic progress requirements, and providing detailed reports to districts.
	Attendance and Truancy Services*	Attendance and truancy support assist component school districts in meeting legal requirements regarding mandatory school attendance. This is a state-mandated service for districts with less than 1,000 students.
	Connected Lane County	A contribution to Connected Lane County supports the collaborative work between districts, industry partners, workgroups, and community organizations to create opportunities and prepare underserved youth for their lives beyond high school.
	Oregon Licensed Contract Dashboard	Subscriptions to RS2's interactive Oregon Licensed Contract Dashboard provide access to licensed salary, benefits, insurance contributions and work schedules with the ability to create custom comparison groups.

* Services provided to support districts in making progress toward the goals of the Student Success Act (see page 11).

Menu Services

Menu services are available for individual districts to purchase as needed using flex funds or other district resources.

SERVICE AREA	SERVICE	DESCRIPTION
Programs for Children with Special Needs	Life Skills Consortium Placements	The Life Skills Education Program serves students with moderate, severe, and profound disabilities. Kindergarten through grade 12 classrooms are located in several elementary, middle, and high schools throughout Lane County. Students ages 18-21 are served in the Transitions Program. The Intensive Services Program (ISP) serves students whose support needs require environmental modifications that may not be feasible on a general education campus.
	Lane School Placements	Lane School is a structured behavior and academic program for kindergarten through grade eight students who experience significant behavioral, social, and educational difficulties.
	Behavior Disorder Consultants	Behavior Disorder Consultants provide in-service training and consultation to districts for behavior and classroom management and strategies for working with students identified as having emotional and behavioral disabilities.
	School Psychologists	School Psychologists provide assessments to assist districts in determining student eligibility for special education, coordination assistance, and consultation with district staff, parents, and other professionals.
	Speech Language Pathologists	Speech Language Pathologists (SLPs) support districts in assessing and providing Individualized Education Plan (IEP) related services to students with communication disorders, including articulation, cognition, language, literacy, social skills, fluency, voice, and hearing. SLPs also support Safe Eating Teams, helping establish and train protocols and guidelines for safe eating at school.
	Augmentative Communication	Augmentative Communication services include evaluation, IEP support, programming equipment, and consultation with classroom teachers and specialists.

	Direction Service	Direction Service provides information and referral services to parents and districts regarding specialized services for families of students with disabilities. Direction Service also acts as a mediator between districts and parents of children with disabilities and focuses on collaborative dispute resolution.
	Sign Language Interpretation Services	Sign Language Interpreters facilitate communication for Deaf or Hard of Hearing (DHH) students during school hours and for school-related activities. Interpreters may also act as a resource or provide training to staff and students. Interpreters may also offer services to provide ADA accommodations for school staff and families.
	MLK Jr. Education Center	The Martin Luther King, Jr. Education Center is a partnership between Lane ESD and the Lane County Department of Youth Services, providing an educational program for students with an active case with the Department of Juvenile Justice.
	Nursing Services	School Nurses provide services for students with medical conditions that may interfere with their ability to participate in their educational program. School Nurses develop Health Management Protocols, which outline specific supports needed for each student, train staff to recognize and respond to students' medical needs, and delegate medication administration and health protocols.
Technology Support	Application Hosting and Management	Cloud and on-prem solutions, e.g. video streaming services, backup solutions, help desk solutions, cloud solutions and applications, and technology inventory solutions.
School Improvement Services	Career and Technical Education	Career and Technical Education (CTE) staff provide leadership and services to districts so that students can enhance their 21st-century technical skills, career exploration, and successful transition to work or extended schooling.
	Library Services	Library services support districts in meeting Division 22 library and media services standards. Professional development, coaching, and consultation are provided for districts that elect this service.
Administrative and Support Services	Substitute Teacher List Subscription	Lane ESD maintains a list of approved substitute teachers and provides support with registration, training, and orientation to applicants.
	Courier Services	Lane ESD's courier services provide an efficient and secure method of moving materials between the ESD, districts, and other public agencies.

Grants and Contracts

Through support from grants and contracts, Lane ESD provides certain value-added services at no cost to districts. Programs and descriptions that are underlined have been identified by the state for potential cuts in 2026 - 2027.

SERVICE AREA	PROGRAM	DESCRIPTION
Programs for Children with Special Needs	Early Intervention / Early Childhood Special Ed	Contracted service with the University of Oregon Early Childhood CARES. Grant provides EI (birth-3) and ECSE (3-5) education services to all Lane County resident families with children with qualifying special education eligibility.
	Lane Regional Inclusive Services	LESD Regional Inclusive Services works in collaboration with Local School Districts, Early Intervention, Early Childhood Special Education (EI/ECSE) programs, Families, and Community Agencies to provide specialized educational support for children with low incidence disability eligibility, including Autism Spectrum Disorder (ASD), Orthopedic Impairments (OI), Traumatic Brain Injury (TBI), Visual Impairments (VI), Deaf/Hard of Hearing (DHH), and DeafBlind (DB). This grant also supports audiology referrals and a Hearing Assistive Technology Equipment Lending Library.
	State Hospital	The Oregon State Hospital Education Program offers opportunities for 18 to 21-year-olds to continue their education while in the hospital setting.
	Juvenile Detention Education Program	The Juvenile Detention Education Program (JDEP), funded by the Oregon Department of Education, provides educational and re-entry transitional services to students housed overnight in county juvenile detention facilities.
	Regional Technical Assistance Program	Lane ESD provides local-level options for professional development and technical assistance within the general supervision areas (special education and federal title programs).

**School
Improvement
Services**

**Western
Regional
Education
Network**

The Western Regional Educator Network (WREN) encompasses the 28 school districts in Lane ESD and Linn-Benton-Lincoln ESD. It is an educator-led, improvement-focused network that elevates teachers' voices, emphasizes the Lane ESD Equity Lens to interrupt historical patterns of inequities, and supports educators in creating more inclusive and empowering school cultures. Professional development, coaching, and consultation are provided.

**Teacher
Pathways***

This Grow Your Own (GYO) grant funded program works to diversify the K-12 education workforce in Lane County by recruitment, selection, clinical practice, hiring placement, and induction support for pre-service teachers centered on building culturally responsive affinity groups.

**Social Emotional
Learning***

Professional development, coaching, and consultation are provided to component districts to meet their goals of authentic implementation of Oregon's Transformation Social Emotional Learning (TSEL) standards,

**School Safety
and Prevention***

Technical expertise, training, and system development is provided to districts in responding to threats of violence and suicide. Our SSPS is the lead responder and coordinator of the Tragedy Response Team.

Student Voice*

Professional development, coaching, and consultation are provided to implement ongoing student voice and engagement for district/school strategic planning and continuous improvement.

**LGBTQ2SIA+
Student Success**

This grant funds technical assistance, professional development, curriculum development, and resources, to ensure focal LGBTQ2SIA+ students and their families are safe, feel a sense of belonging, and are supported to achieve at high levels across all Lane County districts.

**Latinx Student
Success**

This grant funds technical assistance, professional development, curriculum development, and resources to ensure focal LatinX Students are safe, feel a sense of belonging, and are supported to achieve at high levels across all Lane County districts.

**Native Youth
Wellness***

This grant funds the Native Youth Wellness program (NYW). NYW provides professional development on Tribal History/Shared History and TSEL, culture nights, student affinity groups, coaching on tribal education programs, equity, and culturally sustaining pedagogy.

**Advanced
Manufacturing &
Construction**

This grant supports a regional advisory committee and industry connections to strengthen the quality of CTE Programs of Study. This grant also sponsors the Construction Utility Career Day.

**Behavioral
Health Career**

This grant provides curriculum, training, and work-based experiences focused on mental and behavioral health pathways between districts

	Pathways	and industry partners via Lane Career Academy. Prioritizes rural and underserved communities.
	Team Oregon Build	Professional development and technical assistance is provided on hands-on construction projects. The project provides pathways for career development while addressing the urgent need for safe and sustainable housing.
	Healthcare Workforce Development	Coordinate scholarship and training support to remove cost barriers for students to participate in Behavioral Health and Emergency Services pathways within Lane Career Academy.
	<u>LaneSTEM*</u>	<u>Lane ESD supports Science, Technology, Engineering, and Math (STEM) education in partnership with LaneSTEM through workshops, school site consultation, classroom coaching, and grant partnerships.</u>
	Early Literacy*	Lane ESD supports district implementation of their Early Literacy plans by coordinating professional development via Oregon Department of Education contractors and community partners.
	Administrative Burden Reduction*	Technical assistance completing state and federal required reporting, grant applications, and data collections. The focus is primarily on small/rural districts, but Integrated Guidance technical assistance is provided for all component districts.
	21st Century Community Learning Centers*	Crow-Applegate-Lorane, McKenzie, Mapleton, and Siuslaw are in a consortium for the 21st Century Community Learning Centers (CCLC) grant. Lane ESD provides oversight and technical assistance on the completion of grant requirements.
	English Language Development*	English Language Development (ELD) services include technical assistance relating to curriculum, instruction, assessment, and educational learning platforms. Train general education teachers to learn how to integrate the English Language Proficiency (ELP) standards into their regular curriculum.
	Migrant Education	Lane ESD coordinates a regional Migrant Education Program (MEP) consortium serving Lane and Douglas counties, including 29 school districts. MEP provides supplemental instruction, community outreach, and parent involvement for eligible MEP students, including summer school, graduation, and preschool services for students ages 3-21.
	EA/IA Professional Development*	Lane ESD contracts with Cultivate at the University of Oregon to provide professional development modules for Education / Instructional Assistants.



	Portrait of a Graduate*	Lane ESD contracts with Cosgrave and Swanson to consult rural districts on developing and implementing Portrait of a Graduate.
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** Services provided to support districts in making progress toward the goals of the Student Success Act (see page 11).*

Appendix - Links to Other Information

Student Success Act Comprehensive Support Plan

Lane ESD’s Student Success Act Comprehensive Support Plan is provided to assist districts with developing and implementing their Integrated Plans for the implementation of the Student Success Act. ***Services are detailed throughout this Local Service Plan and indicated with an (*).***

Lane ESD Budget and Financial Reports - Lane ESD’s annually adopted budgets and audit reports can be found on the Lane ESD website at <https://lesd.k12.or.us/administration/business-services>.

Lane ESD Equity Lens - Lane ESD's Vision, Mission, and Purpose are at the center of all decisions made within the agency in service of our county. We employ our Equity Lens and adapt our Equity Tools to meet the needs of the decision at hand by including multiple perspectives, determining the problem to be solved, evaluating potential positive and negative impacts on our students, families, and districts, examining resources available, and at all times orient ourselves toward justice centered engagement while operating in a fiscally responsible and responsive manner. See more at <https://lesd.k12.or.us/strategic-plan>.

Lane ESD Contact Information - For questions, please contact supt-office@lesd.k12.or.us

BUDGET COMMITTEE ORIENTATION

April 7, 2026



WELCOME

introductions

AGENDA

overview of local service plan
budget outlook and priorities
grants and contracts
next steps
questions

LOCAL SERVICE PLAN

development

- ◇ superintendents council
- ◇ district job-alike groups
- ◇ college, early childhood and community partners

[2025-27 \(Year Two\) Local Service Plan](#)

LOCAL SERVICE PLAN

framework

- ◇ two-year plan
- ◇ aligned with Oregon's K-12 biennium funding
- ◇ focus on services that support districts' goals
- ◇ review annually for service recommendations

[2025-27 \(Year Two\) Local Service Plan](#)

LOCAL SERVICE PLAN

2026-27 year two

- ◇ second year of biennium
- ◇ second year of two-year plan

[2025-27 \(Year Two\) Local Service Plan](#)

FUNDING MODEL

ORS 334.177

- ◇ at least **90%** of state school fund (SSF) formula revenue must be spent on services in local service plan
- ◇ remaining funds may be spent on administrative services

FUNDING MODEL

provides basis for allocation of resolution funds

- ◇ funding for **core services**
- ◇ allocation of **flex funds** to districts

[2026-27 Core & Flex Model as of 3/2/2026](#)

CORE SERVICES

essential services available to all districts

- ◇ technology services
- ◇ school improvement
- ◇ connected lane county
- ◇ promise programs
- ◇ life skills high-cost pool
- ◇ lane career academy

FLEX FUNDS

used for services outlined in local service plan

- ◊ funds are allocated to districts based on ADM
- ◊ up to **50%** may be received via “transit” (cash)

FLEX FUNDS

menu of services

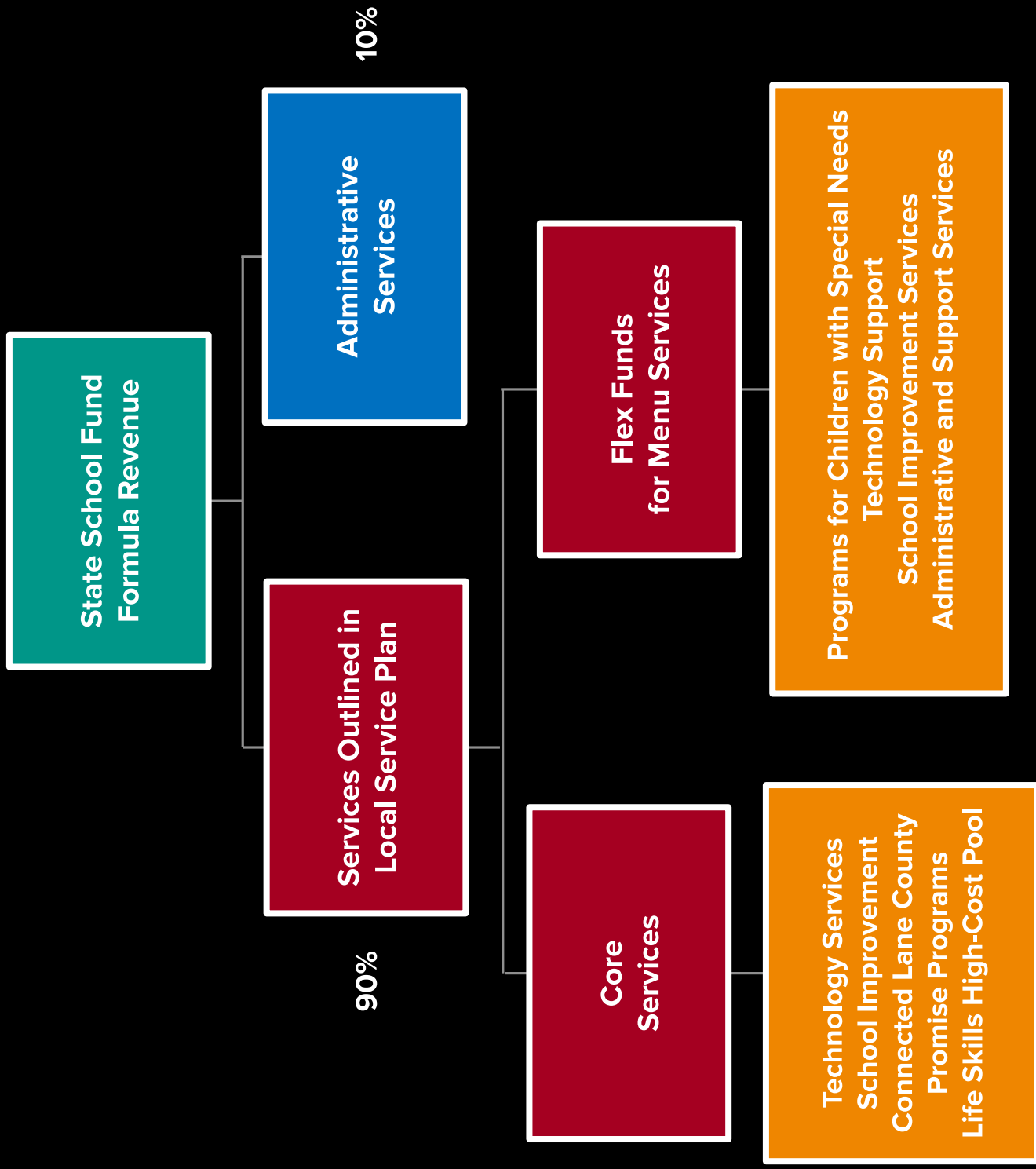
- ◇ programs for children with special needs
- ◇ technology support
- ◇ school improvement services
- ◇ administrative and support services

FLEX FUNDS

custom services

◊ developed based on specific needs

CORE AND FLEX FUND MODEL



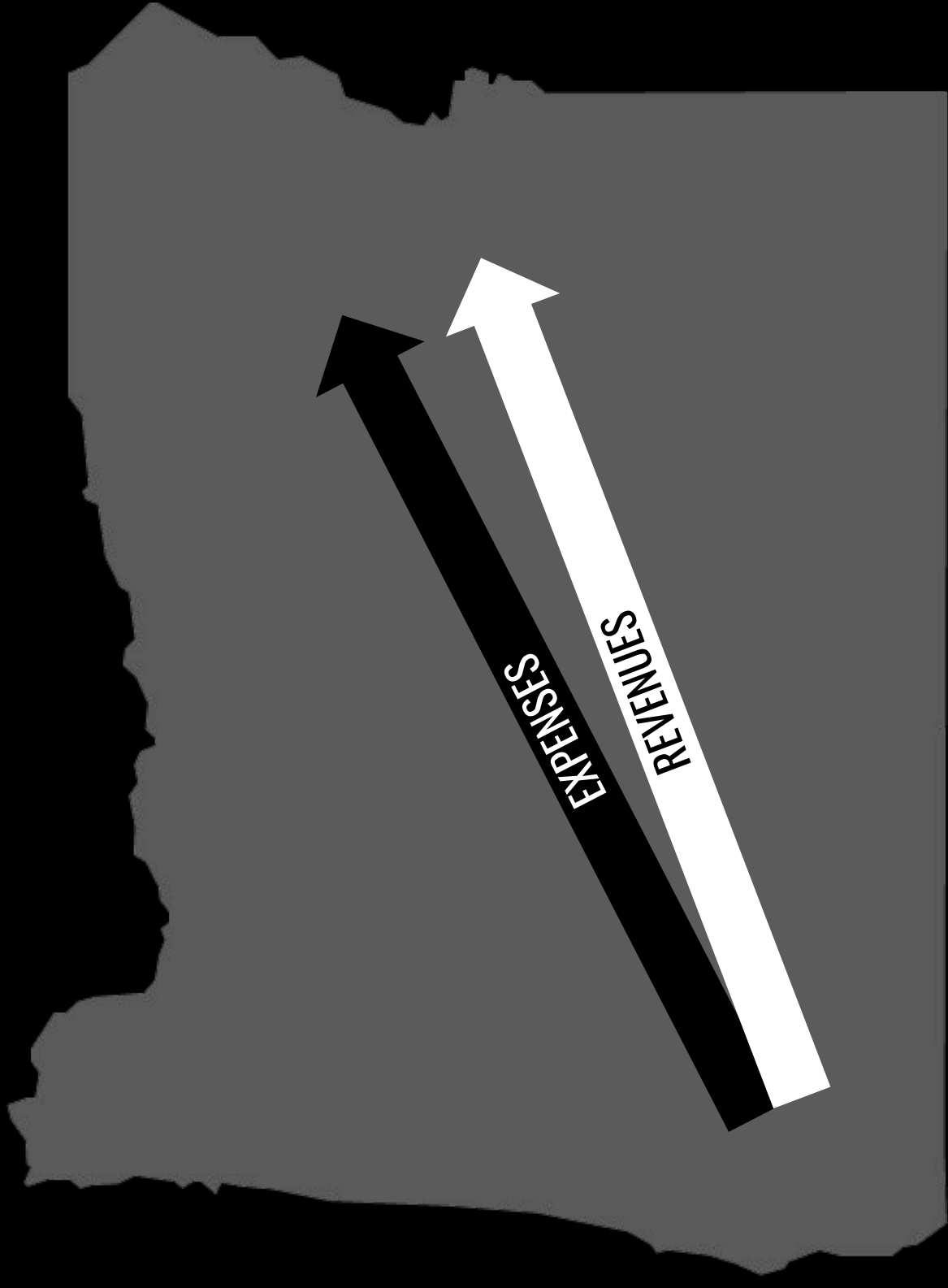
BUDGET OUTLOOK

state school fund formula revenue

federal funds

salaries and benefits

inflation



USE OF EQUITY LENS

support historically marginalized students
budget will reflect this commitment

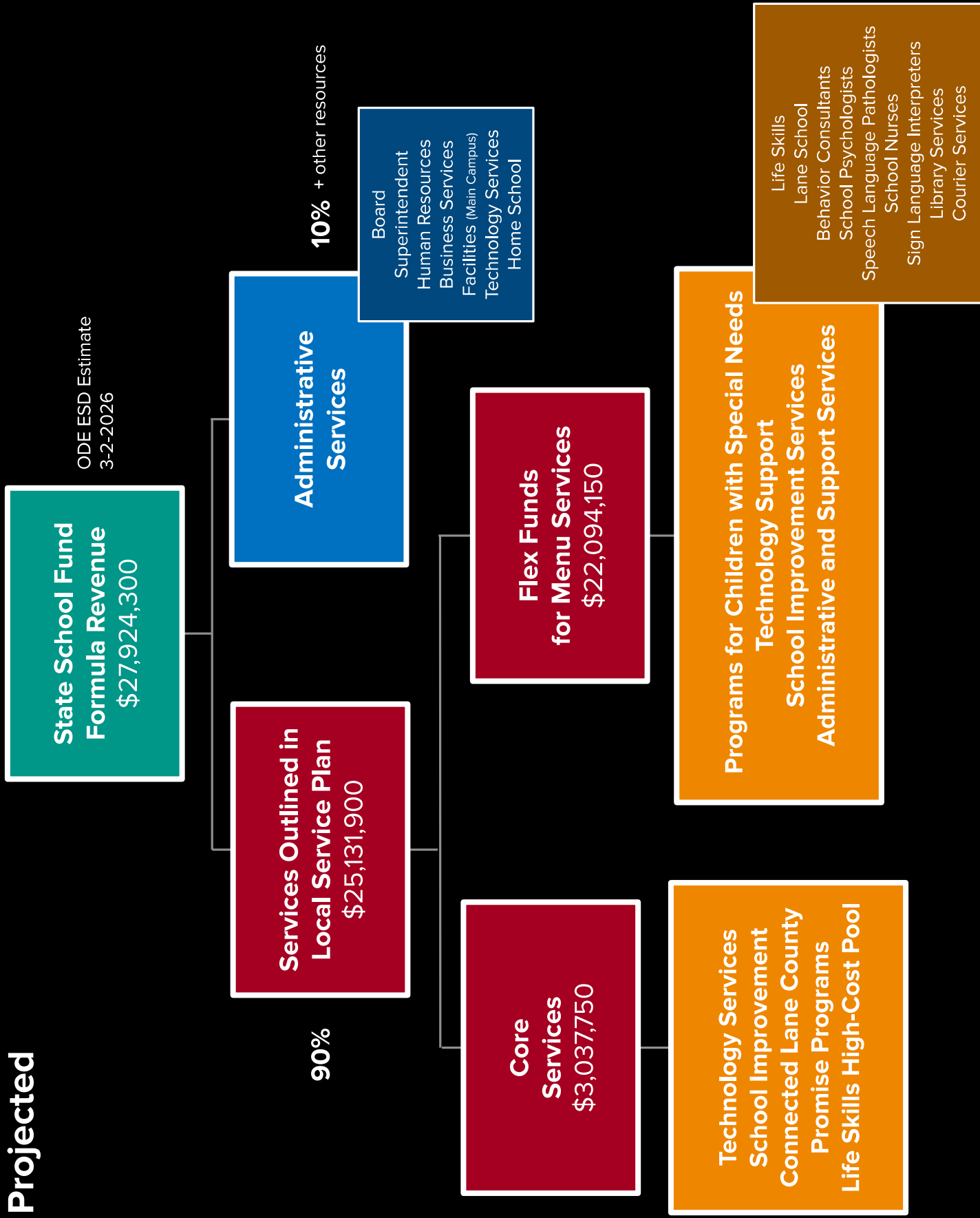


BUDGET PRIORITIES

improve student experience and well-being
consider positive/negative impact of changes
achieve desired reserves to ensure stability
seek input from invested communities
examine outputs to measure success

CORE AND FLEX FUND MODEL

2026-27 Projected



GRANTS

career and technical education

grow your own

sia technical assistance

school safety and prevention system specialist

regional educator network

regional STEM hub network



GRANTS

title I-C (migrant education program)

title III (english language acquisition)

title IV-B (21st century commmunity learning centers)
perkins (career and technical education)



CONTRACTS

early intervention/early childhood special education
regional inclusive services
juvenile detention education program
state hospital education program



NEXT STEPS

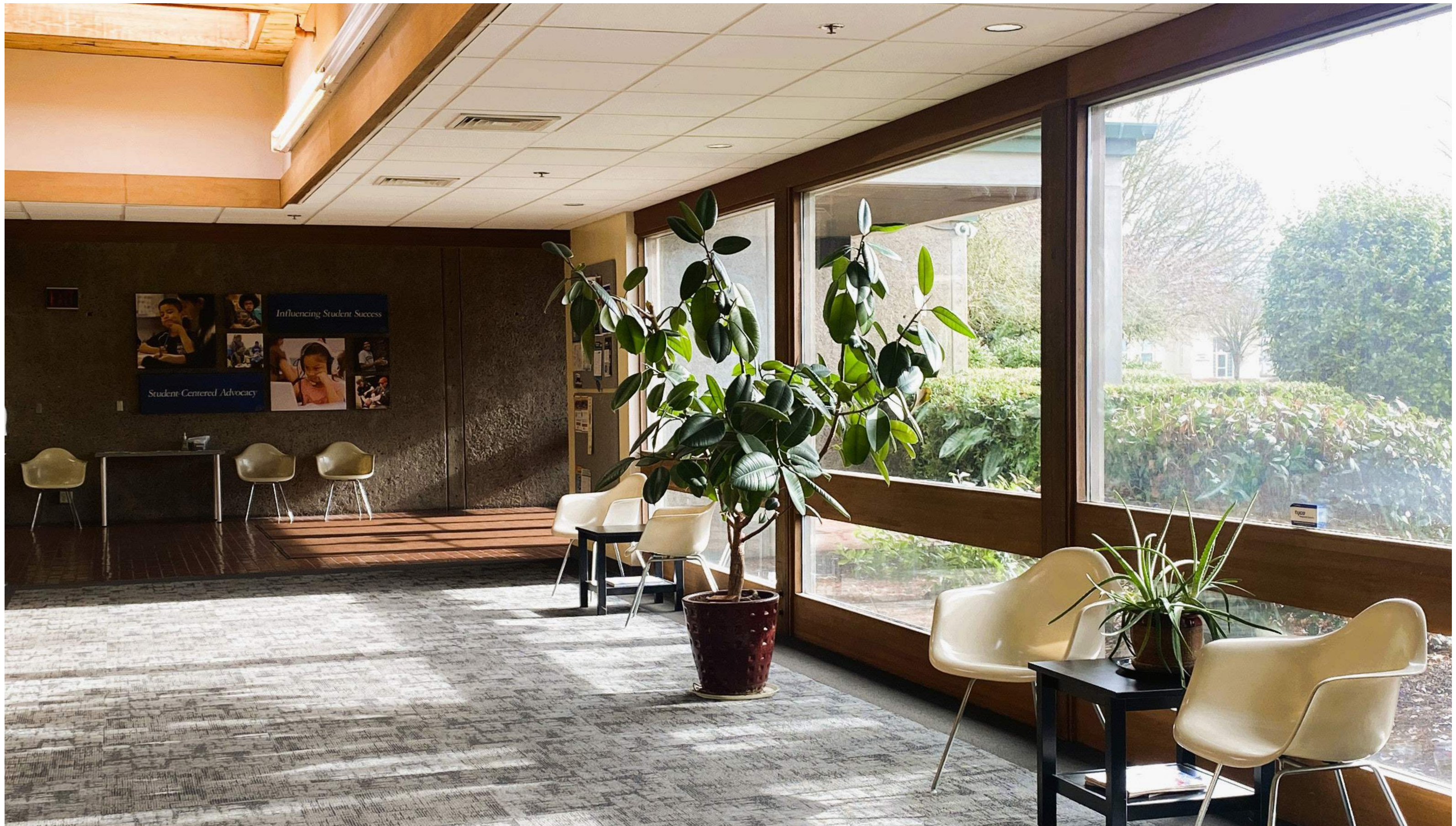
receive service orders from districts
align budget with service orders
adjust staffing as needed



NEXT MEETING

Tuesday, May 5, 2026, 5:00 pm

Receive Budget Message
Hear Public Comment
Discussion and Questions
Approve Budget



Goals of the Assessment and Planning Process

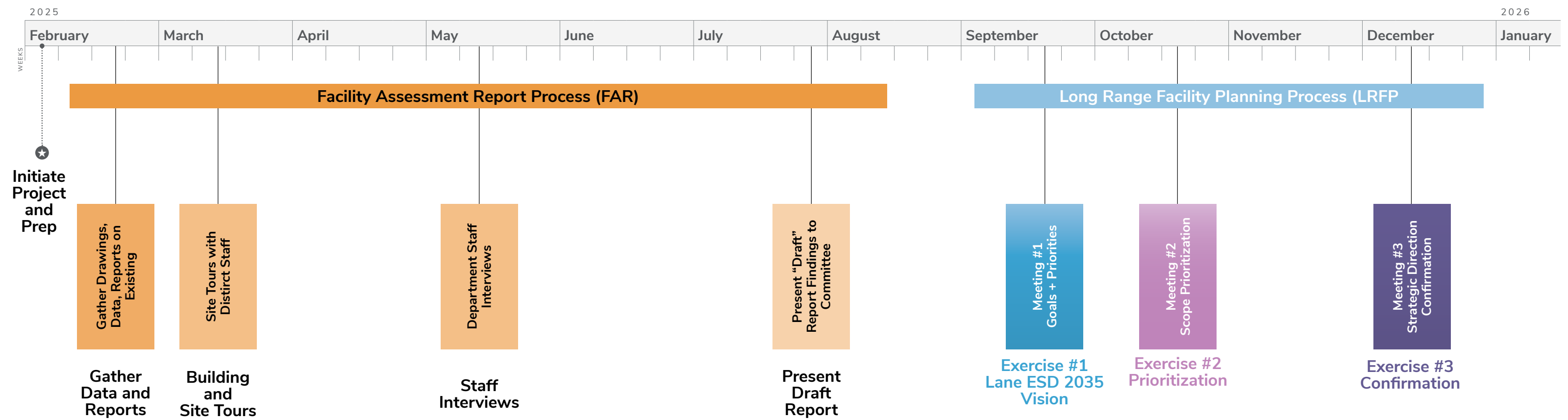
Provide up-to-date, statewide reports on facility conditions to ensure safe, healthy, and equitable environments.

