

OREGON CITY SCHOOL DISTRICT NO. 62
CLACKAMAS COUNTY, OREGON

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE YEAR ENDED JUNE 30, 2019



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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, 2019



Prepared by
Susan Dodd, Chief Financial Officer
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Clackamas County, Oregon
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Oregon City School District 62
1417 12th Street • Oregon City, Oregon 97045
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December 16, 2019

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, 2019. 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, 2019, 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, 2019, 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

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 7,930 students in fiscal 2018-19. The projected ADM for fiscal 2019-20 is 7,928. The average age of all school buildings is 56 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 2018-19, District management staff included a Superintendent, a Cabinet consisting of an Assistant Superintendent, a 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 2018-19, the District employed over 900 staff members. 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.

On December 10, 2015, Congress repealed the *No Child Left Behind Act* (NCLB). The NCLB Act required districts to be accountable for low performing schools. The NCLB did not take into account a school’s unique circumstances or challenges. The NCLB Act expired June 30, 2016. Each state submitted new accountability plans to the U.S. Department of Education.

Oregon's State Plan was approved by the U.S. Department of Education on August 30, 2017. Oregon's State Plan is comprised of the following key 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 new 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)

When Congress repealed the NCLB Act, they replaced it with the Every Student Succeeds Act (ESSA). The new act changes the oversight of schools from the federal level to the state level. Under ESSA, Oregon was 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 new 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

With the implementation of ESSA, the state designed new district profiles or report cards. 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.

The new district detailed report cards for the year ending 2018-19 were issued in the fall of 2019. 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 2018-19 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/>

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 2017-19 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 implement require ESSA related requirements and building 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 thirteenth 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 the end of 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 recently passed a measure to issue General Obligation Bonds in the amount of \$158.00 million dollars. Concurrently, 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 has formed several committees including involving community members to assist with the development of the bond projects. The District's prior general obligation bonds will be fully matured in fiscal 2019-20. More information regarding the new bond issuance is detailed on the following websites:
<http://ocsd62.org/bond-resources>
<http://ocsd62.org/bond/development-task-force>

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 2018 shows population growth at 10.39%, and a population of 416,075 as of the same date. Students under 18 years comprise 21.5% 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 2019 indicated that the District will experience declining enrollments overall until 2019-20. The middle range forecast for enrollment shows that it will increase by approximately 626 students in the next ten years. Enrollment will increase in 2023-24 in comparison to 2018-19 by 5.3% and by 8.4% through 2028-29. By 2028-29, the elementary grades will show the largest increase of 9.1%, followed by the high school at 8.3%. The middle school enrollment is predicted to increase 7.3% 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. 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.

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

	Actual			Forecast	
	2008-09	2013-14	2018-19	2023-24	2028-29
Grades K-5	3,561	3,290	3,273	3,542	3,571
5 year change		-271	-17	269	29
		-7.6%	-0.5%	8.2%	0.8%
Grades 6-8	1,843	1,693	1,783	1,695	1,914
5 year change		-150	90	-88	219
		-8.1%	5.3%	-4.9%	12.9%
Grades 9-12	2,328	2,566	2,358	2,572	2,555
5 year change		238	-208	214	-17
		10.2%	-8.1%	9.1%	-0.7%
Total	7,732	7,549	7,414	7,809	8,040
5 year change		-183	-135	395	231
		-2.4%	-1.8%	5.3%	3.0%

*Includes OCSLA and CAIS Charter Schools. Does not include Alliance Academy or Springwater Charter Schools.
Forecast: Population Research Center, PSU, March 2019.*

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. Whereas past economic conditions have been robust, in the recent past the area experienced a dramatic slowdown due to The Great Recession. However, since then the economy has improved and picked up rapidly. Oregon's seasonally adjusted unemployment rate in June 2019 was 4.0% and the national average of was 3.7% for the same time period. The Oregon Employment Department reports a non-farm payroll employment gain of 24,500 jobs from October of 2018 to October of 2019. The September 2019 Oregon Economic and Revenue Forecast published by the State Department of Administrative Services indicates that risk of recession is rising. Even with a possible recession on the horizon, the department is forecasting continuing strong economic growth in the state unless national and international developments negatively affect the national economy. Since Oregon is highly dependent on income tax collections to fund the state budget, additional job growth helps to fund increases in state financial support of local public schools. General fund increases are expected to diminish with the changes of the 2019 legislative session. This could decrease the financial support of the state public school system.

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 61 years. The District's two middle schools were built in 1954 and 1965, with an average age of 60 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 95% 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 the District in 2010 related to the recession. The state school fund general support was not adequate to support District operations from 2010 through the end of 2015. During this time frame, the District balanced the budget with a district-wide salary freeze and furlough days, the District closed of two elementary schools, froze supply budgets, reduced its contingency account, and received continued employee compensation concessions to balance the budget. In 2014-15 with an increase of \$100 million added to the state school fund, for the first time in six years the District did not have to take budget reductions and was able to add a small amount of resources to targeted areas, and it restored a full calendar for students. For the 2015-17 biennium, the state school fund was 11% higher than the 2013-15 biennium. Because the District implemented full day kindergarten for the 2015-16 budget, most of the increased state funding resources were utilized to increase staff for this purpose. The District also made a small investment to increase instructional materials. In 2016-17, the District again made small investments in program expansion, instructional materials and student technology, made cost of living adjustments and health insurance increases for all employees, and continued with a full year calendar for students and staff. The state increased biennial funding for the 2017-19 biennium by 11.2% and it was split by 50/50%. Staff contractual and PERS expenses continued to increase more than 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 upcoming biennium of 2019-21, the state will be investing \$2 billion in Oregon education every two years. \$200 million of it will go into the state school fund and the rest is to be distributed into three accounts: an Early Learning Account, the Student Investment Account, and the Statewide Initiatives Account. The District is expecting to receive its share of approximately \$500 million from the Student Investment Account. The money must be spent on a collaborative plan that the District must submit to the Oregon Department of Education and comes with specific goals to develop programs to enhance student achievement. The District's total amount has not yet been specified at the time of this report. Information regarding the Student Success Act is available on the following website:

<https://www.oregon.gov/ode/StudentSuccess/Pages/default.aspx>

The state school fund allocation to K-12 is \$9 billion for the upcoming biennium. Assumptions used in the preparation of the 2019-20 budget can be found in the Superintendent's Message in the District's 2019-20 Adopted Budget Book on the District's website.

OTHER DISTRICT EVENTS

Highlights of 2018-19 School Board Meetings included but were not limited to the following:

Summer Quarter

In August 2018 the School Board approved a resolution to authorize a measure for election for the Question of Contracting General Obligation Bonded Indebtedness not to exceed \$150,000,000 to finance capital costs and related matters.

Fall Quarter

In October 2018, the Board ratified the Amendment to the Licensed Collective Bargaining Agreement for 2018-19 as well as the Professional Agreement with Oregon City Administrators for 2018-19. In November, 2018 the Board adopted the proposed 2019-20 Oregon School Boards Association Legislative Priorities and Policies and amended the same Bylaws by adding a voting seat for a representative of the Oregon School Board Members of Color Caucus. In December 2018, the Board approved the issuance of the 2018 General Obligation Bond and ratified the Amendment to the Classified Collective Bargaining Agreement for 2018-19. The Board appointed the 2018-19 Budget Committee members.

Winter Quarter

In January 2019 the School Board approved a new Investment of Funds Procedure. They approved a resolution to obtain a three year loan for the purchase of school buses, and they approved the issuance of purchase orders for buses for the upcoming 2019-20 school year. They approved Purchase Order (B) to hire the services of Day CPM for the continued construction management of services related to the 2018 bond program. In February 2019, the Board approved a Supplemental Budget and adjusted appropriations related mainly to the passage of the 2018 general obligation bond measure. They approved a contract with Emerick Construction Company for completion of a second floor office space at the Transportation and Maintenance Facility. In March 2019, the Board approved the appointment of Brian Remsburg to replace an outgoing Board Member, Siobhan Gwozdz for position number 5. The Board approved the BRIC Architecture Contract for the 2018 general obligation bonds and approved and accepted the Oregon Schools Capital Improvement Matching (OSCIM) grant and authorized the signing of the agreement.

Spring

In April of 2019, the Board approved a Master Agreement for the Architectural and Engineering Services for the 2018 Bond Program. They approved a financing resolution for the three year purchase agreement referred to in the Winter Board Notes above for the bus purchases. They authorized the renewal of the Oregon City Service Learning Academy's (OCSLA) charter school agreement and approved the Clackamas Academy of Industrial Sciences (CAIS) grade level expansions. They approved a procurement award to Day Wireless Systems. In May 2019 they approved an exemption from competitive bidding for safety and security hardware replacement and two resolutions for use of a Construction Manager/General Contractor (CM/GC) for both Gardiner and Ogden Middle Schools.

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

It is the District's intent to remain centered on student achievement through its commitment to its Mission, Vision and Guiding Principles. In several School Board meetings throughout fiscal 2018-19, 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 2018-19. 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, 2018. This was the 27th 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 27th 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

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrell

Executive Director/CEO

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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, 2018.**

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



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Tom Wohlleber, CSRM
President

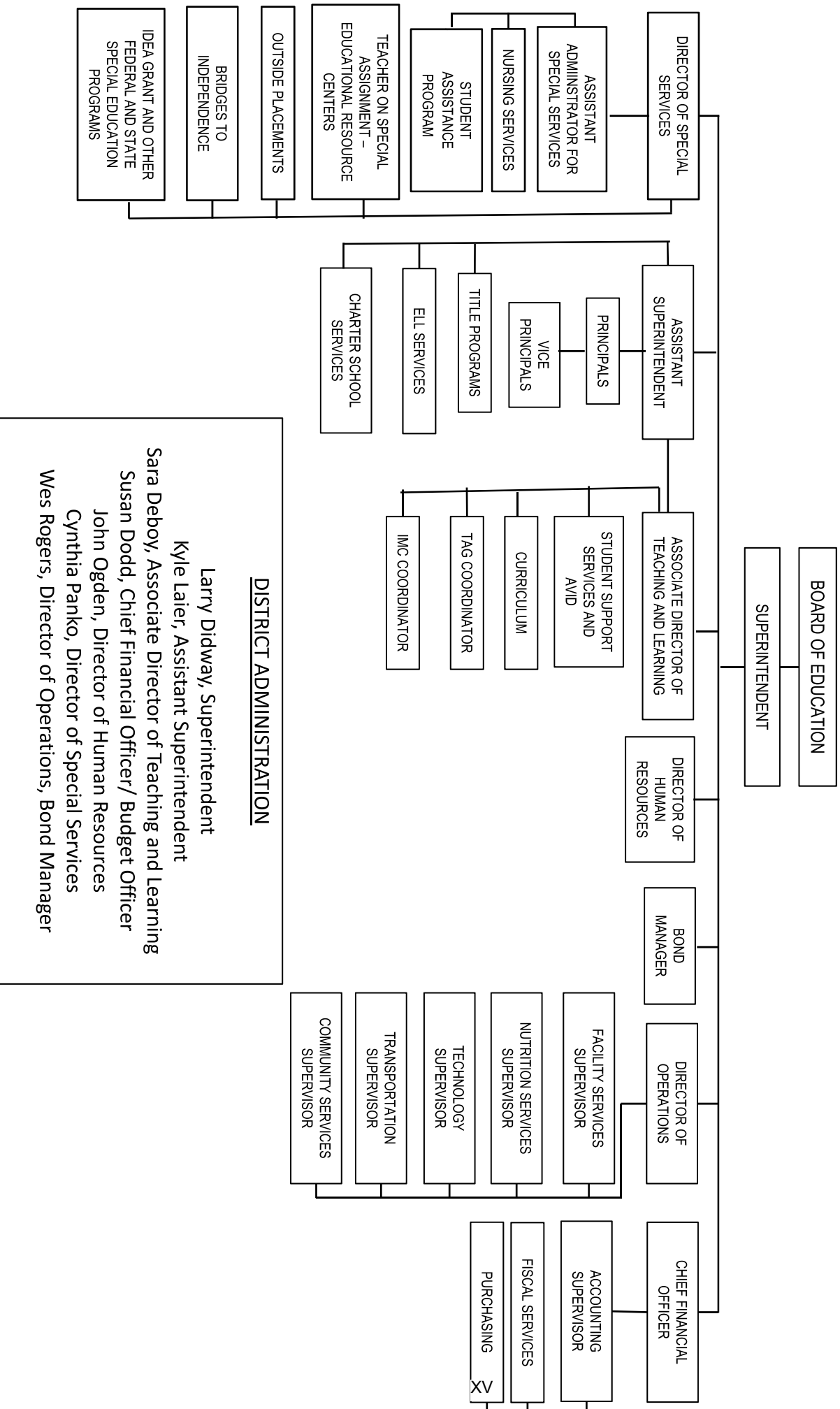
A handwritten signature in black ink, reading 'Siobhán McMahon'.

Siobhán McMahon, CAE
Chief Operating Officer

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OREGON CITY SCHOOL DISTRICT NO. 62

Organization Chart
June 30, 2019



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OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Officials of the District
June 30, 2019

BOARD OF DIRECTORS

<u>Name</u>	<u>Term Expires</u>
Connie Curteman, Chair	June 30, 2021
Evon Tekorius, Vice Chair	June 30, 2021
Brian Remsburg	June 30, 2019
Cameron Seward	June 30, 2019
Martha Spiers	June 30, 2021
Chris Storey	June 30, 2019
Nicole White	June 30, 2019

DISTRICT ADMINISTRATION

Larry Didway, Superintendent
Kyle Laier, Assistant Superintendent
Sara Deboy, Associate Director of Teaching and Learning
Susan Dodd, Chief Financial Officer/Deputy Clerk
John Ogden, Director of Human Resources
Cynthia Panko, Director of Special Services
Wes Rogers, Director of Operations

DISTRICT ADDRESS

Administration Office
1417 12th Street
Oregon City, Oregon 97045

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12700 SW 72nd Ave. Tigard, OR 97223
(503) 620-2632 (503) 684-7523 FAX
www.paulyrogersandcocpas.com

December 16, 2019

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, 2019, 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, 2019, 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.

Emphasis of Matter

The District adopted the provisions of GASB Statement No. 88 – Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements during the year ended June 30, 2019. Our opinion is not modified with respect to these matters.

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 16, 2019 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 16, 2019, 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, 2019

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, 2019. 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

- Community voters approved the issuance of \$158.0 million of General Obligation Bonds for the District in November 2018 for the construction of a new middle school, major renovations to its other middle school, safety improvements, career and educational capital investments, and other needed capital improvements. During the 2018-19 fiscal year the District's financial position increased overall by \$1.68 million. Net investment in Capital Assets decreased by \$7.44 million. This is attributed mainly to the increase in debt from the General Obligation Bonds netted with the unspent proceeds of the bond. Net position for Debt Service increased by \$8.21 million. \$9.88 million of the bond proceeds were dedicated as capitalized interest for debt payment of the new bonds for 2019-20. Amounts restricted for Facilities increased by \$4.96 million. The majority of this is due to interest earned on the bond proceeds from the date of the bond sales and the refunding of the District's 2014 General Obligation Bonds. Unrestricted amounts decreased by \$4.30 million. This is mainly associated with the implementation of Governmental Accounting Standards Board Statements. Governmental Accounting Standards Board GASB 68 and GASB 73 require that employers recognize the unfunded accrued liability or asset for their pension plans in their Statement of Net Position and Deferred Inflows and Outflows of Resources. The implementation of GASB 75 requires that employers recognize a liability for Other Post-Employment Benefits (OPEB) other than pensions and Deferred Inflows and Outflows of Resources in the Statement of Net Position. For 2018-19, all of these adjustments consisted of a net \$1.43 million dollar increase in Net Position. The remaining difference of \$.25 million is recognized as normal operations of the District and the differences associated with them.
- The District had \$103.60 million in expenses related to governmental activities, which was offset by \$3.23 million of program-specific charges for services provided within the District, by \$6.13 of Operating Grants and Contributions, and by \$.02 million of capital grants and contributions. Offsets increased by \$1.22 million, mainly due from the recognition of a state grant, Measure 98 to be spent on career and technical educational instruction. With the offsets, expenses still increased by \$2.74 million, chiefly due to increases associated with overall cost of living increases for District staff and interest payments on debt related to the issuance of the new general obligation bonds.
- In the government-wide statements, current Assets increased by \$169.86 million and current liabilities increased by \$1.80 million netting to a \$168.06 million increase. Subsequently, the District's long term debt increased by \$167.87 million, and capital Assets increased by \$.89 million which netted to a \$166.98 decrease in position. The major portion of increase in assets and increase in liabilities is attributed to the issuance of the General Obligation Bonds. The deferred outflows of resources for assets exceeded the liabilities deferred inflows of resources at June 30, 2019 by \$.60 million. This relates to an increase in PERS related deferrals and GASB 68 referred to above which reflects funding dedicated to future financing of the District's pension plan.
- The District's governmental funds reported a combined ending fund balance of \$180.77 million at June 30, 2019, an increase of \$169.53 million from the prior year. Restricted funding for capital projects increased from the prior year by \$159.22 million from loan proceeds from the new general obligation bonds which was the largest increase. Restricted funding for debt service and for grants and projects increased by \$7.67 million due to the capitalized interest generated from the sales of the general obligation bonds netted with pay downs of prior year debt. Unassigned funding increased by \$2.64 million with increased revenue earned on investments from cash reserves held in investments dedicated to future capital construction for the general obligation bond sales.
- At the end of the fiscal year the unassigned fund balance for the General Fund was \$6.53 million, or 7.49% of total General Fund resources which includes all revenue and the beginning fund balance compared to \$3.91 million and 4.63% for 2017-2018.
- Student Average Daily Membership or ADM (enrolled students based on days of attendance) of 7,930 decreased by 18 (0.23%) in 2018-19, compared to the prior year of 7,948, but the District still received an approximately equal amount in State Grant In-Aid for the General Purpose Grant based on the fifty percent split of the state school fund. A portion 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. For the year 2018-19, the ADMw for state funding

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Management Discussion and Analysis (MD&A)
JUNE 30, 2019

purposes was equal to the 2017-18 ADMw because the state bases the allocation on the higher of the ADMw from the current year or the prior year. The difference for 2018-19 was only seven points. 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, 2019

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, 2019, District's liabilities and deferred inflows exceeded assets and deferred outflows by \$16.73 million as restated by \$.43 million for a building acquired over forty years ago that was never recorded on the District's fixed asset records. That same building was sold in 2018-19. In 2017-18, the District's liabilities and deferred inflows exceeded liabilities and deferred inflows by \$18.41 million as restated for GASB 75.

Capital assets, which consist of the District's land, buildings, building improvements, vehicles, and equipment, represent 27.16% of the total assets as compared to the prior year, 2017-18 of 76.53% of total assets. The remaining assets consist of

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Management Discussion and Analysis (MD&A)
JUNE 30, 2019

cash, investments, receivables, amounts due from other agencies, and prepaid expenses. This change is due to the influx of cash received from the District from the sale of its general obligation bonds, a total cash balance at year-end of \$189.06 compared to the prior year of \$19.03 million.

Deferred Outflows of Resources represents a deferral of expenses on bond refunding, other post-employment benefits and pension plan expenses. There is a loss on bond refunding which is the unamortized portion of the difference between the original cost of 2004 general obligation bonds refunded in fiscal 2013 and fiscal 2014. The other post-employment benefits represent a disclosures required by GASB 73 and GASB 75. They are based on the District's early retirement pension liability and the District's post-employment health care subsidy. The amounts consist of a change in assumptions and contributions made subsequent to the measurement date based on actuarial calculations. See Notes 10 and 11 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 (91.10% versus 85.43% in 2018) 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 increase in 2018-19. Other liabilities represent 8.90% of the District's total liabilities versus 14.57% 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 10-12 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		
	2019	2018	
Assets			
Current and Other Assets	\$ 195,298,211	\$ 25,443,090	
Capital Assets	83,866,899	82,972,843	
Total Assets	279,165,110	108,415,933	
Deferred Outflows of Resources	26,323,952	22,602,058	
Liabilities			
Current Liabilities	23,224,827	21,434,837	
Long-term Liabilities	293,546,817	125,676,680	
Total Liabilities	316,771,644	147,111,517	
Deferred Inflows of Resources	5,449,389	2,315,276	
Net Position			
Net Investment in Capital Assets	42,906,282	50,349,255	
Restricted for Debt Service	10,516,498	2,306,256	
Restricted for Grants	2,779,894	2,532,042	
Restricted for Facilities	6,650,290	1,691,616	
Unrestricted	(79,584,935)	(75,287,971)	
Total Net Position	\$ (16,731,971)	\$ (18,408,802)	

Statement of Activities

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Management Discussion and Analysis (MD&A)
JUNE 30, 2019

The District's Change in Net Position on the Statement of Activities went from \$1.66 million for 2017-18 to \$1.25 million for 2018-19, a \$.42 million decrease. The key elements of the change in the District's net position for the year ended June 30, 2019 are as follows:

Increases

- Charges for Services increased by \$.21 million. This increase was equally divided over all operations including food service charges, community education charges, and facility services.
- Operating Grants and Contributions increased by \$.99 million. This is attributed to the recognition of state funding for Measure 98 to be utilized to fund career and technical educational programs. See the "Financial Highlights" above.
- Revenue from property taxes increased slightly by \$0.44 million. The increase in the General Fund was \$1.83 million. This is attributed to higher assessed values and economic improvement for fiscal 2017-18. The corresponding decrease (difference) is due to a lower assessment for retirement of General Obligation Bonds which had lower debt service in 2018-19.
- Earnings on investments increased by \$3.30 million. This is attributed to increased revenue earned on investments from cash reserves held in investments dedicated to future capital construction for the general obligation bond sales. See the "Financial Highlights" above.
- Other increases total \$.05 million and consist of net minor fluctuations in revenue.

Decreases

- The District's Construction Excise Tax decreased by \$0.63 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.
- The District's net State School Fund support decreased from the prior year in the amount of \$.45 million. The funding was flat based on the 50-50 percent funding split by the state for the 2017-19 biennium; however a portion from the current year state school funding was paid out to the District's charter schools to support their fund balances in the amount of \$.57 million dollars. Otherwise there would have been a slight increase in this funding.
- Other local revenue decreased by \$.36 million. This amount consists of mainly of decreased collections of student fees and revenue for the District's nutrition program.
- Expenses for Instructional Services, Support Services and Community Services increased by \$3.05 million. This increase is attributed to increases in expenses for employee contractual agreements, associated payroll costs, and higher costs for supplies and services.
- Interest on long term debt increased by \$.92 million. This number includes the financing costs for the general obligation bond sales. Debt service on these bonds begin in the subsequent year, 2019-20.

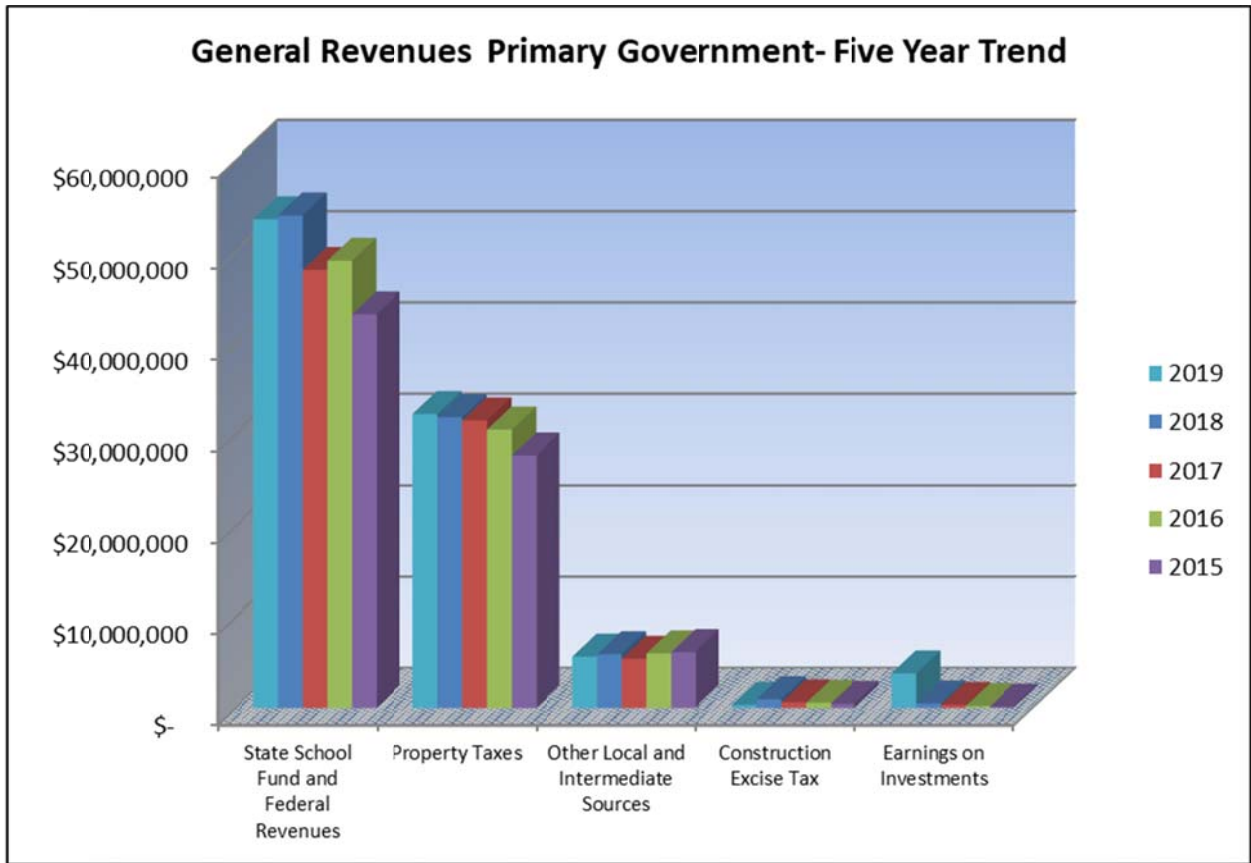
The following table shows the details of the changes.

