

OREGON CITY SCHOOL DISTRICT NO. 62

CLACKAMAS COUNTY, OREGON

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2022



Oregon City School District No. 62
Clackamas County
Oregon City, Oregon

Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2022



Prepared by
Jason Jensen, Chief Financial Officer
Matt Deeds, Accounting Supervisor

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Clackamas County, Oregon
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Clackamas County, Oregon
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INTRODUCTORY SECTION



Oregon City School District 62
1417 12th Street Oregon City, Oregon 97045
503-785-8000 Fax: 503-657-2492

December 30, 2022

Citizens and Board of Directors
Oregon City School District No. 62
1417 12th Street
Oregon City, Oregon 97045

Oregon Revised Statutes regarding Municipal Audit Law and State Financing of Public Schools require that the school district publish a complete set of audited financial statements within six months of the close of each fiscal year. A Securities Exchange Commission Rule requires that a district that has issued municipal bonds file annual financial statements with the Municipal Securities Exchange Repository through the Electronic Municipal Market Access System (EMMA). Pursuant to these requirements, we hereby issue the comprehensive annual financial report of the Oregon City School District No. 62 for the fiscal year ended June 30, 2022. This report is presented in conformity with accounting principles generally accepted in the United States of America and was audited in accordance with auditing standards generally accepted in the United States by a certified public accounting firm licensed in the State of Oregon.

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

The District's financial statements have been audited by Pauly, Rogers, and Co. P.C. a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2022, are fairly presented in conformity

with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

Additionally, the District's major grant programs were audited 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). The independent auditors determined that the District complied, in all material respects, with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2022.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE DISTRICT

To preface this Transmittal Letter, the nation is continuing its recovery from a global pandemic due to the outbreak of the COVID virus. The COVID virus has altered the behavior of businesses and people and has adversely affected the local, state, national and global economy. The 2021-2022 school year required masking and social distancing requirements; the 2022-2023 school year, will allow our schools to experience pre-pandemic structures.

The District is one of 10 public school districts located in Clackamas County, Oregon. It is the sixteenth largest school district in Oregon, and the third largest in the county providing a program of public education from kindergarten through grade twelve. The District is required to report the number of students per school year to the state based on Average Daily Membership (ADM). ADM is the average number of full-time students enrolled in District schools and programs every day over the course of the entire school year compared to student enrollment which would be a snapshot on a given day of the headcount of all students enrolled. The District's ADM was 7,220 students in fiscal 2021-22. The projected ADM for fiscal 2022-23 was 7,097. Currently, as of the date of this letter, it is 7,251. See the "Economic Condition" section of the letter. The average age of all school buildings is 48 years.

Under Oregon law, the District is considered a financially independent, special-purpose municipal corporation, and is responsible for educating children residing within the boundaries of the District. The District discharges this responsibility by building, operating, and maintaining school facilities; developing and maintaining approved educational programs and courses of study, including vocational programs and programs for handicapped students, in

accordance with State standards; and carrying out programs for transportation and feeding of pupils in accordance with District, State, and Federal guidelines.

The District's Governing Board, the Oregon City School Board is organized under Section 332 of the Oregon Revised Statutes. The Oregon City District School Board is elected on a District-Wide basis and is the governing body of the District. It has seven citizens and has oversight responsibility and control over all activities related to the District which include but are not limited to the hiring of the Superintendent, the adoption of the annual budget, and negotiations of collective bargaining agreements. The Board sets Board Governance Policies and collaborates with staff to craft District Policies that establish practical, ethical and legal boundaries for district staff and decision-making. A Budget Committee of seven appointed volunteer members established by statute advises the Board on budgetary issues.

The financial reporting entity consists of a primary government and its component units. The District is a primary government because it has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Component units must be reported as part of the primary government if they meet a fiscal dependency criterion and a financial benefit or burden relationship exists as defined under the Governmental Accounting Standards Board (GASB) Statement No. 61. The District has determined that two of its sponsored Charter Schools should be reported as component units. Although operation of these schools is the responsibility of their individual boards, they are financially dependent on the state funding that the District is required to allocate to them, they utilize licensed District staff for instruction, and they utilize many District services per their contracts with the District. The District acts as the fiduciary for their financial activity and accounts for their district related activity separately from its own records.

The Oregon City School District is required by the State of Oregon to adopt an annual budget per Oregon Revised Statutes (294.305 through 294.565 inclusive). Oregon Budget Law specifies a process and format for a district's annual budget preparation and presentation. A school district is required to publish a budget using at least a "minimum chart of accounts" which includes fund, function and object. Each year, the District follows a process to develop and adopt a budget for the following school year. The District's Budget Committee approves a budget and forwards it to the School Board for final adoption. The School Board normally approves the budget in May or early June for the final adopted budget but can make changes to it prior to July 1. Once adopted, the budget represents the financial plan for the School District. It contains estimates of revenues and expenditures needed to support the program offerings of the District for a single fiscal year. The budget is prepared for all funds which include Governmental, Proprietary and Fiduciary Funds. The annual expenditure budget serves as the foundation for the District's financial planning and control as revenue is estimated. Actual expenses may not exceed the appropriated amount of the budget by function and fund. The budget does change throughout the year as revenue amounts change and funds are transferred between various accounts to meet the needs of District instructional programs and services. Transfers are made in accordance with policy relating to Appropriation and Budget Transfers to ensure compliance with Local Budget Law.

In 1872, Oregon's legislature passed a law giving county school superintendents authorization to establish school districts. In November 1874, then County School Superintendent, W. W.

Moreland established district number sixty-two now known as Oregon City School District No. 62. It is the oldest “district” in the county, but it is not recognized as such because its schools were under city control for many years until 1874. Clackamas County is located just to the south and east of the city of Portland and, together with Multnomah, Washington, Columbia, and Yamhill counties, is considered part of the Portland Metropolitan Statistical Area.

The District consists of seven elementary schools, two middle schools, one high school, and four District sponsored charter schools that are located within its boundaries. Two of the charter schools are high schools – Oregon City Service Learning Academy (OCSLA) and Clackamas Academy of Industrial Sciences (CAIS). CAIS also admits sixth through eighth grade students. The two other charter schools are independently operated. Springwater Environmental Sciences School is a kindergarten through 8th grade school and the Alliance Charter Academy is a grade K-12 family partnership charter school.

In 2021-22, District management staff included a Superintendent, a Cabinet consisting of an Assistant Superintendent, a Director of Special Services, an Associate Director of Special Services, an Associate Director of Teaching and Learning, a Director of Human Resources, a Bond Manager, a Director of Operations, and a Chief Financial Officer. In addition, management includes directors, principals, vice principals and supervisors. In Fiscal year 2021-22, the District employed 917 staff members (full and part-time). Instructional staff consists of teachers, counselors and librarians. Support staff consists of instructional assistants, secretaries, bus drivers, cooks custodians, maintenance personnel and other support staff.

The Oregon City School District is focused on college and career readiness for all students. In alignment with the Oregon Department of Education and the US Department of Education, the district is committed to the following:

- Advancing equity
- Promoting a well-rounded education
- Strengthening district systems to support student achievement
- Fostering ongoing engagement with the community

Oregon’s accountability model provides state level data to convey student outcomes. The state utilizes the following indicators:

- Regular Attenders
- English Language Achievement (ELA) and Math Achievement
- ELA and Math Growth (grades 3-8 only)
- English Learners on Track to Proficiency
- 9th Grade on Track to Graduate
- Four-year Graduation Rate
- Five-year Completion Rate (includes high school equivalency programs)

The district complies with state guidance delineated by the Every Student Succeeds Act (ESSA). Under ESSA, Oregon is required to make decisions about how to rate schools, how to evaluate staff, and how to assist poorly performing schools. The state designed annual

profiles and “at a glance” reports that align with ESSA and include district and school level information. ESSA does not require an overall rating for each school, instead rating each from one to five based on required indicators: English Language Arts (achievement, participation, & growth), Mathematics (achievement, participation, & growth), Regular Attender Rate, English Language Proficiency rates, Ninth Grade On-Track data, four-year cohort graduation rates and five-year completion rates. Comparatives between the state's long term goal and school/district averages are shown on individual school report cards. The District's most recent report card and its report cards by school can be found on the following website: [At-A-Glance Profiles and Accountability Details - Oregon Department of Education](#).

Oregon's Academic Content Standards define the knowledge and skills students will develop in their K-12 education. They are used to meet the requirements of the new state standards for ESSA. To measure whether students are meeting the state standards, the state is using the Smarter Balanced Assessment. It is utilized, with local performance assessments throughout a school year to provide student data that will inform instruction, guide interventions, target professional development for staff, and ensure an accurate measure of each student's progress toward college and career readiness.

For the 2021-23 biennium, the District continues to focus resources on raising its graduation rates using programmatic strategies and complying with changes required by ESSA. Major initiatives of the district are set by its Mission Statement: “With high expectations, we engage all students in meaningful learning activities to prepare them for successful lives.”

Two critical areas for focus are the improvement of instruction and district operations.

Improvement of Instruction

Oregon City School District is committed to the State of Oregon's vision for preparing all students for college and careers. The district demonstrates this commitment by focusing efforts in the areas below:

Staff Development Efforts: The district uses available release time for embedded and ongoing support to staff which is focused on Oregon state standards and high quality instructional practices aligned with educator effectiveness. It has organized professional development into four strategic areas: 1) high quality instruction in the classroom, 2) standards based learning goals, 3) formative assessments and data analysis, and 4) monitoring the progress of student learning.

Professional Learning Communities: The district trains educators in the professional learning community concepts of collaboration, utilizing effective data analysis, and targeted instructional practices to meet the differentiated needs of students.

Professional Standards for Quality Instruction: The district strives to increase the proficiency of its administrators and teachers by utilizing the Danielson evaluation rubric for assessing high quality classroom instruction. It strives to promote a collaborative culture where student achievement is the number one priority.

Positive Behavior and Intervention Supports (PBIS): The District continues the enhancement of a district wide systems approach to preventing and responding to school and classroom discipline problems. The district completed its fourteenth year of Positive Behavior Intervention Support for improvement and staff development.

Equity: The district reviews all instructional practices to ensure inclusiveness in providing high quality, advanced learning opportunities for all historically underrepresented groups, and to ensure that resources are utilized effectively to support all students.

Improvement of Operations

Energy Conservation: The district concentrates on improving utility systems with limited resources to gain cost savings.

Communication: The district continues to improve outdated communication systems as resources allow. It continuously works on online resources focusing on the goal of improving all communication with all stakeholders in various forums.

Community Education: The district serves its student population and the community by offering participation in non-school day educational and athletic programs, preschool programs, and offering community education programs to meet strong community needs for expanded services.

Technology: The district promotes the strategic use of technology to promote instruction and operations. The district has invested millions of dollars in upgrading classroom instructional technology for teachers and students. Continued financial investments will be necessary to maintain the district's current network infrastructure and technology tools.

Transportation: The district continues to seek opportunities to replace and update school buses and transportation vehicles to serve all students and schools throughout the district.

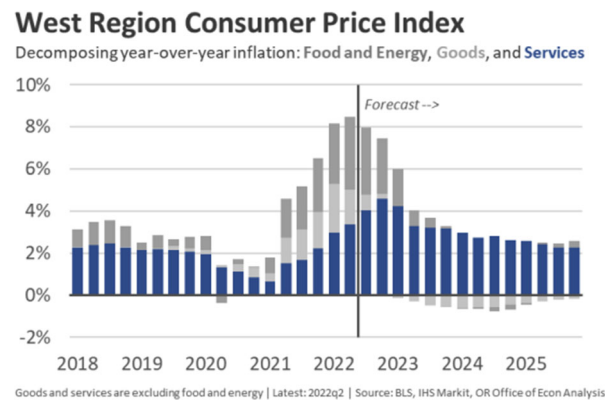
Long Range Capital and Facility Planning: In November 2018, the voters in the Community passed a measure to issue General Obligation Bonds in the amount of \$158 million dollars, and the District was awarded a grant of \$8.0 million in the form of matching funds from the Oregon School Capital Improvement Matching Program (OSCIM). The district replaced Gardiner Middle School and completely reconstructed Tumwata (formerly Ogden) Middle School, built secure vestibules and made security improvements to all schools in the district, and made significant upgrades and updates to aging school buildings. The majority of improvements were in place for the opening of the 2021-22 school year. The district collaborated closely with students, staff, families, and community members to assist with the development of the bond projects.

ECONOMIC CONDITION

The 2021-22 fiscal year experienced a period of economic growth that continues at the time of writing. However, the economic outlook is difficult to predict. In fact, Oregon's Office of

Economic Analysis (OOEA) states the crosscurrents in the economic data today make assessing the outlook more challenging than usual.

The greatest economic risk reported last year was persistent inflation, which has only worsened since that time. The OOEA believes the risk of recession is very high.



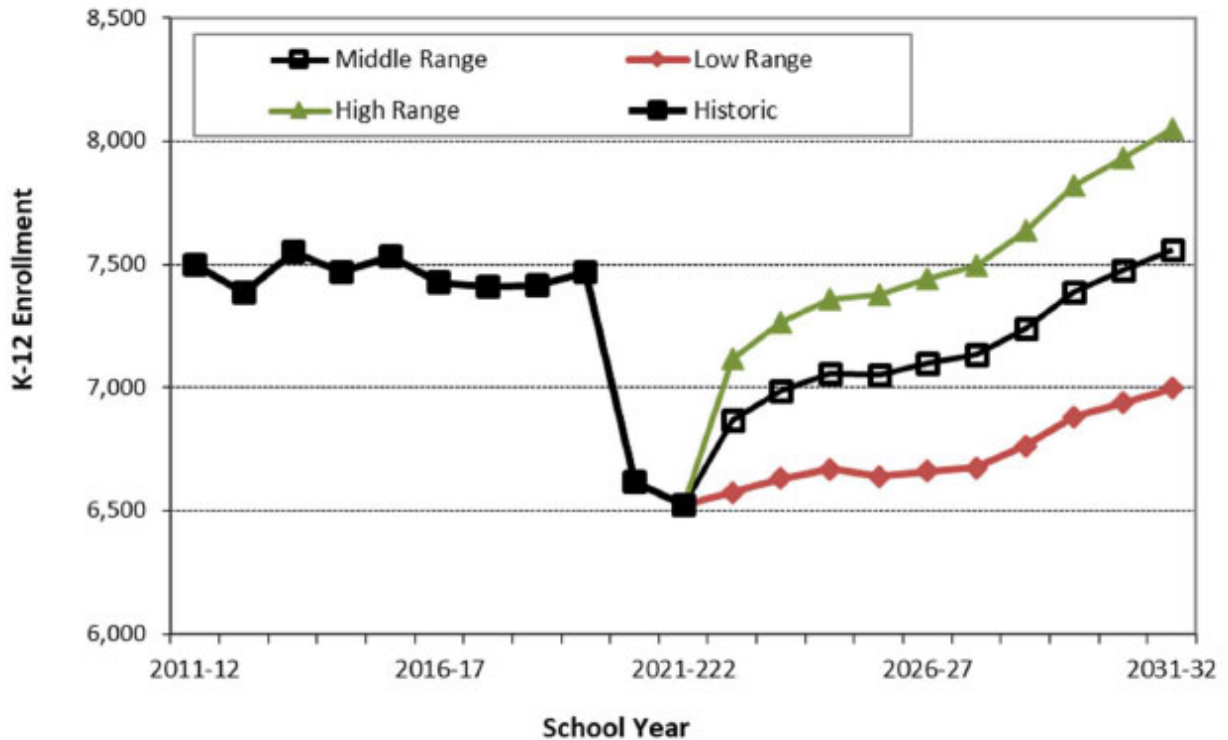
The economic indicators are not all bad, though. Personal income in Oregon is significantly higher than the trendline prior to the pandemic would have predicted. This elevated level of income is expected to continue. Increases in personal income will increase the income tax revenue available for unrestricted education funding. Spending habits are expected to increase the corporate activity tax revenue available for restricted education funding.

Clackamas is Oregon’s third most populous county. The population within the county grew by approximately 43% between 1970 and 1980. Between 1980 and 1990 it grew by over 15% in spite of a recession. From 1990 to 2000, the County’s population increased by 21%. From 2000 to 2010 Clackamas County grew by over 11%. The most current data from April 1st 2010 to July 1st 2019 shows population growth of 11.2%, and a population of 418,187 as of the same date. Students under 18 years comprise 21.2% of this total. These statistics were obtained from the United States Census Bureau website.

The District’s most current enrollment projection prepared by Portland State University in June 2022 for enrollment from 2021-22 through 2031-32 notes that the district’s total population forecast for 2030 will be 65,515, an increase of about 4,800 persons from the 2020 Census count. Their middle range forecast for enrollment shows that it will increase by approximately 1039 students in the next ten years. By 2031-32, the high school grades will show the smallest increase of 100, followed by the middle schools at 315. The elementary school enrollment is predicted to increase 624 students during the same time period. A contributing variable in forecasting enrollment will be the ongoing impact of charter schools in the District. Enrollment growth in District schools in the near term would be a significant positive contributing factor to the District’s financial stability. Downturns decrease the amount of state funding that the District receives. In fiscal 2020-21 the district lost approximately 685 students directly related to the onset of the COVID pandemic. The District expects that the enrollment will rebound to normal levels over the next couple of years. The following table prepared by Portland State

University shows the High, Middle, and Low Range Forecast Enrollment for the District's K-12 Enrollment.

Oregon City School District Historic K-12 Enrollment History and Forecast 2011-12 to 2031-32



*Includes OCSLA and CAIS Charter Schools. Does not include Alliance Academy or Springwater Charter Schools.
Forecast: Population Research Center, PSU, June 2022*

The District's economic base has traditionally been focused on agriculture, manufacturing, warehousing, and tourism. Manufacturing, distribution, and the service industry are becoming increasingly important as Oregon City becomes further integrated into the Portland metropolitan area. Oregon City itself is "The End of The Oregon Trail", and the area is rich with historical importance and tourist attractions. Community, business, and civic leaders are energetically working together to develop Oregon City as a regional hub for transportation and services.

Care and upkeep of the District's aging facilities continue to be a financial and operational challenge. The newest elementary school was built in 1975 while the average age of all elementary schools is 63 years. The District replaced one of its middle schools that was originally built in 1954 with the current construction bond in 2021 and replaced a second middle school built in 1965. The construction of modular classrooms in 2012, 2013 and in 2017 provided limited modern classroom space. Oregon City High School was constructed in 2003 and maintenance needs at the school are increasing. The passage of the District's

\$158,000,000 General Obligation Bond Measure in November of 2018 to replace and renew aging schools helped to alleviate some of the District's immediate maintenance challenges.

Oregon City School District receives approximately 60.93% of its General Fund revenue from State controlled sources, and the State defines approximately 95.2% of our General Fund revenue through state school fund calculations. The District's largest expense is labor and its associated costs which includes the Oregon Public Employees Retirement System (PERS).

The recent history of funding for the District has been State funding over bienniums that have not supported the current service levels for the District. For the 2019-21 biennium, the state approved the investment of \$2 billion in Oregon education over two years. \$200 million went into the state school fund for a total of \$9.0 billion for the biennium which was slightly under the current service level projected by the Confederation of Oregon School Administrators. The remaining amount outside of the State funding was distributed in 2020-21 and funded by the State Corporate Activity Tax. It was placed into three accounts: an Early Learning Account, the Student Investment Account (SIA), and the Statewide Initiatives Account. This funding required spending on a collaborative plan and came along with specific goals to develop programs that enhance student achievement. Subsequent to the onset of the COVID virus, the Legislature approved a bill that maintained full funding for the State School Fund for the 2019-21 biennium and the District was funded based on Pre-COVID enrollment.

For the 2021-23 biennium, the state approved a state school fund budget of \$9.3 billion for the biennium which is a 3.33% increase over the prior biennium. The district saw a reduction in enrollment due to COVID in 2021-22 with an ADMw of 8,621 in comparison to the prior year of 9,306. The Governor released her budget for the State School Fund for 2021-23 at \$9.1 billion for the biennium. It is flat funding and does not support current service levels for the district. The Student Investment Account was reduced by \$206.0 million.

OTHER DISTRICT EVENTS

Highlights of 2021-22 School Board Meetings included but were not limited to the following:

New Superintendent: Dayle Spitzer

On May 9th, 2022, the school board approved the employment contract for Dr. Dayle Spitzer for Superintendent effective July 1, 2022, through June 30th, 2025. Dr. Spitzer comes from the Hillsboro school district where she has served as assistant superintendent since 2015.

Substantial Completion of the 2018 Bond Construction Program

The District replaced Gardiner Middle School, OCSD completed a major renovation of Tumwata Middle School and did safety and security upgrades at each Elementary School. The 2018 Bond provided numerous Career and Technical Education (CTE) Projects and the purchase of real property for future school sites.

PERS Bond Sale

In June of 2021, the board approved a resolution to authorize the district to participate in the Oregon Education Districts Pension Bond Program which authorized the district to issue Full Faith and Credit Pension Bond and related Full Faith and Credit Pension Obligation Bonds. As a result of this issue, the District was able to see substantial savings in PERS costs beginning in November of 2021.

SIA – Implemented year one of the Student Investment Act

The District implemented funding from the Student Investment Act which included approximately \$6.5 million in total funding. This funding was used to support class size reductions, 9th grade on track stipends for teachers to monitor student progress purchased and implemented social-emotional learning curriculum for all students and additional nursing and health assistance to aid in the return to learning.

Consolidation of Candy Lane and Jennings Lodge

On February 14th, 2022, the school board approved the purchase of modular buildings and additional contracts for the consolidation project of Candy Lane and Jennings Lodge programs. The consolidation project was proposed to assist the district in meeting the long-term budget goal to lessen general fund spending at a time when the district has experienced a sudden drop in operating revenue and student enrollment.

At various meetings, the School Board continued to approve revisions to the District's Board Policies, approved several resolutions related to the 2018 bond construction projects, and approved other normal yearly resolutions as needed. All current School Board Policies, Agendas and Minutes are posted on the District's website.

It is the District's intent to remain centered on student achievement through its commitment to its Mission, Vision and Guiding Principles. In several School Board meetings throughout fiscal 2021-22, District personnel gave presentations related to the promotion of its Guiding Principles in relation to accomplishing specific goals to enhance student achievement. These presentations are in the form of Reports. Details of these reports can be found in the School Board Agendas for fiscal 2021-22. The District's Mission Statement, Vision and Guiding Principles can be found on the District's website. <http://ocsd62.org/>

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to Oregon City School District No. 62 for its comprehensive annual financial report for the fiscal year ended June 30, 2021. This was the 30th consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Association of School Business Officials International (ASBO) awarded its Certificate of Excellence in Financial Reporting to the District for the 30th year.

We express our appreciation to the entire Fiscal Services Department staff for their efforts and contributions to our Annual Comprehensive Financial Report. We also thank the members of the School Board for their continued support and dedication to the financial operations of the School District.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Dayle Spitzer", with a long horizontal flourish extending to the right.

Dayle Spitzer
Superintendent

A handwritten signature in blue ink, appearing to read "Jason Jensen", with a stylized, looped design.

Jason Jensen
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Oregon City School District No. 62
Oregon

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Oregon City School District 62

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

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



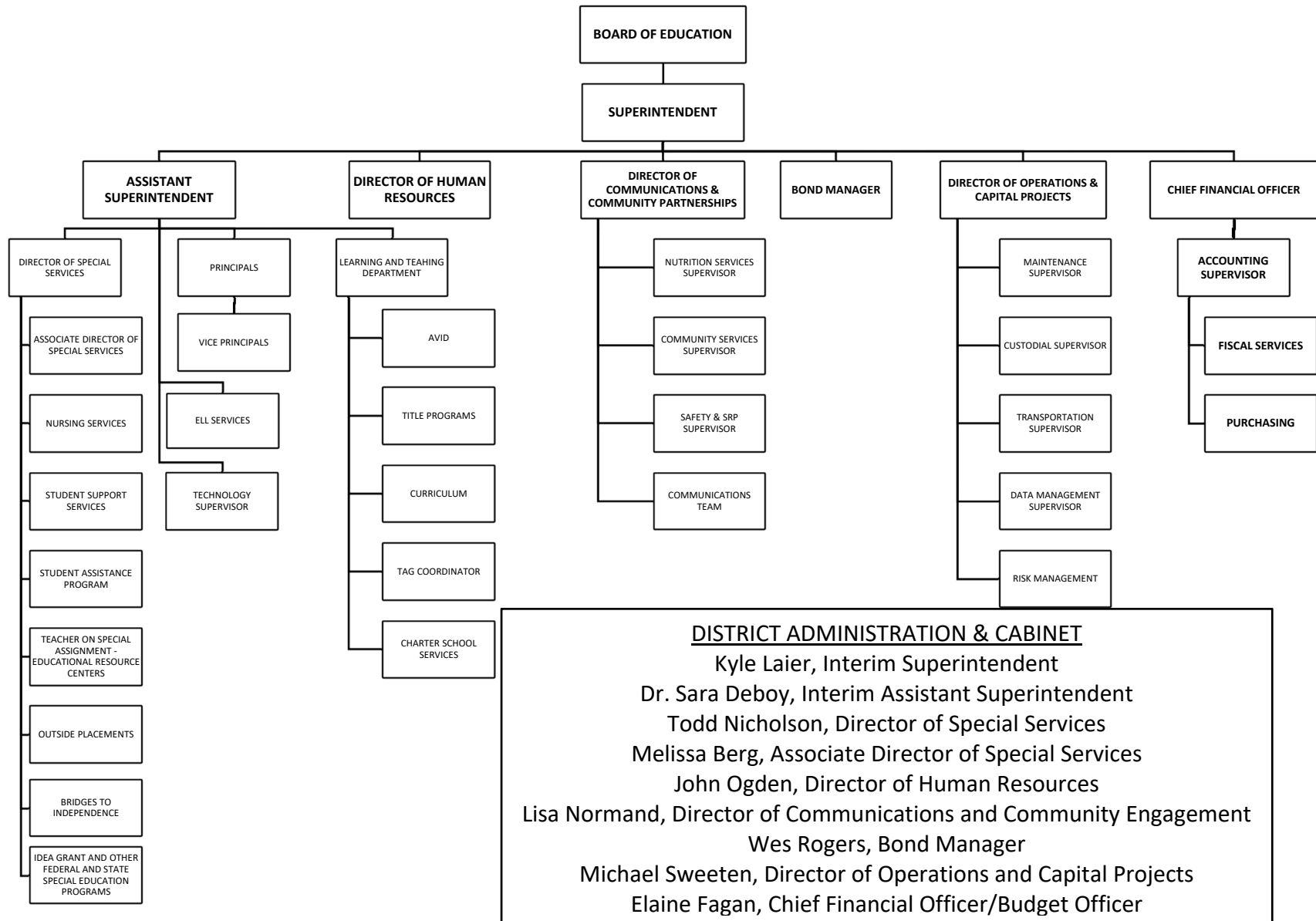
A handwritten signature in black ink, reading 'William A. Sutter'.

William A. Sutter
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis
Executive Director

Oregon City School District No. 62
Organizational Chart
June 30, 2022



OREGON CITY SCHOOL DISTRICT NO. 62

Clackamas County, Oregon

Officials of the District

June 30, 2022

BOARD OF DIRECTORS

<u>Name</u>	<u>Term Expires</u>
Mandi Philpott, Chair	June 30, 2023
Michael Cancholla, Vice Chair	June 30, 2024
Michelle Stroh	June 30, 2024
Anna Farmer	June 30, 2023
Steven Soll	June 30, 2023
Debbie Hayes	June 30, 2024
Pamela White	June 30, 2023

DISTRICT ADMINISTRATION

Kyle Laier, Interim Superintendent
Dr. Sara Deboy, Interim Assistant Superintendent
Michael Sweeten, Director of Operations and Capital Projects
Lisa Normand, Director of Communications & Community Engagement
Sara Deboy, Director of Teaching and Learning
Elaine Fagan, Chief Financial Officer/Budget Officer
Todd Nicholson, Director of Special Services
Melissa Berg, Associate Director of Special Services
John Ogden, Director of Human Resources
Wes Rogers, Bond Manager

DISTRICT ADDRESS

Administration Office
1417 12th Street
Oregon City, Oregon 97045

FINANCIAL SECTION



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December 30, 2022

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Oregon City School District No. 62
Clackamas County, Oregon

Opinions

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units of the Oregon City Service Learning Academy and the Clackamas Academy of Industrial Sciences, each major fund, and the aggregate remaining fund information of Oregon City School District No. 62, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Oregon City School District No. 62, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and 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 Oregon City School District No. 62 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 financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Oregon City School District No. 62's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the 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 financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Oregon City School District No. 62's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Oregon City School District No. 62's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information as noted 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.

Supplementary Information

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

Other Information

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

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

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2022 on our consideration of the internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 30, 2022, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



Tara M Kamp, CPA
PAULY, ROGERS AND CO., P.C.

OREGON CITY SCHOOL DISTRICT NO. 62
CLACKAMAS COUNTY, OREGON
MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2022

As management of Oregon City School District 62 (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our Transmittal Letter, which can be found beginning on page I of this report.

FINANCIAL HIGHLIGHTS

- In the government-wide statements, liabilities and deferred inflows of resources exceed assets and deferred outflows of resources of the District at June 30, 2022 by \$26.99 million. This deficit is largely the result of actuarially determined PERS & OPEB long term liabilities.
- The District's total net position decreased by approximately \$81 thousand for the year. While the District's long term debt increased significantly through issuing \$74.5 million in pension obligation bonds, the District's PERS related deferred outflows increased by a similar amount as a result of the issuance, resulting in only a small change in net position.
- The District's governmental funds report combined ending fund balance of approximately \$21.77 million, a decrease of \$36.51 million in comparison with the prior year. Of this amount, approximately \$5.58 million (25%) is unassigned and available for appropriation at the District's discretion. The remaining fund balances are either non-spendable: \$.83 million or restricted: \$1.5 million for debt service, \$3.86 million for grants, and \$10 million for capital projects. The overall change in fund balance is primarily a result of a decrease in the capital projects fund balance as the District continued spending down the proceeds of its 2018 bond issuance.
- At the end of the current fiscal year, the General Fund unassigned fund balance was \$5.58 million, or about 6.44% of total General Fund revenue.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The Statement of Net Position - The *statement of net position* presents information on all of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the District at year-end. Net position is what remains after the liabilities have been paid or otherwise satisfied. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

In the Statement of Net Position and the Statement of Activities, operations of the District are divided into two kinds of activities:

Governmental Activities: The District's basic functions are shown here, which include Instruction, Support services, and Community services. These activities are primarily financed through property taxes, Oregon's State School Fund and other intergovernmental revenues.

Component Units: The District sponsors four charter schools. The District has included two of the charter schools operations in the financial statements because of the significance of their operational and financial relationship with the District. Although legally separate, exclusion of them because of their relationship with the District would cause the District's financial statements to be misleading or incomplete. Information about the component units is disclosed in Note 1 in the Notes to the Basic Financial Statements.

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JUNE 30, 2022

The government-wide financial statements can be found on pages 11 and 12 of this report.

Fund financial statements - The *fund financial statements* provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Oregon City School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are reconciled to the government-wide Statements of Net Position and Activities.

The District maintains five individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General, Special Revenue, Debt Service, Pension Obligation, and Capital Projects Funds, all of which are considered to be major funds.

The basic governmental fund financial statements can be found on pages 13 and 15 of this report.

Proprietary Funds - Proprietary funds are used to account for a government's ongoing activities that are similar to those often found in the private sector. The District maintains a Risk Management Internal Service Fund. For the fund financial statements, this fund is reported as a proprietary fund. For government-wide financial statements, however, the activities and balances of this fund are included in the governmental activities because the predominant participant is the District.

The basic proprietary fund financial statements can be found on pages 19 and 20 of this report.

Fiduciary funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs.

The basic fiduciary fund financial statements can be found on pages 23 and 24 of this report.

Notes to the basic financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found starting on page 24 of this report.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the District's progress in funding its obligation to provide pension and other post employment benefits to its employees. Required Supplementary Information can be found starting on page 70 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position - An Analysis of the Statement of Net Position as of June 30, 2022 is presented below.

Capital assets, which consist of the District's land, construction in progress, site improvements, buildings and improvements, equipment, and intangible assets represent about 85.81 percent of total assets. The remaining assets consist mainly of cash and investments, intergovernmental and property taxes receivable, prepaid expense, deposits, and the district's proportionate share of OPEB assets.

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The District's long term liabilities, representing 95.99% of the District's total liabilities, consist of the repayment of long-term debt and other long term obligations including post-employment benefit obligations, PERS obligations, and leases.

Current liabilities, representing 4.01% of the District's total liabilities, consists primarily of accounts payable and payroll liabilities.

A portion of the District's net position reflects its investment in capital assets (e.g. land, buildings, equipment), less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students and other District residents; consequently these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources (generally property taxes), since the capital assets themselves cannot be used to liquidate these liabilities.

Statement of Net Position			
	Governmental Activities		Increase
	2022	2021	(Decrease)
Assets			
Current and Other Assets	\$ 38,968,368	\$ 89,431,499	\$ (50,463,131)
Capital Assets	235,726,922	199,473,488	36,253,434
Total Assets	274,695,290	288,904,987	(14,209,697)
Deferred Outflows of Resources	94,421,848	29,528,425	64,893,423
Liabilities			
Current Liabilities	14,182,466	34,567,827	(20,385,361)
Long-term Liabilities	339,527,191	302,689,482	36,837,709
Total Liabilities	353,709,657	337,257,309	16,452,348
Deferred Inflows of Resources	42,401,021	8,088,673	8,088,673
Net Position			
Net Investment in Capital Assets	56,621,903	62,166,857	(5,544,954)
Restricted for Debt Service	1,504,631	2,310,893	(806,262)
Restricted for Grants	3,859,244	1,811,166	2,048,078
Unrestricted	(88,979,318)	(93,201,486)	4,222,168
Total Net Position	\$ (26,993,540)	\$ (26,912,570)	\$ (80,970)

During the current fiscal year, the District's overall financial position decreased by \$81 thousand as discussed under the financial highlights section. The District's investment in capital assets net of related debt decreased by \$5.54 million as a result of the decrease in unspent capital proceeds exceeding the increase in net capital assets by \$2.70 million and non-pension related long term debt increasing by \$2.84 million. Net position restricted for debt service decreased by \$.81 million as a result of the decrease in the pension obligation bond fund balance and net position restricted for grants increased as result of an increase in the special revenue fund balance. These fund changes are discussed in more detail in the following section. Unrestricted net position increased by \$4.22 million, primarily due to changes in PERS & OPEB Assets, Liabilities, Deferred Outflows & Deferred Inflows.

