



As a community, we prepare lifelong learners to achieve their full potential in a complex and interconnected world.

Reynolds School District
Board of Education Regular

January 26, 2022

7:00 PM

Virtual Meeting

I. 6:00p - Executive Session
II. 7:00p - Call to Order
III. 7:10p - Board Recognition
IV. 7:30p - Public to be Heard
V. 7:40p - Bargaining Group Updates
VI. 7:55p - Presentation to the Board
VII. 8:55p - Board Reports
VIII. 9:05p - Superintendent's Reports

	C. Communications Report	
	D. Financial Report	347
	E. Enrollment Report	348
IX.	<b>9:35p - Consent Agenda</b>	<b>354</b>
	A. Approval of Personnel Order	
	B. Approval of Prior Meeting Minutes	355
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X.	<b>9:40p - Action Items</b>	
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	B. Authorization to Spend: School Buses	402
	C. REA Collective Bargaining Agreement: 2021-2024	425
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XII.	<b>10:10p - Adjourn</b>	<b>428</b>



*As a community, we prepare lifelong learners to achieve their full potential in a complex and interconnected world.*

To: Board of Directors  
From: Dr. Danna Diaz, Superintendent of Schools  
Prepared by: Kaylie Jeffries, Executive Assistant to the Superintendent  
**Subject: Call to Order**

Policy: [Board Meetings – BD/BDA, Conduct of Board Meetings – BDDF](#)

Date: January 26, 2022

<b>Action</b>	<input checked="" type="checkbox"/>
<b>Report</b>	<input type="checkbox"/>

**Connection to School Board Core Beliefs and Commitments**

- Safety    
 Equity    
 Instructional Practice    
 Organizational Culture

**Strategic Plan Goal Topic 3: Student and Staff Wellness**

We will promote a healthy learning and working environment which provides students and staff with the skills, social support, and environmental reinforcement they need to adopt long-term, healthy behaviors.

**Summary:**

- a. Call to Order
- b. Pledge of Allegiance
- c. Land Use Acknowledgement

**Land Acknowledgement:**

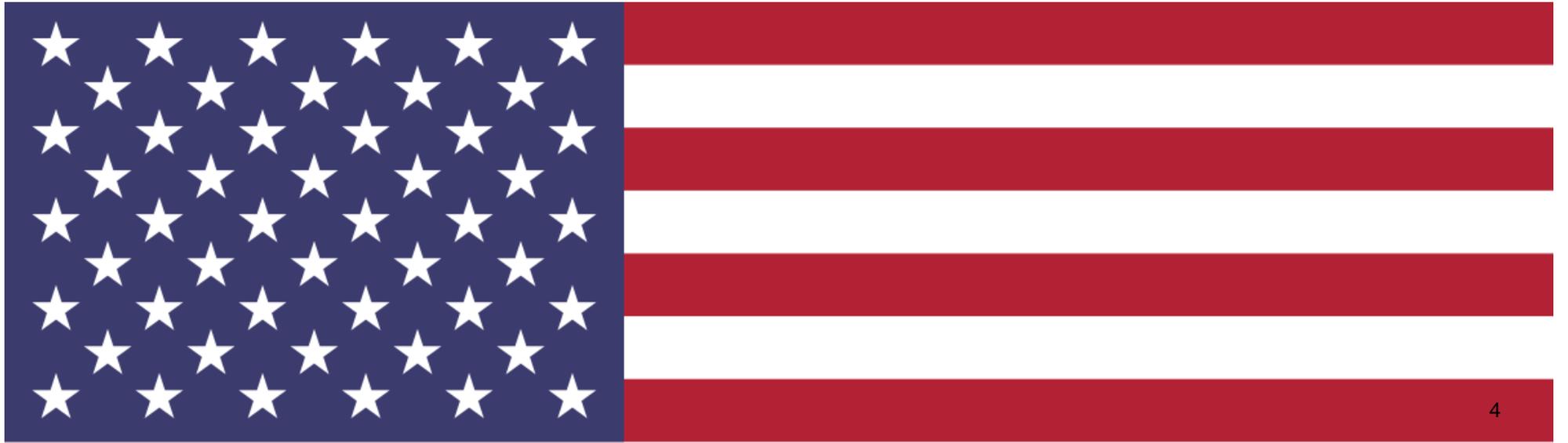
We will open tonight’s meeting by acknowledging the traditional Indigenous inhabitants of this land. The purpose of these statements is to show respect for indigenous peoples and recognize their enduring relationship to the land. Practicing acknowledgment can also raise awareness about histories that are often suppressed or forgotten.

**Motion:**

- A. Motion Made by Board Member:
  - a. I move that the Board approve the January 26, 2022 Business Meeting Agenda as presented.
- B. Motion Seconded by Another Board Member
- C. Points of Clarification / Discussion
- D. Call for Board Vote

Alternative Motion:

I move that the Board approve the agenda with the removal of Action Item "C" - REA Collective Bargaining Agreement: 2021-2024



# Land Use Acknowledgment & Guidelines



*Approved and Apdopted on May 27, 2020*

Reynolds School District expresses our gratitude and appreciation to traditional village sites of the Multnomah, Kathlamet, Clackamas, bands of Chinook, Tualatin, Kalapuya, Molalla and many other Tribes who made their homes along the Columbia River, and which is now home to a vibrant native community representing over 400 different tribal nations.

We believe that it is our responsibility as a school district to educate our students, staff and families about the true history of colonialism and the continued need to address colonialism today. This land acknowledgement will encourage our community to reflect upon the land we are standing on and engage in conversations centered in honoring the land.

Land acknowledgments will take place in conjunction with the Pledge of Allegiance, which will be recited after the Land Use Acknowledgement, during the following times:

- School Board meetings
- District-wide community meetings
- School assemblies
- Athletic Competitions
- Parent and community school evening events

## Land Use Acknowledgment

We respectfully acknowledge that the land on which we are gathering today is the traditional homeland of a diverse array of indigenous tribes and bands. Multnomah County rests on traditional village sites of the Multnomah, Wasco, Cowlitz, Kathlamet, Clackamas, Bands of Chinook, Tualatin, Kalapuya, Molalla, and many other tribes who made their homes along the Columbia River, creating communities and summer encampments to harvest and use the plentiful natural resources of the area. Multnomah County is now home to a vibrant indigenous community representing over 400 different tribal nations.

We recognize Indigenous peoples as the traditional stewards of this land and acknowledge the enduring relationship between the land and the people since time immemorial. We make this acknowledgement to open a space of recognition, inclusion, and respect for our sovereign tribal partners and all indigenous students, families, and staff in our community.

To: Board of Directors

From: Dr. Danna Diaz, Superintendent of Schools

Prepared by: Stephanie Field, Director of Communications and Community Relations

**Subject: Board Recognition**

Policy: [Community Relations - KAA](#)

Date: January 26, 2022

<b>Action</b>	<input type="checkbox"/>
<b>Report</b>	<input checked="" type="checkbox"/>

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**Connection to Board Goals**

Student Achievement     Equity     Fiscal Responsibility     Communications

**School Board Core Belief/Commitment #4:** We believe that the heart of a high-performing organization is its people. We commit to becoming an inclusive and positive organizational culture.

**Summary:**

The Board will publicly recognize students, staff, and community partners including:

- Student Recognition: Fiance Johnson, 8th grader at HB Lee
- Community Partner/Volunteer Recognition: Hollywood Signs and Graphics
- Staff Recognition: Marea Peters, 1st grade teacher at Wilkes

The Board will publicly recognize the following resolutions:

- Resolution 2021-2022-010 Black History Month
- Resolution 2021-2022-011 National School Bus Driver Appreciation Day
- Resolution 2021-2022-012 National School Counseling Week



Reynolds School Board  
**STUDENT RECOGNITION**

January 2022

7

**Fiance Johnson**





Reynolds School Board  
**COMMUNITY PARTNER OF THE MONTH**  
January 2022





Reynolds School Board  
**STAFF RECOGNITION**

January 2022

9

**Marea Peters**





**RESOLUTION #2021-2022-010**

**PROCLAIMING THE CELEBRATION OF  
BLACK HISTORY MONTH**

**WHEREAS**, Black History Month is in the United States a historic tradition beginning in 1926 when historian Carter G. Woodson and the Association of Negro Life and History dedicated the second week in February as “Negro History Week”;

**WHEREAS**, in 1976, as part of the nation’s bicentennial, Black History Week was expanded and became established as Black History Month, and is now celebrated all over North America;

**WHEREAS**, the rich inventions, courage, resolve, and cultural influences delivered to the nation by African Americans have been traditionally recognized regionally by the state of Oregon;

**WHEREAS**, It is appropriate that all citizens reflect upon, cherish, and sustain the contributions that black individuals – both past and contemporary – have made to our nation: Marian Anderson; Maya Angelou; Louis Armstrong; Mary McLeod Bethune; Frederick Douglass; Duke Ellington; Louis Gossett, Jr.; Alex Haley; Vice President Kamala Harris; Zora Neale Hurston; Thurgood Marshall; President Barack Obama; Colin Powell; Rosa Parks; Leontyne Price; Paul Robeson; Alice Walker; Phyllis Wheatley; and many more; and;

**WHEREAS**, such people have sacrificed so that we may progress and be inspired during hard times, and encouraged to celebrate and rejoice during happy times; now, therefore,

**WHEREAS** the theme for Black History Month 2022 is *Black Health and Wellness*, acknowledging the legacy of not only Black scholars and medical practitioners in Western medicine, but also other ways in which the Black community have contributed to healthcare (e.g., birth workers, doulas, midwives, naturopaths, herbalists, etc.) throughout the African Diaspora. Health and wellness include physical, emotional, and mental health.

**BE IT RESOLVED** that Reynolds School District does hereby proclaim February 2022 as Black History Month. The struggles and achievements of Black people and their role in America’s history profoundly influences and enriches the culture of the United States. Reynolds School District acknowledges these contributions and reaffirms its ongoing commitment to building awareness and an inclusive society.

Adopted this 26<sup>th</sup> day of January 2022.

Signed:

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Chair, RSD Board of Directors

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10 Superintendent / Clerk



**RESOLUTION #2021-2022-011**

**RESOLUTION PROCLAIMING THE CELEBRATION OF  
NATIONAL SCHOOL BUS DRIVER APPRECIATION  
DAY IN THE REYNOLDS SCHOOL DISTRICT**

**WHEREAS**, 72 licensed school bus drivers, 13 transportation office staff, and two transportation supervisors transport a majority of the district’s students safely to and from school each day;

**WHEREAS**, school bus drivers travel each year on regular routes, field trip routes, vocational routes, and special education routes;

**WHEREAS**, the safety and well-being of children are of utmost concern to all Reynolds parents; school administrators entrust school bus drivers with the welfare of these children; the position of a school bus driver requires tremendous responsibility; they are to maneuver through traffic regardless of road conditions while maintaining the conduct of children on the bus and are looked to for leadership and life-saving decision-making in the event of an emergency;

**WHEREAS**, the National Safety Council has documented the far smaller number of accidents and fatalities per capita on school buses than automobiles;

**WHEREAS**, school bus drivers direct children while they are exiting the bus at their destination; school bus drivers are able to observe any suspicious activity or people along their bus route and communicate that information to proper authorities;

**NOW, THEREFORE, BE IT RESOLVED**, The Reynolds School Board publicly thanks the school bus drivers and transportation office staff for their hard work and dedication to provide a safe ride to and from school for the students in our school district.

**BE IT FURTHER RESOLVED**, The Superintendent or her designee shall celebrate National School Bus Driver Appreciation Day on February 23, 2022.

Adopted this 26<sup>th</sup> day of January 2022.

Signed:

\_\_\_\_\_  
Chair, Reynolds School District Board of Directors

Attest:

\_\_\_\_\_  
Superintendent/Clerk



**RESOLUTION #2021-2022-012**

**RESOLUTION PROCLAIMING THE CELEBRATION OF  
NATIONAL SCHOOL COUNSELING WEEK IN THE  
REYNOLDS SCHOOL DISTRICT**

**WHEREAS**, the American School Counselor Association has designated February 7-11, 2022, as “National School Counseling Week;”

**WHEREAS**, 37 school counselors are employed with Reynolds School District to help students reach their full potential;

**WHEREAS**, school counselors are actively committed to helping student explore their abilities, strengths, interests, and talents as these traits relate to career awareness and development;

**WHEREAS**, school counselors help parents focus on ways to further the educational, personal, and social growth of their children;

**WHEREAS**, school counselors work with teachers and other educators to help students explore their potential and set realistic goals for themselves;

**WHEREAS**, school counselors seek to identify and utilize community resources that can enhance and complement comprehensive school counseling programs and help students become productive members of society;

**WHEREAS**, comprehensive developmental school counseling programs are considered an integral part of the educational process that enables all students to achieve success in school;

**NOW, THEREFORE, BE IT RESOLVED**, The Reynolds School Board publicly thanks the school counselors at each school for providing a vital support system for our school district.

**BE IT FURTHER RESOLVED**, The Superintendent or her designee shall celebrate National School Counseling Week from February 7-11, 2022.

Adopted this 26<sup>th</sup> day of January 2022.

Signed:

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Chair, Reynolds School District Board of Directors

Attest:

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Superintendent/Clerk



*As a community, we prepare lifelong learners to achieve their full potential in a complex and interconnected world.*

To: Board of Directors

From: Dr. Danna Diaz, Superintendent of Schools

Prepared by: Kaylie Jeffries, Executive Assistant to the Superintendent

**Subject: Public to be Heard**

Policy: [Public to be Heard – BDDH, Public Comment at Board Meetings – BDDH-AR](#)

Date: January 26, 2022

Action	<input type="checkbox"/>
Report	<input checked="" type="checkbox"/>

**Connection to School Board Core Beliefs and Commitments**

Safety     Equity     Instructional Practice     Organizational Culture

**Strategic Plan Goal Topic 1: Marginalized Students**

In order to give voice to our marginalized populations, we will remove barriers, hold high academic expectations, and elicit and honor all voices.

**Summary:**

Members of the public will address the Board with comments and the Board will listen only. The Board may choose not to address a request if it does not fall within the scope of Board Governance. Oregon law prohibits the Board from discussing specific employees or their job performance.

Those wishing to speak must complete a Public Comment Form on the RSD website.

Those providing spoken comment will be moved from attendee to panelists during the Public Comment portion of the agenda. Each speaker will have three minutes.

**Spoken Comments Submitted:**

- Public Safety / Hygiene: Juan Mercado Diaz, Student at RHS

**Written Comments Submitted:**

- Jenna Montgomery: Success Story - Pay Increase



*As a community, we prepare lifelong learners to achieve their full potential in a complex and interconnected world.*

To: Board of Directors  
From: Dr. Danna Diaz, Superintendent of Schools  
Prepared by: Kaylie Jeffries, Executive Assistant to the Superintendent  
**Subject: Bargaining Unit Updates**  
Policy: [Board Meetings – BD/BDA, Conduct of Board Meetings – BDDF](#)  
Date: January 26, 2022

Action	<input type="checkbox"/>
Report	<input checked="" type="checkbox"/>

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**Connection to School Board Core Beliefs and Commitments**

Safety       Equity       Instructional Practice       Organizational Culture

**Strategic Plan Goal Topic 3: Student and Staff Wellness**

We will promote a healthy learning and working environment which provides students and staff with the skills, social support, and environmental reinforcement they need to adopt long-term, healthy behaviors.

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**Summary:**

Each Bargaining Group, Reynolds Education Association (REA), Oregon School Employees Association, Chapter 37 (OSEA), and Reynolds Administrative Group (RAA) will provide the Board of Directors with updates.

**Previous Board Action:**

Not Applicable

**Background:**

Not Applicable

**Financial Implications:**

Not Applicable

**Alternatives:**

Not Applicable

**Staff Recommendation:**

Not Applicable

**Motion:**

Not Applicable



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To: Board of Directors  
From: Dr. Danna Diaz, Superintendent of Schools  
Prepared by: Kaylie Jeffries, Executive Assistant to the Superintendent  
**Subject: Updated COVID Guidance**

Policy: [Board Meetings – BD/BDA, Conduct of Board Meetings – BDDF](#)

Date: January 26, 2022

<b>Action</b>	<input type="checkbox"/>
<b>Report</b>	<input checked="" type="checkbox"/>

**Connection to School Board Core Beliefs and Commitments**

Safety     Equity     Instructional Practice     Organizational Culture

**Strategic Plan Goal Topic 3: Student and Staff Wellness**

We will promote a healthy learning and working environment which provides students and staff with the skills, social support, and environmental reinforcement they need to adopt long-term, healthy behaviors.

**Summary:**

The Multnomah County Health Department and the Oregon Department of Education held meetings with school districts last week to announce changes to the COVID guidance. The isolation/quarantine period has been reduced to five days and we will no longer perform contact tracing or quarantining students exposed in masked settings. Public Health Director Jessica Guernsey and Health Office Dr. Jennifer Vines are available to answer questions.

**Previous Board Action:**

The Board has been informed about all past COVID guideline updates.

**Background:**

Not Applicable

**Financial Implications:**

Not Applicable

**Alternatives:**

Not Applicable

**Staff Recommendation:**

Not Applicable

**Motion:**

Not Applicable



*As a community, we prepare lifelong learner to achieve their full potential in a complex and interconnected world.*

To: Board of Directors  
From: Anthony Lebron, Chief Financial Officer  
Prepared by: J.R. Shellmire, Executive Assistant to the CFO  
**Subject: 2020-2021 Financial Report to the Board**  
Policy: [Financial Reports and Statements - DIC](#)  
Date: January 26, 2022

Action	<input type="checkbox"/>
Report	<input checked="" type="checkbox"/>

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**Connection to School Board Core Beliefs and Commitments**

Safety     Equity     Instructional Practice     Organizational Culture

**Strategic Plan Goal Topic 3: Student and Staff Wellness**

We will promote a healthy learning and working environment which provides students and staff with the skills, social support, and environmental reinforcement they need to adopt long-term, healthy behaviors.

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**Summary:**

Auditor Roy Rogers and company will present the annual financial reports for three Reynolds Charter Schools, Reynolds School District, and ASB funds.

Three Reynolds Charter Schools and RSD financial reports for year ending June 30, 2021:

- a. Multnomah Learning Academy – Jo Ann Lindenthal, Executive Director
- b. Reynolds Arthur Academy – Jill Domine, Director of Finance
- c. Rockwood Preparatory Academy – John Nelsen, Executive Director
- d. Reynolds School District 7 – Anthony Lebron, Chief Financial Officer and Regina Sampson, Director of Financial Services

**Previous Board Action:**

This report is presented annually.

**Background:**

Not Applicable

**Financial Implications:**

Not Applicable

**Alternatives:**

Not Applicable

**Staff Recommendation:**

Not Applicable

**Motion:**

Not Applicable

**MULTNOMAH LEARNING ACADEMY  
MULTNOMAH COUNTY, OREGON**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2021**



**12700 SW 72<sup>nd</sup> Ave.  
Tigard, OR 97223**

**MULTNOMAH LEARNING ACADEMY**  
**MULTNOMAH COUNTY, OREGON**

2020-21

**BOARD OF DIRECTORS**

<u>Name</u>	<u>Term End Date</u>
Codi Tillson, President and Secretary	June 30, 2022
Matt Luce, Treasurer	June 30, 2023
Chris Card	June 30, 2022
Andrea Rose	June 30, 2022
Erika Teyema	June 30, 2022
Jimmy Martindale	June 30, 2022

All board members receive mail at the address below:

**ADMINISTRATION**

Jo Ann Lindenthal, Executive Director  
22565 NE Halsey Street  
Fairview, OR 97024

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**MULTNOMAH LEARNING ACADEMY**  
**MULTNOMAH COUNTY, OREGON**

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

October 5, 2021

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Multnomah Learning Academy  
Multnomah County, Oregon

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

We have audited the basic financial statements of the governmental activities and major fund of Multnomah Learning Academy (the Academy) as of and for the year ended June 30, 2021, and the related notes to the basic financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Basic Financial Statements**

Management is responsible for the preparation and fair presentation of these basic 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 basic financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express opinions on these basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the basic 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 basic 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 basic 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 basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of Multnomah Learning Academy, as of June 30, 2021, and the respective changes in financial position 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 required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the Schedules of Net Pension Liability and Contributions for PERS or the Management's Discussion and Analysis because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance on them.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The other information, as listed in the table of contents, and the listing of Board members appearing before the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. They 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.

## **Report on Other Legal and Regulatory Requirements**

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated October 5, 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.

*Hans Graichen*

HANS K. GRAICHEN, CPA  
PAULY, ROGERS AND CO., P.C.

**MULTNOMAH LEARNING ACADEMY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the year ended June 30, 2021**

As management of Multnomah Learning Academy (Academy or MLA), we offer the following narrative overview and analysis of the Academy's basic financial statements for the year ended June 30, 2021. It is management's goal in preparing this discussion to assist users of these basic financial statements in interpreting key data found in the pages that follow, and to analyze the results of this fiscal year. Because the information contained in this discussion is necessarily select in nature, it should be read and interpreted in conjunction with those financial statements.

The Academy's basic financial statements consist of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

A budget-to-actual schedule is also included in this report.

The government-wide financial statements are designed to provide an overview of the Academy's financial operations, in a manner similar to a private-sector business. The Statement of Net position presents information regarding all assets and liabilities, with the difference between the two being reported as net position. Changes in net position may serve as a useful indicator of whether or not the overall financial position of the Academy is improving or deteriorating. The Statement of Activities presents information showing how the Academy's net position increased or decreased during the year under audit. All activities in the government-wide financial statements are presented on the full accrual basis of accounting, in which they are reported as soon as the event occurs, regardless of the timing of associated cash flows.

The fund financial statements are presented focusing on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the year. This information might be useful in assessing the Academy's near-term financial situation, and is useful in the preparation and analysis of annual budgets. The governmental fund financial statements provide a reconciliation to the government-wide financial statements.

An analysis of the government-wide financial statements shows the following:

- The Academy had \$2,633,991 invested in capital assets, net of related debt and depreciation at June 30, 2021.
- The Academy's assets exceeded its liabilities at June 30, 2021 by \$2,941,232.
- The Academy's net position decreased by \$169,249 from the net position at July 1, 2020 of \$3,110,481 to \$2,941,232 during fiscal year 2020-2021.

**MULTNOMAH LEARNING ACADEMY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the year ended June 30, 2021**

**CONDENSED STATEMENT OF NET POSITION**

	<u>2021</u>	<u>2020</u>	<u>% Change</u>
<b>ASSETS:</b>			
Current and other assets	\$ 3,434,007	\$ 3,082,500	11.4%
Capital assets, net of depreciation	3,950,203	4,033,238	-2.1%
Total Assets	<u>7,384,210</u>	<u>7,115,738</u>	<u>3.8%</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Pension related deferral - PERS	2,413,853	2,169,228	11.3%
<b>TOTAL ASSETS AND PENSION RELATED DEFERRALS:</b>			
	<u>\$ 9,798,063</u>	<u>\$ 9,284,966</u>	<u>5.5%</u>
<b>LIABILITIES:</b>			
Current and other liabilities	818,678	722,534	13.3%
Noncurrent liabilities	5,792,579	5,337,939	8.5%
Total Liabilities	<u>6,611,257</u>	<u>6,060,473</u>	<u>9.1%</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Pension related deferral - PERS	245,574	114,012	53.6%
<b>TOTAL LIABILITIES AND PENSION RELATED DEFERRALS:</b>			
	<u>6,856,831</u>	<u>6,174,485</u>	<u>11.1%</u>
<b>Net Position</b>			
Net investment in capital assets	2,633,991	2,567,186	2.6%
Unrestricted	307,241	543,295	-43.4%
Total Net Position	<u>2,941,232</u>	<u>3,110,481</u>	<u>-5.4%</u>
<b>TOTAL LIABILITIES, PENSION RELATED DEFERRALS AND NET POSITION:</b>			
	<u>\$ 9,798,063</u>	<u>\$ 9,284,966</u>	<u>5.5%</u>

**CONDENSED STATEMENT OF ACTIVITIES**

	<u>2021</u>	<u>2020</u>	<u>% Change</u>
<b>REVENUES:</b>			
Charges for services	\$ -	\$ 15,106	-100.0%
Operating grants / contributions	2,825	10,865	-74.0%
General revenues	5,795,018	5,274,628	9.9%
Total Revenues	<u>5,797,843</u>	<u>5,300,599</u>	<u>9.4%</u>
<b>EXPENDITURES:</b>			
Instruction	3,792,139	3,602,383	5.3%
Support services	2,098,916	1,724,668	21.7%
Enterprise community services	1,282	13,928	-90.8%
Debt service	73,140	80,225	-8.8%
Facility acquisition	1,615	41,945	-96.1%
Total Expenses	<u>5,967,092</u>	<u>5,463,149</u>	<u>9.2%</u>
Change in Net Position	(169,249)	(162,550)	-4.1%
Beginning Net Position	3,110,481	3,273,031	-5.0%
Ending Net Position	<u>\$ 2,941,232</u>	<u>\$ 3,110,481</u>	<u>-5.4%</u>

**MULTNOMAH LEARNING ACADEMY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the year ended June 30, 2021**

The Schedules of Revenues, Expenditures and Changes in Fund Balance, included in the other information, also includes the Academy's budget, which is approved by the board of directors each year. This information is useful in assessing the Academy's near-term financial situation, and in the analysis of its annual budget.

- Our revenues from State sources were \$351,075 higher than budgeted amounts due to a recalculation of actual enrollment numbers at the end of the year to State School Funds received per student throughout the year. This figure also includes final state calculations for years 19-20.
- Our revenue from local sources were \$1,020 lower than budgeted primarily due to reduced fundraising efforts.
- Our revenue from federal sources were \$51,674 higher than budgeted due to some final fiscal year payments. We received federal source funds on a reimbursement basis through our school district.
- Additional funds collected were allocated to school programs, curriculum, staffing, and property maintenance, and set aside for future curriculum adoption needs.
- Total expenditures were \$789,404 lower than budget amounts due to conservative spending due to the unknowns around the COVID pandemic and our operation, state funding and anticipated expenses to prepare campuses for Fall 2021. Our expenditures reflect our expenses from Federal sources. We have held back some of our large projects for the Summer 2021 which have since been implemented.

Please refer to the notes to the basic financial statements for a discussion of other issues related to the 2020-2021 school year. Within that section are explanations of the Academy's organization and operation, a summary of significant accounting policies, and other important information.

As of June 30, 2021, the money market account balance was \$2,101,881 pending project expenses and building maintenance. Funds not expensed in the budget get transferred from general checking into the money market account. These funds are set aside for unforeseen expenditures, our continued growth at the elementary and middle school, site projects at both campuses and potential increase in PERS expenses starting in 2021. With the pandemic, we are also using money market funds to offset additional expenses not covered under general funds such as additional staff to maintain social distancing needs and behavior supports. Funds also set aside to provide additional Professional Development reimbursement funds for our educational staff. Due to our current loan requirements, the Academy must fund all future expansions, renovations and maintenance with available cash on hand. MLA continues to do general maintenance on both campuses each summer to maintain buildings in good working order. Funds also used to pay upfront costs associated with potential distance learning/hybrid, preparing our buildings per guidance and covering staff salaries if needed. Goal is to use ESSER grant funds to cover these expenses when the funds are awarded. We are anticipating ESSER II & III grant funds between this year and next year.

We anticipate that revenues will remain consistent other than the increased State School Funds receipts for the additional students attending the middle school. We also anticipate a small reduction in revenue due to the COVID pandemic and how it is affecting state funds.

**MULTNOMAH LEARNING ACADEMY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the year ended June 30, 2021**

Staffing positions remained steady from the previous year with the exception of some additional support staff. Salaries have increased in Administrative and Instructional Salaries due to the annual percentage increase. The Academy anticipates that the current employee positions will continue through the 2021-2022 school year. Additional educational aides have been added to accommodate for student needs and to accommodate current protocols. The Academy is hoping to maintain current enrollment and staffing into the 2021-2022 school year if it balances with expected funding. The Academy will reassess if funding projections change.

This financial report is designed to provide a general overview of the Academy's finances for all those with an interest in the Academy's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director Jo Ann Lindenthal, 22565 NE Halsey St. Fairview, OR 97024.

*Jo Ann Lindenthal*, Executive Director

## BASIC FINANCIAL STATEMENTS

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MULTNOMAH LEARNING ACADEMY  
MULTNOMAH COUNTY, OREGON

STATEMENT OF NET POSITION  
at June 30, 2021

<b>ASSETS:</b>	
Current:	
Cash and cash equivalents	\$ 3,167,516
Accounts receivable	132,278
Prepaid expenses, current	93,569
Total Current Assets	3,393,363
Non-current:	
Prepaid expenses, non-current	15,298
Deposits receivable	25,346
Capital assets not being depreciated	1,432,867
Capital assets being depreciated, net of depreciation	2,517,336
Total Non-current Assets	3,990,847
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>	
Pension related deferrals - PERS	2,413,853
<b>TOTAL ASSETS AND PENSION RELATED DEFERRALS</b>	<b>\$ 9,798,063</b>
<b>LIABILITIES:</b>	
Current:	
Accounts payable	\$ 16,558
Payroll liabilities	644,249
Current portion of note payable	157,871
Total Current Liabilities	818,678
Non-current:	
Net pension liability - PERS	4,634,238
Note payable, net of current portion	1,158,341
Total Non-current Liabilities	5,792,579
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension related deferrals - PERS	245,574
<b>TOTAL LIABILITIES AND PENSION RELATED DEFERRALS</b>	<b>6,856,831</b>
<b>NET POSITION:</b>	
Net investment in capital assets	2,633,991
Unrestricted	307,241
Total Net Position	2,941,232
<b>TOTAL LIABILITIES, AND PENSION RELATED DEFERRALS AND NET POSITION</b>	<b>\$ 9,798,063</b>

See accompanying notes to the basic financial statements.

MULTNOMAH LEARNING ACADEMY  
MULTNOMAH COUNTY, 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	\$ 3,792,139	\$ -	\$ 2,825	\$ (3,789,314)
Support services	2,098,916	-	-	(2,098,916)
Enterprise and community service	1,282	-	-	(1,282)
Debt service	73,140	-	-	(73,140)
Facility acquisition	1,615	-	-	(1,615)
Total Governmental Activities	\$ 5,967,092	\$ -	\$ 2,825	(5,964,267)
General Revenues				
				253,450
				5,540,238
				1,330
				5,795,018
				(169,249)
				3,110,481
				\$ 2,941,232

See accompanying notes to the basic financial statements.

MULTNOMAH LEARNING ACADEMY  
MULTNOMAH COUNTY, OREGON

BALANCE SHEET - GOVERNMENTAL FUND  
at June 30, 2021

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	<u>GENERAL FUND</u>
ASSETS:	
Cash and cash equivalents	\$ 3,167,516
Accounts receivable	132,278
Prepaid expenses	<u>93,569</u>
Total Assets	<u><u>\$ 3,393,363</u></u>
LIABILITIES AND FUND BALANCE:	
Liabilities:	
Accounts payable	\$ 16,558
Payroll liabilities	<u>644,249</u>
Total Liabilities	<u>660,807</u>
Fund Balances:	
Nonspendable	93,569
Assigned	13,448
Unassigned	<u>2,625,539</u>
Total Fund Balances	<u>2,732,556</u>
Total Liabilities and Fund Balance	<u><u>\$ 3,393,363</u></u>

See accompanying notes to the basic financial statements.

MULTNOMAH LEARNING ACADEMY  
MULTNOMAH COUNTY, OREGON

Reconciliation of the Governmental Fund  
Balance Sheet to the Statement of Net Position  
at June 30, 2021

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Total Fund Balances - Governmental Fund	\$ 2,732,556
<p>The PERS 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.</p>	(4,634,238)
<p>Deferred inflows and outflows of resources related to the pension plan include differences between expected and actual experience, changes of assumptions, differences between projected and actual earnings, and contributions subsequent to the measurement date.</p>	
Deferred Outflows of Resources - PERS	2,413,853
Deferred Inflow of Resources - PERS	(245,574)
<p>Refundable rental deposits paid on a long-term lease contract, not receivable in the current period, are reported as an expenditure in the governmental fund. The Statement of Net Position includes those deposits among the assets of the Academy as a whole.</p>	25,346
<p>Prepaid expenditures, not expected to be used within one fiscal year, are reported as expenditures in the governmental fund. The Statement of Net Position includes all prepaid expenditures among the assets of the Academy as a whole.</p>	15,298
<p>The cost of capital assets (land, buildings and improvements, computers and</p>	3,950,203
<p>Debt applicable to the Academy's governmental activities is not due and payable in the current period and accordingly is not reported as a fund liability. All debt, both current and long-term, is reported in the Statement of Net Position.</p>	<u>(1,316,212)</u>
Net Position	<u><u>\$ 2,941,232</u></u>

See accompanying notes to the basic financial statements.

MULTNOMAH LEARNING ACADEMY  
MULTNOMAH COUNTY, OREGON

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

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REVENUES:

Federal aid	\$ 253,450
State aid	5,540,238
Earnings on investments	1,330
Miscellaneous	<u>2,825</u>
Total Revenues	<u>5,797,843</u>

EXPENDITURES:

Instruction	3,413,738
Support services	1,899,137
Enterprise and community services	1,282
Debt service	222,980
Capital outlay	<u>12,626</u>
Total Expenditures	<u>5,549,763</u>
Excess of Revenues Over, (Under) Expenditures	248,080
Beginning Fund Balance	<u>2,484,476</u>
Ending Fund Balance	<u>\$ 2,732,556</u>

See accompanying notes to the basic financial statements.

MULTNOMAH LEARNING ACADEMY  
MULTNOMAH COUNTY, OREGON

Reconciliation of the Governmental Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
to the Statement of Activities  
for the Year Ended June 30, 2021

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Total Net Changes in Fund Balances - Governmental Funds \$ 248,080

The PERS pension expense represents the changes in net pension asset (liability) from year to year due to changes in total pension liability and the fair value of pension plan net position available to pay pension benefits. (499,432)

Capital outlays are reported in the governmental fund as expenditures. However, in the Statement of Activities, the cost of those assets is capitalized and allocated over their estimated useful lives as depreciation. This is the amount by which capital outlay exceeds depreciation.

Capital outlay 11,011  
Depreciation expense (94,046)

Prepaid expenditures, not expected to be used within one fiscal year, are reported as expenditures in the governmental fund. 15,298

Repayment of principal is an expenditure in the governmental fund but reduces the liability in the Statement of Net Position.

Debt principal repaid 149,840

Change in Net Position of Governmental Activities \$ (169,249)

NOTES TO THE  
BASIC FINANCIAL STATEMENTS

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MULTNOMAH LEARNING ACADEMY  
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units as required by Oregon law. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the accounting policies are described below.

A. THE FINANCIAL REPORTING ENTITY

Multnomah Learning Academy (the Academy) is a non-profit corporation organized under provisions of Oregon Revised Statutes Chapter 338 for the purpose of operating a charter Academy. It is governed by a board of directors. Generally accepted accounting principles require that the basic financial statements present the Academy and all component units, if any. Component units, as established by the Governmental Accounting Standards Board (GASB) Statement 61, are separate entities that are included in the Academy's reporting because of the significance of their operational or financial relationships. All significant activities and entities with which the Academy exercises oversight responsibility have been considered for inclusion in the basic financial statements. There are no component units.

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

The Statement of Net Position and the Statement of Activities display information about the Academy as a whole. The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Non-exchange Transactions."

All direct expenses are reported by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function.

FUND FINANCIAL STATEMENTS

The accounts are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

MULTNOMAH LEARNING ACADEMY  
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION  
(CONTINUED)

GOVERNMENTAL FUND TYPES

Governmental funds are used to account for the general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period, which is 60 days. Grant revenue is not considered available and, therefore, is not recognized until received. Expenditures are recorded when the liability is incurred.

Revenues susceptible to accrual are federal, state, and local shared revenue.

There is the following major governmental fund:

GENERAL FUND

This fund accounts for all financial resources and expenditures, except those required to be accounted for in another fund (there are no other funds). The principal revenue sources are payments of state school support from Reynolds School District, federal aid, fees, fundraising and donations.

GRANTS

Unreimbursed expenditures due from grantor agencies are reflected in the government-wide financial statements as receivables and revenue. Grant revenues are recorded at the time eligible expenditures are incurred. Cash received from grantor agencies in excess of related grant expenditures is recorded as a liability in the Balance Sheet and Statement of Net Position.

NET POSITION

Net position is comprised of the various net earnings from operations, non-operating revenues, expenses and contributions of capital. Net position is classified in the following categories:

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 was not a restricted net position at June 30, 2021.

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.

Unrestricted net position – consists of all other assets that are not included in the other categories previously mentioned.

MULTNOMAH LEARNING ACADEMY  
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION (CONTINUED)

FUND BALANCE

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions* is followed. 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 are non-spendable, restricted, committed, assigned, and unassigned.

- Nonspendable fund balance represents amounts that are not in a spendable form. The non-spendable fund balance represents prepaid items at June 30, 2021.
- 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. The assigned balance represents funds that have been set aside to subsidize continuing education and/or development for employees of MLA who apply for the grant. Each year \$25,000 is set aside for this purpose. The assigned balance at June 30 of each year represents the unused portion for that year.
- 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.

There were no restricted or committed fund balances at year end.

The governing body has not established a policy on the order in which unrestricted resources are to be used when these amounts are available for expenditure. As a result of this, the default approach assumes that committed amounts should be reduced first, followed by assigned amounts, and then the unassigned amounts. When an expenditure is incurred for both restricted and unrestricted fund balance, it is applied to restricted fund balance first.

MULTNOMAH LEARNING ACADEMY  
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. BUDGET

A budget is prepared for the General Fund on the modified accrual basis of accounting in the main program categories as listed below. Modified accrual basis differs from accrual in that no depreciation expense is recognized, capital assets are expensed when purchased, rental deposits are expensed when not receivable in the current period, pension costs are not recorded until paid, inventory is expensed when purchased and debt principal is an expenditure when paid. The budget is prepared on a basis consistent with generally accepted accounting principles in the United States of America, except as stated above.

The expenditures budgets are made of the following levels:

LEVEL OF CONTROL

Instruction  
Support services  
Enterprise and community services  
Facilities acquisition and construction  
Debt service

Budget variances are shown on page 26.

D. CAPITAL ASSETS

Capital assets, which include equipment, buildings, land and improvements are reported in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of at least \$5,000 and a useful life in excess of one year. Capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at their estimated fair market value on the date donated. The cost of normal maintenance and repair that do not add function to the asset or materially extend the useful life of the asset are expensed as incurred.

Capital assets are depreciated using the straight-line method over the following useful lives:

Building and Improvements	50 years
Computers and Equipment	5 to 10 years
Leasehold Improvements	10 years
Furnishings	15 years

E. SUPPLY INVENTORY

Detailed supply inventory records are not maintained. Inventories are not considered to be material by management at year-end.

MULTNOMAH LEARNING ACADEMY  
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. RETIREMENT PLANS

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

G. FAIR VALUE INPUTS, 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 upon 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.

There were no investments at June 30, 2021.

MULTNOMAH LEARNING ACADEMY  
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. DEFERRED OUTFLOWS / INFLOWS OF RESOURCES

In addition to assets, the basic financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditure) until then. At June 30, 2021, there were deferred outflows representing PERS pension related deferrals reported in the Statement of Net Position.

In addition to liabilities, the basic financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. At June 30, 2021, there were deferred inflows representing PERS pension related deferrals reported in the Statement of Net Position.

I. ESTIMATES

Preparation of the 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 assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

J. PREPAID EXPENSES

Prepaid expenses are reported for curriculum for the subsequent year, licenses and services for future years and Chromebook purchases not received (risk has not transferred to the Academy) as of June 30, 2021.

K. ACCOUNTS RECEIVABLE

The accounts receivable are all current and are considered by management to be fully collectible. Therefore, no provision for uncollectable amounts has been made.

L. DEPOSITS RECEIVABLE

Deposits receivable are reported for payment of a security deposit equal to one month rent on the property leased at 3240 S. Troutdale Road, Troutdale, Oregon. The deposit will be returned to the Academy within sixty days of the termination of the lease.

2. CASH AND INVESTMENTS

DEPOSITS

Deposits with financial institutions include bank demand deposits. 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 total bank balance per the bank statements as of June 30, 2021 was \$3,180,032, of which \$500,000 was covered by federal depository insurance and the remainder was collateralized by the Oregon Public Funds Collateralization Program (PFCP).

MULTNOMAH LEARNING ACADEMY  
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

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2. CASH AND INVESTMENTS (CONTINUED)

At June 30, 2021 cash and cash equivalents consisted of the following:

Bank Demand Deposits	\$ 1,065,635
Money Market	<u>2,101,881</u>
Total	<u>\$ 3,167,516</u>

CREDIT RISK – DEPOSITS

In the case of deposits, this is the risk that in the event of a bank failure, deposits may not be returned. There is no deposit policy for custodial credit risk unless held at a qualified depositor for public funds. As of June 30, 2021 none of the bank balances were exposed to custodial credit risk.

INVESTMENTS

Policy is to follow state statutes governing cash management. Statutes authorize investing in banker's acceptances, repurchase agreements, obligations of the United States and its agencies and instrumentalities.

INTEREST RATE RISK - INVESTMENTS

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. There were no investments.

CREDIT RISK - INVESTMENTS

Oregon Revised Statutes do not limit investments as to credit rating for securities purchased from US Government Agencies or USGSE.

CONCENTRATION OF CREDIT RISK

At June 30, 2021 there were no investments.

MULTNOMAH LEARNING ACADEMY  
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

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3. CAPITAL ASSETS

Changes in capital assets for the year ended June 30, 2021 are as follows:

	July 1, 2020	Additions	Deletions	June 30, 2021
Capital Assets, Non-Depreciable				
Land	\$ 1,432,867	\$ -	\$ -	\$ 1,432,867
Capital Assets, Depreciable				
Buildings and improvements	\$ 2,986,935	\$ -	\$ -	\$ 2,986,935
Computers and equipment	205,087	-	-	205,087
Leasehold improvements	241,229	11,011	-	252,240
Totals	3,433,251	11,011	-	3,444,262
Accumulated Depreciation				
Buildings and improvements	592,099	59,738	-	651,837
Computers and equipment	157,597	9,910	-	167,507
Leasehold improvements	83,184	24,398	-	107,582
Total Accumulated Depreciation	832,880	94,046	-	926,926
Net Capital Assets, Depreciable	\$ 2,600,371			\$ 2,517,336

All depreciation expense for the year was charged to Support Services.

MULTNOMAH LEARNING ACADEMY  
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

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4. DEFINED BENEFIT PENSION PLAN

Plan Description – The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited 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.

- a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
- i. **Pension Benefits.** The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results. A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.
  - ii. **Death Benefits.** Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following contributions are met:
    - member was employed by PERS employer at the time of death,
    - member died within 120 days after termination of PERS covered employment,
    - member died as a result of injury sustained while employed in a PERS-covered job, or
    - member was on an official leave of absence from a PERS-covered job at the time of death.
  - iii. **Disability Benefits.** A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
  - iv. **Benefit Changes After Retirement.** Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

MULTNOMAH LEARNING ACADEMY  
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

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4. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

**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. Effective January 1, 2020, Senate Bill 1049 requires employees to pay contributions on re-employed PERS retirees' salaries as if they were an active member, excluding IAP (6%) contributions. Employer contributions for the year ended June 30, 2021 were \$909,015, excluding amounts to fund employer specific liabilities.

**Pension Asset or Liability**

At June 30, 2021, the Academy reported a net pension liability of \$4,634,238 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2018. The Academy's proportion of the net pension liability was based on a projection of the Academy'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 dates of June 30, 2020 and 2019, the Academy's proportion was .021 and .023 percent, respectively. Pension expense for the year ended June 30, 2021 was \$499,432.

MULTNOMAH LEARNING ACADEMY  
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

**4. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

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

- (1) Tier 1/Tier 2 – 32.03%
- (2) OPSRP general services – 26.58%

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 203,963	\$ -
Changes in assumptions	248,705	8,714
Net difference between projected and actual earnings on pension plan investments	544,926	-
Net changes in proportionate share	363,951	236,860
Difference between employer contributions and proportionate share of contributions	143,293	-
Subtotal - amortized deferrals (below)	1,504,838	245,574
Academy contributions subsequent to measurement date	909,015	-
Deferred outflow (inflow) of resources	\$ 2,413,853	\$ 245,574

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.

Subtotal amounts related to pension as deferred outflows of resources, \$1,504,838, and deferred inflows of resources, (\$245,574), net to \$1,259,264 and will be recognized in pension expense as follows:

Year ending June 30,	Amount
2022	\$ 379,403
2023	405,006
2024	317,346
2025	165,491
2026	(7,982)
Total	\$ 1,259,264

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated March 12, 2021. Oregon PERS produces an independently audited CAFR which can be found at:

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

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

MULTNOMAH LEARNING ACADEMY  
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

**4. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

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:**

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

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

**Assumed Asset Allocation:**

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%
Opportunity Portfolio	0.0%	3.0%	0.0%
Risk Parity	0.0%	2.5%	2.5%

Source: June 30, 2020 PERS CAFR; p. 102

MULTNOMAH LEARNING ACADEMY  
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

4. DEFINED BENEFIT PENSION PLAN (CONTINUED)

**Long-Term Expected Rate of Return:**

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

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%
MicroCap 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	0.38%	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 CAFR; p. 74*

**Discount Rate** – The discount rate used to measure the total pension liability as of the measurement dates of June 30, 2020 and 2019 was 7.20 percent for both years, 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.

MULTNOMAH LEARNING ACADEMY  
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

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**4. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

Sensitivity of the Academy’s proportionate share of the net pension liability to changes in the discount rate – The following presents the Academy’s proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the Academy’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate.

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
Academy's proportionate share of the net pension liability (asset)	\$ 6,881,461	\$ 4,634,238	\$ 2,749,838

**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.

**OPSRP Individual Account Program (OPSRP IAP)**

*Plan Description:*

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

*Pension Benefits:*

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

MULTNOMAH LEARNING ACADEMY  
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

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4. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

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

5. OTHER POST-EMPLOYMENT BENEFIT PLAN – (RHIA)

**Retirement Health Insurance Account**

*Plan Description:*

As a member of Oregon Public Employees Retirement System (OPERS) the Academy 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.

MULTNOMAH LEARNING ACADEMY  
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

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5. OTHER POST-EMPLOYMENT BENEFIT PLAN – (RHIA) (CONTINUED)

*Funding Policy:*

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

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the Academy 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 Academy's contributions to RHIA for the year ended June 30, 2021 were not considered material to the basic financial statements by management.

At June 30, 2021, the Academy's net OPEB liability/(asset) and deferred inflows and outflows for RHIA were not considered material to the basic financial statements by management and were not accrued in the government- wide statements.

6. OPERATING LEASES

There is a lease with Pacific Office Automation for copiers with a payment term of \$1,500 per month which expired on September 30, 2020. A new lease with Pacific Office Automation with a payment term of \$1,561 per month began October 1, 2020 and ends September 30, 2025. Total lease expenses under the copier leases for the year ended June 30, 2021 was \$20,935 which included overage charges.

There is a lease agreement with Yoshida Real Estate Holdings XV, LLC ending June 30, 2023 for the middle school located in Troutdale, OR (the Academy owns the property and buildings for the grade school, but not for the middle school). Current base rent is \$34,384 per month with scheduled annual increases. In addition to the base rent, the Academy will pay or reimburse Yoshida Real Estate Holdings XV, LLC upon demand all changes, costs and expenses incurred by Yoshida Real Estate Holdings XV, LLC pertaining to the premises. The current estimated additional rent per month for operating expenses is \$4,244, and \$1,046 a month for the dock lease or playground locations, which is included in each year of the future minimum lease payments below. Total lease expenses under these leases for the year ended June 30, 2021 were \$464,643, which included additional rent and dock lease charges, and storage.

MULTNOMAH LEARNING ACADEMY  
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

6. OPERATING LEASES (CONTINUED)

Future minimum payments on these leases are as follows:

Year	Real Property	Copiers	Total
2022	\$ 469,789	\$ 18,732	\$ 488,521
2023	469,789	18,732	488,521
2024	-	18,732	18,732
2025	-	18,732	18,732
2026	-	4,683	4,683
	<u>\$ 939,578</u>	<u>\$ 79,611</u>	<u>\$ 1,019,189</u>

There is a month-to-month service agreement for IT support services. The monthly payment under the agreement for the elementary school is \$3,040 per month. The monthly payment under the agreement for the middle school is \$2,640 per month. Total service agreement for the year ended June 30, 2021 for the elementary school was \$36,490. Total service agreement for the year ended June 30, 2021 for the middle school was \$31,665. Since this is a month-to-month service agreement, there are no future minimum payments reflected in the above table.

7. LONG TERM OBLIGATIONS

Changes in the note payable are as follows:

Issue Date	Interest Rate	Original Issue	Outstanding 7/1/2020	Issued	Matured and Redeemed	Outstanding 6/30/2021
July 2, 2018	5.15%	\$ 1,733,000	\$ 1,466,052	\$ -	\$ 149,840	\$ 1,316,212

A note was entered into on July 2, 2018 with Columbia State Bank at 5.15% interest in 30 monthly payments of \$18,572 and a final payment of \$17,324 due July 1, 2028. In the event of default, the full balance of the loan may become immediately due at the discretion of the lender.

The note is collateralized by land, buildings and improvements costing \$3,487,082. For the year ended June 30, 2021 total depreciation on these assets was \$41,668. At June 30, 2021 accumulated depreciation was \$541,346 and the net book value of the collateral was \$2,945,736. The annual principal and interest on the JP Morgan Chase debt is payable as follows:

Year	Principal	Interest	Total
2021-22	\$ 157,871	\$ 64,313	\$ 222,184
2022-23	166,315	55,834	222,149
2023-24	175,083	47,028	222,111
2024-25	184,574	37,496	222,070
2025-26	194,445	27,582	222,027
2026-29	437,924	23,287	461,211
	<u>\$ 1,316,212</u>	<u>\$ 255,540</u>	<u>\$ 1,571,752</u>

MULTNOMAH LEARNING ACADEMY  
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

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8. RISK MANAGEMENT

There is exposure to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Commercial insurance is purchased to minimize exposure to these risks. Settled claims have not exceeded this commercial coverage in the last three fiscal years.

9. COMMITMENTS & CONTINGENCIES

A substantial portion of operating funding is received from the State of Oregon through the Reynolds School District. State funding is determined through state-wide revenue projections that are paid to individual school districts based on pupil counts and other factors in the state school fund revenue formula. Since these projections and pupil counts fluctuate, they can cause increases or decreases in revenue. Due to these future uncertainties at the state level, the future effect on operations cannot be determined.

The Academy operates under authority of the Reynolds School District who grants a charter to the Academy and exercises some oversight as required by Oregon law. The effect of non-renewal of the charter has not been determined.

The COVID-19 outbreak in the United States has caused substantial disruption to business and local governments due to mandated and voluntary suspension of operations and stay at home orders. There is considerable uncertainty around the duration of the outbreak and the long-term impact to the overall economy.

10. TAX STATUS

The Academy is established pursuant to Section 501(c)(3) of the Internal Revenue Code, and, accordingly, the change in net position is exempt from income taxes. A favorable determination letter has been obtained from the Internal Revenue Service and the Board believes that the Academy, continues to qualify and to operate in accordance with applicable provisions of the Internal Revenue Code.

U.S. Generally Accepted Accounting Principles requires management to evaluate tax positions taken and recognize a tax liability (or asset) if an uncertain position has been taken that more likely would not be sustained upon examination by the Internal Revenue Service. The Academy is subject to routine audits by taxing jurisdictions; however, there is currently no audit for any tax period in progress. Management believes it is no longer subject to income tax examinations for years prior to 2017.

REQUIRED  
SUPPLEMENTARY INFORMATION

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MULTNOMAH LEARNING ACADEMY  
MULTNOMAH COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION  
at June 30, 2021

PERS

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) Entity'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	0.021 %	\$ 4,634,238	\$ 2,366,278	195.8 %	75.8 %
2020	0.023	4,021,743	1,982,159	202.9	80.2
2019	0.020	3,079,511	1,887,078	163.2	82.1
2018	0.018	2,434,546	1,594,985	152.6	83.1
2017	0.016	2,334,770	1,275,194	183.1	80.5
2016	0.015	854,245	895,047	95.4	91.9
2015	0.014	(314,299)	871,608	(36.1)	103.6
2014	0.014	707,594	751,557	94.2	92.0

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date at 6/30 for each year presented.

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	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	\$ 909,015	\$ 909,015	\$ -	\$ 2,625,443	34.6 %
2020	740,274	740,274	-	2,366,278	31.3
2019	506,191	506,191	-	1,982,159	25.5
2018	524,179	524,179	-	1,887,078	27.8
2017	379,129	379,129	-	1,594,985	23.8
2016	327,116	327,116	-	1,275,194	25.7
2015	238,279	238,279	-	895,047	26.6
2014	218,808	218,808	-	871,608	25.1

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date at 6/30 for each year presented.

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.

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## OTHER INFORMATION

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MULTNOMAH LEARNING ACADEMY  
MULTNOMAH COUNTY, OREGON

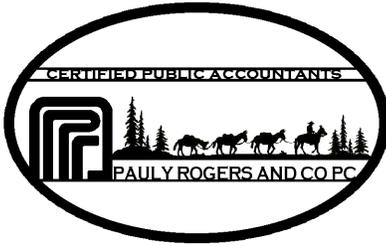
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 GOVERNMENTAL FUND  
 - ACTUAL AND BUDGET -  
 for the Year Ended June 30, 2021

REVENUES:	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
Federal sources	\$ 201,776	\$ 201,776	\$ 253,450	\$ 51,674
State sources	5,189,163	5,189,163	5,540,238	351,075
Local sources	<u>5,175</u>	<u>5,175</u>	<u>4,155</u>	<u>(1,020)</u>
Total Revenues	<u>5,396,114</u>	<u>5,396,114</u>	<u>5,797,843</u>	<u>401,729</u>
 EXPENDITURES:				
Instruction	3,569,791	3,569,791	3,413,738	156,053
Support services	2,517,420	2,517,420	1,899,137	618,283
Enterprise and community services	4,694	4,694	1,282	3,412
Facilities acquisition and construction	24,400	24,400	12,626	11,774
Debt service	<u>222,862</u>	<u>222,862</u>	<u>222,980</u>	<u>(118)</u>
Total Expenditures	<u>6,339,167</u>	<u>6,339,167</u>	<u>5,549,763</u>	<u>789,404</u>
Net Change in Fund Balance	(943,053)	(943,053)	248,080	1,191,133
Beginning Fund Balance	<u>400,766</u>	<u>400,766</u>	<u>2,484,476</u>	<u>2,083,710</u>
Ending Fund Balance	<u>\$ (542,287)</u>	<u>\$ (542,287)</u>	<u>\$ 2,732,556</u>	<u>\$ 3,274,843</u>

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**REPORTS ON LEGAL AND  
OTHER REGULATORY REQUIREMENTS**

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**PAULY, ROGERS, AND CO., P.C.**  
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October 5, 2021

### **Independent Auditors' Report Required by Oregon State Regulations**

We have audited the basic financial statements of the Multnomah Learning Academy as of and for the year ended June 30, 2021, and have issued our report thereon dated October 5, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

### **Compliance**

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

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

- **Deposits of public funds with financial institutions (ORS Chapter 295)**
- **Insurance and fidelity bonds in force or required by law.**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**
- **Programs funded from outside sources.**
- **Indebtedness limitations, restrictions and repayment.**

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

### **OAR 162-10-0230 Internal Control**

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

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

*Hans Graichen*

HANS K. GRAICHEN, CPA  
PAULY, ROGERS AND CO., P.C.

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**MASTERY LEARNING INSTITUTE  
ARTHUR ACADEMY - REYNOLDS  
MULTNOMAH COUNTY, OREGON**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2021**



12700 SW 69<sup>nd</sup> Ave.  
Tigard, OR 97223

**MASTERY LEARNING INSTITUTE – ARTHUR ACADEMY – REYNOLDS**  
**MULTNOMAH COUNTY, OREGON**

FINANCIAL REPORT

For the Year Ended June 30, 2021

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**MASTERY LEARNING INSTITUTE – ARTHUR ACADEMY – REYNOLDS**  
**MULTNOMAH COUNTY, OREGON**

2020-21

<u>BOARD OF DIRECTORS</u>	<u>Term Expiration</u>
Bonnie Grossen, PhD – Chair/President	October 30, 2022
Charles Arthur – Member	October 30, 2022
Gary Davis – Member	October 30, 2023
Teresa Schantin – Member	October 30, 2023
Jerry Silbert – Member	October 30, 2023
Robert M Snee – Member	October 30, 2022
Susan Spreadborough – Member	October 30, 2023

All board members receive mail at the address below:

Stephani Walker, Executive Director  
Mastery Learning Institute  
13809 S.E. Division  
Portland, Oregon 97236

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**MASTERY LEARNING INSTITUTE – ARTHUR ACADEMY – REYNOLDS  
MULTNOMAH COUNTY, OREGON**

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

September 29, 2021

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Mastery Learning Institute – Arthur Academy – Reynolds  
Multnomah County, Oregon

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

We have audited the basic financial statements of the governmental activities and major fund of Mastery Learning Institute-Arthur Academy-Reynolds (the School), as of and for the year ended June 30, 2021, and the related notes to the basic 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 basic 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 basic financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express opinions on these basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the basic 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 basic 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 basic 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 basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and major fund of Mastery Learning Institute-Arthur Academy-Reynolds as of June 30, 2021, and the respective changes in financial position 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 required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the required Schedules of Net Pension Liability and Contributions for PERS or the Management's Discussion and Analysis because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance on them.

### *Other Information*

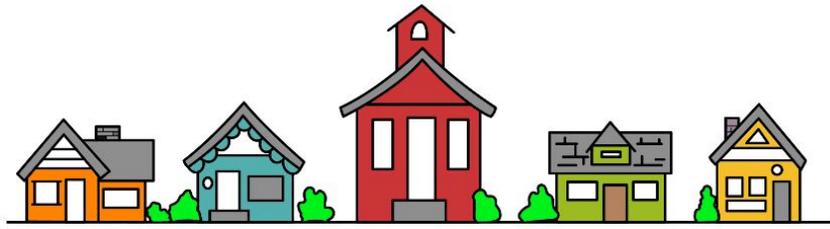
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The listing of board members, as located before the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

## **Reports on Legal and Other Regulatory Requirements**

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated September 29, 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.

*Hans Graichen*

HANS K. GRAICHEN, CPA  
PAULY, ROGERS AND CO., P.C.



# ARTHUR ACADEMY

## Public Charter School

### MASTERY LEARNING INSTITUTE – ARTHUR ACADEMY – REYNOLDS MANAGEMENT’S DISCUSSION AND ANALYSIS For the year ended June 30, 2021

As management of Mastery Learning Institute – Arthur Academy – Reynolds Charter School (the School), we offer the following narrative overview and analysis of the School’s financial statements for the year ended June 30, 2021. Because the information contained in this discussion is select in nature, it should be considered in conjunction with the financial statements included in this audit report.

#### Financial Highlights

- The School showed an increase in its financial position during the year ended June 30, 2021. Our total assets increased from \$2,708,586 to \$3,017,803 of which \$1,611,777 are capital assets, net of depreciation.
- Liabilities of \$174,096 were all current as of June 30, 2021, which excludes the net pension liability of \$1,684,538.
- Our total net position increased from \$1,827,809 to \$1,866,767. All activities of the School are governmental activities.
- The increase in net position was \$38,958.
- Our revenues came primarily from State School Fund revenues, which were \$1,603,355. Federal aid totaled \$125,625 and other revenues totaled \$17,723. Total revenues from all sources for the year were \$1,746,703.
- Our expenses totaled \$1,707,745 for the year. Our largest expenditures were for instructional costs, which totaled \$1,146,936.

The School’s financial statements consist of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

The government-wide financial statements are designed to provide an overview of the School’s financial operations, in a manner similar to a private-sector business. The statement of net position presents information regarding all assets and liabilities, with the difference between the two being reported as net position. Changes in net position may serve as a useful indicator of whether or not the overall financial position of the School is improving or deteriorating. The statement of activities presents information showing how the School’s net position increased or decreased during the year under audit. All activities in the government-wide financial statements are presented on the full accrual basis of accounting, in which they are reported as soon as the event occurs, regardless of the timing of associated cash flows.

The fund financial statements are presented focusing on near-term inflows and outflows of available resources, as well as balances of available resources available at the end of the year. The Reconciliation of Governmental Funds provides reconciliation between the fund financial statements and the government-wide financial statements.

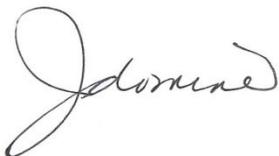
	2021	2020	% Change
<b>Assets</b>			
Current and other assets	\$ 1,406,026	\$ 1,020,357	37.8%
Capital assets (net)	1,611,777	1,688,229	-4.5%
<b>Total Assets</b>	<u>3,017,803</u>	<u>2,708,586</u>	<u>11.4%</u>
<b>Deferred Outflows of Resources</b>			
Pension related deferrals - PERS	758,708	805,787	-5.8%
<b>Total Assets and Pension Related Deferrals</b>	<u>\$ 3,776,511</u>	<u>\$ 3,514,373</u>	<u>7.5%</u>
<b>Liabilities</b>			
Current and other liabilities	\$ 174,096	\$ 175,201	-0.6%
Net pension liabilities - PERS	1,684,538	1,364,093	23.5%
<b>Total Liabilities</b>	<u>1,858,634</u>	<u>1,539,294</u>	<u>20.7%</u>
<b>Deferred Inflows of Resources</b>			
Pension related deferrals - PERS	51,110	147,270	-65.3%
<b>Total Liabilities and Pension Related Deferrals</b>	<u>1,909,744</u>	<u>1,686,564</u>	<u>13.2%</u>
<b>Net Position</b>			
Net investment in capital assets	1,611,777	1,688,229	-4.5%
Unrestricted	254,990	139,580	82.7%
<b>Total Net Position</b>	<u>1,866,767</u>	<u>1,827,809</u>	<u>2.1%</u>
<b>Total Liabilities, Pension Related Deferrals and Net Position</b>	<u>\$ 3,776,511</u>	<u>\$ 3,514,373</u>	<u>7.5%</u>

	2021	2020	% Change
<b>Revenues</b>			
Charges for services	\$ 1,236	\$ 17,753	-93.0%
General revenues	1,745,467	1,783,780	-2.1%
<b>Total Revenues</b>	<u>1,746,703</u>	<u>1,801,533</u>	<u>-3.0%</u>
<b>Expenses</b>			
Instruction	1,146,936	1,064,038	7.8%
Support services	482,028	539,404	-10.6%
Facilities acquisition & development	2,329	-	100.0%
Unallocated depreciation	76,452	107,980	-29.2%
<b>Total Expenses</b>	<u>1,707,745</u>	<u>1,711,422</u>	<u>-0.2%</u>
<b>Change in Net Position</b>	38,958	90,111	-56.8%
<b>Beginning Net Position</b>	1,827,809	1,737,698	5.2%
<b>Ending Net Position</b>	<u>\$ 1,866,767</u>	<u>\$ 1,827,809</u>	<u>2.1%</u>

As we write this in the fall of 2021, we are currently at an enrollment of 165 students. We expect student enrollment to remain the same. Student retention has been good, with a waiting list for enrollments. The School's revenues remain difficult to predict due to the unstable school funding environment in Oregon. The School's Board of Directors remains committed to budgeting conservatively to handle possible downward trends in per-pupil funding, should that result.

Please refer to the notes to the financial statements for a discussion of other issues related to the 2020-2021 year. Within that section are explanations of Arthur Academy- Reynolds' organization and operation, a summary of significant accounting policies, and other important information.

This financial report is designed to provide a general overview of the School's finances for all those with an interest in the School's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Business, Jill Domine, Arthur Academy - Reynolds, 13809 S.E. Division, Portland, Oregon 97236.



Jill Domine  
Arthur Academy  
Director of Business

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## BASIC FINANCIAL STATEMENTS

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**MASTERY LEARNING INSTITUTE - ARTHUR ACADEMY - REYNOLDS**  
**MULTNOMAH COUNTY, OREGON**

STATEMENT OF NET POSITION  
at June 30, 2021

ASSETS:

Cash and cash equivalents	\$ 1,279,737
Accounts receivable	102,173
Related party receivable	22,033
Prepaid expenses	2,083
Capital assets, net of depreciation	<u>1,611,777</u>

Total Assets 3,017,803

DEFERRED OUTFLOWS OF RESOURCES:

Pension related deferrals - PERS	<u>758,708</u>
----------------------------------	----------------

TOTAL ASSETS AND PENSION RELATED DEFERRALS \$ 3,776,511

LIABILITIES:

Accounts payable	\$ 1,483
Related party payable	45,571
Net pension liabilities - PERS	1,684,538
Payroll liabilities	<u>127,042</u>

Total Liabilities 1,858,634

DEFERRED INFLOWS OF RESOURCES:

Pension related deferrals - PERS	<u>51,110</u>
----------------------------------	---------------

TOTAL LIABILITIES AND PENSION RELATED DEFERRALS 1,909,744

NET POSITION:

Net investment in capital assets	1,611,777
Unrestricted	<u>254,990</u>

Total Net Position 1,866,767

TOTAL LIABILITIES, PENSION RELATED DEFERRALS AND NET POSITION \$ 3,776,511

See accompanying notes to the basic financial statements.

**MASTERY LEARNING INSTITUTE - ARTHUR ACADEMY - REYNOLDS  
MULTNOMAH COUNTY, OREGON**

STATEMENT OF ACTIVITIES  
for the Year Ended June 30, 2021

FUNCTIONS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
Instruction	\$ 1,146,936	\$ 1,021	\$ -	\$ (1,145,915)
Support Services	482,028	215	-	(481,813)
Facilities Acquisition & Development	2,329	-	-	(2,329)
Unallocated Depreciation	76,452	-	-	(76,452)
Total Governmental Activities	\$ 1,707,745	\$ 1,236	\$ -	(1,706,509)
General Revenues:				
Federal aid				125,625
State aid				1,603,355
Miscellaneous				16,487
Total General Revenues				1,745,467
Changes in Net Position				38,958
Net Position-Beginning				1,827,809
Net Position - Ending				\$ 1,866,767

See accompanying notes to the basic financial statements.

**MASTERY LEARNING INSTITUTE - ARTHUR ACADEMY - REYNOLDS**  
**MULTNOMAH COUNTY, OREGON**

**BALANCE SHEET - GOVERNMENTAL FUND**  
**at June 30, 2021**

---

ASSETS:

Cash and cash equivalents	\$ 1,279,737
Accounts receivable	102,173
Related party accounts receivable	22,033
Prepaid expenses	<u>2,083</u>
 Total Assets	 <u><u>\$ 1,406,026</u></u>

LIABILITIES:

Accounts payable	\$ 1,483
Related party payable	45,571
Payroll liabilities	<u>127,042</u>
 Total Liabilities	 <u>174,096</u>

FUND BALANCES:

Nonspendable	2,083
Unassigned	<u>1,229,847</u>
 Total Fund Balances	 <u>1,231,930</u>
  Total Liabilities and Fund Balance	  <u><u>\$ 1,406,026</u></u>

See accompanying notes to the basic financial statements.

**MASTERY LEARNING INSTITUTE - ARTHUR ACADEMY - REYNOLDS**  
**MULTNOMAH COUNTY, OREGON**

RECONCILIATION OF THE GOVERNMENTAL FUND  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
at June 30, 2021

---

Fund Balance - Governmental Fund \$ 1,231,930

The PERS 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.

Net Pension Liability - PERS (1,684,538)

Deferred inflows and outflows of resources related to the pension plan include differences between expected and actual experience, changes of assumptions, differences between projected and actual earnings, and contributions subsequent to the measurement date.

Deferred Inflows of Resources - PERS (51,110)  
Deferred Outflows of Resources - PERS 758,708

The cost of capital assets (site improvements, buildings and improvements, and equipment) purchased or constructed is reported as an expenditure in the governmental fund. The Statement of Net Position includes those capital assets among the assets of the School as a whole.

Capital assets, net of depreciation 1,611,777

Net Position \$ 1,866,767

87  
See accompanying notes to the basic financial statements.

**MASTERY LEARNING INSTITUTE - ARTHUR ACADEMY - REYNOLDS**  
**MULTNOMAH COUNTY, OREGON**

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

---

REVENUES:

Federal aid	\$ 125,625
State aid	1,603,355
Fees and charges	1,236
Miscellaneous	<u>16,487</u>
Total Revenues	<u>1,746,703</u>

EXPENDITURES:

Current:	
Instruction	925,716
Support service	431,884
Capital Outlay:	
Facilities acquisition and development	<u>2,329</u>
Total Expenditures	<u>1,359,929</u>

Excess of Revenues Over, (Under) Expenditures	386,774
Beginning Fund Balance	<u>845,156</u>
Ending Fund Balance	<u><u>\$ 1,231,930</u></u>

**MASTERY LEARNING INSTITUTE - ARTHUR ACADEMY - REYNOLDS**  
**MULTNOMAH COUNTY, OREGON**

RECONCILIATION OF THE GOVERNMENTAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
TO THE STATEMENT OF ACTIVITIES  
for the Year Ended June 30, 2021

---

Net Change in Fund Balance - Governmental Fund \$ 386,774

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

Pension Expense - PERS (271,364)

Capital outlays are reported in the governmental fund as expenditures. However, in the statement of activities, the cost of those assets is capitalized and allocated over their estimated useful lives as depreciation expense.

Depreciation Expense (76,452)

Change in Net Position of Governmental Activities \$ 38,958

See accompanying notes to <sup>89</sup>the basic financial statements.

NOTES TO THE  
BASIC FINANCIAL STATEMENTS

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**MASTERY LEARNING INSTITUTE – ARTHUR ACADEMY – REYNOLDS**  
**MULTNOMAH COUNTY, OREGON**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units as required by Oregon law. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the accounting policies are described below.

**A. THE FINANCIAL REPORTING ENTITY**

Arthur Academy – Reynolds (the School) is a non-profit corporation organized under provisions of Oregon Revised Statutes Chapter 338 for the purpose of operating a charter school. It is governed by a board of directors. Accounting principles generally accepted in the United States of America require that these financial statements present Arthur Academy – Reynolds and all component units, if any. Component units, as established by the Governmental Accounting Standards Board (GASB) Statement 61, are separate entities that are included in the School’s reporting because of the significance of their operational or financial relationships. All significant activities and entities with which the School exercises oversight responsibility have been considered for inclusion in the basic financial statements. There are no component units.

