

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
ESTACADA, OREGON

FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2021



12700 SW 72nd Ave.

Tigard, OR 97223

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
ESTACADA, OREGON

FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2021

This Page Intentionally Left Blank

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
ESTACADA, OREGON

BOARD OF DIRECTORS

BOARD OF DIRECTORS

TERM EXPIRES

Benjamin Wheeler, Chair

June 30, 2023

Ken Riedel

June 30, 2023

Helena Snyder

June 30, 2021

Will Johnston

June 30, 2023

Rosa Martinez

June 30, 2021

Rochelle Shibahara

June 30, 2021

Joe Behrman

June 30, 2021

District Administration

Ryan Carpenter, Superintendent
Christina Weinard, Business Manager

District Address

255 NE Sixth Avenue
Estacada, Oregon 97023

This Page Intentionally Left Blank

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
Estacada, Oregon

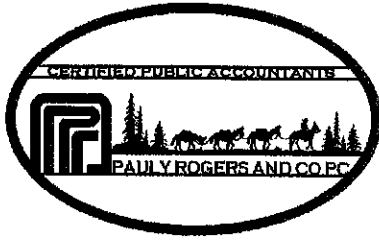
TABLE OF CONTENTS

<u>OFFICIALS OF THE DISTRICT</u>	<u>PAGE</u>
<u>FINANCIAL SECTION:</u>	
INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements:	
Statement of Net Position	5
Statement of Activities	6
Fund Financial Statements:	
Balance Sheet -- Governmental Funds	7
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position	8
Statement of Revenues, Expenditures and Change in Fund Balances -- Governmental Funds	9
Reconciliation of Governmental Funds Statements of Revenues, Expenditures and Changes in Fund Balances to Statement of Activities	10
Statements of Revenues, Expenditures and Changes in Fund Balance -- Budget and Actual (Major Funds):	
General Fund	11
Special Revenue Fund	12
Notes to Basic Financial Statements	13
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Changes in Net Single Employer Pension Plan And Related Ratio Stipend Benefits	45
Schedule of Changes in Total Post-Employment Benefits (OPEB) Liability Health Insurance Subsidy	46
Schedule of Changes in Total Post-Employment Benefits (OPEB) -- Liability And Related Ratios Retirement Health Insurance Account (RHIA)	47
Oregon Public Employees Retirement System Schedules -- District's Proportionate Share of the Net Pension Liability and District Contributions	48
SUPPLEMENTARY INFORMATION	
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-Major Funds):	
Debt Service Fund	49
Capital Projects Fund	50

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
Estacada, Oregon

TABLE OF CONTENTS (Continued)

<u>OTHER INFORMATION</u>	<u>PAGE</u>
Summary of Revenues by Function – All Governmental Funds	51
Expenditures by Function/Object – General Fund	52
Expenditures by Function/Object – Special Revenue Fund	53
Expenditures by Function/Object – Debt Service Fund	54
Expenditures by Function/Object – Capital Projects Fund	55
Supplemental Information as Required by the State of Oregon Department of Education	56
Independent Auditor’s Report Required by Oregon State Regulations	57
 SINGLE AUDIT SECTION	
Schedule of Expenditures of Federal Awards (Supplementary Information)	59
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other matters Based on and Audit of Financial Statements Performed in Accordance with Government Auditing Standards	60
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	62
Schedule of Findings and Questioned Costs	64



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

December 3, 2021

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Clackamas County School District No.108
Estacada, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Clackamas County School District No.108, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' 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. 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 auditors' 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 and each major fund of Clackamas County School District No.108, as of June 30, 2021, and the respective changes in financial position and budgetary comparisons for the general fund and major special revenue fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and required supplemental 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 Management's Discussion and Analysis or Schedule of Funding Progress and Employer Contributions because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary information, as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards 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 awards 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 expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

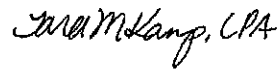
Other Information

The listing of board members containing their term expiration dates, located before the table of contents, and the other information, as 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 reports dated December 3, 2021 on our consideration of the internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 3, 2021, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



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

This Page Intentionally Left Blank

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Page Intentionally Left Blank

**ESTACADA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

The management of Estacada School District (the District) presents this narrative overview to facilitate both a short-term and a long-term analysis of the financial activities of the District for the fiscal year ended June 30, 2021. This Management's Discussions and Analysis (MD&A) is based on currently known facts, decisions, and conditions that existed at the date of the independent auditor's report.

Financial Highlights

- In the government-wide statements, assets and deferred outflows of the District at June 30, 2021, exceeded liabilities and deferred inflows by \$5,584,430, resulting in an overall "Net Position" of \$5,846,430. Net Position increased by a total of \$5,226,262 during the 2020-21 fiscal year.
- The District's governmental funds reported a combined ending fund balance of \$12,956,170 at the end of fiscal year 2020-21.
- At the end of fiscal year 2020-21 ending fund balance in the General Fund was \$7,269,936 which equals approximately 22.5% of General Fund expenditures and transfers out.
- On June 30, 2021, the District's total outstanding debt was \$17,212,400 which includes General Obligation bonds of \$9,00,000, Pension Obligation Bonds of \$7,795,000, capital leases of \$47,400 and Qualified School Construction Bonds \$370,000. See Note 5 in the financial statement Notes section for more information about the District's long-term debt.

Overview of the Financial Statements

This following discussion and analysis is intended to serve as an introduction to the District's basic financial statements and other required supplementary information. The District's basic financial statements consist of three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes 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 government-wide financial statements can be found on pages 5 and 6 of this report.

The *Statement of Net Position* presents information on all of the District's assets and liabilities as of the date on the statement. Total Net Position represents the assets remaining after the liabilities have been paid off or otherwise satisfied. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Activities* presents information showing how the District's net position changed over the most recent fiscal year by tracking revenues, expenses and other transactions that increase or decrease 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 not result in cash flows until future fiscal periods, such as uncollected property taxes.

**ESTACADA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

On the *Statement of Activities*, the District's activities are shown separately by the District's major functions of instruction, support services, community services, and interest on long-term debt. District activities are financed primarily through Oregon's State School Fund, property taxes, and other intergovernmental revenues.

Effect of PERS Unfunded Liability: Recent statements issued by the Governmental Accounting Standards Board (GASB) require that the government-wide financial statements incorporate the District's proportionate share of the state-wide liabilities related to PERS, including the Unfunded Actuarial Liability (UAL). The intent of these GASB requirements is to capture the true long-term liability for pension costs, but the actual result is extreme volatility in the District's Statement of Net Position. Due to highly variable annual investment returns (and other factors), the system-wide unfunded actuarial liability can change dramatically from year to year, causing significant changes in the School District's reported Net Position. While inclusion of the PERS UAL in the Statement of Net Position reflects a long-term financial reality, it is beyond the ability of any single employer to influence the PERS UAL and it obscures the financial results attributable to School District operations and management. The District's proportionate share of net pension liability (the PERS UAL) is \$18,694,672 as of June 30, 2021, as reported on the Statement of Net Position.

Fund financial statements. The fund financial statements provide more detailed information about the District's funds. 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 District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The School Board sets appropriations each year within every fund for instruction, support services, community services, facilities, debt service, transfers, contingency, and unappropriated ending fund balance. These appropriations establish the legal limits for expenditures of the District as established by Oregon Revised Statutes.

Unlike the government-wide financial statements, the fund financial statements focus on near-term inflows and outflows of available resources to assist users in evaluating a government's near-term financial requirements. Because the focus of the fund financial statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds in the fund financial statements with similar information presented in the government-wide financial statements. The *Governmental Fund Balance Sheet* and the *Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances* provide reconciliations to the District-wide statements to facilitate these comparisons.

The District has two major funds: General Fund and Special Revenue Fund. Financial statements for these funds are included on pages 11 and 12. The District also has two non-major funds: Debt Service Fund and Capital Projects Fund. Financial statements for non-major funds are shown on pages 49 and 50. The District does not have any funds that are considered "business-type" activities.

Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 13 to 40 of this report.

**ESTACADA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

Government-Wide Financial Analysis

Statement of Net Position: A comparative summary of the District's Net Position as of June 30, 2020, and June 30, 2021, is shown below. As noted earlier, Net Position may serve as a useful indicator of a government's financial position over time.

Capital assets, which consist of the District's land, buildings, building improvements, site improvements, vehicles and equipment represent approximately 64% of total assets. The remaining assets consist mainly of cash, investments, and taxes receivable.

The District's largest liability (approximately 96% of total liabilities) is for the repayment of long-term debt including General Obligation bonds, PERS bonds, Qualified School Construction Bonds, and capital lease obligations. Current liabilities consist primarily of accounts payables and employee benefits payable.

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

**Net Position at Fiscal Year-End
June 30, 2021 and 2020**

	Governmental Activities		Increase (Decrease)
	June 30, 2021	June 30, 2020	
Current assets	\$ 15,168,320	\$ 10,374,641	\$ 4,793,679
Capital assets	26,452,092	26,206,706	245,386
Total Assets	41,620,412	36,581,347	5,039,065
Deferred outflows of resources	6,806,247	5,678,548	1,127,699
Current liabilities	1,674,036	1,338,811	335,225
Long-term debt	38,202,979	37,743,256	459,723
Total Liabilities	39,877,015	39,082,067	794,948
Deferred inflows of resources	2,703,214	2,557,660	145,554
Net Position:			
Net investment in capital assets	17,177,551	15,035,705	2,141,846
Restricted for Grants and Other Purposes	5,646,902	4,960,676	686,226
Unrestricted	(16,978,023)	(19,376,213)	2,398,190
Total Net Position	\$ 5,846,430	\$ 620,168	\$ 5,226,262

The District's total Net Position increased \$5,266,262 during fiscal year 2020-21.

**ESTACADA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

Statement of Activities: General Revenues account for the vast majority of District resources. Property taxes of \$7,476,889 and State School Fund (SSF) payments of \$26,666,947 are the largest of these resources. Each Oregon school district receives money from the state based on an average weighted student membership formula (ADMw). The formula multiplies a dollar amount per student (established by the legislature every two-years) by the District's ADMw. As a safety net, the State uses the higher of a school district's current year ADMw or their most recent year's actual ADMw in the calculation. Ad Valorem Taxes, Common School Fund, Federal Forest Fees, special student weighting factors, and other factors are included in the SSF formula.

A comparative summary of the District's Changes in Net Position as of June 30, 2020 and 2021 is as follows.

Changes in Net Position (Statement of Activities)			
June 30, 2021 and 2020			
	<u>Governmental Activities</u>		<u>Increase</u>
	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>(Decrease)</u>
Revenues:			
Program Revenues:			
Charges for services	\$ 51,291	\$ 250,351	\$ (199,060)
Operating grants and contributions	3,413,900	3,186,582	227,318
General Revenues:			
Property taxes levied for general purpose	7,476,889	6,663,921	812,968
Property taxes levied for debt service	2,319,408	2,389,810	(70,402)
State school fund - general fund	26,666,947	22,918,749	3,748,198
Unrestricted state and local sources	1,636,800	863,462	773,338
Earnings on investments	122,786	309,155	(186,369)
Unrestricted Federal sources	-	-	-
Miscellaneous	889,555	1,220,966	(331,411)
Total Revenues	<u>42,577,576</u>	<u>37,802,996</u>	<u>4,774,580</u>
Expenses:			
Instruction	24,195,279	23,244,810	950,469
Support Services	12,058,023	11,175,047	882,976
Enterprises and Community Services	463,223	861,604	(398,381)
Interest on Long-term debt	901,744	1,052,355	(150,611)
Total Expenses	<u>37,618,269</u>	<u>36,333,816</u>	<u>1,284,453</u>
Change in net position	4,959,307	1,469,180	3,490,127
Net position - beginning	620,168	(849,012)	1,469,180
Prior Period Adjustment	266,956	-	266,956
Net position - ending	<u>\$ 5,846,431</u>	<u>\$ 620,168</u>	<u>\$ 5,226,263</u>

**ESTACADA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

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 short-term cash flow and funding for future basic services. Such information is useful in assessing the District's financing requirements. In particular, ending fund balance may serve as a useful measure of the District's currently available resources at the end of a fiscal year.

As of June 30, 2021 the District's governmental funds reported total ending fund balances of \$12,956,171, an increase of \$4,084,508 from the prior year. There is also a Prior Period Adjustment of \$266,956 (see note 15).

General Fund: The General Fund is the primary operating fund of the District. As of June 30, 2021, General Fund total ending fund balance was \$7,269,936 which is an increase of \$3,407,323 from the prior year. The General Fund also had the Period Adjustment of \$266,956. The increase in General Fund ending fund balance was due primarily to the District receiving higher State School Funds and local property taxes than expected, as well as spending slightly less than budgeted.

Special Revenue Fund: The Special Revenue Fund is used by the District for dedicated revenue sources for activities such as College Scholarships, Food Service, and Student Body funds. Special Revenue Fund revenues in 2020-21 totaled \$4,428,392 which represents approximately 10.1% of total revenues for all District funds.

Capital Projects Fund: The Capital Projects Fund is being used to accumulate resources to continue on a capital improvement plan to address some of the District's building and infrastructure needs with existing resources. The primary revenue sources for the Capital Projects Fund are the Construction Excise Tax, periodic transfers from the General Fund, and interest earnings.