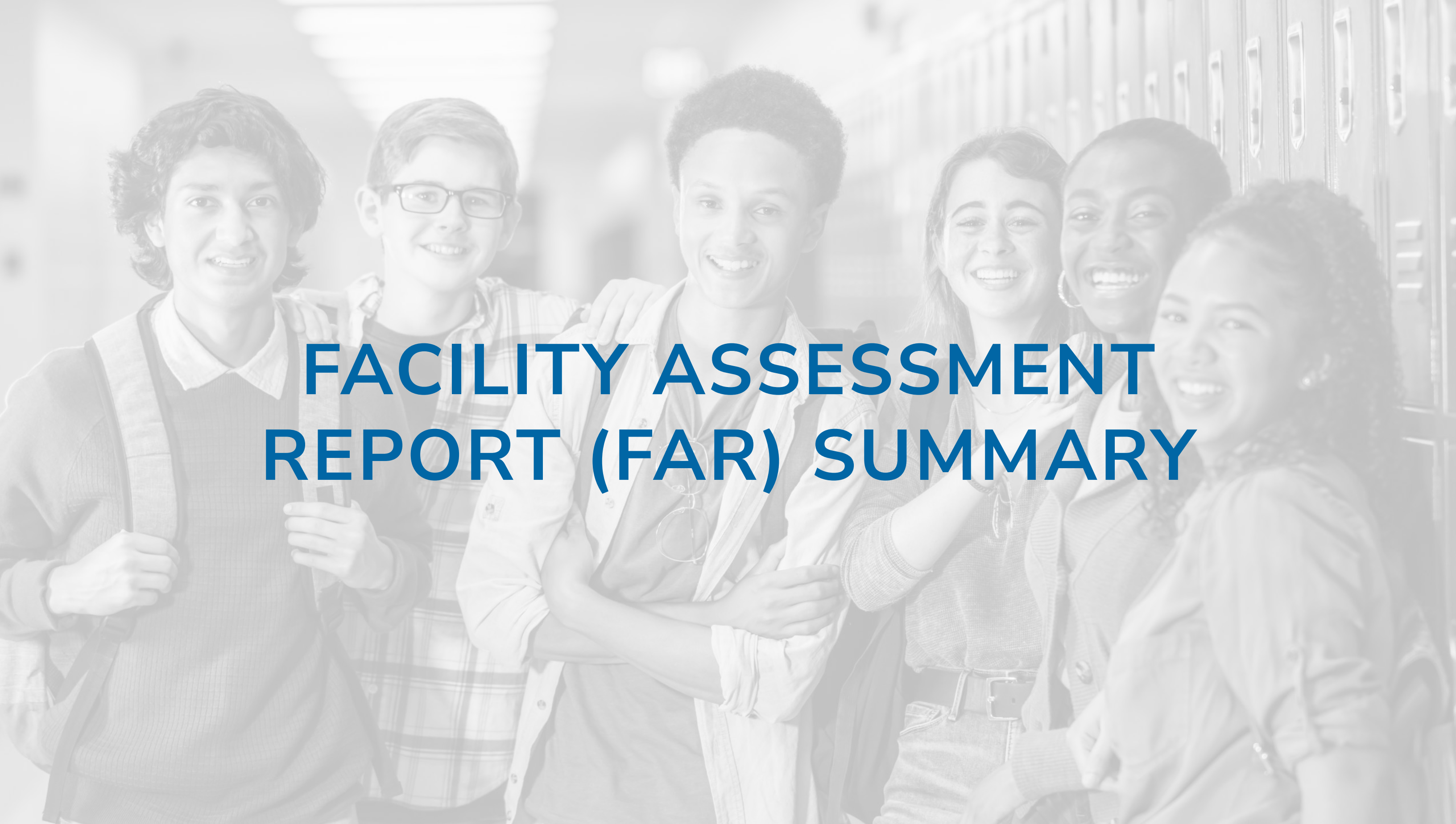
Guide future capital improvements by aligning facilities with educational programs, trends, and vision.

Support districts in planning for facility needs through data that informs strategic decision-making and funding efforts.



Assessment and Planning Timeline





FACILITY ASSESSMENT REPORT (FAR) SUMMARY



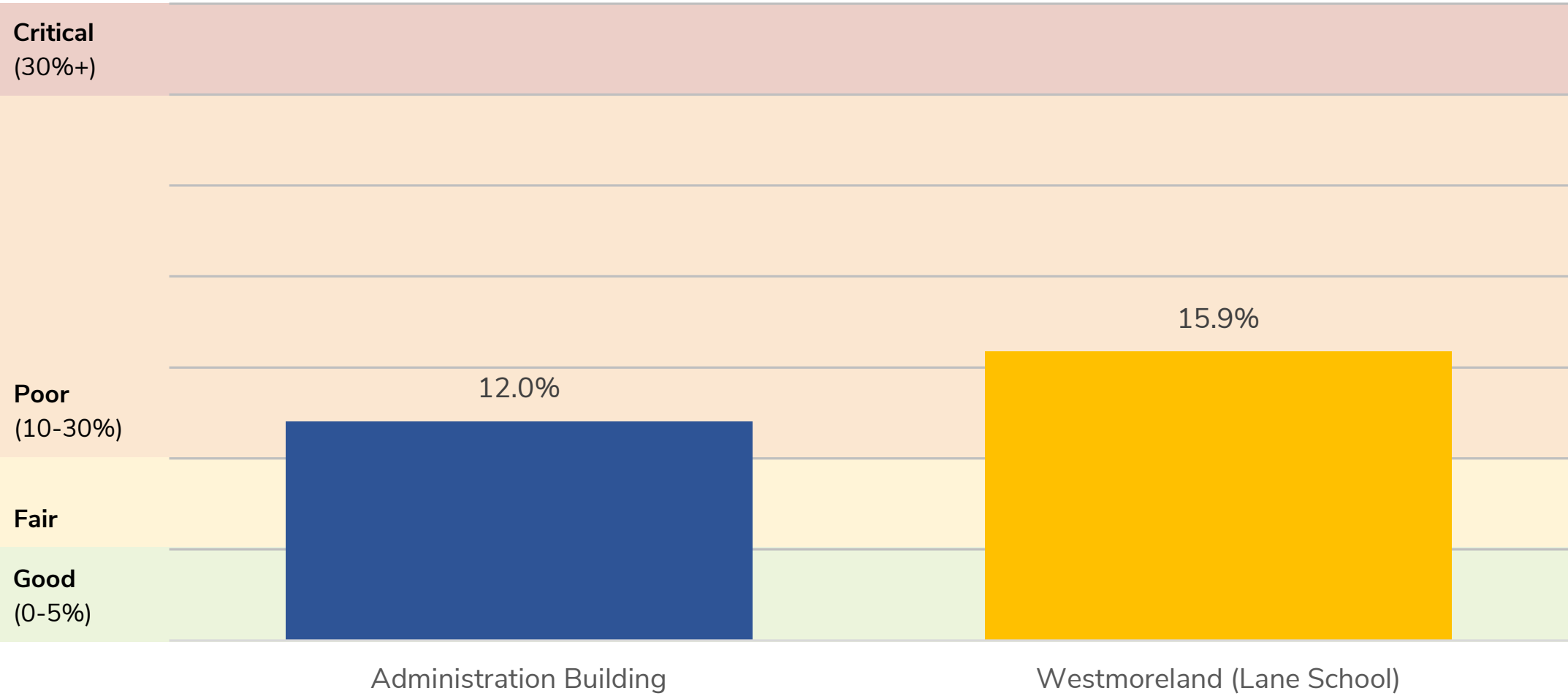
Facility Assessment Report (FAR)

Information to Extract from FAR for ODE:

- Facility Condition Index (FCI)
- “As New” Information
- Repair and Replacement Costs
- Does not Factor in Planning Needs, Future Capabilities

Both Facilities: Repair / Replacement Costs

School Name	Building Area	Site Area	Repair Budget	Replacement Costs	FCI
Administration Building	49,988 SF	2.32 Acres	\$3,755,060	\$31,192,111	12.0%
Westmoreland (Lane School)	43,231 SF	6.09 Acres	\$6,269,589	\$39,507,412	15.9%
Totals:	93,219 SF	8.41 Acres	\$10,024,649	\$70,699,523	



Administration Building (1976)

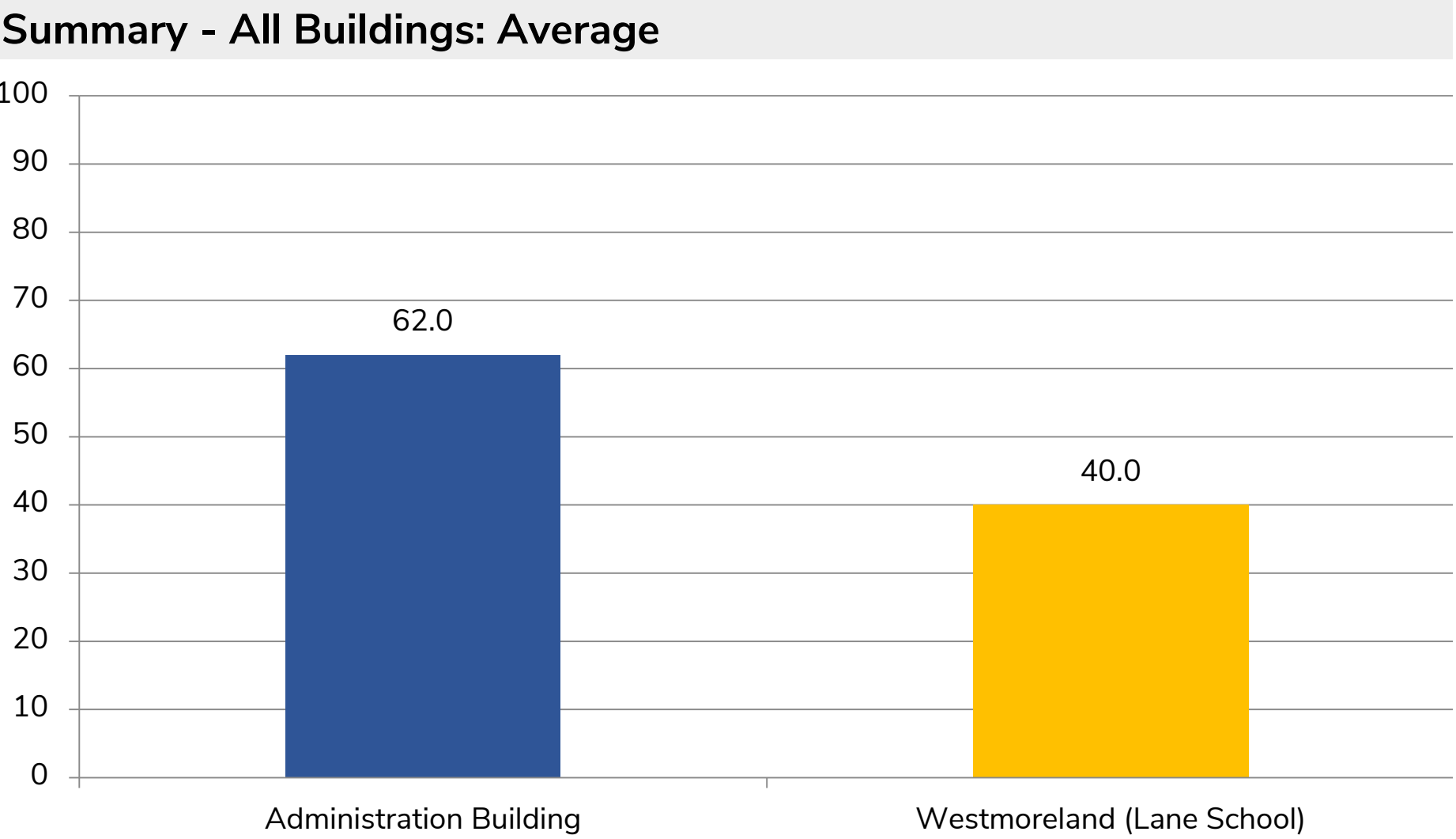


Westmoreland (Lane School) (1948)



Both Facilities: Needs and Overall Building Grades

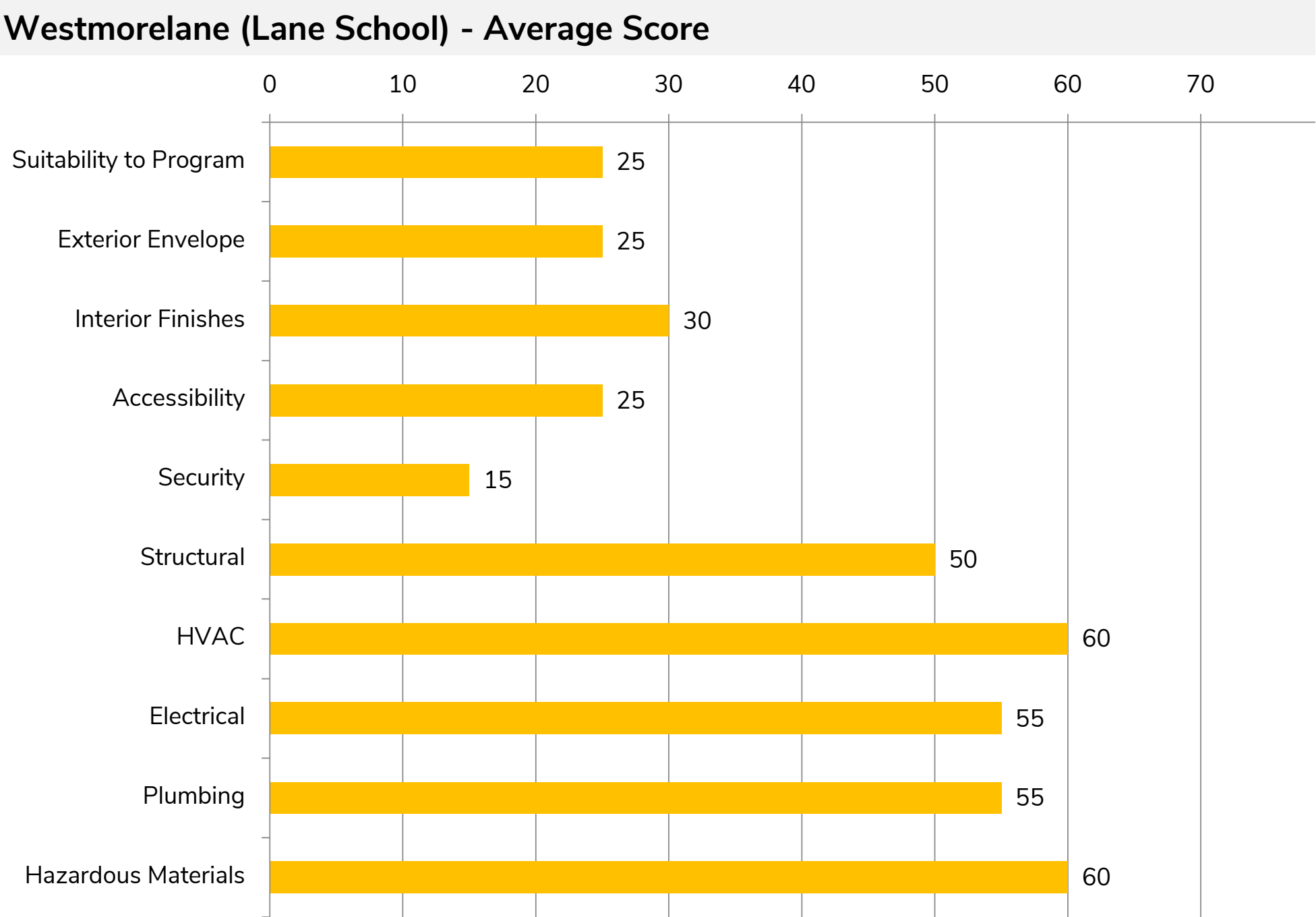
- Improve accessibility to sites and buildings
- Improve accessibility within restrooms
- Add secure entry vestibules to improve site security
- Replace electrical service and panelboards
- Improve site circulation, paving (asphalt, concrete)



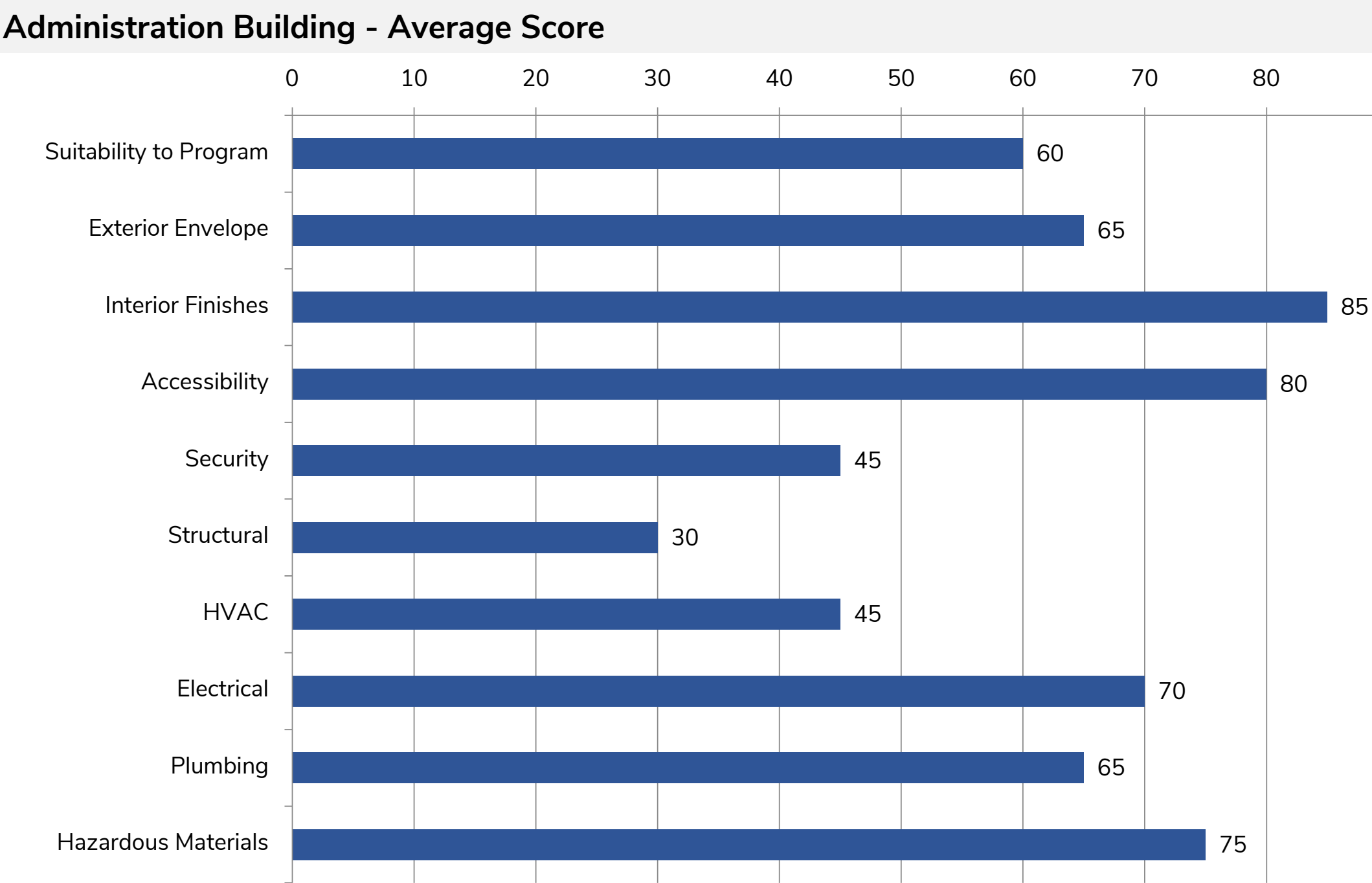
Scoring Legend	
Excellent	90 - 100
Satisfactory	70 - 90
Minor Modernization Needed	50 - 70
Modernization Needed	30 - 50
Major Modernization Needed	0 - 30



Lane School: Detailed Grades



Administration Building: Detailed Grades



A background image showing three children (two girls and one boy) sitting on the floor in a library, looking at an open book. The image is faded to allow the text to be prominent.

LONG RANGE PLANNING IDENTIFIED PRIORITIES



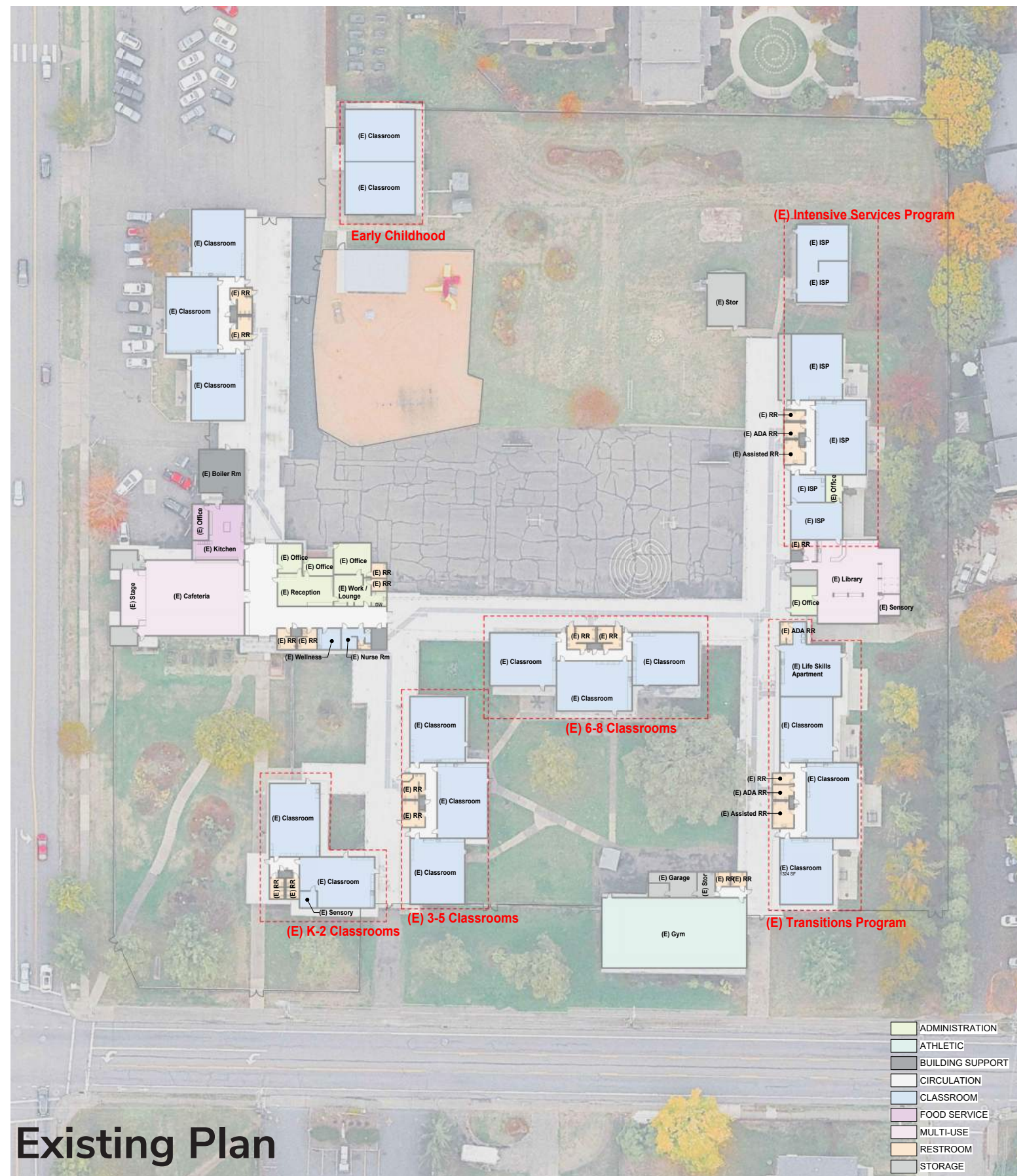
Westmoreland Feedback:

Top Priorities

1. Relocate admin for secure entry
2. New Gym Building
3. Renovate / expand old restrooms
4. K-12 playground

What's Missing?

- Need more parking and improved drop-off flow
- Need covered play area
- Grass practice field
- Library remodel for additional office / flex spaces
- Need additional ISP area with Cool-off spaces
- Don't need dedicated 9-12 playground
- ECSE could be incorporated to campus



Existing Plan

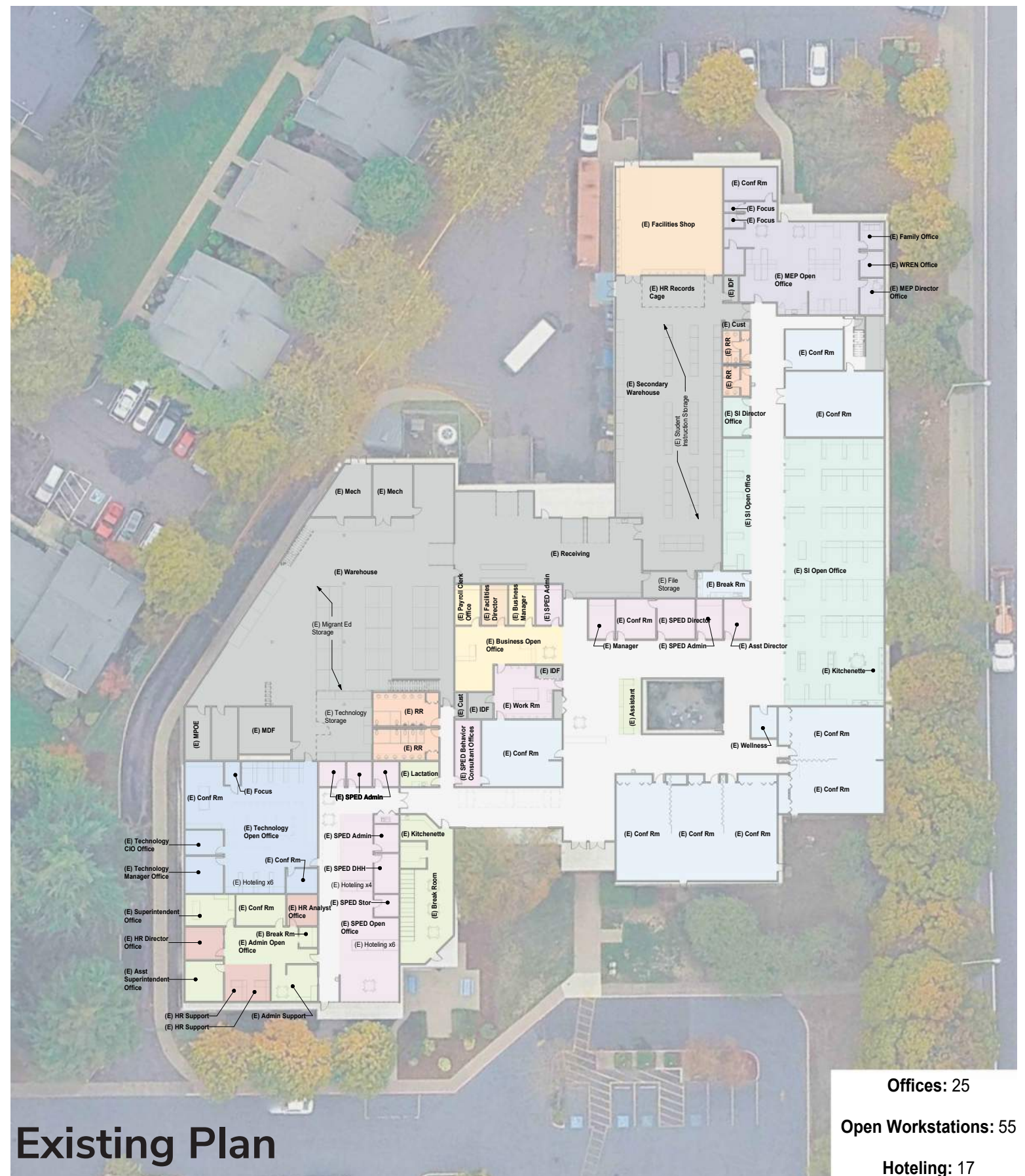
Main Campus Feedback:

Top Priorities

1. Secure vestibule entry
2. Expand conference room capacity
3. Soundproof walls
4. Renovate / expand restrooms

What's Missing?