**B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)**

The Statement of Net Position and Statement of Activities display information about the School as a whole.

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 “Accounting and Financial Reporting for Non-exchange Transactions.”

All direct expenses are reported by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function.

**FUND FINANCIAL STATEMENTS**

The accounts are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

**MASTERY LEARNING INSTITUTE – ARTHUR ACADEMY – REYNOLDS  
MULTNOMAH COUNTY, OREGON**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

---

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

**B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION  
(CONTINUED)**

**GOVERNMENTAL FUND TYPES**

Governmental funds are used to account for general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period, which is 60 days. Grant revenue is not considered available and, therefore, is not recognized until received. Expenditures are recorded when the liability is incurred.

Revenues susceptible to accrual are federal, state, and local shared revenue.

There is the following major governmental fund:

**GENERAL FUND**

This fund accounts for all financial resources and expenditures, except those required to be accounted for in another fund (there are no other funds). The principal revenue sources are payments of state school support from Reynolds School District, federal aid, program fees, fundraising and donations.

**GRANTS**

Unreimbursed expenditures due from grantor agencies are reflected in the government-wide financial statements as receivables and revenues. Grant revenues are recorded at the time eligible expenditures are incurred. Cash received from grantor agencies in excess of related grant expenditures is recorded as a liability in the balance sheet and statement of net position.

**NET POSITION**

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

Net investment in capital assets – consists of assets that are invested in buildings, equipment and other capital assets, net of any related debt and depreciation.

Restricted – consists of external constraints placed on net position use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. There was no restricted net position at June 30, 2021.

Unrestricted – consists of all other categories of net position that are not included in the other categories previously mentioned.

**MASTERY LEARNING INSTITUTE – ARTHUR ACADEMY – REYNOLDS  
MULTNOMAH COUNTY, OREGON**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

---

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

**B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION (CONTINUED)**

**DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

In addition to assets, the basic financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. At June 30 2021, there were deferred outflows representing PERS pension related deferrals reported in the Statement of Net position.

In addition to liabilities, the basic financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. At June 30 2021, there were deferred inflows representing PERS pension related deferrals reported in the Statement of Net Position.

**FUND EQUITY**

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions* is followed. 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 are non-spendable, restricted, committed, assigned, and unassigned.

- Non-spendable represents amounts that are not in a spendable form. Non-spendable amounts represent a deposit for a field trip.
- Restricted 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 represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.
- Assigned 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 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.

There were no restricted, committed, or assigned fund balances at year end.

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.

**MASTERY LEARNING INSTITUTE – ARTHUR ACADEMY – REYNOLDS**  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

**C. BUDGET**

A budget is prepared for the General Fund on the modified accrual basis of accounting in the main program categories as listed below. Modified accrual basis differs from accrual in the fact that no depreciation expense is recognized, capital assets are expensed when purchased, debt is expensed when paid, pension costs are not recorded until paid, and inventory is expensed when purchased. The budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America, except as noted above.

The expenditure budgets are made at the following levels:

**LEVEL OF CONTROL**

- Salaries and Associated Payroll Costs
- Purchased Services
- Supplies and Materials
- Capital Outlay

**D. CAPITAL ASSETS**

Capital assets, which include buildings, site improvements and equipment, are reported in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at their estimated fair market value on the date donated. The cost of normal maintenance and repair that do not add function to the asset or materially extend the useful life of the asset are expensed as incurred.

Capital assets are depreciated using the straight line method over the following useful lives:

Site Improvements	10 years
Building and Improvements	50 years
Equipment	5 to 10 years

**E. SUPPLY INVENTORY**

Detailed supply inventory records are not maintained. Inventory on hand at year end was considered immaterial by management.

**F. PREPAID EXPENSES**

Prepaid expenses represent a deposit for a field trip occurring after fiscal year-end.

**G. ACCOUNTS RECEIVABLE**

Management believes all accounts receivable are fully collectable; therefore, an allowance for doubtful accounts has not been determined. All accounts receivable are current.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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

**H. ESTIMATES**

Preparation of the 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 assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**I. RETIREMENT PLANS**

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

**J. FAIR VALUE INPUTS, 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 upon 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.

There were no investments at June 30, 2021.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**2. TAX STATUS**

The School is established pursuant to Section 501(c)(3) of the Internal Revenue Code, and, accordingly, the change in net position is exempt from income taxes. A favorable determination letter has been obtained from the Internal Revenue Service and the Board believes that the School continues to qualify and operate in accordance with applicable provisions of the Internal Revenue Code.

U.S. Generally Accepted Accounting Principles require management to evaluate tax positions taken and recognize a tax liability (or asset) if an uncertain position has been taken that more likely than not would not be sustained upon examination by the Internal Revenue Service. The School is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes it is no longer subject to income tax examinations for years prior to 2017.

**3. CASH AND INVESTMENTS**

**DEPOSITS**

Deposits with financial institutions include bank demand deposits. 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 total bank balance per the bank statements as of June 30, 2021 was \$1,281,736, of which \$250,000 was covered by federal depository insurance and the remainder was collateralized by the Oregon Public Funds Collateralization Program (PFCP).

At June 30, 2021 cash and cash equivalents consisted of the following:

Bank Demand Deposits	\$ 1,279,725
Cash on Hand	<u>12</u>
Total	<u><u>\$ 1,279,737</u></u>

**CREDIT RISK – DEPOSITS**

In the case of deposits, this is the risk that in the event of a bank failure, deposits may not be returned. There is no deposit policy for custodial credit risk. As of June 30, 2021 none of the bank balance was exposed to custodial credit risk.

**INVESTMENTS**

Policy is to follow state statutes governing cash management. Statutes authorize investing in banker's acceptances, repurchase agreements, obligations of the United States and its agencies and instrumentalities.

**INTEREST RATE RISK - INVESTMENTS**

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. There were no investments.

**CREDIT RISK - INVESTMENTS**

Oregon Revised Statutes do not limit investments as to credit rating for securities purchased from US Government Agencies or USGSE.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**3. CASH AND INVESTMENTS (CONTINUED)**

**CONCENTRATION OF CREDIT RISK**

At June 30, 2021 there were no investments.

**4. CAPITAL ASSETS**

Changes in capital assets for the year ended June 30, 2021 are as follows:

	<u>Capital Assets July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Capital Assets June 30, 2021</u>
Capital Assets				
Site Improvements	\$ 216,960	\$ -	\$ -	\$ 216,960
Building & Improvements	2,250,490	-	-	2,250,490
Equipment	33,718	-	-	33,718
Total	<u>2,501,168</u>	<u>-</u>	<u>-</u>	<u>2,501,168</u>
Accumulated Depreciation:				
Site Improvements	187,167	4,672	-	191,839
Building & Improvements	592,054	71,780	-	663,834
Equipment	33,718	-	-	33,718
Total	<u>812,939</u>	<u>76,452</u>	<u>-</u>	<u>889,391</u>
Total Net Capital Assets	<u>\$ 1,688,229</u>			<u>\$ 1,611,777</u>

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**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**5. DEFINED BENEFIT PENSION PLAN**

Plan Description – The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited 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.

- a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
  - i. **Pension Benefits.** The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results. A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.
  - ii. **Death Benefits.** Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following contributions are met:
    - member was employed by PERS employer at the time of death,
    - member died within 120 days after termination of PERS covered employment,
    - member died as a result of injury sustained while employed in a PERS-covered job, or
    - member was on an official leave of absence from a PERS-covered job at the time of death.
  - iii. **Disability Benefits.** A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
  - iv. **Benefit Changes After Retirement.** Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**5. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

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

**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. Effective January 1, 2020, Senate Bill 1049 requires employees to pay contributions on re-employed PERS retirees' salaries as if they were an active member, excluding IAP (6%) contributions. Employer contributions for the year ended June 30, 2021 were \$166,470, excluding amounts to fund employer specific liabilities.

**Pension Asset or Liability**

At June 30, 2021, the School reported a net pension liability of \$1,684,538 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The School's proportion of the net pension liability was based on a projection of the School'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 dates of June 30, 2020 and 2019, the School's proportion was 0.008 and 0.006 percent, respectively. Pension expense for the year ended June 30, 2021 was \$271,364.

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**5. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

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

- (1) Tier 1/Tier 2 – 32.03%
- (2) OPSRP general services – 26.58%

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 74,140	\$ -
Changes in assumptions	90,404	(3,167)
Net difference between projected and actual earnings on pension plan investments	198,080	-
Net changes in proportionate share	205,158	(35,328)
Differences between employer contributions and proportionate share of contributions	24,456	(12,615)
Subtotal - Amortized Deferrals (below)	592,238	(51,110)
Employer contributions subsequent to measuring date	166,470	-
Deferred outflow (inflow) of resources	\$ 758,708	\$ (51,110)

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.

Subtotal amounts related to pension as deferred outflows of resources, \$592,238 and deferred inflows of resources, (\$51,110), net to \$541,128 and will be recognized in pension expense as follows:

Year ending June 30,	Amount
2022	\$ 182,988
2023	172,208
2024	117,891
2025	68,084
2026	(43)
Total	\$ 541,128

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated March 12, 2021. Oregon PERS produces an independently audited CAFR which can be found at:

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

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS

**5. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

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:**

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

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

**Assumed Asset Allocation:**

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%
Opportunity Portfolio	0.0%	3.0%	0.0%
Risk Parity	0.0%	2.5%	2.5%
Total			100.0%

Source: June 30, 2020 PERS CAFR; p. 102

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NOTES TO THE BASIC FINANCIAL STATEMENTS

**5. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**Long-Term Expected Rate of Return:**

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

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%
MicroCap 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	0.38%	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 CAFR; p. 74

**Discount Rate** – The discount rate used to measure the total pension liability as of the measurement dates of June 30, 2020 and 2019 was 7.20 percent for both years, 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.

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**5. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

Sensitivity of the School’s proportionate share of the net pension liability to changes in the discount rate – The following presents the School’s proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the School’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate.

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
School's proportionate share of the net pension liability (asset)	\$ 2,501,407	\$ 1,684,538	\$ 999,564

**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.

**OPSRP Individual Account Program (OPSRP IAP)**

*Plan Description:*

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

*Pension Benefits:*

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

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**5. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

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

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

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

**6. OTHER POST- EMPLOYMENT BENEFIT PLAN – (RHIA)**

**Retirement Health Insurance Account**

*Plan Description:*

As a member of Oregon Public Employees Retirement System (OPERS) the School 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.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**6. OTHER POST- EMPLOYMENT BENEFIT PLAN – (RHIA)**

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the School 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 School's contributions to RHIA for the year ended June 30, 2021 were not considered material to the basic financial statements by management.

At June 30, 2021, the School's net OPEB liability/(asset) and deferred inflows and outflows for RHIA were not considered material to the basic financial statements by management and were not accrued in the government-wide statements.

**7. RISK MANAGEMENT**

There is exposure to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Commercial insurance is purchased to minimize exposure to these risks. Settled claims have not exceeded this commercial coverage in the last three fiscal years.

**8. RELATED PARTY TRANSACTIONS**

Arthur Academy – General Services is a related party to all other Arthur Academy Charter Schools (including Reynolds) by virtue of being under the administration of the same board of directors and operating under similar principles of governance. All payroll related expenditures are made by the Arthur Academy – General Services on behalf of each school. General Services is reimbursed for those expenditures and the administration thereon. Furthermore, the Arthur Academy – General Services is involved in the cash flow management of each school, including loans and inter-entity borrowings.

Payments are made to Arthur Academy – General Services for administrative costs and payroll and related expenses. During the fiscal year ended June 30, 2021, \$1,095,000 was paid to Arthur Academy – General Services. At June 30, 2021 Arthur Academy – Reynolds had a balance of \$45,571 due to Arthur Academy – General Services, which was for payroll and related expenses. There is no interest being charged on this outstanding payable and there is no specific due date.

At June 30, 2021, Arthur Academy – Reynolds had a related party receivable in the amount of \$22,033 due from Arthur Academy – General Services for payroll. There is no interest being charged on this outstanding receivable, and there is no specific due date.

**MASTERY LEARNING INSTITUTE – ARTHUR ACADEMY – REYNOLDS**  
**MULTNOMAH COUNTY, OREGON**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**9. COMMITMENTS & CONTINGENCIES**

A substantial portion of operating funding is received from the State of Oregon through the Reynolds School District. State funding is determined through state wide revenue projections that are paid to individual school districts based on pupil counts and other factors in the state school fund revenue formula. Since these projections and pupil counts fluctuate they can cause increases or decreases in revenue. Due to these future uncertainties at the state level, the future effect on the operations cannot be determined.

The School operates under authority of the Reynolds School District who grants a charter to the School and exercises some oversight as required by Oregon law. The effect of non-renewal of the charter on these financial statements has not been determined.

The COVID-19 outbreak in the United States has caused substantial disruption to business and local governments due to mandated and voluntary suspension of operations and stay at home orders. There is considerable uncertainty around the duration of the outbreak and the long-term impact to the overall economy.

REQUIRED  
SUPPLEMENTARY INFORMATION

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MASTERY LEARNING INSTITUTE - ARTHUR ACADEMY - REYNOLDS  
MULTNOMAH COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

at June 30, 2021

PERS

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) The School'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	0.008 %	\$ 1,684,538	\$ 678,142	248.4 %	75.8 %
2020	0.006	1,364,093	703,783	193.8	80.2
2019	0.006	1,103,899	600,671	183.8	82.1
2018	0.006	767,606	584,435	131.3	83.1
2017	0.001	155,439	598,074	26.0	80.5
2016	0.008	436,804	526,388	83.0	91.9
2015	0.045 *	(194,143)	419,621	(46.3)	103.6
2014	0.045 *	434,445	405,476	107.1	92.0

The amounts presented for each fiscal year were actuarial determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

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.

\* Prior to 2016, Employer's proportion is the Mastery Learning Institute amount in total. Going forward, it will be just the one School's share.

SCHEDULE OF CONTRIBUTIONS

Year	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	\$ 166,470	\$ 166,470	\$ -	\$ 666,883	25.0 %
2020	169,822	169,822	-	678,142	25.0
2019	152,647	152,647	-	703,783	21.7
2018	127,016	127,016	-	600,671	21.1
2017	92,864	92,864	-	584,435	15.9
2016	83,875	83,875	-	598,074	14.0
2015	95,049	95,049	-	526,388	18.1
2014	86,860	86,860	-	419,621	20.7

The amounts presented for each fiscal year were actuarial determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

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.

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**REPORTS ON LEGAL AND  
OTHER REGULATORY REQUIREMENTS**

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

September 29, 2021

### Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the Mastery Learning Institute – Arthur Academy – Reynolds as of and for the year ended June 30, 2021, and have issued our report thereon dated September 29, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

#### Compliance

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

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

- **Deposits of public funds with financial institutions (ORS Chapter 295)**
- **Insurance and fidelity bonds in force or required by law.**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**
- **Programs funded from outside sources.**

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

#### OAR 162-10-0230 Internal Control

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

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

*Hans Graichen*

HANS K. GRAICHEN, CPA  
PAULY, ROGERS AND CO., P.C.

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**KNOVA LEARNING**  
**MULTNOMAH COUNTY, OREGON**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2021**



12700 SW 72<sup>nd</sup> Ave.  
Tigard, OR 97223

**KNOVA LEARNING**  
MULTNOMAH COUNTY, OREGON  
  
FINANCIAL REPORT  
For the Year Ended June 30, 2021

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**KNOVA LEARNING**  
**MULTNOMAH COUNTY, OREGON**

2020-2021

**BOARD OF DIRECTORS**

Jerome “Jerry” Fladoos, Board Chair

Tina Long

Ana Manos-Weakland

Catherine Nicewood

Jeff Reynolds

Preston Salami

All board members receive mail at the address below:

**ADMINISTRATION**

John Nelson, Executive Director  
740 SE 182<sup>nd</sup> Ave  
Portland, OR 97233

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**KNOVA LEARNING**  
**MULTNOMAH COUNTY, OREGON**

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www.paulyrogersandcocpas.com

November 17, 2021

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
KNOVA Learning  
Multnomah County, Oregon

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

We have audited the accompanying basic financial statements of the governmental activities and the major fund of KNOVA Learning (the School) 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 basic 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 basic financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express opinions on these basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the basic 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 basic 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 basic 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 basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the major fund of KNOVA Learning, as of June 30, 2021, and the changes in financial position, 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 required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the Schedules of Net Pension Liability, Net OPEB Asset, and Contributions for PERS, or RHIA, or the Management's Discussion and Analysis because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance on them.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The listing of board members, located before the table of contents, and 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.

## Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 17, 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.



ROY R. ROGERS, CPA  
PAULY, ROGERS, AND CO., P.C.

# Knova Learning Oregon

## MANAGEMENT'S DISCUSSION AND ANALYSIS For the year ended June 30, 2021

As management of KNOVA Learning, we offer the following narrative overview and analysis of the School's financial statements for the fiscal year ended June 30, 2021. Because the information contained in this discussion is select in nature, it should be considered in conjunction with the financial statements included in this audit report.

These financial statements are presented in conformance with Governmental Accounting Standards Board (GASB) Statement No. 34. GASB 34 requires the School's financial statements to be presented on the same basis as those of our sponsoring district, Reynolds School District.

The School's financial statements consist of the following:

- Government-wide financial statements.
- Fund financial statements.
- Notes to the basic financial statements.
- General fund financial statements, including budget to actual comparison.

The government-wide financial statements are designed to provide an overview of the School's financial operations, in a manner similar to a private-sector business. The Statement of Net Position presents information regarding all assets and liabilities, with the difference between the two reported as net position. Changes in net position may serve as a useful indicator of whether or not the overall financial position of the School is improving or deteriorating. The Statement of Activities presents information showing how the School's net position increased or decreased during the year under audit. All activities in the government-wide financial statements are presented on the full accrual basis of accounting, in which they are reported as soon as the event occurs, regardless of the timing of associated cash flows.

The fund financial statements are presented focusing on near-term inflows and outflows of available resources, as well as balances of available resources available at the end of the year. The Schedule of Revenues, Expenditures and Changes in Fund Balance also includes the School's budget, which is approved by the Board of Directors each year. This information is useful in assessing the School's near-term financial situation, and in the analysis of its annual budget.

The following is a comparison of current to prior year Statement of Net Position:

	<u>2021</u>	<u>2020</u>	<u>% Change</u>
<b>Assets</b>			
Current and other assets	\$ 1,438,577	\$ 1,079,034	33.3%
Net Pension Asset	12,301	-	N/A
Capital assets and leasehold improvements, (net)	<u>244,494</u>	<u>25,314</u>	<u>865.8%</u>
Total Assets	<u>1,695,372</u>	<u>1,104,348</u>	<u>53.5%</u>
<b>Deferred Inflows of Resources</b>			
Net pension related deferrals	<u>980,268</u>	<u>775,705</u>	<u>26.4%</u>
Total assets and pension related Deferrals	<u>2,675,640</u>	<u>1,880,053</u>	<u>42.3%</u>
<b>Liabilities</b>			
Current and other liabilities	121,753	236,744	-48.6%
Net pension liability	2,608,981	2,013,254	29.6%
Noncurrent liabilities (net)	<u>-</u>	<u>330,929</u>	<u>-100.0%</u>
Total liabilities	<u>2,730,734</u>	<u>2,580,927</u>	<u>5.8%</u>
<b>Deferred Inflows of Resources</b>			
Net pension related deferrals	<u>135,206</u>	<u>286,780</u>	<u>-52.9%</u>
Total liabilities and pension related Deferrals	<u>2,865,940</u>	<u>2,867,707</u>	<u>-0.1%</u>
<b>Net Position</b>			
Net investment in capital assets	244,494	25,314	865.8%
Restricted for Net OPEB	12,301	-	N/A
Unrestricted	<u>(447,095)</u>	<u>(1,012,968)</u>	<u>-55.9%</u>
Total net position	<u>\$ (190,300)</u>	<u>\$ (987,654)</u>	<u>-80.7%</u>

The following is a comparison of current to prior year statement of Statement of Activities:

	<u>2021</u>	<u>2020</u>
Revenues		
Charges for services	\$ 2,836	\$ 78
Operating Grants	7,547	7,500
General Revenues	3,425,689	2,791,150
Total Revenues	3,436,072	2,798,728
Expenses		
Instruction	1,264,434	1,333,299
Support Services	1,381,057	1,467,289
Community Services	6,697	59,166
Facilities Acquisition Expense	-	-
Interest		0
Total Expenses	2,652,188	2,859,754
Change in Net Position	783,884	(61,026)
Beginning Net Position (before restatement)	(987,654)	(926,628)
Prior Period Adjustment	13,470	
Beginning Net Position (as restated)	\$ 974,184	\$ (926,628)
Ending Net Position	(190,300)	(987,654)

An analysis of the government-wide financial statements shows the following:

- Fiscal year 2020-2021 was the tenth year of operations for the KNOVA Learning Center. Total assets, which consist of cash, accounts receivable, prepaid expenses, and capital assets, were \$1,695,372. Total liabilities were \$2,730,734. The Paycheck Protection Program was fully forgiven in 2020-2021. All activities of the School are governmental activities.
- Our revenues during 2020-2021 were primarily from State School Funds, which were \$3,088,102. Other miscellaneous revenue totaled \$6,658. Total revenues from all sources for the year were \$3,436,072. This includes the forgiveness of the Paycheck Protection Program in the amount of \$330,929.
- Our expenses totaled \$2,652,188 for the 2020-2021 year.

An analysis of the governmental fund financial statements shows the following:

- The Schedule of Revenues, Expenses and Changes in Fund Balance—Actual and Budget presents greater detail regarding the School’s revenues and expenses for the year. The following are significant budgetary variations we feel should be discussed further:
  1. Total revenues for the fiscal year were more than budgeted. This is due to the state school fund payments being higher per student than budgeted. Stable enrollment continues to be a challenge during this Covid-19 period.
  2. Actual instruction expenses include costs for classroom supplies, textbooks and equipment that are budgeted as support services and actual support services are less than what was budgeted. This is due to many factors.

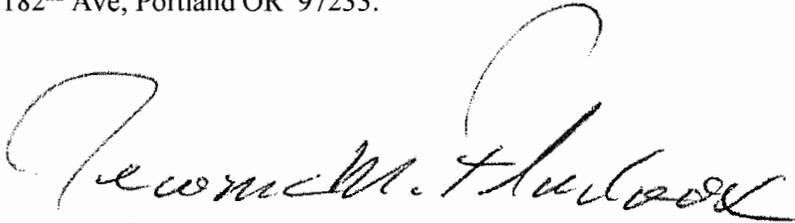
The School is committed to budgeting conservatively. Our approach is to build our budget so as to operate the School on the revenue from the state school funds alone.

Our average enrollment for 2020-2021 was 290. Our ELL population averaged about 90 students.

KNOVA leadership stayed steady in 2020-2021. KNOVA's Board of Directors is hopeful this will be a stable building opportunity to continue to attract new students. The board continues to improve in structure and aligning the right people in the correct position to assist the school in its' future success.

Please refer to the notes to the financial statements for a discussion of other issues related to the 2020-2021 year. Within that section are explanations of KNOVA Learning's organization and operation, a summary of significant accounting policies, and other important information.

This financial report is designed to provide a general overview of the School's finances for all those with an interest in the School's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to John Nelsen Chief Operating Officer, KNOVA Learning, 740 SE 182<sup>nd</sup> Ave, Portland OR 97233.

A handwritten signature in black ink, appearing to read "Jerry Fladoos". The signature is written in a cursive style with a large, prominent initial "J".

Jerry Fladoos, Chairman of the Board  
KNOVA Learning

**KNOVA LEARNING**  
MULTNOMAH COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

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KNOVA LEARNING  
MULTNOMAH COUNTY, OREGON

STATEMENT OF NET POSITION  
June 30, 2021

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ASSETS:

Cash and cash equivalents	\$ 1,183,428
Accounts receivable	116,882
Prepaid expenses	109,374
Rent Deposit	28,893
Net OPEB - RHIA Asset	12,301
Capital assets, net of depreciation	<u>244,494</u>

Total Assets 1,695,372

DEFERRED OUTFLOWS OF RESOURCES:

Pension related deferrals - PERS	976,183
OPEB related deferrals - RHIA	<u>4,085</u>

Total Assets and Pension Related Deferrals 2,675,640

LIABILITIES:

Accounts payable	29,961
Payroll liabilities	91,792
Net pension liability - PERS	<u>2,608,981</u>

Total Liabilities 2,730,734

DEFERRED INFLOWS OF RESOURCES:

Pension related deferrals - PERS	133,292
OPEB related deferrals - RHIA	<u>1,914</u>

Total Liabilities and Pension Related Deferrals 2,865,940

NET POSITION:

Net Investment in Capital Assets	244,494
Restricted for Net OPEB RHIA Asset	12,301
Unrestricted	<u>(447,095)</u>
Total Net Position	<u>\$ (190,300)</u>

See accompanying notes to the basic financial statements

KNOVA LEARNING  
MULTNOMAH COUNTY, 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	\$ 1,264,434	\$ 2,836	\$ 7,547	\$ (1,254,051)
Support services	1,381,057	-	-	(1,381,057)
Community services	6,697	-	-	(6,697.00)
Total Governmental Activities	<u>\$ 2,652,188</u>	<u>\$ 2,836</u>	<u>\$ 7,547</u>	<u>(2,641,805)</u>

General Revenues	
State Sources	3,088,102
PPP Loan Forgiveness	330,929
Miscellaneous	<u>6,658</u>
Total General Revenues	<u>3,425,689</u>
Change in Net Position	783,884
Net Position - Beginning (As Restated)	<u>(974,184)</u>
Net Position - Ending	<u>\$ (190,300)</u>

See accompanying notes to the basic financial statements

KNOVA LEARNING  
MULTNOMAH COUNTY, OREGON

BALANCE SHEET - GOVERNMENTAL FUND  
June 30, 2021

---

	<u>GENERAL FUND</u>
<b>ASSETS:</b>	
Cash and cash equivalents	\$ 1,183,428
Accounts receivable	116,882
Prepaid expenses	109,374
Rent Deposit	<u>28,893</u>
Total Assets	<u><u>\$ 1,438,577</u></u>
 <b>LIABILITIES AND FUND BALANCE:</b>	
<b>Liabilities:</b>	
Accounts payable	\$ 29,961
Payroll liabilities	<u>91,792</u>
Total Liabilities	<u>121,753</u>
 <b>Fund Balances:</b>	
Nonspendable	138,267
Unassigned	<u>1,178,557</u>
Total Fund Balances	<u>1,316,824</u>
Total Liabilities and Fund Balance	<u><u>\$ 1,438,577</u></u>

See accompanying notes to the basic financial statements

KNOVA LEARNING  
MULTNOMAH COUNTY, OREGON

Reconciliation of the Governmental Fund  
Balance Sheet to the Statement of Net Position  
June 30, 2021

---

Total Fund Balances - Governmental Fund \$ 1,316,824

The net PERS 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. (2,608,981)

The RHIA net OPEB asset/(liability) is the difference between the total OPEB liability and the assets set aside to pay a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. 12,301

Deferred inflows and outflows of resources related to the pension plan include differences between expected and actual experience, changes of assumptions, differences between projected and actual earnings, and contributions subsequent to the measurement date.

Deferred Outflows - PERS	976,183
Deferred Inflows - PERS	(133,292)
Deferred Outflows - RHIA	4,085
Deferred Inflows - RHIA	(1,914)

The cost of capital assets (buildings and improvements, and furniture) purchased or constructed is reported as an expenditure in the governmental fund. The Statement of Net Position includes those capital assets among the assets of the School as a whole.

Capital Assets, Net of Depreciation 244,494

---

Net Position \$ (190,300)

See accompanying notes to the basic financial statements

KNOVA LEARNING  
MULTNOMAH COUNTY, OREGON

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

---

REVENUES:

Local sources	\$ 17,041
State sources	<u>3,088,102</u>
Total Revenues	<u>3,105,143</u>

EXPENDITURES:

Instruction	1,094,148
Support services	1,085,833
Enterprise and community services	<u>450,628</u>
Total Expenditures	<u>2,630,609</u>

Net Change in Fund Balance 474,534

Beginning Fund Balance 842,290

Ending Fund Balance \$ 1,316,824

See accompanying notes to the basic financial statements

KNOVA LEARNING  
MULTNOMAH COUNTY, OREGON

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

---

Total Net Changes in Fund Balances - Governmental Funds	\$	474,534
The PERS pension expense represents the changes in net pension asset (liability) from year to year due to changes in total pension liability and the fair value of pension plan net position available to pay pension benefits.		(241,761)
The RHIA OPEB income represents the changes in net OPEB asset (liability) from year to year due to changes in total OPEB liability and the fair value of the OPEB plan's net position available to pay OPEB benefits.		1,002
Capital outlays are reported in the governmental fund as expenditures. However, in the Statement of Activities, the cost of those assets is capitalized and allocated over their estimated useful lives as depreciation expense.		
Capital Asset Additions		241,280
Depreciation Expense		(22,100)
Long-term debt proceeds are reported as other financing sources in governmental funds. In the Statement of Net Position, however, issuing long-term debt increases liabilities not revenue.		
Loan forgiveness		330,929
Change in Net Position of Governmental Activities	\$	783,884

See accompanying notes to the basic financial statements

**KNOVA LEARNING**  
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

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KNOVA LEARNING  
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the accounting policies are described below.

A. THE FINANCIAL REPORTING ENTITY

KNOVA Learning is a non-profit corporation organized under provisions of Oregon Revised Statutes Chapter 338 for the purpose of operating a charter school. It is governed by a board. Generally accepted accounting principles require that these basic financial statements present the School and all component units, if any. Component units, as established by the Governmental Accounting Standards Board (GASB) Statement 61, are separate entities that are included in the School's reporting because of the significance of their operational or financial relationships with the School. All significant activities and entities with which the School exercises oversight responsibility have been considered for inclusion in the basic financial statements. There are no component units.

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

The Statement of Net Position and Statement of Activities display information about the School as a whole. The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Non-exchange Transactions."

All direct expenses are reported by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function.

FUND FINANCIAL STATEMENTS

The accounts are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

KNOVA LEARNING  
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION (CONTINUED)

GOVERNMENTAL FUND TYPES

Governmental funds are used to account for the general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period, which is 60 days. Grant revenue is not considered available and, therefore, is not recognized until received. Expenditures are recorded when the liability is incurred.

Revenues susceptible to accrual are interest, state, county and local shared revenue, and local grants. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

There is one major governmental fund:

GENERAL FUND

This fund accounts for all financial resources and expenditures, except those required to be accounted for in another fund (there are no other funds). The principal revenue sources are payments of state school support from Reynolds School District, fees, fundraising and donations.

GRANTS

Unreimbursed expenditures due from grantor agencies, if any, are reflected in the government-wide financial statements as receivables and revenues. Grant revenues are recorded at the time eligible expenditures are incurred. Cash received from grantor agencies in excess of related grant expenditures is recorded as liability in the balance sheet and statement of net position.

FUND BALANCES

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions* is followed. 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 are non-spendable, restricted, committed, assigned, and unassigned.

KNOVA LEARNING  
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION (CONTINUED)

FUND BALANCE (CONTINUED)

- Nonspendable fund balance represents amounts that are not in a spendable form. The nonspendable fund balance represents prepaid items and the rent deposit.
- 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.

There were no restricted, committed or assigned fund balances at year end.

The governing body has not established a policy on the order in which unrestricted resources are to be used when these amounts are available for expenditure. As a result of this, the default approach assumes that committed amounts should be reduced first, followed by assigned amounts, and then the unassigned amounts.

NET POSITION

Net position is comprised of the various net earnings from operations, non-operating revenues, expenses and contributions of capital. Net position is classified in the following 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 was a \$12,301 restricted net position at June 30, 2021 related to the Net OPEB RHIA Asset.

Unrestricted – consists of all other assets that are not included in the other categories previously mentioned.

KNOVA LEARNING  
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. BUDGET

A budget is prepared for the General Fund on the modified accrual basis of accounting in the main program categories as listed below. Modified accrual basis differs from accrual in that no depreciation expense is recognized, capital assets are expensed when purchased, inventory is expensed when purchased, debt proceeds are recorded as revenue rather than a liability, pension costs are not recorded until paid, and debt principal is an expenditure when paid. The budget is prepared on a basis consistent with generally accepted accounting principles in the United States of America, except as stated above.

Expenditures are made at the following levels for each fund:

LEVEL OF CONTROL

Instruction  
Support Services  
Enterprise and Community Services

A budgetary schedule is shown on page 31 of this report.

D. CAPITAL ASSETS

Capital assets, which include buildings and improvements, and furniture, are reported in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and a life in excess of one year. Capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at their estimated fair market value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Depreciation is recorded on capital assets using the straight line method over the useful life of the asset, or in the case of tenant improvements, over the useful life or the remaining term of the lease, whichever is shorter.

Furniture and fixtures	3 to 7 years
Building improvements	5 years
Site improvements	30 years

E. SUPPLY INVENTORY

Detailed supply inventory records are not maintained. Inventories are not considered to be material by management at year end.

F. CASH AND CASH EQUIVALENTS

The Cash and Cash Equivalents are considered to be cash on hand, demand deposits, and short term investments with original maturities of three months or less from the date of acquisition.

KNOVA LEARNING  
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. RETIREMENT PLANS

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

H. ESTIMATES

The preparation of the 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 assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

I. PREPAID EXPENSES

Prepaid expenses are reported for purchases of services paid for during the year but not used until next year, as well as prepayment of lease expenses.

J. DEFERRED OUTFLOWS / INFLOWS OF RESOURCES

In addition to assets, the basic financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditure) until then. At June 30, 2021, there were deferred outflows representing PERS pension related deferrals as well as OPEB (RHIA) related deferrals reported in the Statement of Net Position.

In addition to liabilities, the basic financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. At June 30, 2021, there were deferred inflows representing PERS pension related deferrals as well as OPEB (RHIA) related deferrals reported in the Statement of Net Position.

K. 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 upon the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

KNOVA LEARNING  
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. FAIR VALUE INPUTS AND METHODOLOGIES AND HIERARCHY (CONTINUED)

**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.

L. STATE SCHOOL FUND

Pursuant to ORS 338.155, students of a public charter school are considered to be residents of the school district in which the public charter school is located. The School reports the number of fulltime equivalent students and related data to the Oregon Department of Education. A representative from the Oregon Department of Education reports the number of full-time equivalent students and related data to Reynolds School District. Reynolds School District verifies the information received by the State of Oregon. Within ten days of receipt from the State of Oregon, Reynolds School District is required to send payment to the School on a percentage of the funds they receive for those students. The percentage is established by the charter agreement between the Oregon Department of Education and the School.

M. UNEARNED REVENUE

Unearned revenue represents money received by the School for services that have yet to be performed. At June 30, 2021, there was no balance in unearned revenue; when there is a balance it represents an overpayment of State School Funds from Reynolds School District. Reynolds School District remits funds throughout the year and amounts earned are adjusted on a continual basis.

KNOVA LEARNING  
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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2. CASH AND INVESTMENTS

DEPOSITS

Deposits with financial institutions include bank demand deposits. 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 total bank balance per the bank statements as of June 30, 2021 was \$1,183,249, of which \$250,000 was covered by federal depository insurance, and the balance was collateralized by the Oregon Public Funds Collateralization Program.

Cash and Cash Equivalents at June 30, 2021 consisted of:

Checking Accounts	\$ 189,805
Savings Accounts	993,623
	<u>\$ 1,183,428</u>

CREDIT RISK – DEPOSITS

In the case of deposits, this is the risk that in the event of a bank failure, deposits may not be returned. There is no deposit policy for custodial credit risk. As of June 30, 2021, all cash deposits were either fully insured or collateralized by the Oregon Public Funds Collateralization Program.

INTEREST RATE RISK - INVESTMENTS

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. There were no investments.

CREDIT RISK - INVESTMENTS

Oregon Revised Statutes do not limit investments as to credit rating for securities purchased from US Government Agencies or USGSE.

CONCENTRATION OF CREDIT RISK

At June 30, 2021 there were no investments.



KNOVA LEARNING  
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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7. OPERATING LEASES

Classroom and office space are leased under a facilities lease. In 2015-16, the School moved into the current leased facility at 740 SE 182<sup>nd</sup> Avenue, Portland, Oregon 97233. For the first year of the new lease the monthly rent was \$28,893. For the subsequent years of the five-year lease, the annual rent is to be calculated by taking the sum of all unweighted funding received by the Tenant from State and Federal sources and then multiplying this total funding sum by 14 percent to determine the annual rent for that particular lease year. This payment adjustment occurs in November each year.

In March 2021, the School and its landlord extended the lease for one year. The extended lease will expire on July 31, 2022. The School will continue to pay a base monthly rent in the amount of \$26,000 until the lease expires in July 2022.

The School entered into a 5-year lease for a Xerox copier in November 2015. Monthly payments are \$927 for the life of the lease with annual rent increases of up to 10%. In May of 2019 the School entered into a 5-year lease with Pacific Office Automation to lease a Konica Minolta C754e copier. Monthly payments for this lease are \$1,834 for the life of the lease. The Pacific Office Automation equipment replaced the Xerox equipment but Pacific Office Automation is reimbursing the School for the cost of the active Xerox copier lease through the end of the Xerox lease term.

The School entered into another 5-year lease for a Xerox copier in January 2018. Monthly payments are \$309 for the life of the lease with no price increases or service bumps. In April 2021 the School entered into a 5-year lease with Pacific Office Automation to lease a Konica Minolta C458 copier. Monthly payments for this lease are \$239 for the life of the lease with no price increases or service bumps. The Pacific Office Automation equipment replaced the Xerox equipment but Pacific Office Automation is reimbursing the School for the cost of the active Xerox copier lease through the end of the Xerox lease term.

The total net lease expense for 2020-21 was \$341,300.

Future minimum lease payments are scheduled as follows:

<u>Year</u>	<u>Building Lease</u>	<u>Equipment</u>	<u>Total</u>
2021-2022	\$ 312,000	\$ 37,678	\$ 349,678
2022-2023	26,000	25,860	51,860
2023-2024	-	18,810	18,810
	<u>\$ 338,000</u>	<u>\$ 82,348</u>	<u>\$ 420,348</u>

8. OTHER LIABILITIES (SHORT-TERM OBLIGATIONS)

In March 2020, the School entered into a settlement with the landlord, Portland Charter Partners, in regards to previous dispute on certain life safety improvements to the leased premises under the Lease. Under the settlement, the School will pay the Landlord a total of \$60,000 in 12 equal, monthly payments of \$5,000 each month. The monthly payment started on April 1, 2020, with last payment was scheduled for March 1, 2021. The balance owing at June 30, 2021 was \$0.

KNOVA LEARNING  
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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9. DEFINED BENEFIT PENSION PLAN

Plan Description – The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited 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.

- a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
  - i. **Pension Benefits.** The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results. A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.
  - ii. **Death Benefits.** Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following contributions are met:
    - member was employed by PERS employer at the time of death,
    - member died within 120 days after termination of PERS covered employment,
    - member died as a result of injury sustained while employed in a PERS-covered job, or
    - member was on an official leave of absence from a PERS-covered job at the time of death.
  - iii. **Disability Benefits.** A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
  - iv. **Benefit Changes After Retirement.** Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

KNOVA LEARNING  
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

**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. Effective January 1, 2020, Senate Bill 1049 requires employees to pay contributions on re-employed PERS retirees' salaries as if they were an active member, excluding IAP (6%) contributions. Employer contributions for the year ended June 30, 2021 were \$340,396, excluding amounts to fund employer specific liabilities.

**Pension Asset or Liability** – At June 30, 2021, the School reported a net pension liability of \$2,608,981 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2018. The School's proportion of the net pension liability was based on a projection of the School'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 School's proportion was .012 percent and .012 percent, respectively. Pension expense for the year ended June 30, 2021 was \$241,761.

KNOVA LEARNING  
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

- (1) Tier 1/Tier 2 – 32.03%
- (2) OPSRP general services – 26.58%

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 114,827	\$ -
Changes in assumptions	140,016	4,906
Net difference between projected and actual earnings on pension plan investments	306,782	-
Net changes in proportionate share	38,050	114,006
Differences between School contributions and proportionate share of contributions	36,112	14,380
Subtotal - Amortized Deferrals (below)	635,787	133,292
School contributions subsequent to measuring date	340,396	-
Deferred outflow (inflow) of resources	\$ 976,183	\$ 133,292

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.

Subtotal amounts related to pension as deferred outflows of resources, \$635,787 and deferred inflows of resources, (\$133,292), net to \$502,495 and will be recognized in pension expense as follows:

Year ending June 30,	Amount
2021	\$ 91,753
2022	156,008
2023	141,221
2024	109,518
2025	3,995
Thereafter	-
Total	\$ 502,495

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated March 12, 2021. Oregon PERS produces an independently audited CAFR which can be found at:

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

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

KNOVA LEARNING  
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

**9. DEFINED BENEFIT PENSION PLAN (CONTINUED)**

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:**

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

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

**Assumed Asset Allocation:**

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%
Opportunity Portfolio	0.0%	3.0%	0.0%
Risk Parity	0.0%	2.5%	2.5%
Total			100.0%

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

KNOVA LEARNING  
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

**Long-Term Expected Rate of Return:**

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Compound Annual (Geometric) Return</b>
Core Fixed Income	9.60%	4.07%
Short-Term Bonds	9.60%	3.68%
Bank/Leveraged Loans	3.60%	5.19%
High Yield Bonds	1.20%	5.74%
Large/Mid Cap US Equities	16.17%	6.30%
Small Cap US Equities	1.35%	6.68%
Micro Cap US Equities	1.35%	6.79%
Developed Foreign Equities	13.48%	6.91%
Emerging Market Equities	4.24%	7.69%
Non-US Small Cap Equities	1.93%	7.25%
Private Equity	17.50%	8.33%
Real Estate (Property)	10.00%	5.55%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds - Diversified	1.50%	4.06%
Hedge Fund - Event-driven	0.38%	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 CAFR; p. 74)*

KNOVA LEARNING  
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

**Discount Rate** – The discount rate used to measure the total pension liability as of the measurement dates of June 30, 2020 and 2019 was 7.20 percent for both years 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 School’s proportionate share of the net pension liability to changes in the discount rate – The following presents the School’s proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the School’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 pension liability	\$ 3,874,122	\$ 2,608,981	\$ 1,548,102

**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.

**OPSRP Individual Account Program (OPSRP IAP)**

*Plan Description:*

Employees of the School 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.

KNOVA LEARNING  
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

*Pension Benefits:*

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

*Death Benefits:*

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

*Contributions:*

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

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

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

KNOVA LEARNING  
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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10. OTHER POST-EMPLOYMENT BENEFIT PLAN – (RHIA)

**Plan Description:**

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

**Funding Policy:**

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

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the School 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 School's contributions to RHIA for the years ended June 30, 2019, 2020 and 2021 were \$4,311, \$431, and (\$50), respectively, which equaled the required contributions each year. These amounts are combined and presented with the School's contributions to PERS in the Required Supplementary Information PERS Schedule of Contributions on Page 29.

At June 30, 2021, the School reported a net OPEB liability/(asset) of (\$12,301) 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 School'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 dates of June 30, 2020 and 2019, the School's proportion was .006 percent and .009 percent, respectively. OPEB expense/(income) for the year ended June 30, 2021 was (\$1,002).

KNOVA LEARNING  
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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10. OTHER POST-EMPLOYMENT BENEFIT PLAN – (RHIA) (CONTINUED)

**Components of OPEB Expense/(Income):**

Employer's proportionate share of collective system OPEB Expense/(Income)	\$ (1,978)
Net amortization of employer-specific deferred amounts from:	
- Changes in proportionate share (per paragraph 64 of GASB 75)	1,360
- Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)	-
Employer's Total RHIA Expense/(Income)	<u>(618)</u>

**Components of Deferred Outflows/Inflows of Resources:**

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$ -	\$ 1,258
Changes in assumptions	-	654
Net difference between projected and actual earnings on pension plan investments	1,368	-
Net changes in proportionate share	2,717	2
Differences between School contributions and proportionate share of contributions	-	-
Subtotal - Amortized Deferrals (below)	<u>4,085</u>	<u>1,914</u>
School contributions subsequent to measuring date	-	-
Deferred outflow (inflow) of resources	<u>\$ 4,085</u>	<u>\$ 1,914</u>

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

Subtotal amounts related to OPEB as deferred outflows of resources, \$4,085, and deferred inflows of resources, (\$1,914), net to \$2,171 and will be recognized in OPEB expense/(income) as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2021	\$ 202
2022	1,032
2023	506
2024	431
2025	-
Thereafter	-
Total	<u>\$ 2,171</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost-Sharing Multiple-Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2020. That independently audited report was dated March 12, 2021 and can be found at:

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

KNOVA LEARNING  
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

10. OTHER POST-EMPLOYMENT BENEFIT PLAN – (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 dates of June 30, 2020 and 2019 was 7.20 and 7.20 percent, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Long-Term Expected Rate of Return:**

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

KNOVA LEARNING  
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

10. OTHER POST-EMPLOYMENT BENEFIT PLAN – (RHIA) (CONTINUED)

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 CAFR; p. 74)

Sensitivity of the School’s proportionate share of the net OPEB liability/(asset) to changes in the discount rate – The following presents the School’s proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 7.20 percent, as well as what the School’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)	\$ (9,931)	\$ (12,301)	\$ (14,327)

**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.

KNOVA LEARNING  
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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11. LINE OF CREDIT

There is a line of credit with Wells Fargo bank with a limit of \$100,000, and interest rate of 11.5% and an expiration date of November 2022. At June 30, 2021, there is currently a \$0 balance on this line.

12. COMMITMENTS & CONTINGENCIES

A substantial portion of operating funding is received from the State of Oregon through the Reynolds School District. State funding is determined through state wide revenue projections that are paid to individual school districts based on pupil counts and other factors in the state school fund revenue formula. Since these projections and pupil counts fluctuate they can cause increases or decreases in revenue. Due to these future uncertainties at the state level, the future effect on operations cannot be determined.

The School operates under authority of the Reynolds School District who grants a charter to the School and exercises some oversight as required by Oregon law. The effect of non-renewal of the charter has not been determined.

The School incurred a weather event in February 2021 that damaged the facility, however; management expects insurance to cover any costs. This event has not been fully resolved as of the date of these financial statements.

The COVID-19 outbreak in the United States has caused substantial disruption to business and local governments due to mandated and voluntary suspension of operations and stay at home orders. There is considerable uncertainty around the duration of the outbreak and the long-term impact to the overall economy. The ultimate impact on the School's finances is not determinable.

13. RISK MANAGEMENT

There is exposure to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Commercial insurance is purchased to minimize its exposure to these risks. Settled claims have not exceeded this commercial coverage for the last three fiscal years.

14. TAX STATUS

The School is established pursuant to Section 501(c)(3) of the Internal Revenue Code, and, accordingly, the change in net position is exempt from income taxes. A favorable determination letter has been obtained from the Internal Revenue Service and management believes that the School continues to qualify and to operate in accordance with applicable provisions of the Internal Revenue Code.

U.S. Generally Accepted Accounting Principles requires management to evaluate tax positions taken by the School and recognize a tax liability (or asset) if the School has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The School is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The School's management believes it is no longer subject to income tax examinations for years prior to 2017.

KNOVA LEARNING  
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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15. RESTATEMENT

Due to the current actuarial valuation of the School's RHIA benefits for GASB Statement No. 75, a restatement of the prior year net position was required to record the OPEB – RHIA asset at the prior measurement date.

Net position-Beginning as previously reported	\$(987,654)
June 30, 2020 RHIA Asset	<u>13,470</u>
Net position-Beginning as restated	<u><u>\$(974,184)</u></u>

**KNOVA LEARNING**

MULTNOMAH COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

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KNOVA LEARNING OREGON  
MULTNOMAH COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION  
 June 30, 2021

PERS

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) Employer'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	0.01195495 %	\$ 2,608,981	\$ 1,196,624	218.0 %	75.8 %
2020	0.01163892	2,013,254	1,096,828	183.6	80.2
2019	0.01264728	1,915,896	1,093,910	175.1	82.1
2018	0.01262643	1,702,048	1,136,247	149.8	83.1
2017	0.01349135	2,025,365	1,324,370	152.9	80.5
2016	0.01966195	1,128,883	645,106	175.0	91.9
2015	0.01765475	(400,183)	542,444	(73.8)	103.6
2014	0.01765475	900,948	548,485	164.3	92.0

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

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	\$ 340,396	\$ 340,396	\$ -	\$ 1,082,443	31.4 %
2020	325,386	325,386	-	1,196,624	27.2
2019	262,438	262,438	-	1,096,828	23.9
2018	265,794	265,794	-	1,093,910	24.3
2017	229,061	229,061	-	1,136,247	20.2
2016	197,668	197,668	-	1,324,370	14.9
2015	146,682	146,682	-	645,106	22.7
2014	174,700	174,700	-	542,444	32.2

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

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.

KNOVA LEARNING  
MULTNOMAH COUNTY

REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2021

OPEB-RHIA

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB ASSET/(LIABILITY) FOR RHIA

Year Ended June 30,	(a) Employer's proportion of the net OPEB asset/ (liability) (NOA/(L))	(b) Employer's proportionate share of the net OPEB asset/ (liability) (NOA(L))	(c) Employer's covered payroll	(b/c) NOA/(L) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2021	0.00603701 %	\$ 12,301	\$ 1,196,624	0.010 %	150.1 %
2020	0.00869916	16,810	1,096,828	0.015	144.4
2019	0.00870790	9,720	1,093,910	0.009	124.0
2018	0.00864448	3,608	1,136,247	0.003	108.9
2017	0.00996130	(2,705)	1,324,370	(0.002)	94.2

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

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.

Amounts for covered payroll "c" use the prior year's data to match the measurement date used by the OPEB plan for each year.

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	\$ N/A	\$ N/A	\$ N/A	\$ 1,082,443	N/A %
2020	N/A	N/A	N/A	1,196,624	N/A
2019	N/A	N/A	N/A	1,096,828	N/A
2018	N/A	N/A	N/A	1,093,910	N/A
2017	N/A	N/A	N/A	1,136,247	N/A

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

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.

All statutorily required contributions were made and are included within PERS contributions (see p. 29).

**KNOVA LEARNING**

MULTNOMAH COUNTY, OREGON

OTHER INFORMATION

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KNOVA LEARNING  
MULTNOMAH COUNTY, OREGON

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

	GENERAL FUND			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES:				
Local Sources	\$ -	\$ -	\$ 17,041	\$ 17,041
State Grants	-	-	201,379	201,379
State School Fund	<u>2,673,216</u>	<u>2,673,216</u>	<u>2,886,723</u>	<u>213,507</u>
Total Revenues	<u>2,673,216</u>	<u>2,673,216</u>	<u>3,105,143</u>	<u>431,927</u>
EXPENDITURES:				
Instruction	1,412,973	1,412,973	1,094,148	318,825
Support Services	1,040,903	1,040,903	1,085,833	(44,930)
Enterprise & Community Services	191,225	191,225	450,628	(259,403)
Total Expenditures	<u>2,645,101</u>	<u>2,645,101</u>	<u>2,630,609</u>	<u>14,492</u>
Net Change in Fund Balance	28,115	28,115	474,534	446,419
Beginning Fund Balance	842,290	842,290	842,290	-
Ending Fund Balance	<u>\$ 870,405</u>	<u>\$ 870,405</u>	<u>\$ 1,316,824</u>	<u>\$ 446,419</u>

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**KNOVA LEARNING**

MULTNOMAH COUNTY, OREGON

INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS

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November 17, 2021

### Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of KNOVA Learning Oregon as of and for the year ended June 30, 2021, and have issued our report thereon dated November 17, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

#### Compliance

As part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we performed tests of its 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 the basic 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.

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

- **Insurance and fidelity bonds in force or required by law.**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**
- **Programs funded from outside sources (ORS 297.465).**

In connection with our testing nothing came to our attention that caused us to believe that KNOVA Learning Oregon 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 basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of internal control over financial reporting.

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

*Roy R Rogers*

ROY R. ROGERS, CPA  
PAULY, ROGERS AND CO., P.C.

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**Oregon Secretary of State – Audits Division**  
**Summary of Revenues and Expenditures**

**Reset**

Please refer to instructions on next page.

A. Municipal corporation information			
Municipality name:	KNOVA Learning		Reporting period: From
Address line 1:	740 SE 182nd Avenue		To
Address line 2:			07/01/2020
City, state, ZIP:	Portland	OR	97233
Check if new address:	<input type="checkbox"/>	Report type:	Audit
If this is the final report, please enter the last date of operations:		Opinion issued:	Unmodified
		Basis of accounting:	GAAP

B. Financial statement audit – Reported deficiencies	
<p>1. Regarding internal controls over financial reporting, how many significant deficiencies and material weaknesses were reported?  <u>0</u></p> <p>2. Of those control deficiencies reported, how many resulted in the following:  Accounting errors/Misstatements: <u>0</u>  Noncompliance: <u>0</u></p>	<p>3. How were deficiencies communicated? Check all that apply.</p> <input type="checkbox"/> Report issued in accordance with Government Auditing Standards <input type="checkbox"/> Communication in accordance with Statements on Auditing Standards AU-C 265 "Communicating Internal Control Related Matters Identified in an Audit" <input type="checkbox"/> Other (specify communication): _____ <input checked="" type="checkbox"/> No deficiencies Per OAR 162-010-0230, a copy must be filed with Secretary of State.

**C. Summary of revenues and expenditures**

Revenues and/or receipts		Expenditures and/or disbursements	
a. Revenues from government-wide statement of activities:	\$ 3,436,072	a. Expenditures from government-wide statement of activities:	\$ 2,652,188
b. Fiduciary fund additions:		b. Fiduciary fund deductions:	
<b>c. Gross revenues subtotal (a + b):</b>	<b>\$ 3,436,072</b>	<b>c. Gross expenditures subtotal (a + b):</b>	<b>\$ 2,652,188</b>
d. Revenues of component units:		d. Component unit expenditures reported with primary government:	
e. Taxes, assessments and other collections to be distributed to other governments:		e. Turnovers to other municipal corporations:	
<b>f. Exempt revenue subtotal (d + e):</b>	<b>\$ 0</b>	<b>f. Exempt expenditures subtotal (d + e):</b>	<b>\$ 0</b>
<b>g. Net revenues (c - f):</b>	<b>\$ 3,436,072</b>	<b>g. Net expenditures (c - f):</b>	<b>\$ 2,652,188</b>

**D. Filing fee:** \$ 250

E. Submitted by	
Auditor name: Roy R. Rogers	Municipal license number: 0658
Firm name: Pauly, Rogers & Co., P.C.	Date: 11/24/2021
Municipal contact name, title: John Nelsen (Executive Director)	Municipal phone: (503) 907-1023

**Submit:** Click the "Submit" button on the right to submit this form via email. Save a copy for your records.

**Submit**

Within 30 days of delivering the audit report to the municipal corporation, one copy of this summary must be filed with the Secretary of State, Audits Division, and one copy must be delivered to the municipal corporation. If deficiencies are communicated in a separate letter or in a report issued in accordance with *Government Auditing Standards*, a copy of that communication must also be filed. (OAR 162-010-0230)

**KNOVA LEARNING**  
**MULTNOMAH COUNTY, OREGON**

**COMMUNICATION TO THE GOVERNING BODY**

**FOR THE YEAR ENDED JUNE 30, 2021**



12700 SW 72<sup>nd</sup> Ave.  
Tigard, OR 97223  
174



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12700 SW 72<sup>nd</sup> Ave. ♦ Tigard, OR 97223  
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www.paulyrogersandcocpas.com

November 17, 2021

To the Board of Directors  
KNOVA Learning Oregon  
Multnomah County, Oregon

We have audited the basic financial statements of KNOVA Learning (the School) for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

### **Purpose of the Audit**

Our audit was conducted using sampling, inquiries and analytical work to opine on the fair presentation of the basic financial statements and compliance with:

- generally accepted accounting principles and auditing standards
- the Oregon Municipal Audit Law and the related administrative rules

### **Our Responsibility under U.S. Generally Accepted Auditing Standards**

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the basic financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the basic financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the basic financial statements and not to provide assurance on the internal control over financial reporting.

Our responsibility for the supplementary information accompanying the basic financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the basic financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Planned Scope and Timing of the Audit**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; therefore, our audit involved judgment about the number of transactions examined and the areas to be tested.

Our audit included obtaining an understanding of the School and its environment, including internal control, sufficient to assess the risks of material misstatement of the basic financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the School or to acts by management or employees acting on behalf of the School. We also communicated any internal control related matters that are required to be communicated under professional standards.

### **Results of Audit**

1. Audit opinion letter - an unmodified opinion on the basic financial statements has been issued. This means we have given a “clean” opinion with no reservations.
2. State minimum standards – We found no exceptions or issues requiring comment.
3. Management letter – No separate Management Letter was issued.

### **Significant Audit Findings**

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used are described in Note 1 to the basic financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 2021. We noted no transactions entered into during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the basic financial statements in the proper period.

Accounting estimates are an integral part of the basic financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the basic financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the basic financial statements are Management’s estimates of PERS pension and OPEB - RHIA liabilities/(assets) and deferrals, capital asset depreciation, and allowances for doubtful accounts receivable, which are based on actuarial assumptions, useful lives of assets, and estimated accounts receivable collectability, respectively. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the basic financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The disclosures in the basic financial statements are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements or determined that their effects are immaterial. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, taken as a whole. There were immaterial uncorrected misstatements noted during the audit which were discussed with management.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the basic financial statements or the auditors’ report. We are pleased to report that no such disagreements arose during the course of our audit.

Pauly, Rogers and Co., P.C.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the basic financial statements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards with management each year prior to our retention as the auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### *Required Supplementary Information*

We applied certain limited procedures to the required supplementary information that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the required supplementary information and do not express an opinion or provide any assurance on it.

### *Other Information*

We were not engaged to report on the listing of Board members, located before the Table of Contents, and the other information, as listed in the table of contents but is not required supplementary information. Such information has 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.

### **Other Matters – Future Accounting and Auditing Issues**

In order to keep you aware of new auditing standards issued by the American Institute of Certified Public Accountants and accounting statements issued by the Governmental Accounting Standards Board (GASB), we have prepared the following summary of the more significant upcoming issues:

#### **GASB 87 – LEASES**

This Statement is effective for fiscal years beginning after June 15, 2021, as extended by GASB 95. The primary objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities.

**GASB 89 – ACCOUNTING FOR INTEREST COST INCURRED BEFORE THE END OF A CONSTRUCTION PERIOD**

This Statement is effective for fiscal years beginning after December 15, 2020, as extended by GASB 95. The objectives of this Statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

**GASB 91 – CONDUIT DEBT OBLIGATIONS**

This Statement is effective for fiscal years beginning after December 15, 2021, as extended by GASB 95. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

**GASB 96 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS**

This Statement is effective for fiscal years beginning after June 15, 2022. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). Under this statement, a government generally should recognize a right-to-use subscription asset (i.e. an intangible asset) and corresponding subscription liability based on the present value of subscription payments expected to be made during the subscription term. A government should recognize amortization of the discount on the subscription liability as an outflow of resources (for example, interest expense) in subsequent financial reporting periods.

**Best Practices – Not Significant Deficiencies**

1. Governing Body Monitoring

An integral part of internal controls is the monitoring of financial activities by those charged with the governance (elected officials). This can be accomplished by asking specifically designed questions to senior staff, by reviewing basic financial statements and projections and by comparing financial results to pre-established benchmarks. While the Board participates in the budget adoption process and receives staff prepared basic financial statements, these only partially fulfill the monitoring function.

We recommend that the Board articulate the monitoring practices and record in the minutes when those activities occur.

2. Fidelity Insurance Coverage

In reviewing fidelity (employee honesty) insurance coverage we noticed that the School often carries cash and investment balances in excess of the insurance coverage amount. We recommend that the Board examine this exposure risk and make a determination as to the amount of insurance coverage they feel is prudent in regard to their oversight.

3. QuickBooks Accounting Software

QuickBooks accounting software is used. QuickBooks may allow users to delete transactions without any audit trail remaining. We recommend that you evaluate the risk of using this program and consider reviewing the audit tracker on a periodic basis for unusual transactions and to ensure it has not been shut off. This review should be documented.

4. IT Control

In reviewing the IT controls over accounting software, we noted that the School does not have any policy in place for quality of passwords (length, special characters, etc.), or policy regarding how often passwords should be changed or updated. We recommend that the School adopt a policy addressing these IT-related internal controls.

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



ROY R. ROGERS, CPA  
PAULY, ROGERS AND CO., P.C.

**MULTNOMAH COUNTY SCHOOL DISTRICT NO.7  
STUDENT ACTIVITY FUNDS  
MULTNOMAH COUNTY, OREGON**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2021**

PREPARED BY:  
CHRISTINA WEINARD, DIRECTOR OF FINANCIAL SERVICES  
REGINA SAMPSON, SENIOR ACCOUNTANT



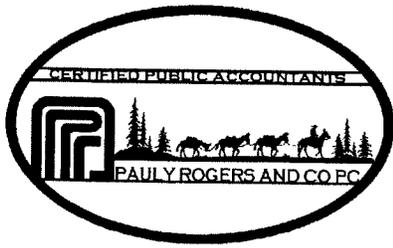
12700 SW 72<sup>nd</sup> Ave.  
Tigard, OR 97223

MULTNOMAH COUNTY SCHOOL DISTRICT NO.7

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November 17, 2021

To the Board of Education  
Multnomah County School District No. 7  
Fairview, Oregon

### **INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES**

We have performed the procedures described below on the financial statements of the Reynolds School District Activity Funds as of June 30, 2021. Reynolds School District's management is responsible for the Reynolds School District Activity Funds financial statements.

Reynolds School District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting users in understanding the financial statements of the Reynolds School District Activity Funds as of June 30, 2021. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are described below:

1. PROCEDURE: Select a random sample of disbursements during the fiscal year ended June 30, 2021, and test them for the following attributes:
  - Backup documentation was present to support the disbursement
  - Documentation was present that the disbursement was properly approved
  - Review the cancelled checks for consistency with the recorded disbursements and for proper signatures in accordance with the Activity Fund Policy
2. PROCEDURE: Select a random sample of receipts during the fiscal year ended June 30, 2021 and test them for the following attributes:
  - Receipt copies were issued and accounted for in numerical sequence
  - Receipt copies that were issued were deposited in the bank in a timely manner
  - Monies collected were credited to the proper account
3. PROCEDURE: Review bank reconciliations and bank statements for accuracy and evidence of review for three months during the year including June 30, 2021.
4. PROCEDURE: Review the internal control procedures manual and provide suggestions for improvement.

In addition, for Reynolds High School we:

1. Expanded on samples noted on test #1 and #2 above.
2. Selected a random sample of petty cash disbursements for the fiscal year ended June 30, 2021, and tested them for the following attributes:
  - Backup documentation was present to support the disbursement
  - Documentation that the disbursement was properly approved was present

3. The count of Petty Cash, as outlined in the Engagement Letter, could not be performed due to contact restrictions due to the COVID-19 pandemic.

**FINDINGS:**

**BANK RECONCILIATIONS – DAVIS ELEMENTARY SCHOOL**

1. We found a check listed in the "Uncleared Transactions" area of the reconciliation that was indicated as paid on the bank statement. We recommend bank reconciliations be reviewed timely for accuracy.

**BANK RECONCILIATIONS – ALDER ELEMENTARY SCHOOL**

1. We found an instance of no reviewer signature on the bank reconciliation. We recommend the reviewer sign bank reconciliations after reviewing to enhance internal control.
2. We found an instance of a bank reconciliation being completed two months after month end. We recommend that bank reconciliations be prepared in a timely manner within 30 days to enhance internal control.

We were engaged by Reynolds School District to perform this engagement to apply agreed-upon procedures and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an audit or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records of the Reynolds School District Activity Funds as of June 30, 2021. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Reynolds School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of Reynolds School District and is not intended to be and should not be used by anyone other than this specified party.



ROY R. ROGERS, CPA  
PAULY, ROGERS AND CO., P.C.



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November 17, 2021

To the Board of Education  
Multnomah County School District No. 7  
Portland, Oregon

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Management is responsible for the accompanying financial statements of the Student Activity Funds of the Reynolds School District, which comprise the combined balance sheet - cash basis as of June 30, 2021, and the related combined statement of receipts, disbursements and cash balances - cash basis for the year then ended, and related notes to the financial statements in accordance with the cash basis of accounting, and for determining that the cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the special-purpose financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these special-purpose financial statements.

As discussed in Note 3, the special-purpose financial statements of the Reynolds School District Activity Funds are intended to present the financial position and the changes in financial position of only the student activity funds and do not purport to, and do not, present fairly the financial position of the Reynolds School District as of June 30, 2021, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The special-purpose financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

ROY R. ROGERS, CPA  
PAULY, ROGERS AND CO., P.C.

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**REYNOLDS SCHOOL DISTRICT**  
**COMBINED BALANCE SHEET (CASH BASIS)**  
**June 30, 2021**

---

ASSETS

Cash on Deposit:	
Reynolds High School	
Checking	\$ 196,013
Total Reynolds High School	<u>196,013</u>
Alder Elementary School	2,718
Davis Elementary School	2,930
Fairview Elementary School	1,029
Glenfair Elementary School	3,253
Hartley Elementary School	12,319
HB Lee Middle School	14,586
Margaret Scott Elementary School	6,193
Reynolds Learning Academy	1,822
Reynolds Middle School	32,272
Salish Ponds Elementary School	8,945
Sweetbriar Elementary School	5,644
Troutdale Elementary School	1,338
Walt Morey Middle School	29,202
Wilkes Elementary School	7,161
Woodland Elementary School	3,578
Total Assets	<u><u>\$ 329,002</u></u>

FUND BALANCES

Fund Balance:	
Reynolds High School	\$ 196,013
Alder Elementary School	2,718
Davis Elementary School	2,930
Fairview Elementary School	1,029
Glenfair Elementary School	3,253
Hartley Elementary School	12,319
HB Lee Middle School	14,586
Margaret Scott Elementary School	6,193
Reynolds Learning Academy	1,822
Reynolds Middle School	32,272
Salish Ponds Elementary School	8,945
Sweetbriar Elementary School	5,644
Troutdale Elementary School	1,338
Walt Morey Middle School	29,202
Wilkes Elementary School	7,161
Woodland Elementary School	3,578
Total Fund Balance	<u><u>\$ 329,002</u></u>

See Accompanying Notes and Independent Accountants' Compilation Report

**REYNOLDS SCHOOL DISTRICT**

**COMBINED STATEMENT OF RECEIPTS,  
DISBURSEMENTS AND CASH BALANCES**

**For the Year Ended June 30, 2021**

	Balance 7/01/20	Receipts	Disbursements	Balance 6/30/21
Reynolds High School	\$ 207,433	\$ 57,303	\$ 68,722	\$ 196,013
Alder Elementary School	2,718	-	-	2,718
Davis Elementary School	11,397	-	8,467	2,930
Fairview Elementary School	1,029	-	-	1,029
Glenfair Elementary School	3,425	-	173	3,253
Hartley Elementary School	9,408	2,911	-	12,319
HB Lee Middle School	15,262	-	676	14,586
Margaret Scott Elementary School	5,943	4,525	4,275	6,193
Reynolds Learning Academy	1,732	90	-	1,822
Reynolds Middle School	32,042	230	-	32,272
Salish Ponds Elementary School	9,663	42	761	8,945
Sweetbriar Elementary School	5,581	63	-	5,644
Troutdale Elementary School	1,338	-	-	1,338
Walt Morey Middle School	28,982	1,020	799	29,202
Wilkes Elementary School	7,161	-	-	7,161
Woodland Elementary School	3,590	8	20	3,578
	<u>\$ 346,703</u>	<u>\$ 66,192</u>	<u>\$ 83,893</u>	<u>\$ 329,002</u>

See Accompanying Notes and Independent Accountants' Compilation Report

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
STUDENT ACTIVITY FUNDS  
NOTES TO FINANCIAL STATEMENT

---

1. ACCOUNTING METHOD

The cash method of accounting is used for activity funds. Under the cash method, receipts are recognized when cash is received and disbursements are recorded when they are actually paid. The cash basis of accounting is not in accordance with generally accepted accounting principles (GAAP) in the United States of America; however, it complies with state legal requirements.

Under GAAP the fund financial statements require that revenues be recorded as they become susceptible to accrual (i.e. when they become measurable and available) and expenditures are recorded as goods and services are received. Management believes the cash basis of accounting is preferable for the student activity funds due to their lack of complexity.

2. DESCRIPTION OF FUNDS

Activities in the various student activity funds are derived from academic, social, athletic, and cultural activities of the students. The funds are administered by the students and faculty of the local schools and are generally restricted for the specific purposes noted in each fund.

3. RELATED PARTY TRANSACTIONS

Reynolds School District (the District) is a municipal corporation governed by an elected Board of Directors. Administration officials are approved by the Board. The daily functioning is under the supervision of the Superintendent-Clerk. The operations of the student activity funds are administrated by District staff who direct what activities and events are participated in.

The activity funds only account for the above activities and do not include all operations of Reynolds School District. Therefore, the student activity fund statements are not intended to present fairly the financial position and results of operations of Reynolds School District in conformity with accounting principles generally accepted in the United States of America. The student activity funds are included as a governmental fund in the Reynolds School District basic financial statements, which include all operations of the District and can be found in a separately issued report.

4. CASH

Cash held in the bank for the Student Activity Funds includes \$335,665 held in demand deposits. Refer to Reynolds School District's basic financial statements and footnotes for FDIC and collateral coverage available to protect these funds.

5. SUPPLY INVENTORIES

Inventories of supplies on hand at June 30, 2021 are valued at cost using the first in, first out method of accounting. Management believes there were no material inventories on hand at June 30, 2021.

6. SUBSEQUENT EVENTS

Events have been evaluated for the year ended June 30, 2021 through November 17, 2021, the issuance date of the financial statements. No subsequent events were identified by management that required note disclosure.

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
STUDENT ACTIVITY FUNDS  
NOTES TO FINANCIAL STATEMENT

---

7. COMMITMENTS & CONTINGENCIES

The COVID-19 outbreak in the United States has caused substantial disruption to business and local governments due to mandated and voluntary suspension of operations and stay at home orders. There is considerable uncertainty around the duration of the outbreak and the long-term impact to the overall economy. The ultimate impact on the District's Activity Funds is not determinable at this time.