General Fund Budgetary Highlights

During the year, General Fund expenditures were less than budgeted amounts by \$2,673,792, revenues came in at \$466,575 above budgeted revenues, and actual revenues exceeded actual expenditures by \$4,340,367 (before transfers out).

District-wide budgetary highlights are shown on the next page.

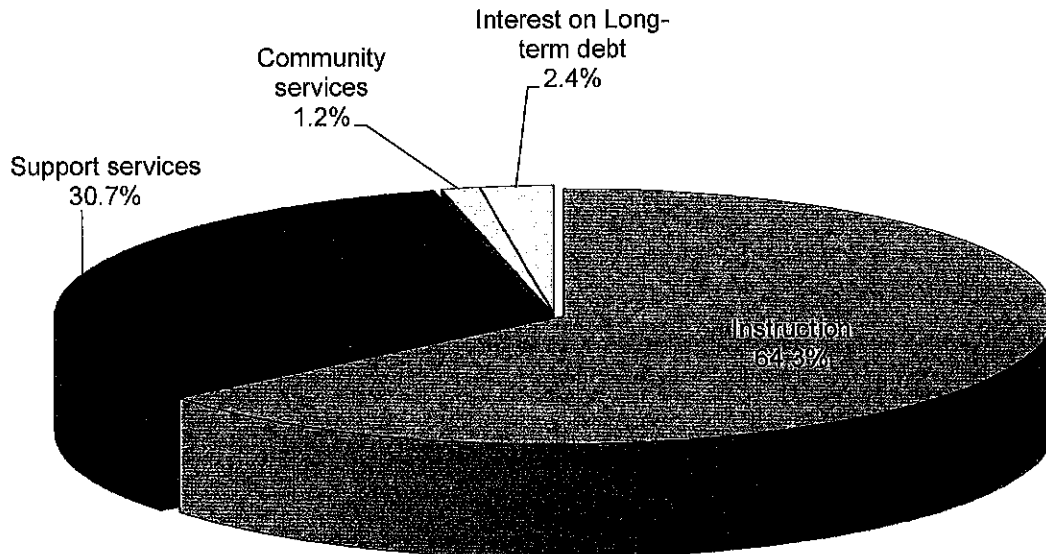
**ESTACADA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

District-Wide Budgetary Highlights

Expenses. Expenses related to governmental activities are presented in four broad functional categories as shown below. Costs of direct classroom instruction activities of \$24,195,279 account for the majority of the total expenses of \$37,618,269. The other major component is support services which accounts for student support staff and school and general administration.

2012-21 expenses by function as shown on the district-wide Statement of Activities for governmental activities are summarized as shown in the following chart:

**Expenses by Function - Governmental Activities
For the Year Ended June 30, 2021**



**ESTACADA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

Capital Asset and Debt Administration

Capital assets. The District's investment in capital assets includes land, buildings, vehicles, and equipment. As of June 30, 2021, the District had invested \$26,452,092 in capital assets, net of accumulated depreciation. Net capital assets increased during the year by \$245,386 primarily from building improvements and vehicles/equipment. A comparative summary of the District's capital assets as of June 30, 2020 and June 30, 2021 is as follows:

Capital Assets (Net of Depreciation)			
June 30, 2021 and 2020			
	<u>Governmental Activities</u>		<u>Increase</u>
	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>(Decrease)</u>
Land	\$ 216,256	\$ 216,256	\$ -
Construction in Progress	94,300	134,525	(40,225)
Capital Assets Being Depreciated			
Building and improvements	41,286,605	40,627,828	658,777
Vehicles/equipment	5,245,667	4,578,482	667,185
Total Assets Being Depreciated	<u>46,532,272</u>	<u>45,206,310</u>	<u>1,325,962</u>
Less Accumulated Depreciation for			
Buildings and improvements	(16,582,078)	(15,764,623)	(817,455)
Vehicles/equipment	(3,808,658)	(3,585,762)	(222,896)
Total Accumulated Depreciation	<u>(20,390,736)</u>	<u>(19,350,385)</u>	<u>(1,040,351)</u>
Total Capital Assets Being Depreciated, net	<u>26,141,536</u>	<u>25,855,925</u>	<u>285,611</u>
Total Capital Assets, net	<u>\$ 26,452,092</u>	<u>\$ 26,206,706</u>	<u>\$ 245,386</u>

Additional information on the District's capital assets may be found in note 4 to the financial statements.

Long-term debt. As of June 30, 2021, the District had total long-term debt outstanding of \$17,212,400 consisting of general obligation bonds, Pension Obligation Bonds, Qualified School Construction Bonds, and capital leases. During the year, the District's total long-term debt obligations decreased by \$2,732,174 due to making annual principal payments on existing debt and incurring no new long-term debt. The District's net pension liability (the District's proportionate share of the state-wide PERS net pension liability) as explained on page b of this Management Discussion and Analysis, and Note 7 to the financial statements, is not included in Long-term debt for this purpose.

Additional information on the District's long-term debt obligations may be found in note 5 to the financial statements.

Economic Factors and Next Year's Budget

The most significant economic factors for the District are student enrollment and the State of Oregon's State School Fund. The State School Fund is based on student enrollment and includes a General Purpose Grant, a Transportation Grant, a Facilities Grant and certain local revenues. For the year ended June 30, 2021, the State School Fund provided approximately 76% of the District's total General Fund revenue.

The District's Budget Committee and School Board considered these factors while preparing the District's

**ESTACADA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

budget for the 2021-22 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 the District's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District's Business Manager at 255 NE 6th Avenue, Estacada, Oregon, 97023.

BASIC FINANCIAL STATEMENTS

This Page Intentionally Left Blank

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
ESTACADA, OREGON

STATEMENT OF NET POSITION
June 30, 2021

	GOVERNMENTAL ACTIVITIES
ASSETS	
Current Assets	
Cash and Investments	\$ 11,050,275
Receivables:	
Property Taxes	269,775
Other Receivables	3,435,851
Inventory	39,332
RHIA Asset	318,248
Prepays	54,839
Capital Assets:	
Land	216,256
Construction In Progress	94,300
Buildings and Equipment, Net of Depreciation	26,141,536
Total Assets	41,620,412
DEFERRED OUTFLOWS OF RESOURCES	
PERS Pension Related Deferral	6,295,169
OPEB Related Deferred Outflows	378,493
RHIA Related Deferred Outflows	37,039
District Pension Related Deferred Outflows	95,546
Total Deferred Outflows	6,806,247
LIABILITIES	
Current liabilities	
Accounts Payable	319,285
Payroll Liabilities	1,304,318
Accrued Interest Payable	20,342
Accrued Compensated Absences	30,091
Long Term Liabilities:	
Pension Obligation	736,321
Proportionate Share of Net Pension Liability (PERS)	18,694,672
Total OPEB Liability	1,559,586
Due Within One Year	3,012,400
Due in More Than One Year	14,200,000
Total Liabilities	39,877,015
DEFERRED INFLOWS OF RESOURCES	
Deferred Gain on Refunding	142,859
Net Deferred Pension Liability PERS	1,846,769
OPEB Related Deferred Inflows	600,723
RHIA Related Deferred Inflows	111,273
District Pension Related Deferred Inflows	1,590
Total Deferred Inflows	2,703,214
NET POSITION	
Net Investment in Capital Assets	17,177,551
Restricted for Grants, Debt and Other Purposes	5,646,902
Unrestricted	(16,978,023)
Total Net Position	\$ 5,846,430

See accompanying notes to basic financial statements

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
ESTACADA, OREGON

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

FUNCTIONS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
Instruction	\$ 23,888,653	\$ -	\$ 2,690,696	\$ (21,197,957)
Support Services	11,904,689	48,992	22,322	(11,833,375)
Enterprise and Community Services	923,183	2,299	700,882	(220,002)
Interest on Long-term Debt	901,744	-	-	(901,744)
Total Governmental Activities	<u>\$ 37,618,269</u>	<u>\$ 51,291</u>	<u>\$ 3,413,900</u>	<u>(34,153,078)</u>

GENERAL REVENUES:

Property taxes levied for general purposes	7,476,889
Property taxes levied for debt service	2,319,408
State school fund - general support	26,666,947
Other Local Sources	920,766
Other State Sources	716,034
Earnings on Investments	122,786
Intermediate Revenue	637,179
Miscellaneous	252,376

Total General Revenues 39,112,385

Change In Net Position 4,959,307

Net Position - Prior Year Ending 620,168

Prior Period Adjustment 266,956

Net Position - Current Year Ending \$ 5,846,430

See accompanying notes to basic financial statements

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
ESTACADA, OREGON

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2021

	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	TOTALS
ASSETS					
Cash and Investments	\$ 10,788,848	\$ 261,370	\$ 57	\$ -	\$ 11,050,275
Property Taxes Receivable	202,498	-	67,277	-	269,775
Other Accounts Receivable	449,473	2,986,378	-	-	3,435,851
Due From Other Funds	-	-	673,501	2,283,784	2,957,285
Prepays	54,839	-	-	-	54,839
Inventory	-	39,332	-	-	39,332
Total Assets	\$ 11,495,658	\$ 3,287,080	\$ 740,835	\$ 2,283,784	\$ 17,807,357
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Accounts Payable	\$ 185,331	\$ 99,633	\$ -	\$ 34,321	\$ 319,285
Payroll liabilities	1,304,318	-	-	-	1,304,318
Due to Other Funds	2,550,509	406,776	-	-	2,957,285
Total Liabilities	4,040,158	506,409	-	34,321	4,580,888
Deferred Inflows of Resources					
Unavailable Revenue - Property Taxes	185,564	22,041	62,694	-	270,299
Fund balances					
Nonspendable	54,839	39,332	-	-	94,171
Restricted for:					
Special Programs	-	2,719,298	-	-	2,719,298
Debt Services	-	-	678,141	-	678,141
Capital Projects	-	-	-	2,249,463	2,249,463
Unassigned	7,215,097	-	-	-	7,215,097
Total Fund Balances	7,269,936	2,758,630	678,141	2,249,463	12,956,170
Total Liabilities and Fund Balances	\$ 11,495,658	\$ 3,287,080	\$ 740,835	\$ 2,283,784	\$ 17,807,357

See accompanying notes to basic financial statements

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
ESTACADA, OREGON

Reconciliation of Governmental Funds
Balance Sheet to the Statement of Net Position

June 30, 2021

Total Fund Balances - Governmental Funds	\$	12,956,170
--	----	------------

Amounts reported for governmental activities in the statement of net position are different because:

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

Cost	\$	46,842,828	
Accumulated Depreciation		<u>(20,390,736)</u>	26,452,092

A portion of the District's property taxes are collected after year-end, but are not available soon enough to pay for the current year's operations, and therefore are not reported as revenue in the governmental funds.		270,299
---	--	---------

The Net Pension Asset (Liability) is the difference between the total pension liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries.		(18,694,672)
--	--	--------------

The Net RHIA Asset (Liability) is the difference between the total RHIA asset (liability) and the assets set aside to pay benefits earned to past and current employees and beneficiaries.		318,248
--	--	---------

Deferred Inflows and Outflows of resources related to the pension plan include differences between expected and actual experience, changes of assumptions, differences between projects and actual earning, and contributions subsequent to the measurement date.		
Deferred outflows of resources related to pensions PERS		6,295,169
Deferred inflows of resources related to pensions PERS		(1,846,769)
Deferred outflows of resources related to OPEB		378,493
Deferred inflows of resources related to OPEB		(600,723)
Deferred outflows of resources related to District pensions		95,546
Deferred inflows of resources related to District pensions		(1,590)
Deferred inflows of resources related to gain on refunding		(142,859)
Deferred outflows of resources related to RHIA		37,039
Deferred inflows of resources related to RHIA		(111,273)

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 expense when due.

