

# OREGON CITY SCHOOL DISTRICT NO. 62

## CLACKAMAS COUNTY, OREGON

### COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2021



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

**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2021**



Prepared by  
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Clackamas County, Oregon  
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## INTRODUCTORY SECTION



Oregon City School District 62  
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December 28, 2021

Citizens and Board of Directors  
Oregon City School District No. 62  
1417 12<sup>th</sup> 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, 2021. 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 of 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 frame work of internal controls has been designed to provide reasonable rather than 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, 2021, 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, 2021, 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.

The independent audit of the financial statements of the District was part of a broader, federally mandated Single Audit as required by the provisions of the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the District's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Compliance Section of this report.

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 currently in the middle of 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 the global economy. In March of 2020 the district closed its buildings for onsite education and transitioned to a fully online/distance learning model which stayed in place through the spring of 2021 when the State of Oregon allowed Districts to transition into a hybrid model of in person and online learning for the remainder of the 2020-2021 fiscal year. In September of 2021, the District re-opened for full-time in person learning. Additional discussion regarding the effects of the COVID virus is noted in the relevant sections of this Transmittal Letter.

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 7,642 students in fiscal 2020-21. The projected ADM for fiscal 2021-22 was 7,809 and is estimated based on prior to the COVID pandemic. Currently as the date of this letter, it is 7,641. See the "Economic Condition" section of the letter. The average age of all school buildings is 58 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 is comprised of 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 which establish practical, ethical and legal boundaries for district staff and decision-making. A Budget Committee consisting of seven appointed volunteer members established by statute advise 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 7 elementary schools, 2 middle schools, 1 high school, and 4 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 8<sup>th</sup> grade school and the Alliance Charter Academy is a grade K-12 charter school.

In 2020-21, 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 total, for Fiscal 2020-21, the District employed over 855 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.

To support student achievement, the District prepares Oregon City Students for college and careers. The District aligns with the Oregon State Plan and the US Department of Education which includes the following commitments:

- Advancing Equity
- Promotion of a Well-Rounded Education
- Strengthening District Systems
- Fostering Ongoing Engagement

The key commitments have definitions for guidance for each of them.

Specifically, 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
- 9<sup>th</sup> Grade on Track
- Four-year Graduation Rate
- Five-year Completion Rate (includes GEDs)

The District complies with state guidance delineated by the Every Student Succeeds Act (ESSA). ESSA moved the oversight of schools from the federal level to the state level. Under ESSA, Oregon is required to make decisions about how to rate schools, how to evaluate their teachers and how to assist poorly performing schools. ESSA requires states to:

- Adopt academic content standards that align to higher education requirements and to career and technical education (CTE) expectations
- Administer annual assessment tests for students in reading, mathematics and science
- Ensure 95 percent student test participation and allows states to create their own testing opt-outs
- Establish achievement goals for students
- Create an accountability system that is meaningful to measure school performance
- Use the accountability system to identify schools in need of comprehensive support
- Provide the support needed for the schools that are identified
- Implement plans to ensure equitable access of supports for teachers, students living in poverty and students of color

The state designed report cards which align with ESSA and include district profiles. The report cards were designed based on stakeholder engagement which included parents. The profiles were designed with the following goals:

- Create a report card that is more accessible and meaningful to parents, especially parents from historically underserved communities.
- Create a two-page “at-a-glance” report card designed specifically for parents.
- Supplement the “at-a-glance” report with a web-based “dashboard” that contains additional data on schools, including all of the data required by law.

ESSA does not require an overall rating for each school, instead rating each from one to five based on six to nine indicators required by ESSA: English Language Arts - Academic, English Language arts – Participation, Mathematics - Achievement, Mathematics – Participation, regular attenders, on track to English Language proficiency, ninth grade on-track, four-year cohort graduation and five-year completers. Comparatives between the state long term goal and a school average are shown on individual school report cards. There is a report card for the entire District. Overall District Sections include regular attenders, on-track to graduate, on-time graduation, English Language Arts, individual student progress, and mathematics. The District’s 2020-21 report card and its report cards by school can be found on the following website: <https://www.ode.state.or.us/data/reportcard/reports.aspx>

Oregon’s Academic Content Standards define the knowledge and skills students should have developed in their K-12 education so that they will graduate from high school ready to succeed in entry-level, credit bearing academic college courses and in workforce training programs. They are currently used to meet the requirements of the new state standards for ESSA. To measure whether students are meeting the state standards, the state is currently using the Smarter Balanced Assessment Tests. It is utilized throughout a school year to provide student data that will inform instruction, guide interventions, help to target professional development, and to ensure an accurate measure of each student’s progress toward career-and-college readiness. Additional information regarding the Smarter Balanced Assessment Tests can be found on the following website: <http://www.smarterbalanced.org/> and on the District’s website: <https://www.ocsd62.org/district/statewide-testing-information>.

Oregon’s overall plan with the implementation of ESSA is focused on ensuring that every Oregon student meets the “hopes, dreams, and values for Oregon’s students and schools”. More information about ESSA can be found on the state’s website: <http://www.oregon.gov/ode/rules-and-policies/ESSA/Pages/default.aspx>

For the 2019-21 biennium, the District continued 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.”

The District focuses its efforts for educational improvement on instruction and 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 the major instructional shifts required of the Common Core State Standards for 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, getting and utilizing effective data analysis, and guides 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 utilizing evaluation rubric for assessing high quality classroom instruction. It strives to promote a collaborative culture where student achievement is a number one priority.

*ESSA Requirements:* The District is striving to build collaborative leadership networks within the district that support implementation of educator effectiveness and that problem solve implementation challenges.

*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 and advance learning opportunities to all identified minority sub 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 to improve 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, pre-school

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 to upgrade 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 improved its transportation services with the construction of a new transportation facility that opened at in fiscal 2016. It made strategic investments in order to accomplish this.

*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 is using the majority of the funding to replace Gardiner Middle School, to make major improvements to Ogden Middle School, to make safety and secure improvements to all schools in the District, to add career and technical learning facilities, and to make upgrades and updates to aging school buildings. The District formed several committees including involving community members to assist with the development of the bond projects. The projects are expected to be completed in the winter of 2021. More information regarding the bond issuance and bond projects is detailed on the following website:

<https://ocschoolbond.org/>

## ECONOMIC CONDITION

Clackamas is Oregon's third most populous county. Population within the county grew 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 1<sup>st</sup> 2010 to July 1<sup>st</sup> 2019 shows population growth at 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 March 2020 for enrollment from 2020-21 through 2029-30 notes that district's total population since 2010 is growing while school age population has been declining. Their middle range forecast for enrollment shows that it will increase by approximately 629 students in the next ten years. Enrollment will increase in 2024-25 in comparison to 2019-20 by 4.8% and by 8.3% through 2029-30. By 2029-30, the high school grades will show the largest increase of 12.2%, followed by the elementary schools at 7.1%. The middle school enrollment is predicted to increase 5.6% during the same time period. A contributing variable 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 has lost approximately over 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. Portland State University was unable to provide another study in the spring of 2020-21 due to the unprecedented nature of COVID. The district will reach out to Portland State again in the spring of 2022 to contract for another enrollment study. The following table prepared by Portland State University shows Middle Range Forecast Enrollment for the District by school levels with the percent change from period to period. It was prepared prior to the onset of the virus.

**Historic and Middle Range Forecast Enrollment  
By School Level (K-5, 6-8, 9-12)  
Oregon City School District**

	Actual			Forecast	
	2009-10	2014-15	2019-20	2024-25	2029-30
Grades K-5 <i>5 year change</i>	3,434	3,229 -205 -6.0%	3,294 65 2.0%	3,517 223 6.8%	3,527 10 0.3%
Grades 6-8 <i>5 year change</i>	1,846	1,679 -167 -9.0%	1,814 135 8.0%	1,779 -35 -1.9%	1,913 134 7.5%
Grades 9-12 <i>5 year change</i>	2,313	2,561 248 10.7%	2,359 -202 -7.9%	2,530 171 7.2%	2,656 126 5.0%
<b>Total</b> <i>5 year change</i>	<b>7,593</b>	<b>7,469</b> <b>-124</b> <b>-1.6%</b>	<b>7,467</b> <b>-2</b> <b>0.0%</b>	<b>7,826</b> <b>359</b> <b>4.8%</b>	<b>8,096</b> <b>270</b> <b>3.5%</b>

*Includes OCSLA and CAIS Charter Schools. Does not include Alliance Academy or Springwater Charter Schools.  
Forecast: Population Research Center, PSU, March 2020*

In the past few years, the state came out of a recession, and the economy improved and picked up rapidly prior to the onset of the COVID virus.

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. As of June 2021 the county unemployment rate dropped to 6.6% compared to 10.7% last year because of the advent of the COVID virus. The economic outcomes of the virus could

have negative effects on the future financial condition of the district. The recent State Economic Forecast released in November indicates that the Oregon economy continues to outpace projections, the state has surpassed the kicker thresholds for the current biennium and the Oregon Education Stability Fund continues to grow. The district also prepared a Ready Schools Safe Learners Resiliency Framework required by the state outlining the steps for a full return for in person school.

Care and upkeep of the District's aging facilities continues 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 the second middle school was built in 1965. 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 57% of its General Fund revenue from State controlled sources, and the State defines approximately 96% 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 has not supported the current service levels for the District. Budgeting problems surfaced in 2010 related to a recession. The state school fund general support was not adequate to support District operations from 2010 through the end of 2016 biennium. The state increased funding for the 2017-19 biennium by 11.2% and it was split by 50/50%. Staff contractual and PERS expense increases exceeded the biennial revenue increase. In 2017-18 the District had employee concessions in the form of one furlough day and a reduction in professional development funds available to licensed employees. For 2018-19, the District had 3.5 furlough days for its Licensed Bargaining unit and 3 furlough days for its Classified Bargaining unit. For the 2019-21 biennium, the state approved the investment of \$2 billion in Oregon education over two years. \$200 million of it 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. However, in 2019-20 and 2020-21, it did allow the district to complete a full academic calendar with no staff concessions compared to prior years. The remaining amount outside of the state school fund will be distributed in 2020-21 and is funded by the State Corporate Activity Tax. It will be placed into three accounts: an Early Learning Account, the Student Investment Account (SIA), and the Statewide Initiatives Account. This funding requires spending on a collaborative plan and comes with specific goals to develop programs that will enhance student achievement. In a Special Session, 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. The Legislature also reduced the amount of funding for the SIA for the 2020-21 fiscal year, the District received approximately \$2.0 million in comparison to the \$6.3 million it expected to receive.



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 has seen a reduction in enrollment due to COVID and in 2021-22 our funding estimate is currently based on an ADMw of 8,621 in comparison to the prior year of 9,306. Assumptions used in the preparation of the 2021-22 budget which included the full funding for the SIA can be found in the Superintendent's Message in the District's 2021-22 Adopted Budget Book on the District's website. Information regarding the Student Success Act is available on the following website: <https://www.oregon.gov/ode/StudentSuccess/Pages/default.aspx>

The Governor released her budget for the State School Fund for the 2021-23 at \$9.1 billion for the biennium. It is flat funding and does not support current service levels for the district. She reduced the Student Investment Account by \$206.0 million.

## OTHER DISTRICT EVENTS

Highlights of 2020-21 School Board Meetings included but were not limited to the following:

### **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 year one of the Student Investment Act which included approximately \$2 million in additional funding. This funding was used to support class size reductions, 9<sup>th</sup> 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.

### **Renamed Ogden Middle School to Tumwata Middle**

Students at Ogden Middle School wanted to rename their school in order to reflect values consistent with creating a welcoming, honoring, and inclusive community. Their work was shared with the School Board of Directors and a committee was formed to formally bring forth names that would reflect the current values of the Oregon City School District community. The committee presented their recommendations to the School Board of Education and they approved the remaining of Ogden Middle School to Tumwata Middle School.

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

2020-21, District personnel gave presentations related to the promotion of its Guiding Principles in relationship 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 2020-21. The District's Mission is "*With high expectations, we engage all students in meaningful learning activities to prepare them for successful lives.*" The District's Mission Statement, its Vision and its Guiding Principles can be found on the District's website. <http://ocsd62.org/>

## AWARDS AND ACKNOWLEDGEMENTS

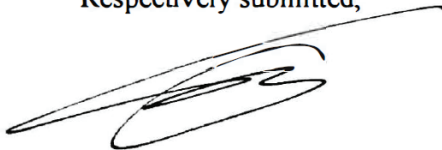
The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to Oregon City School District No. 62 for its comprehensive annual financial report for the fiscal year ended June 30, 2019. This was the 29<sup>th</sup> 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 29<sup>th</sup> year.

We wish to express our appreciation to the entire Fiscal Services Department staff for their efforts and contributions to our Comprehensive Annual 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.

Respectively submitted,



Kyle Laier  
Superintendent



Elaine Fagan  
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 Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morrell*

Executive Director/CEO



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

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

**Oregon City School District No. 62**

**for its Comprehensive Annual Financial Report  
for the Fiscal Year Ended June 30, 2020.**

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



*W. Edward Chabal*

W. Edward Chabal  
President

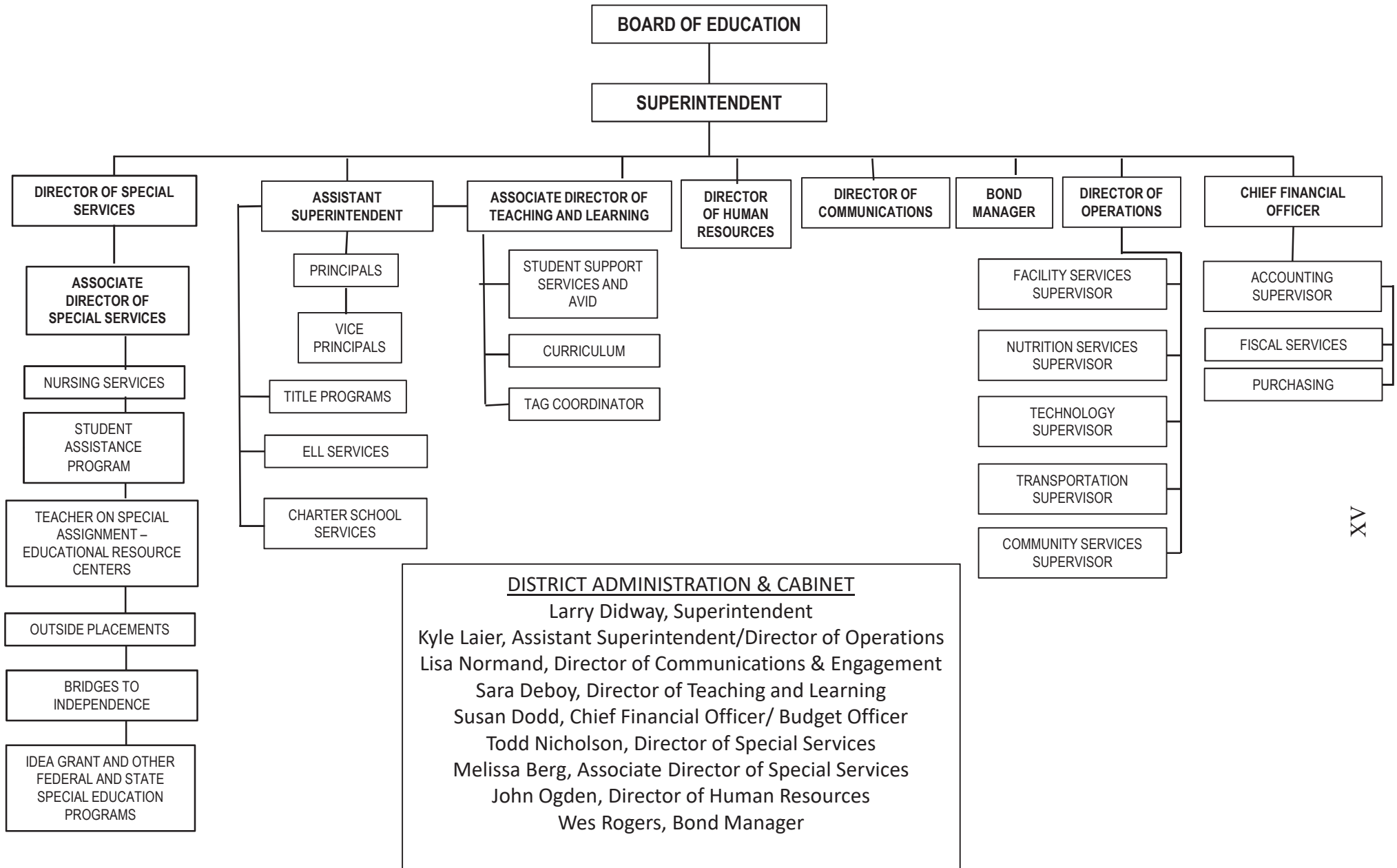
*David J. Lewis*

David J. Lewis  
Executive Director

# OREGON CITY SCHOOL DISTRICT NO. 62

## Organization Chart

June 30, 2021



OREGON CITY SCHOOL DISTRICT NO. 62  
Clackamas County, Oregon  
Officials of the District  
June 30, 2021

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BOARD OF DIRECTORS

<u>Name</u>	<u>Term Expires</u>
Martha Spiers, Chair	June 30, 2021
Steven Soll, Vice Chair	June 30, 2023
Connie Curteman	June 30, 2021
Anna Farmer	June 30, 2023
Evon Tekorius	June 30, 2021
Robert Clamp	June 30, 2021
Pamela White	June 30, 2023

DISTRICT ADMINISTRATION

Larry Didway, Superintendent  
Kyle Laier, Assistant Superintendent/Director of Operations  
Lisa Normand, Director of Communications & Community Engagement  
Sara Deboy, Director of Teaching and Learning  
Susan Dodd, Chief Financial Officer/Deputy Clerk  
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



**PAULY, ROGERS, AND CO., P.C.**  
12700 SW 72<sup>nd</sup> Ave. Tigard, OR 97223  
(503) 620-2632 (503) 684-7523 FAX  
[www.paulyrogersandcocpas.com](http://www.paulyrogersandcocpas.com)

December 28, 2021

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

## INDEPENDENT AUDITORS' REPORT

### **Report on the Financial Statements**

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, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

### **Management's Responsibility 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; this includes 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.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of Oregon City Service Learning Academy and Clackamas Academy of Industrial Sciences were not audited in accordance with Government Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the financial statements 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 internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the 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, 2021, and the respective changes in financial position and budgetary comparisons for the General Fund and Special Revenue Fund, and where applicable the cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary and other information, as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal expenditures is presented for purposes of additional analysis 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, and is not a required part of the basic financial statements.

The supplementary information, as listed in the table of contents, and the schedule of expenditures of federal expenditures are the responsibility of management and were derived from and relate 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 federal expenditures is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

## Reports on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2021 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 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 28, 2021, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

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

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, 2021**

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As management of Oregon City School District 62, 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, 2021. We present this information in conjunction with the information furnished in our Transmittal Letter which can be found in the introductory section of this report, and with the District's financial statements, which follow.

### **Financial Highlights**

- The main event that affected the District's business operations for fiscal 2021 was the continuation of the COVID Virus. During the 2020-21 fiscal year the District's financial position decreased overall by \$2.25 million. Net investment in Capital Assets increased by \$5.5 million, and amounts restricted for debt service increased by \$.89 million, but amounts restricted for grants and unrestricted amounts decreased by a combined \$8.64 million. Capital assets increased due to project work on the district's capital construction projects. The unrestricted amount decreased mainly from employee compensation increases, a decrease in charges for services and an increase in the PERS liability. Governmental Accounting Standards Board GASB's 68, 73, 75 require that employers recognize the unfunded accrued liability or asset for their pension plans and other post-employee benefits (OPEB) in their Statement of Net Position and Deferred Inflows and Outflows of Resources. These amounts are reflected in the unrestricted category of the Net Position.
- The District had \$128.08 million in expenses related to governmental activities, which were offset by \$1.45 million of program-specific charges for services, by \$12.93 million of Operating Grants and Contributions, and \$8 million of Capital Grants and Contributions. While District Operating Grants and Contributions increased mainly from the proceeds of Student Investment Act State funding and Education Stabilization Fund Federal funding, charges for services decreased because the District's schools were closed for much of the year. General revenues related to governmental activities amounted to 103.45 million, an overall increase from the prior year of \$1.88 million attributed to increases in state funding as well as increases in property tax revenues.
- In the government-wide statements, current Assets decreased by \$82.61 million and current liabilities increased by \$10.49 million netting to a \$93.10 million decrease in net position. Subsequently, the District's long term liabilities increased by \$7.92 million, and capital Assets increased by \$93.45 million, which netted to a \$85.53 increase in net position. The deferred outflows and inflows of resources combined increased net position by a net \$5.32 million. This majority of the change relates to PERS and OPEB related deferrals referred to above which reflects funding dedicated to future financing of the District's pension plans and OPEB plans.
- The District's governmental funds reported a combined ending fund balance of \$58.28 million at June 30, 2021, a decrease of \$92.1 million from the prior year. Restricted funding for capital projects decreased by \$90.14 million from the prior year from spending down bond proceeds from the 2018-19 fiscal year. Restricted funding for debt service increased by \$.89 million. Restricted for grants and decreased by \$1.84 million attributed primarily to spending down transportation equipment replacement funds and education service district handicapped funds. Unassigned funding decreased by \$.55 million from reduced fee collections and increased costs for staff salaries and benefits.
- At the end of the fiscal year the unassigned fund balance for the General Fund was \$4.42 million, or 4.85% of total General Fund resources which includes all revenue and the beginning fund balance compared to \$4.97 million and 5.42% for 2019-20.
- Student Average Daily Membership or ADM (enrolled students based on days of attendance) of 7,350 decreased by 590 (7.43%) in 2020-21, compared to the prior year of 7,940.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements, which include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The focus is both on the District as a whole (government-wide) and the major individual funds. The dual perspectives allow the reader to address relevant questions, broaden a basis for comparison, and enhance the District's accountability. This report also contains other supplementary information in addition to the basic financial statements.

**OREGON CITY SCHOOL DISTRICT NO. 62**  
**Clackamas County, Oregon**  
**Management Discussion and Analysis (MD&A)**  
**JUNE 30, 2021**

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**Government-Wide Financial Statements**

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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. The accrual basis of accounting is used for the government-wide financial statements. These statements include:

- **The Statement of Net Position:** The *Statement of Net Position* presents information on all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources as of the date on the statement with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the 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 most recent fiscal year by tracking revenues and expenses 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 compensated absences).

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

**Governmental Activities:** These activities outline the main functions of the District and are principally supported through Oregon's State School Fund, property taxes, and other intergovernmental revenues. The governmental activities of the District include instruction, both regular and special education, support services, administration, operation and maintenance of plant services, student transportation services, child nutrition services, facilities services, operation of other non-instructional services, and interest on long-term debt.

**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.

**Fund Financial Statements**

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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 *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. The Oregon City School District No. 62, 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 fit 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 use the modified accrual basis of accounting and focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the Government-Wide Financial Statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the Government-Wide Financial Statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains five individual governmental funds all of which it considers major. Information is presented separately in the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues,

**OREGON CITY SCHOOL DISTRICT NO. 62**  
**Clackamas County, Oregon**  
**Management Discussion and Analysis (MD&A)**  
**JUNE 30, 2021**

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Expenditures and changes in Fund Balances for the General Fund, Special Revenue Fund, Debt Service Fund, Debt Service Pension Obligation Fund, and the Capital Projects Fund.

- **Proprietary funds:** The District maintains one type of proprietary fund: an Internal Service Fund. Internal Service Funds are accounting devices used to accumulate and allocate costs internally among the District's various functions. The District uses its Internal Service Fund to account for risk management insurance activity. Because the internal services recorded in the Internal Service Fund benefit governmental functions, it has been included within governmental activities in the Government-Wide Financial Statements.
- **Fiduciary funds:** Fiduciary funds account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the Government-Wide Financial Statements because the resources of those funds are not available to support the District's own programs. Due to their custodial nature, fiduciary funds do not have a measurement focus. The District has eleven fiduciary funds which serve as scholarship funds.

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#### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

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#### **Other Information**

This report presents certain required supplementary information concerning the District's required actuarial estimate of funding progress of the District's portion of the Public Employees Retirement plan, its early retirement program and post-employment health care subsidy.

Other supplemental information follows the required supplementary information including additional budgetary information. Statistical information follows the supplemental information.

#### **Government-Wide Financial Analysis**

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##### **Statement of Net Position**

Governmental entities are required by Generally Accepted Accounting Principles (GAAP) to report on their net position. The Statement of Net Position presents the value of all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between them reported as net position. Net position may serve over time as an indicator of the District's financial position. As of June 30, 2021, District's liabilities and deferred inflows exceeded assets and deferred outflows by \$26.91 million. In 2019-20, the District's liabilities and deferred inflows exceeded liabilities and deferred inflows by \$24.66 million as restated.

Capital assets, which consist of the District's land, buildings, building improvements, vehicles, and equipment, represent 69.04% of the total assets as compared to the prior year, 2019-20 of 38.13% of total assets. This change is due to construction work at the District, completing building additions funded by the bond proceeds from the 2018-19 year. The remaining assets consist of cash, investments, receivables, amounts due from other agencies, prepaid expenses, and the total OPEB asset RHIA.

Deferred Outflows of Resources represents a deferral of expenses on other post-employment benefits and pension plan expenses. State pension plans are covered under GASB 68. The other post-employment benefits represent a disclosures required by GASB's 73, and 75. They are based on the District's early retirement pension liability and the District's and state's plan post-employment health care subsidies. The amounts consist of a change in assumptions and contributions made subsequent to the measurement date based on actuarial calculations. See Notes 10, 11, and 13 in the Notes to the Financial Statements. The pension plan Deferred Outflow represents components of pension plan actuarial calculations of the plan for purposes of GASB 68. See Note 12 - Defined Benefit Pension Plan in the Notes to the Financial Statements.

The District's largest liability (89.75% in 2020-21 versus 92.44% in 2019-20) is for the repayment of long-term obligations and the proportionate share of net pension liabilities and other post-employment benefit liabilities related to the GASB reporting described above. The issuance of the District's general obligation bonds accounts for the majority of this liability for both

**OREGON CITY SCHOOL DISTRICT NO. 62**  
**Clackamas County, Oregon**  
**Management Discussion and Analysis (MD&A)**  
**JUNE 30, 2021**

years. Other liabilities represent 10.25% of the District's total liabilities versus 7.56% in the previous year and consist almost entirely of current debt payable, payables on accounts and other funds, salaries and benefits, and accrued interest on long-term obligations.

Deferred Inflows of Resources represents the difference between the employer contributions and the employer's proportionate share of required contributions which is disclosed as required by GASB's 68, 73, and 75. See Notes 10-13 in the Notes to the Financial Statements.

By far, the largest portion of the District's net position reflects its investment in capital assets net of accumulated depreciation (e.g. land, buildings, vehicles and equipment) and related outstanding debt (General Obligation Bonds and leases) used for acquisition of most of the assets. The District uses these capital assets to provide services to students and other District residents. The capital assets acquired through this debt may not be used to liquidate these liabilities because the resources needed to repay this debt must be provided from other sources (generally property taxes) under the terms of the bond debt and lease agreements. The other large amount, the negative Unrestricted Net Position represents mainly the applications of GASB 68, 73, and 75 combined with any remaining fund balance available for general operations in the District's General Fund.

The following table shows current and prior year Government-Wide Statements of Net Position.