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
**MULTNOMAH COUNTY, OREGON**

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



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**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
MULTNOMAH COUNTY, OREGON

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

\*\*\*\*\*

PREPARED BY:

REGINA SAMPSON, DIRECTOR OF FINANCIAL SERVICES

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7

MULTNOMAH COUNTY, OREGON

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MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON  
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MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON  
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Reynolds School District  
Administration Offices  
1204 NE 201<sup>st</sup> Avenue  
Fairview, OR 97024  
503.661.7200 • FAX 503.667.6932

December 17, 2021

To Board of Education and Citizens of the Reynolds School District:

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the Reynolds School District (Multnomah County School District No. 7) for the fiscal year ended June 30, 2021. This report is prepared in conformance with generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB).

The District's Financial Services Department prepared this report, and management assumes the responsibility for the completeness, reliability, and accuracy of all the information presented.

The District's management has established a comprehensive framework that is designed both to protect the assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statement in conformity with generally accepted accounting principles in the United States of America (GAAP). Since the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

### **Awards**

The district submitted the Annual Comprehensive Financial Report to Government Finance Officers Association (GFOA) and Association of School Business Officials International (ASBO) for submission for the financial rewards. For the 2019-20 Annual Comprehensive Financial Report, the District did receive the Certificate of Achievement for Excellence in Financial Reporting from GFOA and ASBO. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

The district will be submitting the 2020-21 Annual Comprehensive Financial Report to both GFOA and ASBO for consideration of the award.

## **Independent Audit**

The provisions of Oregon Revised Statutes require an independent audit of the financial records and fiscal affairs of the District. The auditors selected by the Board of Education, Pauly, Rogers and Company, P.C., have completed their audit of the financial statements and, accordingly, have issued an unmodified (“clean”) opinion on the Reynolds School District’s financial statements for the year ended June 30, 2021. The independent auditor’s report is located at the front of the financial section of this report.

The Single Audit Act of 1984 and the Single Audit Act Amendments of 1996 require state and local governments that expend \$750,000 or more in federal assistance in a year have a special form of audit conducted for that year. Reynolds School District has issued a report on these requirements and the requirements of the implementing circular, U.S. Office of Management and Budget’s Circular A-133, Audits of State and Local Government. Pauly, Rogers and Company, P.C. has also provided various required reports. These reports are in the Single Audit Section of this report.

## **Management’s Discussion and Analysis**

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District MD&A can be found immediately following the independent auditor’s report.

## **PROFILE OF THE DISTRICT**

### *Mission Statement:*

*We lead with equity to educate and support all students to graduate with skills and confidence to thrive.*

### *Vision:*

*As a community, we prepare lifelong learners to achieve their full potential in a complex and interconnected world.*

## **General Background**

Reynolds School District was confirmed in 1954 as a consolidation of the Fairview, Troutdale, and Wilkes elementary school districts. In 1975, Rockwood School District merged with Reynolds.

The District has 11 elementary, three middle, one high school, one alternative school and six alternative programs, serving 10,443 students from a diverse geographic

region and from various backgrounds. The students of Reynolds speak more than 71 languages.

The District also has three sponsored charter schools. In May of 1999, the State of Oregon passed Oregon's Charter School Law (ORS 338) which permits parents, teachers, or community members to contract with the school District or the State as a sponsor for the operation of a charter school. The charter schools are financed by a portion of the State School Funds distributed to the District and any revenue they can raise themselves. The District is allowed to withhold 5 – 20% of its State School Funds, per Average Daily Membership Weighted (ADMw). The District is legally required to provide Special Education and English Language Development to its students that meet state and federal requirements and has provided 5.8 full-time equivalent teachers and specialists working at the Charter Schools. The District has no equity interest in any of the charter schools, and all are considered legally separate organizations.

The high school consistently ranks as one of the largest, in terms of student population, in the state. Reynolds High School students may also attend the Center for Advanced Learning, a charter school partnership between four neighboring districts (Centennial, Corbett, Gresham-Barlow and Reynolds), where students can choose to focus on health sciences, engineering or computer science.

## **District Structure**

The District, a fiscally independent entity, is organized with a seven-member elected Board of Directors and a board appointed budget committee. The School Board sets district policies, employs staff and dedicates resources. It is the chief governing body and is exclusively responsible for its public policies and accountable for fiscal oversight. The chief administrative officer of the District is the superintendent who is appointed by the Board.

District management includes a superintendent, two assistant superintendents, one chief officer, and 47.0 principals, vice-principals, and district administrators. The District employs 1,145.81 full-time equivalent (FTE) personnel, including principals, vice-principals, administrators, teachers, supervisors, secretarial staff, bus drivers, maintenance personnel, cafeteria staff and other support staff.

Under Oregon State law, school districts are independent municipal corporations empowered to provide elementary and secondary educational services for the children residing within their boundaries. The District discharges this responsibility by building, operating and maintaining school facilities, developing, and maintaining approved educational programs and courses of study, including career/technical educational programs, and programs for English language learners and special needs students, and providing for transportation and feeding of students in accordance with District, State, and Federal programs. This report includes all funds of the District.

The average age of all building across the district is 32.2 years. The average of school buildings across the district is 34.6 years.

## **Geography and Population**

The District spans from 141<sup>st</sup> Avenue to the Sandy River and from the Columbia River on the North to SE Market Street and SE Stark Street to the South. The district serves Portland, Gresham, Fairview, Wood Village, and Troutdale, and is a mix of urban and rural residential, high tech manufacturing and farmland.

## **APPROPRIATIONS AND BUDGETARY CONTROLS**

The Board is required to adopt a final budget by no later than the close of the fiscal year. The Oregon Department of Revenue govern the District's budget to ensure that the District remains in compliance with Oregon Budget Law. The annual budget serves as a management tool to enhance performance efficiency and effectiveness, a financial system to account for revenues and expenditures, and a control mechanism to ensure public money is spent as it is authorized. The budget also provides the authority to levy property taxes.

The entire Board, together with seven appointed residents of the school district, serves as the District's Budget Committee. The role of the Budget Committee is to help assure that the District Budget Document and fiscal practices address the budget goals set by the Board of Education.

Consistent with Oregon Budget Law and Oregon Department of Education Chart of Accounts, expenditures are appropriated for each legally adopted annual operating budget as follows:

- Instruction
- Support Services
- Community Services
- Facilities Acquisition and Construction
- Debt Service
- Operating Contingencies
- Fund Transfers
- Unappropriated Ending Fund Balance

Budgetary appropriations may not be legally over-expended except in the case of reimbursable grant expenditures and trust monies which could not be reasonably estimated at the time the budget was adopted. After budget approval, the Board may approve supplemental appropriations if any occurrence, condition or need exists which had not been anticipated at the time the budget was adopted. Supplemental budgets must be submitted to the Board for approval by the Board.

## **Cash Management**

Through the year, cash not required for current operations is invested in the State of Oregon Local Government Investment Pool.

## **FACTORS AFFECTING FINANCIAL CONDITION**

### **Statewide Revenue**

Over the past two decades, several citizen initiatives have changed how Oregon funds public education starting with Measure 5 in 1990. The property tax limitations enacted under Measure 5 and the later Measures 47 and 50 shifted the primary burden of paying for K–12 education from local property taxpayers to the state General Fund. This shift led the Legislature in 1991 to establish a school funding equalization formula. That funding formula, largely based on student enrollment numbers and student demographics, determines how much money each school district will receive from the State School Fund to fill the gap between the district's local revenue (property taxes) and its equalization target under the formula. This shift affected how funds are provided to public schools, making them more dependent on the overall economy of Oregon.

### **Global Pandemic**

Starting in March of 2020, the COVID-19 pandemic started making impacts and creating uncertainty during unprecedented challenges at the local, state, national, and global levels. The sudden stop of economic activity due to the outbreak of COVID-19 made the revenue outlook less clear. According to the Office of Economic Analysis (OEA), as of May 2021 economic growth has surged due to federal fiscal policy.

### **Job Growth Factor**

The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment within which the District operates.

According to the Office of Economic Analysis (OEA), as of May 2021 the Oregon labor market is expected to return to full health during the upcoming 2021-23 biennium. Total employment in Oregon will surpass pre-pandemic levels in late 2022 with the unemployment rate returning to 4 percent in 2023.

## Oregon Forecast Summary

	Quarterly					Annual					
	2021:1	2021:2	2021:3	2021:4	2022:1	2019	2020	2021	2022	2023	2024
<b>Personal Income (\$ billions)</b>											
<b>Nominal Personal Income</b>	276.4	252.3	250.6	250.5	254.3	224.3	240.8	257.4	259.3	272.0	285.7
% change	85.2	(30.6)	(2.6)	(0.1)	6.1	4.2	7.3	6.9	0.7	4.9	5.0
<b>Real Personal Income (base year=2012)</b>	245.1	222.7	220.3	219.4	221.8	204.2	216.6	226.8	225.0	231.8	238.6
% change	79.2	(31.8)	(4.3)	(1.7)	4.6	2.6	6.1	4.7	(0.8)	3.0	2.9
<b>Nominal Wages and Salaries</b>	120.9	121.5	124.0	125.9	127.4	112.5	113.1	123.1	130.0	137.4	144.8
% change	23.5	1.8	8.8	6.0	4.8	5.0	0.5	8.8	5.6	5.7	5.4
<b>Other Indicators</b>											
<b>Per Capita Income (\$1,000)</b>	65.1	59.3	58.8	58.7	59.5	53.3	56.8	60.5	60.5	63.0	65.6
% change	85.2	(30.9)	(3.1)	(0.7)	5.3	3.2	6.6	6.5	0.1	4.1	4.2
<b>Average Wage rate (\$1,000)</b>	66.0	65.3	65.1	65.3	65.5	57.2	61.6	65.4	66.3	68.4	70.9
% change	22.0	(4.6)	(1.1)	1.6	1.0	3.6	7.7	6.3	1.3	3.2	3.6
<b>Population (Millions)</b>	4.2	4.3	4.3	4.3	4.3	4.21	4.24	4.26	4.29	4.32	4.35
% change	0.0	0.5	0.5	0.6	0.8	0.9	0.7	0.4	0.7	0.8	0.8
<b>Housing Starts (Thousands)</b>	18.6	18.4	18.6	18.8	18.9	20.7	18.2	18.1	19.0	20.8	22.0
% change	33.9	(4.7)	4.5	4.6	1.5	5.9	(12.3)	(0.4)	5.1	9.4	6.0
<b>Unemployment Rate</b>	6.1	5.9	6.2	5.9	5.6	3.7	7.6	6.0	5.4	4.6	4.1
Point Change	(0.5)	(0.2)	0.3	(0.3)	(0.3)	(0.3)	3.9	(1.6)	(0.7)	(0.8)	(0.5)

<https://www.oregon.gov/das/OEA/Documents/forecast0521.pdf>

### K-12 Revenue

Although Oregon had an improving economy prior to the pandemic, K-12 funding was far from stable. The 2021-22 Biennium budget from Governor Kate Brown is at \$9.3 billion with a 49/51 split between 2021-22 and 2022-23.

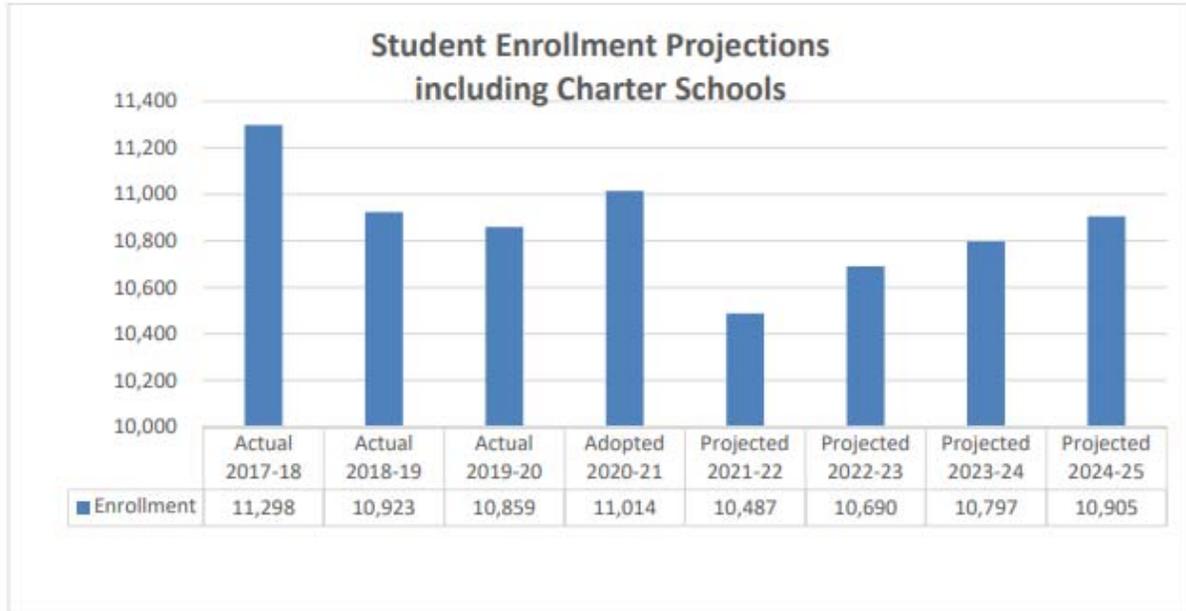
In May 2019, the voters in Oregon voted in favor of House Bill 3427, The Student Success Act. Reynolds School District estimates receiving \$9.2 million in the 2021-22 school year which is back to pre-pandemic estimates.

The Legislature must deal with the long-term funding of the Public Employees Retirement System (PERS). Senate Bill 1049 was passed in the Spring of 2019 and this will provide some changes to the current PERS system. Starting in July 2020, a portion of contributors 6% is redirected to an Employee Pension Stability Account. Even with this change, the outlook on the PERS system is still not positive. This is not a short-term problem. Funding PERS obligations will affect public agencies and schools for at least the next five years.

The District continues to meet the goal of using current year revenues for current year expenses while maintaining 5% ending fund balance per Board Policy. The goal of the District will be to continue the practice of only spending down fund balances on one-time expenditures such as capital and other non-labor costs.

The District's largest source of revenue comes from the State School Fund and is determined using projected student enrollment in the District and projected transportation expenditures.

Enrollment in our schools has been declining in recent years and was projected to have a small increase for 2020-21 prior to the pandemic. Since the pandemic, the District had students transfer out of the district to online schools and there was a smaller incoming Kindergarten class. The following chart displays student population for four years based on actual enrollment as of October each year and the projected enrollment for 2021-22 through 2024-25:



Due to the important relationship between funding and enrollment, the District will be forced to reduce its operating budget while carefully reviewing future projections.

**LONG-TERM FINANCIAL PLANNING**

The District maintains 28 facilities totaling 1.4 million square feet. As is true of many school districts in the State of Oregon, funding for capital improvements is limited due to prioritization of limited District resources for direct support of student learning in the classroom. As a result, our facilities, some over 100 years old, are in dire need of improvements and/or replacement to meet current building codes, as well as expansions to serve our existing student population who experience over-crowding due to shortages of classroom and common spaces.

On May 19, 2015, the Reynolds School District successfully passed their \$125 million general obligation bond thanks to the votes of devoted citizens. A bond premium was realized during the bond sale that increased the project budget by another \$14 million.

A major component of this bond program was to include the construction of three new elementary schools at the existing sites of Fairview Elementary, Troutdale

Elementary, and Wilkes Elementary. The bond program also included additions & renovations to be constructed at Reynolds High School.

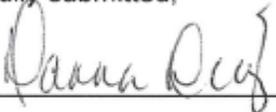
For schools that were not part of the 2015 G.O. Bonds proceeds, the District will continue to annually increase capital improvements to sites and facilities to maintain District's assets. During the 2019-20 and 2020-21 fiscal years the district worked on a new Facilities Master Plan.

[https://www.reynolds.k12.or.us/sites/default/files/fileattachments/facilities/page/28701/long\\_range\\_facilities\\_master\\_plan-april\\_2021.pdf](https://www.reynolds.k12.or.us/sites/default/files/fileattachments/facilities/page/28701/long_range_facilities_master_plan-april_2021.pdf)

## ACKNOWLEDGMENTS

We wish to express our appreciation to the entire Finance Department staff and members of other District departments who assisted in the preparation of this Annual Comprehensive Financial Report. We also wish to extend our appreciation to the members of the Board of Directors, the administrators, and employees of the District and citizens for their support and dedication to the financial operations of the District.

Respectfully submitted,

Signed:  \_\_\_\_\_

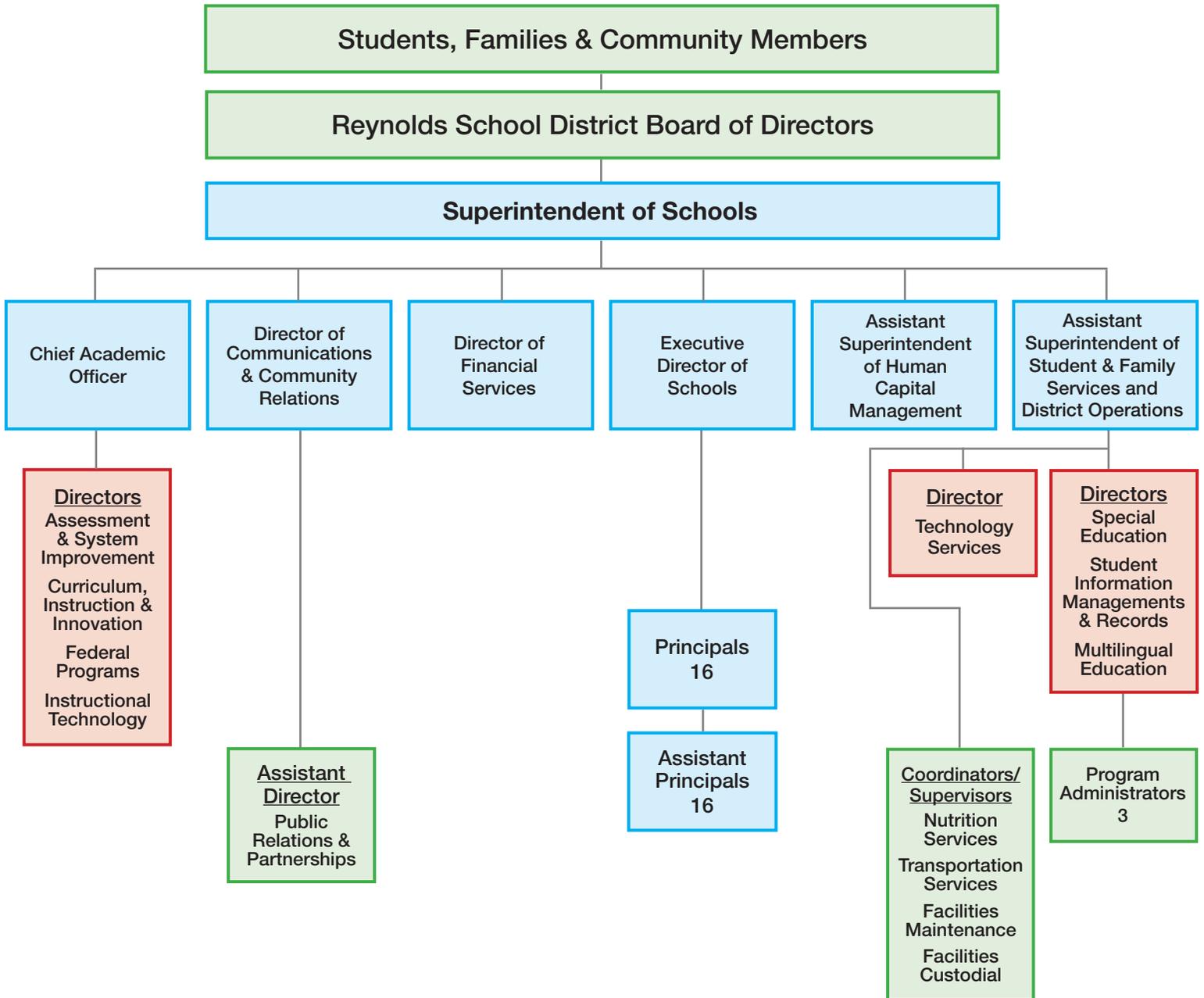
Dr. Danna Diaz, Superintendent of Schools

Signed:  \_\_\_\_\_

Regina Sampson, Director of Financial Services

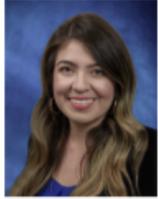
# REYNOLDS SCHOOL DISTRICT ORGANIZATIONAL CHART 2020-21

## Reynolds School District Organizational Chart Administrators 2020-2021



MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON

BOARD OF DIRECTORS AS OF JUNE 30, 2021



**Yesenia Delgado** *(Chair)*  
Position 5  
Term ends: June 30, 2023



**Joseph Teeny**  
Position 4  
Term ends: June 30, 2021



**Valerie Tewksbury** *(Vice Chair)*  
Position 1  
Term ends: June 30, 2021



**Ana Gonzalez Muñoz**  
Position 6  
Term ends: June 30, 2023



**John Lindenthal**  
Position 3  
Term ends: June 30, 2021



**Ricki Ruiz**  
Position 7  
Term ends: June 30, 2023

The above Board Members receive mail at the address below:

Dr. Danna Diaz, Superintendent

Administrative Office  
1204 N.E. 201<sup>st</sup> Avenue  
Fairview, Oregon 97024  
207



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Reynolds School District #7  
Oregon**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

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

## **Reynolds School District #7**

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

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



*W. Edward Chabal*

W. Edward Chabal  
President

*David J. Lewis*

David J. Lewis  
Executive Director

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

December 21, 2021

To the Board of Directors  
Multnomah County School District No. 7  
Multnomah County, Oregon

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Multnomah County School District No. 7 (the District), as of and for the year ended June 30, 2021, and the related notes to the basic 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 basic 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 basic financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express opinions on these basic 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 basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the basic 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 basic 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 basic 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 basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Multnomah County School District No. 7 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 required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the schedules of changes in Total OPEB liability and Related Ratios for Health Care and Stipends, the schedules of net pension liability and contributions for PERS, and net OPEB asset and contributions for RHIA, or management's discussion and analysis because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance on them.

The budgetary comparison schedules presented as Required Supplementary Information, as listed in the table of contents, have 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 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, and in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

### *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 also not a required part of the basic financial statements. The supplementary information, 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, 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 introductory and statistical sections listed in the table of contents, and the other information, 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 Legal and Other Regulatory Requirements**

In accordance with *Government Auditing Standards*, we have also issued our reports dated December 21, 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 the reports 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. The reports are an integral part of an audit

performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 21, 2021, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

A handwritten signature in black ink that reads "Roy R. Rogers". The signature is written in a cursive style with a large, prominent "R" and "R".

ROY R. ROGERS, CPA  
PAULY, ROGERS AND CO., P.C.

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# MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2021

As management of Reynolds School District # 7 (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ending June 30, 2021.

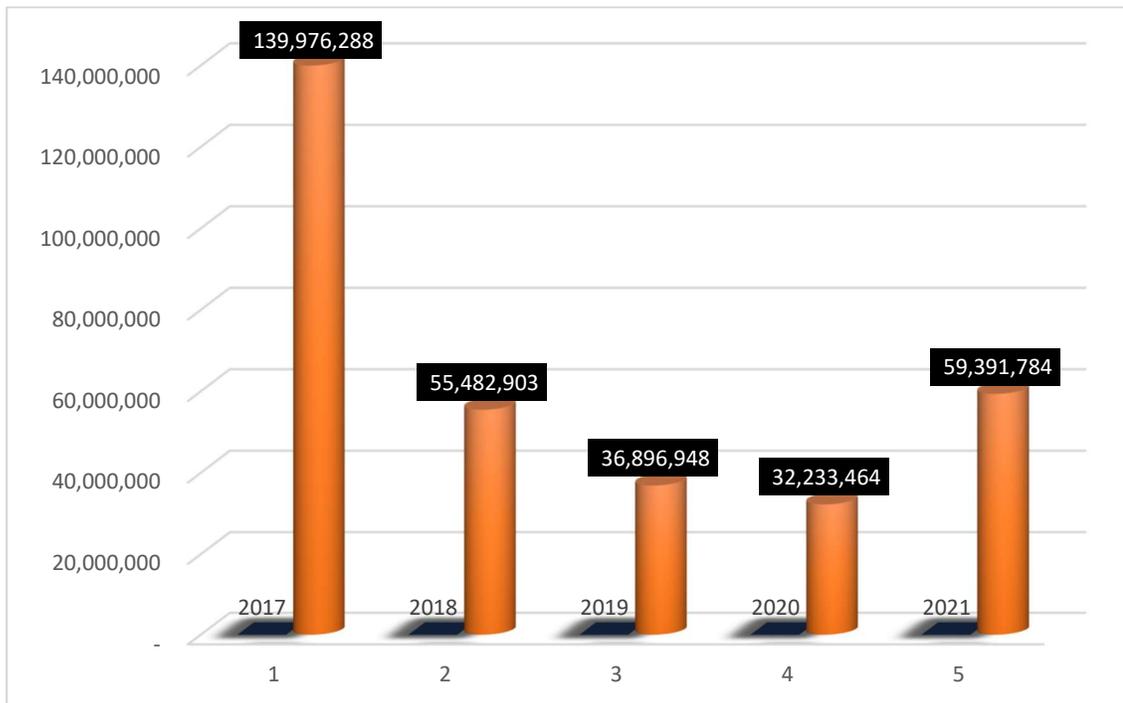
The focus of the Management's Discussion and Analysis (MD&A) is on the current year activities, resulting changes and currently known facts. The MD&A should be read in conjunction with the District's financial statements, including the accompanying notes. Additionally, as a required part of the MD&A, comparative information for the current year is presented for financial analysis to enhance the understanding of the District's financial performance.

## NEW ACCOUNTING STANDARDS IMPLEMENTED

During the year, the District did not implement any new accounting standards.

## Financial Highlights

- The government-wide financial statements, the assets and deferred outflows of resources of the District trailed its liabilities and deferred inflows of resources by (\$25.98) million net position. This is because the Net Pension Liability, the Net Other Post Employment Benefit Obligation, the Pension Related Deferrals for PERS RHIA, Stipends and Healthcare have increased.
- At June 30, 2021, the District's total net position decreased by \$629,595 in the District's financial position as compared to the prior year. In another words, the gap between Assets and Liabilities in 2019-20 was smaller and the gap has increased in the current year.
- At June 30, 2021, the District's governmental funds reported combined ending fund balances of \$37,352,585. This represents a increase of \$5,119,121 from the prior year, a 15.88% increase of in the District's financial position as compared to the prior year.



- At June 30, 2021, the General Fund had a fund balance of \$24,648,757, including a GASB 54 reporting requirement of \$(6,150) from Early Retirement Fund. GASB 54 requires the Early Retirement Fund's ending fund balance be reported with the General Fund, rather than reporting with Other Government funds as in prior years.
- During 2020-2021, the General Fund had an increase in budgetary expenditures from the original budget to the final budget in Community Service function \$292,000 and Transfers Out \$2,237,515. The Community Service increase was due to the COVID-19 pandemic as additional services were provided to the community. The Transfers Out increase also was a result of the COVID-19 pandemic due to state speculation of reduction collections to fund the School Based Health Center.
- During 2020-2021, Federal Programs had an increase in budgetary expenditures from the original budget to the final budget of \$2.15 million due to the COVID-19 pandemic resulting in an increase in federal funding. State and Local Programs were also affected by the COVID-19 pandemic requiring an increase in budgetary expenditures from the original budget to the final budget in Community Service \$500,000 and Facilities \$2.5 million.
- During 2020-2021, the Capital Projects Fund had an increase in budgetary expenditures from the original budget to the final budget of \$17.42 million due to the Full Faith & Credit Obligation -Series 2020 Refunding used to retire the Series 2010 Full Faith and Credit obligation.

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

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

- The *Statement of Net Position* presents information on all of the District's assets plus deferred outflow and liabilities plus deferred inflows, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.
- The *Statement of Activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, and earned, but unused, vacation leave).

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). As is typical for a school district, the Reynolds School District has governmental activities, such as regular and special education programs, child nutrition services, transportation, administration, and facilities improvements and construction. These activities are primarily financed through property taxes, Oregon's State School Fund, and other intergovernmental revenues. The District does not have any business-type activities.

The government-wide financial statements can be found on pages 5 and 6 of this report.

**Fund Financial Statements** are designed to demonstrate compliance with finance-related legal requirements overseeing the use of fund accounting. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities and objectives.

All of the funds of the District are governmental funds. The School Board sets appropriations within every fund each year (for instruction, support services, enterprise and community services, facilities acquisition and construction, debt service, transfers, contingency, and unappropriated ending fund balance and other GASB 54 classifications) that establish the legal limits for expenditures of the District.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains nine major governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances. The District classifies these nine funds as major funds.

The District adopts an annual appropriated budget for all of its funds as stated above. A budgetary comparison statement has been provided for each fund individually to demonstrate compliance with their budgets.

The basic governmental fund financial statements can be found beginning on pages 7 to 12 of this report.

**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 44 of this report.

**Required Supplementary Information (RSI), Supplementary Information (SI), & Other Information (OI)** is included on the basic financial statements and accompanying notes. The State of Oregon requires governmental entities to provide financial information prepared in accordance with Oregon's Budgetary Law (Budgetary Basis). The District also includes additional supplemental information to assist the users of the financial statements in gaining an understanding of the District's financial position. Other information (both required and additional) can be found on pages 45 to 69 of this report.

Additionally, the Federal Government and the State of Oregon require Governmental entities to include additional auditor reports and schedules. The 2020-2021 Auditors' Comments and Disclosure includes the auditor's report on internal accounting control and other matters. The Grant Compliance review includes a schedule of Federal Awards, on pages 92 and 93, along with reports on internal control, program compliance and schedule of prior and current year audit findings relative to Federal awards. The required auditors' comments, disclosures and grant compliance review information can be found on pages 94 to 98 of this report.

## **Government-Wide Financial Analysis**

### **Net Position**

Net position may serve over time as a useful indicator of a government's financial position. The table below condenses the Statement of Net Position shown in the Basic Financial Statements.

## Governmental Activities

	2021	2020	Increase/Decrease
<b>Assets</b>			
Current and other Assets	\$ 52,435,518	\$ 43,790,947	\$ 8,644,571
Net Capital Assets	224,187,047	225,521,802	(1,334,755)
<b>Total Assets</b>	<b>276,622,565</b>	<b>269,312,749</b>	<b>7,309,816</b>
<b>Deferred Outflows of Resources</b>			
Pension Related Deferrals	49,319,681	44,272,655	5,047,026
<b>Total Assets and Pension Related Deferrals</b>	<b>325,942,246</b>	<b>313,585,404</b>	<b>12,356,842</b>
<b>Liabilities</b>			
Current Liabilities	22,432,049	19,107,076	3,324,973
Accrued Vacation Payable	267,402	192,923	74,479
Long Term Debt	310,842,675	299,090,472	11,752,203
<b>Total Liabilities</b>	<b>333,542,126</b>	<b>318,390,471</b>	<b>15,151,655</b>
<b>Deferred Inflows of Resources</b>			
Pension Related Deferrals	18,378,066	20,543,284	(2,165,218)
<b>Total Liabilities and Pension Related Deferrals</b>	<b>351,920,192</b>	<b>338,933,755</b>	<b>12,986,437</b>
<b>Net Position</b>			
Net Investment in Capital Assets	91,952,961	72,508,688	19,444,273
Restricted for OPEB-RHIA Assets	2,151,220	1,153,426	997,794
Restricted for Debt Service	6,346,512	6,091,874	254,638
Restricted for State and Local Programs	485,654	485,654	-
Restricted for Food Service	(909,178)	896,806	(1,805,984)
Unrestricted	(126,005,115)	(106,484,799)	(19,520,316)
<b>Total Net Position</b>	<b>\$ (25,977,946)</b>	<b>\$ (25,348,351)</b>	<b>\$ (629,595)</b>

**Net investment in capital assets.** As shown in the table above, the District's current net investment in capital assets is \$91.95 million, an increase of \$19.4 million over the prior year. The increase is the result of capital asset additions from bond capital projects and seismic capital grants. The \$91.95 million net position component includes land, construction in process, building, improvements, vehicles and equipment, net of depreciation where applicable, and net of the related debt that was incurred to acquire those assets. Information about capital assets and their related debt is available in Note 7 – Capital Assets and Note 9 – Long Term Obligations.

**Restricted net position** decreased by a total of \$553,552 in 2020-21, due to decreases in Food Service.

**Unrestricted net position** has decreased by \$19.52 million, from a negative \$106.48 million to negative \$126.01 million. The decrease in unrestricted net position results from the OPEB reporting requirement and further explanation can be found in note 10 – Defined Benefit Pension Plan and Note 11 – Other Post Employment Benefit Plan.

## Statement of Activities

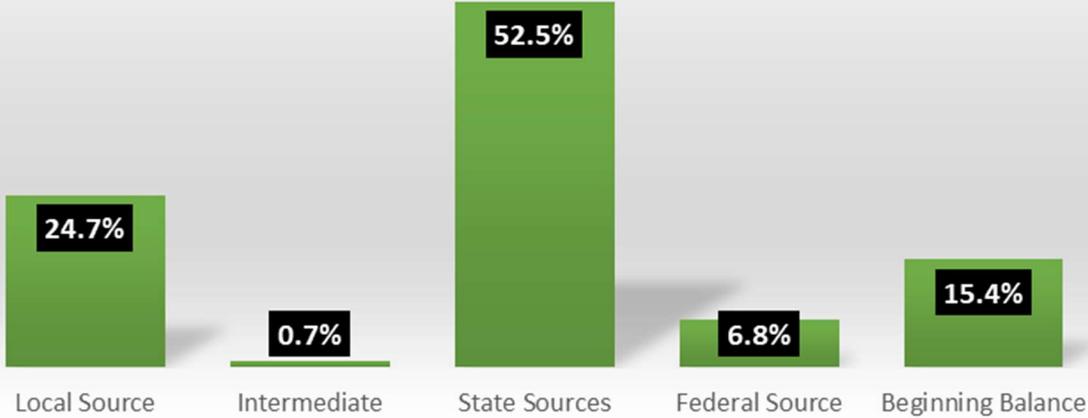
	2021	2020	Increase/Decrease
<b>Revenues</b>			
<b>Program Revenues</b>			
Charges for Services	\$ 3,999,412	\$ 704,667	\$ 3,294,745
Operating Grants and Contributions	19,819,696	17,239,689	2,580,007
<b>General Revenues</b>			
Property Taxes	39,451,643	35,266,193	4,185,450
State Support	101,426,880	100,194,901	1,231,979
Intermediate Sources	1,419,157	3,110,116	(1,690,959)
Miscellaneous	1,737,949	3,999,212	(2,261,263)
<b>Total Revenues</b>	<b>167,854,737</b>	<b>160,514,778</b>	<b>7,339,959</b>
<b>Expenses</b>			
Instruction	93,565,748	87,064,036	6,501,712
Support Services	57,558,253	56,016,345	1,541,908
Enterprise and Community Services	6,098,403	6,511,098	(412,695)
Interest on Long-Term Debt	11,438,939	11,205,390	233,549
(Gain) Loss on Equity in CAL	37,989	37,989	-
(Gain) Loss on Sale of Assets	(215,000)	440,462	(655,462)
<b>Total Expenses</b>	<b>168,484,332</b>	<b>161,275,320</b>	<b>7,209,012</b>
Increase (decrease) in net position	(629,595)	(760,542)	130,947
<b>NET POSITION - BEGINNING, RESTATED</b>	<b>(25,348,351)</b>	<b>(24,587,809)</b>	<b>(760,542)</b>
<b>NET POSITION - ENDING</b>	<b>\$ (25,977,946)</b>	<b>\$ (25,348,351)</b>	<b>\$ (629,595)</b>

### Revenues

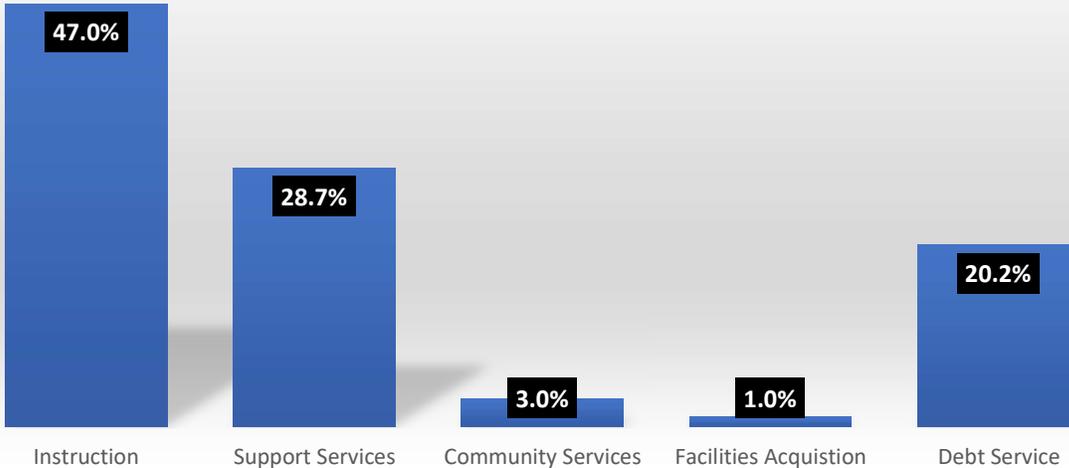
Total revenues increased by \$7.34 million from the prior year, this a net result of an increase in the Charges for Services, Property Tax collections, State School Fund funding received, and Operating Grants offset by a decrease in the Intermediate Sources.

**General Fund** revenues account for approximately 68.62% of all funds revenues. Property taxes are split between General Fund tax levies, and Debt Service requirements. The State School Fund (SSF) is the largest revenue source at \$102,898,191 or 48.4% of total revenues. Each Oregon school district receives funding from the state based upon an Average Daily Membership (ADMw) formula, weighted for various demographic considerations. The formula is allocated by multiplying a dollar rate per student established by the legislature every biennium. All General Fund Ad Valorem Taxes, County School Fund, State School Support, Common School Fund, and Federal Forest Fees are included in the SSF formula. As a safety net, each district may utilize the highest ADMw from the current or most recent fiscal years in the calculation.

## Revenues by Source - Governmental Activities



## Expenditures by Function - Governmental Activities



### Financial Analysis of the District's Funds

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

## **Governmental Funds**

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

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$37,352,585.

## **General Fund**

The General Fund is the primary operating fund of the District. At the end of the current fiscal year, the total ending fund balance was \$24,648,757. This amount represents \$24,654,907 of the General Fund and \$(6,150) of the Early Retirement Fund. GASB 54 requires the Early Retirement Fund's ending fund balance be reported with the General Fund, instead of reporting with Other Government Funds as in prior years.

## **Federal Programs Fund**

Revenues and expenditures in the Federal Programs Fund increased from \$8,613,977 in 2019-20 fiscal year to \$11,043,716 in 2020-21 fiscal year due to an increase in Federal Grants including COVID-19 funding.

## **Special Revenue Fund**

The Special Revenue Fund consists of Nutrition Services, State and Local Programs and Self Insurance Funds. This fund has increased in total fund balance from \$2,785,573 in 2019-20 fiscal year to \$3,757,356 in 2020-21 fiscal year, primarily due to an increase in State Grants.

## **Debt Service Fund**

This fund provides for the payment of principal and interest on long-term general obligation of governmental funds. Revenue source for this fund is property taxes. This fund has remained unchanged in total fund balance of \$1,280,893 in 2020-21 fiscal year, due to the retirement of debt.

## **PERS Bond Fund**

This fund provides for the payment of principal and interest of PERS UAL pension obligation bond. The Revenue sources are charged to other funds. This fund has decreased in total fund balance from \$180,784 in 2019-20 fiscal year to \$119,822 in 2020-21 fiscal year, primarily due the planned usage of fund balance to pay debt.

## **2015 GO Bond Debt Service Fund**

This fund provides for the payment of principal and interest on long-term general obligation of governmental funds. Revenue source for this fund is property taxes. This fund has increased in total fund balance from \$4,630,197 in 2019-20 fiscal year to \$4,945,797 in 2020-21 fiscal year, primarily due to property tax receipts being over budget.

## **2015 GO Bond Projects Fund**

This fund manages the capital expenditures for specifically authorized projects funded by the 2015 General Obligation bonds. This fund supports school building improvements. This fund has decreased

in total fund balance from \$2,473,020 in 2019-20 fiscal year to \$765,581 in 2020-21 fiscal year, primarily due finishing out the bond projects which is projected to be done 2021-22.

**Capital Projects Fund**

This fund provides for the payment of principal and interest on the 2010 Full Faith and Credit Refunding Obligation which was refunding with the 2020 Full Faith and Credit Refunding in 2020-21. Revenue source for this fund is excise tax, interest earning, sale of assets, transfer and loan proceeds. This fund has increased in total fund balance from \$1,559,383 in 2019-20 fiscal year to \$1,834,379 in 2019-20 fiscal year, primarily due to sale of assets.

**2016 School Improvement Project Fund**

The School Improvement Projects or Qualified Zone Academy Bond (QZAB) is a tax credit bond program whereby bond investors take a tax credit in lieu of interest payments for qualified bonds under the IRS Tax Code. Project accounted for under the QZAB include roof resurfacing exterior block sealing, HVAC replacement, and major abatement work. This fund has decreased in total fund balance from \$232,844 in 2019-20 fiscal year to zero ending fund balance in 2020-21 fiscal year, primarily due completing the projects and no additional revenues.

**Capital Asset and Debt Administration**

**Capital assets**

The District’s investment in capital assets for its governmental activities as of June 30, 2021 amounts to \$224,187,047 net of accumulated depreciation. This investment in capital assets includes land, buildings, equipment, and vehicles.

**Capital Assets (Net of Depreciation) includes the following:**

	2021	2020	Increase/Decrease
Land	17,752,046	17,752,046	-
Construction in Progress	-	-	-
Buildings and Improvements	200,606,066	203,898,242	(3,292,176)
Vehicles and Equipment	5,828,935	3,871,514	1,957,421
	<u>224,187,047</u>	<u>225,521,802</u>	<u>(1,334,755)</u>

Additional information on the District’s capital assets can be found in Note 7 Capital assets on page 23 of this report.

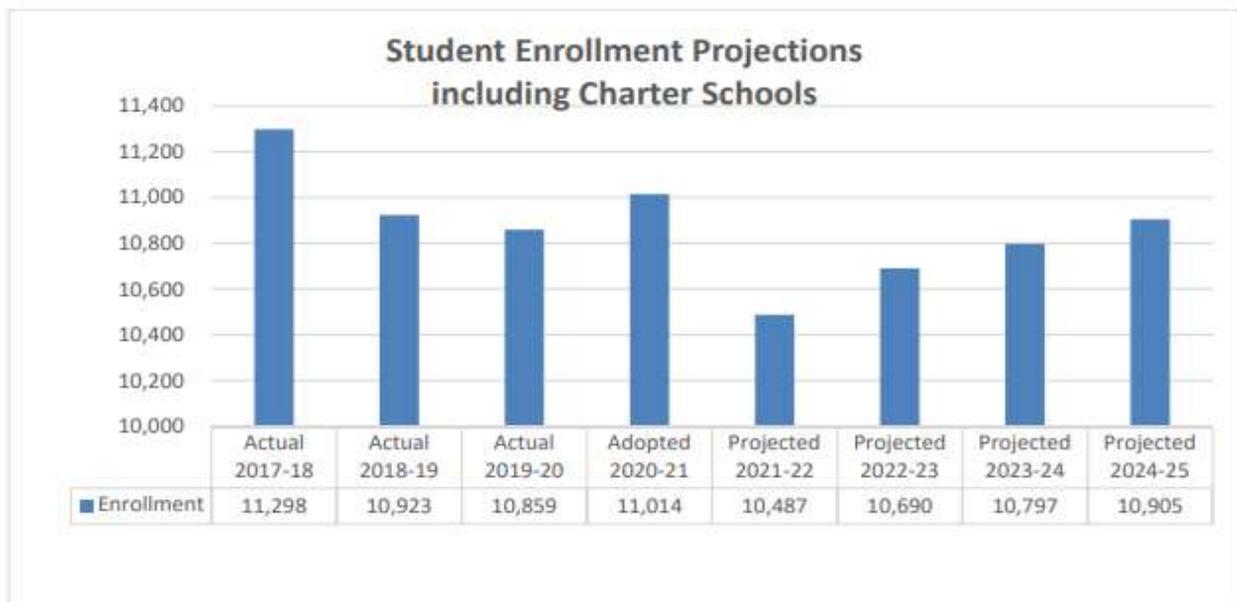
**Long-term debt.** At the end of the fiscal year, the District had a total outstanding long-term debt of \$194,122,394 consisting of general obligation debt and pension obligation debt, net of unamortized premium/discount.

<b>Long-Term Debt</b>			
	<u>2021</u>	<u>2020</u>	<u>Increase/Decrease</u>
Bond Payable	178,039,538	187,461,022	(9,421,484)
Notes Payable	16,082,856	19,508,042	(3,425,186)
	<u>194,122,394</u>	<u>206,969,064</u>	<u>(12,846,670)</u>

Additional information on the District’s long-term debt can be found in note 9 on pages 24 to 27 of this report.

### Economic Factors and Next Year’s Budgets

- Resources supporting District General Fund operations primarily reflect local and state revenues, with additional income from federal, county and other sources. The State School Fund formula determines the largest segment of resources. Most funding provided by the State to the District is based on the District’s average daily membership of students.
- Starting in March of 2020, The COVID-19 pandemic started making impacts and creating uncertainty during unprecedented challenges at the local, state, national, and global levels. The sudden stop of economic activity due to the outbreak of COVID-19 has made the revenue outlook less clear. The sudden stop of economic activity due to the outbreak of COVID-19 made the revenue outlook less clear. According to the Office of Economic Analysis (OEA), as of May 2021 economic growth has surged due to federal fiscal policy.
- Enrollment in our schools has been declining in recent years, the district experienced a sudden decline in overall enrollment due to the COVID-19 pandemic in 2020-21 and is expecting to have a slight increase in 2021-22.



- According to the Office of Economic Analysis (OEA), as of May 2021 the Oregon labor market is expected to return to full health during the upcoming 2021-23 biennium. Total employment in Oregon will surpass pre-pandemic levels in late 2022 with the unemployment rate returning to 4 percent in 2023.
- The costs of salaries and related benefits are expected to increase in 2021-22. The utility costs continue to escalate.
- The District has also analyzed its financial holdings and does not anticipate any liquidity problems in the next 12 months.
- School Board policy mandates that the District budget a minimum of 5% fund balance unless the Board takes formal action to waive or lower the requirement. The reserve is maintained to absorb economic downturns, state revenue-sharing reductions and other revenue shortfalls, and will prudently be used when needed to provide stability of core programs and legally required activities to every child.
- The District, through prudent fiscal management, maintains a healthy financial position to provide the quality education deserved by every child.

The District's Budget Committee and School Board considered all of these factors while preparing the District's budget for the 2021-22 fiscal year.

### **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 address to the Director of Finance Service at 1204 NE 201<sup>st</sup> Ave, Fairview OR 97024. Electronic copies of this report may be found at the district website:

<https://www.reynolds.k12.or.us/fs/financial-reports>

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**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
MULTNOMAH COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
**MULTNOMAH COUNTY, OREGON**

**STATEMENT OF NET POSITION**  
**June 30, 2021**

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$ 40,638,919
Receivables:	
Accounts and Grants	6,471,935
Property Taxes	1,036,201
Supply Inventories & Assets Held for Resale	441,894
Other Prepaid Expenses	564,002
Equity in CAL	1,131,347
Total OPEB Asset - RHIA	2,151,220
Capital Assets, Non-Depreciable	17,752,046
Capital Assets, Depreciable, Net	206,435,001
Total Assets	276,622,565
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension Related Deferrals - PERS	46,557,065
OPEB Related Deferrals - Stipends	369,898
OPEB Related Deferrals - Health Care	2,150,674
OPEB Related Deferrals - RHIA	242,044
Total Deferred Outflows	49,319,681
<b>TOTAL ASSETS AND PENSION RELATED DEFERRALS</b>	<b>325,942,246</b>
<b>LIABILITIES</b>	
Accounts Payable	2,994,501
Accrued Salaries and Benefits	7,034,988
Unearned Revenue	864,537
Accrued Vacation Payable	267,402
Bond & Note Interest Payable	227,429
Noncurrent liabilities:	
Long-Term Obligations Due within one year	11,310,594
Long-Term Obligations Due in more than one year	185,570,204
Proportionate share of Net PERS Pension Liability, due in more than one year	107,764,505
Net Pension OPEB Liability - Stipends, due in more than one year	2,340,399
Net Pension OPEB Liability - Health Care, due in more than one year	15,167,567
Total Liabilities	333,542,126
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension Related Deferrals - PERS	15,673,948
OPEB Related Deferrals - Stipends	201,957
OPEB Related Deferrals - Health Care	1,700,032
OPEB Related Deferrals - RHIA	802,129
Total Deferred Inflows	18,378,066
<b>TOTAL LIABILITIES AND PENSION RELATED DEFERRALS</b>	<b>351,920,192</b>
<b>NET POSITION</b>	
Net Investment in Capital Assets	91,952,961
Restricted for OPEB-RHIA Asset	2,151,220
Restricted for Debt Service	6,346,512
Restricted for State & Local Programs	485,654
Restricted for Food Service	(909,178)
Unrestricted	(126,005,115)
Total Net Position	\$ (25,977,946)

The notes to the basic financial statements are an integral part of this statement

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
**MULTNOMAH COUNTY, OREGON**

**STATEMENT OF ACTIVITIES**  
**For the year ended June 30, 2021**

<u>Functions/Programs</u>	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Instruction	\$ 93,565,748	\$ 2,210,927	\$ 6,040,900	\$ (85,313,921)
Support Services	57,558,253	1,350,620	3,273,721	(52,933,912)
Community Services	6,098,403	437,865	10,505,075	4,844,537
Interest on Long-Term Debt	11,438,939	-	-	(11,438,939)
Loss on Equity in CAL	37,989	-	-	(37,989)
Total Governmental Activities	\$ 168,699,332	\$ 3,999,412	\$ 19,819,696	(144,880,224)
General Revenues:				
				28,738,211
				10,713,432
				101,426,880
				1,419,157
				377,528
				1,360,421
Total General Revenues				144,035,629
Other Income:				
				215,000
				215,000
		Change in Net Position		(629,595)
		Net Position - Beginning		(25,348,351)
		Net Position - Ending		\$ (25,977,946)

The notes to the basic financial statements are an integral part of this statement

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
**MULTNOMAH COUNTY, OREGON**

**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**June 30, 2021**

	<u>GENERAL FUND</u>	<u>FEDERAL PROGRAMS FUND</u>	<u>DEBT SERVICE FUND</u>	<u>PERS BOND FUND</u>	<u>2015 GO BOND DEBT SERVICE FUND</u>
<b>ASSETS:</b>					
Cash & Equity in Pooled Cash	\$ 27,187,353	\$ -	\$ 6,089,724	\$ 37,486	\$ 6,626,749
Receivables:					
Accounts and Grants	773,099	2,714,469	-	3,058	37,323
Property Taxes	763,101	-	-	-	273,100
Interfund Receivable	5,469,218	-	-	79,278	-
Prepaid	535,206	-	-	-	-
Inventory & Property Held for Resale	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 34,727,977</b>	<b>\$ 2,714,469</b>	<b>\$ 6,089,724</b>	<b>\$ 119,822</b>	<b>\$ 6,937,172</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 2,369,292	\$ 293,089	\$ -	\$ -	\$ -
Accrued Salaries and Benefits	7,034,988	-	-	-	-
Interfund Payable	6,150	2,416,314	4,808,831	-	1,753,825
<b>Total Liabilities</b>	<b>9,410,430</b>	<b>2,709,403</b>	<b>4,808,831</b>	<b>-</b>	<b>1,753,825</b>
<b>Deferred Inflows of Resources:</b>					
Deferred Grants	-	5,066	-	-	-
<b>Unavailable Revenue:</b>					
Property Taxes	668,790	-	-	-	237,550
<b>Total Deferred Inflows of Resources</b>	<b>668,790</b>	<b>5,066</b>	<b>-</b>	<b>-</b>	<b>237,550</b>
<b>Fund Balances (Deficit):</b>					
Nonspendable	535,206	-	-	-	-
<b>Restricted:</b>					
Debt Service	-	-	1,280,893	119,822	4,945,797
State & Local Programs	-	-	-	-	-
Food Service	-	-	-	-	-
<b>Committed:</b>					
Early Retirement	(6,150)	-	-	-	-
Self Insurance	-	-	-	-	-
State & Local Programs	-	-	-	-	-
<b>Assigned</b>					
Unassigned	24,119,701	-	-	-	-
<b>Total Fund Balances (Deficit)</b>	<b>24,648,757</b>	<b>-</b>	<b>1,280,893</b>	<b>119,822</b>	<b>4,945,797</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 34,727,977</b>	<b>\$ 2,714,469</b>	<b>\$ 6,089,724</b>	<b>\$ 119,822</b>	<b>\$ 6,937,172</b>

The notes to the basic financial statements are an integral part of this statement

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
**MULTNOMAH COUNTY, OREGON**

**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**June 30, 2021**

	<b>2015 GO BONDS PROJECTS FUND</b>	<b>CAPITAL PROJECTS FUND</b>	<b>2016 SCHOOL IMPROVEMENT PROJECT FUND</b>	<b>OTHER GOVERNMENTAL FUNDS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
<b>ASSETS:</b>					
Cash & Equity in Pooled Cash	\$ 33,064	\$ 257,232	\$ -	\$ 407,311	\$ 40,638,919
Receivables:					
Accounts and Grants	-	-	-	2,943,986	6,471,935
Property Taxes	-	-	-	-	1,036,201
Interfund Receivable	751,488	1,577,972	-	2,360,877	10,238,833
Prepaid	-	-	-	28,796	564,002
Inventory & Property Held for Resale	-	-	-	441,894	441,894
<b>Total Assets</b>	<b>\$ 784,552</b>	<b>\$ 1,835,204</b>	<b>\$ -</b>	<b>\$ 6,182,864</b>	<b>\$ 59,391,784</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 18,971	\$ 825	\$ -	\$ 312,324	\$ 2,994,501
Accrued Salaries and Benefits	-	-	-	-	7,034,988
Interfund Payable	-	-	-	1,253,713	10,238,833
<b>Total Liabilities</b>	<b>18,971</b>	<b>825</b>	<b>-</b>	<b>1,566,037</b>	<b>20,268,322</b>
<b>Deferred Inflows of Resources:</b>					
Deferred Grants	-	-	-	859,471	864,537
Unavailable Revenue:					
Property Taxes	-	-	-	-	906,340
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>859,471</b>	<b>1,770,877</b>
<b>Fund Balances (Deficit):</b>					
Nonspendable	-	-	-	470,690	1,005,896
Restricted:					
Debt Service	-	-	-	-	6,346,512
State & Local Programs	-	-	-	485,654	485,654
Food Service	-	-	-	(909,178)	(909,178)
Committed:					
Early Retirement	-	-	-	-	(6,150)
Self Insurance	-	-	-	620,903	620,903
State & Local Programs	-	-	-	3,089,287	3,089,287
Assigned	765,581	1,834,379	-	-	2,599,960
Unassigned	-	-	-	-	24,119,701
<b>Total Fund Balances (Deficit)</b>	<b>765,581</b>	<b>1,834,379</b>	<b>-</b>	<b>3,757,356</b>	<b>37,352,585</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 784,552</b>	<b>\$ 1,835,204</b>	<b>\$ -</b>	<b>\$ 6,182,864</b>	<b>\$ 59,391,784</b>

The notes to the basic financial statements are an integral part of this statement

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
**MULTNOMAH COUNTY, OREGON**

**Reconciliation of the Governmental Funds**  
**Balance Sheet to the Statement of Net Position**  
**June 30, 2021**

TOTAL FUND BALANCES-GOVERNMENTAL FUNDS	\$	37,352,585
Capital assets are not financial resources and therefore are not reported in the governmental funds.		
Cost		312,714,912
Accumulated Depreciation		<u>(88,527,865)</u>
		224,187,047
A portion of the property taxes are collected after year-end but are not available soon enough to pay for the current years' operations, and therefore are not reported as revenue in the governmental funds.		
		906,340
The Net PERS 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.		
		(107,764,505)
The Net RHIA Asset is the difference between the total OPEB liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries.		
		2,151,220
The Net OPEB Stipends Obligation is the difference between the total pension stipend liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries.		
		(2,340,399)
The OPEB Liability for health care is the difference between the total healthcare benefit liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries.		
		(15,167,567)
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.		
Net PERS Pension and OPEB Related Deferrals		
Deferred Outflows - PERS		46,557,065
Deferred Inflows - PERS		(15,673,948)
Deferred Outflows - OPEB Stipends		369,898
Deferred Inflows - OPEB Stipends		(201,957)
Deferred Outflows - OEPB Health Care		2,150,674
Deferred Inflows - OPEB Health Care		(1,700,032)
Deferred Outflows - OPEB RHIA		242,044
Deferred Inflows - OPEB RHIA		<u>(802,129)</u>
		30,941,615
Equity interest in the Center for Advanced Learning (CAL) is not reported in the governmental funds:		
		1,131,347
Long-term liabilities applicable to the governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due.		
Long term Liabilities:		
Accrued Vacation Payable		(267,402)
Bond & Note Interest Payable		(227,429)
Debt Obligations		<u>(196,880,798)</u>
		<u>(197,375,629)</u>
TOTAL NET POSITION	\$	<u><u>(25,977,946)</u></u>

The notes to the basic financial statements are an integral part of this statement

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
**MULTNOMAH COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the year ended June 30, 2021**

<b>REVENUES:</b>	<b>GENERAL FUND</b>	<b>FEDERAL PROGRAMS FUND</b>	<b>DEBT SERVICE FUND</b>	<b>PERS BOND FUND</b>	<b>2015 GO BOND DEBT SERVICE FUND</b>
Local Sources	\$ 30,252,475	\$ -	\$ -	\$ 8,849,528	\$ 10,849,604
Intermediate Sources	596,787	-	-	-	-
State Sources	102,898,191	-	-	-	-
Federal Sources	74,450	11,043,716	-	-	-
<b>Total Revenues</b>	<b>133,821,903</b>	<b>11,043,716</b>	<b>-</b>	<b>8,849,528</b>	<b>10,849,604</b>
<b>EXPENDITURES:</b>					
Current:					
Instruction	79,378,852	7,033,230	-	-	-
Support Services	46,082,847	3,469,324	-	-	-
Community Services	408,213	541,162	-	-	-
Facilities Acquisition	-	-	-	-	-
Debt Service - Principal	200,000	-	-	2,132,975	6,515,943
Debt Service - Interest	-	-	-	6,777,515	4,018,061
<b>Total Expenditures</b>	<b>126,069,912</b>	<b>11,043,716</b>	<b>-</b>	<b>8,910,490</b>	<b>10,534,004</b>
Revenues over (under) expenditures	7,751,991	-	-	(60,962)	315,600
<b>Other Financing Sources, (Uses):</b>					
Sale of capital assets	-	-	-	-	-
Bond Proceeds - Principal	1,232,761	-	-	-	-
Transfers In	100,000	-	-	-	-
Transfers Out	(3,526,765)	-	-	-	-
<b>Total other financing sources (Uses)</b>	<b>(2,194,004)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balance	5,557,987	-	-	(60,962)	315,600
Fund balance, beginning	19,090,770	-	1,280,893	180,784	4,630,197
Fund balance, ending	<u>\$ 24,648,757</u>	<u>\$ -</u>	<u>\$ 1,280,893</u>	<u>\$ 119,822</u>	<u>\$ 4,945,797</u>

The notes to the basic financial statements are an integral part of this statement

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
**MULTNOMAH COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the year ended June 30, 2021**

<b>REVENUES:</b>	<b>2015 GO BOND PROJECTS FUND</b>	<b>CAPITAL PROJECTS FUND</b>	<b>2016 SCHOOL IMPROVEMENT PROJECTS FUND</b>	<b>OTHER GOVERNMENTAL FUNDS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
Local Sources	\$ -	\$ 449,944	\$ -	\$ 1,285,162	\$ 51,686,713
Intermediate Sources	-	-	-	863,301	1,460,088
State Sources	-	-	-	7,170,593	110,068,784
Federal Sources	-	-	-	3,041,565	14,159,731
<b>Total Revenues</b>	<b>-</b>	<b>449,944</b>	<b>-</b>	<b>12,360,621</b>	<b>177,375,316</b>
<b>EXPENDITURES:</b>					
Current:					
Instruction	-	-	-	3,480,251	89,892,333
Support Services	-	-	232,844	5,126,921	54,911,936
Community Services	-	-	-	4,868,646	5,818,021
Facilities Acquisition	1,707,439	7,926	-	201,387	1,916,752
Debt Service - Principal	-	18,079,344	-	-	26,928,262
Debt Service - Interest	-	856,654	-	-	11,652,230
<b>Total Expenditures</b>	<b>1,707,439</b>	<b>18,943,924</b>	<b>232,844</b>	<b>13,677,205</b>	<b>191,119,534</b>
Revenues over (under) expenditures	(1,707,439)	(18,493,980)	(232,844)	(1,316,584)	(13,744,218)
<b>Other Financing Sources, (Uses):</b>					
Sale of capital assets	-	215,000	-	-	215,000
Bond Proceeds - Principal	-	17,415,578	-	-	18,648,339
Transfers In	-	1,138,398	-	2,288,367	3,526,765
Transfers Out	-	-	-	-	(3,526,765)
<b>Total other financing sources (Uses)</b>	<b>-</b>	<b>18,768,976</b>	<b>-</b>	<b>2,288,367</b>	<b>18,863,339</b>
Net Change in Fund Balance	(1,707,439)	274,996	(232,844)	971,783	5,119,121
Fund balance, beginning	2,473,020	1,559,383	232,844	2,785,573	32,233,464
Fund balance, ending	<u>\$ 765,581</u>	<u>\$ 1,834,379</u>	<u>\$ -</u>	<u>\$ 3,757,356</u>	<u>\$ 37,352,585</u>

The notes to the basic financial statements are an integral part of this statement

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
**MULTNOMAH COUNTY, OREGON**

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

TOTAL NET CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS	\$	5,119,121
<p>Governmental funds report capital outlay 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. This is the amount by which capital outlays exceeded depreciation expense in the current period:</p>		
Expenditures for capital assets	\$ 4,525,078	
Less current year depreciation	<u>(5,859,833)</u>	(1,334,755)
<p>Long-term debt proceeds are reported as other financing sources in governmental funds. In the Statement of Net Position, however, issuing long-term debt increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability government-wide.</p>		
Proceeds from Bond Issuance	(18,648,339)	
Principal Payments on Bond Payables	8,848,918	
Principal Payments on Note Payables	<u>18,270,715</u>	8,471,294
<p>Governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.</p>		
Amortization of bond premiums	711,255	
Amortization of note premiums	1,044,406	
Accretion of discount on pension obligation bonds	<u>(138,689)</u>	1,616,972
Net Pension Expense - Stipends		(39,532)
Net OPEB Expense - Health Care		(835,275)
Net OPEB Expense - RHIA		658,678
In the Statement of Activities interest is accrued on long-term debt, whereas in the governmental funds it is recorded as an expense when due.		21,920
Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the Statement of Activities property taxes are recognized as revenue when levied.		(49,813)
Changes in equity in the Center for Advanced Learning (CAL) is not reported in the governmental funds:		(37,989)
The PERS Pension Expense represents the changes in Net Pension Asset (Liability) from year to year due to Changes in total pension liability and the fair value of pension plan net position available to pay pension benefits.		(14,145,737)
Compensated absences are recognized as expenditure in the governmental funds when they are paid. In the Statement of Activities these liabilities are recognized as an expenditure when earned.		<u>(74,479)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u><u>(629,595)</u></u>

The notes to the basic financial statements are an integral part of this statement

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON  
NOTES TO BASIC FINANCIAL STATEMENTS

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*A. THE FINANCIAL REPORTING ENTITY*

Multnomah County School District No. 7 (the District) is a municipal corporation governed by an elected Board of Directors. The Superintendent is approved by the Board. The daily functioning of the District is under the supervision of the Superintendent. As required by generally accepted accounting principles in the United States of America, all activities of the District have been included in these basic financial statements. The District does not have any business type activities.

The District qualifies as a primary government since it has a separately elected governing body, is a legally separate entity, and is fiscally independent. There are various governmental agencies and special service districts, which provide services within the District's boundaries. However, the District is not financially accountable for any of these entities, and therefore, none of them are considered component units, as defined by GASB Statement 61, or included in these basic financial statements.

The basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the governing body and establishes governmental accounting and financial reporting principles. The more significant accounting policies are described below.

*B. GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)*

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) display information about the District as a whole. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All direct expenses are reported by function in the Statement of Activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. The District has a negotiated indirect cost rate with Oregon Department of Education that is applied to grant funds as allowable by the grant, no other de minimus rate is applied. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. The accounts are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Net position is reported as restricted when constraints placed on net position use are either externally restricted, imposed by creditors, or through constitutional provisions or enabling resolutions.

*C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION*

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON  
NOTES TO BASIC FINANCIAL STATEMENTS

---

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are considered to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pension costs, and OPEB obligations are recorded only when payment is due.

Property taxes associated with the current fiscal period, are considered by management to be susceptible to accrual, if received in cash or a County collecting such taxes within 60 days after year-end. All other revenue items are recognized in the accounting period when they become both measurable and available. All other revenue items are considered to be measurable and available only when cash is received.

The following major governmental funds are reported:

GENERAL FUND

This fund accounts for all financial resources and expenditures, except those required to be accounted for in another fund. The principal revenue sources are property taxes and an apportionment from the State of Oregon School Support Fund.

FEDERAL PROGRAMS FUND

This fund accounts for expenditures of federal grant funds. The principal revenue source is federal grant monies.

DEBT SERVICE FUND

This fund accounts for the payment of principal and interest general obligation bonds. The principal revenue source is property taxes.

PERS BOND FUND

This fund accounts for the payment of principal and interest on pension bonds. The principal revenue source is Services Charged to Other Funds.

2015 GO BOND DEBT SERVICE FUND

This fund accounts for the payment of principal and interest for the two general obligation bonds the District received in 2015 and are to be used to finance several specific capital projects as dictated by the bonds' ballot measure. The principal revenue source is the proceeds from the bond and associated interest.

2015 GO BOND PROJECTS FUND

This fund accounts for major capital outlay expenditures relating to the acquisition, construction and remodeling of facilities as authorized in the 2015 general obligation bonds' ballot measure. Principal financing sources include the proceeds from the issuance of debt and earnings from investments which are accounted for in the 2015 Go Bond Debt Service fund.

CAPITAL PROJECTS FUND

This fund accounts for major capital outlay expenditures relating to the acquisition, construction and remodeling of facilities. Principal financing sources include the proceeds from the issuance of debt, sales of property and earnings from investments.

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON  
NOTES TO BASIC FINANCIAL STATEMENTS

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

2016 SCHOOL IMPROVEMENT PROJECTS FUND

This fund accounts for major capital outlay expenditures relating to the acquisition, construction and rehabilitation of Qualified Zone Academy Bond eligible facilities. Principal financing sources include the proceeds from the issuance of debt.

Three non-major funds are reported as a combined total on the fund financial statements. These funds are not considered major because of the level of activity within them.

FUND BALANCE

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions* is followed. 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 five classifications are 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.
- 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. Authority to classify portions of ending fund balance as assigned is granted to the Clerk and the Deputy Clerk.
- 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.

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.

The Board of Directors therefore adopted Policy DBDB whereby the Superintendent or designee is directed to manage the adopted budget in such a way as to ensure an ending fund balance of at least 5 percent of total adopted revenues.

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON  
NOTES TO BASIC FINANCIAL STATEMENTS

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

Special Revenue Fund Rolled into the General Fund for GASB 54 Purposes

Financial statements must report as Special Revenue funds only those which have a substantial portion of revenue inflows from restricted or committed revenue sources. The Retirement Fund is combined into the General Fund because there are no restricted or committed revenues.

NET POSITION

Net position comprises the various net earnings from operations, non-operating 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 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 grants, debt service, and the OPEB RHIA asset.
- Unrestricted – consists of all other assets that are not included in the other categories previously mentioned.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

As a general rule the effect of internal activity has been eliminated from the government-wide financial statements; however, the effects of interfund services provided and used between functions are reported as expenses and program revenues at amounts approximating their external exchange value.

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the basic financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. At June 30, 2021 there were deferred outflows representing PERS pension related deferrals, OPEB related deferrals for stipends, OPEB related deferrals for health care and OPEB related deferrals reported for RHIA reported in the statement of net position.

In addition to liabilities, the basic financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. At June 30, 2021, there were deferred inflows representing PERS pension related deferrals, OPEB related deferrals for stipends, OPEB related deferrals for health care, and OPEB related deferrals for RHIA reported in the statement of net position. The governmental funds balance sheet reports unavailable revenues from two sources – property taxes and grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON  
NOTES TO BASIC FINANCIAL STATEMENTS

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

*D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY*

CASH AND INVESTMENTS

For the purpose of the Statement of Net Position and the balance sheet, money in the Oregon State Local Government Investment Pool, savings deposits and demand deposits are considered to be cash and cash equivalents. Investments with a remaining maturity of more than one year at the time of purchase are stated at fair value.

OTHER POST-EMPLOYMENT BENEFITS (HEALTH CARE)

Eligible employees who elect supplemental retirement may be entitled to payment of group medical insurance premiums. The costs of these premiums are recorded as expenditures as due and funded on a current basis.

PROPERTY TAXES

Uncollected real and personal property taxes are reflected on the Statement of Net Position and the balance sheet as receivables. Uncollected taxes are deemed by management 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. Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic distributions of collections to entities levying taxes. Property taxes become a lien against the property when levied on July 1 of each year and are payable in three installments due on November 15, February 15 and May 15. Property tax collections are distributed monthly except for November, when such distributions are made weekly.