These liabilities consist of:

Accrued interest payable	(20,342)	
Accrued compensated absences	(30,091)	
Early retirement pension obligation	(736,321)	
Total OPEB liability	(1,559,586)	
Bonds payable	(17,165,000)	
Capital lease obligations	<u>(47,400)</u>	<u>(19,558,740)</u>

Net Position	\$	<u>5,846,430</u>
--------------	----	------------------

See accompanying notes to basic financial statements

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
ESTACADA, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES					
Taxes	\$ 7,433,905	\$ -	\$ 2,304,886	\$ -	\$ 9,738,791
Other Local Sources	166,450	573,570	1,241,335	271,693	2,253,048
State Sources	26,889,647	1,152,316	-	-	28,041,963
Federal Sources	120,324	2,592,125	-	-	2,712,449
Charge for Services	2,666	-	-	-	2,666
Interest	96,262	-	5,591	20,933	122,786
Contributions and Donations	147	-	-	-	147
Miscellaneous	93,578	110,381	12,559	35,858	252,376
Other	637,179	-	-	-	637,179
Total Revenues	35,440,158	4,428,392	3,564,371	328,484	43,761,405
EXPENDITURES					
Current:					
Instruction	20,434,240	2,209,128	-	-	22,643,368
Support Services	10,518,922	804,410	-	-	11,323,332
Enterprise & Community Services	-	878,100	-	-	878,100
Facilities Acquisition & Construction	43,824	-	-	122,749	166,573
Capital Outlay	102,805	784,980	-	406,764	1,294,549
Debt Service	-	-	3,637,931	-	3,637,931
Total Expenditures	31,099,791	4,676,618	3,637,931	529,513	39,943,853
Excess of Revenues Over (Under) Expenditures	4,340,367	(248,226)	(73,560)	(201,029)	3,817,552
OTHER FINANCING SOURCES (USES)					
Transfers In	-	863,555	50,000	286,445	1,200,000
Transfers Out	(1,200,000)	-	-	-	(1,200,000)
Total Other Financing Sources (Uses)	(1,200,000)	863,555	50,000	286,445	-
Net Change in Fund Balance	3,140,367	615,329	(23,560)	85,416	3,817,552
Beginning Fund Balance	3,862,613	2,143,301	701,701	2,164,047	8,871,662
Prior Period Adjustment (Note 15)	266,956	-	-	-	266,956
Ending Fund Balance	\$ 7,269,936	\$ 2,758,630	\$ 678,141	\$ 2,249,463	\$ 12,956,170

See accompanying notes to basic financial statements

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
ESTACADA, OREGON

Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2021

Net change in fund balances - total governmental funds	\$	3,817,552
Amounts reported for government-wide statements in the Statement of Activities are different because of the following:		
Governmental funds report capital asset additions as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital asset additions	\$ 1,285,737	
Depreciation	<u>(1,040,351)</u>	245,386
Repayment of principal on general obligation bonds payable and pension obligation in the governmental funds but reduces the liability in the Statement of Net Position.		2,640,000
Accrual of proportionate share of the net pension liability is not reported as an expenditure in the governmental funds.		(2,088,491)
Amortization of deferred gain on refunding.		35,714
Change in compensated absences payable		(5,820)
Some expenses reported in the statements do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable		4,012
Payments on capital leases and new capital leases are recorded as a change in liabilities on the Statement of Net Position.		92,175
Net pension obligations are recognized as an expenditure in the governmental funds when they are paid. In the Statement of Activities they are recognized as an expenditure when earned.		52,101
Other postemployment benefits are reported in the Statement of Activities but not reported as an expenditure in the governmental funds.		(134,843)
RHIA related obligations are recognized as an expenditure in the governmental funds when they are paid. In the Statement of Activities they are recognized as an expenditure when earned.		244,015
Revenues that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds.		<u>57,506</u>
CHANGE IN NET POSITION	\$	<u><u>4,959,307</u></u>

See accompanying notes to basic financial statements

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
ESTACADA, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2021

<u>GENERAL FUND</u>				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Local Sources	\$ 6,945,000	\$ 6,945,000	\$ 7,696,746	\$ 751,746
Intermediate Sources	400,000	400,000	637,179	237,179
State Sources	23,683,567	23,683,567	26,889,647	3,206,080
Federal Sources	247,557	352,557	120,324	(232,233)
Earnings on Investments	-	-	96,262	96,262
Total Revenue	31,276,124	31,381,124	35,440,158	4,059,034
EXPENDITURES				
Instruction	21,203,681	20,513,681 (1)	20,434,240	79,441
Support Services	10,382,254	11,132,254 (1)	10,621,727	510,527
Enterprise and Community Services	20,000	20,000 (1)	-	20,000
Facilities Acquisition and Construction	-	45,000 (1)	43,824	1,176
Contingency	2,507,641	2,062,641 (1)	-	2,062,641
Total Expenditures	34,113,576	33,773,576	31,099,791	2,673,785
Excess of Revenues Over (Under) Expenditures	(2,837,452)	(2,392,452)	4,340,367	6,732,819
OTHER FINANCING SOURCES (USES)				
Transfers Out	(755,000)	(1,200,000) (1)	(1,200,000)	-
Total Other Financing Sources (Uses)	(755,000)	(1,200,000)	(1,200,000)	-
Net Change in Fund Balance	(3,592,452)	(3,592,452)	3,140,367	6,732,819
Beginning Fund Balance	3,592,452	3,592,452	3,862,613	270,161
Prior Period Adjustment (Note 15)	-	-	266,956	266,956
Ending Fund Balance	\$ -	\$ -	\$ 7,269,936	\$ 7,269,936

(1) Appropriation Level

*See accompanying notes to basic financial statements

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
ESTACADA, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2021

<u>SPECIAL REVENUE FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES				
Local Sources	\$ 595,000	\$ 595,000	\$ 683,951	\$ 88,951
State Sources	1,100,000	1,100,000	1,152,316	52,316
Federal Sources	1,300,000	3,300,000	2,592,125	(707,875)
Total Revenues	2,995,000	4,995,000	4,428,392	(566,608)
EXPENDITURES				
Instruction	2,700,000	2,700,000 (1)	2,218,239	481,761
Support Services	1,500,000	1,500,000 (1)	1,137,178	362,822
Community Services	1,000,000	1,000,000 (1)	878,100	121,900
Facilities Acquisition and Construction	-	2,000,000 (1)	443,101	1,556,899
Total Expenditures	5,200,000	7,200,000	4,676,618	(2,523,382)
Excess of Revenues Over (Under) Expenditures	(2,205,000)	(2,205,000)	(248,226)	1,956,774
OTHER FINANCING SOURCES (USES)				
Transfers In	705,000	705,000	863,555	158,555
Total Other Financing Sources (Uses)	705,000	705,000	863,555	2,115,329
Net Change in Fund Balance	(1,500,000)	(1,500,000)	615,329	2,115,329
Beginning Fund Balance	1,500,000	1,500,000	2,143,301	643,301
Ending Fund Balance	\$ -	\$ -	\$ 2,758,630	\$ 2,758,630

(1) Appropriation Level

'See accompanying notes to basic financial statements

NOTES TO THE BASIC FINANCIAL STATEMENTS

This Page Intentionally Left Blank

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
ESTACADA, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Clackamas County School District No. 108 (the District) is a municipal corporation governed by an elected seven member Board of Directors. As required by accounting principles generally accepted in the United States of America, all activities of the District have been included in these financial statements.

The financial statements include all funds and account groups. The District is not financially accountable for any other governmental entity. Financial accountability is determined in accordance with criteria set forth in GAAP and Governmental Accounting Standards Board (GASB) Statement No. 61. Financial accountability is based primarily on the authority to appoint voting majority of an organization's governing board, ability to impose its will on that organization, the potential for that organization to provide specific financial benefits or impose specific financial burdens and that organization's fiscal dependency. There are no component units.

Basis of Presentation

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District. These statements include the governmental financial activities of the overall District. Eliminations have been made to minimize the double counting of internal activities. Governmental activities are financed through property taxes, intergovernmental revenues, and other non-exchange transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each of its functions/programs. Direct expenses are those that are specifically associated with an activity and, therefore, are clearly identifiable to that activity. Indirect expense allocations that have been made in the funds have been reversed for the Statement of Activities and eliminations have been made to minimize the double counting of internal activities. Program revenues include: (1) charges to students or others for tuition, fees, rentals, material, supplies or services provided, (2) operating grants and contributions and (3) capital grants and contributions. Revenues that are not classified as program revenues, including property taxes, are presented as general revenues.

Net position is reported as restricted when constraints placed on net position use are either externally restricted, imposed by creditors (such as through grantors, contributors, or laws) or through constitutional provisions or enabling resolutions.

Fund Financial Statements

The fund financial statements provide information about the District's funds including those of a fiduciary nature. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The District reports the following major governmental funds:

General Fund - This fund accounts for the financial operations of the District not accounted for in any other fund. Principal sources of revenue are state sources, property taxes and earnings on investments. Expenditures are made for instruction and support services.

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
ESTACADA, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Special Revenue Fund - This fund accounts for revenues and expenditures for specific purposes and the District's food services program. Principal revenue sources are federal and state grants.

Debt Service Fund - This Fund provides for the payment of principal and interest on general obligation bonded debt. Principal revenue sources are property taxes, District payroll deductions, budgeted transfers and energy savings.

Capital Projects Fund - This Fund accounts for activities related to the acquisition, construction, equipping and furnishing of facilities. Principal revenue sources are bond proceeds, budgeted transfers and interest earnings.

Measurement Focus and Basis of Accounting

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District receives value without giving equal value in exchange, include property taxes, grants, entitlements and donations. On the accrual basis of accounting, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. It is the District's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

Governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Property taxes and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt and claims and judgments, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in the governmental funds and proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources.

Cash, Cash Equivalents and Investments

The District considers investments with maturities of three months or less when purchased to be cash equivalents.

Investments in the State of Oregon Treasurer's Local Government Investment Pool (LGIP) are stated at cost which approximates fair value. Fair value in the LGIP is the same as the value of its pool shares. Other investments with maturities greater than three months at the time of purchase are stated at cost which approximates fair value.

The Oregon State Treasury administers the LGIP. It is an open-ended no-load diversified portfolio offered to any agency, political subdivision or public corporation of the state that by law is made the custodian of, or has control of, any fund.

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
ESTACADA, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The LGIP is included in the Oregon Short Term Fund (OSTF), which was established by the State Treasurer. OSTF is not subject to SEC regulation. OSF is subject to requirements established in Oregon Revised Statutes, investment policies adopted by the Oregon Investment Council, and portfolio guidelines established by the Oregon Short Term Fund Board. The Governor appoints the members of the Oregon Investment Council and the Oregon Short Term Fund Board. The OSTF issues a separate independent financial statement which can be obtained at The Office of the State Treasurer, 350 Winter Street NE, Suite 100, Salem, Oregon. The credit quality rating of this pool is unrated.

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 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.

Property Taxes Receivable

Property taxes are levied and become a lien on all taxable property as of July 1. Property taxes are payable on 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.

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
ESTACADA, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Uncollected taxes are deemed to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established. All property taxes receivable are due from property owners within the District.

Accounts and Other Receivables

Accounts and other receivables are comprised primarily of State school support and claims for reimbursement of costs under various federal and state grants.

Grants

Unreimbursed expenditures due from grantor agencies are reflected in the basic financial statements as receivables and revenues. Grant revenues are recorded at the time eligible expenditures are incurred. Grant funds received prior to the occurrence of qualifying expenditures are recorded as deferred revenue.

Inventory

Inventory is valued at cost, using the first-in, first-out (FIFO) method. Donated commodities are valued at their estimated fair market value. Inventory is charged as an expenditure when used.

Capital Assets

Capital assets are recorded at original or estimated original cost. Donated capital assets are recorded at their estimated fair market value. The District defines capital assets as assets with an initial cost of more than \$5,000 and an estimated life in excess of three years. Maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	15 to 50 years
Vehicles and equipment	6 to 20 years

Capital Leases

In the government-wide financial statements capital leases are reported as liabilities in the Statement of Net Position.

In the fund financial statements, at the inception of a capital lease an expenditure and other financing source are recognized in an amount equal to the net present value of future minimum lease payments. Subsequent lease payments are recorded as expenditures on the due date.

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
ESTACADA, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Retirement Plans

Most of the District employees participate in Oregon Public Employees Retirement System (PERS). For the purpose of measuring the pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of PERS and addition to/deductions from PER'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 benefit terms. Investments are reported at fair value. PERS requires plan contributions on a current basis. Contributions are recorded as expenditures in individual funds as funded. The District also offers its employees a tax deferred annuity plan established pursuant to Section 403(b) of the Internal Revenue Code.

Postemployment Benefits

Certificated employees and eligible administrative supervisors at age fifty-eight with 15 years of regular service qualify for early retirement benefits which are funded and charged to expenditures on a pay-as-you-go basis.

Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Unused vacation must be used by June 30th of each year, except classified employees that earn vacation may carry over up to 40 hours of vacation to the following fiscal year to be used by September 30th. Any accrued vacation time not used by September 30th is paid out to the employee. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the District. All unused vacation pay is accrued when earned in the government-wide financial statements.

Long-term Debt

In the government-wide financial statements, long-term debt is reported as liabilities in the Statement of Net Position. Gains or losses on refunding are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method.

In the fund financial statements, the face amount of the debt issued is reported as other financing sources. Premiums or discounts received on debt issuance are not material to the basic financial statements.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources.

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
ESTACADA, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

This separate financial statement element represents a consumption of net position and/or fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District reports deferred outflows of resources for pension and OPEB related amounts in the statement of net position.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The District reports deferred inflows of resources for pension and OPEB related amounts and deferred gain on refunding in the statement of activities. The District also reports deferred inflows of resources for unavailable revenue from property taxes in the General Fund on the governmental funds balance sheet.

Net Position

Net position comprises the various net earnings from operations, nonoperating revenues, expenses and contributions of capital. Net position is classified in the following three categories:

- Net Investment in Capital Assets – consists of all capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted – consists of external constraints placed on asset use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. There is net position restricted for debt service, grants, and student activities.
- Unrestricted net position – consists of all other assets that are not included in the other categories previously mentioned.

It is the Districts policy to spend restricted net position first and then unrestricted when both are available.

Fund Equity

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated, and unreserved/undesignated were replaced with five new classifications – nonspendable, restricted, committed, assigned, and unassigned.

- Nonspendable fund balance represents amounts that are not in a spendable form. The nonspendable fund balance represents inventories and prepaids.

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
ESTACADA, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).
- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.
- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body.
- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

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

Budget

A budget is prepared and legally adopted for each fund on the modified accrual basis of accounting. The budgetary basis of accounting is the same basis as accounting principles generally accepted in the United States of America except capital outlay expenditures are budgeted by function and capital leases at their inception are not budgeted.