- Secure / confidential zone (Admin, HR, IT)
- Renovate main restrooms
- More marketable space (conferencing / instruction)
- A central kitchen space

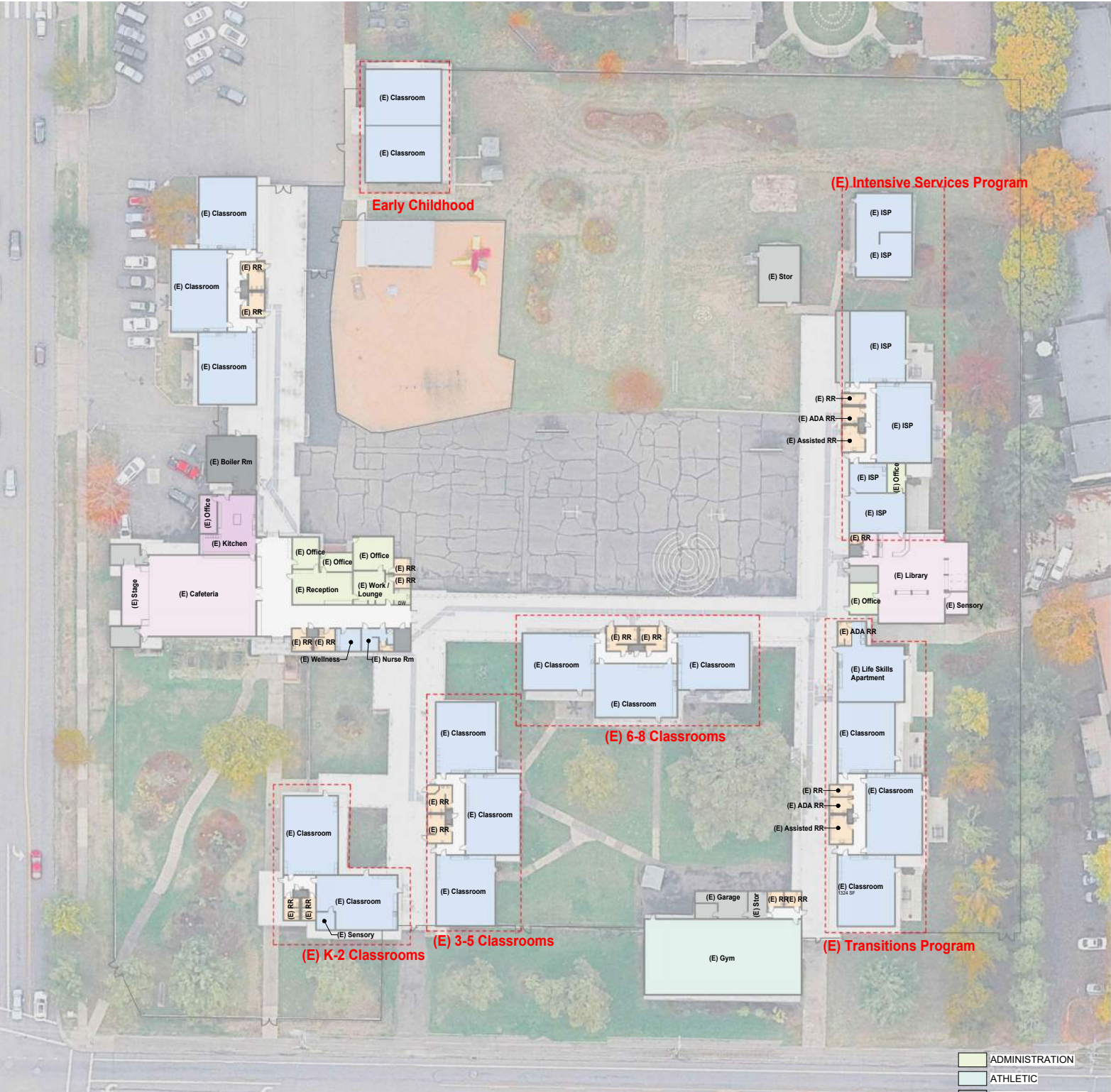


A grayscale photograph of three children lying on their stomachs on a library floor, reading a large open book. The child on the left is a girl wearing a hijab, the middle child is a girl with pigtails, and the child on the right is a boy. They are all smiling and looking at the book. Bookshelves filled with books are visible in the background.

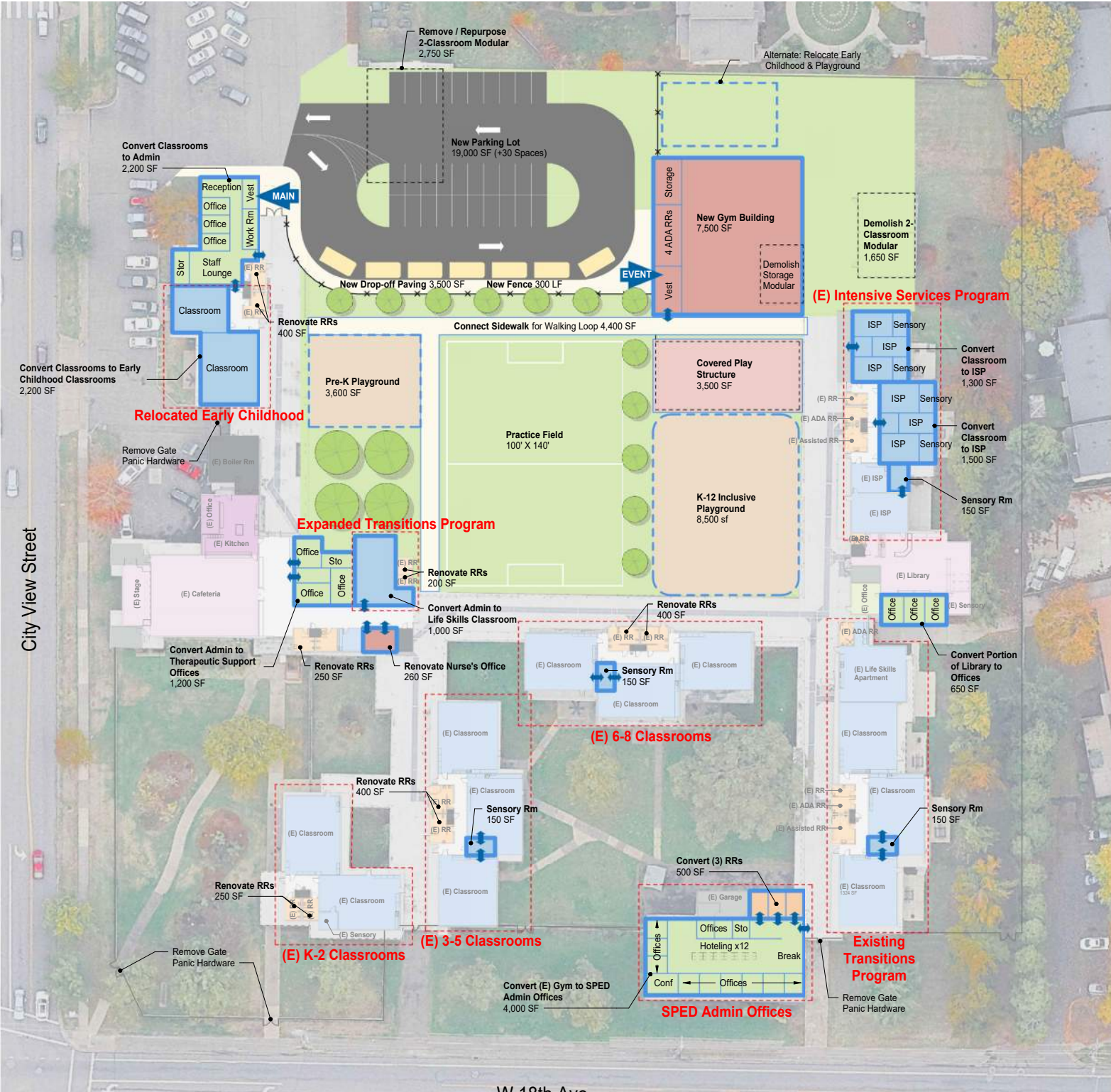
LONG RANGE PLANNING CONCEPTS & COSTS



Westmoreland: Updated Planning Concept

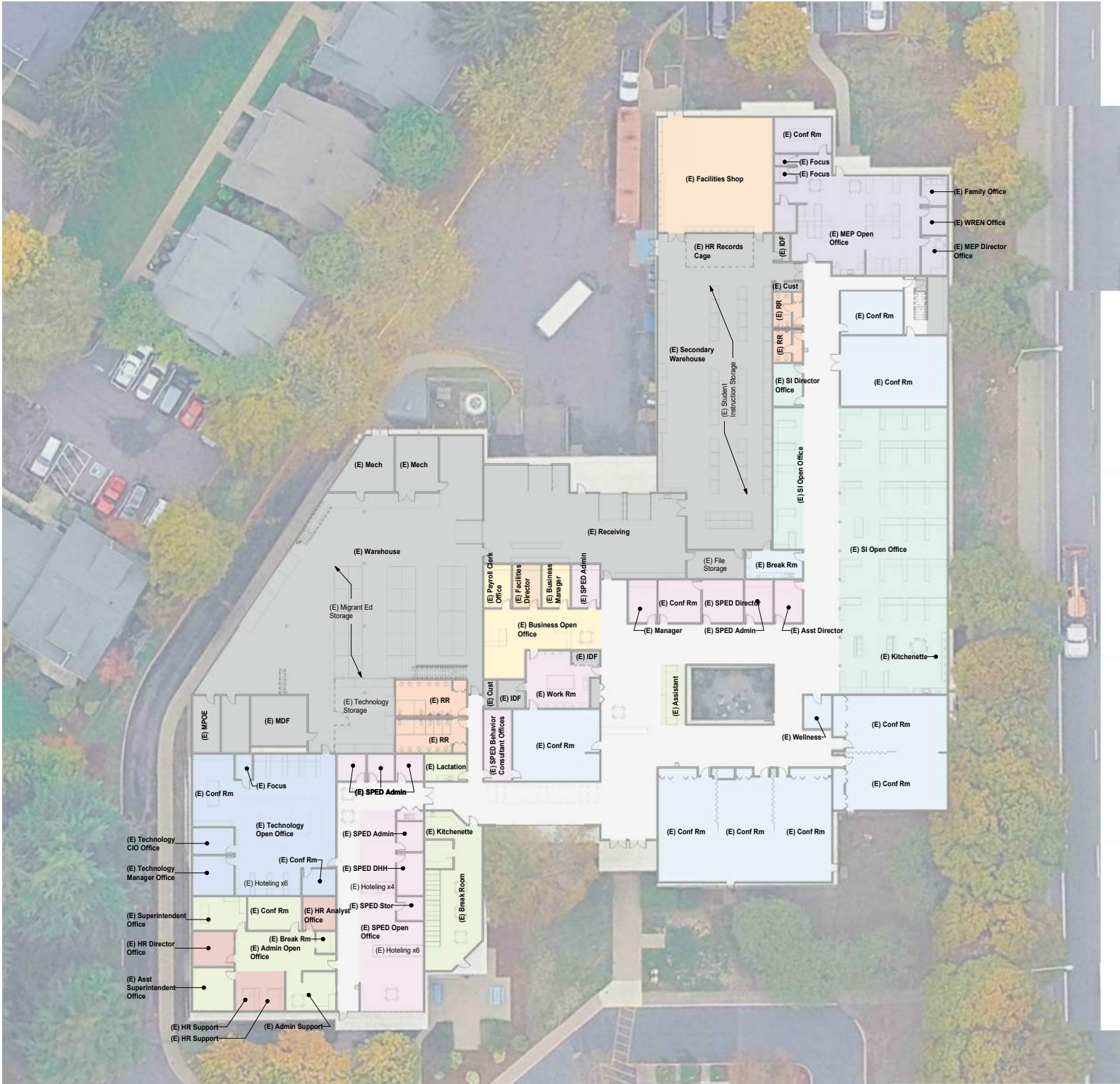


Existing Plan



Proposed Concept

Main Campus: Updated Planning Concept



Existing Plan



Proposed Concept



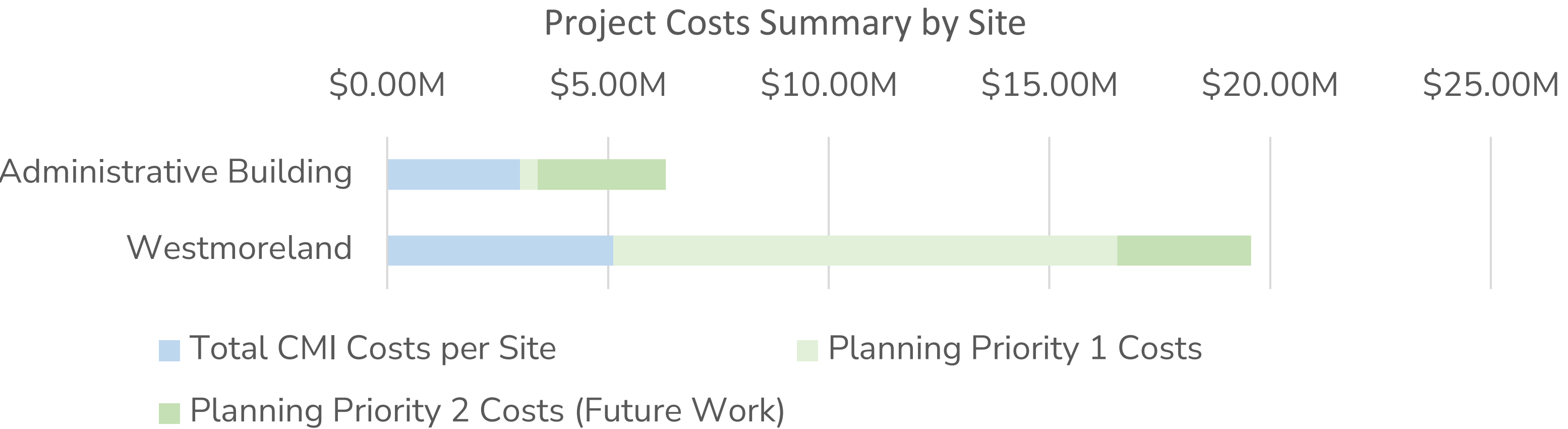
COMBINED BUDGETS SUMMARY



Overall Combined Budget Summary: Facility Assessment (CMI) + Planning

ESD Facility	Target Project Costs		Future Project Costs	
	Critical Maintenance Items (CMI)	Planning Priority 1	Planning Priority 2	
Administrative Building	\$3.00M	\$0.41M	\$2.90M	
Westmoreland	\$5.12M	\$11.42M	\$3.03M	
Totals	\$8.12M	\$11.83M	\$5.93M	
	\$19.95M			

Overall Combined Budget Summary: Facility Assessment (CMI) + Planning



Budget Summary - Westmoreland Building:

CMI + Planning Priority 1 = \$16.54M, Planning Priority 2 = \$3.03M

TYPE	CONSTRUCTION COSTS		PROJECT COSTS
	Unit	Unit Cost Estimate	
Westmoreland			
Subtotal - All Critical Maintenance Items:		\$3.79M	\$5.12M
Foundations	Per ODE Report	\$0.04M	0.05M
Basement Construction	Per ODE Report		
Superstructure	Per ODE Report		
Exterior Enclosure	Per ODE Report	\$1.36M	1.83M
Roofing	Per ODE Report	\$0.52M	0.71M
Interior Construction	Per ODE Report	\$0.10M	0.13M
Stairs	Per ODE Report		
Interior Finishes	Per ODE Report	\$0.24M	0.33M
Conveying	Per ODE Report		
Plumbing	Per MEP Summary		
HVAC	Per MEP Summary	\$0.38M	0.51M
Fire Protection	Per MEP Summary		
Electrical	Per MEP Summary	\$0.72M	0.97M
Equipment	Per ODE Report	\$0.03M	0.05M
Furnishings	Per ODE Report	\$0.30M	0.40M
Site Improvements	Per ODE Report		
Site Mechanical Utilities	Per ODE Report	\$0.09M	0.12M
Site Electrical Utilities	Per ODE Report	\$0.02M	0.03M
Other Site Construction	Per ODE Report		

Subtotal - Planning Priority 1 Scope Items:			\$8.46M	\$11.42M
★ Convert Classrooms to Admin	2,200 SF	\$200 /SF	0.44M	\$0.59M
★ Convert Classrooms to Early Childhood Classrooms	2,200 SF	\$150 /SF	0.33M	\$0.45M
★ Add Pre-K Playground	3,600 SF	\$75 /SF	0.27M	\$0.36M
★ Add K-12 Inclusive Playground	8,500 SF	\$75 /SF	0.64M	\$0.86M
★ Add New Gym Building	7,500 SF	\$650 /SF	4.88M	\$6.58M
★ Renovate RRs for ADA (6 Locations)	1,900 SF	\$350 /SF	0.67M	\$0.90M
☆ Convert Admin to Life Skills Classroom	1,000 SF	\$200 /SF	0.20M	\$0.27M
☆ Convert Admin to Therapeutic Support Offices	1,200 SF	\$200 /SF	0.24M	\$0.32M
☆ New Parking Lot	19,000 SF	\$15 /SF	0.29M	\$0.38M
☆ New Drop-off Paving	3,500 SF	\$20 /SF	0.07M	\$0.09M
☆ New Fence	300 LF	\$100 /LF	0.03M	\$0.04M
☆ Connect Sidewalk for Walking Loop	4,400 SF	\$20 /SF	0.09M	\$0.12M
☆ Remove Modular Buildings	5,200 SF	\$15 /SF	0.08M	\$0.11M
☆ Paving Demo for New Landscaping and Grass	Allowance		0.25M	\$0.34M
Subtotal - Planning Priority 2 Scope Items:			\$2.24M	\$3.03M
Add Covered Play Structure	3,500 SF	\$125 /SF	0.44M	\$0.59M
Renovate Nurse's Office	260 SF	\$200 /SF	0.05M	\$0.07M
Add Sensory Rooms (4)	450 SF	\$200 /SF	0.09M	\$0.12M
Convert (E) Gym to SPED Admin Offices	4,000 SF	\$200 /SF	0.80M	\$1.08M
Convert (3) Gym RRs	500 SF	\$350 /SF	0.18M	\$0.24M
Convert Classrooms to ISP (2)	2,800 SF	\$200 /SF	0.56M	\$0.76M
Convert Portion of Library to Offices	650 SF	\$200 /SF	0.13M	\$0.18M



Budget Summary - Admin Building:

CMI + Planning Priority 1 = **\$3.41M**, Planning Priority 2 = **\$2.90M**

TYPE	CONSTRUCTION COSTS			PROJECT COSTS	
	Unit	Unit Cost	Estimate		
Administrative Building					
Subtotal - All Critical Maintenance Items:			\$2.22M	\$3.00M	
Foundations	Per ODE Report				
Basement Construction	Per ODE Report				
Superstructure	Per ODE Report			\$0.04M	0.05M
Exterior Enclosure	Per ODE Report			\$0.07M	0.09M
Roofing	Per ODE Report				
Interior Construction	Per ODE Report			\$0.03M	0.04M
Stairs	Per ODE Report			\$0.02M	0.03M
Interior Finishes	Per ODE Report			\$0.10M	0.13M
Conveying	Per ODE Report				
Plumbing	Per MEP Summary				
HVAC	Per MEP Summary			\$0.94M	1.27M
Fire Protection	Per MEP Summary				
Electrical	Per MEP Summary			\$0.83M	1.12M
Equipment	Per ODE Report			\$0.01M	0.02M
Furnishings	Per ODE Report			\$0.16M	0.22M
Site Improvements	Per ODE Report				
Site Mechanical Utilities	Per ODE Report				
Site Electrical Utilities	Per ODE Report			\$0.03M	0.04M
Other Site Construction	Per ODE Report				

Subtotal - Planning Priority 1 Scope Items:			\$0.30M	\$0.41M
★ Add Secure Vestibule Entry	200 SF	\$300 /SF	0.06M	\$0.08M
★ Add Reception Office	85 SF	\$100 /SF	0.01M	\$0.01M
★ Soundproof Existing Walls	300 LF	\$250 /LF	0.08M	\$0.10M
★ Renovate / Expand SI RRs	400 SF	\$350 /SF	0.14M	\$0.19M
★ New Fence	175 LF	\$100 /LF	0.02M	\$0.02M
Subtotal - Planning Priority 2 Scope Items:			\$2.15M	\$2.90M
Renovate Secure Office Space	5,100 SF	\$200 /SF	1.02M	\$1.38M
Demolish Wellness Room	150 SF	\$15 /SF	0.00M	\$0.00M
Renovate Main RRs	650 SF	\$350 /SF	0.23M	\$0.31M
Refresh Lunch Room	1,000 SF	\$100 /SF	0.10M	\$0.14M
Convert Portion of Warehouse to Secure Storage	500 SF	\$300 /SF	0.15M	\$0.20M
Convert Central Office Space to Meeting Rooms	2,000 SF	\$200 /SF	0.40M	\$0.54M
Renovate Central Offices	1,250 SF	\$200 /SF	0.25M	\$0.34M





DISCUSSION & QUESTIONS



A grayscale photograph of three students working on a project at a table. The student on the left is a girl with glasses, smiling. The student in the middle is a girl looking down at her work. The student on the right is a boy looking down at his work. They are surrounded by various electronic components, wires, and tools like screwdrivers. The text "THANK YOU!" is overlaid in the center in a bold blue font.

THANK YOU!





LANE EDUCATION SERVICE DISTRICT

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EQUITY

COMMITMENT

LEADERSHIP

COLLABORATION

INTEGRITY

LANE EDUCATION SERVICE DISTRICT

1200 Hwy 99 N
Eugene, Oregon 97402

Board of Directors

March 3rd, 2026
Regular Meeting: 6:00 PM

1. Call Regular Meeting to Order

Chair Leslie Harris called the Regular Meeting to Order at 7:04 p.m.

2. Welcome

Guests attending the meeting were introduced.

Board Members Present: Board Chair Leslie Harris, Vice Chair Vanessa Truett, Directors Sherry Duerst-Higgins, Linda Hamilton, Thomas Hiura, Rose Wilde and, Nora Kent (remote)

Administrators and staff present: Superintendent Tony Scurto, Assistant Superintendent Eric Anderson, Maria Schaad (recording secretary).

Advisors/Liaisons Present: Jim Crist (Superintendent Pleasant Hill), Danna Brownell (McKenzie School District)

Guests: Executive Director of Human Resources, Morgan Christensen, Echo Ingram (LESD), Alyssa Leraas, (LESD), Remote: Andrew Krigielki (LCEA), Annie Galaxy (LESD) and community members on-line

3. Lane Education Service District Statement of Accountability: Land Acknowledgement

The Statement was read aloud Thomas Hiura

4. Public Participation

There was no public comment.

5. Agenda Review

Agenda accepted as presented

6. Presentation: DEC

Assistant Superintendent Anderson introduced members of the District Equity Committee (DEC), Alyssa Leraas and Echo Ingram. Alyssa Leraas presented an overview of the history of the DEC and the evolution of the Committee's formation and how it was integrated within the Strategic Plan adoption. Through the Strategic Plan process a need was recognized that there wasn't a tool that could track culture and climate experiences or a coordinated committee that brought together perspectives from across the agency that included administration, staff, management, department representation (SpEd IA's and specialists). The committee has taken shape with representation from the three affinity groups, Dr. Dunbar and members of Cabinet. The Committee meets monthly. Since its formation the Committee has been reviewing and processing data from the Upbeat Survey. Alyssa and Echo

reviewed highlighted results from the Survey, engagement rate and rate of engagement by department.

Following, Echo offered context relating to the low engagement rate for specific staff. For example, certain staff like IAs may have less opportunities to partake in the survey due to their daily schedule.

The team presented highlighted areas of strengths and areas of improvement from the survey. A stand out area of strength among licensed teachers was care and commitment whereas an area for improvement centered on work/life balance. In highlighted results from staff and IAs, an area of strength showed that staff agreed that opportunities are accessible to all employees; while an area of improvement was staff appreciation and public recognition. It was noted that the participation rate for staff and IA's trended low.

Alyssa shared information about survey results relating to Main Campus. Staff areas that stood out as an area of strength was self-efficacy. Morgan Christensen provided an overview of the survey itself and that there will be another survey in the fall with comparison results.

7. Action Items

7.A. Consent Agenda

Chair Harris reviewed the consent agenda items.

DIRECTOR DUERST-HIGGINS MOVED: BE RESOLVED that the Board of Directors of Lane ESD approves the consent group as submitted and listed below

1. Lane ESD Board Meeting Minutes for February 3, 2026
2. Human Resource Report, dated March 1st, 2026
3. Authorize Contracts for Licensed Staff for 2026-27
4. Authorize Contracts for Licensed, Administrative Staff for 2026-27

Director Wilde seconded, and the **MOTION CARRIED WITH DIRECTORS HAMILTON, HARRIS, HIURA, KENT, AND TRUETT. VOTING YES. (ESD Resolution #26-062)**

The vote passed unanimously (7:0:0)

7.B. Accept Financial Report

Superintendent Scurto presented on behalf of Olivia Meyers-Buch, Business Director. Superintendent Scurto noted from the Financial Report that the ending fund balance is showing at 6.9% - indicating that the agency is remaining steady. In response to a Board Director's question regarding a significant change from one of our largest component districts, Superintendent Scurto explained that this could be due to transit dollars and offered to confirm with follow up at a later time.

DIRECTOR WILDE MOVE: BE IT RESOLVED than the Board of Directors of Lane ESD accepts the January 2025 Financial Report, as presented.

Director Duerst-Higgins seconded, and the **MOTION CARRIED WITH DIRECTORS HAMILTON, HARRIS, HIURA, TRUETT AND KENT VOTING YES. (ESD Resolution #26-063)**

The motion passed unanimously (7:0:0)

7.C. Consideration of of Possible Board Action Related to Executive Session Hearing



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Chair Harris introduced the item regarding possible action from the Executive Session that preceded the Board's Regular meeting. Chair Harris opened the floor to proceed.

Director Hamilton provided a brief background relating to the action presented regarding a hearing on a termination.

DIRECTOR HAMILTON MOVED: BE IT RESOLVED that the Board of Directors of Lane ESD that his termination be reversed and that Tony and him if they are willing to have some conversation to accept the resignation or do whatever and move forward, if possible.

Director Hiura seconded

The motion failed by a (3:0:4) vote

DIRECTORS HAMILTON, TRUETT AND KENT VOTING YES. DIRECTORS DUERST-HIGGINS, HARRIS, HIURA and WILDE VOTING NO.

Chair Harris asked if there was another motion.

DIRECTOR WILDE MOVED: BE IT RESOLVED that the Board of Directors of Lane ESD uphold the Board's previous decision to accept the recommendation of the Superintendent for termination of the employee that we made back on February 3rd.

Director Duest-Higgins seconded.

The Board Secretary requested a roll call vote.

DUERST-HIGGINS - YES

HAMILTON- NO

HIURA - YES

KENT - YES

TRUETT - NO

WILDE - YES

HARRIS - YES

DIRECTORS HAMILTON AND TRUETT VOTING NO

The motion passed (5:0:2) (ESD Resolution #26-064)

7. D. Grant Proposal | Rooted and Connect: Youth - Centered Substance Use Prevention Initiative

Superintendent Scurto offered information on the presented grant proposal which seeks funding to support our behavior health pathway program. The behavioral pathway program is a CTE program. Superintendent Scurto will offer additional information relating to the braided and cross-department efforts.

DIRECTOR DUERST-HIGGINS MOVED: BE IT RESOLVED that the Board of Directors of Lane Education Service District grant proposal.



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Director Wilde seconded, and the **MOTION CARRIED WITH DIRECTORS HIURA, HAMILTON, HARRIS, KENT, AND TRUETT. VOTING YES. (ESD Resolution #26-065)**

The motion passed unanimously (7:0:0)

7.E. Local Service Plan

Superintendent Scurto provided procedural background information on the local service plan and how the ESD's local service plan needs to be adopted by component districts by March 1st. There are some districts that have adopted the plan and we haven't received their resolution. A few have yet to vote. The 12 presented district resolutions here to the LESD Board are district resolutions that constitute the required majority of the districts in the county and the required over 50% of ADMW in the county.

DIRECTOR HAMILTON MOVED: BE IT RESOLVED that the Board of Directors of Lane ESD acknowledge that the 2025-27 Local Service Plan - Year 2 has been approved by a majority of component school districts representing the majority of the total ADM of component districts in accordance with the statutory requirements.

Director Duerst - Higgins seconded, and the **MOTION CARRIED WITH DIRECTORS, HARRIS, HIURA, KENT, WILDE AND TRUETT VOTING YES. (ESD Resolution #26-066)**

The motion passed unanimously (7:0:0)

7.F. Second Reading: Adopt Policy Updates and Recommendation

7.F.1 Move adopt updates as presented in sections third part of Section J

Superintendent Scurto presented on policy rewrite efforts specific for Section J.

DIRECTOR DUERST-HIGGINS MOVED: BE IT RESOLVED that the Board of Directors of Lane ESD adopt the policy updates as presented in section one.

Director Wilde seconded, and the **MOTION CARRIED WITH DIRECTORS HAMILTON, HARRIS, HIURA, KENT, AND TRUETT VOTING YES. (ESD Resolution #26-067)**

The motion passed unanimously (7:0:0)

7.F.2 Move adopt deletions as presented in third part of Section J

DIRECTOR WILDE MOVED: BE IT RESOLVED that the Board of Directors of Lane ESD proceed to offer the policies for deletion as presented in section item two.

Director Truett seconded, and the **MOTION CARRIED WITH DIRECTORS HAMILTON, HARRIS, HIURA, KENT, AND TRUETT VOTING YES. (ESD Resolution #26-068)**

The motion passed unanimously (7:0:0)

7.F.3 Move adopt updates as presented in sections third part of Section E



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EQUITY COMMITMENT LEADERSHIP COLLABORATION INTEGRITY

Superintendent Scurto provided background information on Section E. Section E was originally presented to the Board on first reading in June. Board Secretary offered explanation to an added attachment that reflected the edit of one duplicate word in Policy EEAC.

