



Comprehensive Annual Financial Report



North Clackamas School District No.12
Clackamas County, Oregon

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

**Comprehensive Annual
Financial Report**

Year Ended June 30, 2018

Prepared by the
Business Office

Matt Utterback
Superintendent - Clerk

Mary Knigge
Chief Financial Officer

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INTRODUCTORY SECTION

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October 15, 2018

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

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. Pursuant to this requirement, the annual financial report of the North Clackamas School District (the District) for the fiscal year ended June 30, 2018, is hereby submitted. 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.

REPORT CONTENTS

The Comprehensive Annual Financial Report is presented in four sections. These sections and their components are as follows:

- The **Introductory Section** includes this Letter of Transmittal.
- The **Financial Section** includes the independent auditor's report, management's discussion and analysis, basic financial statements for the entity as a whole, notes to the basic financial statements, required supplementary information and other supplementary information.
- Following the **Financial Section** is the **Independent Auditors' Report** required by Oregon State Regulations.
- Finally, the **Grant Compliance Review** contains reports required by the Single Audit Act.

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 17,219 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 Board, 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

Although slow to experience the national economic recovery, Oregon's economic recovery and expansion now is outperforming other states. Two factors often cited are the state's industrial structure and its ability to attract and retain working-age households (Office of Economic Analysis, State of Oregon). The unemployment rate in the area is historically low while economic development is strong. Housing prices continue to increase, and the median income has also increased. Property tax collection has increased around 5% year over year.

Clackamas County, in particular, has had steady job growth in the past year along with increasing home prices and building activity throughout the area. The median home sales price this year increased to \$400,000 (Clackamas County Assessor's Office, 18-19 Budget Message). Clackamas Town Center, the largest shopping center in Oregon, with 1.2 million square feet of space, has 174 stores, is fully leased and businesses are expanding around it. 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 300 businesses. Community business centers are located in Milwaukie, Gladstone and Damascus.

Manufacturing employment represents approximately 16 percent of the total wage and salary employment. Non-manufacturing employment represents approximately 84 percent of the total wage and salary employment. The unemployment rate for the area is 3.7 percent (June 2018, Bureau of Labor Statistics Data), virtually unchanged from a year ago and similar to the national average. The major taxpayers within the North Clackamas School District include General Growth Properties Inc. (Town Center Mall), Fred Meyer Stores (Supermarkets), PCC Structurals Inc. (Manufacturing/Aerospace), Portland General Electric Co. (Utility), Marvin Poer & Co. (Property Tax Consultants), Kaiser Foundation Hospital (Hospital), Blount Inc. (Machinery), Northwest Natural Gas (Utility), ROIC (Property Management Company), and CH Realty III/Clackamas LLC (Multi-Family Residential).

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 offers easy access to domestic and international markets with 21 scheduled passenger airlines and 9 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 2017-18 school year, approved the following goals:

1. Student Achievement: Each student will meet or exceed grade level standards and graduate.
2. Equity: Create inclusive learning environments for each student.
3. Resources and Quality Programs: Improve financial stability, leverage assets, and expand efficiencies throughout the system.

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, 2018, 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 approved 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 294.520, 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 Education. 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, 2018, 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, workers compensation, property and liability claims. Principal revenue sources are charges to other funds for service and earnings on investments. The fund balance at June 30, 2018, was \$5,740,274.

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 balance in the Community Services Fund at June 30, 2018, was \$680,857.

Fiduciary Funds

The District has a private purpose trust fund. This private purpose trust fund, accounts for charter school and scholarship transactions. The fund balance at June 30, 2018 was \$92,146.

Cash Management: Throughout the year, cash not required for current operations was invested in the State of Oregon Local Government Investment Pool, U.S. Treasury securities, demand deposits, time certificates of deposit, bankers' acceptances, and commercial paper. All investments were in accordance with the District's Fiscal Management Policies. Interest income on pooled cash and investments recorded in the General Fund is allocated to the various funds based upon their monthly interfund balances. The District conforms to the State requirement that amounts on deposit with financial institutions be collateralized with securities having a value of not less than 25 percent of amounts in excess of depository insurance coverage. As interest rates have continued to increase, NCSD's interest earnings are also increasing year over year.

Risk Management: The District's insurance program includes auto, property, and commercial general liability insurance coverage. The program also includes a self-insured retention of \$50,000 per occurrence for all major exposures. In addition, the District successfully maintains a self-insured Workers' Compensation program. The liability limits for this program are \$400,000 per occurrence.

Since 1989 the District has implemented a modified return-to-work program. The program concentrates on returning injured workers to modified or light duty work until they are able to return to their own positions. The program has significantly reduced time loss claims and helps get the employee back into the work environment.

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 is \$16,923,253 well above the minimum targeted level of five (5) percent.

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. Wilcox Arredondo & 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, 2018, 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, 2018, 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 were 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.

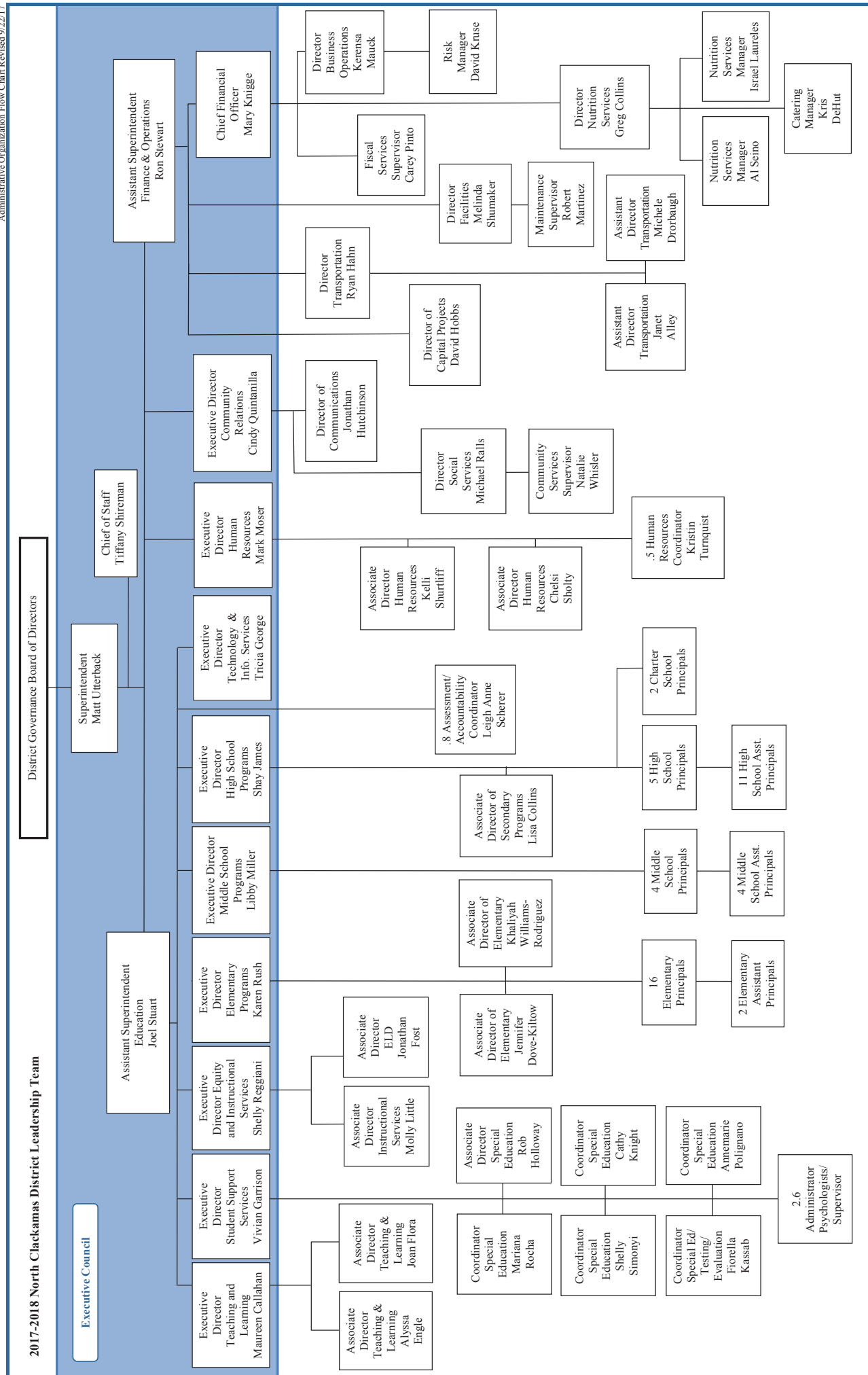
ACKNOWLEDGEMENTS

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,

A handwritten signature in black ink, reading "Mary Knigge". The signature is written in a cursive, flowing style.

Mary Knigge,
Chief Financial Officer



NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
CLACKAMAS COUNTY, OREGON

BOARD OF DIRECTORS AS OF JUNE 30, 2018

	<u>Term Expires</u>
Rein Vaga, Chair	June 30, 2019
Steven Schroedl, Vice Chair	June 30, 2019
Lee Merrick, Director	June 30, 2019
Trisha Claxton, Director	June 30, 2019
Tory McVay, Director	June 30, 2021
Kathy Wai, Director	June 30, 2021
Mitzi Bauer, Director	June 30, 2021

The Board of Directors Receives mail at the address below:

DISTRICT ADMINISTRATION

Matt Utterback, Superintendent – Clerk
Mary Knigge, Chief Financial Officer

DISTRICT ADDRESS
12400 SE Freeman Way
Milwaukie, Oregon 97222

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

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To the School Board
North Clackamas School District No. 12
Clackamas County, Oregon

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

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 No. 12, (District), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the District, as of June 30, 2018, and, the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.



Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Changes in Total Other Postemployment Benefits and Related Ratios and Oregon Public Employee Retirement System information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government 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.

Additionally, accounting principles generally accepted in the United States of America require that the General Fund and Special Revenue Fund budgetary comparison be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government 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. 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 General Fund and Special Revenue Fund budgetary comparison are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, the other supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally



accepted in the United States of America. In our opinion, the supplementary information, as defined 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 taken as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Reports on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated October 15, 2018, on our consideration of the District's internal control over financial reporting and compliance with certain provisions of laws, regulations, contracts, and grants, 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 internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance.

Wilcox Arredondo & Co.

Certified Public Accountants
Canby, Oregon
October 15, 2018

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MANAGEMENT'S DISCUSSION AND **ANALYSIS**

**NORTH CLACKAMAS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED JUNE 30, 2018**

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, 2018. 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 liabilities and deferred inflows of resources of the District exceeded its assets and deferred outflows of resources at June 30, 2018, by \$15.9 million (net position). Of this amount, \$107.6 million represents the District's investment in capital assets net of related debt, \$11.7 million is restricted, and the remainder is an unrestricted net deficit of \$135.3 million.

- The District's government-wide net position decreased \$13.6 million for the fiscal year.
- The District had \$384.8 million invested in capital assets, net of depreciation.
- At the end of the fiscal year, unassigned fund balance for the General Fund was \$16.9 million or about 9.5% percent of total general fund expenditures.
- Total cost of the District's Governmental Funds programs was \$324.5 million for the fiscal year, an increase of \$90 million (38.4 percent) from the prior year.
- The District's outstanding obligations (bonds payable, notes payable, accrued compensated absences, other post-employment benefits, and net pension obligations) decreased by 11.5 million, Bonds payable decreased by \$12.0 million due to the payment of principal on issuance of bonds during the 2016-17 fiscal year. The remainder of these liabilities increased by .5 million during 2017-18.
- On November 8, 2016, North Clackamas School District voters approved a \$433M Construction Bond Measure. During the 2017-18, 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, and building a new elementary school at S.E. Vogel Road recently named Beatrice Morrow Cannady Elementary.

In March 2017, NCSD sold \$322.6 million of the voter-approved \$433 million in bonds. The tax-free bonds were extremely popular among investors resulting in nearly \$31 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. The sale of the additional \$110 million in principal will occur in fiscal year 2018-19.

- The District has added a local option levy to the November 2018 ballot. The amount of the levy is \$1.63 per \$1000 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. If passed, the proceeds would be used to fund teaching positions across the District 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, 2018**

- 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 16 to 17 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 18. 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 18-21 of this report.

**NORTH CLACKAMAS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED JUNE 30, 2018**

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 22-24 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 25-26 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 27-55 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 budget to actual presentations for major funds and a schedule of property tax transactions. This information is located on pages 58-62 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, liabilities and deferred inflows exceeded assets and deferred outflows by \$15.3 million at June 30, 2018.

Cash and investments represent 45.6 percent of total assets. Most of the \$337.8 million in cash and investments is related to the March 2017 bond sale, and will be spent as the bond work progresses.

Capital assets, which consist of the District's land, buildings, building improvements, construction-in-progress, vehicles, and equipment, represent about 38.9 percent of total assets.

The remaining assets are property tax and other receivables along with inventory.

The District reports deferred outflows of \$68.6 million, which represent the deferred book loss that occurred as a result of the 2016 refunding of previously issued GO Bonds (\$30.4 million), as well as deferred items related to the District's pension plan (\$38.2 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 (80.7 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 13.7 percent of total liabilities. Other liabilities, representing 5.6 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, 2018**

The District reports Deferred Inflows related to pensions and other post-employment benefits (OPEB) of \$7.7 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 a decrease of \$13.6 million in net position. Unrestricted net position decreased by \$47.9 million. At the same time, the District's investment in capital assets, net of related debt, increased by \$65.5 million.

Statement of Net Position

	Governmental Activities		
	Net Position (in thousands)		
	June 30, 2018	June 30, 2017 (**)	Increase (Decrease)
Current and other assets	\$ 354,468	\$ 406,489	\$ (52,021)
Capital assets	384,819	319,358	65,461
Total Assets	<u>739,287</u>	<u>725,847</u>	<u>13,440</u>
Deferred Outflows of Resources	<u>68,671</u>	<u>82,511</u>	<u>(13,840)</u>
Long-term debt	760,803	772,346	(11,543)
Other liabilities	55,451	33,698	21,753
Total Liabilities	<u>816,254</u>	<u>806,044</u>	<u>10,210</u>
Deferred Inflows of Resources	<u>7,679</u>	<u>4,761</u>	<u>2,918</u>
Net Position			
Net investment in capital assets	107,589	77,649	29,940
Restricted	11,689	7,310	4,379
Unrestricted	<u>(135,253)</u>	<u>(87,406)</u>	<u>(47,847)</u>
Total Net Position	<u>\$ (15,975)</u>	<u>\$ (2,447)</u>	<u>\$ (13,528)</u>

** Restated

Net Position decreased primarily due to two factors:

1. Current and other assets were utilized for the completion of bond projects during the year resulting in a corresponding increase in capital assets.
2. Pension deferred outflows increased \$13.8 million due to changes in PERS actuarial calculations.

**NORTH CLACKAMAS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED JUNE 30, 2018**

The key elements of the change in the District's net position for the year ended June 30, 2018 are as follows:

**Changes in Net Position
For the Year Ended**

	Governmental Activities		
	Change in Net Position (in thousands)		
	June 30, 2018	June 30, 2017	Increase (Decrease)
Revenues:			
Program Revenues:			
Charges for services	\$ 6,845	\$ 2,822	\$ 4,023
Operating grants	11,001	15,998	(4,997)
Capital grants and contributions	3,036	-	3,036
General Revenues:			
Property taxes	95,094	90,933	4,161
State and local sources	118,977	105,379	13,598
Miscellaneous	5,274	4,048	1,226
Total revenues	240,227	219,180	21,047
Expenses:			
Instruction	127,294	115,762	11,532
Support services	82,167	81,343	824
Community services	7,302	6,818	484
Facilities services	5,512	1,194	4,318
Interest on long-term debt	33,514	23,053	10,461
Total expenses	255,789	228,170	27,619
Excess (deficiency) before special items	(15,562)	(8,990)	(6,572)
Special Items			
Gain on sale of land and building	2,034	-	2,034
Change in net position	(13,528)	(8,990)	(4,538)
Net position - July 1, previously reported	(2,447)	4,501	(6,948)
Restated	-	2,042	(2,042)
Net position - July 1, restated	\$ (15,975)	\$ (2,447)	\$ (13,528)

Property tax revenues increased by \$4.2 million from 2016-17. 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 \$13.6 million, primarily due to an increase in funds received from the State School Fund. Several properties were sold including the Altamont Property, Wichita Elementary, Concord Elementary, and Clackamas Elementary.

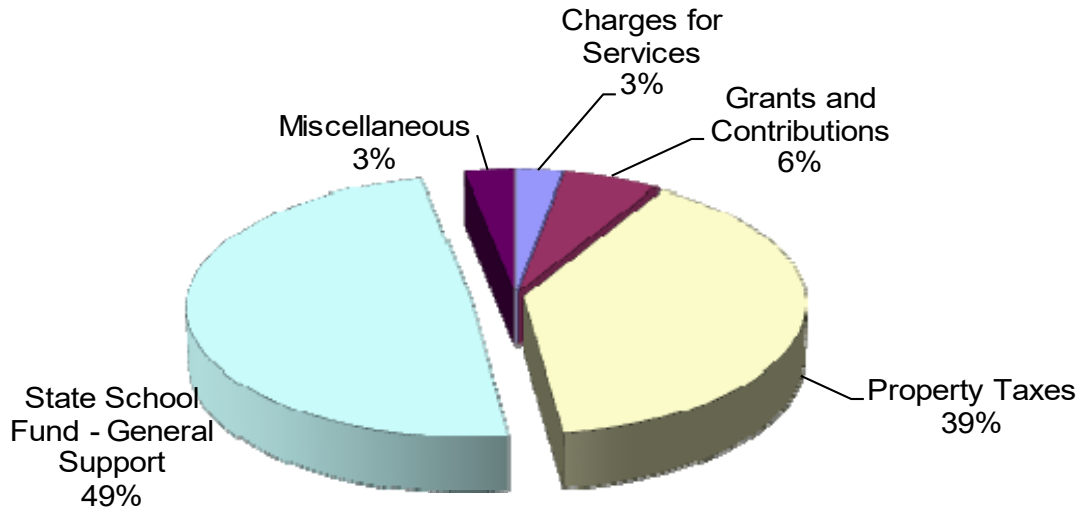
Instruction expenses increased, in 2017-18, by \$11.5 million. Increased pension expenses were the main driver along with smaller increase in salary and health insurance benefit costs.

Support services expenses increased by \$.824 million. Community Services expenses increased by .484 million. Facilities Services increased by \$4.318 million primarily due to construction. Interest on long-term debt increased by 10.5 million related to interest charged to service the increased bond debt.