Changes in Net Position - The key elements of the change in the District's net position for the year ended June 30, 2022 are as follows:

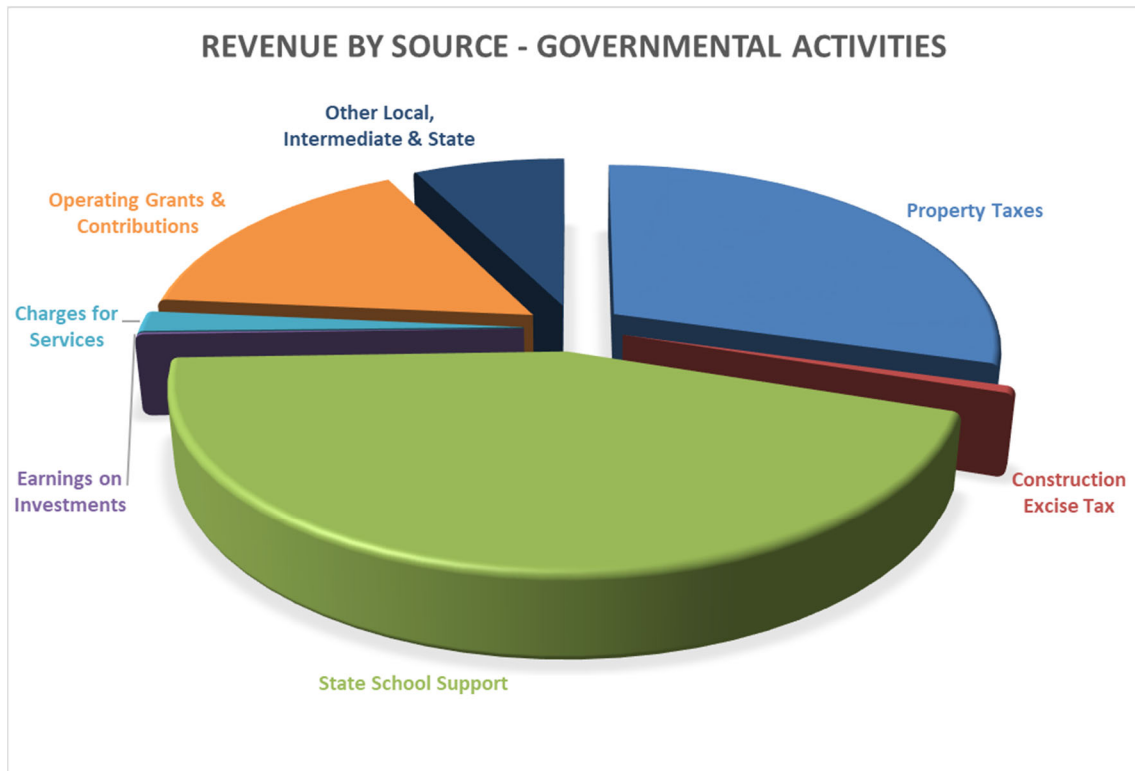
- While, operating grant revenue increased by \$7.78 million, capital grant revenue decreased by \$8.00 million. Details of the changes in operating grants and contributions are discussed under the Special Revenue Fund analysis below, and details of the changes in capital grants and contributions are discussed under the Capital Projects Fund analysis below. Other local and intermediate source revenue increased by \$2.32 million mostly due to large increases in extracurricular and community services activities as pre pandemic activities returned to normal levels. In total, revenues increased by \$2.78 million.

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- Instructional services expenses decreased by \$2.02 million. While there was an increase in instructional expenditures at the governmental fund level, and a significant increase in depreciation expense allocated to the instructional function as capital assets were moved from construction in progress to buildings and improvements, there was a greater decrease in pension expense due to a decrease in the District's pension contribution rate after issuing new pension obligation bonds in the current year. Support services expenses increased by \$1.41 million primarily due to increases in operating grants and increases in non-capital spending for furniture, fixtures & equipment in the capital projects fund. The increase in support services expenses at the government-wide level was less, as a % change, then the increase in support services at the governmental funds level because of a large decrease in pension expense as noted above. Interest expense increased by \$1.14 million as a result of issuing new pension obligation bonds as noted above. In total, governmental program expenses increased by \$.61 million.

Changes in Net Position			
	Governmental Activities		Increase
	<u>2022</u>	<u>2021</u>	<u>(Decrease)</u>
Revenues:			
Program Revenues:			
Charges for Service	\$ 2,315,628	\$ 1,453,144	\$ 862,484
Operating Grants and Contributions	20,710,792	12,932,844	7,777,948
Capital Grants and Contributions	-	8,000,000	(8,000,000)
General Revenues:			
Property Taxes	37,853,224	36,473,158	1,380,066
Construction Excise Tax	776,091	619,035	157,056
State School Fund - General Support	57,167,677	58,092,861	(925,184)
Unrestricted Federal	-	12,107	(12,107)
Earnings on Investments	215,965	989,931	(773,966)
Other Local, Intermediate & State Sources	9,573,591	7,258,276	2,315,315
Total Revenues	<u>128,612,968</u>	<u>125,831,356</u>	<u>2,781,612</u>
Expenses:			
Instructional Services	68,999,118	71,023,942	(2,024,824)
Support Services	45,590,753	44,179,240	1,411,513
Community Services	5,084,989	5,002,184	82,805
Interest on Long-Term Debt	9,019,078	7,877,120	1,141,958
Total Expenses	<u>128,693,938</u>	<u>128,082,486</u>	<u>611,452</u>
Change in Net Position	(80,970)	(2,251,130)	2,170,160
Net Position Beginning of the Year	(26,912,570)	(24,661,440)	(2,251,130)
Net Position - End of Year	<u>\$ (26,993,540)</u>	<u>\$ (26,912,570)</u>	<u>\$ (80,970)</u>

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FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental funds. The focus of the District's governmental funds is to provide information on relatively short-term cash flow and funding for future basic services. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year.

General Fund. The General Fund is the chief operating fund of the District. As stated above, as of June 30, 2022, unassigned fund balance was \$5.58 million. As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Fund balance represents 6.72% of total General Fund expenditures. The fund balance increased by \$1.27 million as a result of shifting instructional expenditures to grant funding in the Special Revenue Fund. Additionally, because of uncertainty in funding at the State level due to economic factors related to the COVID-19 pandemic, and related declining enrollment in the District and across the State, the District managed financial resources carefully, which included leaving positions unfilled to help ensure the District had an adequate ending fund balance.

Special Revenue Fund. The Special Revenue Fund has an ending fund balance of \$3.86 million, an increase of \$1.98 million. This increase was primarily the result of issuing \$3.70 million in full faith & credit obligations to purchase new school buses, not all of which was spent in the current fiscal year. Both revenues & expenditures increased significantly due to increases in both federal and state funding. Federal funding increased primarily due to an increase in the Child Nutrition Cluster grants from the prior year, when these grants were much smaller because far fewer meals were served during remote learning caused by COVID 19. Additionally, the District received more funding under the federal COVID 19 Education Stabilization Fund, and received a new federal grant under the Emergency Connectivity Fund. State funding increased as the District received additional funding under the Student Investment Act.

Debt Service Fund. The Debt Service Fund has an ending fund balance of \$1.01 million, which is just a \$.08 million decrease from the prior year. The decrease is the result of debt service payments exceeding property tax revenues in the fund by a minimal amount, as was the case in the prior year. The District must maintain a fund balance in order to

OREGON CITY SCHOOL DISTRICT NO. 62
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JUNE 30, 2022

make debt service payments in the following fiscal year prior to receiving the majority of property tax revenues in the late fall.

Pension Obligation Fund: The Pension Obligation Fund has an ending fund balance of \$.50 million, which is a \$.72 million decrease from the prior year as a result of a reduction in the PERS Unfunded Actuarial Liability (UAL).

Capital Projects Fund. The Capital Projects Fund has a total fund balance of approximately \$10.68 million, which is a \$38.96 million decrease from the prior year as the District continued spending down the proceeds of its 2018 bond issuance. Additionally, the District had received a one-time capital matching grant of \$8.00 million in 2020-21.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the 2021-22 fiscal year, the General Fund expenditures for Instruction, Support Services and Community Services were within budget. Variances noted between the budget and actual totals were consistent with prior year experience and reflect the District's conservative budget and spending practices. The largest revenue variance was with State revenue, where revenues were \$4.52 million less than what was budgeted. The District received less State funding than projected as enrollment declined more than expected. With this decrease in State revenues, the District had to cut back on spending, which contributed to expenditures being significantly under what was budgeted.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets - The District's investment in capital assets includes land, buildings and improvements, vehicles, intangible assets, and construction in progress. As of June 30, 2022, the District had invested \$235.73 million in capital assets, net of depreciation, as shown in the following table:

Capital Assets (Net of Accumulated Depreciation)		
	2022	2021
Land	\$ 6,478,439	\$ 106,829,300
Construction In Progress	2,525,750	-
Site Improvements	3,135,632	84,420,449
Buildings and Improvements	216,833,916	3,339,286
Equipment	6,565,076	-
Intangible Right to Use Leased Equipment	188,109	4,884,453
Total	\$ 235,726,922	\$ 199,473,488

During the year, the District's investment in capital assets increased by \$36.25 million. The major capital asset events for the year include the following:

- Completion of major bond construction projects resulting in reclassifying Construction in progress assets as Buildings and improvements and Site improvements. Additional information of the District's capital assets is in Note 7 of this report.

Long-term debt - At the end of the current fiscal year, the District had total debt outstanding of approximately \$339.53 million, consisting of, general obligation debt, pension obligation debt, and full faith and credit obligations net of unamortized premium/discount, other postemployment benefits obligation (OPEB), net pension liabilities, and long term leases.

Except for leases, the District's debt is currently all issued with the Oregon School Bond Guaranty. Standard & Poors has rated the bonds A+ and Moody's under their Global Scale Rating has rated the bonds A1. This represents a downgrade from the prior year, when Standard & Poors rated the bonds AA+ and Moody's under their Global Scale Rating rated the bonds Aa1.

State statutes limit the amount of general obligation debt a governmental entity may issue to 7.95 percent of its total real market valuation. The current debt limitation for the District is \$895.21 million, which is in excess of the District's outstanding general obligation debt. The current legal debt margin is \$611.48 million.

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Additional information on the District's long-term debt is in Note 6 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The most significant economic factor for the District is the State of Oregon's State School Fund. For the year ended June 30, 2022, the State School Fund – General Support provided 41.51% of the District's total resources and 60.93% of the District's general fund resources. This is consistent with the previous year and is expected to be true for 2022-23.

The 2021-2023 biennial budget for the State School fund is \$9.3 billion; the legislature had not amended the budget as of the publish date of this document. This funding level may change depending on economic factors relating to the COVID-19 health crisis. The budget proposed by staff allows the District to continue pursuit of its Continuous Improvement Plan (CIP) and district strategic plan while maintaining an ending fund balance in excess of the minimum 5 percent required by Board Policy DBDB.

At the time of the publish date of this document, there are many unknowns to the COVID-19 recovery and the District is actively monitoring rapidly changing situations both within the local community, across the state and nation. Additional funding sources we have received for ESSER (Elementary and Secondary School Emergency Relief Funds) will continue through 2023-2024 and have provided needed funding for counseling and teaching staff as well as instructional materials.

The District's progress, effectiveness, and the resources available to staff and students continues to be dependent upon three factors -state and national governmental actions; health and safety projections; and the state and national economic recovery. Nonetheless, the proposed budget is aligned with the mission, vision, and goals to be outlined by the Board of Directors. The school board, along with the administrative team, has a fiduciary responsibility that is inclusive of equitable access and opportunities for each student; a variety of resources; community partnerships; sustained transparency, and a persistent level of integrity.

To comply with state law and sound business principles, the District must maintain a balanced budget with adequate reserves for economic and operational uncertainties. The commonly cited standard, and the amount the district is committed to setting aside is 5 percent of annual operating expenditures. The District's anticipated expenditures are utilizing a portion of the increased reserves in 2021-22 to support expenditures in 2022-23 and is hopeful to have greater reserves for 2023-2024 due to sound fiscal management..

In November 2016, the voters of Oregon City School District approved a capital construction bond of \$291.17 million. Additionally, the state of Oregon awarded the school district a capital construction grant of \$8 million, which was received in 2020-21. This grant was only available upon successful passage of the bond measure. School bond projects have increased student and staff safety, improved access to modern technology, and addressed chronic overcrowding through upgrades and updates made to schools and classrooms throughout the district. The bond expenditures will be complete in the 2022-23 school year.

The education of students is labor intensive, as reflected in the allocation of the financial resources of the District. For the 2021-22 budget, salaries and fringe benefits represent 63.21% of the General Fund operating budget. The expenditures for salaries and fringe benefits are determined by contractual agreements and staffing policies and guidelines of the board, on the basis of projected enrollment, special student needs, and the conditions of employment established by collective bargaining agreements. From 2021 to 2022, General Fund ending fund balance increased from \$4.45 million to \$5.73 million. The 2022-2023 budget anticipates an ending fund balance in the General Fund of approximately \$3.44 million.

REQUESTS FOR INFORMATION

This financial report is designed to present the user (citizens, taxpayers, investors, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District's Chief Finance Officer at 1417 12th St., Oregon City, Oregon 97204.

BASIC FINANCIAL STATEMENTS

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Statement of Net Position
June 30, 2022

	Primary Government Governmental	Oregon City Service Learning Academy Component	Clackamas Academy of Industrial Sciences
	Activities		
Assets			
Cash and investments	\$ 25,695,816	\$ -	\$ -
Receivables			
Accounts	54,657	-	22,748
Lease	146,105		
Intergovernmental	9,318,516	152,814	-
Undistributed tax collections	94,623	-	-
Property taxes	1,323,909	-	-
Due from other government	-	-	153,165
Prepaid expense	606,166	-	-
Deposits	220,412		
Total OPEB Asset RHIA	1,508,164	-	-
Capital assets not being depreciated	9,004,189	-	-
Capital assets, net of accumulated depreciation	226,722,733	-	44,133
Total assets	274,695,290	152,814	220,046
Deferred Outflows of Resources			
OPEB related deferrals	914,682	-	-
PERS related deferrals	93,147,822	-	-
RHIA related deferrals	83,453	-	-
Pension related deferrals	275,891	-	-
Total deferred outflows of resources	94,421,848	-	-
Liabilities			
Payable			
Accounts	2,039,693	12,522	2,236
Retainage	1,031,290	-	-
Payroll liabilities	9,928,526	-	-
Accrued interest payable	39,004	-	-
Unearned revenue	682,721	-	-
Due to other governments	-	127,070	-
Due to other agencies	26,095	-	-
Scholarship funds payable - Fiduciary Fund	138,237	-	-
Accrued compensated absences	296,900	-	-
Long-term liabilities:			
Due within one year	9,192,951	-	-
Noncurrent liabilities due in more than one year			
Total OPEB liability	5,148,310	-	-
Proportionate share of net pension liability - PERS	45,367,004	-	-
Net pension liability	1,573,836	-	-
Due in more than one year	278,245,090	-	-
Total liabilities	353,709,657	139,592	2,236
Deferred Inflows of Resources			
OPEB related deferrals	1,182,512	-	-
PERS related deferrals	40,399,870	-	-
RHIA related deferrals	457,958	-	-
Pension related deferrals	237,327	-	-
Unavailable Revenue-Lease	123,354	-	-
Total deferred inflows of resources	42,401,021	-	-
Net Position			
Net investment in capital assets	56,621,903	-	44,133
Restricted for debt service	1,504,631	-	-
Restricted grants	3,859,244	-	-
Unrestricted	(88,979,318)	13,222	173,677
Total net position	\$ (26,993,540)	\$ 13,222	\$ 217,810

See accompanying notes to the basic financial statements

OREGON CITY SCHOOL DISTRICT NO. 62
 Clackamas County, Oregon
 Statement of Activities
 For the Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Net Expenses, Revenues, and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Oregon City Service Learning Academy Component	Clackamas Academy of Industrial Sciences
<u>PRIMARY GOVERNMENT</u>							
Governmental Activities:							
Instruction	\$ 68,999,118	\$ 624,899	\$ 17,465,910	\$ -	\$ (50,908,309)		
Support services	45,590,753	1,624,131	-	-	(43,966,622)		
Community services	5,084,989	66,598	3,244,882	-	(1,773,509)		
Interest on long term debt	9,019,078	-	-	-	(9,019,078)		
Total Primary Governmental Activities	<u>\$ 128,693,938</u>	<u>\$ 2,315,628</u>	<u>\$ 20,710,792</u>	<u>\$ -</u>	<u>(105,667,518)</u>		
<u>COMPONENT UNITS</u>							
Oregon City Service Learning Academy	\$ 2,323,550	\$ -	\$ 513,106	\$ -		\$ (1,810,444)	
Clackamas Academy of Industrial Sciences	<u>2,893,919</u>	<u>-</u>	<u>462,602</u>	<u>-</u>			<u>\$ (2,431,317)</u>
General Revenues:							
Property taxes, levied for general purposes					30,243,665		
Property taxes, levied for debt services					7,609,559		
Construction excise tax					776,091		
State school support					57,167,677	1,818,427	2,504,609
Earnings on investments					215,965		
Other local, intermediate & state					9,573,591	250	20,518
Total general revenues					<u>105,586,548</u>	<u>1,818,677</u>	<u>2,525,127</u>
Change in net position					(80,970)	8,233	93,810
Net position beginning of year					(26,912,570)	4,989	124,000
Net position end of year					<u>\$ (26,993,540)</u>	<u>\$ 13,222</u>	<u>\$ 217,810</u>

See accompanying notes to the basic financial statements

OREGON CITY SCHOOL DISTRICT NO. 62

Clackamas County, Oregon

Balance Sheet - Governmental Funds

June 30, 2022

	General Fund	Special Revenue Fund	Debt Service Fund	Pension Obligation Fund	Capital Projects Fund	Total
ASSETS						
Cash and investments	\$ 18,224,212	\$ 41,999	\$ 1,033,672	\$ 75,704	\$ 6,320,229	\$ 25,695,816
Receivables:						
Accounts	40,264	14,393	-	-	-	54,657
Intergovernmental	840,878	7,700,686	-	-	776,952	9,318,516
Undistributed tax collections	75,601	-	19,022	-	-	94,623
Property taxes	1,057,766	-	266,143	-	-	1,323,909
Leases Receivable	146,105	-	-	-	-	146,105
Prepaid items	143,726	-	-	-	462,440	606,166
Deposits	-	-	-	-	220,412	220,412
Due from other funds	-	-	-	421,521	4,800,573	5,222,094
Total Assets	\$ 20,528,552	\$ 7,757,078	\$ 1,318,837	\$ 497,225	\$ 12,580,606	\$ 42,682,298
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:						
Liabilities:						
Accounts payable	\$ 844,622	\$ 287,330	\$ -	\$ -	\$ 871,294	\$ 2,003,246
Due to other funds	2,612,621	3,051,024	58,543	-	-	5,722,188
Due to other agencies	26,095	-	-	-	-	26,095
Payroll liabilities	9,928,526	-	-	-	-	9,928,526
Due to fiduciary fund	138,237	-	-	-	-	138,237
Retainage payable	-	-	-	-	1,031,290	1,031,290
Unearned revenue	123,241	559,480	-	-	-	682,721
Total Liabilities	13,673,342	3,897,834	58,543	-	1,902,584	19,532,303
Deferred Inflows of Resources:						
Unavailable Revenue - property taxes	1,005,087	-	252,888	-	-	1,257,975
Unavailable revenue- lease deferred	123,354	-	-	-	-	123,354
Total Deferred Inflows of Resources	1,128,441	-	252,888	-	-	1,381,329
Fund Balances:						
Nonspendable	143,726	-	-	-	682,852	826,578
Restricted for debt service	-	-	1,007,406	497,225	-	1,504,631
Restricted for grant and projects	-	3,859,244	-	-	-	3,859,244
Restricted for capital projects	-	-	-	-	9,995,170	9,995,170
Unassigned	5,583,043	-	-	-	-	5,583,043
Total Fund Balance	5,726,769	3,859,244	1,007,406	497,225	10,678,022	21,768,666
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 20,528,552	\$ 7,757,078	\$ 1,318,837	\$ 497,225	\$ 12,580,606	\$ 42,682,298

See accompanying notes to the basic financial statements

OREGON CITY SCHOOL DISTRICT NO. 62
 Clackamas County, Oregon
 Reconciliation of Balance Sheet of Governmental Funds to
 Statement of Net Position
 June 30, 2022

Total Fund Balances	\$	21,768,666
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Amounts reported for governmental activities in the statement of net position are different because:

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

Capital assets, net		235,726,922
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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.

		1,257,975
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Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due.

These liabilities consist of:

Total Long Term Debt	(287,438,041)	
Accrued compensated absence	(296,900)	
Accrued interest	(39,004)	
		(287,773,945)

Long-term pension and OPEB assets/liabilities not payable in current year are not reported as governmental fund liabilities. Actuarial changes create the deferred out flows and inflows of resources. These consist of:

Total RHIA asset	1,508,164	
RHIA related deferred outflows	83,453	
RHIA related deferred inflows	(457,958)	
 Total OPEB liability	 (5,148,310)	
OPEB related deferred outflows	914,682	
OPEB related deferred inflows	(1,182,512)	
PERS net pension liability	(45,367,004)	
PERS pension related deferred outflows	93,147,822	
PERS pension related deferred inflows	(40,399,870)	
District pension liability	(1,573,836)	
District pension related deferred outflows	275,891	
District pension related deferred inflows	(237,327)	
		1,563,195

An internal service fund is used by the District's management as a risk management pool. The assets and liabilities of the internal service fund are included with governmental activities.

		463,647
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Total Net Position	\$	(26,993,540)
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See accompanying notes to the basic financial statements

OREGON CITY SCHOOL DISTRICT NO. 62
 Clackamas County, Oregon
 Statement of Revenues, Expenditures and Changes in Fund Balance -
 Governmental Funds
 For the Year Ended June 30, 2022

	General Fund	Special Revenue Fund	Debt Service Fund	Pension Obligation Fund	Capital Projects Fund	Total
REVENUES:						
Local sources	\$ 32,207,494	\$ 2,511,634	\$ 7,625,519	\$ 6,869,426	\$ 1,980,929	\$ 51,195,002
Intermediate sources	1,665,461	94,207	-	-	-	1,759,668
State sources	52,831,088	9,825,075	-	-	635,928	63,292,091
Federal sources	-	11,018,421	-	-	-	11,018,421
Total Revenues	86,704,043	23,449,337	7,625,519	6,869,426	2,616,857	127,265,182
EXPENDITURES:						
Current						
Instruction	52,622,228	12,013,475	-	-	-	64,635,703
Support services	31,552,526	6,061,134	-	-	4,045,829	41,659,489
Enterprise & community service	785,880	3,977,542	-	-	-	4,763,422
Facilities acquisition & construction	-	-	-	-	117,610	117,610
Capital outlay	190,058	2,369,229	-	-	38,615,293	41,174,580
Debt service						
Principal	102,245	728,505	1,085,000	4,905,000	657,334	7,478,084
Interest	16,886	115,631	6,627,980	2,705,110	240,312	9,705,919
Total Expenditures	85,269,823	25,265,516	7,712,980	7,610,110	43,676,378	169,534,807
Excess of Revenues Over, (Under) Expenditures	1,434,220	(1,816,179)	(87,461)	(740,684)	(41,059,521)	(42,269,625)
Other Financing Sources, (Uses):						
Issuance of debt	-	3,700,000	-	74,500,000	2,100,000	80,300,000
Payments to escrow for PERS debt	-	-	-	(74,478,117)	-	(74,478,117)
Lease proceeds	39,605	-	-	-	-	39,605
Transfers in	-	100,000	-	-	-	100,000
Transfers out	(200,000)	-	-	-	-	(200,000)
Total Other Financing Sources, (Uses)	(160,395)	3,800,000	-	21,883	2,100,000	5,761,488
Net Change in Fund Balance	1,273,825	1,983,821	(87,461)	(718,801)	(38,959,521)	(36,508,137)
Beginning Fund Balance	4,452,944	1,875,423	1,094,867	1,216,026	49,637,543	58,276,803
Ending Fund Balance	\$ 5,726,769	\$ 3,859,244	\$ 1,007,406	\$ 497,225	\$ 10,678,022	\$ 21,768,666

See accompanying notes to the basic financial statements

OREGON CITY SCHOOL DISTRICT NO. 62
 Clackamas County, Oregon
 Reconciliation of Statement of Revenues, Expenditures
 and Changes in Fund Balance – Governmental Funds –
 To Statement of Activities
 For the Year Ended June 30, 2022

Net Change in Fund Balance	\$ (36,508,137)
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Amounts reported for governmental activities in the statement of activities are different because:

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 assets exceed depreciation:

Capital asset additions	\$ 41,134,980	
Depreciation expense	<u>(5,175,792)</u>	35,959,188

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the decrease from the prior year.

Property taxes and other unavailable or unearned revenues	293,825
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Repayment of bond principal and post retirement obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Additions to bond principal and post retirement obligations is an other financing source in the governmental funds but reduces the liability in the Statement of Net Position. Governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are considered unavailable and amortized in the Statement of Activities.

General, pension obligation bonds, and lease payments	7,478,083	
Bond premium, discount	682,296	
Debt issuance	(80,300,000)	
Payment to escrow for PERS debt	74,478,117	
Accrued compensated absences	<u>(45,563)</u>	2,292,933

Under the accrual basis of accounting, interest on long-term debt is accrued when payments are not due until after year end.

4,546

The pension and OPEB expense represents the change in net pension asset (liability) from year to year due to change in total pension liability and the fair value of the pension plan net position available to pay pension benefits

OPEB pension expense	(267,256)
PERS pension expense	(2,171,574)
RHIA pension expense	271,283
District pension expense	48,789

An internal service fund is used by the District's management as a risk management pool. The assets and liabilities of the internal service fund are included with governmental activities.

(4,567)

Change in Net Position	<u><u>\$ (80,970)</u></u>
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See accompanying notes to the basic financial statements

OREGON CITY SCHOOL DISTRICT NO. 62
 Clackamas County, Oregon
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Actual and Budget
 Non GAAP Budgetary Basis
 For the Year Ended June 30, 2022

General Fund

	Original Budget	Final Budget	Actual	Variance
REVENUES:				
Local Sources	\$ 32,661,935	\$ 32,661,935	\$ 32,207,494	\$ (454,441)
Intermediate sources	1,700,000	1,700,000	1,665,461	(34,539)
State sources	57,354,000	57,354,000	52,831,088	(4,522,912)
Federal sources	4,900	4,900	-	(4,900)
Total revenues	91,720,835	91,720,835	86,704,043	(5,016,792)
EXPENDITURES:				
Instruction	60,215,689	60,215,689	52,622,228	7,593,461
Support services	33,046,271	33,046,271	31,742,584	1,303,687
Enterprise and community services	815,757	815,757	785,880	29,877
Facilities acquisition and construction	10,410	10,410	-	10,410
Debt service	-	-	119,131	(119,131)
Contingency	1,456,708	1,456,708	-	1,456,708
Total expenditures	95,544,835	95,544,835	85,269,823	10,275,012
Excess of revenues over (under) expenditures	(3,824,000)	(3,824,000)	1,434,220	5,258,220
OTHER FINANCING SOURCES (USES)				
Lease proceeds	-	-	39,605	
Transfers out	(200,000)	(200,000)	(200,000)	-
Total other financing sources (uses)	(200,000)	(200,000)	(160,395)	39,605
Net change in fund balance	(4,024,000)	(4,024,000)	1,273,825	5,297,825
Beginning fund balance	4,024,000	4,024,000	4,452,944	428,944
Ending fund balance	\$ -	\$ -	\$ 5,726,769	\$ 5,726,769

See accompanying notes to the basic financial statements

OREGON CITY SCHOOL DISTRICT NO. 62
 Clackamas County, Oregon
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Actual and Budget
 For the Year Ended June 30, 2022

Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance
REVENUES:				
Local sources	\$ 5,896,776	\$ 5,896,776	\$ 2,511,634	\$ (3,385,142)
Intermediate sources	330,803	330,803	94,207	(236,596)
State sources	17,440,009	17,440,009	9,825,075	(7,614,934)
Federal sources	15,554,014	15,554,014	11,018,421	(4,535,593)
Total revenues	39,221,602	39,221,602	23,449,337	(15,772,265)
EXPENDITURES:				
Instruction	20,098,040	20,098,040	12,026,046	8,071,994
Support services	11,477,409	11,477,409	8,417,792	3,059,617
Enterprise & community services	6,287,572	6,287,572	3,977,542	2,310,030
Facilities acquisition and construction	3,337,500	3,337,500	-	3,337,500
Debt service	1,156,095	1,156,095	844,136	311,959
Contingencies	1,987,500	1,987,500	-	1,987,500
Total expenditures	44,344,116	44,344,116	25,265,516	19,078,600
Excess of revenues over (under) expenditures	(5,122,514)	(5,122,514)	(1,816,179)	3,306,335
OTHER FINANCING SOURCES (USES)				
Issuance of Debt	-	-	3,700,000	3,700,000
Transfers in	-	-	100,000	100,000
Total other financing sources (uses)	-	-	3,800,000	3,800,000
Net change in fund balance	(5,122,514)	(5,122,514)	1,983,821	7,106,335
Beginning fund balance	6,234,121	6,234,121	1,875,423	(4,358,698)
Ending fund balance	\$ 1,111,607	\$ 1,111,607	\$ 3,859,244	\$ 2,747,637

See accompanying notes to the basic financial statements

OREGON CITY SCHOOL DISTRICT NO. 62

Clackamas County, Oregon

Statement of Net Position

Internal Service Fund

June 30, 2022

	Risk Management Internal Service Fund
ASSETS:	
Current assets	
Due from other funds	\$ 500,094
Total current assets	500,094
LIABILITIES AND NET POSITION:	
Current liabilities	
Accounts payable	36,447
Total liabilities	36,447
Net position	
Unrestricted	463,647
Total net position	\$ 463,647

See accompanying notes to the basic financial statements

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2022

Internal Service Fund

OPERATING REVENUES:

Recovery of prior year expenses	\$ 193,181
Services to other funds	812,705
Miscellaneous	<u>2,243</u>
Total revenues	<u>1,008,129</u>

OPERATING EXPENSES

Salaries	104,179
Associated payroll costs	53,979
Purchased services	160,607
Supplies and materials	42,030
Insurance and judgments	333,940
Other operating expense	<u>424,188</u>
Total expenses	<u>1,118,923</u>

OPERATING INCOME (LOSS)	<u>(110,794)</u>
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NONOPERATING REVENUES/(EXPENSES):

Interest	6,227
Transfers in	<u>100,000</u>
Total nonoperating revenue/expenses	<u>106,227</u>

Change in net position	(4,567)
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Beginning net position	<u>468,214</u>
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Ending net position	<u>\$ 463,647</u>
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See accompanying notes to the basic financial statements

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Statement of Cash Flows
Internal Service Fund
For the Year Ended June 30, 2022

	Risk Management Fund
	<u> </u>
Cash flows from operating activities:	
Internal activity - payments from other funds	\$ 812,705
Other receipts	195,424
Payments to employees	(104,179)
Payments for employee benefits and taxes	(53,979)
Payments for services	(156,040)
Payments for supplies and materials	(42,030)
Payments for insurance	(333,940)
Other operating expenses	<u>(424,188)</u>
Net cash provided (used) by operating activities	<u>(106,227)</u>
Cash flows from noncapital financing activities	
Interest	6,227
Transfer In	<u>100,000</u>
Net cash provided (used) by noncapital financing activities	<u>106,227</u>
Net increase (decrease) in cash and cash equivalents	-
Cash and cash equivalents, beginning	<u>-</u>
Cash and cash equivalents, ending	<u><u>\$ -</u></u>
Reconciliation of operating income to net cash provided (used) by operating activities	
Operating income (loss)	\$ (110,794)
Adjustments to reconcile operating income to net cash provided by operating activities	
Changes in operating assets and liabilities	
(Increase) decrease in due from other funds	99,023
Increase (decrease) in accounts payable	<u>(94,456)</u>
Total adjustments	4,567
Net cash provided (used) by operating activities	<u><u>\$ (106,227)</u></u>

See accompanying notes to the basic financial statements

OREGON CITY SCHOOL DISTRICT NO. 62

Clackamas County, Oregon
Statement of Fiduciary Net Position
Custodial Funds
June 30, 2022

	<u>Custodial Funds</u>
ASSETS:	
Scholarships	<u>\$ 138,237</u>
NET POSITION:	
Restricted for Scholarships	<u>\$ 138,237</u>

See accompanying notes to the basic financial statements

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Statement of Changes in Fiduciary Net Position
Custodial Funds
June 30, 2022

	<u>Custodial Funds</u>
ADDITIONS:	
Contributions:	
Gifts	<u>\$ 484</u>
 DEDUCTIONS:	
Scholarships	<u>15,000</u>
Net Increase (Decrease) in Net Position	(14,516)
NET POSITION BEGINNING	<u>152,753</u>
NET POSITION ENDING	<u><u>\$ 138,237</u></u>

See accompanying notes to the basic financial statements

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2022

Note 1: Summary of Significant Accounting Policies

Oregon City School District No. 62, a municipal corporation under the laws of the State of Oregon, is governed by a separately elected seven-member board and is authorized to transact all business on the District's behalf. The District is the special-purpose primary government exercising financial accountability for all public education within its boundaries.

The District's financial statements are prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the governing body and establishes governmental accounting and financial reporting principles.

All significant activities and organizations have been included in the basic financial statements. Component units, as established by the Governmental Accounting Standards Board (GASB) Statement 61, are separate organizations that are included in the District's financial statements because of the significance of their operational or financial relationships with the District and the existence of a financial benefit/burden. The District has determined that the following organizations are component units due to the nature and significance of their relationship with the primary government is such that the exclusion would cause the reporting entity's financial statements to be misleading or incomplete. These component units are presented in total in a separate column in the government-wide financial statements to emphasize that they are legally separate organizations from the District.

Discretely Presented Component Units

Oregon City Service Learning Academy is a charter high school, which began operations in September 2006. The Academy's curriculum integrates real world activities like service-learning and project-based learning to help students meet academic goals. Complete financial statements can be obtained at their administrative offices: 995 South End Road Oregon City, OR 97045

Clackamas Academy of Industrial Sciences is a charter high school, which began operations in September 2010. The Academy's curriculum is designed to provide students with an innovative, contextual learning environment focused on manufacturing technologies. Complete financial statements can be obtained at their administrative offices: 1306 12th Street Oregon City, OR 97045.

Government-wide and Fund Financial Statements

The financial statements are presented at both the government-wide and fund levels. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges to users outside the District for support. Under the criteria established by GAAP, the District has no activities that would be classified as business-type in the government-wide statements.

Government-wide financial statements display information about the reporting government as a whole. Except for interfund services provided and used, the effect of interfund activity has been removed from these statements. These statements focus on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period, and consist of the Statement of Net Position and the Statement of Activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to applicants who 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 or capital requirements of a particular function. *General revenues* consist of taxes and other items not properly included among program revenues.

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

Fund financial statements are presented separately for governmental, proprietary, and fiduciary funds, even though the proprietary fund (an internal service fund) is consolidated into the governmental activities and fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

“Measurement focus” is a term used to describe *which* transactions are recorded within the various financial statements. “Basis of accounting” refers to *when* transactions are recorded regardless of the measurement focus applied.

The Government-wide Financial Statements and the Proprietary Fund Financial Statements are prepared on the *accrual* basis of accounting with an *economic resource* measurement focus. An economic resource focus concentrates on an entity or fund’s net position. All transactions and events that affect the total economic resources (net position) during the period are reported. This measurement focus is directly linked to full accrual accounting, under which revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of the related cash inflows and outflows. It is the District’s policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

Governmental Funds Financial Statements are presented on a *modified accrual* basis of accounting with a *current financial resources* measurement focus. A current financial resources focus concentrates on the fund’s resources available for spending in the near future. Only transactions and events affecting the fund’s current financial resources during the period are reported. This measurement focus is directly linked to the modified accrual basis of accounting, under which revenues are recognized when they are “measurable and available,” and expenditures are recorded when the fund liability is incurred, except for bond principal and interest which are reported when due. “Measurable” means knowing or being able to reasonably estimate the amount, while “available” means collectible within the current period or within sixty days after year-end. Property taxes, interest, and grant reimbursements are considered to be susceptible to accrual if received in cash by the District or a county collecting such taxes within sixty days after year-end. All other revenue items are recognized when they become measurable and available.

The Fiduciary Statements are presented on the accrual basis of accounting, as described above, and represent custodial funds.

A deferred inflow of resources, unavailable revenue, arises in the Governmental Funds Balance Sheet when potential revenue does not meet both the measurable and available criteria for recognition in the current period. The unavailable revenue consists of uncollected property taxes and assessments not available to finance operations in the current period. In the government-wide Statement of Net Position, which is presented on the full accrual basis of accounting, revenue must be recognized when earned regardless of its availability, thereby eliminating the liability present in the Governmental Funds Balance Sheet.