The District begins its budgeting process by appointing budget committee members in early fall of each year. Budget recommendations are developed through early spring and the Budget Committee approves the budget in late spring. Public notices of the budget hearing are generally published in June and a public hearing is held in late June. The budget is adopted, appropriations are made, and the tax levy is declared no later than June 30.

Expenditures are appropriated at the major function level (instruction, support services, enterprise and community services, facilities acquisition and construction, debt service, operating contingency and transfers) for each fund. Expenditures generally cannot legally exceed these function level appropriations. Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriations resolution. Supplemental budgets less than 10% of the fund's original budget may be adopted by the Board of Directors at a regular meeting. A supplemental budget greater than 10% of the fund's original budget requires hearings before the public, publication in newspapers and approval by the Board of Directors. During the year, there were budget resolutions affecting appropriations. Appropriations lapse at the end of each fiscal year.

Expenditures of the various funds were within authorized appropriations.

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
ESTACADA, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of certain assets, liabilities, revenues, expenditures/expenses and other disclosures. Accordingly, actual results could differ from those estimates.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

The District maintains a common cash, cash equivalents and investment pool for all District funds. At June 30, 2021, the District's cash, cash equivalents and investments is comprised of the following:

Cash on hand	\$ 3,748
Deposits with financial institutions:	
Demand deposits, non-interest bearing	321,981
State of Oregon Treasurer's	
Local Government Investment Pool	<u>10,724,545</u>
	<u>\$ 11,050,275</u>

Deposits with Financial Institutions

Custodial credit risk – Deposits – Custodial credit risk for deposits is the risk that in the event of bank failure, the District's deposits may not be returned to the District. Insurance and collateral requirements for the deposits are established by federal banking regulations and Oregon law. State statutes require that the District's deposits be covered by the Federal Deposit Insurance Corporation (FDIC) or by a multiple financial institution collateral pool under ORS 295.015 which is administered by the State of Oregon Office of the Treasury.

Deposits with financial institutions include bank demand deposits. The total bank balance per the bank statements on June 30, 2021 was \$517,130, \$500,000 of which was covered by federal depository insurance. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury. The District's cash is deposited in an approved depository for public funds, and thus is collateralized under ORS295.

As required by Oregon Revised Statutes, deposits in excess of federal depository insurance were held at a qualified depository for public funds. All qualified depositories for public funds are included in the multiple financial institution collateral pool that is maintained by and in the name of the Office of State Treasurer. As a result the District has no exposure to custodial credit risk for deposits with financial institutions.

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
ESTACADA, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

As required by Oregon Revised Statutes, deposits in excess of federal depository insurance were held at a qualified depository for public funds. All qualified depositories for public funds are included in the multiple financial institution collateral pool that is maintained by and in the name of the Office of State Treasurer. As a result the District has no exposure to custodial credit risk for deposits with financial institutions.

Investments

State of Oregon statutes restrict the types of investments in which the District may invest. Authorized investments include obligations of the United States Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, time certificates of deposit, certain commercial paper, and the State of Oregon Treasurer's Local Government Investment Pool.

Interest Rate Risk – Investments – The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a bank failure deposits will not be recovered. There is no formal deposit policy for custodial credit risk. As of June 30, 2021, all deposits are insured.

INVESTMENTS – Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund's compliance with all portfolio guidelines can be found in their annual report when issued. The LGIP seeks to exchange shares at \$1 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 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:

[http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-\(OSTF\).aspx](http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-(OSTF).aspx)
If the link has expired please contact the Oregon Short Term Fund directly.

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
ESTACADA, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

At year-end, the investment balances were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 3</u>	<u>More than 3</u>
State Treasurer's Investment Pool	\$ 10,724,545	\$ 10,724,545	\$ -
Total	<u>\$ 10,724,545</u>	<u>\$ 10,724,545</u>	<u>\$ -</u>

3. RECEIVABLES

Receivables at June 30, 2021 are comprised of the following:

Property Taxes	\$ 269,775
Other	<u>3,435,851</u>
Total	<u>\$ 3,705,626</u>

4. CAPITAL ASSETS

Capital assets activity for the year was as follows

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2021</u>
Capital assets not being depreciated:				
Land	\$ 216,256	\$ -	\$ -	\$ 216,256
Construction in Progress	134,525	94,300	(134,525)	94,300
Total capital assets not being depreciated	<u>350,781</u>	<u>94,300</u>	<u>(134,525)</u>	<u>310,556</u>
Capital Assets being depreciated:				
Buildings and improvements	40,627,828	658,777	-	41,286,605
Vehicles and equipment	4,578,482	667,185	-	5,245,667
Total capital assets being depreciated	<u>45,206,310</u>	<u>1,325,962</u>	<u>-</u>	<u>46,532,272</u>
Less accumulated depreciation for:				
Buildings and improvements	(15,764,623)	(817,455)	-	(16,582,078)
Vehicles and equipment	(3,585,762)	(222,896)	-	(3,808,658)
Total accumulated depreciation	<u>(19,350,385)</u>	<u>(1,040,351)</u>	<u>-</u>	<u>(20,390,736)</u>
Total capital assets being depreciated, net	<u>25,855,925</u>	<u>285,611</u>	<u>-</u>	<u>26,141,536</u>
Total capital assets, net	<u>\$ 26,206,706</u>	<u>\$ 379,911</u>	<u>\$(134,525)</u>	<u>\$ 26,452,092</u>

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
ESTACADA, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

4. CAPITAL ASSETS (CONTINUED)

Equipment with cost of approximately \$47,400 is financed under capital leases.

Depreciation expense for the year was charged to the following programs:

Instruction	\$ 684,764
Support Services	342,432
Enterprise and Community Services	<u>13,155</u>
Total	<u>\$ 1,040,351</u>

5. LONG-TERM OBLIGATIONS

Changes in long-term obligations for the year ended June 30, 2021 are as follows:

	Outstanding July 1, 2020	Additions	Payment and Redemptions	Outstanding June 30, 2021	Current Portion
Bond Obligations					
2005 general obligation refunding bonds	\$ 10,775,000	\$ -	\$ 1,775,000	\$ 9,000,000	\$ 2,000,000
2005 pension bonds	8,595,000	-	800,000	7,795,000	900,000
Direct Placement					
2010 QSCB bond	435,000	-	65,000	370,000	65,000
Other Debt					
Capital Leases	139,574	-	92,175	47,400	47,400
Total long term obligations	<u>\$ 19,944,574</u>	<u>\$ -</u>	<u>\$ 2,732,175</u>	<u>\$ 17,212,400</u>	<u>\$ 3,012,400</u>

Annual debt service requirements to maturity are as follows:

Year Ended June 30	Other	Bonds		Direct Placement		Total	Bond Interest
	Obligations Under Capital Leases	General Obligation Bonds	Pension Bonds	QSCB Bonds	Total		
2022	\$ 47,400	\$ 2,000,000	\$ 900,000	\$ 65,000	\$ 3,012,400	\$ 886,034	
2023	-	2,135,000	1,005,000	65,000	3,205,000	728,535	
2024	-	2,330,000	1,120,000	65,000	3,515,000	560,000	
2025	-	2,535,000	1,240,000	65,000	3,840,000	375,267	
2026	-	-	1,370,000	65,000	1,435,000	173,549	
2027-31	-	-	2,160,000	45,000	2,205,000	136,237	
	<u>\$ 47,400</u>	<u>\$ 9,000,000</u>	<u>\$ 7,795,000</u>	<u>\$ 370,000</u>	<u>\$ 17,212,400</u>	<u>\$ 2,859,623</u>	

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
ESTACADA, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. LONG-TERM OBLIGATIONS (CONTINUED)

Bonds

The District issued \$21,300,000 in general obligation bonds in 2005 with variable interest from 3.000% to 5.500%. The bond is for the improvement and construction of education facilities. The Bond includes the following termination clause. Pursuant to paragraph (b)(S)(iii) of the Rule, the District's obligation to provide annual financial information and notice of material events, as set forth above, shall terminate if and when the District no longer remains an obligated person with respect to the Bonds, which shall occur upon either redemption in full of the Bonds, or legal defeasance of the Bonds. In addition, and notwithstanding the provisions of Section 8 of the agreement, the District may rescind its obligations under this Certificate, in whole or in part, if (i) the District obtains an opinion of nationally recognized bond counsel that those portions of the Rule that required the execution and delivery of this Certificate are invalid, have been repealed, or otherwise do not apply to the Bonds, and (ii) the District notifies and provides to each NRMSIR or the MSRB and to the SID, if any, a copy of such legal opinion. The Bond includes the following enforceability and remedies. The District agrees that this Certificate is intended to be for the benefit of registered and beneficial holders of the Bonds and shall be enforceable by or on behalf of any such holder; provided that, the right of any Bondholder to challenge the adequacy of the information furnished hereunder shall be limited to an action by or on behalf of bondholders representing at least twenty-five percent (25%) of the aggregate outstanding principal amount of Bonds. Any failure by the District to comply with the provisions of this undertaking shall not be an Event of Default under the bond documents. This Certificate confers no rights on any person or entity other than the District, holders of the Bonds, and any Dissemination Agent.

The District issued limited tax pension bonds in 2005 in the amount of \$12,695,000 with variable interest rates from 4.052% to 4.759%. The bond is for the payment of a portion of its estimated PERS unfunded actuarial liability. Upon the occurrence and continuance of any event of default, the trustee may, and if the owners of not less than fifty-one percent (51%) in outstanding principal amount of the obligations so request, shall take whatever action at law or in equity may appear necessary or desirable to enforce or to protect any of the rights vested in the trustee or the owners of the obligations by the trust agreement, the intercept agreement or the pension bonds, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in the trust agreement or the intercept agreement or in aid of the exercise of any power granted in the trust agreement or the intercept agreement or for the enforcement of any other legal or equitable right vested in the trustee by the trust agreement or the intercept agreement or by law; provided that in no event shall the. The Trustees have the right to accelerate the pension bond payments or the obligations.

Direct Placement

The District issued QSCB bonds in 2011 in the amount of \$1,100,000 with an interest rate of 5.050%. The bond is for construction of a Bio-mass boiler and upgrades to the District's digital control systems. The QSCB includes the following termination clause. Pursuant to paragraph (b)(S)(iii) of the Rule, the Issuer's obligations hereunder shall terminate if and when the Issuer no longer remains an obligated person with respect to the Agreement, which shall occur upon either redemption in full of the Agreement, or legal defeasance of the Agreement. In addition, and notwithstanding the provisions of Section 8, the Issuer may rescind its obligations under this Certificate, in whole or in part, if (i) the Issuer obtains an opinion of nationally recognized bond counsel that those portions of the Rule that required the execution and delivery of this Certificate are invalid, have been repealed, or otherwise do not apply to the Agreement, and (ii) the Issuer notifies

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
ESTACADA, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. LONG-TERM OBLIGATIONS (CONTINUED)

and provides to the MSRB and to the SID, if any, a copy of such legal opinion. The QSCB includes the following enforceability and remedies. The Issuer agrees that this certificate is intended to be for the benefit of registered and beneficial holders of the Certificates and shall be enforceable by or on behalf of any such holders; provided that, the right of any holder of the Certificates to challenge the adequacy of the information furnished hereunder shall be limited to an action by or on behalf of holder of the Certificates representing at least twenty-five percent (25%) of the aggregate outstanding principal amount of Certificates. Any failure by the Issuer to comply with the provisions of this undertaking shall not be an Event of Default under the Agreement. This Certificate confers no rights on any person or entity other than the Issuer, holders of the Certificates, and any Dissemination Agent.

All bonds are paid by the Debt Service Fund and obligations under capital lease by the Special Revenue Fund.

Obligations under capital leases consist of the lease of four vehicles with an original cost of \$636,900 with average interest rates of 2.610%.

6. INTERFUND TRANSFERS

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Due To</u>	<u>Due From</u>
General Fund	\$ -	\$ (1,200,000)	\$ 2,550,509	\$ -
Special Revenue	863,555	-	406,776	-
Debt Service	50,000	-	-	673,501
Capital Projects	286,445	-	-	2,283,784
	<u>\$ 1,200,000</u>	<u>\$ (1,200,000)</u>	<u>\$ 2,957,285</u>	<u>\$ 2,957,285</u>

The General Fund transferred \$863,555 of resources to the Special Revenue Fund and \$286,445 to the Capital Projects Fund for matching as required by grant awards, and \$50,000 to the Debt Service Fund for debt service. The receipt and payment of monies through one central checking account result in interfund payables and receivables.

7. RETIREMENT PLANS

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/2020-CAFR.pdf>

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

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
ESTACADA, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. RETIREMENT PLANS (CONTINUED)

PERS Pension (Chapter 238)

The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.

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.

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 on or more of the following contributions are met:

- i. member was employed by PERS employer at the time of death,
- ii. member died within 120 days after termination of PERS covered employment,
- iii. member died as a result of injury sustained while employed in a PERS-covered job, or
- iv. member was on an official leave of absence from a PERS-covered job at the time of death.

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.

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 fair value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
ESTACADA, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. RETIREMENT PLANS (CONTINUED)

OPSRP Pension Program (OPSRP DB).

The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.

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.

Death Benefits – Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.