DIRECTOR DUERST- HIGGINS MOVED: BE IT RESOLVED that the Board of Directors of Lane ESD adopt the policies updated as presented in section three and the attached updated EEAC.

Director Huira seconded, and the **MOTION CARRIED WITH DIRECTORS HAMILTON, HARRIS, HIURA, KENT, AND TRUETT VOTING YES. (ESD Resolution #26-069)**

The motion passed unanimously (7:0:0)

7.F.4 Move adopt deletions as presented in third part of Section E

DIRECTOR WILDE MOVED: BE IT RESOLVED that the Board of Directors of Lane ESD to adopt the resolution under Section E policy deletions under item four as presented, as also previously presented in June.

Director Truett seconded, and the **MOTION CARRIED WITH DIRECTORS DUERST-HIGGINS, HAMILTON, HARRIS, HIURA, AND KENT. VOTING YES. (ESD Resolution #26-070)**

The motion passed unanimously (7:0:0)

8. Discussion/Reports

8.A. Legislative Update:

Superintendent Scurto reported on legislative activities. This is the last week of the short session that ends on Sunday, March 8th. The Co-Chairs of Ways and Means released their budget framework and it appears that there are no cuts to K-12 funds specific to districts and ESDs. This includes: State School Fund (SSF), Student Success Act and grant-in-aid programs - for example REN. However, there is a budget reduction with \$17 million of unspent Safe Routes to Schools program transferred to the ODOT budget. With respect to the reserves, the budget was balanced without using the Education Stability Fund or the Rainy-Day Fund.

House Bill 4079 requiring public schools and colleges to adopt policies for providing notice when federal immigration authorities enter school property for enforcement purposes was passed.

SB 1507 is a bill that partially disconnects the Oregon Tax Codes from the new federal tax codes and is estimated to preserve about \$291 million in state revenue and is anticipated to be signed by the Governor.

8.B. Superintendent's Report

OAESD has reached out to ESDs to find a new fiscal agent, Superintendent Scurto is leaning strongly in favor of offering Lane ESD as a possible option to OAESD. This would be some revenue for Lane ESD if it took on the role as OAESD's fiscal agent. The Board expressed



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support for the Superintendent to proceed with looking into the possibilities and also to review Linn-Benton's hesitation to continue acting as the OASED fiscal agent.

Director Wilde offered follow up comments regarding looking into any possible conflicts of interest so that there could be continued support for OAESD. OAESD is accepting informal proposals now as there is a desire for the new fiscal agent to be identified by July.

The Superintendent Core and Flex Model Budget Team of Miriam Mickelson (4J), Dave McGrath (Oakridge), Gary Carpenter (Fern Ridge) met to examine Core services and cost. There was also a sharing of information about upcoming menu service costs.

8.C. Pending Policy

8.C.1. Pending Policy from Section E: Support Services

9. Information from Administrative Staff Board Member Reports and Comments/Agenda Planning

The Directors of School Improvement, Special Education, and Technology submitted written reports to the Board on matters of interest and updates concerning their respective departments.

10. Board Member Reports and Comments/Agenda Planning

Board, Advisors and Liaisons

Liaisons

Jim Crist, Superintendent at Pleasant Hill School District, offered updates from Pleasant Hill and what the district is currently working on. One recent accomplishment was the completion of the District's Strategic Objectives document. Superintendent Crist handed out a booklet to LESD Board members that presents the work dedicated to bringing about the vision: "Where small-town roots grow big futures." The objectives were built from the Integrated Guidance plan in collaboration with LESD in meeting state-wide accountability measures.

Danna Brownell, McKenzie School District, provided information relating to what their Board is currently working on. The McKenzie Board has started working on classified bargaining and the Superintendent Evaluation. This was the first year for the Board to have a student representative. The Board will renew the student representative position for next year as this was a good experience for the Board, as well as the student. The district continues evaluating ways to encourage attendance and participation in school. Efforts are being prioritized in improving attendance.

With regards to McKenzie School District athletics, the girls high school basketball team persevered with five players and were able to finish a game after two players fouled out - finishing the game with a three person team. Track season has also started.

10.A. Agenda Planning

Board members are invited to send agenda items to be considered for the next board meeting. Please call or email to the Board Chair or Superintendent.

10.B. Board Member Reports



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Director Wilde elected for an in-person Board Report, sharing about participating to many of the CTE Tours with visits to Oakridge, Lowell, South Lane, Fern Ridge, Creswell. All programs were different and it was amazing to see the growth, energy and enthusiasm across the region. Director Wilde also noted the diverse nature of programs across the region from milling logs to business management. Some of the CTE changes include updated facilities in Creswell. Kudos to LESD staff and students leading the tours.

11. Announcements/Correspondence

11.A. Announcements

11.A.1. Classified Employee Appreciation Week

Superintendent Scurto introduced that this week is Classified staff appreciation week and acknowledged the dedicated work of LESD staff with words of recognition.

Our classified employees support the smooth operation of offices, the safety and maintenance of buildings and property, and the safe transportation, healthy nutrition and direct instruction of students. They bring diverse talents and true dedication that nurture students throughout their school years.

The Board of Directors of Lane Education Service District recognize the contributions of its Classified Employees.

Chair Harris opened the question as to whether Directors would like to motion to recognize the contributions of the classified employees.

DIRECTOR HIURA MOVED: BE IT RESOLVED that the Board of Directors of Lane ESD recognize the contributions of the classified employees.

Director Hamilton seconded, and the **MOTION CARRIED WITH DIRECTORS HAMILTON, HARRIS, HIURA, KENT, AND TRUETT VOTING YES. (ESD Resolution #26-071)**

The motion passed unanimously (7:0:0)

11.A.2. Lane ESD Board Member Activities and Opportunities

Director Hamilton requested an update on the fire truck donation. Superintendent Scurto shared that the fire truck is closer to coming to LESD and is pending signature of the IGA from Lane Fire authority and paperwork for maintenance from public works. The hope is that the paperwork will be finalized soon.

Director Duerst-Higgins recognized the passing of LESD previous Superintendent Jim Maxwell. Superintendent Maxwell served as LESD Superintendent for 20 years.

12. Adjournment

The next regular meeting is scheduled to be held Tuesday, April 7th, 2026, at the Lane ESD Main Campus, 1200 Highway 99 N, Eugene. Chair Harris adjourned the meeting at 8:49 p.m.



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Minutes Approved:

Leslie Harris, Chairperson

Tony Scurto, Superintendent



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LANE EDUCATION SERVICE DISTRICT

1200 Hwy 99 N
Eugene, Oregon 97402

Board of Directors

March 31, 2026
Special Meeting: 5:00 PM

1. Call Special Meeting to Order

Chair Leslie Harris called the Special Meeting to Order at **5:15PM** and announced that public comment would not be read at this meeting and invited public comment for the next regular Board meeting scheduled for April 7, 2026.

2. Roll Call

Chair Harris called the roll of Board members present:

Director Nora Kent - Present
Vice Chair Vanessa Truett - Present
Director Sherry Duerst-Higgins - Present
Director Linda Hamilton - Present
Director Thomas Hiura – Present
Director Rose Wilde – Not Present
Board Chair Leslie Harris - Present

Quorum: confirmed

Board Members Present: Board Chair Leslie Harris, Vice Chair Vanessa Truett, Directors Sherry Duerst-Higgins, Linda Hamilton, Thomas Hiura, Nora Kent (remote)

3. Welcome and Introductions

Administrators present: Superintendent Scurto, Assistant Superintendent Anderson, Olivia Meyers-Buch (Executive Director of Business Service), Molly Gillett (Executive Director of Special Education), Morgan Christensen (Executive Director of Human Resources), Brandon Webb (Chief Information Officer), Ana Quintero - Arias (Executive Director of School Improvement), Cassadie Mitchell (Executive Director of School Improvement)

LESD Staff present: Julia Johnson, Justin Radabaugh, Savannah Ferguson, Brittney Spencer, Morgan Klinger, Jose Pleitez - Sanchez, Chris Antonetti, Maria Schaad (LESD recording secretary), remote: Christina Okesson, Stuard Rush (LCEA),

Advisors/Liaisons present: Mike Anderson (Creswell School District)

Guests present: Dr. Tenneal Wetherell, Geoff Wetherell

Guest remote: Robyn Bean (HCE), Kathleen Rodden - Nord (HCE), Todd Miller (South Lane) and on-line community.

Chair Harris welcomed guests and staff.



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Chair Harris opened with remarks reflecting on the Superintendent search process. Superintendent Scurto announced his intent to retire and as a result the LESD Board hired a consulting firm called Human Capital Enterprises (HCE) to help with the search process. In partnership with HCE's Robyn Bean and Kathleen Rodden-Nord, the Board initiated the search in December. There was engagement in December and January with agency staff, community and constituents in various ways to inform the Next Superintendent Criteria to guide the search. After a series of interviews, the Board entered into negotiations with our lone finalist, and tonight we are here to vote on that contract.

Before considering a motion, Chair Harris invited HCE's Robyn Bean and Kathleen Rodden-Nord to share some words on their work with Lane ESD.

Ms. Bean shared words of appreciation for LESD staff, component district leadership and community, remarking on the energetic level of engagement from staff. Ms. Bean thanked Chair Harris, all Board Directors and Secretary for their diligent work and then invited Ms. Rodden-Nord to share in commentary.

Ms. Rodden-Nord echoed the previous sentiment and noted the caliber of applicants who expressed interest in this position was impressive. Ms. Rodden-Nord commended the Board for working together.

4. Lane Education Service District Statement of Accountability: Land Acknowledgment

Chair Harris, noting excitement, returned to the Agenda order and invited Director Hiura to read the Land Acknowledgement. The Statement was read aloud by Director Hiura.

5. Agenda Review

6. Discussion

7. Item for Action

7.A. Appointment of Superintendent

DIRECTOR TRUETT MOVED: BE IT RESOLVED that the Board of Directors of Lane ESD appoint Tenneal Wetherell, as Superintendent of the Lane Education Service District, effective date July 1, 2026, and authorize Board Leadership to finalize and execute an employment contract on behalf of the Board.

Director Hamilton seconded.

The Board Secretary requested a roll call vote.

KENT - YES

DUERST-HIGGINS - YES

HIURA - YES

TRUETT - YES

HAMILTON - YES



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HARRIS - YES

The motion passed (6:0:0) (ESD Resolution #26-064)

Chair Harris invited Dr. Wetherell to say a few words.

Dr. Wetherell thanked the Board and LESD community for the warm welcome. Dr. Wetherell further recognized that LESD has a strong foundation and thanked Superintendent Scurto and Assistant Superintendent Anderson for the leadership, recognizing that LESD Directors and staff throughout the agency are and always will be the keys to success for the agency. In stepping into the new role, Dr. Wetherell shared that her priority is to listen and learn, ensuring a solid understanding for what has been working and what areas of growth can be done together, in partnership, to continue the wonderful work in this region. The agency will be successful when working in collaboration to serve the students, school districts and community as a whole. In closing, Dr. Wetherell recognized the other candidates and thanked HCE and LESD staff for their support through the process.

Chair Harris thanked everyone.

8. Adjournment

Chair Harris adjourned the meeting at **5:26PM**

Minutes Approved:

Leslie Harris, Chairperson

Tony Scurto, Superintendent



CONSENT AGENDA - ITEMS FOR ACTION PERSONNEL ACTIONS

April 1, 2026

Summary

The Superintendent submits the Personnel Report for Board review and approval, including recommended actions related to new appointments, hires, and separations of employment.

Recommendation

The Superintendent recommends that the Board approve the Personnel Report as presented in the Consent Agenda.

LICENSED STAFF

	<i>Employee ID #</i>	<i>Position</i>	<i>Effective Date</i>
Appointment / New Hire		None to report at this time	
Separation of Employment		None to report at this time	



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Prepared for: Lane ESD Board of Directors
Prepared by: Olivia Meyers Buch, Executive Director of Business Services
Meeting Date: April 7, 2026

February 2026 Financial Report (Unaudited)

General Fund Financial Report

The Financial Report for the General Fund for the period ending February 28, 2026 follows this report. Year-to-date operating revenues through February 28, 2026 total \$24,057,132 or 73.1% of total budgeted operating revenues as compared to \$21,786,871 or 75.8% through February 28, 2025. As usual, state school fund formula revenue (which includes property taxes) constitutes the majority of funds received. Total projected resources of \$35,364,703 is \$674,287 less than budgeted, which is primarily due to adjustments to state school fund estimates that reflect a lower ADMw than what was originally projected by our districts.

Year-to-date operating expenditures through February 28, 2026 total \$14,881,140 or 51.2% of total budgeted operating expenditures as compared to \$13,593,343 or 53.2% through February 28, 2025. Total projected operating expenditures of \$27,803,655 is \$1,288,488 less than budgeted, which is primarily due to projected savings related to staffing vacancies going unfilled, a small reduction in PERS employer contributions, and savings in health benefits when employees elect to opt out of coverage. Total projected transfers and transits of \$3,721,284 is \$742,110 less than budgeted, which is due to changes made to district service orders (including a significant change by our largest component district) after the budget was adopted.

Projected resources and requirements through February 28, 2026 result in an ending fund balance of \$3,839,764, with \$889,715 assigned (reserved) for districts. The remaining ending fund balance of \$2,950,049 is unassigned and represents 9.2% of projected operating revenues. The projected unassigned ending fund balance reflects an increase, or operating surplus, of \$485,542.

Appropriations

A summary of appropriations for all funds for the period ending February 28, 2026 follows this report. At this time, one appropriation in the Special Revenue Fund

(Enterprise and Community Services) and one appropriation in the Internal Service Fund (Instruction) are projected to be overspent, but will be corrected with future board action to transfer appropriations.

Cash and Investment Account Balances by Type

	Yield	Beginning Balance	Deposits	Withdrawals	Ending Balance
Municipal Investor Checking	0.35%	\$582,749	\$4,530,329	\$4,608,069	\$505,009
Oregon LGIP (4513)	4.43%	\$10,307,967	\$3,147,615	\$2,050,000	\$11,405,582
Oregon LGIP (3676)	4.43%	\$649,380	\$87,356	\$0	\$736,735
Total		\$11,540,096	\$7,765,300	\$6,658,069	\$12,647,326

Assurances

All cash, investment and credit card accounts have been balanced, reconciled and reviewed and all cash and investment accounts have been reconciled to the general ledger as of February 28, 2026.

The adopted budget reflects expected expenditures. All payroll reports have been filed and payroll liabilities have been paid timely. All federal and state reimbursement requests as well as required financial reporting forms have been filed timely. All credit card expenditures, travel and other reimbursements have been reviewed and approved at the proper level.

There have been no significant changes to the internal control system, to the accounting system or accounting policies that are significant. The business services department is adequately staffed to allow for proper segregation of duties and I am not aware of any new pronouncements or other financial changes that may require additional staff time to properly implement.

All financial statements that have been provided to the board are accurate and complete to the best of my knowledge and I am aware of no other financial matters that the board should be aware of at this time. I know of no cases of fraud or other misconduct and I have not been asked by the superintendent to do anything that makes me feel uncomfortable or to present any information I feel is inaccurate.

Please contact me with questions or if you would like any additional information.

LANE EDUCATION SERVICE DISTRICT
General Fund Financial Report (Unaudited)
For the Period Ending February 28, 2026

	Fiscal Year 2024-25					Fiscal Year 2025-26					
	Final Budget	Actuals thru 2/28/2025	% of Budget	Actuals thru 6/30/2025	% of Budget	Adopted Budget	Actuals thru 2/28/2026	% of Budget	Projected thru 6/30/2026	% of Budget	Budget Variance
RESOURCES											
State School Fund Formula Revenue											
State School Fund - General Support	\$ 16,240,313	\$ 12,332,977	75.9%	\$ 16,547,846	101.9%	\$ 18,679,394	\$ 13,130,968	70.3%	\$ 17,552,635	94.0%	\$ (1,126,759)
Property Taxes Levied by District	9,038,376	8,537,274	94.5%	8,985,472	99.4%	9,359,045	8,845,401	94.5%	9,329,720	99.7%	(29,325)
Other Local Revenues	86,659	17,306	20.0%	30,374	35.1%	47,000	30,022	63.9%	47,500	101.1%	500
Services Provided to Districts	2,209,514	120,487	5.5%	1,961,361	88.8%	3,441,349	1,328,510	38.6%	3,743,449	108.8%	302,100
Fees Charged to Grants	600,000	314,817	52.5%	787,830	131.3%	700,000	291,860	41.7%	650,000	92.9%	(50,000)
Other Revenues	580,000	464,009	80.0%	996,757	171.9%	662,700	430,371	64.9%	687,177	103.7%	24,477
Total Operating Revenues	\$ 28,754,862	\$ 21,786,871	75.8%	\$ 29,309,639	101.9%	\$ 32,889,488	\$ 24,057,132	73.1%	\$ 32,010,481	97.3%	\$ (879,007)
Beginning Fund Balance (District Reserves)	1,103,757	1,286,636	116.6%	1,286,636	116.6%	1,234,309	1,074,947	87.1%	1,074,947	87.1%	(159,362)
Beginning Fund Balance	1,514,860	1,423,343	94.0%	1,423,343	94.0%	1,915,193	2,279,275	119.0%	2,279,275	119.0%	364,082
TOTAL RESOURCES	\$ 31,373,479	\$ 24,496,850	78.1%	\$ 32,019,618	102.1%	\$ 36,038,990	\$ 27,411,354	76.1%	\$ 35,364,703	98.1%	\$ (674,287)
REQUIREMENTS											
Salaries	\$ 11,436,471	\$ 6,285,628	55.0%	\$ 11,229,735	98.2%	\$ 12,931,449	\$ 6,825,385	52.8%	\$ 12,529,834	96.9%	\$ (401,615)
Associated Payroll Costs	7,495,703	3,718,342	49.6%	6,740,975	89.9%	8,752,295	4,115,665	47.0%	7,669,851	87.6%	(1,082,444)
Purchased Services	5,695,892	2,917,875	51.2%	5,696,187	100.0%	6,358,613	3,225,981	50.7%	6,651,294	104.6%	292,681
Supplies and Materials	662,884	405,151	61.1%	557,323	84.1%	724,853	402,576	55.5%	621,858	85.8%	(102,995)
Capital Outlay	-	-	#DIV/0!	39,123	#DIV/0!	-	-	#DIV/0!	-	#DIV/0!	-
Other Objects	269,700	266,347	98.8%	374,774	139.0%	324,933	311,533	95.9%	330,818	101.8%	5,885
Total Operating Expenditures	\$ 25,560,650	\$ 13,593,343	53.2%	\$ 24,638,117	96.4%	\$ 29,092,143	\$ 14,881,140	51.2%	\$ 27,803,655	95.6%	\$ (1,288,488)
Transfers											
Interfund Transfers	449,000	429,000	95.5%	449,713	100.2%	452,500	425,000	93.9%	452,500	100.0%	-
Transits to Districts	3,297,987	1,551,175	47.0%	3,577,566	108.5%	4,010,894	2,039,442	50.8%	3,268,784	81.5%	(742,110)
Other Uses of Funds											
Planned Reserve (District Reserves)	464,161	-	0.0%	-	0.0%	440,383	-	0.0%	-	0.0%	(440,383)
Planned Reserve	801,681	-	0.0%	-	0.0%	209,617	-	0.0%	-	0.0%	(209,617)
Reserved for Next Year	800,000	-	0.0%	-	0.0%	1,833,453	-	0.0%	-	0.0%	(1,833,453)
TOTAL REQUIREMENTS	\$ 31,373,479	\$ 15,573,518	49.6%	\$ 28,665,396	91.4%	\$ 36,038,990	\$ 17,345,582	48.1%	\$ 31,524,939	87.5%	\$ (4,514,051)
ENDING FUND BALANCE	-	\$ 8,923,332		\$ 3,354,222		-	\$ 10,065,773		\$ 3,839,764		
Assigned for Districts				\$ 1,074,947					\$ 889,715		
Unassigned Fund Balance				\$ 2,279,275	7.8%				\$ 2,950,049	9.2% *	
* Percent of Operating Revenues				\$ 3,354,222					\$ 3,839,764		

LANE EDUCATION SERVICE DISTRICT
Appropriation Monitoring
For the Period Ending February 28, 2026

		Fiscal Year 2025-26						
		Adopted Budget	Actuals thru 2/28/2026	% of Budget	Projected thru 6/30/2026	% of Budget	BUDGET VARIANCE	NOTES
GENERAL FUND	100							
Instruction		14,163,749	7,187,594	50.7%	14,596,919	103.1%	(433,170)	+
Support Services		14,928,394	7,693,546	51.5%	13,206,736	88.5%	1,721,658	+
Transfers of Funds		452,500	425,000	93.9%	452,500	100.0%	-	+
Apportionment of Funds by ESD		4,010,894	2,039,442	50.8%	3,268,784	81.5%	742,110	+
Contingencies		650,000	-	0.0%	-	0.0%	650,000	+
Unappropriated Ending Fund Balance		1,833,453	-	0.0%	-	0.0%	1,833,453	
Total		36,038,990	17,345,582	48.1%	31,524,939	87.5%	4,514,051	+
SPECIAL REVENUE FUND	200							
Instruction		3,739,197	1,654,874	44.3%	3,278,719	87.7%	460,478	+
Support Services		15,187,528	6,646,992	43.8%	14,665,562	96.6%	521,966	+
Enterprise and Community Services		80,000	38,630	48.3%	84,519	105.6%	(4,519)	- pending appropriation transfer
Apportionment of Funds by ESD		22,548,273	357,667	1.6%	22,092,806	98.0%	455,467	+
Total		41,554,998	8,698,164	20.9%	40,121,606	96.6%	1,433,392	+
DEBT SERVICE FUND	300							
Support Services		5	0	9.0%	1	20.0%	4	+
Debt Service		954,698	62,349	6.5%	954,697	100.0%	1	+
Total		954,703	62,349	6.5%	954,698	100.0%	5	+
CAPITAL PROJECTS FUND	400							
Support Services		139,161	17,584	12.6%	139,161	100.0%	(0)	+
Debt Service		135,839	63,067	46.4%	135,839	100.0%	-	+
Total		275,000	80,651	29.3%	275,000	100.0%	(0)	+
INTERNAL SERVICE FUND	600							
Instruction		-	22,649	#DIV/0!	22,649	#DIV/0!	(22,649)	- pending appropriation transfer
Support Services		545,020	152,616	28.0%	350,000	64.2%	195,020	+
Total		545,020	175,266	32.2%	372,649	68.4%	172,371	+
GRAND TOTAL	ALL	79,368,711	26,362,011	137.1%	33,127,288	41.7%	6,119,818	

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

COMMUNICATION TO THE GOVERNING BODY

FOR THE YEAR ENDED JUNE 30, 2025



**12700 SW 72nd Ave.
Tigard, OR 97223**



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January 11, 2026

To the Board of Directors
Lane Educational Service District
Lane County, Oregon

We have audited the basic financial statements of the governmental activities, business-type activities, and each major fund of Lane Educational Service District (the District) for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the *Uniform Guidance*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Purpose of the Audit

Our audit was conducted using sampling, inquiries and analytical work to opine on the fair presentation of the basic financial statements and compliance with:

- generally accepted accounting principles and auditing standards
- the Oregon Municipal Audit Law and the related administrative rules
- federal, state and other agency rules and regulations related to expenditures of federal awards

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the basic financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the basic financial statements does not relieve you or management of your responsibilities. Our engagement letter details our nonaudit services we provide; these services do not constitute an audit under *Government Auditing Standards*.

In planning and performing our audit, we considered the system of internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the basic financial statements and not to provide assurance on the system of internal control over financial reporting. We also considered the system of internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinions on compliance and to test and report on internal control over compliance in accordance with the *Uniform Guidance*.

As part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of the basic financial statement amounts. However, providing an opinion on compliance with those provisions is not an objective of our audit. Also, in accordance with the *Uniform Guidance*, we examined on a test basis, evidence about compliance with the types of compliance requirements described in the OMB's *Compliance Supplement* applicable to each of the major federal programs for the purpose of expressing an opinion on compliance with those requirements. While our audit provided a reasonable basis for our opinion, it does not provide a legal determination on compliance with those requirements.

Our responsibility for the supplementary information accompanying the basic financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the basic financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; therefore, our audit involved judgment about the number of transactions examined and the areas to be tested.

Our audit included obtaining an understanding of the District and its environment, including the system of internal control, sufficient to assess the risks of material misstatement of the basic financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the District or to acts by management or employees acting on behalf of the District. We also communicated any control related matters that are required to be communicated under professional standards.

Results of Audit

1. Audit opinion letter - an unmodified opinion on the basic financial statements has been issued. This means we have given a “clean” opinion with no reservations.
2. State minimum standards – We found no exceptions or issues requiring comment, except as noted on page 59 of the financial report.
3. Federal Awards - We found no issues of non-compliance and no questioned costs. We have responsibility to review these programs and give our opinion on the schedule of expenditures of federal awards, and tests of the internal control system, compliance with laws and regulations, and general and specific requirements mandated by the various awards.
4. Management letter – No separate management letter was issued.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used are described in Note 1 to the basic financial statements. No new accounting policies were adopted and the application of existing policies was not changed during fiscal year 2024-25, except that GASB Statement No. 101 *Compensated Absences* was implemented. We noted no transactions entered into during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the basic financial statements in the proper period.

Accounting estimates are an integral part of the basic financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the basic financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most significant estimates in the basic financial statements are the actuarial estimate of the District’s portion of the statewide Net Pension Liability (or Asset) and Other Post-Employment Benefits, fair market value of investments, the estimates of Accounts Receivable and Capital Asset Depreciation, which are based on actuarial evaluations, market value, estimated collectability of receivables and useful lives of assets. We have evaluated the methods, assumptions, and data used to develop these estimates in determining that they were reasonable in relation to the basic financial statements taken as a whole.

Pauly, Rogers and Co., P.C.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The basic financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements or determined that their effects are immaterial. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, taken as a whole. There were immaterial uncorrected misstatements noted during the audit which were discussed with management. The uncorrected misstatements or the matters underlying them could potentially cause future period basic financial statements to be materially misstated, even if, in our judgment, such uncorrected misstatements are immaterial to the basic financial statements under audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the basic financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the basic financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards with management each year prior to our retention as the auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Required Supplementary Information

We applied certain limited procedures to the required supplementary information that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the required supplementary information and do not express an opinion or provide any assurance on it, except for the budgetary statements presented as required supplementary information.

Supplementary Information

We were engaged to report on the supplementary information as listed in the table of contents and the schedule of expenditures of federal awards, which accompany the basic financial statements but are not required supplementary information. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the basic financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves.

Other Information

We were not engaged to report on the listing of Board members, located before the table of contents, or the other information, as listed in the table of contents, which accompanies the basic financial statements but is not required supplementary information. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Matters – Future Accounting and Auditing Issues

In order to keep you aware of new auditing standards issued by the American Institute of Certified Public Accountants and accounting statements issued by the Governmental Accounting Standards Board (GASB), we have prepared the following summary of the more significant upcoming issues:

GASB 103 – FINANCIAL REPORTING MODEL IMPROVEMENTS

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting period thereafter. Earlier application is encouraged. The requirements for Management's Discussion and Analysis (MD&A) will improve the quality of the analysis of changes from the prior year, which will enhance the relevance of that information. They also will provide clarity regarding what information should be presented in MD&A. The requirements for the separate presentation of unusual or infrequent items will provide clarity regarding which items should be reported separately from other inflow and outflows of resources. The definitions of operating revenues and expenses and of nonoperating revenues and expenses will replace accounting policies that vary from government to government, thereby improving comparability. The addition of a subtotal for operating income (loss) and noncapital subsidies will improve the relevance of information provided in the proprietary fund statement of revenues, expenses, and changes in fund net position. The requirement for presentation of major component unit information will improve comparability. The requirement that budget comparison information be presented as required supplementary information (RSI) will improve comparability, and the inclusion of the specified variances and the explanation of significant variances will provide more useful information for making decisions and assessing accountability.

The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

Management's Discussion and Analysis

This Statement continues the requirement that the basic financial statements be preceded by management's discussion and analysis (MD&A); which is presented as required supplementary information (RSI). MD&A provided an objective and easily readable analysis of the government's financial activities based on currently known facts, decisions, or conditions and presents comparisons between current and prior year. This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1)

Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Furthermore, this Statement stresses that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed. This Statement emphasizes that the analysis provided in MD&A should avoid unnecessary duplication by not repeating explanations that may be relevant to multiple sections and that “boilerplate” discussions should be avoided by presenting only the most relevant information, focused on the primary government. In addition, this Statement continues the requirement that information included in MD&A distinguish between that of the primary government and its discretely presented component units.

Unusual or Infrequent Items

This Statement describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence. Furthermore, governments are required to display the inflows and outflows related to each unusual or infrequent item separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows.

Presentation of the Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position

This Statement requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses are defined as revenues and expenses other than nonoperating revenues and expenses. Nonoperating revenues and expenses are defined as (1) subsidies received and provided, (2) contributions to permanent and term endowments, (3) revenues and expenses related to financing, (4) resources from the disposal of capital assets and inventory, and (5) investment income and expenses.

GASB 104 – DISCLOSURE OF CAPITAL ASSETS

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments.

State and local governments are required to provide detailed information about capital assets in notes to financial statements. Statement No. 34, Basic Financial Statements-and Management’s Discussion and Analysis-for State and Local Governments, requires certain information regarding capital assets to be presented by major class. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets.

