

OREGON CITY SCHOOL DISTRICT NO. 62
CLACKAMAS COUNTY, OREGON

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2020**



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

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2020



Prepared by
Susan Dodd, Chief Financial Officer
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OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Table of Contents

INTRODUCTORY SECTION:

Letter of Transmittal	I
GFOA Certificate of Achievement for Excellence in Financial Reporting, for the Fiscal Year Ended June 30, 2019	XIII
ASBO Certificate of Excellence in Financial Reporting, For the Fiscal Year Ended June 30, 2019.....	XIV
Organization Chart	XV
Officials of the District.....	XVI

FINANCIAL SECTION:

INDEPENDENT AUDITOR'S REPORT	1
------------------------------------	---

MANAGEMENT'S DISCUSSION AND ANALYSIS	4
--	---

BASIC FINANCIAL STATEMENTS:

Government-Wide Financial Statements:

Statement of Net Position	20
Statement of Activities.....	21

Fund Financial Statements:

Balance Sheet – Governmental Funds	22
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	23
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	24
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	25
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual, General Fund, Non GAAP Budgetary Basis	26
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual, Special Revenue Fund.....	27
Statement of Net Position – Internal Service Fund	28
Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Fund	29
Statement of Cash Flows – Internal Service Fund.....	30
Statement of Fiduciary Assets and Liabilities – Agency Funds.....	31
<u>Notes to the Financial Statements</u>	32

REQUIRED SUPPLEMENTARY INFORMATION – Schedule of Changes in Other Post-Employment Benefit Liability	78
--	----

REQUIRED SUPPLEMENTARY INFORMATION – Schedule of Changes in Pension Liability	79
---	----

REQUIRED SUPPLEMENTARY INFORMATION – Oregon Public Retirement System	80
--	----

REQUIRED SUPPLEMENTARY INFORMATION – Schedule of Proportionate Share of RHIA.....	81
---	----

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES:

Budgetary Comparison Schedules:

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund, Non GAAP Budgetary Basis	82
Debt Service Fund 300	85
Pension Obligation Bonds Fund	86
Capital Projects Fund.....	87
Risk Management Internal Service Fund	88

Fiduciary Funds:

Agency Funds:

Combining Balance Sheet – All Agency Funds	89
Combining Statement of Changes in Assets and Liabilities – All Agency Funds.....	90

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Table of Contents (Continued)

OTHER FINANCIAL SCHEDULES:

Schedule of Appropriation Transfers – For the Fiscal Year Ended June 30, 2020	92
---	----

STATISTICAL SECTION (Unaudited):

Financial Trends:

Net Position by Component – Last Ten Fiscal Years.....	93
Expenses by Function, Revenues by Source, and Changes in Net Position – Last Ten Fiscal Years	95
Fund Balances of Governmental Funds – Last Ten Fiscal Years	97
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years.....	99

Revenue Capacity:

Assessed and Real Market Value of Taxable Property – Last Ten Fiscal Years	101
Property Tax Rates - All Overlapping Governments – Last Ten Fiscal Years	103
Principal Taxpayers Within District – June 30, 2020	105
Property Tax Levies and Collections – Last Ten Fiscal Years	106

Debt Capacity:

Ratios of Outstanding Debt – Last Ten Fiscal Years	108
Ratios of Net General Bonded Debt – Last Ten Fiscal Years	109
Direct and Overlapping Governmental Activities Debt – June 30, 2020	111
Computation of Legal Debt Margin – Last Ten Fiscal Years.....	112

Demographic and Economic Information:

Demographic and Economic Statistics – Last Ten Fiscal Years	113
Principal Employers – June 30, 2020.....	114

Operating Information:

Full-Time Equivalent (FTE) Employees by Function – Last Ten Fiscal Years	115
Operating Statistics – Last Ten Fiscal Years	117
Revenues and Other Financing Sources – General Fund – Non GAAP Budgetary Basis - Last Ten Fiscal Years	118
Expenditures by Program – General Fund, Non GAAP Budgetary Basis – Last Ten Fiscal Years	120
Capital Asset Information – Last Ten Fiscal Years	122
Teacher Full-Time Equivalents (FTE) by Education Range and Step – June 30, 2020.....	124
Miscellaneous Statistical Data – Last Ten Fiscal Years.....	125
Revenues and Other Financing Sources – All Funds – Non GAAP Budgetary Basis - Last Ten Fiscal Years	126
Expenditures and Other Financing Uses by Program – All Funds – Non GAAP Budgetary Basis - Last Ten Fiscal Years	128
Public School System Support Data.....	130

SCHEDULES REQUIRED BY THE DEPARTMENT OF EDUCATION – OTHER INFORMATION:

District Audit Revenue Summary – All Funds	131
District Expenditure Audit Summary – General Fund	132
District Expenditure Audit Summary – Special Revenue Funds	133
District Expenditure Audit Summary – Debt Service Funds.....	134
District Expenditure Audit Summary – Capital Projects Funds	135
District Expenditure Audit Summary – Internal Service Funds	136
District Expenditure Audit Summary – Trust and Agency Funds	137

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Table of Contents (Continued)

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS:

Compliance	138
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GRANT COMPLIANCE SECTION:

Schedule of Expenditures of Federal Awards For the Fiscal Year Ended June 30, 2020	140
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.....	142
Independent Auditor's Report on Compliance For Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.....	144
Schedule of Findings and Questioned Costs Relative to Federal Awards – For the Fiscal Year Ended June 30, 2020	146

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Oregon City School District 62
1417 12th Street • Oregon City, Oregon 97045
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December 21, 2020

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

Oregon Revised Statutes regarding Municipal Audit Law and State Financing of Public Schools require that the school district publish a complete set of audited financial statements within six months of the close of each fiscal year. A Securities Exchange Commission Rule requires that a district that has issued municipal bonds file annual financial statements with the Municipal Securities Exchange Repository through the Electronic Municipal Market Access System (EMMA). Pursuant to these requirements, we hereby issue the comprehensive annual financial report of the Oregon City School District No. 62 for the fiscal year ended June 30, 2020. 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, 2020, 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, 2020, 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 for onsite education, and as of the date of the letter, onsite district education remains closed. In May of 2020, Oregon's Governor enacted an executive order which established requirements for reopening Oregon's economy, creating a phased system for counties for re-opening that reflects the status of the virus in each county. In November of 2020, the Governor announced a statewide freeze which is currently still in affect and will remain in affect until March of 2021. 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 7,940 students in fiscal 2019-20. The projected ADM for fiscal 2020-21 was 8,072 prior to the COVID pandemic. Currently as the date of this letter, it is 7,572. See the "Economic Condition" section of the letter. The average age of all school buildings is 57 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 8th grade school and the Alliance Charter Academy is a grade K-12 charter school.

In 2019-20, 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 2019-20, the District employed over 987 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
- 9th 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 2019-20 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 \$158.00 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 fall 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 1st 2010 to July 1st 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. Currently, for fiscal 2020-21 the district has lost approximately over 500 students directly related to the onset of the COVID pandemic. The District expects that the enrollment will rebound to normal levels once schools can re-open. The district will contract for another enrollment study to be completed in the spring of 2020-21. 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	3,434	3,229	3,294	3,517	3,527
5 year change		-205	65	223	10
		-6.0%	2.0%	6.8%	0.3%
Grades 6-8	1,846	1,679	1,814	1,779	1,913
5 year change		-167	135	-35	134
		-9.0%	8.0%	-1.9%	7.5%
Grades 9-12	2,313	2,561	2,359	2,530	2,656
5 year change		248	-202	171	126
		10.7%	-7.9%	7.2%	5.0%
Total	7,593	7,469	7,467	7,826	8,096
5 year change		-124	-2	359	270
		-1.6%	0.0%	4.8%	3.5%

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 2020 the county unemployment rate jumped to 10.7% compared to 3.7% 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 September indicates that state revenues are up and that this

increase will effectively erase the initial economic revenue damage predicted from the COVID pandemic. However, all state indicators are predicting a state budget deficit for the 2021-23 biennium. With school closures, the district made plans to offer a comprehensive distance learning program or a hybrid option combining onsite learning with distance learning when it becomes safe to re-open schools. The district also prepared an Operational Blueprint for Reentry required by the state outlining the steps for re-opening which include public health and instructional protocols. The District is not able to predict at this point, whether the district's current closure or implementation of a hybrid program will have a material effect on its future operations. Information about the District's Blueprint may be viewed on the following website: <https://www.ocsd62.org/district/ocsd-62-operational-blueprints-0>

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 62 years. The District's two middle schools were built in 1954 and 1965, with an average age of 61 years. 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 will help to alleviate some of the District's maintenance challenges.

Oregon City School District receives approximately 63% of its General Fund revenue from State controlled sources, and the State defines over 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 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 every 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, 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 maintains full funding for the State School Fund for the 2019-21 biennium. Funding may be revised in future sessions. The Legislature also reduced the amount of funding for the SIA. The District will receive

approximately \$2.0 million for it in comparison to the \$6.3 million it expected to receive. Assumptions used in the preparation of the 2020-21 budget which included the full funding for the SIA can be found in the Superintendent's Message in the District's 2020-21 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 earlier this month 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 2019-20 School Board Meetings included but were not limited to the following:

Summer Quarter

In August 2019 the School Board approved a resolution to accept the Oregon Schools Capital Improvement Matching (OSCIM) Grant in the amount of \$8 million dollars.

Fall Quarter

In September 2019, the Board approved a Memorandum of Understanding between the Oregon School Employees Association and the Oregon City School Board. In October 2019, the Superintendent outlined the SIA Community Engagement Plan. An amendment to the Licensed Collective Bargaining Agreement was adopted in November. The Board adopted the Oregon City School Board Policy on Human Sexuality. In December, the Board adopted the Classified Collective Bargaining Agreement for 2019-21. The Board appointed the 2019-20 Budget Committee members.

Winter Quarter

In January 2020, the School Board approved an amendment to the School Based Health Center Interagency Agreement with the Clackamas County Public Health Division. A resolution to approve an Intergovernmental Agreement between Oregon City School District and North Clackamas Parks and Recreation District for the development and ongoing provision of park facilities at Jennings Lodge elementary School was approved in February. The board approved a resolution to acquire real property on Beaver Creek Road for the future site of new school facilities. The board appointed a new budget committee member to fill a vacancy. In March, School Board Meetings were conducted on a virtual platform due to the COVID pandemic.

Spring

In April, the Budget Committee approved a change of school start times for the 2020-21 school year to increase student instructional minutes. The Board approved the district's SIA application. In June, the Board approved the 2020-21 Budget and property tax rates. The School Board approved a resolution condemning violence and racism directed at Black and African-Americans. The Board adopted the 2020-21 budget.

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. As of the current date, School Board Meetings continue to be held on a virtual platform. 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 2019-20, 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 2019-20. 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 28th 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 28th 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,



Larry G. Didway, Jr.
Superintendent



Susan Dodd
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, 2019

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 (CAFR)
for the Fiscal Year Ended June 30, 2019.**

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



A handwritten signature in black ink, reading 'Claire Hertz'.

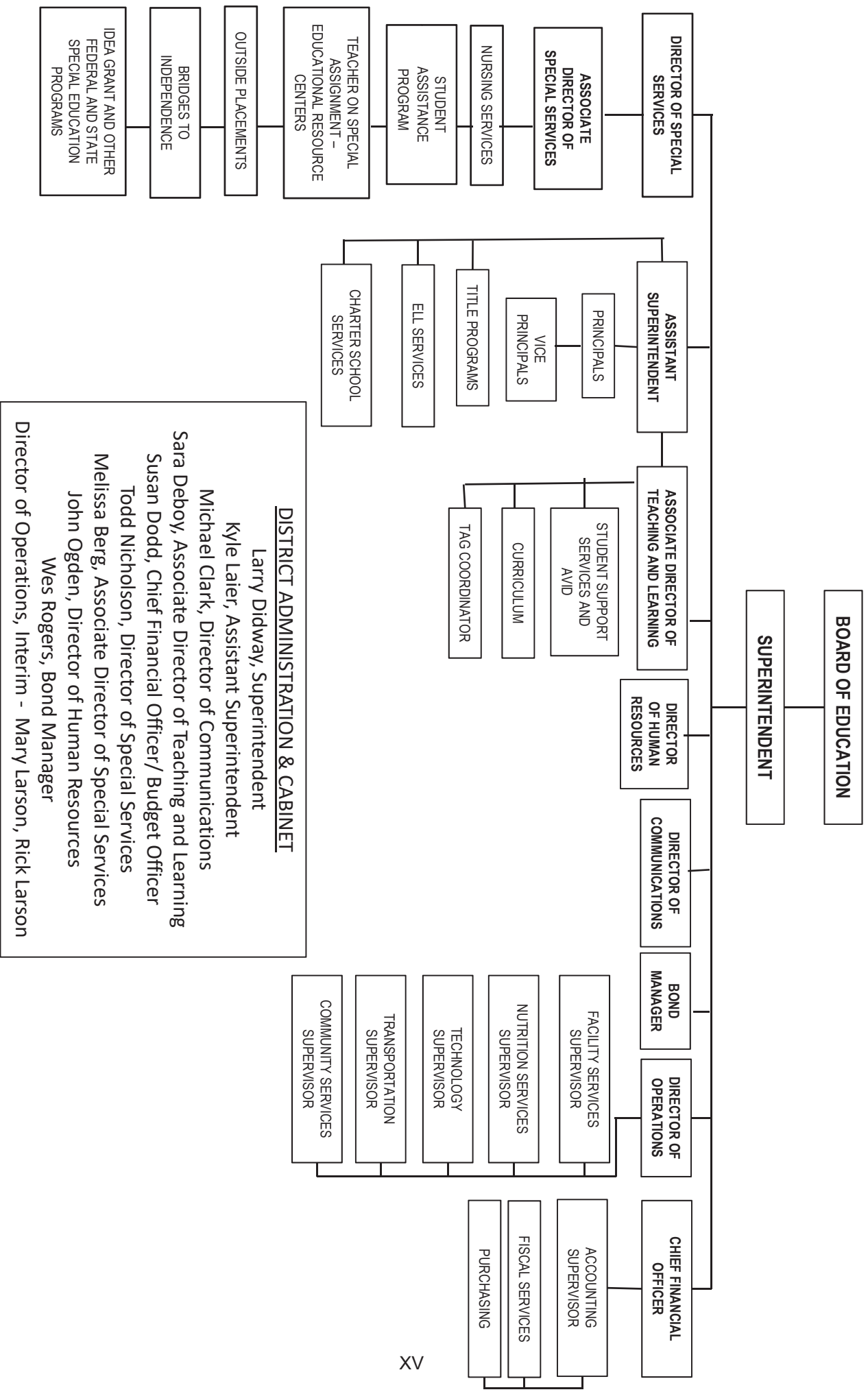
Claire Hertz, SFO
President

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

David J. Lewis
Executive Director

OREGON CITY SCHOOL DISTRICT NO. 62

Organization Chart
June 30, 2020



OREGON CITY SCHOOL DISTRICT NO. 62

Clackamas County, Oregon

Officials of the District

June 30, 2020

BOARD OF DIRECTORS

<u>Name</u>	<u>Term Expires</u>
Evon Tekorius, Chair	June 30, 2021
Martha Spiers, Vice Chair	June 30, 2021
Connie Curteman	June 30, 2021
Scott Dahlman	June 30, 2023
Anna Farmer	June 30, 2023
Steven Soll	June 30, 2023
Pamela White	June 30, 2019

DISTRICT ADMINISTRATION

Larry Didway, Superintendent
Kyle Laier, Assistant Superintendent
Michael Clark, Director of Communications
Sara Deboy, Associate 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
Mary Larson/Richard Larson, Interim Directors of Operations

DISTRICT ADDRESS

Administration Office
1417 12th Street
Oregon City, Oregon 97045



PAULY, ROGERS, AND CO., P.C.
12700 SW 72nd Ave. Tigard, OR 97223
(503) 620-2632 (503) 684-7523 FAX
www.paulyrogersandcocpas.com

December 21, 2020

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, 2020, 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, 2020, 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 21, 2020 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 21, 2020, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

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

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

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OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Management Discussion and Analysis (MD&A)
JUNE 30, 2020

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, 2020. 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 2020 was the advent of the COVID Virus. Other significant issues include a gain in support from the state for education funding, and the adoption of bargaining agreements with the District's employee associations. These significantly increased employee salaries and benefits. During the 2019-20 fiscal year the District's financial position decreased overall by \$7.93 million. This decrease includes a restatement of net position at the beginning of the year of \$.52 million and a prior period adjustment of \$.04 million. Net investment in Capital Assets increased by 13.76 million, but amounts restricted for facilities and unrestricted decreased by a net \$13.46 million resulting in a net increase of only \$.30 million. Capital assets increased due to project work on the district's capital construction projects. Concurrently, the District spent the 2018-19 facilities restricted on capital construction projects. The unrestricted amount decreased mainly from employee compensation increases and declining revenue from collection of fees related to the COVID virus. 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, but there were no major changes between the prior fiscal year and the current fiscal year. Amounts restricted for debt service decreased by \$9.10 million. In 2018-19 the District reported capitalized interest which was utilized for debt payment in 2019-20. Restricted for grants increased by \$.87 million accounting for the remaining difference. Grants increased from federal aid allocated to education for the COVID virus and other state appropriated aid for targeted educational programs.
- The District had \$119.51 million in expenses related to governmental activities, which were offset by \$2.47 million of program-specific charges for services, and by \$6.98 of Operating Grants and Contributions. Offsets increased by only \$.06 million. While District Operating Grants and Contributions increased mainly from the proceeds of a state grant (the High School Success Grant to be spent on career and technical educational instruction) and from proceeds for COVID virus relief, charges for services decreased because of the closure of the District's schools in March 2020. General revenues related to governmental activities amounted to 101.57 million, an overall increase from the prior year of \$6.15 million attributed to property taxes, construction excise taxes and increases in state funding. Beginning net position was restated by \$.52 million with the implementation of GASB 75, reporting an OPEB related asset.
- In the government-wide statements, current Assets (which includes an increase of \$.78 million for restatement of the RHIA asset) decreased by \$23.26 million and current liabilities increased by \$.86 million netting to a \$24.12 million decrease in net position. Subsequently, the District's long term liabilities increased by \$1.22 million, and capital Assets increased by \$22.16 million (which includes the prior period adjustment of \$.04 million) all of which netted to a \$20.94 increase in net position. The deferred outflows and inflows of resources (which includes \$.03 million for the RHIA conversion entry) combined decreased net position by a net \$4.75 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 \$150.38 million at June 30, 2020, a decrease of \$30.40 million from the prior year. Restricted funding for capital projects decreased by \$23.21 million from the prior year from spending down prior year bond proceeds. Restricted funding for debt service decreased by \$9.1 million. Capitalized interest available from the prior year was spent. Restricted for grants and projects increased by \$.87 million attributed to greater federal and state aid. Unassigned funding decreased by \$1.49 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 \$4.97 million, or 5.42% of total General Fund resources which includes all revenue and the beginning fund balance compared to \$6.45 million and 7.49% for 2018-2019.
- Student Average Daily Membership or ADM (enrolled students based on days of attendance) of 7,940 increased by 34 (0.43%) in 2019-20, compared to the prior year of 7,906. While the District received a greater amount in State Grant In-Aid for the General Purpose Grant for state educational aid, the increase in ADM did not benefit the District. A portion

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Management Discussion and Analysis (MD&A)
JUNE 30, 2020

of the payment is based on adjusted enrollment (average daily membership weighted average or ADMw) which factors in such items as the poverty rate and English language learners. The poverty rate for the district was reduced in 2019-20 which equates to a reduction in State Grant In-Aid. For more information about Oregon State Grant-In-Aid refer to the Oregon Department of Education website.

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.

Government-Wide Financial Statements

The *Government-Wide Financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. 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

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

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Management Discussion and Analysis (MD&A)
JUNE 30, 2020

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, 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.

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.

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

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, 2020, District's liabilities and deferred inflows exceeded assets and deferred outflows by \$24.66 million as restated by \$.52 million for the implementation of GASB 75. In 2018-19, the District's liabilities and deferred inflows exceeded liabilities and deferred inflows by \$16.21 million as restated.

Capital assets, which consist of the District's land, buildings, building improvements, vehicles, and equipment, represent 38.13% of the total assets as compared to the prior year, 2018-19 of 30.04% of total assets. This change is due to construction

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Management Discussion and Analysis (MD&A)
JUNE 30, 2020

work at the District, completing building additions funded by the bond proceeds from the prior year. The remaining assets consist of cash, investments, receivables, amounts due from other agencies, and prepaid expenses.

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 (92.44% versus 92.67% in 2019) 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 years. Other liabilities represent 7.55% of the District's total liabilities versus 7.33% 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 some 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.

Statement of Net Position		
	Governmental Activities	
	2020	2019
Assets		
Current and Other Assets	\$ 172,042,874	\$ 195,298,211
Capital Assets	106,023,113	83,866,899
Total Assets	278,065,987	279,165,110
Deferred Outflows of Resources	24,124,561	26,323,952
Liabilities		
Current Liabilities	24,080,137	23,224,827
Long-term Liabilities	294,768,825	293,546,817
Total Liabilities	318,848,962	316,771,644
Deferred Inflows of Resources	8,003,026	5,449,389
Net Position		
Net Investment in Capital Assets	56,669,729	42,906,282
Restricted for Debt Service	1,416,803	10,516,498
Restricted for Grants	3,648,003	2,779,894
Restricted for Facilities	-	6,650,290
Unrestricted	(86,395,975)	(79,584,935)
Total Net Position	\$ (24,661,440)	\$ (16,731,971)

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Management Discussion and Analysis (MD&A)
JUNE 30, 2020

Statement of Activities

The District's Change in Net Position on the Statement of Activities went from \$1.25 million for 2018-19 to negative \$8.45 million including the prior period adjustment for 2019-20, a \$9.70 million decrease. The key elements of the change in the District's net position for the year ended June 30, 2020 are as follows:

Increases

- Operating Grants and Contributions increased by \$.85 million. This is attributed to the increase of state funding for the High School Success Grant to be utilized to fund career and technical educational programs and for federal funding for the CARES Act funding to assist in funding educational relief measures. See the "Financial Highlights" above.
- Revenue from property taxes increased by \$2.88 million. This is attributed to higher assessed values and economic improvement for fiscal 2019-20 and a onetime gain from the Comcast settlement for payment of property taxes related to a settlement of a long running dispute with the company and Clackamas and Multnomah Counties.
- The District's Construction Excise Tax increased by \$0.77 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 increased by \$1.44 million. This is attributed to increased revenue earned on investments from cash reserves held in investments dedicated to future capital construction from the general obligation bond sale in 2018.
- The District's net State School Fund support increased from the prior year in the amount of \$2.30 million. The state funding for education increased for the 2019-21 biennium as the state's economic outlook improved prior to the outbreak of the COVID virus.
- Prior Period Adjustment of \$.04 million for an unrecorded asset from the prior year.

Decreases

- Charges for Services decreased by \$.77 million. This decrease is attributable to the onset of the COVID virus in the spring of the year. Schools closed in the district and fees were not assessed mainly for childcare and community programs.
- Other local revenue decreased by \$1.21 million. This amount consists of decreased collections of student fees and decreased revenue for the District's nutrition program due to the onset of the COVID virus.
- Expenses for Instructional Services, Support Services and Community Services increased by \$8.35 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.
- Interest on long term debt increased by \$7.60 million. This is attributable to debt service on the districts 2018 General Obligation bonds which began in 2019-20.
- Other decreases total \$.05 million and consist of net minor fluctuations in revenue.