SUPPLY INVENTORIES AND PREPAID ITEMS

District operating supplies, maintenance supplies, and food and other cafeteria supplies are stated at average invoice cost. Commodities purchased from the United States Department of Agriculture in the Food Service Fund are included in inventories at USDA wholesale value. Inventory is accounted for on the consumption method in the government wide statements. Under the consumption method, inventory is expensed when used. In the fund financial statements, inventories are expensed when purchased. Donated commodities consumed during the year are reported as revenues and expenditures. The amount of unused donated commodities at balance sheet date is considered immaterial by management for reporting purposes. Prepaid assets are recognized as expenditures when their use benefits the District.

ACCOUNTS AND OTHER RECEIVABLES

Accounts and other receivables are comprised primarily of claims for reimbursement of costs under various federal, state and local grants. Amounts due from Federal agencies are considered by management to be fully collectible. An allowance for uncollectible accounts receivable from the public is established when management determines that collection is unlikely to occur. At June 30, 2021 management considers all accounts, including those from the public fully collectible.

PREPAID ITEMS

Prepaid Items are recognized as expenditures in governmental funds proportionately over the periods that service is provided, which follows the Consumption Method.

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON  
NOTES TO BASIC FINANCIAL STATEMENTS

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

GRANT ACCOUNTING

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. Cash received from grantor agencies in excess of related grant expenditures are recorded as unearned revenue on the statement of net position and the balance sheet.

COMPENSATED ABSENCES

It is the policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since there is no policy to pay any amounts when an employee separates from service with the District. All vacation pay is accrued when incurred in the government-wide financial statements and expensed when used in the fund financial statements.

CAPITAL ASSETS

Capital assets are recorded at original cost or estimated original cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at their acquisition value on the date donated. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Interest incurred during construction is not capitalized. The cost of routine maintenance and repairs that do not add to the value of the assets or materially extend asset lives are charged to expenditures as incurred and not capitalized. Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	10 to 50 years
Vehicles and Equipment	5 to 30 years

LONG TERM OBLIGATIONS

In the government-wide financial statements long-term debt is reported as a liability in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the bonds outstanding method. Bonds payable are reported net of the applicable bond premium.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

RETIREMENT PLANS

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

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON  
NOTES TO BASIC FINANCIAL STATEMENTS

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

*USE OF ESTIMATES*

The preparation of the 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 assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

*E. 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 upon 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.

**NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

*BUDGETARY INFORMATION*

A budget is prepared and legally adopted for all funds on the modified accrual basis of accounting in the main program categories required by Oregon Local Budget Law.

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON  
NOTES TO BASIC FINANCIAL STATEMENTS

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**NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - CONTINUED**

*BUDGETARY INFORMATION – CONTINUED*

The budget process begins early in each fiscal year with the establishment of the budget committee. In the fall, public input is invited as the Board decides the budget priorities for the next year. Recommendations are developed through late winter with the budget committee approving the budget in the spring. Public notices of the budget hearing are published generally in the spring with a public hearing being held approximately three weeks later. The Board may amend the budget prior to adoption; however, budgeted expenditures for each fund may not be increased by more than ten percent. The budget is then adopted, appropriations are made and the tax levy declared no later than June 30th.

Expenditures are appropriated at the following levels for each fund: Instruction, Support Services, Enterprise and Community Services, Facilities Acquisition and Construction, Interfund Transactions, Debt Service, and Operating Contingency.

Expenditures cannot legally exceed the above appropriation levels except in the case of grants, which could not be estimated at the time of budget adoption. Appropriations lapse at the fiscal year end. Management may amend line items in the budget without Board approval as long as appropriation levels (the legal level of control) are not changed. Supplemental appropriations may occur if the Board approves them due to a need that exists which was not determined at the time the budget was adopted. There was one supplemental appropriation during the year. Budget amounts shown in the budgetary financial statements reflect the original and final amended budget. Expenditures of the various funds were within authorized appropriations for the year ended June 30, 2021, except for the 2015 GO Bond Debt Service Fund – Debt Service, which was overexpended by \$633,954, due to end of fiscal year debt schedule issuance.

**NOTE 3. BUDGETARY BASIS OF ACCOUNTING**

While the financial position, results of operations, and changes in fund balance/net position are reported on the basis of accounting principles generally accepted in the United States of America (GAAP), the budgetary basis of accounting differs from generally accepted accounting principles. The budgetary statements provided as part of supplementary information elsewhere in this report are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The primary differences between the budgetary basis and GAAP basis are that capital outlay is expensed when purchased, depreciation expense is not recorded, and the full accrual of property taxes, which are not reported as revenue in the governmental funds unless received within 60-days of year end. Inventories of supplies are budgeted as expenditures when purchased, and debt, accrued vacation, pension costs, and OPEB liabilities are expensed as paid instead of when incurred.

**NOTE 4. JOINT VENTURE**

The District has entered into an intergovernmental property agreement to build and operate a Center for Advanced Learning (CAL), a charter school. However, payment and ownership is shared with the following Districts along with their share of ownership: Reynolds School District No. 7, 19.305%; Centennial School District No. 28J, 16.369%; Mt. Hood Community College, 15.058%; and Gresham-Barlow School District No. 10J, 49.268%. The District's equity in CAL at June 30, 2021 was \$1,131,347.

The Center for Advanced Learning issues a publicly available financial report which may be obtained by writing: Administrator, The Center for Advanced Learning, 1484 NW Civic Drive, Gresham, OR 97030.

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
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NOTES TO BASIC FINANCIAL STATEMENTS

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**NOTE 5. CASH AND INVESTMENTS**

*DEPOSITS*

Deposits with financial institutions are comprised of bank demand deposits and certificates of deposit. 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 total bank balance per the bank statements as of June 30, 2021 was \$6,387,132, of which \$250,000 was insured by FDIC with the remaining amount collateralized by the Oregon Public Funds Collateralization Program (PFCP).

*Credit Risk - Deposits*

In the case of deposits, this is the risk that in the event of a bank failure, the deposits may not be returned. There is no deposit policy for custodial credit risk. As of June 30, 2021, none of the bank balances were exposed to custodial credit risk.

*INVESTMENTS*

The types of investments that may be invested in are restricted by State of Oregon Revised Statutes. Authorized investments include general obligations of the United States government and its agencies, obligations of the States of Oregon, California, Idaho and Washington that have a rating of AA or better, A-1 rated commercial paper and banker's acceptances, corporate bonds rated AA or better, time deposits, repurchase agreements and the Oregon State Treasurer's Local Government Investment Pool.

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund's compliance with all portfolio guidelines can be found in their annual report when issued. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it approximates fair value. The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. The audited financial reports of the Oregon Short Term Fund can be found here:

[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.

The Board has established investment policies to approve only certain depositories and investment instruments and has limited investments to those with maturities of no more than 36 months. The District holds investments in Municipal Bonds, US Agency Securities and US Treasuries through an investment account with a depository approved by the Board. The fair value of these securities is determined based on a level 1 classification due to their availability on open markets. At June 30, 2021, the District appeared to be in compliance with all policies regarding depositories, instruments and maturities.

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON  
 NOTES TO BASIC FINANCIAL STATEMENTS

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**NOTE 5. CASH AND INVESTMENTS - CONTINUED**

*Interest Rate Risk - Investments*

Oregon Revised Statutes require investments to not exceed a maturity of 18 months from the date of anticipated use of the funds, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. There are no investments that have a maturity date beyond 3 months.

*Credit Risk - Investments*

Oregon Revised Statutes do not limit investments as to credit rating for securities purchased from US Government Agencies or USGSE. The State Investment Pool is not rated.

*Concentration of Credit Risk*

At June 30, 2021, 100% of total investments were in the State Treasurer's Investment Pool.

Cash and Investments at June 30, 2021 (recorded at fair value) consisted of:

Cash and Investments		<u>2021</u>
Deposits with financial institutions	\$	4,482,059
Oregon Local Government Investment Pool		36,156,860
Total Cash and Investments	\$	<u>40,638,919</u>

There were the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in months)		
		Less than 3	3-18	18-59
Oregon local government investment pool (LGIP)	\$ 36,156,860	\$ 36,156,860	\$ -	\$ -
Total	\$ 36,156,860	\$ 36,156,860	\$ -	\$ -

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
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**NOTE 6. ARTS TAX**

In November 2012, voters in the City of Portland passed Ballot Measure 26-146 to restore school arts and music education, funded through an income tax of \$35 per person per year. In December of 2012, the District entered into an intergovernmental agreement with the City of Portland to receive a portion of this tax, to be used to provide arts and music education, through certified arts and music teachers, to all K-5 students. Revenues and expenditures for the year ended June 30, 2021 are as follows:

	<u>Arts Tax</u> <u>Revenues</u>	<u>Arts Tax</u> <u>Expenditures</u>	<u>Music FTE</u> <u>Funded</u>	<u>Art FTE</u> <u>Funded</u>	<u>Total</u> <u>FTE</u>
Alder Elementary	\$ 80,312	\$ 80,312	1.34	0.25	1.59
Glenfair Elementary	104,180	104,180	0.67	0.25	0.92
Margaret Scott Elementary	79,679	79,679	0.67	0.25	0.92
Wilkes Elementary	90,288	90,288	0.67	0.25	0.92
	<u>\$ 354,459</u>	<u>\$ 354,459</u>	<u>3.35</u>	<u>1</u>	<u>4.35</u>

**NOTE 7. CAPITAL ASSETS**

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

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2021</u>
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Construction in Process	\$ -	\$ -	\$ -	\$ -
Land	17,752,046	-	-	17,752,046
Total Capital Assets Not being Depreciated:	<u>17,752,046</u>	<u>-</u>	<u>-</u>	<u>17,752,046</u>
Capital Assets Being Depreciated:				
Buildings and Improvement	275,541,686	2,016,699	-	277,558,385
Vehicles and Equipment	15,211,102	2,508,379	(315,000)	17,404,481
Total Capital Assets Being Depreciated:	<u>290,752,788</u>	<u>4,525,078</u>	<u>(315,000)</u>	<u>294,962,866</u>
Accumulated Depreciation				
Buildings and Improvement	71,643,444	5,308,875	-	76,952,319
Vehicles and Equipment	11,339,588	550,958	(315,000)	11,575,546
Total Accumulated Depreciation	<u>82,983,032</u>	<u>5,859,833</u>	<u>(315,000)</u>	<u>88,527,865</u>
Total Capital Assets Being Depreciated, Net	<u>207,769,756</u>	<u>(1,334,755)</u>	<u>-</u>	<u>206,435,001</u>
Governmental Activities	<u>\$ 225,521,802</u>			<u>\$ 224,187,047</u>

During 2020-21, deletions were made for the sale of fully depreciated vehicles and equipment, resulting in proceeds of \$215,000 and a gain on sale of assets of \$215,000.

Current year depreciation expense is allocated to the functions as follows:

Instruction	\$ 4,469,384
Support Services	1,229,018
Community Services	161,431
	<u>246,833</u>
	<u>\$ 5,859,833</u>

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
 MULTNOMAH COUNTY, OREGON  
 NOTES TO BASIC FINANCIAL STATEMENTS

**NOTE 8. INTERFUND TRANSFERS AND INTERFUND RECEIVABLE/PAYABLES**

	<u>Transfers Out</u>	<u>Transfers In</u>
General Fund	\$ 3,526,765	\$ 100,000
Other Governmental Funds	-	2,288,367
Capital Projects Fund	-	1,138,398
	<u>\$ 3,526,765</u>	<u>\$ 3,526,765</u>

During the year ended June 30, 2021, \$3,526,765 was transferred to other funds including \$2,237,515 transferred to State & Local Programs for the Seismic Fund, \$50,852 transferred to the Nutrition Services Fund to match free and reduced meal and free milk programs as required, and \$1,138,398 transferred to the Capital Projects Fund for payment of Full Faith and Credit Refunding obligations.

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 5,469,218	\$ 6,150
Federal Program Funds	-	2,416,314
Debt Service Fund	-	4,808,831
2015 GO Bond Debt Fund	-	1,753,825
PERS Bond Fund	79,278	-
Capital Projects Fund	1,577,972	-
2015 GO Bond Project Fund	751,488	-
Other Governmental Funds	2,360,877	1,253,713
	<u>\$ 10,238,833</u>	<u>\$ 10,238,833</u>

The internal balances are recorded to show legal and operational commitments between funds.

**NOTE 9. LONG-TERM OBLIGATIONS**

**BONDS PAYABLE**

**General Obligation Bonds**

In August 2015, \$122,945,047 of general obligation bonds were issued to fund the replacement of three elementary school buildings, construction and renovation at Reynolds High School and various renovation, construction and equipment improvements to all schools. Principal and interest payments are made semiannually on June 15 and December 15 with interest rates ranging from 2% to 5%.

**Pension Obligation Bonds**

In April 2003, \$80,978,772 of limited tax pension obligation bonds were issued to finance the unfunded actuarially accrued liability (UAL) with the State of Oregon Public Employees Retirement System (PERS). The issuance of the bonds was considered an advance refunding of the UAL and resulted in an estimated present value savings of approximately \$20 million over the life of the bonds. The actual savings realized over the life of the bonds is uncertain because of the various legislative changes and legal issues pending with the PERS system which could impact the future required contribution rate.

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
 MULTNOMAH COUNTY, OREGON  
 NOTES TO BASIC FINANCIAL STATEMENTS

**NOTE 9. LONG-TERM OBLIGATIONS – CONTINUED**

*Qualified Zone Academy Bonds Series 2016*

\$4,000,000 of Qualified Zone Academy bonds were issued on August 4, 2016. \$3,920,000 in proceeds were received after paying issuance costs, and annual payments totaling \$200,000 will be made through July 1, 2030.

*General Obligation Bond, Series 2020*

On June 11, 2020, \$2,054,952 in Series 2020 General Obligation Bonds were issued to provide resources to finance capital costs on a project including: furnishing, renovating and equipping classroom facilities, and other site improvements. Principal and interest payments are made semiannually on June 15 and December 15 with an interest rate of 2.07%.

Changes in bonds outstanding are as follows:

<u>Issue Date</u>	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Outstanding June 30, 2020</u>	<u>Issued</u>	<u>Matured and Redeemed</u>	<u>Outstanding June 30, 2021</u>
<b><u>Bonds Payable</u></b>						
April 21, 2003	1.5-6.27	80,978,772	48,917,059	-	2,132,975	46,784,084
August 20, 2015	2.0-5.0	122,945,047	122,125,047	-	5,925,000	116,200,047
June 11, 2020	2.07	2,054,952	2,054,952	-	590,943	1,464,009
<b><u>Direct Borrowings</u></b>						
August 4, 2016	N/A	4,000,000	3,400,000	-	200,000	3,200,000
	Subtotal		176,497,058	-	8,848,918	167,648,140
	Premium		11,380,025	-	711,255	10,668,770
	Accretion on persion obligation bonds		(416,061)	-	(138,689)	(277,372)
	Total		<u>\$ 187,461,022</u>	<u>\$ -</u>	<u>\$ 9,421,484</u>	<u>\$ 178,039,538</u>

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON  
 NOTES TO BASIC FINANCIAL STATEMENTS

**NOTE 9. LONG-TERM OBLIGATIONS – CONTINUED**

The annual requirements to amortize all bonds outstanding at year end are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	9,432,380	10,942,688	20,375,068
2023	9,418,761	11,089,054	20,507,815
2024	15,776,235	5,471,581	21,247,816
2025	17,313,227	4,685,105	21,998,332
2026	18,965,261	3,823,016	22,788,277
2027-2031	64,943,858	5,797,404	70,741,262
2032-2036	31,598,418	-	31,598,418
2037-2038	200,000		200,000
	<u>167,648,140</u>	<u>41,808,848</u>	<u>209,456,988</u>

**NOTES PAYABLE**

**Full Faith & Credit Obligations (Bond Anticipation) Notes Payable - Series 2010 - Refunding**

In June 2010, \$23,850,000 in Full Faith and Credit Obligations were issued. \$25,399,121, which includes the premium of \$1,549,121, was deposited into escrow. From the amount deposited, \$18,757,731 was used to purchase United States Treasury Securities and the remaining \$6,509,408 was held uninvested as cash. The amount in escrow was sufficient to retire the following securities: Series 2006 Full Faith and Credit Obligations, Series 2007 Full Faith and Credit Obligations, 2003 Financing Agreement Note and 2007 Financing Agreement Note. Principal payments are due annually on June 1, through 2035 with interest rates of ranging from 2-5%. All four refunded securities were considered defeased on June 3, 2010, the issuance date of the refunding bonds.

**2018 Financing Agreement Notes Payable**

In June 2018 the District entered a \$2,000,000 financing agreement with US Bank National Association to finance capital costs for furnishing, equipping and performing site improvements for the District’s transportation facility. The note is to be paid biannually with the principal of \$285,714 and the first installment of interest due in July and the remainder paid in January, totaling \$2,201,528 with the first payment made in January 2019. The last payment will be made in July 2024.

**Full Faith & Credit Obligations (Bond Anticipation) Notes Payable - Series 2020 – Refunding**

In June 2021, \$15,775,000 in Full Faith and Credit Obligations were issued. \$18,648,339, which includes the premium of \$2,873,339, was deposited into escrow. From the amount deposited, \$1,206,611 was used to finance the purchase of buses and related equipment. \$17,244,344 was used to retire the following securities: Series 2010 Full Faith and Credit Obligations. Principal payments are due annually on June 1, through 2035 with interest rates ranging from 3-4%. The refunded securities were considered defeased on December 23, 2020, the issuance date of the refunding bonds.

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
 MULTNOMAH COUNTY, OREGON  
 NOTES TO BASIC FINANCIAL STATEMENTS

**NOTE 9. LONG-TERM OBLIGATIONS – CONTINUED**

Changes in Full Faith & Credit obligations (BAN) notes payable are as follows:

Name	Interest Rates	Original Issue	Outstanding June 30, 2020	Issued	Matured and Redeemed	Outstanding June 30, 2021
Full Faith and Credit Obligation 2010	2-5%	\$ 23,850,000	\$ 17,150,000	\$ -	\$ 17,150,000	\$ -
Financing Agreement	2.5%	2,000,000	1,428,571	-	285,715	1,142,856
Full Faith and Credit Obligation 2020	3-4%	15,775,000	-	15,775,000	835,000	14,940,000
Sub-Total			18,578,571	15,775,000	18,270,715	16,082,856
Premium			929,471	2,873,339	1,044,406	2,758,404
Total			<u>\$ 19,508,042</u>	<u>\$ 18,648,339</u>	<u>\$ 19,315,121</u>	<u>\$ 18,841,260</u>

Following are the annual requirements to amortize all notes payable outstanding at year end:

Fiscal Year Ending June 30	Principal	Interest	Total
2022	1,190,714	585,130	1,775,844
2023	1,170,714	540,650	1,711,364
2024	1,210,714	495,770	1,706,484
2025	1,245,715	449,390	1,695,105
2026	1,000,000	405,850	1,405,850
2027-2031	5,495,000	1,386,550	6,881,550
2032-2035	4,770,000	315,975	5,085,975
	-	-	-
	<u>16,082,857</u>	<u>4,179,315</u>	<u>20,262,172</u>

Total long-term liability activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable	\$ 176,497,058	\$ -	\$ 8,848,918	\$ 167,648,140	\$ 9,432,380
Premium	11,380,025	-	711,255	10,668,770	711,255
Accretion	(416,061)	-	(138,689)	(277,372)	(138,689)
Total	187,461,022	-	9,421,484	178,039,538	10,004,946
Notes Payable	18,578,571	15,775,000	18,270,715	16,082,856	1,190,714
Premium	929,471	2,873,339	1,044,406	2,758,404	114,934
Total	19,508,042	18,648,339	19,315,121	18,841,260	1,305,648
Total long-term debt	<u>\$ 206,969,064</u>	<u>\$ 18,648,339</u>	<u>\$ 28,736,605</u>	<u>\$ 196,880,798</u>	<u>\$ 11,310,594</u>

The District has no significant default or termination clauses on any bonds or notes payable and are not subject to any acceleration clauses under GASB 88.

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON  
NOTES TO BASIC FINANCIAL STATEMENTS

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**NOTE 10. DEFINED BENEFIT PENSION PLAN**

Plan Description – The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited 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.

- a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
  - i. **Pension Benefits.** The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.
  - ii. **Death Benefits.** Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following contributions are met:
    - member was employed by PERS employer at the time of death,
    - member died within 120 days after termination of PERS covered employment,
    - member died as a result of injury sustained while employed in a PERS-covered job, or
    - member was on an official leave of absence from a PERS-covered job at the time of death.
  - iii. **Disability Benefits.** A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
  - iv. **Benefit Changes After Retirement.** Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
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**NOTE 10. DEFINED BENEFIT PENSION PLAN– CONTINUED**

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

**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. Effective January 1, 2020, Senate Bill 1049 requires employees to pay contributions on re-employed PERS retirees’ salaries as if they were an active member, excluding IAP (6%) contributions. Employer contributions for the year ended June 30, 2021 were \$17,214,158, excluding amounts to fund employer specific liabilities. In addition, approximately \$12,200 in employee contributions were paid or picked up by the District in 2020-2021.

**Pension Asset or Liability** – At June 30, 2021, the District reported a net pension liability of \$107,764,505 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2018. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement dates of June 30, 2020 and 2019, the District’s proportion was .49 percent and .51 percent, respectively. Pension expense for the year ended June 30, 2021 was \$14,145,737.

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**NOTE 10. DEFINED BENEFIT PENSION PLAN– CONTINUED**

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

- (1) Tier 1/Tier 2 – 15.44%
- (2) OPSRP general services – 9.99%

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 4,742,942	\$ -
Changes in assumptions	5,783,380	202,638
Net difference between projected and actual earnings on pension plan investments	12,671,706	-
Net changes in proportionate share	2,017,927	9,956,039
Differences between District contributions and proportionate share of contributions	4,126,952	-
Subtotal - Amortized Deferrals (below)	29,342,907	15,673,948
District contributions subsequent to measurement date	17,214,158	-
Deferred outflow (inflow) of resources	\$ 46,557,065	\$ 15,673,948

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.

Subtotal amounts related to pension as deferred outflows of resources, \$29,342,907, and deferred inflows of resources, (\$15,673,948), net to \$13,668,959 and will be recognized in pension expense as follows:

Year ending June 30,	Amount
2022	\$ 2,734,549
2023	3,844,278
2024	4,101,590
2025	3,207,459
2026	(218,917)
Thereafter	-
Total	\$ 13,668,959

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated March 12, 2021. Oregon PERS produces an independently audited CAFR which can be found at:

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

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

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
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**NOTE 10. DEFINED BENEFIT PENSION PLAN– CONTINUED**

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:**

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

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

**Assumed Asset Allocation:**

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 Equity	7.5%	17.5%	15.0%
Opportunity Portfolio	0.0%	3.0%	0.0%
Risk Parity	0.0%	2.5%	2.5%
Total			100.0%

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

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 NOTES TO BASIC FINANCIAL STATEMENTS

**NOTE 10. DEFINED BENEFIT PENSION PLAN - CONTINUED**

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Compound Annual (Geometric) Return</b>
Core Fixed Income	9.60%	4.07%
Short-Term Bonds	9.60%	3.68%
Bank/Leveraged Loans	3.60%	5.19%
High Yield Bonds	1.20%	5.74%
Large/Mid Cap US Equities	16.17%	6.30%
Small Cap US Equities	1.35%	6.68%
Micro Cap US Equities	1.35%	6.79%
Developed Foreign Equities	13.48%	6.91%
Emerging Market Equities	4.24%	7.69%
Non-US Small Cap Equities	1.93%	7.25%
Private Equity	17.50%	8.33%
Real Estate (Property)	10.00%	5.55%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds - Diversified	1.50%	4.06%
Hedge Fund - Event-driven	0.38%	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 CAFR; p. 74)*

**Discount Rate** – The discount rate used to measure the total pension liability as of the measurement dates of June 30, 2020 and 2019 was 7.20 percent for both years, 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 one percent lower (6.20 percent) or one percent higher (8.20 percent) than the current rate.

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON  
 NOTES TO BASIC FINANCIAL STATEMENTS

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**NOTE 10. DEFINED BENEFIT PENSION PLAN – CONTINUED**

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
District's proportionate share of the net pension liability	\$ 160,021,389	\$ 107,764,505	\$ 63,944,685

**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.

**OPSRP Individual Account Program (OPSRP IAP)**

*Plan Description:*

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

*Pension Benefits:*

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

*Death Benefits:*

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

*Contributions:*

Employees of the District pay six (6) percent of their covered payroll. Effective July 1, 2020, currently employed Tier 1/Tier 2 and OPSERP members earning \$2,500 or more per month will have a portion of their 6 percent monthly IAP contributions redirected to an Employee Pension Stability Account. The Employee Pension Stability Account will be used to pay part of the member’s future benefit. Of the 6 percent monthly IAP contribution, Tier 1/Tier 2 will have 2.5 percent redirected to the Employee Pension Stability Account and OPSERP will have 0.75 percent redirected to the Employee Pension Stability Account, with the remaining going

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NOTES TO BASIC FINANCIAL STATEMENTS

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**NOTE 10. DEFINED BENEFIT PENSION PLAN – CONTINUED**

to the member's existing IAP account. Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full 6 percent contribution to the IAP. The District did not make any optional contributions to member IAP accounts for the year ended June 30, 2021.

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

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

**NOTE 11. OTHER POST-EMPLOYMENT BENEFIT PLAN - (RHIA)**

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

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

Participating employers 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 included as part of the required contributions in OPERS, and were not disclosed separately in the financial statements..

At June 30, 2021, the District reported a net OPEB liability/(asset) of (\$2,151,220) 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 257 employer's actual, legally required contributions made

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**NOTE 11. OTHER POST-EMPLOYMENT BENEFIT PLAN - (RHIA) – CONTINUED**

during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement dates of June 30, 2020 and 2019, the District’s proportion was 1.06 percent and .60 percent, respectively. OPEB income for the year ended June 30, 2021 was \$658,678.

**Components of OPEB Expense/(Income):**

Employer OPEB Expense for Measurement Period

Employer’s proportionate share of collective system OPEB Expense/(Income)	\$ (346,003)
Net Amortization of employer-specific deferred amounts from:	
Changes in proportionate share (per paragraph 64 of GASB 75)	(245,532)
Differences between employer contributions and employer’s proportionate share of system contributions (per paragraph 65 of GASB 75)	-
<b>Employer’s Total OPEB Expense/(Income)</b>	<b><u>\$ (591,535)</u></b>

**Components of Deferred Outflows/Inflows of Resources:**

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ 219,917
Changes in assumptions	-	114,348
Net difference between projected and actual earnings on pension plan investments	239,233	-
Net changes in proportionate share	2,811	467,864
Differences between District contributions and proportionate share of contributions	-	-
Subtotal - Amortized Deferrals (below)	242,044	802,129
District contributions subsequent to measurement date	-	-
Deferred outflow (inflow) of resources	\$ 242,044	\$ 802,129

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.

Subtotal amounts related to OPEB as deferred outflows of resources, \$242,044 and deferred inflows of resources (\$802,129), net to (\$560,085) and will be recognized in OPEB expense as follows:

Year ending June 30,	Amount
2022	\$ (458,151)
2023	(265,832)
2024	88,435
2025	75,463
2026	-
Thereafter	-
Total	\$ (560,085)

District contributions subsequent to measurement date for RHIA are included in the PERS contributions (see Note 10) and are not booked separately as RHIA deferred outflows.

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 12, 2021 and can be found at:

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**NOTE 11. OTHER POST-EMPLOYMENT BENEFIT PLAN - (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%; Dsiables retirees: 20%
Mortality	Healthy retirees and beneficiaries:  Pub-2010 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled retirees, 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 dates of June 30, 2020 and 2019 was 7.20 and 7.20 percent, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Long-Term Expected Rate of Return:**

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

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**NOTE 11. OTHER POST-EMPLOYMENT BENEFIT PLAN - (RHIA) – CONTINUED**

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Compound Annual (Geometric) Return</b>
Core Fixed Income	9.60%	4.07%
Short-Term Bonds	9.60%	3.68%
Bank/Leveraged Loans	3.60%	5.19%
High Yield Bonds	1.20%	5.74%
Large/Mid Cap US Equities	16.17%	6.30%
Small Cap US Equities	1.35%	6.68%
Micro Cap US Equities	1.35%	6.79%
Developed Foreign Equities	13.48%	6.91%
Emerging Market Equities	4.24%	7.69%
Non-US Small Cap Equities	1.93%	7.25%
Private Equity	17.50%	8.33%
Real Estate (Property)	10.00%	5.55%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds - Diversified	1.50%	4.06%
Hedge Fund - Event-driven	0.38%	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 CAFR; 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 asset	\$ 1,736,748	\$ 2,151,220	\$ 2,505,610

**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.

**NOTE 12. OTHER POST EMPLOYMENT BENEFITS**

**POST RETIREMENT HEALTH CARE**

The District, as a result of collective bargaining agreements, offers post-employment health care benefits under a single-employer, defined benefit plan for all employees who have completed a specified number of years of continuous service, are eligible for full OPERS benefits, elect early retirement and were hired prior to July 1, 2006.

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**NOTE 12. OTHER POST EMPLOYMENT BENEFITS – CONTINUED**

For eligible licensed employees the District will provide medical coverage for the lesser of seven years or until eligible for Medicare (age 65). For administrators, managers, supervisor and confidential employees, coverage is until Medicare eligibility date regardless of retirement age, assuming full OPERS coverage. For eligible classified employees with 15 years of service, coverage is provided up to the lesser of five years or until eligible for Medicare (age 65).

The District’s post-retirement healthcare plan was established in accordance with Oregon Revised Statutes (ORS) 243.303. The plan is currently unfunded in accordance with GASB statement 75. In accordance with the terms of the plan, benefit payments are recognized when due and payable in the governmental statements. The activities of the plan are reported in the General Fund.

Annual OPEB Cost and Total OPEB Liability: The annual other postemployment benefit (OPEB) cost is calculated based on the Total OPEB Liability, an amount actuarially determined in accordance with the parameters of GASB Statement 75. For detailed information and a table showing the components of the District’s annual OPEB costs and liabilities, see page 47.

Actuarial Methods and Assumptions: The Total OPEB Liability for the current year was determined as part of the July 1, 2019 actuarial valuation using the entry age normal method. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about mortality, claim cost and the healthcare cost trend. The actuarial assumptions included; (a) a rate of return on investment of present and future assets of 2.21% compounded annually; (b) no future increase in benefit payable from this program; (c) a general inflation rate of 2.5% per year, and (d) no post-retirement benefit increases and a payroll increase of 3.5%. Amounts determined regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Under this method, the expected accrued benefit of each participant at benefit commencement (reflecting future expected increases in salaries and medical premiums) is allocated in equal proportion over the participant’s years of service from hire to expected retirement. The normal cost is the present value of benefits expected to accrue in the current year. The present value of benefits accrued as of the valuation date is called the accrued liability.

At July 1, 2019, the following employees were covered by the benefit terms:

Active	1,169
Retired Members	63
Spouses of Ineligible Retirees	10
Total	1,242

Total OPEB Liability

The District’s total OPEB liability of \$15,167,567 was measured as of June 30, 2020, and was determined by an actuarial valuation as of July 1, 2019.

Actuarial Assumptions and Other Inputs

The District’s total OPEB liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
 MULTNOMAH COUNTY, OREGON  
 NOTES TO BASIC FINANCIAL STATEMENTS

**NOTE 12. OTHER POST EMPLOYMENT BENEFITS – CONTINUED**

*Actuarial assumptions:*

Valuation Date	July 1, 2019
Actuarial Cost Method	Entry Age Normal
Investment Return Assumption (Interest Discount)	The 3.50% investment return assumption is the rate in the 20-Year General Obligation Municipal Bond Index published by Bond Buyer.
Plan Participation	100% assumed will elect coverage at retirement if eligible for district paid insurance; 55% assumed if only eligible for self-pay insurance.
Medical Care Cost Trend	5.25% in 2020 and fluctuating between 4.75% and 5.50% thereafter
Dental premiums annual trend rate	4.00% per year
Inflation rate	2.5% for all future years
Annual salary rate increases	3.5% for all future years
Health care premium	
Beginning in 2018, a 40% excise tax will be imposed under the Affordable Care Act on employers in the aggregate value of medical coverage exceeds a threshold limit. This excise tax is not included in the calculations because it is believed to be immaterial in regard to the OPEB plan.	

*Changes in Total OPEB Liability*

Changes of assumptions: Interest Discount, the investment return assumption was decreased from 3.50% to 2.21%.

Total OPEB Liability at June 30, 2020	\$ 12,959,779
Changes for the year:	
Service Cost	1,710,643
Interest	498,282
Changes of Benefit Terms	-
Changes from economic/demographic gains or losses	-
Changes of assumptions or other inputs	873,970
Benefit Payments	(875,107)
Net Changes	<u>2,207,788</u>
Total OPEB Liability at June 30, 2021	<u>\$ 15,167,567</u>

*Sensitivity of the total OPEB Liability to changes in discount rate:* the following presents the total OPEB liability of the District, as well as what the District's total OPEB Liability would be if it were calculated using a discount rate 1 percentage point higher and lower than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
	1.21%	2.21%	3.21%
Total OPEB Liability	\$ 16,117,611	\$ 15,167,567	\$ 14,253,773

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
 MULTNOMAH COUNTY, OREGON  
 NOTES TO BASIC FINANCIAL STATEMENTS

**NOTE 12. OTHER POST EMPLOYMENT BENEFITS - CONTINUED**

*Sensitivity of the total OPEB Liability to changes in the healthcare cost trend rates:* the following presents the total OPEB liability of the District, as well as what the District's total OPEB Liability would be if it were calculated using health care cost trend rates that are 1 percentage point higher and lower than the current healthcare cost trend rates.

	<u>1% Decrease</u>	<u>Current Healthcare Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 13,603,620	\$ 15,167,567	\$ 17,002,576

*OPEB Expense and Deferred Inflows of Resources Related to OPEB:* For the year ended June 30, 2021, the District recognized OPEB expense of \$835,275 in the government wide Statement of Activities. At June 30, 2021, the District reported deferred inflows of resources relating to the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$ -	\$ (1,249,599)
Changes in assumptions	960,521	(450,433)
Subtotal - Amortized Deferrals (below)	960,521	(1,700,032)
Contributions made subsequent to measurement date	1,190,153	-
Deferred outflow (inflow) of resources	<u>\$ 2,150,674</u>	<u>\$ (1,700,032)</u>

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

Subtotal amounts related to OPEB health care as deferred outflows of resources, \$960,521, and deferred inflows of resources, (\$1,700,032), net to (\$739,511) and will be recognized in OPEB health care expense as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2022	\$ (183,497)
2023	(183,497)
2024	(183,497)
2025	(150,690)
2026	(87,987)
Thereafter	49,657
Total	<u>\$ (739,511)</u>

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
 MULTNOMAH COUNTY, OREGON  
 NOTES TO BASIC FINANCIAL STATEMENTS

**NOTE 12. OTHER POST EMPLOYMENT BENEFITS - CONTINUED**

*EARLY RETIREMENT PLAN - STIPENDS*

The District also operates a single-employer early retirement stipend plan.

At July 1, 2020, the following employees were covered by the benefit terms:

Active	611
Retired Members	25
Spouses of Ineligible Retirees	-
Total	636

The following table shows the changes in total OPEB pension liability for the year ending June 30, 2021:

Total OPEB Pension Liability at June 30, 2020	\$ 2,155,674
Changes for the year:	
Service Cost	160,869
Interest	77,754
Changes of Benefit Terms	-
Changes from economic/demographic gains or losses	-
Changes of assumptions or other inputs	137,725
Benefit Payments	(191,623)
Net Changes	184,725
Total OPEB Pension Liability at June 30, 2021	\$ 2,340,399

Actuarial Methods and Assumptions: The total pension liability above was determined by an actuarial valuation as of the valuation date calculated based on the discount rate and actuarial assumptions listed below, and was then projected forward/backwards to the measurement date. The unfunded accrued liability is amortized over an open period of 4 years as a percentage of payroll, and is still open.

Valuation Date	July 1, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal
Investment return assumption (interest)	2.21% per year
Demographic Assumptions	Based on Oregon PERS valuation assumptions as of December 31, 2018
Inflation Rate	2.5% per year
Salary Increases	3.5% per year

Sensitivity Analysis: The following presents the total pension liability of the plan, calculated using the discount rate as of the measurement date, as well as what the plan's total pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
	1.21%	2.21%	3.21%
Total Pension Liability	\$ 2,449,009 <sub>264</sub>	\$ 2,340,399	\$ 2,230,807

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON  
 NOTES TO BASIC FINANCIAL STATEMENTS

**NOTE 12. OTHER POST EMPLOYMENT BENEFITS - CONTINUED**

*EARLY RETIREMENT PLAN – STIPENDS - CONTINUED*

For the year ended June 30, 2021, the District recognized a pension expense of \$39,532. At June 30, 2021, the District reported deferred outflows and inflows of resources related to the early retirement plan from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ (107,659)
Changes in assumptions	181,334	(94,298)
Subtotal - Amortized Deferrals (below)	181,334	(201,957)
Contributions made subsequent to measurement date	188,564	-
Deferred outflow (inflow) of resources	\$ 369,898	\$ (201,957)

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

Subtotal amounts related to OPEB health care as deferred outflows of resources, \$181,334, and deferred inflows of resources, (\$201,957), net to (\$20,623) and will be recognized in OPEB health care expense as follows:

Year ending June 30,	Amount
2022	\$ (10,527)
2023	(10,527)
2024	(10,527)
2025	(10,523)
2026	2,104
Thereafter	19,377
Total	\$ (20,623)

**NOTE 13. TAX ABATEMENTS**

As of June 30, 2021, the District had material tax abatements through one program: Enterprise Zone.

**Enterprise Zone (ORS 285C.175):**

The Oregon Enterprise Zone program is a State of Oregon economic development program established, that allows for property tax exemptions for up to five years. In exchange for receiving property tax exemption, participating firms are required to meet the program requirements set by state statute and the local sponsor.

The Enterprise Zone program allows industrial firms that will be making a substantial new capital investment a waiver of 100% of the amount of real property taxes attributable to the new investment for a 5-year period after completion. Land or existing machinery or equipment is not tax exempt; therefore, there is no loss of current property tax levies to local taxing jurisdiction.

For the fiscal year ended June 30, 2021, the District had abated taxes totaling \$1,584,135 under this program.

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON  
 NOTES TO BASIC FINANCIAL STATEMENTS

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**NOTE 14. OPERATING LEASES**

In December 2015, the district entered into a 5 year lease agreement with Copiers Northwest Inc. to lease printers and equipment. The district pays quarterly at a minimum of \$61,488 with overage charges per copy. In the fiscal year ended June 30, 2021 the district paid approximately \$127,822 in payments and overages. The lease ended in December 2020.

In May 2018, the district entered into a 3 year lease agreement with MailFinance Neopost West to lease a stacker, inserter, and other document preparation equipment. Monthly payments for this agreement are \$1,193. The district paid Neopost \$14,314 in the fiscal year ended June 30, 2021. The lease ended in May 2021.

In December 2020, the district entered into a 5 year lease agreement with Pacific Automation Inc. to lease printers and equipment. The district pays quarterly at a minimum of \$20,812 with overage charges per copy. In the fiscal year ended June 30, 2021 the district paid approximately \$41,624 in payments. The lease ends in December 2025.

In June 2021, the district entered into a 3 year lease agreement with Quadient Leasing to lease station copiers and document preparation equipment. The district pays quarterly at a minimum of \$4,958. Payments begin in July 2021. The lease ends in June 2024.

Future Lease Obligations are as follows:

<u>Year</u>	<u>Equipment</u>
2021-22	\$ 103,082
2022-23	103,082
2023-24	103,082
2024-25	83,248
2025-26	41,624
Total	<u>\$ 434,117</u>

**NOTE 15. RISK MANAGEMENT**

There is exposure to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which commercial insurance is purchased. There were no significant reductions in insurance coverage from coverage in prior years in any of the major categories of risk. Also, the amounts of any settlements have not exceeded insurance coverage for the past three fiscal years.

**NOTE 16. COMMITMENTS AND CONTINGENCIES**

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

A substantial portion of operating funding is received from the State of Oregon. State funding is determined through state wide revenue projections that are paid to individual school districts based on pupil counts and other factors in the state school fund revenue formula. Since these projections and pupil counts fluctuate they can cause either increases or decreases in revenue. Due to these future uncertainties at the state level, the future effect on the District's operations cannot be determined.

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON  
NOTES TO BASIC FINANCIAL STATEMENTS

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**NOTE 16. COMMITMENTS AND CONTINGENCIES – CONTINUED**

The COVID-19 outbreak in the United States has caused substantial disruption to business and local governments due to mandated and voluntary suspension of operations and stay at home orders. There is considerable uncertainty around the duration of the outbreak and the long-term impact to the overall economy. The ultimate impact on the District's finances is not determinable.

**NOTE 17. PROPERTY TAX LIMITATION**

The voters of the State of Oregon approved ballot measure 5, a constitutional limit on property taxes for schools and nonschool government operations, in November 1990. School operations include community colleges, local school districts, and education service districts.

The limitation provides that property taxes for school operations are limited to \$5.00 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt. The result of this initiative has been that school districts have become more dependent upon state funding and less dependent upon property tax revenues as their major source of operating revenue.

The voters of the State of Oregon passed ballot measure 50 in May 1997 to further reduce property taxes by replacing the previous constitutional limits on tax bases with a rate and value limit.

Measure 50 reduced the amount of operating property tax revenues available to the District for its 1997-98 fiscal year, and thereafter. This reduction was accomplished by rolling property values back to their 1995-96 values less 10% and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the property tax limitations. The measure also sets restrictive voter approval requirements for most tax and many fee increases and new bond issues, and requires the State of Oregon to minimize the impact of the tax cuts to the school districts.

**NOTE 18. FUND BALANCE**

The District has negative fund balances in the Nutrition Service Fund and the Retirement Fund in the amount of (\$467,284) and (\$6,150) respectively. These fund balances will be addressed with Transfers from the General Fund.

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
MULTNOMAH COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

REYNOLDS SCHOOL DISTRICT  
MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

At June 30, 2021

PERS

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) Employer'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	0.49 %	\$ 107,764,505	\$ 68,860,681	156.5 %	75.8 %
2020	0.51	87,585,114	65,446,087	133.8	80.2
2019	0.61	91,931,245	63,752,102	144.2	82.1
2018	0.63	85,519,165	63,884,244	133.9	83.1
2017	0.55	82,744,959	64,947,816	127.4	80.5
2016	0.47	26,851,775	61,541,587	43.6	91.9
2015	0.48	(10,827,948)	57,457,850	(18.8)	103.6
2014	0.48	24,377,398	55,916,694	43.6	92.0

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

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

	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	\$ 17,214,158	\$ 17,214,158	\$ -	\$ 69,994,447	24.6 %
2020	16,393,674	16,393,674	-	68,860,681	23.8
2019	14,616,246	14,616,246	-	65,446,087	22.3
2018	13,901,399	13,901,399	-	63,752,102	21.8
2017	9,462,011	9,462,011	-	63,884,244	14.8
2016	8,727,974	8,727,974	-	64,947,816	13.4
2015	5,438,439	5,438,439	-	61,541,587	8.8
2014	5,136,148	5,136,148	-	57,457,850	8.9

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

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.

REYNOLDS SCHOOL DISTRICT  
MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION  
 At June 30, 2021

OPEB - RHIA

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB - RHIA ASSET/LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net OPEB asset/ (liability) (NOA/(L))	(b) Employer's proportionate share of the net OPEB asset/ (liability) (NOA/(L))	(c) Employer's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2021	1.056 %	\$ 2,151,220	\$ 68,860,681	3.1 %	150.1 %
2020	0.597	1,153,426	65,446,087	1.8	144.4
2019	0.605	675,690	63,752,102	1.1	124.0
2018	0.625	260,793	63,884,244	0.4	108.9
2017	(0.680)	(184,566)	64,947,816	(0.3)	90.0

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

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	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	\$ n/a	\$ n/a	\$ n/a	\$ 69,994,447	n/a %
2020	n/a	n/a	n/a	68,860,681	n/a
2019	n/a	n/a	n/a	65,446,087	n/a
2018	n/a	n/a	n/a	63,752,102	n/a
2017	n/a	n/a	n/a	63,884,244	n/a

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

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.

**MULTNOMAH COUNTY SCHOOL DISTRICT NO.7**  
**Multnomah County, Oregon**

**SCHEDULE OF CHANGES IN TOTAL LIABILITY AND RELATED RATIOS**  
**OPEB HEALTH CARE AND PENSION STIPENDS**  
**June 30, 2021**

**PLAN I (OPEB): (HEALTH CARE)**

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**

Year Ended June 30,	Total OPEB Liability - Beginning	Service Cost	Interest	Changes of Benefit Terms	Changes of Assumptions	Benefit Payments	Total OPEB Liability - End of Year	Estimated Covered Payroll	Total OPEB Liability as a % of Covered Payroll
2021	\$ 12,959,779	\$ 1,710,643	\$ 498,282	\$ -	\$ 873,970	\$ (875,107)	\$ 15,167,567	\$ N/A	N/A
2020	13,434,460	1,341,286	553,418	-	(1,409,171)	(960,214)	12,959,779	N/A	N/A
2019	12,791,606	1,317,100	489,002	-	(256,385)	(906,863)	13,434,460	N/A	N/A
2018	12,936,650	1,363,361	389,515	-	(623,313)	(1,274,607)	12,791,606	N/A	N/A

**PLAN II (PENSION): (STIPENDS)**

**SCHEDULE OF CHANGES IN TOTAL OPEB PENSION LIABILITY AND RELATED RATIOS**

Year Ended June 30,	Total Pension Liability - Beginning	Service Cost	Interest	Changes of Benefit Terms	Changes of Assumptions	Benefit Payments	Total Pension Liability - End of Year	Estimated Covered Payroll	Total Pension Liability as a % of Covered Payroll
2021	\$ 2,155,674	\$ 160,869	\$ 77,754	\$ -	\$ 137,725	\$ (191,623)	\$ 2,340,399	\$ N/A	N/A
2020	2,269,973	174,473	90,686	-	(175,267)	(204,191)	2,155,674	N/A	N/A
2019	2,220,351	170,978	82,590	-	(33,776)	(170,170)	2,269,973	N/A	N/A
2018	2,266,585	135,644	66,380	-	(101,044)	(147,214)	2,220,351	N/A	N/A
2017	2,083,076	118,075	82,194	-	116,961	(133,721)	2,266,585	N/A	N/A

The amounts presented for each fiscal year are actuarially determined and rolled forward.

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.

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
**MULTNOMAH COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ACTUAL AND BUDGET (BUDGETARY BASIS)**  
**For the Year Ended June 30, 2021**

**GENERAL FUND**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
<b>REVENUES:</b>				
Local Sources	\$ 29,887,141	\$ 29,887,141	\$ 30,252,475	\$ 365,334
Intermediate Sources	1,001,800	1,001,800	596,787	(405,013)
State Sources	104,883,164	104,883,164	102,898,191	(1,984,973)
Federal Sources	65,000	65,000	74,450	9,450
Total Revenue	<u>135,837,105</u>	<u>135,837,105</u>	<u>133,821,903</u>	<u>(2,015,202)</u>
<b>EXPENDITURES:</b>				
Instruction	83,220,180	83,220,180 (1)	79,378,852	3,841,328
Support Services	56,216,054	56,216,054 (1)	45,844,716	10,371,338
Community Services	170,610	462,610 (1)	408,213	54,397
Debt Service	333,455	333,455 (1)	200,000	133,455
Contingency	1,620,145	1,620,145 (1)	-	1,620,145
Total Expenditures	<u>141,560,444</u>	<u>141,852,444</u>	<u>125,831,781</u>	<u>16,020,663</u>
Excess of Revenues Over (Under) Expenditures	<u>(5,723,339)</u>	<u>(6,015,339)</u>	<u>7,990,122</u>	<u>14,005,461</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Debt Proceeds	-	-	1,232,761	1,232,761
Transfers Out	(1,298,398)	(3,535,913) (1)	(3,526,765)	9,148
Total Other Financing Sources (Uses)	<u>(1,298,398)</u>	<u>(3,535,913)</u>	<u>(2,294,004)</u>	<u>1,241,909</u>
Net Change in Fund Balance	(7,021,737)	(9,551,252)	5,696,118	15,247,370
Beginning Fund Balance	<u>11,992,703</u>	<u>14,230,218</u>	<u>18,958,789</u>	<u>4,728,571</u>
Ending Fund Balance	<u>\$ 4,970,966</u>	<u>\$ 4,678,966</u>	<u>\$ 24,654,907</u>	<u>\$ 19,975,941</u>
Reconciliation to Governmental Fund Balance as required by GASB 54:				
Ending Fund Balance Retirement Fund			(6,150)	
			<u>\$ 24,648,757</u>	

(1) Appropriation Level

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
**MULTNOMAH COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ACTUAL AND BUDGET (BUDGETARY BASIS)**  
**For the Year Ended June 30, 2021**

**FEDERAL PROGRAMS FUND**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
<b>REVENUES:</b>				
Federal Sources	\$ 10,765,202	\$ 12,915,202	\$ 11,043,716	\$ (1,871,486)
Total Revenues	<u>10,765,202</u>	<u>12,915,202</u>	<u>11,043,716</u>	<u>(1,871,486)</u>
<b>EXPENDITURES:</b>				
Instruction	6,156,416	7,656,416 (1)	7,033,230	623,186
Support Services	4,098,605	4,048,605 (1)	3,469,324	579,281
Community Services	510,181	1,210,181 (1)	541,162	669,019
Total Expenditures	<u>10,765,202</u>	<u>12,915,202</u>	<u>11,043,716</u>	<u>1,871,486</u>
Excess of Revenues Over (Under) Expenditures	-	-	-	-
Beginning Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(1) Appropriation Level

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**

**MULTNOMAH COUNTY, OR**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**NOTE 1: BUDGETARY BASIS OF ACCOUNTING**

The district budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America.

**NOTE 2: PENSION AND OPEB PLAN SCHEDULES**

**Actuarial Assumptions for Valuations Performed.** The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the date indicated, which the most recent actuarial valuation. The actuarial assumptions used are disclosed in the notes to the financial statements.

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
MULTNOMAH COUNTY, OREGON

SUPPLEMENTARY INFORMATION

**DEBT SERVICE FUND**

**General Obligation Bond Fund 300**

Provides for the payment of principal and interest on long-term general obligation debt of governmental funds. Principal revenue source are property taxes.

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
**MULTNOMAH COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ACTUAL AND BUDGET (BUDGETARY BASIS)**  
**For the Year Ended June 30, 2021**

**DEBT SERVICE FUND**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
EXPENDITURES:				
Debt Service	1,500,000	1,500,000 (1)	-	1,500,000
Total Expenditures	<u>1,500,000</u>	<u>1,500,000</u>	<u>-</u>	<u>1,500,000</u>
Excess of Revenues Over (Under) Expenditures	(1,500,000)	(1,500,000)	-	1,500,000
Beginning Fund Balance	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,280,893</u>	<u>(219,107)</u>
Ending Fund Balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,280,893</u></u>	<u><u>\$ 1,280,893</u></u>

(1) Appropriation Level

**PERS BOND FUND**

**PERS UAL Fund 350**

Provides for the payment of principal and interest on PERS UAL pension obligation bonds. Revenue source are charged to other funds.

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
**MULTNOMAH COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ACTUAL AND BUDGET (BUDGETARY BASIS)**  
**For the Year Ended June 30, 2021**

<b><u>PERS BOND FUND</u></b>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
<b>REVENUES:</b>				
Local Sources	\$ 9,131,213	\$ 9,131,213	\$ 8,849,528	\$ (281,685)
Total Revenues	<u>9,131,213</u>	<u>9,131,213</u>	<u>8,849,528</u>	<u>(281,685)</u>
<b>EXPENDITURES:</b>				
Debt Service	<u>8,910,490</u>	<u>8,910,490 (1)</u>	<u>8,910,490</u>	<u>-</u>
Total Expenditures	<u>8,910,490</u>	<u>8,910,490</u>	<u>8,910,490</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	220,723	220,723	(60,962)	(281,685)
Beginning Fund Balance	<u>375,723</u>	<u>375,723</u>	<u>180,784</u>	<u>(194,939)</u>
Ending Fund Balance	<u><u>\$ 596,446</u></u>	<u><u>\$ 596,446</u></u>	<u><u>\$ 119,822</u></u>	<u><u>\$ (476,624)</u></u>

(1) Appropriation Level

**2015 GO BOND DEBT FUND**

**General Obligation Bond Fund 315**

Provides for the payment of principal and interest on long-term general obligation debt of governmental funds. Principal revenue source are property taxes. This fund supports school building improvements.

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
**MULTNOMAH COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ACTUAL AND BUDGET (BUDGETARY BASIS)**  
**For the Year Ended June 30, 2021**

**2015 GO BOND DEBT SERVICE FUND**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES:				
Local Sources	\$ 9,760,000	\$ 9,760,000	\$ 10,849,604	\$ 1,089,604
Total Revenues	<u>9,760,000</u>	<u>9,760,000</u>	<u>10,849,604</u>	<u>1,089,604</u>
EXPENDITURES:				
Debt Service	<u>9,900,050</u>	<u>9,900,050</u> (1)	<u>10,534,004</u>	<u>(633,954)</u>
Total Expenditures	<u>9,900,050</u>	<u>9,900,050</u>	<u>10,534,004</u>	<u>(633,954)</u>
Excess of Revenues Over (Under) Expenditures	(140,050)	(140,050)	315,600	455,650
Beginning Fund Balance	<u>4,101,230</u>	<u>4,101,230</u>	<u>4,630,197</u>	<u>528,967</u>
Ending Fund Balance	<u>\$ 3,961,180</u>	<u>\$ 3,961,180</u>	<u>\$ 4,945,797</u>	<u>\$ 984,617</u>

(1) Appropriation Level

## **2015 GO BOND PROJECTS FUND**

### **Capital Projects Fund 415**

With the passage of Measure 26-164, for General obligation Bond Levy May 19, 2015 bond election, the district has completed work on three elementary schools: Fairview, Wilkes and Troutdale. These schools were all built between 1926 and 1913. Reynolds High School has added 18 new classrooms. The bond has also upgrading security at several school vestibules. The fund manages the capital expenditures for specifically authorized projects funded by the 2015 General Obligation bonds.

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
**MULTNOMAH COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ACTUAL AND BUDGET (BUDGETARY BASIS)**  
**For the Year Ended June 30, 2021**

**2015 GO BOND PROJECTS FUND**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
<b>REVENUES:</b>				
Local Sources	\$ 2,500	\$ 2,500	\$ -	\$ (2,500)
Bond Proceeds	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>	<u>(2,000,000)</u>
Total Revenues	<u>2,002,500</u>	<u>2,002,500</u>	<u>-</u>	<u>(2,002,500)</u>
<b>EXPENDITURES:</b>				
Facilities Acquisition and Construction	<u>2,895,200</u>	<u>2,895,200</u> (1)	<u>1,707,439</u>	<u>1,187,761</u>
Total Expenditures	<u>2,895,200</u>	<u>2,895,200</u>	<u>1,707,439</u>	<u>1,187,761</u>
Excess of Revenues Over (Under) Expenditures	(892,700)	(892,700)	(1,707,439)	(814,739)
Beginning Fund Balance	<u>892,700</u>	<u>892,700</u>	<u>2,473,020</u>	<u>1,580,320</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 765,581</u>	<u>\$ 765,581</u>

(1) Appropriation Level

## CAPITAL PROJECTS FUND

### **Capital Project Fund 400– Full faith and Credit Refunding Obligation, Series 2010**

Provides for the payment and of interest on the 2010 FFCRO Series. Accounts for activities related to the acquisition, construction and equipping of facilities. Revenue sources are the excise tax, interest earnings on the capital projects fund.

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
**MULTNOMAH COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ACTUAL AND BUDGET (BUDGETARY BASIS)**  
**For the Year Ended June 30, 2021**

**CAPITAL PROJECTS FUND**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
<b>REVENUES:</b>				
Local Sources	\$ 381,500	\$ 381,500	\$ 449,944	\$ 68,444
Total Revenues	<u>381,500</u>	<u>381,500</u>	<u>449,944</u>	<u>68,444</u>
<b>EXPENDITURES:</b>				
Facilities Acquisition and Construction	1,224,377	1,224,377 (1)	7,926	1,216,451
Debt Service	1,638,398	19,053,976 (1)	18,935,998	117,978
Total Expenditures	<u>2,862,775</u>	<u>20,278,353</u>	<u>18,943,924</u>	<u>1,334,429</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,481,275)</u>	<u>(19,896,853)</u>	<u>(18,493,980)</u>	<u>1,402,873</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of Asset	250,000	715,000	215,000	(500,000)
Transfers In	1,138,398	1,138,398	1,138,398	-
Loan Proceeds	-	16,950,578	17,415,578	465,000
Total Other Financing Sources (Uses)	<u>1,388,398</u>	<u>18,803,976</u>	<u>18,768,976</u>	<u>(35,000)</u>
Net Change in Fund Balance	<u>(1,092,877)</u>	<u>(1,092,877)</u>	<u>(17,355,582)</u>	<u>1,402,873</u>
Beginning Fund Balance	<u>1,092,877</u>	<u>1,092,877</u>	<u>1,559,383</u>	<u>466,506</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,834,379</u>	<u>\$ 1,834,379</u>

(1) Appropriation Level

**2016 SCHOOL IMPROVEMENT PROJECT FUND**

**School Improvement Projects Fund 417 – Qualified Zone Academy Bond**

The QZAB is a tax credit bond program whereby bond investors take a tax credit in lieu of interest payments for qualified bonds under the IRS Tax Code. Projects accounted for under the QZAB Bond include roof resurfacing exterior block sealing, HVAC replacement, and major abatement work.

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
**MULTNOMAH COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ACTUAL AND BUDGET (BUDGETARY BASIS)**  
**For the Year Ended June 30, 2021**

**2016 SCHOOL IMPROVEMENT PROJECTS FUND**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
EXPENDITURES:				
Support Services	\$ 175,000	\$ 232,845	(1) \$ 232,844	\$ 1
Total Expenditures	<u>175,000</u>	<u>232,845</u>	<u>232,844</u>	<u>1</u>
Net Change in Fund Balance	(175,000)	(232,845)	(232,844)	1
Beginning Fund Balance	<u>175,000</u>	<u>232,845</u>	<u>232,844</u>	<u>(1)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(1) Appropriation Level

## SPECIAL REVENUE FUNDS

### **Nutrition Service Fund 297**

Accounts for revenues and expenditure for the food dispensing programs. Principal revenue sources are sales of food and subsidies under the National School Lunch and Breakfast Programs received through the State of Oregon, and a transfer from the General Fund for “match”. Fresh Fruit and Vegetable Program: Accounts for revenues and expenditures for a series of grants within Nutrition Services to provide produce for individual schools.

### **State and Local Programs Funds 251-296**

Accounts for revenues and expenditures of grants that are generally restricted for specific education projects. Principal revenue source are state and local grants.

#### **Driver’s Education**

Accounts for revenues and expenditures to support the driver’s education class at the high school. The principal source of revenue is received from ODOT and class fees.

#### **E-Rate**

Accounts for revenues and expenditures from the Schools and Libraries Program related to telecommunications and internet access.

#### **Energy Efficient Schools - SB 1149**

Accounts for revenues received under the Senate Bill 1149 which introduces competition into the retail electricity market of Oregon’s two largest utilities, Portland General Electric and PacifiCorp.

#### **Together We Are Greater Than**

Formerly, the I Have a Dream – 2017 Alder Montessori Fund. The organization had a name change in 2018. Provides funding for Alder Montessori. (Funding no longer received from this award but remains for history purposes.)

#### **Mt Hood Cable Regulatory Commission Grant**

Accounts for revenues and expenditures relating to enhancement of technology projects throughout the district such as communications involving video, data applications. Funding source are through Multnomah County, Comcast, Frontier and Cascade Access. (Funding no longer received from this award but remains for history purposes.)

#### **Other Contracts & Grants**

Accounts for various grants received throughout the district.

#### **Contract Fuel Sales**

Accounts for revenues received from local city governments for fuel provided at an average monthly cost plus an administration fee.

#### **Student Activities**

Accounts for revenues and expenditures of all schools’ student body funds. The revenue sources are participation fees, donations and fund-raising activities. Individual accounts are kept at each school; this fund summarizes all activity at year-end.

**Non-ASB**

Accounts for revenues and expenditures generated by fees at the school level, including donations, early childhood department, graphics department, etc.

**Reynolds Education Foundation**

Accounts for revenues and expenditures received from REF for classroom supplies. (Funding no longer received from this award but remains for history purposes.)

**Project Lead the Way**

Accounts for revenues and expenditures received from the State Board of Higher Education on behalf of the Oregon University System for the engineering and technology program. (Funding no longer received from this award but remains for history purposes.)

**Four Corners Tuition**

Accounts for revenue and expenditures received from other school districts as tuition payment for students attending Treatment Program. (Funding no longer received from this award but remains for history purposes.)

**Seismic Rehab Grant**

Accounts for revenues and expenditures for reinforcing the structure within RMS to better withstand seismic activity. (Funding no longer received from this award but remains for history purposes.)

**Multnomah County Agreement**

Accounts for revenues and expenditures to be used for attendance TOSA to support attendance work at Glenfair Elementary and Alder Elementary. Funding source through Multnomah County. (Funding no longer received from this award but remains for history purposes.)

**PPS / Columbia Regional Autism**

Accounts for revenues and expenditures for autism services. The primary source of revenue comes from the Columbia Regional Program who receives autism funding from the state.

**MYC Fees for Service**

Accounts for revenue and expenditures related to the Multnomah Youth Cooperative program at Reynolds Learning Academy. The primary source of revenue is local state entities that pay a fee for the services provided by students.

**Outdoor School (Measure 99)**

Accounts for the revenue and expenditures to provide outdoor school.

**CTE Pathways**

Accounts for revenues and expenditures from ODE for incentivization of high school programs to attract and graduate students from traditionally underserved populations through their CTE Programs of Study. In 2016, CTE Pathways funds were awarded to RHS Graphic Arts, Computer Information Systems, and Construction Manufacturing.

**Student Monitoring and Mentorship Grant**

Accounts for the revenues and expenditures for serving at-risk students rising from 8<sup>th</sup> to 9<sup>th</sup> grade. Interventions are instrumental to maintain a smooth path toward students achieving credits to stay on track to graduate. (Funding no longer received from this award but remains for history purposes.)

**Career Education (Measure 98)**

Accounts for revenues and expenditures dedicated to improving graduation rates through Career and Technical Education (CTE).

**PEEK-8 Physical Education Expansion K-8**

Accounts for additional revenues and expenditures allocated to hire licensed physical education teachers to support activities related to meeting the physical education instructional requirements for students as described in OAR 581-020-0250.

**Seismic Rehab Grant 2016-17**

Accounts for the revenues and expenditures related to facility upgrades to meet seismic standards. State of Oregon competitive grant through Oregon Department of Education. (Funding no longer received from this award but remains for history purposes.)

**Closing the Achievement Gap**

Accounts for revenues and expenditures relating to closing the academic achievement gap for African American learners' links between home, school and community and promoting equity for our school toward Oregon Department of Education 40-40-20 goal. (Funding no longer received from this award but remains for history purposes.)

**MYC PIC (Partners in Conservation)**

Accounts for revenues and expenditures from East Metro Soil and Conservation District, to provide funding for service learning projects for students at RLA. (Funding no longer received from this award but remains for history purposes.)

**Educator Effectiveness**

Accounts for the revenues and expenditures related to improving student achievement through effective teachers and leaders, through collaboration with educational partners and stakeholders to create a supportive state policy infrastructure focused on educator effectiveness leading to improved student learning. (Funding no longer received from this award but remains for history purposes.)

**Summative Assessment**

Accounts for revenues and expenditures to successfully transition from the state test (OAKS) to the Smarter Balanced summative assessment system for students in Grades K-9.

**Miller Family Grant**

Accounts for revenues and expenditures to expand teacher training, tutor wages, and technical assistance in order to enhance AVID programming at middle school levels.

**Improvement Planning Grant**

(Funding no longer received from this award but remains for history purposes.)

**Summer Works Grant**

The Youth Work Experience Program allows students with disabilities to learn employability skills and transition seamlessly into competitive employment. Reynolds School District received and implemented the Summer Work experience during the summer of 2017. The Summer Work experience allowed students to gain positive work skills and training in a professional environment which contributed to their successful placement today.

**Youth Transition Program**

Accounts for the revenues and expenditures related to an intergovernmental agreement in association with a youth transition program. The primary source of revenue is State of Oregon Department of Human Services.

**RLA Playground**

Accounts for revenues and expenditures to improve the RLA playground and for enhancing services to the teen parents and children by partnering with Mt. Hood as an Early Childhood Head Start Program. This is a one-time grant from MHCC. (Funding no longer received from this award but remains for history purposes.)

**HB3499 ELD Transformation & Target**

Accounts for revenues and expenditures to improve outcomes for English Language Learners (ELLs). This is an implementation grant. (Funding no longer received from this award but remains for history purposes.)

**MHCC – Early Head Start**

Accounts for revenues and expenditures to support RLA Teen Parent Day Care Center. To be used for facility improvements, staff training requirements, curriculum purchase and furniture replacement. Additionally, a separate reimbursement contract will be specifically dedicated to redesign and improve the outdoor playground space dedicated to the Teen Parent Day Care Center. Funding source through the Department of Health and Human Services for Early Head Start Partnership through MHCC. (Funding no longer received from this award but remains for history purposes.)

**Verizon Innovative Learning**

Accounts for revenues and expenditures as part of a grant awarded to select US middle schools to create innovative learning environments and document the process so others can learn from the experiences of the schools awarded the grant. The grant provides a device for every middle school student and teacher, professional development and coaching to enhance the learning environment.

**School Based Health Center**

Accounts for revenues and expenditures for construction of a school based health center located at Reynolds High School.

**Student Investment Account**

The Student Investment Account (SIA) comes from the Student Success Act. Oregon Governor Kate Brown signed House Bill 3427, the Student Success Act, into law on May 2019. The purpose of the Student Success Act was to correct underinvestment in our schools and our children and includes sweeping provisions for new and improved services for children and families.

**Self Insurance Fund 299**

Accounts for costs incurred by the District under its general liability, including but not limited to property liability, Boiler and Machinery/Equipment Breakdown, Crime, Business Auto and Public Entity Liability. Primary source of revenue are insurance claim payments, rebates and General Fund transfers.

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2021**

	SPECIAL REVENUE FUNDS			
	NUTRITION SERVICE FUND	STATE AND LOCAL PROGRAMS FUND	SELF INSURANCE FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
<b>ASSETS:</b>				
Cash	\$ 78,309	\$ 329,002	\$ -	\$ 407,311
Receivables:				
Accounts/Grants	336,462	2,489,930	117,594	2,943,986
Inter-Fund Receivable	-	1,857,568	503,309	2,360,877
Prepaid Expenses	-	28,796	-	28,796
Inventories	441,894	-	-	441,894
	856,665	4,705,296	620,903	6,182,864
<b>Total Assets</b>	<b>856,665</b>	<b>4,705,296</b>	<b>620,903</b>	<b>6,182,864</b>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>Liabilities:</b>				
Accounts Payable	42,278	270,046	-	312,324
Inter-Fund Payable	1,253,713	-	-	1,253,713
	1,295,991	270,046	-	1,566,037
<b>Total Liabilities</b>	<b>1,295,991</b>	<b>270,046</b>	<b>-</b>	<b>1,566,037</b>
<b>Deferred Inflows of Resources</b>				
Deferred Grants	27,958	831,513		859,471
	27,958	831,513		859,471
<b>Total Liabilities and Deferred Revenue</b>	<b>1,323,949</b>	<b>1,101,559</b>	<b>-</b>	<b>2,425,508</b>
<b>Fund Balances:</b>				
Nonspendable	441,894	28,796	-	470,690
Restricted	(909,178)	485,654	-	(423,524)
Committed	-	3,089,287	620,903	3,710,190
	(467,284)	3,603,737	620,903	3,757,356
<b>Total Fund Balances</b>	<b>(467,284)</b>	<b>3,603,737</b>	<b>620,903</b>	<b>3,757,356</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 856,665</b>	<b>\$ 4,705,296</b>	<b>\$ 620,903</b>	<b>\$ 6,182,864</b>

\* Note: State and Local Programs Fund includes Fund 260 which is the accounting for the ASB funds within District System.

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
**MULTNOMAH COUNTY, OREGON**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2021**

	SPECIAL REVENUE FUNDS			
	NUTRITION SERVICE FUND	STATE AND LOCAL PROGRAMS FUND	SELF INSURANCE FUND	NONMAJOR GOVERNMENTAL FUNDS
<b>REVENUES:</b>				
Local Sources	\$ 339,965	\$ 724,144	\$ 221,053	\$ 1,285,162
Intermediate Sources	50	863,251	-	863,301
State Sources	44,985	7,125,608	-	7,170,593
Federal Sources	2,577,961	463,604	-	3,041,565
<b>Total Revenues</b>	<b>2,962,961</b>	<b>9,176,607</b>	<b>221,053</b>	<b>12,360,621</b>
<b>EXPENDITURES:</b>				
Instruction	-	3,480,251	-	3,480,251
Support Service	-	5,116,766	10,155	5,126,921
Community Services	4,751,223	117,423	-	4,868,646
Facilities Acquisition and Construction	-	201,387	-	201,387
<b>Total Expenditures</b>	<b>4,751,223</b>	<b>8,915,827</b>	<b>10,155</b>	<b>13,677,205</b>
Excess of Revenues Over (Under)				
Expenditures	(1,788,262)	260,780	210,898	(1,316,584)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	50,852	2,237,515	-	2,288,367
<b>Total Other Financing Sources (Uses)</b>	<b>50,852</b>	<b>2,237,515</b>	<b>-</b>	<b>2,288,367</b>
<b>Net Change in Fund Balance</b>	<b>(1,737,410)</b>	<b>2,498,295</b>	<b>210,898</b>	<b>971,783</b>
Beginning Fund Balance	1,270,126	1,105,442 *	410,005	2,785,573
<b>Ending Fund Balance</b>	<b>\$ (467,284)</b>	<b>\$ 3,603,737</b>	<b>\$ 620,903</b>	<b>\$ 3,757,356</b>

\* Note: State and Local Programs Fund includes Fund 260 which is the accounting for the ASB funds within District System.

