

Title: Annual Report 2019-20

Control Information

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1.1. Summary:

The Kings Valley Charter School completed the 19th year of operation in the 2019-2020 school year. The school has been successful by many measures. The current report year is no exception. The school has identified areas of weakness and is regularly working to address these areas. This report discusses the efforts to improve school performance. The school is producing favorable test scores in many areas and is financially stable. Enrollment is currently at 202 students (February 10, 2021).

This is an important document for compliance with the various regulations, and hopefully a useful tool for all staff and boards to have a summary of compliance and progress.

KVCS will provide other supporting documents as needed or requested to support findings.

1.2. District Charter Annual Report Requirements:

1.2.1. Summary data on the progress toward meeting its academic goals and objectives including state assessment information.

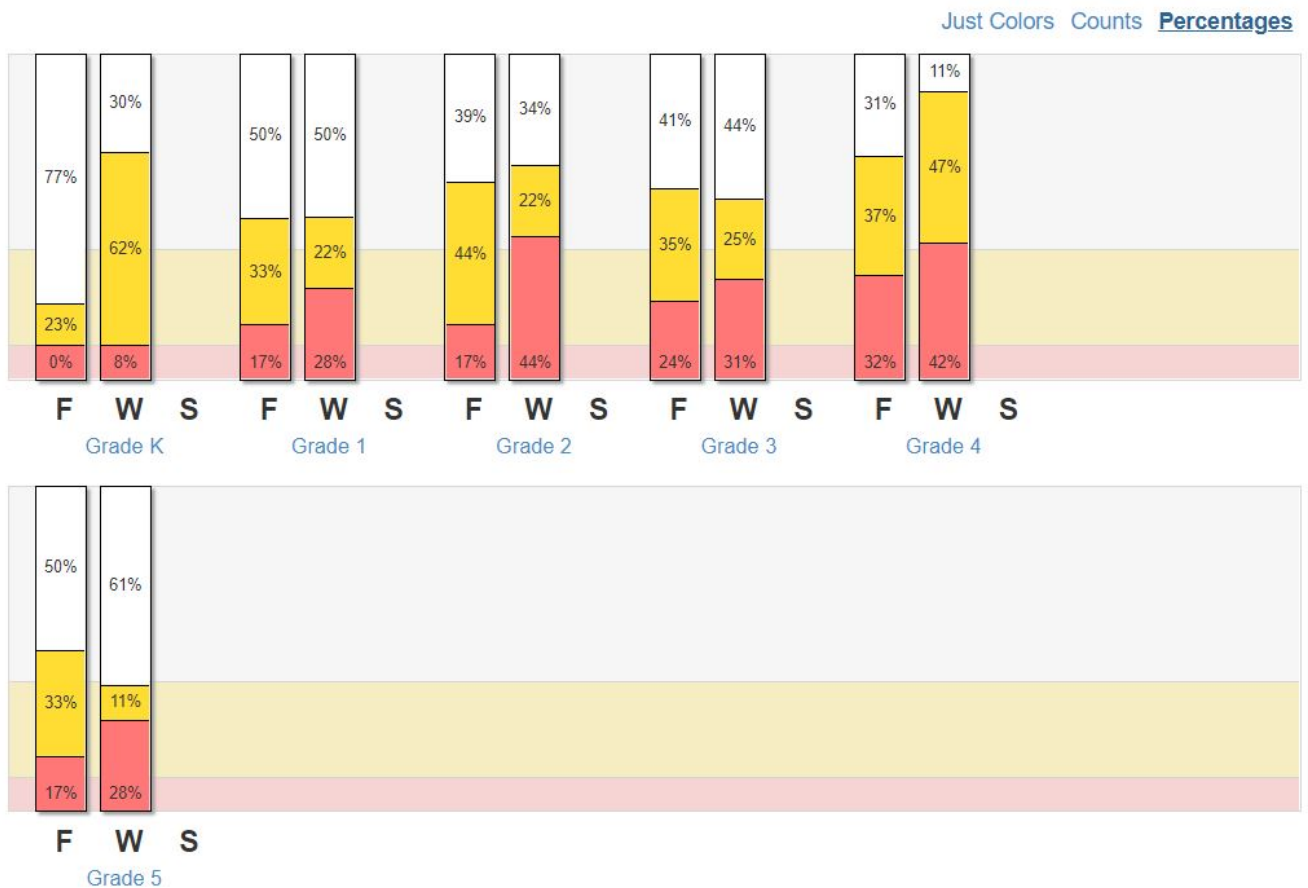
School-based Assessments (Easy CBM, DRA, iReady) No state assessments for 2019-20 due to COVID 19. Reporting on prior years can be found in the 2018-19 Annual report.