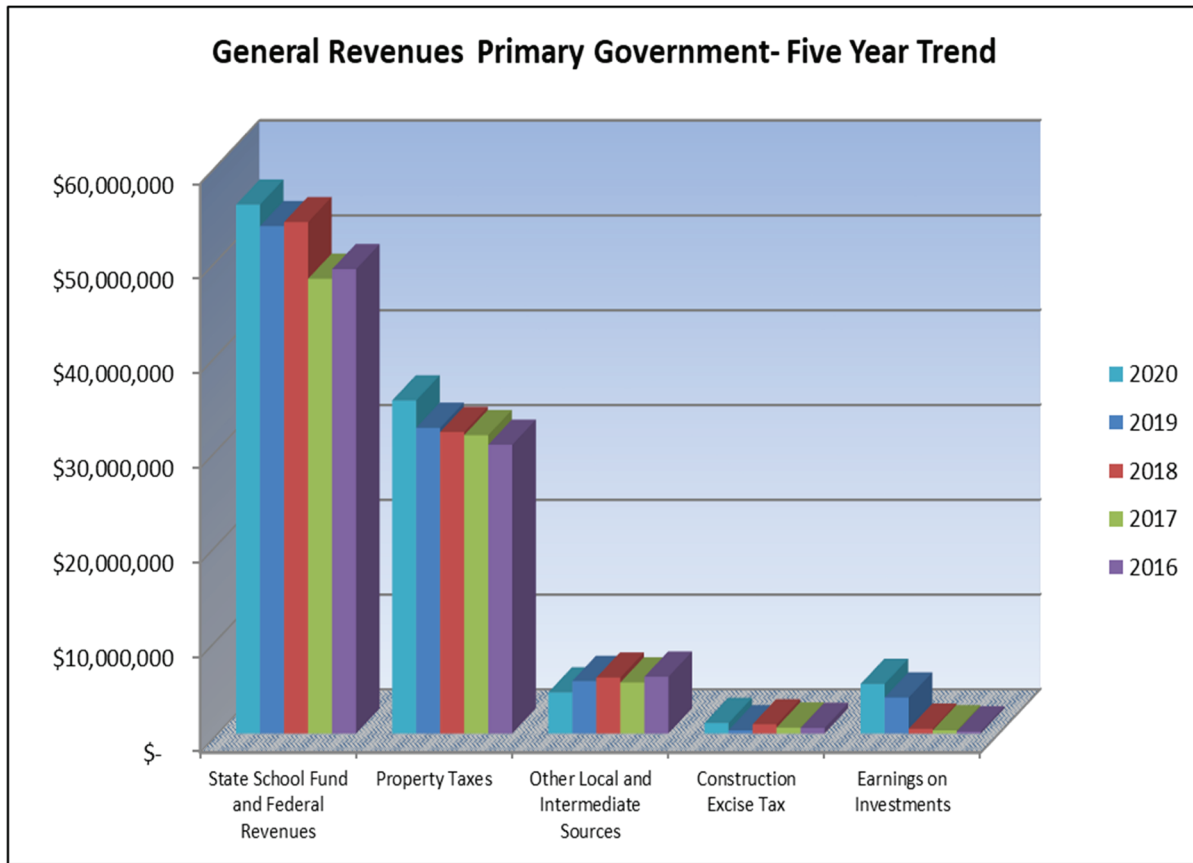
The following table shows the details of the changes.

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Management Discussion and Analysis (MD&A)
JUNE 30, 2020

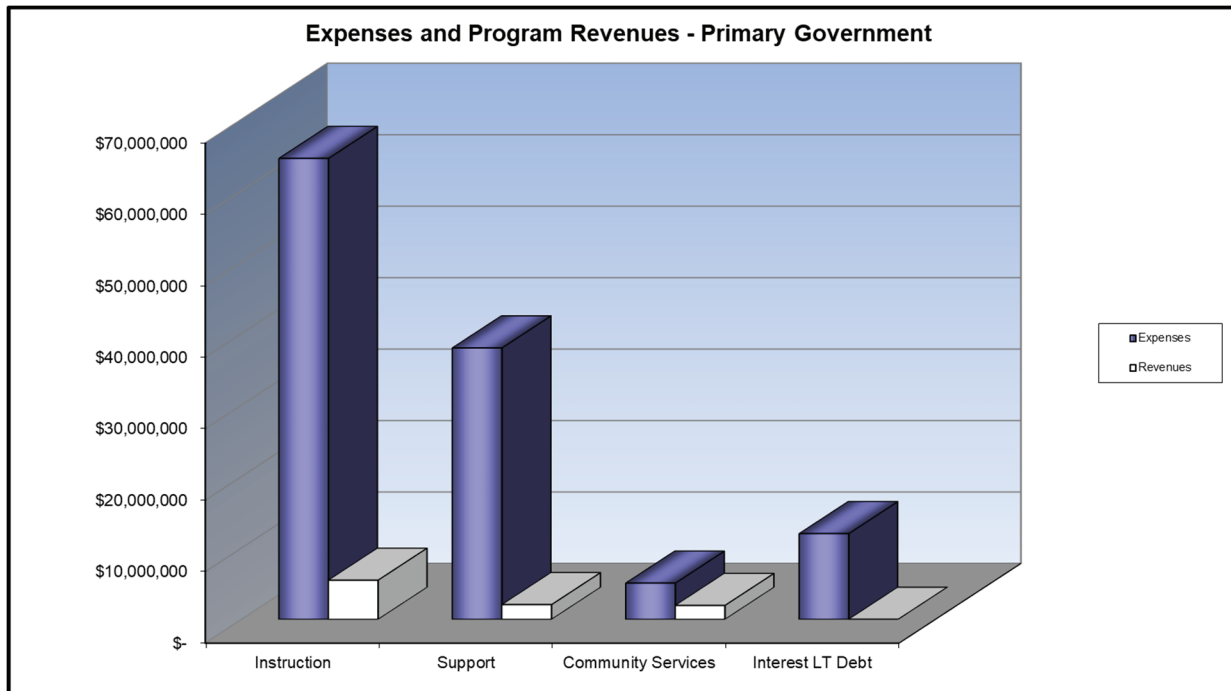
Changes in Net Position		
	Governmental Activities	
	2020	2019
Revenues:		
Program Revenues:		
Charges for Service	\$ 2,469,014	\$ 3,234,240
Operating Grants and Contributions	6,977,688	6,127,258
Capital Grants and Contributions	-	22,371
General Revenues:		
Property Taxes	35,124,581	32,243,922
Construction Excise Tax	1,105,659	336,015
State School Fund - General Support	55,774,054	53,476,747
Federal Forest Fees - General Support	-	31,204
Earnings on Investments	5,232,409	3,793,110
Other Local and Intermediate Sources	4,335,667	5,541,004
Total Revenues	111,019,072	104,805,871
Expenses:		
Instructional Services	64,489,456	60,243,705
Support Services	37,970,774	33,952,054
Community Services	5,060,720	4,971,532
Interest on Long-Term Debt	11,987,610	4,391,779
Total Expenses	119,508,560	103,559,070
Change in Net Position	(8,489,488)	1,246,801
Net Position Beginning of the Year	(16,731,971)	(18,408,802)
Net Position - Beginning of Year	523,626	
as Restated	-	430,030
Prior Period Adjustment	36,393	
Net Position - End of Year	<u>\$ (24,661,440)</u>	<u>\$ (16,731,971)</u>

The following chart shows General Revenues by Source for the Primary Government over five years. Property taxes have increased as the economy continues to grow. 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.

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Management Discussion and Analysis (MD&A)
JUNE 30, 2020



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



OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Management Discussion and Analysis (MD&A)
JUNE 30, 2020

Financial Analysis of the District's Funds

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

Governmental funds

The focus of the District's governmental funds is to provide information on near-term inflows, 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, 2020, the District's governmental funds reported a combined ending fund balances of \$150.38 million. This is a \$30.40 million dollar decrease over the prior year that had a combined fund balance of \$180.78 million.
- Total Expenditures exceeded Total Revenues by \$32.41 million. State sourced funding, the largest source of revenue increased as did local revenue, mainly property taxes and interest income; 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. Employee expenses are expected to continue in the future with increased costs associated in staff wages to sustain District staffing levels along with increases in the PERS rates to support the unfunded actuarial liability of the state public pension plan. 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 had expected to increase staffing levels with the greater allocation of state funding, but these plans were put on hold with the onset of the COVID virus.
- Other Financing Sources amounted to a net increase of \$2.01 million. These increases consisted of proceeds from debt issuance for the purchase of school buses to accommodate schedule changes at the high school to provide greater instructional time and from a small gain on the sale of fixed assets. This increase represents restricted funding dedicated to the purchase of fixed assets and are not utilized for general operations.
- In the spring of 2019, the State Legislature approved the Student Success Act. This funding was expected to provide approximately \$1 billion of funding each year in Oregon K-12 education beginning in fiscal 2020-21; however the funding directly allotted to the district was reduced by approximately \$4.0 million dollars due to the outbreak of the COVID virus.

Fund Descriptions:

General Fund

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%-50% split. The following amounts are derived from the Oregon Department of Education Website:

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Management Discussion and Analysis (MD&A)
JUNE 30, 2020

<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_r). The ADM_r 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. For 2018-19, the District was selected to receive \$8 million from the grant from a sale of general obligation bonds. See Economic Factors in Current and Next Year's Budget.

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 2019-20, the High Cost Disabilities Grant was \$35.00 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 2019-20, these amounted to \$36.16 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 receipt of \$5.25 million of federal funds in Fiscal Year 2020. Of this amount, \$.01 million was reported in the District's General Fund, and \$5.24 million in the District's Special Revenue Funds which include 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, 2020, unassigned fund balance was \$4.97 million compared to \$6.45 million as of June 30, 2019. The unassigned fund balance was over 5.42% of the actual operating resources for the General Fund (which include the Beginning Fund Balance - Unassigned) and 5.49% over 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 2020, the District collected greater revenue over the prior year largely due to increased state school fund revenue to the general fund, increased property tax collections and investment income increases. 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

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Management Discussion and Analysis (MD&A)
JUNE 30, 2020

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 2019-20 budget, the District budgeted a \$.16 million operating contingency. Both of these budgeting 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.

Special Revenue Fund

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 \$3.71 million and had a net increase from the prior year of \$.93 million which consisted of a net gain resulting from the issuance of new grants combined lower fees collected for student funds and nutritional service programs.

Debt Service Fund

The Debt Service Fund has a total fund balance of \$1.27 million, all of which is restricted for the payment of debt service. The net decrease in fund balance during the current year was \$9.10 million. This is attributed to the capitalized interest from fiscal 2018-19 provided by the issuance of the new general obligation bonds that was paid out in fiscal 2019-20. The District intentionally normalizes its levied taxes for debt service on general obligation bonds to sustain a reasonable fund balance.

Debt Service PERS Fund

The Debt Service PERS Fund has a total fund balance of \$.15 million. 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.

Capital Projects Fund

The Capital Projects Fund has a total fund balance of \$140.24 million. There was a net decrease in the fund balance from June 30, 2019, of \$20.67 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, an additional \$.11.37 million was spent on the new Gardiner Middle School, \$.6.37 was spent on the Ogden Middle School Renovation, \$.5.91 was spent on security and safety enhancements for all campuses, \$.73 million was spent on capital upgrades all campuses and \$.1.49 million was spent on management for the construction projects. An additional \$1.03 million was spent on other projects within the bond approved funding combined with other projects in other project funds. \$.98 million was spent on debt service for projects unrelated to the bond sale.

General Fund Budgetary Highlights

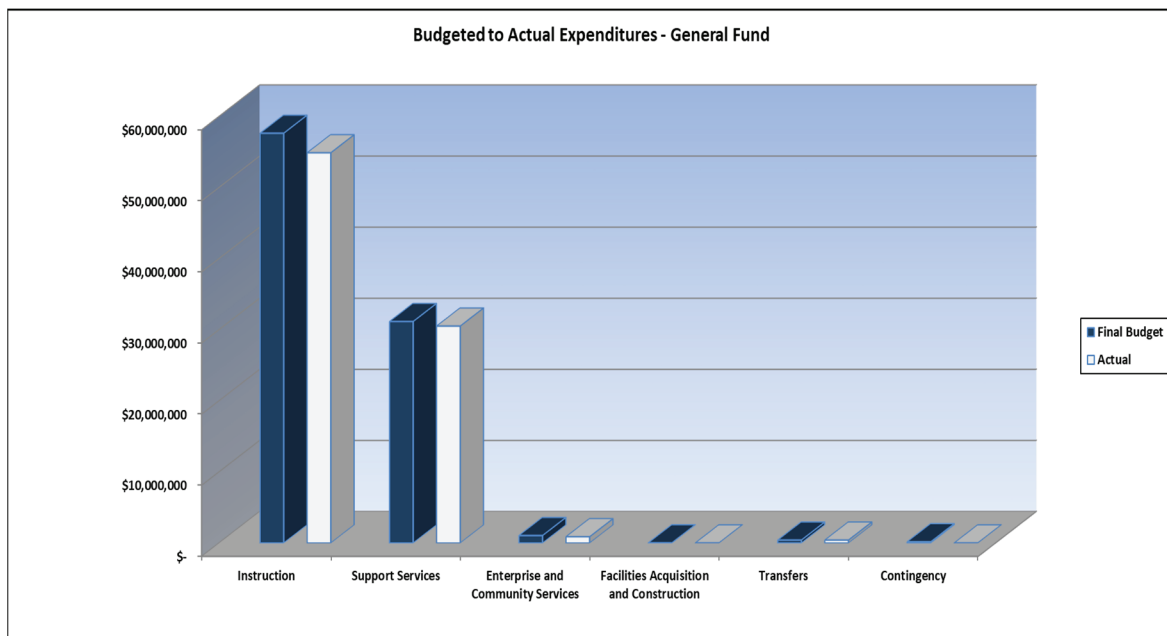
Actual revenues received were \$.80 million dollars lower than the final budget, primarily due to a decrease in state school fund revenue and lower collections of fees than budgeted. The District is required by state law to adopt its budget by June 30th of each fiscal year. Budgeted expenditures were lower than the final budget by \$3.74 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 2020, the School Board approved a resolutions moving \$200,000 from instruction to community services to cover changes in expected expenditures within those functions. All General Fund expenditures were within budgeted appropriations.

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Management Discussion and Analysis (MD&A)
JUNE 30, 2020

The following table and chart shows the detail of budgeted expenditures to actual expenditures for the General Fund.

General Fund Expenditures & Transfers Out	Final Budget	Actual
Instruction	\$ 57,623,606	\$ 54,871,375
Support Services	31,139,158	30,496,120
Enterprise and Community Services	1,039,420	866,312
Facilities Acquisition and Construction	10,410	3,547
Transfers	400,000	400,000
Contingency	160,000	-
Total	\$ 90,372,594	\$ 86,637,354

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.



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 2020, the District had invested \$106.02 million in capital assets, net of accumulated depreciation, as shown in the following table:

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Management Discussion and Analysis (MD&A)
JUNE 30, 2020

Capital Assets (Net of Accumulated Depreciation)			
	2020		2019
Land and Construction In Progress	\$ 27,372,171	\$	7,181,935
Buildings and Improvements	74,554,628		73,220,888
Equipment and Vehicles	4,096,314		3,464,076
Total	<u>\$ 106,023,113</u>	<u>\$</u>	<u>83,866,899</u>

During fiscal year 2019-20, the District's investment in net capital assets increased by \$22.16 million. The major capital asset events for the year ended June 30, 2020 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 \$198.49 million versus \$205.50 million in 2019. This debt outstanding as of June 30, 2020, consists of general obligation bond issues of \$165.54 million, pension bond issues of \$30.88 million, and a Full Faith and Credit Obligation of \$2.07 million.

In addition to Bonded Debt and PERS Bond debt, the District owes debt in the form of Notes Payable in the amount of \$3.24 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 an unamortized premium in the amount of \$18.62 million, and Capital Leases Payable in the amount of \$.12 million.

During the current fiscal year, the District paid down \$10.55 million of long-term obligations. The payments consisted of bonded debt principal payments of \$9.10 million, notes payable payments of \$.67 million, lease payments of \$.12 million, and the remainder of \$.66 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 \$480.06 million which is significantly in excess of the District's outstanding general obligation debt of \$165.54 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, 2019. The most current PERS valuation is for June 30, 2020. The PERS UAL was estimated at over \$71.71 million and, and the District's net UAL with its side account is \$24.65 million versus \$48.54 million for fiscal 2018-19. See the information below regarding the District's side account. PERS requires 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.

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Management Discussion and Analysis (MD&A)
JUNE 30, 2020

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, 2020, investment earnings year-to-date were at negative 4.50% for regular accounts which is much lower than the PERS expected earnings rate of 7.20%. With lower investment rates, employer contribution rates increase. However, looking at earning over a ten year period, the rate as of June 30 2020 was at 8.51%.

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 2018, the rates for the 2019-21 biennium were set at 21.05% for Tier 1/Tier 2 and 15.60% 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 \$1.72 million versus \$1.82 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 2019-20 was \$5.64 million versus \$5.06 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 \$78 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 2019-20 was the robust nature of the state economy and state public funding prior to the onset of the COVID pandemic. In the past, it has not kept up with the rest of the economy. 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	2015-16 ACTUALS			2016-17 ACTUALS			2017-18 ACTUALS			2018-19 ACTUALS			2019-20 ACTUALS			2020-21 BUDGET		
Property Taxes	\$	23,409,138	28%	\$	24,516,105	29%	\$	25,607,549	28%	\$	27,433,353	29%	\$	27,999,784	29%	\$	29,301,900	26%
Local Sources		6,114,111	7%		5,785,344	7%		6,537,793	7%		6,766,648	7%		5,050,015	5%		8,583,982	7%
Intermediate Sources		1,594,090	2%		1,544,944	2%		1,738,935	2%		1,750,957	2%		1,607,482	2%		1,277,803	1%
State Sources		49,017,229	58%		47,264,401	56%		52,954,818	58%		53,858,022	57%		56,478,739	59%		69,136,709	60%
Federal Sources		5,190,449	6%		5,151,065	6%		4,838,340	5%		4,720,092	5%		5,254,627	5%		6,589,004	6%
	\$	85,325,017	101%	\$	84,261,859	100%	\$	91,677,435	100%	\$	94,529,072	100%	\$	96,390,647	100%	\$	114,889,398	100%
ADM*		8,094			7,967			7,948			7,906			7,940			8,072	
Resources per ADM	\$	10,542		\$	10,576		\$	11,535		\$	11,957		\$	12,140		\$	14,233	

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

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-

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Management Discussion and Analysis (MD&A)
JUNE 30, 2020

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 will be distributed beginning in the 2020-21 fiscal year. The District was optimistic regarding improvements in student learning that can result with the influx of the new funding from the SIA. Because of the COVID virus, funding for the SIA was cut back from the original \$6.30 million dollars which was included in the 2021 budget (see the previous chart) to \$2.0 million. Planning for the next biennium 2021-23 is currently in progress. To date the Governor is proposing flat state funding with only a \$100 million increase to the SSF. With the COVID virus and its economic impact, it remains to be seen whether the state will need to make additional cuts in funding for K-12 education. It is probable that there will be further cuts to the Student Success Act as well as the High School Success grant. Currently the District is only providing instruction on a virtual learning platform until the virus subsides. In addition to COVID cost factors, the largest future cost factors facing the District are PERS expense and employee contractual agreements both of which escalate year after year. The District continually monitors spending closely. A new major challenge facing the District is declining enrollment because of the COVID virus and whether enrollment will recover for the 2020-21 fiscal year. Enrollment had been expected to increase for future years prior to the COVID virus. 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.

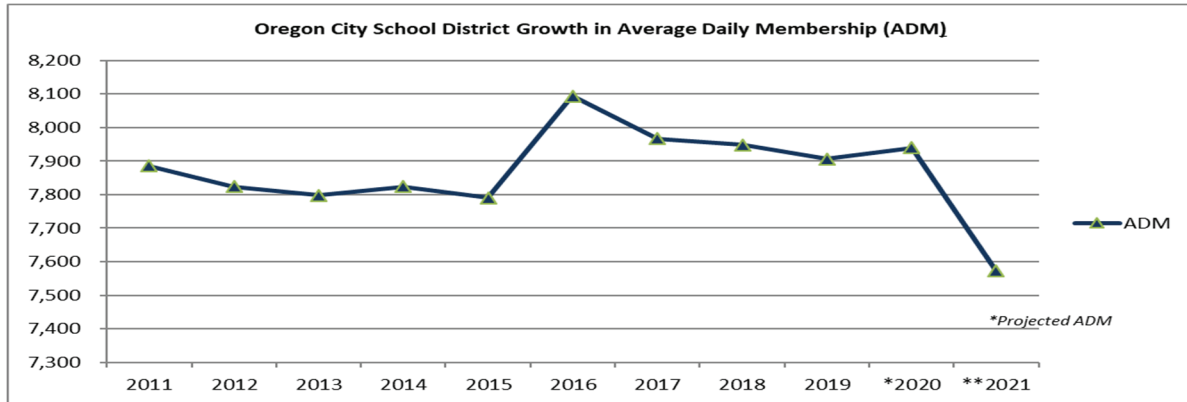
In the November 2018 election, the District passed a bond measure in the amount of \$158,000,000. The District also qualified to receive matching funds from the state's Oregon School Capital Improvement Matching Program (OSCIM) in the amount of \$8,000,000. The District will use these proceeds to build 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 due to be completed in the fall of 2021.

The Oregon Economic Forecast for the third quarter of 2020 released in September 2020 by the Department of Revenue indicated that while revenues are up from the June 2020 forecast, longer-term forecasts are still lower than pre-COVID numbers. However, the state budget for 2020-21 remains stable. While the Corporate Activity Tax is still projected to bring in revenue that was forecasted prior to the epidemic, it is a tax on businesses; so that projection may change. Volatility is still projected for the future, and the state may still face a budget deficit for the 2021-23 biennium. With no further economic relief packages from the federal government, there will be negative impacts on the state economy which will push state funding down. District concerns remain high regarding the future funding of education given the pressure on the state to fund existing and newly mandated programs to improve educational outcomes.

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 is expected to start to increase in fiscal 2020-21. 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

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Management Discussion and Analysis (MD&A)
JUNE 30, 2020

District's ADM is shown below. 2020 and 2021 are 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
2011	7,886
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	7,940
**2021	7,572

* ODE Estimate, **District Projected

The following table shows the history of the District's weighted Average Daily Membership or (ADMw) through 2021. 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 estimate for 2021 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 2020 fall enrollment which was down over 500 students because of the campus closures for the COVID virus. Many parents chose to hold kindergartners back a year or chose a charter virtual on-line school as an alternative for their students.

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Management Discussion and Analysis (MD&A)
JUNE 30, 2020

ADMw	
Oregon City School District	
Weighted Average Daily Membership	
Last 9 Years	
Year Ended	ADMw
2011	9,280
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	9,018
* ODE Estimate	

The District's Budget Committee and School Board considered all of these factors while preparing the District's budget for the 2020-21 fiscal year and is relieved that the state will maintain current funding levels for 2020-21 with the advent of the COVID virus.

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.