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Management Discussion and Analysis (MD&A)
JUNE 30, 2019

Changes in Net Position		
	Governmental Activities	
	2019	2018
Revenues:		
Program Revenues:		
Charges for Service	\$ 3,234,240	\$ 3,022,567
Operating Grants and Contributions	6,127,258	5,137,811
Capital Grants and Contributions	22,371	-
General Revenues:		
Property Taxes	32,243,922	31,803,315
Construction Excise Tax	336,015	969,467
State School Fund - General Support	53,476,747	53,922,651
Federal Forest Fees - General Support	31,204	8,522
Earnings on Investments	3,793,110	497,541
Other Local and Intermediate Sources	5,541,004	5,897,998
Total Revenues	<u>104,805,871</u>	<u>101,259,872</u>
Expenses:		
Instructional Services	60,243,705	59,134,494
Support Services	33,952,054	32,215,269
Community Services	4,971,532	4,772,422
Interest on Long-Term Debt	4,391,779	3,473,390
Total Expenses	<u>103,559,070</u>	<u>99,595,575</u>
Change in Net Position	1,246,801	1,664,297
Net Position Beginning of the Year	(18,408,802)	(18,946,642)
Net Position - Beginning of Year as Restated	-	(1,126,457)
Prior Period Adjustment	430,030	
Net Position - End of Year	<u>\$ (16,731,971)</u>	<u>\$ (18,408,802)</u>

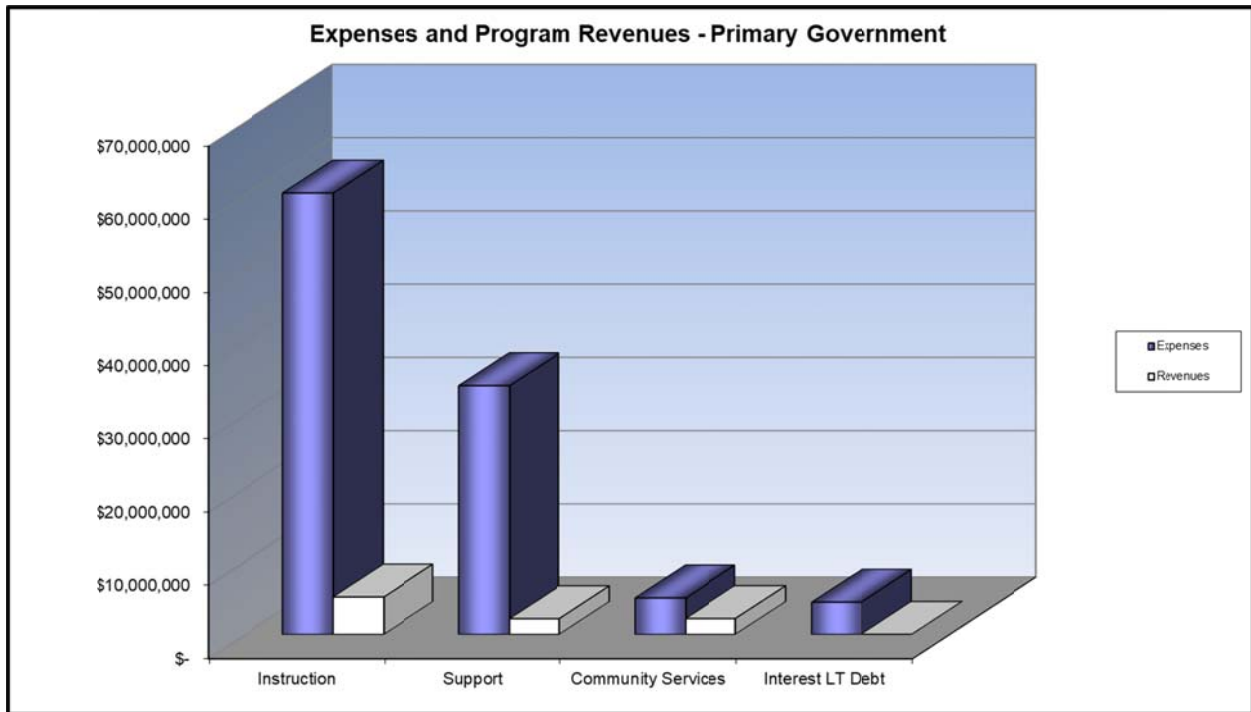
The following chart shows General Revenues by Source for the Primary Government over five years. Property taxes have increased as the economy continues to grow. In the current year the State School Fund revenue was flat due to the state funding allocation based on the 2017-19 biennium state funding split 50 percent between each year. Investments increased from the inflow of cash from the general obligation bond sales held until it is invested in new capital construction.

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

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Financial Analysis of the District's Funds

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

Governmental funds

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, 2019, the District's governmental funds reported a combined ending fund balances of \$180.77. This is a \$169.53 million dollar increase over the prior year that had a combined fund balance of \$11.24 million.
- Total Expenditures exceeded Total Revenues by a small margin, \$.04 million. State sourced funding, the largest source of revenue was flat, but local revenue which consisted mainly of property taxes and interest income increased; however, expenditures kept pace. Expenditures increased and leveled off to almost equal to the level of revenue generated. Expenditures increased with employee contractual increases and with the increase in public employee retirement plan rates (PERS). These 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 due to several years of budget reductions with the exception of teachers and support staff needed for classrooms.
- Other Financing Sources amounted to \$169.49 million. These increases consisted of proceeds from debt issuance and a premium from the general obligation bond sales netted with the payment to the escrow agent for the refunded debt associated with the same bond sales. This increase represents restricted funding dedicated to capital projects and technology purchases, and are not utilized for general operations.
- In the spring of 2019, the State Legislature approved the Student Success Act. It is predicted that this funding will provide approximately \$1 billion of funding each year in Oregon K-12 education beginning in fiscal 2020-21.

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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 17-19 \$8.20 billion biennial education budget in July 2017. It was an 11.20% increase over the prior biennium of 2015-17. This level of funding represented a \$825.90 million dollar increase. 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, for the 2017-19 biennium the state school funding was split 50% - 50% split in order to help districts fund the second year without holding back on initiatives in the first year. The following amounts are derived from the Oregon Department of Education Website:

<u>Fiscal Year 2017-18</u>	<u>Fiscal Year 2018-19</u>	<u>2017-19 Biennium</u>
\$4,100,000,000	\$4,100,000,000	\$8,200,000,000

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 (\$9.00 million in the 2017-19 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.

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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 2017-19, 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, network of quality teaching and learning funding, 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 2017-19, these amounted to \$31.79 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 \$4.72 million of federal funds in Fiscal Year 2019. Of this amount, \$.03 million was reported in the District's General Fund, and \$4.69 million in the District's Special Revenue Funds which include Grant Programs. The General Fund portion of federal funding comes from timber harvests, a small portion is 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, 2019, unassigned fund balance was \$6.45 million compared to \$3.82 million as of June 30, 2018. The unassigned fund balance was over 7.49% of the actual operating resources (which include the Beginning Fund Balance - Unassigned) and 7.48% 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 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 2019-20 Budget, the Board allowed the ending fund balance to go as low as 3.5%. In fiscal 2019, the District collected greater revenue over the prior year for operational expenditures largely due to increased state school fund revenue to the general fund, increased property tax collections and investment income increases. Expenditures increased in an amount equal to the revenue collected due to employee contractual agreements and costs participation in the Public Employees Retirement System (PERS). The District maintains tight expenditure control of budgeted positions and expenditures of supplies and services. For budget purposes, the District overestimates the expenses slightly in order to cover any unexpected exigencies. It does utilize a small reserve or contingency as well for the same purpose. As part of the development of the 2018-19 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 \$2.78 million and had a net decrease from the prior year of \$.31 million which consisted of lower fees collected for student funds and nutritional service programs.

Debt Service Fund

The Debt Service Fund has a total fund balance of \$10.37 million, all of which is restricted for the payment of debt service. The net increase in fund balance during the current year was \$9.41 million. This is attributed to the capitalized interest to be paid in fiscal 2019-20 provided by the issuance of the new general obligation bonds. The District intentionally normalizes its levied taxes for debt service on general obligation bonds to sustain a reasonable fund balance.

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Debt Service PERS Fund

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 \$160.91 million. There was a net increase in the fund balance from June 30, 2018, of \$157.78 million. \$159.36 million dollars became available for voter mandated projects from the sale of the general obligation bonds. Outside of bond funded projects, during the fiscal year, \$.18 million was spent on building improvements to Barclay School to move the Bridges to Independence program to this building, \$.14 million was spent on Jackson Stadium to complete the new turf field project, and \$.13 million was spent on specific improvements to various school campuses. These improvements were financed by bank loans and Construction Excise Tax receipts. From bond funding, an additional \$.14 million was spent on Barclay School improvements for the Bridges to Independence program, \$.73 million was spent on the establishment of a bond office, \$.14 million was spent on improvements to the Jackson Campus for career and technical education, \$.06 million was spent on the possible acquisition of land for a new middle school, and \$.05 million was spent on digital radio equipment. \$1.03 million was spent on Gardiner Middle School and \$.53 million was spent on Ogden Middle School on pre-construction costs, and \$.46 million was spent on safety improvements. An additional \$.17 million was spent on other various bond projects. All of the amounts spent from all sources of funding were capitalized to building and land improvements.

General Fund Budgetary Highlights

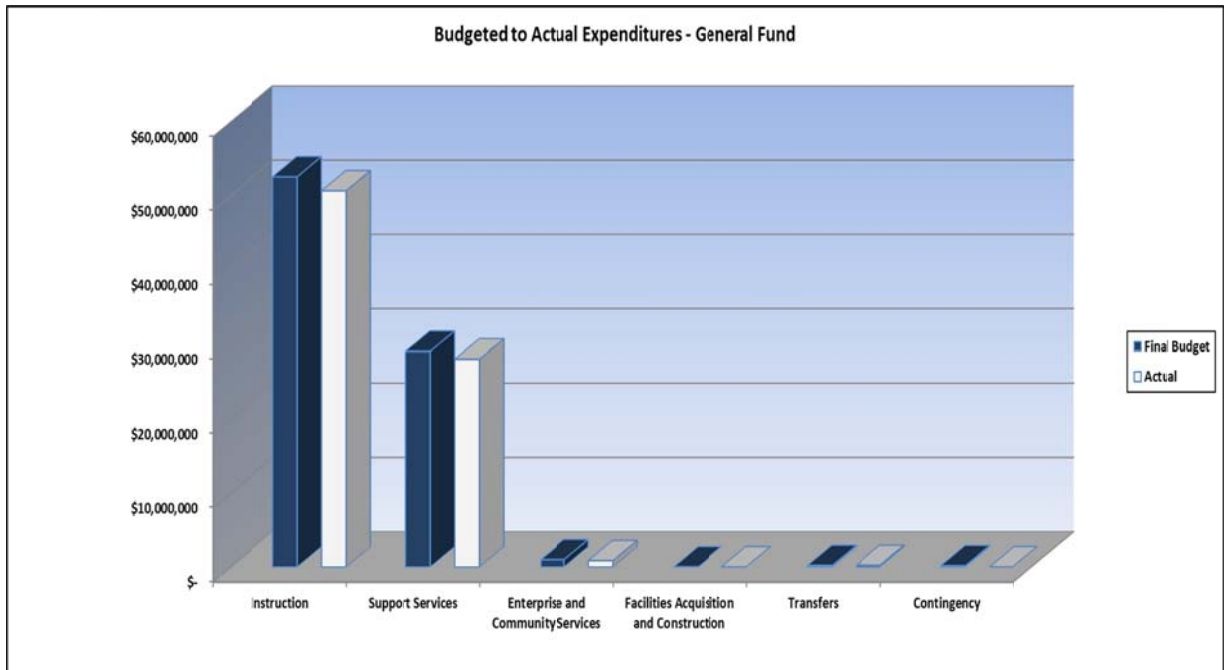
Actual revenues received were \$3.40 million dollars higher than the final budget, primarily due to an increase in state school fund revenue and higher collection of property taxes than budgeted. The District is required by state law to adopt its budget by June 30th of each fiscal year. Budgeted expenditures were lower than the final budget by \$3.25 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 2019, the School Board approved resolutions moving \$150,000 from instruction to community services to cover changes in expected expenditures within those functions. All General Fund expenditures were within budgeted appropriations.

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	\$ 52,514,771	\$ 50,617,300
Support Services	29,017,684	27,975,126
Enterprise and Community Services	981,554	839,693
Facilities Acquisition and Construction	10,410	-
Transfers	200,000	200,000
Contingency	160,000	-
Total	<u>\$ 82,884,419</u>	<u>\$ 79,632,119</u>

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

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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, 2019, the District had invested \$83.87 million in capital assets, net of accumulated depreciation, as shown in the following table:

Capital Assets (Net of Accumulated Depreciation)		
	<u>2019</u>	<u>2018</u>
Land and Construction In Progress	\$ 7,181,935	\$ 5,623,641
Buildings and Improvements	73,220,888	74,395,738
Equipment and Vehicles	3,464,076	3,383,494
Total	<u><u>\$ 83,866,899</u></u>	<u><u>\$ 83,402,873</u></u>

During fiscal year 2018-19, the District's investment in net capital assets increased by \$.46 million. The major capital asset events for the year ended June 30, 2019 include the following:

- Additions and acquisitions consisting of remodels, site improvements and renovations at numerous District schools including major renovations at Barclay School, the Jackson Stadium Turf Field, and the purchase of equipment including school buses, transportation vans and trucks for maintenance.
- Additions in buildings and improvements based on voter approved projects from 2018 new bond funding
- Depreciation of capital assets

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- Retirement and disposal of assets (a building located next to the District Office to help fund the Barclay renovations, and disposal of 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 \$205.50 million versus \$62.30 million in 2018. This debt outstanding as of June 30, 2019, consists of general obligation bond issues of \$172.12 million and pension bond issues of \$33.38 million.

In addition to General Obligation and PERS Bond debt, the District owes debt in the form of Notes Payable in the amount of \$3.91 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 a net unamortized premiums and a discount in the amount of \$19.28 million, and Capital Leases Payable in the amount of \$.23 million.

During the current fiscal year, the District paid down \$15.97 million of long-term obligations. Part of this amount includes \$6.38 million which is an adjustment of the total of the 2014 General Obligation Refunding Bonds through the issuance of the 2018 general obligation bonds. The remaining activity was bonded debt principal payments of \$8.43 million, notes payable payments of \$.66 million, lease payments of \$.15 million, and the remainder 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 \$464.78 million which is significantly in excess of the District's outstanding general obligation debt of \$172.12 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, 2015 which became effective July 1, 2017.

The most current PERS valuation is for June 30, 2018. The PERS UAL was estimated at over \$84.47 billion based on the 2018 valuation, and the District's net UAL with its side account is \$67.60 million for 2018-19 versus \$59.34 for the prior year 2017-18. See the information below regarding the District's side account. PERS requires that school districts pay (or "amortize") this UAL over a period of 20 years for the PERS Tier 1/Tier 2 UAL, 10 years for the Retiree Healthcare UAL, and 16 years for the OPSRP UAL, with interest at 7.20% per year until 2018. See Note 12 in the Notes to the Financial Statements.

Given that interest rates had been at historic lows, opportunities to benefit from interest rate arbitrage was created. The District participated in 2004 in an Oregon School Board Association (OSBA) sponsored pooled pension obligation bond program, in which the proceeds from bond issues were used to offset a portion of the UAL. The benefits of the pension bond sales are seen in reductions in a District's PERS employer rate. This reduction in rates should dampen the effects of future increases in the District's UAL. As long as PERS's investment returns exceed the cost of servicing the bonds, the benefits of participating in this program continue. For PERS for twelve months ended June 30, 2019, investment earnings were at 7.88% for regular accounts which is above the PERS expected earnings rate of 7.20%. This rate was lowered in January 2018 from 7.50% to the current rate of 7.20%. With lower investment rates, employer contribution rates increase.

On May 30, 2019 the Oregon Legislature passed Senate Bill 1049 to reduce the escalating cost of PERS. The bill is 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

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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 several 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 regarding PERS can change at any time. 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 2018-19 was \$1.82 million versus \$1.83 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 2018-19 was \$5,059,716 versus \$5,049,839 for the prior year. See Note 11 in the Notes to the Financial Statements.

Economic Factors in Current and Next Year's Budget

The most significant economic factor for the District is the robust nature of the state economy and state public funding available to support current operational levels. In the past, it has not kept up with the rest of the economy. The 2015-17 biennium was funded at \$7.37 billion, and 2017-19 is funded at \$8.20 billion. State funding is the largest source of funding for school districts. See the table below to view 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	2014-15 ACTUALS			2015-16 ACTUALS			2016-17 ACTUALS			2017-18 ACTUALS			2018-19 ACTUALS			2019-20 BUDGET		
Property Taxes	\$	22,285,929	26%	\$	23,409,138	27%	\$	24,516,105	29%	\$	25,607,549	28%	\$	27,433,353	29%	\$	27,874,803	27%
Local Sources		5,414,696	6%		6,114,111	7%		5,785,344	7%		6,537,793	7%		6,766,648	7%		8,491,317	8%
Intermediate Sources		1,181,721	1%		1,594,090	2%		1,544,944	2%		1,738,935	2%		1,750,957	2%		2,028,069	2%
State Sources		47,726,783	56%		49,017,229	57%		47,264,401	56%		52,954,818	58%		53,858,022	57%		58,420,620	56%
Federal Sources		5,218,128	6%		5,190,449	6%		5,151,065	6%		4,838,340	5%		4,720,092	5%		7,080,054	7%
	\$	81,827,257	96%	\$	85,325,017	100%	\$	84,261,859	100%	\$	91,677,435	100%	\$	94,529,072	100%	\$	103,894,863	100%
ADM*		7,791		8,094		7,967		7,948		7,930		7,922						
Resources per ADM	\$	10,503		\$	10,542		\$	10,576		\$	11,535		\$	11,920		\$	13,115	

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

* 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 Oregon legislature increased the state funding allocation for K-12 education from \$6,650,401,000 million dollars for 2013-15 to \$7,374,102,233 million dollars for 2015-17, a 10.87% increase. For the 2017-19 biennium, the funding was increased to \$8,200,000,000 million dollars, an 11.20% increase. For the 2015-17 biennium, the state funded school districts at 50%/50% instead of 49%/51%. This represented approximately \$5.3 million of additional revenue issued for 2015-16 (1% difference from 49% to 50% funding) that the District would have normally received in the second year of the biennium. In 2015-16, the district implemented full day kindergarten adding additional costs. In 2016-17 additional revenue was added to the state school fund per House Bill 5017 because the state forecast was better than expected. For 2016-17, with the additional funding for the 2015-17 biennium, the District was able to maintain a full calendar year without staffing reductions. However, the District was unable to implement any new programmatic changes due to the lack of funding support. 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 includes funding for Career and Technical Education as provided by Measure 98, the District faced major challenges as costs of operations continued to exceed the additional revenue available. For several years, the District has 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 with the lack of funding in comparison to some other school districts in the Portland-Metropolitan area.

For the 2019-21 biennium with the improved economy, the State Legislature approved \$9 billion for K-12 education funding. It is \$200 million dollars more than what was estimated to maintain current service levels for schools. In addition,

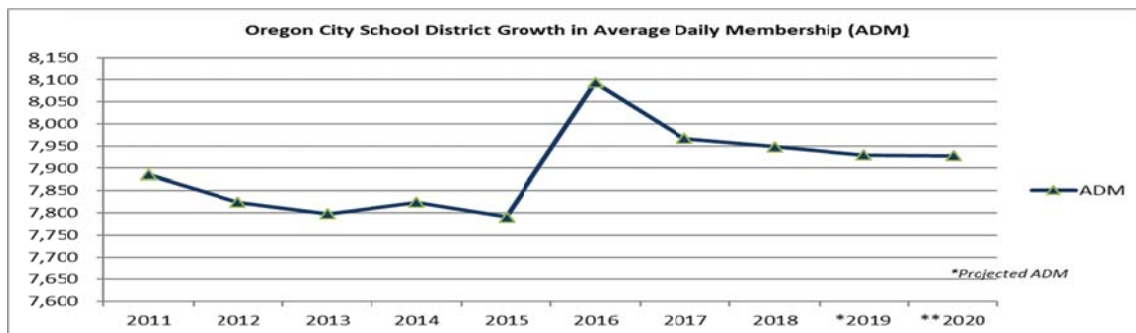
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on May 20 2019, House Bill 3427, the Student Success Act was signed into law. With this Act, the State is expected to invest over \$2 billion in Oregon K-12 education every two years. Of this amount, \$200 million will be invested into the State School Fund with the remaining amount to be distributed into three accounts: the Early Learning Account, The Student Investment Account and the Statewide Education Initiatives Account. The investment requires the implementation of new programs which are to be determined by a District Needs Assessment. The overall focus 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 has not yet received notice regarding the amount that it will receive, but is currently in the planning stages to meet the requirements for the funding. 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. Major challenges facing the District is flat enrollment in the short run, escalating Public Employee Retirement System (PERS) costs, increasing cost of living percentages for staffing, severe staff shortages with the booming economy, 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 given these factors. The District is optimistic regarding improvements in student learning that can result with the influx of the new funding from the Student Success Act.

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 (OSCM) 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.

The Oregon Economic Forecast for the third quarter of 2019 released in September 2019 by the Department of Revenue indicated that while Oregon's economy is still strong, there is evidence provided by the business cycle that there could be a recession in the future. Federal fiscal policy with the trade wars is dragging the economy down. Per the report, Oregon is continuing to see good rates of economic growth. The report forecasted a 17.0% increase in revenue for the 2017-19 biennium, a 3.5% decrease for 2019-21, 15.9% increase for 2021-23 and 9.1% through 2023-25. Despite the upcoming 2019-21 biennium revenue growth for school districts, District concerns remain regarding the future funding of education given the pressure on the state to fund existing and newly mandated programs for state agencies based on the same source of funding.

At present, the District's enrollment is declining. 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. A history of the District's ADM is shown below. 2019 and 2020 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.



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ADM	
Oregon City School District	
Average Daily Membership	
Last 9 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	7,930
**2020	7,928
* ODE Estimate, **District Projected	

The following table shows the history of the District's weighted Average Daily Membership or (ADMw) through 2020. 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 2020 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.

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	9,304
*2020	9,293
* ODE Estimate	

The District's Budget Committee and School Board considered all of these factors while preparing the District's budget for the 2019-20 fiscal year.