**NORTH CLACKAMAS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED JUNE 30, 2018**

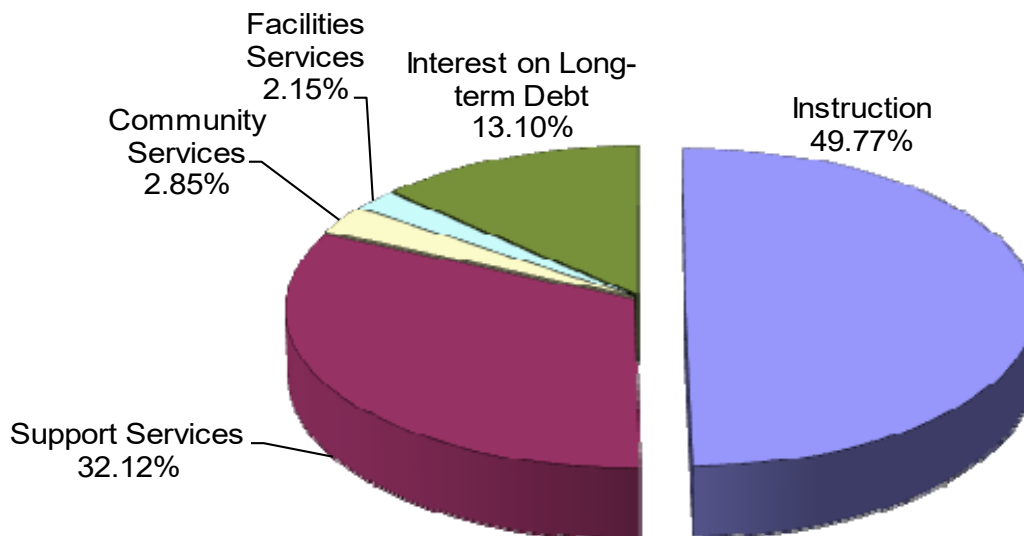
FY 2018 REVENUE PERCENTAGES:

Revenues by Source - Governmental Activities



FY 2018 EXPENDITURE PERCENTAGES

Expenses by Function - Governmental Activities



As illustrated above, State School Fund revenues represent about 49 percent of the District's total revenue sources. Property taxes comprise about 39 percent of revenues. Instructional expenses make up about 49.8 percent of the District's expenses, while support services are about 32.1 percent.

**NORTH CLACKAMAS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED JUNE 30, 2018**

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, 2018, the District's governmental funds reported combined ending fund balances of \$307.5 million, a decrease of \$71.3 million compared to the prior year. This decrease is primarily due to ongoing construction across the District. Approximately \$16.9 million of the ending fund balance constitutes *unassigned fund balance*, which is available for spending at the government's discretion. Fund balance of \$278.9 million is restricted for capital projects, primarily related to bond work. The remaining \$7.3 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, 2018, unassigned fund balance was \$16.9 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 10.3 percent of total General Fund expenditures. The fund balance decreased by \$.3 million during the current fiscal year. This decrease is due to increased spending for employee salaries and benefits.

Special Revenue Fund: The Special Revenue Fund has a total fund balance of \$5.4 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.

Debt Service Fund: The Debt Service Fund has a total fund balance of \$6.3 million, all of which is restricted for the payment of debt service.

Capital Projects Fund: The Capital Projects Fund has a total fund balance of \$278.9 million. The fund balance decreased by \$71.3 million during the current fiscal year, primarily due to the purchase of land and continuing construction of a new school 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 increased by approximately \$65.5 million mainly due to the purchase of the Hoodview Complex, land purchase for a new middle school, and construction occurring at multiple sites paid for by the 2016 Construction Bond.

The changes in capital assets from the fiscal year ended June 30, 2018, are as follows:

**Capital Assets (Net of Depreciation)
(in thousands)**

	Governmental Activities		Increase (Decrease)
	June 30, 2018	June 30, 2017	
Land	\$ 62,711	\$ 41,967	\$ 20,744
Construction in Progress	45,219	7,976	37,243
Buildings and Improvements	269,150	263,681	5,469
Equipment	7,739	5,734	2,005
Total capital assets, net of accumulated depreciation	<u>\$ 384,819</u>	<u>\$ 319,358</u>	<u>\$ 65,461</u>

**NORTH CLACKAMAS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED JUNE 30, 2018**

Additional information on capital assets can be found in note 4 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 \$658.7 million, consisting of general obligation and pension obligation debt, and unamortized bond premium.

During the current fiscal year, the Districts' total debt decreased by \$7.5 million as a result of debt principal payments on both General Obligation and Pension Bonds.

Outstanding Bonded Debt (in thousands)

	Governmental Activities		Increase (Decrease)
	June 30, 2018	June 30, 2017	
General obligation bonds	\$ 524,050	\$ 525,437	\$ (1,387)
Pension obligation bonds	81,557	84,304	(2,747)
Unamortized premium	53,138	56,510	(3,372)
Total long-term debt	<u>\$ 658,745</u>	<u>\$ 666,251</u>	<u>\$ (7,506)</u>

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 confirmed an underlying Aa2 rating. Additional information on the District's long-term debt can be found in Note XX 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, 2018, the State School Fund – General Support provided over 60 percent of the District's General Fund program resources. State provided funding for K-12 education for the 2017-19 biennium is \$8.2B, an 11% increase from the previous biennium. However, increasing PERS costs continue to cause significant strain on the 2018-19 budget and are anticipated to cause more financial pressure in future years.

The state and national economies continue to grow. Because of continued growth in real estate values and increased building, property taxes are expected to grow at around 5 percent. Enrollment has been relatively flat in the past few years. For the 2018-19 school year, flat or a slight decline in enrollment is expected.

The District has completed a strategic planning process that will more closely align budgeting efforts action plan goals. The action plan goals include a focus on student achievement, equity, and best utilizing resources to produce quality programs. This will be extremely important as the District has limited funds.

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

REQUESTS FOR INFORMATION

This financial report is designed to present the user (citizens, taxpayers, investors, and creditors) with a general overview of the District's finances and to demonstrate 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>.

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BASIC FINANCIAL STATEMENTS

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
STATEMENT OF NET POSITION
June 30, 2018

	Governmental Activities	Business Type Activities	Total
Assets			
Cash and Investments	\$ 337,784,096	\$ -	\$ 337,784,096
Property Taxes and Other Receivables	16,673,848	-	16,673,848
Interfund Receivable	-	725,286	725,286
Inventory	10,415	-	10,415
Capital Assets			
Land and Constructions in Progress - Nondepreciable	107,929,742	-	107,929,742
Capital Assets, Net of Depreciation	276,888,759	-	276,888,759
Total Assets	739,286,860	725,286	740,012,146
Deferred Outflows of Resources			
Pension Deferrals	38,224,482	-	38,224,482
Deferred Charge on Refunding	30,446,069	-	30,446,069
Total Deferred Outflows of Resources	68,670,551	-	68,670,551
Liabilities			
Accounts Payable	19,969,365	2,468	19,971,833
Accrued Payroll and Payroll Liabilities	8,835,483	41,961	8,877,444
Estimated Claims Liabilities	5,851,124	-	5,851,124
Accrued Interest Payable	808,332	-	808,332
Unearned Revenue	-	-	-
Due to Other Funds	741,256	-	741,256
Long-term Obligations			
Due Within One Year			
Bonds Payable	17,272,113	-	17,272,113
Notes Payable	1,460,237	-	1,460,237
Accrued Compensated Absences	513,280	-	513,280
Due in More Than One Year			
Bonds Payable	641,473,075	-	641,473,075
Notes Payable	7,119,236	-	7,119,236
Proportionate Share of Net Pension Liability	94,728,298	-	94,728,298
Other Postemployment Benefits, Implicit Rate Subsidy	15,348,952	-	15,348,952
Net Pension Liability, Stipend Benefit	2,133,215	-	2,133,215
Total Liabilities	816,253,966	44,429	816,298,395
Deferred Inflows of Resources			
Pension Deferrals	5,813,655	-	5,813,655
Other Post Employment Benefits, Implicit Rate Subsidy	878,566	-	878,566
Net Pension Liability, Stipend Benefit	986,703	-	986,703
Total Deferred Inflows of Resources	7,678,924	-	7,678,924
Net Position			
Net Investment in Capital Assets	107,588,556	-	107,588,556
Restricted for:			
Special Grants and Services	5,372,766	-	5,372,766
Debt Services	6,316,305	-	6,316,305
Unrestricted	(135,253,106)	680,857	(134,572,249)
Total Net Position	\$ (15,975,479)	\$ 680,857	\$ (15,294,622)

See notes to the basic financial statements.

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
STATEMENT OF ACTIVITIES
Year Ended June 30, 2018

	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	\$ 127,294,344	\$ 9,095	\$ 4,583,630	\$ -	\$ (122,701,619)	\$ -	\$ (122,701,619)
Supporting Services	82,167,282	4,478,824	2,570,005	-	(75,118,453)	-	(75,118,453)
Community Services	7,302,319	2,357,395	3,847,419	-	(1,097,505)	-	(1,097,505)
Facilities Acquisition	5,512,468	-	-	3,036,326	(2,476,142)	-	(2,476,142)
Interest on Long-term Debt	33,514,358	-	-	-	(33,514,358)	-	(33,514,358)
Total Governmental Activities	255,790,771	6,845,314	11,001,054	3,036,326	(234,908,077)		(234,908,077)
Business-Type Activities:							
Community Services	1,599,552	1,329,818	-	-	-	(269,734)	(269,734)
Total	<u>\$ 257,390,323</u>	<u>\$ 8,175,132</u>	<u>\$ 11,001,054</u>	<u>\$ 3,036,326</u>	<u>(234,908,077)</u>	<u>(269,734)</u>	<u>\$ (235,177,811)</u>
General Revenues							
Property Taxes Levied for General Purposes and Debt Service					95,094,337	-	95,094,337
State and Local Revenue					118,976,449	-	118,976,449
Grants and Contributions not Restricted to Programs					18,127	-	18,127
Miscellaneous					1,443,029	363,770	1,806,799
Earnings on Investments					3,787,674	-	3,787,674
Transfers					25,000	(25,000)	-
Special Items							
Gain on Sale of Land and Building					2,034,747	-	2,034,747
Total General Revenues and Special Items					<u>221,379,363</u>	<u>338,770</u>	<u>221,718,133</u>
Change in Net Position					(13,528,714)	69,036	(13,459,678)
Net Position							
Beginning of Year, as Restated					(2,446,765)	611,821	(1,834,944)
End of Year					<u>\$ (15,975,479)</u>	<u>\$ 680,857</u>	<u>\$ (15,294,622)</u>

See notes to the basic financial statements.

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2018

	General	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Totals
ASSETS					
Cash and Investments	\$ 22,054,422	\$ 1,858,699	\$ 12,757,480	\$ 290,808,708	\$ 327,479,309
Property Taxes and Other Receivables	6,877,373	5,075,725	2,010,783	2,702,396	16,666,277
Inventory, at Cost	10,415	-	-	-	10,415
Due from Other Funds	1,426,557	-	-	4,107,559	5,534,116
Total Assets	\$ 30,368,767	\$ 6,934,424	\$ 14,768,263	\$ 297,618,663	\$ 349,690,117
LIABILITIES					
Accounts Payable	\$ 1,250,355	\$ 56,406	\$ -	\$ 18,659,623	\$ 19,966,384
Accrued Payroll and Payroll Liabilities	8,313,282	494,384	-	27,817	8,835,483
Due to Other Funds	-	1,010,868	6,546,525	-	7,557,393
Total Liabilities	9,563,637	1,561,658	6,546,525	18,687,440	36,359,260
DEFERRED INLFOWS OF RESOURCES					
Unavailable Revenue - Property Taxes	3,881,877	-	1,905,433	-	5,787,310
Total Deferred Inflows of Resources	3,881,877	-	1,905,433	-	5,787,310
FUND BALANCES					
Nonspendable	10,415	-	-	-	10,415
Restricted for					
Special Grants and Services	-	5,372,766	-	-	5,372,766
Debt Service	-	-	6,316,305	-	6,316,305
Future Capital Projects	-	-	-	278,931,223	278,931,223
Unassigned	16,912,838	-	-	-	16,912,838
Total Fund Balances	16,923,253	5,372,766	6,316,305	278,931,223	307,543,547
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 30,368,767	\$ 6,934,424	\$ 14,768,263	\$ 297,618,663	\$ 349,690,117

See notes to the basic financial statements.

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION
June 30, 2018

Total Fund Balances - Governmental Funds \$ 307,543,547

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	\$ 524,977,083	
Accumulated depreciation	<u>(140,158,582)</u>	384,818,501

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. 5,787,310

The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position 5,740,274

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 (94,728,298)

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	38,224,482	
Deferred outflows of resources related to refunding	30,446,069	
Deferred inflows or resources related to OPEB	(878,566)	
Deferred inflows or resources related to stipend benefit	(986,703)	
Deferred inflows or resources related to pensions	<u>(5,813,655)</u>	60,991,627

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	(808,332)	
Accrued compensated absences	(513,280)	
Bonds payable	(658,745,188)	
Notes payable	(8,579,473)	
Net OPEB obligations	(15,348,952)	
Net pension liability, stipend benefit	<u>(2,133,215)</u>	<u>(686,128,440)</u>

Total Net Position \$ (15,975,479)

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
Year Ended June 30, 2018

	General	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
Revenues					
Property Taxes	\$ 63,040,617	\$ -	\$ 31,487,479	\$ -	\$ 94,528,096
State and Local Sources	110,704,075	12,507,301	-	3,936,567	127,147,943
Federal Sources	18,126	10,094,238	-	-	10,112,364
Earnings from Investments	393,950	-	645,820	2,615,882	3,655,652
Services Provided Other Funds	1,975,888	-	11,195,333	-	13,171,221
Construction Excise Tax	-	-	-	690,927	690,927
Miscellaneous	514,345	-	-	-	514,345
Total Revenues	176,647,001	22,601,539	43,328,632	7,243,376	249,820,548
Expenditures					
Current					
Instruction	105,057,726	9,650,212	-	-	114,707,938
Support Services	68,994,768	5,446,675	-	303,748	74,745,191
Enterprise and Community Services	4,250	6,659,321	-	-	6,663,571
Debt Service					
Principal	-	-	14,569,522	-	14,569,522
Interest	-	-	29,232,580	-	29,232,580
Capital Outlay					
Support Services	95,811	2,377,849	-	-	2,473,660
Facilities Acquisition and Construction	-	-	-	82,119,850	82,119,850
Total Expenditures	174,152,555	24,134,057	43,802,102	82,423,598	324,512,312
Excess (Deficiency) of					
Revenues Over (Under) Expenditures	2,494,446	(1,532,518)	(473,470)	(75,180,222)	(74,691,764)
Other Financing Sources (Uses)					
Loan Receipts	-	2,394,649	-	-	2,394,649
Sale of Fixed Assets	-	26,100	-	-	26,100
Transfers In	25,000	1,614,556	2,103,920	196,000	3,939,476
Transfers (Out)	(2,830,556)	(1,796,450)	-	(307,470)	(4,934,476)
Total Other Sources (Uses)	(2,805,556)	2,238,855	2,103,920	(111,470)	1,425,749
Special Items					
Proceeds from Sale of Land and Building	-	-	-	2,003,772	2,003,772
Net Change in Fund Balance	(311,110)	706,337	1,630,450	(73,287,920)	(71,262,243)
Fund Balances					
Beginning of Year, as Restated	17,234,363	4,666,429	4,685,855	352,219,143	378,805,790
End of year	\$ 16,923,253	\$ 5,372,766	\$ 6,316,305	\$ 278,931,223	\$ 307,543,547

See notes to the basic financial statements.

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, 2018

Net Change in Fund Balances - Total Governmental Funds \$ (71,262,243)

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	\$ 79,068,307	
Less current year depreciation	<u>(13,607,423)</u>	65,460,884

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	14,600,497	
Loan receipts	(2,394,649)	
Accreted interest of deferred interest bonds	(8,623,120)	
Change in accrued vacation	<u>(36,524)</u>	3,546,204

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	(2,174,719)	
Amortization of premium	<u>3,372,021</u>	1,197,302

The revenues and expenses of the internal service funds are included in governmental activities in the statement of activities. (1,896,539)

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. (14,560,391)

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. 3,144,040

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. 566,241

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. 275,788

Change in Net Position \$ (13,528,714)

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2018

	BUSINESS TYPE ACTIVITIES: ENTERPRISE FUND	GOVERNMENTAL ACTIVITIES: INTERNAL SERVICE FUND
ASSETS		
Current Assets:		
Cash and Investments	\$ -	\$ 10,304,787
Accounts Receivable	-	7,571
Interfund Receivable	725,286	1,282,021
	<u>725,286</u>	<u>11,594,379</u>
Total Current Assets	<u>725,286</u>	<u>11,594,379</u>
LIABILITIES		
Current Liabilities:		
Estimated Claims Liability	-	5,851,124
Accounts Payable	2,468	2,981
Accrued Payroll and Associated Payroll Costs	41,961	-
	<u>44,429</u>	<u>5,854,105</u>
Total Current Liabilities	<u>44,429</u>	<u>5,854,105</u>
NET POSITION		
Unrestricted	<u>680,857</u>	<u>5,740,274</u>
Total Net Position	<u>\$ 680,857</u>	<u>\$ 5,740,274</u>

See notes to the basic financial statements.

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2018

	BUSINESS TYPE ACTIVITIES: ENTERPRISE FUND	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND
Operating Revenues:		
Services Provided to Other Funds	\$ -	\$ 31,177,564
Earnings from Investments	-	132,022
Charges for Services	1,329,818	-
Rentals	363,770	-
Miscellaneous	-	224,392
Total Operating Revenues	<u>1,693,588</u>	<u>31,533,978</u>
Operating Expenses:		
Salaries and Associated Payroll Costs	1,391,950	-
Purchased Services	32,169	34,450,517
Supplies and Materials	88,906	-
Other Operating Expenses	86,527	-
Total Operating Expenses	<u>1,599,552</u>	<u>34,450,517</u>
Operating Income, (Loss)	<u>94,036</u>	<u>(2,916,539)</u>
Other Financing Sources (Uses)		
Transfers, In (Out)	<u>(25,000)</u>	<u>1,020,000</u>
Change in Net Position	69,036	(1,896,539)
Net Position		
Beginning of Year	<u>611,821</u>	<u>7,636,813</u>
End of Year	<u>\$ 680,857</u>	<u>\$ 5,740,274</u>

See notes to the basic financial statements.

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2018

	BUSINESS TYPE ACTIVITIES: ENTERPRISE FUND	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from User Charges	\$ 1,369,241	\$ -
Cash Received from Other Rentals and Miscellaneous	363,770	356,414
Cash Received from Assessments Made to Other Funds	-	31,270,565
Cash Payments to Suppliers for Goods and Services	(122,485)	(33,030,842)
Cash Payments to Employees for Services	(1,498,999)	-
Cash Payments for Other Operating Expenses	(86,527)	-
Net Cash Provided (Used) by Operating Activities	25,000	(1,403,863)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers, In	-	1,020,000
Transfers, (Out)	(25,000)	-
Net Cash Provided (Used) by NonCapital Financing Activities	(25,000)	1,020,000
Net Increase, (Decrease) in Cash and Cash Equivalents	-	(383,863)
Cash and Cash Equivalents - Beginning	-	10,688,650
Cash and Cash Equivalents - Ending	\$ -	\$ 10,304,787
Reconciliation of Operating Income, (Loss) to Net Cash Provided, (Used) by Operating Activities:		
Operating income, (loss)	\$ 94,036	\$ (2,916,539)
Adjustments to Reconcile Operating Income, (Loss) to Net Cash Provided, (Used) by Operating Activities:		
Changes in Assets and Liabilities:		
Receivables	(93,287)	93,001
Interfund	-	780,344
Payables	(1,410)	639,439
Accrued Payroll and Associated Payroll Costs	25,661	(108)
Net Cash Provided (Used) by Operating Activities	\$ 25,000	\$ (1,403,863)
Cash Paid for Interest	\$ -	\$ -
Cash Paid for Taxes	\$ -	\$ -

See notes to the basic financial statements.

