



Clackamas Education
SERVICE DISTRICT

FINANCIAL REPORT For

the Fiscal Year Ended June 30, 2020

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CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

BOARD OF DIRECTORS

TERM EXPIRES

Linda Brown, Chair	June 30, 2023
Susan Trone, Vice Chair	June 30, 2023
Wade Byers	June 30, 2021
Len Mills	June 30, 2023
Greg McKenzie	June 30, 2021
Jon Eyman	June 30, 2021
Nadine Duffield	June 30, 2021

Board members receive mail at the District Office address listed below.

DISTRICT ADMINISTRATION

Jada Rupley, Superintendent

DISTRICT ADDRESS

13455 SE 97th Avenue
Clackamas, OR 97015

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

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CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

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INDEPENDENT AUDITORS' REPORT

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To the School Board
Clackamas Education Service District
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 Clackamas Education Service District, Clackamas County, Oregon (District), as of and for the year ended June 30, 2020, 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, 2020, and, the respective changes in financial position and, where applicable, cash flows 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 PERS and RHIA 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 comparisons 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 comparisons 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 supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* 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.

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2020 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 December 31, 2020, 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
December 31, 2020

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MANAGEMENT'S DISCUSSION AND ANALYSIS

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2020

As management of the Clackamas Education Service 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, 2020. Comparison to prior year data has also been provided for all key financial information.

Financial Highlights

The District's financial decisions for the fiscal year ended June 30, 2020, were, as with prior years, influenced significantly by activity at the state level. The District built its budget for the fiscal year ended June 30, 2020 based on projected funding of \$9.0 billion for the biennium statewide for K-12 education with 49.00% for 2019-20 and 51.00% for 2020-21

ESDs are included in the distribution formula for \$9 billion (for the 2019-21 biennium) at the 4.50% rate. For 2020-21, the District continues working with our component school districts to identify the program priorities, solidify resolution services, offer flexibility for individual districts and continue refining our Service Delivery Model (SDM).

- For the fiscal year ended June 30, 2020, the District's total assets increased by \$1,442,891 and total liabilities increased by \$1,009,002. The net impact was a decrease in total net position of \$451,652.
- The net position includes, \$3,385,989 invested in capital assets, net of related debt; \$2,457,565 was restricted for local, state, and federal grants and contracts. The remainder is unrestricted and available to meet the District's ongoing obligations to local component school districts, citizens, and creditors.
- As of June 30, 2020, the District's governmental funds reported a combined ending fund balance of \$12.1 million, an increase of \$1,206,582. Approximately 73% of this total amount, \$8,786,055 is available for general fund programs during the 2020-21 fiscal year.
- As of June 30, 2020, the unassigned fund balance for the General Fund was \$3,968,093 or approximately 23% of the General Fund expenditures totaling \$17,179,140.
- The District's debt service fund balance remained largely unchanged during the 2019-20 fiscal year, due to charges equaling the payment of principal and interest on existing debt. The debt service fund is used for the accumulation of resources for the payment of principal and interest on bonds issued to retire a portion of its underfunded pension obligation. The remaining balance owed is discussed in Note 8, Bonded and Other Long-Term Debt, in the Notes to the Financial Statements.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the basic financial statements of Clackamas Education Service District. The basic financial statements are comprised of five components: 1) government-wide financial statements, 2) fund financial statements, 3) proprietary fund financial statements, 4) fiduciary fund financial statements, and 5) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

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

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

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended June 30, 2020

Both government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). Clackamas Education Service District has governmental activities, which include instruction, supporting services, payments to districts, and debt service. The District's business activities consist of training classes for local school district staff, media production, technical repair, internet provider services, student attendance accounting, and financial services provided to local school districts.

The government-wide financial statements can be found on pages 16-17 of this report.

Fund Financial Statements are designed to demonstrate compliance with finance-related legal requirements overseeing the use of fund accounting. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities and objectives. All of the funds of Clackamas Education Service District are divided into three categories: governmental funds, proprietary funds and fiduciary funds.

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

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

Clackamas Education Service District maintained three individual major governmental funds (general fund, special revenue fund and debt service fund) for the fiscal year. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances.

The basic governmental fund financial statements can be found on pages 18-21 of this report.

Proprietary funds are used to account for a government's business-type activities. The District performs several business-type services for local school district programs, as well as internal governmental type services for central activities within Clackamas ESD. The financial activities are recorded in an enterprise fund and an internal service fund.

Enterprise funds are accounting devices used to establish activity fees or charges designed to recover costs of providing the services, including capital costs, such as depreciation. The enterprise fund financial statements provide the information for business-type activities.

Internal service funds are accounting devices used to accumulate and allocate costs internally. The internal service fund financial statements provide the information for governmental-type activities.

The basic proprietary fund financial statements can be found on pages 22-24 of this report.

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended June 30, 2020

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of the fiduciary funds are not available to support the District's own programs. The accounting methods used for the fiduciary funds are the same as the proprietary funds.

The basic fiduciary fund financial statement can be found on page 25 of this report.

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 28-54 of this report.

Clackamas Education Service District annually adopts a budget for all of its funds. A budgetary comparison statement has been provided for each fund individually to demonstrate compliance with the related budgets. Budgetary comparisons for major funds can be found on pages 59-60 of this report. Budgetary comparisons for non-major funds are found on pages 64-68.

Other Financial Schedules to assist the reader can be found on pages 70-79 of this report.

Government-Wide Financial Analysis

Statement of Net Position: As noted earlier, the statement of net position may serve over time as a useful indicator of a government's financial position. Net position includes the remaining assets after the liabilities have been paid or otherwise satisfied. The statements include all assets and liabilities using the accrual basis of accounting similar to the accounting basis used by most private sector companies. The accrual basis of accounting recognizes the increases or decreases in economic resources as soon as the underlying event occurs. Consequently, revenues are recognized as soon as they are earned, and expenses are recognized as soon as the liability is incurred, regardless of the timing of the related cash inflows and outflows. The District's liabilities exceeded assets by approximately \$20.2 million (less pension plan and OPEB deferred inflows and outflows) as of June 30, 2020.

Current and other assets consist mainly of investments, cash, and receivables, e.g., grants and property taxes, and represent \$22,284,579 or 65% of total assets. The remaining assets and capital assets, which consist of the District's land, buildings, building improvements, vehicles and equipment, and represent \$11,956,661 or 35% of total assets.

Current liabilities consisting of funds due other funds and other governmental agencies, accrued payroll, taxes and withholdings, and accounts payables due as of June 30, 2020, represent \$7,672,225 or 14% of total liabilities. The remaining liabilities are discussed in Note 8, Bonded and Other Long-Term Debt, in the Notes to the Financial Statements and represent \$46,321,929 or 86% of total liabilities.

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended June 30, 2020

A summary of the District net position as of June 30, 2020, compared to June 30, 2019 is presented below.

**Condensed Statement of Net Position
For the Fiscal Year Ending June 30**

Assets:	2020	2019	Difference
Current and other assets	\$ 22,284,579	\$ 21,043,287	\$ 1,241,292
Noncurrent assets	11,956,661	11,755,062	201,599
Total assets	<u>34,241,240</u>	<u>32,798,349</u>	<u>1,442,891</u>
Deferred Outflows of Resources			
OPEBs	468,912	74,403	394,509
Pension Plan	<u>7,074,825</u>	<u>8,110,277</u>	<u>(1,035,452)</u>
	<u>7,543,737</u>	<u>8,184,680</u>	<u>(640,943)</u>
Liabilities:			
Current liabilities	7,868,120	8,445,961	(577,841)
Noncurrent liabilities	<u>46,532,814</u>	<u>44,945,971</u>	<u>1,586,843</u>
Total liabilities	<u>54,400,934</u>	<u>53,391,932</u>	<u>1,009,002</u>
Deferred Inflows of Resources			
OPEB - RHIA	60,711	46,219	14,492
Pension Plan	<u>3,452,502</u>	<u>3,222,396</u>	<u>230,106</u>
	<u>3,513,213</u>	<u>3,268,615</u>	<u>244,598</u>
Net Position:			
Investment in capital assets	3,385,989	2,905,341	480,648
Net position: restricted	2,457,565	2,073,764	383,801
Net position: unrestricted	<u>(21,972,724)</u>	<u>(20,656,623)</u>	<u>(1,316,101)</u>
Total net position	<u>\$ (16,129,170)</u>	<u>\$ (15,677,518)</u>	<u>\$ (451,652)</u>

At the end of the fiscal year, the Clackamas Education Service District's net position decreased by \$451,652. Investment in capital assets increased by \$480,648 due to capital investment costs exceeding depreciation expense. Restricted net position increased by \$383,801 due to revenues from local, state, federal grants and contracts received more than expenses. Unrestricted net position decreased by \$1,316,101 due to governmental activity charges for services less than expenses and increase in net pension expense.

The Statement of Activities: As noted earlier, the statement of activities presents information showing the changes in the District's net position over the fiscal year period. Revenue, expenses, and other transactions that increase or reduce net position are traced for the fiscal year period. 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).

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended June 30, 2020

A summary of the District changes in net position for the fiscal year ending June 30, 2020, compared to June 30, 2019 is presented below.

**Change in Net Position
For the Fiscal Year Ending June 30**

	2020	2019	Increase (Decrease)	%
Revenues				
Program revenues				
Charges for services	\$ 10,459,264	\$ 9,239,480	\$ 1,219,784	13.2%
Operating grants and contributions	17,455,606	18,232,332	(776,726)	-4.3%
Total program revenue	27,914,870	27,471,812	443,058	1.6%
General revenue				
Property taxes	17,381,293	16,591,416	789,877	4.8%
State school fund	9,972,821	9,569,996	402,825	4.2%
Investment earnings	304,220	326,449	(22,229)	-6.8%
Miscellaneous	1,566,367	1,344,741	221,626	16.5%
Total general revenue	29,224,701	27,832,602	1,392,099	5.0%
Total revenue	57,139,571	55,304,414	1,835,157	3.3%
Expenses				
Instruction	27,915,853	26,281,976	1,633,877	6.2%
Support services	13,880,568	12,307,254	1,573,314	12.8%
Enterprise and community services	516,085	432,183	83,902	19.4%
Facility acquisition	393,235	207,331	185,904	89.7%
Other uses	13,872,047	14,552,640	(680,593)	-4.7%
Depreciation	174,574	168,552	6,022	3.6%
Interest on long-term debt	838,861	874,791	(35,930)	-4.1%
Total expenses	57,591,223	54,824,727	2,766,496	5.0%
Change in net position	(451,652)	479,687	(931,339)	194.2%
Net position - beginning	(15,677,518)	(16,157,205)	479,687	-3.0%
Net position - ending	<u>\$ (16,129,170)</u>	<u>\$ (15,677,518)</u>	<u>\$ (451,652)</u>	<u>2.9%</u>

Total program revenues for the 2019-2020 fiscal year represented 49% of total revenues, similar to 2018-19. As mentioned earlier in the Financial Highlights state school support funds were increased in 2019-2020. Operating grants were virtually unchanged compared to the prior year. Overall, total revenues increased by \$1,835,157.

Local component school districts continue to prioritize how they spend dollars between the services they provide compared to purchasing services from the Clackamas Education Service District, which is reflected by the changes in charges for services and in the various expense categories. The ending net position will be used in subsequent fiscal years to offset potential loss of revenues due to the economic issues and to maintain services and programs provided to local component school districts.

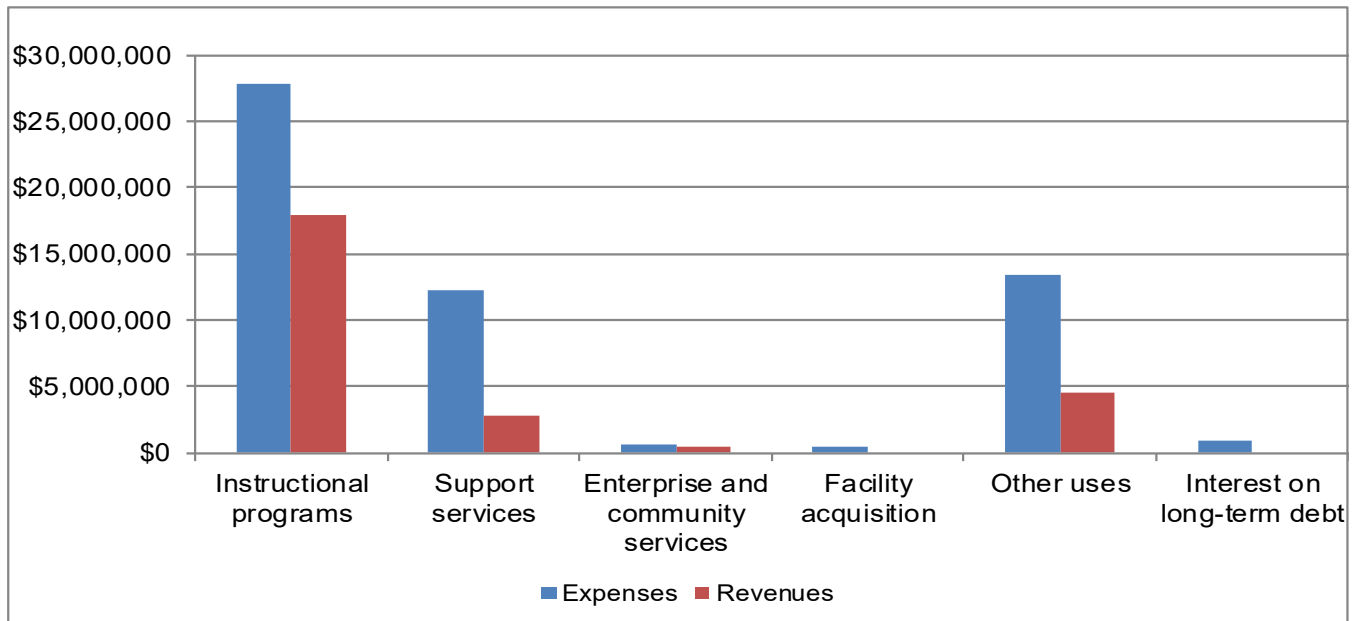
CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended June 30, 2020

**Total and Net Cost of Government Activities
For the Fiscal Year Ending June 30, 2020**

	Total Cost of Services and Grants	Net Cost of Services	%
	2020	2020	
Instructional programs	\$ 27,886,952	\$ 9,952,847	33.5%
Support services	12,303,681	9,576,937	32.2%
Enterprise and community services	516,085	67,128	0.2%
Facility acquisition	393,235	393,235	1.3%
Other uses	13,425,879	8,873,394	29.9%
Interest on long-term debt	838,861	838,861	2.8%
Total	<u>\$ 55,364,693</u>	<u>\$ 29,702,402</u>	<u>100.0%</u>

**Total Expenses and Program Revenues –
Governmental Activities**



As with prior years, a major portion of the instruction programs provided through the District are through grants or contracts to local component school districts, which is reflected by only 33.5% funded by general revenues: property taxes, state school support, and other sources. The major portion of general revenues is dedicated to support services and other uses that are requested and approved by the local component school districts, which includes funds dedicated to students with disabilities, child evaluation services, improvement of instructional services, network and information services, and other administrative services.