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, 2019

	Primary Government Governmental Activities	Oregon City Service Learning Academy Component	Clackamas Academy of Industrial Sciences
Assets			
Cash and investments	\$ 189,060,235	\$ -	\$ 6,967
Receivables			
Accounts	129,979	-	
Intergovernmental	4,709,107		-
Undistributed tax collections	100,751	-	-
Property taxes	940,979	-	-
Due from other agencies	238,267	158,304	295,755
Prepaid expense	118,893	-	-
Capital assets not being depreciated	7,181,935	-	-
Capital assets, net of accumulated depreciation	76,684,964	-	46,621
Total assets	279,165,110	158,304	349,343
Deferred Outflows of Resources			
Deferred charge on refunding	327,735	-	-
OPEB related deferrals	444,753	-	-
PERS related deferrals	25,267,820	-	-
Pension related deferrals	283,644	-	-
Total deferred outflows of resources	26,323,952	-	-
Liabilities			
Payable			
Accounts	2,968,970	15,824	200,796
Payroll liabilities	9,914,635	-	-
Accrued interest payable	72,562	-	-
Unearned revenue	7,427	-	-
Due to other governments	-	142,480	95,787
Payable to external parties - Fiduciary Fund	207,146	-	-
Accrued compensated absences	192,682	-	-
Long-term liabilities:			
Due within one year	9,861,405	-	-
Noncurrent liabilities due in more than one year			
Total OPEB liability	5,059,716	-	-
Proportionate share of net pension liability - PERS	67,603,800	-	-
Net pension liability	1,818,029	-	-
Due in more than one year	219,065,272	-	-
Total liabilities	316,771,644	158,304	296,583
Deferred Inflows of Resources			
OPEB related deferrals	279,913	-	-
PERS related deferrals	4,916,130	-	-
Pension related deferrals	253,346	-	-
Total deferred inflows of resources	5,449,389	-	-
Net Position			
Net investment in capital assets	42,906,282	-	46,621
Restricted for debt service	10,516,498	-	-
Restricted grants	2,779,894	-	-
Restricted for facilities	6,650,290	-	-
Unrestricted	(79,584,935)	-	6,139
Total net position	\$ (16,731,971)	\$ -	\$ 52,760

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, 2019

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	\$ 60,243,705	\$ 451,026	\$ 4,648,187	\$ -	\$ (55,144,492)		
Support services	33,952,054	1,999,210	113,488	22,371	(31,816,985)		
Community services	4,971,532	784,004	1,365,583	-	(2,821,945)		
Interest on long term debt	4,391,779	-	-	-	(4,391,779)		
Total Primary Governmental Activities	<u>\$ 103,559,070</u>	<u>\$ 3,234,240</u>	<u>\$ 6,127,258</u>	<u>\$ 22,371</u>	<u>(94,175,201)</u>		
COMPONENT UNITS							
Oregon City Service Learning Academy	\$ 2,126,048	\$ -	\$ 471,691	\$ -		\$ (1,654,357)	
Clackamas Academy of Industrial Sciences	<u>1,969,818</u>	<u>-</u>	<u>295,755</u>	<u>-</u>			<u>\$ (1,674,063)</u>
General Revenues:							
Property taxes, levied for general purposes					26,628,245	-	-
Property taxes, levied for debt services					5,615,677	-	-
Construction excise tax					336,015	-	-
State school support					53,476,747	1,649,811	1,700,287
Earnings on investments					3,793,110	-	-
Unrestricted federal					31,204	-	-
Other local, intermediate & state					<u>5,541,004</u>	<u>2,485</u>	<u>15,900</u>
Total general revenues					<u>95,422,002</u>	<u>1,652,296</u>	<u>1,716,187</u>
Change in net position					1,246,801	(2,061)	42,124
Net position beginning of year					(18,408,802)	2,061	10,636
Prior period adjustment					<u>430,030</u>	<u>-</u>	<u>-</u>
Net position end of year					<u>\$ (16,731,971)</u>	<u>\$ -</u>	<u>\$ 52,760</u>

See accompanying notes to basic financial statements

OREGON CITY SCHOOL DISTRICT NO. 62

Clackamas County, Oregon
Balance Sheet - Governmental Funds
June 30, 2019

	General Fund	Special Revenue Fund	Debt Service Fund	Pension Obligation Fund	Capital Projects Fund	Total
ASSETS						
Cash and investments	\$ 16,603,280	\$ 2,432,104	\$ 10,518,569	\$ -	\$ 159,506,282	\$ 189,060,235
Receivables:						
Accounts	127,065	1,714	-	-	1,200	129,979
Intergovernmental	551,250	4,065,568	-	-	92,289	4,709,107
Undistributed tax collections	82,302	-	18,449	-	-	100,751
Property taxes	760,362	-	180,617	-	-	940,979
Prepaid items	117,356	-	-	-	1,537	118,893
Due from other funds	103,968	-	-	150,000	2,832,306	3,086,274
Due from other agencies	238,267	-	-	-	-	238,267
Total Assets	\$ 18,583,850	\$ 6,499,386	\$ 10,717,635	\$ 150,000	\$ 162,433,614	\$ 198,384,485
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:						
Liabilities:						
Accounts payable	\$ 1,191,612	\$ 233,693	\$ -	\$ -	\$ 1,523,462	\$ 2,948,767
Due to other funds	-	3,479,727	185,088	-	-	3,664,815
Payroll liabilities	9,914,635	-	-	-	-	9,914,635
Due to fiduciary fund	207,146	-	-	-	-	207,146
Unearned revenue	1,355	6,072	-	-	-	7,427
Total Liabilities	11,314,748	3,719,492	185,088	-	1,523,462	16,742,790
Deferred Inflows of Resources:						
Unavailable Revenue - property taxes	698,006	-	166,049	-	-	864,055
Total Deferred Inflows of Resources	698,006	-	166,049	-	-	864,055
Fund Balances:						
Nonspendable	117,356	-	-	-	1,537	118,893
Restricted for debt service	-	-	10,366,498	150,000	-	10,516,498
Restricted for grant and projects	-	2,779,894	-	-	-	2,779,894
Restricted for capital projects	-	-	-	-	160,908,615	160,908,615
Unassigned	6,453,740	-	-	-	-	6,453,740
Total Fund Balance	6,571,096	2,779,894	10,366,498	150,000	160,910,152	180,777,640
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 18,583,850	\$ 6,499,386	\$ 10,717,635	\$ 150,000	\$ 162,433,614	\$ 198,384,485

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, 2019

Total Fund Balances	\$ 180,777,640
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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	83,866,899
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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.

	864,055
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Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due.

These liabilities consist of:

General and pension obligation bonds - net of premium, discount	\$(191,398,359)	
Note payable	(3,914,624)	
Capital lease payable	(233,694)	
Pension bond payable	(33,380,000)	
Deferred charge on refunding	327,735	
Accrued compensated absence	(192,682)	
Accrued interest	<u>(72,562)</u>	(228,864,186)

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 OPEB liability	(5,059,716)	
OPEB related deferred outflows	444,753	
OPEB related deferred inflows	(279,913)	
PERS net pension liability	(67,603,800)	
PERS pension related deferred outflows	25,267,820	
PERS pension related deferred inflows	(4,916,130)	
District pension liability	(1,818,029)	
District pension related deferred outflows	283,644	
District pension related deferred inflows	<u>(253,346)</u>	(53,934,717)

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.

	<u>558,338</u>
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Total Net Position	<u><u>\$ (16,731,971)</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, 2019

	General Fund	Special Revenue Fund	Debt Service Fund	Pensio Obligation Fund	Capital Projects Fund	Total
REVENUES:						
Local sources	\$ 29,438,880	\$ 4,761,121	\$ 6,066,360	\$ 4,126,582	\$ 3,730,406	\$ 48,123,349
Intermediate sources	963,643	787,314	-	-	-	1,750,957
State sources	51,852,689	2,005,333	-	-	837,344	54,695,366
Federal sources	34,069	4,686,023	-	-	-	4,720,092
Total Revenues	82,289,281	12,239,791	6,066,360	4,126,582	4,567,750	109,289,764
EXPENDITURES:						
Current						
Instruction	50,617,300	5,768,760	-	-	17,876	56,403,936
Support services	27,936,281	1,998,976	-	-	1,105,831	31,041,088
Enterprise & community service	839,693	3,813,698	-	-	-	4,653,391
Facilities acquisition & construction	-	-	-	-	36,418	36,418
Capital outlay	38,845	610,554	-	-	3,380,991	4,030,390
Debt service						
Principal	-	486,709	5,945,000	2,205,000	598,336	9,235,045
Interest	-	73,641	232,085	1,921,582	570,950	2,798,258
Bond issuance costs	-	-	-	-	1,042,943	1,042,943
Total Expenditures	79,432,119	12,752,338	6,177,085	4,126,582	6,753,345	109,241,469
Excess of Revenues Over, (Under) Expenditures	2,857,162	(512,547)	(110,725)	-	(2,185,595)	48,295
Other Financing Sources, (Uses):						
Issuance of debt	-	-	9,519,656	-	148,476,294	157,995,950
Payment to refunded bond escrow agent	-	-	-	-	(6,987,404)	(6,987,404)
Bond premium	-	-	-	-	17,873,781	17,873,781
Capital lease proceeds	-	-	-	-	163,800	163,800
Sale of capital assets	-	-	-	-	444,119	444,119
Transfers in	-	200,000	-	-	-	200,000
Transfers out	(200,000)	-	-	-	-	(200,000)
Total Other Financing Sources, (Uses)	(200,000)	200,000	9,519,656	-	159,970,590	169,490,246
Net Change in Fund Balance	2,657,162	(312,547)	9,408,931	-	157,784,995	169,538,541
Beginning Fund Balance	3,913,934	3,092,441	957,567	150,000	3,125,157	11,239,099
Ending Fund Balance	<u>\$ 6,571,096</u>	<u>\$ 2,779,894</u>	<u>\$ 10,366,498</u>	<u>\$ 150,000</u>	<u>\$ 160,910,152</u>	<u>\$ 180,777,640</u>

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, 2019

Net Change in Fund Balance	\$ 169,538,541
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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	\$	3,921,753	
Capital asset proceeds		(430,030)	
Depreciation expense		(3,027,697)	464,026

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	(1,057,461)
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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	\$	14,800,000	
Capital lease payable		151,351	
Bond premium, discount		360,871	
Debt issuance		(176,033,531)	
Deferred charge on refunding amortization		(327,738)	
Accrued compensated absences		(41,830)	
Note payable		658,693	(160,432,184)

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

28,694

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	(54,658)
PERS pension expense	(7,364,258)
District pension expense	75,733

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.

48,368

Change in Net Position	\$ 1,246,801
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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, 2019

General Fund

	Original Budget	Final Budget	Actual	Variance
REVENUES:				
Taxes	\$ 26,542,135	\$ 26,542,135	\$ 27,433,353	\$ 891,218
Other local sources	1,718,000	1,718,000	2,005,527	287,527
Intermediate sources	840,000	840,000	963,643	123,643
State sources	49,788,372	49,788,372	51,852,689	2,064,317
Federal sources	-	-	34,069	34,069
Total revenues	78,888,507	78,888,507	82,289,281	3,400,774
EXPENDITURES:				
Instruction	52,664,771	52,514,771	50,617,300	1,897,471
Support services	29,017,684	29,017,684	27,975,126	1,042,558
Enterprise and community services	831,554	981,554	839,693	141,861
Facilities acquisition and construction	10,410	10,410	-	10,410
Contingency	160,000	160,000	-	160,000
Total expenditures	82,684,419	82,684,419	79,432,119	3,252,300
Excess of revenues over (under) expenditures	(3,795,912)	(3,795,912)	2,857,162	6,653,074
OTHER FINANCING SOURCES (USES)				
Transfers out	(200,000)	(200,000)	(200,000)	-
Total other financing sources (uses)	(200,000)	(200,000)	(200,000)	-
To adjust for encumbrances (note12)	-	-	-	-
Net change in fund balance	(3,995,912)	(3,995,912)	2,657,162	6,653,074
Beginning fund balance	3,995,912	3,995,912	3,913,934	(81,978)
Ending fund balance	\$ -	\$ -	\$ 6,571,096	\$ 6,571,096

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, 2019

Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance
REVENUES:				
Local sources	\$ 6,644,794	\$ 6,644,794	\$ 4,761,121	\$ (1,883,673)
Intermediate sources	1,118,069	1,118,069	787,314	(330,755)
State sources	2,177,780	2,177,780	2,005,333	(172,447)
Federal sources	6,361,758	6,361,758	4,686,023	(1,675,735)
Total revenues	16,302,401	16,302,401	12,239,791	(4,062,610)
EXPENDITURES:				
Instruction	8,326,928	8,326,928	5,768,760	2,558,168
Support services	4,271,094	4,271,094	2,609,530	1,661,564
Enterprise & community services	4,685,541	4,685,541	3,813,698	871,843
Facilities acquisition and construction	10,300	10,300	-	10,300
Debt service	664,095	664,095	560,350	103,745
Contingencies	627,000	627,000	-	627,000
Total expenditures	18,584,958	18,584,958	12,752,338	5,832,620
Excess of revenues over (under) expenditures	(2,282,557)	(2,282,557)	(512,547)	1,770,010
OTHER FINANCING SOURCES (USES)				
Issuance of Debt	600,000	600,000	-	(600,000)
Sale of capital assets	10,000	10,000	-	(10,000)
Transfers in	200,000	200,000	200,000	-
Total other financing sources (uses)	810,000	810,000	200,000	(610,000)
Net change in fund balance	(1,472,557)	(1,472,557)	(312,547)	1,160,010
Beginning fund balance	2,777,284	2,777,284	3,092,441	315,157
Ending fund balance	\$ 1,304,727	\$ 1,304,727	\$ 2,779,894	\$ 1,475,167

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, 2019

	<u>Risk Management Internal Service Fund</u>
ASSETS:	
Current assets	
Due from other funds	<u>\$ 578,541</u>
Total current assets	<u>578,541</u>
LIABILITIES AND NET POSITION:	
Current liabilities	
Accounts payable	<u>20,203</u>
Total liabilities	<u>20,203</u>
Net position	
Unrestricted	<u>558,338</u>
Total net position	<u><u>\$ 558,338</u></u>

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, 2019

Internal Service Fund

OPERATING REVENUES:

Recovery of prior year expenses	\$ 62,065
Services to other funds	632,960
Miscellaneous	<u>12,475</u>
Total revenues	<u>707,500</u>

OPERATING EXPENSES

Salaries	80,647
Associated payroll costs	45,487
Purchased services	176,431
Supplies and materials	34,653
Insurance and judgments	328,398
Other operating expense	<u>5,000</u>
Total expenses	<u>670,616</u>

OPERATING INCOME

36,884

OTHER REVENUES/(EXPENSES):

Interest	<u>11,484</u>
Total other revenue/expenses	<u>11,484</u>

Change in net position	48,368
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Beginning net position	<u>509,970</u>
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Ending net position	<u><u>\$ 558,338</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, 2019

	Risk Management Fund
	<u> </u>
Cash flows from operating activities:	
Internal activity - payments from other funds	\$ 632,960
Other receipts	74,540
Payments to employees	(80,647)
Payments for employee benefits and taxes	(45,487)
Payments for services	(224,799)
Payments for supplies and materials	(34,653)
Payments for insurance	(328,398)
Net cash provided (used) by operating activities	<u>(6,484)</u>
Cash flows from investing activities	
Interest	<u>11,484</u>
Net cash used by noncapital financing activities	<u>11,484</u>
Cash flows from capital and related financing activities	
Payments for capital outlay	<u>(5,000)</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	\$ 36,884
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	(42,762)
Capital outlay adjustment	5,000
Increase (decrease) in accounts payable	(5,606)
Total adjustments	<u>(43,368)</u>
Net cash provided by operating activities	<u><u>\$ (6,484)</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, 2019

	<u>Agency Funds</u>
ASSETS:	
Receivables:	
Interfund	<u>\$ 207,146</u>
LIABILITIES:	
Due to agency groups	<u>\$ 207,146</u>

See accompanying notes to basic financial statements

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2019

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, 2019

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, 2019

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, 2019

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, 2018, but not made available to the District until after June 30, 2019.

(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, 2019

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, 2019

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: a deferred charge on refunding, which represents the excess of reacquisition price of refunded debt over its net carrying amount, the pension related deferrals and the OPEB 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 four 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 three items are, OPEB related deferrals, PERS related deferrals, and pension related deferral. 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, 2019

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, 2019 are as follows:

	Balance July 1, 2018	Additions	Retirements	Balance June 30, 2019
General Obligation				
Bonds	\$ 655,473	\$ -	\$ (327,738)	\$ 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, 2019

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 \$118,893 in nonspendable fund balances as of June 30, 2019, 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 assigned 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 \$4,144,221, which represents five percent of adopted resources (which includes the budgeted beginning fund balance of \$3,995,912). The unassigned ending fund balance in the General Fund at June 30, 2019, is \$6,453,740 or 7.49%. 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, 2019

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, 2019

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	\$ 185,299,105
Demand accounts	3,742,180
Petty cash	<u>18,950</u>
 Total cash and investments	 <u><u>\$ 189,060,235</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, 2019

Note 4: Cash and Investments (continued)

Credit risk

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

Concentration of credit risk – investments

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

Custodial credit risk – deposits

At year-end, the District's bank balance was \$3,397,405. Of these deposits, \$500,000 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, 2019

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, 2019 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	\$ 30,113,157	0.003	16.2%	0.500%
US Treasury Securities, Maturing through Nov. 15, 2021	61,103,672	1.706	33.0%	0.527%
Federal Agency Coupon Securities, Maturing through Dec. 10, 2021	55,414,672	1.531	29.9%	0.628%
Corporate Notes Maturing through July 24, 2020	38,667,604	0.718	20.9%	0.717%
Total	\$ 185,299,105	1.171	100.00%	0.592%

As of June 30, 2019, the District's investments were rated as follows:

Investment Type	Ratings by Moody's Services							
	Total	Aaa	A1	A2	A3	Aa3	P1	Not Rated
State of Oregon Treasurer's LGIP	\$ 30,113,157	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,113,157
US Treasury Securities, Maturing through Nov. 15, 2021	61,103,672	61,103,672						-
Federal Agency Coupon Securities, Maturing through Dec. 10, 2021	55,414,672	55,414,672						-
Corporate Notes Maturing through July 24, 2020	38,667,604	-	6,023,475	21,685,981	1,999,604	999,738	7,958,807	-
	<u>\$ 185,299,105</u>	<u>\$ 116,518,344</u>	<u>\$ 6,023,475</u>	<u>\$ 21,685,981</u>	<u>\$ 1,999,604</u>	<u>\$ 999,738</u>	<u>\$ 7,958,807</u>	<u>\$ 30,113,157</u>

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2019

Note 5: Receivables

Receivables as of year-end are summarized as follows:

General Fund	\$ 127,065
Special Revenue Fund	1,714
Capital Projects Fund	<u>1,200</u>
Total	<u>\$ 129,979</u>

Note 6: Capital Assets

Capital asset activity for the year ended June 30, 2019, was as follows:

	Balance Restated July 1, 2018	Increases	Decreases	Balance June 30, 2019
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 5,510,004	\$ 62,114	\$ -	\$ 5,572,118
Construction in progress	<u>113,637</u>	<u>1,609,817</u>	<u>(113,637)</u>	<u>1,609,817</u>
Total capital assets not being depreciated	<u>5,623,641</u>	<u>1,671,931</u>	<u>(113,637)</u>	<u>7,181,935</u>
Capital assets being depreciated:				
Site improvements	5,712,478	209,420	-	5,921,898
Buildings and improvements	110,877,372	1,436,456	(430,030)	111,883,798
Equipment	<u>10,516,567</u>	<u>717,583</u>	<u>-</u>	<u>11,234,150</u>
Total capital assets being depreciated	<u>126,676,387</u>	<u>2,363,459</u>	<u>(430,030)</u>	<u>129,039,846</u>
Less accumulated depreciation for:				
Site improvements	2,960,061	253,098	-	3,213,159
Buildings and improvements	39,234,051	2,137,598	-	41,371,649
Equipment	<u>7,133,073</u>	<u>637,001</u>	<u>-</u>	<u>7,770,074</u>
Total accumulated depreciation	<u>49,327,185</u>	<u>3,027,697</u>	<u>-</u>	<u>52,354,882</u>
Total capital assets being depreciated, net	<u>77,349,202</u>	<u>(664,238)</u>	<u>(430,030)</u>	<u>76,684,964</u>
Governmental activities capital assets, net	<u>\$ 82,972,843</u>	<u>\$ 1,007,693</u>	<u>\$ (543,667)</u>	<u>\$ 83,866,899</u>

Depreciation expense was charged to programs as follows:

Instruction	\$ 1,854,256
Support Services	1,020,463
Enterprise and Community Services	<u>152,978</u>
Total	<u>\$ 3,027,697</u>

OREGON CITY SCHOOL DISTRICT NO. 62
 Clackamas County, Oregon
 Notes to the Financial Statements
 June 30, 2019

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, 2019, are as follows:

	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Due within One Year
Accrued compensated absences	\$ 150,852	\$ 230,122	\$ 188,292	\$ 192,682	\$ 192,682

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, 2018	Additional Obligations	Payments & Adjustments	Balance June 30, 2019	Due within One Year
Bonds					
General obligation refunding bonds - 2013	\$ 12,235,000	\$ -	\$ (5,945,000)	\$ 6,290,000	\$ 6,290,000
General obligation refunding bonds - 2014	14,480,000	-	(6,650,000)	7,830,000	285,000
General obligation bonds - 2018	-	157,995,950	-	157,995,950	-
Pension obligation bonds	35,585,000	-	(2,205,000)	33,380,000	2,500,000
Unamortized:					
Bond premium	1,816,552	-	(86,502)	1,730,050	-
Bond premium	-	17,873,781	(297,896)	17,575,885	-
Bond discount	(47,053)	-	23,527	(23,526)	-
Direct Borrowings and Direct Placements					
Note payable	103,672	-	(50,890)	52,782	52,792
Note payable	99,594	-	(38,840)	60,754	40,154
Note payable	185,074	-	(44,330)	140,744	45,598
Note payable	214,325	-	(51,959)	162,366	53,026
Note payable	341,509	-	(31,535)	309,974	32,549
Note payable	292,042	-	(55,740)	236,302	57,043
Note payable	240,037	-	(45,742)	194,295	46,848
Note payable	353,113	-	(55,297)	297,816	56,672
Note payable	371,003	-	(49,932)	321,071	50,922
Note payable	357,851	-	(41,556)	316,295	42,426
Note payable	845,324	-	(86,051)	759,273	86,694
Note payable	1,169,773	-	(106,831)	1,062,942	108,968
	4,573,317	-	(658,703)	3,914,614	673,692
Total bonds, direct borrowings and direct placements	68,642,816	175,869,731	(15,819,574)	228,692,973	9,748,692
Capital leases payable	221,245	163,800	(151,351)	233,694	112,713
Total	\$ 68,864,061	\$ 176,033,531	\$ (15,970,925)	\$ 228,926,667	\$ 9,861,405

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2019

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 shall mature on June 15, 2013-2020, and bear interest of .3% to 2.024%.

<u>Fiscal Year</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
2020	\$ 6,290,000	\$ 127,310	\$ 6,417,310
Total	\$ 6,290,000	\$ 127,310	\$ 6,417,310

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.

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2019

Note 8: Long-Term Obligations (Continued):

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

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

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

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

A description and maturity schedule follows:

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

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

Maturity schedule: Bonds shall mature on June 1, 2016-2039 and bear interest of 2% to 5%.

<u>Fiscal Year</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
2020	\$ 285,000	\$ 367,306	\$ 652,306
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
2025-2029	1,835,000	1,407,500	3,242,500
2030 - 2034	2,345,000	900,500	3,245,500
2035 - 2039	2,150,000	332,500	2,482,500
2040-			
Total	<u>\$ 7,830,000</u>	<u>\$ 4,387,425</u>	<u>\$ 12,217,425</u>

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2019

Note 8: Long-Term Obligations (Continued):

General Obligation and Refunding Bonds, Series 2018 issue

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

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

A description and maturity schedule follows:

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

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

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

<u>Fiscal Year</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
2020	\$ -	\$ 9,882,797	\$ 9,882,797
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 - 2029	14,190,000	31,357,006	45,547,006
2030-2034	19,887,313	29,569,937	49,457,250
2035-2039	22,822,464	34,517,036	57,339,500
2040-2044	29,526,173	36,942,576	66,468,749
2045-2049	66,525,000	10,525,000	77,050,000
Total	<u>\$ 157,995,950</u>	<u>\$ 179,213,323</u>	<u>\$ 337,209,273</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:

OREGON CITY SCHOOL DISTRICT NO. 62
 Clackamas County, Oregon
 Notes to the Financial Statements
 June 30, 2019

Note 8: Long-Term Obligations (Continued)

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

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

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

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

<u>Fiscal Year</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
2020	\$ 2,500,000	\$ 1,836,670	\$ 4,336,670
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 - 2029	17,410,000	2,291,909	19,701,909
Total	<u>\$ 33,380,000</u>	<u>\$ 9,937,040</u>	<u>\$ 43,317,040</u>

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2019

Note 8: Long-Term Obligations (Continued)

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 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 will mature on February 8, 2020, and bears interest of 3.70%.