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
June 30, 2018

	Private Purpose Trust Fund
Assets	
Cash and Investments	\$ 200,720
Other Receivables	72,489
Due from Other Funds	<u>15,970</u>
Total Assets	<u>289,179</u>
Liabilities	
Accounts Payable	154
Accrued Payroll, Taxes and Employee Withholdings	<u>196,879</u>
Total Liabilities	<u>197,033</u>
Net Position	
Held in Trust for:	
Scholarships and Charter Schools	<u>92,146</u>
Total Net Position	<u>\$ 92,146</u>

See notes to the basic financial statements.

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
Year Ended June 30, 2018

	Private Purpose Trust Fund
Additions:	
Investment Earnings	\$ 3,413
State and Local Sources	<u>7,896,203</u>
Total Additions	<u>7,899,616</u>
Deductions:	
Charter Schools Payments	7,894,831
Scholarships	<u>6,167</u>
Total Deductions	<u>7,900,998</u>
Change in Net Position	(1,382)
Net Position	
Beginning of Year	<u>93,528</u>
End of Year	<u><u>\$ 92,146</u></u>

See notes to the basic financial statements.

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

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.

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

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.

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.

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

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

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

1. Summary of Significant Accounting Policies (Continued)

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.

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 U.S. Government Treasury securities, U.S. Government Agency securities and 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.

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.

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

1. Summary of Significant Accounting Policies (Continued)

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.

Inventories

Inventories of supplies are valued at cost, first-in, first-out (FIFO) method. Donated commodities are valued at their fair market value when donated. Inventories are charged as expenditures when purchased or donated.

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.

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 two years. 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. The government has two items that arise only under a full accrual basis of accounting that qualify for reporting in this category. The statement of net position reports one type related to the net PERS pension liability and one type related to bond refunding. These amounts are deferred and recognized as an outflow of resources in the period that the amounts become available.

1. Summary of Significant Accounting Policies (Continued)

Deferred outflows/inflows of resources (Continued)

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. The government has four items that arise for reporting in this category. The balance sheet reports unavailable revenues from one source: property taxes. The statement of net position reports three types related to the net PERS pension liability, other post-employment benefits, and stipend benefit. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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.

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.

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

1. Summary of Significant Accounting Policies (Continued)

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 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.

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.

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

1. Summary of Significant Accounting Policies (Continued)

Fund Balances (Continued)

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”.

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.

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
 NOTES TO BASIC FINANCIAL STATEMENTS
 Year Ended June 30, 2018

2. Cash and Investments (Continued)

Cash and investments on June 30, 2018 consist of the following:

Petty Cash	\$ 2,000
Deposits with banks	30,327,005
Investments	<u>307,655,811</u>
	<u>\$ 337,984,816</u>

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

Statement of Net Position	
Cash and Investments	\$ 337,784,096
Statement of Net Position - Fiduciary Funds	
Cash and Investments - Private Purpose Trust	<u>200,720</u>
	<u>\$ 337,984,816</u>

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 \$30,327,005 on June 30, 2018. The bank statement records reflect a balance of \$33,701,209 at year end. Of this amount, \$750,000 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.

Investments

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

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

2. Cash and Investments (Continued)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity in Years</u>	<u>% of Investment Portfolio</u>
Commercial Securities	\$ 34,348,721	1.45	11%
US Treasury Securities	98,917,472	1.85	32%
U.S. Government Agency Securities	130,116,326	2.27	42%
Local Government Investment Pool	44,273,292	0.08	14%
	<u>\$ 307,655,811</u>	<u>1.73</u>	<u>100%</u>

The District categorizes its fair value measurements within the fair value hierarchy established by generally acceptable accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of an asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments in Commercial Securities, U.S. Treasury securities and U.S. Agency securities are valued using quoted market prices (Level 1 inputs).

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, for a term not to exceed three years.

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, 2018 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).

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

2. Cash and Investments (Continued)

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, 2018, more than 5% of the District's total investments are in securities by the following issuers:

<u>Issuer</u>	<u>% of Total Investments</u>
Federal Agric Mortgage Assn	10.46%
Federal Farm Credit Banks	10.31%
Federal Home Loan Bank	9.47%
Federal National Mortgage Association	9.97%
U.S. Treasury	32.15%
Local Government Investment Pool	14.39%

As of June 30, 2018, and for the year then ended, 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	\$ 4,092,579	\$ -	\$ 2,010,783	\$ 2,396	\$ -	\$ 6,105,758
Grants Receivables	721,238	5,075,725	-	2,700,000	-	8,496,963
Other Receivables	2,063,556	-	-	-	7,571	2,071,127
Total Receivables	<u>\$ 6,877,373</u>	<u>\$ 5,075,725</u>	<u>\$ 2,010,783</u>	<u>\$ 2,702,396</u>	<u>\$ 7,571</u>	<u>\$ 16,673,848</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, 2018

4. Capital Assets

Capital assets activity for the year ended June 30, 2018 was as follows:

	Balance July 1, 2017	Increases	Decreases	Balance June 30, 2018
Capital assets not being depreciated:				
Construction in Progress	\$ 7,976,000	\$ 37,242,853	\$ -	\$ 45,218,853
Land	41,967,177	20,756,447	(12,735)	62,710,889
Total Capital Assets not being depreciated	49,943,177	57,999,300	(12,735)	107,929,742
Capital assets being depreciated:				
Buildings and improvements	369,828,040	16,332,345	(1,306,126)	384,854,259
Equipment	28,623,898	4,749,397	(1,180,213)	32,193,082
Total capital assets being depreciated	398,451,938	21,081,742	(2,486,339)	417,047,341
Less accumulated depreciation for:				
Buildings and improvements	(106,147,185)	(10,863,066)	1,306,126	(115,704,125)
Equipment	(22,890,313)	(2,744,357)	1,180,213	(24,454,457)
Total accumulated depreciation	(129,037,498)	(13,607,423)	2,486,339	(140,158,582)
Total capital assets being depreciated, net	269,414,440	7,474,319	-	276,888,759
Total capital assets, net	\$ 319,357,617	\$ 65,473,619	\$ (12,735)	\$ 384,818,501

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

Program	
Instructional programs	\$ 7,859,795
Supporting services	5,291,040
Community services	456,588
Total depreciation expense	\$ 13,607,423

Construction Commitments - The District has active construction projects as of June 30, 2018. As of the end of the fiscal year, the District is committed under various accepted bid agreements and contracts for approximately \$57,645,087 for goods, services and construction of facilities.

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

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 2004, the District issued \$65,245,000 in general obligation bonds to finance capital construction and improvements. Interest rates range from 2.0% to 5.0%, payable semiannually in June and December, beginning June 2005. The bonds mature on June 15, 2018 with principal payments due annually on June 15th.

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. The deferred loss is amortized on the straight line basis over the life of the 2014 refunding bonds. The unamortized balance as of June 30, 2018 was \$ 30,446,069.

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 2017B 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.

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. On August 11, 2011, the District issued \$3,490,000 of limited tax pension obligation bonds.

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

5. Long-Term Debt (Continued)

Bonds payable are as follows:

Issue Date	Issue Amount	Outstanding July 1, 2017	Additions	Reductions	Outstanding June 30, 2018	Interest Rates
General Obligation Bonds:						
12/04	\$ 65,245,000	\$ 9,830,000	\$ -	\$ 9,830,000	\$ -	2.0% - 5.0%
12/14	170,380,000	167,695,000		180,000	167,515,000	2.0% - 5.0%
05/16	23,830,000	22,395,000		-	22,395,000	2.0% - 4.0%
3/17A	140,292,626	143,166,999	8,623,120	-	151,790,119	1.42% - 4.56%
3/17B	182,350,000	182,350,000	-	-	182,350,000	4.0% - 5.0%
		<u>525,436,999</u>	<u>8,623,120</u>	<u>10,010,000</u>	<u>524,050,119</u>	
Limited Tax Pension Obligation Bonds:						
10/02	50,821,060	37,670,605	-	1,054,791	36,615,814	2.06 - 6.10 %
03/03	63,156,952	43,143,185	-	1,692,268	41,450,917	1.50 - 6.27%
08/11	3,490,000	3,490,000	-	-	3,490,000	4.12%
		<u>84,303,790</u>	<u>-</u>	<u>2,747,059</u>	<u>81,556,731</u>	
Total G.O. and Pension Bonds		609,740,789	8,623,120	12,757,059	605,606,850	
Unamortized premium		<u>56,510,359</u>	<u>-</u>	<u>3,372,021</u>	<u>53,138,338</u>	
Total Bonds Payable		666,251,148	<u>\$ 8,623,120</u>	<u>\$ 16,129,080</u>	658,745,188	
Less Current Portion		<u>(12,757,059)</u>			<u>(17,272,113)</u>	
		<u>\$ 653,494,089</u>			<u>\$ 641,473,075</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 payments are paid out of the Debt Service Funds from transfers from the general fund. Notes payable at June 30, 2018 consist of the following:

Description	Issued to	Issued Date	Maturity Date	Interest Rate	Original Issue Amount	Amount Outstanding
Schedule #11	Key Bank	6/1/2009	9/1/2019	4.23%	\$ 3,535,896	\$ 607,944
Schedule #12	Key Bank	1/20/2012	1/20/2022	4.0-4.5%	1,403,237	608,141
Schedule #13	Key Bank	1/20/2013	12/20/2022	2.78%	1,665,122	797,987
Schedule #14	Key Bank	12/10/2014	12/20/2024	2.37%	1,157,224	788,713
Schedule #15	Key Bank	7/23/2015	6/20/2025	2.79%	900,000	655,426
Schedule #16	Key Bank	10/12/2016	6/20/2026	2.96%	1,020,576	830,005
Schedule #17	Key Bank	10/30/2017	6/20/2027	2.58%	2,394,649	2,266,972
Freeman Building	US Bank	10/1/2016	10/1/2026	3.66%	<u>2,249,205</u>	<u>2,024,285</u>
Total Note					<u>\$ 14,325,909</u>	8,579,473
Less Current Portion						<u>(1,460,237)</u>
						<u>\$ 7,119,236</u>

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

5. Long-Term Debt (Continued)

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable	\$ 609,740,789	\$ 8,623,120	\$ 12,757,059	\$ 605,606,850	\$ 17,272,113
Notes Payable	8,028,261	2,394,649	1,843,437	8,579,473	1,460,237
Accrued Compensated Absences	476,756	36,524	-	513,280	513,280
Proportionate Share of NPL	94,982,200	-	253,902	94,728,298	-
Other Post Employment Benefits	14,505,158	843,794	-	15,348,952	-
Net Pension Obligation, Stipend	3,018,348	-	885,133	2,133,215	-
	<u>\$ 730,751,512</u>	<u>\$ 11,898,087</u>	<u>\$ 15,739,531</u>	<u>\$ 726,910,068</u>	<u>\$ 19,245,630</u>

Future maturities are as follows:

Fiscal Year	Bonds	Notes	Total	Interest Due
2018-2019	\$ 17,272,113	1,460,237	18,732,350	26,807,973
2019-2020	11,947,217	1,290,552	13,237,769	27,024,977
2020-2021	15,847,080	1,105,250	16,952,330	24,860,940
2021-2022	17,625,876	1,128,604	18,754,480	24,323,719
2022-2023	19,654,447	895,757	20,550,204	23,834,757
2023-2028	154,690,000	2,699,073	157,389,073	78,349,138
2028-2033	151,590,000	-	151,590,000	40,581,750
2033-2038	145,436,377	-	145,436,377	80,334,623
2038-2042	71,543,740	-	71,543,740	136,951,258
	<u>\$ 605,606,850</u>	<u>\$ 8,579,473</u>	<u>\$ 614,186,323</u>	<u>\$ 463,069,135</u>

6. Interfund Receivables/Payables & Transfers

The composition of due to/due from balances as of June 30, 2018 is as follows:

	Due From	Due to
Major Government Funds		
General Fund	\$ 1,426,557	\$ -
Special Revenue Fund	-	1,010,868
Debt Service Fund	-	6,546,525
Capital Projects Fund	4,107,559	-
Enterprise Fund	725,286	-
Internal Service Fund	1,282,021	-
Private Purpose Trust	15,970	-
	<u>\$ 7,557,393</u>	<u>\$ 7,557,393</u>

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.

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

6. Interfund Receivables/Payables & Transfers (Continued)

The interfund transfers during the year ended June 30, 2018 are as follows:

	Transfer In	Transfer Out
Major Government Funds		
General Fund	\$ 25,000	\$ 2,830,556
Special Revenue Fund	1,614,556	1,796,450
Debt Service Fund	2,103,920	-
Capital Projects Fund	196,000	307,470
Enterprise Fund	-	25,000
Internal Service Fund	1,020,000	-
	<u>\$ 4,959,476</u>	<u>\$ 4,959,476</u>

The District made transfers from the General fund to cover lease payments in the debt service as well as transfer to the internal service fund for insurance purpose. Additionally, the General fund transferred funds to the capital projects fund to cover ongoing capital projects.

7. Pension Plan

Plan Description

The District participates in the Oregon Public Employees Retirement System (OPERS), a cost-sharing, multiple-employer defined benefit plan. OPERS provides retirement, disability, and death benefits to plan members and their beneficiaries.

All benefits of OPERS are established by the Oregon Legislature pursuant to Oregon Revised Statutes (ORS) Chapters 238 and 238A. The plan complies with Internal Revenue Service rules prescribed in 401(a). The Oregon Legislature has delegated the authority to the Public Employees Retirement Board (PERB) to administer and manage the system. OPERS issues a publicly available financial report that can be obtained at: http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx. OPERS prepares their financial statements in accordance with GASB statements and generally accepted accounting principles. The accrual basis of accounting is used for all funds. Contributions are recognized when due, pursuant to legal (or statutory) requirements. Benefits are recognized in the month they are earned and withdrawals are recognized in the month they are due and payable. Investments are recognized at fair value, the amount at which financial instruments could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

There are currently two programs within OPERS, with eligibility determined by the date of employment. Those employed prior to August 29, 2003 are OPERS Program members, and benefits are provided based on whether a member qualifies for Tier One or Tier Two described below. Those employed on or after August 29, 2003 are Oregon Public Service Retirement Plan (OPSRP) Program members. OPERS is a hybrid retirement plan with two components: 1) the Pension Program (defined benefit; established and maintained as a tax-qualified governmental defined benefit plan), and 2) the Individual Account Program (IAP) (defined contribution; established and maintained as a tax-qualified governmental defined contribution plan).

The 1995 Legislature created a second tier of benefits for those who became OPERS Program members after 1995 but before August 29, 2003. The second tier does not have the Tier One assumed earnings rate guarantee.

7. Pension Plan (Continued)

Beginning January 1, 2004, all employees who were active members of OPERS became members of the OPSRP IAP Program. OPERS plan member contributions (the employee contribution, whether made by the employee or "picked-up" by the employer) go into the IAP portion of OPSRP. OPERS plan members retain their existing OPERS accounts; however, member contributions after January 1, 2004 are deposited in the member's IAP, not into the member's OPERS account.

a. Tier One/Tier Two Retirement Benefit Plan (Chapter 238).

Pension Benefits

The PERS retirement allowance is payable monthly for life. It may be selected from thirteen 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 (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 benefit 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. General service employees may retire after reaching age 55. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60.

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

Death Benefits

Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

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

Disability Benefits

A member with ten 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 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 when determining the monthly benefit.

7. Pension Plan (Continued)

Benefit Changes after Retirement

Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments.

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2017 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

b. OPSRP Pension Program (Chapter 238A)

Pension Benefits.

The OPSRP Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. For general service employees benefits are calculated with the following formula: 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 OPSRP Pension Program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

Death Benefits

Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

Disability Benefits

A member who has accrued ten 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.

Benefit Changes after Retirement

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2017 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

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. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans.

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

7. Pension Plan (Continued)

Employer contribution rates during the period were based on the December 31, 2015 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2017. The District made lump sum payments to establish side accounts in 2002 and 2004, which reduces the District rates below the standard School District Pool rates. The District's contractually required contribution rate for the year ended June 30, 2018 was 11.09% of eligible payroll for Tier 1/Tier 2 members and 5.76% of eligible payroll for OPSRP members. Employer contributions for the year ended June 30, 2018 were \$7,993,460, excluding amounts to fund employer specific liabilities. \$10,943,179 was charged for the year ended June 30, 2018 as PERS benefit expenditures to be used for bond payments as they become due. In addition, \$5,737,604 in employee contributions were paid by the district for the year ended June 30, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions

At June 30, 2018, the District reported a liability of \$94,728,298 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015 rolled forward to June 30, 2017. The District's proportion of the net pension liability was based on the District's projected long-term contribution effort to the Plan with the total projected long-term contribution effort of all employers, actuarially determined. At June 30, 2017 the District's proportion was .70% which was .07% more than its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized a pension expense of \$14.56 million. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 4,581,101	
Changes in assumptions	17,267,279	
Net difference between projected and actual earnings on investments	975,924	
Changes in proportionate share	8,536,937	\$ 78,400
Differences between employer contributions and employer's proportionate share of system contributions`	190,558	5,735,255
District contributions subsequent to the measurement date	<u>6,672,683</u>	<u>-</u>
Total	<u>\$ 38,224,482</u>	<u>5,813,655</u>

District contributions subsequent to the measurement date of \$6,672,683 reported as deferred outflows of resources related to pensions will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported by the District as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in subsequent years as follows:

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

7. Pension Plan (Continued)

	Pension Expense
June 30, 2019	\$ 5,353,776
June 30, 2020	12,990,210
June 30, 2021	9,020,585
June 30, 2022	(1,833,273)
June 30, 2023	206,845

Actuarial Methods and Assumptions:

Actuarial Valuations

The employer contribution rates effective July 1, 2017, through June 30, 2019, were set using the projected unit credit 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 (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) 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 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution 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 amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

Actuarial Assumptions

The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

Valuation Date	December 31, 2015
Measurement Date	June 30, 2017
Experience Study Report	2014, published September 23, 2015
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	2.50 percent
Investment rate of return	7.50 percent
Discount rate	7.50 percent
Projected salary increases	3.50 percent

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
 NOTES TO BASIC FINANCIAL STATEMENTS
 Year Ended June 30, 2018

7. Pension Plan (Continued)

Cost of living adjustments (COLA)	Blend of 2% COLA and graded COLA (1.25%/0.15% in accordance with <i>Moro</i> decision; blend based on service.
Mortality	<p>Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation.</p> <p>Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation.</p> <p>Disabled retirees: Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 Sex-distinct, generational per Scale BB, disabled mortality Sex-distinct table.</p>

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits 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 methods and assumptions shown above are based on the 2014 Experience Study which reviewed experience for the four-year period ending on December 31, 2014.

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from 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.