This Statement requires certain types of capital assets to be disclosed separately in the capital asset note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, Leases, and intangible right-to-use assets recognized in accordance with Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Agreements, should be disclosed separately by major class of underlying asset in the capital asset note disclosures. Subscription assets recognized in accordance with Statement No. 96, Subscription-Based Information Technology Arrangements, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class.

Pauly, Rogers and Co., P.C.

This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt which the capital assets held for sale are pledged as collateral for each major class of asset.

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

A handwritten signature in cursive script that reads "Roy R Rogers".

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



LANE EDUCATION SERVICE DISTRICT

1200 Highway 99 North
Eugene, OR 97402

541.461.8200
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www.lesd.k12.or.us

EQUITY

COMMITMENT

LEADERSHIP

COLLABORATION

INTEGRITY

Prepared for: Lane ESD Board of Directors
Prepared by: Olivia Meyers Buch, Executive Director of Business Services
Meeting Date: April 7, 2026

Financial Report - Fiscal Year Ended June 30, 2025

State law requires that an independent audit be made of all district funds within six months following the close of the fiscal year. Pauly, Rogers & Co., P.C., the district's independent external auditors, reviewed the district's financial statements for the fiscal year ended June 30, 2025, and issued an unmodified ("clean") opinion, meaning that the auditors believe that the financial statements fairly present the financial position of the district at June 30, 2025.

Designed to meet the needs of a broad spectrum of financial statement readers, the Financial Report is divided into major sections. The report starts with the Independent Auditor's Report (beginning on page 1) which reports the district has fairly presented the financial information and has been issued an unmodified "clean" opinion, followed by Management's Discussion and Analysis (beginning on page I), which provides an overview and analysis to accompany the basic financial statements.

The **Basic Financial Statements** (beginning on page 4) along with the notes to the statements (beginning on page 13) are key for the report. Two main types of financial statements are presented: government-wide financial statements and fund financial statements. Each type of statement provides the reader with different information.

The *Government-Wide Financial Statements* (beginning on page 4) are designed to provide a broad overview of the district's finances in a manner similar to the private sector but are less helpful in planning and managing the district's finances as they include significant amounts of non-spendable assets and liabilities required to meet financial reporting requirements for this type of presentation.

Governments tend to raise resources when the liabilities are expected to be paid rather than when incurred. Most governments normally do not have sufficient current resources on hand to cover long-term liabilities. Therefore, the *Fund Financial Statements* (beginning on page 6) are often more useful in reviewing the current state of district finances as they focus on near-term inflows and outflows of available resources as well as the balance of available resources at the end of the fiscal year.

Required Supplementary Information (beginning on page 47) and other **Supplementary Information** (beginning on page 53) present various schedules along with individual financial statements for all governmental funds and internal service funds, and information on property tax collections. **Other Information** (beginning on page 57) includes debt requirements.

The **Reports on Legal and Other Regulatory Requirements** section contains the independent auditor's report required by Oregon State Regulations (page 59). The auditors review the district's compliance with certain provisions of laws, regulations, contracts and grants. Nothing came to the auditors' attention to believe the district was not in substantial compliance.

The *Grant Compliance Review* includes reports from the independent auditor regarding compliance requirements with government auditing standards and of the U.S. Office of Management and Budget Uniform Guidance Compliance Supplement for major federal programs. A summary of the auditor's results can be found on the Schedule of Findings and Questioned Costs (page 66). The report states that nothing came to their attention that caused them to believe the district was not in compliance.

Please contact me with questions or if you would like additional information.

Request for Proposals - Audit Services

On November 6, 2025, Lane ESD issued a joint Request for Proposals (RFP) seeking competitive sealed proposals from qualified independent certified public accounting firms to audit the financial statements of Lane ESD, Blachly School District, Marcola School District, McKenzie School District, and South Lane School District for a three year period beginning with the fiscal year ending June 30, 2026, with an option to extend for an additional two years. The RFP was advertised in *The Register-Guard* and on OregonBuys.gov and directly provided to the ESD's current auditors and six other audit firms.

Proposals were due on December 4, 2005. Three proposals were received. The responsive proposers were Pauly, Rogers & Co., P.C., Sorren, and Umpqua Valley Financial. The proposals were reviewed and evaluated by a selection committee composed of district business managers (Olivia Meyers Buch, Lane ESD; Molly Rust, Blachly SD; Adrienne Ramey, Marcola SD; Wendy Whitson, McKenzie SD, and Celia Gowing, South Lane SD).

The selection committee evaluated the three responsive proposals according to the criteria outlined in the solicitation documents. The opinion of the selection committee was to recommend the selection of Pauly, Rogers & Co., P.C. for consideration of the award. A notice of intent to award the contract to Pauly, Rogers & Co., P.C. was issued on December 12, 2005.

As a result of the solicitation, the audit fees for Lane ESD will be \$54,315 in the first year, \$56,880 in the second year, and \$59,040 in the third year. For comparison, the audit fees for the fiscal year ended June 30, 2005 were \$60,850.

**LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON**

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2025



**12700 SW 72nd Ave.
Tigard, OR 97223**

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LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

2024-2025 FINANCIAL REPORT

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LANE EDUCATION SERVICE DISTRICT

Lane County, Oregon

PRINCIPAL OFFICIALS

BOARD OF DIRECTORS

TERM EXPIRES

Sherry Duerst-Higgins, Chair

June 30, 2027

Linda Hamilton

June 30, 2027

Leslie Harris, Chair

June 30, 2027

Thomas Hiura

June 30, 2029

Nora Kent

June 30, 2027

Vanessa Truett, Vice Chair

June 30, 2029

Rose Wilde

June 30, 2029

ADMINISTRATION

Tony Scurto, Superintendent

Olivia Meyers Buch, Business Manager (Registered Agent)

The Board members receive mail at the following address:

Lane ESD
1200 Highway 99N
Eugene, Oregon 97402

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LANE EDUCATION SERVICE DISTRICT

TABLE OF CONTENTS

	<u>PAGE NUMBER</u>
INDEPENDENT AUDITORS' REPORT	1
<u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
MANAGEMENT'S DISCUSSION AND ANALYSIS	1
<u>BASIC FINANCIAL STATEMENTS</u>	
Government-Wide Financial Statements:	
Statement of Net Position	4
Statement of Activities	5
Fund Financial Statements:	
Balance Sheet – Governmental Funds	6
Reconciliation of Governmental Funds Balance Sheet To Statement of Net Position	7
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	8
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities	9
Statement of Net Position – Internal Service Fund	10
Statement of Revenues, Expenses, and Changes in Fund Net Position Internal Service Fund	11
Statement of Cash Flows – Internal Service Fund	12
Notes to Basic Financial Statements	13
<u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
Schedule of Changes in OPEB Liability and Employer Contributions – Health Insurance	47
Schedule of Contributions – Health Insurance	47
Schedule of Changes in Pension Liability and Employer Contributions – Stipends	48
Schedule of Contributions – Stipends	48
Schedule of the Proportionate Share of Net Pension Liability –PERS	49
Schedule of Contributions – PERS	49
Schedule of Proportionate Share of the Net Pension Liability – RHIA	50
Schedule of Contributions – RHIA	50
Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
General Fund	51
Special Revenue Fund	52

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LANE EDUCATION SERVICE DISTRICT
TABLE OF CONTENTS (CONTINUED)

	<u>PAGE NUMBER</u>
 <u>SUPPLEMENTARY INFORMATION</u>	
Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
Debt Service Fund	53
Capital Projects Fund	54
Internal Service Fund	55
Schedule of Expenditures of Federal Awards	56
 <u>OTHER INFORMATION</u>	
Other Financial Schedules:	
Schedule of Bond and Interest Transactions and Balances	57
Schedule of Bond Redemption and Interest Requirements	58
 <u>REPORTS ON LEGAL AND OTHER REGULATORY REQUIREMENTS</u>	
INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS	59
 <u>GRANT COMPLIANCE REVIEW</u>	
Report on Internal Control Structure over Financial Reporting	61
Report on Compliance with Requirements Applicable to each Major Program	63
Schedule of Findings and Questioned Costs	66

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LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

INDEPENDENT AUDITORS' REPORT

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

January 11, 2026

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Lane Educational Service District
Lane County, Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, and each major fund of Lane Educational Service District (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the District, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

The budgetary comparison information presented as required supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is 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 the basic financial statements. The supplementary information, as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

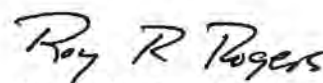
Management is responsible for the other information included in the annual report. The other information comprises the other information, as listed in the table of contents, and the listing of board members containing their term expiration dates, located before the table of contents, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our reports dated January 11, 2026 on our consideration of the internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of the reports are to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the internal control over financial reporting or on compliance. The reports are an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated January 11, 2026, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



Roy R. Rogers, CPA
PAULY, ROGERS AND CO., P.C.

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LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS

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**LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2025**

As management of Lane Education Service District (ESD), Lane County, Oregon, we offer readers of the ESD's financial statements this narrative overview and analysis of the financial activities of the ESD for the fiscal year ended June 30, 2025.

FINANCIAL HIGHLIGHTS

- On June 30, 2025, the ESD's total liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources, resulting in a total net position of \$(2,101,075).
- The ESD's total net position increased by \$960,637 for the year, a 31.4% increase in the ESD's financial position as compared to the prior year.
- On June 30, 2025, the ESD's governmental funds reported combined ending fund balances of \$4,477,823. Of this amount, \$3,354,220 is General Fund balance, \$1,024,895 is Special Revenue Fund balance, and \$98,708 is Debt Service Fund balance.
- On June 30, 2025, the General Fund unrestricted fund balance (the total of assigned and unassigned components of the fund balance) was \$3,352,878, or 11.5% of total General Fund revenue.
- The ESD's total outstanding long-term debt decreased by \$773,187 or 18.4% during the 2024-25 fiscal year due to debt service payments and amortization of premiums.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the ESD's basic financial statements. The basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

The statement of net position presents information on all the ESD's assets and liabilities with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the ESD is improving or deteriorating.

The statement of activities presents information showing how the ESD's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal years. The government-wide financial statements can be found on pages 4 through 5 of this report.

FUND FINANCIAL STATEMENTS

The fund financial statements are designed to demonstrate compliance with finance-related legal requirements overseeing the use of fund accounting. A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities and objectives. All of the funds of the ESD can be divided into two categories: governmental funds and proprietary funds.

GOVERNMENTAL FUNDS

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements; however, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of available resources, as well as on balances of available resources at the end of the fiscal year. Such information may be useful in evaluating the ESD's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the ESD's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Special Revenue Fund, Debt Service Fund, and Capital Projects Fund, all of which are considered major governmental funds. The basic governmental fund financial statements can be found on pages 6 through 9 of this report.

The ESD adopts an annual appropriated budget for all of its governmental funds. A budgetary comparison statement has been provided for each fund individually to demonstrate compliance with their respective budgets. The budgetary comparison statements for each governmental fund can be found on pages 51 through 54 of this report.

PROPRIETARY FUNDS

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The ESD maintains one proprietary fund, which is an internal service fund.

The internal service fund serves as an accounting device used to accumulate and allocate costs internally among the ESD's various functions. The ESD uses the internal service fund to account for maintaining and replacing equipment. Because this predominantly benefits governmental functions, it has been included within governmental activities in the government-wide financial statements section. The basic proprietary fund financial statements can be found on pages 10 through 12 of this report.

The ESD also adopts an annual appropriated budget for its proprietary fund. A budgetary comparison statement has been provided for the fund to demonstrate compliance with its budget. The budgetary comparison statement for the proprietary fund can be found on page 55 of this report.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 13 through 46 of this report.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information such as schedules of the changes in total other post-employment benefits, schedules of the proportionate share of net pension liability for the state public retirement system, as well as budgetary comparison information for the General Fund. This required supplementary information can be found on pages 47 through 52 of this report.

The budgetary comparison statements for the other major governmental funds (Debt Service Fund and Capital Projects Fund) are presented immediately following the required supplementary information. This information can be found on pages 53 through 54 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the ESD, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$2,101,075 on June 30, 2025.

Condensed Statement of Net Position			
	Governmental Activities		
	2025	2024	Change
Assets			
Current Assets	\$ 16,262,139	\$ 15,635,096	\$ 627,043
Noncurrent Assets	8,782,524	8,684,584	97,970
Total Assets	25,044,663	24,319,680	724,983
Deferred Outflows of Resources	11,380,636	9,247,722	2,132,914
Total Assets and Deferred Outflows of Resources	\$ 36,425,299	\$ 33,567,402	\$ 2,857,897
Liabilities			
Current Liabilities	\$ 12,259,775	\$ 12,724,670	\$ (464,895)
Noncurrent Liabilities	25,349,977	22,491,350	2,858,627
Total Liabilities	37,609,752	35,216,020	2,393,732
Deferred Inflows of Resources	916,622	1,413,094	(496,472)
Total Liabilities and Deferred Inflows of Resources	\$ 38,526,374	\$ 36,629,114	\$ 1,897,260
Net Position			
Net Investment in Capital Assets	\$ 7,449,339	\$ 4,239,445	\$ 3,209,894
Restricted	491,709	446,465	45,244
Unrestricted	(10,042,123)	(7,747,622)	(2,294,501)
Total Net Position	\$ (2,101,075)	\$ (3,061,712)	\$ 960,637

Grant and other accounts receivable, which primarily consist of reimbursements due from granting and contracting agencies, represent 71.4% of current assets. The remaining assets consist mainly of cash and cash equivalents.

The ESD's largest current liability, comprising 26.3% of the total liabilities, are accounts payable. Other current liabilities, representing about 6.2% of the ESD's total liabilities, consist of payroll liabilities, deferred revenues, and debt obligations due within one year. Noncurrent liabilities, representing about 67.4% of the ESD's total liabilities, primarily consist of pension liabilities and bonds and notes payable.

A large portion of the ESD's net position reflects its investment in capital assets (e.g., land, buildings and improvements, and vehicles and equipment). The ESD uses these capital assets for providing services to districts; consequently, these assets are not available for future spending.

During the current fiscal year, the ESD's total net position increased by \$960,637, a 31.4% increase in the ESD's financial position as compared to the prior year.

Condensed Statement of Activities (Change in Net Position)

	Governmental Activities		
	2025	2024	Change
Revenues			
Program Revenues			
Charges for Services	\$ 4,197,349	\$ 3,120,377	\$ 1,076,972
Operating Grants and Contributions	42,081,173	29,612,612	12,468,561
General Revenues			
Property Taxes	9,063,981	8,780,204	283,777
Intermediate Sources	8,461	-	8,461
State Support	16,770,750	16,153,423	617,327
Earnings on Investments	365,761	365,476	285
Miscellaneous Revenue	-	36,135	(36,135)
Other Local Revenues	2,173,503	1,535,039	638,464
Total Revenues	\$ 74,660,978	\$ 59,603,266	\$ 15,057,712
Expenses			
Instruction	45,616,689	\$ 34,247,932	11,368,757
Support Services	26,500,196	24,857,756	1,642,440
Enterprise and Community Services	83,016	54,057	28,959
Interest on Long-Term Obligations	179,590	215,897	(36,307)
Loss on Disposal of Assets	1,320,850	539	1,320,311
Total Expenses	\$ 73,700,341	\$ 59,376,181	\$ 14,324,160
Change in Net Position	\$ 960,637	\$ 227,085	\$ 733,552

REVENUES

Total revenues increased by \$15,057,712, mainly due to an increase in operating grants and contributions. Program revenues cover 63.9% of the funding required for program expenses and include charges for services and operating grants and contributions. Program revenues increased 41.4% over the prior year.

General revenues cover 37.4% of the funding required for program expenses. General revenues increased over the prior year due to increases in state support and other local revenues. Property taxes and state school funding combined for 95.5% of general revenues. State school fund revenues are determined by a complex formula, which includes local property tax collections, student demographics and enrollment. Higher local property tax collections reduce funding from the state and vice versa.

EXPENSES

Expenses related to governmental activities are presented in four broad functional categories: instruction, support services, enterprise and community services, and interest on long-term obligations. Costs of instruction activities account for 63.0% of the total expenses of \$73,700,341. Costs to provide services typically reflect normal increases for items such as salaries, benefits, supplies and services. Total program expenses increased 21.9% over the prior year due to increases in programming and related staff costs.

FINANCIAL ANALYSIS OF THE ESD'S FUNDS

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

GOVERNMENTAL FUNDS

The focus of the ESD's governmental funds is to provide information on relatively short-term cash flow and funding for future basic services. Governmental funds report the differences between their assets and liabilities as fund balance. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available at the end of the fiscal year.

On June 30, 2025, the ESD's governmental funds reported combined ending fund balances of \$4,477,823, an increase over the prior year combined ending fund balances of \$3,344,965. Of this amount, \$3,352,878, or 74.9%, is unassigned and available to meet the general obligations of the ESD.

General Fund. The General Fund is the chief operating fund of the ESD. At fiscal year end, the General Fund total ending fund balance was \$3,354,220, an increase of \$644,240 or 23.8% from the prior year. The ending fund balance represents 11.5% of total General Fund revenues.

Special Revenue Fund. This fund accounts for local, state, and federal grants and contracts received by the ESD for specific programs. Resources related to the federal Emergency Assistant to Non-Public Schools (ARP EANS) and Education Stabilization Fund (ESSER III or ARP ESSER) are captured here. The Special Revenue Fund ending fund balance is \$1,024,895, an increase of \$453,980 or 79.5% from the prior year.

Debt Service Fund. This fund sets aside funds for payment of debt service related to pension obligation bonds issued in 2007. The Debt Service Fund ending fund balance is \$98,708, an increase of \$34,668 or 54.1% from the prior year.

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund revenues totaled \$29,215,612, an increase of 6.3% from the prior year. Total actual revenues came in at 101.6% of the final budget.

Expenditures reflect an increase of \$617,199, or 2.6%, from the prior year. Total actual expenditures were 91.8% of the final amended budget. There was one appropriation transfer adopted, and all expenditures were within amounts appropriated.

PROPRIETARY FUND

The ESD's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. Net position of the proprietary fund at year-end amounted to \$132,489 all of which is considered unrestricted yet dedicated to the purpose of the fund. The net position decreased \$1,981 from the prior year and is dedicated for maintaining and replacing equipment.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

The ESD's investment in capital assets for its governmental activities as of June 30, 2025, amounted to \$8,306,358. This investment in capital assets includes land, buildings and improvements, and vehicles and equipment, net of depreciation. The total depreciation related to the ESD's investment in capital assets for the current fiscal year amounted to \$469,903, and total capital assets being depreciated (net of accumulated depreciation) is \$7,805,345. The decrease in construction in progress and increase in buildings and site improvements reflects the completion of remodel of the information technology office space and server room.

Condensed Capital Asset Activity			
	2025	2024	Change
Land	\$ 501,013	\$ 501,013	\$ -
Construction in Progress	-	1,123,978	(1,123,978)
Buildings and Site Improvements	6,823,876	5,640,844	1,183,032
Vehicles, Furniture and Equipment	981,469	1,013,987	(32,518)
Total	\$ 8,306,358	\$ 8,279,822	\$ 26,536

Additional information on the ESD's capital assets can be found in Note 6 on page 23 of this report.

LONG-TERM DEBT

On June 30, 2025, the ESD had total debt outstanding of \$3,433,932, reflecting \$71,727 in new debt related to compensated absences and \$844,914 in payment redemptions. The debt amount is composed of notes payable pension obligation bonds, and accrued compensated absences.

Additional information on the ESD's long-term liabilities can be found in Note 8 on pages 24 through 25 of this report.

KEY ECONOMIC FACTORS AND NEXT YEAR'S BUDGET INFORMATION

The most significant economic factor for the ESD is the State School Fund. For the year ended June 30, 2025, the State School Fund provided 56.5% of the ESD's general fund resources. State funding for the 2025-27 biennium is based on the legislatively adopted \$11.4 billion K-12 budget, with 49% distributed in the first year. The total State School Fund allocation for 2025-27 represents an 11.4% increase in K-12 funding compared to the 2023-25 biennium.

The 2025-26 adopted budget includes a total investment of \$79.4 million represented by five separate funds, with the largest being the General Fund and the Special Revenue Fund. The total budget for all funds is 8.8% higher than the 2024-25 budget, which reflects increases in local and state funding along with corresponding increases in salaries, benefits, and services.

The General Fund represents 46% of the 2025-26 proposed budget for all funds and accounts for all operating activities of the ESD except those activities required to be accounted for in another fund. General Fund revenues come from two main sources – local property taxes and the State School Fund. The General Fund budget totals \$36.0 million, representing an increase of \$4.7 million or 14.9% from 2024-25. The majority of the increase in General Fund resources is due to typical increases in property taxes and an increase in state school funding that addresses some long standing deficiencies with the state’s calculation of the current service level.

Increases in General Fund requirements reflect a small increase in staffing that aligns with services requested by districts. Salaries and benefits comprise the majority of planned expenses at \$21.7 million or 65% of all current requirements and in addition to the staffing changes, salary and benefit increases also include modest cost of living adjustments and a significant increase in PERS pension contributions.

Heading into the second year of the 2025-27 biennium, growth in Oregon’s primary revenue instruments is beginning to slow, exacerbated by the impact of Federal HR 1 on Oregon personal income taxes. With less local money coming in, inflation continuing and federal funding shrinking, budget reductions are anticipated in the next biennium.

REQUESTS FOR INFORMATION

This financial report is designed to provide readers with a general overview of the ESD’s finances and to demonstrate the ESD’s accountability. Questions concerning the information provided in this report or requests for additional information should be addressed to the Business Services Department, Lane Education Service District, 1200 Highway 99 N, Eugene, OR 97402.

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LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

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**LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON
STATEMENT OF NET POSITION
June 30, 2025**

	Governmental Activities
Assets	
Current Assets:	
Cash and Cash Equivalents	\$ 4,261,474
Property Taxes Receivable	389,150
Grant and Other Receivables	11,610,173
Prepaid Expenses	1,342
Total Current Assets	<u>16,262,139</u>
Noncurrent Assets:	
Net OPEB Asset - RHIA	393,001
SBITA Asset, Net of Amortization	83,165
Capital Assets - Nondepreciable	501,013
Capital Assets - Depreciable, Net of Accumulated Depreciation	7,805,345
Total Noncurrent Assets	<u>8,782,524</u>
Total Assets	<u>25,044,663</u>
Deferred Outflows of Resources	
Pension Related Deferrals - PERS	11,286,707
Deferred Outflows - OPEB RHIA	24,340
Deferred Outflows - OPEB Health Insurance	65,640
Deferred Outflows - OPEB Stipends	3,949
Total Deferred Outflows of Resources	<u>11,380,636</u>
Total Assets and Deferred Outflows of Resources	<u>36,425,299</u>
Liabilities	
Current Liabilities:	
Accounts Payable	9,901,804
Accrued Payroll, Withholdings, and Benefits	587,195
SBITA Liability, Current	42,757
Unearned Revenue	795,635
Current Maturities of Bonds & Notes Payable	932,384
Total Current Liabilities	<u>12,259,775</u>
Noncurrent Liabilities:	
Accrued Compensated Absences	444,116
OPEB Liability - Health Insurance	286,245
OPEB Liability - Stipends	58,419
Bonds & Notes Payable, Net of Current Maturities	2,057,432
Net Pension Liability - PERS	22,456,910
SBITA Liability, Long Term	46,855
Total Noncurrent Liabilities	<u>25,349,977</u>
Total Liabilities	<u>37,609,752</u>
Deferred Inflows of Resources	
Pension Related Deferrals - PERS	791,721
Deferred Inflows - OPEB RHIA	23,363
Deferred Inflows - OPEB Health Insurance	101,469
Deferred Inflows - OPEB Stipends	69
Total Deferred Inflows of Resources	<u>916,622</u>
Total Liabilities and Deferred Inflows of Resources	<u>38,526,374</u>
Net Position	
Net Investment in Capital Assets	7,449,339
Restricted for RHIA Asset	393,001
Restricted for Debt Service	98,708
Unrestricted	(10,042,123)
Total Net Position	<u>\$ (2,101,075)</u>

See accompanying notes to basic financial statements.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Instruction	\$ 45,616,689	\$ 4,110,703	\$ 27,070,684	\$ (14,435,302)
Support Services	26,500,196	86,646	14,942,297	(11,471,253)
Enterprise and Community Services	83,016	-	68,192	(14,824)
Interest on Long-Term Obligations	179,590	-	-	(179,590)
Loss on Disposal of Assets	1,320,850	-	-	(1,320,850)
Total Governmental Activities	<u>\$ 73,700,341</u>	<u>\$ 4,197,349</u>	<u>\$ 42,081,173</u>	<u>(27,421,819)</u>
General Revenues:				
				9,063,981
Property Taxes				8,461
Intermediate Revenues				16,770,750
State Support				365,761
Earnings on Investments				2,173,503
Other Local Revenues				<u>28,382,456</u>
Total General Revenues				<u>28,382,456</u>
Change in Net Position				960,637
Net Position Beginning of Year (As Restated)				<u>(3,061,712)</u>
Net Position End of Year				<u>\$ (2,101,075)</u>

See accompanying notes to basic financial statements.

**LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON**

**BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2025**

	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTALS
ASSETS:					
Cash and Investments	\$ 3,952,794	\$ -	\$ 98,708	\$ 72,771	\$ 4,124,273
Receivables:					
Taxes	389,150	-	-	-	389,150
Grants and Other Receivables	1,847,941	9,762,232	-	-	11,610,173
Prepaid Items	1,342	-	-	-	1,342
Due from Other Funds	2,027,158	1,714,409	-	-	3,741,567
Total Assets	\$ 8,218,385	\$ 11,476,641	\$ 98,708	\$ 72,771	\$ 19,866,505
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE:					
Liabilities:					
Accounts Payable	\$ 3,909,777	\$ 5,914,544	\$ -	\$ 72,771	\$ 9,897,092
Accrued Payroll, Withholdings, and Benefits	587,195	-	-	-	587,195
Unearned Revenue	-	795,635	-	-	795,635
Due to Other Funds	-	3,741,567	-	-	3,741,567
Total Liabilities	4,496,972	10,451,746	-	72,771	15,021,489
Deferred Inflows of Resources:					
Unavailable Revenue-Property Taxes	367,193	-	-	-	367,193
Total Deferred Inflows of Resources	367,193	-	-	-	367,193
Fund Balances (Deficit):					
Nonspendable	1,342	-	-	-	1,342
Restricted	-	-	98,708	-	98,708
Assigned	-	1,024,895	-	-	1,024,895
Unassigned	3,352,878	-	-	-	3,352,878
Total Fund Balance	3,354,220	1,024,895	98,708	-	4,477,823
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 8,218,385	\$ 11,476,641	\$ 98,708	\$ 72,771	\$ 19,866,505

See accompanying notes to basic financial statements.

**LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION**

June 30, 2025

Total Fund Balances

Amounts reported for governmental activities in the Statement of Net Position are different because:

\$ 4,477,823

The PERS net pension asset (liability) is the difference between the total pension liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries.

(22,456,910)

Deferred inflows and outflows of resources related to the pension plan include differences between expected and actual experience, changes of assumptions, differences between projects and actual earning, and contributions subsequent to the measurement date.

Deferred Outflows - PERS	11,286,707
Deferred Outflows - OPEB RHIA	24,340
Deferred Outflows - OPEB Stipends	3,949
Deferred Outflows - Health Insurance	65,640
Deferred Inflows - PERS	(791,721)
Deferred Inflows - OPEB RHIA	(23,363)
Deferred Inflows - OPEB Stipends	(69)
Deferred Inflows - Health Insurance	(101,469)

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.

Capital Assets, net	8,306,358
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Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are unavailable in the funds.

367,193

The OPEB asset (liability) is not reported as an asset (liability) in the governmental funds.

OPEB - RHIA	393,001
OPEB - Stipends	(58,419)
OPEB - Health Insurance	(286,245)

The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.

132,489

Right-to-use assets are not financial resources and therefore are not reported in the governmental funds.

83,165

Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. These liabilities consist of:

Accrued Compensated Absences	(444,116)
SBITA Liability	(89,612)
Bonds & Notes Payable	(2,989,816)

Total Net Position

\$ (2,101,075)

See accompanying notes to basic financial statements.

**LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

For the Year Ended June 30, 2025

	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL
REVENUES:					
From Local Sources	\$ 12,436,401	\$ 4,732,488	\$ 951,494	\$ -	\$ 18,120,383
From Intermediate Sources	8,461	-	-	-	8,461
From State Sources	16,770,750	31,013,006	-	-	47,783,756
From Federal Sources	-	10,384,474	-	-	10,384,474
Total Revenues	29,215,612	46,129,968	951,494	-	76,297,074
EXPENDITURES:					
Current:					
Instruction	12,965,185	2,835,027	-	-	15,800,212
Support Services	11,672,936	15,226,164	1	149,161	27,048,262
Enterprise and Community Services	-	91,404	-	-	91,404
Debt Service	-	-	916,825	135,839	1,052,664
Total Expenditures	24,638,121	18,152,595	916,826	285,000	43,992,542
Excess of Revenues Over, (Under) Expenditures	4,577,491	27,977,373	34,668	(285,000)	32,304,532
Other Financing Sources, (Uses):					
Proceeds from Subscription Financing	94,028	-	-	-	94,028
Transfer In	-	167,213	-	285,000	452,213
Transfer Out	(449,713)	(2,500)	-	-	(452,213)
Apportionment of Funds	(3,577,566)	(27,688,136)	-	-	(31,265,702)
Total Other Financing Sources, (Uses)	(3,933,251)	(27,523,423)	-	285,000	(31,171,674)
Net Change in Fund Balance	644,240	453,950	34,668	-	1,132,858
Beginning Fund Balance	2,709,980	570,945	64,040	-	3,344,965
Ending Fund Balance	\$ 3,354,220	\$ 1,024,895	\$ 98,708	\$ -	\$ 4,477,823

See accompanying notes to basic financial statements.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2025

Net Change in Fund Balance - Governmental Funds	\$	1,132,858
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The revenue (expense) represents the changes in net asset (liability) from year to year due to changes in total asset (liability) and the fair value of plan net position available to pay benefits.