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended June 30, 2020

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.

The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *expendable* resources. Such information is useful in assessing the District's financing requirements. In particular, the *unreserved fund balance* may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

At the end of the 2019-20 fiscal year, the District's governmental funds reported combined ending fund balances of \$12,108,650. The amount includes \$7,541,575 restricted for local, state, and federal grant and contract purposes; \$527,150 committed for debt service principal and interest payments; \$124,771 designated as nonspendable for prepaid items, leaving the remaining balance of \$3,968,093 as *unassigned fund balance* to support and enhance services provided to local school districts for the 2020-21 fiscal year.

The general fund is the primary operating fund of the District. As of June 30, 2020, the combined unassigned, restricted and nonspendable fund balance was \$8,786,055 compared to \$8,088,448 at the beginning of the fiscal year, July 1, 2019. Total resources increased by \$597,338 from increases in State School Fund and Taxes. Expenses increased by \$797,832.

The special revenue fund balance increased by \$383,801 due to an increase in the availability of federal grants. The fund balance of the special revenue fund is restricted for the purpose of achieving the objectives of the specific grants and, therefore, designated for the purposes authorized in the grant awards.

The debt service fund was created during the 2004-05 fiscal year and has a committed ending fund balance of \$527,150. The ending fund balance will be used to reduce the requirements from other funds in future years and reduce the effects of increased annual debt payments on services provided.

The capital project fund was created for the purchase of the District-owned facility and remodel, including the lease for classroom space, and has an ending fund balance of \$337,880.

General Fund Budgetary Highlights

The Board adopted the budget and made appropriations for the General Fund following Oregon Budget Law. Board approved appropriation transfers were made for the fiscal year ending June 30, 2020 and have been reflected in the Schedule of Revenues, Expenditures and Changes in Fund Balance – Actual and Budget for the General Fund.

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended June 30, 2020

Capital Assets

As of June 30, 2020, the District had invested \$11,666,571 in capital assets, net of depreciation. The District's investment in capital assets includes land, buildings, improvements, software, vehicles, and equipment and is presented below.

**Capital Asset Summary
For the Fiscal Year Ending June 30**

	2020	2019	Increase (Decrease)
General Fixed Assets			
Land	\$ 2,151,662	\$ 2,151,662	\$ -
Construction in Progress	22,334	-	22,334
Building and Site Improvements	11,454,389	10,878,028	576,361
Vehicles and Equipment	1,407,920	1,407,920	-
Software	1,378,171	1,378,171	-
Total General Fixed Assets	16,414,476	15,815,781	598,695
Accumulated Depreciation	(5,353,505)	(4,939,671)	(413,834)
Net Governmental Assets	11,060,971	10,876,110	184,861
Enterprise Fund Assets			
Machinery and Equipment	5,194,662	5,132,611	62,051
Accumulated Depreciation	(4,589,062)	(4,414,488)	(174,574)
Net Internal Service Assets	605,600	718,123	(112,523)
Total Assets	<u>\$ 11,666,571</u>	<u>\$ 11,594,233</u>	<u>\$ 72,338</u>

During the fiscal year, the District's investments in capital assets increased by \$72,338. The major capital asset events included adding technology in the General Fixed Assets and annual depreciation for both the General Fixed Assets and Enterprise Fund Assets.

Debt

At the end of the 2019-20 fiscal year, the District had total bonded indebtedness in the amount of \$12,685,544 as discussed in Note 8, Bonded and Other Long-Term Debt, in the Notes to the Financial Statements. The District issued, during the 2004-2005 fiscal year, limited tax pension obligation bonds to refinance the District's Unfunded Actuarial Liability (UAL) with the state of Oregon Public Employees Retirement System (PERS) in the amount of \$18,720,000. Repayment of the debt was scheduled over a 23-year period. During the 2006-07 fiscal year, the District issued certificates of participation in the amount of \$8,795,000 as general obligation debt for the purchase of the District's main facility located in Clackamas, Oregon and repayment of the debt owed on the prior District facility. Repayment of the debt was scheduled over a 29-year period. The total balance of this debt was \$6,750,000 as of June 30, 2020. During the 2016-17 fiscal year, the District refinanced this debt without extending the original term. The District paid principal on the bonds totaling \$1,030,000 and \$315,000 towards the general obligation debt in the 2019-20 fiscal year. During the 2019-20 fiscal year, the District financed \$1,000,000 for improvements to the Sunnybrook facility with \$93,310 paid toward this indebtedness. Other obligations include accrued vested compensated absences and early retirement obligations.

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended June 30, 2020

Economic Factors and Next Year's Budget

Currently, the Oregon unemployment rate is at 6.7%, identical to the U.S. rate of 6.7%, which both represent a substantial increase directly attributable to the COVID 19 Pandemic affecting the world's economy. It should be noted that these rates are only one economic factor to consider when assessing the overall health of the economy and are substantially lower than the peak unemployment rates experienced during the initial outbreak. The Oregon Legislature meets on an annual basis and is responsible for determining both the amount and allocation formula for K-12 education. Even during the current economic decline, the Legislature has made education a priority, stabilizing funding for the 2019-21 Biennium with relatively minor reductions in some grant programs. Early indications for the next biennium reflect support for education, though there are other pressing areas of concern due to the pandemic and recent wildfires that will likely need considerable resources to address. Historically, almost 32% of Clackamas ESD's General Fund revenues, excluding beginning cash, are provided by the state and almost 62% from ad valorem taxes. The balance of the revenues for the General Fund is from charges for services, federal funding, and interest earnings, among other sources.

The District continues to seek means to maintain expenditures within available resources. Currently, the district has proactively made reductions in programs, reflecting the staffing required for the Comprehensive Distance Learning (CDL) instruction being provided as well as other expenses identified as unnecessary. As the metrics and State mandates evolve, we are positioning ourselves to pivot as effectively as possible to deliver the best instruction to our valued students and families. It should be noted that the demands of combatting the pandemic require funding commitments in staffing, equipment and supplies. Any deficit imposed on the District will be absorbed by 1) use of available unrestricted fund balance, and 2) local component school districts reviewing and prioritizing services and, if necessary, required reductions in provided services so that resources equal expenditures as required by state statute. The District Board of Directors approves all required reductions.

Requests for Information

This financial report is designed to provide a general overview of Clackamas Education Service District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed to the Chief Financial Officer, 13455 SE 97th Avenue, Clackamas, OR, 97015.

BASIC FINANCIAL STATEMENTS

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

STATEMENT OF NET POSITION
June 30, 2020

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
ASSETS:			
Cash and cash equivalents	\$ 3,552,939	\$ 777,193	\$ 4,330,132
Property taxes receivable	582,084	-	582,084
Other receivables	16,956,925	338,541	17,295,466
Prepaid expense	71,832	5,065	76,897
Net OPEB assets	285,915	4,175	290,090
Capital assets			
Nondepreciable capital assets	2,173,996	-	2,173,996
Depreciable capital assets, net	8,886,975	605,600	9,492,575
Total assets	32,510,666	1,730,574	34,241,240
DEFERRED OUTFLOWS OF RESOURCES:			
OPEBs	462,163	6,749	468,912
Pensions	6,972,995	101,830	7,074,825
Total deferred outflows of resources	7,435,158	108,579	7,543,737
LIABILITIES:			
Accounts payable	1,022,327	29,379	1,051,706
Accrued payroll and benefits	1,571,800	-	1,571,800
Due to other governmental agencies	5,078,098	-	5,078,098
Compensated absences	166,516	-	166,516
Noncurrent liabilities:			
Bonds and other debt			
Due within one year	1,659,555	-	1,659,555
Due in more than one year	18,652,679	-	18,652,679
Net OPEB liabilities	2,333,348	34,075	2,367,423
Net pension liabilities	23,509,831	343,326	23,853,157
Total liabilities	53,994,154	406,780	54,400,934
DEFERRED INFLOWS OF RESOURCES:			
OPEBs	59,837	874	60,711
Pensions	3,402,809	49,693	3,452,502
Total deferred inflows of resources	3,462,646	50,567	3,513,213
NET POSITION:			
Invested in capital assets	2,780,389	605,600	3,385,989
Restricted for:			
Local, state and federal grants and contracts	2,457,565	-	2,457,565
Unrestricted	(22,748,930)	776,206	(21,972,724)
Total net position	\$ (17,510,976)	\$ 1,381,806	\$ (16,129,170)

See notes to the basic financial statements.

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2020

		FUNCTION REVENUE		NET (EXPENSE), REVENUE AND CHANGES IN NET POSITION		
		CHARGES FOR	OPERATING GRANTS AND	GOVERNMENTAL	BUSINESS TYPE	
FUNCTIONS	EXPENSES	SERVICES	CONTRIBUTIONS	ACTIVITIES	ACTIVITIES	TOTAL
Governmental Activities:						
Instruction	\$ 27,886,952	\$ 5,066,893	\$ 12,867,212	\$ (9,952,847)		\$ (9,952,847)
Support services	12,303,681	794,776	1,931,968	(9,576,937)		(9,576,937)
Enterprise and Community Services	516,085	-	448,957	(67,128)		(67,128)
Facility Acquisition	393,235	-	-	(393,235)		(393,235)
Other uses	13,425,879	2,345,016	2,207,469	(8,873,394)		(8,873,394)
Interest on long-term debt	838,861	-	-	(838,861)		(838,861)
Total Governmental Activities	55,364,693	8,206,685	17,455,606	(29,702,402)		(29,702,402)
Business-Type Activities:						
Instruction	28,901	-	-	-	\$ (28,901)	(28,901)
Support services	1,576,887	1,806,411	-	-	229,524	229,524
Other uses	446,168	446,168	-	-	-	-
Depreciation	174,574	-	-	-	(174,574)	(174,574)
Total Business-Type Activities	2,226,530	2,252,579	-	-	26,049	26,049
Total	\$ 57,591,223	\$ 10,459,264	\$ 17,455,606	(29,702,402)	26,049	(29,676,353)
General Revenues						
Taxes:						
Property taxes, levied for general purposes				17,381,293	-	17,381,293
State revenue sharing				9,972,821	-	9,972,821
Interest and investment earnings				304,220	-	304,220
Miscellaneous revenue				1,566,367	-	1,566,367
Total General Revenues				29,224,701	-	29,224,701
Changes in Net Position				(477,701)	26,049	(451,652)
Net Position - Beginning				(17,033,275)	1,355,757	(15,677,518)
Net Position - Ending				\$ (17,510,976)	\$ 1,381,806	\$ (16,129,170)

See notes to the basic financial statements.

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2020

	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTALS
ASSETS:					
Cash and Cash Equivalents	\$ 1,657,391	\$ 500	\$ 527,150	\$ 339,524	\$ 2,524,565
Property Taxes Receivable					
Property taxes receivable	501,181	-	-	-	501,181
Unsegregated tax collections	80,903	-	-	-	80,903
Other Receivables	16,702	16,934,823	-	-	16,951,525
Due from Other Funds	13,536,221	-	-	-	13,536,221
Prepaid Items	71,832	-	-	-	71,832
Total assets	\$ 15,864,230	\$ 16,935,323	\$ 527,150	\$ 339,524	\$ 33,666,227
LIABILITIES:					
Accounts payable	\$ 8,000	\$ 941,537	\$ -	\$ 1,644	\$ 951,181
Accrued payroll, taxes, withholdings	1,571,800	-	-	-	1,571,800
Due to other funds	-	13,536,221	-	-	13,536,221
Due to other governmental agencies	5,078,098	-	-	-	5,078,098
Total Liabilities	6,657,898	14,477,758	-	1,644	21,137,300
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue - property taxes	420,277	-	-	-	420,277
Total Deferred Inflows of Resources	420,277	-	-	-	420,277
FUND BALANCES:					
Nonspendable	71,832	-	-	-	71,832
Restricted	4,746,130	2,457,565	-	337,880	7,541,575
Committed	-	-	527,150	-	527,150
Unassigned	3,968,093	-	-	-	3,968,093
Total Fund Balances	8,786,055	2,457,565	527,150	337,880	12,108,650
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 15,864,230	\$ 16,935,323	\$ 527,150	\$ 339,524	\$ 33,666,227

See notes to the basic financial statements.

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2020

Total Fund Balances - Governmental Funds		\$	12,108,650
Capital assets used in governmental activities are not financial resources, and therefore are not reported in the funds.			11,060,971
An internal service fund is used by the district's management to charge costs for fixed charges and account for governmental activities of the district. The assets and liabilities are included in governmental activities in the Statement of Net Position.			962,628
Certain items are prepaid or are not available to pay for current period expenditures and therefore are deferred in the governmental funds:			
Deferred outflows - RHIA	\$	462,163	
Deferred outflows - pensions		6,972,995	
Deferred inflows - RHIA		(59,837)	
Deferred Inflows - pensions		<u>(3,402,809)</u>	3,972,512
Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long term, are reported in the Statement of Net Position.			
Long term Liabilities:			
Compensated absences payable		(166,516)	
2016 certificate of participation bonds payable and premium		(7,425,544)	
2020 Capital Loan		(906,690)	
PERS UAL bond payable		<u>(11,980,000)</u>	(20,478,750)
Unearned revenue related to property taxes			420,277
The asset for the RHIA other postemployment benefit due at year end is not recorded in the governmental funds, but it is accrued as a decrease in expense and an asset in the government-wide statements.			285,915
The liability for the net pension obligation due at year end is not recorded in the governmental funds, but it is accrued as an expense and a liability in the government-wide statements.			(23,509,831)
The liability for other postemployment benefits obligation due at year end is not recorded in the governmental funds, but it is accrued as an expense and a liability in the government-wide statements.			<u>(2,333,348)</u>
Net Position		\$	<u><u>(17,510,976)</u></u>

See notes to the basic financial statements.