<u>Fiscal Year</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
2020	\$ 52,794	\$ 1,469	\$ 54,263
Total	\$ 52,794	\$ 1,469	\$ 54,263

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.

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2019

Note 8: Long-Term Obligations (Continued)

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%.

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2020	\$ 40,154	\$ 1,701	\$ 41,855
2021	20,600	355	20,955
Total	<u>\$ 60,754</u>	<u>\$ 2,056</u>	<u>\$ 62,810</u>

Note Payable

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

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

A description and maturity schedule of the note follows:

Net purchase price: \$ 437,000

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

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

OREGON CITY SCHOOL DISTRICT NO. 62
 Clackamas County, Oregon
 Notes to the Financial Statements
 June 30, 2019

Note 8: Long-Term Obligations (Continued)

<u>Fiscal Year</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
2020	\$ 45,598	\$ 4,025	\$ 49,623
2021	46,902	2,721	49,623
2022	48,244	1,380	49,624
Total	<u>\$ 140,744</u>	<u>\$ 8,126</u>	<u>\$ 148,870</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%.

<u>Fiscal Year</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
2020	\$ 53,026	\$ 3,334	\$ 56,360
2021	54,115	2,245	56,360
2022	55,225	1,134	56,359
Total	<u>\$ 162,366</u>	<u>\$ 6,713</u>	<u>\$ 169,079</u>

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2019

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.

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
2020	\$ 32,549	\$ 9,619	\$ 42,168
2021	33,649	8,519	42,168
2022	34,759	7,409	42,168
2023	35,906	6,262	42,168
2024	37,077	5,091	42,168
2025 - 2028	136,034	7,872	143,906
Total	<u>\$ 309,974</u>	<u>\$ 44,772</u>	<u>\$ 354,746</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, 2019

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
2020	\$ 57,043	\$ 5,526	\$ 62,569
2021	58,377	4,192	62,569
2022	59,742	2,827	62,569
2023	61,140	1,430	62,570
Total	<u>\$ 236,302</u>	<u>\$ 13,975</u>	<u>\$ 250,277</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 \$565,000 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
2020	\$ 46,848	\$ 4,695	\$ 51,543
2021	47,980	3,563	51,543
2022	49,139	2,404	51,543
2023	50,328	1,216	51,544
Total	<u>\$ 194,295</u>	<u>\$ 11,878</u>	<u>\$ 206,173</u>

OREGON CITY SCHOOL DISTRICT NO. 62

Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2019

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
2020	\$ 56,672	\$ 7,409	\$ 64,081
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>\$ 297,816</u>	<u>\$ 22,591</u>	<u>\$ 320,407</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
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Notes to the Financial Statements
June 30, 2019

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
2020	\$ 50,922	\$ 6,362	\$ 57,284
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>\$ 321,071</u>	<u>\$ 22,632</u>	<u>\$ 343,703</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
2020	\$ 42,426	\$ 6,620	\$ 49,046
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
2025-2026	95,097	2,995	98,092
Total	<u>\$ 316,295</u>	<u>\$ 27,026</u>	<u>\$ 343,321</u>

OREGON CITY SCHOOL DISTRICT NO. 62

Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2019

Note 8: Long-Term Obligations (Continued)

Note Payable

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

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

A description and maturity schedule of the note follows:

Net purchase price: \$949,436

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

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

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2020	\$ 86,694	\$ 19,521	\$ 106,215
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
2024-2027	302,935	15,708	318,643
Total	<u>\$ 759,273</u>	<u>\$ 90,443</u>	<u>\$ 849,716</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.

OREGON CITY SCHOOL DISTRICT NO. 62
 Clackamas County, Oregon
 Notes to the Financial Statements
 June 30, 2019

Note 8: Long-Term Obligations (Continued)

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

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2020	\$ 108,968	\$ 29,125	\$ 138,093
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
2025-2028	495,869	34,303	530,172
Total	<u>\$ 1,062,942</u>	<u>\$ 149,466</u>	<u>\$ 1,212,408</u>

Note 9: Capital Leases

In September 2015, the District entered into a lease for the acquisition of technology equipment valued at \$154,598. 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 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 future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2019, were as follows:

Year ending June 30	Governmental Activities
2020	\$ 39,044
Total minimum lease payments	39,044
Less: amount representing interest	(732)
Present value of minimum lease payments	<u>\$ 38,312</u>

OREGON CITY SCHOOL DISTRICT NO. 62
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 Notes to the Financial Statements
 June 30, 2019

Note 9: Capital Leases (continued)

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, 2019, were as follows:

<u>Year ending June 30</u>	<u>Governmental Activities</u>
2020	\$ 36,748
2021	36,749
Total minimum lease payments	73,497
Less: amount representing interest	(2,095)
Present value of minimum lease payments	<u>\$ 71,402</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, 2019, were as follows:

<u>Year ending June 30</u>	<u>Governmental Activities</u>
2020	\$ 42,479
2021	42,479
2022	42,479
Total minimum lease payments	127,437
Less: amount representing interest	(6,116)
Present value of minimum lease payments	<u>\$ 121,321</u>

OREGON CITY SCHOOL DISTRICT NO. 62

Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2019

Note 10: Early Retirement

Plan description

The District maintains a single-employer early retirement incentive program for its employees, as per collective bargaining agreements, for certain retirees. The benefits vary by agreement and depend upon a retiree's years of service and salary. In general, the District pays a monthly stipend based on the age of the retiree, a certain percentage of the final salary times the number of months remaining until age 62. The retiree may apply all or part of the entire stipend toward continuing insurance costs. The District does not issue a stand-alone report for this plan. The General Fund has been used to liquidate the early retirement liability.

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, 2019 was \$75,732.

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 June 30, 2019.

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2019

Note 10: Early Retirement (continued)

Actuarial Methods and Assumptions

The total pension liability (TPL) for the current year was determined as part of the June 30, 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 3.87%; (b) annual increases in medical premiums are expected to be 8.0% initially decreasing over 6 years to be 5% annually; and (c) annual increases in dental premiums are expected to increase by 2% then 0.5% more each subsequent year until they are increasing at 3% per year; (d) annual increases in vision premiums are expected to increase by 4% then 0.5% less each subsequent year until they are increasing at 3% per year; (e) an assumed inflation rate of 2.5%; (f) annual salary increases for employees are assumed to be 2.5% in all future years.

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

Changes in Total Pension Liability

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

	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>
Differences between expected and actual experience	\$ (180,672)	\$ -
Changes of assumptions or inputs	(72,674)	85,207
Benefit payments	-	198,437
Total	<u>\$ (253,346)</u>	<u>\$ 283,644</u>

OREGON CITY SCHOOL DISTRICT NO. 62
 Clackamas County, Oregon
 Notes to the Financial Statements
 June 30, 2019

Note 10: Early Retirement (continued)

<u>Year Ending June 30,</u>	<u>Amount</u>
2020	\$ (50,188)
2021	(50,188)
2022	(50,188)
2023	(44,306)
2024	9,149
Thereafter	<u>17,582</u>
Total	<u>\$ (168,139)</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 3.58 percent, as well as what the District's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Total Pension Liability	\$ 1,919,652	\$ 1,818,029	\$ 1,719,286

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, 2019

Note 11: Other Post-Employment Benefits (continued)

Summary of significant accounting policies

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

Funding policy

The benefits for this program are fully paid by the District and, consequently, no contributions by employees are required. OPEB expense for the year ended June 30, 2019 was \$54,657.

Actuarial Methods and Assumptions

The District engaged an actuary to perform an evaluation as of June 30, 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, 2019</u>
Discount Rate per year	3.87%
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 purpose does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Changes in Total OPEB Liability

	<u>2018</u>	<u>2019</u>
Balance at July 1	\$ 5,253,099	\$ 5,049,839
Changes for the Year:		
Service Cost	385,657	366,217
Interest	153,939	186,149
Effect of Assumptions Changes or Input	(264,759)	(105,933)
Benefit Payments	(478,097)	(436,556)
Net Changes for the Year	(203,260)	9,877
Total OPEB Liability at June 30	<u>\$ 5,049,839</u>	<u>\$ 5,059,716</u>

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2019

Note 11: Other Post-Employment Benefits (continued)

	Deferred Inflows of Resources	Deferred Outflows of Resources
Difference between expected and actual experience	\$ -	\$ -
Changes in assumptions	(279,913)	-
Benefit Payments	-	444,753
Deferred outflow (inflow) of resources	<u>\$ (279,913)</u>	<u>\$ 444,753</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>
2020	\$ (52,956)
2021	(52,956)
2022	(52,956)
2023	(52,956)
2024	(52,954)
Thereafter	(15,135)
Total	<u>\$ (279,913)</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 3.58 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:

June 30, 2019	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	\$ 5,426,872	\$ 5,069,716	\$ 4,717,104
June 30, 2019	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	\$ 4,583,364	\$ 5,069,716	\$ 5,617,688

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/2018-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, 2019

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 a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

OREGON CITY SCHOOL DISTRICT NO. 62
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Notes to the Financial Statements
June 30, 2019

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.
- v) **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.
- vi) **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.
- vii) **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.
- viii) **Benefit Changes After Retirement.** Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

OREGON CITY SCHOOL DISTRICT NO. 62
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Notes to the Financial Statements
June 30, 2019

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, 2015 actuarial valuation, which became effective July 1, 2017. 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, 2019 were \$6,110,647, excluding amounts to fund employer specific liabilities. In addition approximately \$2,617,416 in employee contributions were paid or picked up by the District in fiscal 2019. At June 30, 2019, the District reported a net pension liability of \$67,603,800 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as December 31, 2016. 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, 2018 and 2017, the District's proportion was .446 percent and .440 percent, respectively. Pension expense for the year ended June 30, 2019 was \$7,364,258.

The rates in effect for the year ended June 30, 2019 were:

- (1) Tier 1/Tier 2 – 17.00%
- (2) Tier 3 – 11.67%
- (3) UAL – 3.65%

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 2,299,679	\$ -
Changes in assumptions	15,717,755	-
Net difference between projected and actual earnings on pension plan investments	-	3,001,991
Net changes in proportionate share	1,129,240	380,243
Differences between employer contributions and employer's proportionate share of system contributions	7,499	1,533,896
Subtotal - Amortized Deferrals (below)	19,154,173	4,916,130
Contributions subsequent to measurement date	6,110,647	-
Deferred outflow (inflow) of resources	<u>\$ 25,264,820</u>	<u>\$ 4,916,130</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, 2020.

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
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Notes to the Financial Statements
June 30, 2019

Note 12: Defined Benefit Pension Plan (continued)

<u>Year ending June 30,</u>	<u>Amount</u>
2020	\$ 8,327,278
2021	5,754,639
2022	(964,986)
2023	728,002
2024	393,111
Thereafter	-
Total	<u>\$ 14,238,043</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, 2019. Oregon PERS produces an independently audited CAFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2018-CAFR.pdf>

Actuarial Valuations – The employer contribution rates effective July 1, 2017 through June 30, 2019, 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, 2019

Note 12: Defined Benefit Pension Plan (continued)

Actuarial Methods and Assumptions:

Experience Study Report	2016, Published July 26, 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	7.50 percent
Projected salary increase	3.5 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
Cash	0.0%	3.0%	0.0%
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	13.5%	21.5%	17.5%
Alternative Investments	0.0%	12.5%	12.5%
Opportunity Portfolio	0.0%	3.0%	0.0%
Total			100.0%

(Source: June 30, 2018 PERS CAFR; p. 98)

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2019

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 2015, revised as of June 7, 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, 2018 PERS CAFR; p. 72)

Discount Rate – The discount rate used to measure the total pension liability as of the measurement date of June 30, 2018 and 2017, was 7.20 percent and 7.50 percent, respectively, 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, 2019

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	\$ 112,978,721	\$ 67,603,800	\$ 30,150,516

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, 2018 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 death, disability, resignation, or retirement. 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, 2019

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, 2019.

Retirement Health Insurance Account

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, 2019

Note 12: Defined Benefit Pension Plan (continued)

Participating districts are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the District currently contributes 0.50% of annual covered OPERF payroll and 0.43% of OPSRP payroll under a contractual requirement in effect until June 30, 2020. The OPERS Board of Trustees sets the employer contribution rates based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The District's contributions to RHIA for the years ended June 30, 2017, 2018 and 2019 were \$203,108, \$195,145, and \$199,192, respectively, which equaled the required contributions each year.

At June 30, 2019, the District's net OPEB liability/(asset) and deferred inflows and outflows were not considered significant by management and were not accrued on the government wide statements.

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: 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 14: Interfund Transfers

In accordance with legal restrictions, transfers were as follows:

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

The District makes transfers from the General Fund various funds for specific projects and designated needs. This was approved by the School Board in the Adopted 2018-19 budget.

OREGON CITY SCHOOL DISTRICT NO. 62
 Clackamas County, Oregon
 Notes to the Financial Statements
 June 30, 2019

Note 15: 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, 2019 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 103,968	\$ -
Special Revenue Fund	-	3,479,727
Debt Service Fund	-	185,088
Pension Obligation Fund	150,000	-
Capital Projects Fund	2,832,306	-
Internal Service Fund	<u>578,541</u>	<u>-</u>
	3,664,815	3,664,815
General Due to Fiduciary	-	207,146
Fiduciary Fund	<u>207,146</u>	<u>-</u>
Total	<u>\$ 3,871,961</u>	<u>\$ 3,871,961</u>

Note 16: 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>
2017-2018	<u>\$ 17,553</u>	<u>\$ 26,433</u>	<u>\$ 24,689</u>	<u>\$ 19,297</u>
2018-2019	<u>\$ 19,297</u>	<u>\$ 78,976</u>	<u>\$ 46,057</u>	<u>\$ 52,216</u>

OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Notes to the Financial Statements
June 30, 2019

Note 17: Subsequent Events

Management has evaluated subsequent events through December 16, 2019, the date on which the financial statements were available to be issued. Management is not aware of any subsequent events except as noted below:

On August 15, 2019 the District entered into a financing agreement with JPMorgan Chase for the replacement of school buses over a three year period. The financing was undertaken for greater efficiency in the procurement of buses year over year and to reduce financing costs by undertaking it over a three year period. The loan totaled \$2,100,000. On October 7, 2019 the District sold a small parcel of property for \$13,786 which was located on a steep hillside. The District's School Board determined that it was not feasible to construct any building on the property in the future that would be suitable for District purposes.

Note 18: Tax Abatement Disclosures

As of June 30, 2019, 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.

Tax Abatement Program	Amount of Taxes Abated during the Fiscal Year
Housing Authority Partnership	\$ 98,395
Enterprise Zones	16,214
	<u>\$ 114,609</u>

OREGON CITY SCHOOL DISTRICT NO. 62

Clackamas County, Oregon

Notes to the Financial Statements

June 30, 2019

Note 19: Prior Period Adjustment

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

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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, 2019

	<u>2019</u>	<u>2018</u>
Total OPEB Liability - Beginning	\$ 5,049,839	\$ 5,253,099
Changes for the year		
Service Cost	366,217	385,657
Interest on Total Pension Liability	186,149	153,939
Effect of assumptions changes or inputs	(105,933)	(264,759)
Benefit payments	<u>(436,556)</u>	<u>(478,097)</u>
Total OPEB Liability - Ending	<u>\$ 5,059,716</u>	<u>\$ 5,049,839</u>
Covered Payroll	10,666,198	9,974,666
Total OPEB Liability as a Percentage of Covered Payroll	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, 2019

	2019	2018	2017
Total Pension Liability - Beginning	\$ 1,833,376	\$ 2,258,095	\$ 2,250,496
Changes for the year			
Service Cost	106,284	91,360	76,822
Interest on Total Pension Liability	66,609	63,669	84,276
Effect of economic/demographoc gains or losses	-	(273,324)	125,782
Effect of assumptions changes or inputs	(28,696)	(73,888)	-
Benefit payments	(159,544)	(232,536)	(279,281)
Total Pension Liability - Ending	<u>\$ 1,818,029</u>	<u>\$ 1,833,376</u>	<u>\$ 2,258,095</u>
Covered Payroll	9,271,412	8,354,444	8,267,223
Net Single Employer Pension Plan as a Percentage of Covered Payroll	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, 2019

Oregon Public Retirement System

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

Year ended June 30,	District's proportion of the net pension liability (NPL)	District's proportionate share of the net pension liability (asset)	District's covered payroll	NPL (asset) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2019	0.4462685%	\$ 67,603,800	\$ 44,975,696	150.312%	82.10%
2018	0.4402037%	59,339,628	41,519,376	142.920%	83.10%
2017	0.4475191%	67,183,006	40,051,217	167.743%	80.50%
2016	0.4332644%	24,875,706	38,663,017	64.340%	91.90%
2015	0.3934396%	(10,973,772)	35,806,805	-30.647%	103.60%
2014	0.3934396%	8,918,152	34,464,098	25.877%	92.00%

Schedule of District Contributions

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

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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, 2019

		Total	Final Budgeted Amount	Variance with Final Budget
<u>Local Sources</u>				
1111	Current Year Taxes	\$ 26,445,418	\$ 26,166,135	\$ 279,283
1112	Prior Year Taxes	898,808	300,000	598,808
1114	Payments in Lieu of Property Taxes	24,070	11,000	13,070
1190	Penalties and Interest Taxes	65,057	65,000	57
1400	Transportation Fees	113,487	72,000	41,487
1500	Earnings on Investments	554,483	286,000	268,483
1700	Extracurricular Activities	211,166	211,000	166
1800	Community Services Activities	606,367	587,000	19,367
1910	Rentals	338,518	290,000	48,518
1920	Donations - Private Sources	611	-	611
1940	Agencies	30,766	32,000	(1,234)
1960	Recovery of Prior Years' Expenditure	5,534	75,000	(69,466)
1980	Fees Charged to Grants	\$37,044	40,000	(2,956)
1990	Miscellaneous	103,115	125,000	(21,885)
1991	Medicaid	4,436	-	4,436
	Total Local Sources	<u>29,438,880</u>	<u>28,260,135</u>	<u>1,178,745</u>
<u>Intermediate Sources:</u>				
2102	ESD Funds	963,643	840,000	123,643
	Total Intermediate Sources	<u>963,643</u>	<u>840,000</u>	<u>123,643</u>
<u>State Sources:</u>				
3101	State School Fund	46,301,178	44,679,683	1,621,495
3103	Common School Fund	885,728	794,000	91,728
3105	State School Fund (SSF)	3,765,989	3,426,689	339,300
3199	Other Unrestricted Grants-in-Aid	899,794	850,000	49,794
3204	Driver Education	-	38,000	(38,000)
	Total State Sources	<u>51,852,689</u>	<u>49,788,372</u>	<u>2,064,317</u>
<u>Federal Sources:</u>				
4500	Fed/State Restr Grants	2,864	-	2,864
4801	Federal Forest Fees	31,205	-	31,205
	Total Federal Sources	<u>34,069</u>	<u>-</u>	<u>34,069</u>
	Total Revenues	<u>\$ 82,289,281</u>	<u>\$ 78,888,507</u>	<u>\$ 3,400,774</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, 2019

	Object 100	Object 200	Object 300	Object 400
Instruction				
1111 Elementary, K-5	\$ 9,003,012	\$ 5,272,738	\$ 44,912	\$ 159,763
1121 Middle/Junior High Programs	4,935,309	2,732,562	36,064	139,417
1122 Middle/Junior High School Extracurricular	83,993	24,436	358	2,596
1131 High School Programs	5,253,130	2,793,132	39,314	150,589
1132 High School Extracurricular	305,746	77,346	48,528	10,922
1210 Programs for the Talented and Gifted	20,531	6,520	7,574	3,893
1220 Restrictive Programs for Students with Disabilities	2,378,964	1,598,418	2,160,219	9,162
1250 Less Restrictive Programs for Students with Disabilities	2,320,372	1,472,721	3,178	6,278
1271 Remediation	6,719	-	-	-
1280 Alternative Education	301,523	158,276	7,476,974	6,033
1290 English Second Language and Teen Parent Programs	951,439	595,742	4,121	6,932
Total Instruction	<u>25,560,738</u>	<u>14,731,891</u>	<u>9,821,242</u>	<u>495,585</u>
Support Services				
2110 Attendance and Social Work Services	175,558	117,551	3,782	1,587
2120 Guidance Services	1,195,808	679,224	2,734	2,013
2130 Health Services	202,062	122,174	191,490	7,238
2140 Psychological Services	347,393	152,331	2,855	12,287
2150 Speech Pathology and Audiology Services	857,126	478,056	74,757	4,976
2160 Other Student Treatment Services	146,083	91,660	5,631	6,636
2190 Service Direction, Student Support Services	969,087	561,964	127,808	17,466
2210 Improvement of Instruction Services	350,841	151,964	56,522	365,239
2220 Educational Media Services	449,755	311,650	1,831	66,386
2230 Assessment and Testing	-	-	-	-
2240 Instructional Staff Development	18,744	227,573	40,924	2,036
2310 Board of Education Services	36,970	19,226	116,303	10,562
2320 Executive Administration Services	209,497	111,785	43,289	12,041
2410 Office of the Principal Services	2,472,414	1,431,013	83,674	51,265
2510 Business Services - Direction	93,090	50,105	62,374	2,517
2520 \	498,555	258,469	237,398	9,029
2540 Operation and Maintenance of Plant Services	1,888,986	1,296,766	2,252,764	367,948
2550 Student Transportation Services	2,372,149	1,641,479	535,984	482,241
2570 Internal Services	134,874	92,337	147,119	(17,032)
2620 Planning Services	-	-	83,894	3,961
2630 Information Services	93,298	60,449	60,147	3,500
2640 Staff Services	257,629	134,228	33,342	52,964
2660 Technology Services	279,400	165,191	386,349	77,637
2700 Supplemental Retirement Program	149,069	3,944	-	-
Total Support Services	<u>13,198,388</u>	<u>8,159,139</u>	<u>4,550,971</u>	<u>1,542,497</u>
Enterprise and Community Services				
3300 Community Services and Community Education	71,172	44,366	42,582	1,377
3390 Community Education	437,230	143,078	21,479	73,308
Total Enterprise and Community Services	<u>508,402</u>	<u>187,444</u>	<u>64,061</u>	<u>74,685</u>
Facilities Acquisition and Construction				
4150 Building Acquisition, Construction, and Improvement Services	-	-	-	-
Total Facilities Acquisition and Construction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Uses				
5200 Transfers of Funds	-	-	-	-
Total Other Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contingency				
6000 Operating Contingency	-	-	-	-
Total Contingency	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 39,267,528</u>	<u>\$ 23,078,474</u>	<u>\$ 14,436,274</u>	<u>\$ 2,112,767</u>
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
\$ -	\$ -	\$ -	\$ -	\$ 14,480,425	\$ 15,519,300	\$ 1,038,875
-	-	-	-	7,843,352	7,850,305	6,953
-	-	-	-	111,383	93,684	(17,699)
-	189	-	-	8,236,354	8,161,590	(74,764)
-	7,655	-	-	450,197	365,484	(84,713)
-	-	-	-	38,518	60,551	22,033
-	-	-	-	6,146,763	6,791,025	644,262
-	-	-	-	3,802,549	3,175,995	(626,554)
-	-	-	-	6,719	-	(6,719)
-	-	-	-	7,942,806	8,719,602	776,796
-	-	-	-	1,558,234	1,777,235	219,001
-	7,844	-	-	50,617,300	52,514,771	1,897,471
-	-	-	-	298,478	363,664	65,186
-	4,431	-	-	1,884,210	1,977,107	92,897
-	140	-	-	523,104	561,762	38,658
-	-	-	-	514,866	636,718	121,852
-	-	-	-	1,414,915	1,323,397	(91,518)
-	-	-	-	250,010	230,280	(19,730)
-	1,190	-	-	1,677,515	1,979,660	302,145
-	1,660	-	-	926,226	756,230	(169,996)
-	2,121	-	-	831,743	869,417	37,674
-	-	-	-	-	55,181	55,181
-	-	-	-	289,277	407,044	117,767
-	11,413	-	-	194,474	171,613	(22,861)
-	3,811	-	-	380,423	395,441	15,018
-	19,780	-	-	4,058,146	4,240,346	182,200
-	1,257	-	-	209,343	281,309	71,966
-	11,055	-	-	1,014,506	767,165	(247,341)
37,956	602	-	-	5,845,022	6,054,684	209,662
-	95,139	-	-	5,126,992	5,218,073	91,081
889	316,845	-	-	675,032	466,692	(208,340)
-	-	-	-	87,855	10,187	(77,668)
-	681	-	-	218,075	159,937	(58,138)
-	1,687	-	-	479,850	810,454	330,604
-	13,474	-	-	922,051	1,092,827	170,776
-	-	-	-	153,013	188,496	35,483
38,845	485,286	-	-	27,975,126	29,017,684	1,042,558
-	-	-	-	159,497	142,014	(17,483)
-	5,101	-	-	680,196	839,540	159,344
-	5,101	-	-	839,693	981,554	141,861
-	-	-	-	-	10,410	10,410
-	-	-	-	-	10,410	10,410
-	-	200,000	-	200,000	200,000	-
-	-	200,000	-	200,000	200,000	-
-	-	-	-	-	160,000	160,000
-	-	-	-	-	160,000	160,000
\$ 38,845	\$ 498,231	\$ 200,000	\$ -	\$ 79,632,119	\$ 82,884,419	\$ 3,252,300
				\$ 2,857,162	\$ (3,795,912)	\$ 6,653,074
				(200,000)	(200,000)	-
				2,657,162	(3,995,912)	6,653,074
				3,913,934	3,995,912	(81,978)
				\$ 6,571,096	\$ -	\$ 6,571,096