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
**MULTNOMAH COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ACTUAL AND BUDGET (BUDGETARY BASIS)**  
**For the Year Ended June 30, 2021**

**NUTRITION SERVICE FUND**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
<b>REVENUES:</b>				
Local Sources	\$ 1,047,044	\$ 1,047,044	\$ 339,965	\$ (707,079)
Intermediate Sources	-	-	50	50
State Sources	98,276	98,276	44,985	(53,291)
Federal Sources	5,127,135	5,127,135	2,577,961 (2)	(2,549,174)
Total Revenues	<u>6,272,455</u>	<u>6,272,455</u>	<u>2,962,961</u>	<u>(3,309,494)</u>
<b>EXPENDITURES:</b>				
Enterprise and Community Services	8,295,050	8,295,050 (1)	4,751,223	3,543,827
Contingencies	20,000	20,000 (1)	-	20,000
Total Expenditures	<u>8,315,050</u>	<u>8,315,050</u>	<u>4,751,223</u>	<u>3,563,827</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,042,595)</u>	<u>(2,042,595)</u>	<u>(1,788,262)</u>	<u>254,333</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	60,000	60,000	50,852 (2)	(9,148)
Total Other Financing Sources (Uses)	<u>60,000</u>	<u>60,000</u>	<u>50,852</u>	<u>(9,148)</u>
Net Change in Fund Balance	(1,982,595)	(1,982,595)	(1,737,410)	245,185
Beginning Fund Balance	<u>1,982,595</u>	<u>1,982,595</u>	<u>1,270,126</u>	<u>(712,469)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (467,284)</u>	<u>\$ (467,284)</u>

(1) Appropriation Level

(2) Included in this transfer from the General Fund is the required state appropriated general purpose revenues of \$50,852 the District must transfer to the Food Service Fund for National School Lunch Support in order to meet the general cash assistance match for 2020-2021

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
**MULTNOMAH COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ACTUAL AND BUDGET (BUDGETARY BASIS)**  
**For the Year Ended June 30, 2021**

**STATE AND LOCAL PROGRAMS FUND**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
<b>REVENUES:</b>				
Local Sources	\$ 2,097,388	\$ 2,097,388	\$ 724,144	\$ (1,373,244)
Intermediate Sources	1,310,847	1,310,847	863,251	(447,596)
State Sources	15,198,759	18,198,759	7,125,608	(11,073,151)
Federal Sources	-	-	463,604	463,604
Total Revenues	<u>18,606,994</u>	<u>21,606,994</u>	<u>9,176,607</u>	<u>(12,430,387)</u>
<b>EXPENDITURES:</b>				
Instruction	6,554,689	6,554,689 (1)	3,480,251	3,074,438
Support Services	14,489,992	14,489,992 (1)	5,116,766	9,373,226
Community Services	527,413	1,027,413 (1)	117,423	909,990
Facilities Acquisition and Construction	-	2,500,000 (1)	201,387	2,298,613
Contingencies	242,101	242,101 (1)	-	242,101
Total Expenditures	<u>21,814,195</u>	<u>24,814,195</u>	<u>8,915,827</u>	<u>15,898,368</u>
Excess of Revenues Over (Under) Expenditures	<u>(3,207,201)</u>	<u>(3,207,201)</u>	<u>260,780</u>	<u>3,467,981</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	2,237,515	2,237,515	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>2,237,515</u>	<u>2,237,515</u>	<u>-</u>
Net Change in Fund Balance	(3,207,201)	(969,686)	2,498,295	3,467,981
Beginning Fund Balance	<u>3,319,111</u>	<u>3,319,111</u>	<u>1,105,442</u> *	<u>(2,213,669)</u>
Ending Fund Balance	<u>\$ 111,910</u>	<u>\$ 2,349,425</u>	<u>\$ 3,603,737</u>	<u>\$ 1,254,312</u>

(1) Appropriation Level

\* Note: State and Local Programs Fund includes Fund 260 which is accounting for the ASB funds within District System.

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
**MULTNOMAH COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ACTUAL AND BUDGET (BUDGETARY BASIS)**  
**For the Year Ended June 30, 2021**

**SELF-INSURANCE FUND**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES:				
Local Sources	\$ 200,000	\$ 200,000	\$ 221,053	\$ 21,053
Total Revenues	<u>200,000</u>	<u>200,000</u>	<u>221,053</u>	<u>21,053</u>
EXPENDITURES:				
Support Services	<u>650,000</u>	<u>650,000 (1)</u>	<u>10,155</u>	<u>639,845</u>
Total Expenditures	<u>650,000</u>	<u>650,000</u>	<u>10,155</u>	<u>639,845</u>
Excess of Revenues Over (Under) Expenditures	(450,000)	(450,000)	210,898	660,898
Beginning Fund Balance	<u>450,000</u>	<u>450,000</u>	<u>410,005</u>	<u>(39,995)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 620,903</u>	<u>\$ 620,903</u>

(1) Appropriation Level

**RETIREMENT FUND**

**Early Retirement Fund 298**

Accounts for stipends and post-retirement health care benefits as a result of collective bargaining agreements. Principal revenue source is a transfer from the General Fund.

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
**MULTNOMAH COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**ACTUAL AND BUDGET (BUDGETARY BASIS)**  
**For the Year Ended June 30, 2021**

	<u>RETIREMENT FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
EXPENDITURES:				
Support Services	\$ 300,000	\$ 300,000 (1)	\$ 238,131	\$ 61,869
Total Enterprise and Comm. Services	<u>300,000</u>	<u>300,000</u>	<u>238,131</u>	<u>61,869</u>
Excess of Revenues Over (Under) Expenditures	<u>(300,000)</u>	<u>(300,000)</u>	<u>(238,131)</u>	<u>(61,869)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net Change in Fund Balance	(200,000)	(200,000)	(138,131)	61,869
Beginning Fund Balance	<u>200,000</u>	<u>200,000</u>	<u>131,981</u>	<u>(68,019)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,150)</u>	<u>\$ (6,150)</u>

(1) Appropriation Level

Note: This fund's activities have been combined with the General Fund activities in accordance with GASB 54, due to its financing resources being derived primarily from General Fund transfers.

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON**

**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES  
OF TAXES UNCOLLECTED  
For the year ended June 30, 2021**

**GENERAL FUND**

<u>TAX YEAR</u>	<u>ORIGINAL LEVY OR BALANCE UNCOLLECTED 7/1/2020</u>	<u>DEDUCT DISCOUNTS</u>	<u>ADJUSTMENTS TO ROLLS</u>	<u>ADD INTEREST</u>	<u>CASH COLLECTIONS BY COUNTY TREASURER</u>	<u>BALANCE UNCOLLECTED OR UNSEGREGATED 6/30/2021</u>
Current:						
2020-21	\$ 29,628,174	\$ 776,822	\$ (108,920)	\$ 8,555	\$ 28,353,219	\$ 397,768
Prior Years:						
2019-20	428,754	(750)	(49,996)	13,341	228,451	164,398
2018-19	173,664	(154)	(20,729)	12,005	72,677	92,417
2017-18	94,483	(57)	(17,935)	13,819	51,471	38,953
2016-17	38,605	(2)	(9,814)	8,503	28,611	8,685
Prior Years	<u>64,946</u>	<u>(1)</u>	<u>(959)</u>	<u>2,552</u>	<u>5,660</u>	<u>60,880</u>
Total Prior	<u>800,452</u>	<u>-964</u>	<u>(99,433)</u>	<u>50,220</u>	<u>386,870</u>	<u>365,333</u>
Total All Years	<u>\$ 30,428,626</u>	<u>\$ 775,858</u>	<u>\$ (208,353)</u>	<u>\$ 58,775</u>	<u>\$ 28,740,089</u>	<u>\$ 763,101</u>

RECONCILIATION TO REVENUE:

	<u>TOTAL</u>
Cash Collections by County Treasurers Above	\$ 28,740,089
Accrual of Receivables:	
June 30, 2020	(87,885)
June 30, 2021	93,885
Change from Prior year Unavailable Revenue, see page 12	(49,813)
Taxes in Lieu	<u>41,935</u>
Total Revenue	<u>\$ 28,738,211</u>

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON**

**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES  
OF TAXES UNCOLLECTED  
For the year ended June 30, 2021**

**DEBT SERVICE FUNDS**

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED 7/1/2020	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED 6/30/2021
Current:						
2020-21	\$ 11,107,556	\$ 291,229	\$ (41,704)	\$ 3,207	\$ 10,629,577	\$ 148,253
Prior Years:						
2019-20	125,928	(225)	(13,497)	3,992	68,363	48,285
2018-19	69,842	(64)	(7,466)	4,994	30,695	36,739
2017-18	38,643	(25)	(18,292)	5,921	10,729	15,568
2016-17	13,792	(1)	(4,030)	3,752	10,583	2,932
Prior Years	<u>23,625</u>	<u>-</u>	<u>(2,690)</u>	<u>1,176</u>	<u>788</u>	<u>21,323</u>
Total Prior	<u>271,830</u>	<u>(315)</u>	<u>(45,975)</u>	<u>19,835</u>	<u>121,158</u>	<u>124,847</u>
Total All Years	<u>\$ 11,379,386</u>	<u>\$ 290,915</u>	<u>\$ (87,679)</u>	<u>\$ 23,042</u>	<u>\$ 10,750,735</u>	<u>\$ 273,100</u>

RECONCILIATION TO REVENUE:

	<u>TOTAL</u>
Cash Collections by County Treasurers Above	\$ 10,750,735
Accrual of Receivables:	
June 30, 2020	(29,361)
June 30, 2021	35,550
Taxes in Lieu	<u>(43,492)</u>
Total Revenue	<u>\$ 10,713,432</u>

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
**MULTNOMAH COUNTY, OREGON**

**OTHER INFORMATION**

Schedules Required by The Department of Education

MULTNOMAH COUNTY, OREGON

OTHER SUPPLEMENTAL INFORMATION  
FORM 3211-C

For The Year Ended June 30, 2021

A. Energy bills for heating - all funds:		<u>Objects 325 and 326</u>
	Function 2545	\$ 1,713,576
	Function 2550	53,345

B. Replacement of equipment - General Fund:			<u>Amount</u>	
Include all General Fund expenditures in Object 542, except for the following exclusions:				
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	-

**2020 - 21 DISTRICT AUDIT REVENUE SUMMARY**  
**Multnomah County School District No. 7**

	Fund 100	Fund 200	Fund 300	Fund 400
<b>Revenue from Local Sources</b>				
1110 Ad Valorem Taxes Levied by District	\$ 28,782,746	\$ -	\$ 10,718,710	\$ -
1120 Local Option Ad Valorem Taxes Levied by District	\$ -	\$ -	\$ -	\$ -
1130 Construction Excise Tax	\$ -	\$ -	\$ -	\$ 268,346
1190 Penalties and Interest on Taxes	\$ 13,047	\$ -	\$ 4,838	\$ -
1200 Revenue from Local Governmental Units Other Than Districts	\$ -	\$ -	\$ -	\$ -
1311 Regular Day School Tuition - From Individuals	\$ -	\$ -	\$ -	\$ -
1312 Regular Day School Tuition - Other Dist Within State	\$ -	\$ -	\$ -	\$ -
1313 Regular Day School Tuition - Other Districts Outside	\$ -	\$ -	\$ -	\$ -
1320 Adult/Continuing Education Tuition	\$ -	\$ -	\$ -	\$ -
1330 Summer School Tuition	\$ -	\$ -	\$ -	\$ -
1411 Transportation Fees - From Individuals	\$ 37,346	\$ -	\$ -	\$ -
1412 Transportation Fees - Other Dist Within State	\$ -	\$ 12,945	\$ -	\$ -
1413 Transportation Fees - Other Districts Outside	\$ -	\$ -	\$ -	\$ -
1420 Summer School Transportation Fees	\$ -	\$ -	\$ -	\$ -
1500 Earnings on Investments	\$ 213,587	\$ -	\$ 166,350	\$ 2,343
1600 Food Service	\$ -	\$ 309,322	\$ -	\$ -
1700 Extracurricular Activities	\$ 789	\$ -	\$ -	\$ -
1800 Community Services Activities	\$ -	\$ -	\$ -	\$ -
1910 Rentals	\$ 45	\$ -	\$ -	\$ 179,255
1920 Contributions and Donations From Private Sources	\$ -	\$ 20,197	\$ -	\$ -
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	\$ -	\$ -	\$ -	\$ -
1970 Services Provided Other Funds	\$ -	\$ -	\$ 8,809,234	\$ -
1980 Fees Charged to Grants	\$ 661,532	\$ -	\$ -	\$ -
1990 Miscellaneous	\$ 543,383	\$ 942,698	\$ -	\$ -
<b>Total Revenue from Local Sources</b>	<b>\$ 30,252,475</b>	<b>\$ 1,285,162</b>	<b>\$ 19,699,132</b>	<b>\$ 449,944</b>
<b>Revenue from Intermediate Sources</b>				
2101 County School Funds	\$ 56,787	\$ -	\$ -	\$ -
2102 General ESD Revenue	\$ 540,000	\$ -	\$ -	\$ -
2103 Excess ESD Local Revenue	\$ -	\$ -	\$ -	\$ -
2105 Natural Gas, Oil, and Mineral Receipts	\$ -	\$ -	\$ -	\$ -
2110 Intermediate "I" Tax	\$ -	\$ 353,458	\$ -	\$ -
2199 Other Intermediate Sources	\$ -	\$ 468,912	\$ -	\$ -
2200 Restricted Revenue	\$ -	\$ 40,931	\$ -	\$ -
2800 Revenue in Lieu of Taxes	\$ -	\$ -	\$ -	\$ -
2900 Revenue for/on Behalf of the District	\$ -	\$ -	\$ -	\$ -
<b>Total Revenue from Intermediate Sources</b>	<b>\$ 596,787</b>	<b>\$ 863,301</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Revenue from State Sources</b>				
3101 State School Fund - General Support	\$ 100,150,364	\$ -	\$ -	\$ -
3102 State School Fund - School Lunch Match	\$ -	\$ -	\$ -	\$ -
3103 Common School Fund	\$ 1,276,517	\$ -	\$ -	\$ -
3104 State Managed County Timber	\$ -	\$ -	\$ -	\$ -
3106 State School Fund - Accrual	\$ -	\$ -	\$ -	\$ -
3199 Other Unrestricted Grants-in-Aid	\$ 1,471,310	\$ -	\$ -	\$ -
3204 Driver Education	\$ -	\$ 43,185	\$ -	\$ -
3222 State School Fund (SSF) Transportation Equipment	\$ -	\$ -	\$ -	\$ -
3299 Other Restricted Grants-in-Aid	\$ -	\$ 7,127,408	\$ -	\$ -
3800 Revenue in Lieu of Taxes	\$ -	\$ -	\$ -	\$ -
3900 Revenue for/on Behalf of the District	\$ -	\$ -	\$ -	\$ -
<b>Total Revenue from State Sources</b>	<b>\$ 102,898,191</b>	<b>\$ 7,170,593</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Revenue from Federal Sources</b>				
4100 Unrestricted Revenue Direct From the Federal Government	\$ -	\$ 296,915	\$ -	\$ -
4200 Unrestricted Revenue From the Federal Government Through the State	\$ -	\$ -	\$ -	\$ -
4300 Restricted Revenue From the Federal Government	\$ 38,330	\$ -	\$ -	\$ -
4500 Restricted Revenue From the Federal Government Through the State	\$ 36,120	\$ 13,788,366	\$ -	\$ -
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 Coos Bay Wagon Road Funds	\$ -	\$ -	\$ -	\$ -
4899 Other Revenue in Lieu of Taxes	\$ -	\$ -	\$ -	\$ -
4900 Revenue for/on Behalf of the District	\$ -	\$ -	\$ -	\$ -
<b>Total Revenue from Federal Sources</b>	<b>\$ 74,450</b>	<b>\$ 14,085,281</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Revenue from Other Sources</b>				
5100 Long Term Debt Financing Sources	\$ 1,232,761	\$ -	\$ -	\$ 17,415,578
5200 Interfund Transfers	\$ 100,000	\$ 2,288,367	\$ -	\$ 1,138,398
5300 Sale of or Compensation for Loss of Fixed Assets	\$ -	\$ -	\$ -	\$ 215,000
5400 Resources - Beginning Fund Balance	\$ 19,090,770	\$ 2,785,573	\$ 6,091,874	\$ 4,265,247
<b>Total Revenue from Other Sources</b>	<b>\$ 20,423,531</b>	<b>\$ 5,073,940</b>	<b>\$ 6,091,874</b>	<b>\$ 23,034,223</b>
<b>Grand Totals</b>	<b>\$ 154,245,436</b>	<b>\$ 28,478,277</b>	<b>\$ 25,791,006</b>	<b>\$ 23,484,167</b>

**2020 - 21 DISTRICT AUDIT EXPENDITURE SUMMARY**  
**Multnomah County School District No. 7**

**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-6	\$ 23,084,819	\$ 14,110,396	\$ 8,114,376	\$ 261,808	\$ 598,239	\$ -	\$ -	\$ -
1113 Elementary Extracurricular	\$ 2,230	\$ 1,691	\$ 539	\$ -	\$ -	\$ -	\$ -	\$ -
1121 Middle/Junior High Programs	\$ 10,606,988	\$ 6,348,147	\$ 3,548,478	\$ 140,497	\$ 545,649	\$ -	\$ 24,217	\$ -
1122 Middle/Junior High School Extracurricular	\$ 18,392	\$ 1,691	\$ 535	\$ 844	\$ 15,322	\$ -	\$ -	\$ -
1131 High School Programs	\$ 10,805,447	\$ 6,068,907	\$ 3,424,425	\$ 753,989	\$ 545,017	\$ -	\$ 13,109	\$ -
1132 High School Extracurricular	\$ 573,996	\$ 337,088	\$ 97,600	\$ 52,453	\$ 71,637	\$ -	\$ 15,218	\$ -
1140 Pre-Kindergarten Programs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1210 Programs for the Talented and Gifted	\$ 163,397	\$ 87,663	\$ 48,463	\$ -	\$ 27,086	\$ -	\$ 185	\$ -
1220 Restrictive Programs for Students with Disabilities	\$ 9,870,213	\$ 3,643,715	\$ 2,477,806	\$ 3,693,140	\$ 55,552	\$ -	\$ -	\$ -
1250 Less Restrictive Programs for Students with Disabilities	\$ 6,106,982	\$ 3,714,619	\$ 2,306,554	\$ 43,547	\$ 42,062	\$ -	\$ 200	\$ -
1260 Treatment and Habilitation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1271 Remediation	\$ 307,391	\$ -	\$ -	\$ 307,391	\$ -	\$ -	\$ -	\$ -
1272 Title I/AD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1280 Alternative Education	\$ 11,993,075	\$ 912,344	\$ 530,696	\$ 10,529,462	\$ 20,573	\$ -	\$ -	\$ -
1291 English Language Learner - ORS336.079	\$ 5,845,922	\$ 3,668,883	\$ 2,071,208	\$ 81,134	\$ 23,847	\$ -	\$ 850	\$ -
1292 Teen Parent Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1293 Migrant Education	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1294 Youth Corrections Education	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1295 English Language Learner - Non ORS336.079	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1299 Other Programs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1300 Adult/Continuing Education Programs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1400 Summer School Programs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Instruction Expenditures</b>	<b>\$ 79,378,852</b>	<b>\$ 38,895,144</b>	<b>\$ 22,620,680</b>	<b>\$ 15,864,265</b>	<b>\$ 1,944,984</b>	<b>\$ -</b>	<b>\$ 53,779</b>	<b>\$ -</b>
<b>Support Services Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
2110 Attendance and Social Work Services	\$ 1,263,713	\$ 657,270	\$ 447,947	\$ 148,823	\$ 9,673	\$ -	\$ -	\$ -
2120 Guidance Services	\$ 2,750,449	\$ 1,710,810	\$ 983,877	\$ 32,240	\$ 23,522	\$ -	\$ -	\$ -
2130 Health Services	\$ 268,155	\$ 21,401	\$ 19,192	\$ 227,546	\$ 16	\$ -	\$ -	\$ -
2140 Psychological Services	\$ 1,163,467	\$ 719,212	\$ 410,868	\$ 4,811	\$ 28,576	\$ -	\$ -	\$ -
2150 Speech Pathology and Audiology Services	\$ 2,272,401	\$ 1,444,451	\$ 778,031	\$ 29,972	\$ 16,492	\$ -	\$ 3,455	\$ -
2160 Other Student Treatment Services	\$ 590,717	\$ 362,477	\$ 203,798	\$ -	\$ 24,442	\$ -	\$ -	\$ -
2190 Service Direction, Student Support Services	\$ 1,609,434	\$ 812,513	\$ 434,971	\$ 180,469	\$ 181,481	\$ -	\$ -	\$ -
2210 Improvement of Instruction Services	\$ 913,459	\$ 606,048	\$ 260,774	\$ 10,002	\$ 34,984	\$ -	\$ 1,651	\$ -
2220 Educational Media Services	\$ 1,079,095	\$ 614,010	\$ 429,718	\$ 80	\$ 35,287	\$ -	\$ -	\$ -
2230 Assessment & Testing	\$ 303,636	\$ 147,411	\$ 69,371	\$ -	\$ 86,854	\$ -	\$ -	\$ -
2240 Instructional Staff Development	\$ 500,246	\$ 246,612	\$ 138,457	\$ 50,369	\$ 64,998	\$ -	\$ 310	\$ -
2310 Board of Education Services	\$ 248,915	\$ 37,418	\$ 16,331	\$ 155,398	\$ 6,262	\$ -	\$ 33,506	\$ -
2320 Executive Administration Services	\$ 429,706	\$ 261,911	\$ 92,815	\$ 59,697	\$ 13,620	\$ -	\$ 1,663	\$ -
2410 Office of the Principal Services	\$ 8,683,071	\$ 5,449,228	\$ 3,076,481	\$ 11,552	\$ 144,350	\$ -	\$ 1,460	\$ -
2490 Other Support Services - School Administration	\$ 34,800	\$ -	\$ -	\$ 34,800	\$ -	\$ -	\$ -	\$ -
2510 Direction of Business Support Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2520 Fiscal Services	\$ 1,613,506	\$ 767,533	\$ 451,139	\$ 183,277	\$ 162,902	\$ -	\$ 48,655	\$ -
2540 Operation and Maintenance of Plant Services	\$ 9,381,466	\$ 2,857,765	\$ 1,992,623	\$ 3,565,142	\$ 708,432	\$ 132,549	\$ 124,955	\$ -
2550 Student Transportation Services	\$ 8,296,625	\$ 2,710,480	\$ 2,198,007	\$ 302,962	\$ 211,057	\$ 1,894,873	\$ 979,246	\$ -
2570 Internal Services	\$ 232,357	\$ 107,346	\$ 75,281	\$ 2,850	\$ 46,880	\$ -	\$ -	\$ -
2610 Direction of Central Support Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$ 114,685	\$ 84,862	\$ 29,823	\$ -	\$ -	\$ -	\$ -	\$ -
2630 Information Services	\$ 545,436	\$ 260,887	\$ 138,667	\$ 57,047	\$ 79,900	\$ -	\$ 8,935	\$ -
2640 Staff Services	\$ 1,178,515	\$ 534,320	\$ 408,175	\$ 110,357	\$ 90,303	\$ -	\$ 35,360	\$ -
2660 Technology Services	\$ 1,818,883	\$ 710,256	\$ 402,107	\$ 248,867	\$ 455,442	\$ -	\$ 2,211	\$ -
2670 Records Management Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2680 Interpretation and Translation Services	\$ 551,980	\$ 333,150	\$ 183,480	\$ 35,350	\$ -	\$ -	\$ -	\$ -
2690 Other Support Services - Central	\$ 238,131	\$ 204,614	\$ 33,517	\$ -	\$ -	\$ -	\$ -	\$ -
2700 Supplemental Retirement Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Support Services Expenditures</b>	<b>\$ 46,082,848</b>	<b>\$ 21,661,985</b>	<b>\$ 13,275,450</b>	<b>\$ 5,451,611</b>	<b>\$ 2,424,973</b>	<b>\$ 2,027,422</b>	<b>\$ 1,241,407</b>	<b>\$ -</b>
<b>Enterprise and Community Services Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
3100 Food Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3200 Other Enterprise Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3300 Community Services	\$ 291,434	\$ -	\$ -	\$ -	\$ 291,435	\$ -	\$ -	\$ -
3500 Custody and Care of Children Services	\$ 116,779	\$ 63,855	\$ 47,077	\$ 200	\$ 5,646	\$ -	\$ -	\$ -
<b>Total Enterprise and Community Services Expenditures</b>	<b>\$ 408,213</b>	<b>\$ 63,855</b>	<b>\$ 47,077</b>	<b>\$ 200</b>	<b>\$ 297,081</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Facilities Acquisition and Construction Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
4110 Service Area Direction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4120 Site Acquisition and Development Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4150 Building Acquisition, Construction, and Improvement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4180 Other Capital Items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4190 Other Facilities Construction Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Facilities Acquisition and Construction Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Other Uses Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
5100 Debt Service	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ -
5200 Transfers of Funds	\$ 3,526,765	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,526,765
5300 Apportionment of Funds by ESD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5400 PERS UAL Bond Lump Sum	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Other Uses Expenditures</b>	<b>\$ 3,726,765</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 200,000</b>	<b>\$ 3,526,765</b>
<b>Grand Total</b>	<b>\$ 129,596,678</b>	<b>\$ 60,620,984</b>	<b>\$ 35,943,207</b>	<b>\$ 21,316,076</b>	<b>\$ 4,667,039</b>	<b>\$ 2,027,422</b>	<b>\$ 1,495,186</b>	<b>\$ 3,526,765</b>

**2020 - 21 DISTRICT AUDIT EXPENDITURE SUMMARY**  
**Multnomah County School District No. 7**

**Fund: 200 Special Funds**

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
<b>Instruction Expenditures</b>								
1111 Elementary, K-5 or K-6	\$ 1,812,789	\$ 255,947	\$ 150,166	\$ -	\$ 1,279,215	\$ -	\$ 127,461	\$ -
1113 Elementary Extracurricular	\$ 22,895	\$ -	\$ -	\$ -	\$ 22,895	\$ -	\$ -	\$ -
1121 Middle/Junior High Programs	\$ 514,595	\$ 3,466	\$ 1,053	\$ 38,640	\$ 469,286	\$ -	\$ 2,150	\$ -
1122 Middle/Junior High School Extracurricular	\$ 1,475	\$ -	\$ -	\$ -	\$ 1,475	\$ -	\$ -	\$ -
1131 High School Programs	\$ 1,692,861	\$ 747,494	\$ 404,526	\$ 29,186	\$ 335,641	\$ 71,712	\$ 104,302	\$ -
1132 High School Extracurricular	\$ 68,722	\$ -	\$ -	\$ 1,877	\$ 66,840	\$ -	\$ 5	\$ -
1140 Pre-Kindergarten Programs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1210 Programs for the Talented and Gifted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1220 Restrictive Programs for Students with Disabilities	\$ 867,307	\$ 443,723	\$ 352,189	\$ 15,764	\$ 55,631	\$ -	\$ -	\$ -
1250 Less Restrictive Programs for Students with Disabilities	\$ 450,558	\$ 251,073	\$ 199,268	\$ 217	\$ -	\$ -	\$ -	\$ -
1260 Treatment and Habilitation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1271 Remediation	\$ 30,205	\$ 18,701	\$ 5,467	\$ 57	\$ 5,980	\$ -	\$ -	\$ -
1272 Title I/VD	\$ 3,487,943	\$ 2,091,634	\$ 1,222,218	\$ 61,841	\$ 112,250	\$ -	\$ -	\$ -
1280 Alternative Education	\$ 764,561	\$ 125,206	\$ 87,157	\$ 489,937	\$ 62,261	\$ -	\$ -	\$ -
1291 English Language Learner - ORS336.079	\$ 123,863	\$ 23,087	\$ 11,082	\$ 72,767	\$ 12,117	\$ -	\$ 4,810	\$ -
1292 Teen Parent Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1293 Migrant Education	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1294 Youth Corrections Education	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1295 English Language Learner - Non ORS336.079	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1299 Other Programs	\$ 240,729	\$ 150,296	\$ 83,861	\$ 6,572	\$ -	\$ -	\$ -	\$ -
1300 Adult/Continuing Education Programs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1400 Summer School Programs	\$ 434,978	\$ 146,525	\$ 44,447	\$ 10,077	\$ 220,697	\$ -	\$ 13,232	\$ -
<b>Total Instruction Expenditures</b>	<b>\$ 10,513,481</b>	<b>\$ 4,257,152</b>	<b>\$ 2,561,434</b>	<b>\$ 726,935</b>	<b>\$ 2,644,288</b>	<b>\$ 71,712</b>	<b>\$ 251,960</b>	<b>\$ -</b>
<b>Support Services Expenditures</b>								
2110 Attendance and Social Work Services	\$ 1,168,351	\$ 699,532	\$ 370,976	\$ 12,544	\$ 83,609	\$ -	\$ 1,690	\$ -
2120 Guidance Services	\$ 1,114,398	\$ 660,761	\$ 391,351	\$ 62,286	\$ -	\$ -	\$ -	\$ -
2130 Health Services	\$ 518,969	\$ 1,141	\$ 359	\$ 517,469	\$ -	\$ -	\$ -	\$ -
2140 Psychological Services	\$ 22,072	\$ 658	\$ 200	\$ 6,000	\$ 15,214	\$ -	\$ -	\$ -
2150 Speech Pathology and Audiology Services	\$ 23,574	\$ 12,140	\$ 5,755	\$ -	\$ 5,679	\$ -	\$ -	\$ -
2160 Other Student Treatment Services	\$ 391	\$ 300	\$ 91	\$ -	\$ -	\$ -	\$ -	\$ -
2190 Service Direction, Student Support Services	\$ 651,638	\$ 338,876	\$ 174,859	\$ 1,936	\$ 81,862	\$ -	\$ 54,105	\$ -
2210 Improvement of Instruction Services	\$ 1,613,627	\$ 800,169	\$ 423,679	\$ 141,726	\$ 153,881	\$ -	\$ 94,172	\$ -
2220 Educational Media Services	\$ 11,198	\$ -	\$ -	\$ -	\$ 11,198	\$ -	\$ -	\$ -
2230 Assessment & Testing	\$ 8,802	\$ 5,656	\$ 2,894	\$ -	\$ 252	\$ -	\$ -	\$ -
2240 Instructional Staff Development	\$ 485,842	\$ 183,642	\$ 92,085	\$ 135,205	\$ 59,205	\$ -	\$ 15,705	\$ -
2310 Board of Education Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2320 Executive Administration Services	\$ 53,100	\$ -	\$ -	\$ 53,000	\$ 100	\$ -	\$ -	\$ -
2410 Office of the Principal Services	\$ 875,070	\$ 583,051	\$ 292,019	\$ -	\$ -	\$ -	\$ -	\$ -
2490 Other Support Services - School Administration	\$ 737,809	\$ 265,689	\$ 136,212	\$ 160,069	\$ -	\$ -	\$ 175,839	\$ -
2510 Direction of Business Support Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2520 Fiscal Services	\$ 4,300	\$ -	\$ -	\$ 4,300	\$ -	\$ -	\$ -	\$ -
2540 Operation and Maintenance of Plant Services	\$ 248,109	\$ 156	\$ 53	\$ -	\$ 247,900	\$ -	\$ -	\$ -
2550 Student Transportation Services	\$ 631,954	\$ 56,414	\$ 18,715	\$ 50	\$ 5,150	\$ 551,625	\$ -	\$ -
2570 Internal Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2610 Direction of Central Support Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$ 1,702	\$ 1,291	\$ 411	\$ -	\$ -	\$ -	\$ -	\$ -
2630 Information Services	\$ 17,485	\$ -	\$ -	\$ -	\$ 17,485	\$ -	\$ -	\$ -
2640 Staff Services	\$ 23,564	\$ 17,640	\$ 5,924	\$ -	\$ -	\$ -	\$ -	\$ -
2660 Technology Services	\$ 339,583	\$ 55,397	\$ 20,609	\$ 43,721	\$ 219,856	\$ -	\$ -	\$ -
2670 Records Management Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2680 Interpretation and Translation Services	\$ 44,707	\$ 25,280	\$ 19,427	\$ -	\$ -	\$ -	\$ -	\$ -
2690 Other Support Services - Central	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2700 Supplemental Retirement Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Support Services Expenditures</b>	<b>\$ 8,596,245</b>	<b>\$ 3,707,792</b>	<b>\$ 1,955,619</b>	<b>\$ 1,138,306</b>	<b>\$ 901,391</b>	<b>\$ 551,625</b>	<b>\$ 341,511</b>	<b>\$ -</b>
<b>Enterprise and Community Services Expenditures</b>								
3100 Food Services	\$ 4,956,108	\$ 1,957,256	\$ 1,494,114	\$ 100,942	\$ 1,277,428	\$ -	\$ 126,368	\$ -
3200 Other Enterprise Services	\$ 12,424	\$ -	\$ -	\$ -	\$ 12,424	\$ -	\$ -	\$ -
3300 Community Services	\$ 390,389	\$ 172,913	\$ 127,248	\$ 34,000	\$ 56,228	\$ -	\$ -	\$ -
3500 Custody and Care of Children Services	\$ 50,887	\$ 28,643	\$ 18,293	\$ -	\$ 3,951	\$ -	\$ -	\$ -
<b>Total Enterprise and Community Services Expenditures</b>	<b>\$ 5,409,808</b>	<b>\$ 2,158,812</b>	<b>\$ 1,639,655</b>	<b>\$ 134,942</b>	<b>\$ 1,350,031</b>	<b>\$ -</b>	<b>\$ 126,368</b>	<b>\$ -</b>
<b>Facilities Acquisition and Construction Expenditures</b>								
4110 Service Area Direction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4120 Site Acquisition and Development Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4150 Building Acquisition, Construction, and Improvement	\$ 201,387	\$ -	\$ 106,319	\$ 1,000	\$ 89,224	\$ 4,844	\$ -	\$ -
4180 Other Capital Items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4190 Other Facilities Construction Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Facilities Acquisition and Construction Expenditures</b>	<b>\$ 201,387</b>	<b>\$ -</b>	<b>\$ 106,319</b>	<b>\$ 1,000</b>	<b>\$ 89,224</b>	<b>\$ 4,844</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Other Uses Expenditures</b>								
5100 Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5200 Transfers of Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5300 Apportionment of Funds by ESD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5400 PERS UAL Bond Lump Sum	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Other Uses Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Grand Total</b>	<b>\$ 24,720,920</b>	<b>\$ 10,123,756</b>	<b>\$ 6,156,708</b>	<b>\$ 2,106,502</b>	<b>\$ 4,896,711</b>	<b>\$ 712,560</b>	<b>\$ 724,683</b>	<b>\$ -</b>

**2020 - 21 DISTRICT AUDIT EXPENDITURE SUMMARY**  
**Multnomah County School District No. 7**

**Fund: 300 Debt Service Funds**

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
<b>Instruction Expenditures</b>								
1111 Elementary, K-5 or K-6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1113 Elementary Extracurricular	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1121 Middle/Junior High Programs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1122 Middle/Junior High School Extracurricular	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1131 High School Programs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1132 High School Extracurricular	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1140 Pre-Kindergarten Programs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1210 Programs for the Talented and Gifted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1220 Restrictive Programs for Students with Disabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1250 Less Restrictive Programs for Students with Disabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1260 Treatment and Habilitation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1271 Remediation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1272 Title IA/D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1280 Alternative Education	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1291 English Language Learner - ORS336.079	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1292 Teen Parent Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1293 Migrant Education	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1294 Youth Corrections Education	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1295 English Language Learner - Non ORS336.079	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1299 Other Programs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1300 Adult/Continuing Education Programs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1400 Summer School Programs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Instruction Expenditures</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Support Services Expenditures</b>								
2110 Attendance and Social Work Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2120 Guidance Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2130 Health Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2140 Psychological Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2150 Speech Pathology and Audiology Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2160 Other Student Treatment Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2190 Service Direction, Student Support Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2210 Improvement of Instruction Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2220 Educational Media Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2230 Assessment & Testing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2240 Instructional Staff Development	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2310 Board of Education Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2320 Executive Administration Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2410 Office of the Principal Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2490 Other Support Services - School Administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2510 Direction of Business Support Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2520 Fiscal Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2540 Operation and Maintenance of Plant Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2550 Student Transportation Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2570 Internal Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2610 Direction of Central Support Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2630 Information Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2640 Staff Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2660 Technology Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2760 Records Management Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2680 Interpretation and Translation Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2690 Other Support Services - Central	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2700 Supplemental Retirement Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Support Services Expenditures</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Enterprise and Community Services Expenditures</b>								
3100 Food Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3200 Other Enterprise Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3300 Community Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3500 Custody and Care of Children Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Enterprise and Community Services Expenditures</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Facilities Acquisition and Construction Expenditures</b>								
4110 Service Area Direction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4120 Site Acquisition and Development Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4150 Building Acquisition, Construction, and Improvement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4180 Other Capital Items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4190 Other Facilities Construction Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Facilities Acquisition and Construction Expenditures</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Other Uses Expenditures</b>								
5100 Debt Service	\$ 19,444,494	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,444,494	\$ -
5200 Transfers of Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5300 Apportionment of Funds by ESD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5400 PERS UAL Bond Lump Sum	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Other Uses Expenditures</b>	\$ 19,444,494	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,444,494	\$ -
<b>Grand Total</b>	\$ 19,444,494	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,444,494	\$ -

**2020 - 21 DISTRICT AUDIT EXPENDITURE SUMMARY**  
**Multnomah County School District No. 7**

**Fund: 400 Capital Projects Funds**

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
<b>Instruction Expenditures</b>								
1111 Elementary, K-5 or K-6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1113 Elementary Extracurricular	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1121 Middle/Junior High Programs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1122 Middle/Junior High School Extracurricular	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1131 High School Programs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1132 High School Extracurricular	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1140 Pre-Kindergarten Programs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1210 Programs for the Talented and Gifted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1220 Restrictive Programs for Students with Disabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1250 Less Restrictive Programs for Students with Disabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1260 Treatment and Habilitation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1271 Remediation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1272 Title IA/D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1280 Alternative Education	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1291 English Language Learner - ORS336.079	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1292 Teen Parent Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1293 Migrant Education	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1294 Youth Corrections Education	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1295 English Language Learner - Non ORS336.079	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1299 Other Programs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1300 Adult/Continuing Education Programs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1400 Summer School Programs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Instruction Expenditures</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Support Services Expenditures</b>								
2110 Attendance and Social Work Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2120 Guidance Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2130 Health Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2140 Psychological Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2150 Speech Pathology and Audiology Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2160 Other Student Treatment Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2190 Service Direction, Student Support Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2210 Improvement of Instruction Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2220 Educational Media Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2230 Assessment & Testing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2240 Instructional Staff Development	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2310 Board of Education Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2320 Executive Administration Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2410 Office of the Principal Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2490 Other Support Services - School Administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2510 Direction of Business Support Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2520 Fiscal Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2540 Operation and Maintenance of Plant Services	\$ 232,844	\$ -	\$ -	\$ -	\$ -	\$ 232,844	\$ -	\$ -
2550 Student Transportation Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2570 Internal Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2610 Direction of Central Support Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2630 Information Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2640 Staff Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2660 Technology Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2760 Records Management Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2680 Interpretation and Translation Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2690 Other Support Services - Central	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2700 Supplemental Retirement Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Support Services Expenditures</b>	\$ 232,844	\$ -	\$ -	\$ -	\$ -	\$ 232,844	\$ -	\$ -
<b>Enterprise and Community Services Expenditures</b>								
3100 Food Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3200 Other Enterprise Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3300 Community Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3500 Custody and Care of Children Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Enterprise and Community Services Expenditures</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Facilities Acquisition and Construction Expenditures</b>								
4110 Service Area Direction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4120 Site Acquisition and Development Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4150 Building Acquisition, Construction, and Improvement	\$ 1,715,365	\$ -	\$ -	\$ 87,879	\$ 41,985	\$ 1,552,251	\$ 33,250	\$ -
4180 Other Capital Items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4190 Other Facilities Construction Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Facilities Acquisition and Construction Expenditures</b>	\$ 1,715,365	\$ -	\$ -	\$ 87,879	\$ 41,985	\$ 1,552,251	\$ 33,250	\$ -
<b>Other Uses Expenditures</b>								
5100 Debt Service	\$ 18,935,998	\$ -	\$ -	\$ -	\$ -	\$ 18,935,998	\$ -	\$ -
5200 Transfers of Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5300 Apportionment of Funds by ESD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5400 PERS UAL Bond Lump Sum	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Other Uses Expenditures</b>	\$ 18,935,998	\$ -	\$ -	\$ -	\$ -	\$ 18,935,998	\$ -	\$ -
<b>Grand Total</b>	\$ 20,884,208	\$ -	\$ -	\$ 87,879	\$ 41,985	\$ 20,721,094	\$ 33,250	\$ -

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
MULTNOMAH COUNTY, OREGON

STATISTICAL SECTION

## STATISTICAL SECTION

This part of Multnomah County School District NO. 7's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

<b>Contents</b>	<b>Page</b>
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	70
Revenue Capacity These schedules contain information to help the reader assess the government's most significant locate revenue sources, the property tax.	74
Debt Capacity These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	82
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	84
Operating Information These Schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	88

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

MULTNOMAH COUNTY SCHOOL DISTRICT NO.7

MULTNOMAH COUNTY, OREGON

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(accrual basis of accounting)

	<u>2020-2021</u>	<u>2019-2020</u>	<u>2018-2019</u>	<u>2017-2018</u>	<u>2016-2017</u>
Governmental activities:					
Invested in capital assets, net or related debt	\$ 91,952,961	\$ 72,508,688	\$ 64,070,731	\$ 35,148,756	\$ (64,722,847)
Restricted	8,074,208	8,627,760	9,984,575	7,928,217	7,284,100
Unrestricted	<u>(126,005,115)</u>	<u>(106,484,799)</u>	<u>(98,643,116)</u>	<u>(67,387,682)</u>	<u>32,478,107</u>
Total primary government net position	<u>\$ (25,977,946)</u>	<u>\$ (25,348,351)</u>	<u>\$ (24,587,810)</u>	<u>\$ (24,310,709)</u>	<u>\$ (24,960,640)</u>

	<u>2015-2016*</u>	<u>2014-2015</u>	<u>2013-2014</u>	<u>2012-2013</u>	<u>2011-2012</u>
Governmental activities:					
Invested in capital assets, net or related debt	\$ (84,665,144)	\$ 44,378,505	\$ 36,972,412	\$ 32,698,203	\$ 30,190,718
Restricted	5,845,304	4,738,094	3,672,338	2,264,243	1,300,464
Unrestricted	<u>51,109,620</u>	<u>(58,747,877)</u>	<u>(3,522,531)</u>	<u>130,349</u>	<u>8,500,101</u>
Total primary government net position	<u>\$ (27,710,220)</u>	<u>\$ (9,631,278)</u>	<u>\$ 37,122,219</u>	<u>\$ 35,092,795</u>	<u>\$ 39,991,283</u>

Source:

Multnomah County School District No.7 Statement of Net Position

Note:

\*Restated due to implementation of GASB Statement No. 73 in Fiscal Year 2016-2017

MULTNOMAH COUNTY SCHOOL DISTRICT NO.7  
**MULTNOMAH COUNTY, OREGON**  
 CHANGES IN NET POSITION  
 LAST TEN FISCAL YEARS  
 (accrual basis of accounting)

	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
<b>Expenses</b>					
Instruction	\$ 93,565,748	\$ 87,064,036	\$ 86,538,680	\$ 83,288,226	\$ 68,365,815
Support services	57,558,253	56,016,345	54,708,811	51,500,235	59,636,859
Enterprise and community services	6,098,403	6,511,098	8,074,080	6,419,380	5,508,594
Loss on equity interest in CAL	37,989	37,989	34,356	-	-
Loss on Sale of Assets	-	440,462	2,912,200	-	-
Interest on long-term debt	11,438,939	11,205,390	11,083,529	11,063,373	11,099,218
Total primary government expenses	<u>168,699,332</u>	<u>161,275,320</u>	<u>163,351,656</u>	<u>152,271,214</u>	<u>144,610,486</u>
<b>Program revenues</b>					
Governmental activities:					
Charges for services	3,999,412	704,667	325,455	374,290	659,163
Operating grants and contributions	19,819,696	17,239,689	19,600,230	17,977,234	15,007,967
Total primary government revenues	<u>23,819,108</u>	<u>17,944,356</u>	<u>19,925,685</u>	<u>18,351,524</u>	<u>15,667,130</u>
<b>Net (Expense)/Revenue</b>					
Total primary government net expense	<u>(144,880,224)</u>	<u>(143,330,964)</u>	<u>(143,425,971)</u>	<u>(133,919,690)</u>	<u>(128,943,356)</u>
<b>General revenues and Other Changes in Net Position</b>					
Property taxes	39,451,643	35,266,193	37,465,827	36,012,407	33,668,002
State support	101,426,880	100,194,901	99,169,007	96,927,194	89,658,290
Intermediate sources	1,419,157	3,110,116	972,780	1,804,251	3,253,805
Other federal revenue	-	53,009	8,567	1,804	-
Miscellaneous	1,360,421	2,752,740	3,987,267	3,927,917	5,112,839
Investment earnings	377,528	1,193,463	1,545,422	-	-
Gain on Sale of Assets	215,000	-	-	-	-
Total primary government	<u>144,250,629</u>	<u>142,570,422</u>	<u>143,148,870</u>	<u>138,673,573</u>	<u>131,692,936</u>
<b>Change in Net Position</b>					
Total primary government	<u>\$ (629,595)</u>	<u>\$ (760,542)</u>	<u>\$ (277,101)</u>	<u>\$ 4,753,883</u>	<u>\$ 2,749,580</u>

	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
<b>Expenses</b>					
Instruction	\$ 88,048,372	\$ 63,799,909	\$ 70,693,491	\$ 66,156,854	\$ 63,964,595
Support services	56,341,200	39,052,852	41,624,247	42,124,046	38,681,405
Enterprise and community services	6,946,986	5,145,985	5,993,003	5,210,975	4,389,777
Loss on equity interest in CAL	-	-	-	-	60,573
(Gain) Loss on Sale of Assets	-	-	-	-	-
Interest on long-term debt	10,281,714	6,993,654	6,734,328	6,697,698	6,644,672
Total primary government expenses	<u>161,618,272</u>	<u>114,992,400</u>	<u>125,045,069</u>	<u>120,189,573</u>	<u>113,741,022</u>
<b>Program revenues</b>					
Governmental activities:					
Charges for services	1,301,487	1,232,868	1,591,846	995,283	842,597
Operating grants and contributions	16,771,515	14,460,074	13,969,114	11,981,194	12,974,914
Total primary government revenues	<u>18,073,002</u>	<u>15,692,942</u>	<u>15,560,960</u>	<u>12,976,477</u>	<u>13,817,511</u>
<b>Net (Expense)/Revenue</b>					
Total primary government net expense	<u>(143,545,270)</u>	<u>(99,299,458)</u>	<u>(109,484,109)</u>	<u>(107,213,096)</u>	<u>(99,923,511)</u>
<b>General revenues and Other Changes in Net Position</b>					
Property taxes	31,670,746	30,311,983	29,291,925	28,387,733	27,083,913
State support	88,200,553	83,521,907	80,213,848	70,391,258	69,601,801
Intermediate sources	2,802,777	2,183,826	1,344,766	1,071,491	230,292
Other federal revenue	-	-	-	-	35,611
Miscellaneous	2,222,488	1,813,136	1,186,346	1,765,972	1,014,390
Investment earnings	1,061,381	204,198	218,294	233,117	225,572
Total primary government	<u>125,957,945</u>	<u>118,035,050</u>	<u>112,255,179</u>	<u>101,849,571</u>	<u>98,191,579</u>
<b>Change in Net Position</b>					
Total primary government	<u>\$ (17,587,325)</u>	<u>\$ 18,735,592</u>	<u>\$ 2,771,070</u>	<u>\$ (5,363,525)</u>	<u>\$ (1,731,932)</u>

Source: Multnomah County School District No.7 Statement of Activities

MULTNOMAH COUNTY SCHOOL DISTRICT NO.7  
MULTNOMAH COUNTY, OREGON  
 FUND BALANCES, GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 (modified accrual basis of accounting)

	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
General Fund (1)					
Non spendable	\$ 535,206	\$ 228,351	\$ 4,552	\$ 21,191	\$ 16,880
Unassigned	24,119,701	18,730,438	17,827,909	13,599,572	9,476,816
Unreserved	-	-	-	-	-
Committed-Early retirement	(6,150)	131,981	168,186	175,072	-
Total general fund	<u>24,648,757</u>	<u>19,090,770</u>	<u>18,000,647</u>	<u>13,795,835</u>	<u>9,493,696</u>
All Other Government Funds (1)					
Nonspendable	470,690	373,320	319,504	174,569	0
Restricted for:					
Debt service	6,346,512	6,091,874	7,149,466	4,631,352	3,861,213
Pers bond	-	-	-	-	-
State & local programs	485,654	485,654	485,653	85,860	426,170
Food service	(909,178)	896,806	1,673,766	3,211,005	2,996,717
Committed:					
Self insurance	620,903	410,005	536,264	157,908	170,959
State & local programs	3,089,287	619,788	-	-	-
Assigned:					
Capital projects(2)	2,599,960	4,265,247	5,674,517	33,426,372	123,027,533
Planning activities	-	-	-	-	-
State & local programs	-	-	3,057,131	-	-
Reserved, Reported in:					
Debt service	-	-	-	-	-
Capital projects(2)	-	-	-	-	-
Unassigned	-	-	-	-	-
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Total all other governmental funds	<u>12,703,828</u>	<u>13,142,694</u>	<u>18,896,301</u>	<u>41,687,066</u>	<u>130,482,592</u>
Total Fund Balance (Deficit)	<u>\$ 37,352,585</u>	<u>\$ 32,233,464</u>	<u>\$ 36,896,948</u>	<u>\$ 55,482,901</u>	<u>\$ 139,976,288</u>

	2015-2016	2014-2015	2013-2014	2012-2013(1)	2011-2012(1)
General Fund (1)					
Non spendable	\$ 26,816	\$ 39,915	\$ 86,957	\$ 323,733	\$ 16,603
Unassigned	7,980,779	8,698,353	12,151,829	11,226,313	17,969,505
Unreserved	-	-	-	-	-
Committed-Early retirement	263,428	282,662	665,660	962,023	894,447
Total general fund	<u>8,271,023</u>	<u>9,020,930</u>	<u>12,904,446</u>	<u>12,512,069</u>	<u>18,880,555</u>
All Other Government Funds (1)					
Nonspendable	245,974	242,871	240,372	237,464	222,567
Restricted for:					
Debt service	3,045,881	2,295,228	1,930,050	872,242	19,060
Pers bond	-	96,643	96,657	96,676	94,593
State & local programs	347,971	481,133	105,573	70,183	76,372
Food service	2,451,452	1,865,109	1,540,058	1,225,142	1,110,439
Committed:					
Self insurance	(1,122,766)	61,189	797,443	765,670	388,914
State & local programs	-	-	-	-	-
Assigned:					
Capital projects(2)	135,181,703	686,060	534,346	1,076,289	1,708,440
Planning activities	1,913,748	1,005,263	1,413,919	1,045,559	786,104
State & local programs	-	-	-	-	-
Reserved, Reported in:					
Debt service	-	-	-	-	-
Capital projects(2)	-	-	-	-	-
Unassigned	-	-	(240,371)	(115,244)	(206,702)
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Total all other governmental funds	<u>142,063,963</u>	<u>6,733,496</u>	<u>6,418,047</u>	<u>5,273,981</u>	<u>4,199,787</u>
Total Fund Balance (Deficit)	<u>\$ 150,334,986</u>	<u>\$ 15,754,426</u>	<u>\$ 19,322,493</u>	<u>\$ 17,786,050</u>	<u>\$ 23,080,342</u>

(1) GASB 54 implemented-requiring new fund balance categories. Over time all fund balances will be reported under new GASB 54 fund balance categories.

(2) Assigned/Reserved for capital project fluctuate from years when bonds are sold in anticipation of capital construction to years where capital expenditures are made

Source: Multnomah County School District No.7 Balance Sheet - Governmental Funds

MULTNOMAH COUNTY SCHOOL DISTRICT NO.7  
MULTNOMAH COUNTY, OREGON  
 CHANGES IN FUND BALANCES  
 LAST TEN FISCAL YEARS  
 (modified accrual basis of accounting)

REVENUES:	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
Local sources	\$ 51,686,713	\$ 48,839,816	\$ 52,840,401	\$ 48,921,526	\$ 46,622,204
Intermediate sources	1,460,088	3,382,953	2,111,829	3,459,282	4,217,842
State sources	110,068,784	103,726,926	103,417,650	98,828,419	90,498,980
Federal sources	14,159,731	13,392,303	13,806,371	14,138,691	13,496,389
Total Revenues	<u>177,375,316</u>	<u>169,341,998</u>	<u>172,176,251</u>	<u>165,347,918</u>	<u>154,835,415</u>
<b>EXPENDITURES:</b>					
Current:					
Instruction	89,892,333	87,933,436	84,824,634	81,853,902	79,793,504
Support services	54,911,936	56,239,249	53,348,530	50,613,339	45,786,843
Community services	5,818,021	6,542,551	7,904,523	6,308,833	6,423,478
Facilities acquisition	1,916,752	6,045,121	25,460,791	92,423,904	7,216,535
Capital outlay	-	-	-	-	13,979,135
Debt service (3)					
Principal	26,730,878	8,312,823	10,503,619	7,504,054	7,015,603
Interest	11,652,230	11,487,254	8,721,119	11,137,272	10,985,034
Total Expenditures	<u>190,922,150</u>	<u>176,560,434</u>	<u>190,763,216</u>	<u>249,841,304</u>	<u>171,200,132</u>
Excess of revenues over(under)expenditures	(13,546,834)	(7,218,436)	(18,586,965)	(84,493,386)	(16,364,717)
<b>Other Financing Sources(uses)</b>					
Sale of fixed assets	215,000	500,000	-	-	6,019
Bond proceeds - Principal	18,648,339	2,054,952	-	-	2,000,000
Bond proceeds - Premium	-	-	-	-	4,000,000
Refunded bonds issuance costs	(197,384)	-	-	-	-
Transfer in	3,526,765	1,405,852	1,634,267	2,042,470	1,640,038
Transfer out	(3,526,765)	(1,405,852)	(1,634,267)	(2,042,470)	(1,640,038)
Total other financing sources(uses)	<u>18,665,955</u>	<u>2,554,952</u>	<u>-</u>	<u>-</u>	<u>6,006,019</u>
Net Change in Fund Balance	<u>\$ 5,119,121</u>	<u>\$ (4,663,484)</u>	<u>\$ (18,586,965)</u>	<u>\$ (84,493,386)</u>	<u>\$ (10,358,698)</u>
Debt services as a percentage of noncapital expenditures	0.201040623	11.76%	13.16%	13.43%	13.64%

REVENUES:	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
Local sources	\$ 43,626,462	\$ 39,991,516	\$ 38,530,637	\$ 37,487,290	\$ 34,668,929
Property taxes	-	-	-	-	-
Charges for services	-	-	-	-	-
Earnings from investments	-	-	-	-	-
Intergovernmental-state and intermediate	-	-	-	-	-
Intermediate sources	3,327,941	2,568,301	1,685,151	1,331,199	428,478
State sources	89,503,854	83,521,907	80,213,848	70,391,258	69,601,801
Federal sources	14,940,162	14,460,075	13,969,114	11,981,194	13,010,525
Total Revenues	151,398,419	140,541,799	134,398,750	121,190,941	117,709,733
<b>EXPENDITURES:</b>					
Current:					
Instruction	79,544,300	76,100,060	69,220,002	64,303,986	61,648,389
Support services	49,048,899	46,931,640	42,520,086	41,892,511	38,209,858
Community services	6,303,944	6,205,011	6,064,330	5,219,134	5,001,905
Facilities acquisition	2,908,147	-	-	-	-
Capital outlay	120	395,299	395,077	1,310,707	428,706
Debt service (3)					
Principal	7,036,611	8,315,101	8,217,897	7,171,884	7,842,073
Interest	10,126,070	6,798,487	6,444,915	7,052,048	5,962,915
Total Expenditures	154,968,091	144,745,598	132,862,307	126,950,270	119,093,846
Excess of revenues over(under)expenditures	(3,569,672)	(3,634,328)	1,536,443	(5,759,329)	(1,384,113)
<b>Other Financing Sources(uses)</b>					
Sale of fixed assets	-	-	-	-	-
Bond proceeds - Principal	122,918,047	-	-	-	-
Bond proceeds - Premium	14,963,285	-	-	-	-
Transfer in	1,785,538	2,104,038	1,512,000	1,221,612	905,000
Transfer out	(1,785,538)	(2,104,038)	(1,512,000)	(1,221,612)	(905,000)
Total other financing sources(uses)	137,881,332	-	-	-	-
Net Change in Fund Balance	\$ 134,311,660	\$ (4,203,799)	\$ 1,536,443	\$ (5,759,329)	\$ (1,384,113)
Debt services as a percentage of noncapital expenditures	12.72%	11.69%	12.45%	12.77%	13.17%

(1) Revenues are recognized when susceptible to accrual.

(2) Includes state replacement/transportation reimbursement and basic school support.

(3) Restated to split out Principal and Interest to comply with GASB 44

Source: Multnomah County School District No.7 Statement of Revenues, Expenditures and Changes in Fund Balances

Debt services as a percentage of noncapital expenditures is calculated by dividing Principal and interest by the sum of total expenditures less expenditures for capital assets. Expenditures for capital assets in on page 12, Reconciliation of the Governmental Funds

MULTNOMAH COUNTY SCHOOL DISTRICT NO.7  
MULTNOMAH COUNTY, OREGON  
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS

<u>PROPERTY VALUE ASSESSED VALUATION(1)</u>								
<u>ASSESSMENT YEAR</u>	<u>FISCAL YEAR</u>	<u>REAL PROPERTY</u>	<u>PERSONAL PROPERTY</u>	<u>PUBLIC UTILITY PROPERTY</u>	<u>MANUFACTORY</u>	<u>TOTAL</u>	<u>TOTAL DIRECT TAX RATE(2)</u>	
2020	2020-2021	\$ 6,447,834,550	\$ 400,761,750	\$ 253,049,700	\$ 35,456,370	7,137,102,370	6.01	
2019	2019-2020	6,144,803,000	381,606,240	203,651,600	34,539,120	6,764,599,960	5.74	
2018	2018-2019	5,885,468,070	389,933,280	197,091,400	34,954,880	6,507,447,630	6.26	
2017	2017-2018	5,626,909,630	393,593,720	235,732,253	32,406,050	6,288,641,653	6.29	
2016	2016-2017	5,421,521,380	363,234,124	191,471,500	35,339,570	6,011,566,574	6.05	
2015	2015-2016	5,241,684,480	346,408,946	147,579,800	30,494,280	5,766,167,506	5.97	
2014	2014-2015	5,124,794,780	336,867,935	143,189,250	26,341,960	5,631,193,925	5.81	
2013	2013-2014	4,843,711,490	287,376,223	136,396,360	26,695,760	5,294,179,833	6.02	
2012	2012-2013	4,725,916,280	281,603,418	137,325,400	25,628,140	5,170,473,238	5.99	
2011	2011-2012	4,690,143,800	269,291,585	133,792,203	31,264,220	5,124,491,808	5.78	

(1) Source: Multnomah County email: dcm.dart.application.support@multco.us  
 (2) per \$1,000 of assessed value.

FISCAL YEAR	FISCAL YEAR	REAL PROPERTY	PERSONAL PROPERTY	PUBLIC UTILITY PROPERTY	MANUFACTORY	Total	REAL PROPERTY	PERSONAL PROPERTY	PUBLIC UTILITY PROPERTY	MANUFACTORY
2020	2020-2021	\$ 6,447,834,550	\$ 400,761,750	\$ 253,049,700	\$ 35,456,370	\$ 7,137,102,370	90.34 %	5.62 %	3.55 %	0.50 %
2019	2019-2020	6,144,803,000	381,606,240	203,651,600	34,539,120	6,764,599,960	90.84	5.64	3.01	0.51
2018	2018-2019	5,885,468,070	389,933,280	197,091,400	34,954,880	6,507,447,630	90.44	5.99	3.03	0.54
2017	2017-2018	5,626,909,630	393,593,720	235,732,253	32,406,050	6,288,641,653	89.48	6.26	3.75	0.52
2016	2016-2017	5,421,521,380	363,234,124	191,471,500	35,339,570	6,011,566,574	90.18	6.04	3.19	0.59
2015	2015-2016	5,241,684,480	346,408,946	147,579,800	30,494,280	5,766,167,506	90.90	6.01	2.56	0.53
2014	2014-2015	5,124,794,780	336,867,935	143,189,250	26,341,960	5,631,193,925	91.01	5.98	2.54	0.47
2013	2013-2014	4,843,711,490	287,376,223	136,396,360	26,695,760	5,294,179,833	91.49	5.43	2.58	0.50
2012	2012-2013	4,725,916,280	281,603,418	137,325,400	25,628,140	5,170,473,238	91.40	5.45	2.66	0.50
2011	2011-2012	4,690,143,800	269,291,585	133,792,203	31,264,220	5,124,491,808	91.52	5.25	2.61	0.61

MULTNOMAH COUNTY SCHOOL DISTRICT NO.7  
MULTNOMAH COUNTY, OREGON  
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS

ASSESSMENT YEAR	FISCAL YEAR	PROPERTY VALUE TRUE CASH VALUATION(1)					RATIO OF ASSESSED VALUATION TO TRUE CASH VALUATION
		REAL PROPERTY	PERSONAL PROPERTY	PUBLIC UTILITY PROPERTY	MANUFACTORY	TOTAL	
2020	2020-2021	\$ 11,177,694,470	\$ 432,147,210	\$ 290,138,407	\$ 68,521,710	11,968,501,797	59.63 %
2019	2019-2020	10,587,872,190	405,412,040	234,416,421	65,525,850	11,293,226,501	59.90
2018	2018-2019	10,111,730,100	410,098,360	222,800,584	67,442,170	10,812,071,214	60.19
2017	2017-2018	9,012,880,030	405,731,152	266,741,142	57,028,690	9,742,381,014	64.55
2016	2016-2017	7,956,510,240	377,714,504	212,276,505	45,731,770	8,592,233,019	69.97
2015	2015-2016	7,118,441,620	362,161,236	181,401,855	39,130,860	7,701,135,571	74.87
2014	2014-2015	7,778,266,940	367,587,665	162,477,988	34,599,530	8,342,932,123	67.50
2013	2013-2014	7,114,104,950	352,281,346	155,652,905	34,858,930	7,656,898,131	69.14
2012	2012-2013	7,025,130,990	351,525,375	154,246,934	33,603,270	7,564,506,569	68.35
2011	2011-2012	7,093,887,970	339,389,202	142,223,180	39,619,160	7,615,119,512	67.29

(1) Source: Multnomah County email: dcm.dart.application.support@multco.us

ASSESSMENT YEAR	FISCAL YEAR	REAL PROPERTY	PERSONAL PROPERTY	PUBLIC UTILITY PROPERTY	MANUFACTORY
2020	2020-2021	93.39 %	3.61 %	2.42 %	0.57 %
2019	2019-2020	93.75	3.59	2.08	0.58
2018	2018-2019	93.52	3.79	2.06	0.62
2017	2017-2018	92.51	4.16	2.74	0.59
2016	2016-2017	92.60	4.40	2.47	0.53
2015	2015-2016	92.43	4.70	2.36	0.51
2014	2014-2015	93.23	4.41	1.95	0.41
2013	2013-2014	92.91	4.60	2.03	0.46
2012	2012-2013	92.87	4.65	2.04	0.44
2011	2011-2012	93.16	4.46	1.87	0.52

MULTNOMAH COUNTY SCHOOL DISTRICT NO.7  
MULTNOMAH COUNTY, OREGON  
 LARGEST TAXPAYERS WITHIN DISTRICT  
 CURRENT AND NINE YEARS AGO

	2020-21		2011-12	
	ASSESSED VALUATION	PERCENTAGE OF TOTAL DISTRICT'S ASSESSED VALUATION	ASSESSED VALUATION	PERCENTAGE OF TOTAL DISTRICT'S ASSESSED VALUATION
<b><u>PRIVATE ENTERPRISES</u></b>				
Boeing CO	\$ 343,713,400	4.82	163,001,200	3.18
Fedex Ground Package System Inc	110,442,680	1.55	14,204,080	0.28
RREEF CPIF 17505 NE SAN RAFAEL LLC	55,521,660	0.78	-	0.00
U S Nat'l Bak of Oregon	47,429,010	0.66	39,514,500	0.77
Comcast Corporation	43,337,000	0.61	24,511,300	0.48
Boeing Company The Inc	39,123,400	0.55	13,564,325	0.26
Cascade Corpoation	33,545,330	0.47	25,345,040	0.49
IP Eat One LLC	31,327,980	0.44	19,810,770	0.39
Western B Northwest OR LLC	29,133,180	0.41	-	0.00
<b><u>PUBLIC UTILITIES</u></b>				
Portland General Electric Co.	118,367,890	1.66	49,742,000	0.97
<b>SUB TOTAL</b>	<b>851,941,530</b>		<b>349,693,215</b>	
<b>ALL OTHER TAXPAYERS</b>	<b>6,285,160,840</b>	<b>88.06</b>	<b>4,774,798,593</b>	<b>93.18</b>
<b>TOTAL</b>	<b>\$ 7,137,102,370</b>	<b>100.00%</b>	<b>\$ 5,124,491,808</b>	<b>100.00%</b>

Source: Multnomah County: dcm.dart.application.support@multco.us

Note: 2021 information is not available at this time

MULTNOMAH COUNTY SCHOOL DISTRICT NO.7  
MULTNOMAH COUNTY, OREGON  
 LARGEST TAXPAYERS WITHIN MULNOMAH COUNTY

2020				
TAXPAYER	BUSINESS/SERVICE	ASSESSED VALUATION (1)	PERCENTAGE OF TOTAL DISTRICT'S ASSESSED VALUATION	TAX (2)
Port of Portland	Airport, Marine, Property Mgmt.	\$ 678,524,780	0.76%	\$ 14,136,398
Portland General Electric Co.	Electrical Utility	774,111,480	0.86%	12,608,364
Pacificorp (PP&L)	Electrical Utility	550,828,000	0.61%	8,992,764
Alaska Airlines Inc.	Airline	432,256,400	0.48%	6,818,756
Weston Investment Co LLC	Real Estate	290,995,450	0.32%	6,424,987
CenturyLink	Telecommunications	351,537,000	0.39%	5,713,215
Boeing Company	Manufacturing	343,713,400	0.38%	5,337,451
Comcast Corporation	Telecommunications	261,341,000	0.29%	4,317,605
Fred Meyer Stores Inc.	Retail	198,812,790	0.22%	4,044,018
111 SW 5th Ave Investors LLC	Commercial Office Space	172,979,100	0.19%	3,969,472
Subtotal - ten of County's largest taxpayers		4,055,099,400	4.51%	
All other County's taxpayers		85,760,040,710	95.49%	
Total County		\$ 89,815,140,110	100.00%	

(1) Assessed value does not exclude offsets such as urban renewal and farm tax credits.

(2) Tax amount is the total tax paid by the taxpayer within the boundaries of the District and County, respectively. This amount is distributed to individual local governments by the County. A breakdown of amounts paid to each individual local government is not available.

Source: Multnomah County: Schweitzer, Diana <Diana.Schweitzer@psc.com>

Note: 2021 information is not available at this time

MULTNOMAH COUNTY SCHOOL DISTRICT NO.7  
MULTNOMAH COUNTY, OREGON  
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN YEARS

	Dollars per \$1,000 True Cash Value				
	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
<b>DIRECT:</b>					
Reynolds School District #7 Permanent Rate	\$ 4.46	\$ 4.46	\$ 4.46	\$ 4.46	\$ 4.46
Reynolds School District #7 Bond	1.55	1.27	1.80	1.83	1.59
<b>Weighted Average Direct (1)</b>	<b>6.01</b>	<b>5.74</b>	<b>6.26</b>	<b>6.29</b>	<b>6.05</b>
<b>Overlapping:</b>					
City of Fairview	3.49	3.49	3.49	3.49	3.49
City of Gresham	3.61	3.61	3.61	3.61	3.61
City of Portland	7.34	7.24	7.28	7.23	7.06
City of Troutdale	3.77	3.77	3.77	3.77	3.77
Metro	0.10	0.10	0.10	0.10	0.10
Mt Hood Community College	0.47	0.49	0.49	0.49	0.49
Multnomah County	4.34	4.34	4.34	4.34	4.34
Multnomah ESD	0.46	0.46	0.46	0.46	0.46
Port of Portland	0.07	0.07	0.07	0.07	0.07
Rockwood Water PUD	0.00	0.00	0.00	0.00	0.00
	23.64	23.56	23.60	23.55	23.39
<b>Totals*</b>	<b>\$ 29.66</b>	<b>\$ 29.30</b>	<b>\$ 29.87</b>	<b>\$ 29.84</b>	<b>\$ 29.44</b>

	Dollars per \$1,000 True Cash Value				
	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
<b>DIRECT:</b>					
Reynolds School District #7 Permanent Rate	\$ 4.46	\$ 4.46	\$ 4.46	\$ 4.46	\$ 4.46
Reynolds School District #7 Bond	1.51	1.35	1.56	1.52	1.32
<b>Weighted Average Direct (1)</b>	<b>5.97</b>	<b>5.81</b>	<b>6.02</b>	<b>5.99</b>	<b>5.78</b>
<b>Overlapping:</b>					
City of Fairview	3.49	3.49	3.49	3.49	3.49
City of Gresham	3.61	3.61	3.61	3.61	3.61
City of Portland	4.58	4.58	4.58	4.58	4.58
City of Troutdale	3.77	3.77	3.77	3.77	3.77
Metro	0.10	0.10	0.10	0.10	0.10
Mt Hood Community College	0.49	0.49	0.49	0.05	0.49
Multnomah County	4.34	4.34	4.34	4.34	4.34
Multnomah ESD	0.46	0.46	0.46	0.46	0.46
Port of Portland	0.07	0.07	0.07	0.07	0.07
Rockwood Water PUD	0.00	0.00	0.00	0.00	0.00
	20.90	20.90	20.90	20.46	20.90
<b>Totals*</b>	<b>\$ 26.87</b>	<b>\$ 26.71</b>	<b>\$ 26.92</b>	<b>\$ 26.45</b>	<b>\$ 26.68</b>

\*Numbers in totals do not reflect the actual tax rate for any one property, but are the results of the potential combination of taxing units within District boundaries.