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2020

	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTALS
REVENUES:					
Local Sources:					
Taxes	\$ 17,390,548	\$ -	\$ -	\$ -	\$ 17,390,548
Charges for services	1,425,970	5,206,894	1,747,740	-	8,380,604
Earnings from investments	286,647	-	17,573	-	304,220
Other	25,887	1,540,480	-	-	1,566,367
Total Local Sources	19,129,052	6,747,374	1,765,313	-	27,641,739
Intermediate Sources	-	-	-	-	-
State Sources	9,972,821	13,251,585	-	-	23,224,406
Federal Sources	-	4,204,021	-	-	4,204,021
Total Revenues	29,101,873	24,202,980	1,765,313	-	55,070,166
EXPENDITURES:					
Current:					
Instruction	8,307,928	18,634,555	-	-	26,942,483
Support services	8,199,044	2,488,956	-	-	10,688,000
Enterprise and community services	-	494,915	-	-	494,915
Facility acquisition and construction	-	-	-	393,235	393,235
Debt Service:					
Principal	408,310	-	1,030,000	-	1,438,310
Interest	263,858	-	618,209	-	882,067
Capital Outlay					
Facility acquisition and construction	-	-	-	598,695	598,695
Total Expenditures	17,179,140	21,618,426	1,648,209	991,930	41,437,705
Revenues Over, (Under) Expenditures	11,922,733	2,584,554	117,104	(991,930)	13,632,461
Other Financing Sources, (Uses):					
Issuance of Debt	-	-	-	1,000,000	1,000,000
Payments to Districts	(11,225,126)	(2,200,753)	-	-	(13,425,879)
Total Other Financing Sources, (Uses)	(11,225,126)	(2,200,753)	-	1,000,000	(12,425,879)
Net Change in Fund Balance	697,607	383,801	117,104	8,070	1,206,582
Fund Balance, Beginning of Year	8,088,448	2,073,764	410,046	329,810	10,902,068
Fund Balance, End of Year	\$ 8,786,055	\$ 2,457,565	\$ 527,150	\$ 337,880	\$ 12,108,650

See notes to the basic financial statements.

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities
For the Year Ended June 30, 2020

Total Net Changes in Fund Balances - Governmental Funds	\$	1,206,582
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Long-term debt proceeds are reported as other financing sources in governmental funds. In the statement of Net Position, however, this debt increases liabilities. Similarly, repayment of bond principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position.

Bond Premium and Amortization	\$	43,206	
2006 COP Principal		315,000	
2020 Capital Loan Principal		93,310	
2020 Capital Loan Proceeds		(1,000,000)	
PERS UAL Bond Principal		1,030,000	481,516

Governmental funds report all capital outlays as expenditures. However, in the Statement of Activities, the cost of certain assets is allocated over their estimated useful lives and reported as depreciation expense. In the current period these amounts are:

Capital Outlay		598,695	
Depreciation Expense		(413,834)	184,861

An internal service fund is used by the district's management to charge costs for fixed charges and account for governmental activities of the district. The net revenue of the internal service fund is reported with governmental activities.	466,859
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In the Statement of Activities, compensated absences and net pension obligation are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (amounts paid).

Changes in compensated absences	(56,534)	
Changes in net pension obligation	14,665	(41,869)

Property tax revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the governmental funds.	(9,255)
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(Increases) decreases in proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.	(1,356,991)
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(Increases) decreases in pension deferred outflows/inflows of resources reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.	(1,199,726)
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In the Statement of Activities, contributions for other postemployment benefits less than the actuarially determined contribution amount increases 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 increased:	(209,678)
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Change in Net Position of Governmental Activities	\$ (477,701)
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See notes to the basic financial statements.

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2020

	BUSINESS TYPE ACTIVITIES: ENTERPRISE FUND	GOVERNMENTAL ACTIVITIES: INTERNAL SERVICE FUND
ASSETS:		
Current Assets:		
Cash, cash equivalents and investments	\$ 777,193	\$ 1,028,374
Other receivables	338,541	5,400
Inventories	5,065	-
Total Current Assets	1,120,799	1,033,774
Noncurrent Assets:		
Net OPEB Asset - RHIA	4,175	-
Equipment (net)	605,600	-
Total Noncurrent Assets	609,775	-
Total Assets	1,730,574	1,033,774
DEFERRED OUTFLOWS OF RESOURCES:		
OPEB	6,749	-
Pension Plan	101,830	-
Total Deferred Outflows of Resources	108,579	-
LIABILITIES:		
Current Liabilities:		
Accounts payable	29,379	71,146
Total Current Liabilities	29,379	71,146
Noncurrent Liabilities:		
Net OPEB liabilities	34,075	
Net pension liabilities	343,326	-
Total Noncurrent Liabilities	377,401	-
Total Liabilities	406,780	71,146
DEFERRED INFLOWS OF RESOURCES:		
OPEB	874	-
Pension Plan	49,693	-
Total Deferred Inflows of Resources	50,567	-
NET POSITION:		
Invested in Capital Assets	605,600	-
Unrestricted	776,206	962,628
Total Net Position	\$ 1,381,806	\$ 962,628

See notes to the basic financial statements.

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 For the Year Ended June 30, 2020

	BUSINESS TYPE ACTIVITIES: ENTERPRISE FUND	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND
Operating Revenues:		
Local Sources	\$ 2,252,579	\$ 1,573,821
Total Operating Revenues	<u>2,252,579</u>	<u>1,573,821</u>
Operating Expenses:		
Salaries and Associated Payroll Costs	456,570	308,231
Professional and Contracted Services	596,481	508,676
Supplies and Materials	511,286	145,381
Depreciation	174,574	-
Other Operating Expenses	41,451	144,674
Total Operating Expenses	<u>1,780,362</u>	<u>1,106,962</u>
Operating Income, (Loss)	472,217	466,859
Other Financing Sources (Uses)		
Payments to Districts	(446,168)	-
Total Other Financing Sources (Uses)	<u>(446,168)</u>	<u>-</u>
Change in Net Position	26,049	466,859
Net Position, Beginning of Year	<u>1,355,757</u>	<u>495,769</u>
Net Position, End of Year	<u><u>\$ 1,381,806</u></u>	<u><u>\$ 962,628</u></u>

See notes to the basic financial statements.

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2020

	BUSINESS TYPE ACTIVITIES: ENTERPRISE FUND	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from user charges	\$ 1,556,788	\$ 506,227
Cash received from other governmental agencies	614,784	643,211
Cash received from assessments made to other funds	32,739	423,293
Cash payments to suppliers for goods and services	(1,108,977)	(597,584)
Cash payments to employees for services	(383,662)	(308,231)
Cash payments for other operating expenses	(41,451)	(144,674)
Net Cash Provided (Used) by Operating Activities	670,221	522,242
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES:		
Payments to districts	(446,168)	-
Net Cash Provided (Used) for Non-Capital and Related Financing Activities	(446,168)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of capital assets	(62,050)	-
Net Cash Provided (Used) for Capital and Related Financing Activities	(62,050)	-
Net Increase, (Decrease) in Cash and Cash Equivalents	162,003	522,242
Cash and Cash Equivalents - Beginning	615,190	506,132
Cash and Cash Equivalents - Ending	\$ 777,193	\$ 1,028,374
Reconciliation of Operating Income, (Loss) to Net Cash Provided, (Used) by Operating Activities:		
Operating income, (loss)	\$ 472,217	\$ 466,859
Adjustments to Reconcile Operating Income, (Loss) to Net Cash Provided, (Used) by Operating Activities:		
Depreciation	174,574	-
Changes in assets and liabilities:		
Receivables	(48,269)	(1,090)
Payables	(1,210)	56,473
Accrued payroll and associated payroll costs	60,163	-
Deferred outflows - pension	9,225	-
Deferred inflows - pension	3,521	-
Net Cash Provided by Operating Activities	\$ 670,221	\$ 522,242
Cash Paid for Interest	\$ -	\$ -
Cash Paid for Taxes	\$ -	\$ -

See notes to the basic financial statements.

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

STATEMENT OF NET POSITION - FIDUCIARY FUNDS
June 30, 2020

	AGENCY FUNDS
ASSETS:	
Cash, cash equivalents and investments	\$ 168,818
Total Assets	168,818
LIABILITIES:	
Due to employees/districts	168,818
Total Liabilities	168,818
NET POSITION:	\$ -

See notes to the basic financial statements.

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NOTES TO THE BASIC FINANCIAL STATEMENTS

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Clackamas Education Service District ("District") is a municipal corporation governed by a seven-member elected board. Each member serves a four-year term. The District was organized under provisions of Oregon Revised Statutes Chapter 334.010 to perform the function of financial equalization among Clackamas County School Districts to assist the state in providing equal educational opportunities to all students. It serves to assist the State Board of Education in providing state level services and support of state laws and state minimum standards. It also provides professional services and facilities in education on a cooperative basis with local school districts.

The District qualifies as a primary government since it has a separately elected governing body, is a legally separate entity, and is fiscally independent. There are various governmental agencies and special service districts that provide services within the District's boundaries. However, the District is not financially accountable for any of these entities, and therefore, none of them are considered component units or included in these basic financial statements.

The more significant of the District's accounting policies are described below.

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers who purchase or use goods, services, or privileges provided by a given function, 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and the fiduciary funds, even though the latter is excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures and expenditures related to compensated absences are recorded only when payment is due.

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Property taxes are considered to be susceptible to accrual if received in cash by the District, or collected by the County within 60 days after year-end. All other revenue items are recognized in the accounting period when they become both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current year or soon thereafter. The available period for the District is 60 days after year-end.

The District reports the following major governmental funds:

General – This fund accounts for the general operations of the District. The General Fund accounts for all financial resources except those required to be accounted for in another fund. The principal revenue sources are property taxes and an apportionment from the State of Oregon.

Special Revenue – This fund accounts for revenues and expenditures of specific educational programs funded from federal, state, and local resources. Principal revenue sources are federal grants paid to the District through state and county agencies and other grants paid to the District directly from state, local, and private agencies.

Debt Service – This fund is used for the accumulation of resources for the payment of principal and interest on bonds issued to retire a portion of its underfunded pension obligation as calculated by the Oregon Public Employees Retirement System.

Capital Projects Fund – This fund accounts for major capital outlay expenditures relating to the acquisition, construction, and remodeling of capital facilities of the District. Principal financing sources are proceeds from the sale of general obligation bonds, proceeds from the sale of a District building in prior years, and earnings on investments.

Additionally, the District reports the following funds types:

Enterprise - Accounts for goods and services for which a fee is charged to local education associations within Clackamas County, to recover costs of providing services.

Internal Service - Accounts for goods and services provided by one department to other departments of the District, or to local education associations within Clackamas County, on a cost reimbursement basis.

Agency Fund - Accounts for assets held by the District in a custodial capacity for the employees of the district.

In the Enterprise and Internal Service funds, operating revenues consist of charges for services and operating expenses include the cost of providing such services. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses, including transfers.

C. Appropriations and Budgetary Controls

The District prepares a budget for all funds in accordance with the modified accrual basis of accounting, with certain adjustments, and legal requirements set forth in Oregon Local Budget Law.

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Appropriations and Budgetary Controls (Continued)

Consistent with Oregon law, expenditures are appropriated for each legally adopted annual operating budget at the following levels of control, as appropriate:

- Instruction
- Supporting Services
- Enterprise and Community Services
- Facility Acquisition and Construction
- Other Uses
- Contingencies

Capital outlay expenditures are appropriated within the instruction, supporting services, and facility acquisition and construction levels of control. Debt service, transfers of funds, and apportionment of funds by the District are appropriated within the Other Uses level of control and are presented separately in their expenditure category.

After the original budget is adopted, the Board of Education may approve appropriation transfers between the levels of control without limitation. Supplemental appropriations may be approved by the Board of Education if any occurrence, condition, or need exists which had not been anticipated at the time the budget was adopted. An appropriation transfer that alters estimated total expenditures by less than 10% of any individual fund may be adopted at the regular meeting of the Board of Education. A supplemental budget must be adopted for conditions which require either supplemental appropriations or an increase in expenditures greater than 10% of an individual fund. A supplemental budget requires public hearings, publication in newspapers, and approval by the Board of Education. Supplemental budgets must be submitted, reviewed, and certified, similar to the original budget, subsequent to approval by the Board of Education. Appropriations lapse at the end of each fiscal year.

Budget amounts shown in the required supplementary information and supplementary information include the original and final budget amounts. Expenditures of the various funds were within authorized appropriations for the fiscal year except for expenditures exceeded appropriations in the Enterprise Fund by \$1,414 in the instruction function and by \$86,168 in the other uses function. Appropriations lapse at the end of each fiscal year.

D. Encumbrances

During the year, encumbrances are recorded in the accounting records when purchase orders are issued. The use of encumbrances indicates to District employees that appropriations are committed; however, all encumbrances expire at year-end.

E. Cash, Cash Equivalents, and Investments

For the purpose of the cash flow statement, the statement of net position, and the balance sheets, monies in the Oregon State Local Government Investment Pool (LGIP), savings deposits, and demand deposits are considered to be cash and cash equivalents. The District's investments consist of a LGIP account.

F. Property Taxes

Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic distributions of collections to entities levying taxes. Property taxes become a lien against the property when levied on July 1 of each year and are payable in three installments due on November 15, February 15 and May 15. Property tax collections are distributed monthly except for November, when such distributions are made weekly.

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Property Taxes (Continued)

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.

G. Interfund Receivables/Payables

District maintains a cash pool that is available for use by all funds including the agency fund. This results in interfund payables and receivables until cash is transferred from one fund to the other. These amounts represent current assets and liabilities and are reported as cash and cash equivalents in each fund.

H. Supply Inventories and Prepaid Items

Inventory is valued at cost using the first-in, first-out (FIFO) method. It consists of materials and supplies used in providing goods and services between departments of the District, and to school districts within Clackamas County.

I. Capital Assets

Capital assets, which include land, buildings and site improvements, construction in progress, and vehicles and equipment, are reported in the governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000, and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are completed.

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

<u>Asset</u>	<u>Years</u>
Buildings	50
Site improvements	5 to 20
Software	10
Equipment	5 to 20

J. Grant Accounting

Unreimbursed expenditures due from grantor agencies are recorded in the financial statements as accounts receivable and revenues. Cash received from grantor agencies in excess of related grant expenditures is reflected as unearned revenue liability on the statement of net position and the balance sheet.