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, 2019

Debt Service Fund

	Original Budget	Final Budget	Actual	Variance
REVENUES:				
Local sources				
Current year's taxes	\$ 5,605,000	\$ 5,605,000	\$ 5,594,510	\$ (10,490)
Prior year's taxes	100,000	100,000	273,521	173,521
Interest	33,000	33,000	198,329	165,329
Total revenues	<u>5,738,000</u>	<u>5,738,000</u>	<u>6,066,360</u>	<u>328,360</u>
EXPENDITURES:				
Debt service	<u>6,177,655</u>	<u>6,177,655</u>	<u>6,177,085</u>	<u>570</u>
Total expenditures	<u>6,177,655</u>	<u>6,177,655</u>	<u>6,177,085</u>	<u>570</u>
Excess of Revenues Over (Under) Expenditures	(439,655)	(439,655)	(110,725)	328,930
OTHER FINANCING SOURCES (USES)				
Bond Proceeds	<u>-</u>	<u>9,900,000</u>	<u>9,519,656</u>	<u>(380,344)</u>
Total Other Financing Sources, (Uses)	<u>-</u>	<u>9,900,000</u>	<u>9,519,656</u>	<u>(380,344)</u>
Net change in fund balance	(439,655)	9,460,345	9,408,931	(51,414)
Beginning fund balance	<u>870,000</u>	<u>870,000</u>	<u>957,567</u>	<u>87,567</u>
Ending fund balance	<u>\$ 430,345</u>	<u>\$ 10,330,345</u>	<u>\$ 10,366,498</u>	<u>\$ 36,153</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, 2019

Pension Obligation Fund

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:				
Local sources:				
Assessments to other funds	\$ 4,109,042	\$ 4,109,042	\$ 4,126,582	\$ 17,540
Total revenues	4,109,042	4,109,042	4,126,582	17,540
EXPENDITURES				
Debt service	4,159,042	4,159,042	4,126,582	32,460
Total expenditures	4,159,042	4,159,042	4,126,582	32,460
Net change in fund balance	(50,000)	(50,000)	-	50,000
Beginning fund balance	150,000	150,000	150,000	-
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, 2019

Capital Projects Fund

	Original Budget	Final Budget	Actual	Variance
REVENUES:				
Local sources	\$ 1,255,000	\$ 1,255,000	\$ 3,730,406	\$ 2,475,406
State sources	675,000	675,000	837,344	162,344
Total revenues	1,930,000	1,930,000	4,567,750	2,637,750
EXPENDITURES:				
Instruction	157,000	157,000	17,876	139,124
Support services	1,412,035	3,412,035	1,256,303	2,155,732
Facilities acquisition & construction	1,742,000	21,742,000	3,266,937	18,475,063
Debt service	1,559,800	11,559,800	2,212,229	9,347,571
Contingency	227,260	227,260	-	227,260
Total expenditures	5,098,095	37,098,095	6,753,345	30,344,750
Excess of revenues over (under) expenditures	(3,168,095)	(35,168,095)	(2,185,595)	32,982,500
OTHER FINANCING SOURCES (USES)				
Capital lease proceeds	150,000	150,000	163,800	13,800
Issuance of Debt	300,000	166,300,000	166,350,075	50,075
Payment to refunded bond escrow agent	-	-	(6,987,404)	(6,987,404)
Sale of capital assets	380,000	380,000	444,119	64,119
Total other financing sources (uses)	830,000	166,830,000	159,970,590	(6,859,410)
Net change in fund balance	(2,338,095)	131,661,905	157,784,995	26,123,090
Beginning fund balance	2,919,387	2,919,387	3,125,157	205,770
Ending fund balance	\$ 581,292	\$ 134,581,292	\$ 160,910,152	\$ 26,328,860

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, 2019

Risk Management Internal Service Fund

	Original Budget	Final Budget	Actual	Variance
REVENUES:				
Local sources	\$ 593,500	\$ 593,500	\$ 718,984	\$ 125,484
Total revenues	593,500	593,500	718,984	125,484
EXPENDITURES:				
Support services	944,806	944,806	670,616	274,190
Total expenditures	944,806	944,806	670,616	274,190
Net change in fund balance	(351,306)	(351,306)	48,368	399,674
Beginning fund balance	351,306	351,306	509,970	158,664
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 558,338</u>	<u>\$ 558,338</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, 2019

	M. Parkinson Memorial	D. Peters Memorial	Class of '52 Scholarship	Karmin Tomlinson Scholarship	J. Adrian Memorial	A. Gallagher Memorial	OCHS Scholarships	CJ Church Educational Fund	Lange/Bush- Lange Scholarships	Deleen Baker Memorial	Baughman Scholarships	Total
<u>ASSETS</u>												
Receivables Interfund	\$ 19,669	\$ 4,397	\$ 31,661	\$ 1,675	\$ 20,201	\$ 24,688	\$ 5,674	\$ 4,389	\$ 3,758	\$ 2,498	\$ 88,536	\$ 207,146
Total assets	<u>\$ 19,669</u>	<u>\$ 4,397</u>	<u>\$ 31,661</u>	<u>\$ 1,675</u>	<u>\$ 20,201</u>	<u>\$ 24,688</u>	<u>\$ 5,674</u>	<u>\$ 4,389</u>	<u>\$ 3,758</u>	<u>\$ 2,498</u>	<u>\$ 88,536</u>	<u>\$ 207,146</u>
<u>LIABILITIES</u>												
Due to agency groups	\$ 19,669	\$ 4,397	\$ 31,661	\$ 1,675	\$ 20,201	\$ 24,688	\$ 5,674	\$ 4,389	\$ 3,758	\$ 2,498	\$ 88,536	\$ 207,146
Total liabilities	<u>\$ 19,669</u>	<u>\$ 4,397</u>	<u>\$ 31,661</u>	<u>\$ 1,675</u>	<u>\$ 20,201</u>	<u>\$ 24,688</u>	<u>\$ 5,674</u>	<u>\$ 4,389</u>	<u>\$ 3,758</u>	<u>\$ 2,498</u>	<u>\$ 88,536</u>	<u>\$ 207,146</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, 2019

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
M. Parkinson Memorial Agency Fund				
Assets:				
Receivables:				
Interfund	\$ 19,130	\$ 539	\$ -	\$ 19,669
Liabilities				
Due to agency groups	\$ 19,130	\$ 539	\$ -	\$ 19,669
D. Peters Memorial Agency Fund				
Assets:				
Receivables:				
Interfund	\$ 4,306	\$ 91	\$ -	\$ 4,397
Liabilities				
Due to agency groups	\$ 4,306	\$ 91	\$ -	\$ 4,397
Class of '52 Scholarship Agency Fund				
Assets:				
Receivables:				
Interfund	\$ 31,010	\$ 651	\$ -	\$ 31,661
Liabilities				
Due to agency groups	\$ 31,010	\$ 651	\$ -	\$ 31,661
Karmin Tomlinson Scholarship Fund				
Assets:				
Receivables:				
Interfund	\$ 2,507	\$ 168	\$ (1,000)	\$ 1,675
Liabilities				
Due to agency groups	\$ 2,507	\$ 168	\$ (1,000)	\$ 1,675
J. Adrian Memorial Agency Fund				
Assets:				
Receivables:				
Interfund	\$ 23,712	\$ 489	\$ (4,000)	\$ 20,201
Liabilities				
Due to agency groups	\$ 23,712	\$ 489	\$ (4,000)	\$ 20,201
A. Gallagher Memorial Agency Fund				
Assets:				
Receivables:				
Interfund	\$ 24,107	\$ 581	\$ -	\$ 24,688
Liabilities				
Due to agency groups	\$ 24,107	\$ 581	\$ -	\$ 24,688

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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, 2019

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
OCHS Scholarships Fund				
Assets:				
Receivables:				
Interfund	\$ 5,557	\$ 117	\$ -	\$ 5,674
Liabilities				
Due to agency groups	\$ 5,557	\$ 117	\$ -	\$ 5,674
CJ Church Educational Fund				
Assets:				
Receivables:				
Interfund	\$ 4,238	\$ 151	\$ -	\$ 4,389
Liabilities				
Due to agency groups	\$ 4,238	\$ 151	\$ -	\$ 4,389
Lange/Bush-Lange Scholarships Fund				
Assets:				
Receivables:				
Interfund	\$ 3,681	\$ 77	\$ -	\$ 3,758
Liabilities				
Due to agency groups	\$ 3,681	\$ 77	\$ -	\$ 3,758
Deleen Baker Memorial Fund				
Assets:				
Receivables:				
Interfund	\$ 2,179	\$ 319	\$ -	\$ 2,498
Liabilities				
Due to agency groups	\$ 2,179	\$ 319	\$ -	\$ 2,498
Baughman Scholarships Fund				
Assets:				
Receivables:				
Interfund	\$ 86,714	\$ 1,822	\$ -	\$ 88,536
Liabilities				
Due to agency groups	\$ 86,714	\$ 1,822	\$ -	\$ 88,536
Totals - All Funds				
Assets:				
Receivables:				
Interfund	\$ 207,141	\$ 5,005	\$ (5,000)	\$ 207,146
Liabilities				
Due to agency groups	\$ 207,141	\$ 5,005	\$ (5,000)	\$ 207,146

OREGON CITY SCHOOL DISTRICT NO. 62
 Clackamas County, Oregon
 Schedule of Property Tax Transactions and Balances
 Of Taxes Uncollected - General Fund
 For the Year Ended June 30, 2019

<u>Tax Year</u>	<u>Original Levy or Balance Uncollected 7/1/18</u>	<u>Deduct Discounts</u>	<u>Adjustments to Rolls</u>	<u>Add Interest</u>	<u>Cash Collections By County Treasurer</u>	<u>Balance Uncollected or Unsegregated 6/30/19</u>
Current:						
2018-19	<u>\$ 27,610,782</u>	<u>\$ 726,166</u>	<u>\$ (88,726)</u>	<u>\$ 9,029</u>	<u>\$ 26,403,664</u>	<u>\$ 401,255</u>
Prior Years:						
2017-18	526,322	1,616	(89,036)	19,277	288,593	166,354
2016-17	267,680	1,433	(79,916)	16,236	111,846	90,721
2015-16	203,281	1,630	(84,193)	18,046	96,056	39,448
2014-15	144,019	2,878	(31,226)	10,577	107,980	12,512
2013-14 & Prior	<u>432,902</u>	<u>12,283</u>	<u>(28,033)</u>	<u>2,428</u>	<u>344,942</u>	<u>50,072</u>
Total Prior	<u>1,574,204</u>	<u>19,840</u>	<u>(312,404)</u>	<u>66,564</u>	<u>949,417</u>	<u>359,107</u>
Total General Fund	<u>\$ 29,184,986</u>	<u>\$ 746,006</u>	<u>\$ (401,130)</u>	<u>\$ 75,593</u>	<u>\$ 27,353,081</u>	<u>\$ 760,362</u>

Reconciliation to Revenue	<u>General Fund</u>
Cash Collections by County Treasurers Above	\$ 27,353,081
Accrual of Receivables:	
June 30, 2018	(71,090)
June 30, 2019	62,356
Taxes, (Adjustments) in Lieu	<u>89,006</u>
Total Revenue	<u>\$ 27,433,353</u>

OREGON CITY SCHOOL DISTRICT NO. 62

Clackamas County, Oregon

Schedule of Property Tax Transactions and Balances

Of Taxes Uncollected - Debt Service Fund

For the Year Ended June 30, 2019

<u>Tax Year</u>	<u>Original Levy or Balance Uncollected 7/1/18</u>	<u>Deduct Discounts</u>	<u>Adjustments to Rolls</u>	<u>Add Interest</u>	<u>Cash Collections By County Treasurer</u>	<u>Balance Uncollected or Unsegregated 6/30/19</u>
Current:						
2018-19	<u>\$ 5,841,059</u>	<u>\$ 153,620</u>	<u>\$ (18,770)</u>	<u>\$ 1,910</u>	<u>\$ 5,585,694</u>	<u>\$ 84,885</u>
Prior Years:						
2017-18	124,005	381	(20,978)	4,542	67,994	39,194
2016-17	76,547	410	(22,853)	4,643	31,985	25,942
2015-16	60,448	485	(25,036)	5,366	28,563	11,730
2014-15	43,386	856	(9,845)	3,145	32,109	3,721
2013-14 & Prior	<u>132,232</u>	<u>3,715</u>	<u>(9,786)</u>	<u>734</u>	<u>104,320</u>	<u>15,145</u>
Total Prior	<u>436,618</u>	<u>5,847</u>	<u>(88,498)</u>	<u>18,430</u>	<u>264,971</u>	<u>95,732</u>
Total Debt Services	<u>\$ 6,277,677</u>	<u>\$ 159,467</u>	<u>\$ (107,268)</u>	<u>\$ 20,340</u>	<u>\$ 5,850,665</u>	<u>\$ 180,617</u>

Reconciliation to Revenue	<u>Debt Service Fund</u>
Cash Collections by County Treasurers Above	\$ 5,850,665
Accrual of Receivables:	
June 30, 2018	(18,216)
June 30, 2019	14,569
Taxes, (Adjustments) in Lieu	<u>21,013</u>
Total Revenue	<u>\$ 5,868,031</u>

OREGON CITY SCHOOL DISTRICT NO. 62

Clackamas County, Oregon

Schedule of Appropriation Transfers

For the Fiscal Year Ended June 30, 2019

	Adopted Budgeted Appropriations	Increase	Decrease	Final Adopted Appropriations
General Fund				
Instruction	\$ 52,664,771	\$ -	\$ (150,000)	\$ 52,514,771
Support services	29,017,684	-	-	29,017,684
Enterprise/community services	831,554	150,000	-	981,554
Facilities acquisition/construction	10,410	-	-	10,410
Transfer of Funds	200,000	-	-	200,000
Contingency	160,000	-	-	160,000
	<u>\$ 82,884,419</u>	<u>\$ 150,000.00</u>	<u>\$ (150,000.00)</u>	<u>\$ 82,884,419</u>
Special Revenue Funds				
Instruction	\$ 8,326,928	\$ -	\$ -	\$ 8,326,928
Support services	4,271,094	-	-	4,271,094
Enterprise/community services	4,685,541	-	-	4,685,541
Facilities acquisition/construction	10,300	-	-	10,300
Debt Service	664,095	-	-	664,095
Contingency	627,000	-	-	627,000
Unappropriated fund balance	1,304,727	-	-	1,304,727
	<u>\$ 19,889,685</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,889,685</u>
Debt Service Fund				
Debt service	\$ 6,177,655	\$ -	\$ -	\$ 6,177,655
Unappropriated fund balance	430,345	9,900,000	-	10,330,345
	<u>\$ 6,608,000</u>	<u>\$ 9,900,000</u>	<u>\$ -</u>	<u>\$ 16,508,000</u>
PERS UAL Debt Service Fund				
Debt service	\$ 4,159,042	\$ -	\$ -	\$ 4,159,042
Unappropriated fund balance	100,000	-	-	100,000
	<u>\$ 4,259,042</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,259,042</u>
Capital Projects Funds				
Instruction	\$ 157,000	\$ -	\$ -	\$ 157,000
Support services	1,412,035	2,000,000	-	3,412,035
Facilities acquisition/construction	1,742,000	20,000,000	-	21,742,000
Debt Service	1,559,800	10,000,000	-	11,559,800
Transfer of Funds	-	-	-	-
Contingency	227,260	-	-	227,260
Unappropriated fund balance	581,292	134,000,000	-	134,581,292
	<u>\$ 5,679,387</u>	<u>\$ 166,000,000</u>	<u>\$ -</u>	<u>\$ 171,679,387</u>
Internal Service Fund				
Support services	\$ 944,806	\$ -	\$ -	\$ 944,806
	<u>\$ 944,806</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 944,806</u>
Trust and Agency Funds				
Instruction	\$ 2,913,178	\$ 650,000	\$ -	\$ 3,563,178
Support services	1,053,128	200,000	-	1,253,128
Enterprise/community services	30,890	100,000	-	130,890
Facilities acquisition/construction	-	50,000	-	50,000
Debt Service	27,500	-	-	27,500
Unappropriated fund balance	254,970	-	-	254,970
	<u>\$ 4,279,666</u>	<u>\$ 1,000,000</u>	<u>\$ -</u>	<u>\$ 5,279,666</u>
Total all funds	<u>\$ 124,545,005</u>	<u>\$ 177,050,000</u>	<u>\$ (150,000.00)</u>	<u>\$ 301,445,005</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>2018-19</u>	<u>2017-18 (4)</u>	<u>2016-17 (3)</u>	<u>2015-16 (2)</u>
<u>GOVERNMENTAL ACTIVITIES:</u>				
Net investment in capital assets	\$ 42,906,282	\$ 50,349,255	\$ 45,454,976	\$ 39,725,603
Restricted	19,946,682	6,529,914	4,651,052	5,732,847
Unrestricted	(79,584,935)	(75,287,971)	(71,679,127)	(60,253,561)
Total governmental activities net position	<u>\$ (16,731,971)</u>	<u>\$ (18,408,802)</u>	<u>\$ (21,573,099)</u>	<u>\$ (14,795,111)</u>

(1) The District made a prior period adjustment of (\$21,973,633) associated with recognition of its net pension liability under GASB No. 68

(2) The District restated its net position by (\$267,170) associated with recognition of its early retirement pension liability under GASB No. 73

(3) The District restated its net position by (\$1,126,457) associated with recognition of its postemployment benefits (OPEB) liability under GASB No. 75

(4) The District restated its net position by (\$430,030) for an asset that was not previously recorded in it's capital asset register

Source: Statement of Net Positions

<u>2014-15 (1)</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>
\$ 23,945,932	\$ 34,225,425	\$ 27,896,841	\$ 27,984,659	\$ 26,283,206	\$ 24,811,323
16,984,465	2,877,749	4,098,938	3,595,900	799,765	897,483
(34,975,848)	(15,712,372)	(12,596,452)	(13,703,324)	(9,969,659)	(7,173,762)
<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>	<u>\$ 18,535,044</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)

	2018-19	2017-18	2016-17	2015-16
<u>GOVERNMENTAL ACTIVITIES:</u>				
Expenses by function/program:				
Instruction	\$ 60,243,705	\$ 59,134,494	\$ 57,459,573	\$ 67,230,267
Support services	33,952,054	32,215,269	32,247,085	38,686,480
Enterprise/community services	4,971,532	4,772,422	4,477,340	5,230,631
Interest on long-term debt	4,391,779	3,473,390	3,632,281	3,838,072
Total expenses	<u>103,559,070</u>	<u>99,595,575</u>	<u>97,816,279</u>	<u>114,985,450</u>
Program revenues:				
Charges for services:				
Instruction	451,026	433,607	388,208	348,001
Support services	1,999,210	1,862,481	1,713,318	1,806,615
Enterprise/community services	784,004	726,479	658,489	654,650
Total charges for services	<u>3,234,240</u>	<u>3,022,567</u>	<u>2,760,015</u>	<u>2,809,266</u>
Operating grants and contributions:				
Instruction	4,648,187	3,773,693	3,692,901	3,816,082
Support services	113,488	-	-	44,025
Enterprise/community services	1,365,583	1,364,118	1,449,510	1,597,311
Total operating grants and contributions	<u>6,127,258</u>	<u>5,137,811</u>	<u>5,142,411</u>	<u>5,457,418</u>
Capital grants and contributions:				
Support services	22,371	-	-	27,154.00
Total capital grants and contributions	<u>22,371</u>	<u>-</u>	<u>-</u>	<u>27,154.00</u>
Total program revenues	<u>9,383,869</u>	<u>8,160,378</u>	<u>7,902,426</u>	<u>8,293,838</u>
Total net (expense) revenue	<u>(94,175,201)</u>	<u>(91,435,197)</u>	<u>(89,913,853)</u>	<u>(106,691,612)</u>
General revenues and other changes in net position:				
Taxes:				
Property taxes, general	26,628,245	25,751,978	24,479,596	23,397,860
Property taxes, debt services	5,615,677	6,051,337	6,986,667	6,931,521
Construction excise tax	336,015	969,467	621,544	583,471
State aid - formula grants	53,476,747	53,922,651	47,129,449	48,892,808
Earnings on Investments	3,793,110	497,541	330,730	214,003
Unrestricted federal	31,204	8,522	181,064	76,413
Other local & Intermediate	5,541,004	5,897,998	6,033,272	6,113,046
Total general revenues	<u>95,422,002</u>	<u>93,099,494</u>	<u>85,762,322</u>	<u>86,209,122</u>
Change in net position	<u>\$ 1,246,801</u>	<u>\$ 1,664,297</u>	<u>\$ (4,151,531)</u>	<u>\$ (20,482,490)</u>
Expense per pupil	<u>\$ 13,968</u>	<u>\$ 13,437</u>	<u>\$ 13,174</u>	<u>\$ 15,260</u>
Student Enrollment *	<u>7,414</u>	<u>7,412</u>	<u>7,425</u>	<u>7,535</u>

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

Source: Statement of Activities

2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
\$ 43,713,441	\$ 46,757,925	\$ 44,384,650	\$ 42,557,434	\$ 43,103,298	\$ 41,806,594
26,780,628	27,943,762	26,918,301	26,795,494	27,781,017	27,266,029
3,476,224	3,538,931	3,446,191	3,450,242	3,362,655	3,187,940
3,710,183	3,254,871	2,582,842	4,470,247	4,608,681	4,761,480
<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>	<u>77,022,043</u>
303,620	284,124	305,089	307,823	631,902	249,036
537,412	632,299	677,178	570,537	557,764	604,886
2,008,475	1,794,340	1,837,185	1,782,912	1,529,445	1,792,960
<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>	<u>2,646,882</u>
6,162,921	5,760,457	5,240,963	5,458,139	8,602,811	7,703,414
5,206,376	5,017,245	5,050,752	6,690,516	5,490,616	5,073,258
<u>1,560,499</u>	<u>1,521,520</u>	<u>1,638,140</u>	<u>1,455,824</u>	<u>1,548,040</u>	<u>1,431,787</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>	<u>14,208,459</u>
242,035	-	-	-	-	-
-	316,591	177,351	166,175	137,279	128,068
<u>242,035</u>	<u>316,591</u>	<u>177,351</u>	<u>166,175</u>	<u>137,279</u>	<u>128,068</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>16,983,409</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>	<u>(60,038,634)</u>
22,324,026	20,829,803	19,832,045	20,107,620	19,439,103	19,104,013
6,714,742	6,342,154	6,190,437	5,933,815	5,682,080	5,664,178
396,735	451,324	633,158	412,736	267,885	276,690
43,398,060	39,995,170	36,539,574	34,712,623	32,850,497	34,759,839
343,331	280,065	324,089	310,064	353,447	335,114
2,709,696	104,151	274,984	5,859	11,873	-
192,752	164,186	133,131	122,697	258,368	248,787
<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>60,388,621</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>\$ 349,987</u>
<u>\$ 10,424</u>	<u>\$ 10,885</u>	<u>\$ 10,469</u>	<u>\$ 10,304</u>	<u>\$ 10,432</u>	<u>\$ 10,144</u>
<u>7,452</u>	<u>7,487</u>	<u>7,387</u>	<u>7,499</u>	<u>7,559</u>	<u>7,593</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>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>
<u>GENERAL FUND:</u>				
Nonspendable - prepaid items	\$ 117,356	\$ 96,402	\$ 143,419	\$ 154,337
Unassigned	6,453,740	3,817,532	2,951,974	4,662,501
Total general fund	<u>\$ 6,571,096</u>	<u>\$ 3,913,934</u>	<u>\$ 3,095,393</u>	<u>\$ 4,816,838</u>
<u>ALL OTHER GOVERNMENTAL FUNDS</u>				
Nonspendable - prepaid items	\$ 1,537	\$ -	\$ -	\$ -
Restricted, reported in:				
Debt Service Fund	10,516,498	1,107,567	934,095	928,356
Special Revenues Fund	2,779,894	3,092,441	2,337,769	1,569,550
Capital Projects Fund	160,908,615	3,125,157	1,379,188	2,848,217
Committed, special revenues	-	-	-	496,895
Total all other governmental funds	<u>\$ 174,206,544</u>	<u>\$ 7,325,165</u>	<u>\$ 4,651,052</u>	<u>\$ 5,843,018</u>

