



Agenda

North Clackamas School Board
Thursday, January 25, 2024 - 5:45 PM
Board Room/YouTube
12400 SE Freeman Way
Milwaukie, OR 97222

Times listed on the agenda below are only estimates and may be adjusted.

EXECUTIVE SESSION

Convened under Oregon Laws ORS 192.660(e).

NOTICE TO MEDIA: (4) Representatives of the news media shall be allowed to attend executive sessions other than those held under subsection (2)(d) of this section relating to labor negotiations or executive session held pursuant to ORS 332.061 (2). Representatives of the news media who are permitted to attend executive sessions are specifically directed not to report on or otherwise disclose any of the deliberations or anything said about these subjects during the executive session, except to state the general subject of the session as previously announced.

5:45 Real Estate Transaction

Presenter: Cindy Detchon

6:15 Adjourn Executive Session

OPEN SESSION

6:30 Call to Order

Community Comments

Native Land Acknowledgement

3

Flag Salute

4

Minutes - January 11, 2024

5

Consent Agenda

A. Employment Changes

B. Policy Revisions

8

7:05 1. Black/African American History Month¹ - Proclamation

18

Presenter: Jena Benologa

7:15	2. Public Schools Week - Proclamation	20
	Presenter: Jena Benologa	
7:25	3. North Clackamas Education Association (NCEA) Featured Educator	
7:35	4. Early Literacy Success Grant - Discussion	22
	Presenter: Patricia Ahrens	
7:55	5. 2022-23 District Financial Audit - Report	57
	Presenter: Matt Makara	
8:05	6. Clean School Bus Rebate Program - Report	193
	Presenter: Cindy Detchon	
8:10	Adjourn	



Native Land Acknowledgment

We acknowledge the land on which we sit and which we call the North Clackamas School District rests on the traditional and indigenous lands and village sites of the Native peoples of the Kalapuya, Chinook, Molalla, and the Clackamas. We take this opportunity to offer gratitude for the ability to learn, work, and be a community on this land, and we offer thanks to the original caretakers of this region. We recognize the historic policies of colonization, genocide, relocation, and assimilation that affected Indigenous and Native families both past and present and that will affect those in the future, and honor the resilience and revitalization of our Indigenous and Native communities. We pay our respects to the Elders, both past and present, who have been the stewards of this land throughout the generations.



Flag Salute

I pledge allegiance to the Flag of the United States of
America, and to the Republic for which it stands, one Nation
under God, indivisible, with liberty and justice for all.

**NORTH CLACKAMAS SCHOOL DISTRICT 12
 CLACKAMAS COUNTY, OREGON
 MINUTES — BOARD OF DIRECTORS MEETING
 January 11, 2024
 Board Room/YouTube**

Open Session

With due notice having been given and a quorum present, Chair Jena Benologa convened open session at 6:30 p.m. with the following members present:

Jena Benologa	–	Chair
Kathy Wai	–	Vice Chair
Mitzi Bauer	–	Director
April Dobson	–	Director
Paul Kemp	–	Director
Tory McVay	–	Director
Glenn Wachter	–	Director
Shay James	–	Superintendent
Donna Collingwood	–	Board Secretary

Also present were Ivonne Dibblee, Cindy Detchon, Tiffany Shireman, Patricia Ahrens, Matt Makara, Petra Callin, Khaliyah Williams-Rodriguez, Michelle Riddell, and Tammy O’Neill.

Community Comments -

- Michael Corbus, (on behalf of their daughter Kylie Corbus), Oak Grove, spoke regarding diversity.
- Michael Corbus, Oak Grove, spoke regarding diversity.
- Brandon Germany, Damascus, spoke regarding school culture.

Kathy Wai read the Native Land Acknowledgement. Glenn Wachter led the Pledge of Allegiance.

R23/24-38

Minutes – Mitzi Bauer moved, Kathy Wai seconded the motion to approve the minutes of the regular Board Meeting held December 7, 2023.

Motion passed unanimously, 7-0.

R23/24-39

Consent Agenda – Glenn Wachter moved, Tory McVay seconded the motion to adopt the consent agenda as recommended:

Employment Changes - Approve employment changes as listed, with a copy of the list made as part of the official minutes, as recommended by the Executive Director of Human Resources:

- Licensed appointments, additional assignments, transfers, leaves, and terminations

Policy Revisions

- Approve revisions to the following policies as recommended by the Policy Review Committee.
 - BDC – Executive Session
 - ECACB - Unmanned Aircraft System (UAS) a.k.a. Drone
 - IGDJ - Interscholastic Activities
 - KGB - Public Conduct on District Property

Travel Request

- Grant permission for 9 students from Adrienne C. Nelson High School to travel to Anaheim, CA, February 15-19, 2024.

Travel Request

- Grant permission for 45 students from Rex Putnam High School to travel to Anaheim, CA, May 17-20, 2024.

Motion passed unanimously, 7-0.

Youth Equity Advisory Committee - Report- Senior Director of Equity, Engagement, and Enrollment Khaliyah Williams-Rodriguez, College and Career Teacher on Special Assignment Kim Amador, and four NCSD students presented an update on the Youth Equity Advisory Committee. Questions and comments from the Board were addressed.

School Board Recognition Month - Presentation- Superintendent Shay James recognized the North Clackamas School Board, proclaiming January to be School Board Recognition Month.

Policy Revisions - Discussion - Chief of Staff Tiffany Shireman presented revisions and/or deletions to the following policies as recommended by the Policy Review Committee:

- GCBDA/GDBDA – Family Medical Leave
- GCBDF/GDBDF - Paid Family Medical Leave Insurance
- IGBB - Talented and Gifted Program
- IGBBA - Identification - Talented and Gifted Students
- IGBBC - Talented and Gifted - Program and Services

R23/24-40

Electrical Utility Easement Linwood Elementary - Discussion/Action – Assistant Superintendent of Operations Cindy Detchon discussed electrical utility easement at Linwood Elementary. Questions and comments from the Board were addressed.

Mitzi Bauer moved, Glenn Wachter seconded the motion to adopt a resolution granting a non-exclusive easement over a strip of land approximately ten (10) feet in width, extending five (5) feet on each side of the centerline of PGE’s systems on the Linwood Property to allow ingress and egress for maintenance, repair, and improvement (including new construction as needed) of PGE’s system as necessary to deliver services by PGE to the District’s real property and improvements comprising the Linwood Property.

Motion passed unanimously, 7-0.

R23/24-41

Elementary School Playground Purchases - Discussion/Action – Assistant Superintendent of Operations Cindy Detchon discussed playground purchases at Happy Valley Elementary and Riverside Elementary. Questions and comments from the Board were addressed.

Tory McVay moved, Kathy Wai seconded the motion to approve the purchase from Buell Recreation for replacement playgrounds for the following schools: Happy Valley Elementary School - \$141,559.00 and Riverside Elementary School - \$163,915.00

Motion passed unanimously, 7-0.

R23/24-42

Contract Award: Kitchen Equipment - Discussion/Action – Executive Director of Finance and Business Services Matt Makara discussed the contract to replace kitchen equipment. Questions and comments from the Board were addressed.

April Dobson moved, Kathy Wai seconded the motion to award contract in the amount of \$748,476.00 to Curtis Restaurant Equipment.

Motion passed unanimously, 7-0.

There being no further business to come before the Board, the meeting adjourned at 8:13 p.m.

Unapproved

POLICY REVISIONS

CONSENT B
January 25, 2024

REASON FOR BOARD CONSIDERATION:

Approval of the attached policy revisions of NCSD Board Policies GCBDA/GDBDA, GCBDF/GDBDF, IGBB, IGBBA, and deletion of IGBBC.

RECOMMENDATION:

The Superintendent’s Policy Review Team, with representation of both staff and Board, reviewed and supports the following policy revisions/deletion.

BUDGET IMPACT/SOURCE OF FUNDS:

There are no known or anticipated increases to costs with the proposed policy addition/change.

ATTACHMENTS:

Drafts of the following policies to review:

Policy	Title	Reason
GCBDA/GDBDA	Family Medical Leave	OSBA August 2023 Update, During the 2023 Legislative Session multiple bills were passed amending Paid Family Medical Leave Insurance (PFMLI) and the Oregon Family Leave Act (OFLA).
GCBDF/GDBDF	Paid Family Medical Leave Insurance	OSBA August 2023 Update, During the 2023 Legislative Session multiple bills were passed amending Paid Family Medical Leave Insurance (PFMLI) and the Oregon Family Leave Act (OFLA). This is a new policy.
IGBB	Talented and Gifted Program	OSBA August 2022 Update, Legal review by OSBA policy staff encourages districts to reduce and consolidate policies and ARs regarding talented and gifted programs. Proposed policy changes align complaint policy to districts existing general complaint procedure (Policy KL)
IGBBA	Identification - Talented and Gifted Students	
IGBBC	Talented and Gifted - Program and Services	Deletion: Content now reflected in IGBB and IGBBA.

PRESENTER / STAFF CONTACT:

Tiffany Shireman, Chief of Staff



Code: GCBDA/GDBDA
Adopted: 12/06/12
Revised/Readopted: 6/22/17

Family Medical Leave

When applicable, the district will comply with the provisions of the Family and Medical Leave Act (FMLA), the Oregon Family Leave Act (OFLA) the Oregon Military Family Leave Act (OMFLA), Paid Family Medical Leave Insurance (PFMLI) and other applicable provisions of state and federal law, Board policies and collective bargaining agreements regarding family medical leave.

In order for an employee to be eligible for the benefits under FMLA, the employee must have been employed by the district for at least 12 months, have worked at least 1,250 hours during the past 12-month period and worked at a worksite that employs 50 district employees within 75 miles of the worksite.

Generally, in order for an employee to be eligible for the benefits under OFLA, the employee must work an average of 25 hours or more per week during the 180 calendar days immediately prior to the first day of the start of the requested leave. For parental leave purposes, an employee becomes eligible upon completing at least 180 calendar days immediately preceding the date on which the parental leave begins: there is no minimum average number of hours worked per week. Special requirements apply during public health emergencies.

OMFLA applies to employees who work an average of at least 20 hours per week; there is no minimum number of days worked when determining an employee's eligibility for OMFLA.

PMFLI is generally available to district employees who have earned \$1,000 in subject wages or taxable income during the alternate or base years¹, contributed to the PMFLI fund in the alternate or base years and are otherwise eligible.²

Federal and state leave entitlements generally run concurrently.

The superintendent or designee will develop administrative regulations as necessary for the implementation of the provisions of both federal and state law.

END OF POLICY

Legal Reference(s):

[ORS 332.507](#)

[ORS 659A.090](#)

[ORS 659A.093](#)

¹ The wages are not required to have been earned for work in the district.

² See OAR 471-070-1010 for additional information.

[ORS 659A.096](#)
[ORS 659A.099](#)

[ORS 659A.150 - 659A.186](#)
[ORS 659B.010](#)

[OAR 839-009-0200 - 0320](#)

Americans with Disabilities Act, 42 U.S.C. §§ 12101-12213; 29 C.F.R. Part 1630 (2017); 28 C.F.R. Part 35 (2017).
Family and Medical Leave Act, 29 U.S.C. §§ 2601-2654; 5 U.S.C. §§ 6381-6387 (2012); Family and Medical Leave Act, 29 C.F.R. Part 825 (2017).
Americans with Disabilities Act, 42 U.S.C. §§ 12101-12133 (2018); 29 C.F.R. Part 1630 (2019); 28 C.F.R. Part 35 (2019).
Escriba v. Foster Poultry Farms, Inc. 743 F.3d 1236 (9th Cir. 2014).
Senate Bill 999 (2023).

Code: GCBDF/GDBDF
Adopted:

Paid Family Medical Leave Insurance

The district provides an equivalent plan for paid family and medical leave and does not participate in Paid Leave Oregon provided by the Employment Department. The paid family medical leave insurance plan has been approved by the Employment Department. The district will file the Oregon Quarterly Tax Report as required.

Application

Employees may submit applications for Paid Leave Oregon (PLO) to the equivalent plan through The Standard.

Employee Notice to District

If the leave is foreseeable, the employee must provide the district with written notice at least 30 calendar days prior to the leave. If the leave is not foreseeable the employee must give oral notice to the district within 24 hours of the start of the leave, and must provide written notice within three days after the start of leave. The district requests as much advanced notice as possible.

The notice must include:

1. The employee's first and last name;
2. Type of leave;
3. Explanation of the need for leave; and
4. Anticipated timing and duration of leave, including if it is continuous or intermittent.

Notice need only be given one time, but the employee shall notify the district as soon as practicable if dates of scheduled leave change, are extended, or were initially unknown. This notice does not need to mention PFMLI or PLO to satisfy the notice requirements. Notice may be provided by another party on behalf of the employee in accordance with state law.

Return to Work

Upon completion of leave, the employee is entitled to return to the position held in the district prior to the leave, if that position still exists and if the employee had been employed in the district for 90 days prior to taking leave. If the position no longer exists, the employee is entitled to a position equal to their previous position, with equal benefits, pay and other terms and conditions of employment.

The district will make available a notice poster that outlines the requirements and procedures for the equivalent plan.¹ This poster will be displayed in each of the district’s buildings or worksites in an area that is accessible to and regularly frequented by employees. This poster will be provided² to remote employees upon hire or assignment to remote work.

END OF POLICY

Legal Reference(s):

[ORS 657B.210 – 657B.260](#)

[OAR 471-070-2200 - 2460](#)

¹ For poster requirements, see OAR 471-070-2330.

² By hand delivery, regular mail, or through an electronic delivery method.



Code: IGBB
Adopted: 4/04/91
Readopted: 9/20/12; 6/09/22
Orig. Code: IGBB

Talented and Gifted Program

The district is committed to an educational program that recognizes, identifies and serves the unique strengths and needs of students identified as talented and gifted. Students identified as talented and gifted demonstrate exceptional performance when compared to applicable developmental or learning progressions, with consideration given for variations in student's opportunity to learn and to culturally relevant indicators of ability.

The Board directs the superintendent or designee to develop a process for identification of talented and gifted students in grades K through 12. (See Board policy IGBBA – Talented and Gifted Students – Identification**)

The district will develop a written plan of instruction for talented and gifted students in accordance with law. That:

1. Includes a statement of the district policy on the education of talented and gifted students (this policy);
2. Identifies and assesses special talented and gifted programs and services available in the district;
3. States goals related to providing such programs and services, including timelines for achievement;
4. Describes the programs and services intended to accomplish stated goals;
5. Describes how the district provides parents an opportunity to discuss and to provide input on programs and services for their child;
6. Describes how the district will evaluate progress of the plan; and
7. States the name and contact information for the district's talented and gifted coordinator.¹

The district shall submit such plan to the Oregon Department of Education (ODE) as directed.

The plan will be provided at the school or the district office, when requested, and will be published on the district's website. The district website shall provide the name and contact information of the district's coordinator of special education and programs for talented and gifted. The district will annually report the name and contact information of the district's TAG coordinator to ODE.

¹ For the list of complete requirements of the plan, see ORS 343.397(1).

Complaints regarding programs and/or services can be filed in accordance with Board Policy KL – Public Complaints, beginning at Step 1. The superintendent or designee may choose to convene a committee in making a decision.

END OF POLICY

Legal Reference(s):

[ORS 343.391 - 343.401](#)
[ORS 343.407 - 343.413](#)

[OAR 581-022-2325](#)
[OAR 581-022-2330](#)

[OAR 581-022-2370](#)
[OAR 581-022-2500](#)

Cross Reference(s):

IGBBA – Identification - Talented and Gifted Students
KL – Public Complaints



Code: IGBBA
Adopted: 9/20/12
Revised/Readopted: 8/25/16

Identification - Talented and Gifted Students**

In order to serve talented and gifted (“TAG”) students in grades K through 12, the superintendent or designee will establish an identification process.

This process of identification shall include at a minimum:

1. Use of evidence-based practices that include a variety of tools and procedures to determine if a student demonstrates a pattern of exceptional performance and/or achievement that is relevant to the identification of TAG students under ORS 343.395.
2. Collection and use of multiple modes and methods of qualitative and quantitative evidence to allow appropriate members of a student’s identification team to make a determination about the identification and eligibility of the students for TAG services, supports and/or programs; with no single test or piece of evidence eliminating a student from eligibility.
3. Use of methods and practices that minimize or seek to eliminate the effects of bias in assessment and identification of students from historically underrepresented populations including, but not limited to:
 - a. Students who are racially/ethnically diverse;
 - b. Students experiencing disability;
 - c. Students who are culturally and/or linguistically diverse;
 - d. Students experiencing poverty; and
 - e. Students experiencing high mobility.
4. Incorporate assessments, tools and procedures that will inform the development of an appropriate plan of instruction for students who are identified as TAG and describe how information from the assessments, tools and procedures used in the identification for TAG students will be used to support development of the plan of instruction.
5. Identify how the educational record under ORS 326.565 of the student being considered will document and reflect the record of the team’s decision and the procedures and data used by the team to make the decision.

The district will provide professional development for staff assigned the responsibility for identification of TAG students.

When a student is identified for TAG, the district shall inform parents of the programs and services available to their student and provide an opportunity for parents to provide input to, and discuss TAG instruction proposed for their student. The instruction provided shall be designed to accommodate the student’s assessed levels of learning and accelerated rates of learning. Parents may request the withdrawal of their student from TAG at any time.

If a parent is dissatisfied with the identification process or placement of their student, they may submit an appeal through Board policy KL - Public Complaints and begin at Step 1.

After exhausting the district’s appeal procedure and receiving the district’s final decision, a parent may appeal the decision to the Deputy Superintendent of Public Instruction under Oregon Administrative Rule (OAR) 581-002-0001 – 581-002-0023. The district shall provide a copy of the OARs upon request.

END OF POLICY

Legal Reference(s):

[ORS 343.395](#)
[ORS 343.407](#)
[ORS 343.409](#)

[ORS 343.411](#)
[OAR 581-021-0030](#)
[OAR 581-022-2325](#)

[OAR 581-022-2330](#)
[OAR 581-022-2370](#)
[OAR 581-022-2500](#)

Cross Reference(s):

KL – Public Complaints

**As used in this policy, the term parent includes legal guardian or person in a parental relationship. The status and duties of a legal guardian are defined in ORS 125.005 (4) and 125.300 - 125.325. The determination of whether an individual is acting in a parental relationship, for purposes of determining residency, depends on the evaluation of the factors listed in ORS 419B.373. The determination for other purposes depends on evaluation of those factors and a power of attorney executed pursuant to ORS 109.056. For special education students, parent also includes a surrogate parent, an adult student to whom rights have transferred and foster parent as defined in OAR 581-015-2000.



Code: IGBBC
 Adopted: 9/20/12
 Revised/Readopted: 6/14/18; 2/13/20

Talented and Gifted – Programs and Services**

A district written plan will be developed for programs and services beyond those normally offered by the regular school program. All required written course statements shall identify the academic instructional programs and services to be provided which accommodate the assessed levels and accelerated rates of learning in identified talented and gifted students. The superintendent will remove any administrative barriers that may exist which restrict a student’s access to appropriate services and will develop program and service options.

The Board has established an appeal process for a parent to utilize if they are dissatisfied with the programs and services recommended for their student that has been identified as talented and gifted, and wish to request reconsideration. The appeal process is identified in administrative regulation IGBBA-AR - Appeal Procedure for Talented and Gifted Student Identification and Placement.

The Board has established a complaint procedure to utilize if a person who resides in the district, a student, or a parent of a student attending school in the district has a complaint regarding the appropriateness of programs and services provided for a student identified as talented and gifted. This complaint procedure, IGBBC-AR - Complaints Regarding the Talented and Gifted Program, is available at the district’s administrative office and on the home page of the district’s website. The complainant may file an appeal to the Deputy Superintendent of Public Instruction under Oregon Administrative Rules (OAR) 581-002-0001 – 581-002-0023. The district shall provide a copy of these OARs upon request.

** As used in this policy, the term parent includes legal guardian or person in a parental relationship. The status and duties of a legal guardian are defined in ORS 125.005 (4) and 125.300 - 125.325. The determination of whether an individual is acting in a parental relationship, for purposes of determining residency, depends on the evaluation of the factors listed in ORS 419B.373. The determination for other purposes depends on evaluation of those factors and a power of attorney executed pursuant to ORS 109.056. For special education students, parent also includes a surrogate parent, an adult student to whom rights have transferred and foster parent as defined in OAR 581-015-2000.

END OF POLICY

Legal Reference(s):

- [OAR 581-022-2325](#)
- [OAR 581-022-2330](#)
- [OAR 581-022-2370](#)
- [OAR 581-022-2500](#)



PROCLAMATION:
BLACK/AFRICAN AMERICAN HISTORY MONTH

ACTION
Agenda Item #1
January 25, 2024

SUPERINTENDENT'S RECOMMENDATION:

Adopt the proclamation recognizing February 2024 as Black/African American History Month in North Clackamas School District.

ORIGINATED BY:

This is an annual agenda item.

BACKGROUND:

National Black/African American History Month in February celebrates the contributions that Black/African Americans have made to American history in their struggles for freedom and equality and deepens our understanding of our Nation's history. Since 1996, Presidents have issued annual proclamations for National Black/African American History Month.

The Association for the Study of African American Life and History has identified this year's Annual Black History Theme: *African Americans and the Arts*.

ATTACHMENTS:

Proclamation

PRESENTER:

Jena Benologa, Board Chair



Black/African American History Month

in

North Clackamas School District

WHEREAS, each year, the United States observes Black/African American History Month by celebrating the culture, heritage and countless contributions of Black/African Americans to our Nation's history and identity; and

WHEREAS, Black/African American History Month grew out of the establishment, in 1926, of Negro History Week by Carter G. Woodson and the Association for the Study of African American Life and History; and

WHEREAS, the 2024 national theme for the observance is "African Americans and the Arts," and

WHEREAS, the North Clackamas School District is deeply committed to equity and inclusion. This stance includes the cultural and racial affirmation of our students, staff, parents, and community members who identify as Black/African American; and

WHEREAS, our community is better because of the diversity of our population; and

WHEREAS, the North Clackamas School District strives to close the equity and outcome gaps for Black/African American students through policies and practices that reflect the experiences of Black/African American students, ensure greater access and opportunity and honor history, heritage, and contributions; and

NOW, THEREFORE, BE IT RESOLVED that the North Clackamas School District hereby proclaims the Month of February 2024 as Black/African American History Month in the North Clackamas School District and encourage all residents to honor Black/African American history and culture.

Adopted this 25th day of January 2024.

Signed:

Chair, Jena Benologa, School District Board of Directors

PROCLAMATION: PUBLIC SCHOOLS WEEK

ACTION
Agenda Item #2
January 25, 2024

SUPERINTENDENT’S RECOMMENDATION:

Adopt the proclamation declaring February 26 - March 1, 2024, as “Public Schools Week” in North Clackamas School District.

ORIGINATED BY:

Affiliation with multiple national organizations that represent our employees

BACKGROUND:

“Public Schools Week” in North Clackamas School District has been scheduled for February 26 - March 1, 2024, in cooperation with a national effort, supported by over 40 organizations including the National School Boards Association, National Association of Elementary School Principals, National Association of Secondary School Principals, National Education Association, AASA-The Schools Superintendent Association, National PTA, and the National School Public Relations Association.

Public Schools Week is a national celebration to highlight the great things happening in our nation’s public schools as well as bring attention to the critical issues facing our schools, students and educators.

ATTACHMENTS:

Proclamation

PRESENTER:

Jena Benloga, Board Chair



Public Schools Week

in

North Clackamas School District

WHEREAS, robust public schools are the bedrock of our nation's social well-being; by strengthening public education our nation is stronger; and

WHEREAS, over 16,900 students representing a diversity of demographics are enrolled in the North Clackamas School District; and

WHEREAS, American public schools educate nine out of 10 students; consequently, high quality public schools are critical to the success of America's democracy, along with the success of state, national, and global economies; and

WHEREAS, National Public Schools Week has been scheduled for February 26-March 1, 2024.

NOW, THEREFORE BE IT RESOLVED that the North Clackamas School District Board of Directors proclaims the week of February 26 – March 1, 2024, as Public Schools Week in the North Clackamas School District.

Signed:

Chair, Jena Benologa, School District Board of Directors

EARLY LITERACY SUCCESS GRANT

DISCUSSION
Agenda Item #4
January 25, 2024

SUPERINTENDENT’S RECOMMENDATION:

Board Approval of the 2023-2027 Early Literacy Success Grant for submission to the Oregon Department of Education.

ORIGINATED BY:

Per the Oregon Department of Education, Grant recipients must share and get board approval for their 2023-2027 Early Literacy Success Plan at an open public meeting with the opportunity for public comment.

BUDGET IMPACT/SOURCE OF FUNDS:

Preliminary allocations to the North Clackamas School District are:

First Biennium Early Literacy Success Grant Preliminary Allocations:

2023-24: \$1,212,860.61

2024-25: \$1,262,365.12

BACKGROUND:

The Early Literacy Success Grant is an Oregon Department of Education non-competitive grant allocating funds for the 2023-2025 biennium. This funding aims to increase student reading proficiency by supporting materials, professional learning, coaching, extended learning, and high dosage tutoring aligned with the Oregon Department Early Literacy Framework.

THE PRESENTATION WILL INCLUDE THE FOLLOWING:

- Strategic Plan Alignment
- Early Literacy Grant Opportunities and Requirements
- Design Process
- Grant Budget Overview by Allowable Expenses
 - Instructional Materials
 - Professional Development and Coaching
 - High Dosage Tutoring
 - Family Engagement
 - Extended Learning
 - Tiered Supports
- NCSD Additional Investments in Literacy

ATTACHMENTS:

- Early Literacy Success Grant: Slides
- [Early Literacy Success Grant One-Page Overview](#)
- [Early Literacy Success Grant Application](#)

In summary, the Early Literacy Success grant will come alongside the district's current early literacy efforts and enhance and extend the successful efforts underway. Funds will allow NCSd to further strengthen core literacy instruction by increasing access to embedded coaching and professional development for teachers and strategic small-group instruction for students. In addition, dedicated materials will support reading intervention, high-dosage tutoring, and extended learning. Across all schools, culturally responsive, literacy-specific family engagement opportunities will be offered in a variety of structures and formats to ensure wide representation and support.

PRESENTERS/STAFF CONTACT:

Jennifer Dove-Kiltow, Director of Student Family Services/Integrated Programs

Patricia Ahrens, Executive Director of Elementary Programs

Jennifer Kempf-Burkart, Early Learning Coordinator

Dianna Ngai, Associate Director of Teaching, Learning and Professional Development



Early Literacy Success Grant

2023-2025



Overview

1. Strategic Plan Alignment
2. Early Literacy Grant Opportunities and Requirements
3. Design Process
4. Grant Budget Overview by Allowable Investments
 - a. Instructional Materials
 - b. Professional Development and Coaching
 - c. High Dosage Tutoring
 - d. Family Engagement
 - e. Extended Learning
5. Tiered Supports
6. NCS D Investment in Early Literacy

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Student Experience & Success

- Strengthen and improve instructional and assessment practices.
- Ensure that modes and delivery of teaching and learning are varied and responsive to students' learning needs.



People & Culture

- Foster professional growth and leadership across all levels of the organization.
- Cultivate a collaborative environment that empowers employees and provides job satisfaction.

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Family & Community Collaboration

- Improve family engagement through a variety of relevant, accessible and meaningful opportunities.
- Strengthen and develop partnerships that remove barriers to learning and advance the school district's vision and goals.

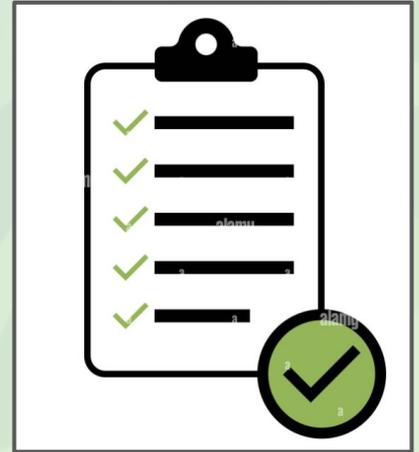
Early Literacy Success Grant

Opportunities and Requirements

- ❑ PreK-3 literacy focus
- ❑ 20% of allocation for 4th-5th grade
- ❑ **Materials** alignment with Science of Reading
- ❑ **Professional development/coaching**
- ❑ Plan for **high dosage** tutoring & **extended learning**

Reporting:

- ❑ Assessment data
- ❑ Teachers in PD/Coaching
- ❑ Students in extended learning/HD tutoring
- ❑ Evidence of communication



Early Literacy Success Grant Plan Development

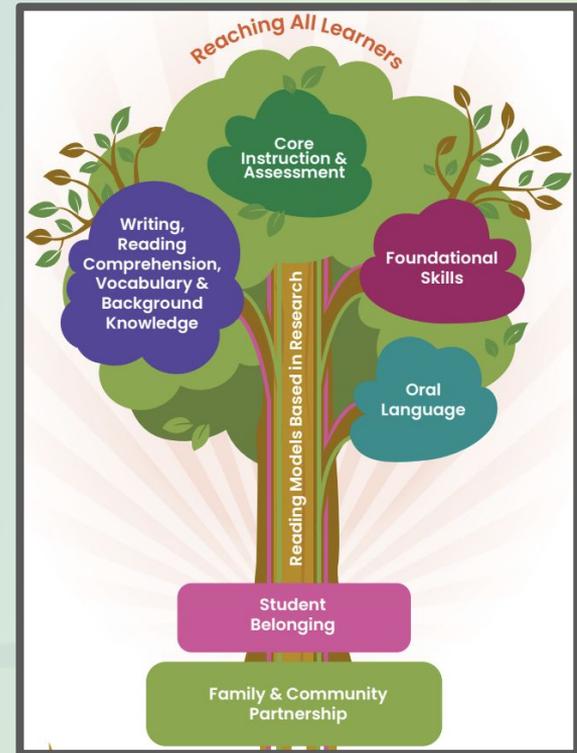
Literacy Program Review

- Core materials and instructional practices
- Intervention, tutoring and extended learning
- Early Literacy Playbook/ODE Early Literacy Framework

Community and Staff Engagement:

- Integrated Program Community Needs Assessment
- Early Learning Empathy Interviews
- Staff Surveys on Literacy Implementation & Needs (SPED, DLI, ELD, K-3, 4-5)
- Early Learning Hub of Clackamas County
- Stand for Children *ELS Grant Essentials*
- ODE/CESD Early Literacy Success Planning Collaborative

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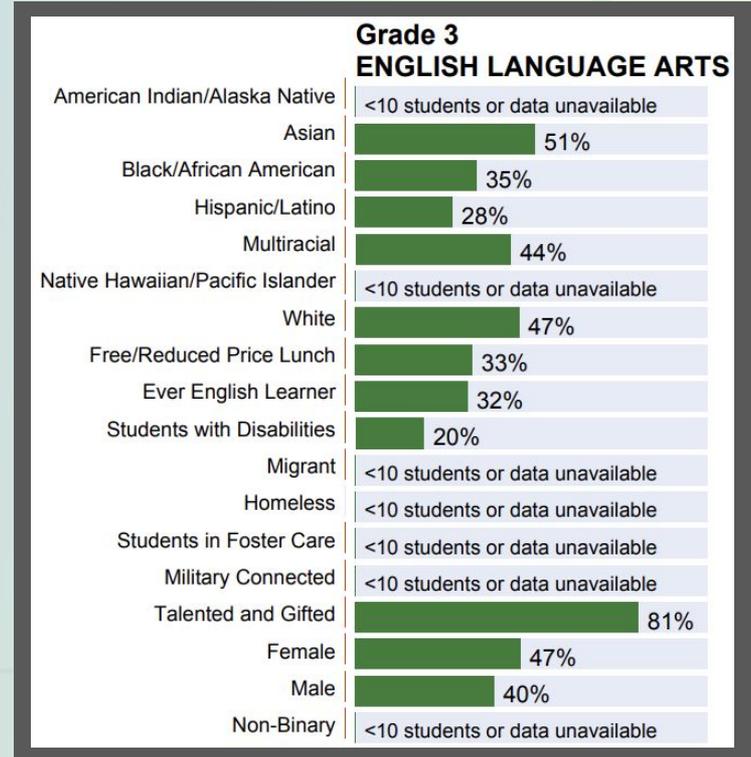
Early Literacy Grant Goals

Current: 42% of 3rd Grade Proficient (OSAS):

ODE Early Literacy Success Grant Goal: Increase students reading on grade level by 3rd grade while significantly closing the opportunity gap.

NCSD Early Literacy Success Grant Goals: For the first biennium, the goal is to determine baseline data. Growth is aligned to the longitudinal goals established through the Student Investment Account. More defined goals will be written for the second biennium.

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Early Literacy Allowable Expenses

Estimated Investments	
Research & Aligned Materials	\$807,400
Professional Development & Coaching	\$623,395
High Dosage Tutoring	\$1,032,999
Family Engagement	\$16,000



***Extended Learning** (summer school) opportunities will continue to be supported through Title 1 funds (~\$210,000) for the first biennium. Our summer program will align to the goals of the Early Literacy Success grant and will be offered to schools receiving Title I funds.

30

Science of Reading Aligned Materials

1 Materials

\$807,400.00

Outcomes

- Accelerate learning for students through reading interventions
- Increase students' proficiency in foundational skills
- Elevate student reading engagement and interest through identity

Key Investments

- All Schools: Intervention materials that are aligned to research and core curriculum and instruction (K-5)
- All Schools: Online adaptive foundational skills curriculum (K-5)
- All Schools: Culturally relevant classroom library books (3rd-5th)

Professional Development and Coaching

2 Professional Development and Coaching

\$623,395

Outcomes

- Align teachers' knowledge and practices through literacy framework to strengthen universal core instructional
- Establish small group instruction to strengthen interventions at the classroom level
- Foster student- teacher relationship through actionable feedback to nourish student learning

Key Investments

- All Schools: Bridge the Science of Reading to the NCSL Literacy Framework (K-5)
- All Schools: Outline the time, type, and focus to organize cohesive systems of small group interventions and actionable feedback tied to the NCSL Hi5 Instructional Practices
- All Schools: 3rd-5th Grade Literacy Specialist
- ▼ Target Schools: K-3 Literacy Coaches

High Dosage Tutoring

3 High Dosage Tutoring

\$1,032,999

Outcomes

- Increase students' access to effective small group instruction and intervention support
- Accelerate student learning through immediate and intensive feedback opportunities

Key Investments

- All Schools: Paraeducator support for 1st grade students
- Focal Schools: Paraeducator support for 2nd grade students
- ▼ Target Schools: Paraeducator support for 3rd grade students
- ▼ Target Schools: Reading Specialist
- ▼ Target Schools: 1:1 High dosage tutoring

Allowable Expense: Family Engagement

4 Family Engagement

\$16,000

Outcomes

- Increase family access to aligned materials and guidance supporting early literacy learning.
- Strengthen family partnerships through home-school collaborative learning experiences.

Key Investments

- All Schools: Materials and resources for families to utilize when supporting at-home literacy learning
- All Schools: Events and home-school communication avenues that support student literacy growth (K-3)
- ▼ Target: 1:1 literacy-specific family conferences

Focusing our Efforts Through Tiered Support

All Schools
(18)

- Continued K-3 Early Literacy PD
- Intervention Materials
- Adaptive Online Foundation Instruction:
- Paraeducator literacy support for 1st grade
- 3rd-5th Literacy PD & Curriculum Support
- 3rd-5th Culturally Relevant Classroom Libraries
- Family Engagement Materials

Focal
(5)

- Intensive cycles of early literacy coaching through a “flood model”
- Increased Paraeducator support for 1st and 2nd grade readers

Target
(2)

- K-3 Literacy Coach & Specialist
- 1:1 High Dosage Tutoring (Ignite)
- Paraeducator support for 1st-3rd grade readers

35

**Note: All schools includes DLI & Sojourner. All teachers includes all engaged in reading instruction.*

NCSD Early Literacy Investments

Braided Funding investments that support Early Literacy

Federal Title Grants (\$ 3.3 million)

Coaches
Ongoing Professional Development
Title 1 Summer School
Ongoing Parent Engagement
Summer School

Student Investment Account (\$1.2 million)

K-2 Emergent Literacy Specialists
Classroom Libraries
Decodable Books
Professional Development
Summer Literacy Institutes
Summer Kindergarten Exploration

Emergency Relief Funds (ESSER) (\$350,000)

Additional Para Educator Hours to
support literacy

General Fund \$115,000

Science of Reading Aligned Adopted
Curriculum Resources

Discussion & Questions



Plan for Community Review and Comment

The purpose of the **Early Literacy Success School District Grant** is to expand learning outcomes through increased capacity for effective teaching practices, research-aligned and culturally relevant materials, professional development, embedded coaching, high dosage tutoring, extended learning, and family engagement opportunities.

North Clackamas School District aims to utilize grant funding to increase reading proficiency for all students. Outcomes and investments differentiate support to meet the needs of students in general education as well as students identified to receive Special Education services, English Language Development, Talented and Gifted, and Dual Language Immersion.

The support and funding to achieve this goal are structured in tiers to address various levels of need.

● **All schools (18)** ■ **Focal Schools (5)** ▼ **Target Schools (2)**

Criteria for Focal and Target schools are determined by several factors including, but not limited to, student proficiency levels, growth targets, implementation of district framework, teaming structures at the school level, academic trends, student demographics, and school leadership.

ODE Early Literacy Success Grant Goal:

Increase students reading on grade level by 3rd grade while significantly closing the opportunity gap.



NCS D Early Literacy Success Grant Goals:

For the first biennium, the goal is to determine baseline data. Growth is aligned to the longitudinal goals established through the Student Investment Account. More defined goals will be written for the second biennium.

This draft plan is estimated for the 1st biennium total of \$2,475,225.73 for the Early Literacy Success (ELS) District Grant. The ELS grant intersects with key investments funded through both the SIA and Title I allocations, fulfilling the 25% district match requirement.

Early Literacy Success Allowable Investments

Estimated Investment

1 Materials

\$807,400.00

Outcomes

- Accelerate learning for students through reading interventions
- Increase students' proficiency in foundational skills
- Elevate student reading engagement and interest through identity

Key Investments

- **All Schools:** Intervention materials that are aligned to research and core curriculum and instruction (K-5)
- **All Schools:** Online adaptive foundational skills curriculum (K-5)
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2 Professional Development and Coaching

\$623,395

Outcomes

- Align teachers' knowledge and practices through literacy framework to strengthen universal core instructional
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Key Investments

- **All Schools:** Bridge the Science of Reading to the NCS D Literacy Framework (K-5)
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- **All Schools:** 3rd-5th Grade Literacy Specialist
- ▼ **Target Schools:** K-3 Literacy Coaches

3 High Dosage Tutoring

\$1,032,999

Outcomes

- Increase students' access to effective small group instruction and intervention support
- Accelerate student learning through immediate and intensive feedback opportunities

Key Investments

- **All Schools:** Paraeducator support for 1st grade students
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- ▼ **Target Schools:** 1:1 High dosage tutoring

4 Family Engagement

\$16,000

Outcomes

- Increase family access to aligned materials and guidance supporting early literacy learning.
- Strengthen family partnerships through home-school collaborative learning experiences.