In a similar manner, governmental funds only record expenditures that affect current financial resources. Principal and interest on long-term debt obligations are recorded as fund liabilities only when due, or when amounts have been accumulated in the debt service fund for payments due early in the following year. In the government-wide Statement of Net Position, however, because of the full accrual basis of accounting, the accrued liability for long-term debt must be included.

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide financial statements, a reconciliation is necessary to explain the adjustments needed to transform the fund based financial statements into the government-wide presentation. This reconciliation is part of the District's financial statements.

The District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds. The General Fund's resources are available to the District for any purpose provided they are expended or transferred according to a resolution of the District and/or the general laws of Oregon.

The *Special Revenue Fund* accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes. Principal sources of revenue are federal grants paid to the District through state and other agencies, other grants paid to the District from state, local, and private agencies, sales of meals, and student activities.

The *Debt Service Fund 300* accounts for the accumulation of financial resources for the payment of interest and principal on general long-term debt of the District. Principal sources of revenue are property taxes and investment income.

The *Pension Obligation Bonds Fund* accounts for the accumulation of financial resources for the payment of principal and interest on bonds issued to retire a portion of its underfunded pension obligation as calculated by the Oregon Public Employees Retirement System. While the Pension Obligation Bonds Fund does not meet the percentage requirements to be a major fund, the District has elected to show it as such for the benefit of the users of the financial statements.

The *Capital Projects Fund* is used to account for resources restricted for the acquisition or construction of specific capital projects or items. Principal sources of revenue include loan proceeds, general obligation bond proceeds, construction excise tax, proceeds from the sale of capital assets, and donations.

Additionally, the District reports the following fund types:

Proprietary Fund:

The District maintains a Risk Management Internal Service Fund to account for costs of unemployment, workers' compensation and property and casualty insurance claims. For the fund financial statements, this fund is reported as a proprietary fund. For government-wide financial statements, however, the activities and balances of this fund are included in the governmental activities because the predominant participant is the District. The District's proprietary fund utilizes the accrual basis of accounting, as described above. Operating revenues and expenses consist of transactions that fall within the fund's defined purpose of risk management. Nonoperating revenues and expenses represent transactions outside the scope of the defined purpose.

Fiduciary Funds:

Fiduciary funds consisting of custodial funds are used to account for scholarship and memorial funds held by the District in a fiduciary capacity. These assets cannot be used to support the District's own programs and therefore are not included in the government-wide financial statements.

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity

Cash and Investments

Moneys in the Oregon State Local Government Investment Pool, certificates of deposit, demand deposits, and petty cash are considered to be cash and cash equivalents.

Investments with a remaining maturity of more than ninety days at the time of purchase are stated at fair value.

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 up on 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.

Receivables

(A) Interfund consists of balances due from other funds within the District, as a result of cash pool transactions. For the government-wide financial statements, these balances have been eliminated.

(B) Accounts consist of amounts due to the District from outside non-governmental entities.

(C) Intergovernmental consists of funds due from other governmental agencies.

(D) Undistributed tax collections consists of taxes collected by the county tax collector before July 1, 2021, but not made available to the District until after June 30, 2022.

(E) Property taxes represent taxes that have been levied by the District but have not been collected.

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

Interfund Transactions

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. These transactions occur in two categories: *reciprocal interfund activity* and *nonreciprocal interfund activity*.

“Reciprocal interfund activity” consists of interfund loans or pooled investment accounts and interfund services provided and used. Interfund loans are reported as interfund receivables and payables in the appropriate funds. Interfund transactions related to goods and services type transactions are classified as “due to and due from other funds,” and as revenue or expenditures in the appropriate funds in the fund financial statements.

“Nonreciprocal interfund activity” represents flows of cash and other assets into or out of funds without equivalent flows of assets in return and without a requirement for repayment. These interfund transfers have been reported as other financing sources or uses in the appropriate funds in the fund financial statements.

Interfund transactions have been eliminated in the government-wide financial statements.

Property Taxes Receivable

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

Uncollected property taxes are shown in the balance sheet. Uncollected taxes are deemed to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established. Property taxes collected within approximately sixty days of fiscal year end are recognized as revenue. The remaining balance of taxes receivable is recorded as deferred revenue in the fund financial statements because it is not deemed available to finance operations of the current period. In the government-wide financial statements, the deferred revenue is recognized as revenue in the current period because it has been earned even though it has not yet been collected.

Lease Receivables

Lease receivables are recognized at the net present value of the leased assets at a borrowing rate either explicitly described in the agreement or implicitly determined by the government, reduced by principal payments received.

Prepaid Items

Prepaid items are recognized as expenditures in governmental funds proportionately over the periods that service is provided (*consumption method*).

Capital Assets

Capital assets include property, buildings, and equipment, and are reported in the government-wide financial statements. In the governmental fund statements, capital assets are charged to expenditures as purchased.

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

Capital Assets (continued)

Capital assets are defined by the District as assets with an initial individual cost of \$5,000 or more; all capital assets acquired through debt transactions are capitalized. Capital assets are stated at cost, or estimated historical cost when the original cost was not available. Donated assets have been stated at acquisition value. Additions or improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other maintenance and repair costs are charged to expenses as incurred and not capitalized.

Depreciation is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Land is not depreciated. Depreciation is provided on the straight-line basis over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Site improvements	20
Buildings and improvements	50
Vehicles	15
Equipment	10

Lease Assets

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District's deferred outflows are clearly labeled on the face of the financial statements.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District's deferred inflows are clearly labeled on the face of the financial statements.

Accrued Compensated Absences

It is the policy to permit certain employees to accrue unused vacation. Government funds recognize the expenditure when benefits are paid. Government wide financials recognize the expenditure when the benefit is earned.

Long-Term Debt

In the government-wide Statement of Net Position, long-term debt obligations are reported as liabilities. The long-term debt consists primarily of general obligation bonds, pension obligation bonds, certificates of participation, and notes payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. Debt proceeds are reported as other financing sources, and payments of interest and principal are reported as expenditures in the appropriate funds as incurred.

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

Leases Payable

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

Retirement Plans

Substantially all of the District's employees are participants in the State of Oregon Public Employees Retirement System (PERS). For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of PERS and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. GASB Statements 68 and 71 have been implemented as of July 1, 2014.

Administrators who have worked at least twelve years in the District immediately preceding retirement and are eligible for retirement under the Public Employees Retirement System are eligible for early retirement, as are certified teachers who have completed at least fifteen years with the District. Benefits are funded and charged to expenditures as payments become due to early retirees.

Compensated Absences

Vacation leave does not accumulate beyond June 30, and no liability is recorded for accrued vacation, salary-related payments and non-vested accumulated rights to receive sick pay benefits.

Net Position

In the government-wide financial statements, equity is classified as net position, and displayed in three components:

- a. *Net investment in capital assets* – consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, deferred outflows of resources for refunding, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. *Restricted net position* – consists of net positions with constraints placed on them by external entities or by law.
- c. *Unrestricted net position* – all other net positions that do not meet either of the above criteria.

The District's policy is to use restricted resources and then unrestricted resources when both are available.

In the proprietary fund statements, equity is classified as unrestricted net position.

Fund Balances

In the governmental financial statements, funds balances are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Balances (continued)

Governmental fund balances are classified as nonspendable, restricted, committed, assigned, or unassigned. Following are descriptions of fund classifications used by the District.

- a. *Nonspendable fund balance* includes items not immediately converted to cash. The District had \$826,578 in nonspendable fund balances as of June 30, 2022, which represents prepaid items and a performance guaranty deposit with the City of Oregon City for construction projects.
- b. *Restricted fund balance* includes amounts that have constraints placed on the use of the resources, either by an external party or imposed by law through a constitutional or enabling legislation.
- c. *Committed fund balance* includes amounts that can be used only for the specific purposes pursuant to constraints imposed by a formal resolution of the Board of Directors. The Board of Directors can modify or rescind the commitment at any time through taking a similar formal resolution. Board policy is to commit the ending balance of funds other than the General Fund in accordance with the purposes stated for each fund in the budget.
- d. *Assigned fund balance* includes amounts assigned for specific uses as authorized by the Superintendent and/or Chief Financial Officer.
- e. *Unassigned fund balance* is the residual classification for balances not assigned to another category. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assign to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

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

The Board of Directors recognizes its responsibility to establish an unrestricted fund balance in an amount sufficient to protect the District from unnecessary borrowing, provide prudent reserves to meet unexpected emergencies and protect against catastrophic events, meet the uncertainties of state and federal funding, ensure a favorable credit rating, and ensure the District operates as an ongoing entity and provides for future financial stability. The Board of Directors therefore adopted Policy DBDB whereby the Superintendent or designee is directed to manage the adopted budget in such a way as to ensure an ending fund balance of at least 5 percent of total adopted General Fund resources. Under this policy, the minimum unrestricted General Fund balance is \$4,787,242, which represents five percent of adopted resources (which includes the budgeted beginning fund balance of \$4,024,000). The unassigned ending fund balance in the General Fund at June 30, 2022, is \$5,583,043 or 5.8%.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2022

Note 2: Stewardship, Compliance, and Accountability

A budget is prepared and legally adopted for each governmental fund type, the two debt service funds, the proprietary fund type, and the fiduciary fund type in main program categories required by Oregon Local Budget Law. The District's budgetary basis of accounting is consistent with generally accepted accounting principles except the General Fund includes encumbrances, which have been recorded as expenditures in the current period. Encumbrances are open purchase orders for goods and services that have been committed but not yet received. The result is a timing difference. The budgetary comparison for the General Fund is prepared using the encumbrance method of accounting and is reconciled to the GAAP basis. Budgetary comparisons for the remaining District funds are prepared in accordance with GAAP and do not include encumbrances.

The budget is adopted, appropriations are made and the tax levy declared no later than June 30th. Expenditure budgets (including capital outlay) are appropriated at the following function levels for each fund type:

Level of Control

Instruction
Support services
Enterprise/community services
Facilities acquisition and construction
Interfund transactions
Debt service
Operating contingency

After budget approval, the Board may approve supplemental appropriations and appropriation transfers between levels of controls if an occurrence, condition, or need exists, which was not known at the time the budget was adopted.

Expenditures cannot legally exceed appropriations. Unencumbered appropriations lapse at the fiscal year end. Encumbered appropriations do not lapse and can be liquidated without further budgetary authorization at any time after the fiscal year end. Supplemental appropriations may occur if the Board approves them when a need, which was not determinable at the time the budget was adopted, exists. Any budget appropriations, transfers, or other amendments must be approved by the Board. The Board approved one appropriation transfer during the year.

Budget amounts shown in the combined financial statements reflect approved appropriation transfers. Appropriation transfers re-categorized expenditures within the General Fund.

Expenditures were within appropriations, except for the General Fund – debt service by \$119,131, Pension Obligation Fund – debt service by \$2,895,610,

Note 3: State Constitutional Property Tax Limit

The State of Oregon has a constitutional limit on property taxes for government operations. Under the provisions of the limitation, tax revenues are separated into those for the public school system and those for local government operations other than the public school system. Property taxes levied for the payment of bonded indebtedness are exempt from the limitation, provided such bonds are either authorized by a specific provision of the Oregon Constitution or approved by the voters of the District for capital construction or improvements.

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2022

Note 4: Cash and Investments

Deposits with financial institutions include bank demand deposits, deposits in the local government investment pool, time certificates of deposit, and savings accounts deposits as authorized by Oregon statutes. The cash and investments are comprised of the following:

Investments	\$ 23,547,036
Demand accounts	2,148,585
Petty cash	<u>195</u>
 Total cash and investments	 <u><u>\$ 25,695,816</u></u>

Investments

Generally accepted accounting principles require investments with a remaining maturity of more than one year at the time of purchase to be stated at fair value. Fair value is determined at the quoted market price, if available; otherwise, the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than in a forced liquidation sale.

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's compliance with all portfolio guidelines can be found in their annual report when issued. 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. At June 30, 2022 the fair value of the position of the LGIP was 98.98% of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. 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. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. The audited financial reports of the Oregon Short Term Fund can be found here:

Oregon.gov/treasurey/public-financial-services/Oregon-short-term-funds
If the link has expired please contact the Oregon Short Term Fund directly.

Interest rate risk

In accordance with its investment policy, the District manages its exposure to declines in fair value of its investments by structuring the investment portfolio so that securities mature to meet ongoing operations. Decisions for investments for interest rate purposes are based on average maturities in the District pool. Interest risk is lessened by generally matching investment maturities with cash requirements so that sales prior to maturities (and the possible loss of principal) are minimized. The District's policy does not preclude the sale of securities prior to their maturity in order to improve the quality, net yield, or maturity characteristics of the portfolio.

OREGON CITY SCHOOL DISTRICT NO. 62

Clackamas County, Oregon

Notes to the Financial Statements

June 30, 2022

Note 4: Cash and Investments (continued)

Credit risk

The District's investment policy, and Oregon Revised Statutes, authorizes the District to invest in obligations of the U.S. Treasury, agencies and instrumentalities of the United States, commercial paper, bankers' acceptances guaranteed by a qualified financial institution, repurchase agreements, interest bearing bonds of any city, county, port, or school district in Oregon (subject to specific standards), and the Oregon State Local Government Investment Pool, among others. Credit risk is minimized by limiting investments to the safest types of securities and by diversifying the investment portfolio to limit the District's exposure to an individual security issuer or backer. The credit worthiness of a security issuer or backer prior to an investment being purchased is a major factor in the District's investment decisions. The Oregon State Local Investment Pool is unrated.

Concentration of credit risk – investments

The District's investment policy places no limit on the amount the District may invest in U.S. Government agency securities, instrumentalities of government-sponsored corporations, or the State of Oregon Local Government Investment Pool. Investments in bankers' acceptances are limited to 50% of total investments. Investments in commercial paper are limited to 20% of total investments, and the corporation must meet specific strict criteria prior to the investment. The District's investment policy, and ORS 294.035, does not allow for an investment in any one corporate obligation that is in excess of five percent of the monies being invested.

Custodial credit risk – deposits

At year-end, the District's bank balance was \$3,814,679. Of these deposits, \$277,832 was covered by federal depository insurance, while the remainder is collateralized by the Oregon Public Funds Collateralization Program (PFCP), created by the Oregon State Treasurer.

Oregon Revised Statutes permit governmental funds to be held at any insured financial institution with a head office or branch in Oregon. The Statutes also require governmental funds in banks in excess of deposit insurance to be held only by a state-approved qualified financial institution, which are required to maintain on deposit, with the collateral pool manager, securities having a value not less than 10% of their quarter-end public funds if they are well-capitalized, or 110% of their quarter-end public fund deposits if they are adequately capitalized or undercapitalized. A depository institution's capitalization category is assigned by the FDIC on a quarterly basis. The District is required to report to the Oregon State Treasurer within three days of any change in depository. The District has complied with this requirement.

OREGON CITY SCHOOL DISTRICT NO. 62
 Clackamas County, Oregon
 Notes to the Financial Statements
 June 30, 2022

Note 4: Cash and Investments (continued)

As a means of limiting the District to fair value losses in case of rising interest rates, the District's Investment Policy DFA-AR limits investments as follows:

<u>Investment Type</u>	<u>Maximum % of Portfolio</u>	<u>Maximum length to maturity</u>
U.S. Treasury Securities	100%	1.5 years, 3 years for Capital Projects Funds
U.S. Agency Securities	100%	1.5 years, 3 years for Capital Projects Funds
State and Local Government Obligations (Oregon, Washington Idaho, California)	25%	1.5 years, 3 years for Capital Projects Funds
Commercial/Corporate Paper Securities	35%	18 months
Bankers' Acceptances	25%	18 months
Repurchase Agreement	25%	90 days
Time Deposits, Certificates of Deposits, Savings - Commercial Banks and Credit Unions	25%	18 months
Deposit Open Accounts - Commercial Banks and Credit Unions	25%	N/A
Local Government Investment Pool	Statutory Limit	N/A

As of June 30, 2022 the District held the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 3</u>	<u>More than 3</u>
State Treasurer's Investment Pool	\$ 23,547,036	\$ 23,547,036	\$ -
Total	<u>\$ 23,547,036</u>	<u>\$ 23,547,036</u>	<u>\$ -</u>

Note 5: Receivables

Receivables, excluding leases as of year-end are summarized as follows:

General Fund	\$ 2,014,509
Special Revenue Fund	7,715,079
Debt Service Fund	285,165
Capital Projects Fund	<u>776,952</u>
Total	<u>\$ 10,791,705</u>

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2022

Note 6: Lease Receivables and Lease Deferred Inflows

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

On 07/01/2021, the District entered into a 36 month lease as Lessor for the use of the Park Place Elementary School building and surrounding property in Oregon City, OR. The lease was automatically renewed for an additional 24 months per the terms of the lease agreement. An initial lease receivable was recorded in the amount of \$461,487. As of 06/30/2022, the value of the lease receivable is \$113,918. The lessee is required to make monthly fixed payments beginning at \$8,693 per month for the first year of the lease. The rental amount per month is adjusted annually by an increase of 3% or the increase in the CPI for Portland-Salem, whichever is higher, but not to exceed 5%. The lease has an interest rate of 7.5%. The lease receivable is being amortized over the term of the lease. The value of the deferred inflow of resources as of 06/30/2022 is \$92,297, and the District recognized lease revenue of \$92,297 during the fiscal year.

On 07/01/2021, the District entered into a 24 month lease as Lessor for the use of the Historic Art Building in Oregon City, OR. The lease will auto renew for an additional 24 months absent 90 days written notice from either party. The District expects that neither party will provide such written notice and the lease will auto renew. An initial lease receivable was recorded in the amount of \$41,409. As of 06/30/2022, the value of the lease receivable is \$32,187. The lessee is required to make monthly fixed payments of \$995 through the life of the lease. The lease has an interest rate of 7.5%. The lease receivable is being amortized over the term of the lease. The value of the deferred inflow of resources as of 06/30/2022 was \$31,057, and the District recognized lease revenue of \$10,352 during the fiscal year.

GOVERNMENTAL ACTIVITIES:	Balance as of July 1, 2021	Additions	Reductions	Balance as of June 30, 2022
Lease Receivable				
Buildings				
Park Place Elementary School	\$ -	\$ 461,487	\$ 347,569	\$ 113,918
Historic Art Building	-	41,409	9,222	32,187
Total Lease Receivable	<u>\$ -</u>	<u>\$ 502,896</u>	<u>\$ 356,791</u>	<u>\$ 146,105</u>
Deferred Inflow of Resources				
Buildings				
Park Place Elementary School	\$ -	\$ 461,487	\$ 369,190	\$ 92,297
Historic Art Building	-	41,409	10,352	31,057
Total Deferred Inflow of Resources	<u>\$ -</u>	<u>\$ 502,896</u>	<u>\$ 379,542</u>	<u>\$ 123,354</u>

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2022

Note 6: Lease Receivables and Lease Deferred Inflows (Continued)

The deferred inflow is amortized on a straight line basis. Future maturities for the receivable are as follows:

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 123,855	\$ 5,817	\$ 129,672
2024	10,709	1,231	11,940
2025	11,541	400	11,941
Total	<u>\$ 146,105</u>	<u>\$ 7,448</u>	<u>\$ 153,553</u>

Note 7: Capital Assets

Capital asset activity for the year ended June 30, 2022, was as follows:

	Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 6,445,583	\$ 32,856	\$ -	\$ 6,478,439
Construction in progress	100,383,717	1,478,668	(99,336,635)	2,525,750
Total capital assets not being depreciated	<u>106,829,300</u>	<u>1,511,524</u>	<u>(99,336,635)</u>	<u>9,004,189</u>
Capital assets being depreciated:				
Site improvements	7,080,121	110,879	-	7,191,000
Buildings and improvements	130,147,325	136,231,935	-	266,379,260
Equipment	13,697,898	2,617,277	(446,647)	15,868,528
Intangible right to use leased equipment	-	294,246	-	294,246
Total capital assets being depreciated	<u>150,925,344</u>	<u>139,254,337</u>	<u>(446,647)</u>	<u>289,733,034</u>
Less accumulated depreciation and amortization for:				
Site improvements	3,740,835	314,533		4,055,368
Buildings and improvements	45,726,876	3,818,468		49,545,344
Equipment	8,813,445	936,654	(446,647)	9,303,452
Intangible right to use leased equipment	-	106,137	-	106,137
Total accumulated depreciation and amortization	<u>58,281,156</u>	<u>5,175,792</u>	<u>(446,647)</u>	<u>63,010,301</u>
Total capital assets being depreciated/amortized, net	<u>92,644,188</u>	<u>134,078,545</u>	<u>-</u>	<u>226,722,733</u>
Governmental activities capital assets, net	<u>\$ 199,473,488</u>	<u>\$ 135,590,069</u>	<u>\$ (99,336,635)</u>	<u>\$ 235,726,922</u>

Depreciation expense was charged to programs as follows:

Instruction	\$ 3,012,292
Support Services	1,941,505
Enterprise and Community Services	221,995
Total	<u>\$ 5,175,792</u>

OREGON CITY SCHOOL DISTRICT NO. 62
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Notes to the Financial Statements
June 30, 2022

Note 8: Accrued compensated absences

Accrued compensated absences have been and are paid from revenue from the Fund where the employment salary resides based on the percentage from each fund. This includes typically the General Fund and Special Revenue Fund. Activity for the year ended June 30, 2022, are as follows:

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Due within One Year
Accrued compensated absences	\$ 251,337	\$ 257,816	\$ 212,253	\$ 296,900	\$ 296,900

Note 9: Long-Term Obligations

Long-term obligations consists of obligations from general obligation bonds, pension obligation bonds, certificates of participation, notes payable, and other debt. A summary of changes in long-term debt follows:

	Balance July 1, 2021	Additional Obligations	Payments & Adjustments	Balance June 30, 2022	Due within One Year
Bonds					
General obligation refunding bonds - 2014	\$ 930,000	\$	(300,000)	\$ 630,000	\$ 310,000
General obligation bonds - 2018	157,270,950		(1,085,000)	156,185,950	1,450,000
Pension obligation bonds - 2004	28,060,000		(3,165,000)	24,895,000	3,540,000
Full Faith & Credit - 2019	1,966,463		(185,400)	1,781,063	202,569
General obligation refunding bonds - 2020	7,470,000		(130,000)	7,340,000	130,000
Pension obligation bonds - 2021	-	74,500,000	(1,740,000)	72,760,000	2,450,000
Unamortized:					
Bond premium	259,505	-	(86,503)	173,002	-
Bond premium	16,384,299	-	(595,793)	15,788,506	-
	<u>212,341,217</u>	<u>74,500,000</u>	<u>(7,287,696)</u>	<u>279,553,521</u>	<u>8,082,569</u>
Direct Borrowings and Direct Placements					
Full Faith and Credit - 2021	-	3,700,000	(118,053)	3,581,947	206,971
Full Faith and Credit - 2022	-	2,100,000	-	2,100,000	272,600
Note payable	48,244	-	(48,244)	-	-
Note payable	55,224	-	(55,224)	-	-
Note payable	239,378	-	(37,306)	202,072	37,306
Note payable	120,882	-	(59,742)	61,140	61,140
Note payable	99,467	-	(49,139)	50,328	50,328
Note payable	183,062	-	(59,527)	123,535	61,008
Note payable	218,218	-	(52,960)	165,258	54,009
Note payable	230,555	-	(44,221)	186,334	45,146
Note payable	583,657	-	(91,209)	492,448	93,554
Note payable	842,827	-	(113,370)	729,457	115,638
	<u>2,621,514</u>	<u>5,800,000</u>	<u>(728,995)</u>	<u>7,692,519</u>	<u>997,700</u>
Total bonds, direct borrowings and direct placements	214,962,731	80,300,000	(8,016,691)	287,246,040	9,080,269
Other Debt					
Financed purchase	41,443	-	(41,443)	-	-
Leases	-	294,246	(102,245)	192,001	112,682
Total	<u>\$ 215,004,174</u>	<u>\$ 80,594,246</u>	<u>\$ (8,160,379)</u>	<u>\$ 287,438,041</u>	<u>\$ 9,192,951</u>

OREGON CITY SCHOOL DISTRICT NO. 62
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Notes to the Financial Statements
June 30, 2022

Note 9: Long-Term Obligations (Continued):

Bonds

General Obligation Refunding Bonds, Series 2014 issue

In December, 2014, the District issued \$15,565,000 of Full Faith and Credit and Refunding Obligations, Series 2014. The proceeds were used to advance refund three notes payable and for the construction of a new transportation facility for the District. Proceeds of \$3,761,240 were deposited into an irrevocable trust with an escrow agent and are therefore considered defeased; the liability for those notes has been removed from the Statement of Net Position.

The balance of the proceeds (including a premium of \$1,865,440 and after payment of \$231,350 in issuance costs) were deposited into the District's LGIP account to be drawn on as the transportation facility progresses. The premium is being netted against the new debt and amortized over the life of the bond.

The District advance refunded the three notes to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) to the District of \$400,554. The Capital Projects Fund is used to liquidate this liability.

A portion of the Bond was refunded in the June 30, 2019 fiscal year with the issuance of the General Obligation Bonds 2018 Series C. The proceeds were used to advance refund \$6,375,000 of the principal balance and were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, \$6,650,000 of the General Obligation Refunding Bonds, Series 2014 are considered defeased and the portion of that liability for those bonds has been removed from the statement of net position. The District advance refunded the Series 2014 bonds to reduce its total debt service payments over eight years by \$1,313,295 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) to the District of \$190,560.

The District's payment obligations were secured by and payable from lawfully available funds of the District, including the proceeds of the Financing Agreement and any taxes levied by and for the District within the restrictions of Sections 11 and 11b, Article XI of the Oregon Constitution. In Event of Default, the owners of fifty-one percent or more of the principal amount of Obligations then outstanding may take whatever action may appear necessary or desirable to enforce the Financing Agreement or to protect any of the rights of the owners of the Obligations either at law or in equity or in bankruptcy or otherwise. The Bonds are not subject to acceleration.

A description and maturity schedule follows:

Original net purchase price: \$ 17,430,440 including discount.

Interest payment dates: Interest on the obligations first payable on June 1, 2016, and semiannually thereafter on June 11 and December 11 of each year.

Maturity schedule: Bonds shall mature on June 1, 2016-2024 and bear interest of 2% to 5%.

In the 2021 fiscal year \$6,330,000 of the bonds were refunded with the GO Refunding Bonds – 2020 further described below.

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Notes to the Financial Statements

June 30, 2022

Note 9: Long-Term Obligations (Continued):

<u>Fiscal Year</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
2023	\$ 310,000	\$ 341,700	\$ 651,700
2024	320,000	329,300	649,300
Total	<u>\$ 630,000</u>	<u>\$ 671,000</u>	<u>\$ 1,301,000</u>

General Obligation and Refunding Bonds, Series 2018 issue

The District issued General Obligations and Refunding Bonds in December of 2018. The proceeds were used to advance a portion of the General Obligation Refunding Bonds, Series 2014 as noted above and for the construction of new School facilities for the District.

The District must levy annually a direct ad valorem tax upon all of the taxable property within the District which is sufficient after discounts taken and delinquencies that may occur in the payment of such taxes, and other legally available amounts to pay all Bonds principal and interest when due. This tax is in addition to all other taxes of the District and this tax is not limited in rate, amount or otherwise by Sections 11 or 11b of Article XI of the Oregon Constitution. In Event of Default the owners of fifty-one percent or more of the principal amount of Bonds then Outstanding may take whatever action may appear necessary or desirable to enforce or to protect any of the rights of the owners of Bonds, either at law or in equity or in bankruptcy or otherwise. The Bonds are not subject to acceleration.

A description and maturity schedule follows:

Original purchase price: \$157,995,950 and a premium of \$17,873,871

Interest payment dates: Interest on the obligations first payable on December 15, 2019, and semiannually thereafter on June 15 and December 15 of each year.

Maturity schedule: Bonds shall mature on June 15, 2047 and bear interest of 3% to 5%.

<u>Fiscal Year</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
2023	\$ 1,450,000	6,593,925	\$ 8,043,925
2024	1,785,000	6,546,945	8,331,945
2025	2,090,000	6,487,326	8,577,326
2026	2,420,000	6,415,430	8,835,430
2027	2,805,000	6,298,500	9,103,500
2028-32	18,770,000	29,051,500	47,821,500
2033-37	20,343,056	33,706,194	54,049,250
2038-42	20,372,895	42,281,355	62,654,250
2043-47	56,230,000	16,397,500	72,627,500
2048-52	29,919,999	2,273,750	32,193,749
Total	<u>\$ 156,185,950</u>	<u>\$ 156,052,425</u>	<u>\$ 312,238,375</u>

OREGON CITY SCHOOL DISTRICT NO. 62
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Notes to the Financial Statements
June 30, 2022

Note 9: Long-Term Obligations (Continued):

Limited Tax Pension Obligation Bonds, Series 2004 issue

In February 2004, the District issued \$45,990,000 of series 2004 limited tax pension obligation bonds to finance its portion of the unfunded actuarial liability (UAL) with the State of Oregon Public Employees Retirement System (PERS) as of March 1, 2004. Also financed was an interest fund to help subsidize interest payments through December 30, 2006. The interest fund was placed in an irrevocable trust to provide for interest subsidy. As required by generally accepted accounting principles, the assets and liabilities of these trust accounts are not included in the District's basic financial statements. The issuance of the bonds was considered an advance refunding of the District's UAL and resulted in an estimated present value savings of approximately \$11.9 million over the life of the bonds based on a true interest cost of 5.493%. The actual savings realized by the District over the life of the pension obligation bonds cannot be determined because of uncertainty regarding the ultimate investment earnings of the advance refunding relative to the amount of interest expense that will be paid on the bonds. Also uncertain are the possible legislative changes to PERS and pending legal issues which could impact the District's future required contribution rate. A description and maturity schedule follows:

Original net purchase price: \$45,990,000.

Interest payment dates: Interest on the obligations first payable on June 30, 2004, and semiannually thereafter on June 30 and December 30 of each year.

For an Event of Default, the owners of not less than fifty-one percent in aggregate obligations then outstanding may institute any suit, action, mandamus or other proceeding in equity or at law for the protection or enforcement of any right under the Series 2004 Pension Bonds. There is no acceleration clause other than that the Series 2004 obligation maturing on June 30, 2028 is subject to mandatory prepayment prior to its state maturity, at the principal amount thereof together with accrued interest thereon to the obligation prepayment date, without premium, solely from mandatory sinking fund payments deposited into the prepayment Account for the Series 2004 Obligations.

Maturity schedule: Bonds shall mature on June 30, 2008-2028, and bear interest of 3.250% to 5.528%.

<u>Fiscal Year</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
2023	\$ 3,540,000	1,376,196	\$ 4,916,196
2024	3,945,000	1,180,504	5,125,504
2025	4,380,000	962,425	5,342,425
2026	4,845,000	720,298	5,565,298
2027	5,350,000	452,467	5,802,467
2028-32	2,835,000	156,719	2,991,719
Total	<u>\$ 24,895,000</u>	<u>\$ 4,848,609</u>	<u>\$ 29,743,609</u>

Full Faith and Credit and Refunding, Series 2019 issue

In August 2019, the District issued \$2,100,000 of Full Faith and Credit and Refunding Obligations, Series 2019. The proceeds were used to finance the cost of purchasing buses. The balance of the proceeds were deposited into the District's LGIP account. The District has budgeted for the funds to be used to purchase buses and vans in increments of \$700,000 per fiscal year starting in the 2020-21 fiscal year.

In Event of Default, the owners may, in addition to pursuing any remedy available at law or in equity, at its election increase the interest rate by 1.50%.

OREGON CITY SCHOOL DISTRICT NO. 62
 Clackamas County, Oregon
 Notes to the Financial Statements
 June 30, 2022

Note 9: Long-Term Obligations (Continued):

A description and maturity schedule follows:

Original net purchase price: \$ 2,100,000.

Interest payment dates: Interest on the obligations first payable on June 15, 2020, and annually thereafter on June 15 of each year.

Maturity schedule: Bonds shall mature on June 15, 2020-2032 and bear interest of 2.08%

<u>Fiscal Year</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
2023	\$ 202,569	37,046	\$ 239,615
2024	206,782	32,833	239,615
2025	211,083	28,532	239,615
2026	215,474	24,141	239,615
2027	219,955	19,659	239,614
2028-32	725,200	33,580	758,780
Total	<u>\$ 1,781,063</u>	<u>\$ 175,791</u>	<u>\$ 1,956,854</u>

General Obligation and Refunding Bonds, Series 2020 issue

The District issued General Obligations and Refunding Bonds in December of 2020. The proceeds were used to advance refund a portion of the General Obligation Refunding Bonds, Series 2014. The refunding led to a net present value savings of \$670,572 and debt service savings of \$714,294.

The District's payment obligations (the "Financing Payments") are to be secured by and payable from all legally available funds of the District. Pursuant to ORS 287A.315, the District has pledged its full faith and credit and taxing power within the limitations of Sections 11 and 11b, Article XI of the Oregon Constitution to pay the Financing Payments and other amounts due under the Financing Agreement. The obligation of the District to make payments is a full faith and credit obligation of the District, and is not subject to appropriation. The Beneficial Owners of the Obligations do not have a lien or security interest on revenues of the District. Upon the occurrence and continuance of any Event of Default, the Escrow Agent may proceed, and upon written request the Owners of not less than a majority in aggregate principal amount of Obligations then Outstanding shall proceed to take whatever action may appear necessary or desirable to enforce the Financing Agreement or to protect any of the rights vested in the Escrow Agent or the Owners of Obligations by the Escrow Agreement or by the Obligations, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in the Escrow Agreement or in aid of the exercise of any power granted in the Escrow Agent or for the enforcement of any other legal or equitable right vested in the Escrow Agent by the Escrow Agreement or by law. Provided, however, that upon an Event of Default the Escrow Agent will not have the right to declare the unpaid principal components of the Financing Payments immediately due and payable.

A description and maturity schedule follows:

Original purchase price: \$7,535,000

Interest payment dates: Interest on the obligations first payable on June 1, 2022, and semiannually thereafter on June 15 and December 15 of each year.

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Note 9: Long-Term Obligations (Continued)

Maturity schedule: Bonds shall mature on June 15, 2039 and bear interest 0.36% to 2.71%.

<u>Fiscal Year</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
2023	\$ 130,000	141,179	\$ 271,179
2024	135,000	140,386	275,386
2025	465,000	139,293	604,293
2026	475,000	135,061	610,061
2027	475,000	129,551	604,551
2028-32	2,490,000	533,667	3,023,667
2033-37	2,300,000	282,010	2,582,010
2038-42	870,000	35,501	905,501
Total	<u>\$ 7,340,000</u>	<u>\$ 1,536,648</u>	<u>\$ 8,876,648</u>

Limited Tax Pension Obligation Bonds, Series 2021 issue

In September 2021, the District issued \$74,500,000 of series 2021 limited tax pension obligation bonds to finance its portion of the unfunded actuarial liability (UAL) with the State of Oregon Public Employees Retirement System (PERS). As required by generally accepted accounting principles, the assets and liabilities of these trust accounts are not included in the District's basic financial statements. The issuance of the bonds was considered an advance refunding of the District's UAL and resulted in an estimated present value savings of approximately \$32.3 million over the life of the bonds based on a true interest cost of 2.44%. The actual savings realized by the District over the life of the pension obligation bonds cannot be determined because of uncertainty regarding the ultimate investment earnings of the advance refunding relative to the amount of interest expense that will be paid on the bonds. Also uncertain are the possible legislative changes to PERS and pending legal issues which could impact the District's future required contribution rate. A description and maturity schedule follows:

Original net purchase price: \$74,500,000.

Interest payment dates: Interest on the obligations first payable on December 30, 2021, and semiannually thereafter on June 30 and December 30 of each year.