OREGON CITY SCHOOL DISTRICT NO. 62

Clackamas County, Oregon

Statement of Net Position

June 30, 2020

	Primary Governmental Activities	Oregon City Service Learning Academy Component	Clackamas Academy of Industrial Sciences
Assets			
Cash and investments	\$ 161,288,867	\$ -	\$ 1,227
Receivables			
Accounts	61,807	-	-
Intergovernmental	5,372,552	-	-
Undistributed tax collections	163,376	-	-
Property taxes	1,007,970	-	-
Due from other agencies	725,020	-	-
Due from other government	-	219,599	609,305
Prepaid expense	2,646,658	-	-
Net OPEB Asset RHIA	776,624	-	-
Capital assets not being depreciated	27,372,171	-	-
Capital assets, net of accumulated depreciation	78,650,942	-	57,085
Total assets	278,065,987	219,599	667,617
Deferred Outflows of Resources			
OPEB related deferrals	953,951	-	-
PERS related deferrals	22,848,142	-	-
RHIA related deferrals	34,679	-	-
Pension related deferrals	287,789	-	-
Total deferred outflows of resources	24,124,561	-	-
Liabilities			
Payable			
Accounts	8,594,780	10,578	2,762
Retainage	370,606	-	-
Payroll liabilities	9,967,040	-	-
Accrued interest payable	59,739	-	-
Unearned revenue	1,743	-	-
Due to other governments	-	204,890	520,130
Payable to external parties - Fiduciary Fund	182,812	-	-
Accrued compensated absences	274,885	-	-
Long-term liabilities:			
Due within one year	4,628,532	-	-
Noncurrent liabilities due in more than one year			
Total OPEB liability	5,642,750	-	-
Proportionate share of net pension liability - PERS	71,557,724	-	-
Net pension liability	1,724,340	-	-
Due in more than one year	215,844,011	-	-
Total liabilities	318,848,962	215,468	522,892
Deferred Inflows of Resources			
OPEB related deferrals	226,957	-	-
PERS related deferrals	7,373,077	-	-
RHIA related deferrals	151,912	-	-
Pension related deferrals	251,080	-	-
Total deferred inflows of resources	8,003,026	-	-
Net Position			
Net investment in capital assets	56,669,729	-	57,085
Restricted for debt service	1,416,803	-	-
Restricted grants	3,648,003	-	-
Unrestricted	(86,395,975)	4,131	87,640
Total net position	\$ (24,661,440)	\$ 4,131	\$ 144,725

See accompanying notes to basic financial statements

OREGON CITY SCHOOL DISTRICT NO. 62

Clackamas County, Oregon
Statement of Activities
For the Year Ended June 30, 2020

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
PRIMARY GOVERNMENT							
Governmental Activities:							
Instruction	\$ 64,489,456	\$ 357,445	\$ 5,112,008	\$ -	\$ (59,020,003)		
Support services	37,970,774	1,492,795	551,654	-	(35,926,325)		
Community services	5,060,720	618,774	1,314,026	-	(3,127,920)		
Interest on long term debt	11,987,610	-	-	-	(11,987,610)		
Total Primary Governmental Activities	<u>\$ 119,508,560</u>	<u>\$ 2,469,014</u>	<u>\$ 6,977,688</u>	<u>\$ -</u>	<u>(110,061,858)</u>		
COMPONENT UNITS							
Oregon City Service Learning Academy	\$ 2,323,655	\$ -	\$ 595,529	\$ -		\$ (1,728,126)	
Clackamas Academy of Industrial Sciences	<u>2,639,784</u>	<u>19,980</u>	<u>615,151</u>	<u>-</u>			\$ (2,004,653)
General Revenues:							
Property taxes, levied for general purposes					27,999,784	-	-
Property taxes, levied for debt services					7,124,797	-	-
Construction excise tax					1,105,659	-	-
State school support					55,774,054	1,730,522	2,094,316
Earnings on investments					5,232,409	-	-
Other local, intermediate & state					4,335,667	1,735	2,302
Total general revenues					<u>101,572,370</u>	<u>1,732,257</u>	<u>2,096,618</u>
Change in net position					(8,489,488)	4,131	91,965
Net position beginning of year, restated					<u>(16,208,345)</u>	-	<u>52,760</u>
Prior period adjustment					36,393	-	-
Net position end of year					<u>\$ (24,661,440)</u>	<u>\$ 4,131</u>	<u>\$ 144,725</u>

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Balance Sheet - Governmental Funds
June 30, 2020

	General Fund	Special Revenue Fund	Debt Service Fund	Pension Obligation Fund	Capital Projects Fund	Total
ASSETS						
Cash and investments	\$ 16,325,814	\$ 1,621,403	\$ 1,030,225	\$ -	\$ 142,311,425	\$ 161,288,867
Receivables:						
Accounts	60,607	-	-	-	1,200	61,807
Intergovernmental	917,962	4,014,319	-	-	440,271	5,372,552
Undistributed tax collections	130,409	-	32,967	-	-	163,376
Property taxes	807,831	-	200,139	-	-	1,007,970
Prepaid items	44,727	64,257	-	-	2,537,674	2,646,658
Due from other funds	-	-	185,951	150,000	2,539,272	2,875,223
Due from other agencies	725,020	-	-	-	-	725,020
Total Assets	\$ 19,012,370	\$ 5,699,979	\$ 1,449,282	\$ 150,000	\$ 147,829,842	\$ 174,141,473
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:						
Liabilities:						
Accounts payable	\$ 1,280,099	\$ 90,020	\$ -	\$ -	\$ 7,220,077	\$ 8,590,196
Due to other funds	1,834,528	1,895,956	-	-	-	3,730,484
Payroll liabilities	9,967,040	-	-	-	-	9,967,040
Due to fiduciary fund	182,812	-	-	-	-	182,812
Retainage payable	-	-	-	-	370,606	370,606
Unearned revenue	-	1,743	-	-	-	1,743
Total Liabilities	13,264,479	1,987,719	-	-	7,590,683	22,842,881
Deferred Inflows of Resources:						
Unavailable Revenue - property taxes	737,979	-	182,479	-	-	920,458
Total Deferred Inflows of Resources	737,979	-	182,479	-	-	920,458
Fund Balances:						
Nonspendable	44,727	64,257	-	-	2,537,674	2,646,658
Restricted for debt service	-	-	1,266,803	150,000	-	1,416,803
Restricted for grant and projects	-	3,648,003	-	-	-	3,648,003
Restricted for capital projects	-	-	-	-	137,701,485	137,701,485
Unassigned	4,965,185	-	-	-	-	4,965,185
Total Fund Balance	5,009,912	3,712,260	1,266,803	150,000	140,239,159	150,378,134
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 19,012,370	\$ 5,699,979	\$ 1,449,282	\$ 150,000	\$ 147,829,842	\$ 174,141,473

See accompanying notes to 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, 2020

Total Fund Balances	\$ 150,378,134
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Amounts reported for governmental activities in the statement of net assets 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	106,023,113
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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.

920,458

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	\$ (186,234,431)	
Note payable	(3,240,191)	
Capital lease payable	(117,921)	
Pension bond payable	(30,880,000)	
Accrued compensated absence	(274,885)	
Accrued interest	<u>(59,739)</u>	(220,807,167)

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	776,624	
RHIA related deferred outflows	34,679	
RHIA related deferred inflows	(151,912)	
Total OPEB liability	(5,642,750)	
OPEB related deferred outflows	953,951	
OPEB related deferred inflows	(226,957)	
PERS net pension liability	(71,557,724)	
PERS pension related deferred outflows	22,848,142	
PERS pension related deferred inflows	(7,373,077)	
District pension liability	(1,724,340)	
District pension related deferred outflows	287,789	
District pension related deferred inflows	<u>(251,080)</u>	(62,026,655)

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.

850,677

Total Net Position	<u><u>\$ (24,661,440)</u></u>
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See accompanying notes to 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, 2020

	General Fund	Special Revenue Fund	Debt Service Fund	Pension Obligation Fund	Capital Projects Fund	Total
REVENUES:						
Local sources	\$ 29,508,980	\$ 3,540,919	\$ 7,199,333	\$ 4,282,727	\$ 6,311,164	\$ 50,843,123
Intermediate sources	1,563,669	43,813	-	-	-	1,607,482
State sources	53,996,410	2,482,329	-	-	890,000	57,368,739
Federal sources	7,111	5,247,516	-	-	-	5,254,627
Total Revenues	85,076,170	11,314,577	7,199,333	4,282,727	7,201,164	115,073,971
EXPENDITURES:						
Current						
Instruction	54,871,375	5,236,148	-	-	94,428	60,201,951
Support services	30,320,248	2,246,041	-	-	2,460,485	35,026,774
Enterprise & community service	849,903	3,914,773	-	-	-	4,764,676
Facilities acquisition & construction	3,547	25,000	-	-	100,010	128,557
Capital outlay	192,281	698,825	-	-	24,247,971	25,139,077
Debt service						
Principal	-	565,020	6,290,000	2,500,000	573,049	9,928,069
Interest	-	97,404	10,009,028	1,782,727	409,594	12,298,753
Total Expenditures	86,237,354	12,783,211	16,299,028	4,282,727	27,885,537	147,487,857
Excess of Revenues Over, (Under) Expenditures	(1,161,184)	(1,468,634)	(9,099,695)	-	(20,684,373)	(32,413,886)
Other Financing Sources, (Uses):						
Issuance of debt	-	2,100,000	-	-	-	2,100,000
Sale of capital assets	-	1,000	-	-	13,380	14,380
Transfers in	-	300,000	-	-	-	300,000
Transfers out	(400,000)	-	-	-	-	(400,000)
Total Other Financing Sources, (Uses)	(400,000)	2,401,000	-	-	13,380	2,014,380
Net Change in Fund Balance	(1,561,184)	932,366	(9,099,695)	-	(20,670,993)	(30,399,506)
Beginning Fund Balance	6,571,096	2,779,894	10,366,498	150,000	160,910,152	180,777,640
Ending Fund Balance	\$ 5,009,912	\$ 3,712,260	\$ 1,266,803	\$ 150,000	\$ 140,239,159	\$ 150,378,134

See accompanying notes to 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, 2020

Net Change in Fund Balance	\$ (30,399,506)
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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 fixed assets exceed depreciation:

Capital asset additions	\$ 25,139,078	
Depreciation expense	<u>(3,019,257)</u>	22,119,821

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	56,403
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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	9,105,159	
Capital lease payable	115,773	
Bond premium, discount	658,769	
Debt issuance	(2,100,000)	
Deferred charge on refunding amortization	(327,735)	
Accrued compensated absences	(82,203)	
Note payable	<u>674,423</u>	8,044,186

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

12,823

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	(20,880)
PERS pension expense	(8,830,549)
RHIA pension expense	135,775
District pension expense	100,100

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.

292,339

Change in Net Position	<u><u>\$ (8,489,488)</u></u>
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See accompanying notes to 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, 2020

<u>General Fund</u>				
	Original Budget	Final Budget	Actual	Variance
REVENUES:				
Taxes	\$ 27,874,803	\$ 27,874,803	\$ 27,999,784	\$ 124,981
Other local sources	1,859,000	1,859,000	1,509,196	(349,804)
Intermediate sources	910,000	910,000	1,563,669	653,669
State sources	55,228,791	55,228,791	53,996,410	(1,232,381)
Federal sources	-	-	7,111	7,111
Total revenues	<u>85,872,594</u>	<u>85,872,594</u>	<u>85,076,170</u>	<u>(796,424)</u>
EXPENDITURES:				
Instruction	57,823,606	57,623,606	54,871,375	2,752,231
Support services	31,139,158	31,139,158	30,496,120	643,038
Enterprise and community services	839,420	1,039,420	866,312	173,108
Facilities acquisition and construction	10,410	10,410	3,547	6,863
Contingency	160,000	160,000	-	160,000
Total expenditures	<u>89,972,594</u>	<u>89,972,594</u>	<u>86,237,354</u>	<u>3,735,240</u>
Excess of revenues over (under) expenditures	(4,100,000)	(4,100,000)	(1,161,184)	2,938,816
OTHER FINANCING SOURCES (USES)				
Transfers out	(400,000)	(400,000)	(400,000)	-
Total other financing sources (uses)	<u>(400,000)</u>	<u>(400,000)</u>	<u>(400,000)</u>	<u>-</u>
Net change in fund balance	(4,500,000)	(4,500,000)	(1,561,184)	2,938,816
Beginning fund balance	<u>4,500,000</u>	<u>4,500,000</u>	<u>6,571,096</u>	<u>2,071,096</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,009,912</u>	<u>\$ 5,009,912</u>

See accompanying notes to 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, 2020

Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance
REVENUES:				
Local sources	\$ 6,632,317	\$ 6,623,981	\$ 3,540,919	\$ (3,083,062)
Intermediate sources	1,118,069	1,118,069	43,813	(1,074,256)
State sources	3,191,829	3,191,829	2,482,329	(709,500)
Federal sources	7,080,054	7,113,091	5,247,516	(1,865,575)
Total revenues	18,022,269	18,046,970	11,314,577	(6,732,393)
EXPENDITURES:				
Instruction	8,949,777	8,949,777	5,236,148	3,713,629
Support services	5,121,093	5,121,093	2,944,866	2,176,227
Enterprise & community services	5,017,263	5,017,263	3,914,773	1,102,490
Facilities acquisition and construction	37,500	37,500	25,000	12,500
Debt service	738,095	738,095	662,424	75,671
Contingencies	1,482,000	1,482,000	-	1,482,000
Total expenditures	21,345,728	21,345,728	12,783,211	8,562,517
Excess of revenues over (under) expenditures	(3,323,459)	(3,298,758)	(1,468,634)	1,830,124
OTHER FINANCING SOURCES (USES)				
Issuance of Debt	2,100,000	2,100,000	2,100,000	-
Sale of capital assets	10,000	10,000	1,000	(9,000)
Transfers in	300,000	300,000	300,000	-
Total other financing sources (uses)	2,410,000	2,410,000	2,401,000	(9,000)
Net change in fund balance	(913,459)	(888,758)	932,366	1,821,124
Beginning fund balance	2,218,186	2,193,485	2,779,894	586,409
Ending fund balance	\$ 1,304,727	\$ 1,304,727	\$ 3,712,260	\$ 2,407,533

See accompanying notes to basic financial statements

OREGON CITY SCHOOL DISTRICT NO. 62

Clackamas County, Oregon

Statement of Net Position

Internal Service Fund

June 30, 2020

	Risk Management Internal Service Fund
ASSETS:	
Current assets	
Due from other funds	\$ 855,261
Total current assets	855,261
LIABILITIES AND NET POSITION:	
Current liabilities	
Accounts payable	4,584
Total liabilities	4,584
Net position	
Unrestricted	850,677
Total net position	\$ 850,677

See accompanying notes to 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, 2020

Internal Service Fund

OPERATING REVENUES:

Recovery of prior year expenses	\$ 88,819
Services to other funds	710,344
Miscellaneous	<u>21,465</u>
Total revenues	<u>820,628</u>

OPERATING EXPENSES

Salaries	91,376
Associated payroll costs	56,263
Purchased services	75,578
Supplies and materials	40,447
Insurance and judgments	336,527
Other operating expense	<u>39,039</u>
Total expenses	<u>639,230</u>

OPERATING INCOME

181,398

OTHER REVENUES/(EXPENSES):

Interest	10,941
Transfers in	<u>100,000</u>
Total other revenue/expenses	<u>110,941</u>

Change in net position	292,339
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Beginning net position	<u>558,338</u>
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Ending net position	<u><u>\$ 850,677</u></u>
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See accompanying notes to 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, 2020

	Risk Management Fund
Cash flows from operating activities:	
Internal activity - payments from other funds	\$ 710,344
Other receipts	110,284
Payments to employees	(91,376)
Payments for employee benefits and taxes	(56,263)
Payments for services	(367,917)
Payments for supplies and materials	(40,447)
Payments for insurance	(336,527)
Other operating expenses	(39,039)
	<u>(110,941)</u>
Net cash provided (used) by operating activities	<u>(110,941)</u>
Cash flows from investment activities	
Interest	10,941
Transfer In	100,000
	<u>110,941</u>
Net cash used by noncapital financing activities	<u>110,941</u>
Net increase in cash and cash equivalents	-
Cash and cash equivalents, beginning	<u>-</u>
Cash and cash equivalents, ending	<u><u>\$ -</u></u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 181,398
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	(276,720)
Increase (decrease) in accounts payable	(15,619)
Total adjustments	<u>(292,339)</u>
Net cash provided by operating activities	<u><u>\$ (110,941)</u></u>

See accompanying notes to basic financial statements

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2020

	<u>Agency Funds</u>
ASSETS:	
Receivables:	
Interfund	<u>\$ 182,812</u>
LIABILITIES:	
Due to agency groups	<u>\$ 182,812</u>

See accompanying notes to basic financial statements

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2020

Note 1: Summary of Significant Accounting Policies

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

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

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

Discretely Presented Component Units

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

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

Government-wide and Fund Financial Statements

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

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to applicants who use or directly benefit from goods, services, or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. *General revenues* consist of taxes and other items not properly included among program revenues.

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2020

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 agency funds.

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

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

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2020

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

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2020

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, 2019, but not made available to the District until after June 30, 2020.

(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, 2020

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
Notes to the Financial Statements
June 30, 2020

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
 Clackamas County, Oregon
 Notes to the Financial Statements
 June 30, 2020

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.

Deferred Amount on Refunding – The amount reported for deferred amount on refunding balances for the District for the year ending June 30, 2020 are as follows:

	Balance		Balance	
	July 1, 2019	Additions	Retirements	June 30, 2020
General Obligation				
Bonds	\$ 327,735	\$ -	\$ (327,735)	\$ -

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

Fund Balances

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

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2020

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, such as prepaid items or inventory. The District had \$2,646,658 in nonspendable fund balances as of June 30, 2020, which represents prepaid items.
- 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 \$4,518,630, which represents five percent of adopted resources (which includes the budgeted beginning fund balance of \$4,500,000). The unassigned ending fund balance in the General Fund at June 30, 2020, is \$4,965,185 or 5.49%. 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
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2020

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.

Note 3: State Constitutional Property Tax Limit

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

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2020

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	\$ 155,544,787
Demand accounts	5,725,004
Petty cash	<u>19,076</u>
Total cash and investments	<u><u>\$ 161,288,867</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, 2020

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 \$6,489,658. Of these deposits, \$636,121 was covered by federal depository insurance, while the remainder is collateralized by the Oregon Public Funds Collateralization Program (PFCP), created by the Oregon State Treasurer.

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

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2020

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, 2020 the District held the following investments and maturities:

Investment Type	Carrying Amount	Weighted Average Maturity in Years	% of Investment Portfolio	YTM 365 Equivalent %
State of Oregon Treasurer's Local Government Investment Pool	\$ 46,178,173	0.003	29.6%	0.500%
US Treasury Securities, Maturing through Nov. 15, 2021	65,003,806	0.820	41.8%	0.435%
Federal Agency Coupon Securities, Maturing through Dec. 10, 2021	32,844,347	0.800	21.1%	0.368%
Corporate Notes Maturing through July 24, 2020	11,518,461	0.370	7.4%	0.266%
Total	\$ 155,544,787	0.540	100.00%	0.428%

As of June 30, 2020, the District's investments were rated as follows:

Investment Type	Ratings by Moody's Services					
	Total	Aaa	A1	A2	Aa1	Not Rated
State of Oregon Treasurer's LGIP	\$ 46,178,173	\$ -	\$ -	\$ -	\$ -	\$ 46,178,173
US Treasury Securities, Maturing through Nov. 15, 2021	65,003,806	65,003,806				-
Federal Agency Coupon Securities, Maturing through Dec. 10, 2021	32,844,347	32,844,347				-
Corporate Notes Maturing through July 24, 2020	11,518,461	-	3,058,686	5,566,044	2,893,731	-
	<u>\$ 155,544,787</u>	<u>\$ 97,848,153</u>	<u>\$ 3,058,686</u>	<u>\$ 5,566,044</u>	<u>\$ 2,893,731</u>	<u>\$ 46,178,173</u>

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2020

Note 5: Receivables

Receivables as of year-end are summarized as follows:

General Fund	\$ 60,607
Capital Projects Fund	<u>1,200</u>
Total	<u><u>\$ 61,807</u></u>

Note 6: Capital Assets

Capital asset activity for the year ended June 30, 2020, was as follows:

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 5,572,118	\$ 821,827	\$ -	\$ 6,393,945
Construction in progress	1,609,817	19,414,005	(45,596)	20,978,226
Total capital assets not being depreciated	<u>7,181,935</u>	<u>20,235,832</u>	<u>(45,596)</u>	<u>27,372,171</u>
Capital assets being depreciated:				
Site improvements	5,921,898	282,410	-	6,204,308
Buildings and improvements	111,883,798	3,444,422	-	115,328,220
Equipment	11,234,150	1,258,403	(301,551)	12,191,002
Total capital assets being depreciated	<u>129,039,846</u>	<u>4,985,235</u>	<u>(301,551)</u>	<u>133,723,530</u>
Less accumulated depreciation for:				
Site improvements	3,213,159	257,183	-	3,470,342
Buildings and improvements	41,371,649	2,135,909	-	43,507,558
Equipment	7,770,074	626,165	(301,551)	8,094,688
Total accumulated depreciation	<u>52,354,882</u>	<u>3,019,257</u>	<u>(301,551)</u>	<u>55,072,588</u>
Total capital assets being depreciated, net	<u>76,684,964</u>	<u>1,965,978</u>	<u>-</u>	<u>78,650,942</u>
Governmental activities capital assets, net	<u><u>\$ 83,866,899</u></u>	<u><u>\$ 22,201,810</u></u>	<u><u>\$ (45,596)</u></u>	<u><u>\$ 106,023,113</u></u>

Depreciation expense was charged to programs as follows:

Instruction	\$ 1,812,211
Support Services	1,062,513
Enterprise and Community Services	144,533
Total	<u><u>\$ 3,019,257</u></u>

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2020

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, 2020, are as follows:

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Due within One Year
Accrued compensated absences	\$ 192,682	\$ 201,421	\$ 119,218	\$ 274,885	\$ 274,885

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, 2019	Additional Obligations	Payments & Adjustments	Balance June 30, 2020	Due within One Year
Bonds					
General obligation refunding bonds - 2013	\$ 6,290,000	\$ -	\$ (6,290,000)	\$ -	\$ -
General obligation refunding bonds - 2014	7,830,000	-	(285,000)	7,545,000	285,000
General obligation bonds - 2018	157,995,950	-	-	157,995,950	725,000
Pension obligation bonds	33,380,000	-	(2,500,000)	30,880,000	2,820,000
Full Faith & Credit - 2019	-	2,100,000	(30,159)	2,069,841	103,378
Unamortized:					
Bond premium	1,730,050	-	(86,502)	1,643,548	-
Bond premium	17,575,885	-	(595,793)	16,980,092	-
Bond discount	(23,526)	-	23,526	-	-
Direct Borrowings and Direct Placements					
Note payable	52,782	-	(52,782)	-	-
Note payable	60,754	-	(40,154)	20,600	20,600
Note payable	140,744	-	(45,598)	95,146	46,902
Note payable	162,366	-	(53,026)	109,340	54,115
Note payable	309,974	-	(33,290)	276,684	37,306
Note payable	236,302	-	(57,043)	179,259	58,377
Note payable	194,295	-	(46,848)	147,447	47,980
Note payable	297,816	-	(56,672)	241,144	58,082
Note payable	321,071	-	(50,922)	270,149	51,931
Note payable	316,295	-	(42,426)	273,869	43,314
Note payable	759,273	-	(86,694)	672,579	88,922
Note payable	1,062,942	-	(108,968)	953,974	111,147
	3,914,614	-	(674,423)	3,240,191	618,676
Total bonds, direct borrowings and direct placements	228,692,973	2,100,000	(10,438,351)	220,354,622	4,552,054
Capital leases payable	233,694	-	(115,773)	117,921	76,478
Total	\$ 228,926,667	\$ 2,100,000	\$ (10,554,124)	\$ 220,472,543	\$ 4,628,532

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2020

Note 8: Long-Term Obligations (Continued):

Bonds

General Obligation Refunding Bonds, Series 2013 issue

In a prior year, the District issued \$39,130,000 of General Obligation Refunding Bonds, Series 2013. The proceeds were used to advance refund \$36,230,000 of General Obligation Refunding Bonds, Series 2004, which had interest rates ranging from 2.0% to 5.05%. The net proceeds of \$38,941,785 (including a \$188,215 discount and after payment of \$88,648 in issuance costs) 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, \$36,230,000 of the General Obligation Refunding Bonds, Series 2004 are considered defeased and the liability for those bonds has been removed from the statement of net position.

The reacquisition price exceeded the net carrying amount of the old debt by \$2,621,901. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt. The District advance refunded the Series 2004 bonds to reduce its total debt service payments over eight years by \$3,947,383 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 \$3,621,330.

The District must levy annually a direct ad valorem tax upon all of the taxable property within the District in an amount without limitation as to rate or amount, and outside of the limitations of sections 11 and 11b, Article XI of the Oregon Constitution, after taking into consideration discounts taken and delinquencies that may occur in the payment of such taxes and other monies available for the payment of debt service on the Refunding Bonds, to pay interest accruing and the principal maturing on the Refunding Bonds promptly when and as they become due. 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 net purchase price: \$38,941,785 including discount.

Interest payment dates: Interest on the obligations first payable on June 15, 2013, and semiannually thereafter on June 15 and December 15 of each year.

Maturity schedule: Bonds matured on June 15, 2020.

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.

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2020

Note 8: Long-Term Obligations (Continued):

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, 2016-2039 and bear interest of 2% to 5%.

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2021	\$ 285,000	\$ 358,669	\$ 643,669
2022	300,000	349,950	649,950
2023	310,000	341,700	651,700
2024	320,000	329,300	649,300
2025	330,000	316,500	646,500
2026-30	1,935,000	1,335,750	3,270,750
2031-35	2,305,000	783,250	3,088,250
2036-40	1,760,000	225,000	1,985,000
Total	<u>\$ 7,545,000</u>	<u>\$ 4,040,119</u>	<u>\$ 11,585,119</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-

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2020

Note 8: Long-Term Obligations (Continued):

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>
2021	\$ 725,000	\$ 6,650,107	\$ 7,375,107
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
2026-30	15,600,000	30,684,180	46,284,180
2031-35	19,402,356	31,542,144	50,944,500
2036-40	23,119,417	35,935,833	59,055,250
2041-45	37,399,178	31,063,322	68,462,500
2046-50	55,340,000	7,198,750	62,538,750
Total	<u>\$ 157,995,950</u>	<u>\$ 169,330,526</u>	<u>\$ 327,326,476</u>

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

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2020

Note 8: Long-Term Obligations (Continued)

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>
2021	\$ 2,820,000	\$ 1,702,345	\$ 4,522,345
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
2026-28	13,030,000	1,329,484	14,359,484
Total	<u>\$ 30,880,000</u>	<u>\$ 8,100,370</u>	<u>\$ 38,980,370</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%.

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>
2021	\$ 103,378	\$ 43,053	\$ 146,431
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
2026-30	1,056,569	74,945	1,131,514
2031-32	104,060	2,436	106,496
Total	<u>\$ 2,069,841</u>	<u>\$ 259,747</u>	<u>\$ 2,329,588</u>

Direct Borrowings and Direct Placements

Note Payable

The District purchased transportation equipment in February 2010. In order to acquire the equipment, the District borrowed \$450,000 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

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2020

Note 8: Long-Term Obligations (Continued)

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: \$ 450,000

Interest payment dates: Interest on the obligation first payable on August 8, 2010, and semi-annually thereafter on February 8 and August 8 of each year.

Maturity schedule: The note matured on February 8, 2020.

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 will mature on December 14, 2020, and bears interest of 3.35%.