Key Investments

- **All Schools:** Materials and resources for families to utilize when supporting at-home literacy learning
- **All Schools:** Events and home-school communication avenues that support student literacy growth (K-3)
- ▼ **Target:** 1:1 literacy-specific family conferences

5 Extended Learning

For the first biennium, extended learning (summer school) opportunities will continue to be supported through Title 1 funds (~\$210,000). Our summer program will align to the goals of the Early Literacy Success grant and will be offered to schools receiving Title I funds.

Braided Funding investments that support Early Literacy

Federal Title Grants (\$ 3.3 million)

Coaches
Ongoing Professional Development
Title 1 Summer School
Ongoing Parent Engagement
Summer School

Student Investment Account (\$1.2 million)

K-2 Emergent Literacy Specialists
Classroom Libraries
Decodable Books
Professional Development
Summer Literacy Institutes
Summer Kindergarten Exploration

Emergency Relief Funds (ESSER) (\$350,000)

Additional Para Educator Hours to support literacy

General Fund \$115,000
Science of Reading Aligned Adopted Curriculum Resources

Early Literacy Success School District Grant

Below, in the highlighted boxes, are the answers supplied by the NCSD to the Early Literacy Success Grant. All responses were recorded in the ODE SmartSheet for submission.

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Reminder - each section of the “application” is limited to 250 words or less

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Program Review-Section 1: Student Belonging

([Framework Section 1, pg 8.](#))

Indicators in a research-aligned, culturally responsive literacy program:

- Student belonging and safety is prioritized as a foundation for learning.
- Educators approach instruction with an assets-based lens, providing high expectations with responsive and specific feedback and support (warm demanders, teaching with students' "academic prowess" at the center).
- Educators understand their role in working toward a shared vision for literacy.
- Educators are provided time and support to examine biases to ensure literacy engagement, growth and achievement for every child.
- Instruction builds awareness of various perspectives, addressing the experiences of diverse populations, while also exposing and disrupting negative stereotypes that may be present in materials.
- All staff participate in on-going diversity, equity and inclusion professional learning opportunities to both develop further learning about systemic racism and continue a journey of introspection on how our lived experience has influenced our conscious and unconscious bias.
- Curriculum and materials reflect and honor student identity, home languages, and culture.
- Social and emotional learning is provided in the classroom, allowing children to practice peer-to-peer listening and speaking, and normalizes the "risk, fail, try again" stamina that supports literacy achievement.

What evidence do you have regarding Student Belonging indicators being embedded in your early literacy program? (i.e., curriculum and materials, assessment, vision for early literacy, professional development, instructional practices, etc.).

The foundation of our educational environment lies in prioritizing student belonging and safety, creating an optimal space for learning. Our core, evidence based Social-Emotional Learning curriculum, *Caring School Community*, plays a pivotal role in nurturing autonomy, belonging, and competence. Educators, adopting an assets-based perspective, set high expectations and provide responsive feedback, embodying the "warm demander" role outlined by Zaretta Hammond.

Professional development reinforces the warm demander approach, focusing on accelerated learning. Teachers lead Professional Learning Communities, aligning instruction with shared literacy visions, reviewing formative assessments, and planning differentiated instruction for student growth. Ongoing diversity, equity, and inclusion training, *Taking it Up*, by the Center for Equity Education engages all staff in understanding systemic racism and biases, fostering a commitment to addressing inequities through data teams and PLC structures.

Curriculum and materials celebrate student identity, languages, and culture, promoting diversity through interactive read-alouds and classroom libraries. Writing units encourage students to explore and share their cultural backgrounds, fostering an authentic voice. Social and emotional

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learning, integrated into daily lessons, supports autonomy, belonging, and competence, essential for literacy achievement.

Our early literacy program, shaped by these indicators, cultivates inclusivity crucial for well-rounded, engaged learners. Growth intentions include expanding culturally relevant libraries in our 3rd-5th grade classrooms, focusing on acceleration rather than remediation, and explicitly connecting equity training to literacy professional development.

Program Review-Section 2: Family & Community Partnerships

[\(Framework Section 2, pg 13.\)](#)

Indicators in a research-aligned, culturally responsive literacy program:

- Families are honored as students' first teachers and are seen as important allies in advancing student learning.
- Families, caregivers, and communities are actively engaged to support literacy learning inside and outside the classroom.
- Early learning and [Kindergarten Guidelines](#) are an integral resource for planning.
- Educators understand the progressions of what children know and are able to demonstrate in early childhood, at kindergarten entry, and at the end of kindergarten.
- Caregivers are provided information on developmental milestones and support to supplement and reinforce literacy learning at home.
- Early education and care providers have a framework for planning high-quality facilitated play and individualized instruction and support services.
- Elementary schools have well-equipped libraries, staffed by full-time, certified teacher-librarians. ,
- Educators collaborate with community systems of care (e.g., community-based organizations) to provide opportunities for formal and informal learning.

What evidence do you have regarding Family and Community Partnership indicators being embedded in your early literacy program? (i.e., curriculum and materials, assessment, vision for early literacy, professional development, instructional practices, etc.)

Family involvement is pivotal in advancing student learning, considering families are students' primary educators. Conferences offer insights into student strengths and areas for growth, cultivating ongoing engagement. Empowering families is exemplified by district-created family friendly bookmarks that provide strategies for supporting readers at home.

In the preschool program, educators utilize the *Early Learning and Kindergarten Guidelines* for planning and formative assessments, ensuring a comprehensive understanding of progress from

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early childhood through kindergarten. Caregivers receive information on early literacy milestones, and family-teacher conferences strengthen ongoing support.

Elementary schools have well-equipped libraries, fostering literacy through specially trained media technicians. Collaborations with community systems of care, such as *Metropolitan Family Services*, *Ready, Set, Go*, and *Start Making A Reader Today* (SMART), extend support beyond the school environment, offering culturally and linguistically specific programming, after-school learning extensions, and access to authentic texts through read-aloud experiences.

While these indicators underscore a commitment to weaving family and community partnership into the fabric of our early literacy program, intentional plans to further develop in this area are underway. First, expanding our early literacy supports to families by designing home-based and materials will support individual student literacy growth. In addition, reading coaches will begin to schedule on-going strengths-based goal setting conferences with families who have students performing well below grade level reading proficiency. District Early Literacy Specialists will engage all schools in their planning efforts with both guidance and materials to initiate on-going, culturally-specific connections through one-on-one family conferences, strategy-specific literacy events and regular communication channels.

Program Review-Section 3: Oral Language as the Root of Literacy Development

[\(Framework Section 3, pg 19.\)](#)

Indicators in a research-aligned, culturally responsive literacy program:

- Educators and families understand that a child's ability to read and write is predicated on oral language because of the primary role oral language plays in laying the groundwork for foundational literacy skills.
- Children are actively taught to blend sounds into words, and segment words into sounds (phonemic awareness).
- To the greatest extent possible, educators provide opportunities to practice and develop oral language in students' home languages, as well as English.
- Educators learn about the cultural and linguistic backgrounds of children in their care and value each child's linguistic strengths.
- Educators use storytelling to bring life to students' (and their ancestors') histories, cultures, and traditions.
- Educators are aware that language varieties are linguistically equal, and use strategies to support multi-dialectical students.

What evidence do you have regarding Oral Language as a Root of Literacy Development indicators being embedded in your early literacy program? (i.e., curriculum and materials, assessment, vision for early literacy, professional development, instructional practices, etc.)

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Our early literacy program places an emphasis on recognizing oral language as a foundational element of literacy development. In Kindergarten, purposeful play and the integration of English Language Development, science, and social studies creates opportunities for authentic oral language development as well as targeted formative assessment to drive oral language development. Our K-5 writing resources and professional development emphasize student voice and choice, utilizing oral rehearsal and storytelling as a foundation to the writing process. Kindergarten through 2nd grade classrooms integrate phonemic awareness with daily practice reinforcing its connection to literacy skills.

The district's emphasis on *Hi-5 Strategies*, five essential teaching practices with elevated effect size, prioritizes accountable talk structures, viewing oral language development as a thinking and processing tool. Interactive read-aloud discussions contribute to solidifying oral language as a foundation for reading comprehension, emphasizing vocabulary development.

Cultural responsiveness extends to recognizing diverse linguistic backgrounds, with educators expressing value and celebrating each child's language strengths. Educators use storytelling to reflect students' histories, cultures, and traditions, fostering a language-rich environment. This recognition supports multi-dialectal students, emphasizing that multilingualism is a celebrated strength in our holistic approach to literacy rooted in oral language. As a district that honors dual language, we value and celebrate linguistic diversity and bilingualism as a strength.

Areas for growth within this indicator include increasing awareness within family engagement interactions while supporting opportunities for oral language. Integrating strategies and structures for increasing the utilization of home languages within oracy will be a professional learning goal.

Program Review-Section 4: Reading Models Based in Research

[\(Framework Section 4 pg 24.\)](#)

Indicators in a research-aligned, culturally responsive literacy program:

- Educators understand that reading research, often termed “the science of reading,” studies how reading skills develop and helps us to understand what happens in the brain when students learn to read.
- Educators are aware of- and draw from- multiple models of reading (i.e., the Five Pillars of reading, the Simple View of Reading, Scarborough’s Rope, the Four-Part Processing Model, and the Active View of Reading) to inform curriculum and instruction.
- Educators understand that, generally, these reading models emphasize the interaction between word-identification and language comprehension.
- Educators understand that the above interaction results in reading comprehension through knowledge of the English writing system; linguistic knowledge; background knowledge; and the type of text, nature of the task, sociocultural context, and executive functions.

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What evidence do you have regarding Reading Models Based in Research indicators being embedded in your early literacy program? (i.e., curriculum and materials, vision for early literacy, professional development, instructional practices, etc.)

In crafting our early literacy program, we have meticulously integrated Reading Models Based in Research (RMBR) indicators, ensuring a comprehensive and evidence-based approach to literacy education. Our commitment to the Science of Reading is evident in our curriculum, drawing upon diverse models such as the Five Pillars of Reading, the Simple View of Reading, Scarborough's Rope, the Four-Part Processing Model, and the Active View of Reading.

Professional development is central to our approach. Educators are immersed in the sciences of reading, exploring how neurological science informs language and literacy development. Sessions not only incorporate diverse models but also emphasize their practical application, ensuring educators can integrate them effectively.

Our curriculum balances a core phonics curriculum and a core language comprehension curriculum, recognizing the simultaneous development of word identification and language comprehension. Instructional practices prioritize the interaction between these elements, fostering an environment where students can enhance their understanding of the English writing system and develop executive functions.

An evidence-based approach spanning curriculum, professional development, and instructional practices, reflects our commitment to nurturing proficient and confident readers. This holistic integration of Reading Models Based in Research sets the foundation for a robust early literacy program.

Areas of growth will include augmenting our current resources with reading intervention materials and an adaptive online universal intervention aligned to our current approach to literacy instruction. Third through fifth grade classroom libraries will be enhanced with high-interest and culturally

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relevant texts to encourage engaged wide reading opportunities.

Program Review-Section 5: Foundational Skills

[\(Framework Section 5 pg 32.\)](#)

Indicators in a research-aligned, culturally responsive literacy program:

- Literacy instruction centers access for all children to experience and practice the full range of literacy skills: phonemic awareness, explicit systematic phonics, vocabulary and language development, comprehension and fluency.
- Foundational skills instruction is part of the core curriculum and materials and are aligned to Oregon's English Language Arts and Literacy Standards for K-5.
- Foundational skills instruction is integrated into protected daily literacy instruction, with opportunities to practice and apply these skills up to and beyond grade five as necessary.
- Educators follow a clear, intentional scope and sequence based on the learning progression for foundational skills.
- Sufficient instructional time is spent on teaching foundational skills, including related practice with decodable texts and writing.
- Educators employ explicit, systematic, diagnostic, and responsive teaching of the language and literacy skills needed to be a successful reader and writer, recognizing this approach is beneficial for all, and critical for students experiencing reading disabilities, including dyslexia.
- When working with multilingual learners, educators develop oral language, phonological awareness, and vocabulary across each language.
- Education leaders review, adopt, and support the implementation of high-quality instructional materials (i.e., materials that provide explicit and systematic instruction and diagnostic support in concepts of print, letter recognition, phonemic awareness, phonics, word awareness and vocabulary development, syntax, and fluency).

What evidence do you have regarding Foundational Skills indicators being embedded in your early literacy program? (i.e., curriculum and materials, vision for early literacy, professional development, instructional practices, etc.)

Our early literacy program places a strong emphasis on foundational skills, ensuring a comprehensive approach aligned with Oregon's English Language Arts and Literacy Standards for K-5. Foundational skills, including phonemic awareness, systematic phonics, vocabulary development, comprehension, and fluency, are seamlessly integrated into daily literacy instruction. *From Phonics to Reading and Fonética y Gramática*, our core foundational skills program, follows a clear scope and sequence and emphasizes explicit, systematic, diagnostic, and responsive teaching for all students, with a particular focus on students experiencing dyslexia.

Continued efforts to support teachers through professional development will ensure students receive targeted support. NCSD has revised our literacy frameworks to ensure sufficient

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instructional emphasis on teaching the full range of literacy skills. Supplementary resources, such as rich decodable texts, have been added to each K-2 classroom as a resource for students to apply their sound-spelling knowledge.

Equity is a central tenet, evidenced by our investment in culturally relevant professional development for teachers, focusing on instructional practices and diagnostic assessment. Our commitment to equitable access is further exemplified through investments in research aligned materials and teacher training, underscoring our dedication to cultivating proficient readers and writers in an inclusive educational environment.

Opportunities for growth include expanding 3rd-5th grade teacher knowledge and implementation of effective foundational skill teaching strategies. Discerning and aligning the nuances and intersection of dual language readers alongside Spanish language foundational skill progressions with Science of Reading instructional shifts will be an emphasis of our expanded efforts.

Program Review-Section 6: Writing, Reading, Comprehension, Vocabulary, & Background Knowledge ([Framework Section 6 pg 43.](#))

Indicators in a research-aligned, culturally responsive literacy program:

- Educators provide a text rich environment and connections across texts. Selection of complex and diverse texts purposefully supports comprehension development.
- Educators provide explicit vocabulary instruction on grade-level words including child-friendly explanations and opportunities for children to review and use new words over time (e.g., discussion of texts, discussions of content area learning, semantic maps).
- Students spend a substantial portion of their day engaged in listening to, reading, thinking, talking, and writing about texts.
- Literacy content is well-rounded and includes a broad range of topics and subject areas, including science and social sciences to build background knowledge and support comprehension across subjects
- Educators continually reflect on the question, “Whose knowledge is being privileged, and how do we ensure we are working from the background knowledge of each student and developing shared understandings?”

What evidence do you have regarding Writing, Reading, Comprehension, Vocabulary, & Background knowledge indicators being embedded in your early literacy program?

Our early literacy program includes integration of Writing, Reading, Comprehension, Vocabulary, and Background Knowledge as evidenced by our K-5 Literacy Instructional Frameworks. Curriculum includes a curated text-rich environment, establishing meaningful connections across diverse and complex texts to purposefully support comprehension development. The selection of varied texts is a deliberate strategy to enhance the depth of understanding. Vocabulary instruction is integrated

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across content areas through child-friendly explanations & explicit instruction. This multifaceted approach reflects a commitment to building comprehensive literacy skills.

Literacy content is thoughtfully designed, encompassing a wide array of genres, topics, and subject areas, including science and social sciences. This diversity is designed to not only broaden students' knowledge but also to provide a solid foundation for comprehension across various subjects.

Educators have been engaging in professional development and reflection about the role background knowledge and vocabulary play in comprehension. Learning around leveraging funds of knowledge helps to elevate and honor the knowledge students arrive in our classrooms with.

Our early literacy program stands as a testament to the incorporation of research-aligned, culturally responsive indicators as clearly defined within our K-5 Literacy Instructional Framework which guides our practitioners. Intentions for growth within this indicator include expanding culturally relevant classroom libraries in 3rd-5th grade classrooms and integrating intentional vocabulary development strategies within professional development focused on both core and intervention curriculum-based resources.

Program Review-Section 7: Core Instruction & Assessment

[\(Framework Section 4 pg 24.\)](#)

Indicators in a research-aligned, culturally responsive literacy program:

- Educators avoid “curricular chaos” by aligning instructional materials, strategies, language of instruction, and routines to create a connected literacy learning experience for students.
- All students have ample opportunities to read and/or listen to complex texts that provide an appropriate level of rigor, align with grade-level standards, and support the purpose of instruction.
- Formative assessment process is used by educators and involves students in the course of learning, to respond to, and adjust instruction for growth.
- Educators use early literacy tests, such as universal screeners, as a starting point to get curious about potential areas of growth and by looking at additional data sources to get a clearer picture of students’ literacy development.
- Multiple assessment methods are used by educators for their intended purpose, to help both educators and students.

What evidence do you have regarding Core Instruction and Assessment indicators being embedded in your early literacy program? (i.e., curriculum and materials, vision for early literacy, professional development, instructional practices, etc.)

A culturally responsive literacy program forms the foundation of a dynamic learning environment, with explicit emphasis on systematic phonics and phonemic awareness instruction within our approved materials. The Oregon Department of Education's (ODE) approval of our independent

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adoption process in Spring of 2022 ensures the quality and relevance of instructional resources.

Inclusivity is paramount, catering to diverse learners, including those in special education, emergent bilinguals, and Talented and Gifted students. High-quality texts, reflecting various cultures, abilities, and family structures, enhance the learning experience.

The program prioritizes student engagement with complex, grade-aligned texts through interactive read-alouds, fostering deeper understanding. Educators maintain coherence by aligning materials, strategies, language of instruction, and routines across all grades, including intervention materials.

Crucially, our adopted materials underscore the importance of early literacy components, particularly explicit and systematic phonics and phonological awareness instruction. Our foundational skills curriculum integrates these elements with authentic reading experiences, establishing a robust basis for primary-grade reading development.

At the district level, the Reading Tiered Fidelity Inventory tool is used to evaluate the comprehensiveness of our literacy program and inform next steps for ensuring high quality core instruction. In addition, educators use universal screeners thrice yearly, supplemented by diverse data sources, for a comprehensive understanding of students' literacy development.

Throughout the 2023-2024 school year, we have embarked on intentional professional learning supporting data literacy including utilizing formative, curriculum-based assessments to drive targeted instruction. Our goal will be to expand upon these efforts by working closely with grant supported targeted and focal schools.

Program Review-Section 8: Reaching All Learners

[\(Framework Section 8 pg 62.\)](#)

Indicators in a research-aligned, culturally responsive literacy program:

- Multilingual learners are given full access to the core curriculum, and provided with comprehensive language development and explicit vocabulary instruction.
- Educators make connections between English and a child's home language so that they can leverage existing knowledge and skill, and whenever possible create opportunities for children to learn to read in their home language.
- Specific approaches are used to support language development and core curriculum access such as sheltering instruction, compacting the curriculum, and providing dual language programs.
- Formative and summative assessments are offered in the student's home language and English.
- Striving readers have access to extended learning programs that use research-aligned strategies and are provided by licensed teachers or qualified tutors.
- Striving readers have access to high-dosage tutoring programs that use qualified tutors and developmentally appropriate practices.

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- Prevention of, and intervention for, early reading difficulties includes a systematic approach for providing increasingly intensified and individualized instructional support informed by multiple data sources and matched to students' areas of strength and need.
- Instructional support for students with reading and writing difficulties is provided *in addition to* high-quality core literacy instruction.
- Through the MTSS system, students that need additional support are provided qualityExplicit, systematic, evidence-based instruction is provided by qualified educators across all tiers of support.

What evidence do you have regarding Reaching All Learners indicators being embedded in your early literacy program? (i.e., curriculum and materials, vision for early literacy, professional development, instructional practices, etc.)

Our commitment to multilingual learners in our early literacy program is marked by providing intentional access to the core curriculum, along with comprehensive language development and explicit vocabulary instruction. Embracing an Inclusive English Language Development (ELD) model, we utilize co-teaching and push-in support, ensuring meaningful engagement for all students.

To support language development and core curriculum access, strategies such as sheltering instruction, and offering dual language programs are employed. All NCSD teachers undergo sheltered instruction professional development, enhancing their capacity to create an inclusive learning environment.

Through the MTSS system, we focus on universal instruction first and subsequently utilize a preventative approach through increasingly intensified instructional interventions tailored to students' areas of strength and need. Assessments, including FastBridge, curriculum-based measures, Quick Phonics Screener, and formative assessments, guide our understanding of students' specific needs. Highly qualified educators provide effective teaching across all tiers of support. In addition, NCSD is currently engaged in a federal research project with the University of Kansas and NIRN to extend MTSS and better serve student needs not yet met with core instruction.

Continued goals and areas of growth include expanding access to and professional learning on research aligned and local evidence-based reading intervention materials and professional learning. In addition, increasing opportunities for targeted small groups and high-dosage tutoring learning structures will ensure more students have instruction tailored to their specific strengths and goals.

Application Questions

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Application-Section 1: Professional Development & Coaching

Describe how you will provide professional development and coaching in research-aligned literacy strategies to teachers and administrators to improve early literacy instruction. Include how you will provide professional development to teachers and administrators on using and implementing literacy assessments, tools, curricula, and digital resources with fidelity to research-aligned literacy strategies. For each professional development and coaching strategy description, include the following details:

- the research-aligned literacy strategies that the professional development and coaching will focus on;
- the target audience (including roles) for the professional development and coaching; and
- the literacy assessments, tools, curricula or digital resource(s) the professional development will focus on (as applicable).

If you are not yet able to implement professional development and coaching, you must submit a rationale and describe how you plan to do so in the future.

Teachers in the NCSD, under the Early Literacy Success Grant, can access professional development opportunities in core and intervention literacy instruction. Over the last two years, NCSD has focused on district-wide support, and the following opportunities build on this foundation.

SoR Research Foundational Knowledge:

- Content: SoR-aligned strategies for literacy development (reading, writing, oral language).
- Who: K-3 classroom and Special Education teachers.
- Materials: *Six Shifts Science of Reading* modules (K-2).

Literacy Intervention:

- Content: Practices include alphabetic insight, phonological awareness, decoding, sight recognition, and fluency.
- Who: K-5 classroom teachers, Special Education teachers, Paraeducators.
- Materials: Benchmark Intervention.

Target Schools (2):

- Content: Data literacy, standards mapping, curriculum-based Science of Reading professional learning.
- Who: K-3 classroom and Special Education teachers, principals at Target schools.
- Materials: *From Phonics to Reading*, *FastBridge*, *Benchmark Intervention*.

Coaching:

- K-3 Early Literacy Coach (2.0 FTE):
 - Content: SoR core and intervention instructional strategies.
 - Who: Two target schools, K-3 classroom, and Special Education teachers.

XYZ School District Early Literacy Success Grant Proposal

- *Materials: From Phonics to Reading, Benchmark Intervention, Core5 Phonics, FastBridge.*
- All Schools: 3rd-5th District Literacy Specialist (1.0 FTE):
 - Content: Science of Reading-aligned instructional strategies for foundational skills and application.
 - Who: All 3rd-5th classroom, Special Education teachers.
 - Materials: *From Phonics to Reading, Benchmark Intervention, FastBridge, Core5 Phonics*, writing units, culturally relevant classroom libraries.
- All DLI Schools: DLI District K-3 Literacy Specialist (.5 FTE)
 - Content: Science of Reading-aligned curriculum guidance, support, and resources for Fonética y Gramática, Imagine Learning, Intervention
 - Who: All K-3 DLI classroom, Special Education teachers.
 - Resources: Fonética y Gramática, Heggerty, Imagine Español

Application-Section 2: Extended Learning

Describe how you will provide extended learning programs that use research-aligned literacy strategies and that are made available by licensed teachers or by qualified tutors. For each extended learning program description, include the following details:

- description of how literacy is included as the focus of this program; and
- who will provide the extended learning and their qualifications.

If you are not yet able to implement extended learning programs, you must submit a rationale and describe how you plan to do so in the future.

In the summer of 2024, NCSD is committed to enhancing and diversifying its extended learning programs to better cater to the needs of our families. The current summer school literacy program, which includes 4 hours of reading and math instruction combined, will undergo augmentation. The literacy-focused component, constituting 2 hours, will align with our Structured Literacy materials, *From Phonics to Reading* and Fonética y Gramática, and incorporate materials from various aligned Intervention materials. The emphasis is on foundational skill development, encompassing reading, encoding, listening, speaking, and vocabulary.

Certified reading teachers, specializing in Structured Literacy practices, will lead these sessions at Summer School sites. Specialists will deliver whole-group explicit and systematic foundational skills instruction. Additionally, they will provide assessment-based, targeted small group instruction to ensure personalized learning experiences.

As part of the expanded offerings, we are introducing 1:1 High Dosage tutoring opportunities, both in-person and online. Highly qualified and certified teachers, trained in Structured Literacy

XYZ School District Early Literacy Success Grant Proposal

instruction and proficient in utilizing *Benchmark Intervention* system materials, will conduct these sessions. The focus will be on addressing individual student needs comprehensively, covering reading and writing domains.

Progress monitoring will be integral to all three extended summer learning opportunities. By evaluating the effectiveness of these programs, we aim to gather insights that will inform the design plans for the 2025-2027 biennium, ensuring continuous improvement and alignment with research-aligned literacy strategies.

Application-Section 3: High-Dosage Tutoring

Describe how you will provide **high-dosage tutoring** that integrates reading and writing and that is delivered by a qualified tutor using developmentally appropriate practices. For each high-dosage tutoring strategy description, include the following details:

- the domains of language (reading, writing, listening, speaking) addressed (at least reading and writing);
- who will provide the high dosage tutoring and their qualifications;
- duration and frequency; and
- how the tutoring is developmentally appropriate, including how it is responsive to student need.

If you are not yet able to implement high-dosage tutoring, you must submit a rationale and describe how you plan to do so in the future.

In the 2024-2025 school year, our approach to high-dosage tutoring integrates reading and writing seamlessly, delivered by qualified tutors using developmentally appropriate practices. First, during the school day, certified teachers specializing in SoR aligned early literacy practices will conduct tutoring sessions. These sessions, occurring 2-5 days a week and lasting 20-30 minutes, will be tailored to individual student needs. Group size and duration will be determined through a Multi-Tiered System of Support, utilizing screening, diagnostic, and curriculum-based reading assessments.

Additionally, we will pilot an online 1:1 High Dosage tutoring program through the Ignite platform at two schools. Ignite tutoring sessions, taking place five days a week for 20 minutes each, will provide personalized, interactive support from online live tutors. The session goals will be based on Ignite's diagnostic tools, curriculum-embedded assessments, and routine progress monitoring.

Both tutoring strategies will comprehensively address all language domains, including reading, writing, speaking, and listening. Rooted in the Active View of Reading model, our sessions will employ strategies and explicit instruction in various elements such as phonological awareness, alphabetic principle, phonics, decoding, fluency, vocabulary, morphology, and more.

To ensure developmentally appropriate practices, we will intensify instruction through time, type

XYZ School District Early Literacy Success Grant Proposal

and focus as well as the incorporation of manipulatives and sensory strategies. Adjustments will cater to the diverse needs of students, aligning with age, motivation, engagement levels, and executive functioning skills. Through tailored approaches, our high-dosage tutoring model aims to foster comprehensive literacy development, meeting the unique needs of each learner.

Application-Section 4: Student Growth Assessment

If you do not have a current student growth assessment that allows for data to be disaggregated by student groups who have historically experienced academic disparities, describe how you will provide one.

N/A (NCSD does have a growth assessment - FastBridge)

Application-Section 5: Communication Plan

(Select all of the types of strategies you will use to communicate with partners. For strategies not listed, write them out.)

5. What communication strategies will be used to communicate with other school districts?

- | | | |
|---|--|---|
| <input type="checkbox"/> Survey | <input type="checkbox"/> Website | <input type="checkbox"/> Quarterly Report |
| <input checked="" type="checkbox"/> Focus Group | <input type="checkbox"/> Email | <input checked="" type="checkbox"/> Annual Report |
| <input type="checkbox"/> Round Table | <input type="checkbox"/> Paper Newsletter | <input type="checkbox"/> Open House |
| Discussion | <input type="checkbox"/> Social Media | Night |
| <input type="checkbox"/> Community | <input checked="" type="checkbox"/> School Board | <input type="checkbox"/> Other (type out) |
| Group Meeting | Meeting | |

6. What communication strategies will be used to communicate with elementary schools in the school district?

- | | | |
|---|--|---|
| <input checked="" type="checkbox"/> Survey | <input type="checkbox"/> Website | <input type="checkbox"/> Quarterly Report |
| <input checked="" type="checkbox"/> Focus Group | <input type="checkbox"/> Email | <input type="checkbox"/> Annual Report |
| <input type="checkbox"/> Round Table | <input type="checkbox"/> Paper Newsletter | <input type="checkbox"/> Open House |
| Discussion | <input type="checkbox"/> Social Media | Night |
| <input type="checkbox"/> Community | <input checked="" type="checkbox"/> School Board | <input type="checkbox"/> Other (type out) |
| Group Meeting | Meeting | |

7. What communication strategies will be used to engage with families in the school district?

- | | | |
|---|--|---|
| <input type="checkbox"/> Survey | <input type="checkbox"/> Website | <input type="checkbox"/> Quarterly Report |
| <input checked="" type="checkbox"/> Focus Group | <input type="checkbox"/> Email | <input type="checkbox"/> Annual Report |
| <input type="checkbox"/> Round Table | <input type="checkbox"/> Paper Newsletter | <input type="checkbox"/> Open House |
| Discussion | <input checked="" type="checkbox"/> Social Media | Night |
| <input type="checkbox"/> Community | <input checked="" type="checkbox"/> School Board | <input type="checkbox"/> Other (type out) |
| Group Meeting | Meeting | |

8. What communication strategies will be used to engage with members of the school district community?

XYZ School District Early Literacy Success Grant Proposal

- | | | |
|--|--|---|
| <input type="checkbox"/> Survey | <input type="checkbox"/> Website | <input type="checkbox"/> Quarterly Report |
| <input checked="" type="checkbox"/> Focus Group | <input type="checkbox"/> Email | <input checked="" type="checkbox"/> Annual Report |
| <input type="checkbox"/> Round Table Discussion | <input type="checkbox"/> Paper Newsletter | <input type="checkbox"/> Open House Night |
| <input type="checkbox"/> Community Group Meeting | <input checked="" type="checkbox"/> Social Media | <input type="checkbox"/> Other (type out) |
| | <input checked="" type="checkbox"/> School Board Meeting | |

Application-Section 6: Matching Funds

9. Name the fund source(s) for the 25% match.
10. If applicable, a fund source is named for the 4th and/or 5th grade match. For additional detail, please see the Matching section within the Application Guidance: Early Literacy Success School District Grants.
11. Please do your best to mark which of the following categories best describe how you are using your matching funds? (check all that apply)

- Hiring
- Purchasing Curricula & Materials
- High-Dosage Tutoring
- Extended Learning Programs
- Professional Development & Coaching
- Other purposes (short answer, please describe)

The 25% matching funding will come from the Student Investment Account.

Application-Section 7: Fiscal Agent

12. Name your fiscal agent for this grant agreement. Paul Southerton

North Clackamas School District

Application-Section 8: Assurances

Assurances

XYZ School District Early Literacy Success Grant Proposal

Early Literacy Success School District Grant – Specific Assurances

By checking the following boxes, the applicant agrees that they:

Have reviewed their early literacy program to identify areas of alignment with Oregon’s Early Literacy Framework: A Strong Foundation for Readers and Writers (K–5) and the applicant’s work will align with the definitions included in the Early Literacy Success Initiative*

Have reviewed the reporting requirements in Section 6 (2) of the Early Literacy Success Initiative and included in the Early Literacy Success School District Grants Application Guidance. *

Use literacy assessments, tools, curricula and digital resources that are reflected in the inventory and that they are based on research-aligned literacy strategies and are formative, diagnostic and culturally responsive; and if not, have indicated planned changes to ensure this requirement is met.*

Will provide professional development and coaching in research-aligned literacy strategies to teachers and administrators in early elementary grades to improve early literacy instruction; and if not, have provided a rationale and description of how they will plan to do so in the future.*

Will provide extended learning programs that use research-aligned literacy strategies to students in early elementary grades by licensed teachers or by qualified tutors; and if not, have provided a rationale and description of how they will plan to do so in the future.*

Will provide high-dosage tutoring to students in early elementary grades that integrates reading and writing and that is delivered by a qualified tutor using developmentally appropriate practices; and if not, have provided a rationale and description of how they will plan to do so in the future.*

Have a student growth assessment (or have described that they will obtain one) that produces data that can be disaggregated by student groups who have historically experienced academic disparities (as defined in the Early Literacy Success Initiative).*

Overarching Assurances

By checking this box, the applicant agrees to comply with all applicable state and federal civil rights laws, to the effect that no person shall be excluded from participation in, be denied benefits of, or otherwise be subject to discrimination under any program or activity on the basis of

XYZ School District Early Literacy Success Grant Proposal

race, color, national origin, sex, sexual orientation, marital status, gender identity, religion, age, or disability.*

* – These assurances are required to be checked in the Smartsheet for submission.

2022-2023 DISTRICT FINANCIAL AUDIT

REPORT
Agenda Item #5
January 25, 2024

SUPERINTENDENT’S RECOMMENDATION:

Information presented for review and discussion.

REASON FOR BOARD CONSIDERATION:

An annual audit of the District’s financial statements is required by State law and by Board Policy DIE – Audits.

BUDGET IMPACT/SOURCE OF FUNDS:

The cost of the audit preparation for the 2022-23 fiscal year is \$93,500 and is within the Board adopted budgeted amount.

BACKGROUND:

Board Policy DIE - Audits, in accordance with Oregon law, requires an audit of all financial accounts of the District be made annually by an independent certified public accountant selected by the Board. The audit has been completed for the 2022-23 fiscal year by the firm Pauly, Rogers and Co. Copies of the audit have been provided to the members of the Board and the information will be posted to the District website.

The Annual Comprehensive Financial Report (ACFR) is presented in eight sections. These sections and their components are as follows:

The **Introductory Section** includes the Letter of Transmittal. This letter provides information on the district, the economic environment, major initiatives, budgetary controls, and a summary of the various funds utilized by the district.

The **Financial Section** includes the independent auditors’ report, Management’s Discussion and Analysis, basic financial statements for the entity as a whole, fund financial statements, notes to the basic financial statements, required supplementary information and other supplementary information

The **Required Supplementary Information** section contains tables with additional information on matters such as post-employment benefits and PERS that are required as part of the ACFR.

The **Supplementary Information** section contains tables with additional information that are relevant and informative but not required as part of the ACFR.

The **Other Financial Schedules** section contains additional revenue and expenditure information presented in different ways than those in the Financial Section.

The **Statistical Section** contains additional statistical information that provides additional context to the other financial information presented in the ACFR .

The **Audit Comments and Disclosures Required by State Regulations** section contains the Independent Auditors’ Report Required by Oregon State Regulations.

Finally, the **Grant Compliance Section** contains reports required by the Single Audit Act.

A recap of the district-wide audit results is as follows:

1. Compliance in accordance with Governmental Auditing Standards as required by State Regulation – during testing no instances of noncompliance or other matters that are required to be reported were noted. This is described in the annual financial report.
2. Compliance as required by OMB Compliance Supplement for Federal Programs – the District complied, in all material respects, with the types of compliance requirements that could have a material effect on federal programs.
3. Audit opinion issued – an unmodified opinion as outlined in the financial statements, has been issued. This means the auditors have given a “clean” opinion with no reservations.
4. Report to the Board of Directors for the Year Ended June 30, 2023 – this report contains required communications between the audit firm and the Board. It also contains recently issued accountant standards and copies of written communications between management and the audit firm.
5. Management letter – no separate management letter was issued.

ATTACHMENTS:

- A. NCSB Board Policy DIE: Audits
- B. North Clackamas School District Annual Comprehensive Financial Report for the Year Ended June 30, 2023

PRESENTER / STAFF CONTACT:

Matthew J. Makara, Executive Director of Finance & Business Services
Conor Delany, Pauly, Rogers, and Co.



North Clackamas Schools

Annual Comprehensive Financial Report

For the Fiscal Year Ended
June 30, 2023

North Clackamas School District No. 12
Clackamas County, Oregon

**North Clackamas School District No. 12
Clackamas County, Oregon**

**Annual Comprehensive
Financial Report**

For the Fiscal Year Ended June 30, 2023

Prepared by the
Business Office

Dr. Shay James
Superintendent – Clerk

Matthew J. Makara
Executive Director, Finance & Business Services

**NORTH CLACKAMAS SCHOOL DISTRICT NO.12
CLACKAMAS COUNTY, OREGON**

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INTRODUCTORY SECTION



Matthew J. Makara
Executive Director, Finance & Business Services

12400 SE Freeman Way, Milwaukie, Oregon 97222
503-353-1900
makarama@nclack.k12.or.us

December 29, 2023

North Clackamas School District No.12
Board of Directors
12400 SE Freeman Way
Milwaukie, Oregon 97222

The Annual Comprehensive Financial Report of North Clackamas School District ("District") for the fiscal year ended June 30, 2023 is hereby submitted. Oregon Municipal Audit Law requires that an independent audit be made of all District funds within six months following the close of the fiscal year. This report is published to fulfill the requirement for the fiscal year ended June 30, 2023 and consists of management's representations concerning the finances of the district together with the opinions of our auditor.

This report was prepared by the District's Fiscal Services Department. The responsibility for the completeness, fairness, and accuracy of the data presented and all accompanying disclosures rests with the district. To provide a reasonable basis for making these representations, the district's management has established a comprehensive internal control framework that is designed both to protect assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the district's financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Because 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.

Pauly Rogers & Co., Certified Public Accountants, have issued an unmodified opinion on the North Clackamas School District's financial statements for the year ended June 30, 2023. The independent auditor's report is located at the front of the financial 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 MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE DISTRICT

The North Clackamas School District is a kindergarten through twelfth grade district serving approximately 17,000 students. The district is a financially independent, special-purpose municipal corporation exercising financial accountability for all public education within its boundaries. As required by accounting principles generally accepted in the United States of America, all significant activities and organizations have been included in the financial statements.