Disability Benefits – A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2017 actuarial valuation, which became effective July 1, 2019. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2021 were \$1,776,405, excluding amounts to fund employer specific liabilities. In addition approximately \$709,258 in employee contributions were paid or picked up by the District in fiscal 2021. At June 30, 2021, the District reported a net pension liability of \$18,694,672 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
ESTACADA, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. RETIREMENT PLANS (CONTINUED)

was determined by an actuarial valuation dated December 31, 2018. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement date of June 30, 2020 and 2019, the District's proportion was .086 percent and .087 percent, respectively. Pension expense for the year ended June 30, 2021 was \$2,088,490.

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

- Tier 1/Tier 2 – 18.48%
- OPSRP general services – 13.03%

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 822,792	\$ -
Changes in assumptions	1,003,284	35,153
Net difference between projected and actual earnings on pension plan investments	2,198,251	-
Net changes in proportionate share	494,437	912,357
Differences between District contributions and proportionate share of contributions	-	899,259
Subtotal - Amortized Deferrals (below)	4,518,764	1,846,769
District contributions subsequent to measuring date	1,776,405	-
Deferred outflow (inflow) of resources	\$ 6,295,169	\$ 1,846,769

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2022.

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

Year ending June 30,	Amount
2022	\$ 523,862
2023	881,676
2024	701,217
2025	586,193
2026	(20,955)
Thereafter	-
Total	\$ 2,671,994

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

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

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
ESTACADA, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. RETIREMENT PLANS (CONTINUED)

Actuarial Valuations – The employer contribution rates effective July 1, 2019 through June 30, 2021, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

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

Actuarial Methods and Assumptions

Amortization method	Level percentage of payroll
Asset valuation method	Market value of assets
Inflation rate	2.50 percent
Investment rate of return	7.20 percent
Discount Rate	7.20 percent
Projected salary increase	3.50 percent
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/1.15%) in accordance with <i>Moro</i> decision, blend based on service.
Mortality	Healthy retirees and beneficiaries: PUB-2010 Healthy annuitant, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: PUB-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: PUB-2010 Disabled retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category and set-backs as described in the valuation

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

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
ESTACADA, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. RETIREMENT PLANS (CONTINUED)

Assumed Asset Allocation:

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

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

Long-Term Expected Rate of Return – To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
ESTACADA, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. RETIREMENT PLANS (CONTINUED)

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Core Fixed Income	9.60%	4.07%
Short-Term Bonds	9.60%	3.38%
Bank/Leveraged Loans	3.60%	5.19%
High Yield Bonds	1.20%	5.74%
Large/Mid Cap US Equities	16.17%	6.30%
Small Cap US Equities	1.35%	6.68%
Micro Cap US Equities	1.35%	6.79%
Developed Foreign Equities	13.48%	6.91%
Emerging Market Equities	4.24%	7.69%
Non-US Small Cap Equities	1.93%	7.25%
Private Equity	17.50%	8.33%
Real Estate (Property)	10.00%	5.55%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds - Diversified	1.50%	4.06%
Hedge Fund - Event-driven	38.00%	5.59%
Timber	1.13%	5.61%
Farmland	1.13%	6.12%
Infrastructure	2.25%	6.67%
Commodities	1.13%	3.79%
<i>Assumed Inflation - Mean</i>		<i>2.50%</i>

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

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

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.

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
ESTACADA, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. RETIREMENT PLANS (CONTINUED)

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
District's proportionate share of the net pension liability	\$ 27,760,044	\$ 18,694,672	\$ 11,092,937

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

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

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

OPSRP Individual Account Program (OPSRP IAP)

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

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

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
ESTACADA, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. **RETIREMENT PLANS (CONTINUED)**

member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. Upon retirement, a member of the OPSRP IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

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

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

8. **POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) PERS RHIA**

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

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

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
ESTACADA, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) PERS RHIA (CONTINUED)

Participating districts are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the District currently contributes 0.06% of annual covered OPERF payroll and 0.00% of OPSRP payroll under a contractual requirement in effect until June 30, 2021. Consistent with GASB Statement 75, the OPERS Board of Trustees sets the employer contribution rates as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. The basis for the employer's portion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the plan with the total actual contributions made in the fiscal year of all employers. The District's contributions to RHIA for the years ended June 30, 2019, 2020 and 2021 were \$47,552, \$11,154 and \$1,647, respectively, which equaled the required contributions each year.

At June 30, 2021, the District reported a net OPEB liability/(asset) of \$(318,248) for its proportionate share of the net OPEB liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2020, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2018. Consistent with GASB Statement No. 75, paragraph 59(a), the District's proportion of the net OPEB liability/(asset) is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement date of June 30, 2020 and 2019, the District's proportion was .16 percent and .10 percent, respectively. OPEB expense for the year ended June 30, 2021 was \$84,502.

Components of OPEB Expense/(Income)

Employer's proportionate share of collective system OPEB Expense/(Income)	\$ (51,187)
Net amortization of employer-specific deferred amounts from:	
- Changes in proportionate share (per paragraph 64 of GASB 75)	(32,889)
- Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)	-
Employer's Total OPEB Expense/(Income)	\$ (84,076)

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
ESTACADA, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) PERS RHIA
(CONTINUED)

Components of Deferred Outflows/Inflows of Resources

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ 32,534
Changes in assumptions	-	16,916
Net difference between projected and actual earnings on pension plan investments	35,392	-
Net changes in proportionate share	-	61,823
Differences between District contributions and proportionate share of contributions	-	-
Subtotal - Amortized Deferrals (below)	35,392	111,273
District contributions subsequent to measuring date	1,647	-
Deferred outflow (inflow) of resources	\$ 37,039	\$ 111,273

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB liability/(asset) in the fiscal year ended June 30, 2022.

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

Year ending June 30,	Amount
2022	\$ (64,426)
2023	(35,703)
2024	13,083
2025	11,164
2026	-
Thereafter	-
Total	\$ (75,881)

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost-Sharing Multiple-Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2020. That independently audited report was dated March 5, 2021 and can be found at:

https://www.oregon.gov/pers/EMP/Documents/GASB/2020/GASB_75_FYE_6.30.2020.pdf

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
ESTACADA, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) PERS RHIA (CONTINUED)

Actuarial Methods and Assumptions

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

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

Discount Rate:

The discount rate used to measure the total OPEB liability as of the measurement date of June 30, 2020 was 7.20 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019 the PERS Board reviewed long-term assumptions developed by both Milliman's capital

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
ESTACADA, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

**8. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) PERS RHIA
(CONTINUED)**

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

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

Sensitivity of the District's proportionate share of the net OPEB liability/(asset) to changes in the discount rate – The following presents the District's proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 7.20 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percent lower (6.20 percent) or one percent higher (8.20 percent) than the current rate.

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
District's proportionate share of the net OPEB liability (asset)	\$ (256,932)	\$ (318,248)	\$ (370,676)

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
ESTACADA, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) PERS RHIA (CONTINUED)

Changes Subsequent to the Measurement Date

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

9. SINGLE EMPLOYER PENSION PLAN (GASB #73)

Early Retirement

A single employer, defined benefit early retirement supplement program is maintained for certified employees. The retirement incentive is offered as a form of deferred compensation for work performed during the years of active employment. To qualify, an employee must be a certified staff member eligible to retire with benefits under the rules of the Public Employees Retirement System and applicable Oregon law. In addition, the electing employee must have a minimum of ten years of service immediately prior to retirement. This plan is funded on a pay-as-you-go basis.

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.

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. There is no separately issued financial report for the plan. The annual expenditures recognized on a budgetary basis were approximately \$52,101, \$85,389, and \$85,800 for the years ended June 30, 2021, 2020, and 2019 respectively.

Total Pension Liability – The District's total pension liability (TPL) was measured as of June 30, 2021 and the total pension liability were determined by an actuarial valuation as of July 1, 2020.

Actuarial Methods and Assumptions

Actuarial Methods and Assumptions: The District engaged an actuary to perform an evaluation as of July 1, 2020 using entry age normal, level percent of salary Actuarial Cost Method. The Single Employer Pension Plan liability was determined using the following actuarial assumptions, applied to all periods including the measurement:

**CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
ESTACADA, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

9. SINGLE EMPLOYER PENSION PLAN (GASB #73) (CONTINUED)

Discount Rate per year		2.25%
General Inflation Rate per year		2.00%
Salary Scale per year		3.00%
Annual Medical Premium increase rate	2020-21	3.50%
	2021-22	4.00%
	2022-23	4.50%
	2023-24	5.00%
	2024-25	5.50%
Decreasing 0.1% per year until 2040+	2025-26	6.00%

Mortality rates were based on the Pub-2010 Teachers Table, separate employee/health annuitant, sex distinct, generational, no setback. Mortality rates for active male participants are 120% of the rates, and for active female participants are 100% of the rates. .

Turnover rates were based on percentages developed for the valuation of benefits under Oregon PERS and vary by years of service.

Disability rates were based on the percentages developed for the valuation benefits under Oregon PERS and vary by employee age.

Retirement rates were calculated based on age and years of service with the assumption that 60% are to remain enrolled and 50% of retirees electing coverage will cover a spouse as well.

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

<u>Total Pension Liability</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total Liability - Beginning	\$ 745,615	\$ 728,557	\$ 717,066
Benefit Payments	(119,400)	(85,389)	(85,800)
Service Cost	41,436	32,716	57,514
Interest on Total Pension Liability	16,365	25,150	27,438
Changes in Assumptions	(710)	44,581	(1,260)
Experience (Gain)/Loss	53,014	-	13,599
 Total Liability - Ending	 <u>\$ 736,321</u>	 <u>\$ 745,615</u>	 <u>\$ 728,557</u>

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
ESTACADA, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. SINGLE EMPLOYER PENSION PLAN (GASB #73) (CONTINUED)

Sensitivity of the District's total pension liability to changes in the discount rate – The following presents the District's total pension liability calculated using the discount rate of 2.25 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 (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current rate.

	1% Decrease (1.25%)	Discount Rate (2.25%)	1% Increase (3.25%)
Total pension liability	\$ 778,342	\$ 736,321	\$ 695,829

Amounts reported as deferred outflows and deferred inflows of resources related to Other Post-employment benefits will be recognized in Other Post-employment benefit expense as follows:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 58,395	\$ -
Changes in assumptions	37,151	1,590
Total	\$ 95,546	\$ 1,590

Year ended June 30:

2022	\$ 9,497
2023	9,497
2024	9,497
2025	9,497
2026	9,497
Thereafter	\$ 46,471

10. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) GASB #75

Plan Description: The District administers a single-employer defined benefit healthcare plan per the requirements of collective bargaining agreements. The plan provides postretirement healthcare benefits for eligible retirees and their dependents through the District's group health insurance plans. The plan covers both active and retired participants. As of the actuarial valuation date, there were 1,389 active participants and 66 retirees in the 243.303 which states, in part, that for the purposes of establishing healthcare premiums, the calculated rate must be based on the cost of all plan members, including both active employees and retirees. Because claim costs are generally higher for retiree groups than for active employees, the premium amount does not represent the full cost of coverage for retirees. The resulting additional cost, or implicit subsidy, is required to be valued under GASB Statement 75 related to Other Post-Employment Benefits (OPEB). Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
ESTACADA, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

**10. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) GASB #75
(CONTINUED)**

valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations of the OPEB plan reflect a long-term perspective.

Funding Policy: The District has not established a trust fund to finance the cost of Post-employment Health Care Benefits related to implicit rate subsidies. Premiums are paid by retirees based on the rates established for active employees. Additional costs related to an implicit subsidy are paid by the District on a pay-as-you go basis in all funds. There is no obligation on the part of the District to fund these benefits in advance.

Net Other Post-employment Benefit Liability: The net other post-employment benefit liability (NOL) was measured as of June 30, 2021, and the total other post-employment benefit liability was determined by an actuarial valuation as of July 1, 2020.

Actuarial Methods and Assumptions: The District engaged an actuary to perform an evaluation as of July 1, 2020 using entry age normal, level percent of salary Actuarial Cost Method. The Single Employer Pension Plan liability was determined using the following actuarial assumptions, applied to all periods including the measurement:

Discount Rate per year		2.25%
General Inflation Rate per year		2.00%
Salary Scale per year		3.00%
Annual Medical Premium increase rate	2020-21	3.50%
	2021-22	4.00%
	2022-23	4.50%
	2023-24	5.00%
	2024-25	5.50%
	Decreasing 0.1% per year until 2040+	2025-26

Mortality rates were based on the Pub-2010 Teachers Table, separate employee/health annuitant, sex distinct, generation, no setback. Mortality rates for active male participants are 120% of the rates, and for active female participants are 100% of the rates.

Turnover rates were based on percentages developed for the valuation of benefits under Oregon PERS and vary by years of service.

Disability rates were based on the percentages developed for the valuation benefits under Oregon PERS and vary by employee age.

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
ESTACADA, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

**10. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) GASB #75
(CONTINUED)**

Retirement rates were calculated based on age and years of service with the assumption that are 60% are to remain enrolled and 50% of retirees electing coverage will cover a spouse as well.