PERS	\$	(1,123,299)	
OPEB - RHIA		71,325	
OPEB - Health Insurance		6,130	
OPEB - Stipend		5,078	(1,040,766)

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

Capital Asset Additions	1,817,729	
Capital Asset Deletions	(1,321,290)	
Depreciation expense	(469,903)	26,536

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 proceeds exceeded repayments:

Debt Principal Repaid	847,580	
Accrued Compensated Absences	(71,727)	775,853

Governmental funds report the effect of 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 premium/(discount)		(2,666)
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Payment on Subscription Liabilities decreases liabilities in the Statement of Net Position.

Payment on Subscription Liability		25,494
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Expenditure for Right-to-use Assets reduces the Prepaid Expenses in the Statement of Net Position and Amortization Expenses on the Statement of Activities.

Amortization Expense		(33,200)
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Internal service funds are used to account for revenues and expenditures used in replacing and maintaining buildings and equipment.

(1,981)

Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds, and are instead recorded as unavailable revenue. They are, however, recorded as revenues in the Statement of Activities.

78,509

Change in Net Position	\$	960,637
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See accompanying notes to basic financial statements.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

STATEMENT OF NET POSITION - PROPRIETARY FUND
June 30, 2025

	Governmental Activities Internal Service Fund
ASSETS	
Deposits and Investments	\$ 137,201
Total Assets	<u>137,201</u>
LIABILITIES	
Accounts Payable	<u>4,712</u>
Total Liabilities	<u>4,712</u>
NET POSITION	
Unrestricted	<u>132,489</u>
Total Net Position	<u><u>\$ 132,489</u></u>

See accompanying notes to basic financial statements.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND

For the Year Ended June 30, 2025

	Governmental Activities Internal Service Fund
Operating Revenues:	
Services Provided Other Funds	\$ 410,987
Total Operating Receipts	<u>410,987</u>
Operating Expenses:	
Cost of Services	<u>413,408</u>
Total Operating Disbursements	<u>413,408</u>
Operating Income (Loss)	(2,421)
Nonoperating Receipts (Disbursements):	
Sale of Capital Asset	<u>440</u>
Total Nonoperating Receipts (Disbursements)	<u>440</u>
Net Position - Beginning	<u>134,470</u>
Net Position - Ending	<u><u>\$ 132,489</u></u>

See accompanying notes to basic financial statements.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For the Year Ended June 30, 2025

	Governmental Activities Internal Service Fund
Cash Flows from Operating Activities:	
Receipts From Interfund Service Charges for Internal Service Fund Activities	\$ 410,987
Due from Other Funds	134,470
Payments to Vendors	<u>(512,370)</u>
Net Cash from (Used) Provided by Operating Activities	<u>33,087</u>
Cash Flows From Capital and Related Financing Activities:	
Proceeds From Sale of Capital Assets	<u>440</u>
Net Cash Provided by Capital Activities	<u>440</u>
Net Increase (Decrease) in Cash and Cash Equivalents	33,527
Cash Balance - Beginning	<u>103,674</u>
Cash Balance - Ending	<u><u>\$ 137,201</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	\$ (2,421)
Adjustments to Reconcile Net Income to Net Cash	
Decrease in Due from Other Funds	134,470
Increase in Accounts Payable	<u>(98,962)</u>
Net Cash from (Used) Provided by Operating Activities	<u><u>\$ 33,087</u></u>

See accompanying notes to basic financial statements.

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LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

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LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

The District is a political subdivision of the state of Oregon governed by an independently elected Board of Directors and is legally separate from all other entities. It is also financially independent of other state and local governmental units. It has the power to levy taxes, is responsible for its debts, and is entitled to any surpluses. The financial reporting consists of the District, any organization for which the District is financially accountable, and any other organizations that, because of the nature and significance of their relationship with the District, may not be excluded from the District's financial reporting. Component units, as established by the Governmental Accounting Standards Board (GASB) Statement 61, are separate entities that are included in the District's reporting because of the significance of their operational or financial relationships with the District. Currently, there are no component units.

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* normally are supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the expenses of a given function are offset by program revenues. *Program revenues* include 1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational requirements of a particular function. State school support, taxes, and other items not properly included among program revenues are reported instead as *general revenues*.

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

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUND FINANCIAL STATEMENTS

Separate fund financial statements are provided for governmental funds.

Governmental funds: Major individual governmental funds are reported as separate columns in the fund financial statements.

Governmental funds are used to account for the general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period, which is 60 days. Expenditures are recorded when the liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, interfund transactions, pension and OPEB costs, and certain compensated absences and claims and judgments which are not recognized as expenditures because they will be liquidated with future expendable financial resources.

- Property taxes are recognized as revenue only if received within 60 days of year-end.
- Entitlements, shared revenues, and interest are recognized as revenue in the period to which they relate.
- Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.
- Charges for services are recognized as revenue in the period in which the services are performed.
- Other receipts are not considered measurable and available until cash is received.

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

- Post-employment benefits are expensed when paid rather than when incurred.
- Capital outlay expenditures are recognized as expenditures when the assets are acquired (depreciation is not recorded).
- Proceeds of long-term borrowing are recognized as an "other financing source" and principal paid is considered an expenditure when paid.
- Supply inventory is expensed when purchased.
- The Net Pension Liability is not recorded and the OPEB assets are not recorded.
- Pension and OPEB Costs are not recorded as an expense until paid.

There are the following major governmental funds:

- The General Fund accounts for the general operating revenues and expenditures. Principal revenue sources are property taxes and the state school fund.
- The Special Revenue Fund accounts for the operating revenues and expenditures of grants awarded. Grant revenues are primarily from federal, state, and local governments.
- The Debt Service Fund accounts for the annual debt service on the 2007 pension bonds.
- The Capital Projects Fund provides facility services for the District. Services include major repair/replacement projects for the grounds and buildings at the Main Campus and the Westmoreland facilities.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

There is also the following proprietary fund:

- The Internal Service Fund accounts for revenues and expenditures used in replacing and maintaining buildings and equipment.

ASSETS, LIABILITIES AND EQUITY

CASH AND CASH EQUIVALENTS

Cash and investments consist of cash on hand, demand deposits, and investments in the State of Oregon Local Government Investment Pool (LGIP). Investments in the LGIP are considered highly liquid investments with original maturities of three months or less to be cash equivalents.

Oregon Revised Statutes 294.035 authorizes investment in the LGIP, general obligations of the U.S. Government and its agencies, bankers' acceptances, and commercial paper rated A-2 or better by Standard & Poor's Corporation or P-2 or better by Moody's Investors Service, among others.

RECEIVABLES

Grant and other accounts receivables consist of amounts due from school districts for services provided, grants, and reimbursements. Management believes that the amount of any uncollectible accounts included in receivables is immaterial; therefore, no provision for uncollectible accounts has been made.

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (I.E., the current portion of interfund loans) or "advances to/from other funds" (I.E., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds".

PROPERTY TAXES

Uncollected real and personal property taxes are reflected on the statement of net position and the balance sheet as receivables. Uncollected taxes are deemed by management to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established. All property tax receivables are due from property owners within the District.

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

SUPPLY INVENTORY

Supplies inventory is valued at cost using first-in, first-out (FIFO) method. Accounting for supplies inventory is based on the consumption method in the government-wide financial statements. Under the consumption method, all inventory items are charged to expenditures of user departments at the time of withdrawal from inventory. Donated commodities consumed during the year are reported as revenues and expenditures. The amount of unused supply inventories and donated commodities at the date of these statements is considered immaterial by management for reporting purposes.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PREPAID ITEMS

Payments to vendors may reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide and fund financial statements.

CAPITAL ASSETS

Capital assets, which include land, buildings, equipment, and construction in progress, are reported in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair market value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized. Depreciation is recorded on capital assets on the straight-line method over the useful life of the asset. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

Buildings and related improvements	20 - 40 years
Vehicles	10 - 15 years
Furniture, fixtures, and instructional equipment	10 years

ACCRUED COMPENSATED ABSENCES

The District recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, two types of leave qualifies for liability recognition for compensated absences – vacation and sick leave. The liability for compensated absences is reported as incurred in the government-wide financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Policy is to permit employees to earn vacation credits. Accumulated unpaid vacation must be taken within one year and is accrued as earned and is reported as an obligation on the Statement of Net Position.

Policy is to permit employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employ of the District and, upon separation from service, no monetary obligation exists. However, a liability for estimated value of sick leave that will more likely than not be used by employees as time off is included in the liability for compensated absences.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

UNEARNED REVENUE

Unearned revenue is reported on the Statement of Net Position when resources are received before the District has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures.

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

ESTIMATES

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

LONG-TERM OBLIGATIONS, BOND DISCOUNTS, AND PREMIUMS

Bonds and notes payable and other long-term obligations are reported as liabilities in the government-wide financial statements. The governmental fund financial statements do not report long-term obligations because they do not require the use of current financial resources. Rather, governmental funds recognize the proceeds of debt issued as another financing source and report the repayment of debt principal and interest as an expenditure.

Bond premiums and discounts are deferred and amortized over the term of the bonds using the bonds-outstanding method in the government-wide and internal service fund financial statements. The bonds-outstanding method does not differ significantly from the effective interest rate method. Unamortized premiums and discounts are presented as additions or subtractions from the face amount of the bonds. In the fund financial statements, premiums and discounts are recognized in the current period.

SUBSCRIPTION ASSETS/LIABILITIES (SBITA)

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

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

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

RETIREMENT PLAN

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

EARLY VOLUNTARY RETIREMENT

Certain employees with a minimum of 18 years of service are eligible for early retirement benefits, which are considered a special termination benefit. In the government-wide financial statements, the estimated present value of future benefits is recognized as a liability when the employee retires. In the fund financial statements an expenditure is not recognized until the benefits are paid.

ENCUMBRANCES

During the year, encumbrances are used for administrative control purposes; purchase orders and other commitments for the expenditure of monies are recorded to reserve related appropriations. At year end, encumbrances are reversed to the extent that a liability has not been incurred and encumbrances lapse.

NET POSITION

Net position represents the difference between assets and liabilities. Net investment in capital assets, consists of capital assets net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments. At June 30, 2025, the only restrictions to net position were for Debt Service and the OPEB RHIA asset. Unrestricted net position consists of all other assets that are not included in the other categories previously mentioned.

FUND BALANCE

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

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUND BALANCE (CONTINUED)

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

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

There were no committed fund balances as of June 30, 2025.

The Board has determined that an appropriate target for the total of all Committed, Assigned and Unassigned fund balances in the General Fund shall be set at no less than 8% of General Fund revenues for the fiscal year.

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the basic financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. At June 30, 2025 there were deferred outflows representing PERS pension related deferrals, OPEB – Stipends related deferrals, OPEB – Health Insurance related deferrals, and OPEB – RHIA related deferrals in the Statement of Net Position.

In addition to liabilities, the basic financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two types of items which qualify for reporting in this category. The first, unavailable revenue, is in the governmental funds balance sheet for property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. At June 30, 2025 there also were deferred inflows representing PERS pension related deferrals, OPEB – Health Insurance related deferrals, OPEB – Stipends related deferrals, and OPEB – RHIA related deferrals in the Statement of Net Position.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FAIR VALUE INPUTS AND METHODOLOGIES AND HIERARCHY

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

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

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

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

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

DEFERRED COMPENSATION PLAN

A deferred compensation plan is available to employees wherein they may execute an individual agreement with the District for amounts earned by them to not be paid until a future date when certain circumstances are met. These circumstances include termination by reason of resignation, death, disability, or retirement; unforeseeable emergency; or by requesting a de minimis distribution from inactive accounts valued less than \$5,000. Payment to the employee will be made over a period not to exceed 15 years. The deferred compensation plan is one which is authorized under IRC Section 457 and has been approved in its specifics by a private ruling from the Internal Revenue Service. The assets of the plan are held by the administrator for the sole benefit of the plan participants and are not considered assets or liabilities of the District.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

Legally required budgets are adopted for all funds on the modified accrual basis. The resolution authorizing appropriations sets the level by which expenditures cannot legally exceed appropriations. This resolution establishes appropriations at the functional level within each fund. A detailed budget is also prepared, containing more specific detailed information than the above mentioned expenditure appropriation categories. Unexpected additional resources may be added to the budget through the use of a supplemental budget. A supplemental budget requires hearings before the public, publications in newspapers, and approval by the Budget Committee and the Board of Directors.

Original budgets may be modified by the preparation of supplemental budgets. There were no supplemental budgets authorized by the Board of Directors during the year. Budgets may also be modified by appropriation transfers between the levels of control. Management may make transfers of appropriations within a function. Transfers of appropriations between functions require the approval of the Board of Directors. One appropriation transfer was authorized by the Board of Directors during the year. Expenditures of the various funds were within authorized appropriations, except for the General Fund, where Transfers Out and Apportionment of Funds were over-expended by \$713 and \$129,579 respectively; and the Special Revenue Fund, where Support Services and Apportionment of Funds were over-expended by \$714,323 and \$5,585,312 respectively.

3. BUDGET/GAAP REPORTING DIFFERENCES

While the government-wide statements report the financial position, results of operations, and changes in fund balance/net position on the accrual basis of accounting principles generally accepted in the United States of America (GAAP), the budgetary basis of accounting differs from generally accepted accounting principles. The budgetary statements provided as part of supplementary information elsewhere in this report are presented on the modified accrual basis to provide a meaningful comparison of actual results with the budget. The primary differences between the budgetary basis and GAAP basis are described in Note 1.

4. CASH AND INVESTMENTS

Statutes authorize investment in banker's acceptances, time certificates of deposit, repurchase agreements, obligations of the United States and its agencies and instrumentalities, and the Oregon State Treasurer's Local Government Investment Pool. According to District Procedures State statutes govern cash management policies.

Cash and Investments at June 30, 2025, (recorded at fair value) consisted of:

	<u>2025</u>
Deposits with Financial Institutions:	
Demand Deposits	\$ 1,278,041
Cash on Hand	200
Investments	<u>2,983,233</u>
Total	<u>\$ 4,261,474</u>

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

4. CASH AND INVESTMENTS (CONTINUED)

Investments

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund appears to be in compliance with all portfolio guidelines at June 30, 2025. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it materially approximates fair value.

The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. As of June 30, 2025, the fair value of the position in the LGIP is 100.49% of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized.

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

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

There were the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in months)</u>		
		<u>Less than 3</u>	<u>3-18</u>	<u>18-59</u>
State Treasurer's Investment Pool	\$ 2,983,233	\$ 2,983,233	\$ -	\$ -
Total	\$ 2,983,233	\$ 2,983,233	\$ -	\$ -

Interest Rate Risk - Investments

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

Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the deposits may not be returned. There is no deposit policy for custodial credit risk. As of June 30, 2025, \$250,000 of the bank balance of \$1,547,515 was insured by federal depository (FDIC) insurance, and the remaining balance was collateralized by the Oregon Public Funds Collateralization Program (PFCP).

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

4. CASH AND INVESTMENTS (CONTINUED)

Credit Risk – Investments

Oregon Revised Statutes do not limit investments as to credit rating for securities purchased from US Government Agencies or USGSE. The State Investment Pool is not rated.

Concentration of Credit Risk

Deposits with financial institutions include bank demand deposits. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury.

5. GRANTS RECEIVABLE

Special revenue fund grants receivable are comprised of claims for reimbursement of costs under various federal and state grant programs. No provision for bad debts has been made as management believes all amounts are collectible.

6. CAPITAL ASSETS

Capital assets activity for the year was as follows:

	Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025
Capital Assets Not Being Depreciated:				
Land	\$ 501,013	\$ -	\$ -	\$ 501,013
Construction in Progress	1,123,978	197,312	(1,321,290)	-
Total Capital Assets Not Being Depreciated	1,624,991	197,312	(1,321,290)	501,013
Capital Assets Being Depreciated:				
Buildings and Improvements	10,626,376	1,449,945	-	12,076,321
Vehicles	526,914	-	-	526,914
Furniture, fixtures, and instructional equipment	1,466,120	170,472	-	1,636,592
Total Capital Assets Being Depreciated	12,619,410	1,620,417	-	14,239,827
Less accumulated depreciation for:				
Buildings & Improvements	(4,985,532)	(266,913)	-	(5,252,445)
Vehicles	(273,793)	(38,846)	-	(312,639)
Furniture, fixtures, and instructional equipment	(705,254)	(164,144)	-	(869,398)
Total Accumulated Depreciation	(5,964,579)	(469,903)	-	(6,434,482)
Total Capital Assets, Net	\$ 8,279,822			\$ 8,306,358

The decrease in construction in progress is due to the completion of a remodel. This amount was moved into buildings and improvements.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. CAPITAL ASSETS (CONTINUED)

Depreciation expense for the year ended June 30, 2025 was allocated to the functions as follows:

<u>Function</u>	<u>Amount</u>
Instruction	\$ 173,275
Support	296,628
Total	<u>\$ 469,903</u>

7. RISK MANAGEMENT

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

8. LONG TERM OBLIGATIONS

In October 2007, the District issued a series 2007 limited tax pension term bond totaling \$8,290,000 with an interest rate of 5.617% and principal payable through 2028. There are no significant default remedy clauses noted in the pension bond agreement that would impact the financial statements or require disclosure under GASB 88.

In January 2020, the District issued a Full Faith and Credit Note Series 2020 for a roof replacement project for \$730,000 with an interest rate of 3.43% and principal payable through 2035. In the event of default, the lender may make a demand for the Early Redemption Value corresponding to the previously received payment (or if none is stated, then 103% of the outstanding principal balance due under the Note), and enforce and perfect its rights in the Project Fund and any other funds and accounts referenced in the agreement. Additionally, in the event of default, the principal amount of the Note then outstanding shall bear interest at the default rate of 9%, and the District will be responsible for interest at the default rate as well as all of the lender's costs of collection and enforcement.

In June 2024, the District issued a Full Faith and Credit Note Series 2024 for a technology office remodel project for \$305,500 with an interest rate of 6.125% and principal payable through 2029. In the event of default, the lender may make a demand for the Early Redemption Value corresponding to the previously received payment (or if none is stated, then 103% of the outstanding principal balance due under the Note), and enforce and perfect its rights in the Project Fund and any other funds and accounts referenced in the agreement. Additionally, in the event of default, the principal amount of the Note then outstanding shall bear interest at the default rate of 3%, and the District will be responsible for interest at the default rate as well as all of the lender's costs of collection and enforcement.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. LONG TERM OBLIGATIONS (CONTINUED)

	Principal				
	Outstanding 7/1/2024	Issued	Redeemed	Outstanding 6/30/2025	Due Within One Year
Direct Borrowing:					
Notes Payable	\$ 875,381	\$ -	\$ 97,580	\$ 777,801	\$ 102,384
Bonds Payable:					
Limited Tax Pension Bond	2,970,000	-	750,000	2,220,000	830,000
Discount Related to Bond:					
Issuance discounts	(10,651)	-	(2,666)	(7,985)	-
Other Long Term Obligations:					
Accrued compensated absences*	372,389	71,727		444,116	-
Total	\$ 4,207,119	\$ 71,727	\$ 844,914	\$ 3,433,932	\$ 932,384

*-The change in compensated absences above is a net change for the year.

Total interest expense for the year was \$205,084 which is included as a direct expense on the Statement of Activities. No interest was capitalized for the year.

	Interest			
	Outstanding Beginning	Due	Paid	Outstanding Ending
Notes Payable	\$ 182,216	\$ 38,259	\$ 38,259	\$ 143,957
Limited tax pension bonds	396,563	166,825	166,825	229,738
Total	\$ 578,779	\$ 205,084	\$ 205,084	\$ 373,695

Annual Debt Service Requirements to Maturity:

Fiscal Year Ending June 30,	Limited Tax Pension Bond		Full Faith & Credit Note		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	830,000	124,698	102,384	33,455	932,384	158,153
2027	910,000	78,076	107,442	28,397	1,017,442	106,473
2028	480,000	26,964	112,768	23,071	592,768	50,035
2029	-	-	118,377	17,462	118,377	17,462
2030	-	-	51,514	11,553	51,514	11,553
2031-2035	-	-	285,316	30,019	285,316	30,019
	\$ 2,220,000	\$ 229,738	\$ 777,801	\$ 143,957	\$ 2,997,801	\$ 373,695

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. DEFINED BENEFIT PENSION PLAN

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

<https://www.oregon.gov/pers/Documents/Financials/ACFR/2024-ACFR.pdf>

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

- a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
- i. **Pension Benefits.** The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results.
A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.
 - ii. **Death Benefits.** Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following contributions are met:
 - member was employed by PERS employer at the time of death,
 - member died within 120 days after termination of PERS covered employment,
 - member died as a result of injury sustained while employed in a PERS-covered job, or
 - member was on an official leave of absence from a PERS-covered job at the time of death.
 - iii. **Disability Benefits.** A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
 - iv. **Benefit Changes After Retirement.** Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360, monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

- b. **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.

- i. **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement. Under House Bill (HB) 2283, passed during the 2023 legislative session and effective January 1, 2024, if a member has established retirement eligibility under the police and fire classification, they retain that eligibility even if they perform service thereafter as other than police and fire. Under HB 4045, passed during the 2024 legislative session and effective January 1, 2025, normal retirement age for police and fire members will be lowered to age 55 or age 53 with 25 years of retirement credit.

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

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

- ii. **Death Benefits.** Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.
- iii. **Disability Benefits.** A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred. Disability benefits continue until the member is no longer disabled or otherwise no longer qualifies for benefits, reaches normal retirement age, or dies.
- iv. **Benefit Changes After Retirement.** Under ORS 238.360, monthly benefits are adjusted annually through cost-of-living changes (COLA), starting with the monthly benefits received or entitled to be received on August 1. The COLA is capped at 2.0 percent.

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2021 actuarial valuation, which became effective July 1, 2023. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2025 were \$4,226,373, excluding amounts to fund employer specific liabilities. In addition, approximately \$989,615 in employee contributions were paid or picked up by the District in 2024-2025.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Asset or Liability – At June 30, 2025, the District reported a net pension liability of \$22,456,910 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement dates of June 30, 2024 and 2023, the District's proportion was .101 percent and .100 percent, respectively. Pension expense for the year ended June 30, 2025 was \$1,123,299.

The rates in effect for the year ended June 30, 2025 were:

- (1) Tier 1/Tier 2 – 21.31%
- (2) OPSRP general services – 18.47%

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 1,330,364	\$ 53,597
Changes in assumptions	2,257,825	2,893
Net difference between projected and actual earnings on pension plan investments	1,426,642	-
Net changes in proportionate share	1,636,875	32,356
Differences between District contributions and proportionate share of contributions	408,628	702,875
Subtotal - Amortized Deferrals (below)	7,060,334	791,721
District contributions subsequent to measuring date	4,226,373	-
Deferred outflow (inflow) of resources	<u>\$ 11,286,707</u>	<u>\$ 791,721</u>

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2026.

Subtotal amounts related to pension as deferred outflows of resources, \$7,060,334, and deferred inflows of resources, (\$791,721), net to \$6,268,613 and will be recognized in pension expense as follows:

Year ending June 30,	Amount
2026	\$ 589,280
2027	2,951,163
2028	1,659,432
2029	897,846
2030	170,892
Thereafter	-
Total	<u>\$ 6,268,613</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated January 31, 2025. Oregon PERS produces an independently audited ACFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/ACFR/2024-ACFR.pdf>

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

Actuarial Methods and Assumptions:

Valuation date	December 31, 2022
Measurement Date	June 30, 2024
Experience Study Report	2022, Published July 24, 2023
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 percent
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service
Mortality	<u>Healthy retirees and beneficiaries:</u> Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. <u>Active members:</u> Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. <u>Disabled retirees:</u> Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2022 Experience Study, which is reviewed for the four-year period ending December 31, 2022.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Debt Securities	20.0%	30.0%	25.0%
Public Equity	22.5%	32.5%	27.5%
Real Estate	7.5%	17.5%	12.5%
Private Equity	15.0%	27.5%	20.0%
Real Assets	2.5%	10.0%	7.5%
Diversifying Strategies	2.5%	10.0%	7.5%
Opportunity Portfolio	0.0%	5.0%	0.0%
Total			100.0%

(Source: June 30, 2024 PERS ACFR; p. 116)

Long-Term Expected Rate of Return:

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

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

(Source: June 30, 2024 PERS ACFR; p. 88)

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Discount Rate – The discount rate used to measure the total pension liability as of the measurement dates of June 30, 2024 and 2023 was 6.90 percent, for both years, for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net pension liability	\$ 35,424,864	\$ 22,456,910	\$ 11,595,615

Changes Subsequent to the Measurement Date

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

There are no changes subsequent to the June 30, 2024, Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

OPSRP Individual Account Program (OPSRP IAP)

Plan Description:

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

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Benefits:

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

Death Benefits:

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

Contributions:

Employees of the District pay six (6) percent of their covered payroll. Effective July 1, 2020, currently employed Tier 1/Tier 2 and OPSRP members earning \$2,500 or more per month (increased to \$3,333 per month in 2022) will have a portion of their 6 percent monthly IAP contributions redirected to an Employee Pension Stability Account. The Employee Pension Stability Account will be used to pay part of the member's future benefit. Of the 6 percent monthly IAP contribution, Tier 1/Tier 2 will have 2.5 percent redirected to the Employee Pension Stability Account and OPSRP will have 0.75 percent redirected to the Employee Pension Stability Account, with the remaining going to the member's existing IAP account. Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full 6 percent contribution to the IAP. The District did not make any optional contributions to member IAP accounts for the year ended June 30, 2025.

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

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

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

10. OTHER POST-EMPLOYMENT BENEFIT PLAN (RHIA)

Plan Description:

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

Funding Policy:

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

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the District currently contributes 0.00% of annual covered OPERF payroll and 0.00% of OPSRP payroll under a contractual requirement in effect until June 30, 2025. Consistent with GASB Statement 75, the OPERS Board of Trustees sets the employer contribution rates as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. The basis for the employer's portion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the plan with the total actual contributions made in the fiscal year of all employers. The District's contributions to RHIA are included with PERS and equaled the required contributions for the year.

At June 30, 2025, the District reported a net OPEB asset of \$393,001 for its proportionate share of the net OPEB asset. The OPEB asset was measured as of June 30, 2024, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2022. Consistent with GASB Statement No. 75, paragraph 59(a), the District's proportion of the net OPEB asset is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement dates of June 30, 2024 and 2023, the District's proportion was .097 percent and .104 percent, respectively. OPEB income, for the year ended June 30, 2025, was \$71,325.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

10. OTHER POST-EMPLOYMENT BENEFIT PLAN (RHIA) (CONTINUED)

Components of OPEB Expense/(Income):

Employer's proportionate share of collective system OPEB Expense/(Income)	\$ (46,724)
Net amortization of employer-specific deferred amounts from:	
- Changes in proportionate share (per paragraph 64 of GASB 75)	(24,387)
- Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)	-
Employer's Total OPEB Expense/(Income)	<u>\$ (71,111)</u>

Components of Deferred Outflows/Inflows of Resources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ 7,686
Changes in assumptions	-	4,971
Net difference between projected and actual earnings on pension plan investments	11,096	-
Net changes in proportionate share	13,244	10,706
Differences between District contributions and proportionate share of contributions	-	-
Subtotal - Amortized deferrals (below)	24,340	23,363
District contributions subsequent to measurement date	-	-
Deferred outflow (inflow) of resources	<u>\$ 24,340</u>	<u>\$ 23,363</u>

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB asset in the fiscal year ended June 30, 2026.

Subtotal amounts related to OPEB as deferred outflows, \$24,340, and deferred inflows of resources, (\$23,363), net to \$977 and will be recognized in OPEB expense as follows:

Year ending June 30,	Amount
2026	\$ (20,943)
2027	14,636
2028	6,003
2029	1,281
2030	-
Thereafter	-
Total	<u>\$ 977</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 75 reporting summary dated January 31, 2025. Oregon PERS produces an independently audited ACFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/ACFR/2024-ACFR.pdf>

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

10. OTHER POST-EMPLOYMENT BENEFIT PLAN (RHIA) (CONTINUED)

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2022
Measurement Date	June 30, 2024
Experience Study Report	2022, Published July 24, 2023
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 percent
Retiree healthcare participation	Healthy retirees: 25%; Disabled retirees: 15%
Mortality	<u>Healthy retirees and beneficiaries:</u> Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. <u>Active members:</u> Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. <u>Disabled retirees:</u> Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2022 Experience Study, which is reviewed for the four-year period ending December 31, 2022.

Discount Rate:

The discount rate used to measure the total OPEB asset as of the measurement date of June 30, 2024 and 2023, was 6.90 percent, for both years. 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 asset.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

10. OTHER POST-EMPLOYMENT BENEFIT PLAN (RHIA) (CONTINUED)

Long-Term Expected Rate of Return:

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

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

(Source: June 30, 2024 PERS ACFR; p. 88)

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

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net OPEB asset	\$ 363,799	\$ 393,001	\$ 418,144

Changes Subsequent to the Measurement Date

There are no changes subsequent to the June 30, 2024, Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

11. OTHER POST EMPLOYMENT BENEFITS

Plan 1 Description (Health Insurance)

A single-employer retiree benefit plan is operated that provides postemployment health, dental vision and life insurance benefits to eligible employees and their spouses. There are active and retired members in the plan. The collective bargaining agreements with regular classified and licensed employees include incentives for personnel who have been employed for a minimum of 18 years and retire between the ages of 55 and 65. The District provides up to \$150 per month for four years, to a maximum of \$7,200, to each early retiree for medical, dental, and vision insurance. Benefits are not provided beyond age 65 and no benefits are provided for any retiree whose employment began after October 31, 1999. Managerial and confidential employees aged 55 years old with 18 years of service or 58 years old with 12 years of service are eligible to receive the same benefits, subject to the same limitations. As of the actuarial valuation performed June 30, 2024, there were 7 former employees receiving benefits under the plan. Details of the contributions and liability can be found on page 47 of the financial report.