The district is located in Clackamas County and is located approximately 12 miles southeast of Portland, Oregon along Interstate 205. The district covers approximately 40 square miles in Northern Clackamas County and encompasses the cities of Milwaukie, Happy Valley, Johnson City, and part of Damascus as well as unincorporated neighborhoods of Oak Grove, Concord, Clackamas, Sunnyside, Mount Scott, Southgate and Carver. It is the seventh largest school district in Oregon. The North Clackamas School District, elected by a majority of the voting electorate, is the governing body responsible for the district's public decisions. The seven-member Board has the oversight, responsibility and control over all activities related to the district.

ECONOMIC CONDITION AND OUTLOOK

Located in northwestern Oregon, Clackamas County is one of the six counties that comprise the Portland-Vancouver Primary Metropolitan Statistical Area (PMSA). The six counties are Clackamas, Washington, Multnomah, Yamhill and Columbia in Oregon, and Clark in Washington. Because the District lies within the PMSA, economic and demographic data is not available specifically for the district. Data is generally available for Clackamas County and for the PMSA.

Currently, the three largest sectors for employment in the PVH-PMSA are: 1) trade, transportation and utilities, 2) professional and business services, and 3) Education and health services. Unemployment in the area has decreased from 4.2% in October 2022 to 3.3% in October 2023. Housing prices continue to increase, although at a slower rate, and the median income has also increased. Property tax collection has increased approximately 5% year over year.

Clackamas County, in particular, has had increasing home prices and building activity throughout the area. Clackamas Town Center, the largest shopping center in Clackamas County, with 1.2 million square feet of space, has approximately 170 stores. Major commercial business centers are located in the Clackamas Town Center and along McLoughlin Boulevard. Industrial sites include the Clackamas Industrial area along Highway 212, with roughly 500 businesses, and the Milwaukie Industrial area along Highway 224, with approximately 300 businesses. Community business centers are located in Milwaukie, Gladstone and Damascus.

A variety of transportation alternatives are available in this area. Tri-Met service is available to Portland and the metropolitan area. Transfer stations are located in downtown Milwaukie and Clackamas Town Center. Portland International Airport (PDX) offers easy access to domestic and international markets with 14 scheduled passenger airlines and 11 cargo carriers serving customers both internationally and domestically. Several railroads operate in the district. The Southern Pacific Mainline runs through the Clackamas and Milwaukie Industrial areas. Two other transcontinental railroads serving Portland include Burlington Northern and Union Pacific. Amtrak provides passenger service. The Port of Portland has five Marine terminals, four dry docks and excellent ship repair facilities. Container handling and dockside rail service are readily available. An extensive rail, air, barge and highway transportation network serves the harbor. I-205 is a circumferential freeway bypassing downtown Portland. It connects with I-5 and I-84 for destinations north, south and east. The I-205 beltline serves about 100,000 vehicles daily. Highway 212 connects North Clackamas to U.S. Highway 26 and serves the Mount Hood corridor and Central Oregon. Highway 99E connects the North Clackamas area to the Willamette Valley, Salem and Eugene.

MAJOR INITIATIVES

The School Board, for the 2023-24 school year, approved the following guiding pillars:

- Student Experience and Success: We prepare each student through engagement, effective instruction, empowerment, and skill development in order to succeed in life and career
- People and Culture: We foster a welcoming and affirming environment through intentional, culturally inclusive practices where each student and employee is equipped to perform at their highest level
- Family and Community Collaboration: We elevate student achievement and well-being through collaboration and active partnership with families and community
- Resources and Services: We maximize resources and services through strategic investment, innovative practices, and continuous improvement processes to strengthen the school community and advance student outcomes

Six to seven specific objectives were approved for each of the guiding pillars and the NCSD leadership team uses those objectives to guide the development and rollout of all major initiatives.

Key performance indicators publicly reported by the State of Oregon for North Clackamas School District include the following:

- Third Grade English Language Arts
- Eighth Grade Mathematics
- On-Track to Graduate
- On-Time Graduation Rates
- Five-year Completion Rates

As reported on the 2022-23 District Profile issued by the Oregon Department of Education, North Clackamas students outpaced the state in all of the performance indicators listed above.

FINANCIAL INFORMATION

Management of the District is responsible for establishing and maintaining an internal control structure designed to protect the assets of the district from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles.

Single Audit. As a recipient of federal, state, and county financial assistance, the district is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs.

This internal control structure is subject to periodic evaluation by management and the internal audit staff of the district. As part of the district's single audit tests have been made to determine the adequacy of the internal control structure, including that portion related to federal financial award programs, as well as to determine that the district has complied with applicable laws and regulations. The results of the district's single audit for the fiscal year ended June 30, 2023, provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Budgetary Controls. In addition, the district maintains budgetary controls. The objective of such budgetary control is to ensure compliance with legal provisions embodied in the annual appropriated budget adopted by the District's Board of Directors. Activities of the General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds, Proprietary Funds, Internal Service Funds, and Fiduciary Funds, are included in the annual appropriated budget. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established by function within an individual fund. As demonstrated by the statements and schedules included in the financial section of this report, the district continues to meet its responsibility for sound financial management.

The district is required by the State of Oregon to adopt an annual budget for all funds subject to the requirements of Local Budget Law as outlined in the Oregon Revised Statutes 294.305 through 294.565, inclusive. The budget for each individual fund is a plan for the financial operation to be conducted during the coming fiscal year and is adopted annually, prior to July 1, by the Board of Directors. After adoption, the budget may be revised through procedures specified in state statute and Board policy.

Oregon Local Budget law requires the appointment of a Budget Committee to review and approve the budget. The Budget Committee consists of the seven members of the Board of Directors and seven members appointed by the Board. The administration proposes a budget to the Budget Committee, which the Budget Committee may revise or approve. A summary of the approved budget, together with a notice of public hearing, is published in a newspaper with general circulation in the district. A public hearing is held to receive comments concerning the approved budget. The Board of Directors adopts the budget, makes appropriations, and levies taxes after the public hearing and before the beginning of the year for which the budget has been prepared.

Fund Summary. The results of operations and other financial data for the year ended June 30, 2023, are presented by the following non-governmental individual funds. Governmental funds are discussed in more detail in the Management's Discussion and Analysis section.

The financial statements for the non-governmental funds reflect the financial activity of the Internal Service Fund (Self-Insurance Fund), Proprietary Fund (Community Services Fund), and the Fiduciary Funds (Charter School/Scholarship Funds).

Internal Service Fund

This fund accounts for costs incurred for employees' general health insurance, worker's compensation, property and liability claims. Principal revenue sources are charges to other funds for service and earnings on investments. The net position at June 30, 2023, was \$13,150,998.

Proprietary Fund

This fund accounts for the rental of District buildings to the general public, child care facilities operated in District facilities, and tuition for after-school programs through the district. The net position of the Community Services Fund at June 30, 2023, was \$766,044.

Fiduciary Funds

The district has a private purpose trust fund. This private purpose trust fund, accounts for charter school and scholarship transactions. The net position at June 30, 2023 was \$(23,324).

Long-term Financial Planning: In January 2014, the Board of Directors readopted Policy **DBDB Fund Balance**, which directs the superintendent or designee to ensure a minimum fund balance of five (5) percent of total adopted revenues. The district's unassigned fund balance in the General Fund, at June 30, 2023, is \$63,991,634, which is well above the minimum required level of five (5) percent.

During the 2022 legislative session, \$10.2B in funding was approved for kindergarten through high school education. Much of this new revenue, however, will be offset by increases in Oregon Public Employee's Retirement (PERS) costs along with increases in employee salaries.

In May 2019, voters approved a local option levy for schools at \$1.63 per \$1,000 of assessed value. The levy provided \$18.3 million in 2019-2020 which impacted classrooms across the district. This was renewed by voters in November 2023 for an additional five years, and is anticipated to generate approximately \$25m on average annually over that time.

INDEPENDENT AUDIT

As required by Oregon revised Statutes, sections 297.405 to 297.555 (known as the "Municipal Audit Law") an annual audit by independent certified public accountants has been performed. Pauly Rogers & Co., a firm of licensed certified public accountants, has audited the North Clackamas School District's financial statements. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the district for the fiscal year ended June 30, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall basic financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the district's basic financial statements for the fiscal year ended June 30, 2023, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the Financial Section of this report. The independent audit of the district's basic financial statements was part of the broader federally mandated "Single Audit" designed to meet the special requirements of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the basic financial statements, but also on the district's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Single Audit Section of this report.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to North Clackamas School district for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2020. This was the second year that the district has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the District must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the Association of School Business Officials International (ASBO) awarded its Certificate of Excellence in Financial Reporting to North Clackamas School District for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. The district has achieved this prestigious award for three consecutive years.

The Certificate of Excellence is recognition that the district has met the highest standards for financial reporting and accountability as adopted by ASBO. The district believes that the current Annual Comprehensive Financial Report continues to conform to these standards and will be submitting it to ASBO for review.

We wish to express our appreciation to the entire Fiscal Services staff for their efforts and contributions to this annual financial report. We would also like to thank the members of the Board of Directors for their continued support and dedication to the effective financial operation of the district.

Respectfully submitted,

Matthew J. Makara
Executive Director, Finance and Business Services

NORTH CLACKAMAS SCHOOL DISTRICT 12
CLACKAMAS COUNTY, OREGON

Administration Building
12400 SE Freeman Way
Milwaukie, OR 97222

Shay James	Superintendent
Tiffany Shireman	Chief of Staff
Cynthia Detchon	Assistant Superintendent
Ivonne Dibblee	Assistant Superintendent
Matthew J. Makara	Chief Financial Officer

BOARD OF DIRECTORS AS OF JUNE 30, 2023

	<u>Term Expires</u>
Mitzi Bauer, Chair	June 30, 2025
Jena Benaloga, Vice Chair	June 30, 2023
Libra Forde	June 30, 2023
Tory McVay	June 30, 2025
Orlando Perez	June 30, 2023
Steven Schroedl	June 30, 2023
Kathy Wai	June 30, 2025

The Board of Directors receives mail at the address above.

FINANCIAL SECTION



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

December 29, 2023

INDEPENDENT AUDITORS' REPORT

To the Board of Education
North Clackamas School District
Clackamas County, Oregon

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of North Clackamas School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of North Clackamas School District, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of North Clackamas School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

The District adopted new accounting guidance, GASB Statement No. 96 – Subscription Based Information Technology Arrangements during the fiscal year under audit. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about North Clackamas School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 North Clackamas School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the North Clackamas School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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, and the schedule of expenditures of federal awards, 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, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, other financial schedules, and statistical section, as listed in the table of contents, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2023 on our consideration of the internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 29, 2023, 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.



Kenneth Allen, CPA
PAULY, ROGERS AND CO., P.C.

**NORTH CLACKAMAS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED JUNE 30, 2023**

As management of the North Clackamas School District (the district), we offer readers of the district's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our Transmittal Letter, which can be found on pages i-v of this report.

FINANCIAL HIGHLIGHTS

In the government-wide statements, the assets and deferred outflows of resources of the district exceeded its liabilities and deferred inflows of resources at June 30, 2023, by \$17.89 million (net position). Of this amount, \$110.4 million represents the district's net investment in capital assets, \$26.5 million is restricted, and the remainder is an unrestricted net deficit of \$120 million.

- The district's government-wide net position Increased \$21.3 million for the fiscal year.
- The district had \$744.6 million invested in capital assets, net of depreciation and amortization.
- At the end of the fiscal year, unassigned fund balance for the General Fund was \$64.0 million or about 26 percent of total general fund revenues.
- Total cost of the District's Governmental Funds programs was \$328.8 million for the fiscal year, a decrease of \$21.5 million (6.0 percent) from the prior year.
- The district's outstanding obligations (bonds payable, notes payable, accrued compensated absences, other post-employment benefits, and net pension liability) increased by \$5.8 million, Bonds payable decreased by \$22.9 million. The Proportionate Share of Net Pension Liability increased by \$38.9 million and the remainder of these liabilities decreased by \$10.2 million due primarily to Other Postemployment Benefits, Implicit Rate Subsidy. The Pension Liability and Other Postemployment Benefits are discussed at greater detail in the notes to the financial statements.
- On November 8, 2016, North Clackamas School District voters approved a \$433M Construction Bond Measure. During 2020-21, construction at multiple sites was occurring. The bond allowed the district to: renovate/remodel schools, address security, safety, and seismic needs, address unfunded maintenance, modernize classrooms, increase access to technology, and relieve school overcrowding. Major ongoing projects include replacing/renovating 90-year-old Milwaukie High School, converting Clackamas High East Campus to a middle school, converting Rock Creek Middle School to a fourth comprehensive high school named Adrienne C. Nelson High School which opened September 2021 and building a new elementary school at S.E. Vogel Road named Beatrice Morrow Cannady Elementary which opened September 2019.

In December 2018, NCSD sold the remaining \$110.4 million of the voter-approved \$433 million in bonds. The tax-free bonds were extremely popular among investors resulting in \$16.1 million in premium over the issuing amount. Premium funds will be held in contingency and could be used to cover unanticipated costs or cost increases during the numerous bond projects. Implementation of the bond is overseen by the NCSD School Board and a Community Bond Oversight Committee.

- In November 2023, NCSD voters overwhelmingly approved a renewal of the local option levy. The amount of the levy is \$1.63 per \$1,000 of assessed value. The cost to each property owner varies based on a property's assessed value and real market value as determined by the county assessor. The 2022-23 proceeds of \$22.9 million were used to fund teaching positions and restore days to the school calendar.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

**NORTH CLACKAMAS SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED JUNE 30, 2023**

- 1) **Government-wide Financial Statements:** The *government-wide financial statements* are designed to provide readers with a broad overview of the district’s finances, in a manner similar to a private-sector business. These statements can be found on pages 13 to 14 and include:

The Statement of Net Position: The *Statement of Net Position* focuses on resources available for future operations. In simple terms, this statement presents a snapshot view of what the district owns (assets plus deferred outflows), what it owes (liabilities plus deferred inflows), and the net difference (net position).

Net position may be further separated into amounts restricted for specific purposes and unrestricted amounts. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the district is improving or deteriorating.

The Statement of Activities: The *Statement of Activities* presents information showing how the net position of the district changed over the year by tracking revenues, expenses and other transactions that increase or reduce net position. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

In the government-wide financial statements, the district’s activities are shown in two categories:

Governmental activities: The District’s basic functions are shown here, such as regular and special education, child nutrition services, transportation, administration, and facilities acquisition and construction. These activities are primarily financed through property taxes, Oregon’s State School Fund and other intergovernmental revenues.

Business-type activities: Business-type activities are intended to recover all or a significant part of their activities through user fees and charges, and include building rentals and daycare provided by the district.

- 2) **Fund financial statements:** The *fund financial statements* provide more detailed information about the district’s funds, focusing on its most significant or “major” funds – not the district as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The North Clackamas School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Reports by fund are shown in the Financial Section of the report beginning on page 15. All of the funds of the district can be divided into three categories: *governmental funds*, *proprietary funds*, and *fiduciary funds*.

Governmental funds: The *governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financing decisions. Both the governmental fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are reconciled to the government-wide Statements of Net Position and Activities. The district maintains several individual 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 for the General, Special Revenue, Debt Service, and Capital Projects Funds, all of which are considered to be major funds. The basic governmental fund financial statements can be found on pages 15-18 of this report.

**NORTH CLACKAMAS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED JUNE 30, 2023**

Proprietary funds: The District maintains two proprietary fund types (enterprise fund and internal service fund).

The Enterprise Fund is an accounting device used to charge for fees and rental services to recover costs of providing the services. The enterprise fund financial statements provide the information for the business-type activities.

The Internal Service Fund is an accounting device used to accumulate and allocate costs internally among the district's various functions. The district uses its internal service funds to account for insurance claims and premiums. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements are located on pages 19-21 of this report.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the district. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the district's own programs. The accounting used for fiduciary funds is the same as that used for proprietary funds. The district maintains one fiduciary fund - Charter Schools and Scholarships. The fiduciary fund financial statements are located on pages 22-23 of this report.

- 3) **Notes to the basic financial statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements are considered to be an integral part of the financial statements. The notes to the financial statements are located on pages 24-58 of this report.
- 4) **Other information:** In addition to the basic financial statements and accompanying notes, this report also presents certain *Required Supplementary Information* including pension and opeb schedules as well as budget to actual presentations. This information is located on pages 59-63 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, net position may serve over time as a useful indicator of a government's financial position. In the case of the district, assets and deferred outflows exceeded liabilities and deferred inflows by \$17.9 million at June 30, 2023.

Cash and investments total \$140.6 million, which represents 15.5 percent of total assets.

Capital assets, which consist of the district's leases, subscriptions, land, buildings, building improvements, construction-in-progress, vehicles, and equipment, represent about 82.3 percent of total assets.

The remaining assets are property tax and other receivables.

The district reports deferred outflows of \$97.2 million, which represent the deferred book loss that occurred as a result of the 2016 refunding of previously issued GO Bonds (\$34.2 million), as well as deferred items related to the district's pension plan (\$55.1 million) and other post-employment benefits (\$7.9 million). The deferred loss will be amortized over the life of the bonds and the deferred pension items are calculated as part of the PERS actuarial valuation.

The district's largest liability (79.5 percent) is for the repayment of general obligation and limited tax pension obligation bonds. The next-largest liability is the district's proportionate share of the net pension liability (PERS) and other post-employment benefits, which represents 17.0 percent of total liabilities. Other liabilities, representing 4.5 percent of the district's total liabilities, consist almost entirely of payables on accounts, notes, claims, and accrued salaries and benefits.

**NORTH CLACKAMAS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED JUNE 30, 2023**

The district reports Deferred Inflows related to pensions and other post-employment benefits (OPEB) of \$60.9 million. Pension deferrals are reported as a result of the district adopting GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and are representative of adjustments to estimates made in the most recent actuarial valuation for the pension plan.

The majority of the district's net position reflects its investment in capital assets (e.g., land, buildings, vehicles and equipment), less any related debt used to acquire those assets that are still outstanding. The district uses these capital assets to provide services to students and other District residents; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources (generally property taxes), since the capital assets themselves cannot be used to liquidate these liabilities.

GOVERNMENTAL ACTIVITIES FINANCIAL ANALYSIS

During the current fiscal year, the district's overall financial condition changed as indicated by an increase of \$21.3 million in net position. Unrestricted net position increased by \$14.5 million. At the same time, the district's net investment in capital assets increased by \$1.3 million.

	Statement of Net Position						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>		Increase (Decrease)
	(in thousands)		(in thousands)		(in thousands)		
June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022		
Current and other assets	\$ 159,608	\$ 142,909	\$ 791	\$ 669	\$ 160,399	\$ 143,578	\$ 16,821
Capital assets	744,571	758,054	-	-	744,571	758,054	(13,483)
Total Assets	<u>904,179</u>	<u>900,963</u>	<u>791</u>	<u>669</u>	<u>904,970</u>	<u>901,632</u>	<u>3,338</u>
Deferred Outflows of Resources	97,191	99,590	-	-	97,191	99,590	(2,399)
Long-term debt	896,741	890,917	-	-	896,741	890,917	5,824
Other liabilities	26,622	26,737	25	25	26,647	26,762	(115)
Total Liabilities	<u>923,363</u>	<u>917,654</u>	<u>25</u>	<u>25</u>	<u>923,388</u>	<u>917,679</u>	<u>5,709</u>
Deferred Inflows of Resources	60,879	86,903	-	-	60,879	86,903	(26,024)
Net Position							
Net investment in capital assets	110,376	109,124	-	-	110,376	109,124	1,252
Restricted	26,548	21,044	-	-	26,548	21,044	5,504
Unrestricted	(119,796)	(134,172)	766	644	(119,030)	(133,528)	14,498
Total Net Position	<u>\$ 17,128</u>	<u>\$ (4,004)</u>	<u>\$ 766</u>	<u>\$ 644</u>	<u>\$ 17,894</u>	<u>\$ (3,360)</u>	<u>\$ 21,254</u>

Current and other assets increased mainly due to the increase in cash and investment balances which were the result of positive net income on operations in 2022-2023. Capital assets decreased due to depreciation exceeding the value of new items that were capitalized during the year. Deferred outflows related to pensions, opebs, and the deferred charge on refunding bonds remained fairly steady but decreased slightly over the prior year. Long-term liabilities increased due to the net impact of a significant increase in the District's proportionate share of the state-wide net pension liability, offset by principal payments made on outstanding bonds and notes, which reduced those liabilities. Offsetting the large increase in the pension liabilities, however, were a significant decrease in the deferred inflows of resources related to pensions and opebs. All of these changes amounted to an increase in total net position of \$21.3 million.

**NORTH CLACKAMAS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED JUNE 30, 2023**

The key elements of the change in the district's net position for the year ended June 30, 2023 are as follows:

	Changes in Net Position For the Year Ended							Increase (Decrease)
	Governmental Activities in thousands)		Business-type Activities (in thousands)		Total Primary Government (in thousands)			
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022		
Revenues:								
Program Revenues:								
Charges for services	\$ 5,686	\$ 1,229	\$ 1,983	\$ 1,379	\$ 7,669	\$ 2,608	\$ 5,061	
Operating grants	45,565	39,477	-	-	45,565	39,477	6,088	
General Revenues:								
Property taxes	138,236	132,252	-	-	138,236	132,252	5,984	
State and local sources	136,832	131,551	-	-	136,832	131,551	5,281	
Federal sources	150	-	-	-	150	-	150	
Miscellaneous	6,971	3,558	-	-	6,971	3,558	3,413	
Total revenues	<u>333,440</u>	<u>308,067</u>	<u>1,983</u>	<u>1,379</u>	<u>335,423</u>	<u>309,446</u>	<u>25,977</u>	
Expenses:								
Instruction	161,463	147,866	-	-	161,463	147,866	13,597	
Support services	108,103	102,760	-	-	108,103	102,760	5,343	
Community services	8,569	9,055	1,861	1,585	10,430	10,640	(210)	
Interest on long-term debt	34,173	34,679	-	-	34,173	34,679	(506)	
Total expenses	<u>312,308</u>	<u>294,360</u>	<u>1,861</u>	<u>1,585</u>	<u>314,169</u>	<u>295,945</u>	<u>18,224</u>	
Change in net position	<u>21,132</u>	<u>13,707</u>	<u>122</u>	<u>(206)</u>	<u>21,254</u>	<u>13,501</u>	<u>7,753</u>	
Net position - Beginning of Year	<u>(4,004)</u>	<u>(19,361)</u>	<u>644</u>	<u>850</u>	<u>(3,360)</u>	<u>(18,511)</u>	<u>15,151</u>	
Prior Period Adjustment	-	1,650	-	-	-	1,650	(1,650)	
Net position - End of Year	<u>\$ 17,128</u>	<u>\$ (4,004)</u>	<u>\$ 766</u>	<u>\$ 644</u>	<u>\$ 17,894</u>	<u>\$ (3,360)</u>	<u>\$ 21,254</u>	

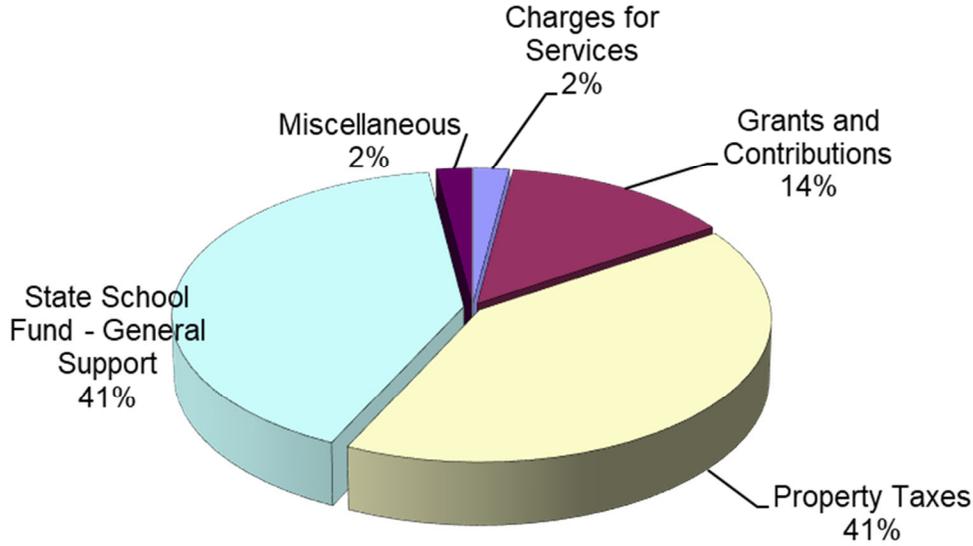
Property tax revenues increased by \$6.0 million from 2021-22. Tax receipts increased primarily due to increases in assessed values and building activity within the county. Taxes were levied appropriately to collect the permanent tax rate and funds to pay general obligation bonded debt. State School Fund (SSF) revenues increased by \$6.0. Miscellaneous revenue increased primarily due to higher investment earnings. Operating grants increased by \$6.1 million mainly due to increases in programs funded by the State of Oregon.

Instruction and support services expenses increased in 2022-23 by \$19.0 million primarily due to increased salary and benefit costs.

**NORTH CLACKAMAS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED JUNE 30, 2023**

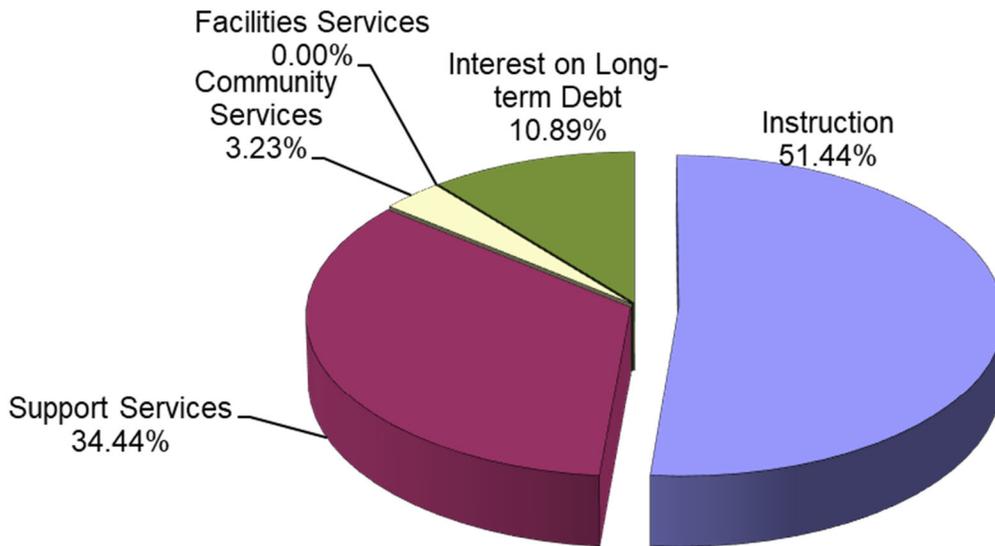
FY 2023 REVENUE PERCENTAGES:

Revenues by Source - Governmental Activities



FY 2023 EXPENDITURE PERCENTAGES:

Expenses by Function - Governmental Activities



As illustrated above, State School Fund revenues represent about 41 percent of the district's total revenue sources. Property taxes comprise about 41 percent of revenues. Instructional expenses make up about 51 percent of the District's expenses, while support services are about 34 percent.

**NORTH CLACKAMAS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED JUNE 30, 2023**

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* may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year.

At June 30, 2023, the District's governmental funds reported combined ending fund balances of \$113.8 million, an increase of \$16.0 million compared to the prior year. Approximately \$64.0 million of the ending fund balance constitutes *unassigned fund balance*, which is available for spending at the government's discretion. Fund balance of \$24.2 million is restricted for capital projects, primarily related to bond work. The remaining \$23.1 million is restricted for debt repayment and grant activities, as authorized by voters and grantors.

General Fund: The General Fund is the main operating fund of the district. As of June 30, 2023, unassigned fund balance was \$64.0 million. As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Fund balance represents 30 percent of total General Fund expenditures. The fund balance increased by \$19.2 million during the current fiscal year.

Special Revenue Fund: The Special Revenue Fund has a total fund balance of \$15.5 million. This fund accounts for revenues and expenditures for grants that are restricted for specific educational projects. Principal revenue sources are federal, state, and intermediate grants. The fund increased by \$3.5 million due to increased revenue from both state and federal sources.

Debt Service Fund: The Debt Service Fund has a total fund balance of \$7.5 million, all of which is restricted for the payment of debt service. The fund balance decreased by \$1.5 million due to the timing of payments of principal and interest that came due.

Capital Projects Fund: The Capital Projects Fund has a total fund balance of \$24.2 million. The fund balance decreased by \$5.2 million during the current fiscal year, primarily due to continued construction of a new schools and improvements at current sites.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets: The District's investment in capital assets includes land, buildings and improvements, vehicles and equipment, and construction in progress. During the year, the district's investment in capital assets decreased by approximately \$13.5 million mainly due to the construction occurring at multiple sites paid for by the 2016 Construction Bond including the completion of Milwaukie High School renovation.

The changes in capital assets from the fiscal year ended June 30, 2023 are as follows:

Capital Assets (Net of Depreciation) (in Thousands)			
<u>Governmental Activities</u>			
	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Increase (Decrease)</u>
Land	\$ 67,505	\$ 67,409	\$ 96
Lease Assets	85	131	(46)
Subscription Assets	392	-	392
Construction in Progress	340	653	(313)
Buildings and Improvements	665,112	676,272	(11,160)
Equipment	11,136	13,589	(2,453)
Total capital assets, net of accumulated depreciation	<u>\$ 744,570</u>	<u>\$ 758,054</u>	<u>\$ (13,484)</u>
	82		

**NORTH CLACKAMAS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED JUNE 30, 2023**

Additional information on capital assets can be found in notes 4, 6 and 7 in the Notes to Basic Financial statements section of this report.

Long-term debt: At the end of the current fiscal year, the district had total long-term debt outstanding of \$734.1 million, consisting of general obligation and pension obligation debt, and unamortized bond premium.

During the current fiscal year, the districts' total debt decreased by \$22.9 million.

Outstanding Bonded Debt (in thousands)

	Governmental Activities		Increase (Decrease)
	June 30, 2023	June 30, 2022	
General obligation bonds	\$ 674,725	\$ 691,656	\$ (16,931)
Pension obligation bonds	59,405	65,399	(5,994)
Total long-term debt	\$ 734,130	\$ 757,055	\$ (22,925)

State statutes limit the amount of general obligation debt a school district may issue to 7.95 percent of its total real market value. With a real market value of over \$20 billion the current debt margin for the district is nearly \$1.1 billion, which is significantly in excess of the district's outstanding general obligation debt.

In January 2017 Standard & Poor's Rating Services confirmed the district's rating for general obligation debt as "A+" with a stable outlook and Moody's Investors Service issued an underlying Aa3 rating. Additional information on the district's long-term debt can be found in Note 5 in the Notes to Basic Financial statements section of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The most significant economic factor for the district is the State of Oregon's State School Fund. For the year ended, June 30, 2023, the State School Fund – General Support provided 52 percent of the District's General Fund program resources. State provided funding for K-12 education for the 2019-21 biennium is \$9.0B, a 9.8% increase from the previous biennium. State provided funding for K-12 education for the 2021-23 biennium is \$9.3B, a 3.3% increase from the previous biennium. However, increasing payroll and associated payroll costs such as PERS and health insurance costs continue to cause significant strain on the 2021-22 budget and are anticipated to cause more financial pressure in future years.

The 2019 Oregon Legislature passed a new spending bill which will allocate an additional \$1B annually to schools through the Student Success Act. Student Investment Account revenue for the 2021-22 budget is anticipated to be \$12.6M. These funds are required to be used to support student mental and behavioral health and increase academic achievement for students, including reducing achievement disparities for targeted student populations.

Because of continued growth in real estate values and increased building, property taxes are expected to grow at around 3.5%. Enrollment has been relatively flat in the past few years. The district is implementing a refined strategic planning process that will more closely align budgeting efforts action plan goals. The action plan goals include a focus on student achievement, equity, quality of programs, and stewardship of resources and assets entrusted to the district. This will be extremely important as the District has limited funds.

In June 2023, the board adopted the district budget for the fiscal year 2023-24. The adopted budget for the General Fund for the year ending June 30, 2023 is \$269.2 million. This is an increase of \$15 million from the 2021-22 adopted budget. The district anticipates making appropriate reductions and adjustments as the long-term impacts of the COVID-19 pandemic continue.

**NORTH CLACKAMAS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED JUNE 30, 2023**

REQUESTS FOR INFORMATION

This financial report is designed to present the user (citizens, taxpayers, investors, and creditors) with a general overview of the district's finances and to demonstrate the district's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Chief Financial Officer at 12400 SE Freeman Way, Milwaukie, OR 97222. An electronic copy of this and other prior year financial statements are available on the district's website at: <http://www.nclack.k12.or.us/business/page/audit-reports>.

BASIC FINANCIAL STATEMENTS

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
STATEMENT OF NET POSITION
June 30, 2023

	Governmental Activities	Business Type Activities	Total
Assets			
Cash and Investments	\$ 139,852,050	\$ 790,873	\$ 140,642,923
Property Taxes and Other Receivables	16,182,230	-	16,182,230
OPEB Net Asset - RHIA	3,573,758	-	3,573,758
Capital Assets			
Lease Assets (GASB 87), Net of Amortization	85,486	-	85,486
Subscription Assets (GASB 96), Net of Amortization	391,886	-	391,886
Land and Construction in Progress - Nondepreciable	67,844,492	-	67,844,492
Capital Assets, Net of Depreciation	676,248,699	-	676,248,699
Total Assets	904,178,601	790,873	904,969,474
Deferred Outflows of Resources			
Pension Deferrals	55,053,174	-	55,053,174
OPEB - RHIA	434,046	-	434,046
OPEB Liability, Implicit Rate Subsidy	7,415,213	-	7,415,213
OPEB Liability, Stipend Benefit	67,943	-	67,943
Deferred Charge on Refunding	34,220,783	-	34,220,783
Total Deferred Outflows of Resources	97,191,159	-	97,191,159
Liabilities			
Accounts Payable	6,229,364	23	6,229,387
Accrued Payroll and Payroll Liabilities	12,676,144	24,806	12,700,950
Unearned Revenue	117,155	-	117,155
Estimated Claims Liabilities	6,146,624	-	6,146,624
Accrued Interest Payable	723,000	-	723,000
Accrued Compensated Absences	730,195	-	730,195
Long-term Obligations			
Due Within One Year			
Bonds Payable	34,583,272	-	34,583,272
Lease Payable (GASB 87)	37,829	-	37,829
Subscriptions Payable (GASB 96)	153,018	-	153,018
Notes Payable	1,250,895	-	1,250,895
Due in More Than One Year			
Lease Payable (GASB 87)	47,821	-	47,821
Subscriptions Payable (GASB 96)	182,688	-	182,688
Bonds Payable	699,546,958	-	699,546,958
Notes Payable	4,142,411	-	4,142,411
Proportionate Share of Net Pension Liability	132,947,400	-	132,947,400
OPEB Liability, Implicit Rate Subsidy	23,148,369	-	23,148,369
OPEB Liability, Stipend Benefit	700,031	-	700,031
Total Liabilities	923,363,174	24,829	923,388,003
Deferred Inflows of Resources			
Pension Deferrals	50,318,238	-	50,318,238
OPEB - RHIA	488,515	-	488,515
OPEB Liability, Implicit Rate Subsidy	9,148,017	-	9,148,017
OPEB Liability, Stipend Benefit	923,768	-	923,768
Total Deferred Inflows of Resources	60,878,538	-	60,878,538
Net Position			
Net Investment in Capital Assets	110,375,943	-	110,375,943
Restricted for:			
Special Grants and Services	15,533,722	-	15,533,722
OPEB - RHIA	3,519,289	-	3,519,289
Debt Services	7,495,411	-	7,495,411
Unrestricted	(119,796,317)	766,044	(119,030,273)
Total Net Position	\$ 17,128,048	\$ 766,044	\$ 17,894,092

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
 STATEMENT OF ACTIVITIES
 Year Ended June 30, 2023

	Function Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
Functions/Programs							
Governmental Activities:							
Instructional Services	\$ 161,462,515	\$ 3,948,379	\$ 29,517,515	\$ -	\$ (127,996,622)	\$ -	\$ (127,996,622)
Supporting Services	108,102,553	-	10,623,004	-	(97,479,550)	-	(97,479,550)
Community Services	8,569,455	1,737,460	5,424,424	-	(1,407,571)	-	(1,407,571)
Interest on Long-term Debt	34,173,774	-	-	-	(34,173,774)	-	(34,173,774)
Total Governmental Activities	312,308,297	5,685,839	45,564,942	-	(261,057,516)		(261,057,516)
Business-Type Activities:							
Community Services	1,861,154	1,983,580	-	-	-	122,426	122,426
Total	\$ 314,169,451	\$ 7,669,419	\$ 45,564,942	\$ -	(261,057,516)	122,426	\$ (260,935,090)
General Revenues							
Property Taxes Levied for General Purposes and Debt Service					138,236,420	-	138,236,420
State and Local Revenue					136,832,062	-	136,832,062
Federal Revenue					149,634	-	149,634
Miscellaneous					2,755,058	-	2,755,058
Earnings on Investments					4,216,256	-	4,216,256
Total General Revenues					282,189,430	-	282,189,430
Change in Net Position					21,131,914	122,426	21,254,340
Net Position							
Beginning of Year					(4,003,866)	643,618	(3,360,248)
End of Year					\$ 17,128,048	\$ 766,044	\$ 17,894,092

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

	General	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Totals
ASSETS					
Cash and Investments	\$ 62,854,876	\$ 2,000	\$ 46,205,094	\$ 12,766,384	\$ 121,828,354
Property Taxes and Other Receivables	7,182,504	7,021,930	1,768,908	207,485	16,180,827
Due from Other Funds	13,490,880	10,797,866	-	11,948,626	36,237,372
Total Assets	\$ 83,528,260	\$ 17,821,796	\$ 47,974,002	\$ 24,922,495	\$ 174,246,553
LIABILITIES					
Accounts Payable	\$ 2,778,138	\$ 1,020,187	\$ -	\$ 715,541	\$ 4,513,866
Accrued Payroll and Payroll Liabilities	11,525,412	1,150,732	-	-	12,676,144
Due to Other Funds	-	-	39,225,393	-	39,225,393
Unearned Revenue	-	117,155	-	-	117,155
Total Liabilities	14,303,550	2,288,074	39,225,393	715,541	56,532,558
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Property Taxes	2,648,157	-	1,253,198	-	3,901,355
Total Deferred Inflows of Resources	2,648,157	-	1,253,198	-	3,901,355
FUND BALANCES					
Restricted for					
Special Grants and Services	-	15,533,722	-	-	15,533,722
Debt Service	-	-	7,495,411	-	7,495,411
Future Capital Projects	-	-	-	24,206,954	24,206,954
Assigned for					
Future PERS Obligations	2,584,919	-	-	-	2,584,919
Unassigned	63,991,634	-	-	-	63,991,634
Total Fund Balances	66,576,553	15,533,722	7,495,411	24,206,954	113,812,640
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 83,528,260	\$ 17,821,796	\$ 47,974,002	\$ 24,922,495	\$ 174,246,553

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
 RECONCILIATION OF GOVERNMENTAL FUNDS
 BALANCE SHEET TO STATEMENT OF NET POSITION
 June 30, 2023

Total Fund Balances - Governmental Funds \$ 113,812,640

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

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

Cost	\$ 946,182,567	
Accumulated depreciation	<u>(202,089,376)</u>	744,093,191

A portion of the District's 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. 3,901,355

The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position 13,150,998

The OPEB net asset - RHIA is not collectable in the current period, and therefore is not reported as an asset in the governmental funds 3,573,758

The net pension liability is not due and payable in the current period, and therefore is not reported as a liability in the governmental funds (132,947,400)

Lease Assets under GASB 87 are not recognized in the governmental funds	85,486
Lease Liabilities under GASB 87 are not recognized in the governmental funds	(85,650)

Subscription Assets under GASB 96 are not recognized in the governmental funds	391,886
Subscription Liabilities under GASB 96 are not recognized in the governmental funds	(335,706)

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds.