K. Compensated Absences

Compensated absences payable represents amounts payable to classified employees for accumulated unpaid vacation time. Vacation time accumulates from one day per month to one and three-quarters days per month based on years of employment. The maximum accumulation of vacation time is 315 hours. Unpaid vacation time is fully vested to employees at the time it is earned. Vacation time does not apply to certified, confidential and management personnel. All outstanding vacation leave is payable upon resignation, retirement, or death.

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Compensated Absences (Continued)

In governmental fund types, amounts expected to be liquidated with expendable available financial resources are accrued in the fund. The amount payable is recorded in the statement of net position.

Sick leave hours accumulate at the rate of eight hours per month without a limit on the total hours that can be accumulated. Accumulated sick leave does not vest and is forfeited at resignation, retirement or death. Sick leave is recorded as an expenditure/expense when leave is taken and no liability is recorded.

L. Fund Equity

Government fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors or contributors, or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the District Board through approval of resolutions. Assigned fund balance is a limitation imposed by a designee of the District's Board. Unassigned fund balance is the net resources in excess of what can be properly classified in one of the above four categories. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

When both restricted and unrestricted fund balances are available for use, it is the District's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purpose for which amounts in any of those unrestricted fund balance classifications can be used.

M. Interfund Transactions

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. This includes transfers occurring within governmental activities and interfund receivables and payables.

Internal Service Fund revenues and expenses are recorded to the appropriate function revenue and program expenses in the statement of activities.

N. Receivables and Payables

Receivables expected to be collected within sixty days following year-end are considered measurable and available and are recognized as revenues in the fund financial statements. Other receivables, except grants, are offset by deferred revenues and, accordingly, have not been recorded as revenue. Receivables, net of any allowance for doubtful accounts, are recorded as assets in the statement of net position. All receivables are considered fully collectible; accordingly no allowance for uncollectible accounts has been recorded.

O. Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the government-wide financial statements. Bond premium and discounts are deferred and amortized over the life of the bonds using straightline method, which approximates the effective interest method. Bonds payable are reported net of applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premium and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources.

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Retirement Plans

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

In addition, management, confidential, licensed, and classified employees are eligible for an early retirement stipend based on their contractual agreements. The District also offers its employees tax deferred annuity plans established pursuant to Section 403(b) and Section 457(b) of the Internal Revenue Code.

Q. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

R. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position and/or fund balance that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. The District reports deferred pension outflows of resources in the statement of net position.

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

NOTE 2 – BUDGETARY BASIS OF ACCOUNTING

The District reports financial position, results of operations, and changes in fund balance/net position/retained earnings on the basis of generally accepted accounting principles (GAAP), but the District's budgetary basis of accounting differs from generally accepted accounting principles. The budgetary statements provided as part of supplementary information elsewhere in this report are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The primary difference between the District's budgetary basis and GAAP basis is the classification of capital outlay and depreciation which, for budgetary purposes for all funds except the Enterprise Fund, are reported within the functional categories at the level of appropriation control. On a GAAP basis, capital outlay and depreciation are separately reported after current expenditures. The Enterprise Fund budget is developed and presented on the GAAP basis.

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 3 – STATE CONSTITUTIONAL PROPERTY TAX LIMITS

The State of Oregon has a constitutional limit on property taxes for schools and non-school government operations. Under the provisions of the limitation, tax revenues are separated into taxes for the public school system and taxes for local government operations other than the public school system. Property taxes levied for the payment of bonded indebtedness are exempt from the limitation, provided such bonds are either authorized by a specific provision of the Oregon Constitution or approved by the voters of the District for capital construction or improvements.

During May 1997, Oregon voters approved Measure 50 which limits taxes on each property by reducing the “assessed value” of each unit of property for the tax year 1998-99 to its 1995-96 value, less ten percent. Then a “permanent tax rate”, representing the product of dividing the tax levy by the assessed value, was calculated. The new tax rates are the permanent constitutional rate limit for each jurisdiction and are used to calculate property taxes levied against each property.

The District’s permanent tax rate for the year ended June 30, 2020 was \$.3687 per \$1,000 of assessed value.

NOTE 4 – DEPOSITS AND INVESTMENTS

The District maintains a cash pool that is available for use by all funds. Each fund type’s portion of the pool is reported on the balance sheet as “Cash and Cash Equivalents”.

Cash and investments on June 30, 2020 are shown on the basic financial statements as, and consist of, the following:

Deposits with financial institutions	\$ 1,715,945
Investments	<u>2,783,005</u>
Total	<u><u>\$ 4,498,950</u></u>

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

Statement of Net Position	
Cash and Investment	\$ 4,330,132
Statement of Fiduciary Fund Net Position	
Cash and Investment	<u>168,818</u>
	<u><u>\$ 4,498,950</u></u>

A. 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 be lost. 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 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 \$1,718,445 on June 30, 2020. The bank statement records reflect a balance of \$3,120,388 at year end. Of this amount, \$250,000 is covered by FDIC’s general deposit insurance rules. As required by Oregon Revised Statutes, deposits in excess of federal depository insurance must be held by 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 the State Treasurer. As a result, the District has no exposure for custodial credit risk for deposits with financial institutions.

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

B. Investments

Oregon Revised Statutes authorize school districts to invest in obligations of the U.S. Treasury, agencies and instrumentalities of the United States, commercial paper, bankers' acceptances guaranteed by a qualified financial institution, repurchase agreements, interest bearing bonds of any city, county, port or school district in Oregon (subject to specific standards), and the Oregon State Local Government Investment Pool, among others. The Board of Education has adopted an investment policy for the District which complies with state statutes.

Investments in the State of Oregon Local Government Investment Pool (LGIP) are stated at share value, which approximates fair value. The LGIP is administered by the Oregon State Treasury. The LGIP is an open-ended no-load diversified portfolio offered to any agency, political subdivision or public corporation of the state, which, by law, is made the custodian of, or has control of, any fund. The LGIP funds are commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon Legislature established the Oregon Short-Term Fund Board (OSTFB). The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP.

Investment Type	Fair Value	Investment Maturity (in months)	
		Less Than 3	More than 3
State Treasurer's			
Local Government Investment Pool	\$ 2,763,116	\$ 2,763,116	\$ -
Pension Obligation Trust Fund	19,889	19,889	-
Total	<u>\$ 2,783,005</u>	<u>\$ 2,783,005</u>	<u>\$ -</u>

Interest Rate Risk – Investments. Oregon Revised Statutes require investments to not exceed maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. The District does not have any investments that have a maturity date.

Custodial Credit Risk – Investments. Oregon Revised Statutes do not limit investments as to credit rating for securities purchased from US Government agencies or USGSE. The State Investment Pool is not rated.

Concentration of Credit Risk – Investments. As of June 30, 2020, the District had 100% of total investments in the State Treasurer's Investment Pool. State statutes do not limit the percentage of investments in this instrument.

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 5 – CAPITAL ASSETS AND DEPRECIATION

A summary of changes in the governmental activities capital assets for the year ended June 30, 2020 follows:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Capital Assets not being depreciated:				
Land (non depreciable)	\$ 2,151,662	\$ -	\$ -	\$ 2,151,662
Construction in progress		22,334	-	22,334
	2,151,662	22,334	-	2,173,996
Capital assets being depreciated:				
Buildings and improvements	10,878,028	576,361	-	11,454,389
Vehicles and equipment	1,407,920	-	-	1,407,920
Software	1,378,171	-	-	1,378,171
Total capital assets being depreciated	13,664,119	576,361	-	14,240,480
Less accumulated depreciation for:				
Buildings and improvements	(2,693,191)	(242,235)	-	(2,935,426)
Vehicles and equipment	(1,316,794)	(33,782)	-	(1,350,576)
Software	(929,686)	(137,817)	-	(1,067,503)
Total accumulated depreciation	(4,939,671)	(413,834)	-	(5,353,505)
Total capital assets being depreciated, net	8,724,448	162,527	-	8,886,975
Total capital assets, net	\$ 10,876,110	\$ 162,527	\$ -	\$ 11,038,637

Governmental depreciation was charged to functions as follows:

Instruction	\$ 202,607
Supporting services	211,227
Total	\$ 413,834

A summary of changes in capital assets of the enterprise fund for the year ended June 30, 2020 follows:

	Balance July 1, 2019	Additions	Reclassification or Deletions	Balance June 30, 2020
Machinery and equipment	\$ 5,132,612	\$ 62,050	\$ -	\$ 5,194,662
Accumulated depreciation	(4,414,488)	(174,574)	-	(4,589,062)
Totals	\$ 718,124	\$ (112,524)	\$ -	\$ 605,600

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 6 – INTERFUND BALANCES AND TRANSFERS

The composition of interfund balances as of June 30, 2020 is as follows:

	Due from Other Funds	Due to Other Funds
Major Governmental Fund		
General Fund	\$ 13,536,221	\$ -
Special Revenue Fund	-	13,536,221
Totals	<u>\$ 13,536,221</u>	<u>\$ 13,536,221</u>

The outstanding balances between funds results from grant awards which require the expenditure of funds prior to reimbursement, causing a negative cash balances until reimbursement is received. This transaction records negative cash balances.

NOTE 7 – COMPENSATED ABSENCES

Compensated absences are assumed to be used on a first in, first out basis; therefore, all outstanding balances are considered due within one year of June 30, 2020. This benefit is paid primarily from the General Fund.

Outstanding Balance July 1, 2019	Additions	Payments	Outstanding Balance June 30, 2020
\$ 109,982	\$ 144,424	\$ 87,890	\$ 166,516

NOTE 8 – LONG-TERM DEBT

1. Bonds Payable

Limited tax pension obligation bonds were issued to finance a portion of the Unfunded Actuarial Liability (UAL) with the State of Oregon Public Employees Retirement System (PERS). Principal and interest payments on these bonds are made from the Debt Service Fund. The interest rate varies from 4.113% to 4.759% over the life of the bond.

Changes in bonds outstanding for the year ended June 30, 2020 were as follows:

	Balance July 1, 2019	Additions	Payments & Deletions	Balance June 30, 2020	Due within One Year
PERS UAL Bond	\$ 13,010,000	\$ -	\$ (1,030,000)	\$ 11,980,000	\$ 1,145,000
Unamortized premium	748,750	-	(43,206)	705,544	-
Total PERS bond	<u>\$ 13,758,750</u>	<u>\$ -</u>	<u>\$ (1,073,206)</u>	<u>\$ 12,685,544</u>	<u>\$ 1,145,000</u>

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 8 – LONG-TERM DEBT (Continued)

Future maturities of bonds are payable as follows:

Payable in Fiscal Year:	PERS UAL Bond	Interest	Total
2021	\$ 1,145,000	\$ 570,128	\$ 1,715,128
2022	1,270,000	515,638	1,785,638
2023	1,400,000	455,198	1,855,198
2024	1,540,000	388,572	1,928,572
2025	1,690,000	315,284	2,005,284
2026-2028	4,935,000	432,351	5,367,351
Total	<u>\$ 11,980,000</u>	<u>\$ 2,677,171</u>	<u>\$ 14,657,171</u>

2. Other Long-Term Debt

The 2016 Certificate of Participation (COP) note was issued on October 20, 2016, to finance the purchase of the District's main facility located in Clackamas, Oregon. The interest rate varies from 2.00% to 4.0%, over the 20-year life of the bond. The 2019 Capital Loan was issued November 27, 2019 to finance facility renovations. The interest rate is 3.464%.

Changes in other long-term debt outstanding for the year ended June 30, 2020 were as follows:

	Balance July 1, 2019	Additions	Payments & Deletions	Balance June 30, 2020	Due within One Year
2019 Capital Loan	\$ -	\$ 1,000,000	\$ (93,310)	\$ 906,690	\$ 189,555
2016 COP	7,035,000	-	(315,000)	6,720,000	325,000
	<u>\$ 7,035,000</u>	<u>\$ 1,000,000</u>	<u>\$ (408,310)</u>	<u>\$ 7,626,690</u>	<u>\$ 514,555</u>

Future maturities of other long-term debt are as follows:

Payable in Fiscal Year:	2019 Capital Loan	2016 COP	Interest	Total
2021	\$ 189,555	\$ 325,000	\$ 267,830	\$ 592,830
2022	196,178	330,000	251,457	581,457
2023	203,032	345,000	234,703	579,703
2024	210,126	355,000	213,809	568,809
2025	107,799	375,000	192,267	567,267
2026-2030	-	2,045,000	776,800	2,821,800
2031-2035	-	2,405,000	404,200	2,809,200
2036	-	540,000	21,600	561,600
Total	<u>\$ 906,690</u>	<u>\$ 6,720,000</u>	<u>\$ 2,362,666</u>	<u>\$ 9,082,666</u>

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 8 – LONG-TERM DEBT (Continued)

3. Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2020 was as follows:

	Balance July 1, 2019	Additions	Payments & Deletions	Balance June 30, 2020	Due within One Year
Bonds	\$ 13,758,750	\$ -	\$ (1,073,206)	\$ 12,685,544	\$ 1,145,000
Other Long-Term Debt	7,035,000	1,000,000	(408,310)	7,626,690	514,555
Net pension liability	21,911,465	1,376,808	-	23,288,273	-
Net OPEB obligation	1,621,721	745,702	-	2,367,423	-
Pension stipend liability	619,035	-	(54,151)	564,884	-
Total long-term liabilities	<u>\$ 44,945,971</u>	<u>\$ 3,122,510</u>	<u>\$ (1,535,667)</u>	<u>\$ 46,532,814</u>	<u>\$ 1,659,555</u>

Payments on bonds payable are made by the Debt Service Fund. Payments on the certificates of participation and capital loan are made by the General Fund.

NOTE 9 – PENSION PLANS

The District offers pension benefits through Oregon Public Employees Retirement System as well as an early retirement stipend. The breakdown of the net pension liabilities, deferred outflows of resources, and deferred inflows of resources related to pensions are:

Governmental Activities	PERS	Stipend	Total
Deferred Outflows of Resources	\$ 6,967,260	\$ 5,735	\$ 6,972,995
Total Net Pension Liability	22,953,078	556,753	23,509,831
OPEB Deferred Inflows of Resources	3,349,457	53,352	3,402,809
Enterprise Fund	PERS	Stipend	Total
Deferred Outflows of Resources	\$ 101,746	\$ 84	\$ 101,830
Total Net Pension Liability	335,195	8,131	343,326
OPEB Deferred Inflows of Resources	48,914	779	49,693
Total Pensions	PERS	Stipend	Total
Deferred Outflows of Resources	\$ 7,069,006	\$ 5,819	\$ 7,074,825
Total Net Pension Liability	23,288,273	564,884	23,853,157
OPEB Deferred Inflows of Resources	3,398,371	54,131	3,452,502

1. PERS 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.

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 9 – PENSION PLANS (Continued)

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.