<u>Fiscal Year</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
2021	\$ 20,600	\$ 355	\$ 20,955
Total	<u>\$ 20,600</u>	<u>\$ 355</u>	<u>\$ 20,955</u>

Note Payable

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

The District's ad valorem property taxes, subject to the limits of Article XI, Sections 11 and 11b of the Oregon Constitution, and the full faith and credit of the District, including all unobligated revenues in the District's general fund and any other funds which may be available for that purpose, are hereby

OREGON CITY SCHOOL DISTRICT NO. 62
 Clackamas County, Oregon
 Notes to the Financial Statements
 June 30, 2020

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
2021	\$ 46,902	\$ 2,721	\$ 49,623
2022	48,244	1,380	49,624
Total	<u>\$ 95,146</u>	<u>\$ 4,101</u>	<u>\$ 99,247</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
2021	\$ 54,115	\$ 2,245	\$ 56,360
2022	55,225	1,134	56,359
Total	<u>\$ 109,340</u>	<u>\$ 3,379</u>	<u>\$ 112,719</u>

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2020

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
2021	\$ 37,306	\$ -	\$ 37,306
2022	37,306	-	37,306
2023	37,306	-	37,306
2024	37,306	-	37,306
2025	37,306	-	37,306
2026-28	90,154	-	90,154
Total	<u>\$ 276,684</u>	<u>\$ -</u>	<u>\$ 276,684</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.

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2020

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
2021	\$ 58,377	\$ 4,192	\$ 62,569
2022	59,742	2,827	62,569
2023	61,140	1,430	62,570
Total	<u>\$ 179,259</u>	<u>\$ 8,449</u>	<u>\$ 187,708</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
2021	\$ 47,980	\$ 3,563	\$ 51,543
2022	49,139	2,404	51,543
2023	50,328	1,216	51,544
Total	<u>\$ 147,447</u>	<u>\$ 7,183</u>	<u>\$ 154,630</u>

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2020

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%.

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2021	\$ 58,082	\$ 5,999	\$ 64,081
2022	59,527	4,554	64,081
2023	61,008	3,073	64,081
2024	62,527	1,556	64,083
Total	<u>\$ 241,144</u>	<u>\$ 15,182</u>	<u>\$ 256,326</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.

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2020

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
2021	\$ 51,931	\$ 5,353	\$ 57,284
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>\$ 270,149</u>	<u>\$ 16,270</u>	<u>\$ 286,419</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
2021	\$ 43,314	\$ 5,732	\$ 49,046
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>\$ 273,869</u>	<u>\$ 20,406</u>	<u>\$ 294,275</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

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2020

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%.

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2021	\$ 88,922	\$ 17,292	\$ 106,214
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
2026-27	204,509	7,920	212,429
Total	<u>\$ 672,579</u>	<u>\$ 70,922</u>	<u>\$ 743,501</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%.

Year	Payments	Payments	Payments
2021	\$ 111,147	\$ 26,139	\$ 137,286
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
2026-28	375,559	20,716	396,275
Total	<u>\$ 953,974</u>	<u>\$ 120,341</u>	<u>\$ 1,074,315</u>

OREGON CITY SCHOOL DISTRICT NO. 62
 Clackamas County, Oregon
 Notes to the Financial Statements
 June 30, 2020

Note 9: Capital Leases

In September 2016, the District entered into a lease for the acquisition of technology equipment valued at \$151,840. 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 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 future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020, were as follows:

Year ending June 30	Governmental Activities
2021	\$ 36,749
Total minimum lease payments	36,749
Less: amount representing interest	(703)
Present value of minimum lease payments	<u>\$ 36,046</u>

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, 2020, were as follows:

Year ending June 30	Governmental Activities
2021	\$ 42,479
2022	42,479
Total minimum lease payments	84,958
Less: amount representing interest	(3,083)
Present value of minimum lease payments	<u>\$ 81,875</u>

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2020

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, 2020 was \$100,100.

Total Pension Liability

The District's total pension liability (TPL) were measured as of June 30, 2019 and the total pension liability were determined by an actuarial valuation as of July 1, 2019.

OREGON CITY SCHOOL DISTRICT NO. 62
 Clackamas County, Oregon
 Notes to the Financial Statements
 June 30, 2020

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

	2018	2019	2020
Balance at July 1	\$ 2,258,095	\$ 1,833,376	\$ 1,818,029
Changes for the Year:			
Service Cost	91,360	106,284	108,001
Interest	63,669	66,609	70,734
Gains or Losses	(273,324)		(13,948)
Effect of Assumptions Changes or Input	(73,888)	(28,696)	(60,039)
Benefit Payments	(232,536)	(159,544)	(198,437)
Net Changes for the Year	(424,719)	(15,347)	(93,689)
Total Pension Liability at June 30	<u>\$ 1,833,376</u>	<u>\$ 1,818,029</u>	<u>\$ 1,724,340</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.

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

	Deferred Inflow of Resources	Deferred Outflow of Resources
Differences between expected and actual experience	\$ (145,930)	\$ -
Changes of assumptions or inputs	(105,150)	71,682
Benefit payments	-	216,107
Total	<u>\$ (251,080)</u>	<u>\$ 287,789</u>

OREGON CITY SCHOOL DISTRICT NO. 62
 Clackamas County, Oregon
 Notes to the Financial Statements
 June 30, 2020

Note 10: Early Retirement (continued)

Year Ending June 30,	Amount
2021	\$ (62,728)
2022	(62,728)
2023	(56,846)
2024	(3,391)
2025	2,238
Thereafter	4,057
Total	<u>\$ (179,398)</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.

	1% Decrease	Discount Rate	1% Increase
Total Pension Liability	\$ 1,818,029	\$ 1,724,340	\$ 1,632,276

Note 11: Other Post-Employment Benefits

Plan Description

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

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

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

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2020

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 income for the year ended June 30, 2020 was \$20,880.

Actuarial Methods and Assumptions

The District engaged an actuary to perform an evaluation as of July 1, 2019 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>2018</u>	<u>2019</u>	<u>2020</u>
Balance at July 1	\$ 5,253,099	\$ 5,049,839	\$ 5,059,716
Changes for the Year:			
Service Cost	385,657	366,217	370,399
Interest	153,939	186,149	201,621
Effect of Economic Gains/Losses	-	-	131,299
Effect of Assumptions Changes or Input	(264,759)	(105,933)	324,468
Benefit Payments	(478,097)	(436,556)	(444,753)
Net Changes for the Year	<u>(203,260)</u>	<u>9,877</u>	<u>583,034</u>
Total OPEB Liability at June 30	<u>\$ 5,049,839</u>	<u>\$ 5,059,716</u>	<u>\$ 5,642,750</u>

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2020

Note 11: Other Post-Employment Benefits (continued)

	Deferred Inflows of Resources	Deferred Outflows of Resources
Difference between expected and actual experience	\$ -	\$ 113,313
Changes in assumptions	(226,957)	280,020
Benefit Payments	-	560,618
Deferred outflow (inflow) of resources	<u>\$ (226,957)</u>	<u>\$ 953,951</u>

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>
2021	\$ 9,478
2022	9,478
2023	9,478
2024	9,480
2025	47,301
Thereafter	81,161
Total	<u>\$ 166,376</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	\$ 6,025,613	\$ 5,642,750	\$ 5,282,560

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	\$ 5,121,781	\$ 5,642,750	\$ 6,251,253

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 Comprehensive Annual Financial Report which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2019-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.

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2020

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.

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2020

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.

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2020

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, 2020 were \$8,518,284, excluding amounts to fund employer specific liabilities. In addition approximately \$2,874,563 in employee contributions were paid or picked up by the District in fiscal 2020. At June 30, 2020, the District reported a net pension liability of \$71,557,724 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2017. 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, 2019 and 2018, the District's proportion was .414 percent and .446 percent, respectively. Pension expense for the year ended June 30, 2020 was \$8,830,549.

The rates in effect for the year ended June 30, 2020 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	\$ 3,946,197	\$ -
Changes in assumptions	9,707,622	-
Net difference between projected and actual earnings on pension plan investments	-	2,028,589
Net changes in proportionate share	676,039	3,366,200
Differences between employer contributions and employer's proportionate share of system contributions	-	1,978,288
Subtotal - Amortized Deferrals (below)	14,329,858	7,373,077
Contributions subsequent to measurement date	8,518,284	-
Deferred outflow (inflow) of resources	<u>\$ 22,848,142</u>	<u>\$ 7,373,077</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, 2021.

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

OREGON CITY SCHOOL DISTRICT NO. 62
 Clackamas County, Oregon
 Notes to the Financial Statements
 June 30, 2020

Note 12: Defined Benefit Pension Plan (continued)

<u>Year ending June 30,</u>	<u>Amount</u>
2021	\$ 5,715,251
2022	(518,875)
2023	1,064,051
2024	761,042
2025	(64,687)
Thereafter	-
Total	<u>\$ 6,956,781</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 4, 2020. Oregon PERS produces an independently audited CAFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2019-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.

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2020

Note 12: Defined Benefit Pension Plan (continued)

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2017
Experience Study Report	2016, Published July 27, 2017
Actuarial cost method	Entry Age Normal
Amortization method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years
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 overall payroll growth
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/1.15%) in accordance with Moro decision, blend based on service.
Mortality	Healthy retirees and beneficiaries: RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Active members: RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Disabled retirees: RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.

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 2016 Experience Study which is reviewed for the four-year period ending December 31, 2016.

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Debt Securities	15.0%	25.0%	20.0%
Public Equity	32.5%	42.5%	37.5%
Real Estate	9.5%	15.5%	12.5%
Private Equity	14.0%	21.0%	17.5%
Alternative Investments	0.0%	12.5%	12.5%
Opportunity Portfolio	0.0%	3.0%	0.0%
Total			100.0%

(Source: June 30, 2019 PERS CAFR; p. 100)

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2020

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 July 2017 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00%	3.38%
Bank/Leveraged Loans	3.00%	5.09%
High Yield Bonds	1.00%	6.45%
Large/Mid Cap US Equities	15.75%	6.30%
Small Cap US Equities	1.31%	6.69%
Micro Cap US Equities	1.31%	6.80%
Developed Foreign Equities	13.13%	6.71%
Emerging Market Equities	4.13%	7.45%
Non-US Small Cap Equities	1.88%	7.01%
Private Equity	17.50%	7.82%
Real Estate (Property)	10.00%	5.51%
Real Estate (REITS)	2.50%	6.37%
Hedge Fund of Funds - Diversified	2.50%	4.09%
Hedge Fund - Event-driven	0.63%	5.86%
Timber	1.88%	5.62%
Farmland	1.88%	6.15%
Infrastructure	3.75%	6.60%
Commodities	1.88%	3.84%
<i>Assumed Inflation - Mean</i>		<i>2.50%</i>

(Source: June 30, 2019 PERS CAFR; p. 74)

Discount Rate – The discount rate used to measure the total pension liability as of the measurement date of June 30, 2019 and 2018 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
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2020

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	\$ 114,593,346	\$ 71,557,724	\$ 35,542,837

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, 2019 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.

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2020

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, 2020.

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

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

Note 13: Other Post-Employment Benefit Plan - RHIA

Plan Description:

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

Funding Policy:

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

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2020

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

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, 2020, the District reported a net OPEB asset of \$776,624 for its proportionate share of the net OPEB liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2019, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2017. 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, 2019 and 2018, the District's proportion was .402 percent and .403 percent, respectively. OPEB expense for the year ended June 30, 2020 was \$135,775.

Components of OPEB Expense/(Income):

Employer's proportionate share of collective system OPEB Expense/(Income)	\$ (101,002)
Net amortization of employer-specific deferred amounts from:	
- Changes in proportionate share (per paragraph 64 of GASB 75)	(662)
- 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>\$ (101,664)</u>

Components of Deferred Outflows/Inflows of Resources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ 102,413
Changes in assumptions	-	805
Net difference between projected and actual earnings on pension plan investments	-	47,937
Net changes in proportionate share	782	757
Differences between District contributions and proportionate share of contributions	-	-
Subtotal - Amortized Deferrals (below)	<u>782</u>	<u>151,912</u>
District contributions subsequent to measuring date	33,897	-
Deferred outflow (inflow) of resources	<u>\$ 34,679</u>	<u>\$ 151,912</u>

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB liability/(asset) in the fiscal year ended June 30, 2021.

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2020

Note 13: Other Post-Employment Benefit Plan – RHIA (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>
2021	\$ (78,034)
2022	(69,194)
2023	(8,840)
2024	4,938
2025	-
Thereafter	-
Total	<u>\$ (151,130)</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, 2019. That independently audited report was dated February 24, 2020 and can be found at:

<https://www.oregon.gov/pers/EMP/Documents/GASB/2019/PERS%20GASB%2075%20RHIA%20Report%20FY%206.30.19.pdf>

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2017
Experience Study Report	2016, Published July 26, 2017
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: 35%; Disabled retirees: 20%
Mortality	Healthy retirees and beneficiaries: RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Active members: RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Disabled retirees: RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.

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 2016 Experience Study which is reviewed for the four-year period ending December 31, 2016.

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2020

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, 2019 and 2018 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 July 2017 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00%	3.38%
Bank/Leveraged Loans	3.00%	5.09%
High Yield Bonds	1.00%	6.45%
Large/Mid Cap US Equities	15.75%	6.30%
Small Cap US Equities	1.31%	6.69%
Micro Cap US Equities	1.31%	6.80%
Developed Foreign Equities	13.13%	6.71%
Emerging Market Equities	4.13%	7.45%
Non-US Small Cap Equities	1.88%	7.01%
Private Equity	17.50%	7.82%
Real Estate (Property)	10.00%	5.51%
Real Estate (REITS)	2.50%	6.37%
Hedge Fund of Funds - Diversified	2.50%	4.09%
Hedge Fund - Event-driven	0.63%	5.86%
Timber	1.88%	5.62%
Farmland	1.88%	6.15%
Infrastructure	3.75%	6.60%
Commodities	1.88%	3.84%
<i>Assumed Inflation - Mean</i>		2.50%

(Source: June 30, 2019 PERS CAFR; p. 74)

OREGON CITY SCHOOL DISTRICT NO. 62
 Clackamas County, Oregon
 Notes to the Financial Statements
 June 30, 2020

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)	\$ (602,084)	\$ (776,624)	\$ (925,344)

Changes Subsequent to the Measurement Date

There are no changes subsequent to the June 30, 2019 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>

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	\$ -	\$ 400,000
Special Revenue Fund	300,000	-
Internal Service Fund	100,000	-
Total	<u>\$ 400,000</u>	<u>\$ 400,000</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
 Clackamas County, Oregon
 Notes to the Financial Statements
 June 30, 2020

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, 2020 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General Fund	\$ -	\$ 1,834,528
Special Revenue Fund	-	1,895,956
Debt Service Fund	185,951	-
Pension Obligation Fund	150,000	-
Capital Projects Fund	2,539,272	-
Internal Service Fund	855,261	-
	<u>3,730,484</u>	<u>3,730,484</u>
General Due to Fiduciary	-	182,812
Fiduciary Fund	<u>182,812</u>	<u>-</u>
Total	<u>\$ 3,913,296</u>	<u>\$ 3,913,296</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.

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>

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2020

Note 18: Subsequent Events

Management has evaluated subsequent events through December 21, 2020, the date on which the financial statements were available to be issued. Management is not aware of any subsequent events.

Note 19: Tax Abatement Disclosures

As of June 30, 2020, 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.

For the fiscal year ended June 30, 2020, the Oregon City School District abated property taxes totaling \$122,406 under these programs.

<u>Tax Abatement Program</u>	<u>Amount of Taxes Abated during the Fiscal Year</u>
Housing Authority Partnership	\$ 114,979
Enterprise Zones	7,427
	<u>\$ 122,406</u>

Note 20: Prior Period Adjustment

A prior period adjustment in the amount of \$36,393 is reported for the current year for the addition of capital assets that were not previously recorded in the District's capital asset register.

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2020

Note 21: Restatement

A restatement in the amount of \$523,626 is reported in the beginning net position of the District for the addition of the OPEB RHIA asset.

REQUIRED
SUPPLEMENTARY
INFORMATION

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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, 2020

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

	2020	2019	2018	2017
Total Pension Liability - Beginning	\$ 1,818,029	\$ 1,833,376	\$ 2,258,095	\$ 2,250,496
Changes for the year				
Service Cost	108,001	106,284	91,360	76,822
Interest on Total Pension Liability	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	(60,039)	(28,696)	(73,888)	-
Benefit payments	(198,437)	(159,544)	(232,536)	(279,281)
Total Pension Liability - Ending	<u>\$ 1,724,340</u>	<u>\$ 1,818,029</u>	<u>\$ 1,833,376</u>	<u>\$ 2,258,095</u>
Covered Payroll	11,392,120	9,271,412	8,354,444	8,267,223
Net Single Employer Pension Plan as a Percentage of Covered Payroll	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, 2020

Oregon Public Retirement System

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

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

Schedule of District Contributions

<u>Year ended June 30,</u>	<u>Statutorily required contribution</u>	<u>Contributions in relation to the statutorily required contribution</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
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
2020	\$ 135,775	\$ 102,413	\$ 805	\$ 47,937	\$ 14,347	\$ 757	\$ 302,034

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
2020	\$ (449,884)	\$ (326,740)	\$ (776,624)	\$ 12,031,572	-6.45%	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

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BUDGETARY COMPARISON SCHEDULES

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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, 2020

		Total	Final Budgeted Amount	Variance with Final Budget
<u>Local Sources</u>				
1111	Current Year Taxes	\$ 27,561,022	\$ 27,477,293	\$ 83,729
1112	Prior Year Taxes	346,307	300,000	46,307
1114	Payments in Lieu of Property Taxes	13,826	12,510	1,316
1190	Penalties and Interest Taxes	78,629	85,000	(6,371)
1300	Tuition	3,424	-	3,424
1400	Transportation Fees	64,455	72,000	(7,545)
1500	Earnings on Investments	485,929	370,000	115,929
1700	Extracurricular Activities	99,073	214,000	(114,927)
1800	Community Services Activities	222,811	587,000	(364,189)
1910	Rentals	355,149	342,000	13,149
1920	Donations - Private Sources	6,272	2,000	4,272
1940	Agencies	31,608	32,000	(392)
1960	Recovery of Prior Years' Expenditure	1,515	75,000	(73,485)
1970	Services to Other Funds	129	-	129
1980	Fees Charged to Grants	95,513	40,000	55,513
1990	Miscellaneous	132,504	125,000	7,504
1991	Medicaid	10,814	-	10,814
	Total Local Sources	<u>29,508,980</u>	<u>29,733,803</u>	<u>(224,823)</u>
<u>Intermediate Sources:</u>				
2101	County School Fund	2,561	-	2,561
2102	ESD Funds	1,561,108	910,000	651,108
	Total Intermediate Sources	<u>1,563,669</u>	<u>910,000</u>	<u>653,669</u>
<u>State Sources:</u>				
3101	State School Fund (SSF)	48,878,797	50,040,791	(1,161,994)
3103	Common School Fund	715,901	800,000	(84,099)
3104	County School Fund	2,561	-	2,561
3105	State School Fund (SSF)			
	Transportation Equipment	3,776,343	3,493,000	283,343
3199	Other Unrestricted Grants-in-Aid	508,358	850,000	(341,642)
3204	Driver Education	114,450	45,000	69,450
	Total State Sources	<u>53,996,410</u>	<u>55,228,791</u>	<u>(1,232,381)</u>
<u>Federal Sources:</u>				
4201	Third Party Billing	7,111	-	7,111
4500	Fed/State Restr Grants	-	-	-
4801	Federal Forest Fees	-	-	-
	Total Federal Sources	<u>7,111</u>	<u>-</u>	<u>7,111</u>
Total Revenues		<u>\$ 85,076,170</u>	<u>\$ 85,872,594</u>	<u>\$ (796,424)</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, 2020

	Object 100	Object 200	Object 300	Object 400
Instruction				
1111 Elementary, K-5	\$ 9,770,744	\$ 5,920,599	\$ 28,271	\$ 140,985
1121 Middle/Junior High Programs	5,206,434	3,015,073	28,406	103,841
1122 Middle/Junior High School Extracurricular	66,112	21,638	803	654
1131 High School Programs	5,790,914	3,234,950	29,459	167,315
1132 High School Extracurricular	272,329	77,664	64,268	8,198
1210 Programs for the Talented and Gifted	24,817	9,203	10,558	348
1220 Restrictive Programs for Students with Disabilities	2,411,625	1,581,112	2,156,064	5,076
1250 Less Restrictive Programs for Students with Disabilities	2,596,489	1,803,772	2,311	38,907
1271 Remediation	-	-	-	-
1280 Alternative Education	335,187	188,742	7,954,439	6,281
1290 English Second Language and Teen Parent Programs	1,083,380	686,335	14,092	5,005
Total Instruction	27,558,031	16,539,088	10,288,671	476,610
Support Services				
2110 Attendance and Social Work Services	199,298	135,784	10,827	37
2120 Guidance Services	1,402,772	826,703	3,465	1,879
2130 Health Services	263,112	167,324	242,798	16,793
2140 Psychological Services	354,408	169,279	39,645	12,248
2150 Speech Pathology and Audiology Services	933,044	538,608	38,954	2,822
2160 Other Student Treatment Services	197,248	125,733	2,937	6,870
2190 Service Direction, Student Support Services	1,180,794	677,566	248,073	22,330
2210 Improvement of Instruction Services	385,218	189,487	118,911	159,774
2220 Educational Media Services	493,438	360,534	1,689	52,770
2230 Assessment and Testing	33,467	24,936	-	-
2240 Instructional Staff Development	110,634	426,203	27,648	-
2310 Board of Education Services	40,594	23,519	59,215	3,903
2320 Executive Administration Services	222,813	127,112	58,653	7,220
2410 Office of the Principal Services	2,667,107	1,593,225	77,525	77,906
2510 Business Services - Direction	197,594	49,465	17,309	4,334
2520 Fiscal Services	573,952	302,738	69,914	23,518
2540 Operation and Maintenance of Plant Services	2,117,567	1,506,495	1,978,124	416,662
2550 Student Transportation Services	2,643,336	1,858,493	325,284	298,735
2570 Internal Services	94,747	63,091	167,737	6,749
2620 Planning Services	752	111	11,770	-
2630 Information Services	110,312	54,446	6,558	19,357
2640 Staff Services	314,550	161,502	36,580	56,856
2660 Technology Services	253,809	151,829	464,341	82,637
2700 Supplemental Retirement Program	164,505	4,896	-	-
Total Support Services	14,955,071	9,539,079	4,007,957	1,273,400
Enterprise and Community Services				
3300 Community Services and Community Education	79,168	53,688	21,174	572
3390 Community Education	421,692	168,944	29,805	72,945
Total Enterprise and Community Services	500,860	222,632	50,979	73,517
Facilities Acquisition and Construction				
4150 Building Acquisition, Construction, and Improvement Services	-	-	3,547	-
Total Facilities Acquisition and Construction	-	-	3,547	-
Other Uses				
5200 Transfers of Funds	-	-	-	-
Total Other Uses	-	-	-	-
Contingency				
6000 Operating Contingency	-	-	-	-
Total Contingency	-	-	-	-
Total Expenditures	\$ 43,013,962	\$ 26,300,799	\$ 14,351,154	\$ 1,823,527
Changes in Fund Balance				
Excess (deficiency) of revenues over (under) expenditures				
Adjust for prior year and current year encumbrances				
Net Change in Fund Balance				
Beginning Fund Balance				
Ending Fund Balance				

Object 500	Object 600	Object 700	Object 800	Total	Final Budgeted Amount	Variance with Final Budget
\$ -	\$ -	\$ -	\$ -	\$ 15,860,599	\$ 16,212,885	\$ 352,286
-	-	-	-	8,353,754	8,594,296	240,542
-	-	-	-	89,207	94,071	4,864
-	2,454	-	-	9,225,092	9,507,321	282,229
-	6,521	-	-	428,980	353,959	(75,021)
-	-	-	-	44,926	60,576	15,650
-	-	-	-	6,153,877	8,148,120	1,994,243
-	-	-	-	4,441,479	3,988,524	(452,955)
-	-	-	-	-	-	-
-	-	-	-	8,484,649	8,764,273	279,624
-	-	-	-	1,788,812	1,899,581	110,769
-	8,975	-	-	54,871,375	57,623,606	2,752,231
-	125	-	-	346,071	355,321	9,250
-	4,540	-	-	2,239,359	2,430,421	191,062
-	180	-	-	690,207	583,844	(106,363)
-	-	-	-	575,580	735,721	160,141
-	1,505	-	-	1,514,933	1,596,510	81,577
-	225	-	-	333,013	281,211	(51,802)
-	4,894	-	-	2,133,657	1,891,180	(242,477)
-	5,334	-	-	858,724	889,357	30,633
-	-	-	-	908,431	973,392	64,961
-	-	-	-	58,403	218	(58,185)
-	-	-	-	564,485	407,053	(157,432)
-	10,506	-	-	137,737	185,140	47,403
-	2,811	-	-	418,609	411,152	(7,457)
-	20,174	-	-	4,435,937	4,399,527	(36,410)
-	595	-	-	269,297	345,685	76,388
-	12,028	-	-	982,150	899,295	(82,855)
144,520	1,891	-	-	6,165,259	6,562,029	396,770
-	93,704	-	-	5,219,552	5,397,391	177,839
-	355,965	-	-	688,289	391,479	(296,810)
-	-	-	-	12,633	10,187	(2,446)
-	135	-	-	190,808	166,275	(24,533)
-	1,615	-	-	571,103	936,763	365,660
31,352	28,514	-	-	1,012,482	1,114,018	101,536
-	-	-	-	169,401	175,989	6,588
175,872	544,741	-	-	30,496,120	31,139,158	643,038
-	-	-	-	154,602	159,704	5,102
16,409	1,915	-	-	711,710	879,716	168,006
16,409	1,915	-	-	866,312	1,039,420	173,108
-	-	-	-	3,547	10,410	6,863
-	-	-	-	3,547	10,410	6,863
-	-	400,000	-	400,000	400,000	-
-	-	400,000	-	400,000	400,000	-
-	-	-	-	-	160,000	160,000
-	-	-	-	-	160,000	160,000
\$ 192,281	\$ 555,631	\$ 400,000	\$ -	\$ 86,637,354	\$ 90,372,594	\$ 3,735,240
				\$ (1,161,184)	\$ (4,100,000)	\$ 2,938,816
				(400,000)	(400,000)	-
				(1,561,184)	(4,500,000)	2,938,816
				6,571,096	4,500,000	2,071,096
				\$ 5,009,912	\$ -	\$ 5,009,912