Elementary school is using Easy CBM for Language Arts; iReady and Easy CBM for Math

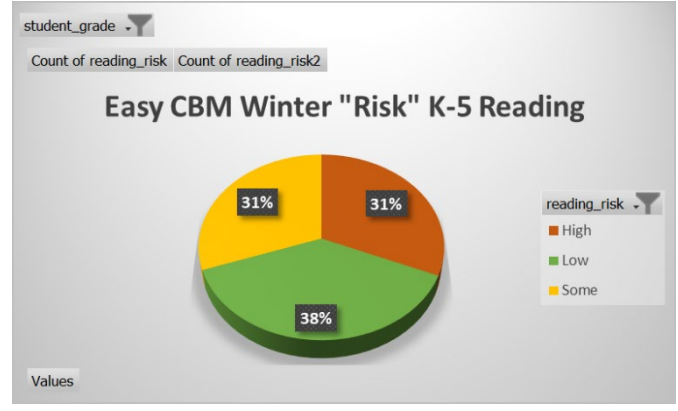
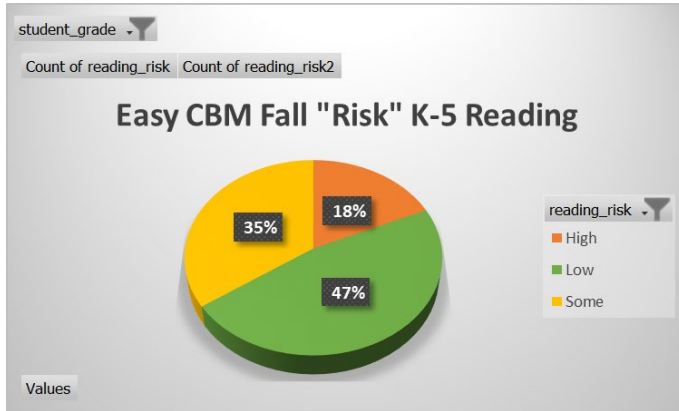
Language Arts Assessments, Elementary

Easy CBM data for Elementary, Fall & Winter

Winter Assessment window was through Feb 22, 2019.



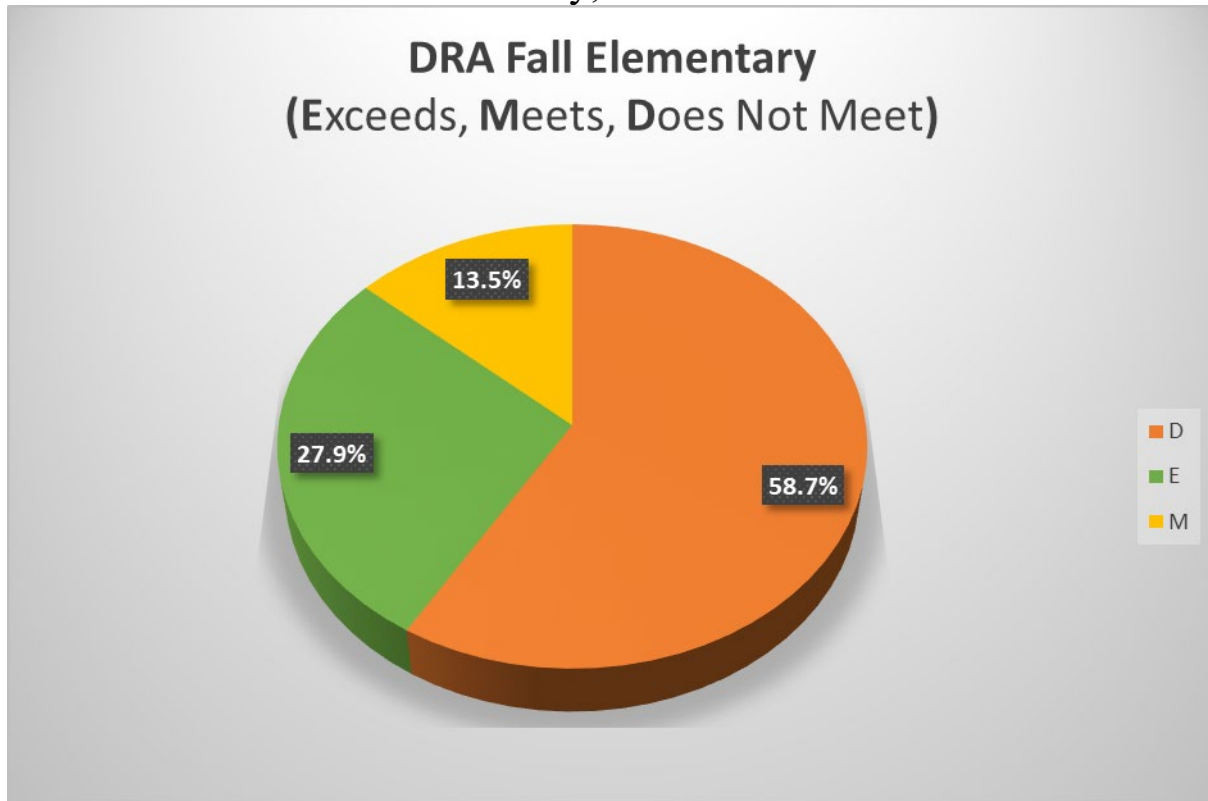
Key: High Risk (red) 0-10th; Some Risk (yellow) 11th-40th; Low Risk (white) 41-99