If an Event of Default occurs under this Series 2021B Trust Agreement, the Series 2021B Trustee shall give written notice of such default to the Owners of the Series 2021B Pension Bonds then Outstanding and the District. Such notice shall specify the amount and dates of the Pension Bond Payments due from the District; provided, however, that failure to give such notice shall not affect any rights of the Owners of the Series 2021B Pension Bonds. The notice provided for in this section may be given in electronic form and shall be given by the Series 2021B Trustee in writing to the District within five (5) Business Days of the Series 2021B Trustee's actual knowledge of default, and mailed by first class mail, postage prepaid, to each Owner within ten (10) Business Days of the Series 2021B Trustee's actual knowledge of default.

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Notes to the Financial Statements
June 30, 2022

Note 9: Long-Term Obligations (Continued)

Maturity schedule: Bonds shall mature on June 30, 2040, and bear interest of 0.21 to 2.82%.

<u>Fiscal Year</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
2023	\$ 2,450,000	1,526,099	\$ 3,976,099
2024	2,540,000	1,518,969	4,058,969
2025	2,690,000	1,504,542	4,194,542
2026	2,855,000	1,480,924	4,335,924
2027	3,035,000	1,450,147	4,485,147
2028-32	18,340,000	6,483,350	24,823,350
2033-37	25,050,000	4,284,084	29,334,084
2037-2040	15,800,000	815,988	16,615,988
Total	<u>\$ 72,760,000</u>	<u>\$ 19,064,103</u>	<u>\$ 91,824,103</u>

Direct Borrowings and Direct Placements

Full Faith and Credit 2021 issue

The District purchased transportation equipment in October of 2021. In order to acquire the equipment, the District borrowed \$3,700,000 from Bank of the West. The Special Revenue Fund is used to liquidate this liability.

Upon the occurrence of any Event of Default the Lender may exercise any remedy available at law or in equity. Upon the occurrence and continuance of an Event of Default, the Lender may, in addition to pursuing other remedies, at its election increase the interest rate applicable to the Outstanding Balance under this Financing Agreement by 100 basis points (1.00%). However, the amounts due from the Borrower under this Financing Agreement shall not be subject to acceleration. All rights, powers and remedies of the Lender may be exercised at any time after the occurrence of an Event of Default, are cumulative and shall not be exclusive, and shall be in addition to any other rights, powers or remedies provided by law or equity.

A description and maturity schedule of the note follows:

Net purchase price: \$ 3,700,000

Interest payment dates: Interest on the obligation first payable on December 15, 2021, and semiannually thereafter on 6/15 and 12/15.

Maturity schedule: The note will mature on June 15, 2034, and bears interest of 1.550%.

<u>Fiscal Year</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
2023	\$ 206,971	\$ 56,291	\$ 263,262
2024	318,646	53,184	371,830
2025	323,799	48,031	371,830
2026	328,888	42,942	371,830
2027	334,056	37,774	371,830
2028-32	1,750,574	108,577	1,859,151
2032-34	319,013	6,693	325,706
Total	<u>\$ 3,581,947</u>	<u>\$ 353,492</u>	<u>\$ 3,935,439</u>

OREGON CITY SCHOOL DISTRICT NO. 62
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Notes to the Financial Statements
June 30, 2022

Note 9: Long-Term Obligations (Continued)

Full Faith and Credit 2022 issue

The District borrowed funds in April of 2022 for a construction project in the amount of \$2,100,000 from JP Morgan Chase. The Capital Projects Fund is used to liquidate this liability.

The District's ad valorem property taxes, subject to the limits of Article XI, Sections 11 and 11b of the Oregon Constitution, and the full faith and credit of the District, including all unobligated revenues in the District's general fund and any other funds which may be available for that purpose, were irrevocably pledged to the punctual payment of principal and interest on the Agreements. Upon the occurrence of any Event of Default the Lender may exercise any remedy available at law or in equity. Upon the occurrence and continuance of an Event of Default, the Lender may, in addition to pursuing other remedies, at its election increase the interest rate applicable to the Outstanding Balance by 150 basis points (1.50%). However, the amounts due from the Borrower under this Financing Agreement shall not be subject to acceleration. A description and maturity schedule of the note follows:

Net purchase price: \$ 2,100,000

Interest payment dates: Interest on the obligation first payable on December 15, 2022, and semiannually thereafter on 6/15 and 12/15.

Maturity schedule: The note will mature on June 15, 2029, and bears interest of 2.470%.

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2023	\$ 272,600	\$ 58,786	\$ 331,386
2024	286,300	45,137	331,437
2025	293,400	38,065	331,465
2026	300,600	30,818	331,418
2027	308,000	23,393	331,393
2028-32	639,100	23,774	662,874
Total	<u>\$ 2,100,000</u>	<u>\$ 219,973</u>	<u>\$ 2,319,973</u>

Note Payable

The District purchased transportation equipment in May 2012. In order to acquire the equipment, the District borrowed \$437,000 from Municipal Asset Management, Inc. The Special Revenue Fund is used to liquidate this liability.

The District's ad valorem property taxes, subject to the limits of Article XI, Sections 11 and 11b of the Oregon Constitution, and the full faith and credit of the District, including all unobligated revenues in the District's general fund and any other funds which may be available for that purpose, are hereby irrevocably pledged to the punctual payment of principal and interest on the Agreements. In the event of default, the bank may exercise any remedy available at law or in equity, including, without limitation, declaring all amounts payable under the Agreement and the Note shall immediately become due and payable. The payments are not subject to acceleration.

A description and maturity schedule of the note follows:

Net purchase price: \$ 437,000

Interest payment dates: Interest on the obligation first payable on July 1, 2012, and annually thereafter on July 1 for ten years.

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Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2022

Note 9: Long-Term Obligations (Continued)

Maturity schedule: The note matured on July 1, 2021.

Note Payable

The District purchased transportation equipment in August 2012. In order to acquire the equipment, the District borrowed \$510,000 from U. S. Bank National Association. The Special Revenue Fund is used to liquidate this liability.

The District's ad valorem property taxes, subject to the limits of Article XI, Sections 11 and 11b of the Oregon Constitution, and the full faith and credit of the District, including all unobligated revenues in the District's general fund and any other funds which may be available for that purpose, were irrevocably pledged to the punctual payment of principal and interest on the Agreements. In the event of default, the bank may exercise any remedy available at law or in equity, including, without limitation, declaring all amounts payable under the Agreement and the Note shall immediately become due and payable. The payments are not subject to acceleration.

A description and maturity schedule of the note follows:

Net purchase price: \$ 510,000

Interest payment dates: Interest on the obligation first payable on February 14, 2013 and annually thereafter on February 14 for ten years.

Maturity schedule: The note matured on February 14, 2022.

Note Payable

The District made mechanical and controls systems upgrades at one of its schools in July 2012. In order to perform the upgrades, the District borrowed \$500,000 through the State of Oregon Small Scale Local Energy Program. The loan was funded in November 2012. The Capital Projects Fund is used to liquidate this liability.

The loan is payable from all legally available funds of the Borrower. Upon the occurrence of a default, the Lender may (a) cease to make any further loan disbursements, (b) accelerate the Maturity Date and declare the unpaid principal balance of the Loan, together with all unpaid accrued interest, immediately due and payable, together with the additional amounts for lender costs, (c) judicially foreclose Lender's lien against the collateral, in the same manner as mortgages are foreclosed (d) exercise the rights provided to the State in ORS 470.180 (e) pay, compromise or settle any liens on the project, or pay other sums required to be paid by Borrower in connection with the project subject to other terms (f) compel the specific performance of any term, covenant, or condition of the Agreement, and (g) pursue and exercise any other remedy available at law or in equity.

In fiscal 2020 the Department of Energy refunded its General Obligation Bond to refinance all of this loan. The new payment schedule is presented below. The interest rate is zero.

A description and maturity schedule of the note follows:

Net purchase price: \$ 500,000

Interest payment dates: Interest on the obligation first payable on January 31, 2013 and monthly thereafter for twenty-five years.

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Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2022

Note 9: Long-Term Obligations (Continued)

Maturity schedule: The note will mature on December 31, 2027, and bears interest of 3.25%.

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2023	\$ 37,306	\$ -	\$ 37,306
2024	37,306	-	37,306
2025	37,306	-	37,306
2026	37,306	-	37,306
2027	37,306	-	37,306
2028-32	15,542	-	15,542
Total	<u>\$ 202,072</u>	<u>\$ -</u>	<u>\$ 202,072</u>

Note Payable

The District purchased transportation equipment in August 2013. In order to acquire the equipment, the District borrowed \$565,000 from U. S. Bank National Association. The Special Revenue Fund is used to liquidate this liability.

The District's ad valorem property taxes, subject to the limits of Article XI, Sections 11 and 11b of the Oregon Constitution, and the full faith and credit of the District, including all unobligated revenues in the District's general fund and any other funds which may be available for that purpose, are hereby irrevocably pledged to the punctual payment of principal and interest on the Agreements. In the event of default the bank may exercise any remedy available at law or in equity, including, without limitation, declaring all amounts payable under the Agreement and the Note shall immediately become due and payable. The payments are not subject to acceleration.

A description and maturity schedule of the note follows:

Net purchase price: \$ 565,000

Interest payment dates: Interest on the obligation first payable on September 27, 2013, and annually thereafter on August 27 for nine years.

Maturity schedule: The note will mature on August 27, 2022, and bears interest of 2.31%.

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2023	\$ 61,140	\$ 1,430	\$ 62,570
Total	<u>\$ 61,140</u>	<u>\$ 1,430</u>	<u>\$ 62,570</u>

Note Payable

The District modernized and performed upgrades to the HVAC system/controls at one of its schools in October 2013. In order to finance the improvements, the District borrowed \$458,500 from U. S. Bank National Association. The Capital Projects Fund is used to liquidate this liability.

The District's ad valorem property taxes, subject to the limits of Article XI, Sections 11 and 11b of the Oregon Constitution, and the full faith and credit of the District, including all unobligated revenues in the District's general fund and any other funds which may be available for that purpose, were irrevocably pledged to the punctual payment of principal and interest on the Agreements. In the event of default, the bank may exercise any remedy available at law or in equity, including, without limitation, declaring

OREGON CITY SCHOOL DISTRICT NO. 62
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June 30, 2022

Note 9: Long-Term Obligations (Continued)

all amounts payable under the Agreement and the Note shall immediately become due and payable. The payments are not subject to acceleration.

A description and maturity schedule of the note follows:

Net purchase price: \$ 458,500

Interest payment dates: Interest on the obligation first payable on May 15, 2014, and annually thereafter for nine years.

Maturity schedule: The note will mature on May 15, 2023, and bears interest of 2.39%.

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2023	\$ 50,328	\$ 1,216	\$ 51,544
Total	\$ 50,328	\$ 1,216	\$ 51,544

Note Payable

The District acquired new transportation equipment in August 2014. In order to finance the equipment, the District borrowed \$575,000 from U.S. Bancorp Government Leasing & Finance, Inc. The Special Revenue Fund is used to liquidate this liability.

The District's ad valorem property taxes, subject to the limits of Article XI, Sections 11 and 11b of the Oregon Constitution, and the full faith and credit of the District, including all unobligated revenues in the District's general fund and any other funds which may be available for that purpose, were hereby irrevocably pledged to the punctual payment of principal and interest on the Agreements. In the event of default, the bank may exercise any remedy available at law or in equity; providing the Agreement and Note shall not be subject to acceleration. The payments are not subject to acceleration.

A description and maturity schedule of the note follows:

Net purchase price: \$ 575,000

Interest payment dates: Interest on the obligation first payable on August 15, 2014, and annually thereafter for eight years.

Maturity schedule: The note will mature on August 15, 2023, and bears interest of 2.49%.

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2023	\$ 61,008	\$ 3,073	\$ 64,081
2024	62,527	1,556	64,083
Total	\$ 123,535	\$ 4,629	\$ 128,164

Note Payable

The District acquired new transportation equipment in October 2015. In order to finance the equipment, the District borrowed \$525,000 from U.S. Bancorp Government Leasing & Finance, Inc. The Special Revenue Fund is used to liquidate this liability.

OREGON CITY SCHOOL DISTRICT NO. 62

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Notes to the Financial Statements

June 30, 2022

Note 9: Long-Term Obligations (Continued)

The District's ad valorem property taxes, subject to the limits of Article XI, Sections 11 and 11b of the Oregon Constitution, and the full faith and credit of the District, including all unobligated revenues in the District's general fund and any other funds which may be available for that purpose, were irrevocably pledged to the punctual payment of principal and interest on the Agreements. In the event of default, the bank may exercise any remedy available at law or in equity; providing the Agreement and Note shall not be subject to acceleration. The payments are not subject to acceleration.

Maturity schedule: The note will mature on August 30, 2024, and bears interest of 1.982%.

A description and maturity schedule of the note follows:

Net purchase price: \$ 525,000

Interest payment dates: Interest on the obligation first payable on August 30, 2016, and annually thereafter for nine years.

<u>Fiscal Year</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
2023	\$ 54,009	\$ 3,275	\$ 57,284
2024	55,079	2,205	57,284
2025	56,170	1,113	57,283
Total	<u>\$ 165,258</u>	<u>\$ 6,593</u>	<u>\$ 171,851</u>

Note Payable

The District acquired new transportation equipment in November 2016. In order to finance the equipment, the District borrowed \$447,386 from U.S. Bancorp Government Leasing & Finance, Inc. The Special Revenue Fund is used to liquidate this liability.

The District's ad valorem property taxes, subject to the limits of Article XI, Sections 11 and 11b of the Oregon Constitution, and the full faith and credit of the District, including all unobligated revenues in the District's general fund and any other funds which may be available for that purpose, were irrevocably pledged to the punctual payment of principal and interest on the Agreements. In the event of default, the bank may exercise any remedy available at law or in equity; providing the Agreement and Note shall not be subject to acceleration. The payments are not subject to acceleration.

A description and maturity schedule of the note follows:

Net purchase price: \$447,386

Interest payment dates: Interest on the obligation first payable on November 13, 2016, and annually thereafter on October 13 for nine years.

Maturity schedule: The note will mature on October 31, 2025, and bears interest of 2.093%.

<u>Fiscal Year</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
2023	\$ 45,146	\$ 3,899	\$ 49,045
2024	46,091	2,955	49,046
2025	47,056	1,990	49,046
2026	48,041	1,005	49,046
Total	<u>\$ 186,334</u>	<u>\$ 9,849</u>	<u>\$ 196,183</u>

OREGON CITY SCHOOL DISTRICT NO. 62
 Clackamas County, Oregon
 Notes to the Financial Statements
 June 30, 2022

Note 9: Long-Term Obligations (Continued)

Note Payable

In September 2017, the District financed new transportation equipment and modulars for its middle school. The District borrowed \$949,436 from U.S. Bancorp Government Leasing & Finance, Inc. The Special Revenue Fund and the Capital Projects Fund is used to liquidate this liability.

The District's ad valorem property taxes, subject to the limits of Article XI, Sections 11 and 11b of the Oregon Constitution, and the full faith and credit of the District, including all unobligated revenues in the District's general fund and any other funds which may be available for that purpose, are hereby irrevocably pledged to the punctual payment of principal and interest on the Agreements. In event of default, the bank may exercise any remedy available at law or in equity; providing the Agreement and Note shall not be subject to acceleration. The payments are not subject to acceleration.

A description and maturity schedule of the note follows:

Net purchase price: \$949,436

Interest payment dates: Interest on the obligation first payable on August 14, 2017, and annually thereafter on July 14 for nine years.

Maturity schedule: The note will mature on July 14, 2027, and bears interest of 2.571%.

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2023	\$ 93,554	\$ 12,661	\$ 106,215
2024	95,959	10,255	106,214
2025	98,426	7,788	106,214
2026	100,957	5,258	106,215
2027-31	103,552	2,662	106,214
Total	<u>\$ 492,448</u>	<u>\$ 38,624</u>	<u>\$ 531,072</u>

Note Payable

The District acquired new transportation equipment and site improvements for Pioneer Stadium in April 2018. In order to finance the equipment, the District borrowed \$1,300,000 from JP Morgan Chase Bank. The Special Revenue Fund and the Capital Projects Fund is used to liquidate this liability.

The District's ad valorem property taxes, subject to the limits of Article XI, Sections 11 and 11b of the Oregon Constitution, and the full faith and credit of the District, including all unobligated revenues in the District's general fund and any other funds which may be available for that purpose, are hereby irrevocably pledged to the punctual payment of principal and interest on the Agreements. In the event of default, the bank may exercise any remedy available at law or in equity; providing the Agreement and Note shall not be subject to acceleration. The payments are not subject to acceleration.

A description and maturity schedule of the note follows:

Net purchase price: \$1,300,000

Interest payment dates: Interest on the obligation first payable on April 1, 2018, and annually thereafter on April 1 for eleven years.

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Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2022

Note 9: Long-Term Obligations (Continued)

Maturity schedule: The note will mature on March 1, 2028, and bears interest of 2.740%.

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2023	\$ 115,638	\$ 19,987	\$ 135,625
2024	117,950	16,819	134,769
2025	120,310	13,587	133,897
2026	122,716	10,290	133,006
2027-31	252,843	10,426	263,269
Total	<u>\$ 729,457</u>	<u>\$ 71,109</u>	<u>\$ 800,566</u>

Other Debt

Financed Purchase

In February 2019, the District entered into a financed purchase for the acquisition of technology equipment valued at \$163,800. The equipment has a three-year estimated useful life. The debt qualifies as a financed purchase for accounting purposes, and therefore has been recorded at the present value of its future minimum lease payments as of the inception date. The Capital Projects Fund is used to liquidate this financed purchase.

The financed purchase was paid off in the current year.

Leases

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

On 07/01/2021, the District entered into 9 monthly agreements as Lessee for the use of copiers. An initial lease liability was recorded in the amount of \$294,246. As of 06/30/2022, the value of the lease liability is \$192,001. The District is required to make monthly fixed payments of \$19,765. The leases have an interest rate of 7.5%. The Equipment estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 is \$294,246 with accumulated amortization of \$106,137. This is included with Intangible Right to Use Leased Equipment on the capital assets schedule.

Future maturities are as follows:

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2023	\$ 112,682	\$ 10,496	\$ 123,178
2024	58,261	3,650	61,911
2025	8,223	1,241	9,464
2026	8,861	603	9,464
2027-32	3,974	73	4,047
Total	<u>\$ 192,001</u>	<u>\$ 16,063</u>	<u>\$ 208,064</u>

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
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June 30, 2022

Note 10: Early Retirement

Plan description

The District maintains a single-employer early retirement supplement plan for teachers or administrators who retire with 15 years of regular service to the District. The program provides a stipend that, depending on age and years of service at retirement, ranges from \$250 to \$450 per month for a full-time employee until age 65, when the employee becomes eligible for Medicare. The pension-type benefit is required to be valued under GASB No. 73. The District does not issue a standalone report for this plan.

Benefits payable

A summary of benefits payable under this plan is as follows:

Administrative retirees are eligible to receive a stipend of 1.63% of base annual salary payable monthly from age 58 until age 62. The monthly stipend may be prorated and paid out over a longer period upon mutual consent of the District and the retiree.

Licensed retirees are eligible to receive a monthly stipend based on the number of full-time years of service with the District. Payments range from \$247 per month to \$684 per month based on years of service to the District. The monthly stipend may be prorated and paid out over a longer period upon mutual consent of the District and the retiree.

Stipend payments end upon death of the retiree.

Summary of significant accounting policies

GASB Statement #73, Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, for the fiscal year ended June 30, 2016 was implemented. A single-employer post-employment benefit program is maintained (commonly referred to as early retirement). These programs cover licensed and administrative personnel, individual employees, and certain retired employees.

The early retirement stipend plan is accounted for in the General Fund, which is reported on the modified accrual basis. The District's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with terms of the plan. For the government wide financial statements, a pension liability is recognized in noncurrent liabilities.

Contributions and Funding Policy

The benefits from this program are fully paid by the District and, consequently, no contributions by employees are required. There is no obligation to fund these benefits in advance. The only obligation is to make current benefit payments due each fiscal year. Consequently, it has not been found necessary to establish a pension trust fund, and payments are made on a pay-as-you-go basis each year out of the General Fund. An estimate of this liability for current retirees is done annually. Early Retirement expense for the year ended June 30, 2022 was (\$48,798).

Total Pension Liability

The District's total pension liability (TPL) was measured as of June 30, 2021 and the total pension liability was determined by an actuarial valuation as of July 1, 2021.

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2022

Note 10: Early Retirement (continued)

Actuarial Methods and Assumptions

The total pension liability (TPL) for the current year was determined as part of the July 1, 2021 actuarial valuation using the Entry Age Normal (EAN) Level Percent of Pay Method. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about mortality, claim cost and the healthcare cost trend. The actuarial assumptions included; (a) a rate of return on investment of present and future assets of 2.16%; (b) annual increases in medical premiums are expected to range from 3.25% to 5% by 2025, to 4.75% through 2028, to 4.50% through 2061, to 4.25% through 2067, to 4.00% through 2072, and to 3.75% from 2073 and beyond; (c) annual increases in vision and dental premiums are expected to increase by 4% per year; (d) an assumed inflation rate of 2.4%; (e) annual salary increases for employees are assumed to be 3.4% in all future years.

Under this method, the actuarial present value of the projected benefits of each active employee included in the valuation is allocated on a level percent of pay basis over the service of the active employee between assumed entry age (date of hire) and assumed exit age. The portion of this actuarial present value allocated to the valuation year is called the service cost for that active employee. The sum of these individual service costs is the Plan's Service Cost for the valuation year.

Changes in Total Pension Liability

	<u>2020</u>	<u>2021</u>	<u>2022</u>
Balance at July 1	\$ 1,818,029	\$ 1,724,340	\$ 1,790,969
Changes for the Year:			
Service Cost	108,001	102,519	121,922
Interest	70,734	60,191	39,814
Gains or Losses	(13,948)	-	(165,960)
Effect of Assumptions Changes or Input	(60,039)	120,026	10,986
Benefit Payments	<u>(198,437)</u>	<u>(216,107)</u>	<u>(223,895)</u>
Net Changes for the Year	<u>(93,689)</u>	<u>66,629</u>	<u>(217,133)</u>
Total Pension Liability at June 30	<u>\$ 1,724,340</u>	<u>\$ 1,790,969</u>	<u>\$ 1,573,836</u>

The present value of benefits for current retirees plus the accumulated value of all prior Service Costs is the Total Pension Liability. Under this method the actuarial gains (losses), as they occur, reduce (increase) the Total Pension Liability while leaving the Service Cost unchanged. The District's early retirement program is unfunded.

	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>
Differences between expected and actual experience	\$ 187,303	\$ -
Changes of assumptions or inputs	50,024	133,157
Benefit payments	<u>-</u>	<u>142,734</u>
Total	<u>\$ 237,327</u>	<u>\$ 275,891</u>

OREGON CITY SCHOOL DISTRICT NO. 62
 Clackamas County, Oregon
 Notes to the Financial Statements
 June 30, 2022

Note 10: Early Retirement (continued)

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ (61,909)
2024	(8,454)
2025	(2,825)
2026	(3,038)
2027	(25,406)
Thereafter	<u>(2,538)</u>
Total	<u>\$ (104,170)</u>

Sensitivity of the District's total pension liability to changes in the discount rate

The following presents the District's total pension liability calculated using the discount rate of 2.16 percent, as well as what the District's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Total Pension Liability	\$ 1,663,108	\$ 1,573,836	\$ 1,485,163

Note 11: Other Post-Employment Benefits

Plan Description

The District, as a result of collective bargaining agreements, offers a post-employment health care subsidy under a single-employer, defined benefit plan. All employees covered under OEGB medical benefits at the time of retirement are eligible. Employees must retire from active service while eligible for a pension benefit payable immediately under Oregon PERS. This plan is not a stand-alone plan and therefore does not issue its own financial statements. The General Fund has been used to liquidate this liability.

Retirees and their dependents under age 65 are allowed to continue the health care coverages received prior to retirement. Premiums for retirees are tiered and based upon the premium rates available to active employees. The retiree is responsible for any portion of the premiums not paid by the District.

The implicit employer subsidy is measured as the expected health care cost per retiree and dependent, less the gross premiums charged by the insurance carrier for that coverage. The subsidy is only measured for retirees and spouses younger than 65, at which point such retirees and spouses typically become eligible for Medicare.

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2022

Note 11: Other Post-Employment Benefits (continued)

Summary of significant accounting policies

The plan is accounted for in the General Fund, which is reported on the modified accrual basis. The District's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with terms of the plan. For purposes of the government-wide financial statements, an obligation for other post-employment benefits is recognized as a liability, as described in the following paragraphs. Because the District has not transferred the assets to an insurance trust, the actuarial value of plan assets is zero.

Funding policy

The benefits for this program are fully paid by the District and, consequently, no contributions by employees are required. OPEB expense for the year ended June 30, 2022 was \$267,256.

Actuarial Methods and Assumptions

The District engaged an actuary to perform an evaluation as of July 1, 2021 using entry age normal, level percent of salary Actuarial Cost Method. The Single Employer Pension Plan liability was determined using the following actuarial assumptions, applied to all periods including the measurement.

	<u>June 30, 2021</u>
Discount Rate per year	2.16%
General Inflation Rate per year	2.40%
Salary Scale per year	3.40%

Demographic assumptions (mortality, withdrawal, and retirement rates) are generally intended to match those selected by the Oregon PERS Actuary used to value benefits for school employees under Oregon PERS.

Disability rates were assumed to be immaterial for purposes of the actuarial valuation.

The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Changes in Total OPEB Liability

	<u>2020</u>	<u>2021</u>	<u>2022</u>
Balance at July 1	\$ 5,059,716	\$ 5,642,750	\$ 6,187,381
Changes for the Year:			
Service Cost	370,399	502,066	582,801
Interest	201,621	205,342	143,706
Effect of Economic Gains/Losses	131,299	-	(1,114,219)
Effect of Assumptions Changes or Input	324,468	397,841	(113,102)
Benefit Payments	(444,753)	(560,618)	(538,257)
Net Changes for the Year	<u>583,034</u>	<u>544,631</u>	<u>(1,039,071)</u>
Total OPEB Liability at June 30	<u>\$ 5,642,750</u>	<u>\$ 6,187,381</u>	<u>\$ 5,148,310</u>

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2022

Note 11: Other Post-Employment Benefits (continued)

	Deferred Inflows of Resources	Deferred Outflows of Resources
Difference between expected and actual experience	\$ 963,649	\$ 77,341
Changes in assumptions	218,863	479,967
Benefit Payments		357,374
Deferred outflow (inflow) of resources	<u>\$ 1,182,512</u>	<u>\$ 914,682</u>

Amounts reported as deferred outflows or inflow of resources related to other post-employment benefits will be recognized in OPEB expense as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2023	\$ (101,877)
2024	(101,875)
2025	(64,054)
2026	(48,923)
2027	(92,626)
Thereafter	(215,849)
Total	<u>\$ (625,204)</u>

Sensitivity of the Net Other Post-Employment Benefit Liability to Changes in Discount and Trend Rates:

The following presents the net other post-employment benefit liability (NOL), calculated using the discount rate of 2.16 percent, as well as what the liability would be if it was calculated using a discount rate 1-percentage-point lower or 1-percentage-point higher than the current rate. A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	\$ 5,504,522	\$ 5,148,310	\$ 4,807,564

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	\$ 4,609,674	\$ 5,148,310	\$ 5,779,744

Note 12: Defined Benefit Pension Plan

Plan Description – The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Annual Comprehensive Financial Report which can be found at: <https://www.oregon.gov/pers/Documents/Financials/CAFR/2021-ACFR.pdf>

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

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

OREGON CITY SCHOOL DISTRICT NO. 62
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June 30, 2022

Note 12: Defined Benefit Pension Plan (continued)

PERS Pension (Chapter 238) (continued)

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.
- b. **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
- i. **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:
Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

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

A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the

OREGON CITY SCHOOL DISTRICT NO. 62
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Notes to the Financial Statements
June 30, 2022

Note 12: Defined Benefit Pension Plan (continued)

OPSRP Pension Program (OPSRP DB) (continued)

member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

- ii. **Death Benefits.** Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.
- iii. **Disability Benefits.** A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation, which became effective July 1, 2021. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2022 were \$2,161,421, excluding amounts to fund employer specific liabilities. In addition approximately \$3,295,503 in employee contributions were paid or picked up by the District in fiscal 2022. At June 30, 2022, the District reported a net pension liability of \$45,367,004 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement date of June 30, 2021 and 2020, the District's proportion was .379 percent and 0.391 percent, respectively. Pension expense for the year ended June 30, 2022 was \$2,171,574.

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

- (1) Tier 1/Tier 2 – 4.75%
- (2) OPSRP general services – 1.64%
- (3) UAL - 12.09%

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June 30, 2022

Note 12: Defined Benefit Pension Plan (continued)

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 4,246,648	\$ -
Changes in assumptions	11,356,727	119,395
Net difference between projected and actual earnings on pension plan investments	-	33,584,841
Net changes in proportionate share	143,206	5,343,579
Differences between contributions and proportionate share of contributions	761,703	1,352,055
Subtotal - Amortized Deferrals (below)	16,508,284	40,399,870
Contributions subsequent to measuring date	76,639,538	-
Deferred outflow (inflow) of resources	<u>\$ 93,147,822</u>	<u>\$ 40,399,870</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, 2023.

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

<u>Year ending June 30,</u>	<u>Amount</u>
2023	\$ (5,016,475)
2024	(5,285,659)
2025	(5,977,651)
2026	(8,559,070)
2027	947,269
Thereafter	
Total	<u>\$ (23,891,586)</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated February 25, 2022. Oregon PERS produces an independently audited ACFR which can be found at:

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

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

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.

OREGON CITY SCHOOL DISTRICT NO. 62
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June 30, 2022

Note 12: Defined Benefit Pension Plan (continued)

Actuarial Methods and Assumptions:

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

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2018 Experience Study which is reviewed for the four-year period ending December 31, 2019.

Assumed Asset Allocation:

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

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

OREGON CITY SCHOOL DISTRICT NO. 62
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Notes to the Financial Statements
June 30, 2022

Note 12: Defined Benefit Pension Plan (continued)

Long-Term Expected Rate of Return:

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

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

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

Discount Rate – The discount rate used to measure the total pension liability was 6.90 percent for the Defined Benefit Pension Plan, a reduction approved by the Board from 7.20 percent in the prior fiscal year. 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%)
Proportionate share of the net pension liability	\$ 89,089,943	\$ 45,367,004	\$ 8,786,773

OREGON CITY SCHOOL DISTRICT NO. 62
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Note 12: Defined Benefit Pension Plan (continued)

Changes Subsequent to the Measurement Date

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

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

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 are: 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.

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.

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.

OREGON CITY SCHOOL DISTRICT NO. 62
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Note 12: Defined Benefit Pension Plan (continued)

OPSRP Individual Account Program (OPSRP IAP) (continued)

Contributions:

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

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

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

Note 13: 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 districts are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the District currently contributes 0.05% of annual covered OPERF payroll and 0.00% of OPSRP payroll under a contractual requirement in effect until June 30, 2022. Consistent with GASB Statement 75, the OPERS Board of Trustees sets the employer contribution rates as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. The basis for the employer's portion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the plan with the total actual contributions made in the fiscal year of all employers. The District's contributions to

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Note 13: Other Post-Employment Benefit Plan - RHIA (continued)

RHIA for the years ended June 30, 2020, 2021 and 2022 were \$199,192, \$135,775 and \$10,242, respectively, which equaled the required contributions each year.

At June 30, 2022, the District reported a net OPEB liability/(asset) of \$(1,508,164) for its proportionate share of the net OPEB liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2021, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2019. Consistent with GASB Statement No. 75, paragraph 59(a), the District's proportion of the net OPEB liability/(asset) is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement date of June 30, 2021 and 2020, the District's proportion was .439 percent and .475 percent, respectively. OPEB expense for the year ended June 30, 2022 was (\$271,283).

Components of OPEB Expense (Income):

Employer's proportionate share of collective system OPEB Expense/(Income)	\$ (246,657)
Net amortization of employer-specific deferred amounts from:	
- Changes in proportionate share (per paragraph 64 of GASB 75)	(13,122)
- 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>\$ (259,779)</u>

Components of Deferred Outflows/Inflows of Resources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	41,960
Changes in assumptions	29,675	22,436
Net difference between projected and actual earnings on pension plan investments	-	358,420
Net changes in proportionate share	43,536	35,142
Differences between contributions and proportionate share of contributions	-	-
Subtotal - Amortized Deferrals (below)	<u>73,211</u>	<u>457,958</u>
Contributions subsequent to measuring date	10,242	-
Deferred outflow (inflow) of resources	<u>\$ 83,453</u>	<u>\$ 457,958</u>

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

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

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 Notes to the Financial Statements
 June 30, 2022

Note 13: Other Post-Employment Benefit Plan - RHIA (continued)

Year ending June 30,	Amount
2023	\$ (135,316)
2024	(54,383)
2025	(81,828)
2026	(113,220)
2027	-
Thereafter	-
Total	<u>\$ (384,747)</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost-Sharing Multiple-Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2021. That independently audited report was dated February 25, 2022 and can be found at:

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

Actuarial Methods and Assumptions:

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

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2018 Experience Study which is reviewed for the four-year period ending December 31, 2019.

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Notes to the Financial Statements
June 30, 2022

Note 13: Other Post-Employment Benefit Plan - RHIA (continued)

Discount Rate:

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

Long-Term Expected Rate of Return:

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

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

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

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

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Proportionate share of the net OPEB liability (asset)	\$ (1,333,750)	\$ (1,508,164)	\$ (1,657,156)

OREGON CITY SCHOOL DISTRICT NO. 62
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Notes to the Financial Statements
June 30, 2022

Note 13: Other Post-Employment Benefit Plan - RHIA (continued)

Changes Subsequent to the Measurement Date

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

Note 14: Contingencies

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

Note 15: Interfund Transfers

In accordance with legal restrictions, transfers were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 200,000
Special Revenue Fund	100,000	-
Internal Service Fund	100,000	-
	<u>200,000</u>	<u>-</u>
Total	<u>\$ 200,000</u>	<u>\$ 200,000</u>

The District makes transfers from the General Fund various funds for specific projects and designated needs. This was approved by the School Board in the Adopted 2021-2022 budget.

Note 16: Due To and Due From Other Funds

Interfund balances represent cash owed by one fund to another. The District utilizes a common cash depository. The interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Major components of the balances include reimbursement from the State School Fund Transportation Grant for amounts spent on a new facility, debt payments made on bonds for tax receivables due, and payments for reimbursable grants and risk claims. These amounts are not included in the Government Wide Statement of Net Position. For purposes of the fund financial statements, individual fund due to and from other funds at June 30, 2022 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General Fund	\$ -	\$ 2,612,621
Special Revenue Fund	-	3,051,024
Debt Service Fund	-	58,543
Pension Obligation Fund	421,521	-
Capital Projects Fund	4,800,573	-
Internal Service Fund	500,094	-
	<u>5,722,188</u>	<u>5,722,188</u>
General Due to Fiduciary	-	138,237
Fiducary Fund	138,237	-
Total	<u>\$ 5,860,425</u>	<u>\$ 5,860,425</u>

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2022

Note 17: Risk Management

The District secures and maintains commercial insurance coverage to protect against most risks of asset loss, personal injury and other torts, errors and omissions, and natural disasters. The District has not exceeded the claims limitation on its insurance policies for the last three years. The District retains a limited risk management program to self-insure for workers' compensation costs, unemployment claims, and liability claims. There have been no significant reductions in coverage by major categories from prior years.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The result of the process to estimate claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are re-evaluated periodically to consider the effect of inflation, recent claim settlement trends (including frequency and amount of payouts), and other economic and social factors.

A summary of changes in aggregate liabilities for claims follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
2019-2020	<u>\$ 52,216</u>	<u>\$ 60,466</u>	<u>\$ 92,411</u>	<u>\$ 20,271</u>
2020-2021	<u>\$ 20,271</u>	<u>\$ 599,722</u>	<u>\$ 506,178</u>	<u>\$ 113,815</u>
2021-2022	<u>\$ 113,815</u>	<u>\$ 274,384</u>	<u>\$ 256,262</u>	<u>\$ 131,937</u>

Note 18: Tax Abatement Disclosures

As of June 30, 2022, the Oregon City School District No. 62 had tax abatements through two programs that impacted their levied taxes: Housing Authority Partnership and Enterprise Zones.