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, 2020

	<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	\$ 6,859,360	\$ 6,859,360	\$ 7,024,418	\$ 165,058
Prior year's taxes	100,000	100,000	100,379	379
Interest	228,000	228,000	74,536	(153,464)
Total revenues	<u>7,187,360</u>	<u>7,187,360</u>	<u>7,199,333</u>	<u>11,973</u>
EXPENDITURES:				
Debt service	<u>16,700,110</u>	<u>16,700,110</u>	<u>16,299,028</u>	<u>401,082</u>
Total expenditures	<u>16,700,110</u>	<u>16,700,110</u>	<u>16,299,028</u>	<u>401,082</u>
Net change in fund balance	(9,512,750)	(9,512,750)	(9,099,695)	413,055
Beginning fund balance	<u>10,840,750</u>	<u>10,840,750</u>	<u>10,366,498</u>	<u>(474,252)</u>
Ending fund balance	<u>\$ 1,328,000</u>	<u>\$ 1,328,000</u>	<u>\$ 1,266,803</u>	<u>\$ (61,197)</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, 2020

Pension Obligation Fund

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:				
Local sources:				
Assessments to other funds	\$ 4,336,670	\$ 4,336,670	\$ 4,282,727	\$ (53,943)
Total revenues	<u>4,336,670</u>	<u>4,336,670</u>	<u>4,282,727</u>	<u>(53,943)</u>
EXPENDITURES				
Debt service	<u>4,336,670</u>	<u>4,336,670</u>	<u>4,282,727</u>	<u>53,943</u>
Total expenditures	<u>4,336,670</u>	<u>4,336,670</u>	<u>4,282,727</u>	<u>53,943</u>
Net change in fund balance	-	-	-	-
Beginning fund balance	<u>100,000</u>	<u>100,000</u>	<u>150,000</u>	<u>50,000</u>
Ending fund balance	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 150,000</u>	<u>\$ 50,000</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, 2020

Capital Projects Fund

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:				
Local sources	\$ 1,749,000	\$ 1,749,000	\$ 6,311,164	\$ 4,562,164
State sources	8,440,583	8,440,583	890,000	(7,550,583)
Total revenues	<u>10,189,583</u>	<u>10,189,583</u>	<u>7,201,164</u>	<u>(2,988,419)</u>
EXPENDITURES:				
Instruction	157,000	657,000	94,428	562,572
Support services	6,454,775	5,954,775	2,877,497	3,077,278
Facilities acquisition & construction	57,827,000	57,827,000	23,930,969	33,896,031
Debt service	1,101,000	1,101,000	982,643	118,357
Contingency	227,260	227,260	-	227,260
Total expenditures	<u>65,767,035</u>	<u>65,767,035</u>	<u>27,885,537</u>	<u>37,881,498</u>
Excess of revenues over (under) expenditures	(55,577,452)	(55,577,452)	(20,684,373)	34,893,079
OTHER FINANCING SOURCES (USES)				
Capital lease proceeds	180,000	180,000	-	(180,000)
Sale of capital assets	75,000	75,000	13,380	(61,620)
Total other financing sources (uses)	<u>255,000</u>	<u>255,000</u>	<u>13,380</u>	<u>(241,620)</u>
Net change in fund balance	(55,322,452)	(55,322,452)	(20,670,993)	34,651,459
Beginning fund balance	<u>151,737,976</u>	<u>151,737,976</u>	<u>160,910,152</u>	<u>9,172,176</u>
Ending fund balance	<u>\$ 96,415,524</u>	<u>\$ 96,415,524</u>	<u>\$ 140,239,159</u>	<u>\$ 43,823,635</u>

PROPRIETARY FUND

The Proprietary Fund accounts for revenue and expenditures for the Risk Management Internal Service Fund. This fund accounts for revenue and expenditures for the District's self-insurance program for unemployment, workers' compensation and property and casualty insurance claims. The primary revenue source is charges for services provided to other funds.

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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, 2020

Risk Management Internal Service Fund

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:				
Local sources	\$ 782,000	\$ 782,000	\$ 831,569	\$ 49,569
Total revenues	<u>782,000</u>	<u>782,000</u>	<u>831,569</u>	<u>49,569</u>
EXPENDITURES:				
Support services	<u>1,258,860</u>	<u>1,258,860</u>	<u>639,230</u>	<u>619,630</u>
Total expenditures	<u>1,258,860</u>	<u>1,258,860</u>	<u>639,230</u>	<u>619,630</u>
Excess of revenues over (under) expenditures	(476,860)	(476,860)	192,339	669,199
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	(376,860)	(376,860)	292,339	669,199
Beginning fund balance	<u>376,860</u>	<u>376,860</u>	<u>558,338</u>	<u>181,478</u>
Ending fund balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 850,677</u></u>	<u><u>\$ 850,677</u></u>

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FIDUCIARY FUNDS

The Fiduciary Funds account for the revenues and expenditures of funds for which assets are held by the District as a trustee or agent. Included in this type fund are:

MEGGAN PARKINSON MEMORIAL SCHOLARSHIP FUND - Funds scholarships for deserving students.

DENNY PETERS MEMORIAL SCHOLARSHIP FUND - Funds scholarships for deserving students.

CLASS OF '52 SCHOLARSHIP FUND - Funds scholarships for deserving students.

KARMIN TOMLINSON SCHOLARSHIP FUND - Funds scholarships for deserving students.

JANE ADRIAN MEMORIAL SCHOLARSHIP FUND - Funds scholarships for deserving students.

AL GALLAGHER MEMORIAL SCHOLARSHIP FUND - Funds scholarships for deserving students.

OCHS SCHOLARSHIPS FUND - Funds scholarships for deserving students.

CJ CHURCH EDUCATIONAL FUND - Funds educational needs in memory of CJ Church.

LANGE/BUSH-LANGE SCHOLARSHIPS FUND - Funds scholarships for deserving students.

DELEEN BAKER MEMORIAL - Funds charitable activities in memory of Deleen Baker.

ALICE BAUGHMAN SCHOLARSHIP FUND - Funds scholarships for deserving students.

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OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Combining Balance Sheet
All Agency Funds
June 30, 2020

	M. Parkinson Memorial	D. Peters Memorial	Class of '52 Scholarship	Karmin Tomlinson Scholarship	J. Adrian Memorial	A. Gallagher Memorial	OCHS Scholarship s	CJ Church Educational Fund	Lange/Bush- Lange Scholarships	Deleen Baker Memorial	Baughman Scholarships	Total
<u>ASSETS</u>												
Receivables Interfund	<u>\$ 19,054</u>	<u>\$ 3,439</u>	<u>\$ 21,932</u>	<u>\$ 1,757</u>	<u>\$ 14,581</u>	<u>\$ 24,491</u>	<u>\$ 5,745</u>	<u>\$ 4,504</u>	<u>\$ 78</u>	<u>\$ 2,651</u>	<u>\$ 84,580</u>	<u>\$ 182,812</u>
Total assets	<u>\$ 19,054</u>	<u>\$ 3,439</u>	<u>\$ 21,932</u>	<u>\$ 1,757</u>	<u>\$ 14,581</u>	<u>\$ 24,491</u>	<u>\$ 5,745</u>	<u>\$ 4,504</u>	<u>\$ 78</u>	<u>\$ 2,651</u>	<u>\$ 84,580</u>	<u>\$ 182,812</u>
<u>LIABILITIES</u>												
Due to agency groups	<u>\$ 19,054</u>	<u>\$ 3,439</u>	<u>\$ 21,932</u>	<u>\$ 1,757</u>	<u>\$ 14,581</u>	<u>\$ 24,491</u>	<u>\$ 5,745</u>	<u>\$ 4,504</u>	<u>\$ 78</u>	<u>\$ 2,651</u>	<u>\$ 84,580</u>	<u>\$ 182,812</u>
Total liabilities	<u>\$ 19,054</u>	<u>\$ 3,439</u>	<u>\$ 21,932</u>	<u>\$ 1,757</u>	<u>\$ 14,581</u>	<u>\$ 24,491</u>	<u>\$ 5,745</u>	<u>\$ 4,504</u>	<u>\$ 78</u>	<u>\$ 2,651</u>	<u>\$ 84,580</u>	<u>\$ 182,812</u>

OREGON CITY SCHOOL DISTRICT NO. 62
 Clackamas County, Oregon
 Combining Statement in Changes in Assets and Liabilities
 All Agency Funds
 For the Year Ended June 30, 2020

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
M. Parkinson Memorial Agency Fund				
Assets:				
Receivables:				
Interfund	\$ 19,669	\$ 385	\$ (1,000)	\$ 19,054
Liabilities				
Due to agency groups	\$ 19,669	\$ 385	\$ (1,000)	\$ 19,054
D. Peters Memorial Agency Fund				
Assets:				
Receivables:				
Interfund	\$ 4,397	\$ 42	\$ (1,000)	\$ 3,439
Liabilities				
Due to agency groups	\$ 4,397	\$ 42	\$ (1,000)	\$ 3,439
Class of '52 Scholarship Agency Fund				
Assets:				
Receivables:				
Interfund	\$ 31,661	\$ 271	\$ (10,000)	\$ 21,932
Liabilities				
Due to agency groups	\$ 31,661	\$ 271	\$ (10,000)	\$ 21,932
Karmin Tomlinson Scholarship Fund				
Assets:				
Receivables:				
Interfund	\$ 1,675	\$ 82	\$ -	\$ 1,757
Liabilities				
Due to agency groups	\$ 1,675	\$ 82	\$ -	\$ 1,757
J. Adrian Memorial Agency Fund				
Assets:				
Receivables:				
Interfund	\$ 20,201	\$ 380	\$ (6,000)	\$ 14,581
Liabilities				
Due to agency groups	\$ 20,201	\$ 380	\$ (6,000)	\$ 14,581
A. Gallagher Memorial Agency Fund				
Assets:				
Receivables:				
Interfund	\$ 24,688	\$ 303	\$ (500)	\$ 24,491
Liabilities				
Due to agency groups	\$ 24,688	\$ 303	\$ (500)	\$ 24,491

OREGON CITY SCHOOL DISTRICT NO. 62
 Clackamas County, Oregon
 Combining Statement in Changes in Assets and Liabilities
 All Agency Funds
 For the Year Ended June 30, 2020

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
OCHS Scholarships Fund				
Assets:				
Receivables:				
Interfund	\$ 5,674	\$ 71	\$ -	\$ 5,745
Liabilities				
Due to agency groups	\$ 5,674	\$ 71	\$ -	\$ 5,745
CJ Church Educational Fund				
Assets:				
Receivables:				
Interfund	\$ 4,389	\$ 115	\$ -	\$ 4,504
Liabilities				
Due to agency groups	\$ 4,389	\$ 115	\$ -	\$ 4,504
Lange/Bush-Lange Scholarships Fund				
Assets:				
Receivables:				
Interfund	\$ 3,758	\$ 1	\$ (3,681)	\$ 78
Liabilities				
Due to agency groups	\$ 3,758	\$ 1	\$ (3,681)	\$ 78
Deleen Baker Memorial Fund				
Assets:				
Receivables:				
Interfund	\$ 2,498	\$ 153	\$ -	\$ 2,651
Liabilities				
Due to agency groups	\$ 2,498	\$ 153	\$ -	\$ 2,651
Baughman Scholarships Fund				
Assets:				
Receivables:				
Interfund	\$ 88,536	\$ 1,044	\$ (5,000)	\$ 84,580
Liabilities				
Due to agency groups	\$ 88,536	\$ 1,044	\$ (5,000)	\$ 84,580
Totals - All Funds				
Assets:				
Receivables:				
Interfund	\$ 207,146	\$ 2,847	\$ (27,181)	\$ 182,812
Liabilities				
Due to agency groups	\$ 207,146	\$ 2,847	\$ (27,181)	\$ 182,812

OREGON CITY SCHOOL DISTRICT NO. 62

Clackamas County, Oregon

Schedule of Appropriation Transfers

For the Fiscal Year Ended June 30, 2020

	Adopted Budgeted Appropriations	Increase	Decrease	Final Adopted Appropriations
General Fund				
Instruction	\$ 57,823,606	\$ -	\$ (200,000)	\$ 57,623,606
Support services	31,139,158	-	-	31,139,158
Enterprise/community services	839,420	200,000	-	1,039,420
Facilities acquisition/construction	10,410	-	-	10,410
Transfer of Funds	400,000	-	-	400,000
Contingency	160,000	-	-	160,000
	<u>\$ 90,372,594</u>	<u>\$ 200,000.00</u>	<u>\$ (200,000.00)</u>	<u>\$ 90,372,594</u>
Special Revenue Funds				
Instruction	\$ 8,949,777	\$ -	\$ -	\$ 8,949,777
Support services	5,121,093	-	-	5,121,093
Enterprise/community services	5,017,263	-	-	5,017,263
Facilities acquisition/construction	37,500	-	-	37,500
Debt Service	738,095	-	-	738,095
Contingency	1,482,000	-	-	1,482,000
Unappropriated fund balance	1,304,727	-	-	1,304,727
	<u>\$ 22,650,455</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,650,455</u>
Debt Service Fund				
Debt service	\$ 16,700,110	\$ -	\$ -	\$ 16,700,110
Unappropriated fund balance	1,328,000	-	-	1,328,000
	<u>\$ 18,028,110</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,028,110</u>
PERS UAL Debt Service Fund				
Debt service	\$ 4,336,670	\$ -	\$ -	\$ 4,336,670
Unappropriated fund balance	100,000	-	-	100,000
	<u>\$ 4,436,670</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,436,670</u>
Capital Projects Funds				
Instruction	\$ 157,000	\$ 500,000	\$ -	\$ 657,000
Support services	6,454,775	-	(500,000)	5,954,775
Facilities acquisition/construction	57,827,000	-	-	57,827,000
Debt Service	1,101,000	-	-	1,101,000
Transfer of Funds	227,260	-	-	227,260
Contingency	96,415,524	-	-	96,415,524
Unappropriated fund balance	-	-	-	-
	<u>\$ 162,182,559</u>	<u>\$ 500,000.00</u>	<u>\$ (500,000.00)</u>	<u>\$ 162,182,559</u>
Internal Service Fund				
Support services	\$ 1,258,860	\$ -	\$ -	\$ 1,258,860
	<u>\$ 1,258,860</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,258,860</u>
Trust and Agency Funds				
Instruction	\$ 3,757,591	\$ 150,000	\$ -	\$ 3,907,591
Support services	1,438,790	-	(150,000)	1,288,790
Enterprise/community services	31,271	-	-	31,271
Facilities acquisition/construction	-	-	-	-
Debt Service	27,500	-	-	27,500
Unappropriated fund balance	254,970	-	-	254,970
	<u>\$ 5,510,122</u>	<u>\$ 150,000</u>	<u>\$ (150,000.00)</u>	<u>\$ 5,510,122</u>
Total all funds	<u>\$ 304,439,370</u>	<u>\$ 850,000.00</u>	<u>\$ (850,000.00)</u>	<u>\$ 304,439,370</u>

STATISTICAL SECTION

(UNAUDITED)

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

<u>CONTENTS</u>	<u>PAGE</u>
Financial Trends	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.	
Revenue Capacity	101-106
These schedules contain information to help the reader assess the District's most significant local revenue source, property tax.	
Debt Capacity	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.	
Demographic and Economic Information	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.	
Operating Activity	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

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	<u>2019-20 (5)</u>	<u>2018-19</u>	<u>2017-18 (4)</u>	<u>2016-17 (3)</u>
<u>GOVERNMENTAL ACTIVITIES:</u>				
Net investment in capital assets	\$ 56,669,729	\$ 42,906,282	\$ 50,349,255	\$ 45,454,976
Restricted	5,064,806	19,946,682	6,529,914	4,651,052
Unrestricted	(86,395,975)	(79,584,935)	(75,287,971)	(71,679,127)
Total governmental activities net position	<u>\$ (24,661,440)</u>	<u>\$ (16,731,971)</u>	<u>\$ (18,408,802)</u>	<u>\$ (21,573,099)</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 its capital asset register.
- (5) The District restated its net position by (\$523,626) associated with recognition 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>2015-16 (2)</u>	<u>2014-15 (1)</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>
\$ 39,725,603	\$ 23,945,932	\$ 34,225,425	\$ 27,896,841	\$ 27,984,659	\$ 26,283,206
5,732,847	16,984,465	2,877,749	4,098,938	3,595,900	799,765
(60,253,561)	(34,975,848)	(15,712,372)	(12,596,452)	(13,703,324)	(9,969,659)
<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>	<u>\$ 17,113,312</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)

	2019-20	2018-19	2017-18	2016-17
<u>GOVERNMENTAL ACTIVITIES:</u>				
Expenses by function/program:				
Instruction	\$ 64,489,456	\$ 60,243,705	\$ 59,134,494	\$ 57,459,573
Support services	37,970,774	33,952,054	32,215,269	32,247,085
Enterprise/community services	5,060,720	4,971,532	4,772,422	4,477,340
Interest on long-term debt	11,987,610	4,391,779	3,473,390	3,632,281
Total expenses	<u>119,508,560</u>	<u>103,559,070</u>	<u>99,595,575</u>	<u>97,816,279</u>
Program revenues:				
Charges for services:				
Instruction	357,445	451,026	433,607	388,208
Support services	1,492,795	1,999,210	1,862,481	1,713,318
Enterprise/community services	618,774	784,004	726,479	658,489
Total charges for services	<u>2,469,014</u>	<u>3,234,240</u>	<u>3,022,567</u>	<u>2,760,015</u>
Operating grants and contributions:				
Instruction	5,112,008	4,648,187	3,773,693	3,692,901
Support services	551,654	113,488	-	-
Enterprise/community services	1,314,026	1,365,583	1,364,118	1,449,510
Total operating grants and contributions	<u>6,977,688</u>	<u>6,127,258</u>	<u>5,137,811</u>	<u>5,142,411</u>
Capital grants and contributions:				
Support services	-	22,371	-	-
Total capital grants and contributions	<u>-</u>	<u>22,371</u>	<u>-</u>	<u>-</u>
Total program revenues	<u>9,446,702</u>	<u>9,383,869</u>	<u>8,160,378</u>	<u>7,902,426</u>
Total net (expense) revenue	<u>(110,061,858)</u>	<u>(94,175,201)</u>	<u>(91,435,197)</u>	<u>(89,913,853)</u>
General revenues and other changes in net position:				
Taxes:				
Property taxes, general	27,999,784	26,628,245	25,751,978	24,479,596
Property taxes, debt services	7,124,797	5,615,677	6,051,337	6,986,667
Construction excise tax	1,105,659	336,015	969,467	621,544
State aid - formula grants	55,774,054	53,476,747	53,922,651	47,129,449
Earnings on Investments	5,232,409	3,793,110	497,541	330,730
Unrestricted federal	-	31,204	8,522	181,064
Other local, intermediate & state	4,335,667	5,541,004	5,897,998	6,033,272
Total general revenues	<u>101,572,370</u>	<u>95,422,002</u>	<u>93,099,494</u>	<u>85,762,322</u>
Change in net position	<u>\$ (8,489,488)</u>	<u>\$ 1,246,801</u>	<u>\$ 1,664,297</u>	<u>\$ (4,151,531)</u>
Expense per pupil	<u>\$ 15,956</u>	<u>\$ 13,968</u>	<u>\$ 13,437</u>	<u>\$ 13,174</u>
Student Enrollment *	<u>7,490</u>	<u>7,414</u>	<u>7,412</u>	<u>7,425</u>

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

Source: Statement of Activities

	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
\$	67,230,267	\$ 43,713,441	\$ 46,757,925	\$ 44,384,650	\$ 42,557,434	\$ 43,103,298
	38,686,480	26,780,628	27,943,762	26,918,301	26,795,494	27,781,017
	5,230,631	3,476,224	3,538,931	3,446,191	3,450,242	3,362,655
	3,838,072	3,710,183	3,254,871	2,582,842	4,470,247	4,608,681
	<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>	<u>78,855,651</u>
	348,001	303,620	284,124	305,089	307,823	631,902
	1,806,615	537,412	632,299	677,178	570,537	557,764
	654,650	2,008,475	1,794,340	1,837,185	1,782,912	1,529,445
	<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>	<u>2,719,111</u>
	3,816,082	6,162,921	5,760,457	5,240,963	5,458,139	8,602,811
	44,025	5,206,376	5,017,245	5,050,752	6,690,516	5,490,616
	1,597,311	1,560,499	1,521,520	1,638,140	1,455,824	1,548,040
	<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>	<u>15,641,467</u>
		242,035	-	-	-	-
	<u>27,154</u>	<u>-</u>	<u>316,591</u>	<u>177,351</u>	<u>166,175</u>	<u>137,279</u>
	27,154	242,035	316,591	177,351	166,175	137,279
	<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>18,497,857</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>	<u>(60,357,794)</u>
	23,397,860	22,324,026	20,829,803	19,832,045	20,107,620	19,439,103
	6,931,521	6,714,742	6,342,154	6,190,437	5,933,815	5,682,080
	583,471	396,735	451,324	633,158	412,736	267,885
	48,892,808	43,398,060	39,995,170	36,539,574	34,712,623	32,850,497
	214,003	343,331	280,065	324,089	310,064	353,447
	76,413	2,709,696	104,151	274,984	5,859	11,873
	6,113,046	192,752	164,186	133,131	122,697	258,368
	<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>58,863,253</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>\$ (1,494,541)</u>
\$	<u>15,260</u>	<u>\$ 10,424</u>	<u>\$ 10,885</u>	<u>\$ 10,469</u>	<u>\$ 10,304</u>	<u>\$ 10,432</u>
	<u>7,535</u>	<u>7,452</u>	<u>7,487</u>	<u>7,387</u>	<u>7,499</u>	<u>7,559</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>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>
<u>GENERAL FUND:</u>				
Nonspendable - prepaid items	\$ 44,727	\$ 117,356	\$ 96,402	\$ 143,419
Unassigned	4,965,185	6,453,740	3,817,532	2,951,974
Total general fund	<u>\$ 5,009,912</u>	<u>\$ 6,571,096</u>	<u>\$ 3,913,934</u>	<u>\$ 3,095,393</u>
<u>ALL OTHER GOVERNMENTAL FUNDS</u>				
Nonspendable - prepaid items	\$ 2,601,931	\$ 1,537	\$ -	\$ -
Restricted, reported in:				
Debt Service Fund	1,416,803	10,516,498	1,107,567	934,095
Special Revenues Fund	3,648,003	2,779,894	3,092,441	2,337,769
Capital Projects Fund	137,701,485	160,908,615	3,125,157	1,379,188
Committed, special revenues	-	-	-	-
Total all other governmental funds	<u>\$ 145,368,222</u>	<u>\$ 174,206,544</u>	<u>\$ 7,325,165</u>	<u>\$ 4,651,052</u>

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

Source: Balance Sheet - Governmental Funds

<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12 (1)</u>	<u>2010-11</u>
\$ 154,337	\$ 72,819	\$ 36,269	\$ 56,486	\$ -	\$ -
-	-	115,347	50,396	225,949	203,542
4,662,501	3,971,794	3,301,186	2,950,821	4,528,204	4,755,345
<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>	<u>\$ 4,958,887</u>
\$ -	\$ 39,601	\$ 49,623	\$ 49,623	\$ -	\$ -
928,356	778,012	641,630	655,429	645,629	799,765
1,569,550	902,995	860,504	1,491,442	1,572,859	-
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	2,239,110
-	-	4,022	297,471	188,191	1,091,108
<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>	<u>\$ 4,129,983</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)

	2019-20	2018-19	2017-18	2016-17
REVENUES:				
Local Sources	\$ 50,843,123	\$ 48,123,349	\$ 43,589,138	\$ 42,175,354
Intermediate sources	1,607,482	1,750,957	1,738,935	2,189,567
State sources	57,368,739	54,695,366	54,236,188	47,264,401
Federal sources	5,254,627	4,720,092	4,838,340	5,151,065
Total revenues	<u>115,073,971</u>	<u>109,289,764</u>	<u>104,402,601</u>	<u>96,780,387</u>
EXPENDITURES:				
Instruction	60,201,951	56,403,936	55,806,588	52,875,550
Support services	35,026,774	31,041,088	29,754,133	28,812,721
Enterprise/community services	4,764,676	4,653,391	4,503,845	4,120,146
Facilities Acquisition and Construction	128,557	36,418	109,647	236,559
Capital Outlay	25,139,077	4,030,390	2,713,711	1,654,770
Debt service:				
Principal	9,928,069	9,235,045	8,716,783	9,234,732
Interest	12,298,753	2,798,258	3,119,735	3,297,227
Issuance Cost	-	1,042,943	30,300	10,500
Total expenditures	<u>147,487,857</u>	<u>109,241,469</u>	<u>104,754,742</u>	<u>100,242,205</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(32,413,886)</u>	<u>48,295</u>	<u>(352,141)</u>	<u>(3,461,818)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	300,000	200,000	200,000	274,000
Transfers out	(400,000)	(200,000)	(250,000)	(324,000)
Capital lease proceeds		163,800	142,830	149,505
Debt issued	2,100,000	157,995,950	2,249,436	447,386
Bond premium	-	17,873,781	-	-
Payment to Refunded Bond Escrow Agent	-	(6,987,404)	-	-
Sale or compensation for loss of capital assets	14,380	444,119	1,502,529	1,516
Total other financing sources (uses)	<u>2,014,380</u>	<u>169,490,246</u>	<u>3,844,795</u>	<u>548,407</u>
Net change in fund balances	<u>\$ (30,399,506)</u>	<u>\$ 169,538,541</u>	<u>\$ 3,492,654</u>	<u>\$ (2,913,411)</u>
Debt service as a percentage of noncapital expenditures	18.17%	11.14%	10.42%	11.29%

(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.