The post-retirement healthcare plan was established in accordance with Oregon Revised Statutes (ORS) 243.303. ORS stipulated that for the purpose of establishing healthcare premiums, the rate must be based on all plan members, including both active employees and retirees. The difference between retiree claims cost, which because of the effect of age is generally higher in comparison to all plan members, and the amount of retiree healthcare premiums represents the implicit employer contribution.

An irrevocable trust has not been established (or equivalent arrangement) to account for the plan.

At June 30, 2024, the following employees were covered by the benefit terms:

Actives	281
Retirees	<u>7</u>
Total Included in Valuation	288

Actuarial Assumptions

The District's total Health Insurance liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

11. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions (Continued)

Valuation Date	June 30, 2024, rolled forward to June 30, 2025
Actuarial Cost Method	Entry Age Normal
Investment return assumption (interest discount)	The 3.93% discount rate assumption is used in the June 30, 2024 rate in the 20-year General Obligation Municipal Bond Index published by Bond Buyer
Plan Participation	100% assumed will elect coverage at retirement if eligible for District paid insurance, 20% assumed if only eligible for self-pay insurance
Medical premium annual trend rate	3.4% in all future years
Dental premium annual trend rate	3.40%
Vision premiums annual trend rate	3.40%
Inflation Rate	2.5% in all future years
Annual salary rate increases	3.5% in all future years
Health care premium	
Beginning in 2018, a 40% excise tax will be imposed under the Affordable Care Act on employers if the aggregate value of medical coverage exceeds a threshold limit. This excise tax is not included in the calculations because it is believed to be immaterial in regard to the OPEB plan.	

Sensitivity Rates

The following presents the total OPEB liability and Health Care Cost Trend Rates of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate 1 percentage point higher or lower than current rates:

Discount Rate Sensitivity Analysis

	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
Total OPEB Liability on June 30, 2025	\$ 308,935	\$ 286,245	\$ 265,464

Health Care Trend Sensitivity Analysis

	1% Decrease	Current Health Care Trend Rates	1% Increase
Total OPEB Liability on June 30, 2025	\$ 255,345	\$ 286,245	\$ 323,500

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

11. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Other Post-employment benefits Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Post-Employment Benefits

For the year ended June 30, 2025, the District recognized Other Post-Employment Benefit income for health insurance of \$6,130.

At June 30, 2025, the District reported deferred outflows and deferred inflows of resources, related to Other Postemployment benefits for health insurance from the following sources:

Deferral Source	Deferred outflow of resources	Deferred inflows of resources
Difference between expected & actual experience	\$ 65,640	\$ 6,343
Changes of assumptions or other inputs	-	95,126
Totals	<u>\$ 65,640</u>	<u>\$ 101,469</u>

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB liability in the fiscal year ending June 30, 2025. Subtotal amounts reported as deferred outflows \$65,640, and deferred inflows of resources (\$101,469), related to Other Post-employment benefits net to (\$35,829), and will be recognized in Other Post-employment benefit income as follows:

Year ending June 30,	Amount
2026	\$ (4,174)
2027	(4,174)
2028	(4,174)
2029	(4,174)
2030	(4,174)
Thereafter	(14,959)
Total	<u>\$ (35,829)</u>

Plan 2 Description (Stipends)

A single-employer retiree benefit plan is operated that provides postemployment health, dental vision and life insurance benefits to eligible employees and their spouses. There are active and retired members in the plan. The collective bargaining agreements with regular classified and licensed employees include incentives for personnel who have been employed for a minimum of 18 years and retire between the ages of 55 and 65. The District provides up to \$150 per month for four years, to a maximum of \$7,200, to each early retiree for medical, dental, and vision insurance. Benefits are not provided beyond age 65 and no benefits are provided for any retiree whose employment began after October 31, 1999. Managerial and confidential employees aged 55 years old with 18 years of service or 58 years old with 12 years of service are eligible to receive the same benefits, subject to the same limitations. As of the actuarial valuation performed June 30, 2024, there were 7 former employees receiving benefits under the plan. Details of the contributions and liability can be found on page 48 of the financial report.

An irrevocable trust has not been established (or equivalent arrangement) to account for the plan.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

11. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions

The District's total OPEB liability in the June 30, 2024 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	June 30, 2024, rolled forward to June 30, 2025
Actuarial Cost Method	Entry Age Normal
Investment return assumption (interest discount)	The 3.93% discount rate assumption is used in the June 30, 2024 rate in the 20-year General Obligation Municipal Bond Index published by Bond Buyer
Plan Participation	100% assumed will elect coverage at retirement if eligible for District paid insurance, 20% assumed if only eligible for self-pay insurance
Inflation Rate	2.5% in all future years
Annual salary rate increases	3.5% in all future years
Health care premium	
Beginning in 2018, a 40% excise tax will be imposed under the Affordable Care Act on employers if the aggregate value of medical coverage exceeds a threshold limit. This excise tax is not included in the calculations because it is believed to be immaterial in regard to the OPEB plan.	

Sensitivity Rates

The following presents the total Stipends Pension Liability, as well as what the District's total Stipend Pension liability would be if it were calculated using a discount rate 1 percentage point higher or lower than current rates:

Discount Rate Sensitivity Analysis

	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
Total OPEB Liability on June 30, 2025	\$ 60,226	\$ 58,419	\$ 56,692

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

11. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Inflows of Resources

For the year ended June 30, 2025, the District recognized Other Post-Employment Benefit income for stipends of \$5,078.

At June 30, 2025, the District reported deferred outflows and deferred inflows of resources, related to Other Postemployment benefits for stipends from the following sources:

Deferral Source	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
2024-25 Experience (Gain) Loss	\$ 3,949	\$ -	\$ 3,949
2024-25 Change in Assumptions (Gain) Loss	-	(69)	(69)
Totals	\$ 3,949	\$ (69)	\$ 3,880

Amounts reported as deferred outflows of resources \$3,949 and deferred inflows of resources (\$69) net to \$3,880 and will be recognized in OPEB expense as follows:

Fiscal Year Ending:	Deferred Outflow / (Inflow) Recognized in Pension Expense
2026	\$ 1,339
2027	1,339
2028	1,202
2029	-
2030	-
All Subsequent Years	-
Total	\$ 3,880

Additional information on the changes in OPEB liabilities can be found on pages 47-48 of the financial report.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

12. INTERFUND TRANSFERS & INTERFUND RECEIVABLE/PAYABLE

Interfund transfers are comprised of the following at June 30, 2025:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 449,713
Special Revenue Fund	167,213	2,500
Capital Projects Fund	285,000	-
	<u>\$ 452,213</u>	<u>\$ 452,213</u>

Interfund receivable/payables are comprised of the following at June 30, 2025:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 2,027,158	\$ -
Special Revenue Fund	1,714,409	3,741,567
	<u>\$ 3,741,567</u>	<u>\$ 3,741,567</u>

Transfers were made to fund operations, and the interfund receivable/payables are used as a pooling of cash between various funds.

13. PROPERTY TAX LIMITATIONS

The voters of the State of Oregon imposed a constitutional limit on property taxes for schools and non-school government operations. School operations include community colleges, local school districts, and education service districts. The limitation provides that property taxes for school operations are limited to \$5.00 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt. The result of this requirement has been that school districts have become more dependent upon state funding and less dependent upon property tax revenues as their major source of operating revenue.

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

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

14. COMMITMENTS AND CONTINGENCIES

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

There is participation in a number of federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The federal audits for these programs for the year ended June 30, 2025 have not been conducted. Accordingly, compliance with grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although such amounts, if any, are expected by management to be immaterial.

15. SUBSCRIPTION LIABILITY

For the year ended June 30, 2025, GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs) is followed. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

As of June 30, 2025, the District had 4 active subscriptions. The subscriptions have payments that range from \$0 to \$12,794 and interest rates that range from 2.2723% to 2.8650%. As of June 30, 2025, the total combined value of the subscription liability is \$89,612. The combined value of the right to use asset, as of June 30, 2025, of \$136,202 with accumulated amortization of \$53,037 is included within the Subscription Class activities table found below.

	Balances as of July 1, 2024	Additions	Reductions	Balances as of June 30, 2025
SBITA Liability				
Software				
Freshworks	\$ 21,078	\$ -	\$ 10,394	\$ 10,684
Paessler	-	7,207	2,456	4,751
PowerSchool	-	42,865	12,644	30,221
PowerSchool Allovue	-	43,956	-	43,956
Total Software-Based IT Arrangement Liabilities	21,078	94,028	25,494	89,612
Total Liability	\$ 21,078	\$ 94,028	\$ 25,494	\$ 89,612

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

15. SUBSCRIPTION LIABILITY (CONTINUED)

Principal and Interest Requirements to Maturity:

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2026	\$ 42,757	\$ 1,633	\$ 44,390
2027	32,087	1,320	33,407
2028	14,768	419	15,187
Total	<u>\$ 89,612</u>	<u>\$ 3,372</u>	<u>\$ 92,984</u>

16. SUBSCRIPTION RIGHT-TO-USE ASSETS

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

	Balance as of July 1, 2024	Additions	Reductions	Balance as of June 30, 2025
SBITA Asset				
Software				
Freshworks	\$ 42,174	\$ -	\$ -	\$ 42,174
Paessler	-	7,207	-	7,207
PowerSchool	-	42,865	-	42,865
PowerSchool Allovue	-	43,956	-	43,956
Total Software-Based IT Arrangement Assets	<u>42,174</u>	<u>94,028</u>	<u>-</u>	<u>136,202</u>
SBITA Accumulated Amortization				
Software				
Freshworks	19,837	14,058	-	33,895
Paessler	-	220	-	220
PowerSchool	-	15,061	-	15,061
PowerSchool Allovue	-	3,861	-	3,861
Total Software Accumulated Amortization	<u>19,837</u>	<u>33,200</u>	<u>-</u>	<u>53,037</u>
Total SBITA Assets, Net of Amortization	<u>\$ 22,337</u>	<u>\$ 60,828</u>	<u>\$ -</u>	<u>\$ 83,165</u>

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

17. TAX ABATEMENTS

As of June 30, 2025, the District had tax abatements through three programs: Enterprise Zone, Housing for Low Income Rental, Transit Oriented Development - Eugene, that impacted their levied taxes and require disclosure under GASB 77.

Enterprise Zone (ORS 285C.175):

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

The Enterprise Zone program allows industrial firms that will be making a substantial new capital investment a waiver of 100% of the amount of real property taxes attributable to the new investment for a 5-year period after completion. Land or existing machinery or equipment is not tax exempt; therefore, there is no loss of current property tax levies to local taxing jurisdiction.

Housing for Low Income Rental (ORS 307.515 to 307.535):

- The Low Income Rental Housing exemption is available for qualifying properties which, if occupied, need to be occupied solely by low income persons, and the required rent payment reflects the full value of the property tax exemption. The housing units on the property have to be constructed after the local governing body adopted the provisions of ORS 307.515 to 307.523 .

A person that has only a leasehold interest in property is deemed to be a purchaser of that property if the person is obligated under the terms of the lease to pay the ad valorem taxes on the real and personal property used in this activity on that property or the rent payable has been established to reflect the savings resulting from the exemption.

Transit Oriented Development – Eugene (ORS 307.600 to 307.637):

- This law is intended to stimulate the construction of transit supportive multiple-unit housing in the core areas of Oregon’s urban centers to improve the balance between the residential and commercial nature of those areas, and to ensure full-time use of the areas as places where citizens of the community have an opportunity to live as well as work.

In any District, or in any county with a population of over 300,000, the exemption shall apply only to multiple-unit housing preserved, established, constructed, added to or converted on land within an area designated under ORS 307.606 (Exemption limited to tax levy of District or county that adopts ORS 307.600 to 307.637) (2) or within a designated urban renewal or redevelopment area formed pursuant to ORS chapter 457. This program exempts property taxes for a period of 10 years which doesn’t include the land in the exemption.

For the fiscal year ended June 30, 2025, the District had abated property taxes totaling \$115,581 under these programs.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

18. RESTATEMENT OF BEGINNING NET POSITION

During the current year, the District implemented GASB Statement No. 101, *Compensated Absences*. In addition to the value of unused vacation time owed to employees upon separation of employment, the District now recognizes an estimated amount of sick leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences. The effects of the change in accounting principle are summarized below in the “Restatement – GASB 101 Implementation” column in the table below.

	6/30/2024 Net Position As Previously Reported	Restatement - GASB 101 Implementation	6/30/2024 Net Position As Restated
Government-Wide			
Governmental Activities	<u>\$(2,754,657)</u>	<u>\$ (307,055)</u>	<u>\$(3,061,712)</u>

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

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LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

OTHER POSTEMPLOYMENT BENEFITS
SCHEDULE OF CHANGES IN OPEB LIABILITY AND EMPLOYER CONTRIBUTIONS
June 30, 2025

HEALTH INSURANCE BENEFIT (OPEB):

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

Year Ended June 30,	Total OPEB Liability - Beginning	Service Cost	Interest	Experience (Gain)/Loss	Changes of Assumptions	Benefit Payments	Total OPEB Liability - End of Year	Estimated Covered Payroll	Total OPEB Liability as a % of Covered Payroll
2025	\$ 288,201	\$ 19,635	\$ 10,692	\$ -	\$ -	\$ (32,283)	\$ 286,245	\$ 16,634,932	1.72%
2024	303,559	18,971	10,110	50,010	(58,508)	(35,941)	288,201	16,072,398	1.79%
2023	322,113	19,201	10,548	-	-	(48,303)	303,559	12,513,708	2.43%
2022	381,248	18,552	7,924	(9,367)	(30,822)	(45,422)	322,113	12,090,539	2.66%
2021	398,242	21,064	8,289	-	-	(46,347)	381,248	10,087,350	3.78%
2020	424,489	20,352	8,802	47,398	(50,360)	(52,439)	398,242	9,746,232	4.09%
2019	438,364	18,643	16,025	-	-	(48,543)	424,489	8,318,930	5.10%
2018	439,504	18,013	16,322	-	-	(35,475)	438,364	8,037,614	5.45%
2017	N/A	-	-	-	-	-	439,500	7,765,811	5.20%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30,	(a) Actuarially Determined Contribution	(b) Contributions During Year	(b)-(a) Difference	(c) Covered Payroll	(b/c) Contributions as a Percentage of Payroll
2025	\$ 26,153	\$ N/A	\$ N/A	\$ 16,634,932	N/A
2024	24,907	N/A	N/A	16,072,398	N/A
2023	26,260	N/A	N/A	12,513,708	N/A
2022	22,987	N/A	N/A	12,090,539	N/A
2021	29,106	N/A	N/A	10,087,350	N/A
2020	28,907	N/A	N/A	9,746,232	N/A
2019	34,668	N/A	N/A	8,318,930	N/A
2018	34,335	N/A	N/A	8,037,614	N/A
2017	N/A	N/A	N/A	7,765,811	N/A

The above table presents the most recent actuarial valuations for the District's OPEB Health Insurance and it provides information that approximates the funding progress of the plan.

The amounts presented for each fiscal year are actuarially determined and rolled forward.

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.

**LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON**

**OTHER POSTEMPLOYMENT BENEFITS
SCHEDULE OF CHANGES IN PENSION LIABILITY AND EMPLOYER CONTRIBUTIONS
June 30, 2025**

STIPENDS (OPEB):

SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY AND RELATED RATIOS

Year Ended June 30,	Total OPEB Liability - Beginning	Service Cost	Interest	Experience (Gain)/Loss	Changes of Assumptions	Benefit Payments	Total OPEB Liability - End of Year	Estimated Covered Payroll	Total OPEB Liability as a % of Covered Payroll
2025	\$ 65,108	\$ 922	\$ 2,363	\$ -	\$ -	\$ (9,974)	\$ 58,419	\$ 392,479	14.9%
2024	31,583	945	896	6,675	(117)	25,126	65,108	402,666	16.2%
2023	43,334	588	1,293	-	-	(13,632)	31,583	455,629	6.9%
2022	58,164	640	1,088	2,183	(891)	(17,850)	43,334	498,055	8.7%
2021	76,617	957	1,463	-	-	(20,873)	58,164	699,962	8.3%
2020	73,697	925	1,436	14,672	3,287	(17,400)	76,617	676,292	11.3%
2019	81,165	1,420	2,913	-	-	(11,801)	73,697	1,230,876	6.0%
2018	101,847	1,372	3,718	(16,596)	2,374	(11,550)	81,165	1,189,252	6.8%
2017	-	-	-	-	-	-	101,847	1,149,056	8.9%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30,	(a) Actuarially Determined Contribution	(b) Contributions During Year	(b)-(a) Difference	(c) Covered Payroll	(b/c) Contributions as a Percentage of Payroll
2025	\$ 4,896	\$ N/A	\$ N/A	\$ 392,479	N/A
2024	42,463	N/A	N/A	402,666	N/A
2023	6,092	N/A	N/A	455,629	N/A
2022	3,463	N/A	N/A	498,055	N/A
2021	3,815	N/A	N/A	699,962	N/A
2020	3,756	N/A	N/A	676,292	N/A
2019	1,550	N/A	N/A	1,230,876	N/A
2018	2,307	N/A	N/A	1,189,252	N/A
2017	-	N/A	N/A	1,149,056	N/A

The above table presents the most recent actuarial valuations for the District's post-retirement pension stipend and it provides information that approximates the funding progress of the plan.

The amounts presented for each fiscal year are actuarially determined and rolled forward.

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.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2025

PERS

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) Employer's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2025	0.101 %	\$ 22,456,910	\$ 17,719,094	126.7 %	79.3 %
2024	0.100	18,767,537	15,319,962	122.5	81.7
2023	0.088	13,519,153	13,105,812	103.2	84.5
2022	0.086	10,278,431	11,711,634	87.8	87.6
2021	0.081	17,663,661	8,931,397	197.8	75.8
2020	0.085	14,682,968	8,779,590	167.2	80.2
2019	0.084	12,659,739	8,597,211	147.3	82.1
2018	0.082	11,038,816	8,288,687	133.2	83.1
2017	0.085	12,789,725	7,232,198	176.8	80.5
2016	0.091	5,230,660	6,983,550	74.9	91.9

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

These schedules are presented to illustrate the requirements to show information for 10 years.

SCHEDULE OF CONTRIBUTIONS

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2025	\$ 4,226,373	\$ 4,226,373	\$ -	\$ 18,326,405	23.1 %
2024	4,065,896	4,065,896	-	17,719,094	22.9
2023	3,253,797	3,253,797	-	15,319,962	21.2
2022	2,901,005	2,901,005	-	13,105,812	22.1
2021	2,833,434	2,833,434	-	11,711,634	24.2
2020	2,619,869	2,619,869	-	8,931,397	29.3
2019	2,058,026	2,058,026	-	8,779,590	23.4
2018	2,021,818	2,021,818	-	8,597,211	23.5
2017	1,611,618	1,611,618	-	8,288,687	19.4
2016	1,495,096	1,495,096	-	7,232,198	20.7

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

These schedules are presented to illustrate the requirements to show information for 10 years.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2025

OPEB - RHIA

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB ASSET FOR RHIA

Year Ended June 30,	(a) Employer's proportion of the net OPEB asset (NOA)	(b) Employer's proportionate share of the net OPEB asset (NOA)	(c) Employer's covered payroll	(b/c) NOA as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total OPEB asset
2025	0.09730 %	\$ 393,001	\$ 17,719,094	2.22 %	220.6 %
2024	0.10444	382,425	15,319,962	2.50	201.6
2023	0.07793	276,898	13,105,812	2.11	194.6
2022	0.07646	262,568	11,711,634	2.24	183.9
2021	0.11927	243,027	8,931,397	2.72	150.1
2020	0.07824	151,195	8,779,590	1.72	144.4
2019	0.07935	88,573	8,597,211	1.03	124.0
2018	0.07666	31,995	8,288,687	0.39	108.9
2017	0.07429	(20,175)	7,232,198	(0.28)	90.0

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

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

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

SCHEDULE OF CONTRIBUTIONS FOR RHIA

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	District's covered payroll	Contributions as a percent of covered payroll
2025	\$ N/A	\$ N/A	\$ N/A	\$ 18,326,405	N/A %
2024	N/A	N/A	N/A	17,719,094	N/A
2023	N/A	N/A	N/A	15,319,962	N/A
2022	N/A	N/A	N/A	13,105,812	N/A
2021	N/A	N/A	N/A	11,711,634	N/A
2020	N/A	N/A	N/A	8,931,397	N/A
2019	N/A	N/A	N/A	8,779,590	N/A
2018	N/A	N/A	N/A	8,597,211	N/A
2017	N/A	N/A	N/A	8,288,687	N/A

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

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

Statutorily required contributions prior to 2020 are included within PERS contributions (See p. 49)

**LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

For the Year Ended June 30, 2025

	<u>GENERAL FUND</u>			VARIANCE TO FINAL BUDGET
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
REVENUES				
Local Sources	\$ 12,394,549	\$ 12,394,549	\$ 12,436,401	\$ 41,852
Intermediate Sources	-	-	8,461	8,461
State Sources	16,360,313	16,360,313	16,770,750 (2)	410,437
Total Revenues	28,754,862	28,754,862	29,215,612	460,750
EXPENDITURES				
Instruction	13,292,681	13,142,681 (1)	12,965,185	177,496
Support Services	12,267,969	12,267,969 (1)	11,672,936	595,033
Contingency	1,265,842	1,265,842 (1)	-	1,265,842
Total Expenditures	26,826,492	26,676,492	24,638,121	2,038,371
Excess of Revenues Over, (Under) Expenditures	1,928,370	2,078,370	4,577,491	2,499,121
OTHER FINANCING SOURCES, (USES)				
Proceeds from Subscription Financing	-	-	94,028	94,028
Transfers Out	(449,000)	(449,000) (1)	(449,713)	(713)
Apportionment of Funds	(3,297,987)	(3,447,987) (1)	(3,577,566)	(129,579)
Total Other Financing Sources, (Uses)	(3,746,987)	(3,896,987)	(3,933,251)	(36,264)
Net Change in Fund Balance	(1,818,617)	(1,818,617)	644,240	2,462,857
Beginning Fund Balance	2,618,617	2,618,617	2,709,980	91,363
Ending Fund Balance	\$ 800,000	\$ 800,000	\$ 3,354,220	\$ 2,554,220

(1) Appropriation level

(2) Included in this is the required state revenue match of \$354 the District must recognize for National School Lunch Support in order to meet the general cash assistance match.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

For the Year Ended June 30, 2025

SPECIAL REVENUE FUND				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
Local Sources	\$ 4,062,000	\$ 4,062,000	\$ 4,732,488	\$ 670,488
State Sources	26,629,500	26,629,500	31,013,006	4,383,506
Federal Sources	8,916,000	8,916,000	10,384,474	1,468,474
Total Revenues	39,607,500	39,607,500	46,129,968	6,522,468
EXPENDITURES				
Instruction	3,252,835	3,252,835 (1)	2,835,027	417,808
Support Services	14,531,841	14,511,841 (1)	15,226,164	(714,323)
Enterprise and Community Services	75,000	95,000 (1)	91,404	3,596
Total Expenditures	17,859,676	17,859,676	18,152,595	(292,919)
Excess of Revenues Over, (Under) Expenditures	21,747,824	21,747,824	27,977,373	6,229,549
OTHER FINANCING SOURCES, (USES)				
Transfers In	166,500	166,500	167,213	713
Transfers Out	(2,500)	(2,500) (1)	(2,500)	-
Apportionment of Funds	(22,102,824)	(22,102,824) (1)	(27,688,136)	(5,585,312)
Total Other Financing Sources, (Uses)	(21,938,824)	(21,938,824)	(27,523,423)	(5,584,599)
Net Change in Fund Balance	(191,000)	(191,000)	453,950	644,950
Beginning Fund Balance	191,000	191,000	570,945	379,945
Ending Fund Balance	\$ -	\$ -	\$ 1,024,895	\$ 1,024,895

(1) Appropriation Level

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

SUPPLEMENTARY INFORMATION

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LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2025

DEBT SERVICE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
Local Sources	\$ 873,155	\$ 873,155	\$ 951,494	\$ 78,339
Total Revenues	873,155	873,155	951,494	78,339
EXPENDITURES				
Support Services	30	30 (1)	1	29
Debt Service	916,825	916,825 (1)	916,825	-
Total Expenditures	916,855	916,855	916,826	29
Net Change in Fund Balance	(43,700)	(43,700)	34,668	78,368
Beginning Fund Balance	43,700	43,700	64,040	20,340
Ending Fund Balance	\$ -	\$ -	\$ 98,708	\$ 98,708

(1) Appropriation Level

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2025

CAPITAL PROJECTS FUND				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
EXPENDITURES				
Support Services	148,914	149,162	(1) 149,161	1
Debt Service	136,086	135,838	(1) 135,839	(1)
Total Expenditures	285,000	285,000	285,000	-
Excess of Revenues Over, (Under) Expenditures	(285,000)	(285,000)	(285,000)	-
OTHER FINANCING SOURCES, (USES)				
Transfers In	285,000	285,000	285,000	-
Total Other Financing Sources, (Uses)	285,000	285,000	285,000	-
Net Change in Fund Balance	-	-	-	-
Beginning Fund Balance	-	-	-	-
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -

(1) Appropriation Level

**LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2025**

<u>INTERNAL SERVICE FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
Local Sources	<u>\$ 252,600</u>	<u>\$ 252,600</u>	<u>\$ 410,987</u>	<u>\$ 158,387</u>
EXPENDITURES				
Instruction	-	53,800 (1)	53,800	-
Support Services	<u>435,026</u>	<u>381,226 (1)</u>	<u>359,608</u>	<u>21,618</u>
Total Expenditures	<u>435,026</u>	<u>435,026</u>	<u>413,408</u>	<u>21,618</u>
Excess of Revenues Over, (Under) Expenditures	(182,426)	(182,426)	(2,421)	180,005
OTHER FINANCING SOURCES, (USES)				
Sale of Capital Asset	<u>-</u>	<u>-</u>	<u>440</u>	<u>440</u>
Total Other Financing Sources, (Uses)	<u>-</u>	<u>-</u>	<u>440</u>	<u>440</u>
Net Change in Fund Balance	(182,426)	(182,426)	(1,981)	180,445
Beginning Fund Balance	<u>182,426</u>	<u>182,426</u>	<u>134,470</u>	<u>(47,956)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 132,489</u>	<u>\$ 132,489</u>

(1) Appropriation Level

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2025

Agency/Program Title	Pass Through Organization	Federal AL Number	Pass Through Entity#	Expenditures	Passed Through to Sub Recipients
U.S. Department of Education					
Title I-A - Improving Basic Programs	Oregon Dept of Education	84.010	80367	9,188	-
Title I-C - Migrant Education	Oregon Dept of Education	84.011	82763	425,335	-
Title I-C - Migrant Education	Oregon Dept of Education	84.011	77038	71,009	-
Title I-C - Migrant Education	Oregon Dept of Education	84.011	76955	12,702	-
Title I-C - Migrant Education	Oregon Dept of Education	84.011	80386	234,306	-
				<u>743,352</u>	-
IDEA PART B, Section 611	Oregon Dept of Education	84.027	11047-A8	1,002,749	-
IDEA PART B, Section 611	Oregon Dept of Education	84.027	11116-A12	2,597,452	2,594,658
IDEA PART B, Section 611	Oregon Dept of Education	84.027	34605.000	2,318	-
IDEA PART B, Section 611	Oregon Dept of Education	84.027	76370	73,780	-
IDEA PART B, Section 619	Oregon Dept of Education	84.173	11047-A8	3,336	-
IDEA PART B, Section 619	Oregon Dept of Education	84.173	11116-A12	410,479	410,050
			Total IDEA Cluster	4,090,114	3,004,708
Career and Technical Education (Perkins)	Oregon Dept of Education	84.048	81270	491,060	345,383
Career and Technical Education (Perkins)	Oregon Dept of Education	84.048	81364	125,230	-
Career and Technical Education (Perkins)	Oregon Dept of Education	84.048	81375	251,475	239,797
Career and Technical Education (Perkins)	Oregon Dept of Education	84.048	76399	207,452	92,827
Career and Technical Education (Perkins)	Oregon Dept of Education	84.048	76410	41,940	39,843
Career and Technical Education (Perkins)	Oregon Dept of Education	84.048	79872	110,370	2,920
Career and Technical Education (Perkins)	Lane Community College	84.048	IGA	56,289	9,444
				<u>1,283,816</u>	<u>730,214</u>
IDEA Part C	Oregon Dept of Education	84.181	11116-A12	1,087,610	1,086,551
21st Century Community Learning Centers	Oregon Dept of Education	84.287	83280	294,348	258,837
21st Century Community Learning Centers	Oregon Dept of Education	84.287	77025	193,293	169,682
				<u>487,641</u>	<u>428,519</u>
Title III - English Learners and Immigrant Youth	Oregon Dept of Education	84.365	82302	46,109	19,258
Title III - English Learners and Immigrant Youth	Oregon Dept of Education	84.365	77025	35,481	2,372
				<u>81,590</u>	<u>21,630</u>
Emergency Assistance to Non-Public Schools (ARP EANS)	Oregon Dept of Education	84.425	11047-A8	37,756	-
Emergency Assistance to Non-Public Schools (ARP EANS)	Oregon Dept of Education	84.425	74363	80,749	-
Emergency Assistance to Non-Public Schools (ARP EANS)	Oregon Dept of Education	84.425	75261	23,788	-
Emergency Assistance to Non-Public Schools (ARP EANS)	Oregon Dept of Education	84.425	75478	27,276	-
Emergency Assistance to Non-Public Schools (ARP EANS)	Oregon Dept of Education	84.425	76028	201,017	99,190
Education Stabilization Fund (ESSER III or ARP ESSER)	Oregon Dept of Education	84.425	70960	22,184	-
Education Stabilization Fund (ESSER III or ARP ESSER)	Oregon Dept of Education	84.425	75568	73,834	(9,327)
Education Stabilization Fund (ESSER III or ARP ESSER)	Oregon Dept of Education	84.425	80629	1,737,953	1,012
			Total ESSER	2,204,557	90,875
			Total U.S. Department of Education	9,987,868	5,362,497
U.S. Department of Justice					
School Violence Prevention	U.S. Department of Justice	16.710	04202	9,139	-
			Total U.S. Department of Justice	9,139	-
U.S. Department of Agriculture					
NSLP - Breakfast	Oregon Dept of Education	10.553	2012007	22,376	-
NSLP - Lunch	Oregon Dept of Education	10.555	2012007	44,821	-
Pandemic EBT Administrative Costs	Oregon Dept of Education	10.649	2012007	-	-
			Total Child Nutrition Cluster	67,197	-
			Total U.S. Department of Agriculture	67,197	-
U.S. Department of Treasury					
Workforce Ready Round III: Healthcare	Higher Education Coordinating Commission	21.027	23-141M-001	202,231	-
			Total U.S. Department of Treasury	202,231	-
Corporation for National and Community Service					
AmeriCorps Planning Grant	Higher Education Coordinating Commission	94.006	24-100A-001	4,332	-
			Total Corporation for National and Community Service	4,332	-
			Total Grants Expended or Passed Through to Sub Recipients	10,270,767	5,362,497
Not Included as Federal Funds were Received through Contractor (not Subrecipient) Status:					
Bilingual Teacher Exchange Program	Oregon Dept of Education	84.011	IGA	113,707	-
			SEFA Total	10,384,474	

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

OTHER INFORMATION

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**LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON**

**SCHEDULE OF BOND AND INTEREST TRANSACTIONS AND BALANCES
For the Year Ended June 30, 2025**

DATE OF ISSUE	MATURED BONDS & COUPONS OUTSTANDING 7/1/2024	BONDS & COUPONS MATURING DURING THE YEAR	BONDS REDEEMED AND COUPONS PAID DURING THE YEAR	MATURED BONDS & COUPONS OUTSTANDING 6/30/2025
October 31, 2007	\$ -	\$ 750,000	\$ 750,000	\$ -
January 22, 2020	-	97,580	97,580	-
Total	\$ -	\$ 847,580	\$ 847,580	\$ -

**LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON**

**SCHEDULE OF BOND REDEMPTION AND INTEREST REQUIREMENTS
June 30, 2025**

SERIES 2007			
YEAR	PRINCIPAL	INTEREST	INTEREST RATES
	Due 6/1	Due 12/30 & 6/30	
2026	830,000	124,698	5.62%
2027	910,000	78,076	5.62%
2028	480,000	26,964	5.62%
TOTALS	\$ 2,220,000	\$ 229,738	

SERIES 2020			
YEAR	PRINCIPAL	INTEREST	INTEREST RATES
	Due 1/22	Due 1/22	
2026	102,384	33,455	3.43%
2027	107,442	28,397	3.43%
2028	112,768	23,071	3.43%
2029	118,377	17,462	3.43%
2030	51,514	11,553	3.43%
2031-2035	285,316	30,019	3.43%
TOTALS	\$ 777,801	\$ 143,957	

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS

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January 11, 2026

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of Lane Education Service District (the District) as of and for the year ended June 30, 2025, and have issued our report thereon dated January 11, 2026. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

Compliance

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

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

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

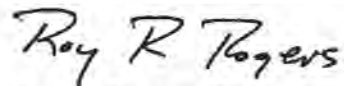
In connection with our testing nothing came to our attention that caused us to believe the District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000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

- Expenditures of various funds were within authorized appropriations, except as noted on page 21 of the financial report.