Housing Authority Partnership ([ORS 307.092](#)):

The property of a housing authority is declared to be public property if used for essential public and governmental purposes and, upon compliance with ORS [307.162 \(Claiming exemption\)](#), the property and the housing authority are exempt from all taxes and special assessments of the city, the county, the state or any political subdivision of the city, county or state.

In lieu of taxes or special assessments, the authority may agree to make payments to the city, county or political subdivision for improvements, services and facilities furnished by the city, county or political subdivision for the benefit of a housing project, but in no event may the payments exceed the estimated cost to the city, county or political subdivision of the improvements, services or facilities furnished. Property of a housing authority that is commercial property leased to a taxable entity is not exempt from taxation and special assessments under this section.

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.

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2022

Note 18: Tax Abatement Disclosures (continued)

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.

For the fiscal year ended June 30, 2022, the Oregon City School District abated property taxes totaling \$125,677 under these programs.

Tax Abatement Program	Amount of Taxes Abated during the Fiscal Year
Housing Authority Partnership	\$ 123,956
Enterprise Zones	1,721
	<u>\$ 125,677</u>

REQUIRED SUPPLEMENTARY
INFORMATION

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Schedule of Changes in Other Post-Employment Benefit Liabilities
Required Supplementary Information
For the Year Ended June 30, 2022

	2022	2021	2020	2019	2018
Total OPEB Liability - Beginning	\$ 6,187,381	\$ 5,642,750	\$ 5,059,716	\$ 5,049,839	\$ 5,253,099
Changes for the year					
Service Cost	582,801	502,066	370,399	366,217	385,657
Interest on Total Pension Liability	143,706	205,342	201,621	186,149	153,939
Effect of economic/demographic gains or losses	(1,114,219)	-	131,299	-	-
Effect of assumptions changes or inputs	(113,102)	397,841	324,468	(105,933)	(264,759)
Benefit payments	(538,257)	(560,618)	(444,753)	(436,556)	(478,097)
Total OPEB Liability - Ending	<u>\$ 5,148,310</u>	<u>\$ 6,187,381</u>	<u>\$ 5,642,750</u>	<u>\$ 5,059,716</u>	<u>\$ 5,049,839</u>
Covered-Employee Payroll	5,465,923	12,232,594	12,031,572	10,666,198	9,974,666
Total OPEB Liability as a Percentage of Covered-Employee Payroll	94.19%	50.58%	46.90%	47.44%	50.63%

Note: This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full year trend has been compiled, information is presented for the years for which the required supplementary schedule information is available. The District implemented GASB 75 in the fiscal year ending June 30, 2018.

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

OREGON CITY SCHOOL DISTRICT NO. 62

Clackamas County, Oregon
Schedule of Changes in Pension Liability
For the Year Ended June 30, 2022

	2022	2021	2020	2019	2018	2017
Total Pension Liability - Beginning	\$ 1,790,969	\$ 1,724,340	\$ 1,818,029	\$ 1,833,376	\$ 2,258,095	\$ 2,250,496
Changes for the year						
Service Cost	121,922	102,519	108,001	106,284	91,360	76,822
Interest on Total Pension Liability	39,814	60,191	70,734	66,609	63,669	84,276
Effect of economic/demographic gains or losses	(165,960)	-	(13,948)	-	(273,324)	125,782
Effect of assumptions changes or inputs	10,986	120,026	(60,039)	(28,696)	(73,888)	-
Benefit payments	(223,895)	(216,107)	(198,437)	(159,544)	(232,536)	(279,281)
Total Pension Liability - Ending	<u>\$ 1,573,836</u>	<u>\$ 1,790,969</u>	<u>\$ 1,724,340</u>	<u>\$ 1,818,029</u>	<u>\$ 1,833,376</u>	<u>\$ 2,258,095</u>
Covered-Employee Payroll	5,465,923	12,241,389	11,392,120	9,271,412	8,354,444	8,267,223
Net Single Employer Pension Plan as a Percentage of Covered-Employee Payroll	28.79%	14.63%	15.14%	19.61%	21.94%	27.31%

Note: This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full year trend has been compiled, information is presented for the years for which the required supplementary schedule information is available. The District implemented GASB 73 in the fiscal year ending June 30, 2017.

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

OREGON CITY SCHOOL DISTRICT NO. 62

Clackamas County, Oregon
Required Supplementary Information
For the Year Ended June 30, 2022

Oregon Public Retirement System

Schedule of the District's Proportionate Share of the Net Pension Liability (Asset) Last 10 Fiscal Years*

<u>Year ended June 30,</u>	<u>District's proportion of the net pension liability (NPL)</u>	<u>District's proportionate share of the net pension liability (asset)</u>	<u>District's covered payroll</u>	<u>NPL (asset) as a percentage of covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability (asset)</u>
2022	0.3791174%	\$ 45,367,004	\$ 52,986,442	85.620%	87.6%
2021	0.3905193%	85,224,743	47,909,357	177.887%	75.8%
2020	0.4136857%	71,557,724	45,990,946	155.591%	80.2%
2019	0.4462685%	67,603,800	44,975,696	150.312%	82.1%
2018	0.4402037%	59,339,628	41,519,376	142.920%	83.1%
2017	0.4475191%	67,183,006	40,051,217	167.743%	80.5%
2016	0.4332644%	24,875,706	38,663,017	64.340%	91.9%
2015	0.3934396%	(10,973,772)	35,806,805	-30.647%	103.6%
2014	0.3934396%	8,918,152	34,464,098	25.877%	92.0%

Schedule of District Contributions

<u>Year ended June 30,</u>	<u>Statutorily required contribution</u>	<u>Contributions in relation to the statutorily required contribution</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
2022	\$ 2,161,421	\$ 2,161,421	\$ -	\$ 55,133,918	3.92%
2021	9,152,455	9,152,455	-	52,986,442	17.27%
2020	8,518,284	8,518,284	-	47,909,357	17.78%
2019	6,110,647	6,110,647	-	45,990,946	13.29%
2018	9,978,045	9,978,045	-	44,975,696	22.19%
2017	7,714,828	7,714,828	-	41,519,376	18.58%
2016	7,562,596	7,562,596	-	42,072,834	17.98%
2015	7,026,875	7,026,875	-	38,663,017	18.17%
2014	6,506,367	6,506,367	-	35,806,805	18.17%

*Information for years prior to 2014 are not available. As the information becomes available additional years will be presented to show a 10-year trend.

OREGON CITY SCHOOL DISTRICT NO. 62
 Clackamas County, Oregon
 Required Supplementary Information
 For the Year Ended June 30, 2022

SCHEDULE OF CHANGES IN THE TOTAL OPEB - RHIA LIABILITY

Year Ended June 30,	Service Cost	Difference Between Expected and Actual Experience	Changes in Assumptions	Difference Between Projected and Actual Investment Earnings	Employer Actual Contributions	Changes in Employer Proportion	Employer Total Expense
2022	\$ -	\$ (41,960)	\$ 7,212	\$ (358,420)	\$ 10,242	\$ 8,394	\$ (259,779)
2021	-	(98,874)	(51,410)	107,558	11,751	(73,826)	(194,944)
2020	-	(102,413)	(805)	(47,937)	14,347	25	(101,664)

SCHEDULE OF TOTAL OPEB LIABILITY AND RELATED RATIOS

Year Ended June 30,	Total OPEB Liability Beginning (Asset)	Net Change in Total OPEB Liability (Asset)	Total OPEB Liability (Asset) Ending	Covered Payroll	Total OPEB Liability as a Percentage of Covered Payroll	Discount Rate
2022	\$ 967,177	\$ 540,987	\$ 1,508,164	\$ 52,986,442	2.85%	6.90%
2021	(776,624)	(190,553)	(967,177)	47,909,357	-2.02%	7.20%
2020	(449,884)	(326,740)	(776,624)	45,990,946	-1.69%	7.20%

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.

SUPPLEMENTARY INFORMATION

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
General Fund - Revenues, Expenditures, and Changes in Fund Balance
Non GAAP Budgetary Basis
For the Fiscal Year Ended June 30, 2022

		Total	Final Budgeted Amount	Variance with Final Budget
<u>Local Sources</u>				
1111	Current Year Taxes	\$ 29,928,993	\$ 30,449,435	\$ (520,442)
1112	Prior Year Taxes	314,672	300,000	14,672
1114	Payments in Lieu of Property Taxes	30,666	25,000	5,666
1190	Penalties and Interest Taxes	69,221	70,000	(779)
1400	Transportation Fees	30,034	100,000	(69,966)
1500	Earnings on Investments	(33,487)	260,000	(293,487)
1700	Extracurricular Activities	183,904	210,500	(26,596)
1800	Community Services Activities	795,516	627,000	168,516
1910	Rentals	218,797	353,000	(134,203)
1920	Donations - Private Sources	1,354	2,000	(646)
1940	Service Provided To LEA's	-	30,000	(30,000)
1960	Recovery of Prior Years' Expenditure	(2,131)	20,000	(22,131)
1980	Fees Charged to Grants	553,094	90,000	463,094
1990	Miscellaneous	116,861	125,000	(8,139)
Total Local Sources		32,207,494	32,661,935	(454,441)
<u>Intermediate Sources:</u>				
2102	ESD Funds	1,665,461	1,700,000	(34,539)
Total Intermediate Sources		1,665,461	1,700,000	(34,539)
<u>State Sources:</u>				
3101	State School Fund (SSF)	46,678,093	52,313,000	(5,634,907)
3103	Common School Fund	880,878	800,000	80,878
3104	County School Fund	48,554	-	48,554
3105	State School Fund (SSF)			
	Transportation Equipment	4,655,000	3,696,000	959,000
3199	Other Unrestricted Grants-in-Aid	568,563	545,000	23,563
Total State Sources		52,831,088	57,354,000	(4,522,912)
<u>Federal Sources:</u>				
4201	Third Party Billing	-	-	-
4500	Federal Grants	-	3,000	(3,000)
4801	Federal Forest Fees	-	1,900	(1,900)
Total Federal Sources		-	4,900	(4,900)
<u>Other Sources:</u>				
5100	Long-Term Debt Financing	39,605	-	39,605
Total Other Sources		39,605	-	39,605
Total Revenues		\$ 86,743,648	\$ 91,720,835	\$ (4,977,187)

OREGON CITY SCHOOL DISTRICT NO. 62

Clackamas County, Oregon

General Fund - Revenues, Expenditures, and Changes in Fund Balance

Non GAAP Budgetary Basis

For the Fiscal Year Ended June 30, 2022

		Object 100	Object 200	Object 300	Object 400
Instruction					
1111	Elementary, K-5	\$ 8,281,236	\$ 3,956,756	\$ 202,399	\$ 143,617
1121	Middle/Junior High Programs	5,830,097	2,695,696	19,481	88,244
1122	Middle/Junior High School Extracurricular	77,665	17,762	719	17,084
1131	High School Programs	6,502,904	2,904,441	14,646	396,752
1132	High School Extracurricular	327,848	65,857	115,723	8,466
1210	Programs for the Talented and Gifted	1,145	272	-	16,978
1220	Restrictive Programs for Students with Disabilities	2,492,388	1,337,543	1,650,917	8,627
1250	Less Restrictive Programs for Students with Disabilities	2,795,848	1,495,428	2,324	17,281
1270	Educationally Disadvantaged	-	-	-	-
1280	Alternative Education	138,819	74,185	9,114,561	2,405
1290	English Second Language and Teen Parent Programs	1,183,234	561,038	19,382	1,772
1400	Summer School Programs	10,185	2,810	-	-
	Total Instruction	27,641,369	13,111,788	11,140,152	701,226
Support Services					
2110	Attendance and Social Work Services	128,476	73,309	5,536	1,546
2120	Guidance Services	1,042,414	493,764	659	4,710
2130	Health Services	471,051	192,352	262,553	2,129
2140	Psychological Services	576,700	236,933	220	8,165
2150	Speech Pathology and Audiology Services	1,097,145	491,452	65,741	5,165
2160	Other Student Treatment Services	226,295	119,103	3,170	7,216
2190	Service Direction, Student Support Services	1,184,565	554,753	278,881	45,166
2210	Improvement of Instruction Services	84,697	36,688	10,489	479,834
2220	Educational Media Services	573,013	329,500	1,637	52,622
2230	Assessment and Testing	18,473	7,414	-	-
2240	Instructional Staff Development	7,675	253,819	120,947	6,063
2310	Board of Education Services	37,246	13,720	49,386	17,855
2320	Executive Administration Services	380,326	164,413	70,021	33,268
2410	Office of the Principal Services	2,976,715	1,387,374	87,032	64,512
2510	Business Services - Direction	101,667	30,888	10,114	69
2520	Fiscal Services	705,904	299,390	105,937	37,700
2540	Operation and Maintenance of Plant Services	2,647,837	1,488,059	2,322,499	436,431
2550	Student Transportation Services	3,021,838	1,785,386	271,779	610,018
2570	Internal Services	98,278	54,028	17,816	6,535
2620	Planning Services	-	-	13,500	-
2630	Information Services	170,479	72,945	16,371	12,891
2640	Staff Services	427,951	148,567	33,070	56,462
2660	Technology Services	364,610	181,681	482,280	147,726
2680	Interpretation & Translation Services	-	-	485	-
2700	Supplemental Retirement Program	143,216	3,033	-	-
	Total Support Services	16,486,571	8,418,571	4,230,123	2,036,083
Enterprise and Community Services					
3300	Community Services and Community Education	75,376	38,115	24,386	423
3390	Community Education	269,773	96,312	45,855	60,796
3500	Custody and Care of Children Services	145,780	26,968	-	-
	Total Enterprise and Community Services	490,929	161,395	70,241	61,219
Facilities Acquisition and Construction					
4150	Building Acquisition, Construction, and Improvement Services	-	-	-	-
	Total Facilities Acquisition and Construction	-	-	-	-
Other Uses					
5200	Transfers of Funds	-	-	-	-
	Total Other Uses	-	-	-	-
Contingency					
6000	Operating Contingency	-	-	-	-
	Total Contingency	-	-	-	-
	Total Expenditures	\$ 44,618,869	\$ 21,691,754	\$ 15,440,516	\$ 2,798,528
Changes in Fund Balance					
	Excess (deficiency) of revenues over (under) expenditures				
	Adjust for prior year and current year encumbrances				
	Net Change in Fund Balance				
	Beginning Fund Balance				
	Ending Fund Balance				

Object 500	Object 600	Object 700	Object 800	Total	Final Budgeted Amount	Variance with Final Budget
\$ -	\$ 562	\$ -	\$ -	\$ 12,584,570	\$ 16,430,758	\$ 3,846,188
-	-	-	-	8,633,518	9,292,859	659,341
-	150	-	-	113,380	114,773	1,393
-	7,112	-	-	9,825,855	10,173,557	347,702
-	19,869	-	-	537,763	458,014	(79,749)
-	-	-	-	18,395	59,422	41,027
-	-	-	-	5,489,475	7,412,691	1,923,216
-	-	-	-	4,310,881	4,926,023	615,142
-	-	-	-	-	-	-
-	-	-	-	9,329,970	9,431,221	101,251
-	-	-	-	1,765,426	1,916,371	150,945
-	-	-	-	12,995	-	(12,995)
-	27,693	-	-	52,622,228	60,215,689	7,593,461
-	-	-	-	208,867	226,358	17,491
-	-	-	-	1,541,547	2,390,400	848,853
-	-	-	-	928,085	774,138	(153,947)
-	-	-	-	822,018	612,603	(209,415)
-	275	-	-	1,659,778	1,758,292	98,514
-	-	-	-	355,784	335,353	(20,431)
-	1,658	-	-	2,065,023	2,187,753	122,730
-	595	-	-	612,303	1,012,992	400,689
-	3,575	-	-	960,347	999,550	39,203
-	-	-	-	25,887	67,982	42,095
-	-	-	-	388,504	348,574	(39,930)
-	11,136	-	-	129,343	193,016	63,673
-	2,900	-	-	650,928	407,697	(243,231)
-	33,668	-	-	4,549,301	4,729,637	180,336
-	28,069	-	-	170,807	404,469	233,662
-	33,007	-	-	1,181,938	1,081,973	(99,965)
65,197	1,461	-	-	6,961,484	6,813,648	(147,836)
70,568	142,667	-	-	5,902,256	5,727,710	(174,546)
39,605	112,310	-	-	328,572	452,338	123,766
-	-	-	-	13,500	12,000	(1,500)
-	3,271	-	-	275,957	300,002	24,045
-	2,325	-	-	668,375	695,894	27,519
14,688	4,261	-	-	1,195,246	1,127,727	(67,519)
-	-	-	-	485	-	(485)
-	-	-	-	146,249	386,165	239,916
190,058	381,178	-	-	31,742,584	33,046,271	1,303,687
-	-	-	-	138,300	175,346	37,046
-	2,096	-	-	474,832	640,411	165,579
-	-	-	-	172,748	-	(172,748)
-	2,096	-	-	785,880	815,757	29,877
-	-	-	-	-	10,410	10,410
-	-	-	-	-	10,410	10,410
-	119,131	-	-	119,131	-	(119,131)
-	-	200,000	-	200,000	200,000	-
-	119,131	200,000	-	319,131	200,000	(119,131)
-	-	-	-	-	1,456,708	1,456,708
-	-	-	-	-	1,456,708	1,456,708
\$ 190,058	\$ 530,098	\$ 200,000	\$ -	\$ 85,469,823	\$ 95,744,835	\$ 10,275,012
				\$ 1,473,825	\$ (3,824,000)	\$ 5,297,825
				(200,000)	(200,000)	-
				1,273,825	(4,024,000)	5,297,825
				4,452,944	4,024,000	428,944
				\$ 5,726,769	\$ -	\$ 5,726,769

OREGON CITY SCHOOL DISTRICT NO. 62
 Clackamas County, Oregon
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Actual and Budget
 For the Year Ended June 30, 2022

	<u>Debt Service Fund</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:				
Local sources				
Current year's taxes	\$ 7,641,440	\$ 7,641,440	\$ 7,530,385	\$ (111,055)
Prior year's taxes	70,000	70,000	79,174	9,174
Interest	63,000	63,000	15,960	(47,040)
Total revenues	<u>7,774,440</u>	<u>7,774,440</u>	<u>7,625,519</u>	<u>(148,921)</u>
EXPENDITURES:				
Debt service	<u>7,731,000</u>	<u>7,731,000</u>	<u>7,712,980</u>	<u>18,020</u>
Total expenditures	<u>7,731,000</u>	<u>7,731,000</u>	<u>7,712,980</u>	<u>18,020</u>
Net change in fund balance	43,440	43,440	(87,461)	(130,901)
Beginning fund balance	<u>1,060,000</u>	<u>1,060,000</u>	<u>1,094,867</u>	<u>34,867</u>
Ending fund balance	<u>\$ 1,103,440</u>	<u>\$ 1,103,440</u>	<u>\$ 1,007,406</u>	<u>\$ (96,034)</u>

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance
Actual and Budget
For the Year Ended June 30, 2022

	<u>Pension Obligation Fund</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:				
Local sources:				
Assessments to other funds	<u>\$ 4,714,500</u>	<u>\$ 4,714,500</u>	<u>\$ 6,869,426</u>	<u>\$ 2,154,926</u>
Total revenues	<u>4,714,500</u>	<u>4,714,500</u>	<u>6,869,426</u>	<u>2,154,926</u>
EXPENDITURES				
Debt service	<u>4,714,500</u>	<u>4,714,500</u>	<u>7,610,110</u>	<u>(2,895,610)</u>
Total expenditures	<u>4,714,500</u>	<u>4,714,500</u>	<u>7,610,110</u>	<u>(2,895,610)</u>
Excess of revenues over (under) expenditures	-	-	(740,684)	(740,684)
OTHER FINANCING SOURCES (USES)				
Issuance of Debt	-	-	74,500,000	74,500,000
Payments to Escrow for PERS debt	<u>-</u>	<u>-</u>	<u>(74,478,117)</u>	<u>(74,478,117)</u>
Total other financing sources (uses)	-	-	21,883	21,883
Net change in fund balance	-	-	(718,801)	(718,801)
Beginning fund balance	<u>100,000</u>	<u>100,000</u>	<u>1,216,026</u>	<u>1,116,026</u>
Ending fund balance	<u><u>\$ 100,000</u></u>	<u><u>\$ 100,000</u></u>	<u><u>\$ 497,225</u></u>	<u><u>\$ 397,225</u></u>

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance
Actual and Budget
For the Year Ended June 30, 2022

	<u>Capital Projects Fund</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:				
Local sources	\$ 3,587,000	\$ 3,587,000	\$ 1,980,929	\$ (1,606,071)
State sources	600,000	600,000	635,928	35,928
Total revenues	<u>4,187,000</u>	<u>4,187,000</u>	<u>2,616,857</u>	<u>(1,570,143)</u>
EXPENDITURES:				
Instruction	107,000	107,000	-	107,000
Support services	4,998,898	4,998,898	4,138,593	860,305
Facilities acquisition & construction	44,575,948	44,575,948	38,640,139	5,935,809
Debt service	1,064,000	1,064,000	897,646	166,354
Contingency	120,130	120,130	-	120,130
Total expenditures	<u>50,865,976</u>	<u>50,865,976</u>	<u>43,676,378</u>	<u>7,189,598</u>
Excess of revenues over (under) expenditures	(46,678,976)	(46,678,976)	(41,059,521)	5,619,455
OTHER FINANCING SOURCES (USES)				
Lease Proceeds	200,000	200,000	-	(200,000)
Issuance of Debt	-	-	2,100,000	2,100,000
Sale of capital assets	5,000	5,000	-	(5,000)
Total other financing sources (uses)	<u>205,000</u>	<u>205,000</u>	<u>2,100,000</u>	<u>1,895,000</u>
Net change in fund balance	(46,473,976)	(46,473,976)	(38,959,521)	7,514,455
Beginning fund balance	<u>47,587,138</u>	<u>47,587,138</u>	<u>49,637,543</u>	<u>2,050,405</u>
Ending fund balance	<u>\$ 1,113,162</u>	<u>\$ 1,113,162</u>	<u>\$ 10,678,022</u>	<u>\$ 9,564,860</u>

OREGON CITY SCHOOL DISTRICT NO. 62
 Clackamas County, Oregon
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Actual and Budget
 For the Year Ended June 30, 2022

Risk Management Internal Service Fund

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:				
Local sources	<u>\$ 782,000</u>	<u>\$ 782,000</u>	<u>\$ 1,014,356</u>	<u>\$ 232,356</u>
Total revenues	<u>782,000</u>	<u>782,000</u>	<u>1,014,356</u>	<u>232,356</u>
EXPENDITURES:				
Support services	<u>1,182,000</u>	<u>1,182,000</u>	<u>1,118,923</u>	<u>63,077</u>
Total expenditures	<u>1,182,000</u>	<u>1,182,000</u>	<u>1,118,923</u>	<u>63,077</u>
Excess of revenues over (under) expenditures	(400,000)	(400,000)	(104,567)	295,433
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total other financing sources (uses)	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net change in fund balance	(300,000)	(300,000)	(4,567)	295,433
Beginning fund balance	<u>300,000</u>	<u>300,000</u>	<u>468,214</u>	<u>168,214</u>
Ending fund balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 463,647</u></u>	<u><u>\$ 463,647</u></u>

OREGON CITY SCHOOL DISTRICT NO. 62
 Clackamas County, Oregon
 Statement of Fiduciary Net Position
 All Custodial Funds
 June 30, 2022

	M. Parkinson Memorial	D. Peters Memorial	Class of '52 Scholarship	Karmin Tomlinson Scholarship	J. Adrian Memorial	A. Gallagher Memorial	OCHS Scholarships	CJ Church Educational Fund	Lange/Bush- Lange Scholarships	Deleen Baker Memorial	Baughman Scholarships	Total
<u>ASSETS</u>												
Scholarship Funds	\$ 16,173	\$ 450	\$ 2,003	\$ 1,823	\$ 8,927	\$ 23,570	\$ 5,764	\$ 4,579	\$ 78	\$ 3,020	\$ 71,850	\$ 138,237
Total assets	<u>\$ 16,173</u>	<u>\$ 450</u>	<u>\$ 2,003</u>	<u>\$ 1,823</u>	<u>\$ 8,927</u>	<u>\$ 23,570</u>	<u>\$ 5,764</u>	<u>\$ 4,579</u>	<u>\$ 78</u>	<u>\$ 3,020</u>	<u>\$ 71,850</u>	<u>\$ 138,237</u>
<u>NET POSITION</u>												
Restricted	\$ 16,173	\$ 450	\$ 2,003	\$ 1,823	\$ 8,927	\$ 23,570	\$ 5,764	\$ 4,579	\$ 78	\$ 3,020	\$ 71,850	\$ 138,237
Total Net Position	<u>\$ 16,173</u>	<u>\$ 450</u>	<u>\$ 2,003</u>	<u>\$ 1,823</u>	<u>\$ 8,927</u>	<u>\$ 23,570</u>	<u>\$ 5,764</u>	<u>\$ 4,579</u>	<u>\$ 78</u>	<u>\$ 3,020</u>	<u>\$ 71,850</u>	<u>\$ 138,237</u>

OREGON CITY SCHOOL DISTRICT NO. 62
 Clackamas County, Oregon
 Combining Statement of Changes in Fiduciary Net Position
 All Custodial Funds
 For the Year Ended June 30, 2022

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
M. Parkinson Memorial Agency Fund Assets:				
Scholarship Funds	\$ 17,149	\$ 24	\$ (1,000)	\$ 16,173
Net Position:				
Restricted for Scholarships	\$ 17,149	\$ 24	\$ (1,000)	\$ 16,173
D. Peters Memorial Agency Fund Assets:				
Scholarship Funds	\$ 2,446	\$ 4	\$ (2,000)	\$ 450
Net Position:				
Restricted for Scholarships	\$ 2,446	\$ 4	\$ (2,000)	\$ 450
Class of '52 Scholarship Agency Fund Assets:				
Scholarship Funds	\$ 1,973	\$ 30	\$ -	\$ 2,003
Net Position:				
Restricted for Scholarships	\$ 1,973	\$ 30	\$ -	\$ 2,003
Karmin Tomlinson Scholarship Fund Assets:				
Scholarship Funds	\$ 1,820	\$ 3	\$ -	\$ 1,823
Net Position:				
Restricted for Scholarships	\$ 1,820	\$ 3	\$ -	\$ 1,823
J. Adrian Memorial Agency Fund Assets:				
Scholarship Funds	\$ 12,909	\$ 18	\$ (4,000)	\$ 8,927
Net Position:				
Restricted for Scholarships	\$ 12,909	\$ 18	\$ (4,000)	\$ 8,927
A. Gallagher Memorial Agency Fund Assets:				
Scholarship Funds	\$ 23,536	\$ 34	\$ -	\$ 23,570
Net Position:				
Restricted for Scholarships	\$ 23,536	\$ 34	\$ -	\$ 23,570

OREGON CITY SCHOOL DISTRICT NO. 62
 Clackamas County, Oregon
 Combining Statement of Changes in Fiduciary Net Position
 All Custodial Funds
 For the Year Ended June 30, 2022

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
OCHS Scholarships Fund				
Assets:				
Scholarship Funds	\$ 5,756	\$ 8	\$ -	\$ 5,764
Net Position:				
Restricted for Scholarships	\$ 5,756	\$ 8	\$ -	\$ 5,764
CJ Church Educational Fund				
Assets:				
Scholarship Funds	\$ 4,573	\$ 6	\$ -	\$ 4,579
Net Position:				
Restricted for Scholarships	\$ 4,573	\$ 6	\$ -	\$ 4,579
Lange/Bush-Lange Scholarships Fund				
Assets:				
Scholarship Funds	\$ 78	\$ -	\$ -	\$ 78
Net Position:				
Restricted for Scholarships	\$ 78	\$ -	\$ -	\$ 78
Deleen Baker Memorial Fund				
Assets:				
Scholarship Funds	\$ 2,776	\$ 244	\$ -	\$ 3,020
Net Position:				
Restricted for Scholarships	\$ 2,776	\$ 244	\$ -	\$ 3,020
Baughman Scholarships Fund				
Assets:				
Scholarship Funds	\$ 79,737	\$ 113	\$ (8,000)	\$ 71,850
Net Position:				
Restricted for Scholarships	\$ 79,737	\$ 113	\$ (8,000)	\$ 71,850
Totals - All Funds				
Assets:				
Scholarship Funds	\$ 152,753	\$ 484	\$ (15,000)	\$ 138,237
Net Position:				
Restricted for Scholarships	\$ 152,753	\$ 484	\$ (15,000)	\$ 138,237

STATISTICAL SECTION

(UNAUDITED)

This part of Oregon City School District No. 62's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

<u>CONTENTS</u>	<u>PAGE</u>
Financial Trends	84-90
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
Revenue Capacity	91-95
These schedules contain information to help the reader assess the District's most significant local revenue source, property tax.	
Debt Capacity	98-102
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
Demographic and Economic Information	103-104
These schedules offer economic and demographic indicators to help the reader Understand the environment within which the District's financial activities take place.	
Operating Activity	105-120
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	

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

OREGON CITY SCHOOL DISTRICT NO. 62

Clackamas County, Oregon

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20 (5)</u>	<u>2018-19</u>
<u>GOVERNMENTAL ACTIVITIES:</u>				
Net investment in capital assets	\$ 56,621,903	\$ 62,166,857	\$ 56,669,729	\$ 42,906,282
Restricted	5,363,875	4,122,059	5,064,806	19,946,682
Unrestricted	(88,979,318)	(93,201,486)	(86,395,975)	(79,584,935)
Total governmental activities net position	<u>\$ (26,993,540)</u>	<u>\$ (26,912,570)</u>	<u>\$ (24,661,440)</u>	<u>\$ (16,731,971)</u>

- (1) The District made a prior period adjustment of (\$21,973,633) associated with recognition of its net pension liability under GASB No. 68.
- (2) The District restated its net position by (\$267,170) associated with recognition of its early retirement pension liability under GASB No. 73.
- (3) The District restated its net position by (\$1,126,457) associated with recognition of its postemployment benefits (OPEB) liability under GASB No. 75.
- (4) The District restated its net position by (\$430,030) for an asset that was not previously recorded in it's capital asset register.
- (5) The District restated its net position by (\$523,626) associated with reconition of its postemployment benefits (OPEB) liability under GASB No. 75. The District made a prior period adjustment of (\$36,393) for an asset that was not previously recorded in its capital asset register.