Assumed Asset Allocation

Asset Class/Strategy	OIC Target
Cash	0.0
Debt Securities	20.0
Public Equity	37.5
Private Equity	17.5
Real Estate	12.5
Alternative Equity	12.5
Opportunity Portfolio	0.0
Total	100.0

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

7. Pension Plan (Continued)

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015 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. 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. For more information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means, see PERS' audited financial statements at:

http://www.oregon.gov/pers/docs/financial_reports/2017_cafr.pdf

Long-Term Expected Rate of Return (Continued)

Asset Class	Target	Compound Annual Return (Geometric)
Core Fixed Income	8.00%	4.00%
Short-Term Bonds	8.00	3.61
Bank/Leveraged Loans	3.00	5.42
High Yield Bonds	1.00	6.20
Large/Mid Cap US Equities	15.75	6.70
Small Cap US Equities	1.31	6.99
Micro Cap US Equities	1.31	7.01
Developed Foreign Equities	13.13	6.73
Emerging Foreign Equities	4.12	7.25
Non-US Small Cap Equities	1.88	7.22
Private Equity	17.50	7.97
Real Estate (Property)	10.00	5.84
Real Estate (REITS)	2.50	6.69
Hedge Fund of Funds-Diver	2.50	4.64
Hedge Fund – Event Driven	0.63	6.72
Timber	1.88	5.85
Farmland	1.88	6.37
Infrastructure	3.75	7.13
Commodities	1.88	4.58
Assumed inflation - Mean		2.50

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
 NOTES TO BASIC FINANCIAL STATEMENTS
 Year Ended June 30, 2018

7. Pension Plan (Continued)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.50 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 percentage point lower (6.50 percent) or one percentage point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension liability (asset)	\$ 161,434,316	\$ 94,728,298	\$ 38,949,714

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report. The effect of OPERS on the District's net position has been determined on the same basis used by OPERS.

Changes in Plan Provisions Effecting the Roll Forward

There are no changes in actuarial methods, allocation, and assumption since the December 31, 2015 actuarial valuation.

8. Other Post Employment Benefits

Plan Description – The substantive 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 and 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 to 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 2015 active and 114 retired members in the plan.

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

8. Other Post Employment Benefits – (Continued)

Other Post Employment Benefit Health Insurance Subsidy

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 \$15,348,952 was measured as of July 1, 2017 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs - The total OPEB liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	July 1, 2017
Measurement date	June 30, 2018, rolled forward
Actuarial cost method	Entry Age Normal, level percent of salary.
Actuarial assumptions:	
Discount rate	3.58% per year, based on all years discounted at municipal bond rate.
Inflation rate	2.50% per year
Salary increases	2.50% per year
Healthcare cost trend rates	Increase from 2.5% to 4.0% in 2017-2018 depending on plan selected by employees to an ultimate rate range of 2.5% to 4.0% beginning in 2020
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, 2018

8. Other Post Employment Benefits (Continued)

Changes in the Total OPEB Liability:

Balance at June 30, 2017	\$ 14,508,158
Service cost	671,940
Interest	513,228
Benefit payments	<u>(344,374)</u>
Balance at June 30, 2018	<u>\$ 15,348,952</u>

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ -	\$ 759,886
Experience (gain)/loss	<u>-</u>	<u>118,680</u>
Total	<u>\$ -</u>	<u>\$ 878,566</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:

	<u>Expense</u>
June 30, 2018	\$ (115,908)
June 30, 2019	(115,908)
June 30, 2020	(115,908)
June 30, 2021	(115,908)
June 30, 2022	(115,908)
Thereafter	(299,026)

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 (2.58 percent) or one percentage point higher (4.58 percent) than the current rate:

	<u>1% Decrease (2.58%)</u>	<u>Current Discount Rate (3.58%)</u>	<u>1% Increase (4.58%)</u>
Total OPEB Liability	\$ 16,767,481	\$ 15,348,952	\$ 14,141,286

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
 NOTES TO BASIC FINANCIAL STATEMENTS
 Year Ended June 30, 2018

8. Other Post Employment Benefits (Continued)

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	\$ 14,339,454	\$ 15,348,952	\$ 16,507,799

Stipend Benefit

Stipend Benefit – The District offers stipend benefits to all retired licensed employees and administrators as follows:

- Licensed Employees – At least 10 years of District Service and eligible for PERS retirement. Employee must retire prior to July 1, 2018.
- Administrators – Administrators must have been hired prior to July 1, 2015. 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. Administrator hired prior to July 1, 2005.

Stipend Benefit for Licensed Employees – Eligible licensed employees may receive a \$30,000 benefit at retirement (benefit is prorated for employees who work less than full time) that may be paid in one of the following forms:

Option 1: Retiree may use \$30,000 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 is paid in equal annual installments so that the entire balance is paid by the fourth anniversary of the employee's retirement. If the retiree dies before the account balance is paid, any remaining amount is paid as a lump sum to retiree's beneficiary.

Option 2: Retiree may receive \$30,000 as stipend payable over 4 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.

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: Same as Licensed Employee.

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.

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

8. 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 Stipend Liability – The District's total OPEB Stipend liability of \$2,133,215 was measured as of July 1, 2017 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs - The total OPEB Stipend liability in the July 1, 2017 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.

Changes in the Total OPEB Stipend Liability:

Balance at June 30, 2017	\$ 3,018,348
Service cost	43,659
Interest	89,806
Benefit payments	<u>(1,018,598)</u>
Balance at June 30, 2018	<u><u>\$ 2,133,215</u></u>

At June 30, 2018, 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>
Changes in assumptions	\$ -	\$ 34,015
Experience (gain)/loss	<u>-</u>	<u>952,688</u>
Total	<u><u>\$ -</u></u>	<u><u>\$ 986,703</u></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, 2019	\$ (115,541)
June 30, 2020	(115,541)
June 30, 2021	(115,541)
June 30, 2022	(115,541)
June 30, 2023	(115,541)
Thereafter	(408,998)

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
 NOTES TO BASIC FINANCIAL STATEMENTS
 Year Ended June 30, 2018

8. 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 (2.58 percent) or one percentage point higher (4.58 percent) than the current rate:

	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
Total OPEB Stipend Liability	\$ 2,194,214	\$ 2,133,215	\$ 2,076,526

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, 2018, 198 employees were participating in the plan. A total of \$62,780 employer paid contributions were made during the year then ended for three 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, 2018, 109 employees were participating in the plan.

9. 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. Settle 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, 2018

9. 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 \$5,851,124 reported in the fund at June 30, 2018 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, 2018 and 2017 are as follows:

	2018	2017
Estimated claims liability	\$ 5,214,666	\$ 4,724,433
Current year claims and changes in estimates	34,450,517	32,035,115
Claims payments	(33,814,059)	(31,544,882)
Estimated claim liability	<u>\$ 5,851,124</u>	<u>\$ 5,214,666</u>

10. 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.

11. Property Tax Abatements

The District's property tax revenue were reduced by \$130,143 under Enterprise Zones agreements by other municipalities within the District's boundaries.

12. Prior Period Restatements

During the year, the district reclassified the Agency Fund – Student Body Funds to the Special Revenue as recommended by Oregon Department of Education's program budgeting and accounting manual. This restatement had the following effect on the net position/fund balance of the District:

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2018

12. Prior Period Restatements (Continued)

Net position at June 30, 2017	\$ (4,488,631)
Reclassification of Agency Fund - Student Body Funds	<u>2,041,866</u>
Net position at June 30, 2017, restated	<u><u>\$ (2,446,765)</u></u>
Fund Balance at June 30, 2017 - Governmental Fund	\$ 376,763,924
Reclassification of Agency Fund - Student Body Funds	<u>2,041,866</u>
Fund Balance at June 30, 2017 - Governmental Funds, Restated	<u><u>\$ 378,805,790</u></u>

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REQUIRED
SUPPLEMENTARY INFORMATION

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
SCHEDULE OF CHANGES IN TOTAL OTHER
POST EMPLOYMENT BENEFITS AND RELATED RATIOS
June 30, 2018

OPEB Liability - Medical Benefit		
	June 30, 2018	June 30, 2017
Total OPEB Liability - Beginning	\$ 14,508,158	\$ 4,981,640
Service Cost	671,940	655,551
Interest	513,228	170,684
Changes in Benefit Terms	-	10,238,544
Changes of Assumptions or Other Input	-	(960,386)
Experience (Gain)/Loss	-	(149,996)
Benefit Payments	(344,374)	(427,879)
Net Change in Total OPEB Liability	840,794	9,526,518
Total Liability - End of Year	\$ 15,348,952	\$ 14,508,158
Covered Payroll	\$92,574,470	\$90,316,556
Total OPEB Liability as Percentage of Covered Payroll	16.58%	16.06%

Total Pension Liability - Stipend Benefit		
	June 30, 2018	June 30, 2017
Total Total Pension Liability - Beginning	\$ 3,018,348	\$ 10,248,588
Service Cost	43,659	42,594
Interest	89,806	357,313
Changes in Benefit Terms	-	(5,876,834)
Changes of Assumptions or Other Input	-	(41,983)
Experience (Gain)/Loss	-	(1,175,802)
Benefit Payments	(1,018,598)	(535,528)
Net Change in Total Pension Liability	(885,133)	(7,230,240)
Total Liability - End of Year	\$ 2,133,215	\$ 3,018,348
Covered Payroll	\$62,135,175	\$62,135,175
Total OPEB Liability as Percentage of Covered Payroll	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, 2018

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%	90.00%
June 30, 2018	0.7000%	94,728,298	91,691,433	103.31%	74.50%

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%

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, 2018

	Budget		Actual	Variance with Final budget
	Adopted	Final		
Revenues				
Revenues from Local Sources				
Property Taxes	\$ 64,355,000	\$ 64,355,000	\$ 62,880,192	\$ (1,474,808)
Penalties and Interest on Taxes	365,000	365,000	160,425	(204,575)
Earnings from Investments	250,000	250,000	393,950	143,950
Extracurricular Activities	120,000	120,000	-	(120,000)
Fees	250,000	250,000	304,371	54,371
Rentals	200,000	200,000	134,099	(65,901)
Contributions - Private	100,000	100,000	131,169	31,169
Services Provided Other Funds	1,850,000	1,850,000	1,975,888	125,888
Fees Charged to Grants	150,000	150,000	876,497	726,497
Miscellaneous Local Sources	250,000	250,000	514,345	264,345
Revenues from Intermediate Sources				
Other Intermediate Sources	2,690,500	2,690,500	3,018,728	328,228
Revenues from State Sources				
Unrestricted State Grants	102,724,876	102,724,876	106,239,211	3,514,335
Revenues from Federal Sources				
Federal Forest Fees	90,000	90,000	18,126	(71,874)
Total Revenues	173,395,376	173,395,376	176,647,001	3,251,625
Expenditures				
Instruction *	104,058,399	105,358,399	105,057,726	300,673
Support Services *	71,022,007	69,722,007	69,090,579	631,428
Enterprise and Community Services *	11,467	11,467	4,250	7,217
Contingencies *	16,727,725	16,727,725	-	16,727,725
Total Expenditures	191,819,598	191,819,598	174,152,555	17,667,043
Excess (Deficiency) of Revenues Over (Under) Expenditures	(18,424,222)	(18,424,222)	2,494,446	20,918,668
Other Financing Sources (Uses):				
Transfers In	1,025,000	1,025,000	25,000	(1,000,000)
Transfers (out) *	(2,830,556)	(2,830,556)	(2,830,556)	-
Total Other Financing Sources (Uses)	(1,805,556)	(1,805,556)	(2,805,556)	(1,000,000)
Net Change in Fund Balance	(20,229,778)	(20,229,778)	(311,110)	19,918,668
Fund Balance				
Beginning of Year	20,229,778	20,229,778	17,234,363	(2,995,415)
End of Year	\$ -	\$ -	\$ 16,923,253	\$ 16,923,253

* 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, 2018

	Budget		Actual	Variance with Final budget
	Adopted	Final		
Revenues				
Local Sources	\$ 10,406,186	\$ 10,406,186	\$ 7,737,320	\$ (2,668,866)
Intermediate Sources	40,685	40,685	30,901	(9,784)
State Sources	5,439,180	5,439,180	4,739,080	(700,100)
Federal Sources	10,241,694	10,241,694	10,094,238	(147,456)
Total Revenues	26,127,745	26,127,745	22,601,539	(3,526,206)
Expenditures				
Instruction *	11,943,929	11,943,929	9,650,212	2,293,717
Support Services *	9,762,847	9,762,847	7,824,524	1,938,323
Enterprise and Community Services *	6,783,378	6,783,378	6,659,321	124,057
Facilities Acquisition and Construction *	391,051	391,051	-	391,051
Contingencies *	2,000,000	2,000,000	-	2,000,000
Total Expenditures	30,881,205	30,881,205	24,134,057	6,747,148
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,753,460)	(4,753,460)	(1,532,518)	3,220,942
Other Financing Sources (Uses):				
Loan Receipts	2,393,850	2,393,850	2,394,649	799
Sale of Fixed Assets	5,000	5,000	26,100	21,100
Transfers In	1,614,556	1,614,556	1,614,556	-
Transfers (Out) *	(1,796,450)	(1,796,450)	(1,796,450)	-
Total Other Financing Sources (Uses)	2,216,956	2,216,956	2,238,855	-
Net Change in Fund Balance	(2,536,504)	(2,536,504)	706,337	3,242,841
Fund Balances				
Beginning of Year, as Restated	2,536,504	2,536,504	4,666,429	2,129,925
End of Year	\$ -	\$ -	\$ 5,372,766	\$ 5,372,766

* Legally adopted appropriation level

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year Ended June 30, 2018

1. Other Postemployment Benefits

The schedule of funding progress for other postemployment benefits will eventually present multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

2. Employee Retirement Pension Benefits.

Changes in Plan Provisions

A summary of key changes in plan provisions are described in the Oregon Public Employees Retirement System's GASB information found at:

<https://www.oregon.gov/pers/EMP/Pages/gasb-68.aspx>

Changes in Assumptions

A summary of key changes implemented since the December 31, 2014 valuation are described in the Oregon Public Retirement System's GASB 68 disclosure information which can be found at:

<https://www.oregon.gov/pers/EMP/Pages/gasb-68.aspx>

Additional detail and a comprehensive list of changes in methods and assumptions can be found in the 2014 Experience Study for the System, which was published on September 23, 2015, and can be found at:

https://www.oregon.gov/pers/docs/2014_experience_study_9-23-15.pdf

3. Budget

A budget is prepared and legally adopted for the General Fund and Special Revenue Fund 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, proprietary fund type and private purpose trust fund type. 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 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. Appropriations lapse at the end of each fiscal year.

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, 2018

	Budget			Variance with
	Adopted	Final	Actual	Final Budget
Revenues				
Revenues from Local Sources				
Property Taxes	\$ 30,798,045	\$ 30,798,045	\$ 31,407,142	\$ 609,097
Penalties and Interest of Taxes	100,000	100,000	80,337	(19,663)
Earnings from Investments	100,000	100,000	645,820	545,820
Services Provided Other Funds	10,879,523	10,879,523	11,195,333	315,810
Total Revenue	41,877,568	41,877,568	43,328,632	1,451,064
Expenditures				
Debt Service *				
Redemption of Principal	14,819,145	14,819,145	14,569,522	249,623
Interest	30,289,644	30,289,644	29,232,580	1,057,064
Total Expenditures	45,108,789	45,108,789	43,802,102	1,306,687
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,231,221)	(3,231,221)	(473,470)	2,757,751
Other Financing Sources (Uses)				
Transfers In	2,103,920	2,103,920	2,103,920	-
Total Other Financing Sources (Uses)	2,103,920	2,103,920	2,103,920	-
Net Change in Fund Balance	(1,127,301)	(1,127,301)	1,630,450	2,757,751
Fund Balance				
Beginning of Year	1,127,301	1,127,301	4,685,855	3,558,554
End of Year	\$ -	\$ -	\$ 6,316,305	\$ 6,316,305

* 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, 2018

	Budget			Variance with
	Adopted	Final	Actual	Final Budget
Revenues				
Revenues from Local Sources				
Earnings from Investments	\$ 500,000	\$ 500,000	\$ 2,615,882	\$ 2,115,882
Miscellaneous Local Sources	165,000	165,000	3,936,567	3,771,567
Construction Excise Tax	1,800,000	1,800,000	690,927	(1,109,073)
Total Revenue	2,465,000	2,465,000	7,243,376	4,778,376
Expenditures				
Support Services *	450,000	450,000	303,748	146,252
Facilities Acquisition and Construction *	289,109,817	289,109,817	82,119,850	206,989,967
Total Expenditures	289,559,817	289,559,817	82,423,598	207,136,219
Excess (Deficiency) of Revenues Over (Under) Expenditures	(287,094,817)	(287,094,817)	(75,180,222)	211,914,595
Other Financing Sources (Uses)				
Transfers In	196,000	196,000	196,000	-
Transfers (Out) *	(1,307,470)	(1,307,470)	(307,470)	1,000,000
Total Other Sources (Uses)	(1,111,470)	(1,111,470)	(111,470)	1,000,000
Special Items				
Proceeds from Sale of Land and School	-	-	2,003,772	2,003,772
Net Change in Fund Balance	(288,206,287)	(288,206,287)	(73,287,920)	214,918,367
Fund Balance				
Beginning of Year	288,206,287	288,206,287	352,219,143	64,012,856
End of Year	\$ -	\$ -	\$ 278,931,223	\$ 278,931,223

* 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, 2018

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
Revenues				
Revenues from Local Sources				
Tuition	\$ 12,000	\$ 12,000	\$ -	\$ (12,000)
Child Care	1,300,000	1,300,000	1,329,818	29,818
Rental	350,000	350,000	363,770	13,770
Total Revenues	<u>1,662,000</u>	<u>1,662,000</u>	<u>1,693,588</u>	<u>31,588</u>
Expenditures				
Enterprise and Community Services *	1,734,042	1,734,042	1,599,552	134,490
Contingencies *	<u>487,749</u>	<u>487,749</u>	<u>-</u>	<u>487,749</u>
Total Expenditures	<u>2,221,791</u>	<u>2,221,791</u>	<u>1,599,552</u>	<u>622,239</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(559,791)	(559,791)	94,036	653,827
Other Financing Sources (Uses) Transfers (Out) *	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
Net Change in Fund Balance	(584,791)	(584,791)	69,036	653,827
Fund Balance				
Beginning of the Year	<u>584,791</u>	<u>584,791</u>	<u>611,821</u>	<u>27,030</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 680,857</u>	<u>\$ 680,857</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, 2018

	Budget			Variance with
	Adopted	Final	Actual	Final Budget
Revenues				
Recovery Stop Loss	\$ 150,000	\$ 150,000	\$ -	\$ (150,000)
RX America Refund	150,000	150,000	120,327	(29,673)
Service Provided Other Fund	32,759,283	32,759,283	31,177,564	(1,581,719)
Earnings from Investments	82,500	82,500	132,022	49,522
Miscellaneous	77,205	77,205	104,065	26,860
Total Revenues	33,218,988	33,218,988	31,533,978	(1,685,010)
Expenditures				
Support Services - Self Insured Losses *	42,654,058	42,654,058	34,450,517	8,203,541
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,435,070)	(9,435,070)	(2,916,539)	6,518,531
Other Financing Sources (Uses)				
Transfers In	1,020,000	1,020,000	1,020,000	-
Net Change in Fund Balance	(8,415,070)	(8,415,070)	(1,896,539)	6,518,531
Fund Balance				
Beginning of Year	8,415,070	8,415,070	7,636,813	(778,257)
End of Year	\$ -	\$ -	\$ 5,740,274	\$ 5,740,274