<b>Statement of Net Position</b>		
	<b>Governmental Activities</b>	
	<b>2021</b>	<b>2020</b>
<b>Assets</b>		
Current and Other Assets	\$ 89,431,499	\$ 172,042,874
Capital Assets	199,473,488	106,023,113
Total Assets	<u>288,904,987</u>	<u>278,065,987</u>
<b>Deferred Outflows of Resources</b>	<u>29,528,425</u>	<u>24,124,561</u>
<b>Liabilities</b>		
Current Liabilities	34,567,827	24,080,137
Long-term Liabilities	302,689,482	294,768,825
Total Liabilities	<u>337,257,309</u>	<u>318,848,962</u>
<b>Deferred Inflows of Resources</b>	<u>8,088,673</u>	<u>8,003,026</u>
<b>Net Position</b>		
Net Investment in Capital Assets	62,166,857	56,669,729
Restricted for Debt Service	2,310,893	1,416,803
Restricted for Grants	1,811,166	3,648,003
Unrestricted	(93,201,486)	(86,395,975)
Total Net Position	<u>\$ (26,912,570)</u>	<u>\$ (24,661,440)</u>

**OREGON CITY SCHOOL DISTRICT NO. 62**  
**Clackamas County, Oregon**  
**Management Discussion and Analysis (MD&A)**  
**JUNE 30, 2021**

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**Statement of Activities**

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The District's Change in Net Position on the Statement of Activities went from negative \$8.45 million for 2019-20 to negative \$2.25 million, a \$6.2 million increase. The key elements of the change in the District's net position for the year ended June 30, 2021 are as follows:

**Increases**

- Operating Grants and Contributions increased by \$5.96 million. This is attributed to the increase of state and federal grant funding, particularly the Student Investment Act State funding and Education Stabilization Fund Federal funding. See the "Financial Highlights" above.
- Capital Grants and Contributions increased by \$8.00 million because an \$8.00 million capital improvement matching grant was received for the District passing the 2018 general obligation bond.
- Expenses for Instructional Services, Support Services and Community Services increased by \$12.68 million. This increase is attributed to increases in expenses for employee contractual agreements, associated payroll costs, and higher costs for supplies and services. The District continued to pay employees through the end of the year and granted substantial wage increases detailed in its employee contracts.
- Revenue from property taxes increased by \$1.35 million. This is attributed to higher assessed values.
- The District's net State School Fund support increased from the prior year in the amount of \$2.32 million. The state funding for education increased for the 2019-21 biennium as the state's economic outlook had improved prior to the outbreak of the COVID virus.
- Other local and intermediate revenue increased by \$2.92 million. This amount consists of decreased collections of student fees and decreased revenue for the District's nutrition program due to the COVID virus.

**Decreases**

- Charges for Services decreased by \$1.02 million. This decrease is attributable to COVID. Schools closed in the district and fees were not assessed, the largest of which were for childcare and community programs.
- Interest on long term debt decreased by \$4.11 million. This is attributable to a decreasing long term debt principal balance and refunding bonds at lower interest rates.
- The District's Construction Excise Tax decreased by \$0.49 million. This tax is derived from local construction activity and may increase or decrease over the years depending on the amount of construction activity for the year.
- Earnings on investments decreased by \$4.24 million. This is attributed to lower interest rates earned on cash and investment balance and from spending down cash reserves held in investments on capital construction projects from the general obligation bond sale in 2018.

**OREGON CITY SCHOOL DISTRICT NO. 62**  
**Clackamas County, Oregon**  
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**JUNE 30, 2021**

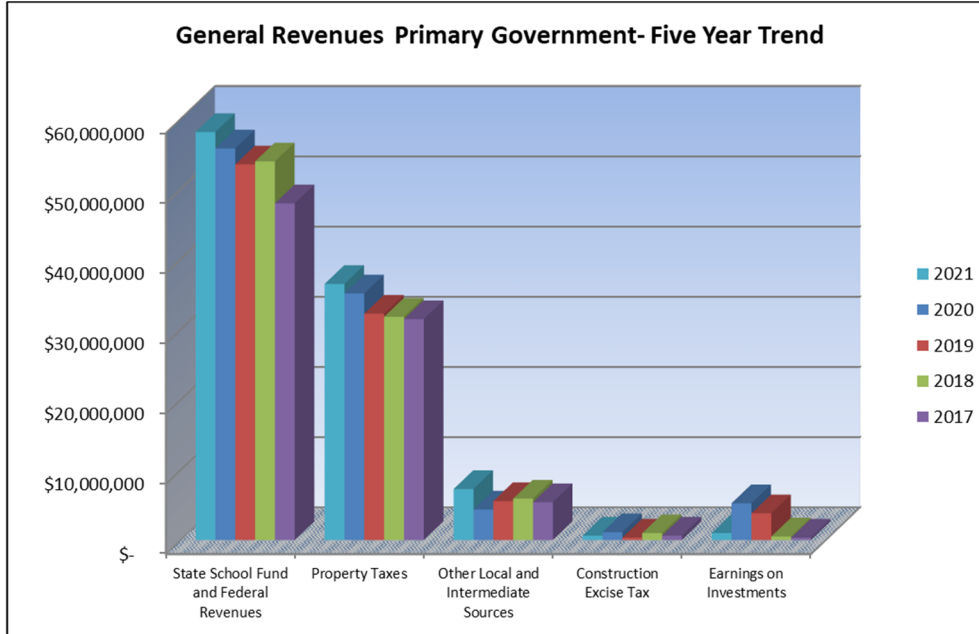
The following table shows the details of the changes.

<b>Changes in Net Position</b>		
	<b>Governmental Activities</b>	
	<b>2021</b>	<b>2020</b>
<b>Revenues:</b>		
Program Revenues:		
Charges for Service	\$ 1,453,144	\$ 2,469,014
Operating Grants and Contributions	12,932,844	6,977,688
Capital Grants and Contributions	8,000,000	-
General Revenues:		
Property Taxes	36,473,158	35,124,581
Construction Excise Tax	619,035	1,105,659
State School Fund - General Support	58,092,861	55,774,054
Unrestricted Federal	12,107	-
Earnings on Investments	989,931	5,232,409
Other Local and Intermediate Sources	7,258,276	4,335,667
Total Revenues	<u>125,831,356</u>	<u>111,019,072</u>
<b>Expenses:</b>		
Instructional Services	71,023,942	64,489,456
Support Services	44,179,240	37,970,774
Community Services	5,002,184	5,060,720
Interest on Long-Term Debt	7,877,120	11,987,610
Total Expenses	<u>128,082,486</u>	<u>119,508,560</u>
<b>Change in Net Position</b>	(2,251,130)	(8,489,488)
<b>Net Position Beginning of the Year</b>	(24,661,440)	(16,731,971)
<b>Net Position - Beginning of Year as Restated</b>	-	523,626
<b>Prior Period Adjustment</b>	-	36,393
<b>Net Position - End of Year</b>	<u>\$ (26,912,570)</u>	<u>\$ (24,661,440)</u>

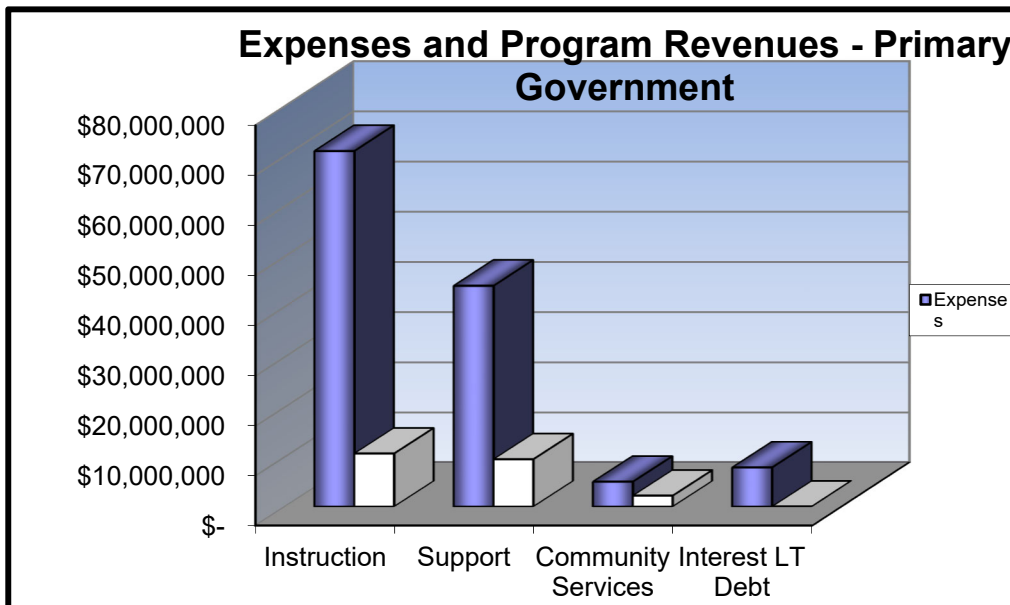


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The following chart shows General Revenues by Source for the Primary Government over five years. Property taxes have increased as the economy has grown. In the current year the State School Fund revenue was increased based on the 2019-21 biennium state funding with a greater state allocation to K-12 education. Earnings on Investments increased from interest earnings on general obligation bond proceeds invested until they are utilized for capital construction.



The following chart compares expenses of the Primary Government with associated revenues for the current fiscal year:



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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**

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The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, *fund balance* may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year.

#### **Highlights of Changes:**

- At the end of June 30, 2021, the District's governmental funds reported a combined ending fund balances of \$58.28 million. This is a \$92.1 million dollar decrease over the prior year that had a combined fund balance of \$150.38 million.
- Total Expenditures exceeded Total Revenues by \$93.06 million. State sourced funding, the largest source of revenue increased as did local revenue, mainly property taxes; however, expenditure levels increased at a higher proportion. Expenditures increased with employee contractual increases and with a large increase in capital outlay for payments made from the 2018 General Obligation bond proceeds. The district has maintained flat staffing levels over the past several years given several years of budget reductions with the exception of increases in teachers and support staff needed for classrooms. The district was also able to hire additional teachers and health room assistants with the new Student Investment Act state grant funding in the current year.
- Other Financing Sources amounted to a net decrease of \$1.06 million as the result of issuing advanced refunding bonds.

#### **Fund Descriptions:**

##### **General Fund**

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The General Fund is the primary operating fund of the District, and the majority of its revenue comes from state funding distributed through the State School Fund (SSF) by the Oregon Department of Education (ODE). The State of Oregon is the largest source of revenue for public education. The Oregon Legislature allocates money to the State School Fund primarily from the State General Fund and lottery revenue. School Districts get 95.50% of the State School Fund dollars available less local revenue. Educational Service Districts (ESD's) receive 4.50%. Local revenues include tax offsets, local property taxes for school operations (specifically excludes taxes for voter approved general obligation bonds), common school fund, county school fund, federal forest, and state timber revenues.

The Legislative Assembly, which meets on an annual basis, is responsible for determining both the amount and allocation formula for education funding. Available state and local resources are major factors in recommending SSF funding to the Governor. The Oregon legislature passed the state's 2019-21 \$9.00 billion biennial education budget in June 2019. It was a 9.76% increase or an \$800.00 million dollar increase over the prior biennium. Normally state school funding is split 49% the first year of the biennium to 51% in the second year of the biennium to account for higher costs in the second year. However, in the prior 2017-19 biennium the state school funding was split 50% - 50% in order to help districts fund the second year without holding back on initiatives in the first year. This biennium they returned to the 49%-51% split. The following amounts are derived from the Oregon Department of Education Website:

<u>Fiscal Year 2019-20</u>	<u>Fiscal Year 2020-21</u>	<u>2019-21 Biennium</u>
\$4,410,000,000	\$4,590,000,000	\$9,000,000,000

SSF funding is distributed to Oregon school districts pursuant to a formula, the objective of which is to provide equal funding for all school districts. The SSF grant provides to each school district a general-purpose grant, a transportation grant, a high-cost disability grant, a facilities grant, and a network of quality teaching and learning grant, less local revenues. Other grants deducted from the SSF grant are much smaller and generally relate to a specific District activity or condition. Details of these may be found under "District Estimates and Warrants" on the Oregon Department of Education website.

The general purpose grant is determined by a distribution formula, which incorporates a system of weights connected to the student count. The student count begins with average daily membership (ADM). This becomes resident ADM (ADM<sub>r</sub>). The

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ADMr count is then adjusted to reflect the differences in the cost of educating students requiring more extensive educational services, such as English as a second language, special education, pregnant and parenting, impoverished, and students attending a remote small school. The total of all students is multiplied by a statewide target grant of \$4,500. In addition to a state derived funding ratio, a factor of \$25 per year per student that a district's average teacher experience exceeds the state average is added to (or subtracted from, if below the State average) this calculation to arrive at the state general purpose grant.

The transportation grant is 70% of approved transportation costs. Approved costs are those attributable to transporting students from home to school (if over 1 mile from elementary school or 1.5 miles from secondary school), between schools, on field trips, and for other reasons in special cases.

The Facility Grant (\$7.00 million in the 2019-21 biennium) is distributed on a first-come, first-served basis to districts in the first year a new school facility is put into use. The facility grant is based on 3.5% of the total construction costs of a new school building excluding land but including the addition of new structures to existing school buildings and pre-manufactured buildings, if the new structures are used for instructing students. The grant is awarded on a biennium basis, and the total grant to districts cannot exceed the biennial amount awarded, and is prorated to all districts if the total requested amount exceeds the total grant. A District may also receive funding from the Oregon School Capital Improvement Matching (OSCIM) Grants with the passage of Senate Bill 447 in 2015. A District can qualify for a matching grant of \$8 million dollars from the state upon the passage of General Obligation Bonds. The District received this \$8 million dollars in its capital projects fund in 2020-21.

The High Cost Disabilities Grant is equal to the approved costs of a resident pupil with disabilities for whom the approved costs to the school district of providing special education and related services exceed \$30,000. For 2020-21, the High Cost Disabilities Grant was \$55.00 million.

Other state grants are deducted from the formula. These grants include amounts for talented and gifted students, speech pathology, virtual school funding, long term care and state schools, English language learner improvement funds, a small high school grant, educator advancement fund, closure of charter school funds, a local option equalization grant, funding for the Office of Facilities Services, and an amount for pediatric and nursing facilities. For 2020-21, these amounted to \$34.97 million. There is also a reserve of \$20.00 million which is distributed in May of the subsequent year. These amounts are approved by the state legislature and are subject to change every year.

In addition to SSF and local revenues, Oregon school districts receive federal funding for a variety of purposes. Such funding is generally restricted to specific purposes. The District reported receipts of \$8.71 million of federal funds in Fiscal Year 2021. Of this amount, \$.01 million was reported in the District's General Fund, and \$8.7 million in the District's Special Revenue Fund, which includes Grant Programs. The General Fund portion of federal funding came from the reimbursement of transportation costs to the District for students in foster care passed through the by the Oregon Department of Education.

As of June 30, 2021, unassigned fund balance was \$4.42 million compared to \$4.97 million as of June 30, 2020. The unassigned fund balance was 4.85% of the actual operating resources for the General Fund (which include the Beginning Fund Balance - Unassigned) and 5.42% of the budgeted resources, which include the budgeted beginning fund balance. Current District policy requires that the ending balance be maintained at a minimum of 5% of total budgeted resources of the General Fund, and the District issues Quarterly Financial Reports that show the Board the projected ending fund balance before the issuance of the Comprehensive Annual Financial Report. In the preparation of the 2020-21 Budget, the Board allowed the ending fund balance to go as low as 3.5%. In fiscal 2021, the District collected greater revenue over the prior year largely due to increased state school fund revenue to the general fund and increased property tax collections. Expenditures increased at a greater rate than the revenue collected due to employee contractual agreements and costs of participation in the Public Employees Retirement System (PERS). The District maintains tight expenditure control of budgeted positions and expenditures of supplies and services. For budget purposes, the District overestimates the expenses slightly in order to cover any unexpected exigencies. It does utilize a small reserve or contingency as well for the same purpose. As part of the development of the 2020-21 budget, the District reduced some variable departmental and school budget line items by 10% to assist with the implementation of future spending reductions. These reductions did not include wages and wage related expenditures. To offset these reductions, the District budgeted a significantly higher operating contingency, \$3.59 million, compared to the prior year. These budget strategies are used to protect the District from unexpected increased expenses and negative adjustments to funding without necessitating a reduction in program spending. Revenue adjustments would include the State School Fund (SSF) adjustment that corrects the prior year's distribution to reflect actual year-end data, updated estimates of statewide SSF formula factors (such as property tax collections and enrollment), and updated estimates in state revenue collections.

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**Special Revenue Fund**

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The Special Revenue Fund includes grants and activities that are generally Assigned, Committed or Restricted in their use by their respective source. Grants represent restricted funding received from state and federal agencies for the purpose of expanding educational offerings and opportunities. Use of resources in this fund is restricted by federal and state statutes, state administrative rules, and the provisions of each individual grant. Per the terms of the grants, the District incurs expenditures for the grant programs and is reimbursed for the expenses primarily from the Oregon Department of Education as the fiduciary agency receiving the funds from the federal government and the state, or from other agencies that issued the grants. The other activities in the Special Revenue Fund include mainly student activities and programmatic student fees as well as the District's food service program. The Special Revenue Fund has a fund balance of \$1.88 million and had a net decrease from the prior year of \$1.84 million, largely due to spending down the proceeds of a note payable issued through the Transportation Equipment Replacement Fund in 2019-20 and spending down special education funds that were received from the Clackamas Education Service District in 2018-19.

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**Debt Service Fund**

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The Debt Service Fund has a total fund balance of \$1.09 million, all of which is restricted for the payment of debt service. The net decrease in fund balance during the current year was \$.17 million. The District intentionally normalizes its levied taxes for debt service on general obligation bonds to sustain a reasonable fund balance.

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**Debt Service PERS Fund**

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The Debt Service PERS Fund has a total fund balance of \$1.22 million, an increase of \$1.066 million from the prior year. The fund was set up in fiscal year 2003-04 to account for the payment of principal and interest on long-term pension bonds that were sold in February 2004. The major sources of revenue for the fund are charges to other funds and earnings from temporary investments. The fund balance may be utilized by the District's School Board to mitigate payroll contributions in future periods to PERS if the District has available funding sources. The District will be decreasing its rate charged to other funds to spend down the balance in 2021-22

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**Capital Projects Fund**

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The Capital Projects Fund has a total fund balance of \$49.64 million. There was a net decrease in the fund balance from June 30, 2020, of \$92.10 million. In fiscal 2018-19, \$159.36 million dollars became available for voter mandated projects from the sale of general obligation bonds. The spend-down of the proceeds from this for capital projects accounts for the decrease. From bond funding, \$52.36 million was spent on the new Gardiner Middle School, \$29.63 was spent on the Tumwata Middle School Renovation, \$13.20 million was spent on security and safety enhancements for all campuses, \$1.55 million was spent on career and technical education projects, and the remaining funds were spent on miscellaneous capital projects, bond administration and costs associated with purchasing land for a new Tumwata Middle School.

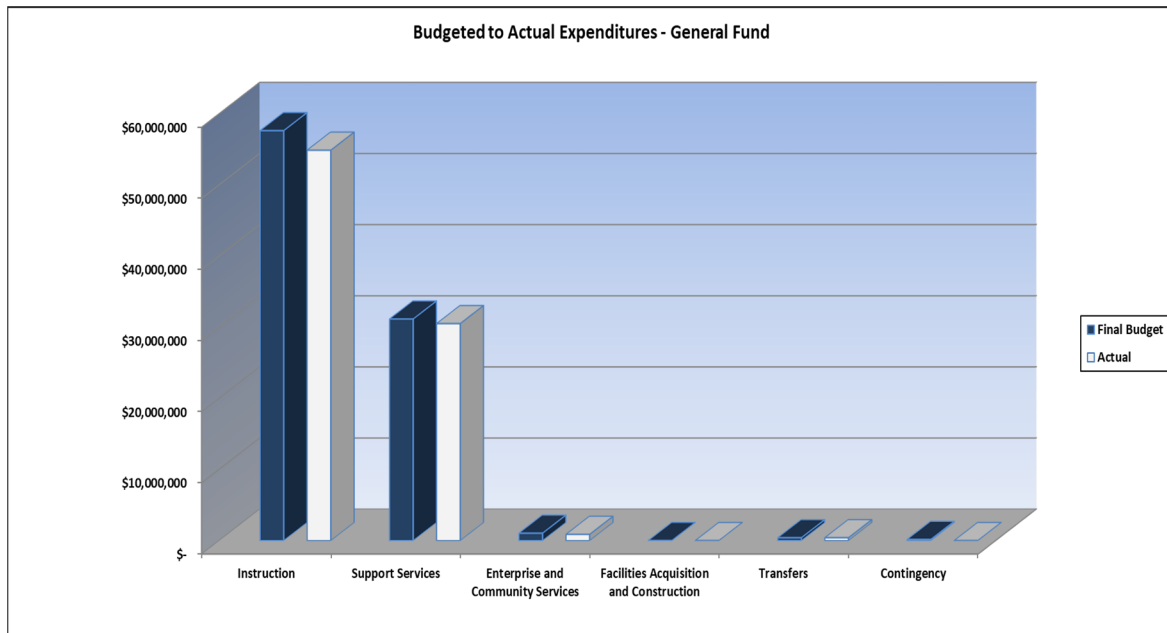
**General Fund Budgetary Highlights**

Actual revenues received were \$3.63 million dollars lower than the final budget, primarily due to receiving less in state school fund revenue and fees than budgeted. The District is required by state law to adopt its budget by June 30<sup>th</sup> of each fiscal year. Budgeted expenditures were lower than the final budget by \$8.08 million. This is planned for and ensures an ending fund balance percentage acceptable to the School Board and helps the District to responsibly manage the ending fund balance. In June of 2021, the School Board approved a resolution adjusting budgeted appropriations to reflect changes in specified restricted funding, unanticipated improvements and adjustments in anticipated expenditures, and a bond refunding. The following table and chart shows the detail of budgeted expenditures to actual expenditures for the General Fund.

A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund is provided in this report as required supplemental information.

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General Fund Expenditures & Transfers Out	Final Budget	Actual
Instruction	\$ 58,892,502	\$ 55,534,933
Support Services	32,486,169	31,099,753
Enterprise and Community Services	813,447	607,201
Facilities Acquisition and Construction	10,410	-
Transfers	200,000	200,000
Contingency	3,116,172	-
<b>Total</b>	<b>\$ 95,518,700</b>	<b>\$ 87,441,887</b>



## Capital Asset and Debt Administration

### Capital assets

The District's investment in capital assets includes land, buildings and improvements, vehicles and equipment, and construction in progress. As of June 30 2021, the District had invested \$199.47 million in capital assets, net of accumulated depreciation, as shown in the following table:

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<b>Capital Assets</b> <b>(Net of Accumulated Depreciation)</b>		
	<b>2021</b>	<b>2020</b>
Land and Construction In Progress	\$ 106,829,300	\$ 27,372,171
Buildings and Improvements	84,420,449	71,820,662
Site Improvements	3,339,286	2,733,966
Equipment and Vehicles	4,884,453	4,096,314
Total	<u>\$ 199,473,488</u>	<u>\$ 106,023,113</u>

During fiscal year 2020-21, the District's investment in net capital assets increased by \$93.45 million. The major capital asset events for the year ended June 30, 2021 include the following:

- Additions and acquisitions consisting of construction for a new middle school, site improvements and renovations at numerous district schools based on voter approved projects from the 2018 bond funding
- Additions in buildings, improvements and equipment from other fund sources
- Depreciation of capital assets
- Retirement and disposal of assets, mainly school buses

Additional information on the District's capital assets can be found in Note 1 and Note 6 in the Notes to the Basic Financial Statements of this report.

#### **Long-term Debt, Pension Liability and Early Retirement Pension Liability**

At the end of the current fiscal year, the District had total bonded debt principal outstanding of \$195.70 million versus \$198.49 million in 2020. This debt outstanding as of June 30, 2021, consists of general obligation bond issues of \$165.67 million, pension bond issues of \$28.06 million, and a Full Faith and Credit Obligation of \$1.97 million.

In addition to Bonded Debt and PERS Bond debt, the District owes debt in the form of Notes Payable in the amount of \$2.62 million. Notes Payable have been issued each year to finance bus purchases and other capital asset additions approved by the School Board.

Other components of District long term debt include unamortized premiums in the amount of \$16.64 million, and Capital Leases Payable in the amount of \$.041 million.

During the current fiscal year, the District paid down \$13.00 million of long-term obligations. The payments consisted of bonded debt principal payments of \$10.33 million, notes payable payments of \$.62 million, lease payments of \$.076 million, and the remainder of \$1.98 million is amortization of bond premiums and discounts.

State statutes limit the amount of general obligation debt a governmental entity may issue to 7.95% of its total assessed valuation. The current debt limitation for the District is \$811.70 million which is significantly in excess of the District's outstanding net general bonded debt \$210.03 million. Additional information on the District's long-term debt can be found in Note 1 (Long-Term Debt) and Note 8 in the Notes to the Basic Financial Statements of this report.

PERS is Oregon's public pension system. Under a pension plan, the actuarial liability is the present value of the plan's current and expected benefit payments (plus administrative expenses). If a fund's actuarial liability exceeds its current assets, then the fund has a shortfall that is known as an unfunded actuarial liability (UAL). There is an actuarial valuation to be completed on PERS plans every year. GASB 68 was implemented for fiscal years beginning after June 15, 2014. See Note 1 (Retirement Plans) of the Notes to the Financial Statements. GASB 68 requires the District to recognize its unfunded accrued liability for its PERS pension plan in its Statement of Net Position. This valuation is based on a PERS actuarial valuation as of December 31, 2020. The PERS UAL was estimated at over \$90.14 million and, and the District's net UAL with its side account is \$85.22 million versus \$71.56 million for fiscal 2018-19. See the information below regarding the District's side account. PERS requires

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that school districts pay (or “amortize”) this UAL over a period of 22 years for the PERS Tier 1/Tier 2 UAL (this had changed from 20 years to 22 years with the passage of Senate Bill 1149 – see below), 10 years for the Retiree Healthcare UAL, and 16 years for the OPSRP UAL, with interest at 7.20%.. See Note 12 in the Notes to the Financial Statements.

Given that interest rates had been at historic lows, opportunities to benefit from interest rate arbitrage was created. The District participated in 2004 in an Oregon School Board Association (OSBA) sponsored pooled pension obligation bond program, in which the proceeds from bond issues were used to offset a portion of the UAL. The benefits of the pension bond sales are seen in reductions in a District’s PERS employer rate. This reduction in rates should dampen the effects of future increases in the District’s UAL. As long as PERS’s investment returns exceed the cost of servicing the bonds, the benefits of participating in this program continue. For PERS for the month ended June 30, 2021, investment earnings year-to-date were 11.36% for regular accounts which is higher than the PERS expected earnings rate of 7.20%. With lower investment rates, employer contribution rates increase. However, looking at earning over a five year period, the rate as of June 30 2021 was at 10.53%.