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

Source: Balance Sheet - Governmental Funds

<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12 (1)</u>	<u>2010-11</u>	<u>2009-10</u>
\$ 72,819	\$ 36,269	\$ 56,486	\$ -	\$ -	\$ -
-	115,347	50,396	225,949	203,542	139,595
3,971,794	3,301,186	2,950,821	4,528,204	4,755,345	5,489,780
<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>	<u>\$ 5,629,375</u>
\$ 39,601	\$ 49,623	\$ 49,623	\$ -	\$ -	\$ -
778,012	641,630	655,429	645,629	799,765	897,483
902,995	860,504	1,491,442	1,572,859	-	-
14,933,568	1,375,615	1,952,067	1,377,412	-	-
866,581	789,365	860,357	863,945	-	-
345,994	513,226	125,974	111,485	2,239,110	2,142,265
	4,022	297,471	188,191	1,091,108	1,334,526
<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>	<u>\$ 4,374,274</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)

	2018-19	2017-18	2016-17	2015-16
REVENUES:				
Local Sources	\$ 48,123,349	\$ 43,589,138	\$ 42,175,354	\$ 41,009,126
Intermediate sources	1,750,957	1,738,935	2,189,567	2,134,356
State sources	54,695,366	54,236,188	47,264,401	49,017,229
Federal sources	4,720,092	4,838,340	5,151,065	5,190,449
Total revenues	<u>109,289,764</u>	<u>104,402,601</u>	<u>96,780,387</u>	<u>97,351,160</u>
EXPENDITURES:				
Instruction	56,403,936	55,806,588	52,875,550	53,175,892
Support services	31,041,088	29,754,133	28,812,721	27,804,745
Enterprise/community services	4,653,391	4,503,845	4,120,146	4,137,176
Facilities Acquisition and Construction	36,418	109,647	236,559	223,820
Capital Outlay	4,030,390	2,713,711	1,654,770	11,883,516
Debt service:				
Principal	9,235,045	8,716,783	9,234,732	8,673,432
Interest	2,798,258	3,119,735	3,297,227	3,417,966
Issuance Cost	1,042,943	30,300	10,500	9,500
Total expenditures	<u>109,241,469</u>	<u>104,754,742</u>	<u>100,242,205</u>	<u>109,326,047</u>
Excess (deficiency) of revenues over (under) expenditures	<u>48,295</u>	<u>(352,141)</u>	<u>(3,461,818)</u>	<u>(11,974,887)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	200,000	200,000	274,000	55,000
Transfers out	(200,000)	(250,000)	(324,000)	(55,000)
Capital lease proceeds	163,800	142,830	149,505	187,179
Debt issued	157,995,950	2,249,436	447,386	525,000
Bond premium	17,873,781	-	-	-
Payment to Refunded Bond Escrow Agent	(6,987,404)	-	-	-
Sale or compensation for loss of capital assets	444,119	1,502,529	1,516	11,200
Total other financing sources (uses)	<u>169,490,246</u>	<u>3,844,795</u>	<u>548,407</u>	<u>723,379</u>
Net change in fund balances	<u>\$ 169,538,541</u>	<u>\$ 3,492,654</u>	<u>\$ (2,913,411)</u>	<u>\$ (11,251,508)</u>
Debt service as a percentage of noncapital expenditures	12.43%	11.63%	12.72%	12.42%

(1) Revenues are recognized when measurable and available.

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

	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
REVENUES:						
Local sources	\$ 38,677,209	\$ 36,653,166	\$ 35,786,302	\$ 35,008,931	\$ 34,304,640	\$ 33,560,661
Intermediate sources	1,181,721	828,710	846,596	847,393	662,339	843,915
State sources	47,821,761	43,984,779	40,558,979	40,103,029	36,252,703	38,265,708
Federal sources	5,218,128	5,469,034	4,782,018	5,048,555	9,404,216	7,697,437
Total revenues	<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>	<u>80,367,721</u>
EXPENDITURES:						
Instruction	51,931,499	48,682,017	46,266,745	44,221,832	44,677,612	43,261,082
Support services	27,103,088	25,085,779	24,265,950	23,776,295	24,541,277	24,543,754
Enterprise/community services	3,942,353	3,687,663	3,611,575	3,535,801	3,432,733	3,233,483
Facilities Acquisition and Construction	979,299	1,262,618	4,462,017	25,255	-	7,269
Debt service:						
Principal	8,308,021	7,379,875	6,081,102	4,767,061	4,549,561	3,957,391
Interest	3,289,401	3,133,146	3,836,151	4,699,719	4,836,806	4,989,605
Issuance Cost	205,423	8,500	88,648	-	-	-
Total expenditures	<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>	<u>79,992,584</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,860,265)</u>	<u>(2,303,909)</u>	<u>(6,638,293)</u>	<u>(18,055)</u>	<u>(1,414,091)</u>	<u>375,137</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	380,000	305,931	85,000	254,228	-	267,600
Transfers out	(130,000)	(55,931)	(85,000)	(254,228)	-	(267,600)
Lease purchase proceeds	-	-	-	-	134,264	450,000
Capital lease issuance	-	100,081	-	-	-	-
Debt issued	16,140,000	1,023,500	5,150,000	437,000	353,175	355,846
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	2,328,523	127,049	374,800	5,859	11,873	-
Total other financing sources (uses)	<u>16,734,872</u>	<u>1,500,630</u>	<u>5,614,685</u>	<u>442,859</u>	<u>499,312</u>	<u>805,846</u>
Net change in fund balances	<u>\$ 13,874,607</u>	<u>\$ (803,279)</u>	<u>\$ (1,023,608)</u>	<u>\$ 424,804</u>	<u>\$ (914,779)</u>	<u>\$ 1,180,983</u>
Debt service as a percentage of noncapital expenditures	11.55%	11.55%	10.66%	11.75%	11.51%	11.32%

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
2018-19	\$ 5,739,897,588	\$ 9,460,321,400	\$ 75,270,710	\$ 75,270,710	\$ 184,584,900	\$ 187,866,101
2017-18	5,486,456,763	8,714,443,900	72,574,861	72,574,861	184,278,600	187,025,504
2016-17	5,254,504,810	7,954,596,436	65,851,777	65,851,777	176,086,464	181,091,828
2015-16	5,029,011,342	7,146,082,606	63,809,209	63,809,209	161,786,400	165,386,669
2014-15	4,806,137,457	6,289,133,878	60,077,937	60,077,937	165,718,700	183,892,863
2013-14	4,620,661,826	5,641,761,240	82,085,569	84,515,202	156,363,062	166,539,536
2012-13	4,397,895,265	4,753,742,311	82,719,705	87,572,178	153,852,330	166,749,524
2011-12	4,117,592,121	5,007,487,205	87,905,069	90,030,984	160,188,640	164,479,601
2010-11	3,997,471,087	5,398,376,301	93,391,799	95,693,560	152,371,380	153,214,264
2009-10	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	5.99 %	\$ 9,723,458,211	59.73 %
(168,582,068)	5,574,728,156	6.10	8,974,044,265	62.12
(156,270,734)	5,340,172,317	6.34	8,201,540,041	65.11
(141,800,109)	5,112,806,842	6.39	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	6.38	5,261,997,790	80.91
(109,317,145)	4,133,917,121	6.37	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>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>
District Direct Rates:					
Operating	n/a %	\$ 4.96	\$ 4.96	\$ 4.96	4.96
Debt Service	n/a	1.03	1.14	1.38	1.43
Total District Direct Rates	n/a	5.99	6.10	6.34	6.39
City of Oregon City	100.00	4.41	4.41	5.50	4.52
City of Oregon City - UR12 DT	100.00	0.88	0.88	0.86	0.00
Clackamas FD 1	25.12	2.49	2.51	2.49	2.50
Oak Lodge Water District 4	18.45	0.00	0.00	0.00	0.00
Clackamas Community College	15.29	0.74	0.75	0.74	0.75
Trans Trimet Bond	13.53	0.00	0.00	0.00	0.00
Clackamas ESD	11.90	0.37	0.37	0.37	0.37
Clackamas County Rural	10.81	3.22	3.22	3.22	3.22
Clackamas County Library	11.37	0.40	0.40	0.40	0.40
Clackamas County Extension & 4-H	11.37	0.05	0.05	0.00	0.05
Clackamas Co. Urban Renewal Sp.	11.37	0.00	0.00	0.00	0.00
Clackamas Co. Urban Renewal Reg.	11.37	0.07	0.07	0.03	0.03
Clackamas County Vector Control	11.37	0.03	0.03	0.03	0.03
Clack. Co. Vector Control Local Opt.	11.37	0.03	0.03	0.03	0.03
Clackamas County Public Safety LO	11.37	0.25	0.25	0.25	0.25
Clackamas Co. Soil Conservation	11.37	0.05	0.05	0.05	0.00
Port of Portland	11.37	0.07	0.07	0.07	0.07
Clackamas County City	11.84	2.65	2.65	2.65	2.65
Metro Service District	10.56	0.47	0.41	0.40	0.39
Clackamas County Law Enhance.	6.11	0.72	0.72	0.72	0.72
City of Gladstone	3.24	9.32	5.81	5.81	5.81
City of Gladstone Urban Renewal 3	3.24	0.00	0.00	0.00	0.00
North Clackamas Parks & Rec.	3.90	0.54	0.54	0.54	0.54
Estacada FD #69	0.95	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	1.44	0.78	1.44

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

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

<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>
\$ 4.96	\$ 4.96	\$ 4.96	\$ 4.96	\$ 4.96	\$ 4.96
<u>1.45</u>	<u>1.44</u>	<u>1.45</u>	<u>1.42</u>	<u>1.41</u>	<u>1.46</u>
6.41	6.40	6.41	6.38	6.37	6.42
4.52	4.52	4.28	4.28	4.28	4.30
0.84	0.84	0.85	0.79	0.83	0.80
2.46	2.46	2.47	2.46	2.47	2.48
0.00	0.00	0.00	0.14	0.15	0.15
0.71	0.71	0.72	0.70	0.72	0.74
0.00	0.00	0.00	0.06	0.09	0.09
0.37	0.37	0.37	0.37	0.37	0.37
3.22	3.22	2.98	2.98	2.98	2.98
0.40	0.40	0.40	0.40	0.40	0.39
0.05	0.05	0.05	0.05	0.05	0.05
0.00	0.00	0.11	0.11	0.12	0.12
0.03	0.02	0.11	0.11	0.15	0.15
0.03	0.03	0.01	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
0.05	0.05	0.05	0.05	0.04	0.05
0.07	0.07	0.07	0.07	0.07	0.07
2.65	2.65	2.40	2.40	2.40	2.40
0.46	0.47	0.40	0.32	0.41	0.44
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
0.11	0.11	0.11	0.11	0.11	0.11
0.00	0.00	0.00	0.00	0.00	0.00
1.44	0.78	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, 2019

Taxpayer	June 30, 2019			June 30, 2010		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Portland General Electric Co.	\$ 83,430,731	1	1.50 %	\$ 53,397,000	1	1.34 %
The Landing - 302 LLC	50,050,119	2	0.90			
Northwest Natural Gas Company	27,521,000	3	0.49	24,145,800	2	0.60
Quantum Management	24,058,939	4	0.43	19,003,754	5	0.48
Metropolitan Life Ins. Co.	22,673,207	5	0.41	17,784,964	6	0.45
CenturyLink, Inc.	21,961,000	6	0.39			
SUN Communities Op LTD Prtnrshp	21,736,573	7	0.39			
LOJA Trails End LLC	21,105,890	8	0.38	16,744,772	7	0.42
Danielson, Craig T	20,969,496	9	0.38			
Providence Health & Services	16,793,394	10	0.30	14,584,480	9	0.36
Oregon CTR., LLC	16,549,859	11	0.30			
BHLP REFI LLC	15,019,388	12	0.27			
BCORE MF Edgewater Owner LLC	14,796,585	13	0.27			
Orchid Orthopedic Solutions OR	13,872,358	14	0.25			
Comcast Corporation	13,081,100	15	0.23	14,217,400	10	0.36
Beavercreek Coop. Telephone Co.				21,977,900	3	0.55
Blue Heron Paper Co				20,419,600	4	0.51
Country Village Estates				16,145,163	8	0.40
ALL OTHER TAXPAYERS	<u>5,191,108,517</u>		<u>93.11</u>	<u>3,778,175,641</u>		<u>94.53</u>
TOTAL	<u>\$ 5,574,728,156</u>		<u>100.00 %</u>	<u>\$ 3,996,596,474</u>		<u>100.00 %</u>

Source: Clackamas County Department of Assessment and Taxation

OREGON CITY SCHOOL DISTRICT NO. 62Clackamas 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		
2018-19	\$ 27,610,782	\$ 5,841,059	\$ 33,451,841	\$ 31,989,358	95.63 %
2017-18	26,437,039	6,228,704	32,665,743	31,102,775	95.22
2016-17	25,199,914	7,206,382	32,406,296	30,885,672	95.31
2015-16	24,059,659	7,154,424	31,214,083	29,684,165	95.10
2014-15	22,840,912	6,907,606	29,748,518	29,012,254	97.53
2013-14	21,305,871	6,528,081	27,833,952	27,088,764	97.32
2012-13	20,325,699	6,356,781	26,682,480	25,819,109	96.76
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
2009-10	19,636,845	5,826,431	25,463,276	24,460,453	96.06

(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	Uncollected Taxes	Uncollected Taxes as a Percentage of Current Levy
\$	1,214,388	(1) \$ 33,203,746	99.26 %	\$ 940,979	2.8 %
	438,205	31,540,980	96.56	2,010,822	6.2
	530,732	31,416,404	96.95	1,228,911	3.8
	570,455	30,254,620	96.93	1,781,230	5.7
	651,889	29,664,143	99.72	1,574,204	5.3
	735,218	27,823,982	99.96	1,671,962	6.0
	715,347	26,534,456	99.45	1,748,745	6.6
	684,037	26,306,942	98.98	1,739,524	6.5
	851,404	25,936,684	99.57	1,505,757	5.8
	838,406	25,298,859	99.35	1,623,180	6.4

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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)
2018-19	\$ 172,115,950	\$ 33,380,000	\$ -	\$ 3,914,614	\$ 233,694	\$ 209,644,258	\$ 19,282,409	3.61 %	unavailable %	\$ 3,204
2017-18	26,715,000	35,585,000	-	4,573,317	221,245	67,094,562	1,769,499	1.20	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	1.38	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	1.61	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	1.84	0.45	1,490
2013-14	37,080,000	41,910,000	300,000	6,572,337	65,963	85,928,300	(141,161)	1.82	0.45	1,450
2012-13	42,855,000	42,965,000	380,000	5,984,596	-	92,184,596	64,850	2.04	0.48	1,633
2011-12	44,785,000	43,840,000	460,000	1,117,102	44,739	90,246,841	1,836,308	2.12	0.49	1,584
2010-11	48,585,000	44,550,000	530,000	750,247	191,086	94,606,333	2,065,846	2.29	0.54	1,694
2009-10	52,095,000	45,105,000	785,000	450,000	233,455	98,668,455	2,295,384	2.47	0.60	1,802

(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>
2018-19	65,429	7,930	\$ 5,807,548,002
2017-18	64,146	7,948	5,574,728,156
2016-17	62,888	7,967	5,340,172,317
2015-16	61,655	8,094	5,112,806,842
2014-15	60,446	7,791	4,902,505,494
2013-14 (4)	59,261	7,824	4,730,942,130
2012-13	58,099	7,798	4,511,883,353
2011-12	56,960	7,824	4,257,695,242
2010-11	55,843	7,886	4,133,917,121
2009-10	54,748	7,835	3,996,596,474

Source:

- (1) Based on Portland State University Enrollment Forecast Reports
- (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 Fund (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>
\$ 228,926,667	\$ 10,516,499	\$ 218,410,168	3.76 %	\$ 3,338	\$ 27,542
68,864,061	1,107,059	67,757,002	1.22	1,056	8,525
75,205,636	934,095	74,271,541	1.39	1,181	9,322
83,842,729	906,141	82,936,588	1.62	1,345	10,247
91,813,627	778,012	91,035,615	1.86	1,506	11,685
85,787,139	641,630	85,145,509	1.80	1,437	10,883
92,249,446	517,006	91,732,440	2.03	1,579	11,764
92,083,149	546,376	91,536,773	2.15	1,607	11,699
96,672,179	700,857	95,971,322	2.32	1,719	12,170
100,963,839	805,490	100,158,349	2.51	1,829	12,783

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OREGON CITY SCHOOL DISTRICT NO. 62
Clackamas County, Oregon
Direct and Overlapping Governmental Activities Debt
June 30, 2019

<u>Governmental Unit</u>	<u>Estimated Percentage Applicable</u>	<u>Gross 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>\$ 228,926,667</u>	<u>\$ 228,926,667</u>
<u>OVERLAPPING GOVERNMENT:</u>			
City of Oregon City	100.00	14,125,000	14,125,000
Clackamas RFPD #1	24.94	29,447,277	7,344,151
Clackamas Community College	15.60	93,763,913	14,627,170
Clackamas County ESD	12.04	20,970,000	2,524,788
Clackamas County	11.47	129,945,000	14,904,692
Clackamas Soil & Water Conservation	11.47	6,815,000	781,681
City of Gladstone	3.03	4,170,000	126,351
Metro	1.94	819,020,000	15,888,988
Molalla RFPD #73	0.02	2,485,000	497
Oak Lodge Water Services District	18.50	1,320,000	244,200
Subtotal Overlapping Debt			<u>70,567,518</u>
Total Direct and Overlapping Debt			<u><u>\$ 299,494,185</u></u>

(1) Gross 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
2018-19	\$ 9,723,458,211	\$ 773,014,928	\$ 218,410,168	\$ 554,604,760	28.25 %
2017-18	8,974,044,265	713,436,519	67,757,002	645,679,517	9.50
2016-17	8,201,540,041	652,022,433	74,271,541	577,750,892	11.39
2015-16	7,375,278,484	586,334,639	82,936,588	503,398,051	14.14
2014-15	6,533,104,678	519,381,822	91,035,615	428,346,207	17.53
2013-14	5,892,815,978	468,478,870	85,145,509	383,333,361	18.17
2012-13	5,008,064,013	398,141,089	42,337,994	355,803,095	10.63
2011-12	5,261,997,790	418,328,824	91,536,773	326,792,051	21.88
2010-11	5,647,284,125	448,959,088	95,971,322	352,987,766	21.38
2009-10	6,222,914,277	494,721,685	100,158,349	394,563,336	20.25

(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)
2018-19	65,429	\$ unavailable	\$ unavailable	7,414	3.8 %	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
2009-10	54,748	16,537,551	43,871	7,593	10.1	2,332	333,766

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.

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OREGON CITY SCHOOL DISTRICT NO. 62

Clackamas County, Oregon

Principal Employers

June 30, 2019

Employer	June 30, 2019		June 30, 2010	
	Employees	Percent of Total Estimated Employment	Employees (1)	Percent of Total Estimated Employment
Clackamas County Government	2,171	3.38 %	2,996	5.34 %
Oregon City School District No. 62	826	1.29	859	1.53
Clackamas Community College	886	1.38	1,012	1.80
Providence Willamette Falls Hospital	676	1.05	746	1.33
Benchmade Knife Co., Inc.	393	0.61	n/a	n/a
Fred Meyer	373	0.58	290	0.52
Home Depot	254	0.40	n/a	n/a
Orchard Orthopedic Solutions Oregon, Inc.	213	0.33	n/a	n/a
City of Oregon City	206	0.32	235	0.42
Safeway	186	0.29	n/a	n/a
TOTAL	6,184	9.63 %	6,138	10.94 %

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 - Business Licenses & 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

<u>FUNCTION</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>
General Fund:				
Instruction	446.3	452.1	443.4	438.6
Support Services	255.7	254.6	247.6	250.1
Enterprise/Community Services	3.5	4.3	4.3	4.3
Total General Fund	<u>705.5</u>	<u>711.0</u>	<u>695.3</u>	<u>692.9</u>
Special Revenue Funds:				
Instruction	30.0	32.8	30.3	34.2
Support Services	17.6	15.7	15.1	17.6
Enterprise/Community Services	36.5	34.6	32.1	29.8
Total Special Revenue Funds	<u>84.1</u>	<u>83.1</u>	<u>77.5</u>	<u>81.6</u>
Capital Projects Funds:				
Support Services	3.0	0.0	0.0	0.0
Facilities Acquisition/Construction	0.5	0.0	0.0	0.0
Total Capital Projects Funds	<u>3.5</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Internal Service Fund:				
Support Services	1.0	1.0	1.0	1.0
Total Internal Service Fund	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
Trust and Agency Funds:				
Instruction	28.4	26.2	26.2	28.1
Support Services	10.7	9.8	9.8	7.9
Total Trust and Agency Funds	<u>39.1</u>	<u>36.0</u>	<u>36.0</u>	<u>35.9</u>
Grand Total All Funds	<u>833.2</u>	<u>831.1</u>	<u>809.8</u>	<u>811.5</u>

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

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

<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>
409.5	412.8	406.2	403.7	397.4	398.1
257.5	247.5	234.8	235.6	240.0	240.4
5.3	4.8	2.7	2.5	2.6	2.6
<u>672.3</u>	<u>665.1</u>	<u>643.7</u>	<u>641.8</u>	<u>640.0</u>	<u>641.1</u>
48.5	57.8	46.0	43.8	51.1	56.3
13.7	12.6	14.7	14.2	22.4	21.3
31.9	30.5	31.1	32.5	30.7	31.8
<u>94.1</u>	<u>100.9</u>	<u>91.8</u>	<u>90.5</u>	<u>104.2</u>	<u>109.4</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	0.5	0.5	0.5	0.5	0.5
<u>1.0</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>
28.6	20.6	15.7	12.2	8.6	6.8
5.7	6.8	4.1	2.9	2.1	1.5
<u>34.3</u>	<u>27.4</u>	<u>19.8</u>	<u>15.1</u>	<u>10.7</u>	<u>8.3</u>
<u>801.7</u>	<u>793.9</u>	<u>755.8</u>	<u>747.9</u>	<u>755.4</u>	<u>759.3</u>

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OREGON CITY SCHOOL DISTRICT NO. 62

Clackamas County, Oregon

Operating Statistics

Last Ten Fiscal Years

Fiscal Year	Enrollment	Non-GAAP Operating Expenditures (1)	Cost Per Pupil	Percentage Change	Expenditures (2)	Cost Per Pupil	Percentage Change	Pupil - Teacher Ratio	Percentage of Students Receiving Free or Reduced Price Meals
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
2009-10	7,675	70,443,348	9,178	-4.26	79,992,584	10,422	-3.07	19.90 :1	36.0

(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.