Source: Statement of Net Positions

<u>2017-18 (4)</u>	<u>2016-17 (3)</u>	<u>2015-16 (2)</u>	<u>2014-15 (1)</u>	<u>2013-14</u>	<u>2012-13</u>
\$ 50,349,255	\$ 45,454,976	\$ 39,725,603	\$ 23,945,932	\$ 34,225,425	\$ 27,896,841
6,529,914	4,651,052	5,732,847	16,984,465	2,877,749	4,098,938
(75,287,971)	(71,679,127)	(60,253,561)	(34,975,848)	(15,712,372)	(12,596,452)
<u>\$ (18,408,802)</u>	<u>\$ (21,573,099)</u>	<u>\$ (14,795,111)</u>	<u>\$ 5,954,549</u>	<u>\$ 21,390,802</u>	<u>\$ 19,399,327</u>

OREGON CITY SCHOOL DISTRICT NO. 62
 Clackamas County, Oregon
 Expenses by Function, Revenues by Source, and Changes in Net Position
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

	2021-22	2020-21	2019-20	2018-19
<u>GOVERNMENTAL ACTIVITIES:</u>				
Expenses by function/program:				
Instruction	\$ 68,999,118	\$ 71,023,942	\$ 64,489,456	\$ 60,243,705
Support services	45,590,753	44,179,240	37,970,774	33,952,054
Enterprise/community services	5,084,989	5,002,184	5,060,720	4,971,532
Interest on long-term debt	9,019,078	7,877,120	11,987,610	4,391,779
Total expenses	<u>128,693,938</u>	<u>128,082,486</u>	<u>119,508,560</u>	<u>103,559,070</u>
Program revenues:				
Charges for services:				
Instruction	624,899	362,079	357,445	451,026
Support services	1,624,131	1,089,450	1,492,795	1,999,210
Enterprise/community services	66,598	1,615	618,774	784,004
Total charges for services	<u>2,315,628</u>	<u>1,453,144</u>	<u>2,469,014</u>	<u>3,234,240</u>
Operating grants and contributions:				
Instruction	17,465,910	10,310,480	5,112,008	4,648,187
Support services	-	440,853	551,654	113,488
Enterprise/community services	<u>3,244,882</u>	<u>2,181,511</u>	<u>1,314,026</u>	<u>1,365,583</u>
Total operating grants and contributions	<u>20,710,792</u>	<u>12,932,844</u>	<u>6,977,688</u>	<u>6,127,258</u>
Capital grants and contributions:				
Support services	-	8,000,000	-	22,371
Total capital grants and contributions	<u>-</u>	<u>8,000,000</u>	<u>-</u>	<u>22,371</u>
Total program revenues	<u>23,026,420</u>	<u>22,385,988</u>	<u>9,446,702</u>	<u>9,383,869</u>
Total net (expense) revenue	<u>(105,667,518)</u>	<u>(105,696,498)</u>	<u>(110,061,858)</u>	<u>(94,175,201)</u>
General revenues and other changes in net position:				
Taxes:				
Property taxes, general	30,243,665	29,302,681	27,999,784	26,628,245
Property taxes, debt services	7,609,559	7,170,477	7,124,797	5,615,677
Construction excise tax	776,091	619,035	1,105,659	336,015
State aid - formula grants	57,167,677	58,092,861	55,774,054	53,476,747
Earnings on Investments	215,965	989,931	5,232,409	3,793,110
Unrestricted federal	-	12,107	-	31,204
Other local, intermediate & state	<u>9,573,591</u>	<u>7,258,276</u>	<u>4,335,667</u>	<u>5,541,004</u>
Total general revenues	<u>105,586,548</u>	<u>103,445,368</u>	<u>101,572,370</u>	<u>95,422,002</u>
Change in net position	<u>\$ (80,970)</u>	<u>\$ (2,251,130)</u>	<u>\$ (8,489,488)</u>	<u>\$ 1,246,801</u>
Expense per pupil	<u>\$ 20,552</u>	<u>\$ 18,704</u>	<u>\$ 15,956</u>	<u>\$ 13,968</u>
Student Enrollment *	<u>6,262</u>	<u>6,848</u>	<u>7,490</u>	<u>7,414</u>

* Does not include outside Charter School Enrollment (Springwater and Alliance Charter Academy)

Source: Statement of Activities

2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
\$ 59,134,494	\$ 57,459,573	\$ 67,230,267	\$ 43,713,441	\$ 46,757,925	\$ 44,384,650
32,215,269	32,247,085	38,686,480	26,780,628	27,943,762	26,918,301
4,772,422	4,477,340	5,230,631	3,476,224	3,538,931	3,446,191
3,473,390	3,632,281	3,838,072	3,710,183	3,254,871	2,582,842
<u>99,595,575</u>	<u>97,816,279</u>	<u>114,985,450</u>	<u>77,680,476</u>	<u>81,495,489</u>	<u>77,331,984</u>
433,607	388,208	348,001	303,620	284,124	305,089
1,862,481	1,713,318	1,806,615	537,412	632,299	677,178
726,479	658,489	654,650	2,008,475	1,794,340	1,837,185
<u>3,022,567</u>	<u>2,760,015</u>	<u>2,809,266</u>	<u>2,849,507</u>	<u>2,710,763</u>	<u>2,819,452</u>
3,773,693	3,692,901	3,816,082	6,162,921	5,760,457	5,240,963
-	-	44,025	5,206,376	5,017,245	5,050,752
1,364,118	1,449,510	1,597,311	1,560,499	1,521,520	1,638,140
<u>5,137,811</u>	<u>5,142,411</u>	<u>5,457,418</u>	<u>12,929,796</u>	<u>12,299,222</u>	<u>11,929,855</u>
-	-	-	242,035	-	-
<u>-</u>	<u>-</u>	<u>27,154</u>	<u>-</u>	<u>316,591</u>	<u>177,351</u>
-	-	27,154	242,035	316,591	177,351
<u>8,160,378</u>	<u>7,902,426</u>	<u>8,293,838</u>	<u>16,021,338</u>	<u>15,326,576</u>	<u>14,926,658</u>
<u>(91,435,197)</u>	<u>(89,913,853)</u>	<u>(106,691,612)</u>	<u>(61,659,138)</u>	<u>(66,168,913)</u>	<u>(62,405,326)</u>
25,751,978	24,479,596	23,397,860	22,324,026	20,829,803	19,832,045
6,051,337	6,986,667	6,931,521	6,714,742	6,342,154	6,190,437
969,467	621,544	583,471	396,735	451,324	633,158
53,922,651	47,129,449	48,892,808	43,398,060	39,995,170	36,539,574
497,541	330,730	214,003	343,331	280,065	324,089
8,522	181,064	76,413	2,709,696	104,151	274,984
5,897,998	6,033,272	6,113,046	192,752	164,186	133,131
<u>93,099,494</u>	<u>85,762,322</u>	<u>86,209,122</u>	<u>76,079,342</u>	<u>68,166,853</u>	<u>63,927,418</u>
<u>\$ 1,664,297</u>	<u>\$ 85,762,322</u>	<u>\$ (20,482,490)</u>	<u>\$ 14,420,204</u>	<u>\$ 1,997,940</u>	<u>\$ 1,522,092</u>
<u>\$ 13,437</u>	<u>\$ 13,174</u>	<u>\$ 15,260</u>	<u>\$ 10,424</u>	<u>\$ 10,885</u>	<u>\$ 10,469</u>
<u>7,412</u>	<u>7,425</u>	<u>7,535</u>	<u>7,452</u>	<u>7,487</u>	<u>7,387</u>

OREGON CITY SCHOOL DISTRICT NO. 62

Clackamas County, Oregon

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>
<u>GENERAL FUND:</u>				
Nonspendable - prepaid items	\$ 143,726	\$ 33,470	\$ 44,727	\$ 117,356
Unassigned	5,583,043	4,419,474	4,965,185	6,453,740
Total general fund	<u>\$ 5,726,769</u>	<u>\$ 4,452,944</u>	<u>\$ 5,009,912</u>	<u>\$ 6,571,096</u>
<u>ALL OTHER GOVERNMENTAL FUNDS</u>				
Nonspendable - prepaid items	\$ 682,852	\$ 2,144,246	\$ 2,601,931	\$ 1,537
Restricted, reported in:				
Debt Service Funds	1,504,631	2,310,893	1,416,803	10,516,498
Special Revenues Fund	3,859,244	1,811,166	3,648,003	2,779,894
Capital Projects Fund	9,995,170	47,557,554	137,701,485	160,908,615
Committed, special revenues	-	-	-	-
Total all other governmental funds	<u>\$ 16,041,897</u>	<u>\$ 53,823,859</u>	<u>\$ 145,368,222</u>	<u>\$ 174,206,544</u>

Source: Balance Sheet - Governmental Funds

<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>
\$ 96,402	\$ 143,419	\$ 154,337	\$ 72,819	\$ 36,269	\$ 56,486
-	-	-	-	115,347	50,396
3,817,532	2,951,974	4,662,501	3,971,794	3,301,186	2,950,821
<u>\$ 3,913,934</u>	<u>\$ 3,095,393</u>	<u>\$ 4,816,838</u>	<u>\$ 4,044,613</u>	<u>\$ 3,452,802</u>	<u>\$ 3,057,703</u>
\$ -	\$ -	\$ -	\$ 39,601	\$ 49,623	\$ 49,623
1,107,567	934,095	928,356	778,012	641,630	655,429
3,092,441	2,337,769	1,569,550	902,995	860,504	1,491,442
3,125,157	1,379,188	2,848,217	14,933,568	1,375,615	1,952,067
-	-	496,895	866,581	789,365	860,357
-	-	-	345,994	513,226	125,974
-	-	-	-	4,022	297,471
<u>\$ 7,325,165</u>	<u>\$ 4,651,052</u>	<u>\$ 5,843,018</u>	<u>\$ 17,866,751</u>	<u>\$ 4,233,985</u>	<u>\$ 5,432,363</u>

OREGON CITY SCHOOL DISTRICT NO. 62
 Clackamas County, Oregon
 Changes in Fund Balances of Governmental Funds
 Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)

	2021-22	2020-21	2019-20	2018-19
REVENUES:				
Local Sources	\$ 51,195,002	46,390,311	\$ 50,843,123	\$ 48,123,349
Intermediate sources	1,759,668	1,775,492	1,607,482	1,750,957
State sources	63,292,091	68,124,210	57,368,739	54,695,366
Federal sources	11,018,421	8,714,619	5,254,627	4,720,092
Total revenues	<u>127,265,182</u>	<u>125,004,632</u>	<u>115,073,971</u>	<u>109,289,764</u>
EXPENDITURES:				
Instruction	64,635,703	63,022,286	60,201,951	56,403,936
Support services	41,659,489	38,079,022	35,026,774	31,041,088
Enterprise/community services	4,763,422	4,438,631	4,764,676	4,653,391
Facilities Acquisition and Construction	117,610	1,445,402	128,557	36,418
Capital Outlay	41,174,580	96,658,944	25,139,077	4,030,390
Debt service:				
Principal	7,478,084	5,742,820	9,928,069	9,235,045
Interest	9,705,919	8,675,150	12,298,753	2,798,258
Issuance Cost	-	-	-	1,042,943
Total expenditures	<u>169,534,807</u>	<u>218,062,255</u>	<u>147,487,857</u>	<u>109,241,469</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(42,269,625)</u>	<u>(93,057,623)</u>	<u>(32,413,886)</u>	<u>48,295</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	100,000	100,000	300,000	200,000
Transfers out	(200,000)	(200,000)	(400,000)	(200,000)
Lease proceeds	39,605	-	-	163,800
Issuance of debt	80,300,000	7,535,000	2,100,000	157,995,950
Issuance costs	-	(148,708)	-	-
Bond premium	-	-	-	17,873,781
Payment to escrow	(74,478,117)	-	-	-
Payment to refunded bond escrow agent	-	(6,330,000)	-	(6,987,404)
Sale or compensation for loss of capital assets	-	-	14,380	444,119
Total other financing sources (uses)	<u>5,761,488</u>	<u>956,292</u>	<u>2,014,380</u>	<u>169,490,246</u>
Net change in fund balances	<u>\$ (36,508,137)</u>	<u>\$ (92,101,331)</u>	<u>\$ (30,399,506)</u>	<u>\$ 169,538,541</u>
Debt service as a percentage of noncapital expenditures	13.39%	11.88%	18.17%	11.14%

(1) Revenues are recognized when measurable and available.

(2) Capital Outlay Expense was not reported separately on this schedule prior to 2015-16

Source: Statement of revenues, expenditures, and changes in fund balances.

	2017-18	2016-17	2015-16	2014-15 (2)	2013-14 (2)	2012-13 (2)
REVENUES:						
Local sources	\$ 43,589,138	\$ 42,175,354	\$ 41,009,126	\$ 38,677,209	\$ 36,653,166	\$ 35,786,302
Intermediate sources	1,738,935	2,189,567	2,134,356	1,181,721	828,710	846,596
State sources	54,236,188	47,264,401	49,017,229	47,821,761	43,984,779	40,558,979
Federal sources	4,838,340	5,151,065	5,190,449	5,218,128	5,469,034	4,782,018
Total revenues	<u>104,402,601</u>	<u>96,780,387</u>	<u>97,351,160</u>	<u>92,898,819</u>	<u>86,935,689</u>	<u>81,973,895</u>
EXPENDITURES:						
Instruction	55,806,588	52,875,550	53,175,892	51,931,499	48,682,017	46,266,745
Support services	29,754,133	28,812,721	27,804,745	27,103,088	25,085,779	24,265,950
Enterprise/community services	4,503,845	4,120,146	4,137,176	3,942,353	3,687,663	3,611,575
Facilities Acquisition and Construction	109,647	236,559	223,820	979,299	1,262,618	4,462,017
Capital Outlay	2,713,711	1,654,770	11,883,516	-	-	-
Debt service:						
Principal	8,716,783	9,234,732	8,673,432	8,308,021	7,379,875	6,081,102
Interest	3,119,735	3,297,227	3,417,966	3,289,401	3,133,146	3,836,151
Issuance Cost	30,300	10,500	9,500	205,423	8,500	88,648
Total expenditures	<u>104,754,742</u>	<u>100,242,205</u>	<u>109,326,047</u>	<u>95,759,084</u>	<u>89,239,598</u>	<u>88,612,188</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(352,141)</u>	<u>(3,461,818)</u>	<u>(11,974,887)</u>	<u>(2,860,265)</u>	<u>(2,303,909)</u>	<u>(6,638,293)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	200,000	274,000	55,000	380,000	305,931	85,000
Transfers out	(250,000)	(324,000)	(55,000)	(130,000)	(55,931)	(85,000)
Lease proceeds	142,830	-	-	-	-	-
Capital lease issuance	2,249,436	149,505	187,179	-	100,081	-
Debt issued	-	447,386	525,000	16,140,000	1,023,500	5,150,000
Refunding bonds issued	-	-	-	-	-	39,130,000
Bond premium	-	-	-	1,865,440	-	-
Payment to refunded bond escrow agent	-	-	-	(3,849,091)	-	(38,851,900)
Discount of bonds issued	-	-	-	-	-	(188,215)
Sale or compensation for loss of capital assets	1,502,529	1,516	11,200	2,328,523	127,049	374,800
Total other financing sources (uses)	<u>3,844,795</u>	<u>548,407</u>	<u>723,379</u>	<u>16,734,872</u>	<u>1,500,630</u>	<u>5,614,685</u>
Net change in fund balances	<u>\$ 3,492,654</u>	<u>\$ (2,913,411)</u>	<u>(11,251,508)</u>	<u>\$ 13,874,607</u>	<u>\$ (803,279)</u>	<u>\$ (1,023,608)</u>
Debt service as a percentage of noncapital expenditures	10.42%	11.29%	11.05%	11.55%	11.55%	10.66%

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Assessed and Real Market Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Property		Personal Property		Public Utility Property	
	Assessed Value	Real Market Value	Assessed Value	Real Market Value	Assessed Value	Real Market Value
2021-22	\$ 6,242,299,280	\$ 10,965,584,029	\$ 84,872,608	\$ 84,872,608	\$ 204,906,800	\$ 210,089,934
2020-21	6,045,197,052	9,924,150,868	79,793,639	79,793,639	202,132,900	206,110,743
2019-20	5,739,897,588	9,460,321,400	75,270,710	75,270,710	184,584,900	187,866,101
2018-19	5,486,456,763	8,714,443,900	72,574,861	72,574,861	184,278,600	187,025,504
2017-18	5,254,504,810	7,954,596,436	65,851,777	65,851,777	176,086,464	181,091,828
2016-17	5,058,628,129	7,179,389,706	63,809,209	63,809,209	161,786,400	165,386,669
2015-16	4,833,823,694	6,319,653,288	60,077,937	60,077,937	165,718,700	183,892,863
2014-15	4,620,661,826	5,641,761,240	82,085,569	84,515,202	156,363,062	166,539,536
2013-14	4,397,895,265	4,753,742,311	82,719,705	87,572,178	153,852,330	166,749,524
2012-13	4,117,592,121	5,007,487,205	87,905,069	90,030,984	160,188,640	164,479,601

Note: Future increases in assessed value on each property are limited by Oregon laws to 3% per year with special exemptions for property that is improved, rezoned, subdivided, or ceases to qualify for exemption.

(1) Urban renewal excess.

Source: Clackamas County Department of Assessment and Taxation

		Total		Ratio of Total Assessed Value to Total Real Market Value	
Exemptions Real Property (1)	Assessed Value	Direct Tax Rate	Real Market Value		
\$ (207,529,817)	\$ 6,532,078,688	6.17 %	\$ 11,260,546,571	58.01	%
(201,130,549)	6,125,993,042	6.08	10,210,055,250	60.00	
(192,205,196)	5,807,548,002	6.19	9,723,458,211	59.73	
(168,582,068)	5,574,728,156	5.99	8,974,044,265	62.12	
(156,270,734)	5,340,172,317	6.10	8,201,540,041	65.11	
(141,800,109)	5,142,423,629	6.34	7,408,585,584	69.41	
(129,428,600)	4,930,191,731	6.39	6,563,624,088	75.11	
(128,168,327)	4,730,942,130	6.41	5,892,815,978	80.28	
(122,583,947)	4,511,883,353	6.40	5,008,064,013	90.09	
(107,990,588)	4,257,695,242	6.41	5,261,997,790	80.91	

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Property Tax Rates - All Overlapping Governments
Last Ten Fiscal Years

<u>Governmental Unit</u>	<u>Percent Within School District</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>
District Direct Rates:					
Operating	% n/a	4.96	\$ 4.96	\$ 4.96	\$ 4.96
Debt Service	n/a	<u>1.20</u>	<u>1.12</u>	<u>1.23</u>	<u>1.03</u>
Total District Direct Rates	n/a	6.17	6.08	6.19	5.99
City of Oregon City	100.00	4.41	4.41	4.41	4.41
City of Oregon City - UR12 DT	100.00	0.88	0.88	0.88	0.88
Clackamas FD 1	25.05	2.40	2.40	2.51	2.49
Oak Lodge Water District 4	18.94	0.00	0.00	0.00	0.00
Clackamas Community College	15.20	0.56	0.56	0.73	0.74
Trans Trimet Bond	13.57	0.00	0.00	0.00	0.00
Clackamas ESD	11.82	0.37	0.37	0.37	0.37
Clackamas County Rural	10.84	2.98	2.98	3.22	3.22
Clackamas County Library	11.30	0.40	0.40	0.40	0.40
Clackamas County Extension & 4-H	11.30	0.05	0.05	0.05	0.05
Clackamas Co. Urban Renewal Sp.	11.30	0.00	0.00	0.00	0.00
Clackamas Co. Urban Renewal Reg.	11.30	0.07	0.07	0.07	0.07
Clackamas County Vector Control	11.30	0.01	0.01	0.03	0.03
Clack. Co. Vector Control Local Opt.	11.30	0.01	0.01	0.03	0.03
Clackamas County Public Safety LO	11.30	0.00	0.00	0.09	0.25
Clackamas Co. Soil Conservation	11.30	0.05	0.05	0.05	0.05
Port of Portland	11.30	0.07	0.07	0.07	0.07
Clackamas County City	11.68	2.40	2.40	2.65	2.65
Metro Service District	10.57	0.10	0.10	0.66	0.47
Clackamas County Law Enhance.	6.22	0.72	0.72	0.72	0.72
City of Gladstone	3.31	4.82	4.82	5.81	5.81
City of Gladstone Urban Renewal 3	3.31	0.00	0.00	0.00	0.00
North Clackamas Parks & Rec.	4.02	0.54	0.54	0.54	0.54
Estacada FD #69	0.85	2.40	2.40	2.40	2.40
Estacada Cemetery District	0.04	0.06	0.06	0.06	0.06
Recreation Canby Area Parks	0.06	0.00	0.00	0.00	0.00
Molalla FD 73	0.02	0.78	0.78	1.76	1.76

Amounts are expressed as rate per \$1,000 of assessed value.

Source: Oregon Municipal Debt Advisory Commission
Clackamas County Department of Assessment and Taxation

<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>
\$ 4.963	\$ 4.96	\$ 4.96	\$ 4.96	\$ 4.96	\$ 4.96
<u>1.14</u>	<u>1.38</u>	<u>1.43</u>	<u>1.45</u>	<u>1.44</u>	<u>1.45</u>
6.10	6.34	6.39	6.41	6.40	6.41
4.41	5.5	4.52	4.52	4.52	4.28
0.88	0.86	0.00	0.84	0.84	0.85
2.51	2.49	2.50	2.46	2.46	2.47
0.00	0	0.00	0.00	0.00	0.00
0.75	0.74	0.75	0.71	0.71	0.72
0.00	0	0.00	0.00	0.00	0.00
0.37	0.37	0.37	0.37	0.37	0.37
3.22	3.22	3.22	3.22	3.22	2.98
0.40	0.4	0.40	0.40	0.40	0.40
0.05	0	0.05	0.05	0.05	0.05
0.00	0	0.00	0.00	0.00	0.11
0.07	0.03	0.03	0.03	0.02	0.11
0.03	0.03	0.03	0.03	0.03	0.01
0.03	0.03	0.03	0.03	0.03	0.03
0.25	0.25	0.25	0.25	0.25	0.25
0.05	0.05	0.00	0.05	0.05	0.05
0.07	0.07	0.07	0.07	0.07	0.07
2.65	2.65	2.65	2.65	2.65	2.40
0.41	0.4	0.39	0.46	0.47	0.40
0.72	0.72	0.72	0.72	0.72	0.72
5.81	5.81	5.81	5.81	5.81	5.81
0.00	0	0.00	0.00	0.00	0.00
0.54	0.54	0.54	0.54	0.54	0.54
2.40	2.4	2.40	2.40	2.40	2.40
0.06	0.06	0.06	0.11	0.11	0.11
0.00	0	0.00	0.00	0.00	0.00
1.44	0.78	1.44	1.44	0.78	0.78

OREGON CITY SCHOOL DISTRICT NO. 62

Clackamas County, Oregon
Principal Taxpayers Within District
June 30, 2022

Taxpayer	June 30, 2022			June 30, 2013		
	Assessed	Rank	Percentage of Total	Assessed	Rank	Percentage of Total
	Valuation		Assessed Valuation	Valuation		Assessed Valuation
Portland General Electric Co.	\$ 1,036,476,706	1	1.78 %	\$ 566,072,000	1	1.46 %
Northwest Natural Gas Company	264,754,100	2	0.45	174,185,600	5	0.45
Comcast Corporation	92,622,000	3	0.16	158,767,400	6	0.41
Lumen Technologies Inc.	84,418,000	4	0.15			
Verizon Communications Inc.	58,313,000	5	0.10			
AT&T Inc.	42,840,000	6	0.07			
Molalla Telephone Co.	42,500,000	7	0.07			
Northwest Fiber LLC	32,733,400	8	0.06			
Canby Telephone Assn.	29,637,200	9	0.05			
Northwest Pipeline LLC	27,304,000	10	0.05			
Shorenstein Properties LLC				259,666,511	2	0.67
General Growth Properties Inc.				206,270,722	3	0.53
Fred Meyer Stores Inc.				189,345,766	4	0.49
Xerox Corporation				96,258,950	7	0.25
PCC Structurals Inc.				86,534,203	8	0.22
Clount Inc.				67,624,977	9	0.17
Mentor Graphics Corporation				58,704,930	10	0.15
ALL OTHER TAXPAYERS	<u>56,498,967,947</u>		<u>97.06</u>	<u>36,958,049,337</u>		<u>95.20</u>
TOTAL	<u>\$ 58,210,566,353</u>		<u>100.00 %</u>	<u>\$ 38,821,480,396</u>		<u>100.00 %</u>

Source: Clackamas County Department of Assessment and Taxation

OREGON CITY SCHOOL DISTRICT NO. 62

Clackamas County, Oregon
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Certified Tax Levies			Current Tax Collections	Current Tax Collections as a Percentage of Current Levy
	General Fund	Debt Service Fund	Total		
2021-22	\$ 31,448,144	\$ 7,912,616	\$ 39,360,760	\$ 37,459,378	95.17 %
2020-21	30,215,709	7,393,877	37,609,586	36,029,533	95.80
2019-20	28,797,162	7,218,926	36,016,088	34,585,440	96.03
2018-19	27,610,782	5,841,059	33,451,841	31,989,358	95.63
2017-18	26,437,039	6,228,704	32,665,743	31,102,775	95.22
2016-17	25,199,914	7,206,382	32,406,296	30,885,672	95.31
2015-16	24,059,659	7,154,424	31,214,083	29,684,165	95.10
2014-15	22,840,912	6,907,606	29,748,518	29,012,254	97.53
2013-14	21,305,871	6,528,081	27,833,952	27,088,764	97.32
2012-13	20,325,699	6,356,781	26,682,480	25,819,109	96.76

Source: Clackamas County Department of Assessment and Taxation
Oregon City School District No. 62 financial records

Prior Years Tax Collections	Total Tax Collections	Total Tax Collections as a Percentage of Current Levy	Cummulative Uncollected Taxes	Uncollected Taxes as a Percentage of Current Levy
\$ 393,846	\$ 37,853,224	96.17 %	\$ 1,323,909	3.4 %
443,626	36,473,159	96.98	1,036,276	2.8
429,086	35,014,526	97.22	1,007,970	2.8
1,214,388	33,203,746	99.26	904,979	2.8
438,205	31,540,980	96.56	2,010,822	6.2
530,732	31,416,404	96.95	1,228,911	3.8
570,455	30,254,620	96.93	1,781,230	5.7
651,889	29,664,143	99.72	1,574,204	5.3
735,218	27,823,982	99.96	1,671,962	6.0
715,347	26,534,456	99.45	1,748,745	6.6

OREGON CITY SCHOOL DISTRICT NO. 62

Clackamas County, Oregon
Ratios of Outstanding Debt (1)
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Pension Obligation Bonds	Certificates of Participation	Notes Payable	Financed Assets (4)	GASB 87 Leases	General Obligation Bond Premium (Discount)	Total Outstanding Debt	Percentage of Assessed Value (2)	Percentage of Personal Income (3)	Per Capita (3)
2021-22	\$ 171,618,960	\$ 97,655,000	\$ -	\$ 2,010,572	\$ -	\$ 192,001	15,961,508	\$ 287,438,041	4.40 %	unavailable %	\$ 4,140
2020-21	167,637,413	28,060,000	-	2,621,514	41,443	-	16,643,804	215,004,174	3.24	0.71	2,914
2019-20	167,610,791	30,880,000	-	3,240,191	117,921	-	18,623,640	220,472,543	3.48	0.74	3,024
2018-19	172,115,950	33,380,000	-	3,914,614	233,694	-	19,282,409	228,926,667	3.76	0.81	3,204
2017-18	26,715,000	35,585,000	-	4,573,317	221,245	-	1,769,499	68,864,061	1.26	0.28	1,046
2016-17	32,620,000	37,520,000	50,002	3,012,688	230,243	-	1,772,703	75,205,636	1.43	0.32	1,168
2015-16	39,525,000	39,205,000	140,002	3,016,600	192,880	-	1,763,247	83,842,729	1.66	0.39	1,331
2014-15	46,170,000	40,665,000	220,002	2,894,944	118,471	-	1,745,210	91,813,627	1.90	0.45	1,519
2013-14	37,080,000	41,910,000	300,000	6,572,337	65,963	-	(141,161)	85,787,139	1.90	0.45	1,448
2012-13	42,855,000	42,965,000	380,000	5,984,596	-	-	64,850	92,249,446	2.17	0.48	1,587

(1) Details on the District's outstanding debt can be found in the Notes to the Financial Statements - Note 8

(2) See the Schedule Assessed and Real Market Value of Taxable Property for assessed value data.

(3) See the Schedule of Demographic and Economic Statistics for personal income and population data.

(4) Previously titled "Capital Leases" prior to implementation of GASB 87 in 2021-22

Source: Oregon City School District No. 62 financial records

OREGON CITY SCHOOL DISTRICT NO. 62

Clackamas County, Oregon

Ratios of Net General Bonded Debt

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>District Population (1)</u>	<u>Average Daily Membership (ADM) (2)</u>	<u>Assessed Valuation (3)</u>
2021-22	69,434	7,220	\$ 6,532,078,688
2020-21	68,073	7,350	6,125,993,042
2019-20	66,738	7,940	5,807,548,002
2018-19	65,429	7,906	5,574,728,156
2017-18	64,146	7,948	5,340,172,317
2016-17	62,888	7,967	5,142,423,629
2015-16	61,655	8,094	4,930,191,731
2014-15	60,446	7,791	4,730,942,130
2013-14 (4)	59,261	7,824	4,511,883,353
2012-13	58,099	7,798	4,257,695,242

Source:

(1) Based on Portland State University Enrollment Forecast Reports - estimated - last date district wide available was fiscal 2010

(2) Oregon Department of Education - includes Charter Schools - rounded up

(3) Clackamas County Department of Assessment and Taxation

(4) Beginning with 2013-14 General Pension Bonds are included in Gross General Bonded Debt

<u>Gross General Bonded Debt</u>	<u>Less Debt Service Funds (4)</u>	<u>Net General Bonded Debt</u>	<u>Ratio Of Net General Bonded Debt To Assessed Value</u>	<u>Net General Bonded Debt Per Capita</u>	<u>Net General Bonded Debt Per ADM</u>
\$ 287,438,041	\$ 1,504,631	\$ 285,933,410	4.38 %	\$ 4,118	\$ 39,603
215,004,174	2,310,893	212,693,281	3.47	3,124	28,938
220,472,543	1,416,803	219,055,740	3.77	3,282	27,589
228,926,667	10,516,499	218,410,168	3.92	3,338	27,626
68,864,061	1,107,059	67,757,002	1.27	1,056	8,525
75,205,636	934,095	74,271,541	1.44	1,181	9,322
83,842,729	906,141	82,936,588	1.68	1,345	10,247
91,813,627	778,012	91,035,615	1.92	1,506	11,685
85,787,139	641,630	85,145,509	1.89	1,437	10,883
92,249,446	517,006	91,732,440	2.15	1,579	11,764

OREGON CITY SCHOOL DISTRICT NO. 62
 Clackamas County, Oregon
 Direct and Overlapping Governmental Activities Debt
 June 30, 2022

<u>Governmental Unit</u>	<u>Estimated Percentage Applicable</u>	<u>Net Direct Debt Outstanding (1)</u>	<u>Estimated Share of Direct and Overlapping Debt (2)</u>
<u>DIRECT DEBT:</u>			
Oregon City School District	100.00 %	<u>\$ 287,438,041</u>	<u>\$ 287,438,041</u>
<u>OVERLAPPING GOVERNMENT:</u>			
City of Oregon City	100%	12,565,000	12,565,000
Clackamas RFPD #1	25.11%	25,184,520	6,324,085
Clackamas Community College	15.70%	134,508,536	21,116,899
Clackamas County ESD	12.13%	21,902,000	2,657,063
Clackamas County	11.58%	115,525,000	13,377,102
Clackamas Soil & Water Conservation	11.58%	5,785,000	669,868
City of Gladstone	3.22%	8,159,712	262,433
Metro	2.02%	873,470,000	17,666,804
Molalla RFPD #73	0.02%	1,475,000	240
Oak Lodge Water Services District	18.92%	783,000	148,126
Subtotal Overlapping Debt			<u>74,787,620</u>
Total Direct and Overlapping Debt			<u><u>\$ 362,225,661</u></u>

(1) Net Direct Debt includes all outstanding long-term debt instruments including bonds, notes, loans, premiums or discounts and capital leases.

(2) Overlapping Debt is calculated using net property-tax backed debt times percent overlapping that are provided by Oregon State Treasury, Debt Management Division.

Source: Oregon Municipal Debt Advisory Commission

OREGON CITY SCHOOL DISTRICT NO. 62

Clackamas County, Oregon
Computation of Legal Debt Margin
Last Ten Fiscal Years

Fiscal Year	(a) Real Market Value	(b = a x 7.95%) Legal Debt Limitation (1)	(c) Net General Bonded Debt (2)	(b - c) Debt Margin	(c / b) Percentage of Debt to Debt Limit
2021-22	\$ 11,260,546,571	\$ 895,213,452	\$ 285,933,410	\$ 609,280,042	31.94 %
2020-21	10,210,055,250	811,699,392	210,030,324	601,669,068	25.88
2019-20	9,723,458,211	773,014,928	215,697,628	557,317,300	27.90
2018-19	8,974,044,265	713,436,519	214,261,860	499,174,659	30.03
2017-18	8,201,540,041	652,022,433	62,962,440	589,059,993	9.66
2016-17	7,408,585,584	588,982,554	70,978,608	518,003,946	12.05
2015-16	6,563,624,088	521,808,115	79,587,106	442,221,009	15.25
2014-15	5,892,815,978	468,478,870	87,802,198	380,676,672	18.74
2013-14	5,008,064,013	398,141,089	78,207,209	319,933,880	19.64
2012-13	5,261,997,790	418,328,824	85,367,844	332,960,980	20.41

(1) The legal debt limitation is calculated as 7.95% of real market value of property within the district.

(2) The general bonded indebtedness subject to the limitation may be offset by amounts set aside for repaying general bonded indebtedness. See Ratios of Net General Bonded Debt schedule.

Source: Oregon City School District No. 62 financial records

OREGON CITY SCHOOL DISTRICT NO. 62
 Clackamas County, Oregon
 Demographic and Economic Statistics
 Last Ten Fiscal Years

Fiscal Year	District Population Estimated (1)	County Personal Income (2) (x \$1,000)	County Per Capita Income (2)	District Student Enrollment (3)	County Unemployment Rate (4)	County Construction Activity (5)	
						Permits	Value (x \$1,000)
2021-22	\$ 69,434	\$ Unavailable	\$ Unavailable	6,262	3.5 %	78	\$ 19,164
2020-21	68,073	30,212,946	64,143	6,848	6.6	112	26,070
2019-20	66,738	27,315,706	64,791	7,490	10.7	122	29,786
2018-19	65,429	25,812,808	61,726	7,414	3.7	89	23,216
2017-18	64,146	24,385,155	58,608	7,412	4.0	8,467	1,009,448
2016-17	62,888	23,220,274	56,268	7,425	3.7	1,528	182,022
2015-16	61,655	20,965,832	51,379	7,535	4.3	88	19,797
2014-15	60,446	19,901,153	49,565	7,452	5.7	2,579	181,647
2013-14	59,261	19,240,407	48,713	7,487	6.2	1,217	119,460
2012-13	58,099	19,200,727	49,453	7,387	6.8	1,297	127,803

Certain data on this table is only available on a calendar year basis. The prior calendar year data is used for a given fiscal year.

Source: (1) Based on Portland State University Enrollment Forecasts
 (2) Bureau of Economic Analysis for Clackamas County. District-level data unavailable.
 (3) September student enrollment plus students enrolled in District Component Charter Schools
 (4) Oregon Employment Department for Clackamas County. District-level data unavailable.
 (5) Clackamas County Building Department for Clackamas County. District-level data unavailable.

June 30, 2022

OREGON CITY SCHOOL DISTRICT NO. 62
 Clackamas County, Oregon
 Full-Time Equivalent (FTE) Employees by Function
 Last Ten Fiscal Years

FUNCTION	2021-22	2020-21	2019-20	2018-19
General Fund:				
Instruction	411.9	455.5	451.4	446.3
Support Services	269.8	274.4	270.0	255.7
Enterprise/Community Services	4.8	2.4	3.5	3.5
Total General Fund	<u>686.5</u>	<u>732.3</u>	<u>724.9</u>	<u>705.5</u>
Special Revenue Funds:				
Instruction	88.4	48.0	33.5	30.0
Support Services	42.4	34.1	17.3	17.6
Enterprise/Community Services	36.5	37.2	36.7	36.5
Total Special Revenue Funds	<u>167.3</u>	<u>119.3</u>	<u>87.5</u>	<u>84.1</u>
Capital Projects Funds:				
Support Services	0.5	1.8	3.3	3.0
Facilities Acquisition/Construction	0.5	0.5	0.5	0.5
Total Capital Projects Funds	<u>1.0</u>	<u>2.3</u>	<u>3.8</u>	<u>3.5</u>
Internal Service Fund:				
Support Services	1.5	1.5	1.5	1.0
Total Internal Service Fund	<u>1.5</u>	<u>1.5</u>	<u>1.5</u>	<u>1.0</u>
Fiduciary Funds:				
Instruction	33.3	37.4	34.7	28.4
Support Services	11.8	10.7	10.2	10.7
Total Fiduciary Funds	<u>45.1</u>	<u>44.9</u>	<u>44.9</u>	<u>39.1</u>
Grand Total All Funds	<u><u>901.4</u></u>	<u><u>900.3</u></u>	<u><u>862.6</u></u>	<u><u>833.2</u></u>

Amounts represent full-time equivalent (FTE) positions at June 30.

Source: Oregon City School District No. 62, Human Resource Department

<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>
452.1	443.4	438.6	409.5	412.8	406.2
254.6	247.6	250.1	257.5	247.5	234.8
4.3	4.3	4.3	5.3	4.8	2.7
<u>711.0</u>	<u>695.3</u>	<u>692.9</u>	<u>672.3</u>	<u>665.1</u>	<u>643.7</u>
32.8	30.3	34.2	48.5	57.8	46.0
15.7	15.1	17.6	13.7	12.6	14.7
34.6	32.1	29.8	31.9	30.5	31.1
<u>83.1</u>	<u>77.5</u>	<u>81.6</u>	<u>94.1</u>	<u>100.9</u>	<u>91.8</u>
0.0	0.0				
0.0	0.0	0.0	0.0	0.0	0.0
<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
1.0	1.0	1.0	1.0	0.5	0.5
<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>0.5</u>	<u>0.5</u>
26.2	26.2	28.1	28.6	20.6	15.7
9.8	9.8	7.9	5.7	6.8	4.1
<u>36.0</u>	<u>36.0</u>	<u>35.9</u>	<u>34.3</u>	<u>27.4</u>	<u>19.8</u>
<u>831.1</u>	<u>809.8</u>	<u>811.5</u>	<u>801.7</u>	<u>793.9</u>	<u>755.8</u>

OREGON CITY SCHOOL DISTRICT NO. 62

Clackamas County, Oregon

Operating Statistics

Last Ten Fiscal Years

Fiscal Year	Enrollment	Non-GAAP Operating Expenditures (1)	Cost Per Pupil	Percentage Change	Expenditures (2)	Cost Per Pupil	Percentage Change	Pupil - Teacher Ratio	Percentage of Students Receiving Free or Reduced Price Meals
2021-22	6,262	\$ 109,572,072	\$ 17,498	15.52 %	\$ 169,534,807	\$ 27,074	-14.98 %	13.30 :1	28.5 %
2020-21	6,848	103,728,093	15,147	15.38	218,062,255	31,843	92.09	15.80 :1	32.9
2019-20	7,490	98,329,594	13,128	6.23	124,164,066	16,577	12.51	17.20 :1	28.3
2018-19	7,414	91,624,107	12,358	1.20	109,241,469	14,734	4.25	18.20 :1	29.8
2017-18	7,412	90,506,553	12,211	6.17	104,754,742	14,133	4.68	18.20 :1	34.4
2016-17	7,425	85,395,139	11,501	2.07	100,242,205	13,501	-6.95	15.50 :1	38.0
2015-16	7,535	84,901,975	11,268	2.42	109,326,047	14,509	14.16	18.50 :1	38.7
2014-15	7,452	81,987,089	11,002	7.28	95,759,084	12,850	7.81	18.80 :1	39.2
2013-14	7,487	76,781,432	10,255	3.10	89,239,598	11,919	-0.64	19.00 :1	39.0
2012-13	7,387	73,481,759	9,947	4.24	88,612,188	11,996	11.02	19.60 :1	39.5

(1) Operating expenditures include all General & Special Revenue Funds expenditures with the exception of facilities acquisition & construction, debt service, and other financing uses.

(2) Expenditures include all governmental fund types, but excludes other financing uses.

Source: Oregon City School District No. 62 financial records and various departments.