On May 30, 2019 the Oregon Legislature passed Senate Bill 1049 to reduce the escalating cost of PERS. The bill was supposed to stabilize state pension costs and has several provisions to accomplish this which include but are not limited to the reduction of employees’ supplemental retirement accounts, the requiring of employers to continue to pay into the system for retired employees who come back to work, the extension of the amortization of liabilities for Tier 1 and Tier 2 members, and the option for the employer to pay down the employer’s unfunded actuarial liability. The new provisions take effect on various dates in the future. On the first -effective date January 1, 2020, retired employees with certain exceptions are not limited in the number of hours that they can work, but employers must pay into the PERS system for them. It is not at all certain that this new law will remain in effect. As of this date, there are still legal challenges to it. As of September 2020, the rates for the 2021-23 biennium were set at 16.12% for Tier 1/Tier 2 and 13.01% for OPSRP. Statutes, legislation, regulations, and rules for PERS are subject to change. These changes may increase or reduce the benefits of participation in the pooled obligations.

For fiscal years beginning after June 15, 2016, public sector employers are required by GASB 73 to apply accrual accounting to pensions that are not administered through trusts. The District’s early retirement pension qualifies as this type of plan. Stipend benefits are offered to its retirees. The total early retirement pension liability for 2019-20 was \$1.79 million versus \$1.72 for the prior year. See Note 10 in the Notes to the Financial Statements.

For fiscal years ending on June 30, 2018 government entities are required by GASB 75 to report a liability on their financial statements for post-employment benefits other than pensions, and it requires greater note disclosures. This GASB replaced GASB 45. The District’s post-employment benefit allows employees under the age of 65 who retire to continue district health care benefits until they reach age 65 with certain stipulations. The total post-employment liability for 2020-21 was \$6.19 million versus \$5.64 million for the prior year. See Note 11 in the Notes to the Financial Statements. The GASB requires reporting on the PERS Retirement Health Insurance Account for eligible employees. The district’s share of the retirement plan is an asset of \$.97 million. See Note 13 in the Notes to the Financial Statements.

### **Economic Factors in Current and Next Year’s Budget**

The most significant economic factor for the District in 2020-21 was the COVID pandemic. While the fiscal year began in a great recession, the economy recovered significantly by the end of the fiscal year. State funding is the largest source of funding for school districts. The table below shows the last five years of District funding for operations.

**COMPARISON OF RESOURCES GOVERNMENTAL FUNDS EXCLUDING CAPITAL PROJECTS FUND, DEBT FUNDS, FUND BALANCE CARRYOVERS AND TRANSFERS**

Resources	2016-17 ACTUALS			2017-18 ACTUALS			2018-19 ACTUALS			2019-20 ACTUALS			2020-21 ACTUALS			2021-22 BUDGET		
Property Taxes	\$	24,516,105	27%	\$	25,607,549	27%	\$	27,433,353	28%	\$	27,999,784	29%	\$	29,302,682	29%	\$	30,449,435	23%
Local Sources		5,785,344	6%		6,537,793	7%		6,766,648	7%		5,050,115	5%		2,624,636	3%		8,109,276	6%
Intermediate Sources		1,544,944	2%		1,738,935	2%		1,750,957	2%		1,607,482	2%		1,775,492	2%		2,030,803	2%
State Sources		47,264,401	52%		52,954,818	56%		53,858,022	56%		56,478,739	59%		59,707,898	58%		74,794,009	57%
Federal Sources		5,151,065	6%		4,838,340	5%		4,720,092	5%		5,254,627	5%		8,714,619	9%		15,558,914	12%
	\$	84,261,859	92%	\$	91,677,435	97%	\$	94,529,072	98%	\$	96,390,747	100%	\$	102,125,327	100%	\$	130,942,437	100%
ADM*		7,967			7,948			7,906			7,940			7,350			7,398	
Resources per ADM	\$	10,576		\$	11,535		\$	11,957		\$	12,140		\$	13,895		\$	17,700	

\* Prior to 2015-16 Kindergarten ADM was counted as 1/2 per student

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Each biennial period shows a substantial increase over the prior biennials. For the 2015-17 biennium, the state funded school districts at 50%/50% instead of 49%/51%. This represented approximately \$5.3 million of additional revenue issued for 2015-16 (1% difference from 49% to 50% funding) that the District would have normally received in the second year of the biennium. In 2015-16, the district implemented full day kindergarten adding additional costs. In 2016-17 additional revenue was added to the state school fund per House Bill 5017 because the state forecast was better than expected. For 2016-17, with the additional funding the District was able to maintain a full calendar year without staffing reductions; however, the District was unable to implement any new programmatic changes. For the 2017-19 biennium the state also funded school districts at 50%/50%. For the 2017-19 biennium, while the District received a greater proportion of state funding which included funding for the High School Success Program, the District faced major challenges as costs of operations continued to exceed the additional revenue available. For both years of this biennium the district was not able to operate for a full academic year, adding furlough days for staff. For several years, the District continued to face difficult decisions without a significant boost in revenues to support instruction, services and maintenance and replacement of facility systems that have declined over the past decade.

For the 2019-21 biennium with the improved economy, the State Legislature approved \$9 billion for K-12 education funding. It was \$200 million dollars more than what was estimated to maintain current service levels for schools. On May 20 2019, House Bill 3427, the Student Success Act was signed into law. With this Act, the State was expected to invest over \$2 billion in Oregon K-12 education every two years. Of this amount, \$200 million was be invested into the State School Fund with the remaining amount to be distributed into three accounts: the Early Learning Account, The Student Investment Account (SIA) and the Statewide Education Initiatives Account. The investment required the implementation of new programs which were to be determined by a District Needs Assessment. The overall focus of these investments is improvement of student learning, particularly focusing on equity for students to reduce academic disparities. Funding provided by the act began being distributed beginning in the 2020-21 fiscal year.

For the 2021-23 biennium, the State Legislature approved \$9.3 billion for K-12 education funding and the District's 2021-22 budget was prepared on this premise with the enrollment levels based on the 2021-22 Portland State enrollment study, option (2). We forecasted that enrollment was likely to increase because most parents and students were extremely anxious to return to normal days, and the district will be opening a new and refurbished middle schools and elementary schools. The District was able to reopen schools in the fall, and has continued to provide distance learning for a smaller cohort of students and parents who preferred that option. The district has never faced an enrollment dilemma similar to the COVID disaster. Due to COVID, in 2020-21, the district lost approximately 685 students. So far, enrollment has not increased as hoped for and the District is dealing with a severe deficit in its general fund, which will be remedied by general fund budget reductions, reallocating expenses to grant funding where possible, and other cost saving measures. In addition to COVID cost factors, the largest future cost factor facing the District are employee contractual agreements, which escalate year after year. The District continually monitors spending closely Other challenges include infrastructure decay and maintenance requirements, increasing costs for special education, increasing compliance with new laws and reporting requirements, implementation of new technology, maintenance of safe campuses and classrooms, and struggles to continue to improve student learning.

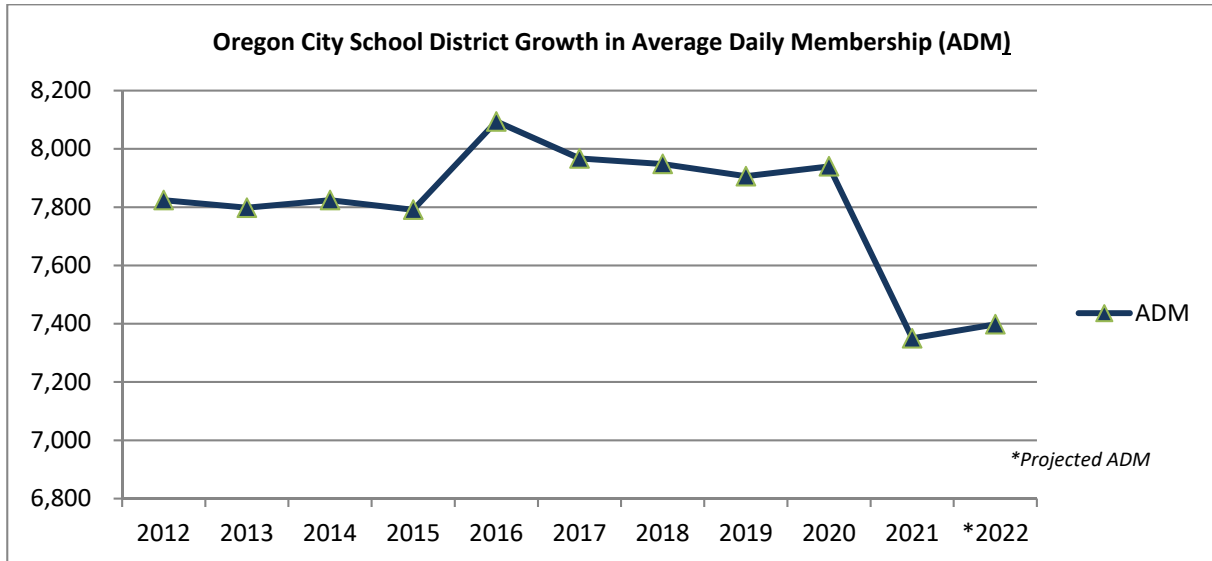
In the November 2018 election, the District passed a bond measure in the amount of \$158,000,000. The District also qualified to receive matching funds from the state's Oregon School Capital Improvement Matching Program (OSCIM) in the amount of \$8,000,000. The District used these proceeds to build a new middle school that will replace Gardiner Middle School, make major renovations to Ogden, its second middle school, make major safety renovations at all of its schools, make investments in career and technical education infrastructure and make other facility enhancement and improvements at all of its sights. All of the projects are substantially complete as of the end of calendar year 2021. The Oregon Economic and Revenue Forecast for December 2021 by the State of Oregon indicated continuing robust recovery from the pandemic. State general fund and lottery revenues are very robust. Inflation is generating additional corporate activity tax collections. The state's reserve accounts (Education Stability Fund, Rainy Day Fund, and Cash Reserves) grew significantly again and are currently projected to reach almost \$4 billion during the 2021-23 biennium. This is equivalent to 16.5% of the General Fund Budget. Add in the strength of Corporate Activity Tax collections, and it is safe to say that Oregon is in a very strong position to weather even a significant economic downturn.

At present, the District's enrollment is currently declining due to the effects of the COVID virus. There was a spike in 2016 when full day kindergarten was implemented because prior to that kindergarten students were only given a .5 weighting. Average Daily Membership (ADM) is the state calculation of enrolled students based on days of attendance and is utilized in the state funding formula (ADMw) for school districts modified by factors such as poverty levels, special education students and other items. In a study done by Portland State University, district enrollment was expected to increase in fiscal 2021-22;



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however, this forecast was projected prior to the COVID virus. Currently it is unknown whether enrollment will increase, but the district remains hopeful given the prior robust indicators for the economic conditions in Oregon City. A history of the District's ADM is shown below; 2022 is estimated. This graph and table illustrate historical and projected growth in ADM. They include the ADM for the District's charter schools because district funding includes the ADM for them, and the District allocates their portion of state funding to them.



ADM	
Oregon City School District	
Average Daily Membership	
Last 10 Years and Projected 1 Year	
Year Ended	ADM
2012	7,824
2013	7,798
2014	7,824
2015	7,791
2016	8,094
2017	7,967
2018	7,948
2019	7,906
2020	7,945
2021	7,350
*2022	7,398
* ODE Estimate, District Projected	

The following table shows the history of the District's weighted Average Daily Membership or (ADMw) through 2022. These amounts are not necessarily what the state payment for each year was based on. The District is paid on the higher amount from the current year or the prior year. Also, prior to fiscal 2015-16, the calculation took into consideration the charter school's ADMw (higher or lower for each of them every year). Subsequent to 2015-16 the payment is based on the higher of the total ADMw of the District plus the charters for each year, and the state calculates a separate charter school payment rate amount to adjust for differences. The ODE - for 2022 for the first half of the year is based on the District's projected ADM until actual enrollment figures are tabulated for the school year. Note that it is significantly lower than the ADM for 2021. This is due to 2021 fall enrollment, which was down significantly due to the COVID virus. Many parents have chosen to hold kindergartners back a year or chose a charter virtual on-line school as an alternative for their students.

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ADMw	
Oregon City School District	
Weighted Average Daily Membership	
Last 10 Years and Projected 1 Year	
Year Ended	ADMw
2012	9,216
2013	9,279
2014	9,280
2015	9,199
2016	9,594
2017	9,398
2018	9,311
2019	9,272
2020	9,287
2021	9,306
*2022	8,621
* ODE Estimate	

The District's Budget Committee and School Board considered all of these factors while preparing the District's budget for the 2021-22 fiscal year and is relieved that the state will maintain current funding levels for 2021-22.

**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 our accountability. Questions concerning any of the information provided in this report, or requests for additional information, should be addressed the Chief Financial Officer, Oregon City School District No. 62, PO Box 2110, Oregon City OR, 97045.

# BASIC FINANCIAL STATEMENTS

OREGON CITY SCHOOL DISTRICT NO. 62

Clackamas County, Oregon

Statement of Net Position

June 30, 2021

	Primary Government Governmental	Oregon City Service Learning Academy Component	Clackamas Academy of Industrial Sciences
	Activities		
<b>Assets</b>			
Cash and investments	\$ 76,740,958	\$ -	\$ -
Receivables			
Accounts	43,470	-	-
Intergovernmental	8,011,282	427,444	-
Undistributed tax collections	149,720	-	-
Property taxes	1,036,277	-	-
Due from other agencies	304,899	-	-
Due from other government	-	-	107,902
Prepaid expense	1,026,243	-	-
Deposits	1,151,473	-	-
Total OPEB Asset RHIA	967,177	-	-
Capital assets not being depreciated	106,829,300	-	-
Capital assets, net of accumulated depreciation	92,644,188	-	50,609
<b>Total assets</b>	<b>288,904,987</b>	<b>427,444</b>	<b>158,511</b>
<b>Deferred Outflows of Resources</b>			
OPEB related deferrals	1,212,498	-	-
PERS related deferrals	27,814,521	-	-
RHIA related deferrals	119,671	-	-
Pension related deferrals	381,735	-	-
<b>Total deferred outflows of resources</b>	<b>29,528,425</b>	<b>-</b>	<b>-</b>
<b>Liabilities</b>			
Payable			
Accounts	13,028,118	9,654	34,508
Retainage	3,111,911	-	-
Payroll liabilities	11,324,182	-	-
Accrued interest payable	43,550	-	-
Unearned revenue	1,138,191	-	-
Due to other governments	-	412,801	-
Payable to external parties - Fiduciary Fund	152,753	-	-
Accrued compensated absences	251,337	-	-
Long-term liabilities:			
Due within one year	5,517,785	-	-
Noncurrent liabilities due in more than one year			
Total OPEB liability	6,187,381	-	-
Proportionate share of net pension liability - PERS	85,224,743	-	-
Net pension liability	1,790,969	-	-
Due in more than one year	209,486,389	-	-
<b>Total liabilities</b>	<b>337,257,309</b>	<b>422,455</b>	<b>34,508</b>
<b>Deferred Inflows of Resources</b>			
OPEB related deferrals	174,001	-	-
PERS related deferrals	7,515,373	-	-
RHIA related deferrals	224,472	-	-
Pension related deferrals	174,827	-	-
<b>Total deferred inflows of resources</b>	<b>8,088,673</b>	<b>-</b>	<b>-</b>
<b>Net Position</b>			
Net investment in capital assets	62,166,857	-	50,609
Restricted for debt service	2,310,893	-	-
Restricted grants	1,811,166	-	-
Unrestricted	(93,201,486)	4,989	73,394
<b>Total net position</b>	<b>\$ (26,912,570)</b>	<b>\$ 4,989</b>	<b>\$ 124,003</b>

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, 2021

Functions/Programs	Program Revenues				Net Expenses, Revenues, and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Oregon City Service Learning Academy Component	Clackamas Academy of Industrial Sciences
<b>PRIMARY GOVERNMENT</b>							
Governmental Activities:							
Instruction	\$ 71,023,942	\$ 362,079	\$ 10,310,480	\$ -	\$ (60,351,383)		
Support services	44,179,240	1,089,450	440,853	8,000,000	(34,648,937)		
Community services	5,002,184	1,615	2,181,511	-	(2,819,058)		
Interest on long term debt	7,877,120	-	-	-	(7,877,120)		
Total Primary Governmental Activities	<u>\$ 128,082,486</u>	<u>\$ 1,453,144</u>	<u>\$ 12,932,844</u>	<u>\$ 8,000,000</u>	<u>(105,696,498)</u>		
<b>COMPONENT UNITS</b>							
Oregon City Service Learning Academy	\$ 2,387,092	\$ -	\$ 668,816	\$ -		\$ (1,718,276)	
Clackamas Academy of Industrial Sciences	<u>2,584,927</u>	<u>1,659</u>	<u>360,658</u>	<u>-</u>			\$ (2,222,610)
General Revenues:							
Property taxes, levied for general purposes					29,302,681	-	-
Property taxes, levied for debt services					7,170,477	-	-
Construction excise tax					619,035	-	-
State school support					58,092,861	1,717,634	2,201,537
Earnings on investments					989,931	-	-
Unrestricted federal					12,107	-	-
Other local, intermediate & state					<u>7,258,276</u>	<u>1,500</u>	<u>351</u>
Total general revenues					<u>103,445,368</u>	<u>1,719,134</u>	<u>2,201,888</u>
Change in net position					(2,251,130)	858	(20,722)
Net position beginning of year					<u>(24,661,440)</u>	<u>4,131</u>	<u>144,725</u>
Net position end of year					<u>\$ (26,912,570)</u>	<u>\$ 4,989</u>	<u>\$ 124,003</u>

See accompanying notes to the basic financial statements

**OREGON CITY SCHOOL DISTRICT NO. 62**  
Clackamas County, Oregon  
Balance Sheet - Governmental Funds  
June 30, 2021

	General Fund	Special Revenue Fund	Debt Service Fund	Pension Obligation Fund	Capital Projects Fund	Total
<b>ASSETS</b>						
Cash and investments	\$ 15,588,330	\$ 631,089	\$ 1,038,428	\$ 19,528	\$ 59,463,583	\$ 76,740,958
Receivables:						
Accounts	43,470	-	-	-	-	43,470
Intergovernmental	880,359	7,006,435	-	-	124,488	8,011,282
Undistributed tax collections	122,277	-	27,443	-	-	149,720
Property taxes	832,549	-	203,728	-	-	1,036,277
Prepaid items	33,470	49,623	-	-	943,150	1,026,243
Deposits	-	14,634	-	-	1,136,839	1,151,473
Due from other funds	112,474	-	14,816	1,196,498	1,967,148	3,290,936
Due from other agencies	304,899	-	-	-	-	304,899
<b>Total Assets</b>	<b>\$ 17,917,828</b>	<b>\$ 7,701,781</b>	<b>\$ 1,284,415</b>	<b>\$1,216,026</b>	<b>\$ 63,635,208</b>	<b>\$ 91,755,258</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 1,213,347	\$ 798,114	\$ -	\$ -	\$ 10,885,754	\$ 12,897,215
Due to other funds	-	3,890,053	-	-	-	3,890,053
Payroll liabilities	11,324,182	-	-	-	-	11,324,182
Due to fiduciary fund	152,753	-	-	-	-	152,753
Retainage payable	-	-	-	-	3,111,911	3,111,911
Unearned revenue	-	1,138,191	-	-	-	1,138,191
<b>Total Liabilities</b>	<b>12,690,282</b>	<b>5,826,358</b>	<b>-</b>	<b>-</b>	<b>13,997,665</b>	<b>32,514,305</b>
<b>Deferred Inflows of Resources:</b>						
Unavailable Revenue - property taxes	774,602	-	189,548	-	-	964,150
<b>Total Deferred Inflows of Resources</b>	<b>774,602</b>	<b>-</b>	<b>189,548</b>	<b>-</b>	<b>-</b>	<b>964,150</b>
<b>Fund Balances:</b>						
Nonspendable	33,470	64,257	-	-	2,079,989	2,177,716
Restricted for debt service	-	-	1,094,867	1,216,026	-	2,310,893
Restricted for grant and projects	-	1,811,166	-	-	-	1,811,166
Restricted for capital projects	-	-	-	-	47,557,554	47,557,554
Unassigned	4,419,474	-	-	-	-	4,419,474
<b>Total Fund Balance</b>	<b>4,452,944</b>	<b>1,875,423</b>	<b>1,094,867</b>	<b>1,216,026</b>	<b>49,637,543</b>	<b>58,276,803</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 17,917,828</b>	<b>\$ 7,701,781</b>	<b>\$ 1,284,415</b>	<b>\$1,216,026</b>	<b>\$ 63,635,208</b>	<b>\$ 91,755,258</b>

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, 2021

Total Fund Balances	\$	58,276,803
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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		199,473,488
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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.

964,150

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:

General and pension obligation bonds - net of premium, discount	\$ (182,314,754)	
Certificate of participation payable	(1,966,463)	
Note payable	(2,621,514)	
Capital lease payable	(41,443)	
Pension bond payable	(28,060,000)	
Accrued compensated absence	(251,337)	
Accrued interest	<u>(43,550)</u>	(215,299,061)

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	967,177	
RHIA related deferred outflows	119,671	
RHIA related deferred inflows	(224,472)	
 Total OPEB liability	 (6,187,381)	
OPEB related deferred outflows	1,212,498	
OPEB related deferred inflows	(174,001)	
PERS net pension liability	(85,224,743)	
PERS pension related deferred outflows	27,814,521	
PERS pension related deferred inflows	(7,515,373)	
District pension liability	(1,790,969)	
District pension related deferred outflows	381,735	
District pension related deferred inflows	<u>(174,827)</u>	(70,796,164)

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.

468,214

Total Net Position	\$	<u><u>(26,912,570)</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 -  
 Governmental Funds  
 For the Year Ended June 30, 2021

	General Fund	Special Revenue Fund	Debt Service Fund	Pension Obligation Fund	Capital Projects Fund	Total
REVENUES:						
Local sources	\$ 30,534,479	\$ 1,392,839	\$ 7,203,156	\$ 5,520,707	\$ 1,739,130	\$ 46,390,311
Intermediate sources	1,638,683	136,809	-	-	-	1,775,492
State sources	54,699,650	5,008,248	-	-	8,416,312	68,124,210
Federal sources	12,107	8,702,512	-	-	-	8,714,619
Total Revenues	86,884,919	15,240,408	7,203,156	5,520,707	10,155,442	125,004,632
EXPENDITURES:						
Current						
Instruction	55,534,933	6,967,732	-	-	519,621	63,022,286
Support services	31,035,856	4,290,341	-	-	2,752,825	38,079,022
Enterprise & community service	607,201	3,831,430	-	-	-	4,438,631
Facilities acquisition & construction	-	-	-	-	1,445,402	1,445,402
Capital outlay	63,897	1,456,703	-	-	95,138,344	96,658,944
Debt service						
Principal	-	539,459	725,000	2,820,001	1,658,360	5,742,820
Interest	-	91,580	6,650,092	1,634,680	298,798	8,675,150
Total Expenditures	87,241,887	17,177,245	7,375,092	4,454,681	101,813,350	218,062,255
Excess of Revenues Over, (Under) Expenditures	(356,968)	(1,936,837)	(171,936)	1,066,026	(91,657,908)	(93,057,623)
Other Financing Sources, (Uses):						
Issuance of debt	-	-	-	-	7,535,000	7,535,000
Payment to refunded bond escrow agent	-	-	-	-	(6,330,000)	(6,330,000)
Issuance costs	-	-	-	-	(148,708)	(148,708)
Transfers in	-	100,000	-	-	-	100,000
Transfers out	(200,000)	-	-	-	-	(200,000)
Total Other Financing Sources, (Uses)	(200,000)	100,000	-	-	1,056,292	956,292
Net Change in Fund Balance	(556,968)	(1,836,837)	(171,936)	1,066,026	(90,601,616)	(92,101,331)
Beginning Fund Balance	5,009,912	3,712,260	1,266,803	150,000	140,239,159	150,378,134
Ending Fund Balance	\$ 4,452,944	\$ 1,875,423	\$ 1,094,867	\$ 1,216,026	\$ 49,637,543	\$ 58,276,803

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, 2021

Net Change in Fund Balance	\$ (92,101,331)
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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	\$ 96,658,943	
Depreciation expense	<u>(3,208,568)</u>	93,450,375

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	43,692
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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 and pension obligation bonds	10,225,000	
Certificate of participation	103,378	
Capital lease payable	76,478	
Bond premium, discount	1,979,836	
Debt issuance	(7,535,000)	
Accrued compensated absences	23,548	
Note payable	<u>618,677</u>	5,491,917

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

16,189

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	(233,128)
PERS pension expense	(8,842,936)
RHIA pension expense	202,985
District pension expense	103,570

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.

(382,463)

Change in Net Position	<u>\$ (2,251,130)</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, 2021

General Fund

	Original Budget	Final Budget	Actual	Variance
REVENUES:				
Taxes	\$ 29,208,100	\$ 29,208,100	\$ 29,302,682	\$ 94,582
Other local sources	2,052,800	2,052,800	1,231,797	(821,003)
Intermediate sources	947,000	947,000	1,638,683	691,683
State sources	58,308,900	58,308,900	54,699,650	(3,609,250)
Federal sources	1,900	1,900	12,107	10,207
Total revenues	<u>90,518,700</u>	<u>90,518,700</u>	<u>86,884,919</u>	<u>(3,633,781)</u>
EXPENDITURES:				
Instruction	58,892,502	58,892,502	55,534,933	3,357,569
Support services	32,486,169	32,486,169	31,099,753	1,386,416
Enterprise and community services	813,447	813,447	607,201	206,246
Facilities acquisition and construction	10,410	10,410	-	10,410
Contingency	3,116,172	3,116,172	-	3,116,172
Total expenditures	<u>95,318,700</u>	<u>95,318,700</u>	<u>87,241,887</u>	<u>8,076,813</u>
Excess of revenues over (under) expenditures	(4,800,000)	(4,800,000)	(356,968)	4,443,032
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>
Net change in fund balance	(5,000,000)	(5,000,000)	(556,968)	4,443,032
Beginning fund balance	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,009,912</u>	<u>9,912</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,452,944</u>	<u>\$ 4,452,944</u>

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, 2021

Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance
REVENUES:				
Local sources	\$ 6,624,982	\$ 6,624,982	\$ 1,392,839	\$ (5,232,143)
Intermediate sources	330,803	330,803	136,809	(193,994)
State sources	10,827,809	10,827,809	5,008,248	(5,819,561)
Federal sources	6,587,104	6,587,104	8,702,512	2,115,408
Total revenues	24,370,698	24,370,698	15,240,408	(9,130,290)
EXPENDITURES:				
Instruction	13,310,250	9,310,250	6,967,732	2,342,518
Support services	7,865,831	11,865,831	5,747,044	6,118,787
Enterprise & community services	4,986,557	4,986,557	3,831,430	1,155,127
Facilities acquisition and construction	37,500	37,500	-	37,500
Debt service	701,095	701,095	631,039	70,056
Contingencies	476,959	476,959	-	476,959
Total expenditures	27,378,192	27,378,192	17,177,245	10,200,947
Excess of revenues over (under) expenditures	(3,007,494)	(3,007,494)	(1,936,837)	1,070,657
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	5,000	5,000	-	(5,000)
Transfers in	100,000	100,000	100,000	-
Total other financing sources (uses)	105,000	105,000	100,000	(5,000)
Net change in fund balance	(2,902,494)	(2,902,494)	(1,836,837)	1,065,657
Beginning fund balance	4,455,797	4,455,797	3,712,260	(743,537)
Ending fund balance	\$ 1,553,303	\$ 1,553,303	\$ 1,875,423	\$ 322,120

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, 2021

	Risk Management Internal Service Fund
ASSETS:	
Current assets	
Due from other funds	\$ 599,117
Total current assets	599,117
LIABILITIES AND NET POSITION:	
Current liabilities	
Accounts payable	130,903
Total liabilities	130,903
Net position	
Unrestricted	468,214
Total net position	\$ 468,214

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, 2021

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Internal Service Fund

OPERATING REVENUES:

Recovery of prior year expenses	\$ 46,656
Services to other funds	733,151
Miscellaneous	<u>3,225</u>
Total revenues	<u>783,032</u>

OPERATING EXPENSES

Salaries	101,320
Associated payroll costs	66,342
Purchased services	626,455
Supplies and materials	24,854
Insurance and judgments	400,705
Other operating expense	<u>45,819</u>
Total expenses	<u>1,265,495</u>

OPERATING INCOME	<u>(482,463)</u>
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NONOPERATING REVENUES/(EXPENSES):

Transfers in	<u>100,000</u>
Total nonoperating revenue/expenses	<u>100,000</u>

Change in net position	(382,463)
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Beginning net position	<u>850,677</u>
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Ending net position	<u><u>\$ 468,214</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 Cash Flows  
 Internal Service Fund  
 For the Year Ended June 30, 2021

	Risk Management Fund
Cash flows from operating activities:	
Internal activity - payments from other funds	\$ 733,151
Other receipts	49,881
Payments to employees	(101,320)
Payments for employee benefits and taxes	(66,342)
Payments for services	(243,992)
Payments for supplies and materials	(24,854)
Payments for insurance	(400,705)
Other operating expenses	(45,819)
Net cash provided (used) by operating activities	(100,000)
Cash flows from noncapital financing activities	
Transfer In	100,000
Net cash used by noncapital financing activities	100,000
Net increase in cash and cash equivalents	-
Cash and cash equivalents, beginning	-
Cash and cash equivalents, ending	\$ -
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ (482,463)
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	256,144
Increase (decrease) in accounts payable	126,319
Total adjustments	382,463
Net cash provided by operating activities	\$ (100,000)

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, 2021

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	<u>Custodial Funds</u>
ASSETS:	
Receivables:	
Interfund	<u>\$    152,753</u>
NET POSITION:	
Restricted for Individuals	<u>\$    152,753</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, 2021

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	<u>Custodial Funds</u>
ADDITIONS:	
Contributions:	
Gifts	<u>\$          941</u>
DEDUCTIONS:	
Scholarships	<u>31,000</u>
Net Increase (Decrease) in Net Position	(30,059)
NET POSITION BEGINNING	<u>182,812</u>
NET POSITION ENDING	<u><u>\$      152,753</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, 2021

**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 12<sup>th</sup> 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, 2021

**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

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Notes to the Financial Statements

June 30, 2021

**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. The fund had no nonoperating revenues or expenses in the current year.