Deferred outflows of resources related to pensions	55,053,174	
Deferred outflows of resources related to refunding	34,220,783	
Deferred outflows of resources related to OPEB - RHIA	434,046	
Deferred outflows of resources related to OPEB - Implicit	7,415,213	
Deferred outflows of resources related to OPEB - Stipend	67,943	
Deferred inflows of resources related to OPEB - RHIA	(488,515)	
Deferred inflows or resources related to OPEB	(9,148,017)	
Deferred inflows or resources related to stipend benefit	(923,768)	
Deferred inflows or resources related to pensions	<u>(50,318,238)</u>	36,312,621

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

Accrued interest payable	(723,000)	
Accrued compensated absences	(730,195)	
Bonds payable	(734,130,230)	
Notes payable	(5,393,306)	
Net OPEB liability	(23,148,369)	
Net OPEB liability, stipend benefit	<u>(700,031)</u>	<u>(764,825,131)</u>

Total Net Position \$ 17,128,048

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
 GOVERNMENTAL FUNDS
 STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 Year Ended June 30, 2023

	General	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
Revenues					
Property Taxes	\$ 100,969,935	\$ -	\$ 37,861,696	\$ -	\$ 138,831,631
State and Local Sources	132,429,906	33,323,090	-	351,629	166,104,625
Federal Sources	159,504	16,131,899	-	-	16,291,403
Earnings from Investments	3,401,117	-	309,115	178,937	3,889,169
Services Provided Other Funds	2,512,770	-	12,588,197	-	15,100,967
Construction Excise Tax	-	-	-	883,308	883,308
Miscellaneous	4,528,303	-	-	-	4,528,303
Total Revenues	244,001,535	49,454,989	50,759,008	1,413,874	345,629,406
Expenditures					
Current					
Instruction	128,066,461	23,324,792	-	-	151,391,253
Support Services	91,407,719	16,216,409	-	-	107,624,128
Enterprise and Community Services	-	7,840,506	-	-	7,840,506
Facilities Acquisition and Construction	-	-	-	144,639	144,639
Debt Service					
Instruction					
Principal	97,958	-	-	-	97,958
Support Services					
Principal	164,404	-	-	-	164,404
Interest	15,027	-	-	-	15,027
Unallocated					
Principal	-	-	28,810,261	-	28,810,261
Interest	-	-	25,365,144	-	25,365,144
Capital Outlay					
Instruction	195,229	-	-	-	195,229
Support Services	17,480	5,000	-	-	22,480
Facilities Acquisition and Construction	74,502	403,845	-	6,607,903	7,086,250
Total Expenditures	220,038,780	47,790,552	54,175,405	6,752,542	328,757,279
Excess (Deficiency) of					
Revenues Over (Under) Expenditures	23,962,755	1,664,437	(3,416,397)	(5,338,668)	16,872,127
Other Financing Sources (Uses)					
Subscription Proceeds	192,871	-	-	-	192,871
Sale of Capital Assets	-	8,100	-	-	8,100
Transfers In	-	3,100,000	1,878,566	95,814	5,074,380
Transfers (Out)	(4,924,380)	(1,250,000)	-	-	(6,174,380)
Total Other Sources (Uses)	(4,731,509)	1,858,100	1,878,566	95,814	(899,029)
Net Change in Fund Balance	19,231,246	3,522,537	(1,537,831)	(5,242,854)	15,973,098
Fund Balances					
Beginning of Year	47,345,307	12,011,185	9,033,242	29,449,808	97,839,542
End of year	<u>\$ 66,576,553</u>	<u>\$ 15,533,722</u>	<u>\$ 7,495,411</u>	<u>\$ 24,206,954</u>	<u>\$ 113,812,640</u>

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 Year Ended June 30, 2023

Net Change in Fund Balances - Total Governmental Funds \$ 15,973,098

Amounts reported for governmental activities in the Statement of Activities are different because:

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 depreciation exceeded capital outlay in the current period.

Expenditures for capital assets	\$ 7,047,987	
Disposition of capital assets	(106,694)	
Less current year depreciation	<u>(20,770,695)</u>	(13,829,402)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This is the net effect of these differences in the treatment of long-term debt.

Principal payments and deferred interest accretion	20,187,139	
Change in accrued vacation	<u>(49,392)</u>	20,137,747

Change in GASB 87 Net Asset Position	(45,834)	
Change in GASB 87 Net Liability Position	<u>45,354</u>	(480)

Change in GASB 96 Net Asset Position	(215,328)	
Change in GASB 96 Net Liability Position	217,008	
Initial Recognition of Prepaid Subscriptions	<u>54,500</u>	56,180

Governmental funds report the effect of issuance costs, premiums, and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences:

Amortization of deferred charge on refunding bonds	(4,267,335)	
Amortization of premium	<u>4,055,066</u>	(212,269)

The revenues and expenses of the internal service funds are included in governmental activities in the statement of activities. 1,458,843

Actuarial changes in Long-term pension liabilities, deferred outflows and deferred inflows of resources are not reported as governmental funds liabilities and therefore not reported as revenues or expenditures in the governmental funds. (1,901,522)

In the statement of activities interest is accrued on long-term debt, whereas in the governmental funds it is recorded as interest expenses when due. 41,788

Property taxes that do not meet the measurable and available criteria are not recognized as revenues in the current year in the governmental funds. In the statement of activities property taxes are recognized as revenue when levied. (595,211)

In the statement of activities, contributions for other postemployment benefits less than the actuarially determined contribution amount increase the other postemployment benefit obligation. In the governmental funds the entire contribution is recognized as an expenditure. This is the amount by which the obligation decreased. 3,142

Change in Net Position \$ 21,131,914

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
 STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 June 30, 2023

	BUSINESS TYPE ACTIVITIES: ENTERPRISE FUND	GOVERNMENTAL ACTIVITIES: INTERNAL SERVICE FUND
	<u> </u>	<u> </u>
ASSETS		
Current Assets:		
Cash and Investments	\$ 790,873	\$ 18,023,696
Accounts Receivable	-	1,403
Interfund Receivable	-	2,988,021
	<u> </u>	<u> </u>
Total Current Assets	<u> 790,873</u>	<u> 21,013,120</u>
 LIABILITIES		
Current Liabilities:		
Estimated Claims Liability	-	6,146,624
Accounts Payable	23	1,715,498
Accrued Payroll and Associated Payroll Costs	24,806	-
	<u> </u>	<u> </u>
Total Current Liabilities	<u> 24,829</u>	<u> 7,862,122</u>
 NET POSITION		
Unrestricted	<u> 766,044</u>	<u> 13,150,998</u>
Total Net Position	<u><u> 766,044</u></u>	<u><u> 13,150,998</u></u>

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2023

	BUSINESS TYPE ACTIVITIES: ENTERPRISE FUND	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND
	<u>FUND</u>	<u>FUND</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from User Charges	\$ 1,812,859	\$ -
Cash Received from Other Rentals and Miscellaneous	170,721	2,316,075
Cash Received from Assessments Made to Other Funds	-	41,863,043
Cash received from state grants	-	7,545,646
Cash Payments to Suppliers for Goods and Services	(82,172)	(46,062,439)
Cash Payments to Employees for Services	(1,728,060)	-
Cash Payments for Other Operating Expenses	(51,251)	-
	<u>122,097</u>	<u>(1,883,321)</u>
Net Cash Provided (Used) by Operating Activities		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest Received	-	327,087
	<u>-</u>	<u>327,087</u>
Net Cash Provided (Used) by Investing Activities		
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers, In	-	1,100,000
	<u>-</u>	<u>1,100,000</u>
Net Cash Provided (Used) by Noncapital Financing Activities		
	<u>122,097</u>	<u>(456,234)</u>
Net Increase, (Decrease) in Cash and Cash Equivalents		
Cash and Cash Equivalents - Beginning	668,776	18,479,930
Cash and Cash Equivalents - Ending	<u>\$ 790,873</u>	<u>\$ 18,023,696</u>
Reconciliation of Operating Income, (Loss) to Net Cash Provided, (Used) by Operating Activities:		
Operating income, (loss)	\$ 122,426	\$ 31,756
Adjustments to Reconcile Operating Income, (Loss) to Net Cash Provided, (Used) by Operating Activities:		
Changes in Assets and Liabilities:		
Receivables	-	685
Interfund	-	(2,988,021)
Payables	(725)	1,072,259
Accrued Payroll and Associated Payroll Costs	396	-
	<u>122,097</u>	<u>(1,883,321)</u>
Net Cash Provided (Used) by Operating Activities		
Cash Paid for Interest	\$ -	\$ -
Cash Paid for Taxes	<u>\$ -</u>	<u>\$ -</u>

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
 STATEMENT OF NET POSITION
 FIDUCIARY FUNDS
 June 30, 2023

	Private Purpose Trust Fund
Assets	
Cash and Investments	\$ 444,528
Other Receivables	<u>39,109</u>
Total Assets	<u>483,637</u>
Liabilities	
Accounts Payable	227,007
Accrued Payroll, Taxes and Employee Withholdings	<u>279,954</u>
Total Liabilities	<u>506,961</u>
Net Position	
Held in Trust for:	
Scholarships and Charter Schools	<u>(23,324)</u>
Total Net Position	<u>\$ (23,324)</u>

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
 STATEMENT OF CHANGES IN NET POSITION
 FIDUCIARY FUNDS
 Year Ended June 30, 2023

	Private Purpose Trust Fund
Additions:	
State and Local Sources	<u>\$ 10,717,522</u>
Total Additions	<u>10,717,522</u>
Deductions:	
Charter Schools Payments	10,631,101
Scholarships	<u>-</u>
Total Deductions	<u>10,631,101</u>
Change in Net Position	86,421
Net Position	
Beginning of Year	<u>(109,745)</u>
End of Year	<u><u>\$ (23,324)</u></u>

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2023

1. Summary of Significant Accounting Policies

Reporting Entity

North Clackamas School District No. 12 (the District) is a municipal corporation governed by an elected Board of Directors. The Board approves administrative officials. The daily functioning of the District is under supervision of the Superintendent. As required by generally accepted accounting principles, all activities of the District have been included in the basic financial statements.

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 districts, which provide service 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 or included in these basic financial statements.

Basis of Presentation

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities display information about the District. These statements include the governmental financial activities of the overall District, except fiduciary activities. Governmental activities are financed primarily through property taxes, intergovernmental revenues, and charges for services.

The Statement of Activities presents a comparison between direct expenses and program revenues for each of its functions/programs. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to that function. Program revenues include: (1) charges to students or others for tuition, fees, rentals, material, supplies, or services provided, (2) operating grants and contributions and (3) capital grants and contributions. Revenues not classified as program revenues, including property taxes and state supports, are presented as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter is excluded from the governmental-wide financial statements.

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

FUND FINANCIAL STATEMENTS

The fund financial statements provide information about the District's funds including those of a fiduciary nature. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as other governmental funds.

The District reports the following major governmental funds:

General Fund – This fund accounts for all revenues and expenditures except for those required to be accounted for in another fund. The principal revenue sources are property taxes and an apportionment from the State of Oregon. Expenditures in the fund are made for instructional purposes and related support services.

1. Summary of Significant Accounting Policies (Continued)

Basis of Presentation – FUND FINANCIAL STATEMENTS (Continued)

Special Revenue Fund - This fund accounts for the revenues and expenditures of specific educational programs funded from federal, state, local sources, and student body activities. Principal sources of revenue are federal and state grants paid to the District through state and county agencies and other grants paid to the District directly from state, local and private agencies as well as student body receipts.

Debt Service Fund - This fund is used for the accumulation of resources and payment of general obligation bond principal and interest. Primary resources in these funds are property taxes and earnings on investments.

Capital Projects Fund – This fund accounts for activities related to the acquisition, construction, equipping and furnishing of new schools and other facilities. Principal revenue sources are proceeds from general obligation bond issues and related interest earned on proceeds not yet expended.

Additionally, the District reports the following fund types:

Enterprise Fund – This fund accounts for activities related to community service including child care services. Principal revenue sources are charges for services and rentals.

Internal Service Fund – This fund accounts for costs incurred for employees’ general health insurance. The principal revenue source is charges to other funds for services.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the District’s Enterprise Fund are rental and lease charges for facility use and service charges to external customers for goods and services. Operating expenses for the Enterprise Fund include salaries and benefits, supplies, materials and administrative expenses. The principal operating revenues of the District’s Internal Service Funds are charges to other funds for insurance. Operating expenses for the Internal Service Funds include self-insurance. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses in both the Enterprise Fund and the Internal Service Funds.

The private-purpose trust fund is used to account for charter school receipts and scholarship resources held by the District in a fiduciary capacity for use by charter schools and students. Disbursements from this fund is made in accordance with the trust and donor agreements.

Measurement Focus and Basis of Accounting

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

1. Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Continued)

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

The Enterprise and Internal Service Fund employs the economic resources measurement focus and the accrual basis of accounting.

Budget

A budget is prepared and legally adopted for each governmental fund type and private purpose trust on the modified accrual basis of accounting. The budgetary basis of accounting is the same as accounting principles generally accepted in the United States of America basis for the governmental fund types and private purpose trust fund, except that capital outlay expenditures, including items below the District's capitalization level, are budgeted by function in the governmental fund types. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations.

Appropriations are established at the major function level (instruction, support services, enterprise and community services, facilities acquisition and construction, debt service, operating contingency and transfers) for each fund. The detail budget document, however, is required to contain more specific, detailed information for the aforementioned expenditure categories. Unexpected additional resources may be added to the budget through the use of supplemental budget and appropriation resolution.

Supplemental budgets less than 10% of fund's budget may be adopted by the Board at a regular meeting. A supplemental budget greater than 10% of a fund's original budget requires a hearing before the public, publication in newspapers and approval by the Board. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control (major function levels) with Board approval. The District's appropriations lapse at year-end. In 2022-2023, actual expenditures were within appropriations.

Cash and Investments

The District's cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition are considered to be cash and cash equivalents. Short-term investments are stated at cost, which approximates fair value.

The District's investments consist of the State of Oregon Treasurer's Local Government Investment Pool (LGIP). The District's investments are reported a fair value based upon quoted market rates. Changes in fair value of investments are recorded as investment earnings. The LGIP is stated at costs which approximates fair value. Fair value of the LGIP is the same as the District's value in the pool shares.

The Oregon State Treasury administers the LGIP. It is an open-ended, no-load diversified portfolio offered to any agency, political subdivision or public corporation of the State that by law is made the custodian of, or has control of, any fund. The LGIP is commingled with State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon legislature established the Oregon Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury in the management and investment options of the LGIP.

1. Summary of Significant Accounting Policies (Continued)

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

Level 1 – unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Fund has the ability to access

Level 2 – other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market–corroborated inputs)

Level 3 – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund’s own assumptions used in determining the fair value of investments)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Property Taxes Receivable

Property taxes are levied and become a lien on all taxable property as of July 1. Collections dates are November 15, February 15, and May 15 following the lien date. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent. Uncollected property taxes are recorded on the Statement of Net Position. Uncollected taxes are deemed to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established. All property taxes receivable are due from property owners within the District.

Accounts and Other Receivables

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

Grants

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

1. Summary of Significant Accounting Policies (Continued)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS) and additions to/deductions from OPERS fiduciary net position have been determined on the same basis as they are reported by OPERS. 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.

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 reported at their acquisition value on the date donated. The District defines capital assets as assets with an initial cost of more than \$5,000 and an estimated life in excess of one year. Interest incurred during construction is not capitalized. Maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

Buildings and improvements	10 to 50 years
Vehicles and Equipment	5 to 30 years

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and balance sheet 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 or fund balance that applies to a future period(s) so will not be recognized as an outflow of resources (expense/expenditure) until that time.

In addition to liabilities, the statement of net position and balance sheet 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 or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time

Retirement Plans

Substantially all of the District's employees are participants in the Oregon Public Employees Retirement System (OPERS). 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.

The District offers its employees a tax deferred annuity plan established pursuant to Section 403(b) and 457(b) of the Internal Revenue Code.

Lease and Subscription Assets

Lease and Subscription assets are assets which the government has a right to use for a term of more than one year. The value of the assets is determined by the net present value of the remaining payments under contract at the government's incremental borrowing rate at the time of the agreement, amortized over the life of the agreement.

1. Summary of Significant Accounting Policies (Continued)

Leases and Subscriptions Payable

In the government-wide financial statements, leases and subscriptions payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

Self-Insurance

The District is self-insured for losses and claims up to policy deductible limits ranging from \$5,000 to \$50,000 for property, comprehensive general and automobile liability, board of directors' liability, boiler and machinery, and fidelity bonds coverages. Additionally, the District is self-insured for workers' compensation.

Post Employment Health Care Benefits

Eligible employees who elect early retirement are entitled to participate in the District's group medical insurance plan. Such costs are recorded as expenses in the General Fund and are funded as premiums become due.

Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the District. All unused vacation pay is accrued, if material, when earned in the government-wide financial statements. A liability is accrued in the governmental funds when the amount matures.

Long-term Debt

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 straight-line method, which approximates the effective interest method. Bonds payable are reported net of applicable bond premium or discount. Bond issuance costs are expensed in the period incurred. Savings realized from advance refunding of debt are recorded as deferred outflows of resources and amortized over the remaining life of the related defeased debt.

In the fund financial statements bond premiums and discounts are recognized when incurred and are not deferred. The face amount of the debt issued, premiums received on debt issuances, and discounts are reported as other financing sources and uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Interfund Transactions

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. This includes interfund transfers occurring within governmental activities and interfund receivables and payables. Interfund services provided and used are not eliminated during the consolidation process.

Interfund Receivables/Payables

The District maintains a cash pool that is available for use by all funds. The cash pool account is maintained in the General Fund, while activity between funds utilizing this cash is referred to as Due to/from Other Funds in each fund at the end of the fiscal year in the fund basis financial statements. All interfund loan balances are considered current and are eliminated in the government-wide financial statements.

1. Summary of Significant Accounting Policies (Continued)

Fund Balances

In the governmental financial statements, fund balances are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Governmental fund balances are classified as nonspendable, restricted, committed, assigned or unassigned. Following are descriptions of fund classifications used by the district:

Nonspendable fund balance includes items not immediately converted to cash, such as prepaid items and inventory.

Restricted fund balance includes amounts that have constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.

Committed fund balance includes amounts that can be used only for the specific purposes pursuant to constraints imposed by a formal resolution of the School Board. The School Board can modify or rescind the commitment at any time through taking a similar formal resolution.

Assigned fund balance includes amounts assigned for specific uses as authorized by the Superintendent and/or Director of Finance.

Unassigned fund balance is the residual classification for balances not assigned to another category. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

The governing body has approved the following order of spending regarding fund balance categories: The spending of restricted fund balances on purposes for which such funds can be used to occur first when funds are spent for restricted and unrestricted purposes. When unrestricted classifications of fund balance are spent, the board will consider the committed amounts will be reduced first, followed by assigned amounts and then unassigned amounts.

To preserve a sound financial system and to provide stable financial base, the governing body has adopted a minimum fund balance policy. The District will target a minimum fund balance equal to no less than (5%) percent of the General Fund expenditures and other financing uses as a reserve for economic uncertainties.

Net Position

In the government-wide financial statements, net position is classified in the following categories:

Net Investment in Capital Assets – This amount consist of capital assets net of accumulated depreciation and reduced by outstanding debt attributed to the acquisition, construction, or improvement of the assets. In addition, the District has unspent bond proceeds in the form of cash and investments to fund bond expenditures in subsequent years.

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

Unrestricted net position – This amount is all net position that do not meet the definition of “net invested in capital assets” or “restricted net position”. In the event that both restricted and unrestricted net position is available for use, restricted net position is assumed to be utilized first.

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
 NOTES TO BASIC FINANCIAL STATEMENTS
 Year Ended June 30, 2023

1. Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of 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 and expenditures during the reporting period. Actual results could differ from those estimates.

2. Cash and Investments

The District maintains a cash pool that is available for use by all funds except the agency fund. Each fund type's portion of this pool is reported on the Combined Balance Sheet as Cash and Investments or Due to/from other funds. In addition, cash is separately held by certain funds of the District.

Cash and investments on June 30, 2023 consist of the following:

Deposits with banks	\$ 90,040,153
Investments	51,047,298
	<hr/>
	\$ 141,087,451
	<hr/>

Cash and investments are shown on the basic financial statements as:

Statement of Net Position	
Cash and Investments	\$ 140,642,923
Statement of Net Position - Fiduciary Funds	
Cash and Investments - Private Purpose Trust	444,528
	<hr/>
	\$ 141,087,451
	<hr/>

Deposits

Custodial credit risk – Deposits

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

Deposits with financial institutions include primarily bank demand and money market deposits. The balances in these accounts according to the District's records total \$90,040,153 on June 30, 2023. The bank statement records reflect a balance of \$91,525,336 at year end. Of this amount, \$552,188 is covered by the FDIC's general deposit insurance rules. As required by Oregon Revised Statutes, deposits in excess of federal depository insurance were held at a qualified depository for public funds. All qualified depositories for public funds are included in the multiple financial institution collateral pool that is maintained by and in the name of the Office of State Treasurer. As a result the District has no exposure to custodial credit risk for deposits with financial institutions.

2. Cash and Investments (Continued)

Investments

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool’s share price multiplied by the number of shares held.

Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund appears to be in compliance with all portfolio guidelines at June 30, 2023. 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 materially 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. As of June 30, 2023, the fair value of the position in the LGIP is 99.63% of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. Amounts in the State Treasurer’s Local Government Investment Pool are not required to be collateralized. The audited financial statements can be found at:

<https://www.oregon.gov/treasury/public-financial-services/oregon-short-term-funds/pages/default.aspx>

Investment Type	Fair Value	Weighted Average Maturity in Years	% of Investment Portfolio
Local Government Investment Pool	51,047,298	0.41	100.00%
	<u>\$ 51,047,298</u>	<u>0.41</u>	<u>100.00%</u>

The “weighted average maturity in years” calculation assumes that all investments are held until maturity.

Interest rate risk – investments. Interest rate risks is the risk that changes in interest rates will adversely affect the fair value of an investment. The District minimizes interest rate risk by structuring the investment portfolio so that securities mature to meet the cash requirements for ongoing operations and capital construction projects, thereby avoiding the need to sell securities in the open market, and investing primarily in the Local Government Investment Pool (LGIP). Funds may be invested in the LGIP to the extent permitted by ORS 294.810. Excess amounts are invested in adherence with the portfolio maturity constraints.

Under the District’s policy, investments of over 18 months will be avoided, unless they can be matched with specific expected use of funds as provided by ORS 294.135. The investment of capital bond proceeds are timed to meet construction payments.

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
 NOTES TO BASIC FINANCIAL STATEMENTS
 Year Ended June 30, 2023

2. Cash and Investments (Continued)

Investments (Continued)

Concentration of credit risk – investments. The Oregon State Treasurer’s Local Government Investment Pool (LGIP) is subject to regulatory oversight by the Oregon Secretary of State and is not required to be categorized by risk. The LGIP is stated at cost, which approximates fair value. Fair value of the LGIP is the same as the District’s value in the pool shares. The Oregon State Treasurer maintains the Oregon Short-Term Fund, of which the LGIP is a part. It is not registered with the U.S. Securities and Exchange Commission. The Fund currently has no credit rating as assigned by the credit rating agencies. On June 30, 2023, the fund’s composite weighted rating was equivalent to S&P’s AA ratings. The State’s investment policies are governed by statute and the Oregon Investment Council (Council). The State Treasurer is the investment officer for the Council and is responsible for all funds in the State Treasury. Investments in the Fund are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board (OSTFB) and approved by the Oregon Investment Council (ORS 294.805 to 294.895).

As a means of limiting its exposure to fair value losses arising from rising interest rates, no more than the stated percentage of the overall portfolio will be invested in each of the following categories of securities:

<u>Investment Type</u>	<u>Maximum % of Holdings</u>
U.S. Treasury Securities	100%
Local Government Investment Pool	100% (or pool limit)
Fully insured Certificates of Deposit (CD)	100%
Bankers’ Acceptances (BA’s)	50%
Certificates of Deposits (CD)	25%
Repurchase Transactions	10%
U.S. Government agency securities and Instrumentalities of government sponsored Corporations.	100%

As of June 30, 2023, more than 5% of the District’s total investments are in securities by the following issuers:

<u>Issuer</u>	<u>% of Total Investments</u>
Local Government Investment Pool	100%

As of June 30, 2023, the District was in compliance with the State of Oregon statutes regarding investments as discussed under Note 1 and the District’s investment policies.

3. Accounts, Property Taxes and Grants Receivable

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Internal Service Fund</u>	<u>Total</u>
Uncollected Property Taxes	\$ 2,648,157	\$ -	\$ 1,768,908	\$ -	\$ -	\$ 4,417,065
Grants Receivables	1,090,166	7,021,930	-	-	-	8,112,096
Other Receivables	3,444,181	-	-	207,485	1,403	3,653,069
Total Receivables	<u>\$ 7,182,504</u>	<u>\$ 7,021,930</u>	<u>\$ 1,768,908</u>	<u>\$ 207,485</u>	<u>\$ 1,403</u>	<u>\$ 16,182,230</u>

Special Revenue Fund and Capital Projects Fund grants receivable are comprised of claims for reimbursement of costs under various federal and state grant programs.

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
 NOTES TO BASIC FINANCIAL STATEMENTS
 Year Ended June 30, 2023

4. Capital Assets

Capital assets activity for the year ended June 30, 2023 was as follows:

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

	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023
Capital assets not being depreciated:				
Construction in Progress	\$ 652,667	\$ 77,925	\$ (390,651)	\$ 339,941
Land	67,408,737	95,814	-	67,504,551
Total Capital Assets not being depreciated	<u>68,061,404</u>	<u>173,739</u>	<u>(390,651)</u>	<u>67,844,492</u>
Capital assets being depreciated:				
Buildings and improvements	829,225,126	7,264,899	-	836,490,025
Equipment	43,257,029	-	(1,408,979)	41,848,050
Total capital assets being depreciated	872,482,155	7,264,899	(1,408,979)	878,338,075
Less accumulated depreciation for:				
Buildings and improvements	(152,953,077)	(18,424,665)	-	(171,377,742)
Equipment	(29,667,889)	(2,346,030)	1,302,285	(30,711,634)
Total accumulated depreciation	<u>(182,620,966)</u>	<u>(20,770,695)</u>	<u>1,302,285</u>	<u>(202,089,376)</u>
Total capital assets being depreciated, net	<u>689,861,189</u>	<u>(13,505,796)</u>	<u>(106,694)</u>	<u>676,248,699</u>
Total capital assets, net	<u>\$ 757,922,593</u>	<u>\$ (13,332,057)</u>	<u>\$ (497,345)</u>	<u>\$ 744,093,191</u>

Construction Commitments - The District has active construction projects as of June 30, 2023. As of the end of the fiscal year, the District is committed under various accepted bid agreements and contracts for approximately \$1,084,190 for goods, services and construction of facilities.

Program	
Instructional programs	\$ 15,578,021
Supporting services	4,154,139
Community services	<u>1,038,535</u>
Total depreciation expense	<u>\$ 20,770,695</u>

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2023

5. Long-Term Debt

General Long-Term Debt

General Obligation Bonds – General obligation bonds are direct obligations and pledge the full faith and credit of the District. The District issues general obligation bonds to provide funds for the acquisition and construction of school facilities.

In December 2014, the District issued \$170,380,000 in general obligation bonds for the purpose of refunding portion of its general obligation bonds issued in 2007. The bonds were sold at a premium of \$28,237,296. A total of \$197,617,296 was raised to buy back bonds issued in 2007 with an outstanding principal balance of \$153,556,142 and valued as of December 18, 2014 of \$197,631,199. The difference of 986,097 was paid for cost of issuance of the bonds.

The 2014 refunding resulted in a deferred loss on the Statement of Net Position of \$35,334,060 due to the excess of the principal balance and premium of the new bonds as compared to the principle balance and premium outstanding for the bonds that were paid off. Although the stated amount of the bonded debt is now higher, the District will save a significant amount of money over the life of the new bonds due to the reduction in interest payments. The present value of savings on the total debt service of the refunding bonds in comparison to the old bonds is \$15,119,698.

In May of 2016, the District issued \$23,830,000 in general obligation bonds for the purpose of refunding additional 2007 bonds. The bonds were sold at a premium of \$3,084,637. In addition, the District provided \$464,705 of its own funds to bring the total money raised to \$27,379,342. The 2007 with an outstanding principal balance of \$25,630,000 were paid off and transaction costs of \$209,421. The difference of \$1,539,921 is reported as a deferred loss on the Statement of Net Position and amortized over the life of the new bonds.

In March 2017, the District issued Series 2017B for \$182,350,000 in general obligation bonds to finance capital construction and improvements. Interest rates range from 4.0% to 5.0%, payable semiannually in June and December, beginning June 2020. The bonds mature on June 15, 2037 with principal payments due annually on June 15th. The District issued series 2017A deferred interest bonds for \$140,292,626 in general obligation bonds to finance capital construction and improvements. Interest rates range from 1.42% to 4.56% deferred interest is compounded and paid at maturity beginning June 2019. The bonds mature June 15, 2042.

In December 2018, the District issued Series 2018 for \$110,357,000 in general obligation bonds to finance capital construction and improvements. Interest rates on this issue is 5.0%, payable semiannually in June and December, beginning December 2019. The bonds mature on June 15, 2042 with principal payments due annually on June 15th.

Pension Obligation Bonds – On October 31, 2002 and April 2003, the District issued \$113,978,012 of limited tax pension obligation bonds to finance its portion of the unfunded actuarial liability (UAL) with the State of Oregon Public Employees Retirement System (PERS) as of December 31, 2000.

Full Faith and Credit Obligation Bonds – On June 30, 2020, the District issued \$11,036,100 full faith and credit obligation bonds to provide funds for the District's bus transportation facility and subsequent improvements. Interest rate on the bonds is \$2.93% with final maturity June 1, 2035.

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
 NOTES TO BASIC FINANCIAL STATEMENTS
 Year Ended June 30, 2023

5. Long-Term Debt (Continued)

In October 2020, the District issued \$139,415,000 in general obligation bonds for the purpose of refunding portion of its general obligation bonds issued in 2014. A total of \$138,616,157 was raised to buy back bonds issued in 2014. The difference of \$798,843 was paid for cost of issuance of the bonds.

The 2020 refunding resulted in a deferred loss on the Statement of Net Position of \$20,926,157 due to the excess of the principal balance of the new bonds as compared to the principle balance outstanding for the bonds that were paid off. Although the stated amount of the bonded debt is now higher, the District will save a significant amount of money over the life of the new bonds due to the reduction in interest payments. The present value of savings on the total debt service of the refunding bonds in comparison to the old bonds is \$9,644,103. The deferred loss is amortized on the straight line basis over the life of the 2020 refunding bonds.

Bonds payable are as follows:

Issue Date	Issue Amount	Outstanding July 1, 2022	Additions	Reductions	Outstanding June 30, 2023	Interest Rates
General Obligation Bonds:						
12/14	\$ 170,380,000	\$ 20,770,000	\$ -	\$ 9,795,000	\$ 10,975,000	2.0% - 5.0%
05/16	23,830,000	21,320,000	-	290,000	21,030,000	2.0% - 4.0%
3/17A	140,292,626	132,193,968	-	-	132,193,968	1.42% - 4.56%
3/17B	182,350,000	174,310,000	-	3,575,000	170,735,000	4.0% - 5.0%
12/18	110,357,000	102,425,000	-	3,370,000	99,055,000	5.00%
10/20	139,415,000	130,920,000	-	4,145,000	126,775,000	.25% - 1.58%
		<u>581,938,968</u>	<u>-</u>	<u>21,175,000</u>	<u>560,763,968</u>	
Limited Tax Pension Obligation Bonds:						
10/02	50,821,060	30,620,000	-	4,340,000	26,280,000	2.06 - 6.10 %
03/03	63,156,952	34,779,446	-	1,654,447	33,124,999	1.50 - 6.27%
		<u>65,399,446</u>	<u>-</u>	<u>5,994,447</u>	<u>59,404,999</u>	
Full Faith and Credit Obligation		<u>10,415,859</u>	<u>-</u>	<u>323,798</u>	<u>10,092,061</u>	2.93%
Total G.O. and Pension Bonds		<u>657,754,273</u>	<u>-</u>	<u>27,493,245</u>	<u>630,261,028</u>	
Bond Interest Accretion		<u>45,989,973</u>	<u>8,623,120</u>	<u>-</u>	<u>54,613,093</u>	
Unamortized Premium		<u>53,311,175</u>	<u>-</u>	<u>4,055,066</u>	<u>49,256,109</u>	
Total Bonds Payable		<u>757,055,421</u>	<u>8,623,120</u>	<u>31,548,311</u>	<u>734,130,230</u>	
Less Current Portion		<u>(27,493,244)</u>			<u>(34,583,272)</u>	
		<u>\$ 729,562,177</u>			<u>\$ 699,546,958</u>	

Payments on the general obligation bonds are made by the Debt Service Fund from property taxes and earnings on investments. Payments on pension bonds are made by the Debt Service Fund from revenue charges to other funds. Notes Payable were issued for the purpose of completing various projects and property purchases during the years 2014-2018. Payments are paid out of the Debt Service Funds from transfers from the general fund. Notes payable at June 30, 2023, consist of the following:

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
 NOTES TO BASIC FINANCIAL STATEMENTS
 Year Ended June 30, 2023

5. Long-Term Debt (Continued)

Description	Issued to	Issued Date	Maturity Date	Interest Rate	Original Issue Amount	Amount Outstanding
Schedule #14	Key Bank	12/10/2014	12/20/2024	2.37%	1,157,224	194,816
Schedule #15	Key Bank	7/23/2015	6/20/2025	2.79%	900,000	201,212
Schedule #16	Key Bank	10/12/2016	6/20/2026	2.96%	1,020,576	331,041
Schedule #17	Key Bank	10/30/2017	6/20/2027	2.58%	2,394,649	1,072,319
Schedule #18	Key Bank	8/30/2018	6/20/2028	3.23%	1,852,380	994,043
Schedule #19	Key Bank	8/30/2018	6/20/2028	2.19%	1,852,380	1,700,190
Freeman Building	US Bank	10/1/2016	10/1/2026	3.66%	2,249,205	899,685
Total Note Payable					<u>\$ 11,426,414</u>	5,393,306
Less Current Portion						(1,250,895)
						<u>\$ 4,142,411</u>

The District total long-term debt changes is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable	\$ 657,754,273	\$ -	\$ 27,493,245	\$ 630,261,028	\$ 34,583,272
Unamortized Premiums	53,311,175	-	4,055,066	49,256,109	-
Deferred Interest on Bonds	45,989,973	8,623,120	-	54,613,093	-
Notes Payable	6,710,320	-	1,317,014	5,393,306	1,250,895
Leases Payable (GASB 87)	131,004	-	45,354	85,650	37,829
Subscriptions Payable (GASB 96)	-	552,714	217,008	335,706	153,018
Proportionate Share of NPL	94,061,729	38,885,671	-	132,947,400	-
Other Post Employment Benefits	31,746,671	-	8,598,302	23,148,369	-
OPEB Liability, Stipend	1,212,353	-	512,322	700,031	-
	<u>\$ 890,917,498</u>	<u>\$ 48,061,505</u>	<u>\$ 42,238,311</u>	<u>\$ 896,740,692</u>	<u>\$ 36,025,014</u>

Payments for pension liabilities and other post-employment benefits are made by the General fund.

Future maturities are as follows:

Fiscal Year	Bonds	Notes	Leases Payable (GASB 87)	Subscriptions Payable (GASB 96)	Total	Interest Due
2023-2024	34,583,272	1,250,895	37,829	153,018	36,025,014	20,150,206
2024-2025	38,153,023	1,211,647	25,643	59,478	39,449,791	18,523,992
2025-2026	36,198,060	1,065,215	14,574	60,885	37,338,734	17,221,917
2026-2027	39,588,391	971,247	7,604	62,325	40,629,567	15,917,733
2027-2028	33,514,023	480,316	-	-	33,994,339	14,455,808
2028-2033	169,960,821	413,986	-	-	170,374,807	57,837,363
2033-2038	170,724,697	-	-	-	170,724,697	105,739,780
2038-2042	107,538,741	-	-	-	107,538,741	141,639,508
	<u>\$ 630,261,028</u>	<u>\$ 5,393,306</u>	<u>\$ 85,650</u>	<u>\$ 335,706</u>	<u>\$ 636,075,690</u>	<u>\$ 391,486,307</u>

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
 NOTES TO BASIC FINANCIAL STATEMENTS
 Year Ended June 30, 2023

6. Leases Payable and Right-to-Use Assets (GASB 87)

Leases are accounted for in accordance with GASB Statement No. 87, Leases. 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. For additional information, refer to the disclosures below.

On 07/01/2021, North Clackamas School District, OR entered into a 39 month lease as Lessee for the use of Enterprise Fleet E288455. An initial lease liability was recorded in the amount of \$54,253.49. As of 06/30/2023, the value of the lease liability is \$23,918.95. North Clackamas School District, OR is required to make monthly fixed payments of \$1,430.83. The lease has an interest rate of 2.1560%. The Vehicles estimated useful life was 39 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$54,353.49 with accumulated amortization of \$30,387.40 is included with Vehicles on the Lease Class activities table found below. The lease has a lease termination penalty of \$400.00.