* 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, 2018

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
Revenues				
State and Local Sources	\$ 9,324,650	\$ 9,324,650	\$ 7,896,203	\$ (1,428,447)
Earnings from Investments	650	650	3,413	2,763
Total Revenues	9,325,300	9,325,300	7,899,616	(1,425,684)
Expenditures				
Instruction *	8,107,523	8,107,523	6,723,377	1,384,146
Support Services *	1,178,737	1,178,737	1,171,454	7,283
Community Services *	201,000	201,000	6,167	194,833
Total Expenditures	9,487,260	9,487,260	7,900,998	1,586,262
Excess (Deficiency) of Revenues Over (Under) Expenditures	(161,960)	(161,960)	(1,382)	160,578
Fund Balance				
Beginning of Year	200,460	200,460	93,528	(106,932)
End of Year	\$ 38,500	\$ 38,500	\$ 92,146	\$ 53,646

* Legally adopted appropriation level

OTHER FINANCIAL SCHEDULES

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
SCHEDULE OF PROPERTY TAX TRANSACTIONS
YEAR ENDED JUNE 30, 2018

GENERAL FUND

Tax Roll Year	Beginning Balance and 2017-2018 Levy	Discounts Allowed	Net Adjustments	Interest	Collections	Balance June 30, 2018
2017-2018	\$ 65,159,777	\$ 1,698,328	\$ (122,161)	\$ 21,280	\$ 62,042,059	\$ 1,297,229
2016-2017	1,185,437	(766)	(55,471)	41,583	471,501	659,231
2015-2016	687,701	(115)	(20,343)	37,787	168,422	499,051
2014-2015	481,069	(36)	(11,877)	42,085	119,652	349,576
2013-2014	304,081	5	(2,408)	20,901	53,707	247,961
and prior	852,523	30	(5,116)	13,576	18,548	828,829
	<u>\$ 68,670,588</u>	<u>\$ 1,697,446</u>	<u>\$ (217,376)</u>	<u>\$ 177,212</u>	<u>62,873,889</u>	<u>\$ 3,881,877</u>
Miscellaneous adjustments and transfers					6,303	
Revenue turned over to the General Fund					<u>\$ 62,880,192</u>	

DEBT SERVICE FUND

Tax Roll Year	Beginning Balance and 2017-2018 Levy	Discounts Allowed	Net Adjustments	Interest	Collections	Balance June 30, 2018
2017-2018	\$ 32,551,406	\$ 848,421	\$ (61,027)	\$ 10,631	\$ 30,993,910	\$ 648,048
2016-2017	596,475	(385)	(27,911)	20,923	237,245	331,704
2015-2016	343,910	(58)	(10,173)	18,897	84,225	249,570
2014-2015	199,724	(15)	(4,932)	17,472	49,675	145,132
2013-2014	148,773	3	(1,178)	10,226	26,276	121,316
and prior	421,375	15	(2,529)	6,710	9,168	409,663
	<u>\$ 34,261,663</u>	<u>\$ 847,981</u>	<u>\$ (107,750)</u>	<u>\$ 84,859</u>	<u>31,400,499</u>	<u>\$ 1,905,433</u>
Miscellaneous adjustments and transfers					6,643	
Revenue turned over to the Debt Service Fund					<u>\$ 31,407,142</u>	

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
 SUPPLEMENTAL INFORMATION AS REQUIRED
 BY THE OREGON DEPARTMENT OF EDUCATION
 Year Ended June 30, 2018

A. Energy bill for Heating - **All Funds:**

Please enter your expenditures for electricity
 & heating fuel for these Functions & Objects.

	Objects 325 & 326
Function 2540	\$ 1,913,912
Function 2550	18,298

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

Include all General Fund expenditures in object 542, except for the following exclusions:

Exclude these functions:

\$	-
----	---

1113,1122 &1132	Co-curricular Activities	2550	Pupil Transportation
1140	Pre-Kindergarten	3100	Food Service
1300	Continuing Education	3300	Community Services
1400	Summer School	4150	Construction

**2017 - 18 DISTRICT AUDIT REVENUE SUMMARY
NORTH CLACKAMAS SCHOOL DISTRICT**

Revenue from Local Sources		Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
1110	Ad Valorem Taxes Levied by District	\$ 62,880,192	\$ -	\$ 31,407,141	\$ -	\$ -	\$ -	\$ -
1130	Construction Excise Tax	\$ -	\$ -	\$ -	\$ 690,927	\$ -	\$ -	\$ -
1190	Penalties & Interest Tax	\$ 160,425	\$ -	\$ 80,337	\$ -	\$ -	\$ -	\$ -
1311	Tuition From Individuals	\$ -	\$ 9,095	\$ -	\$ -	\$ -	\$ -	\$ -
1500	Earnings on Investments	\$ 393,949	\$ 9,470	\$ 645,820	\$ 2,615,882	\$ -	\$ 132,023	\$ 3,413
1600	Food Service	\$ -	\$ 2,357,395	\$ -	\$ -	\$ -	\$ -	\$ -
1700	Cocurricular Activities	\$ 304,371	\$ 4,170,453	\$ -	\$ -	\$ -	\$ -	\$ -
1800	Community Services Activities	\$ -	\$ -	\$ -	\$ -	\$ 1,329,818	\$ -	\$ -
1910	Rentals	\$ 134,099	\$ -	\$ -	\$ -	\$ 363,770	\$ -	\$ -
1920	Contributions & Donations from Private Sources	\$ 131,169	\$ 30,666	\$ -	\$ -	\$ -	\$ -	\$ 10,070
1960	Recovery of Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,326	\$ -
1970	Services Provided by Other Funds	\$ 1,975,888	\$ -	\$ 11,195,333	\$ -	\$ -	\$ 31,177,564	\$ -
1980	Fees Charged to Grants	\$ 876,497	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1990	Miscellaneous	\$ 514,346	\$ 1,160,240	\$ -	\$ 3,936,567	\$ -	\$ 104,065	\$ (38,500)
Total Revenue from Local Sources		\$ 67,370,936	\$ 7,737,319	\$ 43,328,631	\$ 7,243,376	\$ 1,693,588	\$ 31,533,978	\$ (25,017)
Revenue from Intermediate Sources		Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
2101	County School Funds							
2102	General ESD Revenue	\$ 1,565,500						
2199	Other Intermediate Sources	\$ 1,453,228						
2200	Restricted Revenue		\$ 30,902					
Total Revenue from Intermediate Sources		\$ 3,018,728	\$ 30,902	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue from State Sources		Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
3101	State School Fund - General Support	\$ 103,538,723	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,924,633
3102	State School Fund - School Lunch Match	\$ -	\$ 52,940	\$ -	\$ -	\$ -	\$ -	\$ -
3103	Common School Fund	\$ 1,658,197	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3199	Other Unrestricted Grants-in-Aid	\$ 1,042,291	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3222	SSF Transportation Equip	\$ -	\$ 1,215,000	\$ -	\$ -	\$ -	\$ -	\$ -
3299	Other Unrestricted Grants	\$ -	\$ 3,471,140	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue from State Sources		\$ 106,239,211	\$ 4,739,080	\$ -	\$ -	\$ -	\$ -	\$ 7,924,633
Revenue from Federal Sources		Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
4300	Restricted Revenue Direct From the Federal Government	\$ -						
4500	Restricted Revenue From the Federal Government	\$ -	\$ 9,710,174					
4801	Federal Forest Fees	\$ 18,126						
4900	Revenue for/on Behalf of the District	\$ -	\$ 384,064					
Total Revenue from Federal Sources		\$ 18,126	\$ 10,094,238	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue from Other Sources		Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
5100	Long Term Debt Financing Sources	\$ -	\$ 2,394,649	\$ 2,103,920	\$ -	\$ -	\$ -	\$ -
5200	Interfund Transfers	\$ 25,000	\$ 1,614,556	\$ -	\$ 196,000	\$ -	\$ 1,020,000	\$ -
5300	Sale of or Compensation for Loss of Fixed Assets	\$ -	\$ 26,100	\$ -	\$ 2,003,772	\$ -	\$ -	\$ -
5400	Resources - Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue from Other Sources		\$ 25,000	\$ 4,035,305	\$ 2,103,920	\$ 2,199,772	\$ -	\$ 1,020,000	\$ -
Grand Totals		\$ 176,672,001	\$ 26,636,844	\$ 45,432,551	\$ 9,443,148	\$ 1,693,588	\$ 32,553,978	\$ 7,899,616

**2017 - 18 DISTRICT AUDIT EXPENDITURE SUMMARY
NORTH CLACKAMAS SCHOOL DISTRICT**

Fund: 100 General Fund

Instruction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Elementary, K-5 or K-6	\$ 33,986,019	\$ 21,337,572	\$ 12,221,068	\$ 215,842	\$ 211,277	\$ -	\$ 260	\$ -
1121 Middle/Junior High Programs	\$ 15,693,965	\$ 9,643,229	\$ 5,509,606	\$ 12,823	\$ 528,307	\$ -	\$ -	\$ -
1122 Middle/Junior High School Extracurricular	\$ 197,220	\$ 140,150	\$ 49,431	\$ 304	\$ 7,335	\$ -	\$ -	\$ -
1131 High School Programs	\$ 21,745,531	\$ 13,559,304	\$ 7,652,551	\$ 189,841	\$ 306,326	\$ -	\$ 37,509	\$ -
1132 High School Extracurricular	\$ 2,007,997	\$ 1,244,993	\$ 429,123	\$ 188,411	\$ 106,925	\$ -	\$ 38,545	\$ -
1140 Pre-Kindergarten Programs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1210 Programs for the Talented and Gifted	\$ 29,494	\$ 20,293	\$ 4,777	\$ 817	\$ 3,607	\$ -	\$ -	\$ -
1220 Restrictive Programs for Students with Disabilities	\$ 9,387,730	\$ 4,236,488	\$ 2,647,681	\$ 2,457,875	\$ 45,686	\$ -	\$ -	\$ -
1250 Less Restrictive Programs for Students with Disabilities	\$ 7,394,219	\$ 4,664,038	\$ 2,662,897	\$ 30,841	\$ 36,443	\$ -	\$ -	\$ -
1260 Treatment and Habilitation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1271 Remediation	\$ 230,452	\$ 151,356	\$ 79,096	\$ -	\$ -	\$ -	\$ -	\$ -
1272 Title I	\$ 3,318	\$ -	\$ 3,318	\$ -	\$ -	\$ -	\$ -	\$ -
1280 Alternative Education	\$ 9,487,763	\$ 15,288	\$ 6,128	\$ 9,456,284	\$ 9,766	\$ -	\$ 297	\$ -
1291 English Second Language Programs	\$ 4,686,606	\$ 2,976,564	\$ 1,661,062	\$ 12,395	\$ 36,585	\$ -	\$ -	\$ -
1292 Teen Parent Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1293 Migrant Education	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1294 Youth Corrections Education	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1299 Other Programs	\$ 11,939	\$ 9,570	\$ 2,179	\$ 190	\$ -	\$ -	\$ -	\$ -
1300 Adult/Continuing Education Programs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1400 Summer School Programs	\$ 195,471	\$ 146,288	\$ 47,690	\$ -	\$ 1,493	\$ -	\$ -	\$ -
Total Instruction Expenditures	\$ 105,057,724	\$ 58,145,133	\$ 32,976,607	\$ 12,565,623	\$ 1,293,750	\$ -	\$ 76,611	\$ -

Support Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	\$ 1,505,153	\$ 703,757	\$ 483,202	\$ 286,593	\$ 30,627	\$ -	\$ 974	\$ -
2120 Guidance Services	\$ 4,123,893	\$ 2,662,667	\$ 1,436,195	\$ 15,261	\$ 8,516	\$ -	\$ 1,254	\$ -
2130 Health Services	\$ 799,311	\$ 545,213	\$ 242,016	\$ 6,137	\$ 5,945	\$ -	\$ -	\$ -
2140 Psychological Services	\$ 654,281	\$ 466,146	\$ 169,335	\$ 192	\$ 18,608	\$ -	\$ -	\$ -
2150 Speech Pathology and Audiology Services	\$ 1,980,495	\$ 1,195,194	\$ 753,642	\$ 12,333	\$ 15,501	\$ -	\$ 3,825	\$ -
2160 Other Student Treatment Services	\$ 670,759	\$ 361,942	\$ 212,136	\$ 91,870	\$ 4,811	\$ -	\$ -	\$ -
2190 Service Direction, Student Support Services	\$ 1,964,678	\$ 1,285,190	\$ 671,618	\$ 3,226	\$ 4,644	\$ -	\$ -	\$ -
2210 Improvement of Instruction Services	\$ 3,715,694	\$ 1,609,908	\$ 784,151	\$ 28,054	\$ 1,293,067	\$ -	\$ 514	\$ -
2220 Educational Media Services	\$ 1,669,300	\$ 878,818	\$ 670,505	\$ 1,035	\$ 118,942	\$ -	\$ -	\$ -
2230 Assessment & Testing	\$ 430,190	\$ 179,942	\$ 87,734	\$ 2,787	\$ 159,727	\$ -	\$ -	\$ -
2240 Instructional Staff Development	\$ 2,373,578	\$ 1,005,457	\$ 925,752	\$ 367,098	\$ 71,629	\$ -	\$ 3,641	\$ -
2310 Board of Education Services	\$ 310,220	\$ -	\$ -	\$ 279,730	\$ 8,173	\$ -	\$ 22,317	\$ -
2320 Executive Administration Services	\$ 1,620,410	\$ 930,969	\$ 444,948	\$ 168,297	\$ 73,785	\$ -	\$ 2,411	\$ -
2410 Office of the Principal Services	\$ 11,983,229	\$ 7,359,723	\$ 4,352,799	\$ 22,547	\$ 247,260	\$ -	\$ 900	\$ -
2490 Other Support Services - School Administration	\$ 130,034	\$ 81,154	\$ 20,797	\$ 27,758	\$ -	\$ -	\$ 325	\$ -
2510 Direction of Business Support Services	\$ 50,746	\$ 34,233	\$ 16,508	\$ -	\$ -	\$ -	\$ 5	\$ -
2520 Fiscal Services	\$ 1,796,878	\$ 930,873	\$ 648,634	\$ 95,164	\$ 60,292	\$ -	\$ 61,915	\$ -
2540 Operation and Maintenance of Plant Services	\$ 13,707,860	\$ 4,537,348	\$ 2,944,525	\$ 4,828,520	\$ 968,610	\$ 50,195	\$ 378,662	\$ -
2550 Student Transportation Services	\$ 11,949,788	\$ 5,351,594	\$ 3,874,868	\$ 822,449	\$ 1,279,487	\$ -	\$ 621,390	\$ -
2570 Internal Services	\$ 1,094,690	\$ 285,119	\$ 180,213	\$ 622,793	\$ 6,565	\$ -	\$ -	\$ -
2610 Direction of Central Support Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$ 295	\$ -	\$ -	\$ -	\$ 295	\$ -	\$ -	\$ -
2630 Information Services	\$ 910,129	\$ 477,415	\$ 311,919	\$ 92,060	\$ 12,377	\$ -	\$ 16,358	\$ -
2640 Staff Services	\$ 1,541,995	\$ 858,898	\$ 449,190	\$ 185,401	\$ 48,214	\$ -	\$ 292	\$ -
2660 Technology Services	\$ 3,341,609	\$ 1,223,799	\$ 724,028	\$ 677,749	\$ 716,033	\$ -	\$ -	\$ -
2670 Records Management Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2690 Other Support Services - Central	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2700 Supplemental Retirement Program	\$ 765,366	\$ 441,790	\$ 323,576	\$ -	\$ -	\$ -	\$ -	\$ -
Total Support Services Expenditures	\$ 69,090,581	\$ 33,407,149	\$ 20,728,291	\$ 8,637,054	\$ 5,153,108	\$ 50,195	\$ 1,114,783	\$ -

Community Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	\$ 2,698	\$ -	\$ 2,698	\$ -	\$ -	\$ -	\$ -	\$ -
3200 Other Enterprise Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3300 Community Services	\$ 658	\$ 102	\$ 263	\$ -	\$ 293	\$ -	\$ -	\$ -
3500 Custody and Care of Children Services	\$ 894	\$ -	\$ 894	\$ -	\$ -	\$ -	\$ -	\$ -
Total Community Services Expenditures	\$ 4,250	\$ 102	\$ 3,855	\$ -	\$ 293	\$ -	\$ -	\$ -

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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4180 Other Capital Items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4190 Other Facilities Construction Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Total Facilities Acquisition and Construction Expenditures

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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Other Expenditure Description

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5200 Transfers of Funds	\$ 2,830,556	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,830,556
5300 Apportionment of Funds by ESD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5400 PERS UAL Bond Lump Sum	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Uses Expenditures	\$ 2,830,556	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,830,556

Grand Total

\$ 176,983,111	\$ 91,552,384	\$ 53,708,753	\$ 21,202,677	\$ 6,447,151	\$ 50,195	\$ 1,191,394	\$ 2,830,556
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**2017 - 18 DISTRICT AUDIT EXPENDITURE SUMMARY
NORTH CLACKAMAS SCHOOL DISTRICT**