(1) This is a weighted average rate as limited by ballot measure 5. Actual rates may vary by tax codes and lots because of differing compression.

Source: Multnomah County Departments of Assessment and Taxation. <https://multco.us/assessment-taxation/reports-and-data>

MULTNOMAH COUNTY SCHOOL DISTRICT NO.7  
MULTNOMAH COUNTY, OREGON  
 PROPERTY TAX LEVIES AND COLLECTION  
 LAST TEN FISCAL YEARS

FISCAL YEAR ENDED JUNE 30	TOTAL TAX LEVY FOR FISCAL YEAR			COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		TOTAL COLLECTIONS TO DATE		
	GENERAL FUND	DEBT SERVICE FUND	TOTAL	CURRENT YEAR	PERCENTAGE OF LEVY	COLLECTIONS IN SUBSEQUENT YEARS	AMOUNT	PERCENTAGE OF LEVY
2020-2021	\$ 29,628,174	\$ 11,107,556	40,735,730	\$ 38,982,796	96 %	\$ 508,028	39,490,824	97 %
2019-2020	28,244,785	8,295,681	36,540,466	34,828,872	95	509,382	35,338,254	97
2018-2019	27,397,656	11,396,874	38,794,530	37,068,788	96	1,227,794 (2)	38,296,582	99
2017-2018	26,418,350	11,319,952	37,738,302	35,880,974	95	483,816	36,364,790	96
2016-2017	25,270,192	9,346,815	34,617,007	32,934,681	95	505,947	33,440,628	97
2015-2016	24,240,220	8,411,994	32,652,214	31,006,462	95	556,610	31,566,662	97
2014-2015	24,521,780	6,424,434	30,946,214	29,341,706	95	582,181	29,928,351	97
2013-2014	22,161,422	7,843,056	30,004,478	28,383,146	95	641,236	29,024,382	97
2012-2013	21,561,091	7,511,441	29,072,532	27,448,672	94	693,388	28,142,060	97
2011-2012	21,528,899	6,468,756	27,997,655	26,284,880	94	480,176	26,765,056	96

Source: Multnomah County Departments of Assessment and Taxation

- (1) Tax collections include discounts, interest and other adjustments.  
 (2) This number includes the COMAST pay off from litigation.

**MULTNOMAH COUNTY SCHOOL DISTRICT NO.7**  
**MULTNOMAH COUNTY, OREGON**  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING AND LEGAL DEBT MARGIN  
LAST TEN FISCAL YEARS

FISCAL YEAR	GENERAL BONDED DEBT OUTSTANDING							RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUATION(3)	RATIO OF NET GENERAL BONDED DEBT TO TRUE CASH VALUE(3)
	GENERAL OBLIGATION BONDS	PENSION OBLIGATION BONDS	FULL FAITH & CREDIT OBLIGATION BOND	TOTAL	LESS GO BOND DEBT SERVICE FUND	LESS PERS BOND FUND	NET GENERAL BONDED DEBT		
2020-2021	\$ 128,332,826	\$ 46,506,712	\$ 19,282,856	\$ 194,122,394	\$ 6,226,390	\$ 180,784	\$ 187,715,220	2.63 %	1.57 %
2019-2020	135,560,024	48,500,998	22,908,042	206,969,064	5,911,090	180,783	200,877,191	2.97	1.78
2018-2019	127,310,047	51,064,881	17,930,000	196,304,928	6,917,468	231,998	189,155,462	2.80	1.67
2017-2018	132,010,047	53,223,817	18,680,000	203,913,864	4,482,333	149,019	199,282,512	3.06	1.84
2016-2017	136,300,047	55,395,492	19,400,000	211,095,539	3,739,462	121,751	207,234,326	3.30	2.13
2015-2016	140,200,047	57,576,475	20,090,000	217,866,522	2,943,206	102,675	214,820,641	3.57	2.50
2014-2015	21,320,000	59,755,777	20,760,000	101,835,777	2,295,228	96,624	99,443,925	1.72	1.29
2013-2014	26,685,000	61,933,567	21,410,000	110,028,567	1,930,050	96,657	108,001,860	1.92	1.29
2012-2013	31,665,000	64,106,549	22,040,000	117,811,549	872,242	96,676	116,842,631	2.21	1.53
2011-2012	36,280,000	66,253,579	22,655,000	125,188,579	19,060	94,593	125,074,926	2.42	1.65

**Legal Debt Margin Calculation for Fiscal Year 2020-2021:**

Real Market Value	<u>\$ 11,968,501,797</u>
Debt Limit (7.95%)(1)	951,495,893
Amount of Debt Applicable to Debt Limit	<u>(128,332,826)</u>
Legal Debt Margin	<u>\$ 823,163,067</u>

FISCAL YEAR	RATIO OF TOTAL GENERAL BONDED DEBT TO PERSONAL INCOME(3)		TOTAL GENERAL BONDED DEBT PER CAPITA	NET GENERAL BONDED DEBT PER CAPITA	LEGAL DEBT LIMIT(1)	LEGAL DEBT MARGIN(2)	RATIO OF LEGAL DEBT MARGIN TO DEBT LIMIT
	0.32 %	%					
2020-2021	0.32	%	\$ 236.61	\$ 229	\$ 951,495,893	\$ 763,780,673	80.27 %
2019-2020	0.36		255	247	897,811,507	696,934,316	77.63
2018-2019	0.38		243	234	859,559,662	670,404,200	77.99
2017-2018	0.43		251	245	774,519,291	575,236,779	74.27
2016-2017	0.48		261	256	683,082,525	475,848,199	69.66
2015-2016	0.52		271	267	612,240,278	397,419,637	64.91
2014-2015	0.25		129	126	663,263,104	563,819,179	85.01
2013-2014	0.29		141	139	608,723,401	500,721,541	82.26
2012-2013	0.34		154	152	601,378,272	484,535,641	80.57
2011-2012	0.37		165	165	605,402,001	480,327,075	79.34

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements

(1) ORS 328.245 establishes a parameter of bonded indebtedness for school districts. Aggregates are governed by real market values of all taxable properties within the District bases on the following: (A) For each grade from kindergarten to eighth for which the District operates schools, fifty-five one-hundredths of one of one percent(.0055) of real market value. (B) For each grade from ninth to twelfth for which the District operates schools, seventy-five one-hundredths of one percent (.0075) of real market value. Allowable percent of real market value: (A) Kindergarten through eighth grade, 9\*.0055=4.95% (B) Ninth through twelfth grade, 4\*.0075=3.00% or 7.95% of real market value. Real market value data can be found on Table of Assessed Value and Actual Value of Taxable Property.

(2) The legal debt margin is the District's available borrowing authority under ORS 328.245 and is calculated by subtracting the net debt applicable to the legal debt limit from the legal debt limit.

(3) Demographic and Economic Statistics can be found on Personal Income and Population and Assessed Value and True Cash Value Pages.

Sources: U.S. Census Bureau, American Community Survey and Multnomah Counties Department of Assessment and Taxation.

MULTNOMAH COUNTY SCHOOL DISTRICT NO.7  
MULTNOMAH COUNTY, OREGON  
OVERLAPPING GROSS BONDED DEBT  
June 30, 2021

REYNOLDS SCHOOL DISTRICT			
Real Market Value of Subject Issuer is: \$11,952,074,916 as of 1/1/2020			
Net Property-tax Backed Debt of Subject Issuer is:	\$ 181,521,115	Ratio of Net Property-tax Backed Debt to Real Market Value is:	1.52%
Net Property-tax Backed Debt of Overlapping Issuers is:	\$ 121,425,282.00	Ratio of Total Net Property-tax Backed Debt to Real Market Value is:	2.53%

OVERLAPPING GOVERNMENT	REAL MARKET VALUATION	GROSS(1) BONDED DEBT	NET(2) DIRECT DEBT	PERCENT WITHIN SCHOOL DISTRICT(3)	OVERLAPPING	
					GROSS(1) BONDED DEBT	NET(2) DIRECT DEBT
City of Fairview	\$ 1,374,292,874	\$ 6,630,607	\$ 6,630,607	100.00%	\$ 6,630,607	\$ 6,630,607
City of Gresham	15,543,627,395	76,073,377	51,438,377	28.50	21,680,000	14,659,320
City of Portland	161,495,805,276	759,328,159	423,863,607	1.72	13,034,627	7,276,043
City of Troutdale	2,620,779,563	10,230,000	10,230,000	97.72	9,996,285	9,996,285
City of Wood Village	589,377,975	3,435,000	3,435,000	100.00	3,435,000	3,435,000
Corbett Water District	510,074,800	572,682	572,682	4.82	27,622	27,622
Metro	358,995,131,497	958,580,000	920,585,000	3.33	31,914,004	30,649,036
Mt. Hood Community College	52,650,969,601	49,620,059	19,160,000	22.70	11,264,051	4,349,435
Multnomah County	186,758,200,567	690,660,604	690,660,604	6.40	44,200,897	44,200,897
Multnomah Cty RFPD 10	1,150,505,519	1,423,323	1,423,323	14.12	201,037	201,037
Multnomah ESD	189,445,330,222	23,395,000	-	6.31	1,475,991	-
Port of Portland	390,565,299,889	51,330,000	-	3.06	1,570,801	-
<b>Overlapping Gross Bonded Debt</b>	<b>1,361,699,395,178</b>	<b>2,631,278,811</b>	<b>2,127,999,200</b>		<b>145,430,922</b>	<b>121,425,282</b>
Reynolds School District	7,137,102,370	194,122,394	194,122,394	100.00	194,122,394	194,122,394
<b>Overlapping Gross Bonded Debt</b>	<b>\$ 1,368,836,497,548</b>	<b>\$ 2,825,401,205</b>	<b>\$ 4,450,120,794</b>		<b>\$ 339,553,316</b>	<b>\$ 315,547,676</b>

Source: Municipal Debt Advisory Commission, State of Oregon.

- (1) Gross bonded debt includes all bonds backed by a general obligation pledge including self-supporting general obligation bonds and limited tax debt.  
(2) Net direct debt including all tax-supported bonds. Self-supporting bonds are excluded.

(3) The percentage of overlapping debt is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the overlapping district's taxable assessed value that is within the school district's boundaries and dividing it by the overlapping district's total taxable assessed value. These percentages are calculated by the State of Oregon Municipal Debt Advisory Commission.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the District. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

MULTNOMAH COUNTY SCHOOL DISTRICT NO.7  
MULTNOMAH COUNTY, OREGON  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 Last Ten Fiscal Years

FISCAL YEAR	POPULATION (3)	PERSONAL INCOME (4)	PER CAPITA PERSONAL INCOME	UNEMPLOYMENT RATE
2021	820,421	59,808,690,900	\$ 72,900 (1)	5.7% (2)
2020	811,857	57,792,841,403	71,186 (1)	15.30 (2)
2019	807,555	51,662,523,570	63,974 (1)	3.60 (4)
2018	811,880	46,967,258,000	57,850 (4)	3.80 (4)
2017	808,781	44,261,349,006	54,726 (4)	3.80 (4)
2016	803,741	41,838,737,755	52,055 (4)	4.60 (4)
2015	790,230	40,299,359,310	50,997 (4)	5.10 (4)
2014	778,604	37,338,733,424	47,956 (4)	6.00 (4)
2013	766,649	34,789,764,971	45,379 (4)	7.00 (4)
2012	760,235	33,763,556,820	44,412 (4)	7.70 (4)

Sources:

- (1) <https://datausa.io/profile/geo/multnomah-county-or>
- (2) <https://fred.stlouisfed.org/series/ORMULT1URN>
- (3) <https://worldpopulationreview.com/us-counties/or/multnomah-county-population>
- (4) U.S Censs Bureau, American Community Survey & Proximity One

MULTNOMAH COUNTY SCHOOL DISTRICT NO.7  
 MULTNOMAH COUNTY, OREGON  
 Principal Industries In Multnomah County Area  
 CURRENT AND NINE YEARS AGO

Industry	2020				2011			
	Employees (2)	Rank	Percentage of Total City of Fairview Employment		Employees (2)	Rank	Percentage of Total City of Fairview Employment	
Reynolds School District (1)	1,179	1	30	%	1,166	1	58	%
Townsend Farms Inc.	438	2	11		175	3	9	
Communications Test Design Inc.	628	3	16		-	-	-	
Hyster-Yale Group Inc. (4)	298	4	8		-	-	-	
Knight Transportation Inc.	137	5	3		165	4	8	
Moore Excavation Inc.	140	6	4		-	-	-	
Department of Veteran's Affairs	100	7	3		-	-	-	
Target Store T 1406	92	8	2		88	5	4	
Conner Manufacturing Services	55	9	1		39	8	2	
Thermo King NW Inc.	47	10	1		35	9	2	
NW Materials Handling Group	-	-	-		223	2	11	
TruGreen LandCare, LLC	-	-	-		45	6	2	
SWCA Environmental Consultants	-	-	-		43	7	2	
La Petite Academy	-	-	-		22	10	1	
Subtotal of Largest Industries	3,114		79		2,001		100	
All Other	835		21				0	
Total Fairview Employment (3)	3,949		100	%	2,001		100	%

Sources:

City of Fairview 2019 Comprehensive Annual Financial Report

(1) Source Reynolds School District Adopted Budget, Rank Adjusted for 2019

(2) FTE employee information provided by individual employers per City of Fairview

(3) Total Fairview Employment data provided by the State of Oregon Employment Department Workforce and Economic Research section. Total employment is an estimate and varies due to seasonal employment. In addition, this figure captures only those employers for whom workers's compensation insurance is provided. Adjusted for Reynolds School District total employment.

(4) Formerly known as Nacco Materials Handling Group

Note:

Data for 2020 is not available until December.

MULTNOMAH COUNTY SCHOOL DISTRICT NO.7  
**MULTNOMAH COUNTY, OREGON**  
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION - General Fund  
 LAST TEN FISCAL YEARS

	2020-2021	2019-2020	2018-19	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
<b>Instruction:</b>										
Primary K-5	205.66	220.42	208.53	199.34	208.28	197.70	200.42	187.24	177.50	178.73
Middle/Junior high programs	88.30	85.46	80.13	91.50	88.50	92.00	90.50	94.71	88.00	87.26
High school programs	87.50	85.00	83.50	87.83	90.99	98.99	98.83	96.51	91.50	92.49
High school programs extracurricular	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Programs for the talented and gifted	1.00	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Restrictive programs for student with disabilities	30.00	31.00	35.88	35.88	35.14	40.50	38.94	35.47	32.19	72.56
Transition programs	7.00	6.00	5.06	5.84	5.84	8.34	10.13	11.71	13.25	-
Life skills	30.44	33.25	30.88	30.06	36.34	30.41	30.97	38.36	40.19	-
Functional living skills	19.22	16.72	16.28	15.50	13.56	8.59	9.50	8.50	4.25	-
Less restrictive programs for students with disabilities	71.96	62.84	57.12	56.31	57.12	57.29	50.86	42.09	38.80	98.85
Less restrictive charter schools	3.10	3.88	3.85	2.70	2.70	3.90	4.20	3.60	3.60	-
Alternative Education	13.60	15.35	15.35	15.35	15.85	18.60	18.60	17.75	2.00	6.00
Reynolds learning academy west	-	-	-	-	-	-	-	-	21.12	12.20
English second language programs	51.27	50.20	48.15	71.33	78.08	80.18	68.21	53.12	45.13	45.12
<b>Total Instruction</b>	<b>610.05</b>	<b>611.62</b>	<b>586.23</b>	<b>613.14</b>	<b>633.89</b>	<b>638.00</b>	<b>622.66</b>	<b>590.56</b>	<b>559.03</b>	<b>594.71</b>
<b>Support services</b>										
Attendance and social work services	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	3.00	1.00
Student safety	16.91	16.16	16.16	16.16	16.16	17.94	15.09	15.20	12.64	14.50
Guidance services	25.50	25.50	25.50	25.50	25.50	27.00	27.00	27.90	27.00	31.00
Health services	1.34	2.16	3.16	3.06	3.25	1.63	0.00	1.90	1.00	-
Psychological services	11.00	11.00	10.00	10.00	11.00	9.30	9.30	9.29	9.30	3.00
Speech pathology and audiology services	21.25	20.25	19.25	19.40	21.88	17.54	18.38	17.97	16.10	16.81
Other student treatment services	6.20	7.40	6.60	6.60	6.94	7.00	8.14	7.93	8.88	6.60
Service direction-Student support services	11.75	8.42	8.42	8.42	8.55	7.55	8.75	8.31	8.31	2.60
Improvement of Instructional Services	1.75	-	-	-	-	-	-	-	-	-
Teaching and Learning	2.75	4.50	4.50	4.50	4.50	4.50	4.75	4.50	4.50	4.50
Educational media services	14.03	14.06	13.69	13.69	13.75	14.25	14.19	14.18	13.59	13.11
Assessment & testing	2.00	2.00	2.50	2.50	1.50	5.00	5.50	3.00	1.00	-
Instructional Staff Development	2.00	1.00	-	-	-	-	-	-	-	-
Board of education services	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	-	-
Office of the Superintendent	1.50	1.75	1.75	1.50	1.50	1.50	1.50	1.50	2.00	2.00
Building Administration	90.15	88.98	88.98	93.72	94.70	98.48	96.23	89.08	83.62	80.04
Direction of business support services	2.00	-	-	-	-	-	-	-	-	-
Fiscal services	9.00	10.40	9.40	10.15	11.40	10.90	10.70	10.40	10.69	9.86
Operation and maintenance of plant services	-	-	-	-	-	-	12.20	10.20	11.00	11.00
Risk Management	1.00	1.00	1.00	-	-	-	-	-	-	-
Facilities Direction	2.00	1.89	2.88	3.22	3.07	3.95	-	-	-	-
Facilities Upkeep	52.75	54.75	52.00	54.10	53.00	53.00	-	-	-	-
Grounds maintenance	4.25	4.25	4.00	4.00	4.00	5.00	5.00	5.00	4.50	4.50
Maintenance Services	6.00	8.00	-	-	-	-	-	-	-	-
Building fixed costs	-	-	-	-	-	-	-	-	45.00	45.00
Custodial Services	-	-	-	-	-	-	43.25	46.00	-	-
Safety Program	-	-	-	-	1.00	1.00	-	-	-	-
Transportation	61.83	77.73	73.73	76.58	80.65	74.30	86.12	83.55	85.50	90.50
Transportation-special Ed	7.09	10.57	11.51	10.94	12.15	12.35	0.28	0.28	0.71	0.71
Distributive services	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Print, publish, duplication services	1.00	1.00	1.00	1.50	1.50	1.50	1.50	1.50	1.00	1.00
Grant Development	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	-	-
Communication	3.00	2.25	2.25	1.50	1.50	1.50	1.50	1.50	1.00	1.00
Staff services	6.00	6.00	6.00	6.00	6.50	6.50	6.90	6.50	6.00	6.00
Recruitment Services	-	-	-	-	-	1.50	-	-	-	-
Technology services	12.00	12.20	11.20	10.20	10.20	9.45	9.70	8.20	9.00	11.83
Other Support Services	-	-	-	-	0.25	0.25	-	-	-	-
Interpretation & Translation Services	5.13	6.00	4.63	-	-	-	-	-	-	-
<b>Total Support Services</b>	<b>386.18</b>	<b>404.22</b>	<b>385.11</b>	<b>388.25</b>	<b>399.44</b>	<b>397.89</b>	<b>390.98</b>	<b>377.89</b>	<b>366.34</b>	<b>357.56</b>
<b>Community services</b>										
Custody and care of children services	2.50	2.50	2.50	2.50	2.50	2.50	2.00	2.00	2.00	2.00
<b>Total Community Services</b>	<b>2.50</b>	<b>2.50</b>	<b>2.50</b>	<b>2.50</b>	<b>2.50</b>	<b>2.50</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>
<b>Total FTE</b>	<b>998.73</b>	<b>1018.34</b>	<b>973.84</b>	<b>1003.89</b>	<b>1035.83</b>	<b>1038.39</b>	<b>1015.64</b>	<b>970.45</b>	<b>927.37</b>	<b>954.27</b>

Source:  
Reynolds School District Adopted Budget

Note:  
FTE: Full Time Equivalent staff. One FTE is defined as a regular position scheduled to work eight hours per day.

MULTNOMAH COUNTY SCHOOL DISTRICT NO.7

MULTNOMAH COUNTY, OREGON

LICENSED PROFESSIONAL SALARY PLAN  
YEAR ENDED JUNE 30, 2021

LEVEL	BACHELORS	BACHELORS +20	BACHELORS+40	BA+60 MASTERS	BA+90 MASTERS+24	BA+120 MASTERS+45
0	42,282	43,500	44,474	47,269	48,967	50,150
1	44,068	45,376	46,351	49,373	51,095	52,343
2	45,875	47,268	48,257	51,502	53,245	54,559
3	47,764	49,252	50,244	53,733	55,492	56,874
4	49,617	51,191	52,197	55,914	57,694	59,150
5	51,498	53,169	54,176	58,138	59,934	61,460
6	53,383	55,145	56,159	60,359	62,178	63,780
7	55,297	57,162	58,179	62,623	64,459	66,127
8	57,255	59,197	60,222	64,910	66,763	68,509
9	59,104	61,249	62,290	67,223	69,106	70,917
10		62,677	65,461	69,565	71,464	73,357
11			66,985	71,905	73,830	75,791
12				74,316	76,277	78,312
13				76,047	78,815	80,841
14						82,724

LICENCED STAFF PER LEVEL AND EDUCATION IN FULL-TIME EQUIVALENT EMPLOYEES-JUNE 2021

LEVEL	BACHELORS	BACHELORS +20	BACHELORS+40	BA+60 MASTERS	BA+90 MASTERS+24	BA+120 MASTERS+45	TOTAL
0	6	1	1	17	0	2	27
1	6	0	1	15.5	0	2	24.5
2	5	2	0	10	3	2	22
3	3	0	0	12	0	5	20
4	1	1	1	11	0	5	19
5	2	0	0	19	0	1	22
6	3	1	0	20	2	3	29
7	3	2	0	14	10	4	33
8	2	3	0	17.5	6	1	29.5
9	0	0	0	8	2.4	8	18.4
10	1.6	0	0	12	5.5	7	26.1
11	1	2	0	11.6	2	3.5	20.1
12	1	0	0	9	3	8	21
13	1	0	0	16.8	10	3	30.8
14	1	2	3	74.5	72.5	151.75	304.75
<b>Total</b>	<b>36.6</b>	<b>14</b>	<b>6</b>	<b>267.9</b>	<b>116.4</b>	<b>206.25</b>	<b>647.15</b>

Source:  
Reynolds School District Human Capital Management

MULTNOMAH COUNTY SCHOOL DISTRICT NO.7

MULTNOMAH COUNTY, OREGON

OPERATING STATISTICS  
LAST TEN FISCAL YEARS

FISCAL YEAR	ADMw (1)	STUDENT ENROLLMENT(2)	COST PER PUPIL(3)	LICENSED STAFF	PUPIL-TEACHER RATIO	Number of students graduated (4)	
						Reynolds High School	Reynolds Learning Academy
2020-2021	14,240.23	9,340	\$ 16,332	647.15	14.43	TBD	TBD
2019-2020	13,092.29	9,800	15,996	639.2	15.33	465	68
2018-2019	13,246.23	9,837	17,438	601.3	16.36	450	32
2017-2018	13,646.74	10,104	13,683	617.6	16.59	436	32
2016-2017	14,027.36	10,284	12,123	647.7	15.88	458	63
2015-2016	14,079.67	10,416	9,915	674.1	15.45	484	59
2014-2015	13,689.86	10,648	12,137	659.5	16.15	460	63
2013-2014	13,396.97	10,669	11,042	623.95	17.10	461	62
2012-2013	13,140.49	10,373	10,741	587.83	17.65	363	28
2011-2012	13,317.37	10,367	10,115	564.18	18.38	451	32

FISCAL YEAR	NUMBER OF TYPE A LUNCHES SERVED			NUMBER OF BREAKFASTS SERVED		
	PAID	FREE	REDUCED PRICE	PAID	FREE	REDUCED PRICE
2020-2021(5)	-	287,315	-	-	282,647	-
2019-2020	99,798	693,389	29,773	32,748	445,102	9,407
2018-2019	120,378	878,563	43,283	42,951	515,536	13,149
2017-2018	79,675	959,572	44,360	12,059	578,691	13,076
2016-2017	57,826	891,329	35,804	10,040	593,551	13,503
2015-2016	70,660	1,074,545	40,851	9,056	611,734	13,297
2014-2015	155,314	997,287	82,964	54,295	536,811	38,012
2013-2014	149,208	988,894	82,264	53,939	526,816	37,933
2012-2013	159,531	950,443	85,141	39,314	513,836	37,871
2011-2012	159,423	939,127	78,322	32,463	511,679	34,465

Sources:

Reynolds School District and Nutrition Service

(1) ADMw is from ODE ADMW Breakout report excluding Charter Schools.

<https://www.oregon.gov/ode/schools-and-districts/grants/Pages/School-District-and-ESD-payment-Statements.aspx>

(2) Enrollment is the ODE Student Enrollment Report number excluding Charter Schools for 2018-19 and 2019-2020

<https://www.oregon.gov/ode/reports-and-data/students/Pages/Student-Enrollment-Reports.aspx>

(3) Cost per pupil is calculated by the District using total expenditures on the Statement of revenues, expenditures and changes in fund balances, excluding capital outlay and debt services.

(4) Graduated Students are not formally available from ODE Graduation Rate Report as Oregon Certificate Awarded until January, 2021.

<https://www.oregon.gov/ode/reports-and-data/students/Pages/Cohort-Graduation-Rate.aspx>

(5) All meals were free during FY 21-22 and due to the pandemic the numbers were low.

TBD = Data not yet finalized

MULTNOMAH COUNTY SCHOOL DISTRICT NO.7  
MULTNOMAH COUNTY, OREGON  
 CAPITAL ASSET INFORMATION  
 LAST TEN FISCAL YEARS

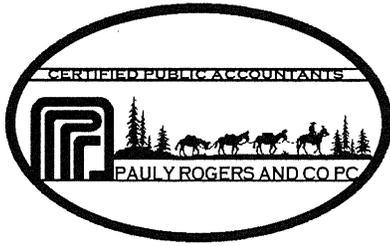
	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
<b>SCHOOLS</b>					
<b>ELEMENTARY</b>					
Buildings	11	11	11	11	11
SQUARE FEET	694,429	694,429	694,429	599,731	599,731
CAPACITY	6,139	6,139	6,139	5,599	5,599
ENROLLMENT	4,197	4,647	4,809	4,961	5,131
<b>MIDDLE</b>					
Buildings	3	3	3	3	3
SQUARE FEET	411,811	411,811	411,811	411,811	411,811
CAPACITY	2,416	2,416	2,416	2,416	2,416
ENROLLMENT	2,312	2,388	2,307	2,244	2,318
<b>HIGH</b>					
Buildings	2	2	2	2	2
SQUARE FEET	365,416	365,416	365,416	334,837	334,837
CAPACITY	2,495	2,495	2,495	2,495	2,495
ENROLLMENT	2,831	2,765	2,721	3,045	2,910
<b>AMINISTRATIVE</b>					
Buildings	1	1	1	1	1
SQUARE FEET	12,500	12,500	12,500	12,500	12,500

	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
<b>SCHOOLS</b>					
<b>ELEMENTARY</b>					
Buildings	11	11	11	11	11
SQUARE FEET	599,731	599,731	599,731	599,731	599,731
CAPACITY	5,599	5,599	5,599	5,599	5,599
ENROLLMENT	5,179	5,202	4,670	4,580	4,579
<b>MIDDLE</b>					
Buildings	3	3	3	3	3
SQUARE FEET	411,811	411,811	411,811	411,881	411,881
CAPACITY	2,416	2,416	2,416	2,416	2,416
ENROLLMENT	2,299	2,448	2,431	2,424	2,425
<b>HIGH</b>					
Buildings	2	2	2	2	2
SQUARE FEET	334,837	334,837	334,837	334,837	334,837
CAPACITY	2,495	2,495	2,495	2,495	2,495
ENROLLMENT	3,097	3,129	2,938	2,799	2,821
<b>AMINISTRATIVE</b>					
Buildings	1	1	1	1	1
SQUARE FEET	12,500	12,500	12,500	12,500	12,500

Sources:  
 Reynolds School District Facilities Services Department  
 Enrollment is the ODE Student Enrollment Report number excluding Charter Schools for 2018-19, 2019-2020 and 2020-2021  
<https://www.oregon.gov/ode/reports-and-data/students/Pages/Student-Enrollment-Reports.aspx>

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
**MULTNOMAH COUNTY, OREGON**

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



**PAULY, ROGERS, AND CO., P.C.**  
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www.paulyrogersandcocpas.com

December 21, 2021

### **Independent Auditors' Report Required by Oregon State Regulations**

We have audited the basic financial statements of Multnomah County School District No. 7 as of and for the year ended June 30, 2021, and have issued our report thereon dated December 21, 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 basic 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 the basic financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

In connection with our testing nothing came to our attention that caused us to believe Multnomah County School District No. 7 was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except as noted below:

1. Expenditures were within authorized appropriations except as noted on page 20.

#### **OAR 162-10-0230 Internal Control**

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

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

*Roy R Rogers*

ROY R. ROGERS, CPA  
PAULY, ROGERS AND CO., P.C.

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7**  
MULTNOMAH COUNTY, OREGON

GRANT COMPLIANCE REVIEW

**MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON**

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

Federal Grantor	Program Title	Pass through Grantor	AL Number	Pass Through Entity Number	Grant Period	Expenditures	Passed Through to Subrecipients
	Timber Reserve Fund		10.665	N/A			NA
					Total	-	
<b><u>US Department of Education:</u></b>							
	Title IA - YR 19/20	Oregon State Department of Education	84.010	53357	7/1/19-9/30/21	259,524	NA
	Title IA - YR 20/21	Oregon State Department of Education	84.010	58352	7/1/20-9/30/22	3,886,421	NA
	PPD District Engagement Part 19-20	Oregon State Department of Education	84.010	54423	7/1/20-9/30/21	240,279	NA
	PPD District Engagement Part 20-21	Oregon State Department of Education	84.010	60424	7/1/20-9/30/22	186,855	NA
						<b>4,573,079</b>	
	IDEA Post School Outcomes	Oregon State Department of Education	84.027			89	NA
	IDEA Extended Assessment 19-20	Oregon State Department of Education	84.027	54706	7/1/2019-9/30/2021	1,817	NA
	IDEA Extended Assessment 20-21	Oregon State Department of Education	84.027	59399	7/1/20-9/30/2022	2,198	NA
	IDEA Part B YR 20-21	Oregon State Department of Education	84.027	60739	7/1/20-9/30/2022	1,397,719	NA
	IDEA Part B YR 19-20	Oregon State Department of Education	84.027	54176	7/1/19-9/30/2021	241,222	NA
	Columbia Regional Autism	Columbia Regional Program (PPS)	84.027		7/1/20-6/30/2021	248,600	NA
						<b>1,891,645</b>	
	IDEA Preschool Grant, Section 619	Oregon State Department of Education	84.173	60568	7/1/20-9/30/2022	11,521	NA
						<b>11,521</b>	
					<b>Special Education Cluster (IDEA) Total:</b>	<b>1,903,165</b>	
	SPIG Personnel Development Grant	Oregon State Department of Education	84.323	56883	8/15/19-9/30/21	23,394.80	NA
						<b>23,395</b>	
	Title III English Language Acquisition YR 19-20	Oregon State Department of Education	84.365	53455	7/1/19-9/30/21	236,814	NA
	Title III English Language Acquisition YR 20-21	Oregon State Department of Education	84.365	58503	7/1/20-9/30/22	175,828	NA
						<b>412,642</b>	
	Title IIA Improving Teacher Quality YR 19-20	Oregon State Department of Education	84.367	53619	7/1/19-9/30/21	153,605	NA
	Title IIA Improving Teacher Quality YR 20-21	Oregon State Department of Education	84.367	58845	7/1/20-9/30/22	509,346	NA
						<b>662,951</b>	
	SIG Implementation - Glenfair Yr4	Oregon State Department of Education	84.377	46870	7/1/19-9/30/21	36,874	NA
	SIG Implementation - Glenfair Yr5	Oregon State Department of Education	84.377	46889	7/1/20-9/30/22	48,827	NA
						<b>85,701</b>	
	TitleIV Student Support and Academic Enrichment	Oregon State Department of Education	84.424	58655	7/1/20-9/30/22	172,683	NA
	TitleIV Student Support and Academic Enrichment	Oregon State Department of Education	84.424	54609	7/1/19-9/30/21	83,981	NA
	TitleIV Student Support and Academic Enrichment	Oregon State Department of Education	84.424	50812	7/1/18-9/30/21	69,680	NA
						<b>326,344</b>	
	GEER I	Oregon State Department of Education	84.425 C	61029	7/1/20-5/30/2021	285,759	285,759
						<b>285,759</b>	
	LEA ESSER I	Oregon State Department of Education	84.425 D	57900	3/13/20-9/30/2022	3,085,060	3,085,060
	LEA ESSER II	Oregon State Department of Education	84.425 D	64671	3/13/20-9/30/2023	37,343	37,343
						<b>3,122,403</b>	
	Title VII Indian Education 20/21	Direct	84.060A	S060A202099	7/1/20-6/30/2021	7,070	NA
	Title VII Indian Education 19/20	Direct	84.060A	S060A202099	7/1/19-6/30/2021	7,723	NA
						<b>14,793</b>	
<b><u>Federal Emergency Management Agency</u></b>							
	FEMA - 4499-DR-OR	Oregon Office of Emergency Management	97.036	PA-10-OR-4499-PW-00175	3/28/20-9/30/20	58,651	NA
						<b>58,651</b>	
<b><u>Institute of Museum and Library Services</u></b>							
	LSTA State Grants	State Library of Oregon	45.310	N/A	5/8/2020-8/31/2020	500	NA
						<b>500</b>	
<b><u>US Environmental Protection Agency</u></b>							
	School Bus Replacement Project	Oregon Department of Environmental Quality	66.040	N/A	3/13/20-9/30/20	250,068	N/A
						<b>250,068</b>	
<b><u>Department of Health and Human Services</u></b>							
	Foster Care Title IV E - Transportation	Oregon State Department of Education	93.658	57246	7/1/2019-6/30/2021	36,121	NA
						<b>36,121</b>	
	RFA 4708 Summer Work	Oregon Department of Human Services	84.126A	156738	7/28/20-12/31/21	1,113	NA
	Oregon Youth Transition Programs	Oregon Department of Human Services	84.126A	160745	7/1/2019-6/30/2021	213,890	NA
						<b>215,004</b>	





PAULY, ROGERS, AND CO., P.C.  
12700 SW 72<sup>nd</sup> Ave. Tigard, OR 97223  
(503) 620-2632 (503) 684-7523 FAX  
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December 21, 2021

To the Board of Directors  
Multnomah County School District No. 7  
Multnomah County, Oregon

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information and fiduciary funds of Multnomah County School District No. 7 as of and for the year ended June 30, 2021, and the related notes to the basic financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated December 21, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the basic 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 basic 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 basic 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.

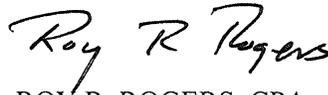
**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the basic 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

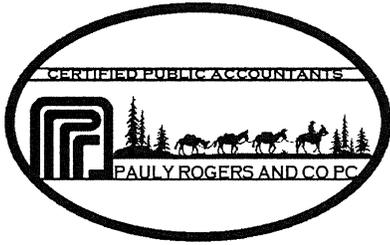
audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**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.



ROY R. ROGERS, CPA  
PAULY, ROGERS AND CO., P.C.



**PAULY, ROGERS, AND CO., P.C.**  
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December 21, 2021

To the Board of Directors  
Multnomah County School District No. 7  
Multnomah County, Oregon

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

**Report on Compliance for Each Major Federal Program**

We have audited Multnomah County School District No. 7'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, Multnomah County School District No. 7, 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.



ROY R. ROGERS, CPA  
PAULY, ROGERS AND CO., P.C.

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH 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 reported in accordance with section 515(d)(2) of the Uniform Guidance?  yes  no

---

**FEDERAL AWARDS**

Internal control over major programs:

Material weakness(es) identified?  yes  no

Significant deficiency(s) identified that are not considered to be material weaknesses?  yes  none reported

Type of auditors’ report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 200.516(a) of the Uniform Guidance?  yes  no

**IDENTIFICATION OF MAJOR PROGRAMS**

**CFDA NUMBER      NAME OF FEDERAL PROGRAM CLUSTER**

84.425C              ESSER I, ESSER II, GEER  
84.425D

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

Auditee qualified as low-risk auditee?  yes  no

MULTNOMAH COUNTY SCHOOL DISTRICT NO. 7  
MULTNOMAH COUNTY, OREGON

SCHEDULE OF FINDINGS  
AND QUESTIONED COSTS

For the Year Ended June 30, 2021

---

**SECTION II – FINANCIAL STATEMENT FINDINGS**

None

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONS COSTS:**

None

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

1. BASIS OF PRESENTATION

The schedule of expenditures of federal awards in this report 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 District.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule of expenditures of federal awards 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 District has elected not to use the ten percent de minimis indirect cost rate as allowed under Uniform Guidance, since they already have a negotiated indirect cost rate with the Oregon Department of Education, and therefore is not allowed to use the de minimis rate.



*As a community, we prepare lifelong learners to achieve their full potential in a complex and interconnected world.*

To: Board of Directors

From: Dr. Danna Diaz, Superintendent of Schools

Prepared by: Kaylie Jeffries, Executive Assistant to the Superintendent

**Subject: Board Announcements**

Policy: [Board Meetings – BD/BDA, Conduct of Board Meetings – BDDF](#)

Date: January 26, 2022

<b>Action</b>	<input type="checkbox"/>
<b>Report</b>	<input checked="" type="checkbox"/>

**Connection to School Board Core Beliefs and Commitments**

Safety       Equity       Instructional Practice       Organizational Culture

**Strategic Plan Goal Topic 3: Student and Staff Wellness**

We will promote a healthy learning and working environment which provides students and staff with the skills, social support, and environmental reinforcement they need to adopt long-term, healthy behaviors.

**Summary:**

- a. Individual Board Member Reports or Announcements
- b. Upcoming Board Meetings
  - i. Board Training: January 29, 2022
  - ii. Board Work Session: February 9, 2022
  - iii. Board Business Meeting: February 23, 2022
  - iv. Meetings will remain virtual
- c. Budget Committee Vacancies
  - i. Position 11, term ending June 30, 2024
  - ii. Position 12, term ending June 30, 2024
- d. Board Vacancy: Position 7, effective February 1, 2022
  - i. Term runs through June 30, 2023
  - ii. Applications are currently being accepted and can be found on the RSD website
  - iii. Interviews will take place at the February 9, 2022 Work Session

To: Board of Directors

From: Dr. Danna Diaz, Superintendent of Schools

Prepared by: Kaylie Jeffries, Executive Assistant to the Superintendent

**Subject: Superintendent's Report**

Policy: [Board Meetings – BD/BDA, Conduct of Board Meetings – BDDF](#)

Date: January 26, 2022

<b>Action</b>	<input type="checkbox"/>
<b>Report</b>	<input checked="" type="checkbox"/>

---

**Connection to School Board Core Beliefs and Commitments**

Safety       Equity       Instructional Practice       Organizational Culture

**Strategic Plan Goal Topic 3: Student and Staff Wellness**

We will promote a healthy learning and working environment which provides students and staff with the skills, social support, and environmental reinforcement they need to adopt long-term, healthy behaviors.

---

**Summary:**

Superintendent Diaz will provide announcements and reports to the board:

- a. Announcements / Reports - Dr. Danna Diaz
- b. Student and Staff Wellness – Dr. Christopher Ortiz
  - i. Emergency Shelter Update
- c. Communication Report – Stephanie Field
- d. Financial Report – Anthony Lebron
- e. Enrollment Report – Anthony Lebron

# Reynolds High School Emergency Shelter-

## Partnership with Multnomah County Emergency Services



- Reynolds High School supported a total of **313 overnight stays** between December 27, 2021 and January 1, 2022.
- The peak population at RHS was **65** guests reported on December 30.
- During the stay, the gym floor was protected with Ram Board and plastic sheeting. All surfaces were sanitized before students returned to school.
- Portable laundry facilities and showers were brought in; RHS laundry and showers were not used
- Over the 7 days, **over 6,000 meals** were served at all emergency shelter locations

346

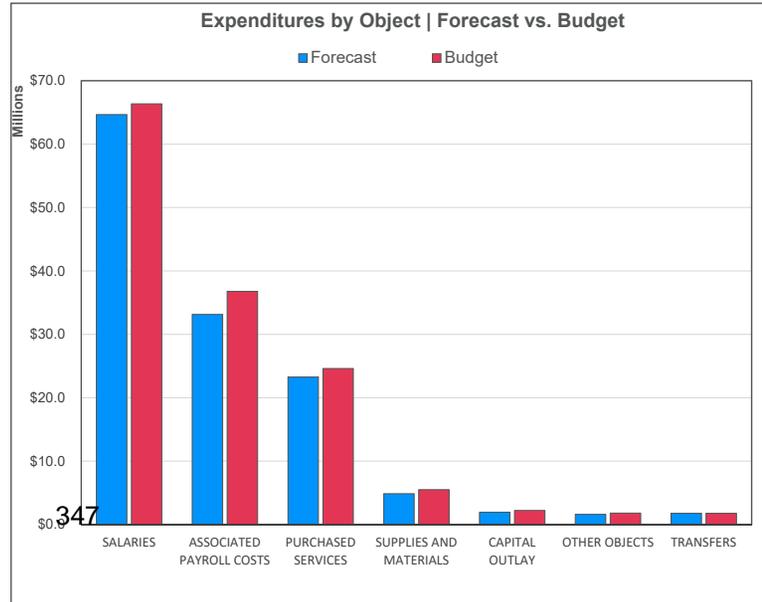
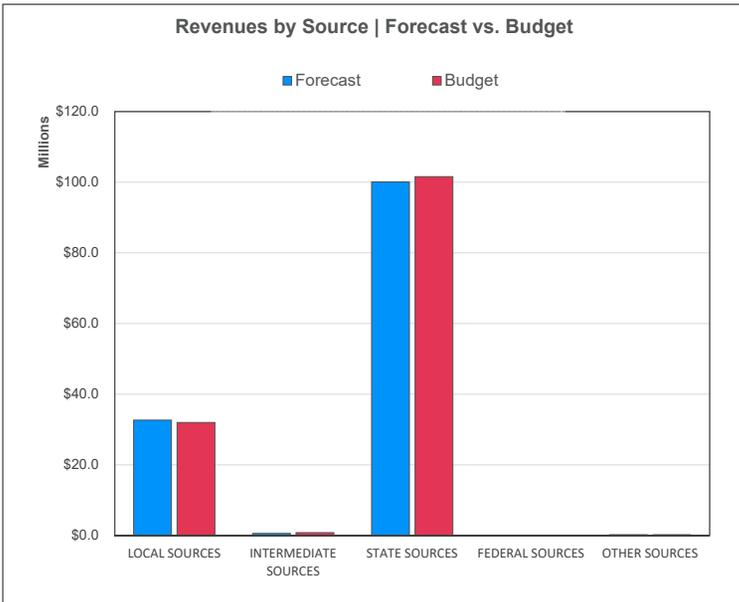
# Reynolds School District No. 7

## 100 General Fund | Financial Projection by Object

For the Period Ending December 31, 2021

	Prior YTD	Current Year Budget	Current YTD	% of Budget	Add: Projections	Annual Forecast
<b>RESOURCES</b>						
<b>Operating Revenues</b>						
Local Sources	\$ 26,653,213	\$ 31,991,483	\$ 28,295,866	88.45%	\$ 4,362,020	\$ 32,657,886
Intermediate Sources	-	798,329	-	0.00%	588,211	588,211
State Sources	59,674,411	101,567,300	58,108,484	57.21%	41,976,044	100,084,528
Federal Sources	50,552	85,000	12,327	14.50%	38,232	50,559
Other Sources	1,232,761	215,987	215,987	100.00%	-	215,987
<b>Total Operating Revenues</b>	<b>\$ 87,610,937</b>	<b>\$ 134,658,099</b>	<b>\$ 86,632,664</b>	<b>64.34%</b>	<b>\$ 46,964,507</b>	<b>\$ 133,597,171</b>
<b>Beginning Fund Balance</b>	18,958,789	11,099,637	24,654,907	222.12%	-	24,654,907
<b>TOTAL RESOURCES</b>	<b>\$ 106,569,726</b>	<b>\$ 145,757,736</b>	<b>\$ 111,287,571</b>	<b>76.35%</b>	<b>\$ 46,964,507</b>	<b>\$ 158,252,078</b>
<b>REQUIREMENTS</b>						
<b>Operating Expenditures</b>						
Salaries	\$ 22,396,689	\$ 66,349,651	\$ 23,159,924	34.91%	\$ 41,494,521	\$ 64,654,445
Associated Payroll Costs	12,919,207	36,773,398	11,333,205	30.82%	21,802,724	33,135,929
Purchased Services	8,970,869	24,603,985	8,901,997	36.18%	14,365,803	23,267,799
Supplies and Materials	1,936,577	5,502,428	2,379,914	43.25%	2,476,678	4,856,591
Capital Outlay	909,985	2,221,018	168,775	7.60%	1,782,028	1,950,803
Other Objects	1,365,748	1,800,352	1,448,473	80.45%	158,247	1,606,720
Transfers	3,475,913	1,773,000	1,712,502	96.59%	60,000	1,772,502
<b>Total Operating Expenditures</b>	<b>\$ 51,974,989</b>	<b>\$ 139,023,832</b>	<b>\$ 49,104,789</b>	<b>35.32%</b>	<b>\$ 82,140,000</b>	<b>\$ 131,244,789</b>
Contingencies	-	1,683,476	-	0.00%	-	-
Unappropriated Ending Fund Balance	-	5,050,428	-	0.00%	-	-
<b>TOTAL REQUIREMENTS</b>	<b>\$ 51,974,989</b>	<b>\$ 145,757,736</b>	<b>\$ 49,104,789</b>	<b>33.69%</b>	<b>\$ 82,140,000</b>	<b>\$ 131,244,789</b>
<b>Ending Fund Balance</b>					\$	27,007,288
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>\$ 35,635,948</b>	<b>\$ (4,365,733)</b>	<b>\$ 37,527,875</b>		<b>\$ (35,175,494)</b>	<b>\$ 2,352,382</b>

(Operating Revenue less Operating Expenses)



### 2021-2022 Enrollment by Grade Data Excluding Charters

Grade	6-Oct-2021	20-Oct-2021	9-Nov-2021	2-Dec-2021	16-Dec-2021
Kndgtn	633	642	641	637	635
1st	590	593	600	603	599
2nd	655	655	649	650	650
3rd	631	638	632	632	631
4th	665	669	675	677	672
5th	687	685	684	690	689
6th	721	719	725	721	719
7th	702	702	703	696	692
8th	779	735	765	765	766
9th	715	712	706	699	689
10th	727	727	721	729	698
11th	675	670	660	624	629
12th	749	742	733	718	717
SPED SC	110	107	112	114	118
<b>Total</b>	<b>9,039</b>	<b>8,996</b>	<b>9,006</b>	<b>8,955</b>	<b>8,904</b>

Pd	Change	Rept Date vs June 2021	
		Chg	10/6 to Current
(2)	2	623	12
(4)	9	711	(112)
-	(5)	698	(48)
(1)	-	709	(78)
(5)	7	725	(53)
(1)	2	785	(96)
(2)	(2)	766	(47)
(4)	(10)	815	(123)
1	(13)	725	41
(10)	(26)	811	(122)
(31)	(29)	728	(30)
5	(46)	650	(21)
(1)	(32)	781	(64)
4	8	85	33
<b>(51)</b>	<b>(135)</b>	<b>Total</b>	<b>(708)</b>

### 2020-2021 Enrollment by Grade Data Excluding Charters

Grade	6-Oct-2020	29-Oct-2020	12-Nov-2020	3-Dec-2020	15-Dec-2020
Kndgtn	568	597	601	605	605
1st	697	716	714	713	711
2nd	681	701	699	701	700
3rd	699	707	706	705	705
4th	708	722	723	724	723
5th	768	791	792	793	793
6th	804	780	780	780	782
7th	849	821	816	816	815
8th	729	715	718	721	721
9th	758	834	826	813	813
10th	701	741	735	735	729
11th	608	677	675	660	660
12th	730	809	812	794	796
SPED SC	65	77	77	80	80
<b>Total</b>	<b>9,365</b>	<b>9,688</b>	<b>9,674</b>	<b>9,640</b>	<b>9,633</b>

Pd	Change
-	37
(2)	14
(1)	19
-	6
(1)	15
-	25
2	(22)
(1)	(34)
-	(8)
-	55
(6)	28
-	52
2	66
-	15
<b>(7)</b>	<b>268</b>

### Unit Change in Data 2021-2022 as Compared to 2020-2021 Excluding Charters

Grade	10/6/2021 vs 10/6/2020	10/20/2021 vs 10/29/2020	11/9/2021 vs 11/12/2020	12/2/2021 vs 12/3/2020	12/16/2021 vs 12/15/2020
Kndgtn	65	45	40	32	30
1st	(107)	(123)	(114)	(110)	(112)
2nd	(26)	(46)	(50)	(51)	(50)
3rd	(68)	(69)	(74)	(73)	(74)
4th	(43)	(53)	(48)	(47)	(51)
5th	(81)	(106)	(108)	(103)	(104)
6th	(83)	(61)	(55)	(59)	(63)
7th	(147)	(119)	(113)	(120)	(123)
8th	50	20	47	44	45
9th	(43)	(122)	(120)	(114)	(124)
10th	26	(14)	(14)	(6)	(31)
11th	67	(7)	(15)	(36)	(31)
12th	19	(67)	(79)	(76)	(79)
SPED SC	45	30	35	34	38
<b>Total</b>	<b>(326)</b>	<b>(692)</b>	<b>(668)</b>	<b>(685)</b>	<b>(729)</b>

**2021-2022 Enrollment by School Data Excluding Charters**

School	6-Oct-2021	20-Oct-2021	9-Nov-2021	2-Dec-2021	16-Dec-2021
Alder	381	388	386	386	385
Davis	396	396	397	396	396
Fairview	302	306	305	304	302
Glenfair	390	399	398	392	400
Hartley	335	335	333	337	334
M Scott	357	358	359	360	360
Salish Ponds	348	353	352	350	343
Sweetbriar	266	268	266	266	265
Troutdale	330	327	329	330	329
Wilkes	433	431	434	438	440
Woodland	372	373	378	383	378
Lee MS	720	676	707	700	700
RMS	928	924	924	920	920
WMMS	569	570	572	573	568
RHS	2,604	2,585	2,555	2,506	2,456
RLA	185	199	209	208	226
Cornerstone/Tutoring/Outside Plc	123	108	102	106	102
<b>Total</b>	<b>9,039</b>	<b>8,996</b>	<b>9,006</b>	<b>8,955</b>	<b>8,904</b>

PD Chg	Change 10/6 to Current	Rept Date vs June 2021 6/3/2021	Change
(1)	4	437	(52)
-	-	428	(32)
(2)	-	290	12
8	10	423	(23)
(3)	(1)	414	(80)
-	3	409	(49)
(7)	(5)	378	(35)
(1)	(1)	303	(38)
(1)	(1)	378	(49)
2	7	432	8
(5)	6	371	7
-	(20)	794	(94)
-	(8)	956	(36)
(5)	(1)	577	(9)
(50)	(148)	2,667	(211)
18	41	241	(15)
(4)	(21)	114	(12)
<b>(51)</b>	<b>(135)</b>	<b>9,612</b>	<b>(708)</b>

**2020-2021 Enrollment by School Data Excluding Charters**

School	6-Oct-2020	29-Oct-2020	12-Nov-2020	3-Dec-2020	15-Dec-2020
Alder	429	431	431	434	434
Davis	397	421	423	421	420
Fairview	287	293	290	291	291
Glenfair	380	419	419	420	419
Hartley	405	412	411	411	411
M Scott	401	402	405	409	407
Salish Ponds	340	376	376	376	376
Sweetbriar	301	301	302	300	300
Troutdale	381	379	379	378	377
Wilkes	431	430	432	434	435
Woodland	378	376	373	376	376
Lee MS	805	797	794	796	795
RMS	1002	961	963	963	964
WMMS	592	579	578	577	578
RHS	2,573	2,765	2,749	2,707	2,706
RLA	153	217	219	216	228
Cornerstone/Tutoring	110	129	130	131	116
<b>Total</b>	<b>9,365</b>	<b>9,688</b>	<b>9,674</b>	<b>9,640</b>	<b>9,633</b>

PD Chg	Change 10/6 to Current
-	5
(1)	23
-	4
(1)	39
-	6
(2)	6
-	36
-	(1)
(1)	(4)
1	4
-	(2)
(1)	(10)
1	(38)
1	(14)
(1)	133
12	75
(15)	6
<b>(7)</b>	<b>268</b>

**Unit Change in Data 2021-2022 as Compared to 2020-2021 Excluding Charters**

School	10/6/2021 vs 10/6/2020	10/20/2021 vs 10/29/2020	11/12/2020 vs 11/14/2019	12/3/2020 vs 12/5/2019	12/15/2020 vs 12/18/2019
Alder	(48.00)	(43.00)	(45.00)	(48.00)	(49.00)
Davis	(1.00)	(25.00)	(26.00)	(25.00)	(24.00)
Fairview	15.00	13.00	15.00	13.00	11.00
Glenfair	10.00	(20.00)	(21.00)	(28.00)	(19.00)
Hartley	(70.00)	(77.00)	(78.00)	(74.00)	(77.00)
M Scott	(44.00)	(44.00)	(46.00)	(49.00)	(47.00)
Salish Ponds	8.00	(23.00)	(24.00)	(26.00)	(33.00)
Sweetbriar	(35.00)	(33.00)	(36.00)	(34.00)	(35.00)
Troutdale	(51.00)	(52.00)	(50.00)	(48.00)	(48.00)
Wilkes	2.00	1.00	2.00	4.00	5.00
Woodland	(6.00)	(3.00)	5.00	7.00	2.00
Lee MS	(85.00)	(121.00)	(87.00)	(96.00)	(95.00)
RMS	(74.00)	(37.00)	(39.00)	(43.00)	(44.00)
WMMS	(23.00)	(9.00)	(6.00)	(4.00)	(10.00)
RHS	31.00	(180.00)	(194.00)	(201.00)	(250.00)
RLA	32.00	(18.00)	(10.00)	(8.00)	(2.00)
Cornerstone/Tutoring/Outside Plc	13.00	(21.00)	(28.00)	(25.00)	(14.00)
<b>Total</b>	<b>(326)</b>	<b>(692)</b>	<b>(668)</b>	<b>(685)</b>	<b>(729)</b>

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**ACTUAL ATTENDANCE COUNT REPORT 2021-2022**

Elementary Enrollment By Classroom December 16, 2021																PROJECTIONS		2020-2021						
																2021-22 Projected		@ June 2021						
																Projected	Diff	2020-2021	YOY Chg					
School		SPED SC	Kindgtn	x	1st	x	2nd	x	3rd	x	4th	x	5th	Total	Added FTE	Grade								
<b>Alder</b>			19		25		23		24		24		26				Alder							
<i>Bilingual Classrooms</i>			12		22		22		24		21		21											
			14		22		20		24		20		18											
Montessori Kinder			4																					
<b>Total</b>		0	49		69		65		72		65		65	385	-		402	-17	437	-3				
<b># of Classes</b>			3		3		3		3		3		3											
<b>Average Class Size</b>			16.33		23.00		21.67		24.00		21.67		21.67											
<b>Davis</b>		SPED SC	15		20		23		18		24		20				Davis							
		10	14		25		18		14		24		21											
		10	14		20		19		15		21		22											
			15						14															
<b>Total</b>		20	58		65		60		61		69		63	396	-		414	-18	428	1				
<b># of Classes</b>			4		3		3		4		3		3											
<b>Average Class Size</b>			14.50		21.67		20.00		15.25		23.00		21.00											
<b>Fairview</b>		SPED SC	15		20		15		25		23		21				Fairview							
		7	16		19		17		22		22		22											
		7	14				16						21											
<b>Total</b>		14	45		39		48		47		45		64	302	-		284	18	290	-31				
<b># of Classes</b>			3		2		3		2		2		3											
<b>Average Class Size</b>			15.00		19.50		16.00		23.50		22.50		21.33											
<b>Glenfair</b>		SPED SC	22		18		16		18		22		21				Glenfair							
			22		17		18		17		21		21											
			19		16		19		20		22		18											
			20				16		17															
<b>Total</b>		0	83		51		69		72		65		60	400	-		418	-18	423	-29				
<b># of Classes</b>			4		3		4		4		3		3											
<b>Average Class Size</b>			20.75		17.00		17.25		18.00		21.67		20.00											

**ACTUAL ATTENDANCE COUNT REPORT 2021-2022**

Elementary Enrollment By Classroom December 16, 2021																PROJECTIONS		2020-2021		
																2021-22 Projected		@ June 2021		
																Projected	Diff	2020-2021	YOY Chg	
School	SPED SC	Kindgtn	x	1st Grade	x	2nd Grade	x	3rd Grade	x	4th Grade	x	5th Grade	Total	Added FTE FTE	Grade					
<b>Hartley</b>	SPED SC	16		18		22		19		20		18								
		17		15		21		20		21		16								
		17		16				20		20		20								
		6	x	12																
<b>Total</b>	<b>0</b>	<b>56</b>		<b>61</b>		<b>43</b>		<b>59</b>		<b>61</b>		<b>54</b>	<b>334</b>	<b>-</b>			<b>396</b>	<b>-62</b>	<b>414</b>	<b>-28</b>
<b># of Classes</b>		<b>3.5</b>		<b>3.5</b>		<b>2</b>		<b>3</b>		<b>3</b>		<b>3</b>								
<b>Average Class Size</b>		<b>16.00</b>		<b>17.43</b>		<b>21.50</b>		<b>19.67</b>		<b>20.33</b>		<b>18.00</b>								
<b>M Scott</b>	SPED SC	20		15		18		17		20		22								
		21		18		16		19		19		23								
		21		20		16		18		19		22								
						16														
<b>Total</b>	<b>0</b>	<b>62</b>		<b>53</b>		<b>66</b>		<b>54</b>		<b>58</b>		<b>67</b>	<b>360</b>	<b>-</b>			<b>396</b>	<b>-36</b>	<b>409</b>	<b>10</b>
<b># of Classes</b>		<b>3</b>		<b>3</b>		<b>4</b>		<b>3</b>		<b>3</b>		<b>3</b>								
<b>Average Class Size</b>		<b>20.67</b>		<b>17.67</b>		<b>16.50</b>		<b>18.00</b>		<b>19.33</b>		<b>22.33</b>								
<b>Salish Ponds</b>	SPED SC	16		17		19		17		23		22								
		18		18		21		16		21		20								
		19		18		21		15		23		19								
<b>Total</b>	<b>0</b>	<b>53</b>		<b>53</b>		<b>61</b>		<b>48</b>		<b>67</b>		<b>61</b>	<b>343</b>	<b>-</b>			<b>360</b>	<b>-17</b>	<b>378</b>	<b>-46</b>
<b># of Classes</b>		<b>3</b>		<b>3</b>		<b>3</b>		<b>3</b>		<b>3</b>		<b>3</b>								
<b>Average Class Size</b>		<b>17.67</b>		<b>17.67</b>		<b>20.33</b>		<b>16.00</b>		<b>22.33</b>		<b>20.33</b>								
<b>Sweetbriar</b>	SPED SC	21		18		19		19		24		23								
		20		18		20		18		23		26								
						7	x	9												
<b>Total</b>	<b>0</b>	<b>41</b>		<b>36</b>		<b>46</b>		<b>46</b>		<b>47</b>		<b>49</b>	<b>265</b>	<b>-</b>			<b>272</b>	<b>-7</b>	<b>303</b>	<b>-42</b>
<b># of Classes</b>		<b>2</b>		<b>2</b>		<b>2.5</b>	x	<b>2.5</b>		<b>2</b>		<b>2</b>								
<b>Average Class Size</b>		<b>20.50</b>		<b>18.00</b>		<b>18.40</b>		<b>18.40</b>		<b>23.50</b>		<b>24.50</b>								

**ACTUAL ATTENDANCE COUNT REPORT 2021-2022**

Elementary Enrollment By Classroom December 16, 2021															PROJECTIONS		2020-2021			
															2021-22 Projected		@ June 2021			
															Projected	Diff	2020-2021	YOY Chg		
School	SPED SC	Kindgtn	x	1st Grade	x	2nd Grade	x	3rd Grade	x	4th Grade	x	5th Grade	Total	Added FTE FTE	Grade					
<b>Troutdale</b>	SPED SC	18		21		16		24		21		19								
		17		22		17		23		18		20								
		18		19		17				19		20								
<b>Total</b>	<b>0</b>	<b>53</b>		<b>62</b>		<b>50</b>		<b>47</b>		<b>58</b>		<b>59</b>	<b>329</b>	<b>-</b>			<b>352</b>	<b>-23</b>	<b>378</b>	<b>-53</b>
<b># of Classes</b>		<b>3</b>		<b>3</b>		<b>3</b>		<b>2</b>		<b>3</b>		<b>3</b>								
<b>Average Class Size</b>		<b>17.67</b>		<b>20.67</b>		<b>16.67</b>		<b>23.50</b>		<b>19.33</b>		<b>19.67</b>								
<b>Wilkes</b>	SPED SC	20		18		25		23		21		21								
	10	19		18		25		23		22		21								
	9	20		17		25		22		8	x	11								
		9	x	10						22		21								
<b>Total</b>	<b>19</b>	<b>68</b>		<b>63</b>		<b>75</b>		<b>68</b>		<b>73</b>		<b>74</b>	<b>440</b>	<b>-</b>			<b>419</b>	<b>21</b>	<b>432</b>	<b>-63</b>
<b># of Classes</b>		<b>3.5</b>		<b>3.5</b>		<b>3</b>		<b>3</b>		<b>3.5</b>		<b>3.5</b>								
<b>Average Class Size</b>		<b>19.43</b>		<b>18.00</b>		<b>25.00</b>		<b>22.67</b>		<b>20.86</b>		<b>21.14</b>								
<b>Woodland</b>	SPED SC	21		16		23		20		21		22								
	7	22		15		21		13		17		22								
	10	21		15		22		22		20		20								
	8																			
<b>Total</b>	<b>25</b>	<b>64</b>		<b>46</b>		<b>66</b>		<b>55</b>		<b>58</b>		<b>64</b>	<b>378</b>	<b>-</b>			<b>359</b>	<b>19</b>	<b>371</b>	<b>-74</b>
<b># of Classes</b>		<b>3</b>		<b>3</b>		<b>3</b>		<b>3</b>		<b>3</b>		<b>3</b>								
<b>Average Class Size</b>		<b>21.33</b>		<b>15.33</b>		<b>22.00</b>		<b>18.33</b>		<b>19.33</b>		<b>21.33</b>								
<b>SPED Outside Placements/Tutoring</b>		<b>3.00</b>		<b>1.00</b>		<b>1.00</b>		<b>2.00</b>		<b>6.00</b>		<b>9.00</b>	<b>22</b>				<b>27</b>	<b>-5</b>	<b>27</b>	<b>-13</b>
<b>Grade Totals</b>	<b>78</b>	<b>635</b>		<b>599</b>		<b>650</b>		<b>631</b>		<b>672</b>		<b>689</b>	<b>3,954</b>	<b>-</b>			<b>4,099</b>	<b>-145</b>	<b>4,290</b>	<b>-371</b>
<b>Total # of Classes</b>		<b>35</b>		<b>32</b>		<b>33.5</b>		<b>32.5</b>		<b>31.5</b>		<b>32.5</b>								
<b>Total Average Class Size</b>		<b>18.14</b>		<b>18.72</b>		<b>19.40</b>		<b>19.42</b>		<b>21.33</b>		<b>21.20</b>								

**ACTUAL ATTENDANCE COUNT REPORT 2021-2022**

Elementary Enrollment By Classroom December 16, 2021														PROJECTIONS		2020-2021		
														2021-22 Projected		@ June 2021		
School	SPED SC	Kindgtn	x	1st Grade	x	2nd Grade	x	3rd Grade	x	4th Grade	x	5th Grade	Total	Added FTE	Projected	Diff	2020-2021	YOY Chg

**ACTUAL ATTENDANCE COUNT REPORT 2021-2022**

Secondary Enrollment By Grade Level December 16, 2021														COMPARISON TO PROJECTIONS		COMPARISON TO 2020-2021				
														2021-22 Projected		@ June 2021				
School	SPED SC	6th Grade	x	7th Grade	x	8th Grade	x	9th Grade	x	10th grade	x	11th Grade	x	12th Grade	Total	Added FTE	Projected	Diff	2020-2021	YOY Chg
SPED Outside Placements/Tutoring		9		10		10		7		8		2		10	56		56	0	51	-79
HB Lee MS	11	218		224		247									700		826	-126	794	4
Reynolds MS	22	294		289		315									920		977	-57	956	5
Walt Morey MS	7	198		169		194									568		604	-36	577	-19
RHS + Middle College							682		665		581		528		2456		2801	-345	2667	256
RLA							0		25		46		155		226		216	10	241	30
Cornerstone - SPED													24		24		30	-6	30	1
Cornerstone 1- SPED															0		11	-11	6	-4
<b>Total</b>	<b>40</b>	<b>719</b>		<b>692</b>		<b>766</b>		<b>689</b>		<b>698</b>		<b>629</b>		<b>717</b>	<b>4950</b>	<b>-</b>	<b>5521</b>	<b>-571</b>	<b>5322</b>	<b>194</b>

**Total Reynolds:** 8904 - 9620 -716 9,612 -177

Comprehensive School Targeted School New Classroom Pending

Charter School Data																				
	Kindgtn	1st Grade	x	2nd Grade	x	3rd Grade	x	4th Grade	x	5th Grade	x	6th-8th Grade	Total	Added FTE	FTE	Grade				
Arthur Academy	25	27		25		28		26		23			154				167	-13	166	-13
Rockwood Preparatory Academy	66	58		46		53		51		44			318				295	23	292	-1
MLA	47	46		48		46		48		47		261	543				570	-27	568	12
													1015	-			1032	-17	1026	-2
													9,919	-			10,190	-271	10,638	-179

SPED SC: Special Education Department Self-Contained Classroom where students spend 100% of their day.



*As a community, we prepare lifelong learners to achieve their full potential in a complex and interconnected world.*

To: Board of Directors  
From: Dr. Danna Diaz, Superintendent of Schools  
Prepared by: Kaylie Jeffries, Executive Assistant to the Superintendent  
**Subject: Consent Agenda**

Policy: [Board Meetings – BD/BDA, Conduct of Board Meetings – BDDF](#)

Date: January 26, 2022

Action	<input checked="" type="checkbox"/>
Report	<input type="checkbox"/>

**Connection to School Board Core Beliefs and Commitments**

Safety       Equity       Instructional Practice       Organizational Culture

**Strategic Plan Goal Topic 3: Student and Staff Wellness**

We will promote a healthy learning and working environment which provides students and staff with the skills, social support, and environmental reinforcement they need to adopt long-term, healthy behaviors.

**Summary:**

- a. Approval of Personnel Order
- b. Approval of Prior Meeting Minutes
- c. Revised Achievement Goals
- d. Intergovernmental Agreement (IGA) between David Douglas School District and Reynolds School District for Rosemary Anderson
- e. Agreement with Serendipity Center, Inc.
- f. Field Trip: Reynolds High School Varsity Baseball Team - Boise, ID

**Staff Recommendation:**

Staff recommends the Board approve all Consent Agenda items as presented.

**Motion:**

- A. Motion Made by Board Member:
  - a. I move that the Board approve all Consent Agenda items as presented.
- B. Motion Seconded by Another Board Member
- C. Points of Clarification / Discussion
- D. Call for Board Vote

**Reynolds School District  
Board of Education Work Session**

January 12, 2022

7:00 PM

Virtual Meeting

**I. 6:00p - Executive Session**

**II. 7:00p - Call to Order and Land Acknowledgement**

- Chair Ana Gonzalez Muñoz called the January 12, 2022 Work Session to order at 7:02p and read the Land Acknowledgement into the record.

**III. 7:05p - Public to be Heard**

**IV. 7:25p - Update to COVID Guidance**

- Those who have had a documented case of COVID within the last 90 days do not have to quarantine.
- We will be updating COVID Dashboard page and Website with the new information
- What will communication look like to staff?
  - Meeting with MESD tomorrow to solidify answers to specific questions.  
Communications will be created and sent out outlining all of the details

**V. 7:45p - Budget Priorities**

- Would like ongoing discussions and conversations as the budget is being built

**VI. 8:30p - Revised Achievement Goals**

**VII. 8:45p - Adjourn**

**Reynolds School District  
Board of Education Business Meeting**

December 15, 2021

7:00 PM

Virtual Meeting

Attendance Taken at 7:05 PM. Spencer Chao: Present, Yesenia Delgado: Present, Ana Gonzalez Muñoz: Present, Aaron Muñoz: Present, Michael Reyes: Present, Ricki Ruiz: Present, Cayle Tern: Present. Attendance Update Taken at 9:28 PM. Ricki Ruiz: Absent.

**I. 6:00p - Executive Session**

The Reynolds School Board and the Superintendent will recess into Executive Session at 6:00p, under ORS 192.660(2)(b) Personnel, ORS 192.660(2)(d) Negotiations, and ORS 192.660(2)(h) Legal Counsel. Executive Session is closed to the public.

**II. 7:00p - Call to Order**

- Chair Ana Gonzalez Muñoz called the December 15, 2021 Business Meeting to order at 7:04p.

**A. Pledge of Allegiance**

**B. Land Acknowledgement**

- Director Aaron Muñoz read the Land Acknowledgement into the record.

**C. Consider Approval of the December 15, 2021 Business Meeting Agenda**

I move to approved the December 15, 2021 Business Meeting Agenda as presented. This motion, made by Yesenia Delgado and seconded by Cayle Tern, Passed.