On 07/01/2021, North Clackamas School District, OR entered into a 39 month lease as Lessee for the use of Enterprise Fleet E288456. An initial lease liability was recorded in the amount of \$50,222.67. As of 06/30/2023, the value of the lease liability is \$22,292.55. North Clackamas School District, OR is required to make monthly fixed payments of \$1,430.83. The lease has an interest rate of 2.1560%. The Vehicles estimated useful life was 39 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$50,472.67 with accumulated amortization of \$28,157.08 is included with Vehicles on the Lease Class activities table found below. The lease has an unguaranteed residual value of \$1,765.49. The lease has a lease termination penalty of \$400.00.

On 07/01/2021, North Clackamas School District, OR entered into a 39 month lease as Lessee for the use of Enterprise Fleet E284807. An initial lease liability was recorded in the amount of \$51,618.37. As of 06/30/2023, the value of the lease liability is \$23,556.40. North Clackamas School District, OR is required to make monthly fixed payments of \$1,430.84. The lease has an interest rate of 2.1560%. The Vehicles estimated useful life was 39 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$51,718.37 with accumulated amortization of \$28,502.02 is included with Vehicles on the Lease Class activities table found below. The lease has an unguaranteed residual value of \$1,856.81. The lease has a lease termination penalty of \$400.00.

On 07/01/2021, North Clackamas School District, OR entered into a 48 month lease as Lessee for the use of Enterprise Fleet E283722. An initial lease liability was recorded in the amount of \$29,710.47. As of 06/30/2023, the value of the lease liability is \$15,881.64. North Clackamas School District, OR is required to make monthly fixed payments of \$666.15. The lease has an interest rate of 2.2470%. The Vehicles estimated useful life was 48 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$29,710.47 with accumulated amortization of \$13,722.89 is included with Vehicles on the Lease Class activities table found below. The lease has an unguaranteed residual value of \$6,423.34. The lease has a lease termination penalty of \$400.00.

Principal and Interest Requirements to Maturity	Governmental Activities			
	Fiscal Year	Principal Payments	Interest Payments	Total Payments
	2024	37,829	956	38,785
	2025	25,643	586	26,229
	2026	14,574	288	14,862
	2027	7,604	80	7,684
	Total	\$ 85,650	\$ 1,910	\$ 87,560

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
 NOTES TO BASIC FINANCIAL STATEMENTS
 Year Ended June 30, 2023

6. Leases Payable and Right-to-Use Assets (GASB 87) – (Continued)

GOVERNMENTAL ACTIVITIES:	Balance as of			Balance as of
	June 30, 2022	Additions	Reductions	June 30, 2023
Lease Liability				
Vehicles				
Enterprise Fleet E288455	37,658	-	13,739	23,919
Enterprise Fleet E288456	34,989	-	12,696	22,293
Enterprise Fleet E284807	36,245	-	12,688	23,557
Enterprise Fleet E283722	22,112	-	6,231	15,881
Total Vehicle Lease Liability	\$ 131,004	\$ -	\$ 45,354	\$ 85,650
	Balance as of			Balance as of
	June 30, 2022	Additions	Reductions	June 30, 2023
Lease Assets				
Vehicles				
Enterprise Fleet E288455	54,353	-	-	54,353
Enterprise Fleet E288456	50,473	-	-	50,473
Enterprise Fleet E284807	51,718	-	-	51,718
Enterprise Fleet E283722	29,710	-	-	29,710
Total Vehicle Lease Assets	186,255	-	-	186,255
Lease Accumulated Amortization				
Vehicles				
Enterprise Fleet E288455	16,499	13,889	-	30,388
Enterprise Fleet E288456	15,321	12,836	-	28,157
Enterprise Fleet E284807	15,699	12,803	-	28,502
Enterprise Fleet E283722	7,417	6,306	-	13,723
Total Vehicle Lease Accumulated Amortization	54,935	45,834	-	100,769
Total Lease Accumulated Amortization	131,320	45,834	-	85,486
Total Governmental Lease Assets, Net	\$ 186,255	\$ (45,834)	\$ -	\$ 85,486

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
 NOTES TO BASIC FINANCIAL STATEMENTS
 Year Ended June 30, 2023

7. Subscriptions Payable and Right-to-Use Assets (GASB 96)

For the year ended 6/30/2023, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

On 07/01/2022, North Clackamas School District No. 12, OR entered into a 12 month subscription for the use of Absence Management & Time Tracking. An initial subscription liability was recorded in the amount of \$55,250.00. As of 06/30/2023, the value of the subscription liability is \$0.00. North Clackamas School District No. 12, OR is required to make annual fixed payments of \$55,250.00. The subscription has an interest rate of 1.7103%. The value of the right to use asset as of 06/30/2023 of \$0.00 with accumulated amortization of \$0.00 is included with Software on the Subscription Class activities table found below. North Clackamas School District No. 12, OR has 3 extension option(s), each for 12 months.

On 10/01/2022, North Clackamas School District No. 12, OR entered into a 21 month subscription for the use of Dreambox Licenses. An initial subscription liability was recorded in the amount of \$192,871.43. As of 06/30/2023, the value of the subscription liability is \$94,913.93. North Clackamas School District No. 12, OR is required to make annual fixed payments of \$97,957.50. The subscription has an interest rate of 3.2067%. The value of the right to use asset as of 06/30/2023 of \$192,871.43 with accumulated amortization of \$82,659.18 is included with Software on the Subscription Class activities table found below.

On 07/01/2022, North Clackamas School District No. 12, OR entered into a 60 month subscription for the use of Public School Theme Plus. An initial subscription liability was recorded in the amount of \$304,592.66. As of 06/30/2023, the value of the subscription liability is \$240,792.66. North Clackamas School District No. 12, OR is required to make annual fixed payments of \$63,800.00. The subscription has an interest rate of 2.3657%. The value of the right to use asset as of 06/30/2023 of \$352,092.66 with accumulated amortization of \$70,418.53 is included with Software on the Subscription Class activities table found below.

Principal and Interest Requirements to Maturity

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 153,018	\$ 8,740	\$ 161,758
2025	59,478	4,322	63,800
2026	60,885	2,915	63,800
2027	62,325	1,474	63,800
	<u>\$ 335,706</u>	<u>\$ 17,451</u>	<u>\$ 353,158</u>

GOVERNMENTAL ACTIVITIES:

	Balance as of July 1, 2022	Additions	Reductions	Balance as of June 30, 2023
Subscription Liability				
Software				
Public School Theme Plus	\$ 304,593	\$ -	\$ 63,800	\$ 240,793
Dreambox Licenses	-	192,871	97,958	94,913
Absence Management & Time Tracking	55,250	-	55,250	-
Total Software Subscription Liability	<u>\$ 359,843</u>	<u>\$ 192,871</u>	<u>\$ 217,008</u>	<u>\$ 335,706</u>

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
 NOTES TO BASIC FINANCIAL STATEMENTS
 Year Ended June 30, 2023

7. Subscriptions Payable and Right-to-Use Assets (GASB 96) – (Continued)

	Balance as of July 1, 2022	Additions	Reductions	Balance as of June 30, 2023
Subscription Assets				
Software				
Public School Theme Plus	\$ 352,093	\$ -	\$ -	\$ 352,093
Dreambox Licenses	-	192,871	-	192,871
Absence Management & Time Tracking	62,250	-	62,250	-
Total Software Subscription Assets	414,343	192,871	62,250	544,964
Total Subscription Assets	414,343	192,871	62,250	544,964
Subscription Accumulated Amortization				
Software				
Public School Theme Plus	-	70,419	-	70,419
Dreambox Licenses	-	82,659	-	82,659
Absence Management & Time Tracking	-	62,250	62,250	-
Total Software Subscription Accumulated Amortization	-	215,328	62,250	153,078
Total Governmental Subscription Assets, Net	\$ 414,343	\$ (22,456)	\$ -	\$ 391,886

8. Interfund Receivables/Payables & Transfers

The composition of due to/due from balances as of June 30, 2023 is as follows:

	Due From	Due to
Major Government Funds		
General Fund	\$ 13,490,880	\$ -
Special Revenue Fund	10,797,866	-
Debt Service Fund	-	39,225,393
Capital Projects Fund	11,948,626	-
Internal Service Fund	2,988,021	-
	\$ 39,225,393	\$ 39,225,393

The District maintains a cash pool that is available for use by all funds. Each fund type's portion of this pool is reported as either Cash and Investments or Due to/from Other Funds. Interfund receivables and payables (Due To /Due From Other Funds) arise during normal processing of receipts and disbursements for all funds through a single checking account and do not represent interfund loans.

The interfund transfers during the year ended June 30, 2023 are as follows:

	Transfer In	Transfer Out
Major Government Funds		
General Fund	\$ -	\$ 4,924,380
Special Revenue Fund	3,100,000	1,250,000
Debt Service Fund	1,878,566	-
Capital Projects Fund	95,814	-
Internal Service Fund	1,100,000	-
	\$ 6,174,380	\$ 6,174,380

8. Interfund Receivables/Payables & Transfers (Continued)

The District made transfers from the General fund to fund bus replacement and cover wage increases in the Special Revenue Fund, to cover principal and interest payments in the Debt Service Fund, to the Internal Service Fund to cover worker's compensation claims and to the Capital Projects Fund to cover principal and interest. The Special Revenue Fund made a transfer to the Debt Service Fund to cover bus financing payments and to the Capital Projects fund to cover principal and interest payments.

9. 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 Annual Comprehensive Financial Report which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2022-Annual-Comprehensive-Financial-Report.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.

9. Pension Plan (Continued)

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.

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, 2019 actuarial valuation, which became effective July 1, 2021. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2023 were \$14,936,468, excluding amounts to fund employer specific liabilities. At June 30, 2023, the District reported a net pension liability of \$132,947,400 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement date of June 30, 2022 and 2021, the District's proportion was .868 percent and .786 percent, respectively. Pension expense for the year ended June 30, 2023 was \$1,901,522.

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
 NOTES TO BASIC FINANCIAL STATEMENTS
 Year Ended June 30, 2023

9. Pension Plan (Continued)

The rates in effect for the year ended June 30, 2023 were:

- (1) Tier 1/Tier 2 – 12.88%
- (2) OPSRP general services – 9.77%

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 6,453,524	\$ 829,084
Changes in assumptions	20,860,165	190,579
Net difference between projected and actual earnings on pension plan investments	-	23,768,423
Net changes in proportionate share	12,803,017	3,384,776
Differences between contributions and proportionate share of contributions	-	22,145,376
Subtotal - Amortized Deferrals (below)	40,116,706	50,318,238
Contributions subsequent to measuring date	14,936,468	-
Deferred outflow (inflow) of resources	<u>\$ 55,053,174</u>	<u>\$ 50,318,238</u>

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2024.

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

<u>Year ending June 30,</u>	<u>Amount</u>
2024	\$ (3,097,666)
2025	(4,942,897)
2026	(11,726,840)
2027	9,925,797
2028	(359,926)
Thereafter	-
Total	<u>\$ (10,201,532)</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated February 2, 2023. Oregon PERS produces an independently audited ACFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2022-Annual-Comprehensive-Financial-Report.pdf>

Actuarial Valuations – The employer contribution rates effective July 1, 2021 through June 30, 2023, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

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

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
 NOTES TO BASIC FINANCIAL STATEMENTS
 Year Ended June 30, 2023

9. Pension Plan (Continued)

Actuarial Methods and Assumptions:

Valuation date	December 31, 2020
Experience Study Report	2020, Published July 20, 2021
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Asset valuation method	Market value of assets
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 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 2020 Experience Study which is reviewed for the four-year period ending December 31, 2020.

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Debt Securities	15.0%	25.0%	20.0%
Public Equity	25.0%	35.0%	30.0%
Real Estate	7.5%	17.5%	12.5%
Private Equity	15.0%	27.5%	20.0%
Risk Parity	0.0%	3.5%	2.5%
Real Assets	2.5%	10.0%	7.5%
Diversifying Strategies	2.5%	10.0%	7.5%
Opportunity Portfolio	0.0%	5.0%	0.0%
Total			100.0%

(Source: June 30, 2022 PERS ACFR; p. 104)

9. 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 June 2021 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
Global Equity	30.62%	5.85%
Private Equity	25.50%	7.71%
Core Fixed Income	23.75%	2.73%
Real Estate	12.25%	5.66%
Master Limited Partnerships	0.75%	5.71%
Infrastructure	1.50%	6.26%
Commodities	0.63%	3.10%
Hedge Fund of Funds - Multistrategy	1.25%	5.11%
Hedge Fund Equity - Hedge	0.63%	5.31%
Hedge Fund - Macro	5.62%	5.06%
US Cash	-2.50%	1.76%
<i>Assumed Inflation - Mean</i>		2.40%

(Source: June 30, 2022 PERS ACFR; p. 74)

Discount Rate – The discount rate used to measure the total pension liability was 6.90 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate – the following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 6.90 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 (5.90 percent) or one percent higher (7.90 percent) than the current rate.

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Proportionate share of the net pension liability	\$ 235,770,714	\$ 132,947,400	\$ 46,889,034

9. Pension Plan (Continued)

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, 2022 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

Deferred Compensation Plan

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

OPSRP Individual Account Program (OPSRP IAP)

Plan Description:

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

Pension Benefits:

Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the 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.

9. Pension Plan (Continued)

Contributions:

Employees of the District pay six (6) percent of their covered payroll. Effective July 1, 2020, currently employed Tier 1/Tier 2 and OPSRP members earning \$2,500 or more per month (increased to \$3,333 per month in 2022) 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 OPSRP 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 District did not make any optional contributions to member IAP accounts for the year ended June 30, 2023.

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>

10. Other Post Employment Benefits

The District offers a postemployment health insurance subsidy and contributes to a retirement health insurance account through Oregon Public Employees Retirement System. The breakdown of the net OPEB liability, asset, deferred outflows of resources and deferred inflows of resources related to OPEB are:

	OPEB Health Insurance Subsidy	OPEB Health Insurance Account	OPEB Stipend Benefit	Net
Total OPEB Liability	\$ 23,148,369	\$ -	\$ 700,031	\$ 23,848,400
Total OPEB Asset	-	3,573,758	-	3,573,758
OPEB Deferred Outflows of Resources	7,415,213	434,046	67,943	7,917,202
OPEB Deferred Inflows of Resources	9,148,017	488,515	923,768	10,560,300
OPEB Expense	675,590	(427,111)	(251,621)	(3,142)

Plan Description – The District maintains a single employer plan is comprised of both explicit and implicit benefits to employees attaining early retirement eligibility. Employees are generally “early retirement eligible” after attaining age 55 and completing 10 years of District Service or upon retiring from the District after completing 30 years of PERS covered employment. Licensed are provided an upfront Health Reimbursement Account contribution that can be used to purchase benefits. Administrative employees are provided with an “allowance” that may be drawn down as a stipend or may be applied to pay for continued coverage under one or more of the District’s benefit plans (i.e. the medical plan, the dental plan, the vision plan, and life insurance plan). These benefit fall within the scope of GASB 75 and are collectively referred to as “Stipend” benefits.

Confidential employees are provided an allowance to pay for continued coverage under one or more of the District’s benefit plans. Because this benefit is contingent on the retiree’s continued coverage under the District’s health plan the benefits is the Scope of GASB 75 and are referred as as “Explicit Medical” benefits.

Per Oregon Revised Statutes (ORS) 243.303, the District provides health insurance coverage on a self-pay basis for retirees and eligible dependents until they are Medicare eligible. Healthcare premiums rates must be based on all plan members, both active employees and retirees. There is an implicit subsidy with respect to retired employees because the medical premium rates charged for coverage typically are less than actual expected retiree claim costs. This is due to medical premium rates being determined by blending both active employee and retiree experience. This additional cost is called the “implicit subsidy” and is required to be valued under GASB 75. There are 1,582 active and 77 retired members in the plan.

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
 NOTES TO BASIC FINANCIAL STATEMENTS
 Year Ended June 30, 2023

10. Other Post Employment Benefits (Continued)

Funding Policy – There is no obligation on the part of the District to fund these benefits in advance. The benefit from this program is paid by retired employees on a self-pay basis and the required contributions is based on projected pay-as-you go financing requirements.

Total OPEB Liability – The District’s total OPEB liability of \$23,148,369 was measured as of June 30, 2023 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs - The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Postemployment Health Insurance Subsidy (PHIS)

Valuation date	June 30, 2023
Measurement date	June 30, 2023
Actuarial cost method	Entry Age Normal, level percent of salary.
Actuarial assumptions:	
Discount rate	3.65% per year, based on all years discounted at 20 year municipal bond rate.
Inflation rate	2.50% per year
Salary increases	3.00% per year
Healthcare cost trend rates	Increase from 3.0% to 5.0% in 2022-2023 depending on plan selected by employees to an ultimate rate range of 3.0% to 5.0% beginning in 2024
Mortality rates	As developed for the valuation of benefits under Oregon PERS and vary by years of service.
Turnover rates	As developed for the valuation of benefits under Oregon PERS and vary by years of service.
Disability rates	As developed for the valuation of benefits under Oregon PERS and vary by employee age.
Retirement rates	As developed for the valuation of benefits under Oregon PERS and vary by employee age.

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
 NOTES TO BASIC FINANCIAL STATEMENTS
 Year Ended June 30, 2023

10. Other Post Employment Benefits (Continued)

Changes in the Total OPEB Liability:

Balance at June 30, 2022	\$	31,746,671
Service cost		1,046,389
Interest		672,802
Change in benefit terms		-
Change in assumptions		(2,732,245)
Experience (gain)/loss		(6,388,370)
Benefit payments		(1,196,878)
		<hr/>
Balance at June 30, 2023	\$	<u>23,148,369</u>

Postemployment Health Insurance Subsidy (PHIS)

For the year ended June 30, 2023, the District recognize an OPEB expense of \$675,590 related to the PHIS OPEB. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 271,633	\$ 6,417,350
Changes in assumptions	<u>7,143,580</u>	<u>2,730,667</u>
Total	<u>\$ 7,415,213</u>	<u>\$ 9,148,017</u>

Amounts reported by the District as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in pension expense in subsequent years as follows:

	Expense
June 30, 2024	\$ 153,277
June 30, 2025	153,277
June 30, 2026	201,975
June 30, 2027	269,185
June 30, 2028	269,185
June 30, 2029	(323,057)
Thereafter	(2,456,646)

10. Other Post Employment Benefits (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of the District, as well as what that the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.65 percent) or one percentage point higher (4.65 percent) than the current rate:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB Liability	\$ 24,871,852	\$ 23,148,369	\$ 21,523,231

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Trend Rate - The following presents the total OPEB liability of the District, as well as what that the District's total OPEB liability would be if it were calculated using a healthcare trend rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease	Current Health Care Trend Rates	1% Increase
Total OPEB Liability	\$ 21,461,287	\$ 23,148,369	\$ 25,107,504

Retirement Health Insurance Account (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.

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
 NOTES TO BASIC FINANCIAL STATEMENTS
 Year Ended June 30, 2023

10. Other Post Employment Benefits (Continued)

Participating districts are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the District currently contributes 0.06% of annual covered OPERF payroll and 0.00% of OPSRP payroll under a contractual requirement in effect until June 30, 2023. 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, 2021, 2022 and 2023 were \$27,975, \$24,788 and \$23,748, respectively, which equaled the required contributions each year.

At June 30, 2023, the District reported a net OPEB liability/(asset) of \$(3,573,758) for its proportionate share of the net OPEB liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2022, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2020. Consistent with GASB Statement No. 75, paragraph 59(a), the District's proportion of the net OPEB liability/(asset) is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement date of June 30, 2022 and 2021, the District's proportion was 1.01 percent and 1.05 percent, respectively. OPEB expense for the year ended June 30, 2023 was (\$427,254).

Retirement Health Insurance Account (RHIA)

Components of OPEB Expense/(Income):

Employer's proportionate share of collective system OPEB Expense/(Income)	\$ (535,072)
Net amortization of employer-specific deferred amounts from:	
- Changes in proportionate share (per paragraph 64 of GASB 75)	131,566
- Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)	<u>(23,748)</u>
Employer's Total OPEB Expense/(Income)	<u>\$ (427,254)</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	\$ -	\$ 96,846
Changes in assumptions	27,982	119,124
Net difference between projected and actual earnings on pension plan investments	-	272,545
Net changes in proportionate share	382,316	-
Differences between contributions and proportionate share of contributions	<u>-</u>	<u>-</u>
Subtotal - Amortized Deferrals (below)	410,298	488,515
Contributions subsequent to measuring date	<u>23,748</u>	<u>-</u>
Deferred outflow (inflow) of resources	<u>\$ 434,046</u>	<u>\$ 488,515</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, 2024.

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
 NOTES TO BASIC FINANCIAL STATEMENTS
 Year Ended June 30, 2023

10. Other Post Employment Benefits (Continued)

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

<u>Year ending June 30,</u>	<u>Amount</u>
2024	\$ 152,201
2025	(145,718)
2026	(171,988)
2027	87,288
2028	-
Thereafter	-
Total	<u>\$ (78,217)</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, 2022. That independently audited report was dated February 2, 2023 and can be found at:

<https://www.oregon.gov/pers/EMP/Documents/GASB/2022/GASB-75-RHIA-2022.pdf>

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2020
Experience Study Report	2020, Published July 20, 2021
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 percent
Retiree healthcare participation	Healthy retirees: 27.5%; Disabled retirees: 15%
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 2020 Experience Study which is reviewed for the four-year period ending December 31, 2020.

10. Other Post Employment Benefits (Continued)

Discount Rate:

The discount rate used to measure the total OPEB liability as of the measurement date of June 30, 2022 was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 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
Global Equity	30.62%	5.85%
Private Equity	25.50%	7.71%
Core Fixed Income	23.75%	2.73%
Real Estate	12.25%	5.66%
Master Limited Partnerships	0.75%	5.71%
Infrastructure	1.50%	6.26%
Commodities	0.63%	3.10%
Hedge Fund of Funds - Multistrategy	1.25%	5.11%
Hedge Fund Equity - Hedge	0.63%	5.31%
Hedge Fund - Macro	5.62%	5.06%
US Cash	-2.50%	1.76%
<i>Assumed Inflation - Mean</i>		<i>2.40%</i>

(Source: June 30, 2022 PERS ACFR; p. 74)

Sensitivity of the District's proportionate share of the net OPEB liability/(asset) to changes in the discount rate – The following presents the District's proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 6.90 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 (5.90 percent) or one percent higher (7.90 percent) than the current rate.

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Proportionate share of the net OPEB liability (asset)	\$ (3,220,963)	\$ (3,573,758)	\$ (3,876,186)

10. Other Post Employment Benefits (Continued)

Changes Subsequent to the Measurement Date

There are no changes subsequent to the June 30, 2023 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

Stipend Benefit

Stipend Benefit – The District offers stipend benefits, a single employer benefit plan, to all retired licensed employees and administrators as follows:

- Licensed Employees – At least 10 consecutive years of licensed, active District Service and eligible for PERS retirement.
- Administrators – Administrators must have been hired prior to July 1, 2005. At least 10 years of District Service as an Administrator, or 7 years as an Administrator with 20 years of total District Service and eligible for PERS retirement.

Stipend Benefit for Licensed Employees – Eligible licensed employees may receive a \$15,000 to \$30,000 one-time contribution to a Health Reimbursement Account based on their years of consecutive service. This benefit is pro-rated for employees who work less than full time.

Stipend Benefit

Option 1: Retiree may use stipend benefit to pay for continued coverage under one or more of the District's health plans (i.e. the medical plan, the dental plan, the vision, plan and the life insurance plan) on a pre-tax basis. Any remaining amount in the retiree's account balance at the age of 65 can be used to pay Medicare premiums and any other eligible expenses covered under the plan documents. If the retiree dies before the account balance is exhausted, any remaining amount belongs to their designated beneficiary.

Stipend Benefit for Administrators – Eligible Administrators receive the lesser of 60% of salary at retirement or \$60,000 (benefit is pro-rated for employees who work less than full time) as retirement benefit that may be paid in one of the following forms:

Option 1: The Administrator may elect to purchase District insurance using the stipend up to age 65. After age 65, any remaining balance is payable to the retiree. If the retiree dies before the account balance is exhausted, any remaining amount is paid as a lump sum to retiree's beneficiary.

Option 2: Retiree may receive retirement benefit as stipend payable over five (5) years in equal installments. This benefit continues until the account balance is exhausted. If the retiree dies before the account balance is paid, any remaining amount is paid as a lump sum to retiree's beneficiary.

Funding Policy – There is no obligation on the part of the District to fund these benefits in advance. The benefit from this program is paid by retired employees on a self-pay basis and the required contributions is based on projected pay-as-you go financing requirements.

Total OPEB Stipend Liability – The District's total OPEB Stipend liability of \$700,031 was measured as of June 30, 2023 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs - The total OPEB Stipend liability in the June 30, 2023 actuarial valuation was determined using the actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified. See table in health insurance subsidy section.

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
 NOTES TO BASIC FINANCIAL STATEMENTS
 Year Ended June 30, 2023

10. Other Post Employment Benefits (Continued)

Changes in the Total OPEB Stipend Liability:

Balance at June 30, 2022	\$ 1,212,353
Service cost	13,060
Interest	25,427
Change in assumptions	(52,546)
Experience (gain)/loss	(427,927)
Benefit payments	(70,336)
Balance at June 30, 2023	<u>\$ 700,031</u>

For the year ended June 30, 2023, the District recognized OPEB Stipend expense reduction of (\$251,621) related to the OPEB Stipend. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB Stipend from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 866,187
Changes in assumptions	67,943	57,581
Total	<u>\$ 67,943</u>	<u>\$ 923,768</u>

Amounts reported by the District as deferred outflows of resources and deferred inflows of resources related to OPEB Stipend will be recognized in pension expense in subsequent years as follows:

	<u>Expense</u>
June 30, 2024	\$ (219,772)
June 30, 2025	(219,772)
June 30, 2026	(204,797)
June 30, 2027	(145,216)
Thereafter	(66,268)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of the District, as well as what that the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.65 percent) or one percentage point higher (4.65 percent) than the current rate:

	<u>1% Decrease (2.65%)</u>	<u>Current Discount Rate (3.65%)</u>	<u>1% Increase (4.65%)</u>
Total OPEB Stipend Liability	\$ 735,016	\$ 700,031	\$ 665,737

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
 NOTES TO BASIC FINANCIAL STATEMENTS
 Year Ended June 30, 2023

10. Other Post Employment Benefits (Continued)

Tax Sheltered Annuity and Deferred Compensation Arrangements

The District offers its employees a tax deferred annuity program established pursuant to Section 403(b) of the Internal Revenue Code (the Code). Contributions are made through salary reductions from participating employee up to the amounts specified in the Code. As of June 30, 2023, 329 employees were participating in the plan. A total of \$69,000 employer paid contributions were made during the year then ended for 161 employees.

The District had a deferred compensation plan available for its employees wherein they may execute an individual agreement with the District for amounts earned by them to not be paid until a future date when certain circumstances are met. These circumstances are: termination by reason of death, disability, resignation or retirement. Payment to the employee will be made over a period not to exceed 15 years. The deferred compensation plan is one which is authorized under Section 457 of the Code and have been approved in its specifics by a private ruling from the Internal Revenue Service. The assets of the plan are held by the administration for the sole benefit of the plan participants and are not considered assets or liabilities of the District. As of June 30, 2023, 162 employees were participating in the plan. In addition, 107 employees also make Roth contributions using a 403(b) or 457 investment vehicle. These contributions are taxed when invested but not subject to income tax when withdrawn.

11. Accrued Compensated Absences

The General Fund is the primary fund where the compensated absences liability is liquidated. Activity for compensated absences for the year ended June 30, 2023, all of which are considered due within one year, as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Accrued Compensated Absences	\$ 680,803	\$ 730,195	\$ 680,803	\$ 730,195
	<u>\$ 680,803</u>	<u>\$ 730,195</u>	<u>\$ 680,803</u>	<u>\$ 730,195</u>

12. Risk Management

The District is exposed 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. The District carries commercial insurance. The District is self-insured for \$50,000 for each comprehensive general liability or automobile claim. The operations of the self-insurance program are reported in an Internal Service Fund, the General Self-Insurance Fund. Expenses are for reported and expected claims, administrative operating costs and the premium for its property insurance policies.

The District established a Self-Insurance Fund to account for and finance its uninsured risks of loss related to injuries of employees. Under this program, the Fund provides coverage up to a maximum of \$300,000 for each Workers' compensation claim.

The District established the Health Self-Insurance Fund during the 1999-2000 fiscal year. The Health Self-Insurance Fund is used to pay for employee medical bills, stop loss insurance payment, and administrative fees.

The District purchases commercial insurance for claims and stop-loss for the Health Fund in excess of coverage provided by the above Internal Service Fund and for all other risks of loss. Settled claims have not exceed this commercial coverage in any of the past three fiscal years.

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
 NOTES TO BASIC FINANCIAL STATEMENTS
 Year Ended June 30, 2023

12. Risk Management (Continued)

The General Fund makes payments to the above Internal Service Funds based on estimates of the amounts needed to pay prior and current year claims and to establish assets available to pay claim losses. Standards require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. The Claim liability of \$6,146,624 reported in the fund at June 30, 2023 has been accrued. Liabilities include an amount calculated considering the effects of inflations, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. The District provides currently for estimated losses to be incurred from pending claims and for incurred but no reported claims.

Changes in the fund's claims liability amounts for the years ended June 30, 2023 and 2022 are as follows:

	2023	2022
Estimated claims liability	\$ 6,175,579	\$ 5,268,049
Current year claims and changes in estimates	44,117,722	44,726,441
Claims payments	(44,146,677)	(43,818,911)
Estimated claim liability	\$ 6,146,624	\$ 6,175,579

13. Contingent Liabilities

The amounts of grant revenue reflected in the financial statements are subject to audit and adjustment by grantor agencies, principally the federal government. Any costs that are questioned or recommended to be disallowed which ultimately result in disallowed claims may become a liability of the District. The amount, if any, of costs which may be disallowed by the grantor cannot be determined at this time, although District management expects such amounts, if any, to be immaterial. The District, in the regular course of business, is named as a defendant in various lawsuits. The likely outcome of these lawsuits is not presently determinable. The District is dependent on the State of Oregon for a substantial portion of its operating funds. Due to funding uncertainties at the State level, future funding for school district may be reduced. The ultimate effect of this possible reduction in funding on the District's future operations is not yet determinable.

14. Property Tax Abatements

For the year ended June 30, 2023, \$19,124,094 in tax abatements were issued at the County level for properties within the District's boundaries. The majority of the abatements, totaling \$11,678,764 were issued in reference to ORS 307.090 – Schools. \$3,460,471 in abatements were issued in reference to ORS 307.130 – Property of certain museums, volunteer fire departments and literary, benevolent, charitable and scientific institutions. The remaining \$3,984,859 consisted of a variety of abatements that were not individually significant to the District.

15. Negative Net Position

The Private Purpose Trust Fund had a negative ending net position of (\$23,324) at June 30, 2023. The fund's position improved during 2023 and is on track to have positive equity by the end of the 23-24 fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
SCHEDULE OF CHANGES IN TOTAL OTHER
POST EMPLOYMENT BENEFITS AND RELATED RATIOS
June 30, 2023

OPEB Liability - Medical Benefit

	June 30 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability - Beginning	\$ 31,746,671	\$ 30,319,345	\$ 25,723,404	\$ 24,860,477	\$ 15,348,952	\$ 14,508,158	\$ 4,981,640
Service Cost	1,046,389	1,817,784	1,764,839	1,198,657	1,163,745	671,940	655,551
Interest	672,802	643,729	545,646	849,377	521,671	513,228	170,684
Changes in Benefit Terms	-	-	-	-	-	-	10,238,544
Changes of Assumptions or Other Input	(2,732,245)	-	4,030,406	-	8,186,327	-	(960,386)
Experience (Gain)/Loss	(6,388,370)	-	(820,888)	-	527,893	-	(149,996)
Benefit Payments	(1,196,878)	(1,034,187)	(924,062)	(1,185,107)	(888,111)	(344,374)	(427,879)
Net Change in Total OPEB Liability	(8,598,302)	1,427,326	4,595,941	862,927	9,511,525	840,794	9,526,518
Total Liability - End of Year	\$ 23,148,369	\$ 31,746,671	\$ 30,319,345	\$ 25,723,404	\$ 24,860,477	\$ 15,348,952	\$ 14,508,158
Covered Employee Payroll	\$ 97,543,935	\$109,699,434	\$106,504,305	\$ 95,128,229	\$ 92,357,504	\$ 92,574,470	\$ 90,316,556
Total OPEB Liability as Percentage of Covered Payroll	23.73%	28.94%	28.47%	27.04%	26.92%	16.58%	16.06%

Total Pension Liability - Stipend Benefit

	June 30 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total Pension Liability - Beginning	\$ 1,212,353	\$ 1,248,818	\$ 1,485,075	\$ 1,943,193	\$ 2,132,215	\$ 3,018,348	\$ 10,248,588
Service Cost	13,060	39,571	38,418	30,445	29,558	43,659	42,594
Interest	25,427	25,874	30,011	58,439	65,999	89,806	357,313
Changes in Benefit Terms	-	-	-	-	-	-	(5,876,834)
Changes of Assumptions or Other Input	(52,546)	-	156,566	-	(28,463)	-	(41,983)
Experience (Gain)/Loss	(427,927)	-	(269,931)	-	236,927	-	(1,175,802)
Benefit Payments	(70,336)	(101,910)	(191,321)	(547,002)	(493,043)	(1,019,598)	(535,528)
Net Change in Total Pension Liability	(512,322)	(36,465)	(236,257)	(458,118)	(189,022)	(886,133)	(7,230,240)
Total Liability - End of Year	\$ 700,031	\$ 1,212,353	\$ 1,248,818	\$ 1,485,075	\$ 1,943,193	\$ 2,132,215	\$ 3,018,348
Covered Employee Payroll	\$ 2,374,777	4,180,081	\$ 4,058,331	\$ 4,467,431	\$ 4,337,312	\$ 62,135,175	\$ 62,135,175
Total OPEB Liability as Percentage of Covered Payroll	29.48%	29.00%	30.77%	33.24%	44.80%	3.43%	4.86%

This schedule is 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 years for which the required supplementary information is available.

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
 REQUIRED SUPPLEMENTARY INFORMATION
 OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
 June 30, 2023

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY FOR RHIA (ASSET)

Fiscal Year Ended	(a) District's Proportion of the net pension Liability (Asset) (NPL)	(b) District's Proportionate Share of the Net OPEB Liability (Asset) (NPL)	(c) District's Covered Payroll	(b/c) NPL as a Percentage of Covered Payroll	Plan Fiduciary net position as a percentage of the total pension liability
June 30, 2018	0.9186%	\$ (383,355)	\$ 91,691,433	-0.42%	108.90%
June 30, 2019	0.9427%	(1,052,364)	95,592,498	-1.10%	124.00%
June 30, 2020	0.9185%	(1,774,960)	98,558,381	-1.80%	144.40%
June 30, 2021	1.6820%	(3,428,600)	108,584,022	-3.16%	150.10%
June 30, 2022	1.0455%	(3,590,355)	109,196,663	-3.29%	183.90%
June 30, 2023	1.0057%	(3,573,758)	128,047,177	-2.79%	194.60%

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

SCHEDULE OF DISTRICT CONTRIBUTIONS FOR RHIA

Fiscal Year Ended	Statutorily Required Contribution	Contributions in relation to the statutorily required Contribution	Contribution Deficiency (excess)	District's Covered Payroll	Contributions as a Percent of Covered Payroll
June 30, 2018	\$ 456,482	\$ 456,482	\$ -	95,592,498	0.48%
June 30, 2019	455,249	455,249	-	98,558,381	0.46%
June 30, 2020	120,163	120,163	-	108,284,022	0.11%
June 30, 2021	27,975	27,975	-	109,196,663	0.03%
June 30, 2022	24,788	24,788	-	128,047,177	0.02%
June 30, 2023	23,748	23,748	-	139,068,754	0.02%

These schedules are presented to illustrate 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.

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
 REQUIRED SUPPLEMENTARY INFORMATION
 OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
 June 30, 2023

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Fiscal Year Ended	(a) District's Proportion of the net pension Liability (NPL)	(b) District's Proportionate Share of the Net Pension Liability (NPL)	(c) District's Covered Payroll	(b/c) NPL as a Percentage of Covered Payroll	Plan Fiduciary net position as a percentage of the total pension liability
June 30, 2014	0.5500%	\$ 28,028,915	\$ 70,863,117	39.55%	91.97%
June 30, 2015	0.5500%	(12,449,878)	74,894,505	-16.62%	103.60%
June 30, 2016	0.5400%	31,054,190	79,190,775	39.21%	91.88%
June 30, 2017	0.6300%	94,982,200	85,807,840	110.69%	80.53%
June 30, 2018	0.7000%	94,728,298	91,691,433	103.31%	83.12%
June 30, 2019	0.8418%	127,533,440	95,592,498	133.41%	82.10%
June 30, 2020	0.7879%	136,301,159	98,558,381	138.29%	80.20%
June 30, 2021	0.8038%	175,416,318	108,584,022	161.55%	75.80%
June 30, 2022	0.7860%	94,061,729	109,196,663	86.14%	87.00%
June 30, 2023	0.8683%	132,947,400	128,047,177	103.83%	84.50%

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

SCHEDULE OF DISTRICT CONTRIBUTIONS

Fiscal Year Ended	Statutorily required contribution	Contributions in relation to the statutorily required Contribution	Contribution deficiency (excess)	District's Covered Payroll	Contributions as a percent of covered payroll
June 30, 2014	\$ 5,775,344	\$ 5,775,344	\$ -	74,894,505	7.71%
June 30, 2015	6,228,511	6,228,511	-	79,190,775	7.87%
June 30, 2016	2,813,974	2,813,974	-	85,807,840	3.28%
June 30, 2017	3,007,479	3,007,479	-	91,691,433	3.28%
June 30, 2018	7,993,460	7,993,460	-	95,592,498	8.36%
June 30, 2019	8,228,081	8,228,081	-	98,558,381	8.35%
June 30, 2020	14,822,647	14,822,647	-	108,584,022	13.65%
June 30, 2021	14,905,919	14,905,919	-	109,196,663	13.65%
June 30, 2022	14,104,373	14,104,373	-	128,047,177	11.01%
June 30, 2023	14,936,468	14,936,468	-	139,068,754	10.74%

These schedules are presented to illustrate 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.