	2015-16	2014-15 (2)	2013-14 (2)	2012-13 (2)	2011-12 (2)	2010-11 (2)
REVENUES:						
Local sources	\$ 41,009,126	\$ 38,677,209	\$ 36,653,166	\$ 35,786,302	\$ 35,008,931	\$ 34,304,640
Intermediate sources	2,134,356	1,181,721	828,710	846,596	847,393	662,339
State sources	49,017,229	47,821,761	43,984,779	40,558,979	40,103,029	36,252,703
Federal sources	5,190,449	5,218,128	5,469,034	4,782,018	5,048,555	9,404,216
Total revenues	<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>	<u>80,623,898</u>
EXPENDITURES:						
Instruction	53,175,892	51,931,499	48,682,017	46,266,745	44,221,832	44,677,612
Support services	27,804,745	27,103,088	25,085,779	24,265,950	23,776,295	24,541,277
Enterprise/community services	4,137,176	3,942,353	3,687,663	3,611,575	3,535,801	3,432,733
Facilities Acquisition and Construction	223,820	979,299	1,262,618	4,462,017	25,255	-
Capital Outlay	11,883,516	-	-	-	-	-
Debt service:						
Principal	8,673,432	8,308,021	7,379,875	6,081,102	4,767,061	4,549,561
Interest	3,417,966	3,289,401	3,133,146	3,836,151	4,699,719	4,836,806
Issuance Cost	9,500	205,423	8,500	88,648	-	-
Total expenditures	<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>	<u>82,037,989</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,974,887)</u>	<u>(2,860,265)</u>	<u>(2,303,909)</u>	<u>(6,638,293)</u>	<u>(18,055)</u>	<u>(1,414,091)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	55,000	380,000	305,931	85,000	254,228	-
Transfers out	(55,000)	(130,000)	(55,931)	(85,000)	(254,228)	-
Lease purchase proceeds	-	-	-	-	-	134,264
Capital lease issuance	187,179	-	100,081	-	-	-
Debt issued	525,000	16,140,000	1,023,500	5,150,000	437,000	353,175
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	11,200	2,328,523	127,049	374,800	5,859	11,873
Total other financing sources (uses)	<u>723,379</u>	<u>16,734,872</u>	<u>1,500,630</u>	<u>5,614,685</u>	<u>442,859</u>	<u>499,312</u>
Net change in fund balances	<u>\$ (11,251,508)</u>	<u>13,874,607</u>	<u>\$ (803,279)</u>	<u>\$ (1,023,608)</u>	<u>\$ 424,804</u>	<u>\$ (914,779)</u>
Debt service as a percentage of noncapital expenditures	11.05%	11.55%	11.55%	10.66%	11.75%	11.51%

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
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	5,029,011,342	7,146,082,606	63,809,209	63,809,209	161,786,400	165,386,669
2015-16	4,806,137,457	6,289,133,878	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
2010-11	3,851,415,043	5,975,204,950	95,587,980	98,398,120	148,986,830	149,311,207

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		
\$ (192,205,196)	\$ 5,807,548,002	4.41 %	\$ 9,723,458,211	59.73 %
(168,582,068)	5,574,728,156	4.41	8,974,044,265	62.12
(156,270,734)	5,340,172,317	5.50	8,201,540,041	65.11
(141,800,109)	5,112,806,842	4.52	7,375,278,484	69.32
(129,428,600)	4,902,505,494	6.41	6,533,104,678	75.04
(128,168,327)	4,730,942,130	6.40	5,892,815,978	80.28
(122,583,947)	4,511,883,353	6.41	5,008,064,013	90.09
(107,990,588)	4,257,695,242	4.28	5,261,997,790	80.91
(109,317,145)	4,133,917,121	4.28	5,647,284,125	73.20
(99,393,379)	3,996,596,474	6.42	6,222,914,277	64.22

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>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>
District Direct Rates:						
Operating	%	n/a	\$ 4.96	\$ 4.96	\$ 4.96	\$ 4.96
Debt Service		n/a	<u>1.23</u>	<u>1.03</u>	<u>1.14</u>	<u>1.38</u>
Total District Direct Rates		n/a	6.19	5.99	6.10	6.34
City of Oregon City		100.00	4.41	4.41	4.41	5.50
City of Oregon City - UR12 DT		100.00	0.88	0.88	0.88	0.86
Clackamas FD 1		25.09	2.51	2.49	2.51	2.49
Oak Lodge Water District 4		18.67	0.00	0.00	0.00	0.00
Clackamas Community College		15.26	0.73	0.74	0.75	0.74
Trans Trimet Bond		13.56	0.00	0.00	0.00	0.00
Clackamas ESD		11.86	0.37	0.37	0.37	0.37
Clackamas County Rural		10.80	3.22	3.22	3.22	3.22
Clackamas County Library		11.34	0.40	0.40	0.40	0.40
Clackamas County Extension & 4-H		11.34	0.05	0.05	0.05	0.00
Clackamas Co. Urban Renewal Sp.		11.34	0.00	0.00	0.00	0.00
Clackamas Co. Urban Renewal Reg.		11.34	0.07	0.07	0.07	0.03
Clackamas County Vector Control		11.34	0.03	0.03	0.03	0.03
Clack. Co. Vector Control Local Opt.		11.34	0.03	0.03	0.03	0.03
Clackamas County Public Safety LO		11.34	0.09	0.25	0.25	0.25
Clackamas Co. Soil Conservation		11.34	0.05	0.05	0.05	0.05
Port of Portland		11.34	0.07	0.07	0.07	0.07
Clackamas County City		11.79	2.65	2.65	2.65	2.65
Metro Service District		10.59	0.66	0.47	0.41	0.40
Clackamas County Law Enhance.		6.13	0.72	0.72	0.72	0.72
City of Gladstone		3.31	5.81	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.		3.94	0.54	0.54	0.54	0.54
Estacada FD #69		0.89	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	1.76	1.76	1.44	0.78

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

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

<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>
\$ 4.96	\$ 4.96	\$ 4.96	\$ 4.96	\$ 4.96	\$ 4.96
<u>1.43</u>	<u>1.45</u>	<u>1.44</u>	<u>1.45</u>	<u>1.42</u>	<u>1.41</u>
6.39	6.41	6.40	6.41	6.38	6.37
4.52	4.52	4.52	4.28	4.28	4.28
0.00	0.84	0.84	0.85	0.79	0.83
2.50	2.46	2.46	2.47	2.46	2.47
0.00	0.00	0.00	0.00	0.14	0.15
0.75	0.71	0.71	0.72	0.70	0.72
0.00	0.00	0.00	0.00	0.06	0.09
0.37	0.37	0.37	0.37	0.37	0.37
3.22	3.22	3.22	2.98	2.98	2.98
0.40	0.40	0.40	0.40	0.40	0.40
0.05	0.05	0.05	0.05	0.05	0.05
0.00	0.00	0.00	0.11	0.11	0.12
0.03	0.03	0.02	0.11	0.11	0.15
0.03	0.03	0.03	0.01	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
0.00	0.05	0.05	0.05	0.05	0.04
0.07	0.07	0.07	0.07	0.07	0.07
2.65	2.65	2.65	2.40	2.40	2.40
0.39	0.46	0.47	0.40	0.32	0.41
0.72	0.72	0.72	0.72	0.72	0.72
5.81	5.81	5.81	5.81	5.81	5.81
0.00	0.00	0.00	0.00	0.00	0.00
0.54	0.54	0.54	0.54	0.54	0.54
2.40	2.40	2.40	2.40	2.40	2.40
0.06	0.11	0.11	0.11	0.11	0.11
0.00	0.00	0.00	0.00	0.00	0.00
1.44	1.44	0.78	0.78	0.78	0.78

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OREGON CITY SCHOOL DISTRICT NO. 62

Clackamas County, Oregon
Principal Taxpayers Within District
June 30, 2020

Taxpayer	June 30, 2020			June 30, 2011		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Portland General Electric Co.	\$ 101,505,444	1	1.75 %	\$ 53,397,000	1	1.29 %
The Landing - 302 LLC	52,922,405	2	0.91			
Northwest Natural Gas Company	32,031,000	3	0.55	24,145,800	2	0.58
Quantum Management	25,524,128	4	0.44	19,003,754	5	0.46
Metropolitan Life Ins. Co.	24,054,005	5	0.41	17,784,964	6	0.43
SUN Communities Op LTD Prtnrshp	23,187,822	6	0.40			
LOJA Trails End LLC	22,391,234	7	0.39	16,744,772	7	0.41
Danielson, Craig T	22,246,534	8	0.38			
Providence Health & Services	21,392,884	9	0.37	14,584,480	9	0.35
Centurylink	19,560,000	10	0.34			
Orchid Orthopedic Solutions OR	17,898,583	11	0.31			
Oregon CTR., LLC	17,557,743	12	0.30			
BCORE MF Edgewater Owner LLC	16,900,493	13	0.29			
BHLP REFI LLC	15,940,074	14	0.27			
Comcast Corporation	12,894,000	15	0.22	14,217,400	10	0.35
Beavercreek Coop. Telephone Co.				21,977,900	3	0.53
Blue Heron Paper Co				20,419,600	4	0.49
Country Village Estates				16,145,163	8	0.39
ALL OTHER TAXPAYERS	<u>5,381,541,653</u>		<u>92.65</u>	<u>3,915,496,288</u>		<u>94.72</u>
TOTAL	<u>\$ 5,807,548,002</u>		<u>99.98 %</u>	<u>\$ 4,133,917,121</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		
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	32,039,928	95.78
2017-18	26,437,039	6,228,704	32,665,743	31,160,139	95.39
2016-17	25,199,914	7,206,382	32,406,296	30,927,781	95.44
2015-16	24,059,659	7,154,424	31,214,083	29,726,274	95.23
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
2010-11	20,152,811	5,894,946	26,047,757	25,085,280	96.30

(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
\$	429,086	(1) \$ 35,014,526	97.22 %	\$ 6,382,328	17.7 %
	1,151,437	33,191,365	99.22	5,380,766	16.1
	399,184	31,559,323	96.61	5,120,290	15.7
	472,757	31,400,538	96.90	4,013,870	12.4
	499,426	30,225,700	96.83	3,008,112	9.6
	651,889	29,664,143	99.72	2,019,729	6.8
	735,218	27,823,982	99.96	1,935,354	7.0
	715,347	26,534,456	99.45	1,925,384	7.2
	684,037	26,306,942	98.98	1,777,360	6.7
	851,404	25,936,684	99.57	1,505,757	5.8

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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)
2019-20	\$ 167,610,791	\$ 30,880,000	\$ -	\$ 3,240,191.00	\$ 117,921	\$ 201,848,903	\$ 18,623,640	3.48 %	unavailable %	\$ 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	1.44	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	1.67	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
2010-11	48,585,000	44,550,000	530,000	750,247	191,086	94,606,333	2,065,846	2.37	0.54	1,694

(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>
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	5,112,806,842
2015-16	61,655	8,094	4,902,505,494
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
2010-11	55,843	7,886	3,996,596,474

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>
\$ 220,472,543	\$ 1,416,803	\$ 219,055,740	3.77 %	\$ 3,282	\$ 27,589
228,926,667	10,516,499	218,410,168	3.92	3,338	27,626
68,864,061	1,107,059	67,757,002	1.27	1,056	8,525
75,205,636	934,095	74,271,541	1.45	1,181	9,322
83,842,729	906,141	82,936,588	1.69	1,345	10,247
91,813,627	778,012	91,035,615	1.92	1,506	11,685
85,787,139	641,630	85,145,509	1.89	1,437	10,883
92,249,446	517,006	91,732,440	2.15	1,579	11,764
92,083,149	546,376	91,536,773	2.21	1,607	11,699
96,672,179	700,857	95,971,322	2.40	1,719	12,170

OREGON CITY SCHOOL DISTRICT NO. 62
 Clackamas County, Oregon
 Direct and Overlapping Governmental Activities Debt
 June 30, 2020

<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>\$ 220,472,543</u>	<u>\$ 220,472,543</u>
<u>OVERLAPPING GOVERNMENT:</u>			
City of Oregon City	100.00	13,625,000	13,625,000
Clackamas RFPD #1	25.23	28,155,960	7,103,749
Clackamas Community College	15.79	88,668,913	14,000,821
Clackamas County ESD	12.19	20,636,690	2,515,613
Clackamas County	11.62	121,210,000	14,084,602
Clackamas Soil & Water Conservation	11.62	6,494,000	754,603
City of Gladstone	3.26	3,857,291	125,748
Metro	2.01	964,085,000	19,378,109
Molalla RFPD #73	0.02	2,165,000	433
Oak Lodge Water Services District	18.88	1,145,000	216,176
Subtotal Overlapping Debt			<u>71,804,854</u>
Total Direct and Overlapping Debt			<u><u>\$ 292,277,397</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
2019-20	\$ 9,723,458,211	\$ 773,014,928	\$ 219,055,740	\$ 553,959,188	28.34 %
2018-19	8,974,044,265	713,436,519	218,410,168	495,026,351	30.61
2017-18	8,201,540,041	652,022,433	67,757,002	584,265,431	10.39
2016-17	7,375,278,484	586,334,639	74,271,541	512,063,098	12.67
2015-16	6,533,104,678	519,381,822	82,936,588	436,445,234	15.97
2014-15	5,892,815,978	468,478,870	91,035,615	377,443,255	19.43
2013-14	5,008,064,013	398,141,089	85,145,509	312,995,580	21.39
2012-13	5,261,997,790	418,328,824	91,732,440	326,596,384	21.93
2011-12	5,647,284,125	448,959,088	91,536,773	355,803,095	10.63
2010-11	6,222,914,277	494,721,685	95,971,322	398,750,363	19.40

(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)
2019-20	\$ 66,738	\$ Unavailable	\$ Unavailable	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
2010-11	55,843	17,457,115	45,915	7,559	8.5	1,440	121,533

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, 2020

Employer	June 30, 2020		June 30, 2011	
	Employees	Percent of Total Estimated Employment	Employees (1)	Percent of Total Estimated Employment
Clackamas County Government	2,450	3.74 %	2,297	4.14 %
Oregon City School District No. 62	987	1.51	858	1.55
Providence Willamette Falls Hospital	670	1.02	680	1.23
Clackamas Community College	548	0.84	985	1.78
Benchmade Knife Co., Inc.	393	0.60	n/a	n/a
Fred Meyer	377	0.58	347	0.63
Home Depot	297	0.45	200	n/a
Orchard Orthopedic Solutions Oregon, Inc.	280	0.43	n/a	n/a
City of Oregon City	250	0.38	224	0.40
Safeway	156	0.24	n/a	n/a
TOTAL	6,408	9.79 %	5,591	9.73 %

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 & Oregon City School District No. 62 annual survey of District employers - may not include temporary employees

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

FUNCTION	2019-20	2018-19	2017-18	2016-17
General Fund:				
Instruction	451.4	446.3	452.1	443.4
Support Services	270	255.7	254.6	247.6
Enterprise/Community Services	3.5	3.5	4.3	4.3
Total General Fund	<u>724.9</u>	<u>705.5</u>	<u>711.0</u>	<u>695.3</u>
Special Revenue Funds:				
Instruction	33.5	30.0	32.8	30.3
Support Services	17.3	17.6	15.7	15.1
Enterprise/Community Services	36.7	36.5	34.6	32.1
Total Special Revenue Funds	<u>87.5</u>	<u>84.1</u>	<u>83.1</u>	<u>77.5</u>
Capital Projects Funds:				
Support Services	3.3	3.0	0.0	0.0
Facilities Acquisition/Construction	0.5	0.5	0.0	0.0
Total Capital Projects Funds	<u>3.8</u>	<u>3.5</u>	<u>0.0</u>	<u>0.0</u>
Internal Service Fund:				
Support Services	1.5	1.0	1.0	1.0
Total Internal Service Fund	<u>1.5</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
Trust and Agency Funds:				
Instruction	34.7	28.4	26.2	26.2
Support Services	10.2	10.7	9.8	9.8
Total Trust and Agency Funds	<u>44.9</u>	<u>39.1</u>	<u>36.0</u>	<u>36.0</u>
Grand Total All Funds	<u><u>862.6</u></u>	<u><u>833.2</u></u>	<u><u>831.1</u></u>	<u><u>809.8</u></u>

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

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

<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>
438.6	409.5	412.8	406.2	403.7	397.4
250.1	257.5	247.5	234.8	235.6	240.0
4.3	5.3	4.8	2.7	2.5	2.6
<u>692.9</u>	<u>672.3</u>	<u>665.1</u>	<u>643.7</u>	<u>641.8</u>	<u>640.0</u>
34.2	48.5	57.8	46.0	43.8	51.1
17.6	13.7	12.6	14.7	14.2	22.4
29.8	31.9	30.5	31.1	32.5	30.7
<u>81.6</u>	<u>94.1</u>	<u>100.9</u>	<u>91.8</u>	<u>90.5</u>	<u>104.2</u>
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	0.5	0.5	0.5	0.5
<u>1.0</u>	<u>1.0</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>
28.1	28.6	20.6	15.7	12.2	8.6
7.9	5.7	6.8	4.1	2.9	2.1
<u>35.9</u>	<u>34.3</u>	<u>27.4</u>	<u>19.8</u>	<u>15.1</u>	<u>10.7</u>
<u>811.5</u>	<u>801.7</u>	<u>793.9</u>	<u>755.8</u>	<u>747.9</u>	<u>755.4</u>

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OREGON CITY SCHOOL DISTRICT NO. 62

Clackamas County, Oregon

Operating Statistics

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Enroll-ment</u>	<u>Non-GAAP Operating Expenditures (1)</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Expenditures (2)</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Pupil - Teacher Ratio</u>	<u>Percentage of Students Receiving Free or Reduced Price Meals</u>
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
2010-11	7,559	72,108,814	9,539	3.93	82,037,989	10,853	4.14	19.90 :1	37.8

(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>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>
<u>REVENUES AND OTHER FINANCING SOURCES:</u>				
Local Sources:				
Property Taxes (2)	\$ 27,999,784 30.55%	\$ 27,433,353 31.82%	\$ 25,607,549 31.12%	\$ 24,516,105 31.22%
Miscellaneous Local Sources	1,509,196 1.65%	2,005,527 2.33%	1,739,200 2.11%	1,627,088 2.07%
Total Local Sources	29,508,980 32.20%	29,438,880 34.15%	27,346,979 33.23%	26,143,193 33.29%
Intermediate Sources:	1,563,669 1.71%	963,643 1.12%	1,011,874 1.23%	812,538 1.03%
State Sources:				
School Support Fund	53,373,602 58.24%	50,952,895 59.11%	49,944,856 60.70%	45,070,857 57.39%
Miscellaneous and Restricted Grants	622,808 0.68%	899,794 1.04%	873,709 1.06%	1,674,134 2.13%
Total State Sources	53,996,410 58.92%	51,852,689 60.15%	50,818,565 61.76%	46,744,991 59.52%
Federal Sources	7,111 0.01%	34,069 0.04%	10,063 0.01%	15,466 0.02%
Other Financing Sources	- 0.00%	- 0.00%	- 0.00%	1,516 0.00%
Beginning Fund Balance Available for Appropriation	6,571,096 7.17%	3,913,934 4.54%	3,095,393 3.76%	4,816,838 6.13%
Total Revenues and Other Financing Sources	<u>\$ 91,647,266</u>	<u>\$ 86,203,215</u>	<u>\$ 82,282,874</u>	<u>\$ 78,534,542</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

2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
\$ 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%	\$ 19,510,059 29.65%
1,680,626 2.14%	1,627,124 2.17%	1,644,911 2.38%	1,879,953 2.85%	1,764,372 2.66%	1,971,665 3.00%
25,089,764 31.94%	23,791,699 31.79%	22,412,268 32.39%	21,592,723 32.73%	21,561,498 32.48%	21,481,724 32.65%
797,721 1.02%	383,586 0.51%	64 0.00%	42,344 0.06%	15,712 0.02%	10,323 0.02%
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%	34,756,309 52.83%
1,388,338 1.77%	1,463,184 1.96%	781,877 1.13%	1,012,485 1.53%	2,828,431 4.26%	1,175,673 1.79%
48,539,916 61.80%	47,070,584 62.91%	43,488,821 62.85%	39,534,061 59.93%	39,782,086 59.92%	35,931,982 54.62%
76,412 0.10%	9,821 0.01%	41,377 0.06%	42,851 0.06%	70,271 0.11%	2,711,234 4.12%
- 0.00%	120,000 0.16%	194,069 0.28%	- 0.00%	- 0.00%	26,242 0.04%
4,044,613 5.15%	3,452,802 4.61%	3,057,703 4.42%	4,754,153 7.21%	4,958,887 7.47%	5,629,375 8.56%
<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>	<u>\$ 65,790,880</u>

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

	2019-20	2018-19	2017-18	2016-17
EXPENDITURES:				
Instruction:				
Regular Instruction	\$ 33,957,632 39.20%	\$ 31,121,711 39.08%	\$ 31,218,535 39.86%	\$ 30,325,725 40.35%
Special Programs	20,913,743 24.14%	19,495,589 24.48%	18,415,635 23.51%	17,639,926 23.47%
Support Services:				
Students	7,832,820 9.04%	6,563,098 8.24%	6,832,544 8.72%	6,447,301 8.58%
Instructional Staff	2,390,043 2.76%	2,047,246 2.57%	1,641,405 2.10%	1,658,608 2.21%
General Administration	556,346 0.64%	574,897 0.72%	514,963 0.66%	497,773 0.66%
School Administration	4,435,937 5.12%	4,058,146 5.10%	3,936,592 5.03%	3,785,739 5.04%
Business:				
Direction and Fiscal Services	1,251,447 1.44%	1,223,849 1.54%	1,189,829 1.52%	976,524 1.30%
Operation and Maintenance of Plant	6,165,259 7.12%	5,845,022 7.34%	5,832,038 7.45%	5,476,735 7.29%
Student Transportation	5,219,552 6.02%	5,126,992 6.44%	4,985,024 6.36%	5,120,870 6.81%
Internal Services	688,289 0.79%	675,032 0.85%	693,165 0.88%	506,320 0.67%
Central Support	1,956,427 2.26%	1,860,844 2.34%	2,011,079 2.57%	1,687,052 2.24%
Enterprise/Community Services	866,312 1.00%	839,693 1.05%	796,808 1.02%	818,324 1.09%
Facilities Acquisition/Construction	3,547.00 0.00%	- 0.00%	10,410 0.01%	167 0.00%
Debt Service	- 0.00%	- 0.00%	- 0.00%	- 0.00%
Other Uses - Transfers Out	400,000 0.46%	200,000 0.25%	250,000 0.32%	210,000 0.28%
Total Expenditures	\$ 86,637,354	79,632,119	\$ 78,328,027	\$ 75,151,064
Student Enrollment *	7,490	7,414	7,412	7,425
Expenditures/Other Uses Per Student	\$ 11,567	10,741	\$ 10,568	\$ 10,121