Fund: 200 Special Revenue Funds

Instruction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Elementary, K-5 or K-6	\$ 38,654	\$ -	\$ -	\$ 25,291	\$ 13,363	\$ -	\$ -	\$ -
1113 Elementary Extracurricular	\$ 477,952	\$ -	\$ -	\$ -	\$ 477,952	\$ -	\$ -	\$ -
1121 Middle/Junior High Programs	\$ 261,567	\$ 17,335	\$ 5,432	\$ 238,472	\$ 328	\$ -	\$ -	\$ -
1122 Middle/Junior High School Extracurricular	\$ 624,014	\$ -	\$ -	\$ -	\$ 624,014	\$ -	\$ -	\$ -
1131 High School Programs	\$ 1,635,243	\$ 650,885	\$ 366,767	\$ 142,917	\$ 456,490	\$ -	\$ 18,184	\$ -
1132 High School Extracurricular	\$ 3,253,654	\$ -	\$ -	\$ -	\$ 3,253,654	\$ -	\$ -	\$ -
1140 Pre-Kindergarten Programs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1210 Programs for the Talented and Gifted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1220 Restrictive Programs for Students with Disabilities	\$ 211,324	\$ 105,777	\$ 99,575	\$ 2,985	\$ 2,987	\$ -	\$ -	\$ -
1250 Less Restrictive Programs for Students with Disabilities	\$ 1,270,835	\$ 736,421	\$ 534,414	\$ -	\$ -	\$ -	\$ -	\$ -
1260 Treatment and Habilitation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1271 Remediation	\$ 405,814	\$ 39,935	\$ 11,817	\$ 341,857	\$ 12,205	\$ -	\$ -	\$ -
1272 Title I	\$ 1,399,665	\$ 736,501	\$ 519,406	\$ 73,213	\$ 70,480	\$ -	\$ 65	\$ -
1280 Alternative Education	\$ 39,033	\$ 15,523	\$ 1,187	\$ 21,378	\$ 945	\$ -	\$ -	\$ -
1291 English Second Language Programs	\$ 473	\$ -	\$ -	\$ -	\$ 473	\$ -	\$ -	\$ -
1292 Teen Parent Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1293 Migrant Education	\$ 7,759	\$ 5,649	\$ 1,924	\$ -	\$ 186	\$ -	\$ -	\$ -
1294 Youth Corrections Education	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1299 Other Programs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1300 Adult/Continuing Education Programs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1400 Summer School Programs	\$ 24,225	\$ 16,367	\$ 4,727	\$ 2,754	\$ 377	\$ -	\$ -	\$ -
Total Instruction Expenditures	\$ 9,650,212	\$ 2,324,393	\$ 1,545,249	\$ 848,867	\$ 4,913,454	\$ -	\$ 18,249	\$ -
Support Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	\$ 147,792	\$ 56,883	\$ 41,415	\$ 37,789	\$ 11,540	\$ -	\$ 165	\$ -
2120 Guidance Services	\$ 11,644	\$ -	\$ -	\$ 1,681	\$ 9,963	\$ -	\$ -	\$ -
2130 Health Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2140 Psychological Services	\$ 529,946	\$ 338,524	\$ 191,422	\$ -	\$ -	\$ -	\$ -	\$ -
2150 Speech Pathology and Audiology Services	\$ 346,531	\$ 219,809	\$ 126,722	\$ -	\$ -	\$ -	\$ -	\$ -
2160 Other Student Treatment Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2190 Service Direction, Student Support Services	\$ 281,574	\$ 170,366	\$ 111,208	\$ -	\$ -	\$ -	\$ -	\$ -
2210 Improvement of Instruction Services	\$ 211,907	\$ 125,446	\$ 78,580	\$ 207	\$ 7,674	\$ -	\$ -	\$ -
2220 Educational Media Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2230 Assessment & Testing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2240 Instructional Staff Development	\$ 2,842,337	\$ 1,595,930	\$ 727,536	\$ 344,134	\$ 167,670	\$ -	\$ 7,067	\$ -
2310 Board of Education Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2320 Executive Administration Services	\$ 206,312	\$ 101,075	\$ 37,448	\$ 893	\$ 1,636	\$ -	\$ 65,260	\$ -
2410 Office of the Principal Services	\$ 123,274	\$ 21,209	\$ 6,075	\$ 19,691	\$ 76,299	\$ -	\$ -	\$ -
2490 Other Support Services - School Administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2510 Direction of Business Support Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2520 Fiscal Services	\$ 219,682	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 219,682	\$ -
2540 Operation and Maintenance of Plant Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2550 Student Transportation Services	\$ 2,394,649	\$ -	\$ -	\$ -	\$ -	\$ 2,394,649	\$ -	\$ -
2570 Internal Services	\$ 160,774	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 160,774	\$ -
2610 Direction of Central Support Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2630 Information Services	\$ 3,033	\$ -	\$ -	\$ -	\$ 3,033	\$ -	\$ -	\$ -
2640 Staff Services	\$ 12,618	\$ -	\$ -	\$ 6,992	\$ 5,626	\$ -	\$ -	\$ -
2660 Technology Services	\$ 332,451	\$ 129,733	\$ 62,939	\$ 44,572	\$ 95,207	\$ -	\$ -	\$ -
2670 Records Management Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2690 Other Support Services - Central	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2700 Supplemental Retirement Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Support Services Expenditures	\$ 7,824,524	\$ 2,758,975	\$ 1,383,345	\$ 455,959	\$ 378,648	\$ 2,394,649	\$ 452,948	\$ -
Enterprise and Community Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	\$ 6,480,852	\$ 1,564,833	\$ 1,327,989	\$ 3,091,117	\$ 483,412	\$ -	\$ 13,501	\$ -
3200 Other Enterprise Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3300 Community Services	\$ 155,689	\$ 7,686	\$ 2,128	\$ 52,506	\$ 24,784	\$ -	\$ 68,585	\$ -
3500 Custody and Care of Children Services	\$ 22,780	\$ 8,629	\$ 5,973	\$ 3,122	\$ 5,056	\$ -	\$ -	\$ -
Total Enterprise and Community Services Expenditures	\$ 6,659,321	\$ 1,581,148	\$ 1,336,090	\$ 3,146,745	\$ 513,252	\$ -	\$ 82,086	\$ -
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	\$ 1,796,450	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,796,450
5300 Apportionment of Funds by ESD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5400 PERS UAL Bond Lump Sum	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Uses Expenditures	\$ 1,796,450	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,796,450
Grand Total	\$ 25,930,507	\$ 6,664,516	\$ 4,264,684	\$ 4,451,571	\$ 5,805,354	\$ 2,394,649	\$ 553,283	\$ 1,796,450

**2017 - 18 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	\$ 43,802,102	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,802,102	\$ -
5200 Transfers of Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5300 Apportionment of Funds by ESD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5400 PERS UAL Bond Lump Sum	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Uses Expenditures	\$ 43,802,102	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,802,102	\$ -
Grand Total	\$ 43,802,102	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,802,102	\$ -

**2017 - 18 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	\$ 301,162	\$ -	\$ -	\$ 231,456	\$ 69,706	\$ -	\$ -	\$ -
2540 Operation and Maintenance of Plant Services	\$ 2,586	\$ -	\$ -	\$ 2,586	\$ -	\$ -	\$ -	\$ -
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	\$ 303,748	\$ -	\$ -	\$ 234,042	\$ 69,706	\$ -	\$ -	\$ -
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	\$ 4,341,022	\$ 40	\$ 13	\$ -	\$ -	\$ 4,340,969	\$ -	\$ -
4120 Site Acquisition and Development Services	\$ 25,627,691	\$ -	\$ -	\$ -	\$ -	\$ 25,627,691	\$ -	\$ -
4150 Building Acquisition, Construction, and Improvement Services	\$ 52,151,137	\$ -	\$ -	\$ 3,118	\$ -	\$ 52,148,019	\$ -	\$ -
4180 Other Capital Items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4190 Other Facilities Construction Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Facilities Acquisition and Construction Expenditures	\$ 82,119,850	\$ 40	\$ 13	\$ 3,118	\$ -	\$ 82,116,679	\$ -	\$ -
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	\$ 307,470	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 307,470
5300 Apportionment of Funds by ESD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5400 PERS UAL Bond Lump Sum	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Uses Expenditures	\$ 307,470	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 307,470
Grand Total	\$ 82,731,068	\$ 40	\$ 13	\$ 237,160	\$ 69,706	\$ 82,116,679	\$ -	\$ 307,470

**2017 - 18 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	\$ 460,805	\$ 253,012	\$ 148,682	\$ 2,467	\$ 9,085	\$ -	\$ 47,559	
3500 Custody and Care of Children Services	\$ 1,138,747	\$ 609,938	\$ 380,317	\$ 29,702	\$ 79,822		\$ 38,968	

Total Enterprise and Community Services Expenditures

\$ 1,599,552 \$ 862,950 \$ 528,999 \$ 32,169 \$ 88,907 \$ - \$ 86,527 \$ -

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	\$ 25,000	\$ -	\$ -	\$ -	\$ -			\$ 25,000
5300 Apportionment of Funds by ESD	\$ -	\$ -						
5400 PERS UAL Bond Lump Sum	\$ -	\$ -						

Total Other Uses Expenditures

\$ 25,000 \$ - \$ - \$ - \$ - \$ - \$ - \$ 25,000

Grand Total

\$ 1,624,552 \$ 862,950 \$ 528,999 \$ 32,169 \$ 88,907 \$ - \$ 86,527 \$ 25,000

**2017 - 18 DISTRICT AUDIT EXPENDITURE SUMMARY
NORTH CLACKAMAS SCHOOL DISTRICT**

Fund: 600 Internal 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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$0

Support Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	\$ -							
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	\$ 34,450,517	\$ 314,384	\$ 3,189,884	\$ 29,257,691	\$ 8,613		\$ 1,679,945	
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	\$ 34,450,517	\$ 314,384	\$ 3,189,884	\$ 29,257,691	\$ 8,613	\$ -	\$ 1,679,945	\$0

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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$0

Facilities Acquisition and Construction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
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

\$ 34,450,517	\$ 314,384	\$ 3,189,884	\$ 29,257,691	\$ 8,613	\$ -	\$ 1,679,945	\$ -
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**2017 - 18 DISTRICT AUDIT EXPENDITURE SUMMARY
NORTH CLACKAMAS SCHOOL DISTRICT**

Fund: 700 Trust and Agency 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	\$ (70)	\$ -	\$ (70)	\$ -				
1113 Elementary Extracurricular								
1121 Middle/Junior High Programs								\$ -
1122 Middle/Junior High School Extracurricular								\$ -
1131 High School Programs	\$ 2,743,947	\$ 1,756,591	\$ 978,056	\$ 9,300			\$ -	\$ -
1132 High School Extracurricular	\$ 5,926	\$ 4,539	\$ 1,387					\$ -
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	\$ 3,973,574	\$ 147,046	\$ 85,042	\$ 1,810,598			\$ 1,930,888	\$ -
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	\$ 6,723,377	\$ 1,908,176	\$ 1,064,415	\$ 1,819,898	\$ -	\$ -	\$ 1,930,888	\$ -

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	\$ 440,270	\$ 280,001	\$ 160,269					\$ -
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	\$ 731,184	\$ 467,929	\$ 263,162		\$ 93	\$ -	\$ -	\$ -
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	\$ 1,171,454	\$ 747,930	\$ 423,431	\$ -	\$ 93	\$ -	\$ -	\$ -

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	\$ 6,167			\$ 6,167				
3500 Custody and Care of Children Services								

Total Enterprise and Community Services Expenditures \$ 6,167 \$ - \$ - \$ 6,167 \$ - \$ - \$ - \$ -

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

\$ 7,900,998	\$ 2,656,106	\$ 1,487,846	\$ 1,826,065	\$ 93	\$ -	\$ 1,930,888	\$ -
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STATISTICAL SECTION

NORTH CLACKAMAS SCHOOL DISTRICT 12

NET POSITION BY COMPONENT

Last Ten Fiscal Years

(accrual basis of accounting)

Government-Wide Activities:

	<u>2017-18</u>	<u>2016-17 (4)</u>	<u>2015-16 (3)</u>	<u>2014-15 (2)</u>
Governmental Activities:				
Net investment in capital assets	\$ 107,588,556	\$ 77,648,768	\$ 62,543,176	\$ 51,288,143
Restricted	11,689,071	7,310,418	8,320,737	8,634,146
Unrestricted	<u>(135,253,106)</u>	<u>(89,447,817)</u>	<u>(59,616,903)</u>	<u>(35,441,604)</u>
	(15,975,479)	(4,488,631)	11,247,010	24,480,685
Business-Type Activities:				
Unrestricted	<u>680,857</u>	<u>611,821</u>	<u>-</u>	<u>-</u>
Net Position/Net Assets (1)	(1) <u>\$ (15,294,622)</u>	<u>\$ (3,876,810)</u>	<u>\$ 11,247,010</u>	<u>\$ 24,480,685</u>

(1) The District Implemented GASB 65 beginning in FY 2012-13. As a result, Net Assets is presented for years prior to 2013, and Net Position is presented for 2013 and subsequent years.

(2) as restated for GASB 68

(3) as restated for GASB 75

(4) 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.

2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
\$ 81,726,027	\$ 76,044,983	\$ 93,717,904	\$ 85,124,788	\$ 71,396,172	\$ 67,381,808
12,650,009	13,639,570	15,346,184	12,202,757	1,054,501	2,136,818
(14,795,128)	(24,485,940)	(42,569,534)	(45,826,740)	(27,440,851)	(22,950,639)
79,580,908	65,198,613	66,494,554	51,500,805	45,009,822	46,567,987
-	-	-	-	-	-
<u>\$ 79,580,908</u>	<u>\$ 65,198,613</u>	<u>\$ 66,494,554</u>	<u>\$ 51,500,805</u>	<u>\$ 45,009,822</u>	<u>\$ 46,567,987</u>

NORTH CLACKAMAS SCHOOL DISTRICT 12

CHANGES IN NET POSITION

Last Ten Fiscal Years

(accrual basis of accounting)

Government-wide Activities:

Expenses :

	2017-18	2016-17 (2)	2015-16	2014-15
Governmental Activities:				
Instruction	\$ 127,294,344	\$ 115,762,194	\$ 120,334,860	\$ 88,536,583
Support Services	82,167,282	81,342,891	80,168,806	60,239,218
Community services	7,302,319	6,818,190	8,934,749	6,979,575
Facilities acquisition	5,512,468	1,194,324	-	-
Interest on Long-Term Debt	33,514,358	23,052,479	17,857,584	16,980,221
Total Governmental Activities	255,790,771	228,170,078	227,295,999	172,735,597

Business-Type Activities:

Community services	1,599,552	1,679,237	-	-
Total Expenses	257,390,323	229,849,315	227,295,999	172,735,597

Program Revenues:

Governmental Activities:

Charges for Services:				
Instruction	9,095	-	41,770	35,000
Support services	4,478,824	528,128	416,146	637,252
Community services	2,357,395	2,294,005	3,753,467	3,726,095
Operating Grants and Contributions:				
Instruction	4,583,690	4,475,865	5,004,032	8,655,613
Support services	2,570,005	7,163,361	2,599,750	922,356
Community services	3,847,419	4,359,542	3,873,075	3,573,367
Capital Grants and Contributions:				
Facilities Acquisitions	3,036,326	-	-	-
Total Governmental Activities	20,882,754	18,820,901	15,688,240	17,549,683

Business-Type Activities:

Community services	1,329,818	1,289,432	-	-
Total Program Revenues	22,212,572	20,110,333	31,376,480	35,099,366

Net Expenses

(235,177,751)	(209,738,982)	(195,919,519)	(137,636,231)
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General Revenues:

Property taxes levied for general purposes	95,094,337	90,933,080	86,403,267	76,912,439
State and local revenue	118,976,449	105,379,013	108,840,908	104,258,957
Grants and contributions not restricted				
to specific programs	18,127	32,899	97,719	85,319
Earnings on investments	3,787,674	1,722,729	447,228	357,362
Miscellaneous	1,443,029	2,266,372	2,584,962	2,382,982
Transfers	25,000	25,000	-	-
Gain on Sale of Land & Building	2,034,747	-	-	-
Total governmental activities program revenues	221,379,363	200,359,093	198,374,084	183,997,059

Business-Type Activities:

Charges for services	363,770	328,654	-	-
Transfers	(25,000)	(25,000)	-	-
Total business-type activities program revenues	338,770	303,654	-	-

Total government-wide program revenues

221,718,133	200,662,747	198,374,084	183,997,059
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Change in Net Position/Net Assets (1)

\$ (13,459,618)	\$ (9,076,235)	\$ 2,454,565	\$ 46,360,828
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(1) The District Implemented GASB 65 beginning in FY 2012-13. As a result, Net Assets is presented for years prior to 2013, and Net Position is presented for 2013 and subsequent years.

(2) 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.

2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
\$ 89,985,900	\$ 88,105,152	\$ 85,371,860	\$ 87,972,669	\$ 96,443,922	\$ 95,268,138	\$ 82,918,494
61,044,734	63,209,065	60,359,493	58,904,458	60,329,488	63,953,420	52,496,638
7,190,201	7,218,830	7,443,413	7,312,481	7,300,920	6,617,813	6,182,147
-	-	-	-	-	-	-
19,793,619	19,810,902	19,837,141	13,477,355	13,631,548	13,803,921	15,315,623
178,014,454	178,343,949	173,011,907	167,666,963	177,705,878	179,643,292	156,912,902
-	-	-	-	-	-	-
178,014,454	178,343,949	173,011,907	167,666,963	177,705,878	179,643,292	156,912,902
37,389	27,252	21,636	54,135	58,989	60,146	-
712,708	726,855	716,206	489,716	362,470	539,275	302,647
3,652,036	3,429,123	3,566,863	3,332,411	3,320,186	3,386,729	3,919,446
4,345,540	3,750,886	5,002,947	4,591,898	4,515,169	4,443,617	4,723,353
3,310,556	2,593,080	3,959,931	4,012,997	3,326,390	2,394,943	2,807,772
3,625,379	3,925,657	3,910,143	3,686,467	3,577,884	2,831,998	2,567,650
-	-	-	-	-	-	-
15,683,608	14,452,853	17,177,726	16,167,624	15,161,088	13,656,708	14,320,868
-	5,565	391,116	-	-	-	-
31,367,216	28,911,271	34,746,568	32,335,248	30,322,176	27,313,416	28,641,736
(146,647,238)	(149,432,678)	(138,265,339)	(135,331,715)	(147,383,702)	(152,329,876)	(128,271,166)
74,987,438	70,032,440	74,398,746	66,523,734	65,102,136	62,513,778	59,652,829
99,525,479	92,963,688	92,210,885	84,714,274	88,802,897	99,754,864	93,732,833
85,457	90,745	1,531,231	4,844,648	3,892,510	3,818,696	438,498
325,201	308,279	290,898	282,314	571,904	5,295,580	14,085,539
1,789,566	2,293,771	2,005,054	1,625,350	2,617,178	2,453,717	1,663,170
-	-	-	-	-	-	-
-	-	-	-	-	-	-
176,713,141	165,688,923	170,436,814	157,990,320	160,986,625	173,836,635	169,572,869
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
176,713,141	165,688,923	170,436,814	157,990,320	160,986,625	173,836,635	169,572,869
\$ 30,065,903	\$ 16,256,245	\$ 32,171,475	\$ 22,658,605	\$ 13,602,923	\$ 21,506,759	\$ 41,301,703

NORTH CLACKAMAS SCHOOL DISTRICT 12

FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2017-18	2016-17	2015-16	2014-15
General Fund (1)				
Non-spendable	\$ 10,415	\$ 13,781	\$ -	\$ -
Unassigned	16,912,838	17,220,582	21,358,910	17,423,780
Unreserved	-	-	-	-
Total general fund	<u>16,923,253</u>	<u>17,234,363</u>	<u>21,358,910</u>	<u>17,423,780</u>
All Other Governmental Funds(1)				
Nonspendable--Inventory	\$ -	\$ -	\$ -	\$ -
Restricted for:				
Future Capital Projects	278,931,333	352,219,143	4,299,161	6,201,821
Special Grants and Services	5,372,766	2,624,563	963,242	1,045,298
Debt Service	6,316,305	4,685,855	3,058,334	1,387,027
Committed to:				
Restoration of School Days			-	-
Community Projects and Classes (3)	-	-	697,972	708,133
Assigned to:				
Unspecified	-	-	-	-
Reserved for:				
Capital Projects	-	-	-	-
Reserve for Scholarships	-	-	-	-
Unreserved, reported in:				
Debt Service Fund	-	-	-	-
Community Service Fund	-	-	-	-
Scholarship fund (3)	-	-	86,934	10,215
Special revenue funds			-	-
Total all other governmental funds	<u>\$ 290,620,404</u>	<u>\$ 359,529,561</u>	<u>\$ 9,105,643</u>	<u>\$ 9,352,494</u>

(1) GASB 54 implemented - requiring new fund balance categories. Over time all fund balances will be reported under new GASB 54 fund balance categories.