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2023

	Budget		Actual	Variance with Final budget
	Adopted	Final		
Revenues				
Revenues from Local Sources				
Property Taxes	\$ 97,717,806	\$ 97,717,806	\$ 100,771,096	\$ 3,053,290
Penalties and Interest on Taxes	200,000	200,000	198,839	(1,161)
Earnings from Investments	325,000	325,000	3,401,117	3,076,117
Fees	150,000	150,000	419,809	269,809
Rentals	92,000	92,000	53,794	(38,206)
Contributions - Private	10,000	10,000	358,346	348,346
Services Provided Other Funds	2,711,723	2,711,723	2,512,770	(198,953)
Fees Charged to Grants	900,000	900,000	1,604,855	704,855
Miscellaneous Local Sources	525,000	525,000	4,528,303	4,003,303
Revenues from Intermediate Sources				
Other Intermediate Sources	2,810,204	2,810,204	3,449,500	639,296
Revenues from State Sources				
Unrestricted State Grants	123,257,623	123,257,623	126,493,548	3,235,925
Restricted State Grants	-	-	50,054	
Revenues from Federal Sources				
Federal Grants	-	-	159,504	159,504
Total Revenues	228,699,356	228,699,356	244,001,535	15,252,125
Expenditures				
Instruction *	139,054,117	139,054,117	128,359,648	10,694,469
Support Services *	97,468,344	97,468,344	91,604,630	5,863,714
Enterprise and Community Services *	13,172	13,172	-	13,172
Facilities Acquisition and Construction *	300,000	300,000	74,502	225,498
Contingencies *	26,763,482	26,763,482	-	26,763,482
Total Expenditures	263,599,115	263,599,115	220,038,780	43,560,335
Excess (Deficiency) of Revenues Over (Under) Expenditures	(34,899,759)	(34,899,759)	23,962,755	58,862,514
Other Financing Sources (Uses):				
Subscription Proceeds	-	-	192,871	192,871
Transfers In	-	-	-	-
Transfers (out) *	(5,674,380)	(5,674,380)	(4,924,380)	750,000
Total Other Financing Sources (Uses)	(5,674,380)	(5,674,380)	(4,731,509)	942,871
Net Change in Fund Balance	(40,574,139)	(40,574,139)	19,231,246	59,805,385
Fund Balance				
Beginning of Year	40,574,139	40,574,139	47,345,307	6,771,168
Prior Period Adjustment				
End of Year	\$ -	\$ -	\$ 66,576,553	\$ 66,576,553

* Legally adopted appropriation level

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2023

	Budget		Actual	Variance with Final budget
	Adopted	Final		
Revenues				
Local Sources	\$ 19,269,876	\$ 19,269,876	\$ 6,486,004	\$ (12,783,872)
Intermediate Sources	50,593	50,593	-	(50,593)
State Sources	25,328,154	25,328,154	26,837,086	1,508,932
Federal Sources	23,215,794	23,215,794	16,131,899	(7,083,895)
Total Revenues	67,864,417	67,864,417	49,454,989	(18,409,428)
Expenditures				
Instruction *	36,116,157	36,116,157	23,324,792	12,791,365
Support Services *	26,128,535	26,128,535	16,221,409	9,907,126
Enterprise and Community Services *	10,509,041	10,509,041	7,840,506	2,668,535
Facilities Acquisition and Construction *	700,000	700,000	403,845	296,155
Contingencies *	2,000,000	2,000,000	-	2,000,000
Total Expenditures	75,453,733	75,453,733	47,790,552	27,663,181
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,589,316)	(7,589,316)	1,664,437	9,253,753
Other Financing Sources (Uses):				
Sale of Capital Assets	-	-	8,100	8,100
Transfers In	3,850,000	3,850,000	3,100,000	(750,000)
Transfers (Out) *	(1,250,000)	(1,250,000)	(1,250,000)	-
Total Other Financing Sources (Uses)	2,600,000	2,600,000	1,858,100	-
Net Change in Fund Balance	(4,989,316)	(4,989,316)	3,522,537	8,511,853
Fund Balances				
Beginning of Year	4,989,316	4,989,316	12,011,185	7,021,869
End of Year	\$ -	\$ -	\$ 15,533,722	\$ 15,533,722

* Legally adopted appropriation level

SUPPLEMENTARY INFORMATION

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2023

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
Revenues				
Revenues from Local Sources				
Property Taxes	\$ 37,831,732	\$ 37,831,732	\$ 37,782,312	\$ (49,420)
Penalties and Interest of Taxes	100,000	100,000	79,384	(20,616)
Earnings from Investments	100,000	100,000	309,115	209,115
Services Provided Other Funds	13,669,028	13,669,028	12,588,197	(1,080,831)
Total Revenue	51,700,760	51,700,760	50,759,008	(941,752)
Expenditures				
Debt Service *				
Redemption of Principal	28,810,260	28,810,260	28,810,261	(1)
Interest	25,385,147	25,385,147	25,365,144	20,003
Total Expenditures	54,195,407	54,195,407	54,175,405	20,002
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,494,647)	(2,494,647)	(3,416,397)	(921,750)
Other Financing Sources (Uses)				
Transfers In	2,144,647	2,144,647	1,878,566	(266,081)
Total Other Financing Sources (Uses)	2,144,647	2,144,647	1,878,566	(266,081)
Net Change in Fund Balance	(350,000)	(350,000)	(1,537,831)	(1,187,831)
Fund Balance				
Beginning of Year	350,000	350,000	9,033,242	8,683,242
End of Year	\$ -	\$ -	\$ 7,495,411	\$ 7,495,411

* Legally adopted appropriation level

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
 CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 Year Ended June 30, 2023

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
Revenues				
Revenues from Local Sources				
Earnings from Investments	\$ 5,000	\$ 5,000	\$ 178,937	\$ 173,937
Miscellaneous Local Sources	105,000	105,000	215,910	110,910
Construction Excise Tax	2,000,000	2,000,000	883,308	(1,116,692)
Revenues from State Sources	100,000	100,000	135,719	35,719
Total Revenue	2,210,000	2,210,000	1,413,874	(796,126)
Expenditures				
Support Services *	500,000	500,000	-	500,000
Facilities Acquisition and Construction *	32,596,000	32,596,000	6,752,542	25,843,458
Total Expenditures	33,096,000	33,096,000	6,752,542	26,343,458
Excess (Deficiency) of Revenues Over (Under) Expenditures	(30,886,000)	(30,886,000)	(5,338,668)	25,547,332
Other Financing Sources (Uses)				
Transfers In	95,814	95,814	95,814	-
Total Other Sources (Uses)	95,814	95,814	95,814	-
Net Change in Fund Balance	(30,790,186)	(30,790,186)	(5,242,854)	25,547,332
Fund Balance				
Beginning of Year	30,790,186	30,790,186	29,449,808	(1,340,378)
Prior Period Adjustment				
End of Year	\$ -	\$ -	\$ 24,206,954	\$ 24,206,954

* Legally adopted appropriation level

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
COMMUNITY SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2023

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
Revenues				
Revenues from Local Sources				
Child Care	\$ 2,250,000	\$ 2,250,000	\$ 1,812,859	\$ (437,141)
Rental	350,000	350,000	170,722	(179,278)
Total Revenues	<u>2,600,000</u>	<u>2,600,000</u>	<u>1,983,581</u>	<u>(616,419)</u>
Expenditures				
Enterprise and Community Services *	2,685,000	2,685,000	1,861,154	823,846
Contingencies *	515,000	515,000	-	515,000
Total Expenditures	<u>3,200,000</u>	<u>3,200,000</u>	<u>1,861,154</u>	<u>1,338,846</u>
Net Change in Fund Balance	(600,000)	(600,000)	122,427	722,427
Fund Balance				
Beginning of the Year	600,000	600,000	643,618	43,618
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 766,045</u>	<u>\$ 766,045</u>

* Legally adopted appropriation level

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
 SELF-INSURANCE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 Year Ended June 30, 2023

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
Revenues				
Recovery Stop Loss	\$ 350,000	\$ 350,000	\$ 1,339,828	\$ 989,828
RX America Refund	500,000	500,000	945,645	445,645
Service Provided Other Fund	39,425,000	39,425,000	41,862,358	2,437,358
Earnings from Investments	57,263	57,263	327,087	269,824
Miscellaneous	92,500	92,500	30,602	(61,898)
Total Revenues	40,424,763	40,424,763	44,505,520	4,080,757
Expenditures				
Instruction *	2,259	2,259	-	2,259
Support Services - Self Insured Losses *	48,547,091	48,547,091	44,146,677	4,400,414
Enterprise and Community Services *	413	413	-	413
Total Expenditures	48,549,763	48,549,763	44,146,677	4,403,086
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,125,000)	(8,125,000)	358,843	8,483,843
Other Financing Sources (Uses)				
Transfers In	1,100,000	1,100,000	1,100,000	-
Total Other Sources (Uses)	1,100,000	1,100,000	1,100,000	-
Net Change in Fund Balance	(7,025,000)	(7,025,000)	1,458,843	8,483,843
Fund Balance				
Beginning of Year	7,025,000	7,025,000	11,692,155	4,667,155
End of Year	\$ -	\$ -	\$ 13,150,998	\$ 13,150,998

* Legally adopted appropriation level

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
PRIVATE PURPOSE TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2023

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
Revenues				
State and Local Sources	\$ 11,928,050	\$ 11,928,050	\$ 10,717,522	\$ (1,210,528)
Total Revenues	<u>11,928,050</u>	<u>11,928,050</u>	<u>10,717,522</u>	<u>(1,210,528)</u>
Expenditures				
Instruction *	9,994,747	9,994,747	8,878,494	1,116,253
Support Services *	<u>1,933,303</u>	<u>1,933,303</u>	<u>1,752,607</u>	<u>180,696</u>
Total Expenditures	<u>11,928,050</u>	<u>11,928,050</u>	<u>10,631,101</u>	<u>1,296,949</u>
Net Change in Fund Balance	-	-	86,421	86,421
Fund Balance				
Beginning of Year	<u>-</u>	<u>-</u>	<u>(109,745)</u>	<u>(109,745)</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (23,324)</u>	<u>\$ (23,324)</u>

* Legally adopted appropriation level

OTHER FINANCIAL SCHEDULES

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
 SCHEDULE OF PROPERTY TAX TRANSACTIONS
 YEAR ENDED JUNE 30, 2023

GENERAL FUND

Tax Roll Year	Beginning Balance and 2022-2023 Levy	Discounts Allowed	Net Adjustments	Interest	Collections	Balance June 30, 2023
2022-2023	\$ 103,507,153	\$ (2,723,541)	\$ (204,357)	\$ 28,438	\$ 99,278,621	\$ 1,329,072
2021-2022	1,967,923	(16,617)	(93,828)	57,892	1,205,481	709,889
2020-2021	695,590	(3,782)	(49,918)	44,697	343,184	343,403
2019-2020	375,549	(3,774)	(30,656)	43,381	253,657	130,842
2018-2019	70,556	157	(16,985)	18,427	37,546	34,609
2017-2018	27,383	41	(6,348)	4,711	6,934	18,852
all prior	106,367	-	(13,897)	131	11,111	81,490
	<u>\$ 3,243,368</u>	<u>\$ (2,747,517)</u>	<u>\$ (415,989)</u>	<u>\$ 197,677</u>	<u>\$ 101,136,535</u>	<u>\$ 2,648,157</u>

Reconciliation to Revenue Reported in the Financial Statements:

Paid to General Fund	\$ 100,703,090
Public Option Taxes Allocated to Charter Schools	433,445
Total Revenue	<u>\$ 101,136,535</u>

DEBT SERVICE FUND

Tax Roll Year	Beginning Balance and 2022-2023 Levy	Discounts Allowed	Net Adjustments	Interest	Collections	Balance June 30, 2023
2022-2023	\$ 38,888,160	\$ (1,023,248)	\$ (37,655)	\$ 10,684	\$ 37,036,937	\$ 790,320
2021-2022	749,541	(6,303)	(153,114)	21,959	472,622	117,502
2020-2021	258,319	(1,435)	(76,249)	16,954	130,173	50,462
2019-2020	148,888	(1,432)	(36,275)	16,455	96,215	14,966
2018-2019	35,749	59	(10,819)	6,989	14,242	10,748
2017-2018	13,679	16	(2,794)	1,787	2,630	8,270
all prior	47,022	-	(5,258)	-	4,192	37,572
	<u>\$ 40,141,358</u>	<u>\$ (1,032,343)</u>	<u>\$ (322,165)</u>	<u>\$ 74,829</u>	<u>\$ 37,757,012</u>	<u>\$ 1,029,839</u>

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
 SUPPLEMENTAL INFORMATION
 AS REQUIRED BY THE OREGON DEPARTMENT OF EDUCATION
 Year Ended June 30, 2023

A. Energy bills for heating - all funds:				<u>Objects 325, 326 & 327</u>
			Function 2540	\$ 4,056,461
			Function 2550	\$ 55,503
 B. Replacement of equipment - General Fund:				
Include all General Fund expenditures in Object 542, except for the following exclusions:				<u>Amount</u>
Exclude these functions:				
1113, 1122 & 1132	Co-curricular activities	4150	Construction	\$ -
1140	Pre-kindergarten	2550	Pupil transportation	
1300	Continuing education	3100	Food service	
1400	Summer school	3300	Community services	

**2022 - 23 DISTRICT AUDIT REVENUE SUMMARY
NORTH CLACKAMAS SCHOOL DISTRICT**

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
Revenue from Local Sources							
1110 Ad Valorem Taxes Levied by District	\$ 77,892,523	\$ -	\$ 37,782,312	\$ -	\$ -	\$ -	\$ -
1121 Local Option Ad Valorem Taxes Levied by District	\$ 22,878,573	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 433,445
1130 Construction Excise Tax	\$ -	\$ -	\$ -	\$ 883,308	\$ -	\$ -	\$ -
1190 Penalties and Interest on Taxes	\$ 198,839	\$ -	\$ 79,384	\$ -	\$ -	\$ -	\$ -
1201 Revenue from Local Governmental Units	\$ 19,413	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1311 Tuition From Individuals	\$ 7,044	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1414 Transportation Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1500 Earnings on Investments	\$ 3,401,117	\$ -	\$ 309,115	\$ 178,937	\$ -	\$ 327,087	\$ -
1600 Food Service	\$ -	\$ 1,737,460	\$ -	\$ -	\$ -	\$ -	\$ -
1700 Extracurricular Activities	\$ 419,809	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1800 Community Services Activities	\$ -	\$ -	\$ -	\$ -	\$ 1,812,859	\$ -	\$ -
1910 Rentals	\$ 53,794	\$ -	\$ -	\$ -	\$ 170,721	\$ -	\$ -
1920 Contributions & Donations from Private Sources	\$ 358,346	\$ 30,910	\$ -	\$ -	\$ -	\$ -	\$ -
1960 Recovery of Expenditures	\$ 3,746,252	\$ -	\$ -	\$ 28,374.95	\$ -	\$ 2,285,473	\$ -
1970 Services Provided Other Funds	\$ 2,512,770	\$ -	\$ 12,588,197	\$ -	\$ -	\$ 41,862,358	\$ -
1980 Fees Charged to Grants	\$ 1,604,855	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1990 Miscellaneous	\$ 756,264	\$ 4,716,962	\$ -	\$ 187,536	\$ -	\$ 30,603	\$ -
Total Revenue from Local Sources	\$ 113,849,599	\$ 6,485,332	\$ 50,759,007	\$ 1,278,156	\$ 1,983,580	\$ 44,505,520	\$ 433,445
Revenue from Intermediate Sources							
2101 County School Funds	\$ 128,566	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2102 General ESD Revenue	\$ 3,185,428	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2199 Other Intermediate Sources	\$ 135,506	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2200 Restricted Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue from Intermediate Sources	\$ 3,449,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue from State Sources							
3101 State School Fund - General Support	\$ 122,964,289	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,284,076
3102 State School Fund - School Lunch Match	\$ -	\$ 67,235	\$ -	\$ -	\$ -	\$ -	\$ -
3103 Common School Fund	\$ 2,180,331	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3199 Other Unrestricted Grants-in-Aid	\$ 1,348,929	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3222 State School Fund Transportation Equipment	\$ -	\$ 715,000	\$ -	\$ -	\$ -	\$ -	\$ -
3299 Other Restricted Grants-in-Aid	\$ 50,054	\$ 26,054,851	\$ -	\$ 135,720	\$ -	\$ -	\$ -
Total Revenue from State Sources	\$ 126,543,602	\$ 26,837,086	\$ -	\$ 135,720	\$ -	\$ -	\$ 10,284,076
Revenue from Federal Sources							
4201 Unrestricted Revenue Direct from Federal Government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4300 Restricted Revenue Direct From the Federal Government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4500 Restricted Revenue from the Federal Government Through the State	\$ 9,870	\$ 15,588,658	\$ -	\$ -	\$ -	\$ -	\$ -
4801 Federal Forest Fees	\$ 149,634	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4900 Revenue for/on Behalf of the District	\$ -	\$ 543,241	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue from Federal Sources	\$ 159,504	\$ 16,131,899	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue from Other Sources							
5100 Long Term Debt Financing Sources	\$ 192,871	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5200 Interfund Transfers	\$ -	\$ 3,100,000	\$ 1,878,566	\$ 95,814	\$ -	\$ 1,100,000	\$ -
5300 Sale of or Compensation for Loss of Fixed Assets	\$ -	\$ 8,100	\$ -	\$ -	\$ -	\$ -	\$ -
5400 Resources - Prior Period Adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue from Other Sources	\$ 192,871	\$ 3,108,100	\$ 1,878,566	\$ 95,814	\$ -	\$ 1,100,000	\$ -
Grand Totals	\$ 244,195,077	\$ 52,562,417	\$ 52,637,573	\$ 1,509,690	\$ 1,983,580	\$ 45,605,520	\$ 10,717,521

**2022 - 23 DISTRICT AUDIT EXPENDITURE SUMMARY
NORTH CLACKAMAS SCHOOL DISTRICT**

Fund: 100 General Fund

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Instruction Expenditures								
1111 Elementary, K-5 or K-6	41,297,294	26,973,238	13,722,054	10,318	591,684	-	-	-
1121 Middle/Junior High Programs	17,405,078	11,468,557	5,475,031	42,975	127,686	192,871	97,958	-
1122 Middle/Junior High School Extracurricular	285,143	221,774	51,943	945	8,124	2,358	-	-
1131 High School Programs	25,277,960	16,323,389	8,157,127	108,338	419,409	-	269,697	-
1132 High School Extracurricular	4,494,926	2,978,281	909,031	381,201	161,766	-	64,647	-
1140 Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210 Programs for the Talented and Gifted	33,354	10,448	2,299	-	20,606	-	-	-
1220 Restrictive Programs for Students with Disabilities	12,279,648	5,862,558	3,484,398	2,865,683	67,010	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	9,818,941	6,245,015	3,331,400	221,551	20,974	-	-	-
1260 Treatment and Habilitation	-	-	-	-	-	-	-	-
1271 Remediation	279,263	189,133	90,130	-	-	-	-	-
1272 Title I	-	-	-	-	-	-	-	-
1280 Alternative Education	12,305,245	538	92	12,304,615	-	-	-	-
1291 English Second Language Programs	4,879,059	3,240,271	1,600,871	15,404	22,513	-	-	-
1292 Teen Parent Program	-	-	-	-	-	-	-	-
1293 Migrant Education	-	-	-	-	-	-	-	-
1294 Youth Corrections Education	-	-	-	-	-	-	-	-
1299 Other Programs	3,736	2,900	836	-	-	-	-	-
1300 Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400 Summer School Programs	-	-	-	-	-	-	-	-
Total Instruction Expenditures	128,359,648	73,516,102	36,825,213	15,951,029	1,439,773	195,229	432,302	-
Support Services Expenditures								
2110 Attendance and Social Work Services	1,889,640	995,613	561,325	318,426	13,875	-	401	-
2120 Guidance Services	4,842,261	3,209,626	1,621,411	471	10,353	-	400	-
2130 Health Services	1,027,734	707,568	290,750	21,820	7,155	-	440	-
2140 Psychological Services	948,542	665,264	275,443	1,610	6,226	-	-	-
2150 Speech Pathology and Audiology Services	2,702,951	1,780,800	909,699	1,401	11,052	-	-	-
2160 Other Student Treatment Services	890,081	583,514	289,336	15,074	2,156	-	-	-
2190 Service Direction, Student Support Services	2,144,287	1,445,505	673,799	5,049	19,934	-	-	-
2210 Improvement of Instruction Services	2,367,691	1,539,722	656,715	46,528	124,677	-	49	-
2220 Educational Media Services	2,263,044	1,388,167	816,379	-	58,497	-	-	-
2230 Assessment & Testing	506,526	152,220	57,985	5,443	290,878	-	-	-
2240 Instructional Staff Development	1,864,176	771,361	937,707	69,847	85,260	-	-	-
2310 Board of Education Services	508,119	-	-	473,159	15,119	-	19,842	-
2320 Executive Administration Services	2,773,231	1,418,180	615,498	464,623	269,087	-	5,843	-
2410 Office of the Principal Services	16,183,679	10,538,775	5,331,803	14,340	290,918	-	7,843	-
2490 Other Support Services - School Administration	138,074	108,056	23,952	5,071	995	-	-	-
2510 Direction of Business Support Services	59,751	39,366	13,984	6,043	-	-	360	-
2520 Fiscal Services	2,726,447	1,480,908	843,895	38,552	251,998	-	111,094	-
2540 Operation and Maintenance of Plant Services	19,885,892	7,164,777	4,214,613	6,455,253	1,424,668	-	626,581	-
2550 Student Transportation Services	16,036,190	7,365,121	4,671,960	1,653,269	1,502,495	-	843,345	-
2570 Internal Services	1,314,480	500,144	269,899	496,838	836	-	46,762	-
2610 Direction of Central Support Services	-	-	-	-	-	-	-	-
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-	-	-	-	-	-	-	-
2630 Information Services	1,267,567	696,095	380,425	144,104	24,608	17,480	4,855	-
2640 Staff Services	2,579,585	1,326,299	637,073	500,230	51,310	-	64,674	-
2660 Technology Services	5,808,904	2,347,842	1,244,675	1,243,470	902,498	-	70,419	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	875,776	49,085	826,692	-	-	-	-	-
Total Support Services Expenditures	91,604,630	46,274,009	26,165,018	11,980,621	5,364,595	17,480	1,802,907	-
Community Services Expenditures								
3100 Food Services	-	-	-	-	-	-	-	-
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	-	-	-	-	-	-	-	-
3500 Custody and Care of Children Services	-	-	-	-	-	-	-	-
Total Community Services Expenditures	-	-	-	-	-	-	-	-
Facilities Acquisition and Construction Expenditures								
4110 Service Area Direction	-	-	-	-	-	-	-	-
4120 Site Acquisition and Development Services	74,502	-	-	-	-	74,502	-	-
4150 Building Acquisition, Construction, and Improvement	-	-	-	-	-	-	-	-
4180 Other Capital Items	-	-	-	-	-	-	-	-
4190 Other Facilities Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures	74,502	-	-	-	-	74,502	-	-
Other Uses Expenditures								
5100 Debt Service	-	-	-	-	-	-	-	-
5200 Transfers of Funds	4,924,380	-	-	-	-	-	-	4,924,380
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures	4,924,380	-	-	-	-	-	-	4,924,380
Grand Total	224,963,159.37	119,790,110	62,990,230	27,931,651	6,804,368	287,211	2,235,209	4,924,380

**2022 - 23 DISTRICT AUDIT EXPENDITURE SUMMARY
NORTH CLACKAMAS SCHOOL DISTRICT**

Fund: 200 Special Revenue Funds

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Instruction Expenditures								
1111 Elementary, K-5 or K-6	\$ 4,262,098	2,616,862	1,246,228	75,000	324,007	-	-	-
1113 Elementary Extracurricular	\$ 125,802	368	90	-	125,344	-	-	-
1121 Middle/Junior High Programs	\$ 1,963,377	662,566	343,585	884,273	72,953	-	-	-
1122 Middle/Junior High School Extracurricular	\$ 243,785	9,999	2,721	-	231,065	-	-	-
1131 High School Programs	\$ 6,849,422	3,414,597	1,667,137	923,372	831,472	-	12,844	-
1132 High School Extracurricular	\$ 2,728,290	138,153	30,625	75,000	2,484,513	-	-	-
1140 Pre-Kindergarten Programs	\$ 212,358	104,802	29,322	33,872	44,362	-	-	-
1210 Programs for the Talented and Gifted	\$ -	-	-	-	-	-	-	-
1220 Restrictive Programs for Students with Disabilities	\$ 580,062	329,202	226,058	9,648	15,154	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	\$ 1,973,618	1,221,943	691,350	-	60,326	-	-	-
1260 Treatment and Habilitation	\$ -	-	-	-	-	-	-	-
1271 Remediation	\$ 641,591	116,716	48,252	62,132	414,490	-	-	-
1272 Title I	\$ 1,247,400	675,456	411,638	146,613	13,694	-	-	-
1280 Alternative Education	\$ 493,681	121,886	57,509	314,286	-	-	-	-
1291 English Language Learner	\$ 358,979	251,594	107,385	-	-	-	-	-
1292 Teen Parent Programs	\$ -	-	-	-	-	-	-	-
1293 Migrant Education	\$ 12,681	-	-	-	12,681	-	-	-
1294 Youth Corrections Education	\$ -	-	-	-	-	-	-	-
1299 Other Programs	\$ -	-	-	-	-	-	-	-
1300 Adult/Continuing Education Programs	\$ -	-	-	-	-	-	-	-
1400 Summer School Programs	\$ 1,631,650	624,507	208,928	740,304	57,911	-	-	-
Total Instruction Expenditures	\$ 23,324,792	\$ 10,288,650	\$ 5,070,828	\$ 3,264,498	\$ 4,687,971	\$ -	\$ 12,844	\$ -
Support Services Expenditures								
2110 Attendance and Social Work Services	\$ 1,141,394	646,970	385,139	28,011	81,274	-	-	-
2120 Guidance Services	\$ 564,122	370,023	194,099	-	-	-	-	-
2130 Health Services	\$ 706,388	496,642	199,619	9,534	593	-	-	-
2140 Psychological Services	\$ 798,913	437,127	196,496	164,555	735	-	-	-
2150 Speech Pathology and Audiology Services	\$ 616,619	402,818	209,594	-	4,206	-	-	-
2160 Other Student Treatment Services	\$ 125,911	83,267	40,815	-	1,828	-	-	-
2190 Service Direction, Student Support Services	\$ 557,200	237,753	111,213	75,763	132,471	-	-	-
2210 Improvement of Instruction Services	\$ 2,373,754	857,475	382,998	87,124	1,046,158	-	-	-
2220 Educational Media Services	\$ 13,798	-	-	-	13,798	-	-	-
2230 Assessment & Testing	\$ 133,432	-	-	63,248	70,184	-	-	-
2240 Instructional Staff Development	\$ 3,989,765	2,706,958	726,302	271,003	250,107	-	35,394	-
2310 Board of Education Services	\$ -	-	-	-	-	-	-	-
2320 Executive Administration Services	\$ 683,154	377,831	139,363	-	-	-	165,960	-
2410 Office of the Principal Services	\$ 248,997	6,101	1,550	4,179	237,168	-	-	-
2490 Other Support Services - School Administration	\$ 371,558	200,317	95,909	4,558	6,407	-	64,367	-
2510 Direction of Business Support Services	\$ -	-	-	-	-	-	-	-
2520 Fiscal Services	\$ 936,548	45,885	22,736	-	56,700	-	811,227	-
2540 Operation and Maintenance of Plant Services	\$ 50,727	28,874	7,157	-	9,696	5,000	-	-
2550 Student Transportation Services	\$ 7,051	-	-	7,051	-	-	-	-
2570 Internal Services	\$ 31,133	-	-	-	-	-	31,133	-
2610 Direction of Central Support Services	\$ -	-	-	-	-	-	-	-
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$ 825,922	195,602	58,237	276,025	296,058	-	-	-
2630 Information Services	\$ 576,858	357,157	217,858	1,574	269	-	-	-
2640 Staff Services	\$ 311,999	139,889	65,442	61,804	44,865	-	-	-
2660 Technology Services	\$ 1,156,167	156,572	92,223	52,455	854,917	-	-	-
2670 Records Management Services	\$ -	-	-	-	-	-	-	-
2690 Other Support Services - Central	\$ -	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	\$ -	-	-	-	-	-	-	-
Total Support Services Expenditures	\$ 16,221,409	\$ 7,747,260	\$ 3,146,751	\$ 1,106,883	\$ 3,107,434	\$ 5,000	\$ 1,108,080	\$ -
Enterprise and Community Services Expenditures								
3100 Food Services	\$ 7,589,477	2,452,515	1,733,717	2,671,178	728,183	-	3,885	-
3200 Other Enterprise Services	\$ -	-	-	-	-	-	-	-
3300 Community Services	\$ 244,309	101,906	58,053	36,142	23,620	-	24,588	-
3500 Custody and Care of Children Services	\$ 6,720	779	1,915	-	4,026	-	-	-
Total Enterprise and Community Services Expenditures	\$ 7,840,506	2,555,200	1,793,685	2,707,320	755,829	-	28,473	-
Facilities Acquisition and Construction Expenditures								
4110 Service Area Direction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4120 Site Acquisition and Development Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4150 Building Acquisition, Construction, and Improvement Services	\$ 403,845	\$ -	\$ -	\$ -	\$ -	\$ 403,845	\$ -	\$ -
4180 Other Capital Items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4190 Other Facilities Construction Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Facilities Acquisition and Construction Expenditures	\$ 403,845	\$ -	\$ -	\$ -	\$ -	\$ 403,845	\$ -	\$ -
Other Uses Expenditures								
5100 Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5200 Transfers of Funds	\$ 1,250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,250,000
5300 Apportionment of Funds by ESD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5400 PERS UAL Bond Lump Sum	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Uses Expenditures	\$ 1,250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,250,000
Grand Total	\$ 49,040,552	\$ 20,591,110	\$ 10,011,263	\$ 7,078,701	\$ 8,551,235	\$ 408,845	\$ 1,149,397	\$ 1,250,000

**2022 - 23 DISTRICT AUDIT EXPENDITURE SUMMARY
NORTH CLACKAMAS SCHOOL DISTRICT**

Fund: 300 Debt Service Funds

Instruction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Elementary, K-5 or K-6	\$ -	-	-	-	-	-	-	-
1113 Elementary Extracurricular	\$ -	-	-	-	-	-	-	-
1121 Middle/Junior High Programs	\$ -	-	-	-	-	-	-	-
1122 Middle/Junior High School Extracurricular	\$ -	-	-	-	-	-	-	-
1131 High School Programs	\$ -	-	-	-	-	-	-	-
1132 High School Extracurricular	\$ -	-	-	-	-	-	-	-
1140 Pre-Kindergarten Programs	\$ -	-	-	-	-	-	-	-
1210 Programs for the Talented and Gifted	\$ -	-	-	-	-	-	-	-
1220 Restrictive Programs for Students with Disabilities	\$ -	-	-	-	-	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	\$ -	-	-	-	-	-	-	-
1260 Treatment and Habilitation	\$ -	-	-	-	-	-	-	-
1271 Remediation	\$ -	-	-	-	-	-	-	-
1272 Title I	\$ -	-	-	-	-	-	-	-
1280 Alternative Education	\$ -	-	-	-	-	-	-	-
1291 English Second Language Programs	\$ -	-	-	-	-	-	-	-
1292 Teen Parent Program	\$ -	-	-	-	-	-	-	-
1293 Migrant Education	\$ -	-	-	-	-	-	-	-
1294 Youth Corrections Education	\$ -	-	-	-	-	-	-	-
1299 Other Programs	\$ -	-	-	-	-	-	-	-
1300 Adult/Continuing Education Programs	\$ -	-	-	-	-	-	-	-
1400 Summer School Programs	\$ -	-	-	-	-	-	-	-
Total Instruction Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Support Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	\$ -	-	-	-	-	-	-	-
2120 Guidance Services	\$ -	-	-	-	-	-	-	-
2130 Health Services	\$ -	-	-	-	-	-	-	-
2140 Psychological Services	\$ -	-	-	-	-	-	-	-
2150 Speech Pathology and Audiology Services	\$ -	-	-	-	-	-	-	-
2160 Other Student Treatment Services	\$ -	-	-	-	-	-	-	-
2190 Service Direction, Student Support Services	\$ -	-	-	-	-	-	-	-
2210 Improvement of Instruction Services	\$ -	-	-	-	-	-	-	-
2220 Educational Media Services	\$ -	-	-	-	-	-	-	-
2230 Assessment & Testing	\$ -	-	-	-	-	-	-	-
2240 Instructional Staff Development	\$ -	-	-	-	-	-	-	-
2310 Board of Education Services	\$ -	-	-	-	-	-	-	-
2320 Executive Administration Services	\$ -	-	-	-	-	-	-	-
2410 Office of the Principal Services	\$ -	-	-	-	-	-	-	-
2490 Other Support Services - School Administration	\$ -	-	-	-	-	-	-	-
2510 Direction of Business Support Services	\$ -	-	-	-	-	-	-	-
2520 Fiscal Services	\$ -	-	-	-	-	-	-	-
2540 Operation and Maintenance of Plant Services	\$ -	-	-	-	-	-	-	-
2550 Student Transportation Services	\$ -	-	-	-	-	-	-	-
2570 Internal Services	\$ -	-	-	-	-	-	-	-
2610 Direction of Central Support Services	\$ -	-	-	-	-	-	-	-
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$ -	-	-	-	-	-	-	-
2630 Information Services	\$ -	-	-	-	-	-	-	-
2640 Staff Services	\$ -	-	-	-	-	-	-	-
2660 Technology Services	\$ -	-	-	-	-	-	-	-
2670 Records Management Services	\$ -	-	-	-	-	-	-	-
2690 Other Support Services - Central	\$ -	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	\$ -	-	-	-	-	-	-	-
Total Support Services Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Enterprise and Community Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	\$ -	-	-	-	-	-	-	-
3200 Other Enterprise Services	\$ -	-	-	-	-	-	-	-
3300 Community Services	\$ -	-	-	-	-	-	-	-
3500 Custody and Care of Children Services	\$ -	-	-	-	-	-	-	-
Total Enterprise and Community Services Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Facilities Acquisition and Construction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction	\$ -	-	-	-	-	-	-	-
4120 Site Acquisition and Development Services	\$ -	-	-	-	-	-	-	-
4150 Building Acquisition, Construction, and Improvement Services	\$ -	-	-	-	-	-	-	-
4180 Other Capital Items	\$ -	-	-	-	-	-	-	-
4190 Other Facilities Construction Services	\$ -	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Uses Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	\$ 54,175,405	-	-	-	-	-	54,175,405	-
5200 Transfers of Funds	\$ -	-	-	-	-	-	-	-
5300 Apportionment of Funds by ESD	\$ -	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	\$ -	-	-	-	-	-	-	-
Total Other Uses Expenditures	\$ 54,175,405	\$ -	\$ 54,175,405	\$ -				
Grand Total	\$ 54,175,405	\$ -	\$ 54,175,405	\$ -				

**2022 - 23 DISTRICT AUDIT EXPENDITURE SUMMARY
NORTH CLACKAMAS SCHOOL DISTRICT**

Fund: 400 Capital Projects Funds								
Instruction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Elementary, K-5 or K-6	\$ -	-	-	-	-	-	-	-
1113 Elementary Extracurricular	\$ -	-	-	-	-	-	-	-
1121 Middle/Junior High Programs	\$ -	-	-	-	-	-	-	-
1122 Middle/Junior High School Extracurricular	\$ -	-	-	-	-	-	-	-
1131 High School Programs	\$ -	-	-	-	-	-	-	-
1132 High School Extracurricular	\$ -	-	-	-	-	-	-	-
1140 Pre-Kindergarten Programs	\$ -	-	-	-	-	-	-	-
1210 Programs for the Talented and Gifted	\$ -	-	-	-	-	-	-	-
1220 Restrictive Programs for Students with Disabilities	\$ -	-	-	-	-	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	\$ -	-	-	-	-	-	-	-
1260 Treatment and Habilitation	\$ -	-	-	-	-	-	-	-
1271 Remediation	\$ -	-	-	-	-	-	-	-
1272 Title I	\$ -	-	-	-	-	-	-	-
1280 Alternative Education	\$ -	-	-	-	-	-	-	-
1291 English Second Language Programs	\$ -	-	-	-	-	-	-	-
1292 Teen Parent Program	\$ -	-	-	-	-	-	-	-
1293 Migrant Education	\$ -	-	-	-	-	-	-	-
1294 Youth Corrections Education	\$ -	-	-	-	-	-	-	-
1299 Other Programs	\$ -	-	-	-	-	-	-	-
1300 Adult/Continuing Education Programs	\$ -	-	-	-	-	-	-	-
1400 Summer School Programs	\$ -	-	-	-	-	-	-	-
Total Instruction Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Support Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	\$ -	-	-	-	-	-	-	-
2120 Guidance Services	\$ -	-	-	-	-	-	-	-
2130 Health Services	\$ -	-	-	-	-	-	-	-
2140 Psychological Services	\$ -	-	-	-	-	-	-	-
2150 Speech Pathology and Audiology Services	\$ -	-	-	-	-	-	-	-
2160 Other Student Treatment Services	\$ -	-	-	-	-	-	-	-
2190 Service Direction, Student Support Services	\$ -	-	-	-	-	-	-	-
2210 Improvement of Instruction Services	\$ -	-	-	-	-	-	-	-
2220 Educational Media Services	\$ -	-	-	-	-	-	-	-
2230 Assessment & Testing	\$ -	-	-	-	-	-	-	-
2240 Instructional Staff Development	\$ -	-	-	-	-	-	-	-
2310 Board of Education Services	\$ -	-	-	-	-	-	-	-
2320 Executive Administration Services	\$ -	-	-	-	-	-	-	-
2410 Office of the Principal Services	\$ -	-	-	-	-	-	-	-
2490 Other Support Services - School Administration	\$ -	-	-	-	-	-	-	-
2510 Direction of Business Support Services	\$ -	-	-	-	-	-	-	-
2520 Fiscal Services	\$ -	-	-	-	-	-	-	-
2540 Operation and Maintenance of Plant Services	\$ -	-	-	-	-	-	-	-
2550 Student Transportation Services	\$ -	-	-	-	-	-	-	-
2570 Internal Services	\$ -	-	-	-	-	-	-	-
2610 Direction of Central Support Services	\$ -	-	-	-	-	-	-	-
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$ -	-	-	-	-	-	-	-
2630 Information Services	\$ -	-	-	-	-	-	-	-
2640 Staff Services	\$ -	-	-	-	-	-	-	-
2660 Technology Services	\$ -	-	-	-	-	-	-	-
2670 Records Management Services	\$ -	-	-	-	-	-	-	-
2690 Other Support Services - Central	\$ -	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	\$ -	-	-	-	-	-	-	-
Total Support Services Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Enterprise and Community Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	\$ -	-	-	-	-	-	-	-
3200 Other Enterprise Services	\$ -	-	-	-	-	-	-	-
3300 Community Services	\$ -	-	-	-	-	-	-	-
3500 Custody and Care of Children Services	\$ -	-	-	-	-	-	-	-
Total Enterprise and Community Services Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Facilities Acquisition and Construction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction	\$ 4,076,322	89,310	46,904	-	-	3,940,108	-	-
4120 Site Acquisition and Development Services	\$ 321,515	-	-	-	-	321,515	-	-
4150 Building Acquisition, Construction, and Improvement Service	\$ 2,354,704	-	-	4,819	3,605	2,346,280	-	-
4180 Other Capital Items	\$ -	-	-	-	-	-	-	-
4190 Other Facilities Construction Services	\$ -	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures	\$ 6,752,541	\$ 89,310	\$ 46,904	\$ 4,819	\$ 3,605	\$ 6,607,903	\$ -	\$ -
Other Uses Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	\$ -	-	-	-	-	-	-	-
5200 Transfers of Funds	\$ -	-	-	-	-	-	-	-
5300 Apportionment of Funds by ESD	\$ -	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	\$ -	-	-	-	-	-	-	-
Total Other Uses Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grand Total	\$ 6,752,541	\$ 89,310	\$ 46,904	\$ 4,819	\$ 3,605	\$ 6,607,903	\$ -	\$ -