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

2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
\$ 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%	\$ 26,199,307 43.02%
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%	12,726,494 20.90%
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%	3,482,194 5.72%
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%	1,479,838 2.43%
467,005 0.63%	503,499 0.71%	484,161 0.73%	448,547 0.72%	449,077 0.73%	442,786 0.73%
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%	3,946,737 6.48%
1,090,253 1.47%	985,052 1.39%	941,162 1.43%	863,874 1.38%	806,692 1.31%	780,294 1.28%
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%	5,109,820 8.39%
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%	4,082,513 6.70%
463,497 0.63%	555,570 0.78%	460,237 0.70%	347,947 0.56%	446,213 0.72%	221,355 0.36%
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%	1,720,129 2.82%
793,657 1.07%	671,696 0.95%	587,134 0.89%	523,197 0.84%	513,441 0.83%	502,915 0.83%
- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%
- 0.00%	- 0.00%	- 0.00%	- 0.00%	27,399 0.04%	201,558 0.33%
55,000 0.07%	120,000 0.17%	194,069 0.29%	- 0.00%	254,228 0.41%	- 0.00%
<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>	<u>\$ 60,895,940</u>
7,535	7,452	7,487	7,387	7,499	7,559
\$ 9,812	\$ 9,517	\$ 8,815	\$ 8,481	\$ 8,222	\$ 8,056

OREGON CITY SCHOOL DISTRICT NO. 62

Clackamas County, Oregon

Capital Asset Information

Last Ten Fiscal Years

Elementary Schools:	Year Built	2019-20	2018-19	2017-18	2016-17
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	-
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 (June 30) 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

2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
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, 2020

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	0.00	0.00	0.00	0.00	0.00	0.00
2	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	2.50	1.00	0.50	13.18	0.00	1.00	18.18
4	5.00	0.00	1.00	11.90	0.00	2.00	19.90
5	3.00	0.00	-	7.00	4.00	3.00	17.00
6	2.00	1.00	1.00	10.00	5.00	2.00	21.00
7	1.00	1.00	1.00	12.30	2.00	5.25	22.55
8	2.00	0.00	0.00	16.08	8.40	6.40	32.88
9	0.00	0.00	0.00	6.85	4.75	5.00	16.60
10	1.00	2.00	-	12.85	2.00	7.80	25.65
11	0.00	0.00	1.00	9.15	2.60	8.00	20.75
12	2.00	3.00	0.00	14.00	2.50	5.00	26.50
13	2.00	1.00	-	5.50	8.00	5.60	22.10
14	0.00	5.00	1.00	3.80	11.55	7.00	28.35
15	0.00	0.00	4.60	6.50	8.25	14.70	34.05
16	0.00	0.00	0.00	3.00	5.00	4.75	12.75
17	0.00	0.00	0.00	35.05	22.75	6.50	64.30
18	0.00	0.00	0.00	0.00	0.00	53.95	53.95
Total FTE	20.50	14.00	10.10	167.16	86.80	137.95	436.51

Estimated Average Teacher Salary: \$69,017

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
2019-20	445	17.2	370,685	143,467	820,683	N/A (2)
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
2010-11	475	19.9	562,088	233,899	997,693	4,125

(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

	2019-20	2018-19 (3)	2017-18	2016-17
REVENUES AND OTHER FINANCING SOURCES:				
Local sources:				
Current/prior years' taxes (1)	\$ 36,230,239	\$ 33,637,399	\$ 32,528,791	\$ 32,145,125
Earnings on investments	5,232,409	3,797,371	497,541	373,216
Food services	618,774	784,005	726,479	658,489
Extracurricular activities	1,883,246	2,828,278	2,978,817	2,469,635
Community service activities	1,290,256	1,931,714	1,716,336	1,622,979
Miscellaneous	6,446,627	5,886,955	5,845,475	5,560,646
Total local sources	<u>51,701,551</u>	<u>48,865,722</u>	<u>44,293,439</u>	<u>42,830,091</u>
Intermediate sources:				
ESD funds	1,561,108	1,659,392	1,719,632	1,544,944
Miscellaneous	46,374	91,565	19,303	-
Total intermediate sources	<u>1,607,482</u>	<u>1,750,957</u>	<u>1,738,935</u>	<u>1,544,944</u>
State sources:				
School support fund	53,249,564	53,747,710	49,035,197	45,639,701
SSF - transportation	5,106,343	1,266,687	5,079,705	3,353,077
Common school fund	715,901	885,728	761,380	942,191
Restricted grants	2,168,337	1,387,326	331,776	177,725
Miscellaneous	515,977	906,515	1,985,382	712,896
Total state sources	<u>61,756,122</u>	<u>58,193,966</u>	<u>57,193,440</u>	<u>50,825,589</u>
Federal sources:				
School nutrition	1,148,150	1,178,735	1,208,760	1,278,409
Restricted grants	4,754,613	4,129,096	3,615,665	3,857,190
Miscellaneous	-	31,205	8,521	15,466
Total federal sources	<u>5,902,763</u>	<u>5,339,036</u>	<u>4,832,946</u>	<u>5,151,065</u>
Other financing sources:				
Transfers in	400,000	200,000	250,000	324,000
Lease purchase proceeds	-	163,800	142,830	149,505
Loan Proceeds	2,100,000	-	2,249,436	447,386
Bond proceeds	-	175,869,731	-	-
Sale or compensation for loss of capital assets	14,380	444,119	1,502,528	1,516
Total other financing sources	<u>2,514,380</u>	<u>176,677,650</u>	<u>4,144,794</u>	<u>922,407</u>
Beginning fund balance available for appropriation (2)	<u>181,549,265</u>	<u>11,968,908</u>	<u>8,545,678</u>	<u>11,225,945</u>
Total revenues and other financing sources	<u>\$ 305,031,563</u>	<u>\$ 302,796,239</u>	<u>\$ 120,749,232</u>	<u>\$ 112,500,041</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

	2015-16	2014-15	2013-14	2012-13 (3)	2011-12	2010-11
\$	30,952,392	\$ 29,276,856	\$ 27,580,481	\$ 26,513,339	\$ 26,068,553	\$ 25,502,789
	282,327	158,809	127,964	135,352	124,930	116,206
	654,650	627,501	652,412	694,671	686,866	734,963
	2,767,164	2,197,457	2,351,397	2,366,570	2,429,741	2,300,130
	1,609,032	1,392,297	1,143,158	1,186,587	1,078,586	1,073,674
	5,450,722	5,652,170	5,333,824	5,431,920	5,134,714	5,387,244
	<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>	<u>35,115,006</u>
	1,570,214	1,136,944	767,026	788,540	831,681	626,308
	23,875	21,067	38,538	58,056	15,712	36,031
	<u>1,594,090</u>	<u>1,158,011</u>	<u>805,564</u>	<u>846,596</u>	<u>847,393</u>	<u>662,339</u>
	46,538,935	45,299,224	41,819,628	37,528,883	35,159,868	33,006,857
	3,762,935	2,950,397	3,061,744	3,081,126	3,202,382	2,869,333
	893,542	741,068	349,970	731,466	664,479	666,651
	1,029,042	906,575	540,976	9,250	1,788,584	41,884
	483,333	590,440	410,035	906,075	408,128	467,139
	<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>	<u>37,051,864</u>
	1,446,811	1,306,545	644,000	1,318,774	1,346,261	1,318,297
	3,667,226	3,901,761	4,783,660	3,420,393	3,655,357	7,972,623
	76,412	9,821	41,377	42,851	46,937	151,454
	<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>	<u>9,442,374</u>
	55,000	380,000	305,931	103,782	254,228	-
	187,179	-	100,081	-	-	134,263
	525,000	16,140,000	1,023,500	5,150,000	437,000	353,175
	-	1,865,440	-	38,941,785	-	-
	11,200	2,328,523	127,049	374,800	5,859	11,873
	<u>778,379</u>	<u>20,713,963</u>	<u>1,556,561</u>	<u>44,570,367</u>	<u>697,087</u>	<u>499,311</u>
	22,488,116	8,775,708	9,646,030	10,107,357	9,723,219	10,703,003
\$	<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>	<u>\$ 93,473,897</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

	2019-20 (3)	2018-19 (1)	2017-18	2016-17
EXPENDITURES:				
Instruction:				
Regular instruction:				
Elementary	\$ 16,216,928	\$ 15,194,618	\$ 14,714,389	\$ 14,372,104
Middle school	9,548,478	8,403,888	8,493,606	7,631,239
High school	14,575,361	13,863,715	13,674,208	12,988,113
Special programs:				
Restrictive programs	6,836,566	6,736,262	6,828,746	6,402,457
Less restrictive programs	4,727,983	4,081,389	3,773,986	3,287,734
Charter School Payments	8,477,312	7,769,800	6,776,853	6,600,180
Other programs	3,596,235	3,470,480	3,770,691	3,711,524
Total instruction	<u>63,978,863</u>	<u>59,520,152</u>	<u>58,032,479</u>	<u>54,993,352</u>
Support services:				
Students:				
Guidance/health services	3,429,671	2,934,849	2,851,778	2,541,795
Psychological/speech services	2,596,741	2,475,810	2,378,779	2,232,570
Student support direction	2,301,453	1,911,269	2,341,459	2,304,888
Other	1,290,789	1,108,091	918,100	948,656
Instructional staff support:				
Educational media services	912,442	833,020	808,609	890,281
Other	1,995,986	1,710,171	1,296,523	1,287,669
General administration	556,345	575,770	514,963	497,773
School administration	5,014,296	4,569,258	4,471,954	4,265,074
Business:				
Direction and fiscal services	2,316,713	1,444,991	1,203,661	1,051,570
Operation and maintenance	7,687,984	6,325,485	5,989,108	5,861,254
Student transportation	5,961,272	5,770,942	5,631,851	5,445,168
Internal services	1,276,597	1,218,583	1,230,096	1,095,433
Central support	2,814,090	2,658,695	2,223,556	1,980,857
Total support services	<u>38,154,379</u>	<u>33,536,934</u>	<u>31,860,437</u>	<u>30,402,988</u>
Enterprise/community services:				
Food services	2,463,321	2,550,002	2,574,619	2,288,072
Community education	718,399	723,526	650,996	589,440
Child care services	1,442,207	1,212,467	1,176,657	957,620
Other	184,665	173,307	178,318	306,515
Total enterprise/community services	<u>4,808,592</u>	<u>4,659,302</u>	<u>4,580,590</u>	<u>4,141,646</u>
Facilities acquisition/construction	<u>23,959,516</u>	<u>3,266,937</u>	<u>2,176,662</u>	<u>1,523,239</u>
Debt service	<u>22,226,821</u>	<u>20,063,649</u>	<u>11,880,156</u>	<u>12,569,138</u>
Other financing uses: transfers out	<u>400,000</u>	<u>200,000</u>	<u>250,000</u>	<u>324,000</u>
Total expenditures and other financing uses	<u>\$ 153,528,171</u>	<u>\$ 121,246,974</u>	<u>\$ 108,780,325</u>	<u>\$ 103,954,363</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

2015-16 (2)	2014-15	2013-14	2012-13 (1)	2011-12	2010-11
\$ 14,251,229	\$ 13,719,411	\$ 12,260,192	\$ 11,756,731	\$ 13,645,117	\$ 14,052,476
7,307,658	7,194,299	6,947,250	6,845,765	4,729,225	4,806,718
13,714,094	13,205,323	11,956,671	11,344,259	10,521,316	10,337,936
6,683,427	7,139,815	7,771,745	5,641,289	6,797,976	7,260,110
3,144,562	3,268,731	2,664,210	2,589,100	2,350,910	2,150,269
6,692,059	5,978,326	5,364,726	4,474,877	4,049,138	3,448,867
3,634,393	3,373,772	3,426,048	4,719,677	3,018,686	3,170,164
<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>	<u>45,226,540</u>
2,023,653	2,446,946	226,392	1,981,756	1,844,879	1,844,971
2,082,733	1,974,578	1,647,988	1,495,002	1,507,156	1,562,486
2,169,853	1,208,656	648,173	640,761	584,591	790,625
1,283,155	689,972	520,161	377,411	371,812	353,907
915,901	908,837	824,817	839,025	731,435	876,564
1,248,430	1,278,354	1,372,967	1,181,789	1,268,741	1,630,880
494,339	504,257	484,734	448,930	449,077	445,286
4,303,339	4,245,195	4,085,597	3,965,966	4,269,794	4,243,399
1,115,516	1,028,412	980,928	905,903	815,108	793,863
5,892,487	6,033,602	5,761,176	5,541,183	5,335,483	5,666,180
5,549,379	5,198,941	4,867,074	4,815,672	4,473,922	4,441,106
1,087,301	906,040	923,252	844,715	888,363	916,711
2,183,896	1,909,639	1,909,168	2,193,608	2,007,322	2,127,197
<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>	<u>25,693,175</u>
2,365,490	2,196,862	2,181,957	2,127,201	2,105,418	2,055,817
740,367	620,967	562,777	464,667	455,671	452,202
934,813	1,005,769	826,062	869,937	813,656	699,402
131,636	122,546	118,896	188,247	174,669	237,175
<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>	<u>3,444,596</u>
11,143,553	979,299	1,262,617	4,462,018	25,256	-
<u>12,100,899</u>	<u>15,651,937</u>	<u>10,521,521</u>	<u>48,857,802</u>	<u>9,466,779</u>	<u>9,386,367</u>
<u>55,000</u>	<u>380,000</u>	<u>305,931</u>	<u>103,782</u>	<u>254,228</u>	<u>-</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>	<u>\$ 83,750,678</u>

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Oregon Department of Education - Form 3211C
Public School System Support Data
For the Fiscal Year Ended June 30, 2020

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

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

Function 2540

\$ 879,522

Function 2550

\$ 23,248

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:

\$ 133,360

OREGON CITY SCHOOL DISTRICT NO. 62

Clackamas County, Oregon
District Revenue Audit Summary - All Funds
For the Fiscal Year Ended June 30, 2020

	Totals	Fund 100	Fund 200	Fund 300	Fund 400	Fund 600	Fund 700
Revenue from Local Sources							
1110 Ad Valorem Taxes Levied by District	\$ 35,028,353	\$ 27,921,155	\$ -	\$ 7,107,198	\$ -	\$ -	\$ -
1120 Local Option Ad Valorem Taxes Levied by District	-	-	-	-	-	-	-
1130 Construction Excise Tax	1,105,659	-	-	-	1,105,659.00	-	-
1190 Penalties and Interest on Taxes	96,228	78,629	-	17,599	-	-	-
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	3,424	3,424	-	-	-	-	-
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	64,455	64,455	-	-	-	-	-
1500 Earnings on Investments	5,232,409	485,929	31,161	74,535	4,627,586	10,941	2,257
1600 Food Service	618,774	-	618,774	-	-	-	-
1700 Extracurricular Activities	1,883,247	99,073	1,734,817	-	26,500	-	22,857
1800 Community Services Activities	1,290,256	222,811	1,067,445	-	-	-	-
1910 Rentals	364,577	355,149	2,638	-	6,790	-	-
1920 Contributions and Donations From Private Sources	34,594	6,272	27,082	-	-	-	1,240
1930 Rental or Lease Payments From Private Contractors	-	-	-	-	-	-	-
1940 Services Provided Other Local Education Agencies	31,608	31,608	-	-	-	-	-
1950 Textbook Sales and Rentals	-	-	-	-	-	-	-
1960 Recovery of Prior Years' Expenditure	90,333	1,515	-	-	-	88,818	-
1970 Services Provided Other Funds	5,010,096	129	16,897	4,282,727	-	710,343	-
1980 Fees Charged to Grants	95,513	95,513	-	-	-	-	-
1990 Miscellaneous	752,025	143,317	42,105	-	544,628	21,465	510
Total Revenue from Local Sources	51,701,551	29,508,979	3,540,919	11,482,059	6,311,163	831,567	26,864
Revenue from Intermediate Sources							
2101 County School Funds	2,561	2,561	-	-	-	-	-
2102 General ESD Revenue	1,561,108	1,561,108	-	-	-	-	-
2103 Excess ESD Local Revenue	-	-	-	-	-	-	-
2105 Natural Gas, Oil, and Mineral Receipts	-	-	-	-	-	-	-
2110 Intermediate "I" Tax	-	-	-	-	-	-	-
2199 Other Intermediate Sources	-	-	-	-	-	-	-
2200 Restricted Revenue	43,813	-	43,813	-	-	-	-
2800 Revenue in Lieu of Taxes	-	-	-	-	-	-	-
2900 Revenue for/on Behalf of the District	-	-	-	-	-	-	-
Total Revenue from Intermediate Sources	1,607,482	1,563,669	43,813	-	-	-	-
Revenue from State Sources							
3101 State School Fund - General Support	53,228,016	48,878,797	524,381	-	-	-	3,824,838
3102 State School Fund - School Lunch Match	21,548	-	21,548	-	-	-	-
3103 Common School Fund	715,901	715,901	-	-	-	-	-
3104 State Managed County Timber	2,561	2,561	-	-	-	-	-
3105 State School Fund - Transportation	3,776,343	3,776,343	-	-	-	-	-
3106 State School Fund - Accrual	-	-	-	-	-	-	-
3199 Other Unrestricted Grants-in-Aid	513,415	508,358	5,057	-	-	-	-
3204 Driver Education	114,450	114,450	-	-	-	-	-
3222 State School Fund (SSF) Transportation Equipment	1,330,000	-	440,000	-	890,000	-	-
3223 State School Fund - Lunch	11,108	-	11,108	-	-	-	-
3299 Other Restricted Grants-in-Aid	2,042,780	-	1,480,235	-	-	-	562,545
3800 Revenue in Lieu of Taxes	-	-	-	-	-	-	-
3900 Revenue for/on Behalf of the District	-	-	-	-	-	-	-
Total Revenue from State Sources	61,756,122	53,996,410	2,482,329	-	890,000	-	4,387,383
Revenue from Federal Sources							
4100 Unrestricted Revenue Direct From the Federal Government	-	-	-	-	-	-	-
4200 Unrestricted Revenue From the Federal Government Through the State	41,908	7,111	34,797	-	-	-	-
4300 Restricted Revenue From the Federal Government	-	-	-	-	-	-	-
4500 Restricted Revenue From the Federal Government Through the State	5,348,141	-	4,887,442	-	-	-	460,699
4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies	357,565	-	170,128	-	-	-	187,437
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	155,149	-	155,149	-	-	-	-
Total Revenue from Federal Sources	5,902,763	7,111	5,247,516	-	-	-	648,136
Revenue from Other Sources							
5100 Long Term Debt Financing Sources	2,100,000	-	2,100,000	-	-	-	-
5200 Interfund Transfers	400,000	-	300,000	-	-	100,000	-
5300 Sale of or Compensation for Loss of Fixed Assets	14,380	-	1,000	-	13,380	-	-
5400 Resources - Beginning Fund Balance	181,549,265	6,571,097	2,779,893	10,516,498	160,910,153	558,338	213,286
Total Revenue from Other Sources	184,063,645	6,571,097	5,180,893	10,516,498	160,923,533	658,338	213,286
Grand Total	\$ 305,031,563	\$ 91,647,266	\$ 16,495,470	\$ 21,998,557	\$ 168,124,696	\$ 1,489,905	\$ 5,275,669

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
District Expenditure Audit Summary - General Fund
For the Fiscal Year Ended June 30, 2020

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Instruction Expenditures								
1111 Elementary, K-5 or K-6	\$ 15,860,599	\$ 9,770,744	\$ 5,920,599	\$ 28,271	\$ 140,985	\$ -	\$ -	\$ -
1113 Elementary Extracurricular	-	-	-	-	-	-	-	-
1121 Middle/Junior High Programs	8,353,754	5,206,434	3,015,073	28,406	103,841	-	-	-
1122 Middle/Junior High School Extracurricular	89,207	66,112	21,638	803	654	-	-	-
1131 High School Programs	9,225,092	5,790,914	3,234,950	29,459	167,315	-	2,454	-
1132 High School Extracurricular	428,980	272,329	77,664	64,268	8,198	-	6,521	-
1140 Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210 Programs for the Talented and Gifted	44,926	24,817	9,203	10,558	348	-	-	-
1220 Restrictive Programs for Students with Disabilities	6,153,877	2,411,625	1,581,112	2,156,064	5,076	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	4,441,479	2,596,489	1,803,772	2,311	38,907	-	-	-
1260 Treatment and Habilitation	-	-	-	-	-	-	-	-
1271 Remediation	-	-	-	-	-	-	-	-
1272 Title I	-	-	-	-	-	-	-	-
1280 Alternative Education	8,484,649	335,187	188,742	7,954,439	6,281	-	-	-
1291 English Second Language Programs	1,788,812	1,083,380	686,335	14,092	5,005	-	-	-
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	\$ 54,871,375	\$ 27,558,031	\$ 16,539,088	\$ 10,288,671	\$ 476,610	\$ -	\$ 8,975	\$ -
Support Services Expenditures								
2110 Attendance and Social Work Services	\$ 346,071	\$ 199,298	\$ 135,784	\$ 10,827	\$ 37	\$ -	\$ 125	\$ -
2120 Guidance Services	2,239,359	1,402,772	826,703	3,465	1,879	-	4,540	-
2130 Health Services	690,207	263,112	167,324	242,798	16,793	-	180	-
2140 Psychological Services	575,580	354,408	169,279	39,645	12,248	-	-	-
2150 Speech Pathology and Audiology Services	1,514,933	933,044	538,608	38,954	2,822	-	1,505	-
2160 Other Student Treatment Services	333,013	197,248	125,733	2,937	6,870	-	225	-
2190 Service Direction, Student Support Services	2,133,657	1,180,794	677,566	248,073	22,330	1,180,794	4,894	-
2210 Improvement of Instruction Services	858,724	385,218	189,487	118,911	159,774	-	5,334	-
2220 Educational Media Services	908,431	493,438	360,534	1,689	52,770	-	-	-
2230 Assessment & Testing	58,403	33,467	24,936	-	-	-	-	-
2240 Instructional Staff Development	564,485	110,634	426,203	27,648	-	-	-	-
2310 Board of Education Services	137,737	40,594	23,519	59,215	3,903	-	10,506	-
2320 Executive Administration Services	418,609	222,813	127,112	58,653	7,220	-	2,811	-
2410 Office of the Principal Services	4,435,937	2,667,107	1,593,225	77,525	77,906	-	20,174	-
2490 Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510 Direction of Business Support Services	269,297	197,594	49,465	17,309	4,334	-	595	-
2520 Fiscal Services	982,150	573,952	302,738	69,914	23,518	-	12,028	-
2540 Operation and Maintenance of Plant Services	6,165,259	2,117,567	1,506,495	1,978,124	416,662	144,520	1,891	-
2550 Student Transportation Services	5,219,552	2,643,336	1,858,493	325,284	298,735	-	93,704	-
2570 Internal Services	688,289	94,747	63,091	167,737	6,749	-	355,965	-
2610 Direction of Central Support Services	-	-	-	-	-	-	-	-
2620 Planning, Research, Development, Evaluation Services, Grant	-	752	111	11,770	-	-	-	-
Writing and Statistical Services	12,633	-	-	-	-	-	-	-
2630 Information Services	190,808	110,312	54,446	6,558	19,357	-	135	-
2640 Staff Services	571,103	314,550	161,502	36,580	56,856	-	1,615	-
2660 Technology Services	1,012,482	253,809	151,829	464,341	82,637	31,352	28,514	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2680 Interpretation and Translation Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	169,401	164,505	4,896	-	-	-	-	-
Total Support Services Expenditures	\$ 30,496,120	\$ 14,955,071	\$ 9,539,079	\$ 4,007,957	\$ 1,273,400	\$ 175,872	\$ 544,741	\$ -
Enterprise and Community Services Expenditures								
3100 Food Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	866,312	500,860	222,632	50,979	73,517	16,409	1,915	-
3500 Custody and Care of Children Services	-	-	-	-	-	-	-	-
Total Enterprise and Community Services Expenditures	\$ 866,312	\$ 500,860	\$ 222,632	\$ 50,979	\$ 73,517	\$ 16,409	\$ 1,915	\$ -
Facilities Acquisition and Construction Expenditures								
4110 Service Area Direction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4120 Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150 Building Acquisition, Construction, and Improvement Services	3,547	-	-	3,547	-	-	-	-
4180 Other Capital Items	-	-	-	-	-	-	-	-
4190 Other Facilities Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures	\$ 3,547	\$ -	\$ -	\$ 3,547	\$ -	\$ -	\$ -	\$ -
Other Uses Expenditures								
5100 Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5200 Transfers of Funds	400,000	-	-	-	-	-	-	400,000
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400,000
Grand Total	\$ 86,637,354	\$ 43,013,962	\$ 26,300,799	\$ 14,351,154	\$ 1,823,527	\$ 192,281	\$ 555,631	\$ 400,000