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 (Chapter 238). Tier One/Tier Two Retirement Benefit plan is closed to new members hired on or after August 29, 2003.

Pension Benefits

The PERS retirement allowance is payable monthly for life. It may be selected from 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.

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 9 – PENSION PLANS (Continued)

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.

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.

CLACKAMAS EDUCATION SERVICE DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 9 – PENSION PLANS (Continued)

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 2015 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.

c. 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.

Employer contribution rates during the period were based on the December 31, 2017 actuarial valuation. The rates, based on a percentage of payroll, first became effective July 1, 2019. The District made lump sum payments to establish side accounts which reduces the District rates below the standard School District Pool rates. The District's contractually required contribution rate was 18.99% of eligible Tier 1/Tier 2 members and 13.54% of eligible payroll for OPSRP members. Employer contributions for the year ended June 30, 2020 were \$2,717,179, excluding amounts to fund employer specific liabilities. Approximately, \$1,747,740 was charged for the year ended June 30, 2020 as PERS benefits expenditures to be used for bond payments as they become due. In addition, approximately, \$1,056,235 in employee contributions were paid by employees for the year ended June 30, 2020.

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

At June 30, 2020, the District reported a net pension liability of \$23,288,273 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2017 rolled forward to June 30, 2019. 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, 2019 the District's proportion was 0.13463293%.

For the year ended June 30, 2020, the District recognized a pension expense of \$2,594,054. At June 30, 2020, the District reported the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Differences between expected and actual experience	\$ 1,284,280	\$ -
Changes of assumptions	3,159,320	-
Net difference between projected and actual earnings on pension plan investments	-	(660,199)
Changes in proportion	289,931	(1,703,980)
Differences between employer contributions and proportionate share of contributions	-	(1,034,192)
District contributions subsequent to the measurement date	2,335,475	-
Net deferred outflow (inflow) of resources	<u>\$ 7,069,006</u>	<u>\$ (3,398,371)</u>

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 9 – PENSION PLANS (Continued)

\$2,335,475 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. 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:

<u>Year Ended June 30,</u>	<u>Amount</u>
2021	\$ 1,257,602
2022	(421,821)
2023	283,686
2024	237,419
2025	(21,727)

Actuarial Methods and Assumptions

Actuarial Valuations

The employer contribution rates effective July 1, 2019, through June 30, 2021, 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, 2017 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

Valuation Date	December 31, 2017
Measurement Date	June 30, 2019
Experience Study Report	2016, published July 26, 2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.50 percent
Long-Term Expected Rate of Return	7.20 percent
Discount Rate	7.20 percent
Projected Salary Increases	3.50 percent
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision, blend based on service

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 9 – PENSION PLANS (Continued)

Mortality	Health retirees and beneficiaries: RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and setbacks as described in the valuation.
	Active Members: RP-2014 employee, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and setbacks as described in the valuation.
	Disabled retirees: RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.

Actuarial valuations of an ongoing plan involve estimates of 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 2016 Experience Study which reviewed experience for the four-year period ending on December 31, 2016.

Discount Rate

The discount rate used to measure the total pension liability was 7.20 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%

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 9 – PENSION PLANS (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:

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

Asset Class	Target	Compound Annual Return (Geometric)
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00%	3.38%
Bank/Leveraged Loans	3.00%	5.09%
High Yield Bonds	1.00%	6.45%
Large/Mid Cap US Equities	15.75%	6.30%
Small Cap US Equities	1.31%	6.69%
Micro Cap US Equities	1.31%	6.80%
Developed Foreign Equities	13.13%	6.71%
Emerging Foreign Equities	4.12%	7.45%
Non-US Small Cap Equities	1.88%	7.01%
Private Equities	17.50%	7.82%
Real Estate (Property)	10.00%	5.51%
Real Estate (REITS)	2.50%	6.37%
Hedge Funds of Funds – Diver	2.50%	4.09%
Hedge Fund – Event – Driven	.63%	5.86%
Timber	1.88%	5.62%
Farmland	1.88%	6.15%
Infrastructure	3.75%	6.60%
Commodities	1.88%	3.84%
Assumed Inflation – Mean		2.50%

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 9 – PENSION PLANS (Continued)

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage point higher (8.20% percent) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
District's proportionate share of the net pension liability (asset)	\$ 37,294,102	\$ 23,288,273	\$ 11,567,323

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

Changes in actuarial methods, allocation, and assumption from December 31, 2016 to the December 31, 2017 actuarial valuation are listed in the Actuarial Valuation Report pages 103 and 204.

2. Early Retirement Benefits

Plan Description. The District provides an early retirement stipend for licensed, classified, management, and confidential employees. The stipend is available to licensed and classified employees hired prior to July 1, 2005 based on the collective bargaining agreement under which they retire, and management and confidential employees based on their contractual agreement.

Eligibility and Benefit Provisions. The licensed plan provides for employees who are at least 55 years of age to receive a monthly stipend of \$470 for ten years of service with the District or \$535 for fifteen years of service. The stipend is provided for 36 months, or until age 65, whichever is first. The classified plan provides for employees who are at least 55 years of age, regularly employed by the District for at least 15 consecutive years and eligible for PERS retirement benefits. The monthly stipend is based on years of service and unused sick leave at the time of retirement. The management and confidential plan provides for employees with at least 10 years of service with the District and who are retired under PERS to receive one of two retirement options, based on age.

Funding Policy. The District pays for the benefits without any cost to employees. The contributions are financed on a pay-as-you-go basis. Therefore, the District does not fund the program in advance. Payments are recognized when due and payable in the governmental funds and on an actuarial basis in the government-wide financial statements.

Total Stipend Liability – The District's total stipend liability of \$564,884 was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019.

Actuarial Assumptions and Other Inputs - The total stipend liability in the July 1, 2019 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.

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 9 – PENSION PLANS (Continued)

Changes in the Total Stipend Liability:

Balance at June 30, 2019	\$ 619,035
Service costs	30,110
Interest	23,382
Changes in benefit terms	-
Differences between expected and actual experience	(63,153)
Changes of assumptions or other input	6,789
Benefit payments	<u>(51,279)</u>
Balance at June 30, 2020	<u><u>\$ 564,884</u></u>

For the year ended June 30, 2020 the District recognized a decrease in pension related costs of \$54,151. At June 30, 2020 the District reported the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred (Inflows) of Resources</u>
Differences between expected and actual experience	\$ -	\$ 54,131
Changes of assumptions	<u>5,819</u>	<u>-</u>
Net deferred outflow (inflow) of resources	<u><u>\$ 5,819</u></u>	<u><u>\$ 54,131</u></u>

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:

<u>Year Ended June 30,</u>	<u>Amount</u>
2021	\$ (8,052)
2022	(8,052)
2023	(8,052)
2024	(8,052)
2025	(8,052)
Thereafter	(8,052)

Sensitivity of the Total Pension Liability to Changes in the Discount Rate - The following presents the total pension liability of the District, as well as what that the District's total pension liability would be if it were calculated using a discount rate that is one percentage point lower (1.75 percent) or one percentage point higher (3.75 percent).

	<u>1% Decrease (1.75%)</u>	<u>Current Discount Rate (2.75%)</u>	<u>1% Increase (3.75%)</u>
Total stipend liability (asset)	\$ 589,073	\$ 564,884	\$ 540,993

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (OPEB)

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

<u>Governmental Activities</u>	<u>Postemployment Health Insurance Subsidy (PHIS)</u>	<u>Retirement Health Insurance Account (RHIA)</u>	<u>Total</u>
Total OPEB Asset	\$ -	\$ 285,915	\$ 285,915
OPEB Deferred Outflows of Resources	447,494	14,669	462,163
Total OPEB Liability	2,333,348	-	2,333,348
OPEB Deferred Inflows of Resources	-	59,837	59,837
<u>Enterprise Fund</u>	<u>Postemployment Health Insurance Subsidy (PHIS)</u>	<u>Retirement Health Insurance Account (RHIA)</u>	<u>Total</u>
Total OPEB Asset	\$ -	\$ 4,175	\$ 4,175
OPEB Deferred Outflows of Resources	6,535	214	6,749
Total OPEB Liability	34,075	-	34,075
OPEB Deferred Inflows of Resources	-	874	874
<u>Total OPEB</u>	<u>Postemployment Health Insurance Subsidy (PHIS)</u>	<u>Retirement Health Insurance Account (RHIA)</u>	<u>Total</u>
Total OPEB Asset	\$ -	\$ 290,090	\$ 290,090
OPEB Deferred Outflows of Resources	454,029	14,883	468,912
Total OPEB Liability	2,367,423	-	2,367,423
OPEB Deferred Inflows of Resources	-	60,711	60,711

1. Health Insurance Subsidy

A. Plan Description - The District provides post-employment insurance benefits to certain eligible employees through a single-employer defined benefit plan administered by the District. All post-employment benefits are based on contractual agreements with employee groups. Eligibility for these benefits is based on years of service and/or minimum age requirements. These contractual agreements do not include any specific contribution or funding requirements.

All retirees of the District have the option under state law to continue their medical insurance coverage through the District from the time of retirement until the employee reaches the age of eligibility for Medicare. For members of certain employee groups, the District pays the eligible retiree's premiums for medical (single or two-party coverage premium at active employee rates) and dental (single or two-party coverage premium at active employee rates) for some period after retirement. The length of the benefits to be paid by the District differ by bargaining unit, with some contracts specifying a number of months of coverage based on years of services (ranging from 48-84 months of coverage for 15-30 years of continuous service), and some covering premium costs from the time of retirement until the employee reaches the age of eligibility for Medicare.

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

The District is legally required to include any retirees for whom it provides health insurance coverage in the same insurance pool as its active employees, whether the premiums are paid by the District or the retiree. Consequently, participating retirees are considered to receive a secondary benefit known as an “implicit rate subsidy.” This benefit relates to the assumption that the retiree is receiving a more favorable premium rate than they would otherwise be able to obtain if purchasing insurance on their own, due to being included in the same pool with the District's younger and statistically healthier active employees.

B. Funding Policy - The benefits from this program are paid by the District up to the limit as defined by the bargaining or contractual agreement. The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to pre-fund benefits as determined annually by the District.

C. Total OPEB Liability - The District's total OPEB liability of \$2,367,423 was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019.

Actuarial Assumptions and Other Inputs - The total OPEB liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	July 1, 2019
Measurement date	June 30, 2020, rolled forward
Actuarial cost method	Entry Age Normal, level percent of salary.
Actuarial assumptions:	
Discount rate	2.75% per year, based on all years discounted at municipal bond rate.
Inflation rate	2.50% per year
Salary increases	3.50% per year
Healthcare cost trend rates	Increase from 5.0% in 2019-2020 depending on plan selected by employees to an ultimate rate range of 5.0% to 6.5%
Mortality rates	Basic table: Pub-2010 Teachers table, separate Employee/Healthy Annuitant, sex distinct, generational, no setback. Males 120% of table, females 100% of table.
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.

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Changes in the Total OPEB Liability:

Balance at June 30, 2019	\$ 1,621,721
Service costs	147,472
Interest	78,795
Changes in benefit terms	-
Differences between expected and actual experience	540,771
Changes of assumptions or other input	48,346
Benefit payments	<u>(69,682)</u>
Balance at June 30, 2020	<u><u>\$ 2,367,423</u></u>

At June 30, 2020 the District reported the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred (Inflows) of Resources</u>
Differences between expected and actual experience	\$ 152,181	\$ -
Changes of assumptions	<u>301,848</u>	<u>-</u>
Net deferred outflow (inflow) of resources	<u><u>\$ 454,029</u></u>	<u><u>\$ -</u></u>

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 (1.75 percent) or one percentage point higher (3.75 percent) than the current rate:

	1% Decrease (1.75%)	Current Discount Rate (2.75%)	1% Increase (3.75%)
OPEB liability (asset)	\$ 2,540,065	\$ 2,367,423	\$ 2,203,976

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 4.00% Graded Up to 5.5%, then Down to 4.00%	Current Trend Rate 5.00% Graded Up to 6.5%, then Down to 5.00%	1% Increase 6.00% Graded Up to 7.5%, then Down to 6.00%
OPEB liability (asset)	\$ 2,106,197	\$ 2,367,423	\$ 2,678,921

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

2. Retirement Health Insurance Account (RHIA)

A. Plan description

As a member of Oregon Public Employees Retirement System (OPERS), the District contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by OPERS. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHJOA resides with the Oregon Legislature. The plan is closed to new entrants hired on or after August 29, 2003. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard 97281-3700.

B. Benefits

RHIA Pays \$60 monthly contribution towards the cost of Medicare companion health insurance premiums of eligible retirees.

C. Contributions

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

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS, currently 0.50% of Tier 1 and Tier 2 payroll and 0.43% of OPSRP of annual covered payroll. The OPERS Board of Trustees sets the employer contribution rate based on the annual required contribution (ARC) of the employers, an amount actuarially determined. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The District's contributions to RHIA for the years ended June 30, 2020, 2019, and 2018, were approximately \$14,883, \$74,403, and \$69,154 which equaled the required contributions each year.

D. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2020, the District reported an asset of \$290,090 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date. The District's proportion of the net OPEB liability was based on the District's actual, legally required contributions made during the fiscal year being compared to the total actual contributions made in the fiscal year by all employers. The District's proportionate share as of the measurement date is 0.15012198%.