**2022 - 23 DISTRICT AUDIT EXPENDITURE SUMMARY
NORTH CLACKAMAS SCHOOL DISTRICT**

Fund: 500 Enterprise Service Funds

Instruction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Elementary, K-5 or K-6	\$ -	-	-	-	-	-	-	-
1113 Elementary Extracurricular	\$ -	-	-	-	-	-	-	-
1121 Middle/Junior High Programs	\$ -	-	-	-	-	-	-	-
1122 Middle/Junior High School Extracurricular	\$ -	-	-	-	-	-	-	-
1131 High School Programs	\$ -	-	-	-	-	-	-	-
1132 High School Extracurricular	\$ -	-	-	-	-	-	-	-
1140 Pre-Kindergarten Programs	\$ -	-	-	-	-	-	-	-
1210 Programs for the Talented and Gifted	\$ -	-	-	-	-	-	-	-
1220 Restrictive Programs for Students with Disabilities	\$ -	-	-	-	-	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	\$ -	-	-	-	-	-	-	-
1260 Treatment and Habilitation	\$ -	-	-	-	-	-	-	-
1271 Remediation	\$ -	-	-	-	-	-	-	-
1272 Title I	\$ -	-	-	-	-	-	-	-
1280 Alternative Education	\$ -	-	-	-	-	-	-	-
1291 English Second Language Programs	\$ -	-	-	-	-	-	-	-
1292 Teen Parent Program	\$ -	-	-	-	-	-	-	-
1293 Migrant Education	\$ -	-	-	-	-	-	-	-
1294 Youth Corrections Education	\$ -	-	-	-	-	-	-	-
1299 Other Programs	\$ -	-	-	-	-	-	-	-
1300 Adult/Continuing Education Programs	\$ -	-	-	-	-	-	-	-
1400 Summer School Programs	\$ -	-	-	-	-	-	-	-
Total Instruction Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Support Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	\$ -	-	-	-	-	-	-	-
2120 Guidance Services	\$ -	-	-	-	-	-	-	-
2130 Health Services	\$ -	-	-	-	-	-	-	-
2140 Psychological Services	\$ -	-	-	-	-	-	-	-
2150 Speech Pathology and Audiology Services	\$ -	-	-	-	-	-	-	-
2160 Other Student Treatment Services	\$ -	-	-	-	-	-	-	-
2190 Service Direction, Student Support Services	\$ -	-	-	-	-	-	-	-
2210 Improvement of Instruction Services	\$ -	-	-	-	-	-	-	-
2220 Educational Media Services	\$ -	-	-	-	-	-	-	-
2230 Assessment & Testing	\$ -	-	-	-	-	-	-	-
2240 Instructional Staff Development	\$ -	-	-	-	-	-	-	-
2310 Board of Education Services	\$ -	-	-	-	-	-	-	-
2320 Executive Administration Services	\$ -	-	-	-	-	-	-	-
2410 Office of the Principal Services	\$ -	-	-	-	-	-	-	-
2490 Other Support Services - School Administration	\$ -	-	-	-	-	-	-	-
2510 Direction of Business Support Services	\$ -	-	-	-	-	-	-	-
2520 Fiscal Services	\$ -	-	-	-	-	-	-	-
2540 Operation and Maintenance of Plant Services	\$ -	-	-	-	-	-	-	-
2550 Student Transportation Services	\$ -	-	-	-	-	-	-	-
2570 Internal Services	\$ -	-	-	-	-	-	-	-
2610 Direction of Central Support Services	\$ -	-	-	-	-	-	-	-
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$ -	-	-	-	-	-	-	-
2630 Information Services	\$ -	-	-	-	-	-	-	-
2640 Staff Services	\$ -	-	-	-	-	-	-	-
2660 Technology Services	\$ -	-	-	-	-	-	-	-
2670 Records Management Services	\$ -	-	-	-	-	-	-	-
2690 Other Support Services - Central	\$ -	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	\$ -	-	-	-	-	-	-	-
Total Support Services Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Enterprise and Community Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	\$ -	-	-	-	-	-	-	-
3200 Other Enterprise Services	\$ -	-	-	-	-	-	-	-
3300 Community Services	\$ 357,559	231,940	122,158	2,043	1,418	-	-	-
3500 Custody and Care of Children Services	\$ 1,503,596	909,359	464,999	3,511	74,475	-	51,252	-
Total Enterprise and Community Services Expenditures	\$ 1,861,155	\$ 1,141,299	\$ 587,157	\$ 5,554	\$ 75,893	\$ -	\$ 51,252	\$ -
Facilities Acquisition and Construction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction	\$ -	-	-	-	-	-	-	-
4120 Site Acquisition and Development Services	\$ -	-	-	-	-	-	-	-
4150 Building Acquisition, Construction, and Improvement Services	\$ -	-	-	-	-	-	-	-
4180 Other Capital Items	\$ -	-	-	-	-	-	-	-
4190 Other Facilities Construction Services	\$ -	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Uses Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	\$ -	-	-	-	-	-	-	-
5200 Transfers of Funds	\$ -	-	-	-	-	-	-	-
5300 Apportionment of Funds by ESD	\$ -	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	\$ -	-	-	-	-	-	-	-
Total Other Uses Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grand Total	\$ 1,861,155	\$ 1,141,299	\$ 587,157	\$ 5,554	\$ 75,893	\$ -	\$ 51,252	\$ -

**2022 - 23 DISTRICT AUDIT EXPENDITURE SUMMARY
NORTH CLACKAMAS SCHOOL DISTRICT**

Fund: 600 Internal Service Funds

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Instruction Expenditures								
1111 Elementary, K-5 or K-6	\$ -	-	-	-	-	-	-	-
1113 Elementary Extracurricular	\$ -	-	-	-	-	-	-	-
1121 Middle/Junior High Programs	\$ -	-	-	-	-	-	-	-
1122 Middle/Junior High School Extracurricular	\$ -	-	-	-	-	-	-	-
1131 High School Programs	\$ -	-	-	-	-	-	-	-
1132 High School Extracurricular	\$ -	-	-	-	-	-	-	-
1140 Pre-Kindergarten Programs	\$ -	-	-	-	-	-	-	-
1210 Programs for the Talented and Gifted	\$ -	-	-	-	-	-	-	-
1220 Restrictive Programs for Students with Disabilities	\$ -	-	-	-	-	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	\$ -	-	-	-	-	-	-	-
1260 Treatment and Habilitation	\$ -	-	-	-	-	-	-	-
1271 Remediation	\$ -	-	-	-	-	-	-	-
1272 Title I	\$ -	-	-	-	-	-	-	-
1280 Alternative Education	\$ -	-	-	-	-	-	-	-
1291 English Second Language Programs	\$ -	-	-	-	-	-	-	-
1292 Teen Parent Program	\$ -	-	-	-	-	-	-	-
1293 Migrant Education	\$ -	-	-	-	-	-	-	-
1294 Youth Corrections Education	\$ -	-	-	-	-	-	-	-
1299 Other Programs	\$ -	-	-	-	-	-	-	-
1300 Adult/Continuing Education Programs	\$ -	-	-	-	-	-	-	-
1400 Summer School Programs	\$ -	-	-	-	-	-	-	-
Total Instruction Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Support Services Expenditures								
2110 Attendance and Social Work Services	\$ -	-	-	-	-	-	-	-
2120 Guidance Services	\$ -	-	-	-	-	-	-	-
2130 Health Services	\$ -	-	-	-	-	-	-	-
2140 Psychological Services	\$ -	-	-	-	-	-	-	-
2150 Speech Pathology and Audiology Services	\$ -	-	-	-	-	-	-	-
2160 Other Student Treatment Services	\$ -	-	-	-	-	-	-	-
2190 Service Direction, Student Support Services	\$ -	-	-	-	-	-	-	-
2210 Improvement of Instruction Services	\$ -	-	-	-	-	-	-	-
2220 Educational Media Services	\$ -	-	-	-	-	-	-	-
2230 Assessment & Testing	\$ -	-	-	-	-	-	-	-
2240 Instructional Staff Development	\$ -	-	-	-	-	-	-	-
2310 Board of Education Services	\$ -	-	-	-	-	-	-	-
2320 Executive Administration Services	\$ -	-	-	-	-	-	-	-
2410 Office of the Principal Services	\$ -	-	-	-	-	-	-	-
2490 Other Support Services - School Administration	\$ -	-	-	-	-	-	-	-
2510 Direction of Business Support Services	\$ -	-	-	-	-	-	-	-
2520 Fiscal Services	\$ 44,034,240	427,812	3,034,098	38,024,355	5,028	-	2,542,946	-
2540 Operation and Maintenance of Plant Services	\$ -	-	-	-	-	-	-	-
2550 Student Transportation Services	\$ 112,437	-	-	-	-	-	112,437	-
2570 Internal Services	\$ -	-	-	-	-	-	-	-
2610 Direction of Central Support Services	\$ -	-	-	-	-	-	-	-
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$ -	-	-	-	-	-	-	-
2630 Information Services	\$ -	-	-	-	-	-	-	-
2640 Staff Services	\$ -	-	-	-	-	-	-	-
2660 Technology Services	\$ -	-	-	-	-	-	-	-
2670 Records Management Services	\$ -	-	-	-	-	-	-	-
2690 Other Support Services - Central	\$ -	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	\$ -	-	-	-	-	-	-	-
Total Support Services Expenditures	\$ 44,146,677	\$ 427,812	\$ 3,034,098	\$ 38,024,355	\$ 5,028	\$ -	\$ 2,655,383	\$ -
Enterprise and Community Services Expenditures								
3100 Food Services	\$ -	-	-	-	-	-	-	-
3200 Other Enterprise Services	\$ -	-	-	-	-	-	-	-
3300 Community Services	\$ -	-	-	-	-	-	-	-
3500 Custody and Care of Children Services	\$ -	-	-	-	-	-	-	-
Total Enterprise and Community Services Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Facilities Acquisition and Construction Expenditures								
4110 Service Area Direction	\$ -	-	-	-	-	-	-	-
4120 Site Acquisition and Development Services	\$ -	-	-	-	-	-	-	-
4150 Building Acquisition, Construction, and Improvement Services	\$ -	-	-	-	-	-	-	-
4180 Other Capital Items	\$ -	-	-	-	-	-	-	-
4190 Other Facilities Construction Services	\$ -	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Uses Expenditures								
5100 Debt Service	\$ -	-	-	-	-	-	-	-
5200 Transfers of Funds	\$ -	-	-	-	-	-	-	-
5300 Apportionment of Funds by ESD	\$ -	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	\$ -	-	-	-	-	-	-	-
Total Other Uses Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grand Total	\$ 44,146,677	\$ 427,812	\$ 3,034,098	\$ 38,024,355	\$ 5,028	\$ -	\$ 2,655,383	\$ -

**2022 - 23 DISTRICT AUDIT EXPENDITURE SUMMARY
NORTH CLACKAMAS SCHOOL DISTRICT**

Fund: 700 Trust and Agency Funds								
	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Instruction Expenditures								
1111 Elementary, K-5 or K-6	\$ 23,324	16,938	6,386	-	-	-	-	-
1113 Elementary Extracurricular	\$ -	-	-	-	-	-	-	-
1121 Middle/Junior High Programs	\$ -	-	-	-	-	-	-	-
1122 Middle/Junior High School Extracurricular	\$ -	-	-	-	-	-	-	-
1131 High School Programs	\$ 4,204,809	2,590,759	1,321,221	-	-	-	292,830	-
1132 High School Extracurricular	\$ 11,327	8,887	2,440	-	-	-	-	-
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	\$ 118,062	68,378	49,684	-	-	-	-	-
1260 Treatment and Habilitation	\$ -	-	-	-	-	-	-	-
1271 Remediation	\$ -	-	-	-	-	-	-	-
1272 Title I	\$ -	-	-	-	-	-	-	-
1280 Alternative Education	\$ 4,520,971	95,604	51,023	1,861,574	-	-	2,512,770	-
1291 English Second Language Programs	\$ -	-	-	-	-	-	-	-
1292 Teen Parent Program	\$ -	-	-	-	-	-	-	-
1293 Migrant Education	\$ -	-	-	-	-	-	-	-
1294 Youth Connections Education	\$ -	-	-	-	-	-	-	-
1299 Other Programs	\$ -	-	-	-	-	-	-	-
1300 Adult/Continuing Education Programs	\$ -	-	-	-	-	-	-	-
1400 Summer School Programs	\$ -	-	-	-	-	-	-	-
Total Instruction Expenditures	\$ 8,878,494	\$ 2,780,566	\$ 1,430,754	\$ 1,861,574	\$ -	\$ -	\$ 2,805,599	\$ -
Support Services Expenditures								
2110 Attendance and Social Work Services	\$ -	-	-	-	-	-	-	-
2120 Guidance Services	\$ 636,523	421,816	214,707	-	-	-	-	-
2130 Health Services	\$ -	-	-	-	-	-	-	-
2140 Psychological Services	\$ -	-	-	-	-	-	-	-
2150 Speech Pathology and Audiology Services	\$ -	-	-	-	-	-	-	-
2160 Other Student Treatment Services	\$ -	-	-	-	-	-	-	-
2190 Service Director, 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	\$ 1,112,113	751,566	360,547	-	-	-	-	-
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	\$ 3,971	-	-	3,971	-	-	-	-
2610 Direction of Central Support Services	\$ -	-	-	-	-	-	-	-
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$ -	-	-	-	-	-	-	-
2630 Information Services	\$ -	-	-	-	-	-	-	-
2640 Staff Services	\$ -	-	-	-	-	-	-	-
2660 Technology Services	\$ -	-	-	-	-	-	-	-
2670 Records Management Services	\$ -	-	-	-	-	-	-	-
2690 Other Support Services - Central	\$ -	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	\$ -	-	-	-	-	-	-	-
Total Support Services Expenditures	\$ 1,752,607	\$ 1,173,383	\$ 575,254	\$ 3,971	\$ -	\$ -	\$ -	\$ -
Enterprise and Community Services Expenditures								
3100 Food Services	\$ -	-	-	-	-	-	-	-
3200 Other Enterprise Services	\$ -	-	-	-	-	-	-	-
3300 Community Services	\$ -	-	-	-	-	-	-	-
3500 Custody and Care of Children Services	\$ -	-	-	-	-	-	-	-
Total Enterprise and Community Services Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Facilities Acquisition and Construction Expenditures								
4110 Service Area Direction	\$ -	-	-	-	-	-	-	-
4120 Site Acquisition and Development Services	\$ -	-	-	-	-	-	-	-
4150 Building Acquisition, Construction, and Improvement Service	\$ -	-	-	-	-	-	-	-
4180 Other Capital Items	\$ -	-	-	-	-	-	-	-
4190 Other Facilities Construction Services	\$ -	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Uses Expenditures								
5100 Debt Service	\$ -	-	-	-	-	-	-	-
5200 Transfers of Funds	\$ -	-	-	-	-	-	-	-
5300 Apportionment of Funds by ESD	\$ -	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	\$ -	-	-	-	-	-	-	-
Total Other Uses Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grand Total	\$ 10,631,101	\$ 3,953,949	\$ 2,006,008	\$ 1,865,545	\$ -	\$ -	\$ 2,805,599	\$ -

STATISTICAL SECTION

NORTH CLACKAMAS SCHOOL DISTRICT 12

NET POSITION BY COMPONENT

Last Ten Fiscal Years

(accrual basis of accounting)

Government-Wide Activities:

	2022-23	2021-22	2020-21	2019-20 (4)
Governmental Activities:				
Net investment in capital assets	\$ 110,375,943	\$ 109,124,464	\$ 136,942,719	\$ 140,429,621
Restricted	26,548,422	21,044,427	13,635,691	13,890,941
Unrestricted	(119,796,317)	(134,172,757)	(169,938,999)	(174,679,980)
	<u>17,128,048</u>	<u>(4,003,866)</u>	<u>(19,360,589)</u>	<u>(20,359,418)</u>
Business-Type Activities:				
Unrestricted	<u>766,044</u>	<u>643,618</u>	<u>849,695</u>	<u>1,026,581</u>
Net Position	<u><u>\$ 17,894,092</u></u>	<u><u>\$ (3,360,248)</u></u>	<u><u>\$ (18,510,894)</u></u>	<u><u>\$ (19,332,837)</u></u>

(1) as restated for GASB 68

(2) as restated for GASB 75

(3) As of June 30, 2017 the District began reporting its building rental and daycare activities as business-type activities. Prior to this date, these activities were reported as part of the governmental activities.

(4) As restated to update Hoodview Property valuation

Source: North Clackamas School District 12 Financial Records.

	2018-19	2017-18	2016-17 (3)	2015-16 (2)	2014-15 (1)	2013-14
\$	134,005,255	\$ 107,588,556	\$ 77,648,768	\$ 62,543,176	\$ 51,288,143	\$ 81,726,027
	15,219,073	11,689,071	7,310,418	8,320,737	8,634,146	12,650,009
	(170,984,770)	(135,253,106)	(89,447,817)	(59,616,903)	(35,441,604)	(14,795,128)
	<u>(21,760,442)</u>	<u>(15,975,479)</u>	<u>(4,488,631)</u>	<u>11,247,010</u>	<u>24,480,685</u>	<u>79,580,908</u>
	936,100	680,857	611,821	-	-	-
\$	<u>(20,824,342)</u>	<u>(15,294,622)</u>	<u>(3,876,810)</u>	<u>11,247,010</u>	<u>24,480,685</u>	<u>79,580,908</u>

NORTH CLACKAMAS SCHOOL DISTRICT 12

CHANGES IN NET POSITION

Last Ten Fiscal Years

(accrual basis of accounting)

Government-wide Activities:

Expenses :	2022-23	2021-22	2020-21	2019-20
Governmental Activities:				
Instruction	\$ 161,462,515	\$ 147,866,228	\$ 154,283,439	\$ 146,943,286
Support Services	108,102,553	102,759,697	94,783,488	88,837,948
Community Services	8,569,455	9,055,416	5,513,149	7,968,476
Facilities Acquisition	-	-	-	133,921
Interest on Long-Term Debt	34,173,774	34,678,658	34,701,078	38,960,178
Total Governmental Activities	<u>312,308,297</u>	<u>294,359,999</u>	<u>289,281,154</u>	<u>282,843,809</u>
Business-Type Activities:				
Community services	1,861,154	1,584,891	187,771	1,468,173
Total Primary Government Expenses	<u>314,169,451</u>	<u>295,944,890</u>	<u>289,468,925</u>	<u>284,311,982</u>

Program Revenues:

Governmental Activities:				
Charges for Services:				
Instruction	3,948,379	-	-	17,450
Support Services		375,311	53,161	220,226
Community Services	1,737,460	853,527	32,002	2,109,852
Operating Grants and Contributions:				
Instruction	29,517,515	18,724,188	15,220,439	9,989,548
Support Services	10,623,004	11,397,941	7,737,182	3,338,832
Community Services	5,424,424	9,354,738	5,560,273	3,087,298
Capital Grants and Contributions:				
Facilities Acquisitions			457,000	2,236,884
Total Governmental Activities	<u>51,250,782</u>	<u>40,705,705</u>	<u>29,060,057</u>	<u>21,000,090</u>
Business-Type Activities:				
Community services	-	-	-	1,382,253
Total Program Revenues	<u>51,250,782</u>	<u>40,705,705</u>	<u>29,060,057</u>	<u>22,382,343</u>

Net (Expense) Revenue

Governmental Activities	(261,057,516)	(253,654,294)	(260,221,097)	(261,843,719)
Business-Type Activities	(1,861,154)	(1,584,891)	(187,771)	(85,920)
Total Primary Government Net Expense	<u>(262,918,669)</u>	<u>(255,239,185)</u>	<u>(260,408,868)</u>	<u>(261,929,639)</u>

General Revenues:

Property taxes levied for general purposes	138,236,420	132,251,551	125,570,498	122,504,630
State and local revenue	136,832,062	131,550,904	131,125,328	127,742,121
Grants and contributions not restricted to specific programs				-
Federal Sources	149,634			
Earnings on investments	4,216,256	(34,298)	2,359,290	7,335,969
Miscellaneous	2,755,058	3,592,847	2,164,810	1,305,294
Transfers				-
Gain on Sale of Land & Building				-
Total governmental activities program revenues	<u>282,189,430</u>	<u>267,361,004</u>	<u>261,219,926</u>	<u>258,888,014</u>
Business-Type Activities:				
Charges for services	1,983,580	1,378,814	10,885	176,401
Transfers				-
Total business-type activities program revenues	<u>1,983,580</u>	<u>1,378,814</u>	<u>10,885</u>	<u>176,401</u>
Total Primary Government General Revenues	<u>284,173,010</u>	<u>268,739,818</u>	<u>261,230,811</u>	<u>259,064,415</u>
Change in Net Position				
Governmental Activities	21,131,914	13,706,710	998,829	(2,955,705)
Business-type Activities	122,426	(206,077)	(176,886)	90,481
Change in Net Position	<u>\$ 21,254,340</u>	<u>\$ 13,500,633</u>	<u>\$ 821,943</u>	<u>(2,865,224)</u>

(1) As of June 30, 2017 the District began reporting its building rental and daycare activities as business-type activities. Prior to this date, these activities were reported as part of the governmental activities.

Source: North Clackamas School District 12 Financial Records

	2018-19	2017-18	2016-17 (1)	2015-16	2014-15	2013-14
\$	132,657,492	\$ 127,294,344	\$ 115,762,194	\$ 120,334,860	\$ 88,536,583	\$ 89,985,900
	83,499,714	82,167,282	81,342,891	80,168,806	60,239,218	61,044,734
	7,488,328	7,302,319	6,818,190	8,934,749	6,979,575	7,190,201
	45,728	5,512,468	1,194,324	-	-	-
	36,799,077	33,514,358	23,052,479	17,857,584	16,980,221	19,793,619
	260,490,339	255,790,771	228,170,078	227,295,999	172,735,597	178,014,454
	1,645,386	1,599,552	1,679,237	-	-	-
	262,135,725	257,390,323	229,849,315	227,295,999	172,735,597	178,014,454
	9,700	9,095	-	41,770	35,000	37,389
	250,573	4,478,824	528,128	416,146	637,252	712,708
	2,762,484	2,357,395	2,294,005	3,753,467	3,726,095	3,652,036
	5,967,325	4,583,630	4,475,865	5,004,032	8,655,613	4,345,540
	3,443,039	2,570,005	7,163,361	2,599,750	922,356	3,310,556
	3,719,118	3,847,419	4,359,542	3,873,075	3,573,367	3,625,379
	2,559,838	3,036,326	-	-	-	-
	18,712,077	20,882,694	18,820,901	15,688,240	17,549,683	15,683,608
	1,620,015	1,329,818	1,289,432	-	-	-
	20,332,092	22,212,512	20,110,333	31,376,480	35,099,366	31,367,216
	(241,778,262)	(234,908,077)	(209,349,177)	(211,607,759)	(155,185,914)	(162,330,846)
	(25,371)	(269,734)	(389,805)	-	-	-
	(241,803,633)	(235,177,811)	(209,738,982)	(195,919,519)	(137,636,231)	(146,647,238)
	98,794,631	95,094,337	90,933,080	86,403,267	76,912,439	74,987,438
	124,687,709	118,976,449	105,379,013	108,840,908	104,258,957	99,525,479
	161,791	18,127	32,899	97,719	85,319	85,457
	10,281,409	3,787,674	1,722,729	447,228	357,362	325,201
	2,067,759	1,443,029	2,266,372	2,584,962	2,382,982	1,789,566
	-	25,000	25,000	-	-	-
	-	2,034,747	-	-	-	-
	235,993,299	221,379,363	200,359,093	198,374,084	183,997,059	176,713,141
	280,614	363,770	328,654	-	-	-
	-	(25,000)	(25,000)	-	-	-
	280,614	338,770	303,654	-	-	-
	236,273,913	221,718,133	200,662,747	198,374,084	183,997,059	176,713,141
	(5,784,963)	(13,528,714)	(8,990,084)	2,454,565	46,360,828	30,065,903
	255,243	69,036	(86,151)	-	-	-
\$	(5,529,720)	\$ (13,459,678)	\$ (9,076,235)	\$ 2,454,565	\$ 46,360,828	\$ 30,065,903

NORTH CLACKAMAS SCHOOL DISTRICT 12

FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2022-23	2021-22	2020-21	2019-20
General Fund				
Non-spendable	\$ -	\$ -	\$ -	\$ -
Assigned	2,584,919	2,584,919	-	-
Unassigned	63,991,634	44,760,388	46,990,398	23,554,298
Unreserved	-	-	-	-
Total General Fund	<u>\$ 66,576,553</u>	<u>47,345,307</u>	<u>46,990,398</u>	<u>23,554,298</u>
All Other Governmental Funds				
Nonspendable--Inventory	\$ -	\$ -	\$ -	\$ -
Restricted for:				
Future Capital Projects	24,206,954	29,449,808	61,864,188	164,323,241
Special Grants and Services	15,533,722	12,011,185	7,489,008	6,108,852
Debt Service	7,495,411	9,033,242	6,146,683	7,782,089
Committed to:				
Restoration of School Days			-	-
Community Projects and Classes (2)			-	-
Assigned to:				
Unspecified			-	-
Unreserved, reported in:				
Scholarship fund (2)			-	-
Total all other governmental funds	<u>\$ 47,236,087</u>	<u>\$ 50,494,235</u>	<u>\$ 75,499,879</u>	<u>\$ 178,214,182</u>

(1) Assigned/Reserved for capital expenditures fluctuate from years when bonds are sold in anticipation of capital construction to years where capital expenditures are made.

(2) Beginning in FY 2016-17, the District began reporting community projects and classes separately from governmental funds as a business-type activity, and scholarships as a fiduciary activity

Source: North Clackamas School District 12 Financial Records

	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
\$	-	\$ 10,415	\$ 13,781	\$ -	\$ -	\$ -
	19,505,654	16,912,838	17,220,582	21,358,910	17,423,780	11,437,858
	-	-	-	-	-	-
\$	<u>19,505,654</u>	<u>\$ 16,923,253</u>	<u>\$ 17,234,363</u>	<u>\$ 21,358,910</u>	<u>\$ 17,423,780</u>	<u>\$ 11,437,858</u>
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
	280,129,774	278,931,333	352,219,143	4,299,161	6,201,821	6,424,943
	6,578,499	5,372,766	2,624,563	963,242	1,045,298	1,989,165
	8,640,574	6,316,305	4,685,855	3,058,334	1,387,027	4,235,901
	-	-	-	-	-	-
	-	-	-	697,972	708,133	643,584
	-	-	-	-	-	-
	-	-	-	86,934	10,215	(212,990)
\$	<u>295,348,847</u>	<u>\$ 290,620,404</u>	<u>\$ 359,529,561</u>	<u>\$ 9,105,643</u>	<u>\$ 9,352,494</u>	<u>\$ 13,080,603</u>

NORTH CLACKAMAS SCHOOL DISTRICT 12
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years

(modified accrual basis of accounting)

	2022-23	2021-22	2020-21	2019-20
Revenues				
Property and Other Taxes	\$ 138,831,631	\$ 131,197,642	\$ 125,404,419	\$ 122,019,780
Federal Sources	16,291,403	22,470,312	18,241,697	11,070,355
State and Local Sources	166,104,625	148,875,913	137,562,379	133,059,422
Earnings from Investments	3,889,169	(88,130)	2,318,240	7,205,789
Services Provided Other Funds	15,100,967	19,297,390	14,601,183	14,689,792
Construction Excise Tax	883,308	2,328,854	2,185,683	1,980,357
Miscellaneous	4,528,303	946,258	1,073,416	815,941
Total Revenues	345,629,406	325,028,239	301,387,017	290,841,436
Expenditures				
Current:				
Instruction	151,391,253	153,321,039	134,508,070	133,391,795
Support Services	107,624,128	101,176,277	82,958,553	83,710,486
Enterprise and Community Services	7,840,506	8,774,805	4,920,299	7,252,413
Facilities Acquisition and Construction	144,639	370,372	110,766,705	137,901,643
Capital Outlay	7,303,959	33,989,387	115,499	3,330,284
Debt Service		-	-	-
Principal	29,072,623	26,589,451	24,652,770	15,852,383
Interest	25,380,171	26,007,656	26,011,608	34,976,613
Bond Issue Costs		-	787,308	-
Total Expenditures	328,757,279	350,228,987	384,720,812	416,415,617
Excess (Deficit) of Revenues over expenditures	16,872,127	(25,200,748)	(83,333,795)	(125,574,181)
Other Financing Sources (Uses)				
Loan Receipts	192,871	-	-	2,524,219
Loan Receipts Transportation		-	-	11,036,100
Bond Proceeds		-	-	-
Premium on Bonds Issued		-	-	-
Refunding Bond Proceeds		-	139,415,000	-
Payment to Refunded Bond Escrow Agent		-	(138,616,157)	-
Proceeds from Sale of Land & Buildings		-	-	-
Sale of Fixed Assets	8,100	-	4,256,750	-
Transfers In	5,074,380	5,693,742	3,628,315	5,645,688
Transfers Out	(6,174,380)	(6,793,742)	(4,628,315)	(6,717,837)
Total Other Financing Sources (Uses)	(899,029)	(1,100,000)	4,055,593	12,488,170
Net Change in Fund Balance	\$ 15,973,098	(26,300,748)	(79,278,202)	\$ (113,086,011)
Debt service as a percentage of noncapital	20.4%	17.0%	19.0%	18.5%

Source: North Clackamas School District 12 Financial Records

	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
\$	101,773,965	\$ 94,528,096	\$ 90,697,057	\$ 86,073,312	\$ 76,991,060	\$ 75,000,304
	9,999,783	10,112,364	10,260,995	10,411,736	10,349,203	9,808,736
	130,603,281	127,147,943	110,078,291	114,321,843	111,707,975	105,485,808
	10,087,786	3,655,652	1,642,404	390,270	297,809	288,953
	13,930,249	13,171,221	12,398,145	11,721,466	11,504,872	10,518,956
	1,104,639	690,927	1,562,492	1,608,377	862,460	1,349,704
	849,075	514,345	491,932	476,080	786,594	506,117
	<u>268,348,778</u>	<u>249,820,548</u>	<u>227,131,316</u>	<u>225,003,084</u>	<u>212,499,973</u>	<u>202,958,578</u>
	120,408,142	114,707,938	103,719,850	101,392,874	96,694,998	91,931,053
	77,441,964	74,745,191	70,249,596	67,492,189	65,776,749	62,364,289
	6,917,791	6,663,571	6,220,100	7,950,848	7,322,208	7,345,626
	138,385,660	82,119,850	-	277,383	408,575	293,776
	2,013,234	2,473,660	10,359,390	5,176,367	3,153,155	295,999
	-	-	43,872,873	38,969,339	37,443,699	36,166,415
	18,627,092	14,569,522	-	-	-	-
	26,933,367	29,232,580	-	209,421	-	-
	<u>390,727,250</u>	<u>324,512,312</u>	<u>234,421,809</u>	<u>221,468,421</u>	<u>210,799,384</u>	<u>198,397,158</u>
	(122,378,472)	(74,691,764)	(7,290,493)	3,534,663	1,700,589	4,561,420
	1,852,380	2,394,649	3,269,781	900,000	1,157,224	-
	-	-	-	-	-	-
	110,357,000	-	322,642,626	-	248,370	-
	16,086,546	-	30,870,341	-	-	-
	-	-	-	26,914,637	-	-
	-	-	-	(27,169,921)	(248,370)	-
	-	2,003,772	-	-	-	-
	13,500	26,100	45,135	8,900	-	-
	6,014,476	3,939,476	3,923,315	7,292,601	3,491,179	5,180,269
	(4,634,476)	(4,934,476)	(4,898,315)	(7,792,601)	(4,091,179)	(5,870,269)
	<u>129,689,426</u>	<u>3,429,521</u>	<u>355,852,883</u>	<u>153,616</u>	<u>557,224</u>	<u>(690,000)</u>
\$	<u>7,310,954</u>	<u>\$ (71,262,243)</u>	<u>348,562,390</u>	<u>\$ 3,688,279</u>	<u>\$ 2,257,813</u>	<u>\$ 3,871,420</u>
	18.2%	17.8%	18.7%	18.0%	18.1%	18.3%

NORTH CLACKAMAS SCHOOL DISTRICT 12
TAXABLE PROPERTY VALUES
Last Ten Fiscal Years

FISCAL YEAR	PROPERTY VALUE ASSESSED VALUATION (1)							
	REAL PROPERTY VALUE	MANUFACTURED STRUCTURE VALUE	PERSONAL PROPERTY VALUE	PUBLIC UTILITY VALUE	TOTAL ASSESSED VALUE	LESS URBAN RENEWAL EXCESS	TOTAL NET ASSESSED VALUE	TOTAL DIRECT TAX RATE (2)
2022-23	\$ 16,327,070,214	\$ 73,573,325	\$ 491,562,785	\$ 354,542,400	\$ 17,246,748,724	\$ 701,778,957	\$ 16,544,969,767	8.7433
2021-22	15,545,942,293	67,143,782	477,449,550	338,553,900	16,429,089,525	474,058,070	15,955,031,455	8.7933
2020-21	14,915,024,254	61,315,362	475,890,661	336,738,100	15,788,968,377	382,536,534	15,406,431,843	8.6911
2019-20	14,214,530,917	56,278,148	450,098,519	311,191,300	15,032,098,884	288,101,801	14,743,997,083	8.8787
2018-19	13,605,552,058	52,928,753	436,718,547	308,307,100	14,403,506,458	262,585,368	14,140,921,090	7.2378
2017-18	13,010,696,977	46,907,172	404,550,509	330,344,902	13,792,499,560	230,816,822	13,561,682,738	7.2243
2016-17	12,390,038,747	40,982,087	388,101,856	316,827,200	13,135,949,890	199,481,457	12,936,468,433	7.2314
2015-16	11,833,617,732	36,549,547	345,606,884	301,905,200	12,517,679,363	169,607,486	12,348,071,877	7.2410
2014-15	11,281,017,275	33,806,713	333,735,815	282,543,528	11,931,103,331	141,751,946	11,789,351,385	6.8154
2013-14	10,764,664,764	32,197,759	328,781,413	262,114,974	11,387,758,910	119,971,829	11,267,787,081	7.0852

(1) Assessed value is limited to 3 percent annual increases.

(2) Per \$1,000 of assessed value.