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
District Expenditure Audit Summary - Special Revenue Funds
For the Fiscal Year Ended June 30, 2020

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Instruction Expenditures								
1111 Elementary, K-5 or K-6	\$ 48,152	\$ 10,625	\$ 3,589	\$ -	\$ 33,938	\$ -	\$ -	\$ -
1112 Intermediate, 4-6	54,473	-	-	52,200	2,273	-	-	-
1113 Elementary Extracurricular	213,200	-	-	-	213,200	-	-	-
1121 Middle/Junior High Programs	95,073	45,134	25,896	-	24,043	-	-	-
1122 Middle/Junior High School Extracurricular	210,191	5,093	2,655	57,169	145,274	-	-	-
1131 High School Programs	1,098,091	550,225	314,220	169,979	62,615	-	1,052	-
1132 High School Extracurricular	1,281,059	33,703	3,321	6,281	1,237,422	-	332	-
1140 Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210 Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220 Restrictive Programs for Students with Disabilities	682,688	405,270	276,824	-	594	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	286,504	122,760	87,806	51,861	24,077	-	-	-
1260 Treatment and Habilitation	-	-	-	-	-	-	-	-
1271 Remediation	-	-	-	-	-	-	-	-
1272 Title I	653,751	360,894	278,195	-	14,662	-	-	-
1280 Alternative Education	589,950	61,537	31,394	492,000	5,019	-	-	-
1291 English Second Language Programs	23,016	10,306	2,673	7,217	2,820	-	-	-
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	\$ 5,236,148	\$ 1,605,547	\$ 1,026,573	\$ 836,707	\$ 1,765,937	\$ -	\$ 1,384	\$ -
Support Services Expenditures								
2110 Attendance and Social Work Services	\$ 294,383	\$ 121,381	\$ 76,751	\$ 67,831	\$ 19,634	\$ -	\$ 8,786	\$ -
2120 Guidance Services	119,879	69,898	45,015	4,502	184	-	280	-
2130 Health Services	2,631	-	-	1,415	1,204	-	12	-
2140 Psychological Services	504,204	305,708	184,459	1,278	8,469	-	4,290	-
2150 Speech Pathology and Audiology Services	2,025	1,469	490	-	66	-	-	-
2160 Other Student Treatment Services	278,321	170,705	107,032	-	584	-	-	-
2190 Service Direction, Student Support Services	167,796	103,601	52,605	169	11,421	-	-	-
2210 Improvement of Instruction Services	100,771	63,629	37,142	-	-	-	-	-
2220 Educational Media Services	2,954	-	-	-	2,954	-	-	-
2230 Assessment & Testing	-	-	-	-	-	-	-	-
2240 Instructional Staff Development	413,391	210,218	110,841	79,810	3,154	-	9,368	-
2310 Board of Education Services	-	-	-	-	-	-	-	-
2320 Executive Administration Services	-	-	-	-	-	-	-	-
2410 Office of the Principal Services	2,948	-	-	2,948	-	-	-	-
2490 Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510 Direction of Business Support Services	-	-	-	-	-	-	-	-
2520 Fiscal Services	66,234	-	-	991	3,866	-	61,377	-
2540 Operation and Maintenance of Plant Services	65,847	30,522	22,940	-	12,385	-	-	-
2550 Student Transportation Services	699,634	-	-	809	-	698,825	-	-
2570 Internal Services	1,955	-	-	-	1,955	-	-	-
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	221,893	-	-	99	221,654	-	140	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	-	-	-	-	-	-	-	-
Total Support Services Expenditures	\$ 2,944,866	\$ 1,077,131	\$ 637,275	\$ 159,852	\$ 287,530	\$ 698,825	\$ 84,253	\$ -
Enterprise and Community Services Expenditures								
3100 Food Services	\$ 2,463,321	\$ 853,895	605,483	\$ 832,901	\$ 158,580	\$ -	\$ 12,462	\$ -
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	9,245	2,482	844	4,662	857	-	400	-
3500 Custody and Care of Children Services	1,442,207	974,983	329,831	64,569	72,824	-	-	-
Total Enterprise and Community Services Expenditures	\$ 3,914,773	\$ 1,831,360	\$ 936,158	\$ 902,132	\$ 232,261	\$ -	\$ 12,862	\$ -
Facilities Acquisition and Construction Expenditures								
4110 Service Area Direction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4120 Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150 Building Acquisition, Construction, and Improvement Services	25,000	-	-	25,000	-	-	-	-
4180 Other Capital Items	-	-	-	-	-	-	-	-
4190 Other Facilities Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures	\$ 25,000	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -
Other Uses Expenditures								
5100 Debt Service	\$ 662,424	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 662,424	\$ -
5200 Transfers of Funds	-	-	-	-	-	-	-	-
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures	\$ 662,424	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 662,424	\$ -
Grand Total	\$ 12,783,211	\$ 4,514,038	\$ 2,600,006	\$ 1,923,691	\$ 2,285,728	\$ 698,825	\$ 760,923	\$ -

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
District Expenditure Audit Summary - Debt Service Funds
For the Fiscal Year Ended June 30, 2020

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Instruction Expenditures								
1111 Elementary, K-5 or K-6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1113 Elementary Extracurricular	-	-	-	-	-	-	-	-
1121 Middle/Junior High Programs	-	-	-	-	-	-	-	-
1122 Middle/Junior High School Extracurricular	-	-	-	-	-	-	-	-
1131 High School Programs	-	-	-	-	-	-	-	-
1132 High School Extracurricular	-	-	-	-	-	-	-	-
1140 Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210 Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220 Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1260 Treatment and Habilitation	-	-	-	-	-	-	-	-
1271 Remediation	-	-	-	-	-	-	-	-
1272 Title I	-	-	-	-	-	-	-	-
1280 Alternative Education	-	-	-	-	-	-	-	-
1291 English Second Language Programs	-	-	-	-	-	-	-	-
1292 Teen Parent Program	-	-	-	-	-	-	-	-
1293 Migrant Education	-	-	-	-	-	-	-	-
1294 Youth Corrections Education	-	-	-	-	-	-	-	-
1299 Other Programs	-	-	-	-	-	-	-	-
1300 Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400 Summer School Programs	-	-	-	-	-	-	-	-
Total Instruction Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Support Services Expenditures								
2110 Attendance and Social Work Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2120 Guidance Services	-	-	-	-	-	-	-	-
2130 Health Services	-	-	-	-	-	-	-	-
2140 Psychological Services	-	-	-	-	-	-	-	-
2150 Speech Pathology and Audiology Services	-	-	-	-	-	-	-	-
2160 Other Student Treatment Services	-	-	-	-	-	-	-	-
2190 Service Direction, Student Support Services	-	-	-	-	-	-	-	-
2210 Improvement of Instruction Services	-	-	-	-	-	-	-	-
2220 Educational Media Services	-	-	-	-	-	-	-	-
2230 Assessment & Testing	-	-	-	-	-	-	-	-
2240 Instructional Staff Development	-	-	-	-	-	-	-	-
2310 Board of Education Services	-	-	-	-	-	-	-	-
2320 Executive Administration Services	-	-	-	-	-	-	-	-
2410 Office of the Principal Services	-	-	-	-	-	-	-	-
2490 Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510 Direction of Business Support Services	-	-	-	-	-	-	-	-
2520 Fiscal Services	-	-	-	-	-	-	-	-
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Enterprise and Community Services Expenditures								
3100 Food Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	-	-	-	-	-	-	-	-
3500 Custody and Care of Children Services	-	-	-	-	-	-	-	-
Total Enterprise and Community Services Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Facilities Acquisition and Construction Expenditures								
4110 Service Area Direction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4120 Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150 Building Acquisition, Construction, and Improvement Services	-	-	-	-	-	-	-	-
4180 Other Capital Items	-	-	-	-	-	-	-	-
4190 Other Facilities Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Uses Expenditures								
5100 Debt Service	\$ 20,581,755	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,581,755	\$ -
5200 Transfers of Funds	-	-	-	-	-	-	-	-
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures	\$ 20,581,755	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,581,755	\$ -
Grand Total	\$ 20,581,755	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,581,755	\$ -

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
District Expenditure Audit Summary -Capital Projects Funds
For the Fiscal Year Ended June 30, 2020

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Instruction Expenditures								
1111 Elementary, K-5 or K-6	\$ 33,728	\$ -	\$ -	\$ -	\$ 33,728	\$ -	\$ -	\$ -
1113 Elementary Extracurricular	-	-	-	-	-	-	-	-
1121 Middle/Junior High Programs	60,700	-	-	-	60,700	-	-	-
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	\$ 94,428	\$ -	\$ -	\$ -	\$ 94,428	\$ -	\$ -	\$ -
Support Services Expenditures								
2110 Attendance and Social Work Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2120 Guidance Services	-	-	-	-	-	-	-	-
2130 Health Services	-	-	-	-	-	-	-	-
2140 Psychological Services	-	-	-	-	-	-	-	-
2150 Speech Pathology and Audiology Services	-	-	-	-	-	-	-	-
2160 Other Student Treatment Services	-	-	-	-	-	-	-	-
2190 Service Direction, Student Support Services	-	-	-	-	-	-	-	-
2210 Improvement of Instruction Services	-	-	-	-	-	-	-	-
2220 Educational Media Services	-	-	-	-	-	-	-	-
2230 Assessment & Testing	-	-	-	-	-	-	-	-
2240 Instructional Staff Development	-	-	-	-	-	-	-	-
2310 Board of Education Services	-	-	-	-	-	-	-	-
2320 Executive Administration Services	-	-	-	-	-	-	-	-
2410 Office of the Principal Services	-	-	-	-	-	-	-	-
2490 Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510 Direction of Business Support Services	976,270	167,641	82,824	200,175	113,284	7,448	404,898	-
2520 Fiscal Services	494	-	-	-	-	-	494	-
2540 Operation and Maintenance of Plant Services	1,285,852	-	-	850,996	25,222	409,564	70	-
2550 Student Transportation Services	-	-	-	-	-	-	-	-
2570 Internal Services	3,323	-	-	3,323	-	-	-	-
2610 Direction of Central Support Services	-	-	-	-	-	-	-	-
2620 Planning, Research, Development, Evaluation Services, Grant	395,771	193,355	110,211	90,414	1,141	-	650	-
Writing and Statistical Services	-	-	-	-	-	-	-	-
2630 Information Services	62,736	-	-	62,736	-	-	-	-
2640 Staff Services	-	-	-	-	-	-	-	-
2660 Technology Services	153,051	-	-	-	153,051	-	-	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	-	-	-	-	-	-	-	-
Total Support Services Expenditures	\$ 2,877,497	\$ 360,996	\$ 193,035	\$ 1,207,644	\$ 292,698	\$ 417,012	\$ 406,112	\$ -
Enterprise and Community Services Expenditures								
3100 Food Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	-	-	-	-	-	-	-	-
3500 Custody and Care of Children Services	-	-	-	-	-	-	-	-
Total Enterprise and Community Services Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Facilities Acquisition and Construction Expenditures								
4110 Service Area Direction	\$ 47,621	\$ 35,000	\$ 12,621	\$ -	\$ -	\$ -	\$ -	\$ -
4120 Site Acquisition and Development Services	1,097,139	-	-	-	-	1,096,789	350	-
4150 Building Acquisition, Construction, and Improvement Services	22,786,209	-	237	14,915	514	22,734,170	36,373	-
4180 Other Capital Items	-	-	-	-	-	-	-	-
4190 Other Facilities Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures	\$ 23,930,969	\$ 35,000	\$ 12,858	\$ 14,915	\$ 514	\$ 23,830,959	\$ 36,723	\$ -
Other Uses Expenditures								
5100 Debt Service	\$ 982,643	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 982,643	\$ -
5200 Transfers of Funds	-	-	-	-	-	-	-	-
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures	\$ 982,643	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 982,643	\$ -
Grand Total	\$ 27,885,537	\$ 395,996	\$ 205,893	\$ 1,222,559	\$ 387,640	\$ 24,247,971	\$ 1,425,478	\$ -

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
District Expenditure Audit Summary - Internal Service Funds
For the Fiscal Year Ended June 30, 2020

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Instruction Expenditures								
1111 Elementary, K-5 or K-6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1113 Elementary Extracurricular	-	-	-	-	-	-	-	-
1121 Middle/Junior High Programs	-	-	-	-	-	-	-	-
1122 Middle/Junior High School Extracurricular	-	-	-	-	-	-	-	-
1131 High School Programs	-	-	-	-	-	-	-	-
1132 High School Extracurricular	-	-	-	-	-	-	-	-
1140 Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210 Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220 Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1260 Treatment and Habilitation	-	-	-	-	-	-	-	-
1271 Remediation	-	-	-	-	-	-	-	-
1272 Title I	-	-	-	-	-	-	-	-
1280 Alternative Education	-	-	-	-	-	-	-	-
1291 English Second Language Programs	-	-	-	-	-	-	-	-
1292 Teen Parent Program	-	-	-	-	-	-	-	-
1293 Migrant Education	-	-	-	-	-	-	-	-
1294 Youth Corrections Education	-	-	-	-	-	-	-	-
1299 Other Programs	-	-	-	-	-	-	-	-
1300 Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400 Summer School Programs	-	-	-	-	-	-	-	-
Total Instruction Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Support Services Expenditures								
2110 Attendance and Social Work Services	\$ 39,000	\$ -	\$ -	\$ 39,000	\$ -	\$ -	\$ -	\$ -
2120 Guidance Services	-	-	-	-	-	-	-	-
2130 Health Services	739	-	-	739	-	-	-	-
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	6,226	-	-	2,602	3,624	-	-	-
2550 Student Transportation Services	-	-	-	-	-	-	-	-
2570 Internal Services	583,027	91,376	56,263	33,237	26,586	-	375,565	-
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	\$ 639,230	\$ 91,376	\$ 56,263	\$ 75,578	\$ 40,448	\$ -	\$ 375,565	\$ -
Enterprise and Community Services Expenditures								
3100 Food Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	-	-	-	-	-	-	-	-
3500 Custody and Care of Children Services	-	-	-	-	-	-	-	-
Total Enterprise and Community Services Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Facilities Acquisition and Construction Expenditures								
4110 Service Area Direction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4120 Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150 Building Acquisition, Construction, and Improvement Services	-	-	-	-	-	-	-	-
4180 Other Capital Items	-	-	-	-	-	-	-	-
4190 Other Facilities Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Uses Expenditures								
5100 Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5200 Transfers of Funds	-	-	-	-	-	-	-	-
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grand Total	\$ 639,230	\$ 91,376	\$ 56,263	\$ 75,578	\$ 40,448	\$ -	\$ 375,565	\$ -

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
District Expenditure Audit Summary - Trust and Agency Funds
For the Fiscal Year Ended June 30, 2020

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Instruction Expenditures								
1111 Elementary, K-5 or K-6	\$ 1,309	\$ 940	\$ 369	\$ -	\$ -	\$ -	\$ -	\$ -
1112	5,846	-	-	5,846	-	-	-	-
1113 Elementary Extracurricular	-	-	-	-	-	-	-	-
1121 Middle/Junior High Programs	739,525	461,527	272,675	-	5,323	-	-	-
1122 Middle/Junior High School Extracurricular	3,576	-	-	-	27	-	3,549	-
1131 High School Programs	2,521,175	1,377,751	770,254	160,791	195,439	16,940	-	-
1132 High School Extracurricular	17,038	-	-	-	17,038	-	-	-
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	434,423	229,029	103,848	83,831	17,640	-	75	-
1272 Title I	-	-	-	-	-	-	-	-
1280 Alternative Education	54,021	-	-	54,021	-	-	-	-
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	\$ 3,776,913	\$ 2,069,247	\$ 1,147,146	\$ 304,489	\$ 235,467	\$ 16,940	\$ 3,624	\$ -
Support Services Expenditures								
2110 Attendance and Social Work Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2120 Guidance Services	376,857	233,775	143,082	-	-	-	-	-
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	1,060	-	-	-	1,060	-	-	-
2230 Assessment & Testing	-	-	-	-	-	-	-	-
2240 Instructional Staff Development	210	-	-	210	-	-	-	-
2310 Board of Education Services	-	-	-	-	-	-	-	-
2320 Executive Administration Services	-	-	-	-	-	-	-	-
2410 Office of the Principal Services	575,409	339,532	191,372	16,407	7,151	-	20,947	-
2490 Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510 Direction of Business Support Services	-	-	-	-	-	-	-	-
2520 Fiscal Services	22,268	-	-	-	-	-	22,268	-
2540 Operation and Maintenance of Plant Services	164,802	90,329	62,235	1,331	10,907	-	-	-
2550 Student Transportation Services	42,086	-	-	42,086	-	-	-	-
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	13,973	7,580	5,473	-	920	-	-	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	-	-	-	-	-	-	-	-
Total Support Services Expenditures	\$ 1,196,665	\$ 671,216	\$ 402,162	\$ 60,034	\$ 20,038	\$ -	\$ 43,215	\$ -
Enterprise and Community Services Expenditures								
3100 Food Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	27,506	-	-	27,506	-	-	-	-
3500 Custody and Care of Children Services	-	-	-	-	-	-	-	-
Total Enterprise and Community Services Expenditures	\$ 27,506	\$ -	\$ -	\$ 27,506	\$ -	\$ -	\$ -	\$ -
Facilities Acquisition and Construction Expenditures								
4110 Service Area Direction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4120 Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150 Building Acquisition, Construction, and Improvement Services	-	-	-	-	-	-	-	-
4180 Other Capital Items	-	-	-	-	-	-	-	-
4190 Other Facilities Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Uses Expenditures								
5100 Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5200 Transfers of Funds	-	-	-	-	-	-	-	-
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grand Total	\$ 5,001,084	\$ 2,740,463	\$ 1,549,308	\$ 392,029	\$ 255,505	\$ 16,940	\$ 46,839	\$ -

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INDEPENDENT AUDITORS' REPORT REQUIRED BY
OREGON STATE REGULATIONS

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December 21, 2020

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, 2020, and have issued our report thereon dated December 21, 2020. 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.**

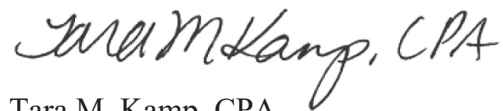
In connection with our testing nothing came to our attention that caused us to believe the District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000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

- (1) Six employees selected for testing did not have their teacher experience properly calculated.

OAR 162-10-0230 Internal Control

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

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

A handwritten signature in 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

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OREGON CITY SCHOOL DISTRICT NO. 62

Clackamas County, Oregon

Schedule of Expenditures of Federal Awards

For the Fiscal Year Ended June 30, 2020

Federal Grantor, Pass through Grantor, Program Title	Pass-Through Organization	CFDA Number	2019-20 Revenue	2019-20 Expenditures	Passed Through To Subrecipients
<u>U. S. Department of Education:</u>					
Title I Part A Grants to LEAs:					
50454	ODE	84.010	\$ 197,680	\$ 197,680	-
53335	ODE	84.010	795,127	795,127	-
51477	ODE	84.010	100,199	100,199	-
Total Title I Grants			<u>1,093,006</u>	<u>1,093,006</u>	<u>-</u>
Improving Teacher Quality State Grants -					
Title II Part A:					
49734	ODE	84.367	26,458	26,458	-
53597	ODE	84.367	117,835	117,835	-
Total Title II Grants			<u>144,293</u>	<u>144,293</u>	<u>-</u>
English Language Acquisition Grants -					
Title III Part A:					
44243	ODE	84.365	19,355	19,355	-
50276	ODE	84.365	23,787	23,787	-
Total Title III Grants			<u>43,142</u>	<u>43,142</u>	<u>-</u>
Special Education Cluster					
Special Education Grants IDEA Part B:					
49931	ODE	84.027	114,060	114,060	-
53806	ODE	84.027	1,284,686	1,284,686	-
54660	ODE	84.027	802	802	-
Autism Contracts	Portland Public Schools	84.027A	160,800	160,800	-
Total Special Education Cluster			<u>1,560,348</u>	<u>1,560,348</u>	<u>-</u>
Special Education Grants IDEA Part D:					
47590	ODE	84.323	14,258	14,258	-
State Personnel Development Grant	Multnomah Education Service District	84.323A	1,912	1,912	-
Total IDEA Grants Part D			<u>16,170</u>	<u>16,170</u>	<u>-</u>
Foster Care Transportation Reimbursement					
47503	ODE	93.658	4,728	4,728	-
57224	ODE	93.658	2,383	2,383	-
Total Foster Care Transportation Reimbursement			<u>7,111</u>	<u>7,111</u>	<u>-</u>
Twenty-First Century Community Learning Centers:					
49070	ODE	84.287	49,648	49,648	49,648
54274	ODE	84.287	411,051	411,051	411,051
			<u>460,699</u>	<u>460,699</u>	<u>460,699</u>
COVID 19 - Elementary and Secondary School Emergency Relief Fund					
57878	ODE	84.425D	295,859	295,859	-

OREGON CITY SCHOOL DISTRICT NO. 62

Clackamas County, Oregon

Schedule of Expenditures of Federal Awards

For the Fiscal Year Ended June 30, 2020

Federal Grantor, Pass through Grantor, Program Title	Pass-Through Organization	Grant Period	CFDA Number	2018 Revenue	2019-20 Expenditures	Passed Through To Subrecipients
<u>U.S. Department of Education (continued)</u>						
Vocational Rehabilitation Grants - YTP 143288	OR Department of Human Services	2019-21	84.126A	94,704	94,704	-
Migrant Education Title 1C:	Clackamas County ESD	2019-20	84.011A	9,329	9,329	-
Career and Technical Education - Carl Perkins III:	Clackamas County ESD	2019-20	84.048	35,896	35,896	-
Total U.S. Department of Education				\$ 3,760,557	\$ 3,760,557	\$ 460,699
<u>U.S. Department of Agriculture:</u>						
Passed through Oregon Department of Education:						
National School Nutrition Program: (1)						
National School Lunch - Project 132103	ODE	2019-20	10.555	556,699	556,699	-
COVID 19 - National School Lunch - Project 132103	ODE	2019-20	10.555	44,348	44,348	-
National School Breakfast - Project 152104	ODE	2019-20	10.553	131,624	131,624	-
COVID 19 - National School Breakfast - Project 152104	ODE	2019-20	10.553	11,529	11,529	-
Child and Adult Care Food Program	ODE	2019-20	10.558	12,818	12,818	-
COVID 19 - Child and Adult Care Food Program	ODE	2019-20	10.558	883	883	-
Summer Food Service - Project 315002	ODE	2019-20	10.559	40,881	40,881	-
COVID 19 - Summer Food Service - Project 315002	ODE	2019-20	10.559	348,414	348,414	-
				1,147,196	1,147,196	-
Noncash Assistance: Commodities	ODE	2019-20	10.559	178	178	-
Noncash Assistance: Commodities	ODE	2019-20	10.555	154,971	154,971	-
Cash Commodities	ODE	2019-20	10.558	954	954	-
				156,103	156,103	-
Passed through Clackamas County:						
Federal Forest Fees		2019-20	10.665	-	-	-
Total U.S. Department of Agriculture				\$ 1,303,299	\$ 1,303,299	\$ -
Federal Institute of Museum and Library Services						
	State of Oregon					
COVID 19 - Institute of Museum and Library Services	Library	2019-20	45.312	\$ 2,953	\$ 2,953	\$ -
<u>U.S. Department of Health and Human Services:</u>						
Passed through SAMHSA:						
SAMHSA Oregon City Together Coalition						
2H79SPO19745-01		2018-19	93.276	78,318	78,318	-
2H79SPO19745-01		2019-20	93.276	74,703	74,703	-
				153,021	153,021	-
Passed through Oregon Department of Human Services						
Medical Assistance Program		2019-20	93.778	34,797	-	-
Total U.S. Department of Health and Human Services				\$ 187,818	\$ 153,021	\$ -
Total Federal Financial Assistance				\$ 5,254,627	\$ 5,219,830	\$ 460,699



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December 21, 2020

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, 2020, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated December 21, 2020.

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.

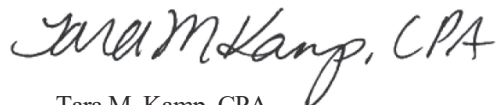
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Purpose of this Report

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

A handwritten signature in black ink that reads "Tara M. Kamp, CPA". The signature is fluid and cursive, with the letters "Tara" and "Kamp" being more prominent.

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



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December 21, 2020

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, 2020. 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, 2020.

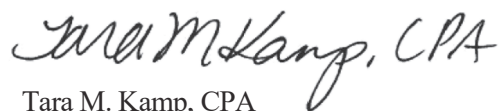
Report on Internal Control Over Compliance

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, 2020

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

84.027, 84.173

IDEA Grants to States

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, 2020

SECTION II – FINANCIAL STATEMENT FINDINGS

NONE

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.

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.