*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  
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June 30, 2021

**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, 2020, but not made available to the District until after June 30, 2021.

(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, 2021

**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.

*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.

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.

OREGON CITY SCHOOL DISTRICT NO. 62  
Clackamas County, Oregon  
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June 30, 2021

**Note 1: Summary of Significant Accounting Policies (Continued)**

*Capital Assets (continued)*

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

*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 position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category: the pension related deferrals, OPEB related deferrals, PERS related deferrals and RHIA related deferrals. The excess of reacquisition price of refunded debt over its net carrying amount results in the difference from the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The pension related and OPEB related deferred outflow represents the difference between expected and actual experience and changes in the proportionate share net of contributions made subsequent to the measurement date.

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 position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has five of these items. The first item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The other four items are OPEB related deferrals, PERS related deferrals, pension related deferral, and RHIA related deferrals. These items are reported only in the government-wide Statement of Net Position, and represent the net difference between the projected and actual earnings on investments as well as the difference between employer contributions and employer's proportionate share of system contributions.

*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  
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June 30, 2021

**Note 1: Summary of Significant Accounting Policies (Continued)**

*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  
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**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 \$2,177,716 in nonspendable fund balances as of June 30, 2021, which represents prepaid items and deposits.
- 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 \$4,775,935, which represents five percent of adopted resources (which includes the budgeted beginning fund balance of \$5,000,000). The unassigned ending fund balance in the General Fund at June 30, 2021, is \$4,419,474 or 4.6%. In the preparation of the District's budget, the School Board approved the ending fund balance to drop to as low as 3.5%.

*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  
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**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 capital projects fund – Instruction by \$362,621.

**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  
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**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	\$ 71,722,570
Demand accounts	5,000,614
Petty cash	<u>17,774</u>
 Total cash and investments	 <u><u>\$ 76,740,958</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. We intend to measure these investments at book value since it approximates fair value. The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. 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](https://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, 2021

**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 \$5,736,463. Of these deposits, \$287,993 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  
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**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:

Investment Type	Maximum % of Portfolio	Maximum length to maturity
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, 2021 the District held the following investments and maturities:

	S&P	Moody's	Maturity Date	Fair Value Activity Level	Fair Value
<b>LGIP</b>					
State of Oregon Local Government Investment Pool - General	No rating	No rating	N/A	Market Value	\$ 13,539,734
State of Oregon Local Government Investment Pool - Debt Service (Bond)	No rating	No rating	N/A	Market Value	23,981,611
State of Oregon Local Government Investment Pool - General	No rating	No rating	N/A	Market Value	19,528
State of Oregon Local Government Investment Pool - Debt Service	No rating	No rating	N/A	Market Value	1,038,428
<b>US Government Securities</b>					
US Treasury	AA+	AAA	7/15/2021	Market Value	7,007,490
US Treasury	AA+	AAA	7/15/2021	Market Value	3,003,210
US Treasury	AA+	AAA	8/15/2021	Market Value	1,999,890
US Treasury	AA+	AAA	8/15/2021	Market Value	2,006,724
US Treasury	AA+	AAA	9/15/2021	Market Value	5,028,210
US Treasury	AA+	AAA	11/15/2021	Market Value	4,999,360
<b>US Agency Securities</b>					
FHLB	AA+	AAA	10/12/2021	Market Value	4,033,200
FHLB	AA+	AAA	12/10/2021	Market Value	5,065,185
					<u>\$ 71,722,570</u>

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**Note 5: Receivables**

Receivables as of year-end are summarized as follows:

General Fund	\$ 923,829
Special Revenue Fund	7,006,435
Special Revenue Fund	-
Capital Projects Fund	<u>124,488</u>
Total	<u>\$ 8,054,752</u>

**Note 6: Capital Assets**

Capital asset activity for the year ended June 30, 2021, was as follows:

	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 6,393,945	\$ 51,638	\$ -	\$ 6,445,583
Construction in progress	<u>20,978,226</u>	<u>82,029,541</u>	<u>(2,624,050)</u>	<u>100,383,717</u>
Total capital assets not being depreciated	<u>27,372,171</u>	<u>82,081,179</u>	<u>(2,624,050)</u>	<u>106,829,300</u>
Capital assets being depreciated:				
Site improvements	6,204,308	875,813	-	7,080,121
Buildings and improvements	115,328,220	14,819,105	-	130,147,325
Equipment	<u>12,191,002</u>	<u>1,506,896</u>	<u>-</u>	<u>13,697,898</u>
Total capital assets being depreciated	<u>133,723,530</u>	<u>17,201,814</u>	<u>-</u>	<u>150,925,344</u>
Less accumulated depreciation for:				
Site improvements	3,470,342	270,493	-	3,740,835
Buildings and improvements	43,507,558	2,219,318	-	45,726,876
Equipment	<u>8,094,688</u>	<u>718,757</u>	<u>-</u>	<u>8,813,445</u>
Total accumulated depreciation	<u>55,072,588</u>	<u>3,208,568</u>	<u>-</u>	<u>58,281,156</u>
Total capital assets being depreciated, net	<u>78,650,942</u>	<u>13,993,246</u>	<u>-</u>	<u>92,644,188</u>
Governmental activities capital assets, net	<u>\$ 106,023,113</u>	<u>\$ 96,074,425</u>	<u>\$ (2,624,050)</u>	<u>\$ 199,473,488</u>

Depreciation expense was charged to programs as follows:

Instruction	\$ 1,910,547
Support Services	1,162,514
Enterprise and Community Services	<u>135,507</u>
Total	<u>\$ 3,208,568</u>

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**Note 7: 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, 2021, are as follows:

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Due within One Year
Accrued compensated absences	\$ 274,885	\$ 183,968	\$ 207,516	\$ 251,337	\$ 251,337

**Note 8: Long-Term Obligations**

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

	Balance July 1, 2020	Additional Obligations	Payments & Adjustments	Balance June 30, 2021	Due within One Year
<b>Bonds</b>					
General obligation refunding bonds - 2014	\$ 7,545,000	\$ -	\$ (6,615,000)	\$ 930,000	\$ 300,000
General obligation bonds - 2018	157,995,950	-	(725,000)	157,270,950	1,085,000
Pension obligation bonds	30,880,000	-	(2,820,000)	28,060,000	3,165,000
Full Faith & Credit - 2019	2,069,841	-	(103,378)	1,966,463	185,400
General obligation refunding bonds - 2020	-	7,535,000	(65,000)	7,470,000	130,000
Unamortized:					
Bond premium	1,643,548	-	(1,384,043)	259,505	-
Bond premium	16,980,092	-	(595,793)	16,384,299	-
	<u>217,114,431</u>	<u>7,535,000</u>	<u>(12,308,214)</u>	<u>212,341,217</u>	<u>4,865,400</u>
<b>Direct Borrowings and Direct Placements</b>					
Note payable	20,600	-	(20,600)	-	-
Note payable	95,146	-	(46,902)	48,244	48,244
Note payable	109,340	-	(54,116)	55,224	55,224
Note payable	276,684	-	(37,306)	239,378	37,306
Note payable	179,259	-	(58,377)	120,882	59,742
Note payable	147,447	-	(47,980)	99,467	49,139
Note payable	241,144	-	(58,082)	183,062	59,527
Note payable	270,149	-	(51,931)	218,218	52,960
Note payable	273,869	-	(43,314)	230,555	44,221
Note payable	672,579	-	(88,922)	583,657	91,209
Note payable	953,974	-	(111,147)	842,827	113,370
	<u>3,240,191</u>	<u>-</u>	<u>(618,677)</u>	<u>2,621,514</u>	<u>610,942</u>
Total bonds, direct borrowings and direct placements	220,354,622	7,535,000	(12,926,891)	214,962,731	5,476,342
Capital leases payable	117,921	-	(76,478)	41,443	41,443
Total	<u>\$ 220,472,543</u>	<u>\$ 7,535,000</u>	<u>\$ (13,003,369)</u>	<u>\$ 215,004,174</u>	<u>\$ 5,517,785</u>

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**Note 8: 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 current year \$6,330,000 of the bonds were refunded with the GO Refunding Bonds – 2020 further described below.

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**Note 8: Long-Term Obligations (Continued):**

<u>Fiscal Year</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
2022	\$ 300,000	\$ 349,950	\$ 649,950
2023	310,000	341,700	651,700
2024	320,000	329,300	649,300
Total	<u>\$ 930,000</u>	<u>\$ 1,020,950</u>	<u>\$ 1,950,950</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>
2022	\$ 1,085,000	\$ 6,627,994	\$ 7,712,994
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
2027-31	17,135,000	29,908,250	47,043,250
2032-36	21,597,356	30,874,394	52,471,750
2037-41	20,269,437	40,561,563	60,831,000
2042-46	46,279,158	24,232,842	70,512,000
2047-51	43,159,999	4,431,750	47,591,749
Total	<u>\$ 157,270,950</u>	<u>\$ 162,680,419</u>	<u>\$ 319,951,369</u>



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**Note 8: 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>
2022	\$ 3,165,000	\$ 1,549,416	\$ 4,714,416
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
2027-31	8,185,000	609,186	8,794,186
Total	<u>\$ 28,060,000</u>	<u>\$ 6,398,025</u>	<u>\$ 34,458,025</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%.

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**Note 8: 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>
2022	\$ 185,400	\$ 40,902	\$ 226,302
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
2027-31	932,114	52,968	985,082
2032-36	13,041	271	13,312
Total	<u>\$ 1,966,463</u>	<u>\$ 216,693</u>	<u>\$ 2,183,156</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, 2021, and semiannually thereafter on June 15 and December 15 of each year.

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**Note 8: 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>
2022	\$ 130,000	\$ 141,777	\$ 271,777
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
2027-31	2,450,000	574,441	3,024,441
2032-36	2,395,000	335,830	2,730,830
2037-41	1,290,000	70,460	1,360,460
Total	<u>\$ 7,470,000</u>	<u>\$ 1,678,427</u>	<u>\$ 9,148,427</u>

**Direct Borrowings and Direct Placements**

*Note Payable*

The District purchased transportation equipment in December 2010. In order to acquire the equipment, the District borrowed \$353,175 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: \$ 353,175

Interest payment dates: Interest on the obligation first payable on June 14, 2011, and semi-annually thereafter on December 14 and June 14 of each year.

Maturity schedule: The note matured on June 14, 2021.

*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

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**Note 8: Long-Term Obligations (Continued)**

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.

Maturity schedule: The note will mature on July 1, 2021, and bears interest of 2.86%.

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2022	\$ 48,244	\$ 1,380	\$ 49,624
Total	<u>\$ 48,244</u>	<u>\$ 1,380</u>	<u>\$ 49,624</u>

*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 will mature on February 14, 2022, and bears interest of 6.03%.

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2022	\$ 55,224	\$ 1,134	\$ 56,358
Total	<u>\$ 55,224</u>	<u>\$ 1,134</u>	<u>\$ 56,358</u>

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**Note 8: Long-Term Obligations (Continued)**

*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 Borrow 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.

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

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2022	\$ 37,306	\$ -	\$ 37,306
2023	37,306	-	37,306
2024	37,306	-	37,306
2025	37,306	-	37,306
2026	37,306	-	37,306
2027-31	52,848	-	52,848
Total	<u>\$ 239,378</u>	<u>\$ -</u>	<u>\$ 239,378</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.

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**Note 8: Long-Term Obligations (Continued)**

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
2022	\$ 59,742	\$ 2,827	\$ 62,569
2023	61,140	1,430	62,570
Total	<u>\$ 120,882</u>	<u>\$ 4,257</u>	<u>\$ 125,139</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 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
2022	\$ 49,139	\$ 2,404	\$ 51,543
2023	50,328	1,216	51,544
Total	<u>\$ 99,467</u>	<u>\$ 3,620</u>	<u>\$ 103,087</u>

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June 30, 2021

**Note 8: Long-Term Obligations (Continued)**

*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%.

<u>Fiscal Year</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
2022	\$ 59,527	\$ 4,554	\$ 64,081
2023	61,008	3,073	64,081
2024	62,527	1,556	64,083
Total	<u>\$ 183,062</u>	<u>\$ 9,183</u>	<u>\$ 192,245</u>

*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.

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: \$ 525,000

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

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**Note 8: Long-Term Obligations (Continued)**

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

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2022	\$ 52,960	\$ 4,324	\$ 57,284
2023	54,009	3,275	57,284
2024	55,079	2,205	57,284
2025	56,170	1,113	57,283
Total	<u>\$ 218,218</u>	<u>\$ 10,917</u>	<u>\$ 229,135</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%.

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2022	\$ 44,221	\$ 4,825	\$ 49,046
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>\$ 230,555</u>	<u>\$ 14,674</u>	<u>\$ 245,229</u>

*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



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**Note 8: Long-Term Obligations (Continued)**

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%.

<u>Fiscal Year</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
2022	\$ 91,209	\$ 15,006	\$ 106,215
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>\$ 583,657</u>	<u>\$ 53,630</u>	<u>\$ 637,287</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.

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

<u>Year</u>	<u>Payments</u>	<u>Payments</u>	<u>Payments</u>
2022	\$ 113,370	\$ 23,093	\$ 136,463
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>\$ 842,827</u>	<u>\$ 94,202</u>	<u>\$ 937,029</u>

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**Note 9: Capital Leases**

In July 2017, the District entered into a lease for the acquisition of technology equipment valued at \$142,830. The equipment has a three-year estimated useful life. The lease qualifies as a capital lease 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 lease.

The lease was paid off in the current year.

In February 2019, the District entered into a lease for the acquisition of technology equipment valued at \$163,800. The equipment has a three-year estimated useful life. The lease qualifies as a capital lease 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 lease.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2021, were as follows:

Year ending June 30	Governmental Activities
2022	\$ 42,479
Total minimum lease payments	42,479
Less: amount representing interest	(1,036)
Present value of minimum lease payments	<u>\$ 41,443</u>

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**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, 2021 was \$155,877.

*Total Pension Liability*

The District's total pension liability (TPL) was measured as of June 30, 2020 and the total pension liability was determined by an actuarial valuation as of July 1, 2020.

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**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, 2019 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 3.50%; (b) annual increases in medical premiums are expected to range from 5.5% to 5% by 2025, to 4.75% by 2034, to 5.75% in 2049, before decreasing .25% every 5 years until reaching 4.25% for future years; (c) annual increases in vision and dental premiums are expected to increase by 4% per year; (d) an assumed inflation rate of 2.5%; (e) annual salary increases for employees are assumed to be 3.5% 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>2019</u>	<u>2020</u>	<u>2021</u>
Balance at July 1	\$ 1,833,376	\$ 1,818,029	\$ 1,724,340
Changes for the Year:			
Service Cost	106,284	108,001	102,519
Interest	66,609	70,734	60,191
Gains or Losses	-	(13,948)	-
Effect of Assumptions Changes or Input	(28,696)	(60,039)	120,026
Benefit Payments	<u>(159,544)</u>	<u>(198,437)</u>	<u>(216,107)</u>
Net Changes for the Year	<u>(15,347)</u>	<u>(93,689)</u>	<u>66,629</u>
Total Pension Liability at June 30	<u>\$ 1,818,029</u>	<u>\$ 1,724,340</u>	<u>\$ 1,790,969</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	\$ (97,240)	\$ -
Changes of assumptions or inputs	(77,587)	157,840
Benefit payments	<u>-</u>	<u>223,895</u>
Total	<u>\$ (174,827)</u>	<u>\$ 381,735</u>

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**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>
2022	\$ (42,385)
2023	(36,503)
2024	16,952
2025	22,581
2026	22,368
Thereafter	-
Total	<u>\$ (16,987)</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 3.50 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	\$ 1,884,178	\$ 1,790,969	\$ 1,698,691

**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 OEBC 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.

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**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, 2021 was \$233,128.

*Actuarial Methods and Assumptions*

The District engaged an actuary to perform an evaluation as of July 1, 2020 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, 2020</u>
Discount Rate per year	3.50%
General Inflation Rate per year	2.50%
Salary Scale per year	3.50%

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>2019</u>	<u>2020</u>	<u>2021</u>
Balance at July 1	\$ 5,049,839	\$ 5,059,716	\$ 5,642,750
Changes for the Year:			
Service Cost	366,217	370,399	502,066
Interest	186,149	201,621	205,342
Effect of Economic Gains/Losses	-	131,299	-
Effect of Assumptions Changes or Input	(105,933)	324,468	397,841
Benefit Payments	(436,556)	(444,753)	(560,618)
Net Changes for the Year	<u>9,877</u>	<u>583,034</u>	<u>544,631</u>
Total OPEB Liability at June 30	<u>\$ 5,059,716</u>	<u>\$ 5,642,750</u>	<u>\$ 6,187,381</u>

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**Note 11: Other Post-Employment Benefits (continued)**

	Deferred Inflows of Resources	Deferred Outflows of Resources
Difference between expected and actual experience	\$ -	\$ 95,327
Changes in assumptions	(174,001)	578,914
Benefit Payments	-	538,257
Deferred outflow (inflow) of resources	<u>\$ (174,001)</u>	<u>\$ 1,212,498</u>

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

Year ending June 30,	Amount
2022	\$ 63,977
2023	63,977
2024	63,979
2025	101,800
2026	116,931
Thereafter	89,576
Total	<u>\$ 500,240</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 3.50 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	\$ 6,592,995	\$ 6,187,381	\$ 5,800,652

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	\$ 5,592,915	\$ 6,187,381	\$ 6,883,794

**Note 12: Defined Benefit Pension Plan**

*Oregon Public Employees Retirement System (PERS)*

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/2020-CAFR.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.

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**Note 12: Defined Benefit Pension Plan (continued)**

**a. PERS Pension (Chapter 238)(continued)**

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

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

- ii) Death Benefits. Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following contributions are met:
- member was employed by PERS employer at the time of death,
  - member died within 120 days after termination of PERS covered employment,
  - member died as a result of injury sustained while employed in a PERS-covered job, or
  - member was on an official leave of absence from a PERS-covered job at the time of death.
- iii) Disability Benefits. A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
- iv) Benefit Changes After Retirement. Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.



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**Note 12: Defined Benefit Pension Plan (continued)**

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

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**Note 12: Defined Benefit Pension Plan (continued)**

**b. OPSRP Pension Program (OPSRP DB)(continued)**

**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, 2017 actuarial valuation, which became effective July 1, 2019. 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, 2021 were \$9,152,455, excluding amounts to fund employer specific liabilities. In addition approximately \$7,966,544 in employee contributions were paid or picked up by the District in fiscal 2021. At June 30, 2021, the District reported a net pension liability of \$85,224,743 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2018. 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, 2020 and 2019, the District's proportion was .391 percent and .414 percent, respectively. All major funds, except for the debt service fund, are used to liquidate the net pension liability. Pension expense for the year ended June 30, 2021 was \$8,842,936.

The rates in effect for the year ended June 30, 2021 were:

- (1) Tier 1/Tier 2 – 21.05%
- (2) OPSRP general services – 15.60%
- (3) UAL – 7.20%

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 3,750,920	\$ -
Changes in assumptions	4,573,743	160,254
Net difference between projected and actual earnings on pension plan investments	10,021,323	-
Net changes in proportionate share	316,080	5,235,572
Differences between employer contributions and employer's proportionate share of system contributions	-	2,119,547
Subtotal - Amortized Deferrals (below)	18,662,066	7,515,373
Contributions subsequent to measurement date	9,152,455	-
Deferred outflow (inflow) of resources	<u>\$ 27,814,521</u>	<u>\$ 7,515,373</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, 2022.

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

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**Note 12: Defined Benefit Pension Plan (continued)**

<u>Year ending June 30,</u>	<u>Amount</u>
2022	\$ 2,024,697
2023	3,529,369
2024	3,249,029
2025	2,512,926
2026	(169,330)
Thereafter	-
Total	<u>\$ 11,146,691</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated March 5, 2021. Oregon PERS produces an independently audited ACFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2020-CAFR.pdf>

**Actuarial Valuations** – The employer contribution rates effective July 1, 2019 through June 30, 2021, 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.

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Notes to the Financial Statements  
June 30, 2021

**Note 12: Defined Benefit Pension Plan (continued)**

*Actuarial Methods and Assumptions:*

Valuation date	December 31, 2018
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	2.50 percent
Investment rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increase	3.50 percent
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision, blend based on service
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

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

*Assumed Asset Allocation:*

<b>Asset Class/Strategy</b>	<b>Low Range</b>	<b>High Range</b>	<b>OIC Target</b>
Debt Securities	15.0%	25.0%	20.0%
Public Equity	27.5%	37.5%	32.5%
Real Estate	9.5%	15.5%	12.5%
Private Equity	14.0%	21.0%	17.5%
Alternative Investments	7.5%	17.5%	15.0%
Opportunity Portfolio	0.0%	3.0%	0.0%
Risk Parity	0.0%	2.5%	2.5%
Total			100.0%

(Source: June 30, 2020 PERS ACFR; p. 102)

OREGON CITY SCHOOL DISTRICT NO. 62  
 Clackamas County, Oregon  
 Notes to the Financial Statements  
 June 30, 2021

**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 May 2019 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.

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Compound Annual (Geometric) Return</b>
Core Fixed Income	9.60%	4.07%
Short-Term Bonds	9.60%	3.68%
Bank/Leveraged Loans	3.60%	5.19%
High Yield Bonds	1.20%	5.74%
Large/Mid Cap US Equities	16.17%	6.30%
Small Cap US Equities	1.35%	6.68%
Micro Cap US Equities	1.35%	6.79%
Developed Foreign Equities	13.48%	6.91%
Emerging Market Equities	4.24%	7.69%
Non-US Small Cap Equities	1.93%	7.25%
Private Equity	17.50%	8.33%
Real Estate (Property)	10.00%	5.55%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds - Diversified	1.50%	4.06%
Hedge Fund - Event-driven	38.00%	5.59%
Timber	1.13%	5.61%
Farmland	1.13%	6.12%
Infrastructure	2.25%	6.67%
Commodities	1.13%	3.79%
<i>Assumed Inflation - Mean</i>		2.50%

*(Source: June 30, 2020 PERS ACFR; p. 74)*

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

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

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 7.20 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 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate.

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
District's proportionate share of the net pension liability	\$ 126,551,705	\$ 85,224,743	\$ 50,570,170

**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, 2020 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.

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June 30, 2021

**Note 12: Defined Benefit Pension Plan (continued)**

*Pension Benefits*

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

*Death Benefits:*

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

*Contributions:*

Employees of the District pay six (6) percent of their covered payroll. The District did not make any optional contributions to member IAP accounts for the year ended June 30, 2021.

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>

Aggregate amount for all pension plans

	<u>Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Pension Expense</u>
Oregon Public Employees Retirement System (PERS)	\$ 85,224,743	\$ 27,814,521	\$ 7,515,373	\$ 8,842,936
District Stipend Pension Plan	<u>1,790,969</u>	<u>381,735</u>	<u>174,827</u>	<u>155,877</u>
Total	<u>\$ 87,015,712</u>	<u>\$ 28,196,256</u>	<u>\$ 7,690,200</u>	<u>\$ 8,998,813</u>

**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 CITY SCHOOL DISTRICT NO. 62  
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**Note 13: Other Post-Employment Benefit Plan – RHIA (continued)**

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, 2020. Consistent with GASB Statement 75, the OPERS Board of Trustees sets the employer contribution rates as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. The basis for the employer's portion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the plan with the total actual contributions made in the fiscal year of all employers. The District's contributions to RHIA for the years ended June 30, 2018, 2019 and 2020 were \$195,145, \$199,192 and \$135,775, respectively, which equaled the required contributions each year.

At June 30, 2021, the District reported a net OPEB asset of (\$967,177) for its proportionate share of the net OPEB liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2020, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2018. 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, 2020 and 2019, the District's proportion was .475 percent and .402 percent, respectively. OPEB expense for the year ended June 30, 2021 was (\$202,985).

Components of OPEB Expense/(Income):

Employer's proportionate share of collective system OPEB Expense/(Income)	\$ (155,561)
Net amortization of employer-specific deferred amounts from:	
- Changes in proportionate share (per paragraph 64 of GASB 75)	(39,383)
- 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>\$ (194,944)</u>

Components of Deferred Outflows/Inflows of Resources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ 98,874
Changes in assumptions	-	51,410
Net difference between projected and actual earnings on pension plan investments	107,558	-
Net changes in proportionate share	362	74,188
Differences between District contributions and proportionate share of contributions	-	-
Subtotal - Amortized Deferrals (below)	<u>107,920</u>	<u>224,472</u>
District contributions subsequent to measuring date	11,751	-
Deferred outflow (inflow) of resources	<u>\$ 119,671</u>	<u>\$ 224,472</u>



OREGON CITY SCHOOL DISTRICT NO. 62  
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June 30, 2021

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

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, 2022.