Yea: 7, Nay: 0

**III. 7:10p - Board Recognition**

**A. Student Recognition**

**B. Volunteer/Community Partner Recognition**

**C. Staff Recognition**

**IV. 7:20p - Public to be Heard**

Members of the public will address the board with comments and the board will listen only. Public Comment will be limited to 7 speakers with 3 minutes each. Forms must be turned in before the meeting start time.

**V. 7:40p - Bargaining Group Updates**

**VI. 7:55p - Presentation to the Board**

**A. RMS Update**

**B. RSD/REA Article 18 Discipline Committee Report**

**VII. 8:25p - Board Reports**

**A. Board Announcements**

**i. Individual Board Members - Announcements and Reports**

- Director Reyes was able to visit Davis Elementary this week.
- Director Chao shared some OHA data for 0-19 year olds.

**ii. Upcoming Board Meetings**

**VIII. 8:30p - Superintendent's Reports**

**A. Announcements/Reports**

**B. Marginalized Students: 2022 Summer School Update**

**C. Communications**

**D. Financial Report**

**E. Enrollment Report**

**IX. 9:00p - Consent Agenda**

I move that the Board approve all Consent Agenda Items as presented. This motion, made by Aaron Muñoz and seconded by Yesenia Delgado, Passed.

Yea: 7, Nay: 0

**A. Approval of Personnel Order**

**B. Approval of Prior Meeting Minutes**

**C. Policy Updates**

**D. Contract Renewal: Trillium Family Services**

**X. 9:05p - Action Items**

**A. MOU with Multnomah County Emergency Services**

I move that the Board approves the Memorandum of Understanding for Multnomah County to utilize District schools for community shelters in emergency situations. This motion, made by Michael Reyes and seconded by Aaron Muñoz, Passed.

Yea: 5, Nay: 0, Abstain (With Conflict): 1 (Yesenia Delgado works for Multnomah County)

**B. Authorization of Expenditures: Davis Elementary Portables**

I move that the Board approve the expenditures for the installation of two portable units for Davis Elementary. This motion, made by Yesenia Delgado and seconded by Michael Reyes, Passed.

Yea: 6, Nay: 0

**C. Authorization to Spend: Tyler Tech Drive Suite**

I move that the Board authorize Staff to expend over \$150,000 to purchase Tyler Drive for the use in all Reynolds School District buses. This motion, made by Aaron Muñoz and seconded by Michael Reyes, Passed.

Yea: 5, Nay: 1

**D. Authorization to Spend: Staff Technology Devices**

I move that the Board authorize the expenditure of more than \$150,000 to replace aging devices for licensed staff. This motion, made by Aaron Muñoz and seconded by Yesenia Delgado, Passed.

Yea: 6, Nay: 0

**E. Authorization to Spend: Wright Security**

I move that the Board authorize the expense of more than \$150,000 for security services through Wright Security through June 30, 2022. This motion, made by Aaron Muñoz and seconded by Ana Gonzalez Muñoz, Passed.

Yea: 6, Nay: 0

**F. HB Lee Calendar Update**

I move that the Board approve the updates to the HB Lee Middle School staff and student calendars allowing for staff professional development days on Monday, January 3 and Tuesday, January 4, 2022.

This motion, made by Aaron Muñoz and seconded by Michael Reyes, Passed.

Yea: 6, Nay: 0

**XI. 9:15p - Board Discussion**

**XII. 9:30p - Adjourn**

- Chair Ana Gonzalez Muñoz adjourned the December 15, 2022 Business Meeting at 10:26p

## **Article 18**

### **What does this data tell us where we're doing well and where to improve on student discipline - given all current challenges and limitations?**

This data does not provide this information, because the report is specific to the collective bargaining agreement. Here is the language from Article 18: F.

District Behavior Response Committee

The District and Association shall convene and maintain a committee that is comprised equally of representatives from both parties. The committee will meet monthly during the school year and will review the District's student discipline procedures, shall recommend changes that it feels would be in the best interest of the District, and shall provide quarterly reports to the School Board.

The quarterly report, agreed upon by District Staff and REA, presented to the board is based on the referrals for Students Engaging in Physical Abuse or Intimidation. The report to the board is based on these referrals submitted.

Improvements on student discipline and other supports will be a collaborative effort with Article 18 committee members, the District's MTSS TOSAs working with their school teams and school administrators. Outside expertise will also be consulted if necessary for additional support. Inputs needed will be determined through a data analysis of student discipline data and referrals.

As the board of directors continues its focus on student achievement, Dr. Diaz will consult with board leadership on the data related to behavior and discipline, such as the annual results of the Civil Rights Data Collection required by the Department of Education.

## **Enrollment**

### **Can we present this data graphically too (in the future, doesn't need to be ready in December)?**

If you can provide an example of a format you prefer, Student Information Management and Records can work on formatting the data per the example.

### **7% decline in enrollment from last year to this year, how does this compare regionally? Do we know since schools don't have to share their data yet?**

We have not done a regional comparison. Student Information can generate this report if we are aware how it will assist the board in decision making around student outcomes. This will assist us in getting the exact data the board needs.

**For those students transferring to another Oregon school district, do we know where, generally speaking?**

One of the attendance presentation slides has data on this. If the board member could also specify how transfer data to other districts will be used by the board, staff will be able to generate more specific data if necessary.

**Non-Res Student Transfer Policy**

**Can you provide a summary of where the policy is being updated, or simply renewing? Same for the inter-district transfer policy?**

The five board policies related to Inter and Intra District transfers have been updated with recommendations from district administration and staff to align with neighboring East Multnomah County districts' application timelines. Reynolds School District currently has two different application timelines for Inter and Intra District transfers: March 1 – April 30 and July 1 – 31. Intra District transfer requests are made by parents/guardians wishing to enroll a student from the resident district school to another school within district boundaries. Inter District transfer requests are made by parents/guardians wishing to enroll a student in another district or wishing to enroll a student in Reynolds School District school from a resident school district. These timelines cause confusion for parents and staff as they do not align with other neighboring districts. The updates made in the Inter and Intra District transfer board policies recommend one application timeline from May 1 – June 15. This timeline closely matches other districts and is the time when families are thinking about their plans for the next school year. Other minor updates have been made to the board policies including providing a specific timeline for transfer denial appeals to the Superintendent, deleting mentions of Open Enrollment (no longer existing in Oregon statute), and policy language recommended by OSBA, but that have not been updated in the Reynolds board policies.

**Trillium Contract**

**Who is considered a client by Trillium? I ask because I'm curious how their services will benefit the entire school population in those schools they will be serving.**

This is the Trillium Contract to provide additional therapeutic supports in 4 schools (Fairview, RMS, RHS and RLA) that serve our students with the most complex behavioral and mental health challenges related to their special education eligibility. This is an effort to provide direct services to our students with IEPs, rather than using outside placements.

**Davis Elementary**

**How long will the portables remain in place?**

The portables are in good condition. If maintained, they can remain at Davis ES for as long as needed or to the end of their usable life span.

**Aren't there already 2 portables at Davis installed recently?**

No. Davis ES currently has no other portables other than the two being installed

**What's the plan long-term to address crowding at Davis? (If this is one of the schools slated for update in the next bond, then I get it).**

The Facilities Master Plan Report recommends replacement of the current facility with a new facility if a bond measure were to be approved.

**Wright Security**

**What about our SRO's (who we recently approved)? Isn't this duplicative to have both private security AND SRO's on our campuses?**

The Board did not approve a new contract with Multnomah Sheriffs Office . The board approved District Operations entering into negotiations with the county for a new contract for SROs at RHS, RMS and Walt Morey MS. There are not SROs currently assigned at those three schools.

**Who is asking for this extra security? (I'm focused mostly on during school hours, I understand the need for security evenings and weekends, given our recent catalytic converter thefts).**

The recommendation to contract for security services to assist with safety and situational awareness of any potential conflicts/incidents was made by PACE, the District's insurer. Operations will also be contracting with Wright Security on security at the bus yard during the night and on weekends.



## 21-22 SUPERINTENDENT EVALUATION GOALS AND STANDARDS

### Goals

**GOAL 1** – By June 2022, all 3<sup>rd</sup> grade students will increase from 22% to 30% reading at/above benchmark level.

**GOAL 2** – By June 2022, all 3<sup>rd</sup> grade English Language Learners (ELLs) will increase from 6% to 16% reading at/above benchmark level.

**GOAL 3** – By June 2022, all 3<sup>rd</sup> grade students receiving Special Education services will increase from 12% to 22% reading at/above benchmark level.

### Standards

#### **STANDARD 1** – Visionary District Leadership

- Leads a collaborative process with the board to design (or reaffirm) the district mission and vision that reflects a core set of values and priorities.
- Leads the diverse stakeholder involvement in the development (or revision) of the district's continuous improvement plan based upon the district's mission and vision.
- Implements the district's continuous improvement plan and communicate its progress.

#### **STANDARD 3** – Inclusive District Culture

- Develops and maintains a supportive, equitable, culturally responsive, and inclusive district culture.
- Evaluates, cultivates and advocates for equitable access to safe and nurturing schools, and the opportunities and resources necessary to support the success and well-being of each student.
- Ensures equitable, inclusive and culturally responsive instructional and behavior support practices among teachers, administrators and staff.

#### **STANDARD 4** – Culturally Responsive Instructional Leadership and Improvement

- Evaluates, designs, fosters, and implements coherent systems of curriculum instruction, supports, assessment, and instructional leadership.
- Implements coordinated systems of support, coaching and professional development for staff.
- Manages an appropriate system of assessments, data collection and analysis that supports instructional improvements, equity, student learning and well-being, and instructional leadership.
- Ensures instruction throughout the district utilizes culturally responsive practices and all staff are trained.



## 21-22 SUPERINTENDENT EVALUATION GOALS AND STANDARDS

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### **STANDARD 6** – Effective Organizational Management

- Implements equitable strategies, processes and systems to recruit, hire, develop and retain high performing personnel who demonstrate a shared commitment to student success.
- Establishes productive relationships with associations while managing labor relations and contracts effectively.
- Creates and maintains organizational structures that maximize the district’s capacity to positively impact student learning.
- Creates a comprehensive system of professional development for all staff to continuously improve and increase their leadership capacity.



*As a community, we prepare lifelong learners to achieve their full potential in a complex and interconnected world.*

To: Board of Directors

From: Dr. Christopher Ortiz, Assistant Superintendent of Student & Family Services and District Operations

Prepared by: Debra Miller, Director of Special Education

**Subject: Intergovernmental Agreement (IGA) between David Douglas School District and Reynolds School District**

Policy: [Special Education - IGBA](#)

Date: January 26, 2022

Action	<input checked="" type="checkbox"/>
Report	<input type="checkbox"/>

**Connection to School Board Core Beliefs and Commitments**

- Safety       Equity       Instructional Practice       Organizational Culture

**Strategic Plan Goal Topic 1: Marginalized Students**

In order to give voice to our marginalized populations, we will remove barriers, hold high academic expectations, and elicit and honor all voices.

**Summary:**

Intergovernmental Agreement (IGA) between Reynolds School District and David Douglas School District (DDSD) on behalf of Rosemary Anderson High School (RAHS) or Open School. The agreement states that David Douglas School District will provide Speech Language Pathology (SLP) services to Reynolds School District students attending either RAHS or Open School.

The proposed IGA covers services from July 1 , 2021 through June 30 , 2022. Staff is requesting Board authorization to enter into an Intergovernmental Agreement (IGA) with David Douglas School District (DDSD) on behalf of RAHS and Open School, for Speech Language Pathology (SLP) services to eligible Reynolds School District students through June 30 , 2022.

**Previous Board Action:**

The Board approved the previous Intergovernmental Agreement (IGA) between David Douglas School District and Reynolds School District on January 27, 2021.

**Background:**

The DDSD SLP will provide services to eligible students including developing Individualized Education Plans (IEPs), providing instruction, providing consultation to classroom teachers, maintaining special education records, and complying with all federal and state requirements for referral, screening, evaluation, and eligibility procedures.

**Financial Implications:**

DDSD will invoice Reynolds School District at least quarterly based on services performed. Cost for services will be billed at \$75.50 per hour. Reynolds shall remit payment to DDSD within 30 days of receipt of the invoice.

**Alternatives:**

Reynolds School District students served under this IGA require a level of support only DDSD can provide at the present time.

**Staff Recommendation:**

Staff recommends that the Board authorize the District to enter into an IGA with David Douglas School District on behalf of RAHS or Open School.

**Motion:**

- A. Motion Made by Board Member:
  - a. I move that the Board authorize the District to enter into an IGA with David Douglas School District on behalf of RAHS or Open School.
- B. Motion Seconded by Another Board Member
- C. Points of Clarification / Discussion
- D. Call for Board Vote



DDSD Contract ID#	<b>2122206</b>
Contractor Contract ID#	

**INTERGOVERNMENTAL AGREEMENT (IGA)**  
**between**  
**David Douglas School District No. 40**  
**and**  
**Reynolds School District No. 7**

Pursuant to authority granted in ORS Chapter 190; this Intergovernmental Agreement ("Agreement") is between **DAVID DOUGLAS SCHOOL DISTRICT NO. 40**, a public school district of the State of Oregon, hereinafter ("DDSD") and **REYNOLDS SCHOOL DISTRICT NO. 7**, a public school district of the State of Oregon ("RSD"); each separately a "Party" and collectively "the Parties."

The Parties mutually agree as follows:

**Term of Agreement.** The initial Agreement term shall be July 1, 2021 through June 30, 2022.

**Scope of Work.** The Parties shall perform the work described in Exhibit 1.

**Payment for Work.** RSD shall make payments to DDSD as noted in Exhibit 2.

**Agreement Documents.** This agreement consists of the following documents, which are listed in descending order of precedence:

- This Intergovernmental Agreement document,
- Exhibit 1 - Scope of Work,
- Exhibit 2 – Compensation,
- Exhibit 3 – RSD Insurance, and
- Exhibit 4 – DDSD Insurance.

A conflict in the Agreement documents shall be resolved in the priority listed above with this Agreement taking precedence over all other documents. These Agreement documents are the entire agreement between the Parties and shall supersede any prior representation, written or oral.

**STANDARD TERMS AND CONDITIONS**

1. **Relationship.** DDSD and RSD intend that the relationship between the Parties to be at all times and for all purposes under this Agreement that of independent contractors. Each Party shall be responsible exclusively for their respective officers, employees and agents.
2. **Subcontracts and Assignments.** Neither Party shall subcontract or assign any part of the Agreement without the prior written approval of the other Party.
3. **Termination.** This Agreement may be terminated as follows unless otherwise specified herein:

- a. **Mutual Agreement.** DDSD and RSD, by written mutual agreement, may terminate this Agreement at any time.
  - b. **For Convenience upon 60 days written notice.** Either Party may terminate the Agreement for convenience upon 60 calendar days written notice, except that if the services provided under the contract relate to a provision of special education services, the effective date of termination of services shall be 60 school days after the date the individualized education program team determines that the student's placement will be changed unless prohibited by law. Termination shall not prejudice any right or obligation of the parties already accrued under the Agreement prior to the effective date of termination.
  - c. **Breach.** Either Party may terminate this Agreement in the event of a material breach by the other Party. To be effective, the Party seeking termination must give the other Party written notice of the material breach, what actions the Party seeking termination wants the other Party to take/complete in order to cure the material breach, and of its intent to terminate if the material breach is not cured within 15 calendar days. The breaching Party shall give the non-breaching Party written notice of the actions it took/takes to cure the material breach before the 15 calendar days to cure expires. If the breaching Party does not entirely cure the material breach within 15 calendar days from the date of the notice from the non-breaching Party, this Agreement shall automatically terminate, unless the Parties mutually agree in writing to extend the timeline to cure.
  - d. Termination by either Party shall not constitute a waiver of any claim either Party may assert against the other Party under the terms of this Agreement. DDSD shall not be liable for indirect or consequential damages arising or resulting from early termination of this Agreement.
4. **Access to Records.** Each Party shall have access to the books, documents and other records of the other which are related to this Agreement for the purpose of examination, copying and audit, unless otherwise limited by law.
  5. **Confidentiality.** No reports, information, and/or data given to or prepared or assembled by the Parties under this Agreement shall be made accessible to any individual or organization by either Party without the prior written approval of the other Party, except as allowed by 20 USC 1232(g) (Family Educational Rights and Privacy Act, "FERPA").
  6. **FERPA Re-disclosure.** The Parties recognize that the Family Educational Rights and Privacy Act (FERPA) imposes strict penalties for improper disclosure or re-disclosure of confidential student information including but not limited to denial of access to personally identifiable information from education records for at least five years (34 CFR 99.33(e)). Therefore, consistent with the requirements of FERPA, personally identifiable information obtained by the Parties in the performance of this Agreement may not be re-disclosed to third parties without written consent of the students' parent/guardian and must be used only for the purposes identified in this Agreement.
  7. **Compliance with Applicable Law.** Each Party shall comply with all federal, state, and local laws and all regulations and administrative rules established pursuant to those laws applicable to public contracts and to the work done under this Agreement.

8. **Mutual Indemnity and Hold Harmless.** Subject to the conditions and limitations of the Oregon Constitution and the Oregon Tort Claims Act, ORS 30.260 through 30.300, as applicable to a local public body, DDSD shall indemnify, defend and hold harmless RSD, its officers, agents, and employees, from and against all liability, loss and costs arising out of or resulting from the negligent acts or omissions of DDSD, its officers, employees and agents in the performance of this Agreement. Subject to the conditions and limitations of the Oregon Constitution and the Oregon Tort Claims Act, ORS 30.260 through 30.300, as applicable to a local public body, RSD shall indemnify, defend and hold harmless DDSD, its officers, agents, and employees, from and against all liability, loss and costs arising out of or resulting from the negligent acts or omissions of RSD, its officers, employees and agents in the performance of this Agreement.
9. **Insurance.** RSD will provide proof of insurance coverage as provide in Exhibit 3.
10. **Governing Law.** The provisions of this Agreement shall be construed in accordance with the laws of the State of Oregon. Any legal action involving any question arising under this Agreement must be brought in Multnomah County Circuit Court. If the claim must be brought in a federal forum, then it shall be brought and conducted in the United States District Court for the State of Oregon. RSD AGREES TO THE JURISDICTION OF THESE COURTS.
11. **Unsupervised Contact with Students and Criminal Background Checks.** Unsupervised contact with students means contact that provides the person opportunity and probability for person communication or touch with students when not under direct DDSD supervision. As required by ORS 181.534 and 326.603, RSD will work with DDSD to ensure that RSD's employees, officers, subcontractors, and agents will have no direct, unsupervised contact with students while at any DDSD school or other DDSD location(s). RSD will work with DDSD to ensure compliance with this requirement. When unsupervised contact with students is required under a contract with DDSD, before any work begins under this Agreement, RSD shall ensure, at its expense, that any person RSD assigns to perform services under the contract meets all the State of Oregon's and DDSD's criminal background check requirements. DDSD will ensure its employees performing services under this contract will meet all the State or Oregon's and DDSD's criminal background check requirements.
12. **Licenses.** At all times during the term of this agreement, RSD and DDSD represent that they have any and all currently required licenses, certifications or other evidence of the necessary skills, abilities, and professional knowledge needed to carry out the terms of this Agreement.
13. **Merger Clause.** There are no covenants, promises, agreements, conditions, or understandings between the Parties, either oral or written, other than those contained in this Agreement and its Exhibit(s) as noted on page 1 of this agreement.
14. **Waiver, Severability.** Waiver of any default or breach under this Agreement by DDSD does not constitute a waiver of any subsequent default or a modification of any other provisions of this Agreement. If any term or provision of this Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the Parties shall be construed and enforced as if the Agreement did not contain the particular term or provision held invalid.

15. **Force Majeure.** Neither DDSD nor RSD shall be held responsible for delay or default caused by any contingency beyond its control, including, but not limited to war or insurrection, strikes or lockouts by the Parties' own employees, fires, natural calamities, riots, demands or requirements of governmental agencies other than DDSD or RSD.
16. **Representations.** RSD and DDSD represents and warrant that any and all work under this Agreement shall be performed in a good workmanlike manner and in accordance with the highest of professional standards.
17. **Employee, Agent, Subcontractor, or Officer Removal.** DDSD will immediately remove any DDSD employee, agent, subcontractor, or officer from performing any service(s) under this Agreement upon receipt of notification that RSD determined, in RSD's sole discretion, that removal of the employee, RSD, subcontractor, or officer is in RSD's best interest.
18. **Modification.** No waiver, consent, modification or change in the terms of this Agreement shall bind either Party unless in writing signed by both Parties. A written waiver, consent, modification or change shall be effective only in the specific instance and for the specific purpose given. Handwritten revisions made to this Agreement, which are not initialed and dated by both Parties, shall be deemed to have been rejected.
19. **Joint authorship.** RSD has reviewed this Agreement and negotiated for change to any language that RSD found vague. Accordingly, anyone constructing and/or interpreting this Agreement shall not construe any of its terms strictly against either Party.
20. **Time is of the essence.** Time of the essence in all terms, provisions, covenants, and conditions contained in this Agreement and its attachments.
21. **Performance audit.** DDSD will conduct a performance audit to determine whether the terms, conditions, obligations, agreements and understandings of this Agreement are met.
22. **Notices.** All notices or demands of any kind required or desired to be given by DDSD or RSD must be in writing and shall be deemed delivered upon depositing the notice or demand in the United States mail, certified or registered, postage prepaid, addressed to the respective Party at the address listed below.

David Douglas School District  
 Attn: Patt Komar  
 Director of Administrative Services  
 11300 NE Halsey St.  
 Portland, OR 97220

Reynolds School District  
 Attn: Matt Bennett  
 Director of Special Education  
 1204 NE 201st Ave.  
 Fairview, OR 97024

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*SIGNATURES ON NEXT PAGE*

I have read this Agreement including the attached Exhibit(s). I certify that I have the authority to sign and enter into this Agreement. I understand the Agreement and agree to be bound by its terms.

\_\_\_\_\_  
David Douglas School District  
Patt Komar  
Director of Administrative Services

\_\_\_\_\_  
Reynolds School District

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

## **EXHIBIT 1**

### **SCOPE OF WORK**

The Parties agree that DDSD staff will provide Speech Language Pathology (SLP) Services to Reynolds School District students attending either Rosemary Anderson High School (RAHS) or Open School.

DDSD will ensure that the speech language pathologist is appropriately licensed.

The designated DDSD SLP will provide the following services:

1. Develop Individualized Education Plans (IEPs) for eligible students.
2. Provide appropriate SLP instruction to eligible students as per the IEP.
3. Provide consultation to classroom teachers regarding specific student needs.
4. Maintain accurate and timely special education records for each student.
5. Comply with all federal and state requirements for referral, screening, evaluation, and eligibility procedures.

Reynolds SD will:

1. Identify a liaison to coordinate with DDSD regarding the contract.
2. Provide for any other specially designed instruction or related services required by the IEP for their students and be responsible for FAPE and due process for its students.

The Parties jointly will:

1. Be mutually involved and cooperate in the planning and coordination of referral and evaluation services for children.
2. Avoid duplication of services whenever possible by coordinating efforts for Child Find, referral, screening and evaluation.
3. Arrange a meeting at any time if either district recognizes the staffing needs have changed.
4. Comply with laws and policies related to the confidentiality of information gathered about children and families.
5. Provide services in good faith and establish a system for conflict resolution.
6. Cooperate in program reviews and participate in advisory committees as requested by either Party.
7. Report all allegations of child abuse and neglect to child welfare.

DDSD Contract ID#	<b>2122206</b>
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**EXHIBIT 2**  
**COMPENSATION**

DDSD will invoice RSD at least quarterly at the end of each calendar quarter based on services performed. Cost for services will be billed at \$75.50 per hour. RSD shall remit payment to DDSD within 30 days of receipt of the invoice.

RSD should direct billing questions to Accounts Receivable, David Douglas School District, Business Office, 11300 NE Halsey St., Portland, OR 97220, (503) 261-8220, [accounts\\_receivable@ddouglas.k12.or.us](mailto:accounts_receivable@ddouglas.k12.or.us).

**EXHIBIT 3  
RSD INSURANCE REQUIREMENTS**

**RSD shall at all times maintain in force, at RSD's expense, each insurance noted below:**

**Workers Compensation** insurance in compliance with ORS 656.017, which requires subject employers to provide workers' compensation coverage in accordance with ORS Chapter 656 for all subject workers. RSD and all subcontractors of RSD with one or more employees must have this insurance unless exempt under ORS 656.027.

THIS COVERAGE IS REQUIRED. Attach Certificate of Insurance.

**Professional Liability/E&O** insurance with a combined single limit of not less than  \$500,000,  \$1,000,000,  \$2,000,000 each claim, incident, or occurrence, with an annual aggregate limit of  \$500,000,  \$1,000,000,  \$2,000,000. This is to cover damages caused by error, omission, or negligent acts related to professional services provided under this Contract. This coverage must be provided and remain in force for two years after the completion of the contract.

Required by DISTRICT     Not required by DISTRICT

**Commercial General Liability** insurance, on an occurrence basis, with a limit of not less than  \$500,000,  \$1,000,000,  \$2,000,000 each occurrence for Bodily Injury and Property Damage, with an annual aggregate limit of  \$1,000,000,  \$2,000,000,  3,000,000. This insurance must include contractual liability coverage.

Required by DISTRICT     Not required by DISTRICT

**Commercial Automobile Liability** insurance with a combined single limit, or the equivalent of not less than  \$500,000,  \$1,000,000,  \$2,000,000 each occurrence for Bodily Injury and Property Damage, including coverage for owned, hired or non-owned vehicles.

Required by DISTRICT     Not required by DISTRICT

**Additional Requirements.** Coverage must be provided by an insurance company admitted to do business in Oregon or rated A- or better by Best's Insurance Rating. RSD shall pay all deductibles and retentions. A cross-liability clause or separation of insureds condition must be included in all commercial general liability policies required by this Contract. RSD's coverage will be primary in the event of loss.

**Certificate(s) of Insurance Required.** RSD shall furnish a current Certificate(s) of Insurance to the DISTRICT prior to contract execution. The Certificate(s) shall provide that there shall be no cancellation, termination, material change, or reduction of limits of the insurance coverage without 30 days' written notice from the RSD's insurer to the DISTRICT. The Certificate(s) shall also state the deductible or retention level. For commercial general liability, the Certificate shall also provide that the DISTRICT, its agents, officers, and employees are Additional Insureds with respect to RSD's services to be provided under this Contract. An additional insured endorsement shall be attached to the Certificate of Insurance. No work shall commence until the District receives the certificate and additional insured endorsement. If requested, complete copies of insurance policies shall be provided to the DISTRICT.

**In Lieu of Insurance.** In lieu of the insurance policies required by this Section, AGENCY may provide coverage through self-insurance or a self-insured retention plus insurance. If AGENCY elects to provide such coverage, it must do so in an amount and with coverage at least equal to the requirements of this Section in a form acceptable to the DISTRICT. AGENCY shall provide proof of self-insurance to DISTRICT before this Contract takes effect and thereafter upon request by the DISTRICT. AGENCY shall provide that there shall be no cancellation, termination, material change, or reduction of limits of the coverage without 30 days' written notice from the AGENCY to DISTRICT. DISTRICT will provide proof of insurance coverage to AGENCY.

**EXHIBIT 4  
DDSD INSURANCE REQUIREMENTS**

**DDSD shall at all times maintain in force, at DDSD's expense, each insurance noted below:**

**Workers Compensation** insurance in compliance with ORS 656.017, which requires subject employers to provide workers' compensation coverage in accordance with ORS Chapter 656 for all subject workers. DDSD and all subcontractors of DDSD with one or more employees must have this insurance unless exempt under ORS 656.027.

THIS COVERAGE IS REQUIRED. Attach Certificate of Insurance.

**Professional Liability/E&O** insurance with a combined single limit of not less than  \$500,000,  \$1,000,000,  \$2,000,000 each claim, incident, or occurrence, with an annual aggregate limit of  \$500,000,  \$1,000,000,  \$2,000,000. This is to cover damages caused by error, omission, or negligent acts related to professional services provided under this Contract. This coverage must be provided and remain in force for two years after the completion of the contract.

Required by DISTRICT     Not required

**Commercial General Liability** insurance, on an occurrence basis, with a limit of not less than  \$500,000,  \$1,000,000,  \$2,000,000 each occurrence for Bodily Injury and Property Damage, with an annual aggregate limit of  \$1,000,000,  \$2,000,000,  3,000,000. This insurance must include contractual liability coverage.

Required                                       Not required

**Commercial Automobile Liability** insurance with a combined single limit, or the equivalent of not less than  \$500,000,  \$1,000,000,  \$2,000,000 each occurrence for Bodily Injury and Property Damage, including coverage for owned, hired or non-owned vehicles.

Required                                       Not required

**Additional Requirements.** Coverage must be provided by an insurance company admitted to do business in Oregon or rated A- or better by Best's Insurance Rating. DDSD shall pay all deductibles and retentions. A cross-liability clause or separation of insureds condition must be included in all commercial general liability policies required by this Contract. DDSD's coverage will be primary in the event of loss.

**Certificate(s) of Insurance Required.** DDSD shall furnish a current Certificate(s) of Insurance to RSD prior to contract execution. The Certificate(s) shall provide that there shall be no cancellation, termination, material change, or reduction of limits of the insurance coverage without 30 days' written notice from the DDSD's insurer to the DISTRICT. The Certificate(s) shall also state the deductible or retention level. For commercial general liability, the Certificate shall also provide that the RSD, its agents, officers, and employees are Additional Insureds with respect to DDSD's services to be provided under this Contract. An additional insured endorsement shall be attached to the Certificate of Insurance. No work shall commence until the RSD receives the certificate and additional insured endorsement. If requested, complete copies of insurance policies shall be provided to the RSD.



*As a community, we prepare lifelong learners to achieve their full potential in a complex and interconnected world.*

To: Board of Directors

From: Dr. Christopher Ortiz, Assistant Superintendent of Student & Family Services and District Operations

Prepared by: Debra Miller, Director of Special Education

**Subject: Contracts – Serendipity Center Inc.**

Policy: [Special Education - Free Appropriate Public Education \(FAPE\) - IGBAJ](#)

Date: January 26, 2022

Action	<input checked="" type="checkbox"/>
Report	<input type="checkbox"/>

**Connection to School Board Core Beliefs and Commitments**

Safety     Equity     Instructional Practice     Organizational Culture

**Strategic Plan Goal Topic 1: Marginalized Students**

In order to give voice to our marginalized populations, we will remove barriers, hold high academic expectations, and elicit and honor all voices.

**Summary:**

Contract(s) between the Reynolds School District and Serendipity Center Inc. The Serendipity Center Inc. provides mental health and education services for students from kindergarten to high school needing intensive support and access to psychiatric medication management per their Individualized Education Program (IEP)

11 Reynolds School District students are projected to attend Serendipity Center in 2021-22.

The existing contract for services covered for the period of September 1<sup>st</sup>, 2020 through June 30<sup>th</sup>, 2021.

The proposed contract runs from September 1<sup>st</sup>, 2021 through June 30<sup>th</sup>, 2022. The proposed contract for 2020 ESY Program ran from July 1<sup>st</sup> through July 30<sup>th</sup>, 2021.

**Previous Board Action:**

The Board previously approved this agreement in September 2020, which expired June 30<sup>th</sup>, 2021.

**Background:**

Serendipity Center Inc. has historically provided mental health and education services to Reynolds School District students who require these services, based on their individual specific

needs outlined in their IEP. Currently, the district has 14 students enrolled at Serendipity Center, three of which required Extended School Year (ESY) services. The most recent contract expired June 30<sup>th</sup>, 2021.

**Financial Implications:**

The 2021-2022 budget includes allocation of funds for service at Serendipity Center Inc.

Serendipity Center 2021-2022 Therapeutic School Rates		
Services	Fully On-Campus	Notes
Lower School Placement (grades k through 8 <sup>th</sup> )	\$6,170/month	
Upper School Placement (grades 9 through 12+)	\$5625/month	Students in 8 <sup>th</sup> grade may be placed in high school room, as approved by the student's team; tuition would be the Upper School Rate.
Communication Room Placement (includes continuous support provided by an Individual Instructional Assistant)	\$8,940/month (tuition + IA)	
Therapeutic Classroom Placement and Continuous Support Provided by an Individual Instructional Assistant	\$8,940/month (tuition + IA)	Instructional Assistant provided for a student, as approved by the student's IEP team, with the participation of the School District representative, and documented in the student's IEP.
Speech/Language Services	\$40/15-minute unit of service \$250 for Evaluations	

**Alternatives:**

Currently, there are limited facilities that provide mental health and education services for K-12 students who need intensive support and psychiatric medication management.

**Staff Recommendation:**

Staff recommends that the Board authorize the district to enter into a contract with Serendipity Center Inc.

**Motion:**

- A. Motion Made by Board Member:
  - a. I move that the Board authorize the District to enter into a contract with Serendipity Center Inc.
- B. Motion Seconded by Another Board Member
- C. Points of Clarification / Discussion
- D. Call for Board Vote

**SERENDIPITY CENTER, INC.**  
**2021 Extended School Year (ESY)**  
**K-12 Therapeutic School Contract Amendment**  
**with**  
**REYNOLDS SCHOOL DISTRICT**

This Agreement, entered into by and between SERENDIPITY CENTER, INC. (Serendipity Center) and REYNOLDS PUBLIC SCHOOLS (District), is effective on July 1, 2021, for the 2021 Extended School Year Program, from July 12, 2021, through August 5, 2021 (the "2021 ESY Program").

District agrees to:

- District agrees to pay tuition to Serendipity Center, Inc. according to student placement(s) as follows:

<b>Serendipity Center 2021 ESY Program Rates</b>	
Service	Fully On-campus
Therapeutic Classroom Placement	\$3,830
Communication Classroom Placement (includes Instructional Assistant)	\$6,215
Therapeutic Classroom Placement & Instructional Assistant	\$6,215

- Instructional Assistant provided for a student, as approved by the student's IEP team, with the participation of the District representative, and as documented in the student's IEP.
  - Tuition charges will not accrue until the student has registered in the District and placement at Serendipity Center has been approved. Full tuition shown above will be charged for each student placed at Serendipity Center for the 2021 ESY Program; tuition charges will not be pro-rated for any student who, for any reason, does not complete the 2021 ESY Program, unless otherwise agreed to in writing by the parties. Tuition charges will be billed in August. Payment shall be made to Serendipity Center on a monthly basis and is due thirty (30) days from the date of the invoice.
- Based on state requirements, Serendipity is required to provide Comprehensive Distance Learning for a short period due to LPHA requiring a classroom to quarantine. During Serendipity's provision of CDL, the district agrees to provide breakfast & lunch in the same way students from their home schools are accessing meals. The geographical distance to our physical building makes Serendipity impossible as a food distribution site. Serendipity Case Managers will partner with the school district representatives to ensure that our families have local access to food. Serendipity will continue to supplement district meals from its garden and donations from the food bank as well as providing grocery gift cards for families experiencing food insecurity.

3. District will ensure a representative of District participates at the initial screening, IEP meetings, and any other meetings convened at the request of any member of the IEP team.
4. District will provide the name, title, phone number, and address of the person responsible for payment of invoices.
5. District will arrange and provide transportation services to/from Serendipity Center in a manner appropriate for the student (which may include, but is not limited to, school bus, public transportation tickets or passes, or cab) and reimburse Serendipity Center for the cost of providing alternative transportation if District does not provide scheduled transportation for any reason. On occasion, when a student is ill or for another reason must be sent home during the school day, and a parent/guardian is not available to transport the student, Serendipity Center may pay for the cost of transporting the student home.
6. District will determine if it is safe to provide transportation services to/from Serendipity Center in inclement weather. When Serendipity Center is open for a full or partial school day, District will provide transportation services to/from Serendipity Center when District determines that it is safe to do so. Serendipity will notify families & district transportation of changes in schedule due to inclement weather. District transportation will coordinate with families.
7. Subject to the conditions and limitations of the Oregon Constitution and Oregon Tort Claims Act (ORS 30.260 to 30.300), District shall indemnify, defend, and hold harmless Serendipity Center from and against all liability, loss, and costs arising out of or resulting from any negligent acts or omissions, tortious acts or omissions, or failure to comply with the terms of this Agreement by District its officers, employees, or agents, in the performance of this Agreement. This obligation shall survive the termination of this Agreement.

Serendipity Center is being employed as an independent contractor to provide the services stated. The compensation paid to Serendipity shall be for all materials, supplies, and labor required, necessary or convenient for Serendipity to provide services agreed upon. Serendipity shall be responsible for and shall indemnify and hold harmless from any governmental assessments resulting from Contractor's services or compensation, including but not limited to income tax, social security, worker's compensation, or employment insurance.

Serendipity agrees to:

1. Serendipity Center will comply with applicable federal and state laws regarding non-discrimination in enrollment and access to Serendipity Center's programs and services.
2. Serendipity Center will provide a program of instruction and employ staff in compliance with applicable federal and state laws regarding non-discrimination in employment. Perform criminal records/background checks on all employees. Serendipity Center requires fingerprint based criminal background through the Oregon Department of Education for all new employees. New employees may not have "unsupervised contact" with students until they have passed their criminal background check. Serendipity Center incurs all fees associated with background checks.

3. Serendipity Center will comply with all federal and state special education laws and provide special education and related services as approved by the student's IEP team, with the participation of the School District representative, and documented in the student's IEP.
4. Review the student's IEP prior to enrollment in the 2021 ESY Program and invite the District representative to attend all IEP team meetings and any other meeting convened at the request of any IEP team member during the 2021 ESY Program.
5. Serendipity Center will provide notice within two (2) business days to the District representative, to the extent required by law, if Serendipity Center receives written notice concerning a student's special education program or the services provided.
6. To maintain compliance with federal and state laws concerning the discipline of students with disabilities, Serendipity Center will provide notice within two (2) business days to the District representative if
  - a) a student has 7 or more suspension days in one school year so that the IEP team is aware it may need to hold a manifestation determination if the student reaches 10 days of suspension and/or
  - b) a student is in jeopardy of suspension in excess of two consecutive days or termination.
7. At the end of the ESY Program, Serendipity Center will furnish the district with an instructional hours report that will include a list of students from District who have been enrolled at Serendipity Center and their attendance. This report shall be attached to the ESY invoice. Serendipity Center agrees to maintain student membership and attendance records in compliance with the Oregon Department of Education's Oregon Student Personnel accounting manual.
8. Serendipity Center shall indemnify, defend and hold harmless District from and against all liability, loss, and costs arising out of or resulting from any negligent acts or omissions, tortious acts or omissions, or failure to comply with the terms of this Agreement by Serendipity Center, its officers, employees, or agents, in performance of this Agreement subject to the Oregon Tort Claims Act. This obligation shall survive the termination of this Agreement.
9. Serendipity Center shall comply with the requirements for public contractors under personal services contracts with a public body.
10. **Insurance.** Serendipity Center shall provide proof of the following insurance with a company acceptable to District,
  1. Workers' Compensation: Provide proof of workers' compensation in compliance with ORS 656.017, unless exempt under ORS 656.027.
  2. Commercial General Liability: Commercial General Liability Insurance in a combined single limit of not less than \$2 million with a \$3 million aggregate.
  3. Prior to the commencement of services under this contract, the Serendipity Center shall provide District with a certificate of liability insurance, form CG2010, and proof of sex abuse/molestation and professional liability coverage, naming District as an additional insured.

11. The parties recognize that the Federal Education Privacy Rights (FERPA) imposes strict penalties for improper disclosure or re-disclosure of confidential student information including but not limited to denial of access to personally identifiable information from education records for at least five (5) years (34 CFR 99.33(e)). Therefore, consistent with the requirements of FERPA, personally identifiable information obtained by either party in the performance of this Agreement may not be re-disclosed to third parties without written consent of the student's parents/guardians; and must be used only for the purposes identified in this Agreement.

THE PARTIES agree to:

12. This Agreement contains the entire agreement between the parties with respect to the 2021 ESY Program. This Agreement supersedes all previous negotiations, commitments and any other oral or written statements between the parties with respect to the 2021 ESY Program.
13. This Agreement may be modified only by written agreement signed by each party to this Agreement.
14. Serendipity and the district will comply with Ready School Safe Learning and ODE supplemental guidance as well as LPHA in providing safe and equitable services for students and their families while policies and procedures related to COVID-19 are still in place.
15. The district and Serendipity will pay and provide equivalent services should ODE/OHA and/or LPHA require a change in service delivery from full in-person to Comprehensive Distance Learning or Hybrid for a short period of time to reduce the spread of the virus. On days when Serendipity students are in attendance and are being provided Comprehensive Distance Learning sessions, District will provide breakfast and lunch meals. The meals will be made available by the district in a similar manner as the neighborhood school lunch programs. Serendipity Case Managers will identify school district representatives to assist with providing local access to food. Serendipity will continue to supplement these meals from various sources, such as the Serendipity garden, food bank donations, or grocery gift cards to assist with families experiencing food insecurity.
16. Neither party shall be responsible for delay, default, or termination of contract caused by any contingency beyond their control, including, but not limited to war or insurrection (whether declared or not); plague, epidemic, pandemic, outbreaks of infectious disease or any other public health crisis, including, but not limited to quarantine or other restrictions as directed by state or federal government; compliance with any law or governmental order, rule, regulation or direction; strikes or lockouts by the Parties' own employees; walkouts by the Parties' own employees; fires, natural calamities; riots; or requirement of governmental agencies.
17. The parties agree to indemnify and hold harmless each other for, from and against all claims, costs, expenses (including attorney fees), losses, damages, fines, charges, actions, or other liabilities solely to the extent arising from their own intentional or negligent acts or those of their agents, contractors, or employees and, to the extent applicable, the above indemnification is subject to and shall not exceed the limits of the Oregon Tort Claims Act (ORS 30.260 through 30.300) and the Oregon Constitution. The parties intend to provide reciprocal indemnity obligations. The parties acknowledge that the Oregon Tort Claims Act may not limit the liability

of Serendipity in the same manner as the other party. Accordingly, the parties agree Serendipity’s indemnity shall not exceed the indemnification limits of the District.

- 18. This Agreement may be terminated by either party to the Agreement only by providing written notice of the party’s intent to terminate the Agreement at least two weeks in advance of the termination, except that either party may terminate this contract immediately by providing written notice that it knows, or in good faith believes, that the other party has not complied with any applicable law or a material term of this Agreement. Suspension or revocation of Serendipity Center’s registration by the Oregon Department of Education will also result in automatic termination of this Agreement. Upon termination of this Agreement, District will be obligated to pay Serendipity Center for all services rendered and all reimbursable expenses incurred prior to the termination.
- 19. **Notices:** All notices or demands issued by District or Serendipity Center must be in writing and shall be deemed delivered upon depositing the notice or demand in the United States mail, certified or registered, postage prepaid, addressed to the respective Party at the address listed below:

District: Reynolds School District #7  
 Attn: Deb Miller  
 Address: 1204 NE 201st Ave  
 Address: Fairview, OR 97024

Serendipity Center, Inc.  
 Attn: Megan Pine  
 PO Box 33350  
 Portland OR 97292-3350

DISTRICT

SERENDIPITY CENTER, INC.

\_\_\_\_\_ Signature

Megan Pine Signature

Superintendent Position

Education & Compliance Director Position

\_\_\_\_\_ Date

5/27/21 Date

RSD Legal Approved: 6/18/2022

**SERENDIPITY CENTER, INC.**  
**2021 – 2022 School Year**  
**K-12 Therapeutic School Contract**  
**with**  
**[REYNOLDS SCHOOL DISTRICT]**

This Agreement, entered into by and between SERENDIPITY CENTER, INC. (Serendipity Center) and REYNOLDS PUBLIC SCHOOLS (District), is effective on SEPTEMBER 1<sup>ST</sup>, 2021, through JUNE 30<sup>th</sup>, 2022.

District agrees to:

1. District agrees to pay tuition to Serendipity Center, Inc. according to student placement(s) as follows:

<b>Serendipity Center 2021-2022 Therapeutic School Rates</b>		
Services	Fully On-Campus	Notes
Lower School Placement (grades k through 8 <sup>th</sup> )	\$6,170/month	
Upper School Placement (grades 9 through 12+)	\$5625/month	Students in 8 <sup>th</sup> grade may be placed in high school room, as approved by the student's team; tuition would be the Upper School Rate.
Communication Room Placement (includes continuous support provided by an Individual Instructional Assistant)	\$8,940/month (tuition + IA)	
Therapeutic Classroom Placement and Continuous Support Provided by an Individual Instructional Assistant	\$8,940/month (tuition + IA)	Instructional Assistant provided for a student, as approved by the student's IEP team, with the participation of the School District representative, and documented in the student's IEP.
Speech/Language Services	\$40/15-minute unit of service \$250 for Evaluations	

- Tuition charges will not accrue until the student has registered in the District and placement at Serendipity Center has been approved. Tuition will be pro-rated for partial calendar months at the time of enrollment or discharge based on the number of school days in such month. Payment shall be made to Serendipity Center on a monthly basis and is due thirty (30) days from the date of the invoice.
- Some students benefit from a partial day schedule for a period of time. District will be billed full tuition for each student on a partial-day schedule to attend fourteen or more hours per week, and half tuition for each student on a partial-day scheduled to attend less than fourteen hours per week. For any student enrolled for partial days but still requiring an Instructional Assistant, district will be billed for the full fee for the

Instructional Assistant, regardless of hours attended. This allows Serendipity to maintain the staff resources necessary to meet continuous support needs.

2. Based on state requirements, Serendipity is required to provide Comprehensive Distance Learning for a short period due to LPHA requiring a classroom to quarantine. During Serendipity's provision of CDL, the district agrees to provide breakfast & lunch in the same way students from their home schools are accessing meals. The geographical distance to our physical building makes Serendipity impossible as a food distribution site. Serendipity Case Managers will partner with the school district representatives to ensure that our families have local access to food. Serendipity will continue to supplement district meals from its garden and donations from the food bank as well as providing grocery gift cards for families experiencing food insecurity.
3. District will provide psychological evaluation services for the purpose of determining continued eligibility or new eligibilities for special education and related services for students enrolled at Serendipity Center. District will be responsible for conducting initial evaluations and three-year re-evaluations for District students enrolled at Serendipity Center. Serendipity Center will collaborate with District to assess students as a part of the evaluation as determined in the Eligibility Planning Meeting.
4. If a student's IEP indicates speech/language services, District may either provide the services or opt for Serendipity Center's Speech and Language Pathologists to deliver the service. If District elects to have Serendipity Center provide the speech/language services, the charges will be included on monthly invoice(s) and billed at a rate of forty (\$40) per 15-minute unit for specially designed instruction and/or related services. Speech/Language evaluations conducted by Serendipity Center will be billed at the flat rate of two hundred fifty dollars (\$250) upon prior District approval. Please initial one of the following options:  
 \_\_\_\_\_ **District will provide speech/language services as indicated on student IEP(s).**  
  X   **District approves Serendipity Center to provide the speech/language services indicated on student IEP(s) and agrees to pay for those services as explained above.**
5. District will provide ELL services including ELPA, consultation, and/or direct service or monitoring.
6. District will provide student records, as outlined on Serendipity Center's referral forms, at least one week prior to initial screening of the student by Serendipity Center.
7. District will ensure a representative of District participates at the initial screening, IEP meetings, and any other meetings convened at the request of any member of the IEP team.
8. District will provide the name, title, phone number, and address of the person responsible for payment of invoices.
9. District will provide Serendipity Center with any statewide assessment forms appropriate for each student enrolled during the statewide assessment testing window. District will communicate assessment results with the parent/guardian and will also provide those results to Serendipity Center.

10. District will arrange and provide transportation services to/from Serendipity Center in a manner appropriate for the student (which may include, but is not limited to, school bus, public transportation tickets or passes, or cab) and reimburse Serendipity Center for the cost of providing alternative transportation if District does not provide scheduled transportation for any reason. On occasion, when a student is ill or for another reason must be sent home during the school day, and a parent/guardian is not available to transport the student, Serendipity Center may pay for the cost of transporting the student home.
11. District will determine if it is safe to provide transportation services to/from Serendipity Center in inclement weather. When Serendipity Center is open for a full or partial school day, District will provide transportation services to/from Serendipity Center when District determines that it is safe to do so. Serendipity will notify families & district transportation of changes in schedule due to inclement weather. District transportation will coordinate with families.
12. Subject to the conditions and limitations of the Oregon Constitution and Oregon Tort Claims Act (ORS 30.260 to 30.300), District shall indemnify, defend, and hold harmless Serendipity Center from and against all liability, loss, and costs arising out of or resulting from any negligent acts or omissions, tortious acts or omissions, or failure to comply with the terms of this Agreement by District its officers, employees, or agents, in the performance of this Agreement. This obligation shall survive the termination of this Agreement.

Serendipity Center is being employed as an independent contractor to provide the services stated. The compensation paid to Serendipity shall be for all materials, supplies, and labor required, necessary or convenient for Serendipity to provide services agreed upon. Serendipity shall be responsible for and shall indemnify and hold harmless from any governmental assessments resulting from Contractor's services or compensation, including but not limited to income tax, social security, worker's compensation, or employment insurance.

Serendipity agrees to:

1. Serendipity Center will comply with applicable federal and state laws regarding non-discrimination in enrollment and access to Serendipity Center's programs and services.
2. Serendipity Center will provide a program of instruction and employ staff in compliance with applicable federal and state laws regarding non-discrimination in employment. Perform criminal records/background checks on all employees. Serendipity Center requires fingerprint based criminal background through the Oregon Department of Education for all new employees. New employees may not have "unsupervised contact" with students until they have passed their criminal background check. Serendipity Center incurs all fees associated with background checks.
3. Serendipity Center will provide documentation of compliance with all standards for private alternative schools, including its annual statement of expenditures, for District's annual Alternative Education Annual Program Evaluation.
4. Serendipity Center will comply with all federal and state special education laws and provide special education and related services as approved by the student's IEP team, with the participation of the School District representative, and documented in the student's IEP.

5. Serendipity Center will provide notice within two (2) business days to the District representative, to the extent required by law, if Serendipity Center receives written notice concerning a student's special education program or the services provided.
6. In addition to the instructional program, Serendipity Center will provide mental health assessment and/or treatment services including clinical case management, as indicated by a signed consent form by the students' parent(s)/guardian(s).
7. Review the student's IEP prior to enrolling in Serendipity Center and conduct an annual IEP review as required by state and federal law. Serendipity Center will draft subsequent IEPs and invite the District representative to attend all IEP team meetings and any other meeting convened at the request of any IEP team member. Serendipity Center will coordinate with any outside related service providers and consult with Occupational Therapists, Physical Therapists, Autism Specialists, and other related service providers.
8. Upon request by District, provide student assessment information to District to determine ongoing eligibility for special education and related services. For purposes of this Agreement, student assessment information means classroom work samples, informal and formal academic assessments, observations, and behavioral and observational surveys.
9. Serendipity Center will designate a Test Coordinator who will:
  1. Attend Test Administration and Security training from a District Test Coordinator.
  2. Read the 2021-2022 Test Administration Manual.
  3. Make a good faith effort to provide the opportunity for all students to participate in testing in accordance with the 2021-2022 Test Administration Manual and School Test Coordinator Guidelines.
  4. Follow all testing accommodations documented in the student's IEP, as applicable.
  5. Provide copies of signed test assurances to District Test Coordinator prior to the start of testing.
6. Serendipity Center will maintain the confidentiality of student records, as required by federal and state law. Serendipity Center will forward student records to District whenever a student exits Serendipity Center and/or upon the district's request. Report cards or progress reports shall be submitted to the district at least annually for each student.
7. Upon a student's withdrawal from Serendipity Center, Serendipity Center will provide the reason for withdrawal, including disenrollment, graduation, GED attainment, or other reasons for exiting Serendipity Center's program to District's Student Services department.
8. To maintain compliance with federal and state laws concerning the discipline of students with disabilities, Serendipity Center will provide notice within two (2) business days to the District representative if
  - a) a student has 7 or more suspension days in one school year so that the IEP team is aware it may need to hold a manifestation determination if the student reaches 10 days of suspension and/or
  - b) a student is in jeopardy of suspension in excess of two consecutive days or termination.
9. On a monthly basis, Serendipity Center will furnish the district with an instructional hours report that will include a list of students from District who have been enrolled at Serendipity Center

and their attendance. This report shall be attached to the monthly invoice. Serendipity Center agrees to maintain student membership and attendance records in compliance with the Oregon Department of Education's Oregon Student Personnel accounting manual.

10. Serendipity Center will notify the district when a student has not attended for 6 consecutive days to ensure the IEP team has advance notice if a student is at jeopardy of non-attendance of 10 consecutive days. If a student is absent for 10 consecutive school days, the student will be unenrolled on the 11<sup>th</sup> day, unless District and Serendipity Center agree in writing that the student will continue to be enrolled at Serendipity Center. Re-enrollment must be approved by District and Serendipity Center.
11. Serendipity Center will offer all students no less than the minimum number of instructional hours required by the state minimum instructional hours requirement, except in accordance with any partial-day schedule documented in a student's IEP. Serendipity Center may, with reasonable notice to District, modify its academic calendar to comply with the state minimum instructional hours requirement, including adding school days and/or extending scheduled school hours.
12. Serendipity Center shall indemnify, defend and hold harmless District from and against all liability, loss, and costs arising out of or resulting from any negligent acts or omissions, tortious acts or omissions, or failure to comply with the terms of this Agreement by Serendipity Center, its officers, employees, or agents, in performance of this Agreement subject to the Oregon Tort Claims Act. This obligation shall survive the termination of this Agreement.
13. Serendipity Center shall comply with the requirements for public contractors under personal services contracts with a public body.
14. **Insurance.** Serendipity Center shall provide proof of the following insurance with a company acceptable to District,
  1. **Workers' Compensation:** Provide proof of workers' compensation in compliance with ORS 656.017, unless exempt under ORS 656.027.
  2. **Commercial General Liability:** Commercial General Liability Insurance in a combined single limit of not less than \$2 million with a \$3 million aggregate.
  3. Prior to the commencement of services under this contract, the Serendipity Center shall provide District with a certificate of liability insurance, form CG2010, and proof of sex abuse/molestation and professional liability coverage, naming District as an additional insured.
15. The parties recognize that the Federal Education Privacy Rights (FERPA) imposes strict penalties for improper disclosure or re-disclosure of confidential student information including but not limited to denial of access to personally identifiable information from education records for at least five (5) years (34 CFR 99.33(e)). Therefore, consistent with the requirements of FERPA, personally identifiable information obtained by either party in the performance of this Agreement may not be re-disclosed to third parties without written consent of the student's parents/guardians; and must be used only for the purposes identified in this Agreement.

THE PARTIES agree to:

1. This Agreement contains the entire agreement between the parties with respect to the 2021-2022 school year. This Agreement supersedes all previous negotiations, commitments and any other oral or written statements between the parties with respect to the 2021-2022 school year.
2. This Agreement may be modified only by written agreement signed by each party to this Agreement.
3. Serendipity and the district will comply with Ready School Safe Learning and ODE supplemental guidance as well as LPHA in providing safe and equitable services for students and their families while policies and procedures related to COVID-19 are still in place.
4. The district and Serendipity will pay and provide equivalent services should ODE/OHA and/or LPHA require a change in service delivery from full in-person to Comprehensive Distance Learning or Hybrid for a short period of time to reduce the spread of the virus. On days when Serendipity students are in attendance and are being provided Comprehensive Distance Learning sessions, District will provide breakfast and lunch meals. The meals will be made available by the district in a similar manner as the neighborhood school lunch programs. Serendipity Case Managers will identify school district representatives to assist with providing local access to food. Serendipity will continue to supplement these meals from various sources, such as the Serendipity garden, food bank donations, or grocery gift cards to assist with families experiencing food insecurity.
5. Neither party shall be responsible for delay, default, or termination of contract caused by any contingency beyond their control, including, but not limited to war or insurrection (whether declared or not); plague, epidemic, pandemic, outbreaks of infectious disease or any other public health crisis, including, but not limited to quarantine or other restrictions as directed by state or federal government; compliance with any law or governmental order, rule, regulation or direction; strikes or lockouts by the Parties' own employees; walkouts by the Parties' own employees; fires, natural calamities; riots; or requirement of governmental agencies.
6. The parties agree to indemnify and hold harmless each other for, from and against all claims, costs, expenses (including attorney fees), losses, damages, fines, charges, actions, or other liabilities solely to the extent arising from their own intentional or negligent acts or those of their agents, contractors, or employees and, to the extent applicable, the above indemnification is subject to and shall not exceed the limits of the Oregon Tort Claims Act (ORS 30.260 through 30.300) and the Oregon Constitution. The parties intend to provide reciprocal indemnity obligations. The parties acknowledge that the Oregon Tort Claims Act may not limit the liability of Serendipity in the same manner as the other party. Accordingly, the parties agree Serendipity's indemnity shall not exceed the indemnification limits of the District.
7. This Agreement may be terminated by either party to the Agreement only by providing written notice of the party's intent to terminate the Agreement at least two weeks in advance of the termination, except that either party may terminate this contract immediately by providing written notice that it knows, or in good faith believes, that the other party has not complied with any applicable law or a material term of this Agreement. Suspension or revocation of Serendipity Center's registration by the Oregon Department of Education will also result in automatic termination of this Agreement. Upon termination of this Agreement, District will be obligated to pay Serendipity Center for all services rendered and all reimbursable expenses incurred prior to the termination.

- 8. **Notices:** All notices or demands issued by District or Serendipity Center must be in writing and shall be deemed delivered upon depositing the notice or demand in the United States mail, certified or registered, postage prepaid, addressed to the respective Party at the address listed below:

District: Reynolds School District  
 Attn: Deb Miller  
 Address: 1204 NE 201st Ave  
 Address: Fairview, OR 97024

Serendipity Center, Inc.  
 Attn: Megan Pine  
 PO Box 33350  
 Portland OR 97292-3350

DISTRICT

SERENDIPITY CENTER, INC.

\_\_\_\_\_  
 Signature  
 Superintendent  
 \_\_\_\_\_  
 Position  
 \_\_\_\_\_  
 Date

\_\_\_\_\_  
 Signature  
 Education & Compliance Director  
 \_\_\_\_\_  
 Position  
 6/3/21  
 \_\_\_\_\_  
 Date

RSD Legal Approved: 1/9/2022  
 Board Approved:

To: Board of Directors

From: Dr. Sara Hahn-Huston, Executive Director of Schools

Prepared by: Deithra Archie, Reynolds High School Assistant Principal/Director of Athletics  
Kyle Swoboda, Reynolds High School Varsity Baseball Coach

**Subject: Reynolds High School Varsity Baseball Overnight Spring Break Trip**

Policy: [Field Trips and Special Events – IICA](#)

Date: January 26, 2022

Action	<input checked="" type="checkbox"/>
Report	<input type="checkbox"/>

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**Connection to School Board Core Beliefs and Commitments**

Safety       Equity       Instructional Practice       Organizational Culture

**Strategic Plan Goal Topic 3: Student and Staff Wellness**

We will promote a healthy learning and working environment which provides students and staff with the skills, social support, and environmental reinforcement they need to adopt long-term, healthy behaviors.

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**Summary:**

The Reynolds High School Varsity Baseball team is scheduled in a four-day, four-game tournament in Boise, ID. The tournament is jointly run by several high schools in the Boise area. Reynolds High School's inclusion in this event was finalized during the State-wide Scheduling Committee's April 2021 meeting. The trip will involve 16 student-athletes.

The team will depart from Reynolds Middle School on Wednesday, March 23, 2022, and travel by district van to Boise, ID. The team will depart from Reynolds Middle School at 9:00 am. The arrival time will be at 4:00 pm at the Hampton Inn, 3270 S. Shoshone, Boise, ID 83705.

The team will play one game on Thursday, March 24<sup>th</sup>, two games on Friday, March 25<sup>th</sup>, and one game on Saturday, March 26<sup>th</sup> at 10:30 am. The team will depart for Reynolds Middle School after the conclusion of the game on Saturday; however, it is likely that they will stop for lunch/dinner prior to arriving in Fairview.

The head baseball coach, Kyle Swoboda, will drive the team in a school district van. Additional chaperones for this trip will include Assistant Baseball Coaches; Kyle Well (Certified teacher at

Reynolds High School), Ryan Aldred (Certified teacher at Reynolds High School), Bryan Scott (Classified employee at Reynolds High School), and Beau Holstad (Asst. Coach/Clack Co. Sheriffs Supervisor).

**Previous Board Action:**

This trip is similar to the board-approved trip the varsity baseball team took 3 years ago (2019 spring break) to Boise, ID.

**Background:**

This trip will provide valuable educational experiences in character education and personal responsibility, as well as teaching integrity and ethics, developing teamwork, and promoting positive self-esteem. In addition, participants will be expected to serve as outstanding representatives of Reynolds High School and our baseball program. We also believe this trip will help establish the bonds of trust and respect that will help our athletes function as a team, especially in the face of the inevitable adversity they will face during the season.

**Financial Implications:**

The estimated expenses for lodging will not exceed \$1500 and will be covered from funds currently available in the Reynolds High School Baseball ASB account. The transportation expenses for the district van will be paid from the Reynolds High School Athletics Transportation allotment for the 2021-22 school year. Meals will be provided by parent volunteers who attend the tournament. Meal money will also be raised through fundraising opportunities before we leave for the trip. No player will be excluded.

**Alternatives:**

If this trip request is denied, the Reynolds High School Varsity Baseball team will forfeit the opportunity to participate in four non-league, pre-season games. And while the impact on the team's overall development is difficult to predict, it is likely that both students and parents would question the decision to deprive them of the opportunity to play a full schedule.

**Staff Recommendation:**

As the Athletic Director at Reynolds High School, I fully support this opportunity for team bonding and an appropriate level of competition in a relatively dry climate within driving distance of our high school.

**Motion:**

- A. Motion Made by Board Member:
  - a. I move to approve the Reynolds High School Varsity Baseball Team's overnight trip request, as presented.
- B. Motion Seconded by Another Board Member
- C. Points of Clarification / Discussion
- D. Call for Board Vote



## **Field Trips and Special Events\*\***

The board recognizes the educational value of field trips and co-curricular activities involving transportation. The board is also accountable for expenditures and the effective and legal use of district vehicles. Therefore, all trips and costs must be approved within the following policy:

1. Principals, by delegation from the superintendent, may authorize the use of district vehicles for educational field trips and state sanctioned co-curricular activities for which funds have been budgeted.

Principals may also authorize the use of district vehicles for other school-related activities. Expenses for such activities shall be paid by the participants or student organizations;

2. Overnight trips shall have the approval of the principal and be brought to the attention of the superintendent. Parents shall be provided an itinerary and give permission for student participation prior to the trip. Expenses for unbudgeted trips must be paid by the participants or student organizations;
3. Trips over an extended number of days require approval from the principal and the superintendent. Expenses are to be paid by the participants or student organizations. Use of district vehicles must be approved by the superintendent.

Emergency procedure plans and itineraries must be filed with the superintendent and the principal prior to the trip;

4. Scheduled departure times shall be maintained. Planned refreshment stops may be made on long trips. Discretion must be exercised in the duration of such stops. Refreshment stops must no unduly delay the return of the bus to the school;
5. Chaperons will maintain discipline and are responsible for the safety of students on educational field trips and co-curricular activity trips. However, bus drivers shall have the ultimate authority involving safety and disciplinary decisions relating to travel;
6. Students demonstrating unruly behavior may be prohibited from participating in future educational field trips or co-curricular trips. Disciplinary action is the responsibility of the principal or designee;
7. Students attending school functions via school transportation will return by the same transportation. The only exception will be if a parent requests, in person, of the supervisor that the student return with the parent;

8. Trips occurring outside the school year require the approval of the principal, the superintendent and the board. Expenses for such trips shall be paid by the participants or student organizations. Use of district vehicles beyond a 25 mile radius, for other than league competitions or other than a one-day basis, may be permitted. Legal and effective use of vehicles will be ascertained by the superintendent.

Emergency procedure plans and itineraries must be filed with the principal and the superintendent;

9. A bus field trip request for less than 15 people will not be authorized. If, upon arrival at the pick up site, there are less than 10 students and chaperons to be transported, the field trip will be cancelled;
10. Student travel requests over 100 mile round trip must be board approved;

**Reynolds School District**  
**INITIAL REQUEST FOR STUDENT TRAVEL OVER 100 MILES ROUND TRIP**

Name of Group: Reynolds Varsity Baseball School: Reynolds High School

Note: This initial request must be submitted and approved 30 days before any commitment can be made or before any money-making activities can be started.

Date Request Submitted: 1/24/2022 Date(s) of Activity: 3/23 - 3/36/2022

If sufficient space is not available on this form, supporting data should be attached.

1. Purpose of the trip. (Complete related section on the next page.)  
*Team building and goal setting while being able to compete in a dry climate.*
2. List staff member(s) responsible for students. List all other supervisors on trip.  
*Kyle Swoboda, Head coach; Kyle Well, Ryan Aldred, Beau Holstad, Bryan Scott, Assistant coaches.*
3. School equipment to be used:  
*RSD 13 passenger van, driver Coach Kyle Swoboda/Bryan Scott*
4. Lodging:  
*Hampton Inn 3270 South Shoshone Street Boise, ID 83705*
5. Will Student Travel Insurance be obtained? \_\_\_\_\_ Yes  No
6. Estimated number of students: 14-16 Number of supervisors: 5
7. Parent permission slip on file:  Yes \_\_\_\_\_ No
8. Person or persons initiating request: Kyle Swoboda Date: 1/24/2022
9. Principal approval: \_\_\_\_\_ Date: 1/7/2019

Decision: Preliminary approval to continue with planning \_\_\_\_\_ Yes \_\_\_\_\_ No

If denied, reason \_\_\_\_\_

District Activities Coordinator Date

Final Approval \_\_\_\_\_ Yes \_\_\_\_\_ No

\_\_\_\_\_  
District Activities Coordinator

\_\_\_\_\_  
Date

**Reynolds School District**  
**PURPOSE OF TRIP**

1. List itinerary.  
*See attached*
  
2. What are the objectives of the trip and how are the experiences provided on the trip related to the class or school program?  
*To play four pre-season games, building skills on anticipating plays and reactions from non-local teams. We also believe this trip will help establish the bonds of trust and respect that will help our athletes function as a team.*
  
3. How will the activities on the trip provide opportunities for students to obtain new skills, insights, knowledge or appreciations?  
*This trip will provide valuable educational experiences in character education and personal responsibility, as well as teaching integrity and ethics, developing teamwork and promoting positive self-esteem. In addition, participants will be expected to serve as outstanding representatives of Reynolds High School, and our baseball program.*
  
4. What effect does the trip have on other classes or programs?  
*When Reynolds athletes have the opportunity to experience non-league contests, it provides them rich life experiences that are un-matched in the classroom. It also allows these students to develop life skills that can help contribute to a more positive way in classes and other programs they are involved in. Moreover, when Raiders are given public exposure, it gives fans, classmates and alumni School Pride—All Sports programs and the whole High School can celebrate the wonderful opportunity and successes provided by our school*
  
5. Estimated cost of trip \$ \$1,500. Describe how the trip will be funded. (School funding? Fund raisers? Student/Parent funding?)  
*Lodging will not exceed \$800.00. Lodging and fuel are to be covered from funds currently available in the RHS athletics travel and transportation budget. Meals will be provided by parent volunteers who attend the tournament as well as ASB Boys Baseball funds. Team members with financial hardship will still be eligible to make the trip.*
  
6. Describe methods of transportation. List names of drivers, types of automobiles, and whether a Type 10/20 license will be required for drivers (see Policy EEAE).  
*One of the RSD 13 passenger activity vehicles will be reserved for the team. Assistant coaches will drive personal vehicles as needed. Parents will drive themselves.*
  
7. Describe supervision plans to ensure maximum safety for students.

*Coaching staff will have direct supervision at all times during the trip. Room assignments will be designated by coaches and a lights out time will be enforced. Coaches will perform regular bed-checks.*

**Reynolds School District**  
**STUDENT CONTRACT: FIELD TRIPS AND AWAY-FROM-SCHOOL ACTIVITIES**

To: Student and Parent(s)

The Reynolds School District is proud of its students and is confident that in most circumstances student conduct on field trips and away-from-school activities will be reasonable and prudent. However, in the event that a student chooses not to abide by the rules established by the adult(s) in charge, he/she should be aware of the consequences. The student should fill in the information requested below and sign the contract. If the student is under 18 years of age, his/her parent should also sign.

Student Name: \_\_\_\_\_

School: Reynolds High School

Description of field trip/activity: Varsity Baseball @ Boise, ID Bucks Bag Tournament

Location/Destination: Hampton Inn 3270 S. Shoshone, Boise, ID 83705

Date(s) of field trip/activity: March 23 – March 26, 2022

Name(s) of person in charge of field trip/activity: Kyle Swoboda – Head Coach and Four Assistants

I understand that the above named trip is an official school activity and that all rules and regulations applying in the Reynolds School District are in effect. Among these rules are the following:

1. All directions and guidelines established by the adult(s) in charge will be followed;
2. There will be no use of alcoholic beverages or other drugs at any time;
3. There will be no smoking while on the bus or van;
4. All established time schedules will be followed;
5. Reasonable and proper behavior will be maintained at all times during the trip.

I recognize that in the case of serious violation of the rules, that my parent(s) will be called collect and that I will be sent at home at their expense.

Student Signature \_\_\_\_\_ Date \_\_\_\_\_

Parent Signature \_\_\_\_\_ Date \_\_\_\_\_

(Complete student health history on next page.)

**Reynolds School District**  
**HEALTH HISTORY FOR SCHOOL FIELD TRIPS**

Student Name: \_\_\_\_\_  
Birth Date: \_\_\_\_\_  
Address: \_\_\_\_\_  
Home Telephone: \_\_\_\_\_  
Parent/Guardian Name: \_\_\_\_\_  
Home Telephone: \_\_\_\_\_  
Work Telephone: \_\_\_\_\_  
Parent/Guardian Name: \_\_\_\_\_  
Home Telephone: \_\_\_\_\_  
Work Telephone: \_\_\_\_\_

Person to be called in case of emergency if parent/guardian cannot be reached:

Name: \_\_\_\_\_  
Relationship: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Physician: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Last Tetanus Shot: \_\_\_\_\_

Please list any allergies (bee sting, medications, etc.) or illness that the school should be aware of:  
Medications student is currently taking:

Any special information/instructions concerning medication:

I hereby give my permission for non-prescription medication (for example, aspirin) to be given to my child if deemed advisable by designated school personnel. In case of surgical emergency, I hereby give permission to the physician selected by the school director, or in his/her absence, his/her designee, to hospitalize, secure treatment for and to order injections, anesthesia or surgery for my child as named above.