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

For the year ended June 30, 2020, the District recognized OPEB expense reduction of (\$55,249) related to the RHIA OPEB. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to the RHIA OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 38,254
Changes in assumptions	-	301
Net difference between projected and actual earnings on investments	-	17,906
Changes in proportionate share	-	4,250
District contributions subsequent to the measurement date	14,883	-
Total	<u>\$ 14,883</u>	<u>\$ 60,711</u>

\$14,883 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as an addition of the net pension liability in the year ended June 30, 2020. Other amounts reported by the District as deferred outflows of resources and deferred inflows of resources related to the RHIA OPEB will be recognized in OPEB expense follows:

	Expense
June 30, 2021	\$ (31,413)
June 30, 2022	(27,671)
June 30, 2023	(3,471)
June 30, 2024	1,844
June 30, 2025	-

E. Actuarial assumptions and other inputs

The total OPEB liability in the June 30, 2019 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	December 31, 2017
Measurement Date	June 30, 2019
Experience Study Report	2016, published July 26, 2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.50 percent
Long-Term Expected Rate of Return	7.20 percent
Discount Rate	7.20 percent
Projected Salary Increases	3.50 percent
Retiree Healthcare Participation	Healthy retirees: 38% Disabled retirees: 20%
Healthcare Cost Trend Rate	Not applicable. Statute stipulates \$60 monthly payment for healthcare insurance.

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Mortality	<p>Health retirees and beneficiaries: RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and setbacks as described in the valuation.</p> <p>Active Members: RP-2014 employee, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and setbacks as described in the valuation.</p> <p>Disabled retirees: RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.</p>
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Discount Rate

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

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2017 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. 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 long-term expected rate of return for each major asset class, calculated using both the arithmetic and geometric means, see the breakdown in note 9.

Sensitivity Analysis

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the District for the Retirement Health Insurance Account, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20%) or 1-percentage-point higher (8.20%) than the current discount rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
OPEB liability (asset)	\$ (224,894)	\$ (290,090)	\$ (345,641)

Tax Sheltered Annuity

The District offers its employees a tax deferred annuity program pursuant to Section 403(b) of the internal Revenue Code (the Code). Contributions are made through salary reductions from participating employees up to the amounts specified in the Code. The District did not make any contributions for the year ended June 30, 2020. As of June 30, 2020, 76 employees were participating in the Plan.

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

NOTE 11 – OPERATING LEASES

During the fiscal year ended June 30, 2020, a total of \$79,749 was charged to the Enterprise Fund under an operating lease that expires June 30, 2023. Future payments on the copier lease for 2021, 2022, and 2022 are \$37,644, \$37,644 and \$37,644 respectively.

NOTE 12 – FUND BALANCE

GASB No. 54 requires fund balances to be classified as defined in Section L – Fund Equity, Note 1 – Summary of Significant Accounting Policies of the Notes to the Basic Financial Statements. The following is a schedule of ending fund balances as of June 30, 2020:

	General Fund	Other Major Funds	Internal Service Activities	Totals
Fund Balances:				
Nonspendable:				
Prepays	\$ 71,832	\$ -	\$ -	\$ 71,832
Restricted:				
Restricted for Districts	4,746,130	-	-	4,746,130
Restricted for Capital Projects	-	337,880	-	337,880
Local, state, and federal grants and contracts	-	2,457,565	-	2,457,565
	4,746,130	2,795,445	-	7,541,575
Committed:				
Internal service activities	-	-	962,628	962,628
PERS payments and rate increase	-	527,150	-	527,150
	-	527,150	962,628	1,489,778
Unassigned:	3,968,093	-	-	3,968,093
Total Fund Balances	\$ 8,786,055	\$ 3,322,595	\$ 962,628	\$ 13,071,278

NOTE 13 - 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 purchases commercial insurance to minimize its exposure to these risks. Settled claims have not exceeded this commercial coverage for any of the past three years.

NOTE 14 - CONTINGENCIES

The amount of grant revenue reflected in the basic financial statements is subject to audit and adjustment by grantor agencies, principally the federal government. Any costs which are questioned or recommended to be disallowed and which ultimately result in disallowed claims may become a liability of the General Fund.

NOTE 15 - COVID-19

The COVID-19 outbreak worldwide has resulted in government mandated closures that have caused disruption in the District's ability to deliver in-person education. The outbreak has affected local and global economics. The extent and duration of the impact of this outbreak on operations is unknown at this time.

REQUIRED SUPPLEMENTARY INFORMATION

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

SCHEDULE OF CHANGES IN TOTAL OTHER
POST EMPLOYMENT BENEFITS AND REALTED RATIOS
June 30, 2020

OPEB Liability - Medical Benefits			
OPEB Liability - Medical Benefit	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability - Beginning	\$ 1,988,571	\$ 1,527,844	\$ 1,486,498
Service Cost	147,472	142,485	116,326
Interest	78,795	71,089	55,479
Changes in Benefit Terms	-	-	-
Differences between Expected and Actual Experience	173,921	-	-
Changes of Assumptions or other Input	48,346	346,061	-
Benefit Payments	(69,682)	(98,908)	(130,459)
Net Change in Total OPEB Liability	378,852	460,727	41,346
Total OPEB Liability - End of Year	\$ 2,367,423	\$ 1,988,571	\$ 1,527,844
Covered Payroll	18,126,605	17,511,063	16,918,901
Total OPEB Liability as Percentage of Covered Payroll	13.06%	11.36%	9.03%
Pension Liability - Stipend Benefit			
Pension Liability - Stipend Benefit	June 30, 2020	June 30, 2019	June 30, 2018
Total Pension Stipend Liability - Beginning	\$ 619,035	\$ 653,302	\$ 722,364
Service Cost	30,110		
Interest	23,382	29,092	29,092
Changes in Benefit Terms	-	23,417	25,319
Differences between Expected and Actual Experience	(63,153)		
Changes of Assumptions or other Input	6,789		
Benefit Payments	(51,279)	(86,776)	(123,473)
Net Change in Total Pension Stipend Liability	(54,151)	(34,267)	(69,062)
Total Pension Liability - End of Year	\$ 564,884	\$ 619,035	\$ 653,302
Covered Payroll	6,742,276	7,084,150	6,844,589
Total Pension Liability as Percentage of Covered Payroll	8.38%	8.74%	9.54%

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

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
June 30, 2020

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	0.1649%	\$ 8,415,829	\$ 14,944,654	56.31%	91.97%
June 30, 2015	0.1649%	-3,738,141	15,304,949	-24.42%	103.60%
June 30, 2016	0.1763%	10,120,449	14,706,433	68.82%	91.88%
June 30, 2017	0.1486%	22,315,470	15,200,528	146.81%	80.53%
June 30, 2018	0.1403%	18,915,146	15,865,571	119.22%	83.12%
June 30, 2019	0.1446%	21,911,465	15,406,105	142.23%	82.10%
June 30, 2020	0.1346%	23,288,273	16,641,436	139.94%	80.20%

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	\$ 1,509,358	\$ 1,509,358	\$ -	\$ 15,304,949	9.86%
June 30, 2015	1,343,835	1,343,835	-	14,706,433	9.14%
June 30, 2016	1,008,002	1,008,002	-	15,200,528	6.63%
June 30, 2017	1,254,632	1,254,632	-	15,865,571	7.91%
June 30, 2018	1,692,439	1,692,439	-	15,406,105	10.99%
June 30, 2019	1,837,495	1,837,495	-	16,641,436	11.04%
June 30, 2020	2,717,179	2,717,179	-	17,658,849	15.39%

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.

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
June 30, 2020

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

Fiscal Year Ended	(a) District's Proportion of the Net Pension Asset (NPA)	(b) District's Proportionate Share of the Net Pension Asset (NPA)	(c) District's Covered Payroll	(b/c) NPA as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Asset
June 30, 2018	0.1379%	\$ 57,564	\$ 15,865,571	0.36%	108.90%
June 30, 2019	0.1441%	160,829	15,406,105	1.04%	124.00%
June 30, 2020	0.1501%	290,090	16,641,436	1.74%	144.40%

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

SCHEDULE OF DISTRICT CONTRIBUTIONS FOR RHIA

Fiscal Year Ended	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percent of Covered Payroll
June 30, 2018	\$ 69,154	\$ 69,154	\$ -	\$ 15,406,105	0.45%
June 30, 2019	74,403	74,403	-	16,641,436	0.45%
June 30, 2020	14,883	14,883	-	17,658,849	0.08%

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.

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2020

<u>GENERAL FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES:				
Local Sources:				
Taxes	\$ 17,316,887	\$ 17,316,887	\$ 17,390,548	\$ 73,661
Charges for services	1,510,209	1,510,209	1,425,970	(84,239)
Earnings from investments	250,000	250,000	286,647	36,647
Other	20,000	20,000	25,887	5,887
Total Local Sources	19,097,096	19,097,096	19,129,052	31,956
State Sources	10,164,614	10,164,614	9,972,821	(191,793)
Total Revenues	29,261,710	29,261,710	29,101,873	(159,837)
EXPENDITURES:				
Instruction	9,054,335	9,054,335 (1)	8,307,928	746,407
Support Services	9,679,725	9,679,725 (1)	8,199,044	1,480,681
Debt Service	826,700	826,700 (1)	672,168	154,532
Contingency	1,000,000	1,000,000 (1)	-	1,000,000
Total Expenditures	20,560,760	20,560,760	17,179,140	3,381,620
Revenues Over, (Under) Expenditures	8,700,950	8,700,950	11,922,733	3,221,783
Other Financing Sources, (Uses):				
Transfers (Out)	(50,000)	(50,000) (1)	-	50,000
Payments to districts	(12,100,000)	(12,100,000) (1)	(11,225,126)	874,874
Total Other Financing Sources, (Uses)	(12,150,000)	(12,150,000)	(11,225,126)	924,874
Revenues and Other Financing Sources Over, (Under) Expenditures	(3,449,050)	(3,449,050)	697,607	4,146,657
Fund Balance, Beginning of Year	7,449,289	7,449,289	8,088,448	639,159
Fund Balance, End of Year	<u>\$ 4,000,239</u>	<u>\$ 4,000,239</u>	<u>\$ 8,786,055</u>	<u>\$ 4,785,816</u>

(1) Legally adopted appropriation level.

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2020

SPECIAL REVENUE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES:				
Local Sources	\$ 7,311,367	7,311,367	\$ 6,747,374	\$ (563,993)
Intermediate Sources	129,135	129,135	-	(129,135)
State Sources	16,065,459	16,065,459	13,251,585	(2,813,874)
Federal Sources	5,052,255	5,052,255	4,204,021	(848,234)
Total Revenues	28,558,216	28,558,216	24,202,980	(4,355,236)
EXPENDITURES:				
Instruction	22,381,451	21,881,451 (1)	18,634,555	3,246,896
Support Services	3,845,080	3,845,080 (1)	2,488,956	1,356,124
Enterprise and Community Services	858,347	858,347 (1)	494,915	363,432
Total Expenditures	27,084,878	26,584,878	21,618,426	4,966,452
Revenues Over, (Under) Expenditures	1,473,338	1,973,338	2,584,554	611,216
Other Financing Sources, (Uses):				
Transfers In	-	-	-	-
Payments to Districts	(2,395,774)	(2,895,774) (1)	(2,200,753)	695,021
Total Other Financing Sources, (Uses)	(2,395,774)	(2,895,774)	(2,200,753)	695,021
Revenues and Other Financing Sources Over, (Under) Expenditures	(922,436)	(922,436)	383,801	1,306,237
Fund Balance, Beginning of Year	1,217,271	1,217,271	2,073,764	856,493
Fund Balance, End of Year	\$ 294,835	\$ 294,835	\$ 2,457,565	\$ 2,162,730

(1) Legally adopted appropriation level

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2020

1. Other Postemployment Benefits

Other Post Employment Benefits include a Health Insurance Subsidy Plan (Plan) as described in Note 10 to the financial statements.

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.

Changes in Assumptions

The interest rate for discounting future liabilities was lowered to match municipal bond rates, as required by GASB 75. Additionally, salary growth and premium increase rates were modified slightly to reflect anticipated experience, demographic assumptions were revised to match those developed in the most recent experience study for Oregon PERS.

2. Employee Retirement Pension Benefits

A. OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM

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.aspx>

Changes in Assumptions

A summary of key changes implemented since the December 31, 2016 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.aspx>

Additional detail and a comprehensive list of changes in methods and assumptions can be found in the 2016 Experience Study for the System, which was published on July 28, 2017, and can be found at:

<https://www.oregon.gov/pers/Documents/2016-Exp-Study.pdf>

B. STIPEND BENEFIT PLAN

Employee Retirement Pension Benefits include a Stipend Benefit Plan (Plan) as described in Note 9 to the financial statements. There are no assets accumulated in a trust to pay for the related benefits of the Plan.

Changes in Plan Provisions

None.

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2020

2. Employee Retirement Pension Benefits (continued)

Changes in Assumptions

The interest rate for discounting future liabilities was lowered to match municipal bond rates, as required by GASB 75. Additionally, salary growth and premium increase rates were modified slightly to reflect anticipated experience, and demographic assumptions were revised to match those developed in the most recent experience study for Oregon PERS.

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. During the year, there were two amendments to the budget: one in the Special Revenue Fund and one in the Enterprise Fund. Expenditures exceeded appropriations in the Enterprise Fund by \$1,414 in the instruction function and by \$86,168 in the other uses function. Appropriations lapse at the end of each fiscal year.