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>
2022	\$ (135,152)
2023	(55,088)
2024	39,760
2025	33,928
2026	-
Thereafter	-
Total	<u>\$ (116,552)</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, 2020. That independently audited report was dated March 5, 2021 and can be found at:

[https://www.oregon.gov/pers/EMP/Documents/GASB/2020/GASB\\_75\\_FYE\\_6.30.2020.pdf](https://www.oregon.gov/pers/EMP/Documents/GASB/2020/GASB_75_FYE_6.30.2020.pdf)

**Actuarial Methods and Assumptions:**

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

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

OREGON CITY SCHOOL DISTRICT NO. 62  
 Clackamas County, Oregon  
 Notes to the Financial Statements  
 June 30, 2021

**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, 2020 was 7.20 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 May 2019 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.

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Compound Annual (Geometric) Return</b>
Core Fixed Income	9.60%	4.07%
Short-Term Bonds	9.60%	3.68%
Bank/Leveraged Loans	3.60%	5.19%
High Yield Bonds	1.20%	5.74%
Large/Mid Cap US Equities	16.17%	6.30%
Small Cap US Equities	1.35%	6.68%
Micro Cap US Equities	1.35%	6.79%
Developed Foreign Equities	13.48%	6.91%
Emerging Market Equities	4.24%	7.69%
Non-US Small Cap Equities	1.93%	7.25%
Private Equity	17.50%	8.33%
Real Estate (Property)	10.00%	5.55%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds - Diversified	1.50%	4.06%
Hedge Fund - Event-driven	38.00%	5.59%
Timber	1.13%	5.61%
Farmland	1.13%	6.12%
Infrastructure	2.25%	6.67%
Commodities	1.13%	3.79%
<i>Assumed Inflation - Mean</i>		2.50%

(Source: June 30, 2020 PERS ACFR; p. 74)

OREGON CITY SCHOOL DISTRICT NO. 62  
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Notes to the Financial Statements  
June 30, 2021

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

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 7.20 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 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate.

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
District's proportionate share of the net OPEB liability (asset)	\$ (780,833)	\$ (967,177)	\$ (1,126,509)

**Changes Subsequent to the Measurement Date**

There are no changes subsequent to the June 30, 2020 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

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>

Aggregate amounts for all OPEB plans are as follows:

	Total OPEB Liability/(Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Postemployment health benefit plan - RHIA	\$ (967,177)	\$ 119,671	\$ 224,472	\$ (202,985)
Postemployment Health Insurance Subsidy	6,187,381	1,212,498	174,001	233,128
Total	<u>\$ 5,220,204</u>	<u>\$ 1,332,169</u>	<u>\$ 398,473</u>	<u>\$ 30,143</u>

**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:

	Transfers In	Transfers Out
General Fund	\$ -	\$ 200,000
Special Revenue Fund	100,000	-
Internal Service Fund	100,000	-
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 2019-20 budget.

OREGON CITY SCHOOL DISTRICT NO. 62  
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 Notes to the Financial Statements  
 June 30, 2021

**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, 2021 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 112,474	\$ -
Special Revenue Fund	-	3,890,053
Debt Service Fund	14,816	-
Pension Obligation Fund	1,196,498	-
Capital Projects Fund	1,967,148	-
Internal Service Fund	599,117	-
	3,890,053	3,890,053
General Due to Fiduciary	-	152,753
Fiducary Fund	152,753	-
Total	<u>\$ 4,042,806</u>	<u>\$ 4,042,806</u>

**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.

OREGON CITY SCHOOL DISTRICT NO. 62  
Clackamas County, Oregon  
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June 30, 2021

**Note 17: Risk Management (continued)**

A summary of changes in aggregate liabilities for claims follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
2018-2019	<u>\$ 19,297</u>	<u>\$ 78,976</u>	<u>\$ 46,057</u>	<u>\$ 52,216</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>

**Note 18: Tax Abatement Disclosures**

As of June 30, 2021, 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.

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.

OREGON CITY SCHOOL DISTRICT NO. 62

Clackamas County, Oregon

Notes to the Financial Statements

June 30, 2021

**Note 18: Tax Abatement Disclosures (continued)**

For the fiscal year ended June 30, 2021, the Oregon City School District abated property taxes totaling \$122,044 under these programs.

<b>Tax Abatement Program</b>	<b>Amount of Taxes Abated during the Fiscal Year</b>
Housing Authority Partnership	\$ 116,608
Enterprise Zones	9,436
	<u>\$ 126,044</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, 2021

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



OREGON CITY SCHOOL DISTRICT NO. 62  
Clackamas County, Oregon  
Schedule of Changes in Pension Liability  
For the Year Ended June 30, 2021

	2021	2020	2019	2018	2017
Total Pension Liability - Beginning	\$ 1,724,340	\$ 1,818,029	\$ 1,833,376	\$ 2,258,095	\$ 2,250,496
Changes for the year					
Service Cost	102,519	108,001	106,284	91,360	76,822
Interest on Total Pension Liability	60,191	70,734	66,609	63,669	84,276
Effect of economic/demographic gains or losses	-	(13,948)	-	(273,324)	125,782
Effect of assumptions changes or inputs	120,026	(60,039)	(28,696)	(73,888)	-
Benefit payments	(216,107)	(198,437)	(159,544)	(232,536)	(279,281)
Total Pension Liability - Ending	<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 Payroll	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 Payroll	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.

OREGON CITY SCHOOL DISTRICT NO. 62

Clackamas County, Oregon  
Required Supplementary Information  
For the Year Ended June 30, 2021

Oregon Public Retirement System

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

Year ended June 30,	District's proportion of the net pension liability (NPL)	District's proportionate share of the net pension liability (asset)	District's covered payroll	NPL (asset) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
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

Year ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	District's covered payroll	Contributions as a percentage of covered payroll
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, 2020

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
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
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, 2021

		Total	Final Budgeted Amount	Variance with Final Budget
<u>Local Sources</u>				
1111	Current Year Taxes	\$ 28,946,271	\$ 28,508,100	\$ 438,171
1112	Prior Year Taxes	356,411	700,000	(343,589)
1114	Payments in Lieu of Property Taxes	36,099	23,800	12,299
1190	Penalties and Interest Taxes	94,121	70,000	24,121
1400	Transportation Fees	(253)	120,000	(120,253)
1500	Earnings on Investments	177,170	410,000	(232,830)
1700	Extracurricular Activities	36,951	229,000	(192,049)
1800	Community Services Activities	321,480	632,000	(310,520)
1910	Rentals	136,484	351,000	(214,516)
1920	Donations - Private Sources	639	2,000	(1,361)
1940	Service Provided To LEA's	-	30,000	(30,000)
1960	Recovery of Prior Years' Expenditure	39,270	20,000	19,270
1980	Fees Charged to Grants	240,213	40,000	200,213
1990	Miscellaneous	149,623	125,000	24,623
	Total Local Sources	<u>30,534,479</u>	<u>31,260,900</u>	<u>(726,421)</u>
<u>Intermediate Sources:</u>				
2102	ESD Funds	1,638,683	947,000	691,683
	Total Intermediate Sources	<u>1,638,683</u>	<u>947,000</u>	<u>691,683</u>
<u>State Sources:</u>				
3101	State School Fund (SSF)	50,768,883	53,142,400	(2,373,517)
3103	Common School Fund	849,626	788,500	61,126
3105	State School Fund (SSF)			
	Transportation Equipment	2,955,481	3,833,000	(877,519)
3199	Other Unrestricted Grants-in-Aid	125,660	545,000	(419,340)
	Total State Sources	<u>54,699,650</u>	<u>58,308,900</u>	<u>(3,609,250)</u>
<u>Federal Sources:</u>				
4201	Third Party Billing	12,107	-	12,107
4801	Federal Forest Fees	-	1,900	(1,900)
	Total Federal Sources	<u>12,107</u>	<u>1,900</u>	<u>10,207</u>
	Total Revenues	<u>\$ 86,884,919</u>	<u>\$ 90,518,700</u>	<u>\$ (3,633,781)</u>

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, 2021

	Object 100	Object 200	Object 300	Object 400
<b>Instruction</b>				
1111 Elementary, K-5	\$ 9,438,898	\$ 5,791,522	\$ 14,717	\$ 132,023
1121 Middle/Junior High Programs	5,515,091	3,262,725	5,138	87,148
1122 Middle/Junior High School Extracurricular	50,068	17,558	-	12,458
1131 High School Programs	5,886,266	3,385,479	9,726	98,440
1132 High School Extracurricular	265,219	75,597	47,982	28,398
1210 Programs for the Talented and Gifted	4,505	1,757	-	-
1220 Restrictive Programs for Students with Disabilities	2,655,067	1,825,931	1,751,505	7,545
1250 Less Restrictive Programs for Students with Disabilities	2,715,137	1,857,441	570	30,973
1280 Alternative Education	131,022	79,374	8,540,543	1,041
1290 English Second Language and Teen Parent Programs	1,101,227	700,731	3,644	637
Total Instruction	27,762,500	16,998,115	10,373,825	398,663
<b>Support Services</b>				
2110 Attendance and Social Work Services	122,839	87,485	1,240	120
2120 Guidance Services	1,466,771	863,150	387	6,411
2130 Health Services	229,094	140,176	36,452	4,004
2140 Psychological Services	444,491	199,014	13,344	27,072
2150 Speech Pathology and Audiology Services	1,018,220	579,841	47,887	12,384
2160 Other Student Treatment Services	196,077	126,733	610	1,124
2190 Service Direction, Student Support Services	1,181,532	684,401	216,292	11,236
2210 Improvement of Instruction Services	316,328	177,544	29,207	326,462
2220 Educational Media Services	523,033	353,870	683	60,281
2230 Assessment and Testing	37,914	23,441	-	-
2240 Instructional Staff Development	11,538	310,886	50,907	-
2310 Board of Education Services	48,433	30,273	69,469	1,052
2320 Executive Administration Services	257,222	145,019	38,061	14,011
2410 Office of the Principal Services	2,832,307	1,662,073	52,043	114,995
2510 Business Services - Direction	313,404	126,950	7,223	4,042
2520 Fiscal Services	633,744	339,341	90,070	63,583
2540 Operation and Maintenance of Plant Services	2,399,240	1,677,099	1,855,573	409,325
2550 Student Transportation Services	2,491,475	1,881,811	173,845	176,290
2570 Internal Services	102,489	73,451	132,541	6,550
2620 Planning Services	-	-	-	-
2630 Information Services	190,058	97,015	12,503	11,048
2640 Staff Services	349,385	176,772	51,779	27,132
2660 Technology Services	372,256	225,437	468,168	91,152
2680 Interpretation & Translation Services	-	-	8,048	-
2700 Supplemental Retirement Program	151,616	4,261	-	-
Total Support Services	15,689,466	9,986,043	3,356,332	1,368,274
<b>Enterprise and Community Services</b>				
3300 Community Services and Community Education	86,186	57,188	13,414	1,431
3390 Community Education	283,674	126,107	20,388	16,992
Total Enterprise and Community Services	369,860	183,295	33,802	18,423
<b>Facilities Acquisition and Construction</b>				
4150 Building Acquisition, Construction, and Improvement Services	-	-	-	-
Total Facilities Acquisition and Construction	-	-	-	-
<b>Other Uses</b>				
5200 Transfers of Funds	-	-	-	-
Total Other Uses	-	-	-	-
<b>Contingency</b>				
6000 Operating Contingency	-	-	-	-
Total Contingency	-	-	-	-
Total Expenditures	\$ 43,821,826	\$ 27,167,453	\$ 13,763,959	\$ 1,785,360
<b>Changes in Fund Balance</b>				
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
\$ -	\$ 59	\$ -	\$ -	\$ 15,377,219	\$ 16,980,435	\$ 1,603,216
-	-	-	-	8,870,102	8,871,964	1,862
-	-	-	-	80,084	115,118	35,034
-	50	-	-	9,379,961	9,597,673	217,712
-	1,721	-	-	418,917	459,295	40,378
-	-	-	-	6,262	59,518	53,256
-	-	-	-	6,240,048	7,163,645	923,597
-	-	-	-	4,604,121	4,950,008	345,887
-	-	-	-	8,751,980	8,669,023	(82,957)
-	-	-	-	1,806,239	2,025,823	219,584
-	1,830	-	-	55,534,933	58,892,502	3,357,569
-	-	-	-	211,684	372,615	160,931
-	4,045	-	-	2,340,764	2,232,576	(108,188)
-	20	-	-	409,746	647,933	238,187
-	-	-	-	683,921	605,501	(78,420)
-	-	-	-	1,658,332	1,620,028	(38,304)
-	-	-	-	324,544	336,994	12,450
-	1,340	-	-	2,094,801	2,321,235	226,434
-	2,255	-	-	851,796	628,252	(223,544)
-	-	-	-	937,867	1,102,954	165,087
-	-	-	-	61,355	37,914	(23,441)
-	-	-	-	373,331	413,589	40,258
-	11,136	-	-	160,363	176,619	16,256
-	2,356	-	-	456,669	414,717	(41,952)
-	20,114	-	-	4,681,532	4,873,861	192,329
-	795	-	-	452,414	301,787	(150,627)
-	33,708	-	-	1,160,446	1,012,179	(148,267)
50,619	5,138	-	-	6,396,994	6,817,646	420,652
-	112,115	-	-	4,835,536	5,952,438	1,116,902
-	417,720	-	-	732,751	337,896	(394,855)
-	-	-	-	-	12,000	12,000
-	3,535	-	-	314,159	252,279	(61,880)
-	1,375	-	-	606,443	704,582	98,139
13,278	20,089	-	-	1,190,380	1,103,875	(86,505)
-	-	-	-	8,048	-	(8,048)
-	-	-	-	155,877	206,699	50,822
63,897	635,741	-	-	31,099,753	32,486,169	1,386,416
-	-	-	-	158,219	172,551	14,332
-	1,821	-	-	448,982	640,896	191,914
-	1,821	-	-	607,201	813,447	206,246
-	-	-	-	-	10,410	10,410
-	-	-	-	-	10,410	10,410
-	-	200,000	-	200,000	200,000	-
-	-	200,000	-	200,000	200,000	-
-	-	-	-	-	3,116,172	3,116,172
-	-	-	-	-	3,116,172	3,116,172
\$ 63,897	\$ 639,392	\$ 200,000	\$ -	\$ 87,441,887	\$ 95,518,700	\$ 8,076,813
				\$ (356,968)	\$ (4,800,000)	\$ 4,443,032
				(200,000)	(200,000)	-
				(556,968)	(5,000,000)	4,443,032
				5,009,912	5,000,000	9,912
				\$ 4,452,944	\$ -	\$ 4,452,944

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, 2021

	<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	\$ 7,048,400	\$ 7,048,400	\$ 7,083,262	\$ 34,862
Prior year's taxes	70,000	70,000	87,215	17,215
Interest	115,000	115,000	32,679	(82,321)
Total revenues	<u>7,233,400</u>	<u>7,233,400</u>	<u>7,203,156</u>	<u>(30,244)</u>
EXPENDITURES:				
Debt service	<u>7,395,000</u>	<u>7,395,000</u>	<u>7,375,092</u>	<u>19,908</u>
Total expenditures	<u>7,395,000</u>	<u>7,395,000</u>	<u>7,375,092</u>	<u>19,908</u>
Net change in fund balance	(161,600)	(161,600)	(171,936)	(10,336)
Beginning fund balance	<u>1,240,000</u>	<u>1,240,000</u>	<u>1,266,803</u>	<u>26,803</u>
Ending fund balance	<u>\$ 1,078,400</u>	<u>\$ 1,078,400</u>	<u>\$ 1,094,867</u>	<u>\$ 16,467</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, 2021

	<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>\$ 4,523,100</u>	<u>\$ 4,523,100</u>	<u>\$ 5,520,707</u>	<u>\$ 997,607</u>
Total revenues	<u>4,523,100</u>	<u>4,523,100</u>	<u>5,520,707</u>	<u>997,607</u>
EXPENDITURES				
Debt service	<u>4,523,100</u>	<u>4,523,100</u>	<u>4,454,681</u>	<u>68,419</u>
Total expenditures	<u>4,523,100</u>	<u>4,523,100</u>	<u>4,454,681</u>	<u>68,419</u>
Net change in fund balance	-	-	1,066,026	1,066,026
Beginning fund balance	<u>100,000</u>	<u>100,000</u>	<u>150,000</u>	<u>50,000</u>
Ending fund balance	<u><u>\$ 100,000</u></u>	<u><u>\$ 100,000</u></u>	<u><u>\$ 1,216,026</u></u>	<u><u>\$ 1,116,026</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, 2021

	<u>Capital Projects Fund</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:				
Local sources	\$ 3,410,000	\$ 3,410,000	\$ 1,739,130	\$ (1,670,870)
State sources	8,890,000	8,890,000	8,416,312	(473,688)
Total revenues	<u>12,300,000</u>	<u>12,300,000</u>	<u>10,155,442</u>	<u>(2,144,558)</u>
EXPENDITURES:				
Instruction	157,000	657,000	519,621	137,379
Support services	14,265,270	8,765,270	2,752,825	6,012,445
Facilities acquisition & construction	96,885,844	101,885,844	96,583,746	5,302,098
Debt service	2,108,100	2,108,100	1,957,158	150,942
Contingency	125,130	125,130	-	125,130
Total expenditures	<u>113,541,344</u>	<u>113,541,344</u>	<u>101,813,350</u>	<u>11,727,994</u>
Excess of revenues over (under) expenditures	(101,241,344)	(101,241,344)	(91,657,908)	9,583,436
OTHER FINANCING SOURCES (USES)				
Capital lease proceeds	200,000	200,000	-	(200,000)
Issuance of Debt	-	-	7,535,000	7,535,000
Payment to refunded bond escrow agent	-	(7,379,300)	(6,330,000)	1,049,300
Issuance Costs	-	-	(148,708)	(148,708)
Sale of capital assets	75,000	75,000	-	(75,000)
Total other financing sources (uses)	<u>275,000</u>	<u>(7,104,300)</u>	<u>1,056,292</u>	<u>8,160,592</u>
Net change in fund balance	(100,966,344)	(108,345,644)	(90,601,616)	17,744,028
Beginning fund balance	<u>114,494,140</u>	<u>121,873,440</u>	<u>140,239,159</u>	<u>18,365,719</u>
Ending fund balance	<u>\$ 13,527,796</u>	<u>\$ 13,527,796</u>	<u>\$ 49,637,543</u>	<u>\$ 36,109,747</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, 2021

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>\$ 783,032</u>	<u>\$ 1,032</u>
Total revenues	<u>782,000</u>	<u>782,000</u>	<u>783,032</u>	<u>1,032</u>
EXPENDITURES:				
Support services	<u>1,282,000</u>	<u>1,282,000</u>	<u>1,265,495</u>	<u>16,505</u>
Total expenditures	<u>1,282,000</u>	<u>1,282,000</u>	<u>1,265,495</u>	<u>16,505</u>
Excess of revenues over (under) expenditures	(500,000)	(500,000)	(482,463)	17,537
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	(400,000)	(400,000)	(382,463)	17,537
Beginning fund balance	<u>400,000</u>	<u>400,000</u>	<u>850,677</u>	<u>450,677</u>
Ending fund balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 468,214</u></u>	<u><u>\$ 468,214</u></u>

OREGON CITY SCHOOL DISTRICT NO. 62  
 Clackamas County, Oregon  
 Statement of Fiduciary Net Position  
 All Custodial Funds  
 June 30, 2021

	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>												
Receivables Interfund	\$ 17,150	\$ 2,445	\$ 1,973	\$ 1,820	\$ 12,909	\$ 23,535	\$ 5,756	\$ 4,573	\$ 78	\$ 2,776	\$ 79,738	\$ 152,753
Total assets	<u>\$ 17,150</u>	<u>\$ 2,445</u>	<u>\$ 1,973</u>	<u>\$ 1,820</u>	<u>\$ 12,909</u>	<u>\$ 23,535</u>	<u>\$ 5,756</u>	<u>\$ 4,573</u>	<u>\$ 78</u>	<u>\$ 2,776</u>	<u>\$ 79,738</u>	<u>\$ 152,753</u>
<u>NET POSITION</u>												
Restricted	\$ 17,150	\$ 2,445	\$ 1,973	\$ 1,820	\$ 12,909	\$ 23,535	\$ 5,756	\$ 4,573	\$ 78	\$ 2,776	\$ 79,738	\$ 152,753
Total Net Position	<u>\$ 17,150</u>	<u>\$ 2,445</u>	<u>\$ 1,973</u>	<u>\$ 1,820</u>	<u>\$ 12,909</u>	<u>\$ 23,535</u>	<u>\$ 5,756</u>	<u>\$ 4,573</u>	<u>\$ 78</u>	<u>\$ 2,776</u>	<u>\$ 79,738</u>	<u>\$ 152,753</u>

OREGON CITY SCHOOL DISTRICT NO. 62  
Clackamas County, Oregon  
Combining Statement in Changes Fiduciary Net Position  
All Custodial Funds  
For the Year Ended June 30, 2021

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
M. Parkinson Memorial Agency Fund				
Assets:				
Receivables:				
Interfund	\$ 19,054	\$ 96	\$ (2,000)	\$ 17,150
Net Position:				
Restricted for Individuals	\$ 19,054	\$ 96	\$ (2,000)	\$ 17,150
D. Peters Memorial Agency Fund				
Assets:				
Receivables:				
Interfund	\$ 3,439	\$ 6	\$ (1,000)	\$ 2,445
Net Position:				
Restricted for Individuals	\$ 3,439	\$ 6	\$ (1,000)	\$ 2,445
Class of '52 Scholarship Agency Fund				
Assets:				
Receivables:				
Interfund	\$ 21,932	\$ 41	\$ (20,000)	\$ 1,973
Net Position:				
Restricted for Individuals	\$ 21,932	\$ 41	\$ (20,000)	\$ 1,973
Karmin Tomlinson Scholarship Fund				
Assets:				
Receivables:				
Interfund	\$ 1,757	\$ 63	\$ -	\$ 1,820
Net Position:				
Restricted for Individuals	\$ 1,757	\$ 63	\$ -	\$ 1,820
J. Adrian Memorial Agency Fund				
Assets:				
Receivables:				
Interfund	\$ 14,581	\$ 328	\$ (2,000)	\$ 12,909
Net Position:				
Restricted for Individuals	\$ 14,581	\$ 328	\$ (2,000)	\$ 12,909
A. Gallagher Memorial Agency Fund				
Assets:				
Receivables:				
Interfund	\$ 24,491	\$ 44	\$ (1,000)	\$ 23,535
Net Position:				
Restricted for Individuals	\$ 24,491	\$ 44	\$ (1,000)	\$ 23,535

OREGON CITY SCHOOL DISTRICT NO. 62  
 Clackamas County, Oregon  
 Combining Statement in Changes Fiduciary Net Position  
 All Custodial Funds  
 For the Year Ended June 30, 2021

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
OCHS Scholarships Fund				
Assets:				
Receivables:				
Interfund	\$ 5,745	\$ 11	\$ -	\$ 5,756
Net Position:				
Restricted for Individuals	\$ 5,745	\$ 11	\$ -	\$ 5,756
CJ Church Educational Fund				
Assets:				
Receivables:				
Interfund	\$ 4,504	\$ 69	\$ -	\$ 4,573
Net Position:				
Restricted for Individuals	\$ 4,504	\$ 69	\$ -	\$ 4,573
Lange/Bush-Lange Scholarships Fund				
Assets:				
Receivables:				
Interfund	\$ 78	\$ -	\$ -	\$ 78
Net Position:				
Restricted for Individuals	\$ 78	\$ -	\$ -	\$ 78
Deleen Baker Memorial Fund				
Assets:				
Receivables:				
Interfund	\$ 2,651	\$ 125	\$ -	\$ 2,776
Net Position:				
Restricted for Individuals	\$ 2,651	\$ 125	\$ -	\$ 2,776
Baughman Scholarships Fund				
Assets:				
Receivables:				
Interfund	\$ 84,580	\$ 158	\$ (5,000)	\$ 79,738
Net Position:				
Restricted for Individuals	\$ 84,580	\$ 158	\$ (5,000)	\$ 79,738
Totals - All Funds				
Assets:				
Receivables:				
Interfund	\$ 182,812	\$ 941	\$ (31,000)	\$ 152,753
Net Position:				
Restricted for Individuals	\$ 182,812	\$ 941	\$ (31,000)	\$ 152,753

# 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>
<b>Financial Trends</b>	93-99
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	101-106
These schedules contain information to help the reader assess the District's most significant local revenue source, property tax.	
<b>Debt Capacity</b>	108-112
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.	
<b>Demographic and Economic Information</b>	113-114
These schedules offer economic and demographic indicators to help the reader Understand the environment within which the District's financial activities take place.	
<b>Operating Activity</b>	115-130
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

Schedule of Appropriation Transfers

For the Fiscal Year Ended June 30, 2021

	Adopted Budgeted Appropriations	Increase	Decrease	Final Adopted Appropriations
<u>General Fund</u>				
Instruction	\$ 58,892,502	\$ -	\$ -	\$ 58,892,502
Support services	32,486,169	-	-	32,486,169
Enterprise/community services	813,447	-	-	813,447
Facilities acquisition/construction	10,410	-	-	10,410
Transfer of Funds	200,000	-	-	200,000
Contingency	3,116,172	-	-	3,116,172
	<u>\$ 95,518,700</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 95,518,700</u>
<u>Special Revenue Funds</u>				
Instruction	\$ 13,310,250	\$ -	\$ (4,000,000)	\$ 9,310,250
Support services	7,865,831	4,000,000	-	11,865,831
Enterprise/community services	4,986,557	-	-	4,986,557
Facilities acquisition/construction	37,500	-	-	37,500
Debt Service	701,095	-	-	701,095
Contingency	476,959	-	-	476,959
Unappropriated fund balance	1,553,301	-	-	1,553,301
	<u>\$ 28,931,493</u>	<u>\$ 4,000,000.00</u>	<u>\$ (4,000,000.00)</u>	<u>\$ 28,931,493</u>
<u>Debt Service Fund</u>				
Debt service	\$ 7,395,000	\$ -	\$ -	\$ 7,395,000
Unappropriated fund balance	1,078,400	-	-	1,078,400
	<u>\$ 8,473,400</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,473,400</u>
<u>PERS UAL Debt Service Fund</u>				
Debt service	\$ 4,523,100	\$ -	\$ -	\$ 4,523,100
Unappropriated fund balance	100,000	-	-	100,000
	<u>\$ 4,623,100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,623,100</u>
<u>Capital Projects Funds</u>				
Instruction	\$ 157,000	\$ 500,000	\$ -	\$ 657,000
Support services	14,265,270	-	(5,500,000)	8,765,270
Facilities acquisition/construction	96,885,844	5,000,000	-	101,885,844
Debt Service	2,108,100	7,379,300	-	9,487,400
Transfer of Funds	125,130	-	-	125,130
Contingency	-	-	-	-
Unappropriated fund balance	13,527,796	-	-	13,527,796
	<u>\$ 127,069,140</u>	<u>\$ 12,879,300.00</u>	<u>\$ (5,500,000.00)</u>	<u>\$ 134,448,440</u>
<u>Internal Service Fund</u>				
Support services	\$ 1,282,000	\$ -	\$ -	\$ 1,282,000
	<u>\$ 1,282,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,282,000</u>
<u>Trust and Agency Funds</u>				
Instruction	\$ 4,005,002	\$ -	\$ (110,000)	\$ 3,895,002
Support services	1,242,130	40,000	-	1,282,130
Enterprise/community services	31,271	70,000	-	101,271
Facilities acquisition/construction	27,500	-	-	27,500
Debt Service	-	-	-	0
Unappropriated fund balance	254,970	-	-	254,970
	<u>\$ 5,560,873</u>	<u>\$ 110,000</u>	<u>\$ (110,000.00)</u>	<u>\$ 5,560,873</u>
Total all funds	<u>\$ 271,458,706</u>	<u>\$ 16,989,300.00</u>	<u>\$ (9,610,000.00)</u>	<u>\$ 278,838,006</u>