OREGON CITY SCHOOL DISTRICT NO. 62
 Clackamas County, Oregon
 Revenues and Other Financing Sources - General Fund (1)
 Non GAAP Budgetary Basis
 Last Ten Fiscal Years

	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>
<u>REVENUES AND OTHER FINANCING SOURCES:</u>				
Local Sources:				
Property Taxes (2)	\$ 30,243,665 33.16%	\$ 29,302,682 31.89%	\$ 27,999,784 30.55%	\$ 27,433,353 31.82%
Miscellaneous Local Sources	1,963,829 2.15%	1,231,797 1.34%	1,509,196 1.65%	2,005,527 2.33%
Total Local Sources	32,207,494 35.31%	30,534,479 33.23%	29,508,980 32.20%	29,438,880 34.15%
Intermediate Sources:	1,665,461 1.83%	1,638,683 1.78%	1,563,669 1.71%	963,643 1.12%
State Sources:				
School Support Fund	52,213,971 57.25%	54,573,990 59.39%	53,373,602 58.24%	50,952,895 59.11%
Miscellaneous and Restricted Grants	617,117 0.68%	125,660 0.14%	622,808 0.68%	899,794 1.04%
Total State Sources	52,831,088 57.93%	54,699,650 59.53%	53,996,410 58.92%	51,852,689 60.15%
Federal Sources	- 0.00%	12,107 0.01%	7,111 0.01%	34,069 0.04%
Other Financing Sources	39,605 0.04%	- 0.00%	- 0.00%	- 0.00%
Beginning Fund Balance Available for Appropriation	4,452,944 4.88%	5,009,912 5.45%	6,571,096 7.17%	3,913,934 4.54%
Total Revenues and Other Financing Sources	<u>\$ 91,196,592</u>	<u>\$ 91,894,831</u>	<u>\$ 91,647,266</u>	<u>\$ 86,203,215</u>

Note: The totals on percentages may not equal an even 100% due to rounding.

- (1) The General Fund accounts for the general operating revenues of the District.
 (2) Revenues are recognized when measurable and available.

Source: Oregon City School District No. 62 financial records

<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>
\$ 25,607,549 31.12%	\$ 24,516,105 31.22%	\$ 23,409,138 29.80%	\$ 22,164,575 29.62%	\$ 20,767,357 30.01%	\$ 19,712,770 29.88%
1,739,200 2.11%	1,627,088 2.07%	1,680,626 2.14%	1,627,124 2.17%	1,644,911 2.38%	1,879,953 2.85%
27,346,979 33.23%	26,143,193 33.29%	25,089,764 31.94%	23,791,699 31.79%	22,412,268 32.39%	21,592,723 32.73%
1,011,874 1.23%	812,538 1.03%	797,721 1.02%	383,586 0.51%	64 0.00%	42,344 0.06%
49,944,856 60.70%	45,070,857 57.39%	47,151,577 60.03%	45,607,400 60.95%	42,706,944 61.72%	38,521,576 58.40%
873,709 1.06%	1,674,134 2.13%	1,388,338 1.77%	1,463,184 1.96%	781,877 1.13%	1,012,485 1.53%
50,818,565 61.76%	46,744,991 59.52%	48,539,916 61.80%	47,070,584 62.91%	43,488,821 62.85%	39,534,061 59.93%
10,063 0.01%	15,466 0.02%	76,412 0.10%	9,821 0.01%	41,377 0.06%	42,851 0.06%
- 0.00%	1,516 0.00%	- 0.00%	120,000 0.16%	194,069 0.28%	- 0.00%
3,095,393 3.76%	4,816,838 6.13%	4,044,613 5.15%	3,452,802 4.61%	3,057,703 4.42%	4,754,153 7.21%
<u>\$ 82,282,874</u>	<u>\$ 78,534,542</u>	<u>\$ 78,548,426</u>	<u>\$ 74,828,492</u>	<u>\$ 69,194,302</u>	<u>\$ 65,966,132</u>

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Expenditures by Program - General Fund (1)
Non GAAP Budgetary Basis
Last Ten Fiscal Years

EXPENDITURES:	2021-22	2020-21	2019-20	2018-19
Instruction:				
Regular Instruction	\$ 31,695,086 37.08%	\$ 34,126,283 39.03%	\$ 33,957,632 39.20%	\$ 31,121,711 39.08%
Special Programs	20,927,142 24.48%	21,408,650 24.48%	20,913,743 24.14%	19,495,589 24.48%
Support Services:				
Students	7,581,102 8.87%	7,723,792 8.83%	7,832,820 9.04%	6,563,098 8.24%
Instructional Staff	1,987,041 2.32%	2,224,349 2.54%	2,390,043 2.76%	2,047,246 2.57%
General Administration	780,271 0.91%	617,032 0.71%	556,346 0.64%	574,897 0.72%
School Administration	4,549,301 5.32%	4,681,532 5.35%	4,435,937 5.12%	4,058,146 5.10%
Business:				
Direction and Fiscal Services	1,352,745 1.58%	1,612,860 1.84%	1,251,447 1.44%	1,223,849 1.54%
Operation and Maintenance of Plant	6,961,484 8.14%	6,396,994 7.32%	6,165,259 7.12%	5,845,022 7.34%
Student Transportation	5,902,256 6.91%	4,835,536 5.53%	5,219,552 6.02%	5,126,992 6.44%
Internal Services	328,572 0.38%	732,751 0.84%	688,289 0.79%	675,032 0.85%
Central Support	2,299,812 2.69%	2,274,907 2.60%	1,956,427 2.26%	1,860,844 2.34%
Enterprise/Community Services	785,880 0.92%	607,201 0.69%	866,312 1.00%	839,693 1.05%
Facilities Acquisition/Construction	- 0.00%	- 0.00%	3,547.00 0.00%	-
Debt Service	119,131 0.14%	- 0.00%	- 0.00%	- 0.00%
Other Uses - Transfers Out	200,000 0.23%	200,000 0.23%	400,000 0.46%	200,000 0.25%
Total Expenditures	<u>\$ 85,469,823</u>	<u>\$ 87,441,887</u>	<u>86,637,354</u>	<u>\$ 79,632,119</u>
Student Enrollment *	6,262	6,848	7,490	7,414
Expenditures/Other Uses Per Student	\$ 13,649	\$ 12,769	\$ 11,567	\$ 10,741

Note: The totals on percentages may not equal an even 100% due to rounding

(1) The General Fund accounts for the general operating expenditures and transfers of the District

* September student enrollment plus students enrolled in District Component Charter Schools

Source: Oregon City School District No. 62 financial records

<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>
\$ 31,218,535 39.86%	\$ 30,325,725 40.35%	\$ 29,993,757 40.57%	\$ 29,028,079 40.93%	\$ 27,037,742 40.97%	\$ 26,329,807 42.03%
18,415,635 23.51%	17,639,926 23.47%	17,694,257 23.93%	16,838,891 23.74%	15,985,584 24.22%	14,547,008 23.22%
6,832,544 8.72%	6,447,301 8.58%	6,079,694 8.22%	5,054,515 7.13%	4,033,429 6.11%	3,626,581 5.79%
1,641,405 2.10%	1,658,608 2.21%	1,633,523 2.21%	1,548,893 2.18%	1,400,104 2.12%	1,267,504 2.02%
514,963 0.66%	497,773 0.66%	467,005 0.63%	503,499 71.00%	484,161 73.00%	448,547 0.72%
3,936,592 5.03%	3,875,739 5.04%	3,877,328 5.24%	3,827,829 5.40%	3,773,458 5.72%	3,604,650 5.75%
1,189,829 1.52%	976,524 1.30%	1,090,253 1.47%	985,052 1.39%	941,162 1.43%	863,874 1.38%
5,832,038 7.45%	5,476,735 7.29%	5,547,934 7.50%	5,688,947 8.02%	5,260,815 7.97%	5,203,979 8.31%
4,985,024 6.36%	5,120,870 6.81%	4,557,155 6.16%	4,585,288 6.47%	4,288,875 6.41%	4,290,091 6.85%
693,165 88.00%	506,320 0.67%	463,497 0.63%	555,570 0.78%	460,237 0.70%	347,947 0.56%
2,011,079 2.57%	1,687,052 2.24%	1,677,524 2.27%	1,510,276 2.13%	1,613,750 2.45%	1,594,691 2.55%
796,808 1.02%	818,324 1.09%	793,657 1.07%	671,696 0.95%	587,134 0.89%	523,197 0.84%
10,410 0.01%	167.00 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%
- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%
250,000 0.32%	210,000 0.28%	55,000 0.07%	120,000 0.17%	194,069 0.29%	- 0.00%
<u>\$ 78,328,027</u>	<u>\$ 75,151,064</u>	<u>\$ 73,930,584</u>	<u>\$ 70,918,535</u>	<u>\$ 66,000,520</u>	<u>\$ 62,647,876</u>
7,412	7,425	7,535	7,452	7,487	7,387
\$ 10,568	\$ 10,121	\$ 9,812	\$ 9,517	\$ 8,815	\$ 8,481

OREGON CITY SCHOOL DISTRICT NO. 62

Clackamas County, Oregon

Capital Asset Information

Last Ten Fiscal Years

Elementary Schools:	Year Built	2021-22	2020-21	2019-20	2018-19
Beavercreek	1948				
Square Feet		56,150	56,150	56,150	56,150
Preferred Student Capacity		560	560	560	560
Enrollment		470	559	529	529
Candy Lane	1969				
Square Feet		34,930	34,930	34,930	34,930
Preferred Student Capacity		200	200	200	200
Enrollment		388	224	202	269
Gaffney Lane	1965				
Square Feet		56,828	56,828	56,828	56,828
Preferred Student Capacity		600	600	600	600
Enrollment		448	538	535	544
Holcomb	1966				
Square Feet		51,090	51,090	51,090	51,090
Preferred Student Capacity		661	661	661	661
Enrollment		533	555	588	505
Jennings Lodge	1938				
Square Feet		31,980	31,980	31,980	31,980
Preferred Student Capacity		275	275	275	275
Enrollment		0	163	239	274
John McLoughlin	1975				
Square Feet		57,780	57,780	57,780	57,780
Preferred Student Capacity		583	583	583	583
Enrollment		617	656	635	615
Redland	1948				
Square Feet		55,000	55,000	55,000	55,000
Preferred Student Capacity		607	607	607	607
Enrollment		499	566	545	553
Middle Schools:					
Mt. Pleasant (Gardiner grade 6)	(2) 1929				
Square Feet		-	-	-	-
Preferred Student Capacity	(1)	-	-	-	-
Enrollment		-	-	-	-
Gardiner (grades 6-8)	1954/				
Square Feet	2013	106,890	106,890	106,890	106,890
Preferred Student Capacity		853	853	853	853
Enrollment		674	808	852	796
Ogden	1965/				
Square Feet	2012	107,538	107,538	107,538	107,538
Preferred Student Capacity		896	896	896	896
Enrollment		663	857	894	870
High Schools:					
Oregon City High School	2003				
Square Feet		323,000	323,000	323,000	323,000
Preferred Student Capacity		2,450	2,450	2,450	2,450
Enrollment		1,970	1,922	2,018	2,023
King -Charter High Schools	(3) 1958				
Square Feet		44,220	44,220	44,220	44,220
Preferred Student Capacity				400	400
Enrollment		-	-	-	152.00
Total Enrollment (4)		6,262	6,848	7,037	7,192

(1) Mt Pleasant Elementary became a sixth grade campus for one year in 2012-13.

(2) Mt Pleasant was sold in 2014-15.

(3) King Elementary became a Charter High School in 2012-13.

(4) Total Enrollment only includes student count at the sites and does not include district campus enrolled in other programs on campus sites or off campus and does not include District Charter Schools

Source: Oregon City School District No. 62 property records and Oregon Department of Education - QTR 4 Student Enrollment

2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
56,150	56,150	56,150	56,150	56,150	56,150
560	560	560	560	560	560
533	530	539	548	480	432
34,930	34,930	34,930	34,930	34,930	34,930
200	200	200	200	200	200
271	268	309	252	235	182
56,828	56,828	56,828	56,828	56,828	56,828
583	600	600	600	600	600
547	583	566	533	536	570
51,090	51,090	51,090	51,090	51,090	51,090
661	661	661	661	661	661
490	489	488	536	547	542
31,980	31,980	31,980	31,980	31,980	31,980
275	275	275	275	275	275
267	279	237	312	292	293
57,780	57,780	57,780	57,780	57,780	57,780
583	583	583	583	583	583
598	580	556	561	545	557
55,000	55,000	55,000	55,000	55,000	55,000
607	607	607	607	607	607
561	542	529	539	547	544
-	-	50,150	50,150	50,150	50,150
-	-	560	560	560	560
-	-	-	-	258	403
106,890	106,890	106,890	98,600	98,600	98,600
853	853	853	613	613	613
782	774	762	775	587	625
107,538	107,538	107,538	107,538	100,370	100,370
896	896	896	896	656	656
835	824	876	888	898	608
323,000	323,000	323,000	304,440	323,000	323,000
2,450	2,450	2,450	2,450	2,450	2,450
2,023	2,099	2,187	2,199	2,187	2,200
44,220	44,220	44,220	44,220	44,220	44,220
400	400	400	400	400	400
-	-	-	-	275	375
6,907	6,968	7,049	7,143	7,129	6,928

OREGON CITY SCHOOL DISTRICT NO. 62
 Clackamas County, Oregon
 Licensed Staff Full-Time Equivalents (FTE) by Education Range and Step
 June 30, 2022

Step	B.A. Degree	B.A. Degree +24 Hrs.	B.A. Degree +45 Hrs.	Master's or B.A. Degree +60 Hrs.	Master's +24 Hrs. or B.A. Degree +84 Hrs.	Master's +45 Hrs. or B.A. Degree +105 Hrs.	Total FTE
1							0.00
2							0.00
3	10.00	3.00	1.00	16.00		3.00	33.00
4	3.00		1.00	6.00	2.00	3.00	15.00
5	1.00			8.00	2.00	6.25	17.25
6	1.00			10.64	1.00	1.50	14.14
7	1.00		1.00	10.50	2.00	2.00	16.50
8	2.00			9.00	8.50	3.00	22.50
9	1.00		1.00	10.30	4.80	5.00	22.10
10	0.50			9.00	3.00	8.00	20.50
11	2.00			11.00	5.00	7.50	25.50
12	1.00			4.00	6.75	3.00	14.75
13	3.00	2.00		7.35	1.50	11.00	24.85
14		7.00		11.00	1.60	5.00	24.60
15			2.00	11.00	4.00	7.00	24.00
16				5.30	2.40	9.50	17.20
17				43.75	38.00	12.55	94.30
18						86.10	86.10
Total FTE	<u>25.50</u>	<u>12.00</u>	<u>6.00</u>	<u>172.84</u>	<u>82.55</u>	<u>173.40</u>	<u>472.29</u>

Estimated Average Teacher Salary: \$ 74,232

Source: Oregon City School District No. 62 Human Resources Department.

OREGON CITY SCHOOL DISTRICT NO. 62

Clackamas County, Oregon
Miscellaneous Statistical Data
Last Ten Fiscal Years

Fiscal Year	High School Graduates	Student per Teacher Ratio (1)	Nutrition Services		Pupil Transportation	
			Lunches Served	Other Meals and Snacks	Miles Driven	Students Served
2021-22	446	13.3	487,267	247,834	1,068,496	3,912
2020-21	473	15.8	211,406	321,139	311,130	8,925
2019-20	445	17.2	370,685	143,467	820,683	4,090
2018-19	460	18.2	469,115	149,937	1,084,048	4,641
2017-18	490	18.2	468,578	238,546	1,068,598	4,611
2016-17	518	15.5	465,878	221,650	1,056,845	3,886
2015-16	548	18.5	503,744	221,650	1,080,033	4,347
2014-15	514	18.8	491,218	230,716	1,145,032	4,029
2013-14	454	19.0	488,944	256,640	1,064,608	4,489
2012-13	481	19.6	512,090	283,046	942,184	4,874

(1) Includes Classroom, Music, Physical Education, and Special Education Teachers as well as Media Specialists and Counselors. Based on September student enrollment and includes District Component Charter Schools.

(2) The district transportation department needs to re-tabulate due to the effects of the COVID virus.

Source: Oregon City School District No. 62, various departments.

OREGON CITY SCHOOL DISTRICT NO. 62
Revenues and Other Financing Sources - All Funds
Non GAAP Budgetary Basis
Last Ten Fiscal Years

	2021-22	2020-21	2019-20	2018-19 (3)
<u>REVENUES AND OTHER FINANCING SOURCES:</u>				
Local sources:				
Current/prior years' taxes (1)	\$ 37,853,224	\$ 36,473,159	\$ 35,124,581	\$ 33,637,399
Earnings on investments	458,617	989,931	5,232,409	3,797,371
Food services	66,598	1,615	618,774	784,005
Extracurricular activities	1,587,518	400,526	1,883,246	2,828,278
Community service activities	1,773,539	1,285,236	1,290,256	1,931,714
Miscellaneous	10,491,115	8,023,816	7,552,285	5,886,955
Total local sources	<u>52,230,611</u>	<u>47,174,283</u>	<u>51,701,551</u>	<u>48,865,722</u>
Intermediate sources:				
ESD funds	1,665,461	1,647,373	1,561,108	1,659,392
Miscellaneous	94,207	128,119	46,374	91,565
Total intermediate sources	<u>1,759,668</u>	<u>1,775,492</u>	<u>1,607,482</u>	<u>1,750,957</u>
State sources:				
School support fund	51,272,676	51,218,209	53,249,564	53,747,710
SSF - transportation	5,895,000	3,823,813	5,106,343	1,266,687
Common school fund	880,878	849,626	715,901	885,728
Restricted grants	9,247,107	11,760,585	2,168,337	1,387,326
Miscellaneous	773,475	471,977	515,977	906,515
Total state sources	<u>68,069,136</u>	<u>68,124,210</u>	<u>61,756,122</u>	<u>58,193,966</u>
Federal sources:				
School nutrition	3,244,882	2,158,867	1,148,150	1,178,735
Restricted grants	8,139,482	6,555,752	4,754,613	4,129,096
Miscellaneous	-	-	-	31,205
Total federal sources	<u>11,384,364</u>	<u>8,714,619</u>	<u>5,902,763</u>	<u>5,339,036</u>
Other financing sources:				
Transfers in	200,000	200,000	400,000	200,000
Lease purchase proceeds	-	-	-	163,800
Loan proceeds	-	-	2,100,000	-
Bond proceeds	80,339,605	7,535,000	-	175,869,731
Sale or compensation for loss of capital assets	-	-	14,380	4,441,119
Total other financing sources	<u>80,539,605</u>	<u>7,735,000</u>	<u>2,514,380</u>	<u>176,677,650</u>
Beginning fund balance available for appropriation (2)	<u>58,976,151</u>	<u>151,503,392</u>	<u>181,549,265</u>	<u>11,968,908</u>
Total revenues and other financing sources	<u>\$ 272,959,535</u>	<u>\$ 285,026,996</u>	<u>\$ 305,031,563</u>	<u>\$ 302,796,239</u>

(1) Revenues are recognized when measurable and available.

(2) Does not include fund balance reserved for encumbrances.

(3) General obligation bond refunding caused a significant increase in other financing sources.

Source: Oregon City School District No. 62 financial records

2017-18	2016-17	2015-16	2014-15	2013-14	2012-13 (3)
\$ 32,528,791	\$ 32,145,125	\$ 30,952,392	\$ 29,276,856	\$ 27,580,481	\$ 26,513,339
497,541	373,216	282,327	158,809	127,964	135,352
726,479	658,489	654,650	627,501	652,412	694,671
2,978,817	2,469,635	2,767,164	2,197,457	2,351,397	2,366,570
1,716,336	1,622,979	1,609,032	1,392,297	1,143,158	1,186,587
5,845,475	5,560,646	5,450,722	5,652,170	5,333,824	5,431,920
<u>44,293,439</u>	<u>42,830,091</u>	<u>41,716,287</u>	<u>39,305,090</u>	<u>37,189,236</u>	<u>36,328,439</u>
1,719,632	1,544,944	1,570,214	1,136,944	767,026	788,540
19,303.00		23,875	21,067	38,538	58,056
<u>1,738,935</u>	<u>1,544,944</u>	<u>1,594,090</u>	<u>1,158,011</u>	<u>805,564</u>	<u>846,596</u>
49,035,197	45,639,701	46,538,935	45,299,224	41,819,628	37,528,883
5,079,705	3,353,077	3,762,935	2,950,397	3,061,744	3,081,126
761,380	942,191	893,542	741,068	349,970	731,466
331,776	177,725	1,029,042	906,575	540,976	9,250
1,985,382	712,896	483,333	590,440	410,035	906,075
<u>57,193,440</u>	<u>50,825,589</u>	<u>52,707,787</u>	<u>50,487,704</u>	<u>46,182,353</u>	<u>42,256,800</u>
1,208,760	1,278,409	1,446,811	1,306,545	644,000	1,318,774
3,615,665	3,857,190	3,667,226	3,901,761	4,783,660	3,420,393
8,521	15,466	76,412	9,821	41,377	42,851
<u>4,832,946</u>	<u>5,151,065</u>	<u>5,190,449</u>	<u>5,218,127</u>	<u>5,469,037</u>	<u>4,782,018</u>
250,000	324,000	55,000	380,000	305,931	103,782
142,830	149,505	187,179	-	100,081	-
2,249,436	447,386	525,000	16,140,000	1,023,500	5,150,000
-	-	-	1,865,440	-	38,941,785
1,502,528	1,516	11,200	2,328,523	127,049	374,800
<u>4,144,794</u>	<u>922,407</u>	<u>778,379</u>	<u>20,713,963</u>	<u>1,556,561</u>	<u>44,570,367</u>
8,545,678	11,225,945	22,488,116	8,775,708	9,646,030	10,107,357
<u>\$ 120,749,232</u>	<u>\$ 112,500,041</u>	<u>\$ 124,475,107</u>	<u>\$ 125,658,603</u>	<u>\$ 100,848,779</u>	<u>\$ 138,891,577</u>

OREGON CITY SCHOOL DISTRICT NO. 62
 Clackamas County, Oregon
 Expenditures and Other Financing Uses by Program - All Funds
 Non GAAP Budgetary Basis
 Last Ten Fiscal Years

	2021-22	2020-21	2019-20 (3)	2018-19 (1)
EXPENDITURES:				
Instruction:				
Regular instruction:				
Elementary	\$ 17,548,884	\$ 16,966,259	\$ 16,216,928	\$ 15,194,618
Middle school	10,555,683	10,196,867	9,548,478	8,403,888
High school	15,168,488	11,315,788	14,575,361	13,863,715
Special programs:				
Restrictive programs	6,159,755	6,965,115	3,836,566	6,736,262
Less restrictive programs	4,629,562	4,859,230	4,727,983	4,081,389
Charter School Payments	10,649,774	9,934,347	8,477,312	7,769,800
Other programs	3,711,201	2,784,621	3,596,235	3,470,480
Total instruction	<u>68,423,347</u>	<u>63,022,227</u>	<u>63,978,863</u>	<u>59,520,152</u>
Support services:				
Students:				
Guidance/health services	3,961,992	3,266,927	3,429,671	2,934,849
Psychological/speech services	2,758,722	2,819,470	2,596,741	2,475,810
Student support direction	2,488,855	2,303,249	2,301,453	1,911,269
Other	1,587,270	1,125,079	1,290,789	1,108,091
Instructional staff support:				
Educational media services	1,052,884	939,361	912,442	833,020
Other	1,649,585	1,982,674	1,995,986	1,710,171
General administration	882,137	668,188	556,345	575,770
School administration	6,290,304	4,817,236	5,014,296	4,569,258
Business:				
Direction and fiscal services	3,159,436	2,958,859	2,316,713	1,444,991
Operation and maintenance	10,343,507	8,403,946	7,687,984	6,325,485
Student transportation	8,434,682	6,296,402	5,961,272	5,770,942
Internal services	1,362,407	1,414,877	1,276,597	1,218,583
Central support	77,295,154	3,868,851	2,814,090	2,658,695
Total support services	<u>121,266,935</u>	<u>40,865,119</u>	<u>38,154,379</u>	<u>33,536,934</u>
Enterprise/community services:				
Food services	2,981,100	2,532,058	2,463,321	2,550,002
Community education	475,302	453,134	718,399	723,526
Child care services	1,168,709	1,284,818	1,442,207	1,212,467
Other	218,311	199,619	184,665	173,307
Total enterprise/community services	<u>4,843,422</u>	<u>4,469,629</u>	<u>4,808,592</u>	<u>4,659,302</u>
Facilities acquisition/construction	<u>38,640,139</u>	<u>96,583,746</u>	<u>23,959,516</u>	<u>3,266,937</u>
Debt service	<u>17,184,003</u>	<u>20,896,678</u>	<u>22,226,821</u>	<u>20,063,649</u>
Other financing uses: transfers out	<u>200,000</u>	<u>200,000</u>	<u>400,000</u>	<u>200,000</u>
Total expenditures and other financing uses	<u>\$ 250,557,846</u>	<u>\$ 226,037,399</u>	<u>\$ 153,528,171</u>	<u>\$ 121,246,974</u>

(1) General obligation bond refunding caused a significant increase in debt service.

(2) Facilities and Acquisition increase for construction of Transportation & Maintenance Facility

(3) Facilities and Acquisition increase for construction costs from General Obligation Bond projects

Source: Oregon City School District No. 62 financial records

2017-18	2016-17	2015-16 (2)	2014-15	2013-14	2012-13 (1)
\$ 14,714,389	\$ 14,372,104	\$ 14,251,229	\$ 13,719,411	\$ 1,260,192	\$ 11,756,731
8,493,606	7,631,239	7,307,658	7,194,299	6,947,250	6,845,765
13,674,208	12,988,113	13,714,094	13,205,323	11,956,671	11,344,259
6,828,746	6,402,457	6,683,427	7,139,815	7,771,745	5,641,289
3,773,986	3,287,734	3,144,562	3,268,731	2,664,210	2,589,100
6,776,853	6,600,180	6,692,059	5,978,326	5,364,726	4,474,877
3,770,691	3,711,524	3,634,393	3,373,772	3,426,048	4,719,677
<u>58,032,479</u>	<u>54,993,352</u>	<u>55,427,421</u>	<u>53,879,677</u>	<u>50,390,842</u>	<u>47,371,698</u>
2,851,778	2,541,795	2,023,653	2,446,946	226,392	1,981,756
2,378,779	2,232,570	2,082,733	1,974,578	1,647,988	1,495,002
2,341,459	2,304,888	2,169,853	1,208,656	648,173	640,761
918,100	948,656	1,283,155	689,972	520,161	377,411
808,609	890,281	915,901	908,837	824,817	839,025
1,296,523	1,287,669	1,248,430	1,278,354	1,372,967	1,181,789
514,963	497,773	494,339	504,257	484,734	448,930
4,471,954	4,265,074	4,303,339	4,245,195	4,085,597	3,965,966
1,203,661	1,051,570	1,115,516	1,028,412	980,928	905,903
5,989,108	5,861,254	5,892,487	6,033,602	5,761,176	5,541,183
5,631,851	5,445,168	5,549,379	5,198,941	4,867,074	4,815,672
1,230,096	1,095,433	1,087,301	906,040	923,252	844,715
2,223,556	1,980,857	2,183,896	1,909,639	1,909,168	2,193,608
<u>31,860,437</u>	<u>30,402,988</u>	<u>30,349,982</u>	<u>28,333,429</u>	<u>24,252,427</u>	<u>25,231,721</u>
2,574,619	2,288,072	2,365,490	2,196,862	2,181,957	2,127,201
650,996	589,440	740,367	620,967	562,777	464,667
1,176,657	957,620	934,813	1,005,769	826,062	869,937
178,318	306,515	131,636	122,546	118,896	188,247
<u>4,580,590</u>	<u>4,141,646</u>	<u>4,172,305</u>	<u>3,946,144</u>	<u>3,689,692</u>	<u>3,650,052</u>
<u>2,176,662</u>	<u>1,523,239</u>	<u>11,143,553</u>	<u>979,299</u>	<u>1,262,617</u>	<u>4,462,018</u>
<u>11,880,156</u>	<u>12,569,138</u>	<u>12,100,899</u>	<u>15,651,937</u>	<u>10,521,521</u>	<u>48,857,802</u>
<u>250,000</u>	<u>324,000</u>	<u>55,000</u>	<u>380,000</u>	<u>305,931</u>	<u>103,782</u>
<u>\$ 108,780,325</u>	<u>\$ 103,954,363</u>	<u>\$ 113,249,161</u>	<u>\$ 103,170,486</u>	<u>\$ 90,423,030</u>	<u>\$ 129,677,073</u>

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Oregon Department of Education - Form 3211C
Public School System Support Data
For the Fiscal Year Ended June 30, 2022

A. **Energy Bill for Heating - All Funds**

All funds total expenditures for electricity and heating fuel, objects 325 and 326:

Function 2540

\$ 1,073,629

Function 2550

\$ 21,197

B. **Replacement of Equipment - General Fund**

General Fund expenditures for replacement of equipment (object code 542),
for all functions except 1113, 1122, 1132, 1140, 1300, 1400, 4150,
2550, 3100, and 3300 were:

\$ 154,469

OTHER INFORMATION

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
District Revenue Audit Summary - All Funds
For the Fiscal Year Ended June 30, 2022

	Totals	Fund 100	Fund 200	Fund 300	Fund 400	Fund 600	Fund 700
Revenue from Local Sources							
1110 Ad Valorem Taxes Levied by District	\$ 37,883,890	\$ 30,274,331	\$ -	\$ 7,609,559	\$ -	\$ -	\$ -
1120 Local Option Ad Valorem Taxes Levied by District	-	-	-	-	-	-	-
1130 Construction Excise Tax	776,091	-	-	-	776,091	-	-
1190 Penalties and Interest on Taxes	86,637	69,221	-	17,416	-	-	-
1200 Revenue from Local Governmental Units Other Than Districts	-	-	-	-	-	-	-
1311 Regular Day School Tuition - From Individuals	-	-	-	-	-	-	-
1312 Regular Day School Tuition - Other Dist Within State	-	-	-	-	-	-	-
1313 Regular Day School Tuition - Other Districts Outside	-	-	-	-	-	-	-
1320 Adult/Continuing Education Tuition	-	-	-	-	-	-	-
1330 Summer School Tuition	-	-	-	-	-	-	-
1411 Transportation Fees - From Individuals	-	-	-	-	-	-	-
1412 Transportation Fees - Other Dist Within State	-	-	-	-	-	-	-
1413 Transportation Fees - Other Districts Outside	-	-	-	-	-	-	-
1420 Summer School Transportation Fees	-	-	-	-	-	-	-
1430 Miscellaneous Transportation	30,034	30,034	-	-	-	-	-
1500 Earnings on Investments	215,967	(33,487)	6,798	10,164	230,032	2,243	217
1600 Food Service	66,598	-	66,598	-	-	-	-
1700 Extracurricular Activities	1,587,519	183,904	1,377,312	-	7,350	-	18,953
1800 Community Services Activities	1,773,539	795,516	978,023	-	-	-	-
1910 Rentals	232,679	218,797	2,688	-	11,194	-	-
1920 Contributions and Donations From Private Sources	143,364	1,354	7,849	-	132,078	-	2,083
1930 Rental or Lease Payments From Private Contractors	-	-	-	-	-	-	-
1940 Services Provided Other Local Education Agencies	33,606	-	33,606	-	-	-	-
1950 Textbook Sales and Rentals	-	-	-	-	-	-	-
1960 Recovery of Prior Years' Expenditure	199,908	(2,131)	2,385	-	6,473	193,181	-
1970 Services Provided Other Funds	7,682,129	-	11,618	6,857,806	-	812,705	-
1980 Fees Charged to Grants	553,094	553,094	-	-	-	-	-
1990 Miscellaneous	965,556	116,861	24,757	-	817,711	6,227	-
Total Revenue from Local Sources	52,230,611	32,207,494	2,511,634	14,494,945	1,980,929	1,014,356	21,253
Revenue from Intermediate Sources							
2101 County School Funds	-	-	-	-	-	-	-
2102 General ESD Revenue	1,665,461	1,665,461	-	-	-	-	-
2103 Excess ESD Local Revenue	-	-	-	-	-	-	-
2105 Natural Gas, Oil, and Mineral Receipts	-	-	-	-	-	-	-
2110 Intermediate "I" Tax	-	-	-	-	-	-	-
2199 Other Intermediate Sources	31,000	-	31,000	-	-	-	-
2200 Restricted Revenue	63,207	-	63,207	-	-	-	-
2800 Revenue in Lieu of Taxes	-	-	-	-	-	-	-
2900 Revenue for/on Behalf of the District	-	-	-	-	-	-	-
Total Revenue from Intermediate Sources	1,759,668	1,665,461	94,207	-	-	-	-
Revenue from State Sources							
3101 State School Fund - General Support	51,251,128	46,678,093	250,000	-	-	-	4,323,035
3102 State School Fund - School Lunch Match	21,548	-	21,548	-	-	-	-
3103 Common School Fund	880,878	880,878	-	-	-	-	-
3104 State Managed County Timber	48,554	48,554	-	-	-	-	-
3105 State School Fund - Transportation	4,655,000	4,655,000	-	-	-	-	-
3106 State School Fund - Accrual	-	-	-	-	-	-	-
3199 Other Unrestricted Grants-in-Aid	694,786	538,428	156,358	-	-	-	-
3204 Driver Education	30,135	30,135	-	-	-	-	-
3222 State School Fund (SSF) Transportation Equipment	1,240,000	-	640,000	-	600,000	-	-
3223 State School Fund - Lunch	-	-	-	-	-	-	-
3299 Other Restricted Grants-in-Aid	9,247,107	-	8,757,169	-	35,928	-	454,010
3800 Revenue in Lieu of Taxes	-	-	-	-	-	-	-
3900 Revenue for/on Behalf of the District	-	-	-	-	-	-	-
Total Revenue from State Sources	68,069,136	52,831,088	9,825,075	-	635,928	-	4,777,045
Revenue from Federal Sources							
4100 Unrestricted Revenue Direct From the Federal Government	-	-	-	-	-	-	-
4200 Unrestricted Revenue From the Federal Government Through the State	-	-	-	-	-	-	-
4300 Restricted Revenue From the Federal Government	-	-	-	-	-	-	-
4500 Restricted Revenue From the Federal Government Through the State	11,020,165	-	10,654,222	-	-	-	365,943
4700 Grants-in-Aid From the Federal Government Through Other Intermediate Agencies	155,376	-	155,376	-	-	-	-
4801 Federal Forest Fees	-	-	-	-	-	-	-
4802 Impact Aid to School Districts for Operation (PL 874)	-	-	-	-	-	-	-
4803 Coos Bay Wagon Road Funds	-	-	-	-	-	-	-
4899 Other Revenue in Lieu of Taxes	-	-	-	-	-	-	-
4900 Revenue for/on Behalf of the District	208,823	-	208,823	-	-	-	-
Total Revenue from Federal Sources	11,384,364	-	11,018,421	-	-	-	365,943
Revenue from Other Sources							
5100 Long Term Debt Financing Sources	80,339,605	39,605	3,700,000	74,500,000	2,100,000	-	-
5200 Interfund Transfers	200,000	-	100,000	-	-	100,000	-
5300 Sale of or Compensation for Loss of Capital Assets	-	-	-	-	-	-	-
5400 Resources - Beginning Fund Balance	58,976,151	4,452,944	1,875,423	2,310,893	49,637,543	468,214	231,134
Total Revenue from Other Sources	139,515,756	4,492,549	5,675,423	76,810,893	51,737,543	568,214	231,134
Grand Total	\$ 272,959,535	\$ 91,196,592	\$ 29,124,760	\$ 91,305,838	\$ 54,354,400	\$ 1,582,570	\$ 5,395,375

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
District Expenditure Audit Summary - General Fund
For the Fiscal Year Ended June 30, 2022