The following are the changes in the OPEB Liability:

	2021	2020	2019
Total OPEB Liability - Beginning	\$ 1,983,764	\$ 1,542,411	\$ 1,434,625
Changes for the Year:			
Service Cost	162,151	126,322	146,970
Interest	47,689	72,451	57,100
Changes in benefit terms	-	-	-
Experience (gain)/loss	(422,595)	-	147,717
Changes in assumptions	(158,606)	360,019	(126,151)
Benefit payments	(52,817)	(117,439)	(117,850)
Total OPEB Liability - Ending	\$ 1,559,586	\$ 1,983,764	\$ 1,542,411

Sensitivity of the Net Other Post-employment Benefit Liability to changes in the discount and trend rates

The following presents the net other post-employment benefit liability (NOL) of the District, calculated using the discount rate of 2.25 percent, as well as what the District's NOL would be if it was calculated using a discount rate that is 1-percentage-point lower (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
June 30, 2021			
Total OPEB Liability	\$ 1,704,213	\$ 1,559,586	\$ 1,425,579

The following presents the net other post-employment benefit liability (NOL), calculated using trend rate of 3.50 percent graded up to 6.00, graded back down to 4.50 percent, as well as what the liability would be if it was calculated using a trend rate 1-percentage-point lower (2.50 percent graded up to 5.00 percent, then back down to 3.50 percent) or 1-percentage-point higher (4.50 percent graded up to 7.00 percent, then back down to 5.50 percent) than the current rate:

	1% Decrease	Current Trend Rate	1% Increase
June 30, 2021			
Total OPEB Liability	\$ 1,345,987	\$ 1,559,586	\$ 1,819,155

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
ESTACADA, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

10. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) GASB #75
(CONTINUED)

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

For the year ended June 30, 2021, the District recognized Other Post-employment Benefit expense of \$134,843. At June 30, 2021, the District reported deferred outflows of resources related to Other Postemployment benefits from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 98,478	\$ 375,640
Changes in assumptions	280,015	225,083
Total	\$ 378,493	\$ 600,723

Amounts reported as deferred outflows and deferred inflows of resources related to Other Post-employment benefits will be recognized in Other Post-employment benefit expense as follows:

Year ended June 30:		
2022	\$	(22,180)
2023		(22,180)
2024		(22,180)
2025		(22,180)
2026		(22,178)
Thereafter	\$	(111,332)

11. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft or damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. The District does not engage in risk financing activities where the risk is retained (self-insurance), except for insurance deductibles. For the past three years insurance coverage was sufficient to cover all losses.

12. COMMITMENTS AND CONTINGENCIES

The District, in the regular course of business, is named as a defendant in various lawsuits. The likely outcome of these lawsuits is not presently determinable. It is the opinion of management that the ultimate resolution of these matters will not have a material adverse effect on the financial condition of the District.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by those agencies, principally the federal government. Any disallowed claims, including amounts already

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
ESTACADA, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

12. COMMITMENTS AND CONTINGENCIES (CONTINUED)

collected, may constitute a liability of the District. District management expects such amounts, if any, to be immaterial.

The District is dependent on the State of Oregon for a substantial portion of its operating funds. Due to funding uncertainties at the State level, future funding for school districts may be reduced. The ultimate effect of this possible reduction in funding on the District's future operations is not yet determinable.

13. FUND BALANCES

Details of fund balance classifications displayed in the aggregate are as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>June 30, 2021</u>
Nonspendable:					
Inventory	\$ -	\$ 39,332	\$ -	\$ -	\$ 39,332
Prepaid items	54,839	-	-	-	54,839
Restricted for:					
Special Programs	-	2,719,298	-	-	2,719,298
Capital projects	-	-	-	2,249,463	2,249,463
Debt service	-	-	678,141	-	678,141
Unassigned	<u>7,215,097</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,215,097</u>
	<u>\$ 7,269,936</u>	<u>\$ 2,758,630</u>	<u>\$ 678,141</u>	<u>\$ 2,249,463</u>	<u>\$ 12,956,170</u>

14. COVID-19

The COVID-19 outbreak in the United States has caused disruption through mandated and voluntary closure of government and business activities. These developments are expected to impact District revenues. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. Therefore, the District expects this matter to negatively affect its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

15. PRIOR PERIOD ADJUSTMENT

The District made a prior period adjustment in the amount of \$266,956 to reflect for revenue attributable to the General Fund in the previous year ended June 30, 2020.

REQUIRED SUPPLEMENTARY INFORMATION

This Page Intentionally Left Blank

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
ESTACADA, OREGON

SCHEDULE OF CHANGES IN NET SINGLE EMPLOYER PENSION PLAN
AND RELATED RATIOS STIPEND BENEFITS
For the Year Ended June 30, 2021

SCHEDULE OF CHANGES IN THE TOTAL PENSION LIABILITY FOR STIPENDS

Year Ended June 30,	Service costs	Interest on total pension liability	Difference between expected and actual results	Changes of assumptions or other inputs	Benefit payments	Net changes in total pension liability
2021	\$ 42,333	\$ 16,451	\$ -	\$ -	\$ (94,967)	\$ (36,183)
2020	32,716	25,150	-	44,581	(85,389)	17,058
2019	57,514	27,438	13,599	(1,260)	(85,800)	11,491
2018	28,779	27,332	-	-	(107,005)	(50,894)
2017	28,779	28,951	-	-	(94,800)	(37,070)

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

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

SCHEDULE OF TOTAL PENSION LIABILITY AND RELATED RATIOS FOR STIPENDS

Year Ended June 30,	Total pension liability beginning	Net change in total pension liability	Total pension liability ending	Employer's covered payroll	Total pension liability as percentage of covered payroll	Discount rate
2021	\$ 745,615	\$ (9,294)	\$ 736,321	\$ 9,596,178	7.67 %	2.25 %
2020	728,557	17,058	745,615	8,776,716	8.50	2.25
2019	717,066	11,491	728,557	8,479,919	8.59	3.50
2018	767,960	(50,894)	717,066	7,349,899	9.76	3.75
2017	805,030	(37,070)	767,960	7,132,912	10.77	3.75

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

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

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
ESTACADA, OREGON

SCHEDULE OF CHANGES IN OTHER POST EMPLOYMENT BENEFITS (OPEB) LIABILITY
HEALTH INSURANCE SUBSIDY
For the Year Ended June 30, 2021

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY

Year Ended June 30,	Service costs	Interest on total OPEB liability	Difference between expected and actual results	Changes of assumptions or other inputs	Benefit payments	Net changes in total pension liability
2021	\$ 162,151	\$ 47,689	\$ (422,595)	\$ (158,606)	\$ (52,817)	\$ (424,178)
2020	126,322	72,451	-	360,019	(117,439)	441,353
2019	146,970	57,100	147,717	(126,151)	(117,850)	107,786
2018	92,134	51,251	-	-	(58,767)	84,618
2017	92,134	48,210	-	-	(59,730)	80,614

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

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

SCHEDULE OF TOTAL LIABILITY AND RELATED RATIOS FOR OPEB

Year Ended June 30,	Total OPEB liability beginning	Net change in total OPEB liability	Total OPEB liability ending	Employer's covered payroll	Total OPEB liability as percentage of covered payroll	Discount rate
2021	\$ 1,983,764	\$ (424,178)	\$ 1,559,586	\$ 10,576,012	14.75 %	2.25 %
2020	1,542,411	441,353	1,983,764	10,704,457	18.53	2.25
2019	1,434,625	107,786	1,542,411	10,342,471	14.91	3.50
2018	1,350,007	84,618	1,434,625	9,596,854	14.95	3.75
2017	1,269,393	80,614	1,350,007	9,317,334	14.49	3.75

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

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

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
ESTACADA, OREGON

REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFITS (OPEB)
RETIREMENT HEALTH INSURANCE ACCOUNT (RHIA)
For the Year Ended June 30, 2021

SCHEDULE OF CHANGES IN THE TOTAL OPEB - RHIA LIABILITY

Year Ended June 30,	Service Cost	Difference Between Expected and Actual Experience	Changes in Assumptions	Difference Between Projected and Actual Investment Earnings	Employer Actual Contributions	Changes in Employer Proportion	Employer Total Expense
2021	\$ -	\$ (32,534)	\$ (16,916)	\$ 35,392	\$ (1,647)	\$ (61,823)	\$ (84,076)
2020	-	(24,448)	(192)	(11,444)	(11,154)	(956)	(24,724)

SCHEDULE OF TOTAL OPEB LIABILITY AND RELATED RATIOS

Year Ended June 30,	Total OPEB Liability Beginning (Asset)	Net Change in Total OPEB Liability (Asset)	Total OPEB Liability (Asset) Ending	Covered Payroll	Total OPEB Liability as a Percentage of Covered Payroll	Discount Rate
2021	\$ (185,398)	\$ (132,850)	\$ (318,248)	\$ 9,596,178	-0.03 %	7.20 %
2020	(105,686)	(79,712)	(185,398)	8,776,716	-0.02	7.20

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

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
ESTACADA, OREGON

REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2021

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) District's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2021	0.09 %	\$ 18,694,672	\$ 12,455,655	150.1 %	75.8 %
2020	0.09	15,069,303	11,455,578	131.5	80.2
2019	0.10	14,662,919	10,687,380	137.2	82.1
2018	0.09	11,508,148	10,802,776	106.5	83.1
2017	0.09	12,964,943	10,123,323	128.1	80.5
2016	0.09	5,256,013	9,694,451	54.2	91.9
2015	0.12	(2,825,789)	9,510,676	(29.7)	103.6
2014	0.12	6,361,814	10,281,123	61.9	92.0

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

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

SCHEDULE OF CONTRIBUTIONS

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2021	\$ 1,776,405	\$ 1,776,405	\$ -	\$ 12,709,647	14.0 %
2020	1,591,643	1,591,643	-	12,455,655	12.8
2019	1,101,213	1,101,213	-	11,455,578	9.6
2018	814,258	814,258	-	10,687,380	7.6
2017	630,196	630,196	-	10,802,776	5.8
2016	700,929	700,929	-	10,123,323	6.9
2015	1,080,565	1,080,565	-	9,694,451	11.1
2014	1,140,976	1,140,976	-	9,510,676	12.0

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

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

SUPPLEMENTARY INFORMATION

This Page Intentionally Left Blank

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
ESTACADA, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2021

<u>DEBT SERVICE FUND</u>				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Local Sources	\$ 3,423,629	\$ 3,423,629	\$ 3,564,371	\$ (140,742)
Total Revenue	<u>3,423,629</u>	<u>3,423,629</u>	<u>3,564,371</u>	<u>(140,742)</u>
EXPENDITURES				
Debt Service				
Principal	2,640,000	2,640,000	2,640,000	-
Interest	<u>1,033,629</u>	<u>1,033,629</u>	<u>997,931</u>	<u>35,698</u>
Total Expenditures	<u>3,673,629</u>	<u>3,673,629 (1)</u>	<u>3,637,931</u>	<u>35,698</u>
Excess of Revenues Over (Under) Expenditures	(250,000)	(250,000)	(73,560)	176,440
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Net Change in Fund Balance	(200,000)	(200,000)	(23,560)	176,440
Beginning Fund Balance	<u>200,000</u>	<u>200,000</u>	<u>701,701</u>	<u>501,701</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 678,141</u>	<u>\$ 678,141</u>

(1) Appropriation Level

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
ESTACADA, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2021

CAPITAL CONSTRUCTION FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Local Sources	\$ 200,000	\$ 200,000	\$ 328,484	\$ (128,484)
Total Revenues	200,000	200,000	328,484	(128,484)
EXPENDITURES				
Facilities Acquisition and Construction	2,500,000	2,500,000 (1)	529,513	1,970,487
Total Expenditures	2,500,000	2,500,000	529,513	1,970,487
Excess of Revenues Over (Under) Expenditures	(2,300,000)	(2,300,000)	(201,029)	2,098,971
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	286,445	286,445
Total Other Financing Sources (Uses)	-	-	286,445	286,445
Net Change in Fund Balance	(2,300,000)	(2,300,000)	85,416	2,385,416
Beginning Fund Balance	2,300,000	2,300,000	2,164,047	(135,953)
Ending Fund Balance	\$ -	\$ -	\$ 2,249,463	\$ 2,249,463