OREGON CITY SCHOOL DISTRICT NO. 62

Clackamas County, Oregon

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	<u>2020-21</u>	<u>2019-20 (5)</u>	<u>2018-19</u>	<u>2017-18 (4)</u>
<u>GOVERNMENTAL ACTIVITIES:</u>				
Net investment in capital assets	\$ 62,166,857	\$ 56,669,729	\$ 42,906,282	\$ 50,349,255
Restricted	4,122,059	5,064,806	19,946,682	6,529,914
Unrestricted	(93,201,486)	(86,395,975)	(79,584,935)	(75,287,971)
Total governmental activities net position	<u>\$ (26,912,570)</u>	<u>\$ (24,661,440)</u>	<u>\$ (16,731,971)</u>	<u>\$ (18,408,802)</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>2016-17 (3)</u>	<u>2015-16 (2)</u>	<u>2014-15 (1)</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>
\$ 45,454,976	\$ 39,725,603	\$ 23,945,932	\$ 34,225,425	\$ 27,896,841	\$ 27,984,659
4,651,052	5,732,847	16,984,465	2,877,749	4,098,938	3,595,900
(71,679,127)	(60,253,561)	(34,975,848)	(15,712,372)	(12,596,452)	(13,703,324)
<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>	<u>\$ 17,877,235</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)

	2020-21	2019-20	2018-19	2017-18
<u>GOVERNMENTAL ACTIVITIES:</u>				
Expenses by function/program:				
Instruction	\$ 71,023,942	\$ 64,489,456	\$ 60,243,705	\$ 59,134,494
Support services	44,179,240	37,970,774	33,952,054	32,215,269
Enterprise/community services	5,002,184	5,060,720	4,971,532	4,772,422
Interest on long-term debt	7,877,120	11,987,610	4,391,779	3,473,390
Total expenses	<u>128,082,486</u>	<u>119,508,560</u>	<u>103,559,070</u>	<u>99,595,575</u>
Program revenues:				
Charges for services:				
Instruction	362,079	357,445	451,026	433,607
Support services	1,089,450	1,492,795	1,999,210	1,862,481
Enterprise/community services	1,615	618,774	784,004	726,479
Total charges for services	<u>1,453,144</u>	<u>2,469,014</u>	<u>3,234,240</u>	<u>3,022,567</u>
Operating grants and contributions:				
Instruction	10,310,480	5,112,008	4,648,187	3,773,693
Support services	440,853	551,654	113,488	-
Enterprise/community services	2,181,511	1,314,026	1,365,583	1,364,118
Total operating grants and contributions	<u>12,932,844</u>	<u>6,977,688</u>	<u>6,127,258</u>	<u>5,137,811</u>
Capital grants and contributions:				
Support services	8,000,000	-	22,371	-
Total capital grants and contributions	<u>8,000,000</u>	<u>-</u>	<u>22,371</u>	<u>-</u>
Total program revenues	<u>22,385,988</u>	<u>9,446,702</u>	<u>9,383,869</u>	<u>8,160,378</u>
Total net (expense) revenue	<u>(105,696,498)</u>	<u>(110,061,858)</u>	<u>(94,175,201)</u>	<u>(91,435,197)</u>
General revenues and other changes in net position:				
Taxes:				
Property taxes, general	29,302,681	27,999,784	26,628,245	25,751,978
Property taxes, debt services	7,170,477	7,124,797	5,615,677	6,051,337
Construction excise tax	619,035	1,105,659	336,015	969,467
State aid - formula grants	58,092,861	55,774,054	53,476,747	53,922,651
Earnings on Investments	989,931	5,232,409	3,793,110	497,541
Unrestricted federal	12,107	-	31,204	8,522
Other local, intermediate & state	7,258,276	4,335,667	5,541,004	5,897,998
Total general revenues	<u>103,445,368</u>	<u>101,572,370</u>	<u>95,422,002</u>	<u>93,099,494</u>
Change in net position	<u>\$ (2,251,130)</u>	<u>\$ (8,489,488)</u>	<u>\$ 1,246,801</u>	<u>\$ 1,664,297</u>
Expense per pupil	<u>\$ 18,704</u>	<u>\$ 15,956</u>	<u>\$ 13,968</u>	<u>\$ 13,437</u>
Student Enrollment *	<u>6,848</u>	<u>7,490</u>	<u>7,414</u>	<u>7,412</u>

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

Source: Statement of Activities

2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
\$ 57,459,573	\$ 67,230,267	\$ 43,713,441	\$ 46,757,925	\$ 44,384,650	\$ 42,557,434
32,247,085	38,686,480	26,780,628	27,943,762	26,918,301	26,795,494
4,477,340	5,230,631	3,476,224	3,538,931	3,446,191	3,450,242
3,632,281	3,838,072	3,710,183	3,254,871	2,582,842	4,470,247
<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>	<u>77,273,417</u>
388,208	348,001	303,620	284,124	305,089	307,823
1,713,318	1,806,615	537,412	632,299	677,178	570,537
658,489	654,650	2,008,475	1,794,340	1,837,185	1,782,912
<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>	<u>2,661,272</u>
3,692,901	3,816,082	6,162,921	5,760,457	5,240,963	5,458,139
-	44,025	5,206,376	5,017,245	5,050,752	6,690,516
<u>1,449,510</u>	<u>1,597,311</u>	<u>1,560,499</u>	<u>1,521,520</u>	<u>1,638,140</u>	<u>1,455,824</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>	<u>13,604,479</u>
-		242,035	-	-	-
	<u>27,154</u>	-	<u>316,591</u>	<u>177,351</u>	<u>166,175</u>
	<u>27,154</u>	<u>242,035</u>	<u>316,591</u>	<u>177,351</u>	<u>166,175</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>16,431,926</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>	<u>(60,841,491)</u>
24,479,596	23,397,860	22,324,026	20,829,803	19,832,045	20,107,620
6,986,667	6,931,521	6,714,742	6,342,154	6,190,437	5,933,815
621,544	583,471	396,735	451,324	633,158	412,736
47,129,449	48,892,808	43,398,060	39,995,170	36,539,574	34,712,623
330,730	214,003	343,331	280,065	324,089	310,064
181,064	76,413	2,709,696	104,151	274,984	5,859
<u>6,033,272</u>	<u>6,113,046</u>	<u>192,752</u>	<u>164,186</u>	<u>133,131</u>	<u>122,697</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>61,605,414</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>\$ 763,923</u>
<u>\$ 13,174</u>	<u>\$ 15,260</u>	<u>\$ 10,424</u>	<u>\$ 10,885</u>	<u>\$ 10,469</u>	<u>\$ 10,304</u>
<u>7,425</u>	<u>7,535</u>	<u>7,452</u>	<u>7,487</u>	<u>7,387</u>	<u>7,499</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>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>
<u>GENERAL FUND:</u>				
Nonspendable - prepaid items	\$ 33,470	\$ 44,727	\$ 117,356	\$ 96,402
Unassigned	4,419,474	4,965,185	6,453,740	3,817,532
Total general fund	<u>\$ 4,452,944</u>	<u>\$ 5,009,912</u>	<u>\$ 6,571,096</u>	<u>\$ -</u>
<u>ALL OTHER GOVERNMENTAL FUNDS</u>				
Nonspendable - prepaid items	\$ 2,144,246	\$ 2,601,931	\$ 1,537	\$ -
Restricted, reported in:				
Debt Service Funds	2,310,893	1,416,803	10,516,498	1,107,567
Special Revenues Fund	1,811,166	3,648,003	2,779,894	3,092,441
Capital Projects Fund	47,557,554	137,701,485	160,908,615	3,125,157
Committed, special revenues	-	-	-	-
Total all other governmental funds	<u>\$ 53,823,859</u>	<u>\$ 145,368,222</u>	<u>\$ 174,206,544</u>	<u>\$ 7,325,165</u>

(1) The District implemented a new fund balance classification policy in 2011-12.

Source: Balance Sheet - Governmental Funds

<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12 (1)</u>
\$ 143,419	\$ 154,337	\$ 72,819	\$ 36,269	\$ 56,486	\$ -
-	-	-	115,347	50,396	225,949
2,951,974	4,662,501	3,971,794	3,301,186	2,950,821	4,528,204
<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>	<u>\$ 4,754,153</u>
\$ -	\$ -	\$ 39,601	\$ 49,623	\$ 49,623	\$ -
934,095	928,356	778,012	641,630	655,429	645,629
2,337,769	1,569,550	902,995	860,504	1,491,442	1,572,859
1,379,188	2,848,217	14,933,568	1,375,615	1,952,067	1,377,412
-	496,895	866,581	789,365	860,357	863,945
-	-	345,994	513,226	125,974	111,485
-	-	-	4,022	297,471	188,191
<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>	<u>\$ 4,759,521</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)

	2020-21	2019-20	2018-19	2017-18
<b>REVENUES:</b>				
Local Sources	\$ 46,390,311	50,843,123	\$ 48,123,349	\$ 43,589,138
Intermediate sources	1,775,492	1,607,482	1,750,957	1,738,935
State sources	68,124,210	57,368,739	54,695,366	54,236,188
Federal sources	8,714,619	5,254,627	4,720,092	4,838,340
Total revenues	<u>125,004,632</u>	<u>115,073,971</u>	<u>109,289,764</u>	<u>104,402,601</u>
<b>EXPENDITURES:</b>				
Instruction	63,022,286	60,201,951	56,403,936	55,806,588
Support services	38,079,022	35,026,774	31,041,088	29,754,133
Enterprise/community services	4,438,631	4,764,676	4,653,391	4,503,845
Facilities Acquisition and Construction	1,445,402	128,557	36,418	109,647
Capital Outlay	96,658,944	25,139,077	4,030,390	2,713,711
Debt service:				
Principal	5,742,820	9,928,069	9,235,045	8,716,783
Interest	8,675,150	12,298,753	2,798,258	3,119,735
Issuance Cost	-	-	1,042,943	30,300
Total expenditures	<u>218,062,255</u>	<u>147,487,857</u>	<u>109,241,469</u>	<u>104,754,742</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(93,057,623)</u>	<u>(32,413,886)</u>	<u>48,295</u>	<u>(352,141)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	100,000	300,000	200,000	200,000
Transfers out	(200,000)	(400,000)	(200,000)	(250,000)
Capital lease proceeds	-	-	163,800	142,830
Debt Issued	7,535,000	2,100,000	157,995,950	2,249,436
Issuance Costs	(148,708)	-	-	-
Bond premium	-	-	17,873,781	-
Payment to Refunded Bond Escrow Agent	(6,330,000)	-	(6,987,404)	-
Sale or compensation for loss of capital assets	-	14,380	444,119	1,502,529
Total other financing sources (uses)	<u>956,292</u>	<u>2,014,380</u>	<u>169,490,246</u>	<u>3,844,795</u>
Net change in fund balances	<u>\$ (92,101,331)</u>	<u>\$ (30,399,506)</u>	<u>\$ 169,538,541</u>	<u>\$ 3,492,654</u>
Debt service as a percentage of noncapital expenditures	11.88%	18.17%	11.14%	10.42%

(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.

	2016-17	2015-16	2014-15 (2)	2013-14 (2)	2012-13 (2)	2011-12 (2)
<b>REVENUES:</b>						
Local sources	\$ 42,175,354	\$ 41,009,126	\$ 38,677,209	\$ 36,653,166	\$ 35,786,302	\$ 35,008,931
Intermediate sources	2,189,567	2,134,356	1,181,721	828,710	846,596	847,393
State sources	47,264,401	49,017,229	47,821,761	43,984,779	40,558,979	40,103,029
Federal sources	5,151,065	5,190,449	5,218,128	5,469,034	4,782,018	5,048,555
Total revenues	<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>	<u>81,007,908</u>
<b>EXPENDITURES:</b>						
Instruction	52,875,550	53,175,892	51,931,499	48,682,017	46,266,745	44,221,832
Support services	28,812,721	27,804,745	27,103,088	25,085,779	24,265,950	23,776,295
Enterprise/community services	4,120,146	4,137,176	3,942,353	3,687,663	3,611,575	3,535,801
Facilities Acquisition and Construction	236,559	223,820	979,299	1,262,618	4,462,017	25,255
Capital Outlay	1,654,770	11,883,516	-	-	-	-
Debt service:						
Principal	9,234,732	8,673,432	8,308,021	7,379,875	6,081,102	4,767,061
Interest	3,297,227	3,417,966	3,289,401	3,133,146	3,836,151	4,699,719
Issuance Cost	10,500	9,500	205,423	8,500	88,648	-
Total expenditures	<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>	<u>81,025,963</u>
Excess (deficiency) of revenues over (under) expenditures	<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>	<u>(18,055)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	274,000	55,000	380,000	305,931	85,000	254,228
Transfers out	(324,000)	(55,000)	(130,000)	(55,931)	(85,000)	(254,228)
Lease purchase proceeds	-	-	-	-	-	-
Capital lease issuance	149,505	187,179	-	100,081	-	-
Debt issued	447,386	525,000	16,140,000	1,023,500	5,150,000	437,000
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 fixed assets	1,516	11,200	2,328,523	127,049	374,800	5,859
Total other financing sources (uses)	<u>548,407</u>	<u>723,379</u>	<u>16,734,872</u>	<u>1,500,630</u>	<u>5,614,685</u>	<u>442,859</u>
Net change in fund balances	<u>\$ (2,913,411)</u>	<u>\$ (11,251,508)</u>	<u>13,874,607</u>	<u>\$ (803,279)</u>	<u>\$ (1,023,608)</u>	<u>\$ 424,804</u>
Debt service as a percentage of noncapital expenditures	11.29%	11.05%	11.55%	11.55%	10.66%	11.75%



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
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
2011-12	3,997,471,087	5,398,376,301	93,391,799	95,693,560	152,371,380	153,214,264

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

Exemptions Real Property (1)	Total		Real Market Value	Ratio of Total Assessed Value to Total Real Market Value
	Assessed Value	Direct Tax Rate		
\$ (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
(109,317,145)	4,133,917,121	6.38	5,647,284,125	73.20

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>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>
District Direct Rates:						
Operating	%	n/a	4.96	\$ 4.96	\$ 4.96	\$ 4.963
Debt Service		n/a	<u>1.12</u>	<u>1.23</u>	<u>1.03</u>	<u>1.14</u>
Total District Direct Rates		n/a	6.08	6.19	5.99	6.10
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	2.51	2.49	2.51
Oak Lodge Water District 4		18.94	0.00	0.00	0.00	0.00
Clackamas Community College		15.20	0.56	0.73	0.74	0.75
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	3.22	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	0.03	0.03	0.03
Clack. Co. Vector Control Local Opt.		11.30	0.01	0.03	0.03	0.03
Clackamas County Public Safety LO		11.30	0.00	0.09	0.25	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	2.65	2.65	2.65
Metro Service District		10.57	0.10	0.66	0.47	0.41
Clackamas County Law Enhance.		6.22	0.72	0.72	0.72	0.72
City of Gladstone		3.31	4.82	5.81	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	1.76	1.76	1.44

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

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

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<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>
\$ 4.96	\$ 4.96	\$ 4.96	\$ 4.96	\$ 4.96	\$ 4.96
<u>1.38</u>	<u>1.43</u>	<u>1.45</u>	<u>1.44</u>	<u>1.45</u>	<u>1.42</u>
6.34	6.39	6.41	6.40	6.41	6.38
5.5	4.52	4.52	4.52	4.28	4.28
0.86	0.00	0.84	0.84	0.85	0.79
2.49	2.50	2.46	2.46	2.47	2.46
0	0.00	0.00	0.00	0.00	0.14
0.74	0.75	0.71	0.71	0.72	0.70
0	0.00	0.00	0.00	0.00	0.06
0.37	0.37	0.37	0.37	0.37	0.37
3.22	3.22	3.22	3.22	2.98	2.98
0.4	0.40	0.40	0.40	0.40	0.40
0	0.05	0.05	0.05	0.05	0.05
0	0.00	0.00	0.00	0.11	0.11
0.03	0.03	0.03	0.02	0.11	0.11
0.03	0.03	0.03	0.03	0.01	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	0.00	0.05	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	2.40	2.40
0.4	0.39	0.46	0.47	0.40	0.32
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	0.00	0.00	0.00	0.00	0.00
0.54	0.54	0.54	0.54	0.54	0.54
2.4	2.40	2.40	2.40	2.40	2.40
0.06	0.06	0.11	0.11	0.11	0.11
0	0.00	0.00	0.00	0.00	0.00
0.78	1.44	1.44	0.78	0.78	0.78

OREGON CITY SCHOOL DISTRICT NO. 62

Clackamas County, Oregon  
Principal Taxpayers Within District  
June 30, 2021

Taxpayer	June 30, 2021			June 30, 2012		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Portland General Electric Co.	\$ 99,208,816	1	1.62 %	\$ 55,254,000	1	1.33 %
The Landing - 302 LLC	54,422,307	2	0.89			
Northwest Natural Gas Company	36,049,000	3	0.59	25,215,000	2	0.61
Quantum Management	26,289,851	4	0.43	19,562,118	4	0.47
SUN Communities Op LTD Prtnrshp	23,883,446	5	0.39			
LOJA Trails End LLC	23,062,969	6	0.38	17,170,962	7	0.41
Danielson, Craig T	22,434,927	7	0.37			
Providence Health & Services	22,034,664	8	0.36			
Orchid Orthopedic Solutions OR	18,707,941	9	0.31			
Lumen Technologies Inc.	18,596,000	10	0.30	14,263,100	9	0.34
Oregon CTR., LLC	18,084,474	11	0.30			
BCORE MF Edgewater Owner LLC	17,407,507	12	0.28			
BHLP REFI LLC	16,418,110	13	0.27			
Fred Meyer Stores Inc. #242	14,958,089	14	0.24			
FM Oregon City LH LLC	14,457,017	15	0.24			
Comcast Corporation				18,375,800	5	0.44
Beavercreek Coop. Telephone Co.				21,416,000	3	0.52
Blue Heron Paper Co				13,885,717	10	0.33
Country Village Estates				16,622,756	8	0.40
Metropolitan Life Ins. Co.				18,318,513	6	0.44
ALL OTHER TAXPAYERS	<u>5,699,977,924</u>		<u>93.03</u>	<u>3,927,718,872</u>		<u>94.71</u>
TOTAL	<u>\$ 6,125,993,042</u>		<u>100.00 %</u>	<u>\$ 4,147,802,838</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		
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 (1)	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
2011-12	20,520,017	6,058,528	26,578,545	25,622,905	96.40

(1) 2018-19 includes the collection from a prior year property tax settlement with Comcast

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
\$	443,626	(1) \$ 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	940,979	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
	684,037	26,306,942	98.98	1,739,524	6.5

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	Capital Leases	Total Outstanding Debt	General Obligation Bond Premium (Discount)	Percentage of Assessed Value (2)	Percentage of Personal Income (3)	Per Capita (3)
2020-21	\$ 167,637,413	\$ 28,060,000	\$ -	\$ 2,621,514	\$ 41,443	\$ 198,360,370	\$ 16,643,804	3.24 %	unavailable %	\$ 2,914
2019-20	167,610,791	30,880,000	-	3,240,191.00	117,921	201,848,903	18,623,640	3.48	0.74	3,024
2018-19	172,115,950	33,380,000	-	3,914,614	233,694	209,644,258	19,282,409	3.76	0.81	3,204
2017-18	26,715,000	35,585,000	-	4,573,317	221,245	67,094,562	1,769,499	1.26	0.28	1,046
2016-17	32,620,000	37,520,000	50,002	3,012,688	230,243	73,432,933	1,772,703	1.43	0.32	1,168
2015-16	39,525,000	39,205,000	140,002	3,016,600	192,880	82,079,482	1,763,247	1.66	0.39	1,331
2014-15	46,170,000	40,665,000	220,002	2,894,944	118,471	90,068,417	1,745,210	1.90	0.45	1,490
2013-14	37,080,000	41,910,000	300,000	6,572,337	65,963	85,928,300	(141,161)	1.90	0.45	1,450
2012-13	42,855,000	42,965,000	380,000	5,984,596	-	92,184,596	64,850	2.17	0.48	1,587
2011-12	44,785,000	43,840,000	460,000	1,117,102	44,739	90,246,841	1,836,308	2.18	0.49	1,584

(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.

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>
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
2011-12	56,960	7,824	4,133,917,121

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>
\$ 212,341,217	\$ 2,310,893	\$ 210,030,324	3.43 %	\$ 3,085	\$ 28,576
217,114,431	1,416,803	215,697,628	3.71	3,232	27,166
224,778,359	10,516,499	214,261,860	3.84	3,275	27,101
64,069,499	1,107,059	62,962,440	1.18	982	7,922
71,912,703	934,095	70,978,608	1.38	1,129	8,909
80,493,247	906,141	79,587,106	1.61	1,291	9,833
88,580,210	778,012	87,802,198	1.86	1,453	11,270
78,848,839	641,630	78,207,209	1.73	1,320	9,996
85,884,850	517,006	85,367,844	2.01	1,469	10,947
90,461,308	546,376	89,914,932	2.18	1,579	11,492

OREGON CITY SCHOOL DISTRICT NO. 62  
 Clackamas County, Oregon  
 Direct and Overlapping Governmental Activities Debt  
 June 30, 2021

<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>\$ 210,030,324</u>	<u>\$ 210,030,324</u>
<u>OVERLAPPING GOVERNMENT:</u>			
City of Oregon City	100%	13,105,000	13,105,000
Clackamas RFPD #1	25.11%	26,735,165	6,713,467
Clackamas Community College	15.70%	84,925,428	13,332,698
Clackamas County ESD	12.13%	23,805,136	2,887,944
Clackamas County	11.58%	125,400,000	14,520,568
Clackamas Soil & Water Conservation	11.58%	6,144,000	711,438
City of Gladstone	3.22%	3,532,601	113,616
Metro	2.02%	920,585,000	18,619,752
Molalla RFPD #73	0.02%	1,830,000	298
Oak Lodge Water Services District	18.92%	966,000	182,746
Subtotal Overlapping Debt			<u>70,187,527</u>
Total Direct and Overlapping Debt			<u><u>\$ 280,217,851</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
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
2011-12	5,647,284,125	448,959,088	89,914,932	355,803,095	10.63

(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)
2020-21	\$ 68,073	\$ Unavailable	\$ Unavailable	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
2011-12	56,960	18,535,004	48,286	7,499	7.5	1,440	135,128

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.

OREGON CITY SCHOOL DISTRICT NO. 62

Clackamas County, Oregon

Principal Employers

June 30, 2021

Employer	June 30, 2021		June 30, 2012	
	Employees	Percent of Total Estimated Employment	Employees (1)	Percent of Total Estimated Employment
Clackamas County Government	2,496	3.81 %	2,333	4.20 %
Oregon City School District No. 62	945	1.44	848	1.53
Providence Willamette Falls Hospital	646	0.99	535	0.96
Clackamas Community College	511	0.78	862	1.55
Fred Meyer	421	0.64	350	0.63
Benchmade Knife Co., Inc.	393	0.60		
Home Depot	300	0.46	190	0.34
City of Oregon City	261	0.40	228	0.41
Orchard Orthopedic Solutions Oregon, Inc.	235	0.36		
Safeway	160	0.24	108	0.19
Haggen Food & Pharmacy			85	0.15
Portland General Electric			81	0.15
TOTAL	<u>6,368</u>	<u>9.72 %</u>	<u>5,620</u>	<u>10.11 %</u>

Note: Total employment information specific to the District's boundaries is unavailable. Therefore, total estimated population was used for comparative purposes.

(1) Number of employees listed may be an estimate provided by the employer if historical records were unavailable.

Source: City of Oregon City ACFR

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

FUNCTION	2020-21	2019-20	2018-19	2017-18
General Fund:				
Instruction	455.5	451.4	446.3	452.1
Support Services	274.4	270.0	255.7	254.6
Enterprise/Community Services	2.4	3.5	3.5	4.3
Total General Fund	<u>732.3</u>	<u>724.9</u>	<u>705.5</u>	<u>711.0</u>
Special Revenue Funds:				
Instruction	48.0	33.5	30.0	32.8
Support Services	34.1	17.3	17.6	15.7
Enterprise/Community Services	37.2	36.7	36.5	34.6
Total Special Revenue Funds	<u>119.3</u>	<u>87.5</u>	<u>84.1</u>	<u>83.1</u>
Capital Projects Funds:				
Support Services	1.8	3.3	3.0	0.0
Facilities Acquisition/Construction	0.5	0.5	0.5	0.0
Total Capital Projects Funds	<u>2.3</u>	<u>3.8</u>	<u>3.5</u>	<u>0.0</u>
Internal Service Fund:				
Support Services	1.5	1.5	1.0	1.0
Total Internal Service Fund	<u>1.5</u>	<u>1.5</u>	<u>1.0</u>	<u>1.0</u>
Trust and Agency Funds:				
Instruction	37.4	34.7	28.4	26.2
Support Services	10.7	10.2	10.7	9.8
Total Trust and Agency Funds	<u>44.9</u>	<u>44.9</u>	<u>39.1</u>	<u>36.0</u>
Grand Total All Funds	<u><u>900.3</u></u>	<u><u>862.6</u></u>	<u><u>833.2</u></u>	<u><u>831.1</u></u>

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

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

<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>
443.4	438.6	409.5	412.8	406.2	403.7
247.6	250.1	257.5	247.5	234.8	235.6
4.3	4.3	5.3	4.8	2.7	2.5
<u>695.3</u>	<u>692.9</u>	<u>672.3</u>	<u>665.1</u>	<u>643.7</u>	<u>641.8</u>
30.3	34.2	48.5	57.8	46.0	43.8
15.1	17.6	13.7	12.6	14.7	14.2
32.1	29.8	31.9	30.5	31.1	32.5
<u>77.5</u>	<u>81.6</u>	<u>94.1</u>	<u>100.9</u>	<u>91.8</u>	<u>90.5</u>
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	0.5	0.5	0.5
<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>
26.2	28.1	28.6	20.6	15.7	12.2
9.8	7.9	5.7	6.8	4.1	2.9
<u>36.0</u>	<u>35.9</u>	<u>34.3</u>	<u>27.4</u>	<u>19.8</u>	<u>15.1</u>
<u>809.8</u>	<u>811.5</u>	<u>801.7</u>	<u>793.9</u>	<u>755.8</u>	<u>747.9</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
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	12.91	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
2011-12	7,499	71,553,629	9,542	0.03	81,025,963	10,805	-0.44	20.00 :1	40.7

(1) Operating expenditures include all General & Special Revenue Funds with the exception of functions 4000, 5000, 6000, or 7000.