OAR 162-10-0230 Internal Control

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

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

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

Roy R. Rogers, CPA
PAULY, ROGERS AND CO., P.C.

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

GRANT COMPLIANCE REVIEW

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January 11, 2026

To the Board of Directors
Lane Education Service District
Lane County, Oregon

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the governmental activities, business-type activities, and each major fund of Lane Education Service District (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated January 11, 2026.

Report on Internal Control over Financial Reporting

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

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

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

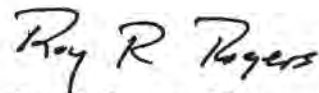
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

Purpose of this Report

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

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

Roy R. Rogers, CPA
PAULY, ROGERS AND CO., P.C.



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January 11, 2026

To the Board of Directors
Lane Education Service District
Lane County, Oregon

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Lane Education Service District's (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2025. The major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

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

Roy R. Rogers, CPA
PAULY, ROGERS AND CO., P.C.

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LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2025

SECTION I – SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of Auditors' report issued:	Unmodified	
Internal control over financial reporting:		
• Material weakness(es) identified?	_____ Yes	_____X_____ No
• Significant deficiency(ies) identified that are not considered to be material weaknesses	_____ Yes	_____X_____ None reported
Noncompliance material to financial statements noted?	_____ Yes	_____X_____ No
Any GAGAS audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	_____ Yes	_____X_____ No

FEDERAL AWARDS

Internal control over Major Programs:		
• Material weakness(es) identified?	_____ Yes	_____X_____ No
• Significant deficiency(ies) identified that are not considered to be material weaknesses	_____ Yes	_____X_____ None reported
Type of auditors' report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	_____ Yes	_____X_____ No

IDENTIFICATION OF MAJOR PROGRAMS

AL NUMBER(S):

NAME OF FEDERAL PROGRAM:

84.027, 84.173
84.048

IDEA
Career and Technical Education (Perkins V)

Dollar threshold used to distinguish between type A and type B programs:	\$ 750,000
Auditee qualified as low-risk auditee?	_____X_____ Yes _____ No

LANE EDUCATION SERVICE DISTRICT
LANE COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2025

SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. BASIS OF PRESENTATION

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Response Summary:

Grant Report

Q2. Has this proposal been discussed and supported by your department's executive director?

- Yes

Q4. Details

Project Name	Story Boxes and Alphabet Bins
Department Submitting Proposal	LRIS
Person Submitting Proposal	Kristin Gault for the VI team
Potential Funder (please include link to RFP if available)	BVIS
Requested Funding Amount	1000.00
Person who will manage grant if funded	Kristin Gault

Q5. Grant Period

Length of grant	two years
Anticipated start date (mm/dd/yyyy)	09/01/2026
Anticipated end date (mm/dd/yyyy)	09/01/2028

Q9. Is a match required from Lane ESD or participating districts (direct funds, FTE, services)?

- No

Q10. Does the grant require any commitment from the ESD or districts beyond the term of the grant?

- No

Q13. Does the grant require a 501(c)3 to apply?

- No

Q46. Does the grant require "reporting" and/or updates?

- No

Q17. Please, provide a brief overview of the grant, including the purpose and intended outcomes.

There will be 5-7 story boxes put together for our students who are blind/visually impaired. Each box will have the book with pictures, in braille, with tactile pictures, with objects from the book, and the book made in a CVI friendly way as well.

There will also be alphabet bins put together with objects for each letter. Braille and large print cards will be included in each box.

Q18. Describe how this proposal supports the equity vision and mission of Lane ESD.

Vision: Building a beloved community of learners.

Mission: Collaborating to empower all learners with justice- centered opportunities, equitable leadership, and a passion for lifelong learning.

This proposal directly supports the Lane ESD vision of a "Beloved Community" by utilizing story boxes and alphabet bins to create an inclusive, exploratory environment where every child feels a sense of belonging. By providing high-quality, tactile literacy tools that are accessible to all learners regardless of their starting point, we are eliminating physical and cognitive barriers to engagement. Furthermore, we will intentionally select stories that mirror the lived experiences of marginalized students, fostering a justice-centered space where they see themselves represented and valued. This approach empowers students with the agency and safety needed to build a passion for life-long learning alongside their peers.

Q19. Indicate which of Lane ESD's Equity Goals this proposal will directly address.

- 1. All decisions and actions will reflect the guiding principles and affirmations in our Equity Lens document.
- 2. Lane ESD staff along with community partners will be equity leaders trained to dismantle systems of oppression through interrupting inequitable policies and practices by providing culturally specific curriculum that reflects the histories of our students.
- 3. All ESD staff and educators we serve will be provided the equity tools and training needed to inspire student learning, so all youth thrive.
- 4. Youth, from all backgrounds, will have access to highly engaging and culturally relevant learning opportunities connected to our communities and delivered by diverse, qualified, and passionate educators.
- 5. While amplifying youth voice, we will build trusted and inclusive relationships with our families and elevate the engagement of community partners that lead to improved equitable student outcomes.

Q20. Describe how the voices of diverse members of the community have been part of the design and implementation process of this proposal.

Classroom teachers, educational assistants, Paths to Literacy, Perkins University, families; people from all of these areas of education and life have shown the importance and need for the type of learning that story boxes and alphabet bins target.

Q21. How will this proposal dismantle systems of racism and oppression that might exist?

Literacy is a huge tool that directly targets systems of racism and oppression. It opens the door to start conversations and build awareness about racism and oppression. By using story boxes with books that feature people from diverse backgrounds and cultures, or about people who have disabilities, we challenge the systemic exclusion of marginalized voices in early childhood education. This ensures that literacy isn't just a skill, but a mirror that validates the identity of every student, thereby dismantling the narrative that only certain stories matter. Using story boxes and alphabet bins also provides a multi-sensory, tactile approach. By offering equitable access to high-quality manipulative tools, we shift the power dynamic in the classroom-allowing students to demonstrate brilliance through exploratory play rather than being marginalized by traditional standard rote memorization.

Q22. Who might this proposal impact positively and who might it negatively impact?

The positive impact will be felt by all students, particularly those who struggle with vision and being able to see the pictures in the traditional way a teacher reads a storybook to a class of young learners. The story boxes provide a multi-sensory and inclusive path to learning.

Potential negative impacts are mainly logistical. Story Boxes do take some time to maintain after use with each student and/or classroom. Sometimes materials end up missing or get broken and need to be replaced. To mitigate this, there will be a time commitment from staff to maintain and reset the bins, which we have accounted for in our weekly and monthly schedules to ensure the story boxes remain sustainable without overwhelming classroom resources. There is some additional money in the grant to pay for replacement items.

Q23. How will you ensure that equitable outcomes are achieved and what data will be collected to measure success?

Outcomes will be achieved and data collected to measure success when looking at IFSP and IEP goals are targeted regarding literacy. Students grow in their communication skills while interacting with the story boxes and alphabet bins, this communication can be nonverbal and/or verbal.

"I will conduct brief 'check-ins' with students to see if they see themselves reflected in the stories and characters provided."

Q29. Will the purchase of computers, software, or other equipment be required for staff hired or assigned to the grant?

- No

Q31. What use of facilities are anticipated (workspace, training space, meeting space)?

If applicable, please include use during weekends and break periods.

Workspace in the braille work room would be required.

Q32. What other internal supports at Lane ESD will you need for the project to succeed?

The money would be covered by the LESD and then reimbursed by the BVIS.

Q36. Does the project involve research that requires the human subjects' releases?

- No

By clicking the arrow you will be submitting the form.

Please ensure you have completed all sections before moving forward.

Embedded Data:

N/A

Response Summary:

Grant Report

Q2. Has this proposal been discussed and supported by your department's executive director?

- Yes

Q4. Details

Project Name	Low Vision Devices
Department Submitting Proposal	LRIS
Person Submitting Proposal	Kristin Gault for VI group
Potential Funder (please include link to RFP if available)	BVIS
Requested Funding Amount	16,500
Person who will manage grant if funded	Kristin Gault for the VI group

Q5. Grant Period

Length of grant	1 year
Anticipated start date (mm/dd/yyyy)	09/01/2026
Anticipated end date (mm/dd/yyyy)	06/01/2027

Q9. Is a match required from Lane ESD or participating districts (direct funds, FTE, services)?

- No

Q10. Does the grant require any commitment from the ESD or districts beyond the term of the grant?

- No

Q13. Does the grant require a 501(c)3 to apply?

- No

Q46. Does the grant require "reporting" and/or updates?

- No

Q17. Please, provide a brief overview of the grant, including the purpose and intended outcomes.

Visio Desks and Visio Books are portable electronic magnifier. They are designed for students with low vision to help them access standard classroom materials.

Dome magnifiers are handheld magnifiers that also are designed for students with low vision to help them access more concise and smaller classroom materials at a desk.

Q18. Describe how this proposal supports the equity vision and mission of Lane ESD.

Vision: Building a beloved community of learners.

Mission: Collaborating to empower all learners with justice- centered opportunities, equitable leadership, and a passion for lifelong learning.

Providing access to learning for all students provides equity.

Q19. Indicate which of Lane ESD's Equity Goals this proposal will directly address.

- 1. All decisions and actions will reflect the guiding principles and affirmations in our Equity Lens document.
- 2. Lane ESD staff along with community partners will be equity leaders trained to dismantle systems of oppression through interrupting inequitable policies and practices by providing culturally specific curriculum that reflects the histories of our students.
- 3. All ESD staff and educators we serve will be provided the equity tools and training needed to inspire student learning, so all youth thrive.
- 4. Youth, from all backgrounds, will have access to highly engaging and culturally relevant learning opportunities connected to our communities and delivered by diverse, qualified, and passionate educators.
- 5. While amplifying youth voice, we will build trusted and inclusive relationships with our families and elevate the engagement of community partners that lead to improved equitable student outcomes.

Q20. Describe how the voices of diverse members of the community have been part of the design and implementation process of this proposal.

People all around the country who are visually impaired have benefitted from these devices.

Q21. How will this proposal dismantle systems of racism and oppression that might exist?

Oppression is broken when all students can access educational materials.

Q22. Who might this proposal impact positively and who might it negatively impact?

It has a positive impact on those who cannot access materials otherwise. It has a negative impact in that the CCTV's can be broken if not handled correctly.

Q23. How will you ensure that equitable outcomes are achieved and what data will be collected to measure success?

When students with low vision are now able to access what other students access naturally, skills will increase in the classroom regarding literacy IEP goals.

Q29. Will the purchase of computers, software, or other equipment be required for staff hired or assigned to the grant?

- No

Q31. What use of facilities are anticipated (workspace, training space, meeting space)?

If applicable, please include use during weekends and break periods.

no

Q32. What other internal supports at Lane ESD will you need for the project to succeed?

none

Q36. Does the project involve research that requires the human subjects' releases?

- No

By clicking the arrow you will be submitting the form.

Please ensure you have completed all sections before moving forward.

Embedded Data:

N/A

Response Summary:

Grant Report

Q2. Has this proposal been discussed and supported by your department's executive director?

- Yes

Q4. Details

Project Name	Materials and Equipment for Students of Lane County with Visual Impairments.
Department Submitting Proposal	LRIS Vision Program - SPED
Person Submitting Proposal	VI Team
Potential Funder (please include link to RFP if available)	Blind Visually Impaired Student Fund
Requested Funding Amount	27,940.00
Person who will manage grant if funded	Julya Johnson

Q5. Grant Period

Length of grant	Invoice for materilas & equipment needs to be submitted by June 13, 2026
Anticipated start date (mm/dd/yyyy)	04/10/2026
Anticipated end date (mm/dd/yyyy)	06/13/2026

Q9. Is a match required from Lane ESD or participating districts (direct funds, FTE, services)?

- No

Q10. Does the grant require any commitment from the ESD or districts beyond the term of the grant?

- No

Q13. Does the grant require a 501(c)3 to apply?

- No

Q46. Does the grant require "reporting" and/or updates?

- No

Q17. Please, provide a brief overview of the grant, including the purpose and intended outcomes.

Lane Regional Vision Program is requesting grant money through the Blind and Visually Impaired Student Fund to purchase white canes, low vision magnification devices, visual development kits, and materials to construct dark rooms for vision work. It is the goal of Lane Vision Program to have the materials and equipment needed to teach and aid students in accessing their education in a prompt and timely manner. Furthermore, it is the goal to provide special designed materials and work areas for students who need specific daily cortical vision impairment (CVI) strategies to help them make progress in visual functioning.

Q18. Describe how this proposal supports the equity vision and mission of Lane ESD.

Vision: Building a beloved community of learners.

Mission: Collaborating to empower all learners with justice- centered opportunities, equitable leadership, and a passion for lifelong learning.

Students with vision impairments need specially adapted equipment, materials, and instruction to make the school and community environment accessible and equitable. By providing VI students with the available tools to help them be at the same learning level and mobility as their sighted peers, students who are blind or low vision gain confidence and are able to feel like they are a contributing and valued member of their community of learners.

Q19. Indicate which of Lane ESD's Equity Goals this proposal will directly address.

- 1. All decisions and actions will reflect the guiding principles and affirmations in our Equity Lens document.
- 2. Lane ESD staff along with community partners will be equity leaders trained to dismantle systems of oppression through interrupting inequitable policies and practices by providing culturally specific curriculum that reflects the histories of our students.
- 3. All ESD staff and educators we serve will be provided the equity tools and training needed to inspire student learning, so all youth thrive.
- 4. Youth, from all backgrounds, will have access to highly engaging and culturally relevant learning opportunities connected to our communities and delivered by diverse, qualified, and passionate educators.
- 5. While amplifying youth voice, we will build trusted and inclusive relationships with our families and elevate the engagement of community partners that lead to improved equitable student outcomes.

Q20. Describe how the voices of diverse members of the community have been part of the design and implementation process of this proposal.

As itinerant teachers who serve students from birth to 21, we have had the opportunity to collaborate with numerous IEP teams that consist of educational, community, and family members. Teams have been a huge part of identifying needs of students due to the student's vision loss. The LRIS vision program has been able to meet the identified needs through the funding support that the Blind and Visual Impaired Student Fund is able to provide. Furthermore, it has given the inadvertently given the students a voice about the impact vision loss has in learning by adding a layer of teaching, advocacy, and awareness to team members on ways students with loss of vision can access their education environment.

Q21. How will this proposal dismantle systems of racism and oppression that might exist?

It is imperative that students with vision loss, regardless of cognitive ability, ethnicity, motor challenges, or language needs, be provided the tools, materials, and equipment they need to succeed in school in the same manner that their sighted peers are afforded. Without the means to be efficient and prompt in doing this, students with vision loss are often left with limited means of accessing their education and environment.

Q22. Who might this proposal impact positively and who might it negatively impact?

This proposal will positively impact all students in the LRIS vision program, along with their families, and those they come in contact with in the educational setting, including adults and peers.

There are no known persons whom this proposal will negatively impact.

Q23. How will you ensure that equitable outcomes are achieved and what data will be collected to measure success?

The materials and equipment being requested in this grant, are for all students in the VI program. Specialized training is provided for each student and their IEP teams in the use of the materials, with observational data being collected to share on progress reports and annual IEP meetings.

Q29. Will the purchase of computers, software, or other equipment be required for staff hired or assigned to the grant?

- No

Q31. What use of facilities are anticipated (workspace, training space, meeting space)?

If applicable, please include use during weekends and break periods.

None

Q32. What other internal supports at Lane ESD will you need for the project to succeed?

Initial purchase of the equipment, tools, and materials that will then be refunded by the approved BVIS Grant.

Q36. Does the project involve research that requires the human subjects' releases?

- No

By clicking the arrow you will be submitting the form.

Please ensure you have completed all sections before moving forward.

Embedded Data:

N/A

Response Summary:

Grant Report

Q2. Has this proposal been discussed and supported by your department's executive director?

- Yes

Q4. Details

Project Name	BVIS Grants
Department Submitting Proposal	RIS
Person Submitting Proposal	Annie Galaxy
Potential Funder (please include link to RFP if available)	BVIS
Requested Funding Amount	9999
Person who will manage grant if funded	Annie Galaxy

Q5. Grant Period

Length of grant	1 year
Anticipated start date (mm/dd/yyyy)	04/01/2026
Anticipated end date (mm/dd/yyyy)	03/31/2027

Q6. Is indirect rate allowed?

- No

Q8. Does the funding include any state or federal funds?

- Yes

Q9. Is a match required from Lane ESD or participating districts (direct funds, FTE, services)?

- No

Q10. Does the grant require any commitment from the ESD or districts beyond the term of the grant?

- No

Q12. Are there contracted services included in the grant that would require bid or RFP?

(See Procurement policy: <http://policy.osba.org/laneesd/D/DJC%20G1.PDF>)

- No

Q13. Does the grant require a 501(c)3 to apply?

- No

Q46. Does the grant require "reporting" and/or updates?

- No

Q14. Is this proposal supported by and does it include collaboration with district partners?

- No

Q17. Please, provide a brief overview of the grant, including the purpose and intended outcomes.

BVIS grants can be for various VI student needs that would have been previously provided at the now defunct Oregon School for the Blind. Staff will write various mini grants for equipment (high and low tech), student events, and community engagement.

Q18. Describe how this proposal supports the equity vision and mission of Lane ESD.

Vision: Building a beloved community of learners.

Mission: Collaborating to empower all learners with justice- centered opportunities, equitable leadership, and a passion for lifelong learning.

Funds will support access to learning and opportunities that would be otherwise not available to blind students.

Q19. Indicate which of Lane ESD's Equity Goals this proposal will directly address.

- 1. All decisions and actions will reflect the guiding principles and affirmations in our Equity Lens document.
- 2. Lane ESD staff along with community partners will be equity leaders trained to dismantle systems of oppression through interrupting inequitable policies and practices by providing culturally specific curriculum that reflects the histories of our students.
- 4. Youth, from all backgrounds, will have access to highly engaging and culturally relevant learning opportunities connected to our communities and delivered by diverse, qualified, and passionate educators.
- 5. While amplifying youth voice, we will build trusted and inclusive relationships with our families and elevate the engagement of community partners that lead to improved equitable student outcomes.

Q20. Describe how the voices of diverse members of the community have been part of the design and implementation process of this proposal.

The VI team has representation at the statewide VI working group, and bring ideas being supported around the state to our county.

Q21. How will this proposal dismantle systems of racism and oppression that might exist?

provides opportunity for blind students to engage

Q22. Who might this proposal impact positively and who might it negatively impact?

Bringing opportunity for more diverse learning to blind students

Q23. How will you ensure that equitable outcomes are achieved and what data will be collected to measure success?

NA

Q25. Does the grant require hiring or reallocating personnel (include stipends and temporary employment)?

- No

Q29. Will the purchase of computers, software, or other equipment be required for staff hired or assigned to the grant?

- No

Q31. What use of facilities are anticipated (workspace, training space, meeting space)?

If applicable, please include use during weekends and break periods.

None

Q32. What other internal supports at Lane ESD will you need for the project to succeed?

PA assistance to complete ordering

Q33. Will the proposal require partnership with agencies other than our component districts?

- Yes

Q34. Which agencies will Lane ESD partner with during the proposed project?

BVIS, NWRES D

Q35. What grant funding, or in kind support will these partners receive?

None

Q36. Does the project involve research that requires the human subjects' releases?

- No

By clicking the arrow you will be submitting the form.

Please ensure you have completed all sections before moving forward.

Embedded Data:

N/A



LANE EDUCATION SERVICE DISTRICT

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Eugene, OR 97402

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EQUITY COMMITMENT LEADERSHIP COLLABORATION INTEGRITY

April 3, 2026

To: Lane Education Service District School Board Members
From: Dr. Morgan Christensen - Executive Director of Human Resources

Re: HR Board Report - April 2026

SERVICE

As we prepare for the 2026–2027 school year, Lane ESD continues to prioritize recruitment and retention of high-quality staff. To support this effort, HR will participate in several upcoming job fairs:

- **UO Spring Career & Internship Expo** – Thursday, April 16, 12:00 – 4:00 PM
- **2nd Annual ECC Career Fair** – Tuesday, April 21, 11:00 AM – 4:00 PM
- **Connect to Lane County | Hiring Fair** – Thursday, May 7, 9:00 AM – 2:00 PM

These events are designed to increase awareness of Lane ESD opportunities and attract diverse, qualified candidates to our agency.

STAFFING

Lane ESD continues active recruitment for both classified and licensed positions, with a particular focus on Special Education roles. With summer approaching, School Improvement is preparing for the MEP Summer School program. HR is collaborating with all departments to fill key vacancies and ensure programs are fully staffed for the 2026–2027 school year.

Current Vacancies: There are 12 positions currently open across Special Education, School Improvement – HOPE Factory, and School Improvement – MEP Summer School programs.

VACANCY NOTICES		
<i>Job ID #</i>	<i>Position</i>	<i>Closing Date</i>
545	Substitute, Special Education Teacher at Lane ESD	Open Pool
966	Speech Language Pathologist (2026-27)	Open Pool
1025	Substitute, Construction Manufacturing Teacher HOPE Factory (Candidate Pool)	Open Pool
1255	Special Education Instructional Assistant, Life Skills (Candidate Pool)	Open Pool

1246	Teacher, Life Skills (2026-27)	Open Pool
1247	Speech Language Pathologist (2026-27)	Open Pool
1249	K-5 Teacher (Summer School)	Open Pool
1250	Summer School Teacher, Early Childhood	Open Pool
1251	K-8 Instructional Assistant (Summer School)	Open Pool
1252	Pre K Instructional Assistant (Summer School)	Open Pool
1252	K-8 Instructional Assistant (Summer School)	Open Pool
1260	School Psychology Intern - Limited Duration	Open

HR continues outreach to recruit qualified candidates and anticipates progress on filling these roles prior to the start of the 2026–2027 school year.

School Improvement Team | Board Report | 04-07-26

Curriculum Leaders March Meeting

At the March Curriculum Leaders meeting, we tested and proved the theory that we could cram three different district presentations into one meeting with time for our highlighted resources and opportunities sharing from community partners and SI team members! This month's meeting was all about elementary content integration and we learned from teacher teams at Harrison Elementary in South Lane, Crestlane Elementary in Creswell, and Laurel Elementary in Junction City about how they have successfully integrated science, math, and literacy across multiple content areas in inquiry-based and project-based learning models. This may have been our best CLs meeting yet!

Link to full [agenda](#).

CTE for All

CTE Specialist Ariana Schwartz has been working with Josh Barbour and Sarah Statham, Transition Specialists to develop and deliver a professional learning series for CTE teachers designed to help them understand and support students in their classes who receive special education services. CTE for All is a four part series that was well-attended this year by our region's CTE teachers who surfaced the need for individualized support as they implement their new ways of teaching. Josh has agreed to continue working with this cohort of teachers by visiting them in their classrooms to provide guidance and mentorship as they work to create more inclusive CTE learning spaces.

Ariana, Josh, and Sarah will be presenting this model at the Oregon ACTE conference this spring to share this regional, collaborative approach to supporting students in CTE programs.



April 2026, IT Board Report

Staffing

- In collaboration with ESD executive leadership, IT has developed a strategic plan to enhance service delivery to the ESD and our districts while maintaining cost neutrality. Following the plan's approval last week, we have begun a methodical restructuring of the department. This new alignment increases staff availability for internal support and expands our capacity for regional and statewide involvement.
- **Technology Operations Manager:** Chris Rowbotham from Siuslaw school district has accepted the job. Chris was a band teacher for many years before taking over as the IT Director in Siuslaw 5 years ago. Chris recently completed his CTO Mentor program with COSN, runs point for the student data privacy consortium (SDPC)'s Oregon Alliance, and sits on COSN's data privacy and cybersecurity committee. Chris is excited to start this new chapter of his life. Chris will start with us on April 20th and work a hybrid in-person schedule as he and his family prepare to move to Eugene.
- **Network/Systems Administrator II:** Appointed Jose Pleitez-Sanchez (Congratulations, Jose!).
- **Network/Administrator I:** This role will post the week of April 6th and will close on the 17th.

Classrooms

- **Printer Replacement Cycle-** IT is replacing the printers as the toner runs out so we do not waste any of the remaining toner.
- **Smartboards-** Planning and scheduling to install the new smartboards on site are under way.
- **Clever-** We are working with the vendor to include some options for the kids that will make logging in as easy as waving a card in front of the chromebooks. We will continue to work the the implementation phases of this project through this summer with a go live date before the start of school in the fall.

System Upgrades and Improvements

- **eFax-** We have selected 2 additional vendors to compare pricing and support structures.
- **Internet Cutovers-** All circuits have been cutover
- **Securly-** We are slowly pushing this final phase out to one group at a time to minimize any potential unintended impacts.
- **Student Information System (SIS)-** We are continuing to move forward on this project with the start of school 26/27' as the go live date.



Regional Initiatives and Support

- **EDUROAM-** We are presenting on our current process and next steps at the annual Association of Computer Professionals in Education (ACPE) in May.
- **Security Service Development:** We expect to have the plans finalized and approved by the end of this month.
- **ESD IT Service Offerings:** We are conducting a comprehensive, line-by-line review of our services with IT directors to eliminate ambiguity. Simultaneously, we are establishing Service Level Agreements (SLAs) to define clear expectations for our districts and provide internal staff with documented protocols for regional support. This will continue over the next couple of months.
- **Education Nexus-** We have some districts in the high desert region coming on line now. We have started scheduling demos and superintendent meetings with districts who are interested. We are hopeful that a partner ESD in Washington will be successful in bringing their region early in the fall of 26'.