(1) Appropriation Level

OTHER INFORMATION

This Page Intentionally Left Blank

AUDIT REVENUE SUMMARY
Estacada School District

	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	\$7,433,905		\$2,304,886				
1120 Local Option Ad Valorem Taxes Levied by District							
1130 Construction Excise Tax				\$271,693			
1190 Penalties and Interest on Taxes							
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	\$2,666						
1320 Adult/Continuing Education Tuition							
1330 Summer School Tuition							
1411 Transportation Fees - From Individuals							
1412 Transportation Fees - Other Dist Within State							
1413 Transportation Fees - Other Districts Outside							
1420 Summer School Transportation Fees							
1500 Earnings on Investments							
1600 Food Service	\$86,282		\$5,592	\$20,033			
1700 Extracurricular Activities		\$2,209					
1800 Community Services Activities		\$86,949					
1910 Rentals	\$42,092						
1920 Contributions and Donations From Private Sources	\$147	\$42,322					
1930 Rental or Lease Payments From Private Contractors							
1940 Services Provided Other Local Education Agencies							
1950 Textbook Sales and Rentals							
1960 Recovery of Prior Years' Expenditure			\$358,658				
1970 Services Provided Other Funds				\$1,241,336			
1980 Fees Charged to Grants	\$21,359						
1980 Miscellaneous	\$198,571	\$193,711	\$12,568	\$35,857			
Total Revenue from Local Sources	\$7,793,002	\$683,937	\$3,564,370	\$328,483	\$0	\$0	\$0
Revenue from Intermediate Sources							
2101 County School Funds	\$20,110						
2102 General ESD Revenue	\$613,321						
2103 Excess ESD Local Revenue							
2105 Natural Gas, Oil, and Mineral Receipts							
2110 Intermediate "I" Tax							
2199 Other Intermediate Sources	\$3,748						
2200 Restricted Revenue							
2800 Revenue in Lieu of Taxes							
2900 Revenue for/on Behalf of the District							
Total Revenue from Intermediate Sources	\$637,179	\$0	\$0	\$0	\$0	\$0	\$0
Revenue from State Sources							
3101 State School Fund - General Support	\$26,686,947						
3102 State School Fund - School Lunch Match		\$6,281					
3103 Common School Fund	\$212,675						
3104 State Managed County Timber							
3106 State School Fund - Accrual							
3199 Other Unrestricted Grants-in-Aid		\$513,194					
3204 Driver Education							
3222 State School Fund (SSF) Transportation Equipment							
3299 Other Restricted Grants-in-Aid	\$9,725	\$632,839					
3800 Revenue in Lieu of Taxes							
3900 Revenue for/on Behalf of the District							
Total Revenue from State Sources	\$26,889,647	\$1,152,314	\$0	\$0	\$0	\$0	\$0
Revenue from Federal Sources							
4100 Unrestricted Revenue Direct From the Federal Government							
4200 Unrestricted Revenue From the Federal Government Through the State							
4201 Transportation Fees for Foster Children							
4202 Medicaid Reimbursement for Eligible K-12 Expenses (Ages 5-21)							
4300 Restricted Revenue From the Federal Government							
4500 Restricted Revenue From the Federal Government Through the State	\$120,324	\$2,546,518					
4501 Medicaid Reimbursement for Eligible Early Intervention (EI) Services (Ages Birth to 3)							
4502 Medicaid Reimbursement for Eligible Early Childhood Special Education (ECSE) Services (Ages 3-5)							
4700 Grants-in-Aid From the Federal Government Through Other Intermediate Agencies							
4801 Federal Forest Fees							
4802 Impact Aid to School Districts for Operation (PL 874)							
4803 Coas Bay Wagon Road Funds							
4899 Other Revenue in Lieu of Taxes							
4900 Revenue for/on Behalf of the District		\$45,607					
Total Revenue from Federal Sources	\$120,324	\$2,592,126	\$0	\$0	\$0	\$0	\$0
Revenue from Other Sources							
5100 Long Term Debt Financing Sources							
5200 Interfund Transfers		\$963,556	\$50,000	\$286,445			
5300 Sale of or Compensation for Loss of Fixed Assets							
5400 Resources - Beginning Fund Balance	\$4,129,569	\$2,143,301	\$701,701	\$2,164,047			
Total Revenue from Other Sources	\$4,129,569	\$3,006,856	\$761,701	\$2,450,492	\$0	\$0	\$0
Grand Total	\$39,569,720	\$7,435,232	\$4,318,071	\$2,778,975	\$0	\$0	\$0

DISTRICT AUDIT EXPENDITURE SUMMARY
Estacada School District

Fund: 100 General Fund

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111	Elementary, K-5 or K-5	\$3,921,833	\$2,463,232	\$1,382,316	\$62,264	\$24,022			
1113	Elementary Extracurricular	\$0							
1121	Middle/Junior High Programs	\$1,680,302	\$1,047,710	\$582,719	\$31,478	\$18,395			
1122	Middle/Junior High School Extracurricular	\$0							
1131	High School Programs	\$2,291,203	\$1,442,265	\$796,618	\$39,252	\$13,168			
1132	High School Extracurricular	\$0							
1140	Pre-Kindergarten Programs	\$92,349	\$58,842	\$33,498					
1210	Programs for the Talented and Gifted	\$0							
1220	Restrictive Programs for Students with Disabilities	\$844,598	\$384,874	\$256,911	\$512	\$2,301			
1250	Less Restrictive Programs for Students with Disabilities	\$1,412,573	\$651,134	\$534,616	\$22,954	\$3,970			
1260	Treatment and Habilitation	\$0							
1271	Remediation	\$0							
1272	Title I	\$0							
1280	Alternative Education	\$9,985,428	\$33,800	\$29,540	\$9,896,791	\$35,298			
1291	English Second Language Programs	\$387,577	\$244,095	\$143,250	\$232				
1292	Teen Parent Program	\$0							
1293	Migrant Education	\$0							
1294	Youth Corrections Education	\$0							
1299	Other Programs	\$0							
1300	Adult/Continuing Education Programs	\$0							
1400	Summer School Programs	\$18,380	\$13,795	\$4,584					
Total Instruction Expenditures		\$20,434,235	\$6,529,747	\$3,779,851	\$10,033,483	\$97,154	\$0	\$0	\$0
Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	\$177,858	\$31,188	\$26,469	-\$151	\$120,363			
2120	Guidance Services	\$685,054	\$363,098	\$214,944	\$1,864	\$5,157			
2130	Health Services	\$63,864	\$41,797	\$20,861	\$128	\$1,069			
2140	Psychological Services	\$152,583	\$88,356	\$55,227	\$8,000				
2150	Speech Pathology and Audiology Services	\$392,568	\$213,302	\$108,862	\$68,232	\$2,163			
2160	Other Student Treatment Services	\$130,908	\$37,131	\$17,532	\$78,246				
2190	Service Direction, Student Support Services	\$302,392	\$184,284	\$78,420	\$27,872	\$11,816			
2210	Improvement of Instruction Services	\$527,854	\$317,861	\$159,264	\$5,678	\$44,753			
2220	Educational Media Services	\$1,057				\$1,057			
2230	Assessment & Testing	\$2,893			\$140	\$2,753			
2240	Instructional Staff Development	\$85,647			\$85,547				
2310	Board of Education Services	\$26,989			\$23,500	\$3,139		\$350	
2320	Executive Administration Services	\$516,021	\$237,703	\$118,666	\$89,588	\$54,130		\$15,954	
2410	Office of the Principal Services	\$1,719,012	\$1,011,499	\$564,758	\$11,183	\$128,284		\$3,289	
2490	Other Support Services - School Administration	\$0							
2510	Direction of Business Support Services	\$360,150	\$190,376	\$110,388	\$26,615	\$17,404		\$15,367	
2520	Fiscal Services	\$324,461		\$24,236	\$7,280			\$292,966	
2540	Operation and Maintenance of Plant Services	\$2,178,303	\$719,898	\$456,785	\$735,261	\$243,572	\$12,926	\$10,791	
2550	Student Transportation Services	\$1,581,366	\$780,987	\$552,018	\$42,233	\$155,740	\$46,055	\$4,334	
2570	Internal Services	\$0							
2610	Direction of Central Support Services	\$0							
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Ser	\$3,544				\$3,544			
2630	Information Services	\$223,224	\$94,459	\$39,677	\$38,658	\$50,431			
2640	Staff Services	\$284,458	\$148,325	\$66,076	\$19,045	\$29,683		\$1,329	
2660	Technology Services	\$872,407	\$179,978	\$89,127	\$171,467	\$414,195		\$17,953	
2670	Records Management Services	\$0							
2680	Interpretation and Translation Services	\$750	\$454	\$296					
2690	Other Support Services - Central	\$0							
2700	Supplemental Retirement Program	\$127,684	\$111,900	\$15,784					
Total Support Services Expenditures		\$10,621,726	\$4,752,752	\$2,720,388	\$1,438,331	\$1,289,241	\$58,981	\$362,033	\$0
Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	\$0							
3200	Other Enterprise Services	\$0							
3300	Community Services	\$0							
3500	Custody and Care of Children Services	\$0							
Total Enterprise and Community Services Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facilities Acquisition and Construction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110	Service Area Direction	\$0							
4120	Site Acquisition and Development Services	\$0							
4150	Building Acquisition, Construction, and Improvement Services	\$43,824					\$43,824		
4180	Other Capital Items	\$0							
4190	Other Facilities Construction Services	\$0							
Total Facilities Acquisition and Construction Expenditures		\$43,824	\$0	\$0	\$0	\$0	\$43,824	\$0	\$0
Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	\$0							
5200	Transfers of Funds	\$1,200,000							\$1,200,000
5300	Apportionment of Funds by ESD	\$0							
5400	PERS UAL Bond Lump Sum	\$0							
Total Other Uses Expenditures		\$1,200,000	\$0	\$0	\$0	\$0	\$0	\$0	\$1,200,000
Grand Total		\$32,298,784	\$11,282,499	\$6,494,239	\$11,471,814	\$1,386,395	\$102,805	\$362,033	\$1,200,000

DISTRICT AUDIT EXPENDITURE SUMMARY
Estacada School District

Fund: 200 Special Revenue Funds

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111	Elementary, K-6 or K-6	\$266,168	\$115,242	\$72,491	\$39,446	\$38,977			
1113	Elementary Extracurricular	\$0							
1121	Middle/Junior High Programs	\$247,498	\$102,226	\$69,191	\$61,666	\$14,417			
1122	Middle/Junior High School Extracurricular	\$0							
1131	High School Programs	\$523,938	\$176,830	\$88,416	\$118,537	\$130,298	\$9,111	\$743	
1132	High School Extracurricular	\$438,286	\$281,271	\$82,478	\$1,999	\$62,040		\$20,498	
1140	Pre-Kindergarten Programs	\$0							
1210	Programs for the Talented and Gifted	\$0							
1220	Restrictive Programs for Students with Disabilities	\$189,682	\$120,728	\$68,855					
1250	Less Restrictive Programs for Students with Disabilities	\$71,782	\$32,369	\$38,782	\$1,250	\$1,381			
1280	Treatment and Habilitation	\$0							
1271	Remediation	\$0							
1272	Title I	\$287,603	\$171,648	\$116,056					
1280	Alternative Education	\$0							
1281	English Second Language Programs	\$189,397	\$91,539	\$48,265	\$1,620	\$26,714		\$21,358	
1292	Teen Parent Program	\$0							
1293	Migrant Education	\$3,988				\$3,988			
1294	Youth Corrections Education	\$0							
1299	Other Programs	\$0							
1300	Adult/Continuing Education Programs	\$0							
1400	Summer School Programs	\$0							
Total Instruction Expenditures		\$2,218,226	\$1,091,762	\$582,633	\$224,415	\$267,816	\$9,111	\$42,600	\$0
Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	\$0							
2120	Guidance Services	\$0							
2130	Health Services	\$48,598			\$48,598				
2140	Psychological Services	\$0							
2150	Speech Pathology and Audiology Services	\$234,176	\$168,350	\$75,828					
2180	Other Student Treatment Services	\$18,694	\$12,630	\$5,964					
2190	Service Direction, Student Support Services	\$8,808				\$8,808			
2210	Improvement of Instruction Services	\$37,717			\$20,160	\$16,787		\$760	
2220	Educational Media Services	\$0							
2230	Assessment & Testing	\$0							
2240	Instructional Staff Development	\$46,314	\$23,763	\$8,058	\$14,160	\$346			
2310	Board of Education Services	\$0							
2320	Executive Administration Services	\$0							
2410	Office of the Principal Services	\$60,012	\$31,625	\$18,387					
2480	Other Support Services - School Administration	\$0							
2510	Direction of Business Support Services	\$0							
2520	Fiscal Services	\$0							
2540	Operation and Maintenance of Plant Services	\$75,475				\$75,475			
2550	Student Transportation Services	\$332,768					\$332,768		
2570	Internal Services	\$0							
2610	Direction of Central Support Services	\$0							
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Se	\$0							
2630	Information Services	\$0							
2640	Staff Services	\$0							
2660	Technology Services	\$234,711				\$234,711			
2670	Records Management Services	\$0							
2680	Interpretation and Translation Services	\$50,008	\$29,380	\$20,628					
2690	Other Support Services - Central	\$0							
2700	Supplemental Retirement Program	\$0							
Total Support Services Expenditures		\$1,137,177	\$266,747	\$128,858	\$82,926	\$336,127	\$332,768	\$760	\$0
Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	\$688,499	\$324,648	\$217,463	\$3,174	\$320,045			\$3,169
3200	Other Enterprise Services	\$0							
3300	Community Services	\$6,600			\$6,600	\$3,600			
3500	Custody and Care of Children Services	\$0							
Total Enterprise and Community Services Expenditures		\$678,099	\$324,648	\$217,463	\$9,174	\$323,645	\$0	\$3,169	\$0
Facilities Acquisition and Construction Expenditures		Totals	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	
4110	Service Area Direction	\$0							
4120	Site Acquisition and Development Services	\$0							
4150	Building Acquisition, Construction, and Improvement Services	\$443,100				\$443,100			
4180	Other Capital Items	\$0							
4190	Other Facilities Construction Services	\$0							
Total Facilities Acquisition and Construction Expenditures		\$443,100	\$0	\$0	\$0	\$443,100	\$0	\$0	
Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	\$0							
5200	Transfers of Funds	\$0							
5300	Apportionment of Funds by ESD	\$0							
5400	PERS UAL Bond Lump Sum	\$0							
Total Other Uses Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grand Total		\$4,676,602	\$1,672,147	\$828,850	\$316,616	\$927,588	\$784,979	\$46,619	\$0