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Instruction Expenditures								
1111 Elementary, K-5 or K-6	\$ 12,584,570	\$ 8,281,236	\$ 3,956,756	\$ 202,399	\$ 143,617	\$ -	\$ 562	\$ -
1113 Elementary Extracurricular	-	-	-	-	-	-	-	-
1121 Middle/Junior High Programs	8,633,518	5,830,097	2,695,696	19,481	88,244	-	-	-
1122 Middle/Junior High School Extracurricular	113,380	77,665	17,762	719	17,084	-	150	-
1131 High School Programs	9,825,855	6,502,904	2,904,441	14,646	396,752	-	7,112	-
1132 High School Extracurricular	537,763	327,848	65,857	115,723	8,466	-	19,869	-
1140 Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210 Programs for the Talented and Gifted	18,395	1,145	272	-	16,978	-	-	-
1220 Restrictive Programs for Students with Disabilities	5,489,475	2,492,388	1,337,543	1,650,917	8,627	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	4,310,881	2,795,848	1,495,428	2,324	17,281	-	-	-
1260 Treatment and Habilitation	-	-	-	-	-	-	-	-
1271 Remediation	-	-	-	-	-	-	-	-
1272 Title I	-	-	-	-	-	-	-	-
1280 Alternative Education	9,329,970	138,819	74,185	9,114,561	2,405	-	-	-
1291 English Second Language Programs	1,765,338	1,183,163	561,021	19,382	1,772	-	-	-
1292 Teen Parent Program	-	-	-	-	-	-	-	-
1293 Migrant Education	-	-	-	-	-	-	-	-
1294 Youth Corrections Education	-	-	-	-	-	-	-	-
1299 Other Programs	88	71	17	-	-	-	-	-
1300 Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400 Summer School Programs	12,995	10,185	2,810	-	-	-	-	-
Total Instruction Expenditures	\$ 52,622,228	\$ 27,641,369	\$ 13,111,788	\$ 11,140,152	\$ 701,226	\$ -	\$ 27,693	\$ -
Support Services Expenditures								
2110 Attendance and Social Work Services	\$ 208,867	\$ 128,476	\$ 73,309	\$ 5,536	\$ 1,546	\$ -	\$ -	\$ -
2120 Guidance Services	1,541,547	1,042,414	493,764	659	4,710	-	-	-
2130 Health Services	928,085	471,051	192,352	262,553	2,129	-	-	-
2140 Psychological Services	822,018	576,700	236,933	220	8,165	-	-	-
2150 Speech Pathology and Audiology Services	1,659,778	1,097,145	491,452	65,741	5,165	-	275	-
2160 Other Student Treatment Services	355,784	226,295	119,103	3,170	7,216	-	-	-
2190 Service Direction, Student Support Services	2,065,023	1,184,565	554,753	278,881	45,166	-	1,658	-
2210 Improvement of Instruction Services	612,303	84,697	36,688	10,489	479,834	-	595	-
2220 Educational Media Services	960,347	573,013	329,500	1,637	52,622	-	3,575	-
2230 Assessment & Testing	25,887	18,473	7,414	-	-	-	-	-
2240 Instructional Staff Development	388,504	7,675	253,819	120,947	6,063	-	-	-
2310 Board of Education Services	129,343	37,246	13,720	49,386	17,855	-	11,136	-
2320 Executive Administration Services	650,928	380,326	164,413	70,021	33,268	-	2,900	-
2410 Office of the Principal Services	4,549,301	2,976,715	1,387,374	87,032	64,512	-	33,668	-
2490 Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510 Direction of Business Support Services	170,807	101,667	30,888	10,114	69	-	28,069	-
2520 Fiscal Services	1,181,938	705,904	299,390	105,937	37,700	-	33,007	-
2540 Operation and Maintenance of Plant Services	6,961,484	2,647,837	1,488,059	2,322,499	436,431	65,197	1,461	-
2550 Student Transportation Services	5,902,256	3,021,838	1,785,386	271,779	610,018	70,568	142,667	-
2570 Internal Services	328,572	98,278	54,028	17,816	6,535	39,605	112,310	-
2610 Direction of Central Support Services	-	-	-	-	-	-	-	-
2620 Planning, Research, Development, Evaluation Services, Grant	-	-	-	-	-	-	-	-
Writing and Statistical Services	13,500	-	-	13,500	-	-	-	-
2630 Information Services	275,957	170,479	72,945	16,371	12,891	-	3,271	-
2640 Staff Services	668,375	427,951	148,567	33,070	56,462	-	2,325	-
2660 Technology Services	1,195,246	364,610	181,681	482,280	147,726	14,688	4,261	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2680 Interpretation and Translation Services	485	-	-	485	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	-	-	-	-	-	-	-	-
Total Support Services Expenditures	\$ 31,742,584	\$ 16,486,571	\$ 8,418,571	\$ 4,230,123	\$ 2,036,083	\$ 190,058	\$ 381,178	\$ -
Enterprise and Community Services Expenditures								
3100 Food Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	613,132	345,149	134,427	70,241	61,219	-	2,096	-
3500 Custody and Care of Children Services	172,748	145,780	26,968	-	-	-	-	-
Total Enterprise and Community Services Expenditures	\$ 785,880	\$ 490,929	\$ 161,395	\$ 70,241	\$ 61,219	\$ -	\$ 2,096	\$ -
Facilities Acquisition and Construction Expenditures								
4110 Service Area Direction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4120 Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150 Building Acquisition, Construction, and Improvement Services	-	-	-	-	-	-	-	-
4180 Other Capital Items	-	-	-	-	-	-	-	-
4190 Other Facilities Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Uses Expenditures								
5100 Debt Service	\$ 119,131	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 119,131	\$ -
5200 Transfers of Funds	200,000	-	-	-	-	-	-	200,000
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures	\$ 319,131	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 119,131	\$ 200,000
Grand Total	\$ 85,469,823	\$ 44,618,869	\$ 21,691,754	\$ 15,440,516	\$ 2,798,528	\$ 190,058	\$ 530,098	\$ 200,000

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
District Expenditure Audit Summary - Special Revenue Funds
For the Fiscal Year Ended June 30, 2022

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Instruction Expenditures								
1111 Elementary, K-5 or K-6	\$ 4,697,441	\$ 2,911,332	\$ 1,456,689	\$ 329,420	\$ -	\$ -	\$ -	\$ -
1112 Intermediate, 4-6	10,030	-	-	10,030	-	-	-	-
1113 Elementary Extracurricular	80,603	500	-	2,958	77,145	-	-	-
1121 Middle/Junior High Programs	570,973	348,514	124,184	38,362	55,253	-	4,660	-
1122 Middle/Junior High School Extracurricular	257,060	5,151	2,153	139,338	36,178	-	74,240	-
1131 High School Programs	1,179,189	679,932	336,505	113,704	44,849	-	4,199	-
1132 High School Extracurricular	1,077,270	119,822	17,516	190,366	601,299	12,571	135,696	-
1140 Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210 Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220 Restrictive Programs for Students with Disabilities	670,280	447,664	221,234	597	785	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	318,682	187,220	83,516	47,713	233	-	-	-
1260 Treatment and Habilitation	-	-	-	-	-	-	-	-
1271 Remediation	8,440	6,472	1,968	-	-	-	-	-
1272 Title I	410,419	248,666	143,576	49	14,080	-	4,048	-
1280 Alternative Education	1,571,766	25,378	11,175	1,535,213	-	-	-	-
1291 English Second Language Programs	35,527	8,655	2,518	3,651	19,129	-	1,574	-
1292 Teen Parent Program	-	-	-	-	-	-	-	-
1293 Migrant Education	-	-	-	-	-	-	-	-
1294 Youth Corrections Education	-	-	-	-	-	-	-	-
1299 Other Programs	859,430	592,786	266,644	-	-	-	-	-
1300 Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400 Summer School Programs	278,936	202,678	49,959	17,580	8,719	-	-	-
Total Instruction Expenditures	\$ 12,026,046	\$ 5,784,770	\$ 2,717,637	\$ 2,428,981	\$ 857,670	\$ 12,571	\$ 224,417	\$ -
Support Services Expenditures								
2110 Attendance and Social Work Services	\$ 646,233	\$ 396,413	\$ 180,439	\$ 53,725	\$ 11,181	\$ -	\$ 4,475	\$ -
2120 Guidance Services	727,475	485,072	238,105	973	3,325	-	-	-
2130 Health Services	223,983	151,093	72,890	-	-	-	-	-
2140 Psychological Services	271,440	163,680	76,349	-	17,835	-	13,576	-
2150 Speech Pathology and Audiology Services	5,481	4,499	982	-	-	-	-	-
2160 Other Student Treatment Services	338,131	225,169	112,962	-	-	-	-	-
2190 Service Direction, Student Support Services	423,833	242,581	106,840	4,466	14,441	-	55,505	-
2210 Improvement of Instruction Services	187,761	85,999	49,262	46,494	6,006	-	-	-
2220 Educational Media Services	92,228	60,885	31,343	-	-	-	-	-
2230 Assessment & Testing	7,809	6,246	1,563	-	-	-	-	-
2240 Instructional Staff Development	425,934	200,055	81,646	126,753	1,797	-	15,683	-
2310 Board of Education Services	(89)	-	-	-	(89)	-	-	-
2320 Executive Administration Services	101,947	33,721	13,104	55,122	-	-	-	-
2410 Office of the Principal Services	981,550	590,825	282,980	102,858	4,887	-	-	-
2490 Other Support Services - School Administration	124,566	80,391	39,236	720	-	-	4,219	-
2510 Direction of Business Support Services	1,195	909	286	-	-	-	-	-
2520 Fiscal Services	381,889	-	-	3,311	1,754	-	376,824	-
2540 Operation and Maintenance of Plant Services	150,056	53,973	34,620	-	61,419	-	44	-
2550 Student Transportation Services	2,522,121	83,379	30,677	51,407	-	2,356,658	-	-
2570 Internal Services	-	-	-	-	-	-	-	-
2610 Direction of Central Support Services	-	-	-	-	-	-	-	-
2620 Planning, Research, Development, Evaluation Services, Grant	-	-	-	-	-	-	-	-
Writing and Statistical Services	-	-	-	-	-	-	-	-
2630 Information Services	137,781	88,019	49,762	-	-	-	-	-
2640 Staff Services	-	-	-	-	-	-	-	-
2660 Technology Services	666,468	-	-	620	665,836	-	12	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	-	-	-	-	-	-	-	-
Total Support Services Expenditures	\$ 8,417,792	\$ 2,952,909	\$ 1,403,046	\$ 446,449	\$ 788,392	\$ 2,356,658	\$ 470,338	\$ -
Enterprise and Community Services Expenditures								
3100 Food Services	\$ 2,981,099	\$ 956,260	\$ 562,001	\$ 1,167,415	\$ 212,075	\$ -	\$ 83,348	\$ -
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	486	318	52	116	-	-	-	-
3500 Custody and Care of Children Services	995,957	732,931	189,136	36,047	37,843	-	-	-
Total Enterprise and Community Services Expenditures	\$ 3,977,542	\$ 1,689,509	\$ 751,189	\$ 1,203,578	\$ 249,918	\$ -	\$ 83,348	\$ -
Facilities Acquisition and Construction Expenditures								
4110 Service Area Direction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4120 Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150 Building Acquisition, Construction, and Improvement Services	-	-	-	-	-	-	-	-
4180 Other Capital Items	-	-	-	-	-	-	-	-
4190 Other Facilities Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Uses Expenditures								
5100 Debt Service	\$ 844,136	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 844,136	\$ -
5200 Transfers of Funds	-	-	-	-	-	-	-	-
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures	\$ 844,136	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 844,136	\$ -
Grand Total	\$ 25,265,516	\$ 10,427,188	\$ 4,871,872	\$ 4,079,008	\$ 1,895,960	\$ 2,369,229	\$ 1,622,239	\$ -

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
District Expenditure Audit Summary - Debt Service Funds
For the Fiscal Year Ended June 30, 2022

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Instruction Expenditures								
1111 Elementary, K-5 or K-6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1113 Elementary Extracurricular	-	-	-	-	-	-	-	-
1121 Middle/Junior High Programs	-	-	-	-	-	-	-	-
1122 Middle/Junior High School Extracurricular	-	-	-	-	-	-	-	-
1131 High School Programs	-	-	-	-	-	-	-	-
1132 High School Extracurricular	-	-	-	-	-	-	-	-
1140 Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210 Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220 Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1260 Treatment and Habilitation	-	-	-	-	-	-	-	-
1271 Remediation	-	-	-	-	-	-	-	-
1272 Title I	-	-	-	-	-	-	-	-
1280 Alternative Education	-	-	-	-	-	-	-	-
1291 English Second Language Programs	-	-	-	-	-	-	-	-
1292 Teen Parent Program	-	-	-	-	-	-	-	-
1293 Migrant Education	-	-	-	-	-	-	-	-
1294 Youth Corrections Education	-	-	-	-	-	-	-	-
1299 Other Programs	-	-	-	-	-	-	-	-
1300 Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400 Summer School Programs	-	-	-	-	-	-	-	-
Total Instruction Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Support Services Expenditures								
2110 Attendance and Social Work Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2120 Guidance Services	-	-	-	-	-	-	-	-
2130 Health Services	-	-	-	-	-	-	-	-
2140 Psychological Services	-	-	-	-	-	-	-	-
2150 Speech Pathology and Audiology Services	-	-	-	-	-	-	-	-
2160 Other Student Treatment Services	-	-	-	-	-	-	-	-
2190 Service Direction, Student Support Services	-	-	-	-	-	-	-	-
2210 Improvement of Instruction Services	-	-	-	-	-	-	-	-
2220 Educational Media Services	-	-	-	-	-	-	-	-
2230 Assessment & Testing	-	-	-	-	-	-	-	-
2240 Instructional Staff Development	-	-	-	-	-	-	-	-
2310 Board of Education Services	-	-	-	-	-	-	-	-
2320 Executive Administration Services	-	-	-	-	-	-	-	-
2410 Office of the Principal Services	-	-	-	-	-	-	-	-
2490 Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510 Direction of Business Support Services	-	-	-	-	-	-	-	-
2520 Fiscal Services	569,448	-	-	569,448	-	-	-	-
2540 Operation and Maintenance of Plant Services	-	-	-	-	-	-	-	-
2550 Student Transportation Services	-	-	-	-	-	-	-	-
2570 Internal Services	-	-	-	-	-	-	-	-
2610 Direction of Central Support Services	-	-	-	-	-	-	-	-
2620 Planning, Research, Development, Evaluation Services, Grant	-	-	-	-	-	-	-	-
Writing and Statistical Services	-	-	-	-	-	-	-	-
2630 Information Services	-	-	-	-	-	-	-	-
2640 Staff Services	73,908,669	-	73,908,669	-	-	-	-	-
2660 Technology Services	-	-	-	-	-	-	-	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	-	-	-	-	-	-	-	-
Total Support Services Expenditures	\$ 74,478,117	\$ -	\$ 73,908,669	\$ 569,448	\$ -	\$ -	\$ -	\$ -
Enterprise and Community Services Expenditures								
3100 Food Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	-	-	-	-	-	-	-	-
3500 Custody and Care of Children Services	-	-	-	-	-	-	-	-
Total Enterprise and Community Services Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Facilities Acquisition and Construction Expenditures								
4110 Service Area Direction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4120 Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150 Building Acquisition, Construction, and Improvement Services	-	-	-	-	-	-	-	-
4180 Other Capital Items	-	-	-	-	-	-	-	-
4190 Other Facilities Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Uses Expenditures								
5100 Debt Service	\$ 15,323,090	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,323,090	\$ -
5200 Transfers of Funds	-	-	-	-	-	-	-	-
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures	\$ 15,323,090	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,323,090	\$ -
Grand Total	\$ 89,801,207	\$ -	\$ 73,908,669	\$ 569,448	\$ -	\$ -	\$ 15,323,090	\$ -

OREGON CITY SCHOOL DISTRICT NO. 62
 Clackamas County, Oregon
 District Expenditure Audit Summary -Capital Projects Funds
 For the Fiscal Year Ended June 30, 2022

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Instruction Expenditures								
1111 Elementary, K-5 or K-6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1113 Elementary Extracurricular	-	-	-	-	-	-	-	-
1121 Middle/Junior High Programs	-	-	-	-	-	-	-	-
1122 Middle/Junior High School Extracurricular	-	-	-	-	-	-	-	-
1131 High School Programs	-	-	-	-	-	-	-	-
1132 High School Extracurricular	-	-	-	-	-	-	-	-
1140 Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210 Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220 Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1260 Treatment and Habilitation	-	-	-	-	-	-	-	-
1271 Remediation	-	-	-	-	-	-	-	-
1272 Title I	-	-	-	-	-	-	-	-
1280 Alternative Education	-	-	-	-	-	-	-	-
1291 English Second Language Programs	-	-	-	-	-	-	-	-
1292 Teen Parent Program	-	-	-	-	-	-	-	-
1293 Migrant Education	-	-	-	-	-	-	-	-
1294 Youth Corrections Education	-	-	-	-	-	-	-	-
1299 Other Programs	-	-	-	-	-	-	-	-
1300 Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400 Summer School Programs	-	-	-	-	-	-	-	-
Total Instruction Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Support Services Expenditures								
2110 Attendance and Social Work Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2120 Guidance Services	-	-	-	-	-	-	-	-
2130 Health Services	-	-	-	-	-	-	-	-
2140 Psychological Services	-	-	-	-	-	-	-	-
2150 Speech Pathology and Audiology Services	-	-	-	-	-	-	-	-
2160 Other Student Treatment Services	-	-	-	-	-	-	-	-
2190 Service Direction, Student Support Services	-	-	-	-	-	-	-	-
2210 Improvement of Instruction Services	-	-	-	-	-	-	-	-
2220 Educational Media Services	-	-	-	-	-	-	-	-
2230 Assessment & Testing	-	-	-	-	-	-	-	-
2240 Instructional Staff Development	-	-	-	-	-	-	-	-
2310 Board of Education Services	-	-	-	-	-	-	-	-
2320 Executive Administration Services	-	-	-	-	-	-	-	-
2410 Office of the Principal Services	-	-	-	-	-	-	-	-
2490 Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510 Direction of Business Support Services	851,506	180,350	63,334	295,620	3,612	-	308,590	-
2520 Fiscal Services	-	-	-	-	-	-	-	-
2540 Operation and Maintenance of Plant Services	3,034,640	586	109	33,065	2,907,698	92,764	418	-
2550 Student Transportation Services	-	-	-	-	-	-	-	-
2570 Internal Services	1,546	-	-	1,546	-	-	-	-
2610 Direction of Central Support Services	-	-	-	-	-	-	-	-
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	41,911	1,989	529	39,393	-	-	-	-
2630 Information Services	1,075	-	-	1,075	-	-	-	-
2640 Staff Services	-	-	-	-	-	-	-	-
2660 Technology Services	207,915	-	-	22,033	185,653	-	229	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	-	-	-	-	-	-	-	-
Total Support Services Expenditures	\$ 4,138,593	\$ 182,925	\$ 63,972	\$ 392,732	\$ 3,096,963	\$ 92,764	\$ 309,237	\$ -
Enterprise and Community Services Expenditures								
3100 Food Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	-	-	-	-	-	-	-	-
3500 Custody and Care of Children Services	-	-	-	-	-	-	-	-
Total Enterprise and Community Services Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Facilities Acquisition and Construction Expenditures								
4110 Service Area Direction	\$ 23,360	\$ 15,757	\$ 7,603	\$ -	\$ -	\$ -	\$ -	\$ -
4120 Site Acquisition and Development Services	110,786	-	-	3,708	-	105,413	1,665	-
4150 Building Acquisition, Construction, and Improvement Service	38,505,993	-	-	83,653	2,407	38,417,116	2,817	-
4180 Other Capital Items	-	-	-	-	-	-	-	-
4190 Other Facilities Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures	\$ 38,640,139	\$ 15,757	\$ 7,603	\$ 87,361	\$ 2,407	\$ 38,522,529	\$ 4,482	\$ -
Other Uses Expenditures								
5100 Debt Service	\$ 897,646	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 897,646	\$ -
5200 Transfers of Funds	-	-	-	-	-	-	-	-
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures	\$ 897,646	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 897,646	\$ -
Grand Total	\$ 43,676,378	\$ 198,682	\$ 71,575	\$ 480,093	\$ 3,099,370	\$ 38,615,293	\$ 1,211,365	\$ -

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
District Expenditure Audit Summary - Internal Service Funds
For the Fiscal Year Ended June 30, 2022

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Instruction Expenditures								
1111 Elementary, K-5 or K-6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1113 Elementary Extracurricular	-	-	-	-	-	-	-	-
1121 Middle/Junior High Programs	-	-	-	-	-	-	-	-
1122 Middle/Junior High School Extracurricular	-	-	-	-	-	-	-	-
1131 High School Programs	-	-	-	-	-	-	-	-
1132 High School Extracurricular	-	-	-	-	-	-	-	-
1140 Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210 Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220 Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1260 Treatment and Habilitation	-	-	-	-	-	-	-	-
1271 Remediation	-	-	-	-	-	-	-	-
1272 Title I	-	-	-	-	-	-	-	-
1280 Alternative Education	-	-	-	-	-	-	-	-
1291 English Second Language Programs	-	-	-	-	-	-	-	-
1292 Teen Parent Program	-	-	-	-	-	-	-	-
1293 Migrant Education	-	-	-	-	-	-	-	-
1294 Youth Corrections Education	-	-	-	-	-	-	-	-
1299 Other Programs	-	-	-	-	-	-	-	-
1300 Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400 Summer School Programs	-	-	-	-	-	-	-	-
Total Instruction Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Support Services Expenditures								
2110 Attendance and Social Work Services	\$ 38,250	\$ -	\$ -	\$ 38,250	\$ -	\$ -	\$ -	\$ -
2120 Guidance Services	-	-	-	-	-	-	-	-
2130 Health Services	422	-	-	422	-	-	-	-
2140 Psychological Services	-	-	-	-	-	-	-	-
2150 Speech Pathology and Audiology Services	-	-	-	-	-	-	-	-
2160 Other Student Treatment Services	-	-	-	-	-	-	-	-
2190 Service Direction, Student Support Services	-	-	-	-	-	-	-	-
2210 Improvement of Instruction Services	-	-	-	-	-	-	-	-
2220 Educational Media Services	-	-	-	-	-	-	-	-
2230 Assessment & Testing	-	-	-	-	-	-	-	-
2240 Instructional Staff Development	-	-	-	-	-	-	-	-
2310 Board of Education Services	-	-	-	-	-	-	-	-
2320 Executive Administration Services	-	-	-	-	-	-	-	-
2410 Office of the Principal Services	-	-	-	-	-	-	-	-
2490 Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510 Direction of Business Support Services	-	-	-	-	-	-	-	-
2520 Fiscal Services	2,659	-	-	2,219	-	-	440	-
2540 Operation and Maintenance of Plant Services	35,065	1,643	351	28,092	4,979	-	-	-
2550 Student Transportation Services	-	-	-	-	-	-	-	-
2570 Internal Services	1,032,289	102,536	53,628	91,624	26,813	-	757,688	-
2610 Direction of Central Support Services	-	-	-	-	-	-	-	-
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-	-	-	-	-	-	-	-
2630 Information Services	-	-	-	-	-	-	-	-
2640 Staff Services	-	-	-	-	-	-	-	-
2660 Technology Services	10,238	-	-	-	10,238	-	-	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	-	-	-	-	-	-	-	-
Total Support Services Expenditures	\$ 1,118,923	\$ 104,179	\$ 53,979	\$ 160,607	\$ 42,030	\$ -	\$ 758,128	\$ -
Enterprise and Community Services Expenditures								
3100 Food Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	-	-	-	-	-	-	-	-
3500 Custody and Care of Children Services	-	-	-	-	-	-	-	-
Total Enterprise and Community Services Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Facilities Acquisition and Construction Expenditures								
4110 Service Area Direction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4120 Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150 Building Acquisition, Construction, and Improvement Services	-	-	-	-	-	-	-	-
4180 Other Capital Items	-	-	-	-	-	-	-	-
4190 Other Facilities Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Uses Expenditures								
5100 Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5200 Transfers of Funds	-	-	-	-	-	-	-	-
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grand Total	\$ 1,118,923	\$ 104,179	\$ 53,979	\$ 160,607	\$ 42,030	\$ -	\$ 758,128	\$ -

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
District Expenditure Audit Summary - Fiduciary Funds
For the Fiscal Year Ended June 30, 2022

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Instruction Expenditures								
1111 Elementary, K-5 or K-6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1112 Intermediate, 4-6	-	-	-	-	-	-	-	-
1113 Elementary Extracurricular	-	-	-	-	-	-	-	-
1121 Middle/Junior High Programs	947,040	639,411	293,749	-	13,880	-	-	-
1122 Middle/Junior High School Extracurricular	12,250	-	-	12,250	-	-	-	-
1131 High School Programs	2,459,013	1,517,924	733,781	160,613	46,695	-	-	-
1132 High School Extracurricular	5,786	-	-	2,186	3,600	-	-	-
1140 Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210 Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220 Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1260 Treatment and Habilitation	-	-	-	-	-	-	-	-
1271 Remediation	305,346	185,130	74,403	12,553	22,257	-	11,003	-
1272 Title I	-	-	-	-	-	-	-	-
1280 Alternative Education	45,041	-	-	45,041	-	-	-	-
1291 English Second Language Programs	-	-	-	-	-	-	-	-
1292 Teen Parent Program	-	-	-	-	-	-	-	-
1293 Migrant Education	-	-	-	-	-	-	-	-
1294 Youth Corrections Education	-	-	-	-	-	-	-	-
1299 Other Programs	-	-	-	-	-	-	-	-
1300 Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400 Summer School Programs	597	463	134	-	-	-	-	-
Total Instruction Expenditures	\$ 3,775,073	\$ 2,342,928	\$ 1,102,067	\$ 232,643	\$ 86,432	\$ -	\$ 11,003	\$ -
Support Services Expenditures								
2110 Attendance and Social Work Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2120 Guidance Services	540,480	373,173	167,307	-	-	-	-	-
2130 Health Services	-	-	-	-	-	-	-	-
2140 Psychological Services	-	-	-	-	-	-	-	-
2150 Speech Pathology and Audiology Services	-	-	-	-	-	-	-	-
2160 Other Student Treatment Services	-	-	-	-	-	-	-	-
2190 Service Direction, Student Support Services	-	-	-	-	-	-	-	-
2210 Improvement of Instruction Services	-	-	-	-	-	-	-	-
2220 Educational Media Services	310	-	-	-	310	-	-	-
2230 Assessment & Testing	-	-	-	-	-	-	-	-
2240 Instructional Staff Development	1,391	-	1,391	-	-	-	-	-
2310 Board of Education Services	-	-	-	-	-	-	-	-
2320 Executive Administration Services	-	-	-	-	-	-	-	-
2410 Office of the Principal Services	634,889	373,613	178,326	18,205	40,141	-	24,604	-
2490 Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510 Direction of Business Support Services	-	-	-	-	-	-	-	-
2520 Fiscal Services	-	-	-	-	-	-	-	-
2540 Operation and Maintenance of Plant Services	162,269	62,583	36,391	21,950	41,345	-	-	-
2550 Student Transportation Services	10,303	-	-	10,303	-	-	-	-
2570 Internal Services	-	-	-	-	-	-	-	-
2610 Direction of Central Support Services	-	-	-	-	-	-	-	-
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-	-	-	-	-	-	-	-
2630 Information Services	-	-	-	-	-	-	-	-
2640 Staff Services	-	-	-	-	-	-	-	-
2660 Technology Services	21,284	12,944	7,420	-	920	-	-	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	-	-	-	-	-	-	-	-
Total Support Services Expenditures	\$ 1,370,926	\$ 822,313	\$ 390,835	\$ 50,458	\$ 82,716	\$ -	\$ 24,604	\$ -
Enterprise and Community Services Expenditures								
3100 Food Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	80,000	-	-	80,000	-	-	-	-
3500 Custody and Care of Children Services	-	-	-	-	-	-	-	-
Total Enterprise and Community Services Expenditures	\$ 80,000	\$ -	\$ -	\$ 80,000	\$ -	\$ -	\$ -	\$ -
Facilities Acquisition and Construction Expenditures								
4110 Service Area Direction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4120 Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150 Building Acquisition, Construction, and Improvement Services	-	-	-	-	-	-	-	-
4180 Other Capital Items	-	-	-	-	-	-	-	-
4190 Other Facilities Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Uses Expenditures								
5100 Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5200 Transfers of Funds	-	-	-	-	-	-	-	-
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grand Total	\$ 5,225,999	\$ 3,165,241	\$ 1,492,902	\$ 363,101	\$ 169,148	\$ -	\$ 35,607	\$ -

INDEPENDENT AUDITORS' REPORT REQUIRED BY
OREGON STATE REGULATIONS



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December 30, 2022

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the Oregon City School District No. 62 as of and for the year ended June 30, 2022, and have issued our report thereon dated December 30, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

Compliance

As part of obtaining reasonable assurance about whether the 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 financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

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

- (1) Budget overexpenditure as noted on page 32 of the 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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal controls over financial reporting.

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

A handwritten signature in cursive script that reads "Tara M. Kamp, CPA".

Tara M. Kamp, CPA
PAULY, ROGERS AND CO., P.C.

GRANT COMPLIANCE REVIEW

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2022

Federal Grantor, Pass through Grantor, Program Title	Pass-Through Organization	Pass-Through Entity Number	AL Number	2021 - 2022 Expenditures	Passed Through To Subrecipients
<u>U. S. Department of Education:</u>					
Title 1 Grants to States					
Title I Part A Grants to LEAs:	ODE	58331	84.010	\$ 77,589	\$ -
	ODE	60413	84.010	97,882	-
	ODE	65136	84.010	102,023	-
	ODE	67040	84.010	495,194	-
	ODE	67996	84.010	39,455	-
Total Title I Grants				812,143 (1)	-
<u>Special Education Cluster:</u>					
Special Education Grants IDEA Part B:	ODE	68694	84.027	1,245,014	-
COVID-19	ODE	68445	84.027	308,617	-
	ODE	51439	84.027	56,663	-
	ODE	54660	84.027	846	-
	ODE	57418	84.027	900	-
COVID-19	ODE	69215	84.173	7,669	-
	ODE	54053	84.173	7,736	-
	ODE	68971	84.173	12,808	-
Autism Contracts	Portland Public Schools	N/A	84.027A	138,600	-
Total Special Education Cluster				1,778,853 (1)	-
Improving Teacher Quality State Grants -					
Title II Part A:	ODE	58823	84.367	106,172	-
	ODE	67473	84.367	94,696	-
Total Title II Part A:				200,868	-
English Language Acquisition Grants -					
Title III Part A:	ODE	58497	84.365	21,589	-
	ODE	67156	84.365	30,753	-
Total Title III Part A:				52,342	-
Twenty-First Century Community Learning Centers:	ODE	61158	84.287	47,598	47,598
	ODE	68795	84.287	318,345	318,345
Total Twenty-First Century Community Learning Centers:				365,943	365,943
Vocational Rehabilitation Grants - YTP	OR Dept of Human Resources	160736	84.126A	133,088	-
Student Support and Academic Enrichment Grants					
Title IV Part A:	ODE	58637	84.424	69,031	-
	ODE	54587	84.424	65,582	-
Total Title IV Grants:		54,587	84.424	134,613	-

OREGON CITY SCHOOL DISTRICT NO. 62
 Clackamas County, Oregon
 Schedule of Expenditures of Federal Awards - (continued)
 For the Fiscal Year Ended June 30, 2022

Federal Grantor, Pass through Grantor, Program Title	Pass-Through Organization	Pass-Through Entity Number	AL Number	2021 - 2022 Expenditures	Passed Through To Subrecipients
<u>U.S. Department of Education (continued)</u>					
Migrant Education Title 1C:	Clackamas County ESD	N/A	84.011A	\$ 16,776	\$ -
Career and Technical Education - Carl Perkins III:	Clackamas County ESD	N/A	84.048	26,668	-
Education Stabilization Fund					
Elementary and Secondary School Emergency Relief - COVID-19	Clackamas County ESD	N/A	84.425D	8,440	-
Elementary and Secondary School Emergency Relief - COVID-19	ODE	64953	84.425D	2,680,609	5,800
Elementary and Secondary School Emergency Relief - COVID-19	ODE	94648	84.425D	789,432	231,463
Total Education Stabilization Fund				3,478,481 (1)	237,263
Total U.S. Department of Education				6,999,775	603,206
<u>U.S. Department of Agriculture:</u>					
<u>Child Nutrition Cluster:</u>					
National School Lunch Program (NSLP)	ODE	N/A	10.555	2,148,509	-
National School Lunch Program (NSLP) - COVID 19	ODE	N/A	10.555	135,008	-
School Breakfast Program (SBP)	ODE	N/A	10.553	629,951	-
Summer Food Service Program for children (SFSP)	ODE	N/A	10.559	114,154	-
Noncash Assistance: Commodities	ODE	N/A	10.555	208,823	-
Total Child Nutrition Cluster				3,236,445 (1)	-
Child and Adult Care Food Program	ODE	N/A	10.558	17,748	-
Pandemic Electronic Benefit Transfer -	ODE	N/A	10.649	3,063	-
				20,811	-
Total U.S. Department of Agriculture				3,257,256	-
Federal Communications Commission					
Emergency Connectivity Fund Program - COVID-19	N/A	N/A	32.009	647,788	4,000
<u>U.S. Department of Health and Human Services:</u>					
SAMHSA Oregon City Together Coalition:	SAMSHA	2H79SPO19745-01	93.276	122,578	-
Child Care and Development Block Grant COVID-19	ODE	N/A	93.575	2,803	-
Total U.S. Department of Health and Human Services				125,381	-
Total Federal Financial Assistance				\$ 11,030,200	\$ 607,206

Note: The Schedule of Expenditures of Federal Awards reflects the basis of accounting used for the governmental fund types described in the Notes to the Financial Statements.

(1) - Major Program



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December 30, 2022

To the Board of Directors
Oregon City School District No. 62
Clackamas 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 financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Oregon City School District No. 62 as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated December 30, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the 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 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 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 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 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 "Tara M. Kamp, CPA". The signature is written in a cursive, flowing style.

Tara M. Kamp, CPA
PAULY, ROGERS AND CO., P.C



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December 30, 2022

To the Board of Directors
Oregon City School District No. 62
Clackamas 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 Oregon City School District No. 62's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2022. The major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Oregon City School District No. 62 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Oregon City School District No. 62 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.

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.



Tara M. Kamp, CPA
PAULY, ROGERS AND CO., P.C

OREGON CITY SCHOOL DISTRICT NO. 62
WASHINGTON COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2022

SECTION I – SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

☐ yes ☒ no

Significant deficiency(s) identified that are not considered to be material weaknesses?

☐ yes ☒ none reported

Noncompliance material to the financial statements noted?

☐ yes ☒ no

Any GAGAS findings disclosed that are required to be reported in accordance with section 515(d)(2) of the Uniform Guidance?

☐ yes ☒ no

FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified?

☐ yes ☒ no

Significant deficiency(s) identified that are not considered to be material weaknesses?

☐ yes ☒ none reported

Type of auditors' report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 200.516(a) the Uniform Guidance?

☐ yes ☒ no

IDENTIFICATION OF MAJOR PROGRAMS

CFDA NUMBER

NAME OF FEDERAL PROGRAM CLUSTER

84.425	Education Stabilization Fund
84.010	Title 1
84.027, 84.173	Special Education Cluster
10.553, 10.555, 10.559	Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?

☒ yes ☐ no

OREGON CITY SCHOOL DISTRICT NO. 62
WASHINGTON COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2022

SECTION II – FINANCIAL STATEMENT FINDINGS

NONE

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE

SECTION IV – PRIOR YEAR FINANCIAL STATEMENT FINDINGS

FS-2021-1 – SIGNIFICANT DEFICIENCY

CONDITION: Bank Reconciliations during the year were not prepared in a timely manner

STATUS: Appears to have been corrected.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL EXPENDITURES

1. BASIS OF PRESENTATION

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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