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>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>
<u>REVENUES AND OTHER FINANCING SOURCES:</u>				
Local Sources:				
Property Taxes (2)	\$ 27,433,353 31.82%	\$ 25,607,549 31.12%	\$ 24,516,105 31.22%	\$ 23,409,138 29.80%
Miscellaneous Local Sources	2,005,527 2.33%	1,739,200 2.11%	1,627,088 2.07%	1,680,626 2.14%
Total Local Sources	29,438,880 34.15%	27,346,979 33.23%	26,143,193 33.29%	25,089,764 31.94%
Intermediate Sources:				
County School Funds	963,643 1.12%	1,011,874 1.23%	812,538 1.03%	797,721 1.02%
State Sources:				
School Support Fund	50,952,895 59.11%	49,944,856 60.70%	45,070,857 57.39%	47,151,577 60.03%
Miscellaneous and Restricted Grants	899,794 1.04%	873,709 1.06%	1,674,134 2.13%	1,388,338 1.77%
Total State Sources	51,852,689 60.15%	50,818,565 61.76%	46,744,991 59.52%	48,539,916 61.80%
Federal Sources	34,069 0.04%	10,063 0.01%	15,466 0.02%	76,412 0.10%
Other Financing Sources	- 0.00%	- 0.00%	1,516 0.00%	- 0.00%
Beginning Fund Balance Available for Appropriation	3,913,934 4.54%	3,095,393 3.76%	4,816,838 6.13%	4,044,613 5.15%
Total Revenues and Other Financing Sources	<u>\$ 86,203,215</u>	<u>\$ 82,282,874</u>	<u>\$ 78,534,542</u>	<u>\$ 78,548,426</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

2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
\$ 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%	\$ 19,033,781 28.89%
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%	1,738,823 2.64%
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%	20,772,604 31.53%
383,586 0.51%	64 0.00%	42,344 0.06%	15,712 0.02%	10,323 0.02%	1,049 0.00%
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%	36,727,934 55.76%
1,463,184 1.96%	781,877 1.13%	1,012,485 1.53%	2,828,431 4.26%	1,175,673 1.79%	1,263,804 1.92%
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%	37,991,738 57.68%
9,821 0.01%	41,377 0.06%	42,851 0.06%	70,271 0.11%	2,711,234 4.12%	2,291,627 3.48%
120,000 0.16%	194,069 0.28%	- 0.00%	- 0.00%	26,242 0.04%	267,600 0.41%
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%	4,547,652 6.90%
\$ <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>	\$ <u>65,872,270</u>

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

EXPENDITURES:	2018-19	2017-18	2016-17	2015-16
Instruction:				
Regular Instruction	\$ 31,121,711 39.08%	\$ 31,218,535 39.86%	\$ 30,325,725 40.35%	\$ 29,993,757 40.57%
Special Programs	19,495,589 24.48%	18,415,635 23.51%	17,639,926 23.47%	17,694,257 23.93%
Support Services:				
Students	6,563,098 8.24%	6,832,544 8.72%	6,447,301 8.58%	6,079,694 8.22%
Instructional Staff	2,047,246 2.57%	1,641,405 2.10%	1,658,608 2.21%	1,633,523 2.21%
General Administration	574,897 0.72%	514,963 0.66%	497,773 0.66%	467,005 0.63%
School Administration	4,058,146 5.10%	3,936,592 5.03%	3,785,739 5.04%	3,877,328 5.24%
Business:				
Direction and Fiscal Services	1,223,849 1.54%	1,189,829 1.52%	976,524 1.30%	1,090,253 1.47%
Operation and Maintenance of Plant	5,845,022 7.34%	5,832,038 7.45%	5,476,735 7.29%	5,547,934 7.50%
Student Transportation	5,126,992 6.44%	4,985,024 6.36%	5,120,870 6.81%	4,557,155 6.16%
Internal Services	675,032 0.85%	693,165 0.88%	506,320 0.67%	463,497 0.63%
Central Support	1,860,844 2.34%	2,011,079 2.57%	1,687,052 2.24%	1,677,524 2.27%
Enterprise/Community Services	839,693 1.05%	796,808 1.02%	818,324 1.09%	793,657 1.07%
Facilities Acquisition/Construction	- 0.00%	10,410 0.01%	167 0.00%	- 0.00%
Debt Service	- 0.00%	- 0.00%	- 0.00%	- 0.00%
Other Uses - Transfers Out	200,000 0.25%	250,000 0.32%	210,000 0.28%	55,000 0.07%
Total Expenditures	\$ 79,632,119	\$ 78,328,027	\$ 75,151,064	\$ 73,930,584
Student Enrollment *	7,414	7,412	7,425	7,535
Expenditures/Other Uses Per Student	\$ 10,741	\$ 10,568	\$ 10,121	\$ 9,812

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

2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
\$ 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%	\$ 25,827,294 42.98%
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%	12,450,099 20.72%
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%	3,402,513 5.66%
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%	1,310,229 2.18%
503,499 0.71%	484,161 0.73%	448,547 0.72%	449,077 0.73%	442,786 0.73%	437,680 0.73%
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%	3,973,579 6.61%
985,052 1.39%	941,162 1.43%	863,874 1.38%	806,692 1.31%	780,294 1.28%	796,460 1.33%
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%	5,205,408 8.66%
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%	3,846,802 6.40%
555,570 0.78%	460,237 0.70%	347,947 0.56%	446,213 0.72%	221,355 0.36%	433,262 0.72%
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%	1,774,441 2.95%
671,696 0.95%	587,134 0.89%	523,197 0.84%	513,441 0.83%	502,915 0.83%	434,784 0.72%
- 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%	194,985 0.32%
120,000 0.17%	194,069 0.29%	- 0.00%	254,228 0.41%	- 0.00%	- 0.00%
\$ 70,918,535	\$ 66,000,520	\$ 62,647,876	\$ 61,656,708	\$ 60,895,940	\$ 60,087,536
7,452	7,487	7,387	7,499	7,559	7,593
\$ 9,517	\$ 8,815	\$ 8,481	\$ 8,222	\$ 8,056	\$ 7,914

OREGON CITY SCHOOL DISTRICT NO. 62

Clackamas County, Oregon

Capital Asset Information

Last Ten Fiscal Years

Elementary Schools:	Year Built	2018-19	2017-18	2016-17	2015-16
Beavercreek	1948				
Square Feet		56,150	56,150	56,150	56,150
Preferred Student Capacity		560	560	560	560
Enrollment		529	551	533	530
Candy Lane	1969				
Square Feet		34,930	34,930	34,930	34,930
Preferred Student Capacity		200	200	200	200
Enrollment		202	269	271	268
Gaffney Lane	1965				
Square Feet		56,828	56,828	56,828	56,828
Preferred Student Capacity		600	600	600	583
Enrollment		535	544	547	583
Holcomb	1966				
Square Feet		51,090	51,090	51,090	51,090
Preferred Student Capacity		661	661	661	661
Enrollment		588	505	490	489
Jennings Lodge	1938				
Square Feet		31,980	31,980	31,980	31,980
Preferred Student Capacity		275	275	275	275
Enrollment		239	274	267	279
John McLoughlin	1975				
Square Feet		57,780	57,780	57,780	57,780
Preferred Student Capacity		583	583	583	583
Enrollment		635	615	598	580
Redland	1948				
Square Feet		55,000	55,000	55,000	55,000
Preferred Student Capacity		607	607	607	607
Enrollment		545	553	561	542
<u>Middle Schools:</u>					
Mt. Pleasant (Gardiner grade 6)	(2) 1929				
Square Feet		-	-	-	-
Preferred Student Capacity		-	-	-	-
Enrollment (1)		-	-	-	-
Gardiner (grades 6-8)	1954/				
Square Feet	2013	106,890	106,890	106,890	106,890
Preferred Student Capacity		853	853	853	853
Enrollment		852	796	782	774
Ogden	1965/				
Square Feet	2012	107,538	107,538	107,538	107,538
Preferred Student Capacity		896	896	896	896
Enrollment		894	870	835	824
<u>High Schools:</u>					
Oregon City High School (2)	2003				
Square Feet		323,000	323,000	323,000	323,000
Preferred Student Capacity		2,450	2,450	2,450	2,450
Enrollment		2,018	2,063	2,023	2,099
King -Charter High Schools	1958				
Square Feet		44,220	44,220	44,220	44,220
Preferred Student Capacity		400	400	400	400
Enrollment (3)		-	152	-	-
Total Enrollment (4)		7,037	7,192	6,907	6,968

(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 (Sept 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

2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
56,150	56,150	56,150	56,150	56,150	56,150
560	560	560	560	560	560
539	548	480	432	441	465
34,930	34,930	34,930	34,930	34,930	34,930
200	200	200	200	200	200
309	252	235	182	202	224
56,828	56,828	56,828	56,828	56,828	56,828
600	600	600	600	600	600
566	533	536	570	573	551
51,090	51,090	51,090	51,090	51,090	51,090
661	661	661	661	661	661
488	536	547	542	566	563
31,980	31,980	31,980	31,980	31,980	31,980
275	275	275	275	275	275
237	312	292	293	296	328
57,780	57,780	57,780	57,780	57,780	57,780
583	583	583	583	583	583
556	561	545	557	554	569
55,000	55,000	55,000	55,000	55,000	55,000
607	607	607	607	607	607
529	539	547	544	572	570
-	50,150	50,150	50,150	50,150	50,150
-	560	560	560	560	560
-	-	258	403	395	378
106,890	106,890	98,600	98,600	98,600	98,600
853	853	613	613	613	613
762	775	587	625	633	552
107,538	107,538	107,538	100,370	100,370	100,370
896	896	896	656	656	656
876	888	898	608	623	631
323,000	323,000	304,440	323,000	323,000	323,000
2,450	2,450	2,450	2,450	2,450	2,450
2,187	2,199	2,187	2,200	2,194	2,231
44,220	44,220	44,220	44,220	44,220	44,220
400	400	400	400	400	400
		275	375	369	412
7,049	7,143	7,129	6,928	7,023	7,096

OREGON CITY SCHOOL DISTRICT NO. 62
 Clackamas County, Oregon
 Teacher Full-Time Equivalents (FTE) by Education Range and Step
 June 30, 2019

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	5.00	0.00	1.00	7.50	0.00	0.00	13.50
4	2.00	0.00	0.00	7.30	2.00	3.00	14.30
5	3.00	0.00	1.00	11.00	6.55	1.00	22.55
6	3.00	0.00	0.00	8.25	2.00	4.50	17.75
7	1.00	0.00	0.00	16.00	6.00	6.00	29.00
8	0.00	0.00	0.00	7.00	3.00	5.50	15.50
9	1.00	2.00	0.00	12.50	1.60	9.50	26.60
10	0.00	0.00	1.00	9.15	2.70	10.00	22.85
11	3.00	2.00	0.00	12.50	2.00	5.00	24.50
12	2.00	0.00	0.00	8.00	4.00	6.00	20.00
13	0.00	9.60	1.00	5.50	11.55	4.60	32.25
14	0.00	0.00	3.00	8.50	5.00	13.70	30.20
15	0.00	0.00	0.00	3.00	2.80	4.75	10.55
16	0.00	0.00	0.00	40.15	24.00	3.00	67.15
17	0.00	0.00	0.00	0.00	0.00	60.90	60.90
Total FTE	<u>20.00</u>	<u>13.60</u>	<u>7.00</u>	<u>156.35</u>	<u>73.20</u>	<u>137.45</u>	<u>407.60</u>

Estimated Average Teacher Salary: \$64,500

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
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
2009-10	463	19.9	574,536	256,752	984,088	3,965

(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.

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

	2018-19 (3)	2017-18	2016-17	2015-16
REVENUES AND OTHER FINANCING SOURCES:				
Local sources:				
Current/prior years' taxes (1)	\$ 33,637,399	\$ 32,528,791	\$ 32,145,125	\$ 30,952,392
Earnings on investments	3,797,371	497,541	373,216	282,327
Food services	784,005	726,479	658,489	654,650
Extracurricular activities	2,828,278	2,978,817	2,469,635	2,767,164
Community service activities	1,931,714	1,716,336	1,622,979	1,609,032
Miscellaneous	5,886,955	5,845,475	5,560,646	5,450,722
Total local sources	<u>48,865,722</u>	<u>44,293,439</u>	<u>42,830,091</u>	<u>41,716,287</u>
Intermediate sources:				
ESD funds	1,659,392	1,719,632	1,544,944	1,570,214
Miscellaneous	91,565	19,303	-	23,875
Total intermediate sources	<u>1,750,957</u>	<u>1,738,935</u>	<u>1,544,944</u>	<u>1,594,090</u>
State sources:				
School support fund	53,747,710	49,035,197	45,639,701	46,538,935
SSF - transportation	1,266,687	5,079,705	3,353,077	3,762,935
Common school fund	885,728	761,380	942,191	893,542
Restricted grants	1,387,326	331,776	177,725	1,029,042
Miscellaneous	906,515	1,985,382	712,896	483,333
Total state sources	<u>58,193,966</u>	<u>57,193,440</u>	<u>50,825,589</u>	<u>52,707,787</u>
Federal sources:				
School nutrition	1,178,735	1,208,760	1,278,409	1,446,811
Restricted grants	4,129,096	3,615,665	3,857,190	3,667,226
Miscellaneous	31,205	8,521	15,466	76,412
Total federal sources	<u>5,339,036</u>	<u>4,832,946</u>	<u>5,151,065</u>	<u>5,190,449</u>
Other financing sources:				
Transfers in	200,000	250,000	324,000	55,000
Lease purchase proceeds	163,800	142,830	149,505	187,179
Loan Proceeds		2,249,436	447,386	525,000
Bond proceeds	175,869,731	-	-	-
Sale or compensation for loss of capital assets	444,119	1,502,528	1,516	11,200
Total other financing sources	<u>176,677,650</u>	<u>4,144,794</u>	<u>922,407</u>	<u>778,379</u>
Beginning fund balance available for appropriation (2)	<u>11,968,908</u>	<u>8,545,678</u>	<u>11,225,945</u>	<u>22,488,116</u>
Total revenues and other financing sources	<u>\$ 302,796,239</u>	<u>\$ 120,749,232</u>	<u>\$ 112,500,041</u>	<u>\$ 124,475,107</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

2014-15	2013-14	2012-13 (3)	2011-12	2010-11	2009-10
\$ 29,276,856	\$ 27,580,481	\$ 26,513,339	\$ 26,068,553	\$ 25,502,789	\$ 24,975,105
158,809	127,964	135,352	124,930	116,206	152,595
627,501	652,412	694,671	686,866	734,963	815,560
2,197,457	2,351,397	2,366,570	2,429,741	2,300,130	2,135,845
1,392,297	1,143,158	1,186,587	1,078,586	1,073,674	1,010,723
5,652,170	5,333,824	5,431,920	5,134,714	5,387,244	5,419,613
39,305,090	37,189,236	36,328,439	35,523,390	35,115,006	34,509,441
1,136,944	767,026	788,540	831,681	626,308	829,557
21,067	38,538	58,056	15,712	36,031	14,357
1,158,011	805,564	846,596	847,393	662,339	843,914
45,299,224	41,819,628	37,528,883	35,159,868	33,006,857	34,646,910
2,950,397	3,061,744	3,081,126	3,202,382	2,869,333	2,918,005
741,068	349,970	731,466	664,479	666,651	699,404
906,575	540,976	9,250	1,788,584	41,884	35,070
590,440	410,035	906,075	408,128	467,139	529,330
50,487,704	46,182,353	42,256,800	41,223,441	37,051,864	38,828,719
1,306,545	644,000	1,318,774	1,346,261	1,318,297	1,295,363
3,901,761	4,783,660	3,420,393	3,655,357	7,972,623	6,254,982
9,821	41,377	42,851	46,937	151,454	169,230
5,218,127	5,469,037	4,782,018	5,048,555	9,442,374	7,719,575
380,000	305,931	103,782	254,228	-	267,600
-	100,081	-	-	134,263	355,846
16,140,000	1,023,500	5,150,000	437,000	353,175	450,000
1,865,440	-	38,941,785	-	-	-
2,328,523	127,049	374,800	5,859	11,873	-
20,713,963	1,556,561	44,570,367	697,087	499,311	1,073,446
8,775,708	9,646,030	10,107,357	9,723,219	10,703,003	9,106,170
\$ 125,658,603	\$ 100,848,779	\$ 138,891,577	\$ 93,063,085	\$ 93,473,897	\$ 92,081,265

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

	<u>2018-19 (1)</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16 (2)</u>
EXPENDITURES:				
Instruction:				
Regular instruction:				
Elementary	\$ 15,194,618	\$ 14,714,389	\$ 14,372,104	\$ 14,251,229
Middle school	8,403,888	8,493,606	7,631,239	7,307,658
High school	13,863,715	13,674,208	12,988,113	13,714,094
Special programs:				
Restrictive programs	6,736,262	6,828,746	6,402,457	6,683,427
Less restrictive programs	4,081,389	3,773,986	3,287,734	3,144,562
Charter School Payments	7,769,800	6,776,853	6,600,180	6,692,059
Other programs	3,470,480	3,770,691	3,711,524	3,634,393
Total instruction	<u>59,520,152</u>	<u>58,032,479</u>	<u>54,993,352</u>	<u>55,427,421</u>
Support services:				
Students:				
Guidance/health services	2,934,849	2,851,778	2,541,795	2,023,653
Psychological/speech services	2,475,810	2,378,779	2,232,570	2,082,733
Student support direction	1,911,269	2,341,459	2,304,888	2,169,853
Other	1,108,091	918,100	948,656	1,283,155
Instructional staff support:				
Educational media services	833,020	808,609	890,281	915,901
Other	1,710,171	1,296,523	1,287,669	1,248,430
General administration	575,770	514,963	497,773	494,339
School administration	4,569,258	4,471,954	4,265,074	4,303,339
Business:				
Direction and fiscal services	1,444,991	1,203,661	1,051,570	1,115,516
Operation and maintenance	6,325,485	5,989,108	5,861,254	5,892,487
Student transportation	5,770,942	5,631,851	5,445,168	5,549,379
Internal services	1,218,583	1,230,096	1,095,433	1,087,301
Central support	2,658,695	2,223,556	1,980,857	2,183,896
Total support services	<u>33,536,934</u>	<u>31,860,437</u>	<u>30,402,988</u>	<u>30,349,982</u>
Enterprise/community services:				
Food services	2,550,002	2,574,619	2,288,072	2,365,490
Community education	723,526	650,996	589,440	740,367
Child care services	1,212,467	1,176,657	957,620	934,813
Other	173,307	178,318	306,515	131,636
Total enterprise/community services	<u>4,659,302</u>	<u>4,580,590</u>	<u>4,141,646</u>	<u>4,172,305</u>
Facilities acquisition/construction	<u>3,266,937</u>	<u>2,176,662</u>	<u>1,523,239</u>	<u>11,143,553</u>
Debt service	<u>20,063,649</u>	<u>11,880,156</u>	<u>12,569,138</u>	<u>12,100,899</u>
Other financing uses: transfers out	<u>200,000</u>	<u>250,000</u>	<u>324,000</u>	<u>55,000</u>
Total expenditures and other financing uses	<u>\$ 121,246,974</u>	<u>\$ 108,780,325</u>	<u>\$ 103,954,363</u>	<u>\$ 113,249,161</u>

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

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

Source: Oregon City School District No. 62 financial records

2014-15	2013-14	2012-13 (1)	2011-12	2010-11	2009-10
\$ 13,719,411	\$ 12,260,192	\$ 11,756,731	\$ 13,645,117	\$ 14,052,476	\$ 14,294,358
7,194,299	6,947,250	6,845,765	4,729,225	4,806,718	4,493,396
13,205,323	11,956,671	11,344,259	10,521,316	10,337,936	9,377,355
7,139,815	7,771,745	5,641,289	6,797,976	7,260,110	7,379,153
3,268,731	2,664,210	2,589,100	2,350,910	2,150,269	1,728,072
5,978,326	5,364,726	4,474,877	4,049,138	3,448,867	3,248,048
3,373,772	3,426,048	4,719,677	3,018,686	3,170,164	3,068,667
<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>	<u>43,589,049</u>
2,446,946	226,392	1,981,756	1,844,879	1,844,971	1,775,702
1,974,578	1,647,988	1,495,002	1,507,156	1,562,486	1,527,203
1,208,656	648,173	640,761	584,591	790,625	694,619
689,972	520,161	377,411	371,812	353,907	343,519
908,837	824,817	839,025	731,435	876,564	872,024
1,278,354	1,372,967	1,181,789	1,268,741	1,630,880	1,230,815
504,257	484,734	448,930	449,077	445,286	441,680
4,245,195	4,085,597	3,965,966	4,269,794	4,243,399	4,205,069
1,028,412	980,928	905,903	815,108	793,863	814,134
6,033,602	5,761,176	5,541,183	5,335,483	5,666,180	5,388,339
5,198,941	4,867,074	4,815,672	4,473,922	4,441,106	4,404,866
906,040	923,252	844,715	888,363	916,711	1,102,660
1,909,639	1,909,168	2,193,608	2,007,322	2,127,197	2,518,515
<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>	<u>25,319,145</u>
2,196,862	2,181,957	2,127,201	2,105,418	2,055,817	2,010,733
620,967	562,777	464,667	455,671	452,202	354,357
1,005,769	826,062	869,937	813,656	699,402	717,688
122,546	118,896	188,247	174,669	237,175	165,426
<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>	<u>3,248,204</u>
979,299	1,262,617	4,462,018	25,256	-	7,269
<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>8,946,996</u>
380,000	305,931	103,782	254,228	-	267,600
<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>	<u>\$ 81,378,263</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, 2019

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

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

Function 2540	<u>\$ 989,941</u>
Function 2550	<u>\$ 21,874</u>

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

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

<u>\$ 51,136</u>

OREGON CITY SCHOOL DISTRICT NO. 62

Clackamas County, Oregon
District Revenue Audit Summary - All Funds
For the Fiscal Year Ended June 30, 2019

	Totals	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
Revenue from Local Sources								
1110 Ad Valorem Taxes Levied by District	\$ 33,215,435	\$ 27,368,296	\$ -	\$ 5,847,139	\$ -	\$ -	\$ -	\$ -
1120 Local Option Ad Valorem Taxes Levied by District	-	-	-	-	-	-	-	-
1130 Construction Excise Tax	336,015	-	-	-	336,015	-	-	-
1190 Penalties and Interest on Taxes	85,949	65,057	-	20,892	-	-	-	-
1200 Revenue from Local Governmental Units Other Than Districts	-	-	-	-	-	-	-	-
1311 Regular Day School Tuition - From Individuals	-	-	-	-	-	-	-	-
1312 Regular Day School Tuition - Other Dist Within State	-	-	-	-	-	-	-	-
1313 Regular Day School Tuition - Other Districts Outside	-	-	-	-	-	-	-	-
1320 Adult/Continuing Education Tuition	-	-	-	-	-	-	-	-
1330 Summer School Tuition	-	-	-	-	-	-	-	-
1411 Transportation Fees - From Individuals	113,487	113,487	-	-	-	-	-	-
1412 Transportation Fees - Other Dist Within State	-	-	-	-	-	-	-	-
1413 Transportation Fees - Other Districts Outside	-	-	-	-	-	-	-	-
1420 Summer School Transportation Fees	-	-	-	-	-	-	-	-
1500 Earnings on Investments	3,797,371	554,483	6,328	198,329	3,022,486	-	11,484	4,261
1600 Food Service	784,005	-	784,005	-	-	-	-	-
1700 Extracurricular Activities	2,828,278	\$211,166	2,531,945	-	67,283	-	-	17,884
1800 Community Services Activities	1,931,714	\$606,367	1,325,347	-	-	-	-	-
1910 Rentals	375,643	\$338,518	19,808	-	17,317	-	-	-
1920 Contributions and Donations From Private Sources	38,313	\$611	22,077	-	14,381	-	-	1,244
1930 Rental or Lease Payments From Private Contractors	-	-	-	-	-	-	-	-
1940 Services Provided Other Local Education Agencies	30,766	\$30,766	-	-	-	-	-	-
1950 Textbook Sales and Rentals	-	-	-	-	-	-	-	-
1960 Recovery of Prior Years' Expenditure	178,785	\$5,534	190	-	110,996	-	62,065	-
1970 Services Provided Other Funds	4,792,465	-	32,923	4,126,582	-	-	632,960	-
1980 Fees Charged to Grants	37,044	\$37,044	-	-	-	-	-	-
1990 Miscellaneous	320,452	\$107,551	38,498	-	161,928	-	12,475	-
Total Revenue from Local Sources	48,865,722	29,438,880	4,761,121	10,192,942	3,730,406	-	718,984	23,389
Revenue from Intermediate Sources								
2101 County School Funds	-	-	-	-	-	-	-	-
2102 General ESD Revenue	1,659,392	\$963,643	695,749	-	-	-	-	-
2103 Excess ESD Local Revenue	-	-	-	-	-	-	-	-
2105 Natural Gas, Oil, and Mineral Receipts	-	-	-	-	-	-	-	-
2110 Intermediate "I" Tax	-	-	-	-	-	-	-	-
2199 Other Intermediate Sources	-	-	-	-	-	-	-	-
2200 Restricted Revenue	91,565	-	91,565	-	-	-	-	-
2800 Revenue in Lieu of Taxes	-	-	-	-	-	-	-	-
2900 Revenue for/on Behalf of the District	-	-	-	-	-	-	-	-
Total Revenue from Intermediate Sources	1,750,957	963,643	787,314	-	-	-	-	-
Revenue from State Sources								
3101 State School Fund - General Support	53,747,710	\$50,067,167	330,445	-	-	-	-	3,350,098
3102 State School Fund - School Lunch Match	20,997	-	20,997	-	-	-	-	-
3103 Common School Fund	885,728	\$885,728	-	-	-	-	-	-
3104 State Managed County Timber	-	-	-	-	-	-	-	-
3106 State School Fund - Accrual	-	-	-	-	-	-	-	-
3199 Other Unrestricted Grants-in-Aid	906,515	\$899,794	6,721	-	-	-	-	-
3204 Driver Education	-	-	-	-	-	-	-	-
3222 State School Fund (SSF) Transportation Equipment	1,266,687	-	437,333	-	829,354	-	-	-
3299 Other Restricted Grants-in-Aid	1,366,329	-	1,209,837	-	7,990	-	-	148,502
3800 Revenue in Lieu of Taxes	-	-	-	-	-	-	-	-
3900 Revenue for/on Behalf of the District	-	-	-	-	-	-	-	-
Total Revenue from State Sources	58,193,966	51,862,689	2,005,333	-	837,344	-	-	3,498,600
Revenue from Federal Sources								
4100 Unrestricted Revenue Direct From the Federal Government	-	-	-	-	-	-	-	-
4200 Unrestricted Revenue From the Federal Government Through the State	-	-	-	-	-	-	-	-
4300 Restricted Revenue From the Federal Government	-	-	-	-	-	-	-	-
4500 Restricted Revenue From the Federal Government Through the State	4,766,233	2,864	4,362,453	-	-	-	-	400,916
4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies	388,923	-	170,895	-	-	-	-	218,028
4801 Federal Forest Fees	31,205	31,205	-	-	-	-	-	-
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	152,675	-	152,675	-	-	-	-	-
Total Revenue from Federal Sources	5,339,036	34,069	4,686,023	-	-	-	-	618,944
Revenue from Other Sources								
5100 Long Term Debt Financing Sources	176,033,531	-	-	9,519,656	166,513,875	-	-	-
5200 Interfund Transfers	200,000	-	200,000	-	-	-	-	-
5300 Sale of or Compensation for Loss of Fixed Assets	444,119	-	-	-	444,119	-	-	-
5400 Resources - Beginning Fund Balance	11,968,908	3,913,934	3,092,441	1,107,567	3,125,157	-	509,970	219,839
Total Revenue from Other Sources	188,646,558	3,913,934	3,292,441	10,627,223	170,083,151	-	509,970	219,839
Grand Total	\$ 302,796,239	\$ 86,203,215	\$ 15,532,232	\$ 20,820,165	\$ 174,650,901	\$ -	\$ 1,228,954	\$ 4,360,772