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

(3) 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.

2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11,437,858	6,719,640	10,118,425	3,103,710	-	-
-	-	-	-	3,615,826	5,795,923
<u>\$ 11,437,858</u>	<u>\$ 6,719,640</u>	<u>\$ 10,118,425</u>	<u>\$ 3,103,710</u>	<u>\$ 3,615,826</u>	<u>\$ 5,795,923</u>
\$ -	\$ 44,012	\$ 74,797	\$ 333,800	\$ -	\$ -
6,424,943	6,692,229	10,458,546	11,700,310	-	-
1,989,165	2,442,343	796,760	502,447	-	-
4,235,901	4,504,998	4,090,878	(529,192)	-	-
-	-	-	1,200,000	-	-
643,584	422,879	283,919	108,871	-	-
-	-	-	2,000,000	-	-
-	-	-	-	29,312,230	76,600,001
-	-	-	-	-	-
-	-	-	-	1,054,501	2,136,818
-	-	-	-	28,354	90,503
(212,990)	(179,060)	(258,928)	(139,494)	(293,816)	(95,168)
-	-	-	-	2,254,603	2,512,317
<u>\$ 13,080,603</u>	<u>\$ 13,927,401</u>	<u>\$ 15,445,972</u>	<u>\$ 15,176,742</u>	<u>\$ 32,355,872</u>	<u>\$ 81,244,471</u>

NORTH CLACKAMAS SCHOOL DISTRICT 12

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2017-18	2016-17	2015-16	2014-15
Revenues				
Property and Other Taxes	\$ 94,528,096	\$ 90,697,057	\$ 86,073,312	\$ 76,991,060
Federal Sources	10,112,364	10,260,995	10,411,736	10,349,203
State and Local Sources	127,147,943	110,078,291	114,321,843	111,707,975
Earnings from Investments	3,655,652	1,642,404	390,270	297,809
Services Provided Other Funds	13,171,221	12,398,145	11,721,466	11,504,872
Construction Excise Tax	690,927	1,562,492	1,608,377	862,460
Miscellaneous	514,345	491,932	476,080	786,594
Total Revenues	249,820,548	227,131,316	225,003,084	212,499,973
Expenditures				
Current:				
Instruction	114,707,938	103,719,850	101,392,874	96,694,998
Support Services	74,745,191	70,249,596	67,492,189	65,776,749
Enterprise and Community Services	6,663,571	6,220,100	7,950,848	7,322,208
Facilities Acquisition and Construction	82,119,850	-	277,383	408,575
Capital Outlay	2,473,660	10,359,390	5,176,367	3,153,155
Debt Service	43,802,102	43,872,873	38,969,339	37,443,699
Bond Issue Costs	-	-	209,421	-
Total expenditures	324,512,312	234,421,809	221,468,421	210,799,384
Excess (Deficit) of Revenues over expenditures	(74,691,764)	(7,290,493)	3,534,663	1,700,589
Other Financing Sources (Uses)				
Loan Receipts	2,394,649	3,269,781	900,000	1,157,224
Bond Proceeds	-	322,642,626	-	248,370
Premium on Bonds Issued	-	30,870,341	-	-
Refunding Bond Proceeds	-	-	26,914,637	-
Payment to Refunded Bond Escrow Agent	-	-	(27,169,921)	(248,370)
Proceeds from Sale of Land & Buildings	2,003,772	-	-	-
Sale of Fixed Assets	26,100	45,135	8,900	-
Transfers in	3,939,476	3,923,315	7,292,601	3,491,179
Transfers out	(4,934,476)	(4,898,315)	(7,792,601)	(4,091,179)
Total Other Financing Sources (Uses)	3,429,521	355,852,883	153,616	557,224
Net Change in Fund Balance	\$ (71,262,243)	348,562,390	\$ 3,688,279	\$ 2,257,813
Debt service as a percentage of noncapital expenditures	18.1%	18.7%	18.0%	18.1%

Source: North Clackamas School District 12 financial records.

2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
\$ 75,000,304	\$ 70,044,656	\$ 73,574,867	\$ 66,790,953	\$ 64,865,256	\$ 61,435,725
9,808,736	10,071,002	14,265,004	16,905,736	15,048,111	13,231,821
105,485,808	97,441,849	97,276,674	88,820,810	92,808,384	103,998,447
288,953	263,225	262,177	255,138	545,804	5,206,624
10,518,956	9,658,840	8,993,295	8,118,917	7,491,547	7,547,280
1,349,704	1,194,902	786,256	585,855	347,993	238,461
506,117	683,934	747,328	307,981	868,131	1,135,861
<u>202,958,578</u>	<u>189,358,408</u>	<u>195,905,601</u>	<u>181,785,390</u>	<u>181,975,226</u>	<u>192,794,219</u>
91,931,053	87,116,336	84,742,430	85,208,970	90,698,147	92,968,314
62,364,289	62,499,661	59,536,597	57,053,950	56,735,278	63,537,796
7,345,626	7,137,812	7,341,935	7,082,756	6,865,958	6,451,004
293,776	3,116,704	1,590,413	3,345,698	8,118,398	11,187,029
295,999	24,173	5,330,949	14,790,056	40,307,736	105,176,000
36,166,415	34,511,701	32,644,016	31,210,709	29,533,905	27,996,714
-	-	-	-	-	-
<u>198,397,158</u>	<u>194,406,387</u>	<u>191,186,340</u>	<u>198,692,139</u>	<u>232,259,422</u>	<u>307,316,857</u>
<u>4,561,420</u>	<u>(5,047,979)</u>	<u>4,719,261</u>	<u>(16,906,749)</u>	<u>(50,284,196)</u>	<u>(114,522,638)</u>
-	1,665,122	4,099,184	-	-	3,535,894
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,180,269	5,601,029	2,848,937	5,400,685	4,765,075	1,932,439
<u>(5,870,269)</u>	<u>(7,135,529)</u>	<u>(4,383,437)</u>	<u>(6,185,185)</u>	<u>(5,549,575)</u>	<u>(2,432,439)</u>
<u>(690,000)</u>	<u>130,622</u>	<u>2,564,684</u>	<u>(784,500)</u>	<u>(784,500)</u>	<u>3,035,894</u>
<u>\$ 3,871,420</u>	<u>\$ (4,917,357)</u>	<u>\$ 7,283,945</u>	<u>\$ (17,691,249)</u>	<u>\$ (51,068,696)</u>	<u>\$ (111,486,744)</u>
18.3%	18.0%	17.7%	17.3%	16.1%	14.7%

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

FISCAL YEAR	PROPERTY VALUE ASSESSED VALUATION (1)							TOTAL DIRECT TAX RATE (2)
	REAL PROPERTY VALUE	MANUFACTURED STRUCTURE VALUE	PERSONAL PROPERTY VALUE	PUBLIC UTILITY VALUE	TOTAL ASSESSED VALUE	LESS URBAN RENEWAL EXCESS	TOTAL NET ASSESSED VALUE	
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
2012-13	10,321,907,136	33,077,823	324,793,154	252,660,701	10,932,438,814	655,448,014	10,276,990,800	7.1184
2011-12	10,115,338,520	32,877,110	318,686,680	258,449,304	10,725,351,614	627,865,298	10,097,486,316	7.5770
2010-11	*	*	*	*	10,529,130,436	659,911,782	9,869,218,654	6.9554
2009-10	*	*	*	*	10,295,166,453	638,971,735	9,656,194,718	6.8789
2008-09	*	*	*	*	9,860,466,765	548,171,538	9,312,295,227	7.8246

(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

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NORTH CLACKAMAS SCHOOL DISTRICT 12

LARGEST TAXPAYERS

Current and Nine Years Ago

NORTH CLACKAMAS SCHOOL DISTRICT

		Year Ended June 30, 2018				
TAXPAYER	BUSINESS	R A N K	TAX PAID BY TAXPAYER	ASSESSED VALUATION	PERCENT OF ASSESSED VALUATION	
General Growth Properties	Town Center Mall	1	\$ 4,222,022	\$ 256,586,253	1.86	%
Clackamas Baking Plant	Bakery					
Fred Meyer Stores	Supermarket	2	2,789,848	170,953,518	1.24	
PCC Structurals Inc	Manufacturing/Aerospace	3	2,414,102	141,971,275	1.03	
Portland General Electric	Electrical Utility	4	1,688,204	104,271,000	0.76	
Marvin Poer & Company	Property Tax Consulting	5	1,266,815	76,294,277	0.55	
Kaiser Foundation Hospital	Healthcare	6	1,033,698	62,558,177	0.45	
Northwest Natural Gas Co	Natural Gas Utility	7	945,366	58,230,000	0.42	
ROIC Oregon LLC	Property Management	8	989,475	58,226,242	0.42	
Blount Inc	Manufacturing	9	1,083,268	57,870,021	0.42	
CH Realty III/Clackamas LLC	Multi Family Residential	10	880,859	53,328,706	0.39	
Warn Industries Inc	Manufacturing					
SUB TOTAL				\$ 1,040,289,469	7.54	%
ALL OTHER TAXPAYERS				\$ 12,752,210,091	92.46	%
TOTAL				\$ 13,792,499,560	100.00	%

CLACKAMAS COUNTY

		Year Ended June 30, 2018				
TAXPAYER	BUSINESS	R A N K	TAX PAID BY TAXPAYER	ASSESSED VALUATION	PERCENT OF ASSESSED VALUATION	
Portland General Electric	Electrical Utility	1	\$ 10,875,555	\$ 775,862,510	1.60	%
General Growth Properties	Town Center Mall	2	4,222,022	256,586,253	0.53	
Fred Meyer Stores Inc	Supermarkets	3	4,196,741	250,265,670	0.51	
Northwest Natural Gas Co	Natural Gas Utility	4	3,408,456	220,885,000	0.45	
Shorenstein Properties LLC	Property Management	5	3,720,889	211,504,059	0.43	
PCC Structurals Inc	Manufacturing/Aerospace	6	2,414,102	141,971,275	0.29	
Comcast Corp	Utility	7	1,881,081	111,546,702	0.23	
Meadows Road LLC	Commercial Leasing	8	1,544,675	86,882,160	0.18	
Mentor Graphics Corp	Technology	9	1,532,812	84,145,803	0.17	
Marvin F Poer & Company	Property Tax Consulting	10	1,289,629	78,119,264	0.16	
Clackamas Baking Plant	Bakery					
Xerox Corporation	Copiers/Office Supply					
Century Link	Telecommunications					
SUB TOTAL				\$ 2,217,768,696	4.56	%
ALL OTHER TAXPAYERS				\$ 46,409,481,304	95.44	%
TOTAL				\$ 48,627,250,000	100.00	%

Source: Clackamas County Department of Assessment and Taxation

Year Ended June 30, 2009

R A N K	TAX PAID BY TAXPAYER	ASSESSSED VALUATION	PERCENT OF ASSESSSED VALUATION
1	\$ 3,343,458	\$ 213,686,917	2.17 %
2	1,949,090	126,529,097	1.28
3	1,427,075	86,512,010	0.88
4	917,837	58,401,000	0.59
5	903,898	57,761,965	0.59
8	706,068	44,952,384	0.46
7	712,541	45,168,300	0.46
10	681,944	42,146,390	0.43
6	758,265	41,760,826	0.42
9	690,059	45,638,231	0.46
	\$	762,557,120	7.73 %
	\$	9,097,909,645	92.27 %
	\$	9,860,466,765	100.00 %

Year Ended June 30, 2009

R A N K	TAX PAID BY TAXPAYER	ASSESSSED VALUATION	PERCENT OF ASSESSSED VALUATION
1	\$ 6,711,852	\$ 488,403,689	1.42 %
2	3,343,458	213,686,917	0.62
4	2,596,380	174,248,800	0.50
3	3,011,195	176,036,511	0.51
6	1,427,075	86,512,010	0.25
9	937,453	52,779,827	0.15
10	920,527	58,777,456	0.17
5	2,575,475	165,471,371	0.48
7	1,232,096	71,869,941	0.21
8	1,050,792	66,691,700	0.19
	\$	1,554,478,222	4.50 %
	\$	32,952,910,778	95.50
	\$	34,507,389,000	100.00 %

NORTH CLACKAMAS SCHOOL DISTRICT 12
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years (3)

	Dollars per \$1,000 True Cash Value						
	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
DIRECT:							
North Clackamas School District Permanent Rate	\$ 4.87	\$ 4.87	\$ 4.87	\$ 4.87	\$ 4.87	\$ 4.87	\$ 4.87
North Clackamas School District Bond Rate	2.35	2.36	2.37	1.95	2.22	2.25	2.71
Weighted Average Direct Rate (1)	\$ 7.22	\$ 7.23	\$ 7.24	\$ 6.82	\$ 7.09	\$ 7.12	\$ 7.58
Overlapping:							
City of Gladstone	5.81	5.81	5.81	5.81	5.81	5.81	5.81
City of Happy Valley	2.05	2.05	2.05	2.05	2.05	2.05	2.05
City of Milwaukie	4.63	4.66	4.28	4.27	4.07	4.07	4.07
City of Portland	7.88	7.73	7.76	7.89	7.98	7.81	7.69
Clackamas City ESD	0.37	0.37	0.37	0.37	0.37	0.37	0.37
Clackamas Community College	0.75	0.74	0.75	0.71	0.71	0.72	0.70
Clackamas County City	2.65	2.65	2.65	2.65	N/A	N/A	N/A
Clackamas County Enhanced Law	0.72	0.72	0.72	0.72	N/A	N/A	N/A
Clackamas County Library	0.40	0.40	0.40	0.40	N/A	N/A	N/A
Clackamas County Public Safety Radio	0.10	-	-	-	N/A	N/A	N/A
Clackamas County RFPD 1	2.51	2.49	2.50	2.46	2.46	2.47	2.46
Clackamas County Rural	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	N/A	N/A	N/A
Clackamas County Vector Control	0.03	0.03	0.03	0.03	N/A	N/A	N/A
County Extension + 4H	0.05	0.05	0.05	0.05	N/A	N/A	N/A
Metro	0.41	0.40	0.39	0.46	0.47	0.40	0.31
North Clackamas Parks & Rec District	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
Subtotal Overlapping:	32.24	31.99	31.63	31.75	27.75	27.53	27.29
Total (2)	\$ 39.46	\$ 39.22	\$ 38.87	\$ 38.56	\$ 34.84	\$ 34.65	\$ 34.87

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.

(3) Complete information is not available for years prior to 2011-12. Additional years will be presented as they become available.

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 FUND	TOTAL	AMOUNT	PERCENT OF LEVY		AMOUNT	PERCENT OF LEVY
2017-18	\$ 65,159,777	\$ 32,551,405	\$ 97,711,182	\$ 95,582,718	97.82% %	\$ -	\$ 95,582,718	97.82%
2016-17	62,104,006	31,187,276	93,291,282	91,509,419	98.09%	708,745	92,218,164	98.85%
2015-16	59,069,176	29,539,574	88,608,750	86,668,218	97.81%	1,165,318	87,833,536	99.13%
2014-15	55,663,451	23,109,625	78,773,076	76,937,663	97.67%	1,327,292	78,264,955	99.35%
2013-14	51,360,022	25,128,043	76,488,065	74,568,215	97.49%	1,548,553	76,116,768	99.51%
2012-13	47,868,010	24,014,870	71,882,880	69,755,147	97.04%	1,787,333	71,542,480	99.53%
2011-12	47,775,661	28,226,948	76,002,609	73,517,324	96.73%	2,152,038	75,669,362	99.56%
2010-11	47,765,469	20,841,828	68,607,297	66,405,003	96.79%	1,934,366	68,339,369	99.61%
2009-10	46,418,357	20,259,136	66,677,493	64,203,758	96.29%	2,226,407	66,430,165	99.63%
2008-09	44,638,974	19,343,165	63,982,139	61,237,305	95.71%	2,737,104	63,974,409	99.99%

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 (DISCOUNT)	NET GENERAL OBLIGATION BONDS OUTSTANDING	PER CAPITA (3)	AS PERCENTAGE OF ACTUAL TAXABLE VALUE (1)
2018	\$ 524,050,119	\$ (4,042,500)	\$ 53,138,338	\$ 573,145,957	N/A	4.16%
2017	525,436,999	(2,965,036)	56,510,359	578,982,322	4,713	4.41%
2016	219,350,000	(1,840,060)	27,999,897	245,509,837	1,998	1.96%
2015	237,705,000	(668,690)	26,576,278	263,612,588	2,181	2.21%
2014	234,831,141	(3,880,022)	9,478,724	240,429,843	2,021	2.11%
2013	246,501,142	(4,117,267)	10,005,320	252,389,195	2,158	2.31%
2012	256,681,142	-	10,531,915	267,213,057	2,311	2.49%
2011	265,406,142	-	11,058,510	276,464,652	2,414	2.63%
2010	279,291,142	-	11,585,105	290,876,247	2,563	2.83%
2009	291,596,142	-	12,111,700	303,707,842	2,704	3.08%

OTHER GOVERNMENTAL ACTIVITIES DEBT				TOTAL DEBT		
FISCAL YEAR	PENSION OBLIGATION BONDS (4)	NOTES PAYABLE	NET UNAMORTIZED PREMIUM (DISCOUNT)	TOTAL DISTRICT (2)	PER CAPITA (3)	AS PERCENTAGE OF ACTUAL TAXABLE VALUE (1)
2018	\$ 81,556,733	\$ 8,579,473		\$ 667,324,663	N/A	4.84
2017	84,303,790	8,028,261	-	674,279,409	5,489	5.13
2016	87,039,339	8,564,916	-	342,954,152	2,792	2.74
2015	89,753,315	9,315,831	-	363,350,424	3,006	3.05
2014	92,440,452	10,143,555	-	346,893,872	2,916	3.05
2013	94,983,239	12,030,404	-	363,520,105	3,109	3.33
2012	97,566,604	12,146,149	-	376,925,810	3,260	3.51
2011	100,067,163	9,298,627	-	385,830,442	3,369	3.66
2010	102,464,395	10,608,098	-	403,948,740	3,559	3.92
2009	104,750,987	11,794,433	-	420,253,262	3,741	4.26

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.