DISTRICT AUDIT EXPENDITURE SUMMARY
Estacada School District

Fund: 300 Debt Service Funds

Instruction Expenditures		Total	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111	Elementary, K-5 or K-6	\$0							
1113	Elementary Extracurricular	\$0							
1121	Middle/Junior High Programs	\$0							
1122	Middle/Junior High School Extracurricular	\$0							
1131	High School Programs	\$0							
1132	High School Extracurricular	\$0							
1140	Pre-Kindergarten Programs	\$0							
1210	Programs for the Talented and Gifted	\$0							
1220	Restrictive Programs for Students with Disabilities	\$0							
1250	Less Restrictive Programs for Students with Disabilities	\$0							
1260	Treatment and Habilitation	\$0							
1271	Remediation	\$0							
1272	Title I	\$0							
1280	Alternative Education	\$0							
1291	English Second Language Programs	\$0							
1292	Teen Parent Program	\$0							
1293	Migrant Education	\$0							
1294	Youth Corrections Education	\$0							
1299	Other Programs	\$0							
1300	Adult/Continuing Education Programs	\$0							
1400	Summer School Programs	\$0							
Total Instruction Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Support Services Expenditures		Total	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	\$0							
2120	Guidance Services	\$0							
2130	Health Services	\$0							
2140	Psychological Services	\$0							
2150	Speech Pathology and Audiology Services	\$0							
2160	Other Student Treatment Services	\$0							
2190	Service Direction, Student Support Services	\$0							
2210	Improvement of Instruction Services	\$0							
2220	Educational Media Services	\$0							
2230	Assessment & Testing	\$0							
2240	Instructional Staff Development	\$0							
2310	Board of Education Services	\$0							
2320	Executive Administration Services	\$0							
2410	Office of the Principal Services	\$0							
2490	Other Support Services - School Administration	\$0							
2510	Direction of Business Support Services	\$0							
2620	Fiscal Services	\$0							
2640	Operation and Maintenance of Plant Services	\$0							
2650	Student Transportation Services	\$0							
2670	Internal Services	\$0							
2610	Direction of Central Support Services	\$0							
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Se	\$0							
2630	Information Services	\$0							
2640	Staff Services	\$0							
2680	Technology Services	\$0							
2670	Records Management Services	\$0							
2680	Interpretation and Translation Services	\$0							
2690	Other Support Services - Central	\$0							
2700	Supplemental Retirement Program	\$0							
Total Support Services Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Enterprise and Community Services Expenditures		Total	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	\$0							
3200	Other Enterprise Services	\$0							
3300	Community Services	\$0							
3500	Custody and Care of Children Services	\$0							
Total Enterprise and Community Services Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facilities Acquisition and Construction Expenditures		Total	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110	Service Area Direction	\$0							
4120	Site Acquisition and Development Services	\$0							
4160	Building Acquisition, Construction, and Improvement Services	\$0							
4180	Other Capital Items	\$0							
4190	Other Facilities Construction Services	\$0							
Total Facilities Acquisition and Construction Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Uses Expenditures		Total	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
6100	Debt Service	\$3,637,931						\$3,637,931	
6200	Transfers of Funds	\$0							
6300	Apportionment of Funds by ESD	\$0							
6400	PERS UAL Bond Lump Sum	\$0							
Total Other Uses Expenditures		\$3,637,931	\$0	\$0	\$0	\$0	\$0	\$3,637,931	\$0
Grand Total		\$3,637,931	\$0	\$0	\$0	\$0	\$0	\$3,637,931	\$0

DISTRICT AUDIT EXPENDITURE SUMMARY
Estacada School District

Fund: 400 Capital Projects Funds

Instruction Expenditures		Total	Object 400	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111	Elementary, K-5 or K-6	\$0							
1113	Elementary Extracurricular	\$0							
1121	Middle/Junior High Programs	\$0							
1122	Middle/Junior High School Extracurricular	\$0							
1131	High School Programs	\$0							
1132	High School Extracurricular	\$0							
1140	Pre-Kindergarten Programs	\$0							
1210	Programs for the Talented and Gifted	\$0							
1220	Restrictive Programs for Students with Disabilities	\$0							
1250	Less Restrictive Programs for Students with Disabilities	\$0							
1260	Treatment and Habilitation	\$0							
1271	Remediation	\$0							
1272	Title I	\$0							
1280	Alternative Education	\$0							
1291	English Second Language Programs	\$0							
1292	Teen Parent Program	\$0							
1293	Migrant Education	\$0							
1294	Youth Corrections Education	\$0							
1299	Other Programs	\$0							
1300	Adult/Continuing Education Programs	\$0							
1400	Summer School Programs	\$0							
Total Instruction Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Support Services Expenditures		Total	Object 400	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	\$0							
2120	Guidance Services	\$0							
2130	Health Services	\$0							
2140	Psychological Services	\$0							
2150	Speech Pathology and Audiology Services	\$0							
2160	Other Student Treatment Services	\$0							
2190	Service Direction, Student Support Services	\$0							
2210	Improvement of Instruction Services	\$0							
2220	Educational Media Services	\$0							
2230	Assessment & Testing	\$0							
2240	Instructional Staff Development	\$0							
2310	Board of Education Services	\$0							
2320	Executive Administration Services	\$0							
2410	Office of the Principal Services	\$0							
2490	Other Support Services - School Administration	\$0							
2510	Direction of Business Support Services	\$0							
2520	Fiscal Services	\$0							
2540	Operation and Maintenance of Plant Services	\$0							
2550	Student Transportation Services	\$0							
2570	Internal Services	\$0							
2610	Direction of Central Support Services	\$0							
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Serv	\$0							
2630	Information Services	\$0							
2640	Staff Services	\$0							
2660	Technology Services	\$0							
2670	Records Management Services	\$0							
2680	Interpretation and Translation Services	\$0							
2690	Other Support Services - Central	\$0							
2700	Supplemental Retirement Program	\$0							
Total Support Services Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Enterprise and Community Services Expenditures		Total	Object 400	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	\$0							
3200	Other Enterprise Services	\$0							
3300	Community Services	\$0							
3500	Custody and Care of Children Services	\$0							
Total Enterprise and Community Services Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Facilities Acquisition and Construction Expenditures		Total	Object 400	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110	Service Area Direction	\$0							
4120	Site Acquisition and Development Services	\$0							
4150	Building Acquisition, Construction, and Improvement Services	\$529,512			\$84,739	\$38,010	\$406,764		
4180	Other Capital Items	\$0							
4190	Other Facilities Construction Services	\$0							
Total Facilities Acquisition and Construction Expenditures		\$529,512	\$0	\$0	\$84,739	\$38,010	\$406,764	\$0	\$0

Other Uses Expenditures		Total	Object 400	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	\$0							
5200	Transfers of Funds	\$0							
5300	Apportionment of Funds by ESD	\$0							
5400	PERS UAL Bond Lump Sum	\$0							
Total Other Uses Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Grand Total \$529,512 \$0 \$0 \$84,739 \$38,010 \$406,764 \$0 \$0

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
ESTACADA, OREGON

SUPPLEMENTAL INFORMATION
As Required by The Oregon Deptment of Education - Form 3211-C
For the Year Ended June 30, 2021

A.	Energy bills for heating - all funds:		<u>Objects 325 and 326</u>
		Function 2540	\$ 316,719
		Function 2550	11,614
B.	Replacement of equipment - General Fund:		
	Include all General Fund expenditures in Object 542, except for the following exclusions:		<u>Amount</u>
	Exclude these functions:		
	1113, 1122 & 1132	Co-curricular activities 4150	Construction \$ -
	1140	Pre-kindergarten 2550	Pupil transportation
	1300	Continuing education 3100	Food service
	1400	Summer school 3300	Community services

INDEPENDENT AUDITOR'S REPORT REQUIRED BY
OREGON STATE REGULATION

This Page Intentionally Left Blank



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

December 3, 2021

Independent Auditor's Report Required by Oregon State Regulations

We have audited the basic financial statements of the Clackamas County School District No.108 as of and for the year ended June 30, 2021, and have issued our report thereon dated December 3, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

Compliance

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

We performed procedures to the extent we considered necessary to address the required comments and disclosures, 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 Clackamas County School District No.108 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 internal control 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 internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of internal control over financial reporting.

This report is intended solely for the information and use of the Board, 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.

SINGLE AUDIT SECTION

This Page Intentionally Left Blank

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
ESTACADA, OREGON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

Federal Grantor/Pass Through Grantor/ Program Title	Federal CFDA Number	Sub Grant Award	Expenditures	Provided to Subrecipients
U.S. DEPARTMENT OF EDUCATION				
<i>Passed Through Oregon Department of Education:</i>				
Title I A Grants to LEAs	84.010	58257	\$ 275,737	\$ -
Title I A Grants to LEAs	84.010	54326	81,401	-
Title I A Grants to LEAs	84.010	60378	65,804	-
			<u>422,942</u>	<u>-</u>
Special Education IDEA	84.027	60651	435,781	-
Special Education IDEA	84.027	53955	6,570	-
			<u>442,351</u>	<u>-</u>
Supporting Effective Instruction	84.367	53523	13,238	-
Supporting Effective Instruction	84.367	58893	31,059	-
			<u>44,297</u>	<u>-</u>
English Language Acquisition	84.365	53415	13,407	-
English Language Acquisition	84.365	58467	17,706	-
			<u>31,113</u>	<u>-</u>
Student Support and Academic Enrichment	84.424	50716	2,056	-
Student Support and Academic Enrichment	84.424	54513	13,929	-
Student Support and Academic Enrichment	84.424	58568	15,466	-
			<u>31,451</u>	<u>-</u>
Governors Emergency Ed Relief Fund - COVID-19	84.425	60935	103,824 (1)	-
Elementary and Secondary School Emergency Relief Fund II - COVID-19	84.425	64574	782,216 (1)	-
Elementary and Secondary School Emergency Relief Fund III - COVID-19	84.425	64879	94,300 (1)	-
			<u>980,340</u>	<u>-</u>
Early Indicator and Intervention	99.998	61659	8,808	-
Total passed through Oregon Department of Education			<u>1,961,301</u>	<u>-</u>
<i>Passed Through Clackamas County</i>				
Migrant Education	84.011A	N/A	3,988	-
Career and Technical Education	84.048	N/A	16,501	-
Total passed through Clackamas County			<u>20,488</u>	<u>-</u>
<i>Passed Through Portland Public Schools</i>				
Special Education IDEA	84.027A	N/A	16,500	-
Total passed through Portland Public Schools			<u>16,500</u>	<u>-</u>
<i>Passed Through Oregon Department of Human Services</i>				
Rehabilitation Services - Vocational Rehabilitation	84.126A	N/A	59,831	-
Total passed through Oregon Department of Human Services			<u>59,831</u>	<u>-</u>
Total U.S. Department of Education			<u>2,058,120</u>	<u>-</u>
U.S. DEPARTMENT OF AGRICULTURE				
<i>Passed Through Oregon Department of Education</i>				
NSLP School Breakfast Program	10.559	N/A	53,037	-
National School Lunch Program	10.559	N/A	516,402	-
Commodities - Noncash Assistance	10.555	N/A	45,607	-
Summer Food Service Program - COVID-19	10.559	N/A	3,656	-
Summer Food Service Program - COVID-19	10.559	N/A	35,627	-
Total U.S. Department of Agriculture			<u>654,329</u>	<u>-</u>
TOTAL FEDERAL EXPENDITURES			<u>\$ 2,712,449</u>	<u>\$ -</u>

(1) - Major Program

This Page Intentionally Left Blank



PAULY, ROGERS, AND CO., P.C.
2700 SW 72nd Ave. Tigard, OR 97223
(503) 620-2632 (503) 684-7523 FAX
www.paulyrogersandcpcpas.com

December 3, 2021

To the Board of Directors
Clackamas County School District No. 108
Estacada, Oregon

INDEPENDENT AUDITOR'S 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 and each major fund of Clackamas County School District No.108 as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated December 3, 2021.

Internal Control Over Financial Reporting

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

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

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

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.



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



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

December 3, 2021

**To the Board of Directors
Clackamas County School District No. 108
Estacada, Oregon**

INDEPENDENT AUDITOR'S 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 Clackamas County School District No. 108's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2021. The major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of 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 each major federal program. However, our audit does not provide a legal determination of compliance.

Opinion on Each Major Federal Program

In our opinion, Clackamas County School District No.108 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program 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.

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
CLACKAMAS COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2021

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 financial statements noted? yes no

Any GAGAS audit findings disclosed that are required to be reporting in accordance with section 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 the Uniform Guidance? yes no

IDENTIFICATION OF MAJOR PROGRAMS

CFDA NUMBER

NAME OF FEDERAL PROGRAM CLUSTER

84.425

Elementary and Secondary School Emergency Relief Fund

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
CLACKAMAS COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2021

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

Auditee qualified as low-risk auditee? yes no

SECTION II – FINANCIAL STATEMENT FINDINGS

NONE

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE

SECTION IV – SUMMARY OF PRIOR AUDIT FINDINGS

NONE

CLACKAMAS COUNTY SCHOOL DISTRICT NO. 108
CLACKAMAS COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2021

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. BASIS OF PRESENTATION

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The entity has not elected to use the ten percent de minimus indirect cost rate as allowed under Uniform Guidance.

This Page Intentionally Left Blank