* Prior Information Not Available

Source: Clackamas County Department of Assessment and Taxation

NORTH CLACKAMAS SCHOOL DISTRICT 12

LARGEST TAXPAYERS

Current and Nine Years Ago

NORTH CLACKAMAS SCHOOL DISTRICT		Year Ended June 30, 2023			
TAXPAYER	BUSINESS	R A N K	TAX PAID BY TAXPAYER	ASSESSED VALUATION	PERCENT OF ASSESSED VALUATION
General Growth Properties	Town Center Mall	1	\$ 5,154,001	\$ 292,157,387	1.90 %
Fred Meyer Stores	Supermarket	3	3,570,866	201,808,922	1.31
PCC Structurals Inc	Manufacturing/Aerospace	2	4,122,158	242,144,176	1.57
Portland General Electric	Electrical Utility	4	2,074,748	128,154,000	0.83
Kaiser Foundation Hospital	Healthcare	5	1,208,295	72,733,804	0.47
ROIC Oregon LLC	Property Management	7	1,304,495	70,391,114	0.46
Blount Inc	Manufacturing	8	1,179,307	62,158,032	0.00
Northwest Natural Gas Co	Natural Gas Utility	6	1,195,354	72,696,000	0.47
CH Realty III/Clackamas LLC	Multi Family Residential	9	1,097,983	60,428,216	0.39
Marvin Poer	Property Tax Advisor				
Lincoln Advisory Group	Property Management	10	1,151,521	60,265,413	0.39
Comcast Corporation	Communications Utility				
Clackamas Baking Company					
Portland Industrial Owner LLC	Distribution Center				
SUB TOTAL				\$ 1,262,937,064	8.20 %
ALL OTHER TAXPAYERS				\$ 14,143,494,779	91.80 %
TOTAL				\$ 15,406,431,843	100.00 %

CLACKAMAS COUNTY		Year Ended June 30, 2023			
TAXPAYER	BUSINESS	R A N K	TAX PAID BY TAXPAYER	ASSESSED VALUATION	PERCENT OF ASSESSED VALUATION
Portland General Electric	Electrical Utility	1	\$ 14,440,152	\$ 1,036,476,706	1.86 %
General Growth Properties	Town Center Mall	3	5,154,001	292,157,387	0.52
Fred Meyer Stores Inc	Supermarkets	2	5,420,356	306,509,759	0.55
Shorenstein Properties LLC	Property Management	6	4,247,576	233,876,457	0.42
Northwest Natural Gas Co	Natural Gas Utility	4	4,194,241	264,754,100	0.47
PCC Structurals Inc	Manufacturing/Aerospace	5	4,122,158	242,144,176	0.43
Comcast Corp	Utility	7	1,576,543	92,622,000	0.17
Meadows Road LLC	Commercial Leasing	10	1,396,035	76,385,959	0.14
ROIC Oregon LLC	Property Management	8	1,697,754	91,431,574	0.16
Blount Inc	Chainsaws/Machinery				
Clackamas Baking Plant	Baked Goods				
Xerox Corporation	Copiers/Office Supply				
Thomson Reuters Pts Inc	Financial Services				
Lumen Technologies (Centurylink Telecommunications		9	1,372,852	84,418,000	0.15
SUB TOTAL				\$ 2,720,776,118	4.87 %
ALL OTHER TAXPAYERS				\$ 53,099,836,350	95.13 %
TOTAL				\$ 55,820,612,468	100.00 %

Source: Clackamas County Department of Assessment and Taxation

Year Ended June 30, 2014

R A N K	TAX PAID BY TAXPAYER	ASSESSSED VALUATION	PERCENT OF ASSESSSED VALUATION
1	\$ 3,334,540	\$ 208,060,320	2.06 %
3	1,370,734	81,109,421	0.80
6	1,161,830	69,930,000	0.69
9	807,914	49,120,685	0.49
			0.00
4	1,210,771	70,357,653	0.70
7	872,366	49,399,500	0.49
8	810,105	44,505,937	0.44
5	1,206,293	65,798,200	0.65
2	2,183,334	133,347,687	1.32
10	762,667	43,369,958	0.43
	\$ 13,720,554	\$ 814,999,361	8.07 %
		\$ 9,282,232,749	91.93 %
		\$ 10,097,486,316	100.00 %

Year Ended June 30, 2014

R A N K	TAX PAID BY TAXPAYER	ASSESSSED VALUATION	PERCENT OF ASSESSSED VALUATION
1	\$ 7,947,540	\$ 555,237,000	1.21 %
3	3,339,151	205,653,826	0.45
2	4,457,906	260,620,401	0.57
4	3,042,470	194,463,600	0.43
8	1,370,734	81,109,421	0.18
6	2,660,513	149,777,000	0.33
9	1,211,348	70,357,653	0.15
5	3,037,917	181,846,215	0.40
7	1,543,623	85,169,272	0.19
10	1,196,536	65,753,150	0.14
			0.00
	\$ 29,807,738	\$ 1,849,987,538	4.04 %
		\$ 43,899,226,252	95.96
		\$ 45,749,213,790	100.00 %

NORTH CLACKAMAS SCHOOL DISTRICT 12
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years

	Dollars per \$1,000 True Cash Value									
	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
DIRECT:										
North Clackamas School District Permanent Rate	4.87	4.87	4.87	4.87	\$ 4.87	\$ 4.87	\$ 4.87	\$ 4.87	\$ 4.87	\$ 4.87
North Clackamas School District Bond Rate	2.24	2.29	2.19	2.38	2.37	2.35	2.36	2.37	1.95	2.22
North Clackamas School District Local Option Levy	1.63	1.63	1.63	1.63	-	-	-	-	-	-
Weighted Average Direct Rate (1)	\$ 8.74	\$ 8.79	\$ 8.69	\$ 8.88	\$ 7.24	\$ 7.22	\$ 7.23	\$ 7.24	\$ 6.82	\$ 7.09
Overlapping:										
City of Gladstone	5.81	5.81	5.81	5.81	5.81	5.81	5.81	5.81	5.81	5.81
City of Happy Valley	2.59	2.59	2.05	2.05	2.59	2.05	2.05	2.05	2.05	2.05
City of Milwaukie	4.78	4.49	4.51	4.51	4.56	4.63	4.66	4.28	4.27	4.07
City of Portland	8.88	9.17	8.37	8.37	8.20	7.88	7.73	7.76	7.89	7.98
Clackamas City ESD	0.37	0.37	0.37	0.37	0.37	0.37	0.37	0.37	0.37	0.37
Clackamas Community College	0.80	0.72	0.74	0.74	0.74	0.75	0.74	0.75	0.71	0.71
Clackamas County City	2.65	2.65	2.65	2.65	2.65	2.65	2.65	2.65	2.65	N/A
Clackamas County Enhanced Law	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72	N/A
Clackamas County Library	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	N/A
Clackamas County Public Safety Radio	0.09	0.10	0.10	0.10	0.10	0.10	-	-	N/A	N/A
Clackamas County RFPD 1	2.48	2.48	2.49	2.51	2.49	2.51	2.49	2.50	2.46	2.46
Clackamas County Rural	3.22	3.22	3.22	3.22	3.22	3.22	3.22	3.22	3.22	3.22
Clackamas County Soil Conservation	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	N/A
Clackamas County Vector Control	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	N/A
County Extension + 4H	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	N/A
Metro	0.57	0.57	0.59	0.66	0.47	0.41	0.40	0.39	0.46	0.47
North Clackamas Parks & Rec District	0.54	0.54	0.54	0.54	0.54	0.54	0.54	0.54	0.54	0.54
Port of Portland	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07
Subtotal Overlapping:	34.10	34.03	32.75	32.84	33.07	32.24	31.99	31.63	31.75	27.75
Total (2)	\$ 42.84	\$ 42.83	\$ 41.44	\$ 41.72	\$ 40.31	\$ 39.46	\$ 39.22	\$ 38.87	\$ 38.56	\$ 34.84

Permanent tax rates are determined by the State of Oregon Constitution and State Statutes. Existing districts cannot increase their permanent rate authority. Rates for bond debt service are set based on each year's requirements.

(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.

(2) 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.

N/A Not Available

Source: Clackamas County Department of Assessment and Taxation.

NORTH CLACKAMAS SCHOOL DISTRICT 12
PROPERTY TAX LEVIES AND COLLECTION
Last Ten Fiscal Years

FISCAL YEAR	TOTAL TAX LEVY FOR FISCAL YEAR				COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE	
	GENERAL FUND	DEBT SERVICE	LOCAL OPTION	TOTAL LEVY	AMOUNT	PERCENT OF LEVY		AMOUNT	PERCENT OF LEVY
2022-23	\$ 79,636,516	38,802,182	23,956,615	142,395,314	136,315,558	95.73%	-	136,315,558	95.73%
2021-22	76,676,185	37,827,236	22,088,084	136,591,505	133,874,111	98.01%	1,653,289	135,527,400	99.22%
2020-21	74,022,605	34,930,832	20,040,598	128,994,036	127,036,289	98.48%	1,477,099	128,513,388	99.63%
2019-20	70,911,638	35,866,101	19,160,466	125,938,204	123,924,288	98.40%	1,839,351	125,763,639	99.86%
2018-19	67,999,160	34,454,468	-	102,453,628	100,964,729	98.55%	1,434,382	102,399,111	99.95%
2017-18	65,159,777	32,551,405	-	97,711,182	95,765,906	98.01%	1,913,778	97,679,684	99.97%
2016-17	62,104,006	31,187,276	-	93,291,282	91,509,369	98.09%	1,760,732	93,270,101	99.98%
2015-16	59,069,176	29,539,574	-	88,608,750	86,668,218	97.81%	1,922,681	88,590,899	99.98%
2014-15	55,663,451	23,109,625	-	78,773,076	76,937,663	97.67%	1,820,357	78,758,020	99.98%
2013-14	51,360,022	25,128,043	-	76,488,065	74,568,215	97.49%	1,907,139	76,475,354	99.98%

Source: Clackamas County Department of Assessment and Taxation.

(1) Tax collections include discounts, interest and other adjustments.

NORTH CLACKAMAS SCHOOL DISTRICT 12
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

NET GENERAL BONDED DEBT						
FISCAL YEAR	GENERAL OBLIGATION BONDS	LESS AMOUNT AVAILABLE FOR REPAYMENT	NET UNAMORTIZED PREMIUM/ACCREDITED INTEREST	NET GENERAL OBLIGATION BONDS OUTSTANDING	PER CAPITA (3)	AS PERCENTAGE OF ACTUAL TAXABLE VALUE (1)
2023	\$ 560,763,968	(484,047)	\$ 103,869,202	\$ 664,149,123	5,330	3.69%
2022	581,938,968	(577,332)	99,301,148	680,662,784	5,346	4.14%
2021	601,173,968	(1,940,665)	94,733,094	693,966,397	5,467	4.82%
2020	597,138,968	(3,568,539)	90,165,041	683,735,470	5,430	4.96%
2019	608,665,968	(5,678,690)	85,596,988	688,584,266	5,469	5.24%
2018	524,050,119	(4,042,500)	53,138,338	573,145,957	4,613	4.58%
2017	525,436,999	(2,965,036)	56,510,359	578,982,322	4,713	4.85%
2016	219,350,000	(1,840,060)	27,999,897	245,509,837	1,998	2.16%
2015	237,705,000	(668,690)	26,576,278	263,612,588	2,181	2.41%
2014	234,831,141	(3,880,022)	9,478,724	240,429,843	2,021	2.24%

OTHER GOVERNMENTAL ACTIVITIES DEBT				TOTAL DEBT		
FISCAL YEAR	PENSION OBLIGATION BONDS (4)	NOTES PAYABLE	FULL FATIH AND CREDIT OBLIGATIONS	TOTAL DISTRICT (2)	PER CAPITA (3)	AS PERCENTAGE OF ACTUAL TAXABLE VALUE (1)
2023	\$ 59,404,999	5,393,306	10,092,061	\$ 739,523,536	5,765	4.10%
2022	65,399,446	6,710,320	10,415,859	763,765,741	5,989	4.65%
2021	70,900,323	8,249,304	10,730,451	785,787,140	6,191	5.46%
2020	76,052,401	9,754,346	11,036,100	784,146,856	6,311	4.77%
2019	78,806,448	8,801,462	-	781,870,866	6,364	5.43%
2018	81,556,733	8,579,468	-	667,324,658	5,432	4.84%
2017	84,303,790	8,028,261	-	674,279,409	5,578	5.13%
2016	87,039,339	8,564,916	-	342,954,152	2,883	2.74%
2015	89,753,315	9,315,831	-	363,350,424	3,107	3.05%
2014	92,440,452	10,143,555	-	346,893,872	3,001	3.23%

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

(1) Source: Clackamas County Department of Assessment and Taxation. The total estimated actual value of taxable property cannot be reasonably estimated.

(2) Includes net general bonded debt and other governmental activities debt, excluding amounts available for repayment.

(3) Per capita is calculated using the Census Bureau Small Area Income & Poverty Estimates (SAIPE)

(4) Limited Tax Pension Bonds are not included in the General Bonded Debt schedule above since they are not repaid directly with property tax dollars.

N/A Not Available

NORTH CLACKAMAS SCHOOL DISTRICT 12

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

(dollars in thousands)

Legal Debt Margin Calculation for Fiscal Year 2023

Real Market Value	\$ 32,756,728,828
Debt Limit (7.95% of Real Market Value) (1)	2,604,159,942
Amount of Debt Applicable to Debt Limit	<u>560,763,968</u>
Legal Debt Margin	<u>\$ 2,043,395,974</u>

FISCAL YEAR	M5 REAL MARKET VALUE (2)	DEBT LIMIT	TOTAL NET DEBT APPLICABLE TO LIMIT	LEGAL DEBT MARGIN	TOTAL NET DEBT APPLICABLE TO LIMIT AS A PERCENTAGE OF DEBT LIMIT
2023	\$ 32,756,728,828	2,604,159,942	560,763,968	\$ 2,043,395,974	21.53 %
2022	\$ 31,049,034,050	2,118,239,375	581,938,968	\$ 1,346,442,119	27.47
2021	\$ 26,664,520,437	1,947,616,087	601,173,968	\$ 1,346,442,119	30.87
2020	24,498,315,554	1,845,449,131	597,138,968	1,248,310,163	32.36
2019	23,213,196,612	1,732,284,756	608,665,968	1,123,618,788	35.14
2018	21,789,745,360	1,590,935,689	524,050,119	1,066,885,570	32.94
2017	20,011,769,671	1,436,384,965	525,436,999	910,947,966	36.58
2016	18,067,735,406	1,254,391,972	219,350,000	1,035,041,972	17.49
2015	15,778,515,366	1,126,346,582	237,705,000	888,641,582	21.10
2014	14,167,881,531	1,015,025,826	234,831,141	780,194,685	23.14

(1) ORS 328.245 establishes a parameter of bonded indebtedness for school districts. Aggregates are governed by real market values within the District based on the following:

^A For each grade from kindergarten to eighth for which the District operates schools, fifty-five one-hundredths of one percent (.0055) of the 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 the real market value.

Allowable Percentage of Real Market Value:

^A Kindergarten through eighth grade, 9 x .0055	4.95%
^B Ninth through twelfth, 4 x .0075	<u>3.00%</u>
Allowable Percentage	<u>7.95%</u>

(2) Source: Measure 5 Real Market Value from Clackamas County Department of Assessment and Taxation

NORTH CLACKAMAS SCHOOL DISTRICT 12JT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
44,377

<u>OVERLAPPING GOVERNMENT</u>	<u>NET (2)</u> <u>DIRECT DEBT</u>	<u>PERCENT</u> <u>WITHIN</u> <u>SCHOOL</u> <u>DISTRICT(3)</u>	<u>OVERLAPPING</u> <u>DEBT</u>
City of Gladstone	\$ 3,532,601	5.39%	\$ 190,329
City of Milwaukie	37,647,454	99.30%	37,384,072
City of Portland	759,328,159	0.08%	582,405
Clackamas Community College	104,855,428	39.37%	41,276,549
Clackamas County	125,400,000	29.03%	36,409,388
Clackamas Cty ESD	23,805,136	30.42%	7,241,356
Clackamas Cty RFPD 1	39,335,165	62.92%	24,750,158
Clackamas Soil Conservation	6,144,000	29.03%	1,783,886
Metro	958,580,000	7.03%	67,413,097
Port of Portland	5,462,846	79.34%	4,334,419
Oak Lodge Water Services District	51,330,000	6.56%	3,365,143
SUBTOTAL OVERLAPPING DEBT	\$ <u>2,115,420,789</u>		\$ <u>224,730,802</u>
DIRECT DISTRICT DEBT			<u>739,523,536</u>
TOTAL DIRECT AND OVERLAPPING DEBT			\$ <u>964,254,338</u>

(1) Source: Debt Management Division, State of Oregon.

(2) Net direct debt includes 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.

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.

NORTH CLACKAMAS SCHOOL DISTRICT 12

Debt Ratios
June 30, 2023

	2023
Total Real Market Value (M5)	\$ 32,756,728,828
Assessed Value	\$ 17,246,748,724
Estimated Population	125,907

Debt Information

Net Direct Debt (1)

District Direct Debt (2)	\$ 739,523,536
Overlapping Direct Debt	224,730,802
Total Direct Debt and Overlapping Debt	\$ 964,254,338

Bonded Debt Ratio

District Direct Debt to Real Market Value	2.26%
Total Direct Debt to Real Market Value	2.94%
Per Capita RMV	\$ 260,166
Per Capita District Direct Debt	\$ 5,874
Per Capita Total Direct Debt and Overlapping Debt	\$ 7,658

(1) Net Direct Debt is Gross Direct Debt less self-supporting limited and unlimited tax supported debt.

(2) Includes Bonds Net of Refunded Bonds

Sources: Clackamas County Department of Assessment and Taxation, Debt Management Division,
Office of the State Treasurer, North Clackamas School District #12 Audited Financial Reports for the Fiscal Year

Census Bureau Small Area Income & Poverty Estimates (SAIPE)

NORTH CLACKAMAS SCHOOL DISTRICT 12
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Calendar Years
Clackamas County

YEAR	POPULATION	PERSONAL INCOME (in thousands)	PER CAPITA PERSONAL INCOME	UNEMPLOYMENT RATE (2)	
2023	N/A	N/A	N/A	N/A	%
2022	423,805 (1)	\$ 30,303,725	71,504	3.7	
2021	422,537 (1)	28,064,485	66,419	3.2	
2020	425,316	\$ 27,556,649	64,791	6.4	
2019	418,087	25,806,838	61,726	3.7	
2018	416,075	24,770,193	59,533	3.7	
2017	412,672	23,029,574	55,806	3.7	
2016	407,258	20,977,045	51,379	4.2	
2015	401,515	19,901,153	49,565	4.7	
2014	394,504	18,724,587	47,464	5.7	
2013	388,111	17,863,812	46,028	6.5	

(1) Estimated

(2) As of October of the relevant year.

N/A - Data not available at time of printing.

Sources:

Population, personal income and per capita information: US Department of Commerce, Bureau of Economic Analysis and NCSD population estimates.

Unemployment rate information: US Department of Labor, Bureau of Labor Statistics. Not seasonally adjusted. (FRED)

NORTH CLACKAMAS SCHOOL DISTRICT 12
PRINCIPAL EMPLOYERS FOR THE PORTLAND METRO AREA
Current Year and Nine Years Ago

Employer	2023			2014		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Ten Largest Employers						
Intel Corporation	22,328	2	1.80 %	15,636	2	1.42 %
Providence Health & Services	23,100	1	1.86	14,089	3	1.28
Oregon Health & Science University	19,603	3	1.58	12,000	5	1.09
Kaiser Permanente	11,910	6	0.96	9,039	8	0.82
Nike Inc.	15,522	4	1.25	7,000	7	0.63
Legacy Health System	13,087	5	1.05	9,732	8	0.88
City of Portland	7,409	8	0.60	8,876	9	0.80
Fred Meyer Stores	8,163	7	0.66	9,858	6	0.89
Portland Public Schools	7,005	9	0.56			
Beaverton School District	5,646	10	0.45			
State of Oregon				18,400	1	1.67
U.S. Government				13,900	4	1.26
Subtotal of Ten Largest Employers	133,773		10.77	118,530		10.74
All Other Employers	1,107,904		89.23	985,755		89.26
Total Portland MSA Employment (1) (2)	<u>1,241,677</u>		<u>100.00 %</u>	<u>1,104,285</u>		<u>100.00 %</u>

(1) Portland-Vancouver-Hillsboro MSA includes Clackamas, Columbia, Multnomah, Washington, and Yamhill Counties in the State of Oregon and Clark and Skamania Counties in the State of Washington.

(2) Measured at December of the relevant fiscal year, nonfarm labor, not seasonally adjusted.

Sources:

Portland Business Journal, Portland Metro Area's Largest Employers 2022-23
 US Dept. of Labor, Bureau of Labor Statistics

NORTH CLACKAMAS SCHOOL DISTRICT 12

OPERATING STATISTICS

Last Ten Fiscal Years

FISCAL YEAR	STUDENT ENROLLMENT(1)	AVERAGE DAILY MEMBERSHIP(2)	TEACHING FTE	STUDENT-TEACHING STAFF RATIO
2022-2023	16,753	20,823	1,056.9	15.9
2021-2022	16,440	20,001	1,021.3	16.1
2020-2021	16,458	19,719	995.0	16.5
2019-2020	17,200	20,481	971.8	17.7
2018-2019	17,316	20,431	948.6	18.3
2017-2018	17,219	20,480	939.6	18.3
2016-2017	17,321	20,684	937.3	18.5
2015-2016	17,250	20,672	884.4	19.5
2014-2015	17,199	19,745	841.4	20.4
2013-2014	17,185	19,700	785.3	21.9

FISCAL YEAR	NUMBER OF TYPE A LUNCHES SERVED (4)			NUMBER OF BREAKFASTS SERVED		
	PAID	FREE	REDUCED PRICE	PAID	FREE	REDUCED PRICE
2022-2023	424,985	656,351	43,516	46,441	233,060	7,494
2021-2022	N/A	1,362,703	N/A	N/A	354,081	N/A
2020-2021	N/A	707,899	N/A	N/A	707,261	N/A
2019-2020	355,275	404,149	82,422	60,586	207,524	28,118
2018-2019	497,884	522,893	134,501	69,180	224,593	45,548
2017-2018	456,057	559,342	114,435	64,009	252,827	49,278
2016-2017	438,007	643,671	142,533	52,916	266,558	46,914
2015-2016	458,755	645,111	140,172	57,414	265,364	44,970
2014-2015	426,601	648,923	113,433	50,839	244,557	34,884
2013-2014	396,840	678,311	120,794	39,494	271,555	37,265

(1) Oct 1st Enrollment in North Clackamas School District locations only.

(2) Average Daily Membership (ADMw) includes all resident students regardless of where they attend (including charter schools, schools outside the district, and schools for special needs students operated by other agencies and education service districts). In 2015-16, The Oregon Department of Education provided full funding for kindergarten students. Most recent year presented is projected.

(3) Full-time equivalent of 8 hour day. Includes all licensed staff (i.e., teachers, counselors, special education, librarians, etc.).

(4) Due to the Coronavirus Pandemic, the Department of Agriculture issued a directive that all meals were free in the 2020-21 school year.

Sources: Enrollment and Attendance Records, Oregon Department of Education,
North Clackamas School District Human Resources Department, School Nutrition Department

NORTH CLACKAMAS SCHOOL DISTRICT 12

FULL TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE

Last Ten Fiscal Years

	2022-23 (1)	2021-22	2020-21 (1)	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
	<u>BUDGETED</u>	<u>ACTUAL</u>							
Licensed - General Fund	887.93	823.3975	896	902.08	871.21	861.04	862.69	824.00	762.96
Licensed - Other Funds	174.54	162.17	76.87	85.67	77.41	78.51	74.61	60.40	78.39
Total Licensed - FTE	<u>1062.47</u>	<u>985.57</u>	<u>972.87</u>	<u>987.75</u>	<u>948.62</u>	<u>939.55</u>	<u>937.30</u>	<u>884.40</u>	<u>841.35</u>
Classified - General Fund	748.49	796.4102	703.15	696.08	688.54	676.04	639.01	626.10	613.18
Classified - Other Funds	224.12	203.7781	96.38	156.41	160.27	161.93	148.99	165.46	171.16
Total Classified - FTE	<u>972.61</u>	<u>1000.19</u>	<u>799.53</u>	<u>852.49</u>	<u>848.81</u>	<u>837.97</u>	<u>788.00</u>	<u>791.56</u>	<u>784.34</u>
Administrative - General Fund	92.16	90.05	90.85	86.25	74.35	75.35	73.35	71.85	68.35
Administrative - Other Funds	17.2	15.45	11.75	9.25	13.60	8.85	8.85	9.85	9.85
Total Administrative - FTE	<u>109.36</u>	<u>105.50</u>	<u>102.60</u>	<u>95.50</u>	<u>87.95</u>	<u>84.20</u>	<u>82.20</u>	<u>81.70</u>	<u>78.20</u>
Total - General Fund	1728.58	1709.86	1690.00	1684.41	1634.10	1612.43	1575.05	1521.95	1444.49
Total - Other Funds	415.86	381.40	185.00	251.33	251.28	249.29	232.45	235.71	259.40
Grand Total All Staff - FTE	<u>2144.44</u>	<u>2091.26</u>	<u>1875.00</u>	<u>1935.74</u>	<u>1885.38</u>	<u>1861.72</u>	<u>1807.50</u>	<u>1757.66</u>	<u>1703.89</u>

(1) North Clackamas School District Budgeted Numbers 2022-23

Source: North Clackamas School District Human Resource/Fiscal Service Departments

NORTH CLACKAMAS SCHOOL DISTRICT 12

Capital Asset Information

As of June 30, 2023

	YEAR OF ORIGINAL CONSTRUCTION	SQUARE FOOTAGE	PRACTICAL CAPACITY	ENROLLMENT 2022-23	% OF CAPACITY	AVERAGE AGE OF BUILDING
HIGH SCHOOLS						
Adrienne Nelson	2021	228,348	2080	1,353	32.03%	2
Clackamas High West	2002	269,160	2144	1,212	38.38%	21
Clackamas High East	1991	106,528	1014	N/A		32
New Urban/New Urban Annex	1924	55,428	375	90	24.00%	99
Milwaukie	1925	224,446	1920	874	45.52%	98
Rex Putnam	1963	216,693	1728	1,073	62.09%	60
Sabin Center	1967	84,140		N/A		56
Schellenberg Center	1968	67,803		N/A		55
Land Lab and Forestry Center	1970	4,878		N/A		53
High School Subtotal		<u>1,029,076</u>	<u>7,181</u>	<u>3,249</u>	<u>42.50%</u>	<u>59</u>
MIDDLE SCHOOLS						
Alder Creek	1957	157,378	1728	819	47.40%	66
Happy Valley	2009	135,604	1632	1,010	61.89%	14
Rock Creek	1991	110,112	1472	879	59.71%	32
Rowe	1963	107,880	1440	694	48.19%	60
Middle School Subtotal		<u>510,974</u>	<u>6,272</u>	<u>3,402</u>	<u>54.30%</u>	<u>43</u>
ELEMENTARY SCHOOLS						
Ardenwald	2001	64,300	560	385	68.75%	22
Beatrice Morrow Cannady	2019	65,377	560	481	85.89%	4
Bilquist	1960	60,736	504	338	67.06%	63
Campbell	1956	40,287	423 N/A		0.00%	67
Happy Valley	2008	60,512	532	490	92.11%	15
Lewelling	1963	58,868	448	296	66.07%	60
Linwood/Sojourner	1968	79,406	504	392	77.78%	55
Milwaukie El Puente	1916	58,862	560	414	73.93%	107
Mount Scott	1989	58,648	448	369	82.37%	34
Oak Grove	1963	54,556	476	277	58.19%	60
Oregon Trail	1993	64,807	588	441	75.00%	30
Riverside	1955	46,910	476	331	69.54%	68
Scouters Mountain	2009	61,884	560	536	95.71%	14
Spring Mountain	2000	58,053	560	361	64.46%	23
Sunnyside	1949	69,280	644	426	66.15%	74
Verne Duncan	2009	60,474	644	407	63.20%	14
View Acres	1964	53,191	560	368	65.71%	59
Whitcomb	1958	61,372	476	394	82.77%	65
Elementary Schools Subtotal		<u>1,077,523</u>	<u>9,523</u>	<u>6,706</u>	<u>69.71%</u>	<u>46</u>
North Clackamas School District Virtual School				0		
School Subtotals		<u>2,617,573</u>				
Transportation (SE 102nd Ave)	2018	7,759				
Technology	1967	11,192				
Facility Operations	1916	15,021				
Transportation (Alder Creek)	1955, 1959	13,220				
Administration Building	1988	26,800				
Support Subtotals		<u>73,992</u>				
District Totals		<u>2,691,565</u>		<u>13,357</u>		

Source: North Clackamas Facilities Department

INDEPENDENT AUDITORS' REPORT REQUIRED
BY OREGON STATE REGULATIONS



PAULY, ROGERS AND Co., P.C.
12700 SW 72nd Ave. ♦ Tigard, OR 97223
(503) 620-2632 ♦ (503) 684-7523 FAX
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December 29, 2023

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the North Clackamas School District as of and for the year ended June 30, 2023, and have issued our report thereon dated December 29, 2023. 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 financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

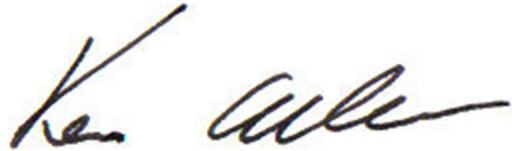
- **Deposit of public funds with financial institutions (ORS Chapter 295)**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**
- **State school fund factors and calculation.**

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

OAR 162-10-0230 Internal Control

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

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

A handwritten signature in black ink, appearing to read "Ken Allen", written in a cursive style.

Kenneth Allen, CPA
PAULY, ROGERS AND CO., P.C.

GRANT COMPLIANCE SECTION

North Clackamas School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ending June 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Grant Period	Federal AL Number	Pass Through Entity #	Expenditures	Passed Through to Subrecipients
<u>U.S. Department of Education</u>					
Passed through Oregon State Department of Education					
Title I Grants to Local Education Agencies	7/1/21-9/30/23	84.010	67029	\$ 521,144	\$ -
Title I Grants to Local Education Agencies	7/1/22-9/30/23	84.010	72569	\$ 1,346,219	\$ -
Title I Grants to Local Education Agencies	7/1/20-9/30/22	84.010	60409	\$ 123,055	\$ -
Title I Grants to Local Education Agencies	7/1/20-9/30/22	84.010	65132	\$ -	\$ -
Title I Grants to Local Education Agencies	10/1/21-9/30/23	84.010	67992	\$ 98,123	\$ -
Total Title I Grants to Local Education Agencies				\$ 2,088,542	
Student Support and Academic Enrichment	7/1/21-9/30/23	84.424	72963	\$ 170,838	\$ -
Total Student Support and Academic Enrichment				\$ 170,838	\$ -
Supporting Effective Education State Grants					
Supporting Effective Education State Grants	7/1/21-9/30/22	84.367	58812	\$ 242,058	\$ -
Supporting Effective Education State Grants	7/1/21-9/30/22	84.367	67462	\$ 153,065	\$ -
Supporting Effective Education State Grants	7/1/22-9/30/23	84.367	72766	\$ 429,541	\$ -
Total Supporting Effective Instruction State Grants				\$ 824,664	\$ -
English Language Acquisition State Grants	7/1/21-9/30/23	84.365	67152	\$ 21,596	\$ -
English Language Acquisition State Grants	7/1/22-9/30/23	84.365	73111	\$ 200,527	\$ -
Total English Language Acquisition State Grants				\$ 222,123	\$ -
Special Education	7/1/21-9/30/23	84.027	68683	\$ 54,854	\$ -
Special Education ARP (COVID 19)	7/1/21-9/30/23	84.027	68434	\$ 637,831	\$ -
Special Education	7/1/21-9/30/22	84.027	73606	\$ 5,495	\$ -
Special Education	7/1/22-9/30/24	84.027	74079	\$ 1,877,761	\$ -
Special Education	7/1/22-9/30/23	84.027	75355	\$ 114,501	\$ -
Special Education	7/1/22-6/30/23	84.027	not available	\$ 5,750	
Special Education, Preschool Grants	7/1/20-9/30/22	84.173	60542	\$ 17,584	\$ -
Special Education, Preschool Grants	7/1/21-9/30/23	84.173	68961	\$ 17,873	\$ -
Special Education, Preschool Grants ARP (COVID 19)	7/1/21-9/30/23	84.173	69205	\$ 14,583	\$ -
Special Education, Preschool Grants	7/1/22-9/30/24	84.173	74263	\$ 14,004	\$ -
Total Special Education Cluster				\$ 2,760,236	\$ -
21st Century Community Learning Centers	7/1/20-9/30/23	84.287	61157	\$ 120,280	\$ -
21st Century Community Learning Centers	7/1/21-9/30/23	84.287	68794	\$ 208,422	\$ -
21st Century Community Learning Centers	7/1/22-9/30/23	84.287	75204	\$ 348,928	\$ -
Total 21st Century Community Learning Centers				\$ 677,631	\$ -

North Clackamas School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ending June 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Grant Period	Federal AL Number	Pass Through Entity #	Expenditures	Passed Through to Subrecipients
(Continued)					
Education Stabilization Fund (COVID-19)	4/21/21 - 9/30/24	84.425	69374	\$ 44,909	\$ -
Education Stabilization Fund (COVID-19)	3/13/20 to 9/30/23	84.425	64637	\$ 574,131	\$ 134,980
Education Stabilization Fund (COVID-19)	3/13/20 to 9/30/24	84.425	64942	\$ 3,974,622	\$ 77,467
Total Education Stabilization Fund				\$ 4,593,662	\$ 212,447
Passed Through Clackamas Education Service District					
Career & Technical Education - Basic Grants to States	7/1/22 - 6/30/23	84.048	n/a	\$ 147,625	\$ -
Total Career & Technical Education - Basic Grants to States				\$ 147,625	\$ -
Migrant Education State Grant Program	7/1/22 - 6/30/23	84.011	n/a	\$ 12,681	\$ -
Total Migrant Education State Grant Program				\$ 12,681	\$ -
Passed Through G5					
Title VI Indian Education	7/1/22 - 6/30/23	84.299	S060A202668	\$ 28,758	\$ -
Total Indian Education - Special Programs for Indian Children				\$ 28,758	\$ -
Total US Dept of Education				\$ 11,526,760	\$ 212,447
<u>U.S. Department of Health & Human Services</u>					
Passed through Oregon Department of Health and Human Services					
Child Care & Development Block Grant	7/1/22 - 6/30/23	93.575	n/a	\$ 70,690	\$ -
Total Child Care & Development Block Grant				\$ 70,690	\$ -
Passed through Oregon Department of Education					
Foster Care Transportation	7/1/22 - 6/30/23	93.658	71703	\$ 9,870	\$ -
Total Foster Care Transportation				\$ 9,870	\$ -
Total US Dept of Health & Human Services				\$ 80,560	\$ -

**North Clackamas School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ending June 30, 2023**

Federal Grantor/Pass-Through Grantor/Program Title	Grant Period	Federal AL Number	Pass Through Entity #	Expenditures	Passed Through to Subrecipients
(Continued)					
<u>U.S. Department of Agriculture</u>					
School Breakfast Program	7/1/22 - 9/30/23	10.553	n/a	\$ 511,676	\$ -
Commodities (Non-cash assistance)	7/1/22- 6/30/23	10.555	n/a	\$ 543,241	\$ -
National School Lunch Program	7/1/22 - 9/30/23	10.555	n/a	\$ 2,889,782	\$ -
National School Lunch Program	7/1/22 - 9/30/23	10.555	n/a	\$ 265,732	\$ -
Summer Food Program	7/1/22 - 9/30/23	10.559	n/a	\$ 87,716	\$ -
Fresh Fruit and Vegetable Program - Lewelling	10/1/22-9/30/23	10.582	69613	\$ 2,132	\$ -
Fresh Fruit and Vegetable Program - Linwood	10/1/22-9/30/23	10.582	69614	\$ 742	\$ -
Fresh Fruit and Vegetable Program - Whitcomb	10/1/22-9/30/23	10.582	69615	\$ 2,050	\$ -
Fresh Fruit and Vegetable Program - Lewelling	10/1/22-9/30/23	10.582	75032	\$ 24,355	\$ -
Fresh Fruit and Vegetable Program - Linwood	10/1/22-9/30/23	10.582	75033	\$ 21,197	\$ -
Fresh Fruit and Vegetable Program - Whitcomb	10/1/22-9/30/23	10.582	75034	\$ 25,914	\$ -
Total Child Nutrition Cluster				\$ 4,374,537	\$ -
Child and Adult Care Food Program	7/1/22 - 6/30/23	10.558	n/a	\$ 159,913	\$ -
Total Child and Adult Care Food Program				\$ 159,913	\$ -
<u>Total US Department of Agriculture</u>				\$ 4,534,450	\$ -
Total Federal Awards				\$ 16,141,769	\$ 212,447
Reconciliation to Federal Revenue Reported in the Financial Statements:					
Federal Revenue, Not Grant - Federal Forest Fees				\$ 149,634	
Total Federal Revenue Reported in the Financial Statements				\$ 16,291,403	



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December 29, 2023

To the Board of Education
North Clackamas School District
Clackamas County, Oregon

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of North Clackamas School District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated December 29, 2023.

Report on Internal Control over Financial Reporting

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

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

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

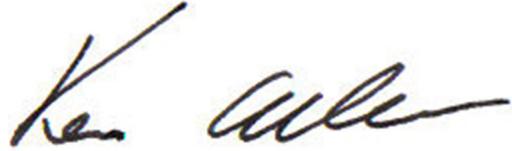
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements are free from material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in black ink, appearing to read "Ken Allen". The signature is fluid and cursive, with a large initial "K" and "A".

Kenneth Allen, CPA
PAULY, ROGERS AND CO., P.C.



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December 29, 2023

To the Board of Education
North Clackamas School District
Clackamas County, Oregon

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited North Clackamas School District's compliance with the types of compliance requirements identified as subject to audit 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, 2023. The major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, North Clackamas School District 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, 2023.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of North Clackamas School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to its federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the

aggregate, it would influence the judgment made by a reasonable user of the report on compliance about compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.



Kenneth Allen, CPA
PAULY, ROGERS AND CO., P.C.

NORTH CLACKAMAS SCHOOL DISTRICT
CLACKAMAS COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended June 30, 2023

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 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

<u>AL NUMBER</u>	<u>NAME OF FEDERAL PROGRAM CLUSTER</u>
84.425	Education Stabilization Fund
84.367A	Supporting Effective Instruction State Grants
84.027, 84.173	Special Education Cluster (IDEA)

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

Auditee qualified as low-risk auditee? yes no

NORTH CLACKAMAS SCHOOL DISTRICT
CLACKAMAS COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

SECTION II – FINANCIAL STATEMENT FINDINGS

Prior Year Findings

FS-2022-1 Significant Deficiency

Condition: The District overstated payroll liabilities as of July 1, 2021 which required a prior period adjustment in fiscal year 2021-2022.

Status: Appears corrected in the year under audit.

FS-2022-2 Significant Deficiency

Condition: Cash and Investments were not accurately reconciled to the General Ledger as of July 1, 2021 which required a prior period adjustment in fiscal year 2021-2022.

Status: Appears corrected in the year under audit.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL EXPENDITURES

1. BASIS OF PRESENTATION

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The entity has not elected to use the ten percent de minimus indirect cost rate as allowed under Uniform Guidance, due to the fact that they already have a negotiated indirect cost rate with Oregon Department of Education, and thus is not allowed to use the de minimus rate.



North Clackamas Schools

12400 SE Freeman Way
Milwaukie, OR 97222
(503) 353-6000



Code: DIE
Adopted: 5/07/87
Readopted: 3/17/11
Orig. Code: DIE

Audits

An audit of all accounts of the district will be made annually by an independent certified public accountant selected by the Board in accordance with Oregon law. The audit examination will be conducted in accordance with minimum auditing standards established by the Oregon Secretary of State.

The cost of the audit will be a charge against the funds of the district.

A copy of the audit report will be presented to the Board, and the superintendent or designee will submit a copy of the audit report to the Oregon Department of Education and to the Oregon Secretary of State, Audit Division.

END OF POLICY

Legal Reference(s):

[ORS 294.155](#)

[ORS Chapter 297](#)

[ORS 327.137](#)

[ORS 328.465](#)

[OAR 581-023-0037](#)

Cross Reference(s):

DIC - Financial Reports and Statements

EH - Electronic Data Management

CLEAN SCHOOL BUS REBATE PROGRAM

REPORT
Agenda Item #6
January 25, 2024

ORIGINATED BY:

The Clean School Bus Rebate Program requires the district to inform the Board of its intent to purchase buses through the grant program.

BUDGET IMPACT/SOURCE OF FUNDS:

The district has purchased buses annually over the past several years. Buses and vehicles used for educational purposes depreciate over ten years, and the District receives a 70% cost reimbursement from the Oregon Department of Education over those ten years. If received, the Clean School Bus Program would greatly reduce any general fund expenditures for the 2024 bus purchases.

In the event we are approved for the grant, we would order propane-type school buses for transporting students. Propane buses are a clean energy option, run quietly, and provide transportation for students that will support our district's core values in "Resources and Service" to our students.

BACKGROUND:

A Clean School Bus Rebate is a payment from the Environmental Protection Agency (EPA) to an eligible entity to subsidize the purchase of a zero-emission (ZE) or clean school bus, eligible infrastructure, and other costs, including workforce training, that meet the requirements of the Program. Rebates allow selectees to receive awarded funds before purchasing the buses and associated infrastructure listed in their application.

EPA plans to award at least \$500 million through this rebate competition, with the potential to modify this figure based on the application pool and other factors. Applications are due via the online application form before 4 PM ET on January 31, 2024.

Applicants can request battery-electric, compressed natural gas (CNG), and propane buses. Applicants requesting battery-electric buses are also able to purchase eligible EV charging equipment and infrastructure. Each applicant can request up to 25 buses through this rebate competition.

PRESENTER / STAFF CONTACT:

Cindy Detchon, Assistant Superintendent of Operations