Any directions to the contrary should be specified on the reverse side of this form and signed.

Activity:

\_\_\_\_\_  
Parent/Guardian Signature

\_\_\_\_\_  
Date

## **VARSITY BASEBALL SPRING BREAK 2019**

### **BUCKS BAG TOURNAMENT**

Wednesday, 3/23/2022

**DEPART:** @ 9:00am from Reynolds Middle School

- Coach Swoboda will drive a RSD van that players will ride
- Coach Well will take all players baseballs bags and clothes bag in his vehicle

**\*\* We will stop in LaGrande or Pendleton for a pit stop to get food and use restroom\*\***

**ARRIVAL:** Approx. 4:00pm at the Hampton Inn Boise Airport 3270 S. Shoshone Boise, Idaho 83705

- We will get dinner as a team this night

Thursday, 3/24/22

Wake Players at 9:00am

- Eat breakfast provided by Hotel
- Whiffle ball & Basketball Tournament
- Lunch as a team

Depart for game at 4:00PM from Hotel

**Address:** Eagle High School: 574 N. Park Ln. Eagle, ID 83616

**\*\*Game @ Eagle High School vs. Eagle High School at 6pm\*\***

Will get dinner as a team on way back to hotel

Friday, 3/25/22

Wake Players at 9:00am

- Eat breakfast provided by Hotel
- Hang out at Hotel
- Lunch @ 12:00pm

Depart for games at 1:30pm from Hotel

**Address:** Borah High School: 6001 W. Cassia St. Boise, ID 83709

**\*\* Game @ Borah High School vs. Timberline High School at 3:30pm\*\***

**\*\* Game @ Borah High School vs. Borah High School at 6:00pm\*\***

Snacks/Drinks provided by parents in between games (Paid by RHS Baseball)

Saturday, 3/26/22

Wake players at 7:00am

- Eat breakfast provided by Hotel

Check out of Hotel at 8:00am

Depart for game at 8:15am from Hotel

**Address:** Skyview High School: 1303 E. Greenhurst Rd. Nampa, ID 83686

**\*\*Game @ Skyview High School vs. Skyview High School at 10:00am\*\***

We will grab a bite to eat before heading home

Will stop in LaGrande or Pendleton for a pit stop to get food and use restroom

Arrive back at Reynolds Middle school approx. at 8:30pm

\*\*\*\*\*

**RHS BASEBALL** Will provide & buy all meals for players on Thursday and Friday and Dinner Wednesday.

**RHS BASEBALL** will also pay for any team activity that is done during the week.

**Players** will need to provide themselves lunch on Wednesday and Lunch on Saturday.

\*\*\*\*\*



*As a community, we prepare lifelong learners to achieve their full potential in a complex and interconnected world.*

To: Board of Directors  
From: Anthony Lebron, Chief Financial Officer  
Prepared by: J.R. Shellmire, Executive Assistant to the CFO  
**Subject: Budget Priorities Adoption FY 2022-2023**  
Policy: [Budget Priorities – DBD](#)  
Date: January 26, 2022

Action	<input checked="" type="checkbox"/>
Report	<input type="checkbox"/>

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**Connection to School Board Core Beliefs and Commitments**

- Safety       Equity       Instructional Practice       Organizational Culture

**Strategic Plan Goal Topic 3: Student and Staff Wellness**

We will promote a healthy learning and working environment which provides students and staff with the skills, social support, and environmental reinforcement they need to adopt long-term, healthy behaviors.

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**Summary:**

On November 1<sup>st</sup> and 10<sup>th</sup> 2021, Budget Input Sessions were held with Reynolds School District Staff and Community. The purpose of these sessions was to facilitate open discussion and input on priorities for the 2022-2023 Budget with staff, students, family and community. These sessions were a combined interactive process, with a presentation for the development of a basic understanding of Reynolds budgets and breakout meeting rooms for group discussions. A comprehensive report from these sessions had been put together for the Board’s review and discussion during the December 8, 2021 Board Work Session.

**Previous Board Action:**

The Board adopts budget priorities annually.

**Background:**

Budget Input Sessions were held by Reynolds School District with the intention of gathering information for the Board to review and discuss priorities for the next fiscal budget, in this case the 2022-2023 Budget cycle. The Board has now been presented with this information and at this time we propose the Board to take action and adopt these 2022-2023 Budget Priorities.

**Financial Implications:**

Budget Input Sessions were held with the goal of helping the Board determine which priorities

to focus budgeting efforts towards for the 2022-2023 Budget cycle. We bring forth this report to be voted on and adopted by the Board so that 2022-2023 Budget financial implications can begin to be considered by the Budget Committee.

**Alternatives:**

Not Applicable

**Staff Recommendation:**

The recommendation at this time is for the Board to adopt the budget priorities reported and discussed at last month's Board Session as is. Adoption of **FY 2022-2023** Budget Goals and Priorities.

**Motion:**

- A. Motion made by Board member
  - a. I move that the Board adopt the Budget Priorities of Arts/Music/Sports, Mental Health Support, Staff Diversity and Cultural Training, Class Size, and Parent Engagement under the umbrella of Academics for 22-23 Budget.
- B. Second Motion
- C. Points of Clarification/Discussion
- D. Call for Board Vote



1 PRIORITY:  
**ACADEMICS**

PRIORITIZED  
COMMUNITY  
INPUT THEMES

Arts, Music, Sports

Mental Health Support

Staff Diversity and  
Cultural Training

Class Size

Parent Engagement





*As a community, we prepare lifelong learners to achieve their full potential in a complex and interconnected world.*

To: Board of Directors

From: Dr. Christopher Ortiz, Assistant Superintendent of Student & Family Services/Operations

Prepared by: Rehana Nelson, Director, Transportation Services

**Subject: Authorization to Spend: School Buses**

Policy: [DJ – District Purchasing](#), [DJC – Bidding Requirements](#), [EEA – Student Transportation Services](#)

Date: January 26, 2022

Action	<input checked="" type="checkbox"/>
Report	<input type="checkbox"/>

**Connection to School Board Core Beliefs and Commitments**

Safety     Equity     Instructional Practice     Organizational Culture

**Strategic Plan Goal Topic 3: Student and Staff Wellness**

We will promote a healthy learning and working environment which provides students and staff with the skills, social support, and environmental reinforcement they need to adopt long-term, healthy behaviors.

**Summary:**

Staff is requesting authorization to spend more than \$500,000 to purchase six school buses. Approval fulfills the DEQ Grant Agreement for the purchase of five school buses accepted at the May 2021 School Board Meeting. This grant will provide 30% of the funding for five new school buses, not to exceed \$198,375. The purpose of the grant is to support the replacement of busses which do not meet the 2007 emission standards. The additional purchase of one bus fulfills the replacement schedule set forth to ensure EPA Diesel Emission Standards for all school buses by the year 2025.

Quotes were gathered as part of the grant acceptance process and may be purchased using the Eugene School District Contract pricing cooperative.

Please refer to the following attachments:

- Board Action Item related to DEQ grant, adopted on May 26, 2021
- May 26, 2021 meeting minutes noting acceptance of grants and recommendation to pursue finance options.
- Schetky Bus & Van Sales Customer Quotation

**Previous Board Action:**

At the May 26, 2021 Board Meeting, the Board approved acceptance of the DEQ Grant.

**Background:**

The grant has been accepted per the Board action on May 26, 2021. The District must now purchase buses to satisfy the DEQ Grant.

**Financial Implications:**

The initial cost to the school district to purchase or finance the 6 school buses is \$852,000. Following the delivery of the school buses, the DEQ Grant will provide \$198,375 funding to the school district. The State School Fund will reimburse 70% of the cost, \$596,400, over the next 10 years. Final cost to the district after 10 years will be \$57,225. The 2021-22 Adopted Budget includes appropriations necessary to move forward with the purchase of six buses.

**Alternatives:**

The Board could decide to not authorize the expenditure. This would require the district notify DEQ that we will no longer be able to accept their rebate. The District would then need to find alternative funding to ensure compliance with the 2025 Emission Standards.

**Staff Recommendation:**

Staff recommends that the Board authorize Staff to expend over \$150,000 to purchase 6 Diesel buses that currently meet the 2025 EPA Emissions Standards using the Eugene School District Contract pricing.

**Motion:**

- A. Motion Made by Board Member:
  - a. I move that the Board authorize staff to expend over \$500,000 to purchase six diesel buses that currently meet the 2025 EPA Emissions Standards using the Eugene School District Contract pricing.
- B. Motion Seconded by Another Board Member
- C. Points of Clarification / Discussion
- D. Call for Board Vote

To: Board of Directors

From: Dr. Christopher Ortiz, Assistant Superintendent of Student & Family Services  
and District Operations

Prepared by: Rehana Nelson, Transportation Coordinator

**Subject:** Acceptance of Clean Diesel Grant Agreement with Oregon Department of  
Environmental Quality for New School Buses

Policy: [Policy DD - Funding Proposals and Applications](#)

Date: May 26, 2021

Action	<input checked="" type="checkbox"/>
Report	<input type="checkbox"/>

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**Connection to Board Goals**

Student Achievement       Equity       Fiscal Responsibility       Communications

**School Board Core Belief/Commitment #1:** We believe that all students, families, and staff deserve a safe and secure learning environment. We commit to providing physical and emotional safety across the Reynolds community.

**Summary:**

Staff is requesting authorization to accept the Clean Diesel Grant from Oregon Department of Environmental Quality (DEQ). This grant will provide 30% of the funding for five new school buses, not to exceed \$198,375.

Please refer to the following attachment: Attachment A State of Oregon Department of Environmental Quality State Clean Diesel Grant Agreement

**Previous Board Action:**

Not Applicable

**Background:**

DEQ funding for this grant is provided by the federal Diesel Emissions Reduction Act (DERA). The purpose of DERA and the DEQ Clean Diesel Grant is to reduce emissions from diesel engines that do not meet the 2007 or later standards that would continue to be used if not for the grant opportunity.

Currently, we have eight buses that do not meet these emission standards. Oregon Revised Statute (ORS) 468A.796 requires that we replace, repower, or retrofit all these buses by January

1, 2025. This grant will aid in meeting this deadline and reduce the cost to the district of doing so.

The grant requires that the replaced buses be destroyed and that the new buses be paid for by June 30, 2022.

**Financial Implications:**

This grant is an expense reimbursement grant, so the initial cost to the district is \$661,250. After reimbursement, the district capital expense will be \$462,875.

Through the State School Fund Transportation Grant, 70% of the total cost of the bus will be reimbursed over 10 years, resulting in the district receiving \$324,012.50. The final cost for these buses to the district will be approximately \$138,862.50.

The value of the grant agreement is \$198,375.

**Alternatives:**

The Board could determine that it is in the best interest of the District to decline the grant, reducing resources for the required bus replacements by January 1, 2025 due to emissions standards

**Staff Recommendation:**

Staff recommends the Board authorize acceptance of the Oregon DEQ- Clean Diesel Grant for the purchase of new school buses in order to replace older, diesel school buses that do not meet the 2007 standard.

**Motion:**

I move that the Board authorize staff to accept the Clean Diesel Grant from the Oregon Department of Environmental Quality in an amount not to exceed \$198,375 for the purpose of destroying five diesel bus engines that do not meet the 2007 emissions standards and replacing them with five new buses that meet current emissions standards.



**Reynolds School District  
Board of Education Business Meeting**

May 26, 2021

7:00 PM

Virtual Meeting

Attendance Taken at 7:00p. Yesenia Delgado: Present, Ana Gonzalez Muñoz: Present, John Lindenthal: Present, Valerie Tewksbury: Present, Bob Fowler: Present, Ricki Ruiz: Absent, Joe Teeny: Absent  
Attendance Update Taken at 7:30p. Ricki Ruiz: Present.

**I. 5:30p - Executive Session**

The Reynolds School Board and the Superintendent will recess into Executive Session at 5:30p, under ORS 192.660(2)(b) Personnel, ORS 192.660(2)(d) Negotiations, and ORS 192.660(2)(h) Legal Counsel. Executive Session is closed to the public.

**II. 7:00p - Call to Order**

- Chair Tewksbury called the May 26, 2021 Business Meeting to order at 7:05p.

**A. Pledge of Allegiance**

**B. Land Acknowledgement**

- Director Lindenthal read the Land Acknowledgement into the record.

**C. Consider Approval of the May 26, 2021 Agenda**

I move to approve the May 26, 2021 agenda as presented. This motion, made by Bob Fowler and seconded by Yesenia Delgado, Withdrawn.

I move to approve the May 26, 2021 agenda with Consent Agenda "E" moved to an action item. This motion, made by John Lindenthal and seconded by Bob Fowler, Passed.

Yea: 5, Nay: 0

**III. 7:10p - Board Recognition**

**A. Student Recognition**

- Isauro Francisco-Ascencio (Devo), Senior at Reynolds Learning Academy

**B. Volunteer/Community Partner Recognition**

- Oregon Soap Company

**C. Staff Recognition**

- Kathy O'Neil, Technology Services Media Secretary

**D. Special Staff Recognition**

- Jack Klobas, Teacher at Troutdale Elementary School

**IV. 7:20p - Public to be Heard**

Members of the public will address the board with comments and the board will listen only.

- Polly Kreisberg
- Marissa Yang Bertucci

- Lydia Schmidt
- Jeanne Giles

**V. 7:40p - Bargaining Group Updates**

**VI. 7:55p - Presentation to the Board**

**A. 2015 Bond Audit Presentation**

**B. Local Levy and Bond Presentation**

- Looking at replacing what we currently have now that is set to expire, keeping it at the same rate.
- A number of projects were left off the list during the last bond. While there's not a concrete plan yet, there are items that still need to be done.
- How are levy taxes paid and how will they impact members of our community?
  - The taxes are based on property. Basically, if you have an assessed value of \$100,000 and you have a debt levy rate of \$1 per thousand, that equates to \$100 a year.
- How would this affect renters?
  - Certain types of affordable housing have limitations on rent increases but for moderate rental properties without limitations, some landlords may choose to pass the tax through to their renters.

**C. Summer School Presentation**

- What sites will be used?
  - Almost every elementary school. We might combine a few based on the interest survey. And then every middle school and both high schools.
- How long will it last?
  - 6 weeks over 29 days
- Is there any limit to how many students can sign up?
  - We had a good amount of staff interest in working during summer school but could use more but we have invited all families and will allow all kids. We have used our partners and specifically reached out to families that have been most impacted by the pandemic.
- Is there planning for time students to just have social time together?
  - The state has really highlighted SEL and fun this year. We have a workgroup of teachers and admins working on plans for SEL and activities, as well as community partners who are involved. We want to provide students with the opportunity to engage with each other in smaller classes and structured activities.

**D. A Focus on Student Learning: 2021-2022**

- Is this a temporary plan?
  - Yes, we are only talking about the 21-22 school year at that moment.
- Appreciate that students could still "attend" their neighborhood schools.

**E. Academic and Support Services Presentation**

**F. World Languages Curriculum Presentation**

- What kind of community responses did you receive on the website?
  - Only 15-20 at the moment. We will be casting a wider net for our next step, to make sure we encompass students and families.
- Appreciate the focus on language acquisition.

**VII. 9:25p - Board Reports**

**A. Board Announcements**

**i. Individual Board Members - Announcements and Reports**

**ii. Upcoming Board Meetings**

**VIII. 9:35p - Superintendent's Reports**

**A. Announcements/Reports**

- Student Success Act Intensive Coaching from ODE

**B. Student Achievement**

**C. Equity**

- Why was "White Fragility" chosen for a book study?
  - Most of the staff in our district are white and having a white person come and speak to white people makes it so that our staff of color aren't responsible for having to teach their white colleagues.
- What can we do to retain teachers of color?
- Are there other supports for BIPOC staff other than the affinity groups?
  - We are moving into our second year with the Oregon Center for Educational Equity, which will include moving teachers into the trainings. We will be working with each building's equity teams.

**D. Communications**

**E. Fiscal Responsibility**

**i. Financial Reports**

**ii. Enrollment Reports**

**iii. Budget Update**

**IX. 10:15p - Consent Agenda**

I move to approve the Consent Agenda with the exception of item "E.". This motion, made by Yesenia Delgado and seconded by John Lindenthal, Passed.

Yea: 6, Nay: 0

**A. Approval of Personnel Order**

**B. Approval of Prior Meeting Minutes**

**C. Grant Approval**

**i. Davis STEM Planning Grant**

**ii. Davis MCREN Grant**

**iii. SSA Summer School Grants**

**iv. Grant MOU between the State Library of Oregon and Reynolds School District #7**

**v. Clean Diesel Grant Agreement with DEQ for New School Buses**

**D. ESS Contract Renewal and Addendum**

**E. CAL Charter Contract Renewal**

- Moved from Consent Agenda to be an Action Item.

Approve. This motion, made by Bob Fowler and seconded by Yesenia Delgado, Passed.

Yea: 6, Nay: 0

## **X. 10:20p - Action Items**

### **A. World Languages Curriculum Adoption**

I move that the Board approves the purchase of the Wayside Publishing digital curriculum for implementation in high school Spanish and French classes. This motion, made by Bob Fowler and seconded by John Lindenthal, Passed.

Yea: 6, Nay: 0

### **B. Research and Polling for a Bond**

- What would we actually be asking the community?
- Wondering how community members will feel about asking them about both a levy and bond at the same time.
- Use 2020 census for demographic information before asking if people want a bond or not.
- See a proposal of what the committee would look like, what the polling would look like, etc.

I move that the district return with a polling and research plan for a bond before moving forward. This motion, made by John Lindenthal and seconded by Bob Fowler, Passed.

Yea: 6, Nay: 0

### **C. Research and Polling for a Levy**

I move that the district come back with more info before moving forward. This motion, made by Bob Fowler, Withdrawn.

I move that the district does not move forward with any polling or research for a local option levy. This motion, made by Ricki Ruiz and seconded by John Lindenthal, Passed.

Yea: 6, Nay: 0

### **D. MOU with OSEA regarding Sick Leave Bank**

I move that the Board approve the MOU between OSEA and Reynolds School District that will serve as the protocol for additional sick leave bank access for classified employees. This motion, made by Yesenia Delgado and seconded by John Lindenthal, Passed.

Yea: 6, Nay: 0

## **XI. 10:35p - Board Discussion**

## **XII. 10:40p - Adjourn**

**STATE OF OREGON**  
**DEPARTMENT OF ENVIRONMENTAL QUALITY**  
**STATE CLEAN DIESEL GRANT AGREEMENT**

RSD2122.011

Project Name: Reynolds School District #7 Bus Replacement  
 VW Environmental Mitigation Fund PCA # 11100-14613-A19203

DEQ Agreement Number 134-21

This Agreement is between the State of Oregon, acting by and through its Department of Environmental Quality ("DEQ") and Reynolds School District #7 ("Recipient").

Recipient Data	DEQ Data
Grant Administrator: Sean Schroeder Recipient: Reynolds School District #7 (Inc.) dba Reynolds School District Address: 1204 NE 201 <sup>st</sup> Avenue Fairview, OR, 97024-9642  Phone: (503) 492-4921 x3442 Email: SSchroeder@rsd7.net DUNS: 086622719 Recipient's Taxpayer ID# : 93-6000836	Grant Administrator: Lynda Viray Organization: Department of Environmental Quality Address: 700 NE Multnomah Street Portland, OR 97232  Phone: (503) 229-5159 Email: <a href="mailto:lynda.viray@oregon.gov">lynda.viray@oregon.gov</a>

1. **Effective Date and Grant Availability.** This Agreement is effective on the date the last party signs it or, if approval by the Oregon Department of Justice ("DOJ") is required, on the date it is approved by DOJ, whichever date is later (the "Effective Date"). Recipient agrees to complete the Project (described in Exhibit A) no later than **June 30, 2022** ("Project Completion Deadline") (the time period from the Effective Date through the Project Completion Deadline, the "Project Period"). Recipient must submit all invoices for disbursement of Grant funds under Section 4 **no later than 45 days from Project Completion Deadline** (the "Invoice Deadline"). DEQ has no obligation to disburse Grant funds for costs invoiced after the Invoice Deadline.
2. **Agreement Documents.** This Agreement consists of this document and the attached Exhibits: Exhibit A (Project Requirements), Exhibit B (Payment Request and Certification), which are listed in descending order of precedence. In the event of a conflict between two or more of the documents comprising this Agreement, the language in the document with the highest precedence will control.
3. **Grant Funds and Match.**
  - (a) DEQ funding for this Agreement is provided through a State Clean Diesel Grant issued to DEQ as a result of the settlement of claims made against Volkswagen America. Subject to the terms and conditions of this Agreement, DEQ will reimburse Recipient the lesser of 30% of the purchase price or \$50,000, for each replacement school bus purchased during the Project Period by Recipient, as further described in and subject to the requirements of Exhibit A, provided that the total reimbursement under this Agreement will not exceed **\$198,375** (the "Grant").
  - (b) Recipient agrees to provide matching funds at least equal to the portion of the purchase price of each replacement school bus in excess of the Grant funds made available under this Agreement. Recipient can and is encouraged to provide additional matching funds in excess of the minimum set forth above. Funds from a federal source are eligible as match – but **must** be called out and distinguished from other match funds. Current match expenditures must be reported with all invoices.
4. **Disbursements and Expenses.**
  - (a) This is an expense reimbursement Grant. Disbursements for reimbursement of the purchase price of replacement school buses will be made only in accordance with the schedule and requirements contained in this Section 4 and subject to the conditions set forth in this Agreement. Supporting documentation must be provided for purchase price expenses for which reimbursement is claimed and for all expenses satisfying cash match requirements. This includes, but is not limited to: documentation of personal services costs and the payment thereof; copies of paid contractor invoices; and copies of paid invoices for equipment, when applicable. The reimbursement request must be made on a completed and signed Payment Request and Certification Form (Exhibit B).
  - (b) Recipient may submit monthly reimbursement requests for purchase price expense reimbursement. Reimbursement requests must be accompanied by invoices that itemize and explain all purchase price expenses for which reimbursement is claimed and all expenses satisfying cash match requirements. Reimbursement requests must be accompanied by a copy of all receipts for expenses for which reimbursement is being requested and for all expenses satisfying cash match requirements. Recipient may not seek or receive from any third party any form of duplicate, overlapping or multiple payments for expenses reimbursed under this Agreement nor may expenses used to satisfy any cash match requirement under this Agreement be used to satisfy the match or cost sharing requirement of any other project or program. Invoices and receipts must be submitted with the Payment Request and Certification (Exhibit B).

**Reimbursement requests and related invoices for reimbursement of expenses occurring in a State fiscal year (July 1 to June 30) must be received no later than the following July 15th. Reimbursement requests and related invoices must be sent electronically to [DEQEXP@deq.state.or.us](mailto:DEQEXP@deq.state.or.us).** Reimbursement requests, together with the

supporting documentation (i.e., invoices and receipts) are subject to the review and approval of the DEQ Grant Administrator. In addition, all payments are subject to Section 7. Payments will be sent to: **Sean Schroeder, Reynolds School District #7 (Inc) dba Reynolds School District, 1204 NE 201st Avenue, Fairview, OR, 97024-9642.**

DEQ may withhold up to 10% of the Grant amount until Recipient has submitted, and DEQ has accepted, the Final Report on the Project (as required and described in Section 11) and a Final Payment Request and Certification. DEQ in its sole discretion may release retention amounts withheld at anytime.

- (c) Notwithstanding Sections 4(a) and 4(b) above and the disbursement conditions of Section 7 below, DEQ may, in its sole discretion and upon such terms and conditions as it may determine and in order to address Recipient cash flow issues that are otherwise an impediment to Project implementation, disburse Grant moneys to Recipient to finance a Project activity directly rather than as reimbursement of expenditures made by Recipient to conduct that activity. The terms and conditions that DEQ may impose on such advance disbursement may include, but are not necessarily limited to, submission of an appropriate invoice, subsequent submission of documentation of the expenditure of the Grant moneys and the conditioning of future disbursement of Grant moneys on compliance with the terms and conditions of the advance disbursement.
5. **Recovery of Grant Funds.** Any Grant funds disbursed to Recipient under this Agreement that are used in violation or contravention of any of the provisions of this Agreement must be returned to DEQ. Recipient shall return all funds found by DEQ to have been used in violation of this Agreement no later than fifteen (15) days after DEQ's written demand.
  6. **Recipient's Representations And Warranties.** Recipient represents and warrants to DEQ as follows:
    - (a) Recipient is duly organized, validly existing, and in good standing under the laws of Oregon. Recipient has full power and authority to transact the business in which it is engaged and full power, authority, and legal right to execute and deliver this Agreement and incur and perform its obligations hereunder.
    - (b) The making and performance by Recipient of this Agreement: (1) have been duly authorized by all necessary action of Recipient; (2) do not and will not violate any provision of any applicable law, rule, or regulation or order of any court, regulatory commission, board, or other administrative agency, or any provision of Recipient's organic documents; and (3) do not and will not result in the breach of, or constitute a default or require any consent under, any agreement or instrument to which Recipient is a party or by which Recipient or any of its properties are bound or affected.
    - (c) This Agreement has been duly authorized, executed and delivered on behalf of Recipient and constitutes the legal, valid, and binding obligation of Recipient, enforceable in accordance with its terms.
    - (d) No authorization, consent, license, approval of, filing or registration with, or notification to, any governmental body or regulatory or supervisory authority is required for the execution, delivery or performance by Recipient of this Agreement.
  7. **Conditions Precedent to Each Disbursement.** DEQ's obligation to disburse Grant moneys to Recipient hereunder is subject to satisfaction, with respect to each disbursement, of each of the following conditions precedent:
    - (a) DEQ has received appropriations, limitations, allotments or other expenditure authority sufficient to allow DEQ, in the exercise of its reasonable administrative discretion, to make the disbursement;
    - (b) Recipient is in compliance with the reporting requirements described in Section 11;
    - (c) Recipient's representations and warranties set forth in Section 6 are true and correct on the date of disbursement, with the same effects as though made on the date of disbursement.; and
    - (d) Recipient is not in default under Section 17.
  8. **Contracts.** Recipient may enter into contracts to implement the Project without obtaining prior written consent from the DEQ's Grant Administrator. Recipient is not relieved of any duties under this Agreement when it enters into contracts to implement the Project. Recipient must ensure that terms applicable to Recipient apply also to subcontractors.
  9. **Project.** Recipient agrees to complete the Project in accordance with the terms and conditions of this Agreement no later than the Project Completion Deadline; provided, however, that if the total amount of the Grant is not available solely because the conditions set forth in Section 7(a) are not satisfied, Recipient will not be required to complete the Project.
  10. **Grant Requirements.** All equipment and materials purchased with Grant funds made available by this Agreement must be used as a school bus as defined in OAR 581-53-0003(33). In addition, Recipient shall comply with the following requirements:
    - (a) All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition and in compliance with state public contracting laws, as applicable. Contract awards shall be made to the bidder whose bid is responsive to the solicitation and is most advantageous to Recipient, price, quality and other factors considered.
    - (b) Equipment acquired by Recipient and funded in whole or in part by this Grant is intended to achieve diesel emissions reductions until the equipment is no longer capable of achieving the verified or certified reduction of diesel emissions. Recipient must continue to use the equipment for its intended purpose of achieving verified or certified reduction in diesel emissions after the end of the Project Period, as specified in Exhibit A, Project Requirements, Paragraph 6.
    - (c) Title to equipment acquired by Recipient and funded in whole or in part with this Grant shall vest in Recipient. All equipment and materials purchased with funds made available by this Agreement must be used as a school bus as defined in OAR 581-53-0003(33). Recipient shall immediately notify DEQ of any equipment acquired by Recipient and

- (d) When acquiring replacement equipment, Recipient may sell the equipment to be replaced as scrap. Equipment sold as scrap must, as part of the scrapping process, be rendered inoperable for transportation purposes and made available for recycle. The proceeds of any sale must be used as cash match under this Agreement.
- (e) Recipient shall, at a minimum, maintain insurance coverage for equipment acquired with Grant funds equivalent to the coverage Recipient maintains for other similar property owned by Recipient.
- (f) Recipient shall establish a Conflict of Interest policy applicable to any procurement contract or subawards made under this Agreement. Conflicts of Interest must be disclosed in writing to the DEQ Grant Administrator within 5 calendar days of discovery including any information regarding measures to eliminate, neutralize, mitigate or otherwise resolve the conflict of interest.

#### 11. Reporting.

- (a) Recipient must submit quarterly Project Status Reports no later than ten (10) calendar days after the end of each federal fiscal quarter during the Project Period. **Project Status Report due dates for this Agreement are January 10<sup>th</sup>, April 10<sup>th</sup>, July 10<sup>th</sup> and October 10<sup>th</sup> of each year during the Project Period.** The Project Status Reports must address the progress made towards the Project goals, including a description of the vehicles purchased or scrapped. In general, the Project Status Reports must also include summary information on technical progress (outputs and outcomes), the successes and lessons learned from the Project to date and the planned activities for the next federal fiscal quarter.
- (b) Recipient must submit a Final Report to the DEQ Grant Administrator no later than the Invoice Deadline. The Final Report must include a summary of the Project including a list of the replacement buses identified by serial number, engine family number and horsepower of the engine. The Report must also describe actual results (outputs and outcomes) and costs, the successes and lessons learned for the entire Project, documentation to demonstrate each replacement is not due to normal attrition, evidence of scrapping the replaced buses, reporting of program income as well as a summary of all categories of information required for the quarterly Project Status Reports.
- (c) Recipient must provide a yearly report for three (3) years after the Project Completion Deadline containing the information required in Section 6 in Exhibit A.

Recipient will immediately notify the DEQ Grant Administrator of any problems, delays or adverse conditions which might materially impair its ability to deliver on the outputs/outcomes specified in this Agreement. This disclosure must include a statement of the action taken, or contemplated, and any assistance needed to resolve the situation.

Recipient agrees that it will notify the DEQ Grant Administrator of any favorable developments which might enable meeting schedules and objectives sooner or at less cost than anticipated or producing more beneficial results than originally planned.

- 12. Record Maintenance and Access.** Recipient will maintain all financial records relating to this Agreement in accordance with generally accepted accounting principles. In addition, Recipient will maintain any other records pertinent to this Agreement in such a manner as to clearly document Recipient's performance. DEQ, the Oregon Secretary of State's Office, and their duly authorized representatives will have access to such financial records and other books, documents, papers, plans, records of shipments and payments and writings of Recipient that are pertinent to this Agreement, whether in paper, electronic or other form, to perform examinations and audits and make excerpts and transcripts. Recipient will retain and keep accessible all such financial records, books, documents, papers, plans, records of shipments and payments and writings for a minimum of six (6) years, or such longer period as may be required by applicable law, following the end of the Project Period, or until the conclusion of any audit, controversy or litigation arising out of or related to this Agreement, whichever date is later.

- 13. Compliance with Applicable Law.** Recipient will comply with all federal, state, and local laws, regulations, executive orders and ordinances applicable to the Project or Recipient's activities under this Agreement. Without limiting the generality of the foregoing, Recipient expressly agrees to comply with the following laws, regulations, and executive orders to the extent they are applicable to the Agreement: (i) Titles VI and VII of the Civil Rights Act of 1964, as amended; (ii) Sections 503 and 504 of the Rehabilitation Act of 1973, as amended; (iii) the Americans with Disabilities Act of 1990, as amended; (iv) Executive Order 11246, as amended; (v) the Health Insurance Portability and Accountability Act of 1996; (vi) the Age Discrimination in Employment Act of 1967, as amended, and the Age Discrimination Act of 1975, as amended; (vii) the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended; (viii) ORS Chapter 659, as amended; (ix) ORS 279A, ORS 279B, and ORS 279C, as applicable to Recipient; (x) all other applicable requirements of federal and state civil rights and rehabilitation statutes; and (xi) all regulations and administrative rules established pursuant to the foregoing laws. These laws, regulations, and executive orders are incorporated by reference herein to the extent that they are applicable to the Agreement and required by law to be so incorporated.

- 14. Recycled Material Use.** Recipient will, to the maximum extent economically feasible in the performance of this Agreement, use recycled paper (as defined in ORS 279A.010(1)(gg)), recycled PETE (as defined in ORS 279A.010(1)(hh)) products, and other recycled products (as the term "recycled product" is defined in ORS 279A.010(1)(ii)).

#### 15. Indemnity.

- (a) Recipient shall defend, save, hold harmless, and indemnify the State of Oregon and DEQ and their officers, employees and agents from and against all claims, suits, actions, losses, damages, liabilities, costs and expenses of any nature resulting from or arising out of, or relating to the activities of Recipient or its officers, employees, contractors, or agents under this Agreement or in the implementation of the Project.

**16. Termination.**

- (a) This Agreement may be terminated by mutual consent of both parties or by DEQ upon written notice to Recipient.
- (b) DEQ may terminate this Agreement effective upon written notice to Recipient, or at such later date as may be established by DEQ in such notice, (i) if DEQ fails to receive sufficient funding, appropriations, limitations, allotments or other expenditure authority to allow DEQ, in the reasonable exercise of its administrative discretion, to make payments under this Agreement, (ii) if there is a change in federal or state laws, rules, regulations, or guidelines so that the Project funded by this Agreement is no longer eligible for funding, or (iii) in accordance with Section 18.

**17. Default by Recipient.** Recipient shall be in default under this Agreement upon the occurrence of any of the following events:

- (a) Recipient fails to perform, observe, or discharge any of its covenants, agreements, or obligations contained in this Agreement, including any exhibit attached hereto;
- (b) Any representation, warranty or statement by Recipient made herein or in any documents or reports relied upon by DEQ, including but not limited to any statement used by DEQ to measure progress on the Project, the expenditure of Grant moneys, or the performance by Recipient, is untrue in any material respect when made;
- (c) Recipient: (i) applies for or consents to the appointment of, or the taking of possession by, a receiver, custodian, trustee, or liquidator of itself or of all of its property; (ii) admits in writing its inability to pay, or is generally unable to pay, its debts as they become due; (iii) makes a general assignment for the benefit of its creditors; (iv) is adjudicated as bankrupt or insolvent; (v) commences a voluntary case under the federal Bankruptcy Code (as now or hereafter in effect); (vi) files a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts; (vii) fails to controvert in a timely and appropriate manner, or acquiesces in writing to, any petition filed against it in an involuntary case under the federal Bankruptcy Code (as now or hereafter in effect); or (viii) takes any corporate action for the purpose of effecting any of the foregoing; or
- (d) A proceeding or case is commenced, without the application or consent of Recipient, in any court of competent jurisdiction, seeking: (i) the liquidation, dissolution, or winding-up, or the composition or readjustment of, Recipient's debts; (ii) the appointment of a trustee, receiver, custodian, liquidator, or the like of Recipient or of all or any substantial part of its assets; or (iii) similar relief in respect to Recipient under any law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts, and such proceeding or case continues undismissed, or an order, judgment, or decree approving or ordering any of the foregoing is entered and continues unstayed and in effect for a period of 20 consecutive days, or an order for relief against Recipient is entered in an involuntary case under the federal Bankruptcy Code (as now or hereafter in effect).

**18. Remedies Upon Default.** If Recipient's default under Section 17(a) or 17(b) is not cured within fifteen (15) days of written notice thereof to Recipient from DEQ (or such longer period as DEQ may authorize in its sole discretion), or if there is a default by Recipient under Section 17(c) or 17(d), DEQ may pursue any remedies available under this Agreement, at law or in equity. Such remedies include, but are not limited to, termination of this Agreement, return of all or a portion of the Grant amount, payment of any interest earned on the Grant amount, and declaration of ineligibility for the receipt of similar future awards. If, as a result of Recipient's default, DEQ demands return of all or a portion of the Grant amount or payment of interest earned on the Grant amount, Recipient shall pay the amount upon DEQ's demand.**19. Intangible Property.** Recipient may copyright any work that is subject to copyright and was developed, or for which ownership was purchased, under this Agreement. For any such work, Recipient grants to DEQ a nonexclusive, irrevocable, perpetual, royalty-free, license to reproduce, publish, or otherwise use the work and to authorize others to do so.**20. No Implied Waiver, Cumulative Remedies.** The failure of DEQ to exercise, and any delay by DEQ in exercising, any right, power, or privilege under this Agreement shall not operate as a waiver thereof, nor shall any single or partial exercise of any right, power, or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other such right, power, or privilege. The remedies provided herein are cumulative and are not exclusive of any remedies provided by law. DEQ may, in its sole discretion, pursue any remedy or remedies singly, collectively, successively, or in any combination or order.**21. Notices.** Any notification under this Agreement shall be in writing, and provided to the party to be notified only by one of the following methods: in-person; U.S. mail, postage prepaid; or email. Notices mailed or emailed must be sent to the address or email address set forth in this Agreement on page 1. Any notice so addressed and mailed shall be effective five (5) days after mailing. Any notice given by personal delivery shall be effective when actually delivered. Any notice given by email shall be effective upon the sender's receipt of confirmation generated by Recipient's email system that the notice has been received by Recipient's email system.**22. Amendments.** The terms of this Agreement will not be waived, altered, modified, supplemented, or amended, in any manner whatsoever, except by written instrument signed by both parties. DEQ will not consider a request for an amendment to this Agreement from Recipient unless (a) the request is submitted in writing to the DEQ Grant Administrator and includes a justification for the amendment and (b) the request is received at least thirty (30) calendar days before the end of the Project Period.**23. Assignment; Successors and Assigns.** Recipient may not assign or transfer its interest in this Agreement without the prior written consent of DEQ and any attempt by Recipient to assign or transfer its interest in this Agreement without such

- 24. Survival.** All rights and obligations of the parties under this Agreement will cease upon termination of this Agreement, other than those rights or obligations in sections 5, 10, 12, 15, 20, and 21 and those that by their nature or express terms are intended to survive termination of this Agreement; provided, however, that termination of this Agreement will not prejudice any rights or obligations accrued to the parties under this Agreement prior to termination.
- 25. No Third Party Beneficiaries.** DEQ and Recipient are the only parties to this Agreement and are the only parties entitled to enforce its terms. Nothing in this Agreement gives, is intended to give, or shall be construed to give or provide, any benefit or right, whether directly or indirectly, to any third party unless such party is identified individually by name herein and is described expressly as an intended beneficiary of the terms of this Agreement.
- 26. Governing Law; Venue; Consent to Jurisdiction.** The laws of the State of Oregon (without giving effect to its conflicts of law principles) govern all matters arising out of or relating to this Agreement, including, without limitation, its validity, interpretation, construction, performance, and enforcement. Any party bringing a legal action or proceeding against any other party arising out of or relating to this Agreement shall bring the legal action or proceeding in the Circuit Court of the State of Oregon for Marion County (unless Oregon law requires that it be brought and conducted in another county). Each party hereby consents to the exclusive jurisdiction of such court, waives any objection to venue, and waives any claim that such forum is an inconvenient forum.
- Notwithstanding the prior paragraph, if a claim must be brought in a federal forum, then it must be brought and adjudicated solely and exclusively within the United States District Court for the District of Oregon. This paragraph applies to a claim brought against the State of Oregon only to the extent Congress has appropriately abrogated the State of Oregon's sovereign immunity and is not consent by the State of Oregon to be sued in federal court. This paragraph is also not a waiver by the State of Oregon of any form of defense or immunity, including but not limited to sovereign immunity and immunity based on the Eleventh Amendment to the Constitution of the United States.
- 27. Alternative Dispute Resolution.** Recipient and DEQ shall attempt in good faith to resolve any dispute arising out of this Agreement at the lowest level. This may be done at any management level, including at a level higher than persons directly responsible for the administration of this Agreement. In addition, the parties may agree to utilize a jointly-selected mediator or arbitrator (for non-binding arbitration) to resolve the dispute short of litigation.
- 28. Captions.** The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions of this Agreement.
- 29. Merger Clause.** THIS AGREEMENT CONSTITUTES THE ENTIRE AGREEMENT BETWEEN THE PARTIES. NO WAIVER, CONSENT, MODIFICATION OR CHANGE OF TERMS OF THIS AGREEMENT WILL BIND EITHER PARTY UNLESS IN WRITING AND SIGNED BY BOTH PARTIES. SUCH WAIVER, CONSENT, MODIFICATION OR CHANGE, IF MADE, WILL BE EFFECTIVE ONLY IN THE SPECIFIC INSTANCE AND FOR THE SPECIFIC PURPOSE GIVEN. THERE ARE NO UNDERSTANDINGS, AGREEMENTS, OR REPRESENTATIONS, ORAL OR WRITTEN, NOT SPECIFIED HEREIN REGARDING THIS AGREEMENT. RECIPIENT, BY THE SIGNATURE BELOW OF ITS AUTHORIZED REPRESENTATIVE, HEREBY ACKNOWLEDGES THAT IT HAS READ THIS AGREEMENT, UNDERSTANDS IT AND AGREES TO BE BOUND BY ITS TERMS AND CONDITIONS.
- 30. Independent Contractors.** DEQ and Recipient agree and acknowledge that their relationship is that of independent contracting parties and that Recipient is not an officer, employee, or agent of the State of Oregon as those terms are used in ORS 30.265 or otherwise.
- 31. Severability.** DEQ and Recipient agree that if any term or provision of this Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions will not be affected, and the rights and obligations of the parties will be construed and enforced as if the Agreement did not contain the particular term or provision held to be invalid.
- 32. Counterparts.** This Agreement may be executed in several counterparts, all of which when taken together shall constitute one agreement, notwithstanding that all parties are not signatories to the same counterpart. Each copy of the Agreement so executed constitutes an original.

**EACH PERSON SIGNING THIS AGREEMENT REPRESENTS AND WARRANTS THAT HE/SHE HAS THE POWER AND AUTHORITY TO ENTER INTO THIS AGREEMENT. DEQ ENTERS INTO THIS AGREEMENT UNDER THE AUTHORITY OF OREGON REVISED STATUTES 190.110, 459.053(7), 459A.120 or 468A.805.**

**AGREED BY RECIPIENT:**

DocuSigned by:  
*Danna Diaz*  
Danna Diaz, Superintendent

6/9/2021  
Date

DocuSigned by:  
*Rehana Nelson*  
Rehana Nelson, Transportation Coordinator

6/8/2021  
Date

RSD Legal Approved: 6/2/2021  
Board Approved: 5/26/2021

**AGREED BY DEQ:**

*Leah K. Feldon*  
Leah K. Feldon (Jun 11, 2021 16:04 PDT)  
Leah Feldon, Deputy Director

Jun 11, 2021  
Date

11100-14613-A19203  
Index-PCA-Pjt

APPROVED AS TO LEGAL SUFFICIENCY

Approved via email by Sam Zeigler dated 2/23/2021

**EXHIBIT A**

<b>Oregon Department of Environmental Quality VW Environmental Mitigation School Bus Grant</b>		RSD2122.011
<b>Recipient:</b> Reynolds School District #7 (Inc.) dba Reynolds School District	<b>DEQ Agreement No. 134-21</b>	

**BACKGROUND** Diesel is the dominant fuel used by many sectors of the American economy. Diesel engines offer fuel economy, power and durability that is highly valued in many commercial and industrial applications.

While the operational advantages of diesel are clear, diesel engines emit a disproportionate amount of nitrogen oxides and particulate matter, and other toxic air pollutants compared to even gasoline engines. Diesel exhaust contains dozens of toxic substances but one of the leading concerns is the particulate matter that is very small in size (< 2.5 microns - a typical human hair is 70 microns). The small size makes it highly breathable to the deepest part of the lungs. Because of their small size and comparatively large surface area other substances are also absorbed onto these ultra-fine particles, increasing overall toxicity.

Increasingly medical studies link diesel particulate matter to serious public health impacts that range from aggravating asthma to heart and lung problems, cancer and premature mortality. Diesel exhaust also has environmental significance as a global warming contributor as well as adding to visibility impairment and regional haze. Oregonians have an increased risk for these and other health effects at present levels of exposure in everyday life - many times above public health benchmarks. Federal regulations and cleaner fuels are addressing diesel exhaust over time, but existing diesel engines will continue to pollute for another 30 years before older, dirtier engines are removed from service. Replacing older vehicles with low emitting newer vehicles is a cost effective strategy to improve public health.

This Grant provides funding for the replacement of school buses with late model, low emission buses. Expected outputs will be a reduction in diesel particulate matter, and increased awareness of and support for future clean diesel projects with a greater adoption of cleaner vehicles, ultimately leading to widespread health and welfare improvements from reduced emissions.

**PROJECT REQUIREMENTS**

1. Recipient has conducted a review of its fleet to determine the best candidates for replacement considering the age of the vehicle or equipment, the type of engine, the type of use, and the annual hours used. The vehicles selected for replacement under this Agreement are shown below. Any changes to the list of vehicles must be approved by the DEQ Grant Administrator before work can proceed.

Reynolds School District #7	School Bus List			
Vehicle Identification Number	Bus Number	Engine Mfr.	Engine Model	Engine Model Year
1BABNBKA26F236578	7	CAT	C7	2005
1BABNBKA76F235152	55	CAT	C7	2005
1BABNBKA06F235154	57	CAT	C7	2005
1BABNBKA26F235155	58	CAT	C7	2005
1BABNBKA46F235156	59	CAT	C7	2005

2. For purposes of this Agreement, the purchase price of a replacement bus is the price paid for the bus as well as the cost of modifications, attachments, accessories or auxiliary apparatus necessary to make the bus usable for the purpose of transporting children to and from school. Other charges, such as the cost of installation, transportation, taxes, duty or protective in-transit insurance, shall be included or excluded from the purchase price in accordance with Recipient's regular accounting practices.
3. Recipient represents and warrants to DEQ that replacement of each of the buses identified above would not have occurred through normal attrition. Normal attrition is defined as replacement that is scheduled to take place within three years following the Effective Date. Recipient further represents and warrants to DEQ that each of the buses identified above has operated in Oregon during the year preceding the Effective Date. Recipient shall provide DEQ with written documentation confirming the foregoing representations and warranties.
4. In compliance with all applicable state and local procurement regulations, Recipient must purchase one replacement bus for each of the buses identified above that will perform the same function and operation as the bus being replaced. The replacement buses must be new (with Recipient as the first owner) and equipped with an engine certified to meet or emit less than the emission standards outlined in 40 CFR 86.007-11 for heavy-duty model year 2010 and later engines. Each

replacement bus must be of the same type and similar gross vehicle weight rating or horsepower as the bus being replaced.  
**Horsepower increases of more than 25% require written approval of the DEQ Grant Administrator.** RSD2122.011

5. The bus and engine being replaced must be scrapped and rendered permanently disabled and made available for recycle. Drilling a 3 inch hole in the engine block and manifold and disabling the chassis is an acceptable scrapping method. Disabling the chassis may be completed by cutting the frame/frame rails on each side at a point located between the front and rear axles. Other methods may be considered and will require prior DEQ approval. Equipment and vehicle components that are not part of the engine or chassis may be salvaged from the unit being replaced (e.g., seats, tires, etc.). If scrapped or salvaged vehicles/parts are to be sold, program income must be reported and can only be used toward meeting match requirements.
6. During the three years following the Project Completion Deadline, more than **50%** of Recipient's use of each replacement bus must be in Oregon. During the three years following the Project Completion Deadline Recipient shall report to DEQ no later than June 30<sup>th</sup> of each year for the year then-ended, the total annual vehicle miles or hours used and annual vehicle miles traveled in Oregon for each replacement bus.
7. During the three (3) years following the Project Completion Deadline, Recipient shall maintain the replacement buses to manufacturer's specifications and make them available to DEQ for inspection. For each replacement bus, Recipient shall maintain records on vehicle maintenance, the total annual vehicle miles traveled, the total annual number of miles traveled in Oregon.

**EXHIBIT B**

RSD2122.011

**Oregon Department of Environmental Quality  
VW Environmental Mitigation School Bus Grant  
PAYMENT REQUEST AND CERTIFICATION**

Recipient Name: Reynolds School District #7 (Inc.) dba Reynolds School District DEQ Grant Agreement # 134-21

Recipient DUNS #: 086622719

Recipient Address: 1204 NE 201st Avenue, Fairview, OR, 97024-9642

Recipient Grant Administrator Name/ Phone: Sean Schroeder, (503) 492-4921 x3442

Total Amount of Grant Award: \$198,375

Total Amount of Match provided by Recipient: \$

Total Amount of Match (Federal) \$

Total Amount of Match (Non-Federal) \$

Total Payments Received to Date: \$

**Amount of this Request:** \$ \_\_\_\_\_

=====

**RECIPIENT CERTIFICATION**

1. I certify that the equipment purchased and installed with funds provided by this Agreement was for the early replacement of diesel powered school buses used to transport children to and from school and other locations related to meeting the educational and instructional goals of the district.
2. I certify that this certification is true and correct and that all expenditures reported have been made in accordance with the terms and provisions contained in the Agreement.

**Recipient Signature:** \_\_\_\_\_  
(PRINTED NAME AND SIGNATURE)

APPROVED FOR PAYMENT:	DEQ Grant Administrator: _____	_____
		Date
	DEQ Program Manager: _____	_____
		Date

# (For Signature) 134-21, Reynolds School District #7

Final Audit Report

2021-06-11

Created:	2021-06-11
By:	Tempest Roberts (roberts.tempest@deq.state.or.us)
Status:	Signed
Transaction ID:	CBJCHBCAABAASKmwc6XVpFc22zma_Pc8I1QwwlulWo_A

## "(For Signature) 134-21, Reynolds School District #7" History

-  Document created by Tempest Roberts (roberts.tempest@deq.state.or.us)  
2021-06-11 - 3:28:28 PM GMT- IP address: 159.121.206.56
-  Document emailed to Leah K. Feldon (leah.feldon@deq.state.or.us) for signature  
2021-06-11 - 3:30:32 PM GMT
-  Email viewed by Leah K. Feldon (leah.feldon@deq.state.or.us)  
2021-06-11 - 11:04:24 PM GMT- IP address: 73.67.238.59
-  Document e-signed by Leah K. Feldon (leah.feldon@deq.state.or.us)  
Signature Date: 2021-06-11 - 11:04:44 PM GMT - Time Source: server- IP address: 73.67.238.59
-  Agreement completed.  
2021-06-11 - 11:04:44 PM GMT



Customer Quotation:



Prepared For:  
REHANA NELSON  
REYNOLDS SCHOOL DISTRICT  
503-492-4921

Dealer Sales:  
KEVIN KRAMER  
[kevink@schetkynw.com](mailto:kevink@schetkynw.com)  
971-990-6853

1424 NE 201<sup>ST</sup> AVE  
TROUTDALE, OR 97060

8430 NE KILLINGSWORTH ST.  
PORTLAND, OR 97220

Quote Number:  
381890

Quote Date:  
1/5/2022

Quote Expires:  
1/31/2022

### Model Profile: Thomas Built Buses Saf-T-Liner HDX 140YS

Product Type:	D - REAR ENGINE
Year:	2023
Chassis Model:	36,200-LB
Chassis MFG:	THOMAS
GVWR:	36,200-LB
Passenger Capacity:	84 PASSENGERS (NO SEAT BELTS)
Headroom:	78
Wheelbase:	267
Brake Type:	AIR DISC
Engine Type:	CUMMINS B6.7 280 DIESEL, 6 Cyl, 280 HP, 2500 RPM
Fuel Type:	DIESEL
Fuel Tank Capacity:	100 GALLONS
Transmission Type:	ALLISON 3000PTS
Axle, Front:	13,200-LB CAPACITY
Axle, Rear:	23,000-LB CAPACITY
Tires, Front:	MICHELIN 11R22.5 16PLY XZE2
Tires, Rear:	MICHELIN 11R22.5 16PLY XZE2
Suspension Front:	13,200-LB LEAF SPRINGS
Suspension Rear :	HENDRICKSON "COMFORT AIR" SINGLE AXLE AIR SUSPENSION

Total for 1 complete unit available	\$ 140,665.00
Oregon Corporate Activity Tax .57%:	\$ 801.79
F.O.B., Troutdale, OR	\$ 141,466.79
Estimated Delivery: 180-210-ARO	

Total Unit Quantity \_\_\_\_\_

Terms and Conditions: Net 30 Days  
Quote Expires: 1/31/2022

*By signing below, you are acknowledging the specifications listed are complete and accurate. Order will be placed using the specifications listed.*

Customer Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
*Authorized Signature*

Dealer Sales: \_\_\_\_\_ Date: \_\_\_\_\_  
*Authorized Signature*

**Please Forward All Remittances to Our Corporate Office:  
8430 NE Killingsworth Street  
Portland, OR 97220**

**Includes the Following Equipment:**

**BODY**

**ACCESSORIES**

- 1 [B210510000] DRIVER'S STORAGE BOX LOCATED OVER DRIVER'S WINDOW (HDX)
- 1 [B596810000] LUGGAGE COMPARTMENT-THROUGH DELUXE-125"
- 1 [B598700002] SEALED STORAGE COMPARTMENT W/LOCK, RIGHT SIDE FRONT

**CERTIFICATION/SAFETY**

- 1 [B202001000] FIRE EXTINGUISHER - 5 LB.
- 1 [B209113000] TRIANGLE FLARES - OVERHEAD STORAGE
- 1 [B283600800] HDX ACCUSTYLE, HEATED & REMOTE REAR VIEW MIRRORS
- 1 [B287900800] HDX EYE-MAX LP HEATED CROSS VIEW MIRROR
- 1 [B294030000] AIR CLUSTER LED / STROBE STOP SIGNAL
- 1 [B525279002] HATCH-RF ESC SPEC ADVANTAGE H1976-025-111GRAY (2)

**DOORS**

- 1 [B134000000] RED HANDLE - EMERGENCY DOOR(S)
- 1 [B503002000] EXTERIOR DOOR HANDLE
- 1 [B515500000] 24" SIDE EMERGENCY DOOR LS
- 1 [B518206000] VANDALOCK - AIR-OPERATED OUTWARD OPENING ENTRANCE DOOR
- 1 [B518602000] VANDALOCK - SIDE EMERGENCY DOOR WITH INTERLOCK & BARREL BOLT
- 1 [B518800000] VANDALOCK - REAR PUSHOUT WINDOW, WITH DAVENPORT SHELF
- 1 [C340202000] STEPWELL GUARD (HDX)

**ELECTRICAL - BODY**

- 1 [B216010000] TWO(2)DEFROSTER FANS MOUNTED OVER CENTER WINDSHIELD
- 1 [B231013000] BACKING ALARM - HEAVY DUTY - 97DB
- 1 [B258001400] OUTSIDE SPEAKER HORN - CHASSIS-MOUNTED (TRANSIT)
- 1 [B259119001] GPS - ZONAR SYSTEM, HDX
- 1 [B259205000] CELLULAR PHONE POWER OUTLET REAR WALL OF SWITCH CABINET
- 1 [B260305008] PREMIUM SPEAKERS - EIGHT (8)
- 1 [B260405001] RADIO - AM/FM DEA700 DELPHI, TRANSIT W/PAGE
- 1 [B302004000] BREAKERS - MANUAL RESET
- 1 [B319004140] LED LIGHT MONITOR-16 LIGHT SYS
- 1 [B320002000] ADDITIONAL DOME LIGHTS - LED (TWO)
- 1 [B320200140] LED DOME LIGHTS
- 1 [B322200000] DOME LIGHTS WIRED TO BATTERY
- 1 [B323005000] LED DRIVER'S DOME LIGHT
- 1 [B325000000] DOME LIGHT SWITCH
- 1 [B329000000] STEP LIGHT SWITCH
- 1 [B329014000] FLUSH MTD EXTERIOR LED LIGHT-ENT DOOR
- 1 [B329610000] LIGHT-LED STEPWELL - HDX
- 1 [B333108000] 7" LED DIRECTIONAL LIGHTS - FRONT
- 1 [B336002000] LAMPS-STOP/TAIL/DIRECTIONAL AMBER/REVERSE LED
- 1 [B339302000] LAMPS-STOP/TAIL 4"FLUSH-MOUNT LED
- 1 [B339503000] LAMPS-LICENSE PLATE ILLUMINATION LED - ONE (1)
- 1 [B342200002] SIDE DIRECTIONAL-PIN AMBER TURN,CENTER FRONT WHEEL
- 1 [B342200012] SIDE DIRECTIONAL-PIN AMBER TURN,CENTER REAR WHEEL
- 1 [B358028009] LED WARNING LIGHTS - FOUR (4) AMBER AND FOUR (4) RED LENS
- 1 [B364053000] MARKER/ID LAMPS - LED PIN TYPE
- 1 [B364054000] MID-MARKER LAMPS - LED PIN TYPE
- 1 [B368505000] HEADLIGHTS -LED,W/HEATER TRANSIT
- 1 [B380504000] RECEPTACLE - REAR, ENGINE HEATER (HDX)
- 1 [B383300000] NOISE SUPPRESSION SWITCH

**EXTERIOR**

- 1 [B230000000] AIR HORN - BENEATH FLOOR
- 1 [B537000000] FUEL DOOR LOCK, SPRING
- 1 [B542002000] 20 GAUGE SMOOTH SIDE SHEETS
- 1 [B560000000] SEALING, EXTERIOR JOINT EDGE
- 1 [B566001000] MUD FLAPS - FRONT, RUBBER, 15"W WITH LOGO
- 1 [B566005000] REAR RUBBER MUD FLAPS 22.5W W/LOGO
- 1 [B571001000] FENDERETTES - FOUR (4)

**HVAC**

- 1 [B412005050] 84,000 BTU HEATER - 5TH SECTION LEFT SIDE
- 1 [B412013050] 84,000 BTU HEATER - 13TH SECTION LEFT SIDE
- 1 [B420507000] PLUMBING AT SIDE DOOR WITH PLYWOOD FLOOR

- 1 [B421602140] GATES BLUE HEATER HOSE - FRONT CENTER HEATER
- 1 [B429000000] SIDE DOOR RAMP OVER HEATER HOSE

## INTERIOR

- 1 [B150001000] FLOOR STEP NOSING
- 1 [B150605032] GRAY KORSEAL STEP TREADS/NOSING - OUTWARD OPENING ENTR DOOR
- 1 [B151001000] STEP RISER COVER (HDX)
- 1 [B152402140] BLACK SNAP-IN AISLE STRIP
- 1 [B153520140] DARK GRAY VINYL FLOOR WITH 13" CENTER AISLE
- 1 [B158000140] PLYWOOD FLOOR - 5/8" THICKNESS
- 1 [B531000140] 78" HEADROOM
- 1 [B533603140] ACOUSTIC HEADLINING - COMPLETE WITH POLYESTER INSULATION
- 1 [B575513000] ASSIST RAIL - EXTRA, OUTWARD OPENING ENTRANCE DOOR

## PAINT/LETTERING

- 1 [B132401000] PAINT STANDARD SASH FLAT BLACK
- 1 [B147502000] YELLOW REFLEXITE - 1", PERIMETER OF REAR BUS BODY
- 1 [B147503000] YELLOW "SCHOOL BUS" SIGN - FRONT HOOD
- 1 [B147504000] YELLOW "SCHOOL BUS" SIGN - REAR HOOD
- 4 [B147508000] YELLOW REFLEXITE-PERIMETER OF PUSHOUT SASH (28.5" HIGH SASH)
- 1 [B147511000] YELLOW REFLEXITE - PERIMETER OF EMERG DOOR, 24" W (78" HR)
- 1 [B147513000] YELLOW REFLEXITE - PERIMETER OF REAR PUSHOUT WINDOW
- 1 [B147538002] REFLECTIVE TAPE-ROOF HATCH WHITE(2)
- 1 [B147606140] YELLOW REFLEXITE - 2", BELT LINE - BOTH SIDES OF BUS BODY
- 1 [D50601F140] PAINT-EXTERIOR ROOF WHITE 6"
- 1 [D5061SC140] PAINT-EXT WDO AREA SAME AS BODY
- 1 [D506347000] PAINT-EXT GRD RAIL @ WINDOW BLACK
- 1 [D506447000] PAINT-EXT GRD RAIL @ SEAT BLACK
- 1 [D506547000] PAINT-EXT GRD RAIL @ FLOOR BLACK
- 1 [D506647000] PAINT-EXT GRD RAIL @ SKRT BLACK
- 1 [D506747002] PAINT-EXT BUMPERS FRT/RR BLACK
- 1 [D510646140] PAINT-SOLID COLOR YELLOW

## SEATS

- 1 [B610000095] BELT-ELR SHOULDER/PUSH BUTTON LAP
- 1 [B620000079] LEFT SIDE BARRIER IMMEDIATELY BEHIND DRVR MOVED REARWARD 2"
- 1 [B620001077] BARRIER STORAGE POUCH, RIGHT SIDE AT ENTRANCE DOOR
- 1 [B620039090] KICK PLATE/MODESTY PANEL-39"VERT, WALL-MTD BARRIER,RT SIDE
- 1 [B640139200] 39" BARR-VERT,WALL MT 45"H RS
- 1 [B640239000] 39"8DEG BARR-REV. WALL-MT 45"H LS
- 2 [B660027121] PRO GRA/BLK UPH-45"H RECESSED BARRIER
- 1 [D900104000] BACK-NATIONAL DRV'S SEAT
- 1 [D900302001] ARMREST NATIONAL DRVR'S ST. BOTH SIDES
- 1 [D900403003] UPH DR.ST.FABRIC BLK NATIONAL
- 1 [D900503007] PEDESTAL-NATIONAL AIR W/2 SHOCKS
- 1 [D900802002] RETAINER NATIONAL DR.ST.BELT
- 13 [D930039000] S3B 39"RS WALL MT RESTRAINING/NO BELT
- 11 [D930139000] S3B 39"LS WALL MT RESTRAINING/NO BELT
- 1 [D930339000] S3B 39"LS FLOOR MT RESTRAINING/NO BELT
- 1 [D930425266] FIREBLOCK GRAY UPHOLSTERY - S3B DAVENPORT
- 23 [D930427166] FIREBLOCK GRAY/BLACK UPHOLSTERY - S3B SEAT
- 1 [D930A39039] S3B 39"/39" DAVENPORT RESTRAINING/NO BELT
- 1 [D980339104] S3C 39"LS 3-PASSENGER FLIP FLOOR MOUNT
- 1 [D980427166] PRO GRAY/BLACK UPHOLSTERY - S3C SEAT

## WINDOWS/GLASS

- 1 [B161101140] TINTED TEMPERED GLASS - COMPLETE
- 1 [B161107000] TINTED TEMPERED GLASS-DRIVER'S WINDOW, BLK FINISH WIND FRAME
- 1 [B162009000] TINTED WINDSHIEDL WITH 5" BAND FOR MVP-ER, ER TRANSIT
- 2 [B164410000] TINTED TEMPERED PUSHOUT-LEFT SIDE,VERTICAL HINGE
- 2 [B164411000] TINTED TEMPERED PUSHOUT-RIGHT SIDE,VERTICAL HINGE

## CHASSIS

### AXLES AND SUSPENSIONS

- 1 [C145622000] AXLE - REAR, DANA 22060S, 5.57 RATIO
- 1 [C386000000] SYNTHETIC LUBE REAR AXLE
- 1 [C386006000] SYNTHETIC LUBE STANDARD W/FRONT AXLE
- 1 [C443000000] HENDRICKSON "COMFORT AIR" SINGLE AXLE AIR SUSPENSION

## **BRAKES**

- 1 [C207035000] ANTILOCK BRAKES - MERITOR/WABCO (HDX)
- 1 [C207037000] AIR ANTI-LOCK DISC BRAKES
- 1 [C207210000] ELECTRONIC STABILITY CONTROL - HDX
- 1 [C600001000] PARKING BRAKE INTERLOCK

## **CHASSIS EQUIPMENT**

- 1 [C114400000] SCHRAEDER VALVE LOCATED IN ENGINE COMPARTMENT (5,K)
- 1 [C114900000] REMOTE AIR RESERVOIR DRAINS - RIGHT SIDE
- 1 [C222800000] ADJUSTABLE PEDAL SYSTEM - HDX
- 1 [C236920000] HOSES-RBR,ADVANCED GRD(GATES BLUE STRIPE)W/CONSTNT TRQ CLMP
- 1 [C336504000] 100 GALLON FUEL TANK, BETWEEN THE RAILS, RIGHT HAND FILL
- 1 [C340007267] CHASSIS FRAME RAIL - REG. STRENGTH (50KSI) HDX (267"WB)
- 1 [C340500000] TOW HOOKS, FRONT - TWO (2)

## **ELECTRICAL - CHASSIS**

- 1 [C136500000] LEECE-NEVILLE 240 AMP ALTERNATOR-PAD MOUNTED - HDX
- 1 [C182900000] TRIPLE 12-VOLT GROUP 31 BATTERIES - HDX
- 1 [C184501001] CIRCUIT BREAKERS-MANUAL RESET - HDX
- 1 [C362302000] SOLID STATE ELECTRONIC FLASHER FOR HAZARD LIGHTS
- 1 [C367103000] IGNITION KEYED ALIKE (HDX)
- 1 [C367404000] ZONAR GPS PRE-WIRING FOR INSTALLATION - CHASSIS

## **ENGINE AND EQUIPMENT**

- 1 [C116400000] AIR DRYER - BENDIX AD9 WITH HEATER - HDX
- 1 [C207806000] EXHAUST BRAKE
- 1 [C221106000] CRUISE CONTROL
- 1 [C221270000] VEHICLE SPEED LIMITING(70 MILES PER HOUR SETTING)
- 1 [C230537000] FUEL/WATER SEPARATOR WITH HEATER AND PUMP-CUMMINS ISB
- 1 [C231610000] 6' BLOCK HEATER ELECTRIC CORD - FRONT/REAR RECEPTACLE
- 1 [C231806000] BLOCK HEATER - HDX (CUM ISB)
- 1 [C241013280] CUMMINS B6.7-280 ENGINE
- 1 [C362900000] MULTI-FUNCTION GAUGE-REAR PANEL HDX

## **TRANSMISSION AND EQUIPMENT**

- 1 [C602808209] ALLISON 3000 PTS TRANSMISSION
- 1 [C602910209] 6 SPEED SHIFT CONTROL - 3000 PTS TRANSMISSION

## **WHEELS AND TIRES**

- 6 [C531603000] MICHELIN-11R22.5 16PLY XZE2
- 6 [C656007000] DISC WHEEL - 8.25 X 22.5, 5H (BLACK)
- 1 [C656701000] HUB-PILOTED WHEEL EQUIPMENT - 23K (HDX)

## **DEALER ADD On's**

### **EQUIPMENT**

- 1 OREGON STATE LEGALS
- 1 INSTALL 3" SEAT NUMBERS
- 1 INSTALL 4-DIGIT ROUTE CHANGER
- 1 INSTALL REI HD DVR W/ 4 CAMERAS

**Meets all FMVSS requirements in effect at the time of manufacture.**





*As a community, we prepare lifelong learners to achieve their full potential in a complex and interconnected world.*

To: Board of Directors

From: Dr. Angela Freeman, Assistant Superintendent of Human Capital Management

Prepared by: Sarah Winters, Administrative Analyst, Human Capital Management

**Subject:** REA Contract Ratification

Policy: [Board Powers and Duties – BBA](#)

Date: January 26, 2022

Action	<input checked="" type="checkbox"/>
Report	<input type="checkbox"/>

**Connection to School Board Core Beliefs and Commitments**

- Safety       Equity       Instructional Practice       Organizational Culture

**Strategic Plan Goal Topic 3: Student and Staff Wellness**

We will promote a healthy learning and working environment which provides students and staff with the skills, social support, and environmental reinforcement they need to adopt long-term, healthy behaviors.

**Summary:**

The District and Reynolds Education Association began negotiations on February 18, 2021 and reached a tentative agreement on January 13, 2022 for a three year contract effective July 1, 2021 – June 30, 2024.

Please refer to the following attachment(s): REA Collective Bargaining Agreement

**Previous Board Action:**

The Board approved the previous contract for 2017-2020 on January 10, 2018. That contract received a one-year extension due to COVID-19.

**Background:**

Reynolds School District collaborates with REA every three years to negotiate an agreement on working conditions for the duration of the contract.

**Financial Implications:**

The total cost for this Agreement over the next three school years (2021/2022, 2022/2023, and 2023/2024) is \$23,161,302.

**Alternatives:**

The Board could require additional information prior to taking action on this agenda item.

**Staff Recommendation:**

The District recommends that the Board approve the agreement reached between Reynolds School District and Reynolds Education Association.

**Motion:**

- A. Motion Made by Board Member:
  - a. I move that the Board approve the Collective Bargaining Agreement between Reynolds School District and Reynolds Education Association, effective until June 30, 2024.
- B. Motion Seconded by Another Board Member
- C. Points of Clarification / Discussion
- D. Call for Board Vote



*As a community, we prepare lifelong learners to achieve their full potential in a complex and interconnected world.*

To: Board of Directors  
From: Dr. Danna Diaz, Superintendent of Schools  
Prepared by: Kaylie Jeffries, Executive Assistant to the Superintendent  
**Subject: Board Discussion**  
Policy: [Board Meetings – BD/BDA, Conduct of Board Meetings – BDDF](#)  
Date: January 26, 2022

<b>Action</b>	<input type="checkbox"/>
<b>Report</b>	<input checked="" type="checkbox"/>

**Connection to School Board Core Beliefs and Commitments**

Safety     Equity     Instructional Practice     Organizational Culture

**Strategic Plan Goal Topic 3: Student and Staff Wellness**

We will promote a healthy learning and working environment which provides students and staff with the skills, social support, and environmental reinforcement they need to adopt long-term, healthy behaviors.

**Summary:**

Members of the Reynolds School Board will communicate ideas or requests for presenters at upcoming board meetings, agenda setting, or requests for reports.

**Previous Board Action:**

Not Applicable

**Background:**

Not Applicable

**Financial Implications:**

Not Applicable

**Alternatives:**

Not Applicable

**Staff Recommendation:**

Not Applicable

**Motion:**

Not Applicable

To: Board of Directors  
From: Dr. Danna Diaz, Superintendent of Schools  
Prepared by: Kaylie Jeffries, Executive Assistant to the Superintendent  
**Subject: Adjourn**  
Policy: [Board Meetings – BD/BDA, Conduct of Board Meetings – BDDF](#)  
Date: January 26, 2022

Action	<input checked="" type="checkbox"/>
Report	<input type="checkbox"/>

---

**Connection to School Board Core Beliefs and Commitments**

Safety     Equity     Instructional Practice     Organizational Culture

**Strategic Plan Goal Topic 3: Student and Staff Wellness**

We will promote a healthy learning and working environment which provides students and staff with the skills, social support, and environmental reinforcement they need to adopt long-term, healthy behaviors.

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**Adjournment**