(2) Expenditures include all governmental fund types and functions 1000-5000

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>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>
<b>REVENUES AND OTHER FINANCING SOURCES:</b>				
Local Sources:				
Property Taxes (2)	\$ 29,302,682 31.89%	\$ 27,999,784 30.55%	\$ 27,433,353 31.82%	\$ 25,607,549 31.12%
Miscellaneous Local Sources	1,231,797 1.34%	1,509,196 1.65%	2,005,527 2.33%	1,739,200 2.11%
Total Local Sources	30,534,479 33.23%	29,508,980 32.20%	29,438,880 34.15%	27,346,979 33.23%
Intermediate Sources:	1,638,683 1.78%	1,563,669 1.71%	963,643 1.12%	1,011,874 1.23%
State Sources:				
School Support Fund	54,573,990 59.39%	53,373,602 58.24%	50,952,895 59.11%	49,944,856 60.70%
Miscellaneous and Restricted Grants	125,660 0.14%	622,808 0.68%	899,794 1.04%	873,709 1.06%
Total State Sources	54,699,650 59.53%	53,996,410 58.92%	51,852,689 60.15%	50,818,565 61.76%
Federal Sources	12,107 0.01%	7,111 0.01%	34,069 0.04%	10,063 0.01%
Other Financing Sources	- 0.00%	- 0.00%	- 0.00%	- 0.00%
Beginning Fund Balance Available for Appropriation	5,009,912 5.45%	6,571,096 7.17%	3,913,934 4.54%	3,095,393 3.76%
Total Revenues and Other Financing Sources	<u>\$ 91,894,831</u>	<u>\$ 91,647,266</u>	<u>\$ 86,203,215</u>	<u>\$ 82,282,874</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>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>
\$ 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%	\$ 19,797,126 29.82%
<u>1,627,088 2.07%</u>	<u>1,680,626 2.14%</u>	<u>1,627,124 2.17%</u>	<u>1,644,911 2.38%</u>	<u>1,879,953 2.85%</u>	<u>1,764,372 2.66%</u>
<u>26,143,193 33.29%</u>	<u>25,089,764 31.94%</u>	<u>23,791,699 31.79%</u>	<u>22,412,268 32.39%</u>	<u>21,592,723 32.73%</u>	<u>21,561,498 32.48%</u>
<u>812,538 1.03%</u>	<u>797,721 1.02%</u>	<u>383,586 0.51%</u>	<u>64 0.00%</u>	<u>42,344 0.06%</u>	<u>15,712 0.02%</u>
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%	36,953,655 55.66%
<u>1,674,134 2.13%</u>	<u>1,388,338 1.77%</u>	<u>1,463,184 1.96%</u>	<u>781,877 1.13%</u>	<u>1,012,485 1.53%</u>	<u>2,828,431 4.26%</u>
<u>46,744,991 59.52%</u>	<u>48,539,916 61.80%</u>	<u>47,070,584 62.91%</u>	<u>43,488,821 62.85%</u>	<u>39,534,061 59.93%</u>	<u>39,782,086 59.92%</u>
<u>15,466 0.02%</u>	<u>76,412 0.10%</u>	<u>9,821 0.01%</u>	<u>41,377 0.06%</u>	<u>42,851 0.06%</u>	<u>70,271 0.11%</u>
<u>1,516 0.00%</u>	<u>- 0.00%</u>	<u>120,000 0.16%</u>	<u>194,069 0.28%</u>	<u>- 0.00%</u>	<u>- 0.00%</u>
<u>4,816,838 6.13%</u>	<u>4,044,613 5.15%</u>	<u>3,452,802 4.61%</u>	<u>3,057,703 4.42%</u>	<u>4,754,153 7.21%</u>	<u>4,958,887 7.47%</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>	<u>\$ 66,388,454</u>

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

<u>EXPENDITURES:</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>
Instruction:				
Regular Instruction	\$ 34,126,283 39.03%	\$ 33,957,632 39.20%	\$ 31,121,711 39.08%	\$ 31,218,535 39.86%
Special Programs	21,408,650 24.48%	20,913,743 24.14%	19,495,589 24.48%	18,415,635 23.51%
Support Services:				
Students	7,723,792 8.83%	7,832,820 9.04%	6,563,098 8.24%	6,832,544 8.72%
Instructional Staff	2,224,349 2.54%	2,390,043 2.76%	2,047,246 2.57%	1,641,405 2.10%
General Administration	617,032 0.71%	556,346 0.64%	574,897 0.72%	514,963 0.66%
School Administration	4,681,532 5.35%	4,435,937 5.12%	4,058,146 5.10%	3,936,592 5.03%
Business:				
Direction and Fiscal Services	1,612,860 1.84%	1,251,447 1.44%	1,223,849 1.54%	1,189,829 1.52%
Operation and Maintenance of Plant	6,396,994 7.32%	6,165,259 7.12%	5,845,022 7.34%	5,832,038 7.45%
Student Transportation	4,835,536 5.53%	5,219,552 6.02%	5,126,992 6.44%	4,985,024 6.36%
Internal Services	732,751 0.84%	688,289 0.79%	675,032 0.85%	693,165 0.88%
Central Support	2,274,907 2.60%	1,956,427 2.26%	1,860,844 2.34%	2,011,079 2.57%
Enterprise/Community Services	607,201 0.69%	866,312 1.00%	839,693 1.05%	796,808 1.02%
Facilities Acquisition/Construction	- 0.00%	3,547 0.00%	- 0.00%	10,410 0.01%
Debt Service	- 0.00%	- 0.00%	- 0.00%	- 0.00%
Other Uses - Transfers Out	200,000 0.23%	400,000 0.46%	200,000 0.25%	250,000 0.32%
Total Expenditures	<u>\$ 87,441,887</u>	<u>\$ 86,637,354</u>	<u>79,632,119</u>	<u>\$ 78,328,027</u>
Student Enrollment *	6,848	7,490	7,414	7,412
Expenditures/Other Uses Per Student	\$ 12,769	\$ 11,567	\$ 10,741	\$ 10,568

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

2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
\$ 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%	\$ 25,647,238 41.60%
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%	13,618,865 22.09%
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%	3,522,995 5.71%
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%	1,416,130 2.30%
497,773 0.66%	467,005 0.63%	503,499 0.71%	484,161 0.73%	448,547 0.72%	449,077 0.73%
3,785,739 5.04%	3,877,328 5.24%	3,827,829 5.40%	3,773,458 5.72%	3,604,650 5.75%	3,962,719 6.43%
976,524 1.30%	1,090,253 1.47%	985,052 1.39%	941,162 1.43%	863,874 1.38%	806,692 1.31%
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%	5,235,031 8.49%
5,120,870 6.81%	4,557,155 6.16%	4,585,288 6.47%	4,228,875 6.41%	4,290,091 6.85%	4,028,191 6.53%
506,320 0.67%	463,497 0.63%	555,570 0.78%	460,237 0.70%	347,947 0.56%	446,213 0.72%
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%	1,728,489 2.80%
818,324 1.09%	793,657 1.07%	671,696 0.95%	587,134 0.89%	523,197 0.84%	513,441 0.83%
167 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%
- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	27,399 0.04%
210,000 0.28%	55,000 0.07%	120,000 0.17%	194,069 0.29%	- 0.00%	254,228 0.41%
<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>	<u>\$ 61,656,708</u>
7,425	7,535	7,452	7,487	7,387	7,499
\$ 10,121	\$ 9,812	\$ 9,517	\$ 8,815	\$ 8,481	\$ 8,222

OREGON CITY SCHOOL DISTRICT NO. 62

Clackamas County, Oregon

Capital Asset Information

Last Ten Fiscal Years

Elementary Schools:	Year Built	2020-21	2019-20	2018-19	2017-18
Beavercreek	1948				
Square Feet		56,150	56,150	56,150	56,150
Preferred Student Capacity		560	560	560	560
Enrollment		559	529	551	533
Candy Lane	1969				
Square Feet		34,930	34,930	34,930	34,930
Preferred Student Capacity		200	200	200	200
Enrollment		224	202	269	271
Gaffney Lane	1965				
Square Feet		56,828	56,828	56,828	56,828
Preferred Student Capacity		600	600	600	600
Enrollment		538	535	544	547
Holcomb	1966				
Square Feet		51,090	51,090	51,090	51,090
Preferred Student Capacity		661	661	661	661
Enrollment		555	588	505	490
Jennings Lodge	1938				
Square Feet		31,980	31,980	31,980	31,980
Preferred Student Capacity		275	275	275	275
Enrollment		163	239	274	267
John McLoughlin	1975				
Square Feet		57,780	57,780	57,780	57,780
Preferred Student Capacity		583	583	583	583
Enrollment		656	635	615	598
Redland	1948				
Square Feet		55,000	55,000	55,000	55,000
Preferred Student Capacity		607	607	607	607
Enrollment		566	545	553	561
<u>Middle Schools:</u>					
Mt. Pleasant (Gardiner grade 6)	(2) 1929				
Square Feet		-	-	-	-
Preferred Student Capacity	(1)	-	-	-	-
Enrollment		-	-	-	-
Gardiner (grades 6-8)	1954/ 2013				
Square Feet		106,890	106,890	106,890	106,890
Preferred Student Capacity		853	853	853	853
Enrollment		808	852	796	782
Ogden	1965/ 2012				
Square Feet		107,538	107,538	107,538	107,538
Preferred Student Capacity		896	896	896	896
Enrollment		857	894	870	835
<u>High Schools:</u>					
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		1,922	2,018	2,063	2,023
King -Charter High Schools	(3) 1958				
Square Feet		44,220	44,220	44,220	44,220
Preferred Student Capacity			400	400	400
Enrollment		-	-	152.00	-
Total Enrollment (4)		6,848	7,037	7,192	6,907

(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

2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
56,150	56,150	56,150	56,150	56,150	56,150
560	560	560	560	560	560
530	539	548	480	432	441
34,930	34,930	34,930	34,930	34,930	34,930
200	200	200	200	200	200
268	309	252	235	182	202
56,828	56,828	56,828	56,828	56,828	56,828
583	600	600	600	600	600
583	566	533	536	570	573
51,090	51,090	51,090	51,090	51,090	51,090
661	661	661	661	661	661
489	488	536	547	542	566
31,980	31,980	31,980	31,980	31,980	31,980
275	275	275	275	275	275
279	237	312	292	293	296
57,780	57,780	57,780	57,780	57,780	57,780
583	583	583	583	583	583
580	556	561	545	557	554
55,000	55,000	55,000	55,000	55,000	55,000
607	607	607	607	607	607
542	529	539	547	544	572
-	-	50,150	50,150	50,150	50,150
-	-	560	560	560	560
-	-	-	258	403	395
106,890	106,890	106,890	98,600	98,600	98,600
853	853	853	613	613	613
774	762	775	587	625	633
107,538	107,538	107,538	107,538	100,370	100,370
896	896	896	896	656	656
824	876	888	898	608	623
323,000	323,000	323,000	304,440	323,000	323,000
2,450	2,450	2,450	2,450	2,450	2,450
2,099	2,187	2,199	2,187	2,200	2,194
44,220	44,220	44,220	44,220	44,220	44,220
400	400	400	400	400	400
-	-	-	275	375	369
6,968	7,049	7,143	7,129	6,928	7,023

OREGON CITY SCHOOL DISTRICT NO. 62  
 Clackamas County, Oregon  
 Teacher Full-Time Equivalents (FTE) by Education Range and Step  
 June 30, 2021

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	3.50	1.00		6.00		2.40	12.90
4	1.00		0.50	12.18		1.50	15.18
5	2.00		1.00	13.40		1.00	17.40
6	2.00	1.00		7.00	6.00	3.00	19.00
7	1.00			10.80	5.00	3.00	19.80
8	1.00			11.00	2.00	6.75	20.75
9	2.00			15.00	5.00	7.40	29.40
10				6.85	5.55	5.80	18.20
11	1.00	2.00		9.70	5.00	7.00	24.70
12				9.65	2.60	8.00	20.25
13	4.00	3.00		11.75	4.00	6.40	29.15
14		6.00	1.00	6.00	5.00	7.00	25.00
15			2.60	2.80	9.95	10.00	25.35
16				10.50	5.50	15.10	31.10
17				36.05	25.08	5.00	66.13
18						60.18	60.18
Total FTE	<u>17.50</u>	<u>13.00</u>	<u>5.10</u>	<u>168.68</u>	<u>80.68</u>	<u>149.53</u>	<u>434.49</u>

Estimated Average Teacher Salary: \$ 73,222

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
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
2011-12	461	20.0	527,506	259,419	937,772	3,936

(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

	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19 (3)</u>	<u>2017-18</u>
<b>REVENUES AND OTHER FINANCING SOURCES:</b>				
Local sources:				
Current/prior years' taxes (1) \$	36,473,159	\$ 35,124,581	\$ 33,637,399	\$ 32,528,791
Earnings on investments	989,931	5,232,409	3,797,371	497,541
Food services	1,615	618,774	784,005	726,479
Extracurricular activities	400,526	1,883,246	2,828,278	2,978,817
Community service activities	1,285,236	1,290,256	1,931,714	1,716,336
Miscellaneous	8,023,816	7,552,285	5,886,955	5,845,475
Total local sources	<u>47,174,283</u>	<u>51,701,551</u>	<u>48,865,722</u>	<u>44,293,439</u>
Intermediate sources:				
ESD funds	1,647,373	1,561,108	1,659,392	1,719,632
Miscellaneous	128,119	46,374	91,565	19,303
Total intermediate sources	<u>1,775,492</u>	<u>1,607,482</u>	<u>1,750,957</u>	<u>1,738,935</u>
State sources:				
School support fund	51,218,209	53,249,564	53,747,710	49,035,197
SSF - transportation	3,823,813	5,106,343	1,266,687	5,079,705
Common school fund	849,626	715,901	885,728	761,380
Restricted grants	11,760,585	2,168,337	1,387,326	331,776
Miscellaneous	471,977	515,977	906,515	1,985,382
Total state sources	<u>68,124,210</u>	<u>61,756,122</u>	<u>58,193,966</u>	<u>57,193,440</u>
Federal sources:				
School nutrition	2,158,867	1,148,150	1,178,735	1,208,760
Restricted grants	6,555,752	4,754,613	4,129,096	3,615,665
Miscellaneous	-	-	31,205	8,521
Total federal sources	<u>8,714,619</u>	<u>5,902,763</u>	<u>5,339,036</u>	<u>4,832,946</u>
Other financing sources:				
Transfers in	200,000	400,000	200,000	250,000
Lease purchase proceeds	-	-	163,800	142,830
Loan Proceeds	-	2,100,000	-	2,249,436
Bond proceeds	7,535,000	-	175,869,731	-
Sale or compensation for loss of capital assets	-	14,380	444,119	1,502,528
Total other financing sources	<u>7,735,000</u>	<u>2,514,380</u>	<u>176,677,650</u>	<u>4,144,794</u>
Beginning fund balance available for appropriation (2)	<u>151,503,392</u>	<u>181,549,265</u>	<u>11,968,908</u>	<u>8,545,678</u>
Total revenues and other financing sources	<u>\$ 285,026,996</u>	<u>\$ 305,031,563</u>	<u>\$ 302,796,239</u>	<u>\$ 120,749,232</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

2016-17	2015-16	2014-15	2013-14	2012-13 (3)	2011-12
\$ 32,145,125	\$ 30,952,392	\$ 29,276,856	\$ 27,580,481	\$ 26,513,339	\$ 26,068,553
373,216	282,327	158,809	127,964	135,352	124,930
658,489	654,650	627,501	652,412	694,671	686,866
2,469,635	2,767,164	2,197,457	2,351,397	2,366,570	2,429,741
1,622,979	1,609,032	1,392,297	1,143,158	1,186,587	1,078,586
5,560,646	5,450,722	5,652,170	5,333,824	5,431,920	5,134,714
<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>	<u>35,523,390</u>
1,544,944	1,570,214	1,136,944	767,026	788,540	831,681
-	23,875	21,067	38,538	58,056	15,712
<u>1,544,944</u>	<u>1,594,090</u>	<u>1,158,011</u>	<u>805,564</u>	<u>846,596</u>	<u>847,393</u>
45,639,701	46,538,935	45,299,224	41,819,628	37,528,883	35,159,868
3,353,077	3,762,935	2,950,397	3,061,744	3,081,126	3,202,382
942,191	893,542	741,068	349,970	731,466	664,479
177,725	1,029,042	906,575	540,976	9,250	1,788,584
712,896	483,333	590,440	410,035	906,075	408,128
<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>	<u>41,223,441</u>
1,278,409	1,446,811	1,306,545	644,000	1,318,774	1,346,261
3,857,190	3,667,226	3,901,761	4,783,660	3,420,393	3,655,357
15,466	76,412	9,821	41,377	42,851	46,937
<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>	<u>5,048,555</u>
324,000	55,000	380,000	305,931	103,782	254,228
149,505	187,179	-	100,081	-	-
447,386	525,000	16,140,000	1,023,500	5,150,000	437,000
-	-	1,865,440	-	38,941,785	-
1,516	11,200	2,328,523	127,049	374,800	5,859
<u>922,407</u>	<u>778,379</u>	<u>20,713,963</u>	<u>1,556,561</u>	<u>44,570,367</u>	<u>697,087</u>
11,225,945	22,488,116	8,775,708	9,646,030	10,107,357	9,723,219
<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>	<u>\$ 93,063,085</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

	2020-21	2019-20 (3)	2018-19 (1)	2017-18
<b>EXPENDITURES:</b>				
Instruction:				
Regular instruction:				
Elementary	\$ 16,966,259	\$ 16,216,928	\$ 15,194,618	\$ 14,714,389
Middle school	10,196,867	9,548,478	8,403,888	8,493,606
High school	11,315,788	14,575,361	13,863,715	13,674,208
Special programs:				
Restrictive programs	6,965,115	6,836,566	6,736,262	6,828,746
Less restrictive programs	4,859,230	4,727,983	4,081,389	3,773,986
Charter School Payments	9,934,347	8,477,312	7,769,800	6,776,853
Other programs	2,784,621	3,596,235	3,470,480	3,770,691
Total instruction	<u>63,022,227</u>	<u>63,978,863</u>	<u>59,520,152</u>	<u>58,032,479</u>
Support services:				
Students:				
Guidance/health services	3,266,927	3,429,671	2,934,849	2,851,778
Psychological/speech services	2,819,470	2,596,741	2,475,810	2,378,779
Student support direction	2,303,249	2,301,453	1,911,269	2,341,459
Other	1,125,079	1,290,789	1,108,091	918,100
Instructional staff support:				
Educational media services	939,361	912,442	833,020	808,609
Other	1,982,674	1,995,986	1,710,171	1,296,523
General administration	668,188	556,345	575,770	514,963
School administration	4,817,236	5,014,296	4,569,258	4,471,954
Business:				
Direction and fiscal services	2,958,859	2,316,713	1,444,991	1,203,661
Operation and maintenance	8,403,946	7,687,984	6,325,485	5,989,108
Student transportation	6,296,402	5,961,272	5,770,942	5,631,851
Internal services	1,414,877	1,276,597	1,218,583	1,230,096
Central support	3,868,851	2,814,090	2,658,695	2,223,556
Total support services	<u>40,865,119</u>	<u>38,154,379</u>	<u>33,536,934</u>	<u>31,860,437</u>
Enterprise/community services:				
Food services	2,532,058	2,463,321	2,550,002	2,574,619
Community education	453,134	718,399	723,526	650,996
Child care services	1,284,818	1,442,207	1,212,467	1,176,657
Other	199,619	184,665	173,307	178,318
Total enterprise/community services	<u>4,469,629</u>	<u>4,808,592</u>	<u>4,659,302</u>	<u>4,580,590</u>
Facilities acquisition/construction	<u>96,583,746</u>	<u>23,959,516</u>	<u>3,266,937</u>	<u>2,176,662</u>
Debt service	<u>20,896,678</u>	<u>22,226,821</u>	<u>20,063,649</u>	<u>11,880,156</u>
Other financing uses: transfers out	<u>200,000</u>	<u>400,000</u>	<u>200,000</u>	<u>250,000</u>
Total expenditures and other financing uses	<u>\$ 226,037,399</u>	<u>\$ 153,528,171</u>	<u>\$ 121,246,974</u>	<u>\$ 108,780,325</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

2016-17	2015-16 (2)	2014-15	2013-14	2012-13 (1)	2011-12
\$ 14,372,104	\$ 14,251,229	\$ 13,719,411	\$ 12,260,192	\$ 11,756,731	\$ 13,645,117
7,631,239	7,307,658	7,194,299	6,947,250	6,845,765	4,729,225
12,988,113	13,714,094	13,205,323	11,956,671	11,344,259	10,521,316
6,402,457	6,683,427	7,139,815	7,771,745	5,641,289	6,797,976
3,287,734	3,144,562	3,268,731	2,664,210	2,589,100	2,350,910
6,600,180	6,692,059	5,978,326	5,364,726	4,474,877	4,049,138
3,711,524	3,634,393	3,373,772	3,426,048	4,719,677	3,018,686
<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>	<u>45,112,368</u>
2,541,795	2,023,653	2,446,946	226,392	1,981,756	1,844,879
2,232,570	2,082,733	1,974,578	1,647,988	1,495,002	1,507,156
2,304,888	2,169,853	1,208,656	648,173	640,761	584,591
948,656	1,283,155	689,972	520,161	377,411	371,812
890,281	915,901	908,837	824,817	839,025	731,435
1,287,669	1,248,430	1,278,354	1,372,967	1,181,789	1,268,741
497,773	494,339	504,257	484,734	448,930	449,077
4,265,074	4,303,339	4,245,195	4,085,597	3,965,966	4,269,794
1,051,570	1,115,516	1,028,412	980,928	905,903	815,108
5,861,254	5,892,487	6,033,602	5,761,176	5,541,183	5,335,483
5,445,168	5,549,379	5,198,941	4,867,074	4,815,672	4,473,922
1,095,433	1,087,301	906,040	923,252	844,715	888,363
1,980,857	2,183,896	1,909,639	1,909,168	2,193,608	2,007,322
<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>	<u>24,547,683</u>
2,288,072	2,365,490	2,196,862	2,181,957	2,127,201	2,105,418
589,440	740,367	620,967	562,777	464,667	455,671
957,620	934,813	1,005,769	826,062	869,937	813,656
306,515	131,636	122,546	118,896	188,247	174,669
<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>3,549,414</u>
1,523,239	11,143,553	979,299	1,262,617	4,462,018	25,256
12,569,138	12,100,899	15,651,937	10,521,521	48,857,802	9,466,779
324,000	55,000	380,000	305,931	103,782	254,228
<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>	<u>\$ 82,955,728</u>

## OTHER INFORMATION

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, 2021

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

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

Function 2540	\$ 821,625
Function 2550	<u>\$ 23,731</u>

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:

\$ 0
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OREGON CITY SCHOOL DISTRICT NO. 62  
Clackamas County, Oregon  
District Revenue Audit Summary - All Funds  
For the Fiscal Year Ended June 30, 2021

	Totals	Fund 100	Fund 200	Fund 300	Fund 400	Fund 600	Fund 700
<b>Revenue from Local Sources</b>							
1110 Ad Valorem Taxes Levied by District	\$ 36,509,257	\$ 29,338,781	\$ -	\$ 7,170,476	\$ -	\$ -	\$ -
1120 Local Option Ad Valorem Taxes Levied by District	-	-	-	-	-	-	-
1130 Construction Excise Tax	619,035	-	-	-	619,035	-	-
1190 Penalties and Interest on Taxes	117,153	94,121	-	23,032	-	-	-
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	(253)	(253)	-	-	-	-	-
1500 Earnings on Investments	989,932	177,170	4,525	9,648	795,022	3,225	342
1600 Food Service	1,615	-	1,615	-	-	-	-
1700 Extracurricular Activities	400,526	36,951	360,062	-	3,000	-	513
1800 Community Services Activities	1,285,236	321,480	963,756	-	-	-	-
1910 Rentals	137,356	136,484	48	-	824	-	-
1920 Contributions and Donations From Private Sources	(4,240)	639	(8,473)	-	-	-	3,594
1930 Rental or Lease Payments From Private Contractors	-	-	-	-	-	-	-
1940 Services Provided Other Local Education Agencies	-	-	-	-	-	-	-
1950 Textbook Sales and Rentals	-	-	-	-	-	-	-
1960 Recovery of Prior Years' Expenditure	122,683	39,270	550	-	36,207	46,656	-
1970 Services Provided Other Funds	6,287,889	-	34,031	5,520,707	-	733,151	-
1980 Fees Charged to Grants	240,213	240,213	-	-	-	-	-
1990 Miscellaneous	471,391	149,623	36,725	-	285,043	-	-
Total Revenue from Local Sources	47,177,793	30,534,479	1,392,839	12,723,863	1,739,131	783,032	4,449
<b>Revenue from Intermediate Sources</b>							
2101 County School Funds	-	-	-	-	-	-	-
2102 General ESD Revenue	1,647,373	1,638,683	8,690	-	-	-	-
2103 Excess ESD Local Revenue	-	-	-	-	-	-	-
2105 Natural Gas, Oil, and Mineral Receipts	-	-	-	-	-	-	-
2110 Intermediate "I" Tax	-	-	-	-	-	-	-
2199 Other Intermediate Sources	-	-	-	-	-	-	-
2200 Restricted Revenue	128,119	-	128,119	-	-	-	-
2800 Revenue in Lieu of Taxes	-	-	-	-	-	-	-
2900 Revenue for/on Behalf of the District	-	-	-	-	-	-	-
Total Revenue from Intermediate Sources	1,775,492	1,638,683	136,809	-	-	-	-
<b>Revenue from State Sources</b>							
3101 State School Fund - General Support	55,115,832	50,768,883	427,778	-	-	-	3,919,171
3102 State School Fund - School Lunch Match	21,548	-	21,548	-	-	-	-
3103 Common School Fund	849,626	849,626	-	-	-	-	-
3104 State Managed County Timber	-	-	-	-	-	-	-
3105 State School Fund - Transportation	2,955,481	2,955,481	-	-	-	-	-
3106 State School Fund - Accrual	-	-	-	-	-	-	-
3199 Other Unrestricted Grants-in-Aid	471,977	125,660	346,317	-	-	-	-
3204 Driver Education	-	-	-	-	-	-	-
3222 State School Fund (SSF) Transportation Equipment	868,332	-	452,020	-	416,312	-	-
3223 State School Fund - Lunch	-	-	-	-	-	-	-
3299 Other Restricted Grants-in-Aid	12,349,206	-	3,760,585	-	8,000,000	-	588,621
3800 Revenue in Lieu of Taxes	-	-	-	-	-	-	-
3900 Revenue for/on Behalf of the District	-	-	-	-	-	-	-
Total Revenue from State Sources	72,632,002	54,699,650	5,008,248	-	8,416,312	-	4,507,792
<b>Revenue from Federal Sources</b>							
4100 Unrestricted Revenue Direct From the Federal Government	-	-	-	-	-	-	-
4200 Unrestricted Revenue From the Federal Government Through the State	12,107	12,107	-	-	-	-	-
4300 Restricted Revenue From the Federal Government	-	-	-	-	-	-	-
4500 Restricted Revenue From the Federal Government Through the State	8,850,448	-	8,409,595	-	-	-	440,853
4700 Grants-in-Aid From the Federal Government Through Other Intermediate Agencies	159,011	-	159,011	-	-	-	-
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	133,906	-	133,906	-	-	-	-
Total Revenue from Federal Sources	9,155,472	12,107	8,702,512	-	-	-	440,853
<b>Revenue from Other Sources</b>							
5100 Long Term Debt Financing Sources	7,535,000	-	-	-	7,535,000	-	-
5200 Interfund Transfers	200,000	-	-	-	200,000	-	-
5300 Sale of or Compensation for Loss of Fixed Assets	-	-	-	-	-	-	-
5400 Resources - Beginning Fund Balance	151,503,394	5,009,912	3,712,260	1,416,803	140,239,159	850,677	274,583
Total Revenue from Other Sources	159,238,394	5,009,912	3,712,260	1,416,803	147,974,159	850,677	274,583
Grand Total	\$ 289,979,153	\$ 91,894,831	\$ 18,952,668	\$ 14,140,666	\$ 158,129,602	\$ 1,633,709	\$ 5,227,677