NORTH CLACKAMAS SCHOOL DISTRICT 12

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

(dollars in thousands)

Legal Debt Margin Calculation for Fiscal Year 2018

Real Market Value	\$ 20,011,769,671
Debt Limit (7.95% of Real Market Value) (1)	1,590,935,689
Amount of Debt Applicable to Debt Limit	524,050,119
Legal Debt Margin	<u>\$ 1,066,885,570</u>

FISCAL YEAR	M5 REAL MARKET VALUE (2)	DEBT LIMIT	TOTAL NET DEBT APPLICABLE TO LIMIT	LEGAL DEBT MARGIN	APPLICABLE TO LIMIT AS A PERCENTAGE OF DEBT LIMIT
2018	\$ 20,011,769,371	\$ 1,590,935,689	\$ 524,050,119	\$ 1,066,885,570	32.94 %
2017	18,067,735,406	1,436,384,965	525,436,999	910,947,966	36.58
2016	15,778,515,366	1,254,391,972	219,350,000	1,035,041,972	17.49
2015	14,167,881,531	1,126,346,582	237,705,000	888,641,582	21.10
2014	12,767,620,456	1,015,025,826	234,831,141	780,194,685	23.14
2013	12,033,892,426	956,694,448	246,501,142	710,193,306	25.77
2012	12,442,681,334	989,193,166	256,681,142	732,512,024	25.95
2011	13,230,708,268	1,051,841,307	265,406,142	786,435,165	25.23
2010	14,733,416,918	1,171,306,645	279,291,142	892,015,503	23.84
2009	16,452,188,324	1,307,948,972	291,596,142	1,016,352,830	22.29

(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	4.95%
^B Ninth through twelfth, 4 x .0075	3.00%
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
June 30, 2018

<u>OVERLAPPING GOVERNMENT</u>	<u>NET (2) DIRECT DEBT</u>	<u>PERCENT WITHIN SCHOOL DISTRICT(3)</u>	<u>OVERLAPPING DEBT</u>
City of Gladstone	\$ 1,323,000	5.60%	\$ 74,136
City of Milwaukie	13,250,379	99.15%	13,137,565
City of Portland	176,992,106	0.07%	123,717
Clackamas Community College	98,403,913	39.78%	39,143,010
Clackamas County	138,185,000	29.27%	40,443,848
Clackamas Cty ESD	22,100,000	30.71%	6,786,689
Clackamas Cty RFPD 1	25,770,000	63.51%	16,366,656
Metro	205,735,000	6.83%	14,047,174
Oak Lodge Water Services District	15,173,000	79.62%	12,080,287
SUBTOTAL OVERLAPPING DEBT	\$ 696,932,398		142,203,082
DIRECT DISTRICT DEBT			658,745,190
TOTAL DIRECT AND OVERLAPPING DEBT			\$ 800,948,272

(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, 2018

	2018
Total Real Market Value (M5)	\$ 20,011,769,671
Assessed Value	\$ 13,792,499,560
Estimated Population	122,852

Debt Information

Net Direct Debt (1)

District Direct Debt (2)	\$ 658,745,190
Overlapping Direct Debt	142,203,082
Total Direct Debt and Overlapping Debt	\$ 800,948,272

Bonded Debt Ratio

District Direct Debt to Real Market Value	3.29%
Total Direct Debt to Real Market Value	4.00%
Per Capita RMV	\$ 162,893
Per Capita District Direct Debt	\$ 5,362
Per Capita Total Direct Debt and Overlapping Debt	\$ 6,520

(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,
the 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)	
2018	n/a	n/a	n/a	n/a	
2017	413,000 (1)	n/a	n/a	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	
2012	383,389	17,811,472	46,458	7.6	
2011	379,670	16,659,841	43,880	8.4	
2010	376,906	15,759,185	41,812	9.3	
2009	374,085	15,485,121	41,395	9.9	
2008	371,103	16,310,770	43,952	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 based on PSU Population Research Center data.

Unemployment rate information: US Department of Labor, Bureau of Labor Statistics. Not seasonally adjusted

NORTH CLACKAMAS SCHOOL DISTRICT 12
PRINCIPAL EMPLOYERS FOR THE PORTLAND METRO AREA
Current Year and Nine Years Ago

Employer	2018			2009		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Ten Largest Employers						
Intel Corporation	20,000	1	1.68 %	15,500	1	1.59 %
Providence Health & Services	18,286	2	1.53	12,000	4	1.23
Oregon Health & Science University	16,658	3	1.40	12,600	3	1.29
Fred Meyer Stores	7,741	8	0.65	14,684	2	1.50
Kaiser Permanente	12,400	4	1.04	9,000	5	0.92
Legacy Health System	11,250	6	0.94	8,251	6	0.85
Nike Inc.	12,000	5	1.01	7,000	7	0.72
Multnomah County				5,640	9	0.58
City of Portland	9,710	7	0.81	5,587	10	0.57
Portland School District	7,600	9	0.64			
Beaverton School District	5,457	10	0.46			
Wells Fargo				5,969	8	0.61
Subtotal of Ten Largest Employers (3)	121,102		10.16	96,231		9.86
All Other Employers	1,070,898		89.84	879,769		90.14
Total Portland MSA Employment (1) (2)	<u>1,192,000</u>		<u>100.00 %</u>	<u>976,000</u>		<u>100.00 %</u>

(1) Portland-Vancouver-Hillsboro MSA includes Clackamas, Columbia, Multnomah, Washington, and Yamhill counties in Oregon, and Clark and Skamania counties in Washington.

(2) Measured at December of the relevant fiscal year, nonfarm labor, not seasonally adjusted.

Sources:

Portland Business Journal, Book of Lists published December 2008 & December 2017

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 STAFF (3)	STUDENT- TEACHING STAFF RATIO
2017-2018	17,219	20,476	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
2012-2013	17,044	19,644	780.0	21.9
2011-2012	17,280	19,874	767.7	22.5
2010-2011	17,348	19,991	897.5	19.3
2009-2010	17,578	20,126	977.9	18.0
2008-2009	17,728	20,342	1,021.2	17.4

FISCAL YEAR	NUMBER OF TYPE A LUNCHES SERVED			NUMBER OF BREAKFASTS SERVED		
	PAID	FREE	REDUCED PRICE	PAID	FREE	REDUCED PRICE
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
2012-2013	401,027	709,000	120,300	40,236	279,846	37,954
2011-2012	467,704	765,052	124,806	49,109	296,456	40,430
2010-2011	490,255	730,743	116,440	41,612	272,296	36,469
2009-2010	550,239	718,336	149,117	51,161	278,994	49,358
2008-2009	579,677	594,974	154,973	62,431	236,134	37,347

(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.).

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 Nine Fiscal Years (1)

	2017-18 BUDGETED (2)	2016-17 ACTUAL	2015-16 ACTUAL	2014-15 ACTUAL	2013-14 ACTUAL	2012-13 ACTUAL	2011-12 ACTUAL	2010-11 ACTUAL	2009-10 ACTUAL
Licensed - General Fund	861.04	862.69	824.00	762.96	723.38	720.35	697.26	825.31	898.23
Licensed - Other Funds	<u>78.51</u>	<u>74.61</u>	<u>60.40</u>	<u>78.39</u>	<u>61.91</u>	<u>59.65</u>	<u>70.48</u>	<u>72.14</u>	<u>79.65</u>
Total Licensed - FTE	<u>939.55</u>	<u>937.30</u>	<u>884.40</u>	<u>841.35</u>	<u>785.29</u>	<u>780.00</u>	<u>767.74</u>	<u>897.45</u>	<u>977.88</u>
Classified - General Fund	676.04	639.01	626.10	613.18	595.25	591.03	588.45	596.06	579.87
Classified - Other Funds	<u>161.93</u>	<u>148.99</u>	<u>165.46</u>	<u>171.16</u>	<u>164.26</u>	<u>189.97</u>	<u>161.91</u>	<u>166.62</u>	<u>144.10</u>
Total Classified - FTE	<u>837.97</u>	<u>788.00</u>	<u>791.56</u>	<u>784.34</u>	<u>759.51</u>	<u>781.00</u>	<u>750.36</u>	<u>762.68</u>	<u>723.97</u>
Administrative - General Fund	75.35	73.35	71.85	68.35	67.35	70.25	69.45	79.40	78.60
Administrative - Other Funds	<u>8.85</u>	<u>8.85</u>	<u>9.85</u>	<u>9.85</u>	<u>8.85</u>	<u>11.75</u>	<u>9.32</u>	<u>14.50</u>	<u>10.50</u>
Total Administrative - FTE	<u>84.20</u>	<u>82.20</u>	<u>81.70</u>	<u>78.20</u>	<u>76.20</u>	<u>82.00</u>	<u>78.77</u>	<u>93.90</u>	<u>89.10</u>
Total - General Fund	1612.43	1575.05	1521.95	1444.49	1385.98	1381.63	1355.16	1500.77	1556.70
Total - Other Funds	<u>249.29</u>	<u>232.45</u>	<u>235.71</u>	<u>259.40</u>	<u>235.02</u>	<u>261.37</u>	<u>241.71</u>	<u>253.26</u>	<u>234.25</u>
Grand Total All Staff - FTE	<u>1861.72</u>	<u>1807.50</u>	<u>1757.66</u>	<u>1703.89</u>	<u>1621.00</u>	<u>1643.00</u>	<u>1596.87</u>	<u>1754.03</u>	<u>1790.95</u>

(1) This schedule will present ten years as data becomes available.

(2) North Clackamas School District Budgeted Numbers Plus Additions & Deletions

Source: North Clackamas School District Human Resource/Fiscal Service Departments

NORTH CLACKAMAS SCHOOL DISTRICT 12

Capital Asset Information

As of June 30, 2018

	YEAR OF ORIGINAL CONSTRUCTION	SQUARE FOOTAGE	PRACTICAL CAPACITY	ENROLLMENT 2017-18	% OF CAPACITY	AVERAGE AGE OF BUILDING
HIGH SCHOOLS						
Clackamas High West	2002	268,955	1825	2,543	89.57%	16
Clackamas High East	1991	101,366	1014			27
New Urban/New Urban Annex	1924	65,340		164	N/A	94
Milwaukie	1925	215,250	1711	941	55.00%	93
Rex Putnam	1963	198,744	1680	1,157	68.87%	55
Sabin Center	1967	79,794				51
Schellenberg Center	1968	70,765				50
Land Lab and Forestry Center	1970	4,878				48
High School Subtotal		<u>1,005,092</u>	<u>6,230</u>	<u>4,805</u>	<u>71.15%</u>	<u>54</u>
MIDDLE SCHOOLS						
Alder Creek	1957	145,694	907	964	106.28%	61
Happy Valley MS	2009	137,940	750	1,094	145.87%	9
Rock Creek MS	2010	129,000	750	882	117.60%	8
Rowe	1963	96,048	957	784	81.92%	55
Middle School Subtotal		<u>508,682</u>	<u>3,364</u>	<u>3,724</u>	<u>112.92%</u>	<u>27</u>
ELEMENTARY SCHOOLS						
Ardenwald	2009	64,300	550	434	78.91%	9
Bilquist	1960	58,702	523	436	83.37%	58
Campbell	1956	40,287	423		0.00%	62
Happy Valley	2008	69,000	550	434	78.91%	10
Lewelling	1963	48,507	473	363	76.74%	55
Linwood	1968	66,843	498	318	63.86%	50
Milwaukie Elem.	1916	52,449	573	434	75.74%	102
Mount Scott	1989	55,530	532	384	72.18%	29
Oak Grove	1963	59,681	598	343	57.36%	55
Oregon Trail	1993	56,388	654	527	80.58%	25
Riverside	1955	48,101	507	428	84.42%	63
Scouters Mountain	2009	66,125	550	526	95.64%	9
Spring Mountain	2000	58,053	598	554	92.64%	18
Sunnyside	1949	51,744	598	551	92.14%	69
Verne Duncan	2009	60,474	550	571	103.82%	9
View Acres	1964	53,772	545	442	81.10%	54
Whitcomb	1958	53,693	546	422	77.29%	60
Elementary Schools Subtotal		<u>963,649</u>	<u>9,268</u>	<u>7,167</u>	<u>76.16%</u>	<u>43.35</u>
School Subtotals		<u>2,477,423</u>				
Administration	1967	9,300				
Facility Operations	1916	19,503				
Transportation	1955, 1959	13,220				
Administration Building	1988	26,254				
Support Subtotals		<u>68,277</u>				
District Totals		<u>2,545,700</u>				

AUDIT COMMENTS AND
DISCLOSURES
REQUIRED BY STATE
REGULATIONS

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NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
INDEPENDENT AUDITORS' REPORT
REQUIRED BY OREGON STATE REGULATIONS

We have audited the basic financial statements of the North Clackamas School District No. 12 (District) as of and for the year ended June 30, 2018 and have issued our report thereon dated October 15, 2018. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

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

- Deposit of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions and repayment.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Authorized investment of surplus funds (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).
- State school fund factors and calculation

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



OAR 162-10-0230 Internal Control

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

Purpose of this Report

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

Wilcox Arredondo & Co.

Certified Public Accountants
Canby, Oregon
October 15, 2018

GRANT COMPLIANCE SECTION

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To the School Board
North Clackamas School District No. 12
Clackamas County, Oregon

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF THE 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, business-type activities, each major fund, and the aggregate remaining fund information of North Clackamas School District No. 12 (District), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 15, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Wilcox Arredondo & Co.

Certified Public Accountants
Canby, Oregon
October 15, 2018



To the School Board
North Clackamas School District No. 12
Clackamas County, Oregon

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

Report on Compliance for Each Major Federal Program

We have audited North Clackamas School District No. 12's (District's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2018. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the 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, 2018.



Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's 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 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 preceding paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Wilcox Arredondo & Co.

Certified Public Accountants
Canby, Oregon
October 15, 2018

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2018

Federal Grantor/Pass-through Grantor/ Program Title	Grant Period	Federal C.F.D.A. Number	Pass-Through Grantor's Number	Expenditures
<u>U.S. Department of Education</u>				
Passed through Oregon State Department of Education				
Title IA - Part A - Grants to Local Educational Agencies	07/01/16-09/30/17	84.010	41115	\$ 206,299
Title IA - Part A - Grants to Local Educational Agencies	07/01/17-09/30/18	84.010	45650	2,351,587
Total Title IA - Part A - Grants to Local Educational Agencies				2,557,886
Title III - English Language Acquisition	07/01/15-09/30/17	84.365	41781	3,220
Title III - English Language Acquisition	07/01/17-09/30/18	84.365	44236	189,757
Total Title III - English Language Acquisition				192,977
Title IIA - Improving Teacher Quality	07/01/17-09/30/18	84.367	45866	399,305
IDEA, Part B, Special Education	07/01/16-09/30/18	84.027	41583	9,978
IDEA, Part B, Special Education	10/01/16-09/30/17	84.027	42709	6,270
IDEA, Part B, Special Education	07/01/17-06/30/18	84.027	44449	16,021
IDEA, Part B, Special Education	07/01/17-06/30/18	84.027	45063	7,080
IDEA, Part B, Special Education	07/01/17-09/30/18	84.027	45222	2,571,050
IDEA, Part B, Special Education	10/01/17-09/30/18	84.027	46495	5,021
Total Special Education				2,615,420
21st Century Community Learning Centers	07/01/16-09/30/17	84.287	40,527	287,112
21st Century Community Learning Centers	07/01/17-09/30/18	84.287	44,154	144,353
Total 21st Century Community Learning Centers				431,465
Passed Through Clackamas Education Service District				
Title IC, Migrant Education	07/01/16-09/30/17	84.011	N/A	7,759
Career & Technical Education - Basic Grants to States	07/01/17-09/30/18	84.048	N/A	66,542
Total U.S. Department of Education				6,271,354
<u>U.S. Department of Labor</u>				
Workforce Investment Act Youth Activities	07/01/16-06/30/18	17.259	N/A	20,277
Total U.S. Department of Labor				20,277
<u>U.S. Department of Health and Human Services</u>				
Passed through Oregon Department of Education				
Child Care & Development Fund	07/01/17-06/30/18	93.575	N/A	40,000
Passed through Oregon Department of Health and Human Services				
Child Care & Development Fund	07/01/17-06/30/18	93.575	N/A	50,828
Total Child Care & Development Fund				90,828
Passed through Oregon Department of Education				
Child Care Matching	07/01/17-06/30/18	93.596	N/A	149
Total Child Care & Development Fund Cluster				90,977
Total U.S. Department of Health and Human Services				90,977

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2018

Federal Grantor/Pass-through Grantor/ Program Title	Grant Period	Federal C.F.D.A. Number	Pass-Through Grantor's Number	Expenditures
<u>U.S. Department of Agriculture</u>				
Passed through Oregon State Department of Education				
National School Breakfast Program	07/01/17-06/30/18	10.553	N/A	<u>628,677</u>
Commodities	07/01/17-06/30/18	10.555	N/A	<u>384,065</u>
National School Lunch Program	07/01/17-06/30/18	10.555	N/A	<u>2,438,092</u>
Total National School Lunch				<u>2,822,157</u>
Summer Food Program	07/01/17-06/30/18	10.559	N/A	<u>46,651</u>
Total Child Nutrition Cluster				<u>3,497,485</u>
Child and Adult Care Food Program	07/01/17-06/30/18	10.558	N/A	<u>153,128</u>
CNP SAE Reallocation	07/01/17-06/30/18	10.560	N/A	<u>6,911</u>
Fresh Fruit and Vegetable Program	07/01/17-06/30/18	10.582	N/A	<u>54,106</u>
Passed through Clackamas County and Clackamas Education Service District				
Federal Forest Fees	07/01/17-06/30/18	10.665	N/A	<u>18,126</u>
Total U.S. Department of Agriculture				<u>3,729,756</u>
Total Federal Awards				<u>\$ 10,112,364</u>

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
NOTES RELATIVE TO SCHEDULE OF FEDERAL AWARDS
Year Ended June 30, 2018

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of North Clackamas School District No. 12 (District) programs of the federal government for the year ended June 30, 2018. The information in this Schedule is presented in accordance with the 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 of the District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District.

2. Summary of 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 and OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*) wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

The District has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance due to the fact that the District has a negotiated indirect cost rate with Oregon Department of Education, and thus is not allowed to use the de minimus rate.

4. Subrecipients

The District had no subrecipients.

NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2018

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	Yes	No ✓
Significant deficiency(ies) identified not considered to be material weakness(es)?	Yes	None reported ✓
Noncompliance material to financial statements noted?	Yes	No ✓

Federal Awards:

Internal control over major programs:		
Material weakness(es) identified?	Yes	No ✓
Significant deficiency(ies) identified not considered to be material weakness(es)?	Yes	None reported ✓
Type of auditor's report issued on compliance for major programs	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 516(a)?	Yes	No ✓

Identification of major programs:

<u>NAME OF PROGRAM OR CLUSTER</u>	<u>CFDA NUMBER(S)</u>
Child Nutrition Cluster	10.553, 10.555, 10.559
Dollar threshold used to distinguish between type A and B programs	\$750,000
Auditee qualified as low-risk auditee?	Yes ✓ No

SECTION II - FINANCIAL STATEMENT FINDINGS - NONE

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS – NONE

SECTION IV - SUMMARY OF PRIOR AUDIT FINDINGS

Finding 2017-01

Audit Finding: This program is funded on a reimbursement basis. Program costs must be paid by the District before reimbursements are requested from the pass through entity or the federal government. In addition, the District is required to maintain proper expenditure support for reimbursements.

Corrective Action: The District implemented a process for reimbursement requests that includes maintaining proper expenditure support and ensuring that expenditures have occurred prior to completing the request.

Finding 2017-02

Audit Finding: This program is funded on a reimbursement basis. Program costs must be paid by the District before reimbursements are requested from the pass through entity or the federal government. In addition, the District is required to maintain proper expenditure support for reimbursements.

Corrective Action: The District implemented a process for reimbursement requests that includes maintaining proper expenditure support and ensuring that expenditures have occurred prior to completing the request.

Finding 2017-03

Audit Finding: The District is required to provide equitable services to eligible private school students who choose to participate in the program. In order to ensure private school students are provided this opportunity, the District must conduct timely consultations with private school officials, to determine the extent of services required, if any.

Corrective Action: The District has created a more reliable system for ensuring that program directors are aware of this requirement.

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