OREGON CITY SCHOOL DISTRICT NO. 62
 Clackamas County, Oregon
 District Expenditure Audit Summary - General Fund
 For the Fiscal Year Ended June 30, 2019

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Instruction Expenditures								
1111 Elementary, K-5 or K-6	\$ 14,480,425	\$ 9,003,012	\$ 5,272,738	\$ 44,912	\$ 159,763	\$ -	\$ -	\$ -
1113 Elementary Extracurricular	-	-	-	-	-	-	-	-
1121 Middle/Junior High Programs	7,843,352	4,935,309	2,732,562	36,064	139,417	-	-	-
1122 Middle/Junior High School Extracurricular	111,384	83,993	24,436	358	2,596	-	-	-
1131 High School Programs	8,236,165	5,253,130	2,793,132	39,314	150,589	-	-	-
1132 High School Extracurricular	442,731	305,746	77,346	48,528	10,922	-	189	-
1140 Pre-Kindergarten Programs	7,655	-	-	-	-	-	7,655	-
1210 Programs for the Talented and Gifted	38,518	20,531	6,520	7,574	3,893	-	-	-
1220 Restrictive Programs for Students with Disabilities	6,146,763	2,378,964	1,598,418	2,160,219	9,162	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	3,802,548	2,320,372	1,472,721	3,178	6,278	-	-	-
1260 Treatment and Habilitation	-	-	-	-	-	-	-	-
1271 Remediation	6,719	6,719	-	-	-	-	-	-
1272 Title I	-	-	-	-	-	-	-	-
1280 Alternative Education	7,942,806	301,523	158,276	7,476,974	6,033	-	-	-
1291 English Second Language Programs	1,558,234	951,439	595,742	4,121	6,932	-	-	-
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	\$ 50,617,300	\$ 25,560,738	\$ 14,731,891	\$ 9,821,242	\$ 495,585	\$ -	\$ 7,844	\$ -
Support Services Expenditures								
2110 Attendance and Social Work Services	\$ 298,478	\$ 175,558	\$ 117,551	\$ 3,782	\$ 1,587	\$ -	\$ -	\$ -
2120 Guidance Services	1,884,210	1,195,808	679,224	2,734	2,013	-	4,431	-
2130 Health Services	523,104	202,062	122,174	191,490	7,238	-	140	-
2140 Psychological Services	514,866	347,393	152,331	2,855	12,287	-	-	-
2150 Speech Pathology and Audiology Services	1,414,915	857,126	478,056	74,757	4,976	-	-	-
2160 Other Student Treatment Services	250,010	146,083	91,660	5,631	6,636	-	-	-
2190 Service Direction, Student Support Services	1,677,515	969,087	561,964	127,808	17,466	-	1,190	-
2210 Improvement of Instruction Services	926,226	350,841	151,964	56,522	365,239	-	1,660	-
2220 Educational Media Services	831,743	449,755	311,650	1,831	66,386	-	2,121	-
2230 Assessment & Testing	-	-	-	-	-	-	-	-
2240 Instructional Staff Development	289,277	18,744	227,573	40,924	2,036	-	-	-
2310 Board of Education Services	194,474	36,970	19,226	116,303	10,562	-	11,413	-
2320 Executive Administration Services	380,423	209,497	111,785	43,289	12,041	-	3,811	-
2410 Office of the Principal Services	4,058,146	2,472,414	1,431,013	83,674	51,265	-	19,780	-
2490 Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510 Direction of Business Support Services	209,343	93,090	50,105	62,374	2,517	-	1,257	-
2520 Fiscal Services	1,014,506	498,555	258,469	237,398	9,029	-	11,055	-
2540 Operation and Maintenance of Plant Services	5,807,066	1,888,986	1,296,766	2,252,764	367,948	-	602	-
2550 Student Transportation Services	5,164,948	2,372,149	1,641,479	535,984	482,241	37,956	95,139	-
2570 Internal Services	674,142	134,874	92,337	147,119	(17,032)	-	316,844	-
2610 Direction of Central Support Services	890	-	-	-	-	890	-	-
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	87,855	-	-	83,894	3,961	-	-	-
2630 Information Services	218,075	93,298	60,449	60,147	3,500	-	681	-
2640 Staff Services	479,850	257,629	134,228	33,342	52,964	-	1,687	-
2660 Technology Services	922,051	279,400	165,191	386,349	77,637	-	13,474	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2680 Interpretation and Translation Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	153,013	149,069	3,944	-	-	-	-	-
Total Support Services Expenditures	\$ 27,975,126	\$ 13,198,388	\$ 8,159,139	\$ 4,550,971	\$ 1,542,497	\$ 38,846	\$ 485,285	\$ -
Enterprise and Community Services Expenditures								
3100 Food Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	839,693	508,402	187,444	64,061	74,685	-	5,101	-
3500 Custody and Care of Children Services	-	-	-	-	-	-	-	-
Total Enterprise and Community Services Expenditures	\$ 839,693	\$ 508,402	\$ 187,444	\$ 64,061	\$ 74,685	\$ -	\$ 5,101	\$ -
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 Acquisition and Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Uses Expenditures								
5100 Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5200 Transfers of Funds	200,000	-	-	-	-	-	-	200,000
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000
Grand Total	\$ 79,632,119	\$ 39,267,528	\$ 23,078,474	\$ 14,436,274	\$ 2,112,767	\$ 38,846	\$ 498,230	\$ 200,000

OREGON CITY SCHOOL DISTRICT NO. 62
 Clackamas County, Oregon
 District Expenditure Audit Summary - Special Revenue Funds
 For the Fiscal Year Ended June 30, 2019

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Instruction Expenditures								
1111 Elementary, K-5 or K-6	\$ 151,904	\$ -	\$ -	\$ -	\$ 151,904	\$ -	\$ -	\$ -
1112 Intermediate, 4-6	157,194	-	-	157,194	-	-	-	-
1113 Elementary Extracurricular	391,950	-	-	-	391,950	-	-	-
1121 Middle/Junior High Programs	-	-	-	-	-	-	-	-
1122 Middle/Junior High School Extracurricular	324,930	27,941	7,283	-	289,706	-	-	-
1131 High School Programs	737,928	409,818	231,815	5,296	90,999	-	-	-
1132 High School Extracurricular	1,880,833	2,060	615	-	1,877,129	-	1,029	-
1140 Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210 Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220 Restrictive Programs for Students with Disabilities	589,500	362,212	218,612	1,917	6,759	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	278,840	137,750	88,639	41,664	10,787	-	-	-
1260 Treatment and Habilitation	-	-	-	-	-	-	-	-
1271 Remediation	-	-	-	-	-	-	-	-
1272 Title I	579,664	304,410	243,133	-	32,121	-	-	-
1280 Alternative Education	644,968	69,812	48,470	526,686	-	-	-	-
1291 English Second Language Programs	31,048	17,368	7,065	3,869	2,108	-	638	-
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	\$ 5,768,760	\$ 1,331,371	\$ 845,632	\$ 736,626	\$ 2,853,464	\$ -	\$ 1,667	\$ -
Support Services Expenditures								
2110 Attendance and Social Work Services	\$ 246,637	\$ 112,805	\$ 67,515	\$ 56,950	\$ 8,525	\$ -	\$ 842	\$ -
2120 Guidance Services	151,166	62,890	38,315	7,447	37,510	-	5,004	-
2130 Health Services	16,184	-	-	15,890	-	-	294	-
2140 Psychological Services	545,728	338,965	194,418	2,335	5,366	-	4,644	-
2150 Speech Pathology and Audiology Services	303	-	-	124	179	-	-	-
2160 Other Student Treatment Services	252,964	159,594	86,599	1,244	5,527	-	-	-
2190 Service Direction, Student Support Services	233,754	133,515	61,966	1,862	3,259	-	33,152	-
2210 Improvement of Instruction Services	4,800	-	-	4,800	-	-	-	-
2220 Educational Media Services	-	-	-	-	-	-	-	-
2230 Assessment & Testing	55,383	29,659	25,724	-	-	-	-	-
2240 Instructional Staff Development	434,412	176,379	100,800	127,906	5,216	-	24,111	-
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	3,131	-	-	2,781	-	-	350	-
2540 Operation and Maintenance of Plant Services	26,784	25,012	-	601	1,171	-	-	-
2550 Student Transportation Services	610,555	-	-	-	-	610,555	-	-
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	27,729	-	-	2,147	25,311	-	271	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	-	-	-	-	-	-	-	-
Total Support Services Expenditures	\$ 2,609,530	\$ 1,038,819	\$ 575,337	\$ 224,087	\$ 92,064	\$ 610,555	\$ 68,668	\$ -
Enterprise and Community Services Expenditures								
3100 Food Services	\$ 2,550,002	\$ 779,393	540,243	\$ 1,046,549	\$ 183,817	\$ -	\$ -	\$ -
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	51,229	28,831	15,951	5,552	515	-	380	-
3500 Custody and Care of Children Services	1,212,467	791,257	232,263	75,981	112,966	-	-	-
Total Enterprise and Community Services Expenditures	\$ 3,813,698	\$ 1,599,481	\$ 788,457	\$ 1,128,082	\$ 297,298	\$ -	\$ 380	\$ -
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	\$ 560,350	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 560,350	\$ -
5200 Transfers of Funds	-	-	-	-	-	-	-	-
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures	\$ 560,350	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 560,350	\$ -
Grand Total	\$ 12,752,338	\$ 3,969,671	\$ 2,209,426	\$ 2,088,795	\$ 3,242,826	\$ 610,555	\$ 631,065	\$ -

OREGON CITY SCHOOL DISTRICT NO. 62
 Clackamas County, Oregon
 District Expenditure Audit Summary - Debt Service Funds
 For the Fiscal Year Ended June 30, 2019

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
<u>Instruction Expenditures</u>								
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Support Services Expenditures</u>								
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Enterprise and Community Services Expenditures</u>								
3100 Food Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	-	-	-	-	-	-	-	-
3500 Custody and Care of Children Services	-	-	-	-	-	-	-	-
Total Enterprise and Community Services Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Facilities Acquisition and Construction Expenditures</u>								
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Other Uses Expenditures</u>								
5100 Debt Service	\$ 10,303,667	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,303,667	\$ -
5200 Transfers of Funds	-	-	-	-	-	-	-	-
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures	\$ 10,303,667	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,303,667	\$ -
Grand Total	\$ 10,303,667	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,303,667	\$ -

OREGON CITY SCHOOL DISTRICT NO. 62
 Clackamas County, Oregon
 District Expenditure Audit Summary -Capital Projects Funds
 For the Fiscal Year Ended June 30, 2019

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Instruction Expenditures								
1111 Elementary, K-5 or K-6	\$ 13,360	\$ -	\$ -	\$ -	\$ 13,360	\$ -	\$ -	\$ -
1113 Elementary Extracurricular	-	-	-	-	-	-	-	-
1121 Middle/Junior High Programs	4,516	-	-	-	4,516	-	-	-
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	\$ 17,876	\$ -	\$ -	\$ -	\$ 17,876	\$ -	\$ -	\$ -
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	873	-	-	873	-	-	-	-
2410 Office of the Principal Services	-	-	-	-	-	-	-	-
2490 Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510 Direction of Business Support Services	216,517	66,257	32,614	84,513	32,924	209	-	-
2520 Fiscal Services	839	-	-	60	779	-	-	-
2540 Operation and Maintenance of Plant Services	293,851	3190	959	60,944	136,273	92,393	92	-
2550 Student Transportation Services	-	-	-	-	-	-	-	-
2570 Internal Services	1,326	-	-	1,326	-	-	-	-
2610 Direction of Central Support Services	-	-	-	-	-	-	-	-
2620 Planning, Research, Development, Evaluation Services, Grant	513,325	103,523	54,077	297,589	266	57,870	-	-
2630 Writing and Statistical Services	-	-	-	-	-	-	-	-
2630 Information Services	35,432	-	-	35,432	-	-	-	-
2640 Staff Services	-	-	-	-	-	-	-	-
2660 Technology Services	194,141	-	-	-	194,141	-	-	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	-	-	-	-	-	-	-	-
Total Support Services Expenditures	\$ 1,256,304	\$ 172,970	\$ 87,650	\$ 480,737	\$ 364,383	\$ 150,472	\$ 92	\$ -
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	\$ 404,054	\$ 4,162	\$ 1,299	\$ -	187	398,406	\$ -	\$ -
4120 Site Acquisition and Development Services	193,711	-	-	-	-	193,711	-	-
4150 Building Acquisition, Construction, and Improvement Services	2,669,171	548	237	22,668	6,723	2,638,401	594	-
4180 Other Capital Items	-	-	-	-	-	-	-	-
4190 Other Facilities Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures	\$ 3,266,936	\$ 4,710	\$ 1,536	\$ 22,668	\$ 6,910	\$ 3,230,518	\$ 594	\$ -
Other Uses Expenditures								
5100 Debt Service	\$ 9,199,633	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,199,633	\$ -
5200 Transfers of Funds	-	-	-	-	-	-	-	-
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures	\$ 9,199,633	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,199,633	\$ -
Grand Total	\$ 13,740,749	\$ 177,680	\$ 89,186	\$ 503,405	\$ 389,169	\$ 3,380,990	\$ 9,200,319	\$ -

OREGON CITY SCHOOL DISTRICT NO. 62
 Clackamas County, Oregon
 District Expenditure Audit Summary - Internal Service Funds
 For the Fiscal Year Ended June 30, 2019

	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	\$ 60,000	\$ -	\$ -	\$ 60,000	\$ -	\$ -	\$ -	\$ -
2120 Guidance Services	-	-	-	-	-	-	-	-
2130 Health Services	1,960	-	-	1,960	-	-	-	-
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	1,927	-	-	-	1,927	-	-	-
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	656	-	-	656	-	-	-	-
2540 Operation and Maintenance of Plant Services	53,610	(890.00)	52	51,605.00	2,843	-	-	-
2550 Student Transportation Services	-	-	-	-	-	-	-	-
2570 Internal Services	542,225	81,537.00	45,435	62,210	19,645	5,000	328,398	-
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	\$ 670,616	\$ 80,647	\$ 45,487	\$ 176,431	\$ 34,653	\$ 5,000	\$ 328,398	\$ -
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	\$ 670,616	\$ 80,647	\$ 45,487	\$ 176,431	\$ 34,653	\$ 5,000	\$ 328,398	\$ -

OREGON CITY SCHOOL DISTRICT NO. 62
 Clackamas County, Oregon
 District Expenditure Audit Summary - Trust and Agency Funds
 For the Fiscal Year Ended June 30, 2019

	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	119,491	78,091	40,871	-	529	-	-	-
1122 Middle/Junior High School Extracurricular	-	-	-	-	-	-	-	-
1131 High School Programs	2,541,541	1,337,290	731,416	200,222	221,797	47,816	3,000	-
1132 High School Extracurricular	16,859	-	-	-	16,859	-	-	-
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	396,104	199,666	95,501	87,452	13,485	-	-	-
1272 Title I	-	-	-	-	-	-	-	-
1280 Alternative Education	42,220	-	-	42,220	-	-	-	-
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	\$ 3,116,215	\$ 1,615,047	\$ 867,788	\$ 329,894	\$ 252,670	\$ 47,816	\$ 3,000	\$ -
Support Services Expenditures								
2110 Attendance and Social Work Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2120 Guidance Services	358,225	230,567	127,658	-	-	-	-	-
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	1,278	-	-	-	1,278	-	-	-
2230 Assessment & Testing	-	-	-	-	-	-	-	-
2240 Instructional Staff Development	14,952	4,795	748	9,409	-	-	-	-
2310 Board of Education Services	-	-	-	-	-	-	-	-
2320 Executive Administration Services	-	-	-	-	-	-	-	-
2410 Office of the Principal Services	511,110	298,937	169,278	16,708	6,962	-	19,225	-
2490 Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510 Direction of Business Support Services	-	-	-	-	-	-	-	-
2520 Fiscal Services	-	-	-	-	-	-	-	-
2540 Operation and Maintenance of Plant Services	89,412	43,966	30,335	781	14,330	-	-	-
2550 Student Transportation Services	33,395	-	-	33,395	-	-	-	-
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	16,988	9,133	6,935	-	920	-	-	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	-	-	-	-	-	-	-	-
Total Support Services Expenditures	\$ 1,025,360	\$ 587,398	\$ 334,954	\$ 60,293	\$ 23,490	\$ -	\$ 19,225	\$ -
Enterprise and Community Services Expenditures								
3100 Food Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	5,911	-	-	5,381.00	530	-	-	-
3500 Custody and Care of Children Services	-	-	-	-	-	-	-	-
Total Enterprise and Community Services Expenditures	\$ 5,911	\$ -	\$ -	\$ 5,381	\$ 530	\$ -	\$ -	\$ -
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	\$ 4,147,486	\$ 2,202,445	\$ 1,202,742	\$ 395,568	\$ 276,690	\$ 47,816	\$ 22,225	\$ -

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INDEPENDENT AUDITORS' REPORT REQUIRED BY
OREGON STATE REGULATIONS

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December 16, 2019

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, 2019, and have issued our report thereon dated December 16, 2019. 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:

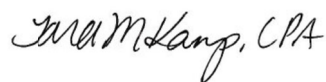
- **Deposit of public funds with financial institutions (ORS Chapter 295)**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Authorized 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.

OAR 162-10-0230 Internal Control

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

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

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

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

GRANT COMPLIANCE REVIEW

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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, 2019

Federal Grantor, Pass through Grantor, Program Title	Pass-Through Organization	Pass-Through Entity Number	CFDA Number	2018 - 2019 Expenditures	Passed Through To Subrecipients
<u>U. S. Department of Education:</u>					
Special Education Grants to States - Title I Part A Grants to LEAs:	ODE	45661	84.010	\$ 104,930	\$ -
	ODE	50454	84.010	750,512	-
Total Title I Grants				<u>855,442 (1)</u>	<u>-</u>
Special Education Cluster: Special Education Grants IDEA Part B:	ODE	45233	84.027	42,772	-
	ODE	49931	84.027	1,184,000	-
	ODE	49583	84.027	8,039	-
	ODE	45477	84.173	10,642	-
	ODE	51334	84.027	12,133	-
	ODE	49172	84.027	1,648	-
	ODE	48470	84.027	303	-
	ODE	52290	84.027	750	-
Autism Contracts	Portland Public Schools	N/A	84.027	159,444	-
<u>Total Special Education Cluster</u>				<u>1,419,731</u>	<u>-</u>
Special Education Grants IDEA Part D:	ODE	47590	84.323	34,363	-
				<u>34,363</u>	<u>-</u>
Improving Teacher Quality State Grants - Title II Part A:	ODE	45877	84.367	82,851	-
	ODE	49374	84.367	159,154	-
				<u>242,005</u>	<u>-</u>
English Language Acquisition Grants - Title III Part A:	ODE	44243	84.365	9,157	-
	ODE	50276	84.365	21,891	-
				<u>31,048</u>	<u>-</u>
Foster Care Transportation Reimbursement	ODE	47503	93.658	2,864	-
Twenty-First Century Community Learning Centers:	ODE	44155	84.287	29,088	-
	ODE	49070	84.287	371,828	-
				<u>400,916</u>	<u>-</u>
Vocational Rehabilitation Grants - YTP	OR Dept of Human Resources	143288	84.126	116,607	-
Student Support and Academic Enrichment Grant Title IV Part A	ODE	47790	84.424	23,486	-
	ODE	50790	84.424	80,581	-
				<u>104,067</u>	<u>-</u>

OREGON CITY SCHOOL DISTRICT NO. 62
 Clackamas County, Oregon
 Schedule of Expenditures of Federal Awards - (continued)
 For the Fiscal Year Ended June 30, 2019

Federal Grantor, Pass through Grantor, Program Title	Pass-Through Organization	Pass-Through Entity Number	CFDA Number	2018 - 2019 Expenditures	Passed Through To Subrecipients
<u>U.S. Department of Education (continued)</u>					
Migrant Education Title 1C:	Clackamas County ESD	N/A	84.011	\$ 11,451	\$ -
				<u>11,451</u>	<u>-</u>
Career and Technical Education - Carl Perkins III:	Clackamas County ESD	40307	84.048	35,542	-
				<u>35,542</u>	<u>-</u>
Total U.S. Department of Education				<u>3,254,036</u>	<u>-</u>
<u>U.S. Department of Agriculture:</u>					
<u>Child Nutrition Cluster:</u>	ODE	N/A			
National School Lunch - Project 132103	ODE	N/A	10.555	871,482 (1)	-
Noncash Assistance: Commodities	ODE	N/A	10.555	152,440 (1)	-
National School Breakfast - Project 152104	ODE	N/A	10.553	218,847 (1)	-
Summer Food Service - Project 315002	ODE	N/A	10.559	53,204 (1)	-
Noncash Assistance: Commodities	ODE	N/A	10.559	235 (1)	-
<u>Total Child Nutrition Cluster</u>				<u>1,296,208</u>	<u>-</u>
Natl School Lunch Admin	ODE	N/A	10.560	4,884	-
Child and Adult Care Food Program	ODE	N/A	10.558	28,307	-
Cash Commodities	ODE	N/A	10.558	2,010	-
				<u>35,201</u>	<u>-</u>
Total U.S. Department of Agriculture				<u>1,331,409</u>	<u>-</u>
<u>U.S. Department of Health and Human Services:</u>					
SAMHSA Oregon City Together Coalition:	2016-2017	1H79SPO19745-01	93.276	57,813	-
	2017-2018	2H79SPO19745-01	93.276	46,682	-
Total U.S. Department of Health and Human Services				<u>104,495</u>	<u>-</u>
Total Federal Financial Assistance				<u>\$ 4,689,940</u>	<u>\$ -</u>

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

(1) - Major Program



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December 16, 2019

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, 2019, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated December 16, 2019.

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 written in a cursive, flowing style.

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



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December 16, 2019

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, 2019. 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, 2019.


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, 2019

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

10.553, 10.555, 10.559

Child Nutrition Cluster – School breakfast program and National School Lunch program

84.010

Title I

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, 2019

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 expenditures includes 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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 are not allowed to use the de minimus rate.