SUPPLEMENTARY INFORMATION

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2020

	<u>DEBT SERVICE FUND</u>			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES:				
Local Sources:				
Earnings from investments	\$ 10,000	\$ 10,000	\$ 17,573	\$ 7,573
Services provided other funds	1,842,528	1,842,528	1,747,740	(94,788)
Total Revenues	1,852,528	1,852,528	1,765,313	(87,215)
EXPENDITURES:				
Debt Service:				
Redemption of principal	1,030,000	1,030,000	1,030,000	-
Interest	903,273	903,273	618,209	285,064
Total Expenditures	1,933,273	1,933,273 (1)	1,648,209	285,064
Revenues and Other Financing Sources Over, (Under) Expenditures	(80,745)	(80,745)	117,104	197,849
Fund Balance, Beginning of Year	389,850	389,850	410,046	20,196
Fund Balance, End of Year	\$ 309,105	\$ 309,105	\$ 527,150	\$ 218,045

(1) Legally adopted appropriation level

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2020

CAPITAL PROJECTS FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES:				
Local Sources:				
Miscellaneous	\$ 1,200,000	\$ 1,200,000	\$ -	\$ (1,200,000)
Total Revenues	1,200,000	1,200,000	-	(1,200,000)
EXPENDITURES:				
Facility Acquisition	2,250,000	2,250,000 (1)	991,930	1,258,070
Total Expenditures	2,250,000	2,250,000	991,930	1,258,070
Revenues Over, (Under) Expenditures	(1,050,000)	(1,050,000)	(991,930)	58,070
Other Financing Sources, (Uses):				
Issuance of Debt	1,000,000	1,000,000	1,000,000	-
Total Other Financing Sources, (Uses)	1,000,000	1,000,000	1,000,000	-
Revenues and Other Financing Sources (Uses) Over, (Under) Expenditures	(50,000)	(50,000)	8,070	58,070
Fund Balance, Beginning of Year	50,000	50,000	329,810	279,810
Fund Balance, End of Year	\$ -	\$ -	\$ 337,880	\$ 337,880

(1) Legally adopted appropriation level

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2020

<u>ENTERPRISE FUND</u>				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES:				
Local sources:				
Supplies and services provided other LEAs	\$ 1,179,807	\$ 1,179,807	\$ 1,605,056	\$ 425,249
Supplies and services provided other funds	145,125	145,125	32,739	(112,386)
Other local revenues	179,313	179,313	614,784	435,471
Total Revenues	1,504,245	1,504,245	2,252,579	748,334
EXPENDITURES:				
Instruction	27,487	27,487 (1)	28,901	(1,414)
Support Services	2,375,357	2,025,357 (1)	1,678,552	346,805
Total Expenditures	2,402,844	2,052,844	1,707,453	345,391
Revenues Over, (Under) Expenditures	(898,599)	(548,599)	545,126	1,093,725
Other Financing Sources, (Uses):				
Payments to districts	(10,000)	(360,000) (1)	(446,168)	(86,168)
Total Other Financing Sources, (Uses)	(10,000)	(360,000)	(446,168)	(86,168)
Revenues and Other Financing Sources (Uses) Over, (Under) Expenditures	(908,599)	(908,599)	98,958	1,007,557
Fund Balance, Beginning of Year	1,169,999	1,169,999	1,598,062	428,063
Fund Balance, End of Year	\$ 261,400	\$ 261,400	1,697,020	\$ 1,435,620
Adjustment to generally accepted accounting principles (GAAP) basis:				
Net RHIA Asset			4,175	
Deferred Outflows			108,579	
Net OPEB Liabilities			(34,075)	
Net Pension Liabilities			(343,326)	
Deferred Inflows			(50,567)	
Net position - GAAP basis			\$ 1,381,806	

(1) Legally adopted appropriation level

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2020

INTERNAL SERVICE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES:				
Local Sources:				
Rentals	\$ 514,155	\$ 514,155	\$ 507,317	\$ (6,838)
Supplies and services provided other funds	475,477	475,477	423,293	(52,184)
Miscellaneous revenue	90,000	90,000	643,211	553,211
Total Revenues	1,079,632	1,079,632	1,573,821	494,189
EXPENDITURES:				
Support Services	1,464,751	1,464,751 (1)	1,106,962	357,789
Total Expenditures	1,464,751	1,464,751	1,106,962	357,789
Revenues Over, (Under) Expenditures	(385,119)	(385,119)	466,859	851,978
Other Financing Sources, (Uses):				
Transfers In	50,000	50,000	-	(50,000)
Total Other Financing Sources, (Uses)	50,000	50,000	-	(50,000)
Revenues and Other Financing Sources Over, (Under) Expenditures	(335,119)	(335,119)	466,859	801,978
Fund Balance, Beginning of Year	393,923	393,923	495,769	101,846
Fund Balance, End of Year	\$ 58,804	\$ 58,804	\$ 962,628	\$ 903,824

(1) Legally adopted appropriation level

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 ACTUAL AND BUDGET
 For the Year Ended June 30, 2020

	<u>AGENCY FUND</u>			
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES:				
Private Donations	\$ 17,000	\$ 17,000	\$ 216	\$ (16,784)
Miscellaneous	<u>111,462</u>	<u>111,462</u>	<u>-</u>	<u>(111,462)</u>
Total Revenues	<u>128,462</u>	<u>128,462</u>	<u>216</u>	<u>(128,246)</u>
EXPENDITURES:				
Support Services	<u>294,502</u>	<u>294,502</u> (1)	<u>799</u>	<u>293,703</u>
Revenues Over, (Under) Expenditures	(166,040)	(166,040)	(583)	165,457
Fund Balance, Beginning of Year	<u>166,040</u>	<u>166,040</u>	<u>169,401</u>	<u>3,361</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 168,818</u>	<u>\$ 168,818</u>

(1) Legally adopted appropriation level

OTHER FINANCIAL SCHEDULES

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES
For the Year Ended June 30, 2020

TAX YEAR		UNCOLLECTED 6/30/2019	LEVY AS EXTENDED BY ASSESSOR	DISCOUNTS ALLOWED	INTEREST	NET ADJUSTMENTS	COLLECTIONS	UNCOLLECTED 6/30/2020
GENERAL FUND:								
Current	2019-2020	\$ -	\$ 17,868,869	\$ 156	\$ 5,969	\$ (507,396)	\$ 17,075,883	\$ 285,746
Prior	2018-2019	248,663	-	23	11,334	(12,409)	132,757	103,520
	2017-2018	103,064	-	1	9,114	(5,680)	39,605	57,780
	2016-2017	56,262	-	-	10,849	(613)	33,004	22,645
	2015-2016	24,406	-	-	6,220	(403)	17,475	6,528
	& Prior	39,158	-	-	(476)	(1,068)	13,128	24,962
Total prior		471,553	-	24	37,041	(20,173)	235,969	215,435
Total General Fund		\$ 471,553	\$ 17,868,869	\$ 180	\$ 43,010	\$ (527,569)	\$ 17,311,852	\$ 501,181
Total Property Taxes Receivable								\$ 501,181
Reconciliation to Revenue:								
	Current Tax Collected						\$ 17,075,883	
	Add August 2020 Turnover						25,953	
	Less August 2019 Turnover						(25,867)	
	Add Other Counties						72,136	
	Current Tax Per Statements							17,148,105
	Total Tax Collections						\$ 17,311,852	
	Less Current Taxes						(17,075,883)	
	Add August 2020 Turnover						17,375	
	Less August 2019 Turnover						(12,765)	
	Payments in Lieu of Property Taxes						1,864	
	Delinquent tax per statements							242,443
Total Tax Revenue Recognized								\$ 17,390,548

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

SUPPLEMENTAL INFORMATION
As Required by the Oregon Department of Education
For the Year Ended June 30, 2020

OREGON DEPARTMENT OF EDUCATION
225 Capitol Street NE
Salem Oregon 97310

Office of Finance and Information Technology
School Finance Unit

SUPPLEMENTAL INFORMATION

School District Business Managers and Auditors:

This page is a required part of your annual audited financial statements. Please make sure it is included.
Part A is needed for computing Oregon's full allocation for ESSA, Title I & other Federal Funds for Education.

A. Energy Bill for Heating - All Funds:

Please enter your expenditures for electricity,
heating fuel, and water & sewage for these
Functions & Objects.

	Objects 325 & 326 & *327
Function 2540	\$80,752.21
Function 2550	\$

B. Replacement of Equipment – General Fund:

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

Exclude these functions:

\$

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

**Object code 327 (water and sewage) has been added to Part A to be included in the Function 2540 and 2550 totals.*

Clackamas Education Service District
Clackamas County
2019-20 REVENUE SUMMARY BY FUNCTION-ALL GOVERNMENTAL FUNDS

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
Revenue from Local Sources							
1110 Ad Valorem Taxes Levied by District	\$ 17,390,548	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1120 Local Option Ad Valorem Taxes Levied by District	-	-	-	-	-	-	-
1130 Construction Excise Tax	-	-	-	-	-	-	-
1190 Penalties and Interest on Taxes	57,792	-	-	-	-	-	-
1200 Rev from Local Gov't Units Other Than Districts	-	-	-	-	-	-	-
1312 Tuition from Other Districts within the State	1,020,916	5,206,894	-	-	-	-	-
1320 Adult/Continuing Education Tuition	-	-	-	-	-	-	-
1330 Summer School Tuition	-	-	-	-	-	-	-
1412 Transportation Fees From Other Districts Within the State	-	-	-	-	-	-	-
1500 Earnings on Investments	228,855	-	17,572	-	-	-	-
1600 Food Service	-	-	-	-	-	-	-
1700 Extracurricular Activities	-	-	-	-	-	-	-
1800 Community Services Activities	-	-	-	-	-	-	-
1910 Rentals	-	-	-	-	-	507,317	-
1920 Contributions and Donations From Private Sources	-	14,318	-	-	-	-	216
1930 Rental or Lease Payments From Private Contractors	-	-	-	-	-	-	-
1940 Services Provided Other Local Education Agencies	-	922,610	-	-	1,605,056	-	-
1950 Textbook Sales and Rentals	-	-	-	-	-	-	-
1960 Recovery of Prior Years' Expenditure	-	-	-	-	-	-	-
1970 Services Provided Other Funds	-	-	1,747,740	-	32,739	423,293	-
1980 Fees Charged to Grants	405,054	-	-	-	-	-	-
1990 Miscellaneous	25,887	603,552	-	-	614,784	643,212	-
Total Revenue from Local Sources	\$ 19,129,052	\$ 6,747,374	\$ 1,765,312	\$ -	\$ 2,252,579	\$ 1,573,822	\$ 216
Revenue from Intermediate Sources							
2101 County School Funds	-	-	-	-	-	-	-
2102 Education Service District Apportionment	-	-	-	-	-	-	-
2105 Natural Gas, Oil, and Mineral Receipts	-	-	-	-	-	-	-
2199 Other Intermediate Sources	-	-	-	-	-	-	-
2200 Restricted Revenue	-	-	-	-	-	-	-
2800 Revenue in Lieu of Taxes	-	-	-	-	-	-	-
2900 Revenue for/on Behalf of the District	-	-	-	-	-	-	-
Total Revenue from Intermediate Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue from State Sources							
3101 State School Fund - General Support	9,958,245	-	-	-	-	-	-
3102 State School Fund - School Lunch Match	-	-	-	-	-	-	-
3103 Common School Fund	-	-	-	-	-	-	-
3104 State Managed County Timber	14,576	-	-	-	-	-	-
3199 Other Unrestricted Grants-in-Aid	-	-	-	-	-	-	-
3200 Restricted Revenue	-	-	-	-	-	-	-
3204 Driver Education	-	-	-	-	-	-	-
3222 State School Fund (SSF) Transportation Equipment	-	-	-	-	-	-	-
3299 Other Restricted Grants-in-Aid	-	13,251,585	-	-	-	-	-
3800 Revenue in Lieu of Taxes	-	-	-	-	-	-	-
3900 Revenue for/on Behalf of the District	-	-	-	-	-	-	-
Total Revenue from State Sources	\$ 9,972,821	\$ 13,251,585	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue from Federal Sources							
4100 Unrestricted Rev. Dir. Federal Government	-	-	-	-	-	-	-
4200 Unrestr. Rev. Federal Government Through State	-	-	-	-	-	-	-
4300 Restr. Rev. Federal Government	-	-	-	-	-	-	-
4500 Restricted Rev. Federal Gov. Through State	-	3,366,396	-	-	-	-	-
4700 Grants-In-Aid Fed. Gov. Thru Interm. Agencies	-	837,625	-	-	-	-	-
4801 Federal Forest Fees	-	-	-	-	-	-	-
4802 Impact Aid to School Districts for Operation (PL 874)	-	-	-	-	-	-	-
4803 Coos Bay Wagon Road Funds	-	-	-	-	-	-	-
4899 Other Revenue in Lieu of Taxes	-	-	-	-	-	-	-
4900 Revenue for/on Behalf of the District	-	-	-	-	-	-	-
Total Revenue from Federal Sources	\$ -	\$ 4,204,021	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue from Other Sources							
5100 Long Term Debt Financing Sources	-	-	-	1,000,000	-	-	-
5200 Interfund Transfers	-	-	-	-	-	-	-
5300 Sale (Loss) from Fixed Asset Disposal	-	-	-	-	-	-	-
5400 Resources - Beginning Fund Balance	8,088,448	2,073,764	410,047	329,810	1,598,035	495,769	169,401
5500 Insurance Proceeds	-	-	-	-	-	-	-
Total Revenue from Other Sources	\$ 8,088,448	\$ 2,073,764	\$ 410,047	\$ 1,329,810	\$ 1,598,035	\$ 495,769	\$ 169,401
Grand Totals	\$ 37,190,321	\$ 26,276,744	\$ 2,175,359	\$ 1,329,810	\$ 3,850,614	\$ 2,069,591	\$ 169,617

Clackamas Education Service District
Clackamas County
2019-20 EXPENDITURES BY FUNCTION/OBJECT

Fund 100 - General Funds

Instruction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Primary, K-3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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	8,307,928	4,238,990	3,074,910	834,520	102,435	-	57,073	-
1250 Less Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1260 Early Intervention	-	-	-	-	-	-	-	-
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	\$ 8,307,928	\$ 4,238,990	\$ 3,074,910	\$ 834,520	\$ 102,435	\$ -	\$ 57,073	\$ -

Support Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	11,860	5,104	4,336	2,404	-	-	16	-
2120 Guidance Services	-	-	-	-	-	-	-	-
2130 Health Services	-	-	-	-	-	-	-	-
2140 Psychological Services	806,609	482,999	297,763	15,672	6,626	-	3,549	-
2150 Speech Pathology and Audiology Services	-	-	-	-	-	-	-	-
2160 Other Student Treatment Services	-	-	-	-	-	-	-	-
2190 Service Direction, Student Support Services	-	-	-	-	-	-	-	-
2210 Improvement of Instruction Services	1,093,689	596,074	326,022	140,867	23,778	-	6,948	-
2220 Educational Media Services	-	-	-	-	-	-	-	-
2230 Assessment & Testing	-	-	-	-	-	-	-	-
2240 Instructional Staff Development	-	-	-	-	-	-	-	-
2310 Board of Education Services	96,897	-	-	73,603	2,991	-	20,303	-
2320 Executive Administration Services	465,301	221,446	126,867	84,198	20,802	-	11,988	-
2410 Office of the Principal Services	-	-	-	-	-	-	-	-
2490 Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510 Direction of Business Support Services	-	-	-	-	-	-	-	-
2520 Fiscal Services	861,272	438,537	266,853	97,928	17,199	-	40,755	-
2540 Operation and Maintenance of Plant Services	-	-	-	-	-	-	-	-
2550 Student Transportation Services	25,834	-	-	25,834	-	-	-	-
2570 Internal Services	30,921	12,631	4,512	10,516	2,734	-	528	-
2610 Direction of Central Support Services	-	-	-	-	-	-	-	-
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-	-	-	-	-	-	-	-
2630 Information Services	217,224	143,468	47,245	19,910	5,778	-	823	-
2640 Staff Services	656,732	381,112	210,258	46,653	15,351	-	3,358	-
2660 Technology Services	3,589,556	1,315,667	763,527	669,452	815,231	-	25,679	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	243,913	-	-	243,913	-	-	-	-
2700 Supplemental Retirement Program	99,237	54,866	44,371	-	-	-	-	-
Total Support Services Expenditures	\$ 8,199,045	\$ 3,651,904	\$ 2,091,754	\$ 1,430,950	\$ 910,490	\$ -	\$ 113,947	\$ -