OREGON CITY SCHOOL DISTRICT NO. 62  
Clackamas County, Oregon  
District Expenditure Audit Summary - General Fund  
For the Fiscal Year Ended June 30, 2021

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
<b>Instruction Expenditures</b>								
1111 Elementary, K-5 or K-6	\$ 15,377,219	\$ 9,438,898	\$ 5,791,522	\$ 14,717	\$ 132,023	\$ -	\$ 59	\$ -
1113 Elementary Extracurricular	-	-	-	-	-	-	-	-
1121 Middle/Junior High Programs	8,870,102	5,515,091	3,262,725	5,138	87,148	-	-	-
1122 Middle/Junior High School Extracurricular	80,084	50,068	17,558	-	12,458	-	-	-
1131 High School Programs	9,379,961	5,886,266	3,385,479	9,726	98,440	-	50	-
1132 High School Extracurricular	418,917	265,219	75,597	47,982	28,398	-	1,721	-
1140 Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210 Programs for the Talented and Gifted	6,262	4,505	1,757	-	-	-	-	-
1220 Restrictive Programs for Students with Disabilities	6,240,048	2,655,067	1,825,931	1,751,505	7,545	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	4,604,121	2,715,137	1,857,441	570	30,973	-	-	-
1260 Treatment and Habilitation	-	-	-	-	-	-	-	-
1271 Remediation	-	-	-	-	-	-	-	-
1272 Title I	-	-	-	-	-	-	-	-
1280 Alternative Education	8,751,980	131,022	79,374	8,540,543	1,041	-	-	-
1291 English Second Language Programs	1,806,239	1,101,227	700,731	3,644	637	-	-	-
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	\$ 55,534,933	\$ 27,762,500	\$ 16,998,115	\$ 10,373,825	\$ 398,663	\$ -	\$ 1,830	\$ -
<b>Support Services Expenditures</b>								
2110 Attendance and Social Work Services	\$ 211,684	\$ 122,839	\$ 87,485	\$ 1,240	\$ 120	\$ -	\$ -	\$ -
2120 Guidance Services	2,340,764	1,466,771	863,150	387	6,411	-	4,045	-
2130 Health Services	409,746	229,094	140,176	36,452	4,004	-	20	-
2140 Psychological Services	683,921	444,491	199,014	13,344	27,072	-	-	-
2150 Speech Pathology and Audiology Services	1,658,332	1,018,220	579,841	47,887	12,384	-	-	-
2160 Other Student Treatment Services	324,544	196,077	126,733	610	1,124	-	-	-
2190 Service Direction, Student Support Services	2,094,801	1,181,532	684,401	216,292	11,236	-	1,340	-
2210 Improvement of Instruction Services	851,796	316,328	177,544	29,207	326,462	-	2,255	-
2220 Educational Media Services	937,867	523,033	353,870	683	60,281	-	-	-
2230 Assessment & Testing	61,355	37,914	23,441	-	-	-	-	-
2240 Instructional Staff Development	373,331	11,538	310,886	50,907	-	-	-	-
2310 Board of Education Services	160,363	48,433	30,273	69,469	1,052	-	11,136	-
2320 Executive Administration Services	456,669	257,222	145,019	38,061	14,011	-	2,356	-
2410 Office of the Principal Services	4,681,532	2,832,307	1,662,073	52,043	114,995	-	20,114	-
2490 Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510 Direction of Business Support Services	452,414	313,404	126,950	7,223	4,042	-	795	-
2520 Fiscal Services	1,160,446	633,744	339,341	90,070	63,583	-	33,708	-
2540 Operation and Maintenance of Plant Services	6,396,994	2,399,240	1,677,099	1,855,573	409,325	50,619	5,138	-
2550 Student Transportation Services	4,835,536	2,491,475	1,881,811	173,845	176,290	-	112,115	-
2570 Internal Services	732,751	102,489	73,451	132,541	6,550	-	417,720	-
2610 Direction of Central Support Services	-	-	-	-	-	-	-	-
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-	-	-	-	-	-	-	-
2630 Information Services	314,159	190,058	97,015	12,503	11,048	-	3,535	-
2640 Staff Services	606,443	349,385	176,772	51,779	27,132	-	1,375	-
2660 Technology Services	1,190,380	372,256	225,437	468,168	91,152	13,278	20,089	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2680 Interpretation and Translation Services	8,048	-	-	8,048	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	155,877	151,616	4,261	-	-	-	-	-
Total Support Services Expenditures	\$ 31,099,753	\$ 15,689,466	\$ 9,986,043	\$ 3,356,332	\$ 1,368,274	\$ 63,897	\$ 635,741	\$ -
<b>Enterprise and Community Services Expenditures</b>								
3100 Food Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	607,201	369,860	183,295	33,802	18,423	-	1,821	-
3500 Custody and Care of Children Services	-	-	-	-	-	-	-	-
Total Enterprise and Community Services Expenditures	\$ 607,201	\$ 369,860	\$ 183,295	\$ 33,802	\$ 18,423	\$ -	\$ 1,821	\$ -
<b>Facilities Acquisition and Construction Expenditures</b>								
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Other Uses Expenditures</b>								
5100 Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5200 Transfers of Funds	200,000	-	-	-	-	-	-	200,000
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000
Grand Total	\$ 87,441,887	\$ 43,821,826	\$ 27,167,453	\$ 13,763,959	\$ 1,785,360	\$ 63,897	\$ 639,392	\$ 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, 2021

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
<b>Instruction Expenditures</b>								
1111 Elementary, K-5 or K-6	\$ 1,417,288	\$ 775,918	\$ 442,607	\$ 181,333	\$ 17,430	\$ -	\$ -	\$ -
1112 Intermediate, 4-6	-	-	-	-	-	-	-	-
1113 Elementary Extracurricular	62,336	5,175	1,746	75	55,340	-	-	-
1121 Middle/Junior High Programs	354,281	197,458	105,089	4,800	37,576	-	9,358	-
1122 Middle/Junior High School Extracurricular	331,310	5,049	2,706	284,941	38,156	-	458	-
1131 High School Programs	1,075,639	631,376	382,055	40,635	17,094	-	4,679	-
1132 High School Extracurricular	434,572	89,900	15,534	71,085	254,444	-	3,609	-
1140 Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210 Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220 Restrictive Programs for Students with Disabilities	725,066	433,779	284,083	3,250	3,954	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	255,110	107,324	85,050	43,963	18,773	-	-	-
1260 Treatment and Habilitation	-	-	-	-	-	-	-	-
1271 Remediation	19,320	14,148	5,172	-	-	-	-	-
1272 Title I	614,559	327,366	245,019	-	42,174	-	-	-
1280 Alternative Education	1,486,594	59,030	31,501	1,396,063	-	-	-	-
1291 English Second Language Programs	31,136	9,239	3,116	175	18,606	-	-	-
1292 Teen Parent Program	-	-	-	-	-	-	-	-
1293 Migrant Education	1,927	1,415	512	-	-	-	-	-
1294 Youth Corrections Education	-	-	-	-	-	-	-	-
1299 Other Programs	-	-	-	-	-	-	-	-
1300 Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400 Summer School Programs	157,953	109,528	34,180	-	14,245	-	-	-
Total Instruction Expenditures	\$ 6,967,732	\$ 2,766,705	\$ 1,638,370	\$ 2,026,320	\$ 518,233	\$ -	\$ 18,104	\$ -
<b>Support Services Expenditures</b>								
2110 Attendance and Social Work Services	\$ 261,975	\$ 134,208	\$ 84,683	\$ 23,923	\$ 16,682	\$ -	\$ 2,479	\$ -
2120 Guidance Services	145,361	78,781	50,467	1,385	14,728	-	-	-
2130 Health Services	371,055	187,810	133,708	49,537	-	-	-	-
2140 Psychological Services	475,811	288,398	163,451	-	19,318	-	4,644	-
2150 Speech Pathology and Audiology Services	1,406	624	274	308	-	-	-	-
2160 Other Student Treatment Services	317,876	197,951	119,913	-	12	-	-	-
2190 Service Direction, Student Support Services	208,448	132,800	63,234	1,840	10,574	-	-	-
2210 Improvement of Instruction Services	243,306	118,235	59,236	23,579	41,529	-	727	-
2220 Educational Media Services	1,495	-	-	-	1,495	-	-	-
2230 Assessment & Testing	13,173	9,750	3,423	-	-	-	-	-
2240 Instructional Staff Development	439,713	184,838	93,639	160,593	635	-	8	-
2310 Board of Education Services	89	-	-	-	89	-	-	-
2320 Executive Administration Services	51,067	-	-	30,200	20,867	-	-	-
2410 Office of the Principal Services	7,901	1,423	478	6,000	-	-	-	-
2490 Other Support Services - School Administration	127,801	78,814	46,117	2,870	-	-	-	-
2510 Direction of Business Support Services	54,722	36,681	17,257	784	-	-	-	-
2520 Fiscal Services	235,710	-	-	-	22,803	-	212,907	-
2540 Operation and Maintenance of Plant Services	133,852	26,657	20,226	53,365	21,050	12,554	-	-
2550 Student Transportation Services	1,460,866	10,235	4,014	-	2,468	1,444,149	-	-
2570 Internal Services	-	-	-	-	-	-	-	-
2610 Direction of Central Support Services	-	-	-	-	-	-	-	-
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-	-	-	-	-	-	-	-
2630 Information Services	21,948	12,653	8,857	298	140.00	-	-	-
2640 Staff Services	817	619	198	-	-	-	-	-
2660 Technology Services	1,172,652	-	-	-	1,172,435	-	217	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	-	-	-	-	-	-	-	-
Total Support Services Expenditures	\$ 5,747,044	\$ 1,500,677	\$ 869,175	\$ 354,682	\$ 1,344,825	\$ 1,456,703	\$ 220,982	\$ -
<b>Enterprise and Community Services Expenditures</b>								
3100 Food Services	\$ 2,532,061	\$ 912,997	\$ 583,234	\$ 867,274	\$ 155,640	\$ -	\$ 12,916	\$ -
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	14,551	1,991	742	5,799	6,019	-	-	-
3500 Custody and Care of Children Services	1,284,818	684,064	278,918	304,847	16,989	-	-	-
Total Enterprise and Community Services Expenditures	\$ 3,831,430	\$ 1,599,052	\$ 862,894	\$ 1,177,920	\$ 178,648	\$ -	\$ 12,916	\$ -
<b>Facilities Acquisition and Construction Expenditures</b>								
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Other Uses Expenditures</b>								
5100 Debt Service	\$ 631,039	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 631,039	\$ -
5200 Transfers of Funds	-	-	-	-	-	-	-	-
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures	\$ 631,039	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 631,039	\$ -
Grand Total	\$ 17,177,245	\$ 5,866,434	\$ 3,370,439	\$ 3,558,922	\$ 2,041,706	\$ 1,456,703	\$ 883,041	\$ -

OREGON CITY SCHOOL DISTRICT NO. 62  
Clackamas County, Oregon  
District Expenditure Audit Summary - Debt Service Funds  
For the Fiscal Year Ended June 30, 2021

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
<b>Instruction Expenditures</b>								
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Support Services Expenditures</b>								
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	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-
2660 Technology Services	-	-	-	-	-	-	-	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	-	-	-	-	-	-	-	-
Total Support Services Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Enterprise and Community Services Expenditures</b>								
3100 Food Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	-	-	-	-	-	-	-	-
3500 Custody and Care of Children Services	-	-	-	-	-	-	-	-
Total Enterprise and Community Services Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Facilities Acquisition and Construction Expenditures</b>								
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Other Uses Expenditures</b>								
5100 Debt Service	\$ 11,829,773	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,829,773	\$ -
5200 Transfers of Funds	-	-	-	-	-	-	-	-
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures	\$ 11,829,773	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,829,773	\$ -
Grand Total	\$ 11,829,773	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,829,773	\$ -

**OREGON CITY SCHOOL DISTRICT NO. 62**  
 Clackamas County, Oregon  
 District Expenditure Audit Summary -Capital Projects Funds  
 For the Fiscal Year Ended June 30, 2021

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
<b>Instruction Expenditures</b>								
1111 Elementary, K-5 or K-6	\$ 37,692	\$ -	\$ -	\$ -	\$ 37,692	\$ -	\$ -	\$ -
1113 Elementary Extracurricular	-	-	-	-	-	-	-	-
1121 Middle/Junior High Programs	481,929	-	-	-	481,929	-	-	-
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	\$ 519,621	\$ -	\$ -	\$ -	\$ 519,621	\$ -	\$ -	\$ -
<b>Support Services Expenditures</b>								
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	1,054,659	248,556	104,931	313,522	72,976	-	314,674	-
2520 Fiscal Services	373	-	-	-	173	-	200	-
2540 Operation and Maintenance of Plant Services	1,306,541	8,776	3,060	108,150	1,136,734	49,821	-	-
2550 Student Transportation Services	-	-	-	-	-	-	-	-
2570 Internal Services	2,961	-	-	2,961	-	-	-	-
2610 Direction of Central Support Services	-	-	-	-	-	-	-	-
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	143,347	8,037	2,814	132,496	-	-	-	-
2630 Information Services	7,063	-	-	7,063	-	-	-	-
2640 Staff Services	-	-	-	-	-	-	-	-
2660 Technology Services	237,881	346	131	-	219,051	18,353	-	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	-	-	-	-	-	-	-	-
Total Support Services Expenditures	\$ 2,752,825	\$ 265,715	\$ 110,936	\$ 564,192	\$ 1,428,934	\$ 68,174	\$ 314,874	\$ -
<b>Enterprise and Community Services Expenditures</b>								
3100 Food Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	-	-	-	-	-	-	-	-
3500 Custody and Care of Children Services	-	-	-	-	-	-	-	-
Total Enterprise and Community Services Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Facilities Acquisition and Construction Expenditures</b>								
4110 Service Area Direction	\$ 59,764	\$ 38,648	\$ 21,116	\$ -	-	-	\$ -	\$ -
4120 Site Acquisition and Development Services	1,073,645	3,844	1,136	47,870	-	1,020,795	-	-
4150 Building Acquisition, Construction, and Improvement Service	95,450,337	-	-	1,252,688	-	94,049,375	148,274	-
4180 Other Capital Items	-	-	-	-	-	-	-	-
4190 Other Facilities Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures	\$ 96,583,746	\$ 42,492	\$ 22,252	\$ 1,300,558	\$ -	\$ 95,070,170	\$ 148,274	\$ -
<b>Other Uses Expenditures</b>								
5100 Debt Service	\$ 8,435,866	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,435,866	\$ -
5200 Transfers of Funds	-	-	-	-	-	-	-	-
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures	\$ 8,435,866	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,435,866	\$ -
Grand Total	\$ 108,292,058	\$ 308,207	\$ 133,188	\$ 1,864,750	\$ 1,948,555	\$ 95,138,344	\$ 8,899,014	\$ -

OREGON CITY SCHOOL DISTRICT NO. 62  
Clackamas County, Oregon  
District Expenditure Audit Summary - Internal Service Funds  
For the Fiscal Year Ended June 30, 2021

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
<b>Instruction Expenditures</b>								
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Support Services Expenditures</b>								
2110 Attendance and Social Work Services	\$ 9,000	\$ -	\$ -	\$ 9,000	\$ -	\$ -	\$ -	\$ -
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	534	-	-	-	-	-	534	-
2540 Operation and Maintenance of Plant Services	566,557	-	-	563,408	3,149	-	-	-
2550 Student Transportation Services	-	-	-	-	-	-	-	-
2570 Internal Services	679,166	101,320	66,342	54,047	11,467	-	445,990	-
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	\$ 1,265,495	\$ 101,320	\$ 66,342	\$ 626,455	\$ 24,854	\$ -	\$ 446,524	\$ -
<b>Enterprise and Community Services Expenditures</b>								
3100 Food Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	-	-	-	-	-	-	-	-
3500 Custody and Care of Children Services	-	-	-	-	-	-	-	-
Total Enterprise and Community Services Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Facilities Acquisition and Construction Expenditures</b>								
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Other Uses Expenditures</b>								
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	\$ 1,265,495	\$ 101,320	\$ 66,342	\$ 626,455	\$ 24,854	\$ -	\$ 446,524	\$ -

OREGON CITY SCHOOL DISTRICT NO. 62  
Clackamas County, Oregon  
District Expenditure Audit Summary - Trust and Agency Funds  
For the Fiscal Year Ended June 30, 2021

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
<b>Instruction Expenditures</b>								
1111 Elementary, K-5 or K-6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1112 Intermediate, 4-6	-	-	-	-	-	-	-	-
1113 Elementary Extracurricular	-	-	-	-	-	-	-	-
1121 Middle/Junior High Programs	812,812	506,637	305,250	-	925	-	-	-
1122 Middle/Junior High School Extracurricular	31,509	-	-	31,320	189	-	-	-
1131 High School Programs	2,387,727	1,417,229	844,526	75,271	50,451	-	250	-
1132 High School Extracurricular	1,545	-	-	-	1,545	-	-	-
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	395,877	252,014	120,957	1,232	21,674	-	-	-
1272 Title I	-	-	-	-	-	-	-	-
1280 Alternative Education	31,334	-	-	31,334	-	-	-	-
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	\$ 3,660,804	\$ 2,175,880	\$ 1,270,733	\$ 139,157	\$ 74,784	\$ -	\$ 250	\$ -
<b>Support Services Expenditures</b>								
2110 Attendance and Social Work Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2120 Guidance Services	446,996	284,474	162,522	-	-	-	-	-
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	930	-	-	-	930	-	-	-
2230 Assessment & Testing	-	-	-	-	-	-	-	-
2240 Instructional Staff Development	-	-	-	-	-	-	-	-
2310 Board of Education Services	549	-	-	-	-	-	549	-
2320 Executive Administration Services	-	-	-	-	-	-	-	-
2410 Office of the Principal Services	654,029	376,158	221,247	20,491	14,149	-	21,984	-
2490 Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510 Direction of Business Support Services	-	-	-	-	-	-	-	-
2520 Fiscal Services	22,385	-	-	-	850	-	21,535	-
2540 Operation and Maintenance of Plant Services	94,162	44,512	32,729	2,622	14,299	-	-	-
2550 Student Transportation Services	101	-	-	101	-	-	-	-
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	20,587	12,091	7,576	-	920	-	-	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	-	-	-	-	-	-	-	-
Total Support Services Expenditures	\$ 1,239,739	\$ 717,235	\$ 424,074	\$ 23,214	\$ 31,148	\$ -	\$ 44,068	\$ -
<b>Enterprise and Community Services Expenditures</b>								
3100 Food Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	96,000	-	-	96,000	-	-	-	-
3500 Custody and Care of Children Services	-	-	-	-	-	-	-	-
Total Enterprise and Community Services Expenditures	\$ 96,000	\$ -	\$ -	\$ 96,000	\$ -	\$ -	\$ -	\$ -
<b>Facilities Acquisition and Construction Expenditures</b>								
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Other Uses Expenditures</b>								
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	\$ 4,996,543	\$ 2,893,115	\$ 1,694,807	\$ 258,371	\$ 105,932	\$ -	\$ 44,318	\$ -

**INDEPENDENT AUDITORS' REPORT REQUIRED BY**  
**OREGON STATE REGULATIONS**



**PAULY, ROGERS, AND Co., P.C.**  
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December 28, 2021

### **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, 2021, and have issued our report thereon dated December 28, 2021. 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 40 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.

We noted a matter involving the internal control structure and its operation that we consider to be a significant deficiency under standards established by the American Institute of Certified Public Accountants, which we noted in the Schedule of Findings and Questioned Costs.

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

A handwritten signature in black ink that reads "Tara M. Kamp, CPA". The signature is written in a cursive, flowing style.

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, 2021

Federal Grantor, Pass through Grantor, Program Title	Pass-Through Organization	Pass-Through Entity Number	CFDA Number	2020 - 2021 Expenditures	Passed Through To Subrecipients
<b><u>U. S. Department of Education:</u></b>					
Special Education Grants to States - Title I Part A Grants to LEAs:	ODE	51438	84.010	\$ 5,894	\$ -
	ODE	51457	84.010	11,788	
	ODE	53335	84.010	141,655	
	ODE	54336	84.010	148,500	
	ODE	58331	84.010	837,024	
	ODE	65136	84.010	35,124	-
Total Title I Grants				<u>1,179,985</u>	<u>-</u>
<b><u>Special Education Cluster:</u></b>					
Special Education Grants IDEA Part B:	ODE	53806	84.027	36,764	-
	ODE	55740	84.027	257	-
	ODE	56617	84.027	21,071	-
	ODE	60719	84.027	1,269,547	-
	ODE	61439	84.027	6,263	-
	ODE	50162	84.173	11,119	-
	ODE	60553	84.173	11,486	-
Autism Contracts	Portland Public Schools	N/A	84.027A	147,400	-
<u>Total Special Education Cluster</u>				<u>1,503,907</u>	<u>-</u>
Special Education Grants IDEA Part D:	ODE	47590	84.323	43,320	-
				<u>43,320</u>	<u>-</u>
Improving Teacher Quality State Grants - Title II Part A:	ODE	53597	84.367	74,381	-
	ODE	58823	84.367	83,012	-
Total Title II Part A:				<u>157,393</u>	<u>-</u>
English Language Acquisition Grants - Title III Part A:	ODE	53449	84.365	19,929	-
	ODE	58497	84.365	28,554	-
Total Title III Part A:				<u>48,483</u>	<u>-</u>
Foster Care Transportation	ODE	47503	93.658	-	-
Reimbursement	ODE	57224	93.658	12,107	-
Total Foster Care Transportation Reimbursement:				<u>12,107</u>	<u>-</u>
Twenty-First Century Community Learning Centers:	ODE	54274	84.287	13,409	13,409
	ODE	61158	84.287	427,445	427,445
Total Twenty-First Century Community Learning Centers:				<u>440,854</u>	<u>440,854</u>
Vocational Rehabilitation Grants - YTP	OR Dept of Human Resources	160736	84.126A	113,399	-
Student Support and Academic Enrichment Grant	ODE	54,587	84.424	54,961	-

**OREGON CITY SCHOOL DISTRICT NO. 62**  
 Clackamas County, Oregon  
 Schedule of Expenditures of Federal Awards - (continued)  
 For the Fiscal Year Ended June 30, 2021

Federal Grantor, Pass through Grantor, Program Title	Pass-Through Organization	Pass-Through Entity Number	CFDA Number	2020 - 2021 Expenditures	Passed Through To Subrecipients
<b><u>U.S. Department of Education (continued)</u></b>					
Migrant Education Title 1C:	Clackamas County ESD	N/A	84.011A	\$ 11,611	\$ -
Career and Technical Education - Carl Perkins III:	Clackamas County ESD	40307	84.048	42,530	-
Education Stabilization Fund					
Governors Emergency Relief - COVID-19	ODE	61006	84.425C	169,140	12,731
Elementary and Secondary School Emergency Relief - COVID-19	ODE	57878	84.425D	475,878	40,522
Elementary and Secondary School Emergency Relief - COVID-19	ODE	64648	84.425D	2,198,056	201,458
Total Education Stabilization Fund				2,843,074 (1)	254,711
Total Education Stabilization Fund - COVID-19	ODE	N/A	21.019	1,530	-
<b>Total U.S. Department of Education</b>				<b>6,453,154</b>	<b>695,565</b>
<b><u>U.S. Department of Agriculture:</u></b>					
Child Nutrition Cluster:					
Summer Food Service	ODE	N/A	10.559	1,490,276	-
Summer Food Service - COVID-19	ODE	N/A	10.559	76,491	-
Noncash Assistance: Commodities	ODE	N/A	10.559	61	-
Noncash Assistance: Commodities	ODE	N/A	10.555	133,845	-
Total Child Nutrition Cluster				1,700,673	-
Child and Adult Care Food Program	ODE	N/A	10.558	423,053	-
Noncash Assistance: Commodities	ODE	N/A	10.558	29,529	-
				452,582	-
<b>Total U.S. Department of Agriculture</b>				<b>2,153,255</b>	<b>-</b>
<b>Federal Emergency Management</b>					
Oregon Wildfires and Straight-line Winds	FEMA	DR-4562-OR	97.036	5,612	-
<b><u>U.S. Department of Health and Human Services:</u></b>					
SAMHSA Oregon City Together Coalition:	SAMSHA	2H79SPO19745-01	93.276	50,297	-
	SAMSHA	2H79SPO19745-01	93.276	52,301	-
Total SAMHSA Oregon City Together Coalition:				102,598	-
Medical Assistance Program:				-	-
<b>Total U.S. Department of Health and Human Services</b>				<b>102,598</b>	<b>-</b>
<b>Total Federal Financial Assistance</b>				<b>\$ 8,714,619</b>	<b>\$ 695,565</b>

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 28, 2021

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 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, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated December 28, 2021.

**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) to determine the 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. We did identify a significant deficiency described in the accompanying Schedule of Findings and Questioned Costs as item FS-2021-001 that we consider a significant deficiency.

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 may exist that have not been identified.

## **Compliance and Other Matters**

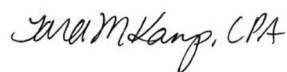
As part of obtaining reasonable assurance about whether the financial statements are free from material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements noncompliance with which could have a direct and material effect on the determination of financial statement 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. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Response to Finding**

The District's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

## **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.



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



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December 28, 2021

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**

We have audited Oregon City School District No. 62's compliance with the types of compliance requirements described 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, 2021. The major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for the major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

**Opinion on Major Federal Program**

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 its major federal programs for the year ended June 30, 2021.


## Report on Internal Control Over Compliance

Management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered internal control over compliance with the types of requirements that could have a direct and material effect on each of the major federal programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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, we do not express an opinion on the effectiveness of 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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, 2021

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**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

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, 2021

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

**FS-2021-1 – SIGNIFICANT DEFICIENCY**

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

**CRITERIA:** All bank reconciliations should be prepared in a timely manner from the statement date (usually one month). The preparer should also date and initial so there is evidence of who and when the reconciliation was prepared. Furthermore, a secondary party, independent of the reconciliation preparation, should evidence their review of the bank reconciliation for accuracy and completeness.

**EFFECT:** Without controls or procedures in place to prepare bank reconciliations in a timely manner there exists the chance of cash being misappropriated as well as the likelihood of material misstatement in the financial statements.

**CAUSE:** Changes in business processes, including the effects of Covid-19, let to delays in finalizing the preparation of reconciliations at times during the year.

**RECOMMENDATION:** We recommend all District Bank Reconciliations are prepared in a timely manner within one month after the statement date.

**VIEWS OF RESPONSIBLE OFFICIALS:** Management agrees with this finding.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**NONE**

**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.

OREGON CITY SCHOOL DISTRICT NO. 62  
WASHINGTON COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2021

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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.