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	-	-	-	-	-	-	-	-
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	672,167	-	-	-	-	-	672,167	-
5200 Transfers of Funds	-	-	-	-	-	-	-	-
5300 Apportionment of Funds by ESD	11,225,126	-	-	-	-	-	-	11,225,126
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures	\$ 11,897,293	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 672,167	\$ 11,225,126

Grand Total

\$ 28,404,266	\$ 7,890,894	\$ 5,166,664	\$ 2,265,470	\$ 1,012,925	\$ -	\$ 843,187	\$ 11,225,126
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Clackamas Education Service District
Clackamas County
2019-20 EXPENDITURES BY FUNCTION/OBJECT

Fund 200 - Special Revenue Funds

Instruction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Primary, K-3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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	2,207,335	875,898	648,732	572,880	63,193	-	46,632	-
1210 Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220 Restrictive Programs for Students with Disabilities	5,314,704	2,528,288	1,827,786	841,338	93,957	-	23,335	-
1240	94	-	-	94	-	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1260 Early Intervention	10,852,921	5,821,797	3,813,678	875,681	71,544	-	270,221	-
1271 Remediation	-	-	-	-	-	-	-	-
1272 Title I	-	-	-	-	-	-	-	-
1280 Alternative Education	-	-	-	-	-	-	-	-
1291 English Second Language Programs	-	-	-	-	-	-	-	-
1292 Teen Parent Program	-	-	-	-	-	-	-	-
1293 Migrant Education	46,235	41,790	3,760	164	521	-	-	-
1294 Youth Corrections Education	213,266	133,682	79,584	-	-	-	-	-
1299 Other Programs	-	-	-	-	-	-	-	-
1300 Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400 Summer School Programs	-	-	-	-	-	-	-	-
Total Instruction Expenditures	\$ 18,634,555	\$ 9,401,455	\$ 6,373,540	\$ 2,290,157	\$ 229,215	\$ -	\$ 340,188	\$ -

Support Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	446,823	212,890	146,792	19,912	22,229	-	45,000	-
2120 Guidance Services	151,357	87,163	43,214	11,364	9,616	-	-	-
2130 Health Services	-	-	-	-	-	-	-	-
2140 Psychological Services	115,890	58,572	37,277	19,970	-	-	71	-
2150 Speech Pathology and Audiology Services	-	-	-	-	-	-	-	-
2160 Other Student Treatment Services	-	-	-	-	-	-	-	-
2190 Service Direction, Student Support Services	196,737	109,961	54,610	17,807	-	-	14,359	-
2210 Improvement of Instruction Services	594,144	292,431	115,284	129,163	41,066	-	16,200	-
2220 Educational Media Services	-	-	-	-	-	-	-	-
2230 Assessment & Testing	-	-	-	-	-	-	-	-
2240 Instructional Staff Development	-	-	-	-	-	-	-	-
2310 Board of Education Services	-	-	-	-	-	-	-	-
2320 Executive Administration Services	7,142	3,374	1,282	-	2,486	-	-	-
2410 Office of the Principal Services	-	-	-	-	-	-	-	-
2490 Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510 Direction of Business Support Services	-	-	-	-	-	-	-	-
2520 Fiscal Services	23,031	5,027	2,071	12,048	1,964	-	1,921	-
2540 Operation and Maintenance of Plant Services	24,336	17,688	4,689	1,959	-	-	-	-
2550 Student Transportation Services	-	-	-	-	-	-	-	-
2570 Internal Services	-	-	-	-	-	-	-	-
2610 Direction of Central Support Services	-	-	-	-	-	-	-	-
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	574,737	260,942	132,947	155,117	12,408	-	13,323	-
2630 Information Services	37	-	-	37	-	-	-	-
2640 Staff Services	10,915	-	-	2,000	8,000	-	915	-
2660 Technology Services	331,457	221,201	109,821	435	-	-	-	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	12,350	-	-	12,350	-	-	-	-
2700 Supplemental Retirement Program	-	-	-	-	-	-	-	-
Total Support Services Expenditures	\$ 2,488,956	\$ 1,269,249	\$ 647,987	\$ 382,162	\$ 97,769	\$ -	\$ 91,789	\$ -

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	421	61	19	99	242	-	-	-
3500 Custody and Care of Children Services	494,494	261,984	141,334	65,016	11,774	-	14,386	-
Total Enterprise and Community Services Expenditures	\$ 494,915	\$ 262,045	\$ 141,353	\$ 65,115	\$ 12,016	\$ -	\$ 14,386	\$ -

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	-	-	-	-	-	-	-	-
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	2,200,752	-	-	-	-	-	-	2,200,752
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures	\$ 2,200,752	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,200,752

Grand Total

\$ 23,819,178	\$ 10,932,749	\$ 7,162,880	\$ 2,737,434	\$ 339,000	\$ -	\$ 446,363	\$ 2,200,752
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Clackamas Education Service District
Clackamas County
2019-20 EXPENDITURES BY FUNCTION/OBJECT

Fund 300 - Debit Service Funds

Instruction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Primary, K-3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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 Early Intervention	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-
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	1,648,209	-	-	-	-	-	1,648,209	-
5200 Transfers of Funds	-	-	-	-	-	-	-	-
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures	\$ 1,648,209	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,648,209	\$ -

Grand Total

\$ 1,648,209	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,648,209	\$ -
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Clackamas Education Service District
Clackamas County
2019-20 EXPENDITURES BY FUNCTION/OBJECT

Fund 400 - Capital Projects Funds

Instruction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Primary, K-3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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 Early Intervention	-	-	-	-	-	-	-	-
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	991,930	-	-	65,519	327,716	598,695	-	-
4190 Other Facilities Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures	\$ 991,930	\$ -	\$ -	\$ 65,519	\$ 327,716	\$ 598,695	\$ -	\$ -

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

\$ 991,930	\$ -	\$ -	\$ 65,519	\$ 327,716	\$ 598,695	\$ -	\$ -
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Clackamas Education Service District
Clackamas County
2019-20 EXPENDITURES BY FUNCTION/OBJECT

Fund 500 - Enterprise Funds

Instruction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Primary, K-3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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	28,900	-	-	1,616	20	-	27,264	-
1250 Less Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1260 Early Intervention	-	-	-	-	-	-	-	-
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	\$ 28,900	\$ -	\$ -	\$ 1,616	\$ 20	\$ -	\$ 27,264	\$ -

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	63,814	-	-	63,657	-	-	157	-
2220 Educational Media Services	199,768	74,442	37,414	5,474	82,026	-	412	-
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	423,896	108,798	83,937	108,206	121,105	-	1,850	-
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	991,049	45,555	33,489	417,528	308,135	-	186,342	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	-	-	-	-	-	-	-	-
Total Support Services Expenditures	\$ 1,678,527	\$ 228,795	\$ 154,840	\$ 594,865	\$ 511,266	\$ -	\$ 188,761	\$ -

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	-	-	-	-	-	-	-	-
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	446,168	-	-	-	-	-	-	446,168
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures	\$ 446,168	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 446,168

Grand Total

\$ 2,153,595	\$ 228,795	\$ 154,840	\$ 596,481	\$ 511,286	\$ -	\$ 216,025	\$ 446,168
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Clackamas Education Service District
Clackamas County
2019-20 EXPENDITURES BY FUNCTION/OBJECT

Fund 600 - Internal Service Funds

Instruction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Primary, K-3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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 Early Intervention	-	-	-	-	-	-	-	-
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	107,608	-	59,140	39,313	3,491	-	5,664	-
2540 Operation and Maintenance of Plant Services	659,883	78,736	68,197	343,353	30,999	-	138,598	-
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	339,471	71,564	30,594	126,010	110,891	-	412	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	-	-	-	-	-	-	-	-
Total Support Services Expenditures	\$ 1,106,962	\$ 150,300	\$ 157,931	\$ 508,676	\$ 145,381	\$ -	\$ 144,674	\$ -

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	-	-	-	-	-	-	-	-
4190 Other Facilities Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Other Uses Expenditures

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

Grand Total

\$ 1,106,962	\$ 150,300	\$ 157,931	\$ 508,676	\$ 145,381	\$ -	\$ 144,674	\$ -
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Clackamas Education Service District
Clackamas County
2019-20 EXPENDITURES BY FUNCTION/OBJECT

Fund 700 - Trust and Agency Funds

Instruction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Primary, K-3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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 Early Intervention	-	-	-	-	-	-	-	-
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	799	-	-	-	799	-	-	-
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	\$ 799	\$ -	\$ -	\$ -	\$ 799	\$ -	\$ -	\$ -

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	-	-	-	-	-	-	-	-
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

\$ 799	\$ -	\$ -	\$ -	\$ 799	\$ -	\$ -	\$ -	\$ -
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SINGLE AUDIT SECTION

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To the School Board
Clackamas Education Service District
Clackamas County, Oregon

INDEPENDENT AUDITOR'S 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, the business-type activities, each major fund, and the aggregate remaining fund information of Clackamas Education Service District (District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 31, 2020.

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
December 31, 2020



To the School Board
Clackamas Education Service District
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 Clackamas Education Service District'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, 2020. 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, 2020.



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 of 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Wilcox Arredondo & Co.

Certified Public Accountants
Canby, Oregon
December 31, 2020

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Period Covered	Pass-Through to Sub-Recipients	Expenditures
U.S. DEPARTMENT OF EDUCATION					
Passed through Oregon Department of Education:					
Title I, Part C - Migrant Education					
Migrant Ed, 18-19 Summer	84.011	52514	3/15/19-9/30/19	227,976	286,452
Migrant Ed, 18-19 Regular	84.011	49206	7/1/18-9/30/19	42,882	178,545
Migrant Ed, 19-20 Summer	84.011	57309	3/14/20-9/30/20	13,242	18,410
Migrant Ed, 19-20 Preschool	84.011	52833	7/1/19-9/30/20	14,973	15,658
Migrant Ed, 19-20 Regular	84.011	52836	7/1/19-9/30/20	181,738	537,894
Migrant Ed, 19-20 Stride Academy	84.011	54441	10/7/19-11/30/19	-	10,393
Total Title I, Part C - Migrant Education				480,811	1,047,352
IDEA, Part B - Special Education, Grants to States					
IDEA Part B, Section 611 2019-20	84.027	11118	7/1/19-6/30/20	-	988,694
IDEA, Part B - Special Education, Preschool Grants					
IDEA Part B, Section 619 2019-20	84.173	11118	7/1/19-6/30/20	-	190,862
IDEA Part B, Section 619 2019-20	84.173	54136	8/1/19-9/30/20	-	14,784
IDEA Part B, Section 619 2019-20	84.173	54143	8/1/19-9/30/20	-	14,677
Total IDEA, Part B - Special Education, Preschool Grants				-	220,323
Total IDEA, Part B - Special Education Cluster				-	1,209,017
Perkins IV - Career and Technical Education					
Vocational Education, 18-19 Reserve	84.048	48938	7/1/18-9/30/19	-	1,282
Vocational Education, 18-19 Basic	84.048	48919	7/1/18-9/30/19	27,482	55,691
Vocational Education, 19-20 Reserve	84.048	52470	7/1/19-9/30/20	-	4,302
Vocational Education, 19-20 Basic	84.048	52486	7/1/19-9/30/20	416,761	502,067
Total Perkins IV - Career and Technical Education				444,243	563,342
Rehabilitation Services - Vocational					
Transition Network Facilitation	84.126	10197	7/1/19-6/30/21	-	34,706
IDEA, Part C - Special Education, Grants for Infants and Families					
EI/ECSE	84.181	54975	7/1/19-6/30/20	-	300
EI/ECSE	84.181	11118	7/1/19-6/30/20	-	511,679
Total IDEA, Part C - Special Education				-	511,979
Total Passed through Oregon Department of Education				925,054	3,366,396
TOTAL U. S. DEPARTMENT OF EDUCATION				925,054	3,366,396
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Passed through Oregon Department of Education:					
Child Care					
Child Care Mandatory and Matching Funds	93.596	53703	7/1/19-9/30/19	-	58,910
Child Care and Development Block Grant	93.575	52407	3/1/19-9/30/20	-	323,077
TOTAL U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				-	381,987
U.S. DEPARTMENT OF LABOR, EMPLOYMENT & TRAINING ADMINISTRATION					
Passed through Oregon Department of Community Colleges and Workforce Development:					
Passed through Workforce Investment Council of Clackamas County:					
Workforce Investment Act Youth Services Formula	17.259	19-20	7/1/19-6/30/20	-	455,638
TOTAL U. S. DEPARTMENT OF LABOR, EMPLOYMENT & TRAINING ADMINISTRATION				-	455,638
TOTAL FEDERAL EXPENDITURES				\$ 925,054	\$ 4,204,021

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

NOTES RELATIVE TO SCHEDULE OF FEDERAL AWARDS
For the Year Ended June 30, 2020

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Clackamas Education Service District (District) programs of the federal government for the year ended June 30, 2020. 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in [Identify the applicable cost principles (the Uniform Guidance and/or 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.

NOTE 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 minimis rate.

CLACKAMAS EDUCATION SERVICE DISTRICT
CLACKAMAS COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

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 that are 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 200.516(a)? Yes____ No ✓

Identification of major programs:

CFDA NUMBER

NAME OF PROGRAM OR CLUSTER

84.027, 84.173

Special Education Cluster

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 FINDING - NONE

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AUDITORS' COMMENTS AND DISCLOSURES REQUIRED
BY STATE REGULATION

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INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS

We have audited the basic financial statements of the Clackamas Education Service District (the District) as of and for the year ended June 30, 2020, and have issued our report thereon dated December 31, 2020. 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 the 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).

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 except that expenditures exceeded appropriations in the Enterprise Fund by \$1,414 in the instruction function and by \$86,168 in the other uses function.

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
December 31, 2020