In comparison to the Spring of 2019, here were the

Easy CBM levels of "risk" in June 2019 for K-5.

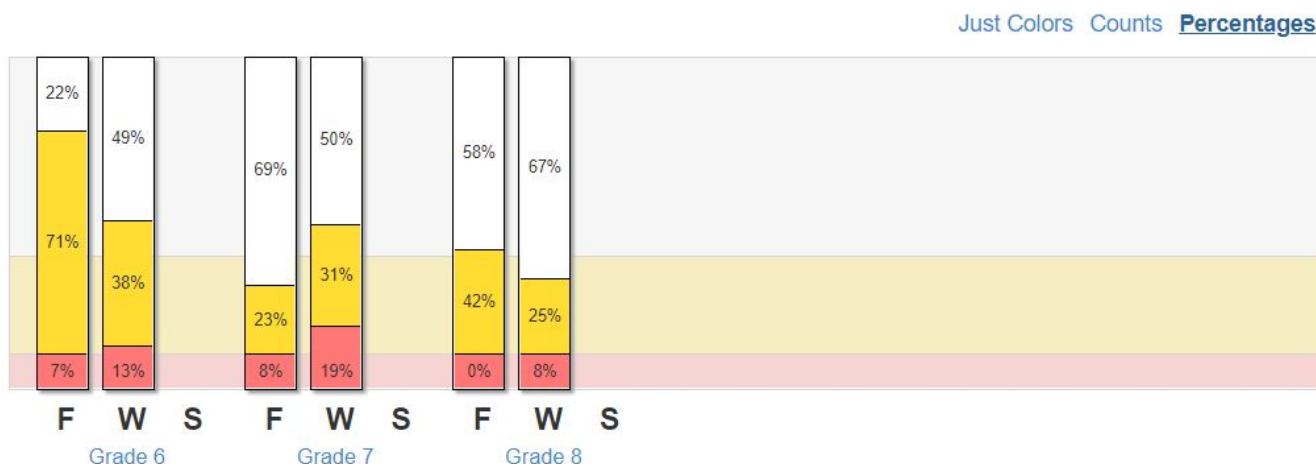
DRA Assessment for Elementary, Fall 2019



A pivot-table is available to look closely at grade level and teacher-specific data if desired. Easy CBM is being used as the main assessment tool in Elementary and Middle School now.

Language Arts Assessment, Middle School

In 2019-2020, KVCS is using the Easy CBM Assessment for students in grade 6-8



Key: High Risk (red) 0-10th; Some Risk (yellow) 11th-40th; Low Risk (white) 41-99
 Combined "Risk" totals for Middle School:



**Plan
for**



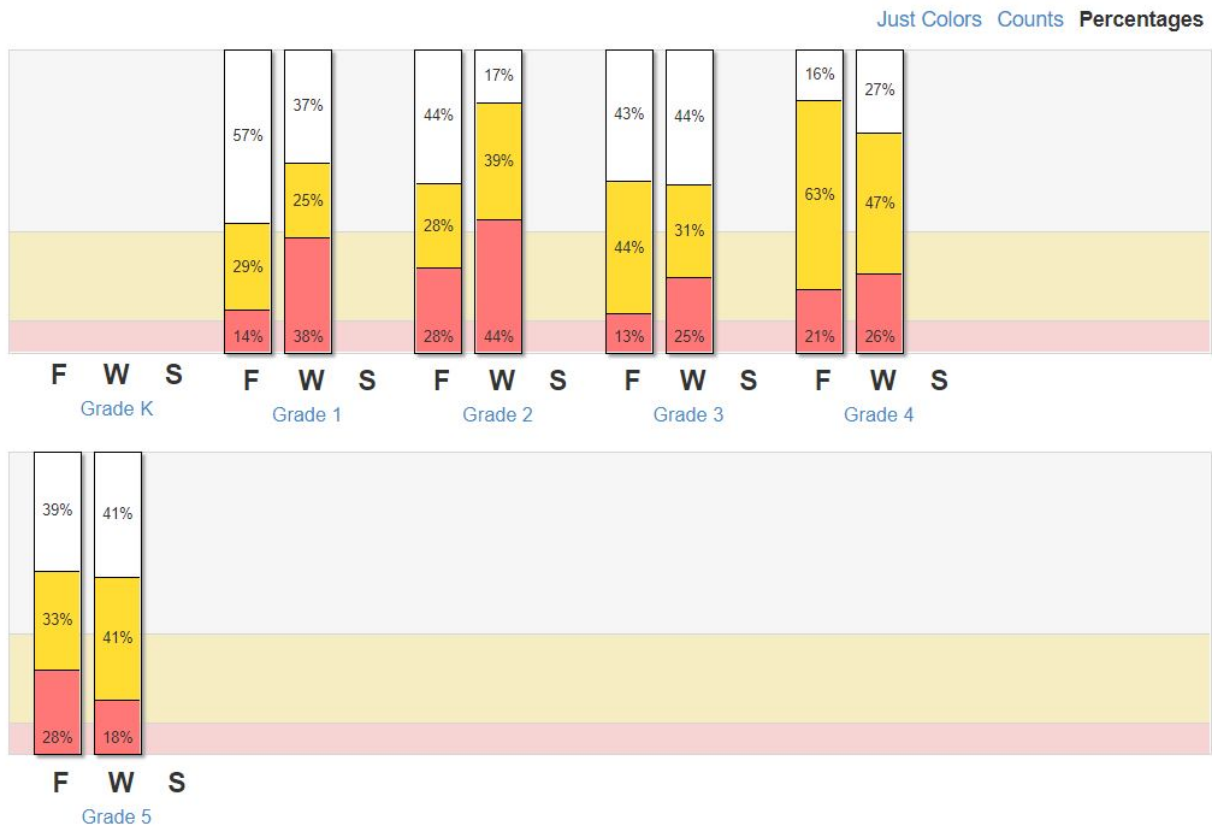
improvement Elementary: The addition of our new language arts curriculum, NG Reach is showing promise in its first year of use. We are excited that teachers are accessing online professional development tools to improve our utilization of this curriculum. While the data is showing drops in students' achievement, this is to be expected as new curriculum is learned. Due to Covid 19, the data is not complete. Our interventions are in place and working with a solid core team providing individual and small group supports.

Plan for Improvement Middle School

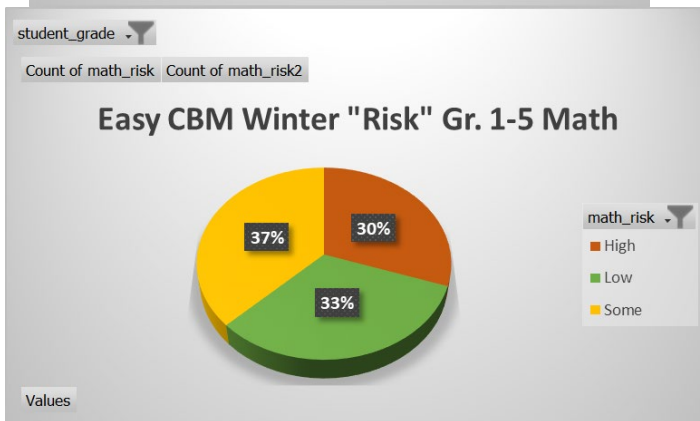
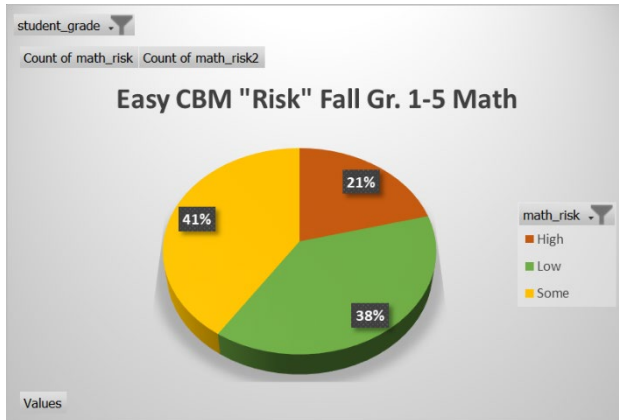
Our interventions are in place and working with a solid core team providing individual and small group supports. Students that struggle are receiving specialized instruction and support. Within each classroom teachers are providing individualized support to address needs. We now have a dedicated teacher for middle school language arts program starting in the 2019-20 school year.

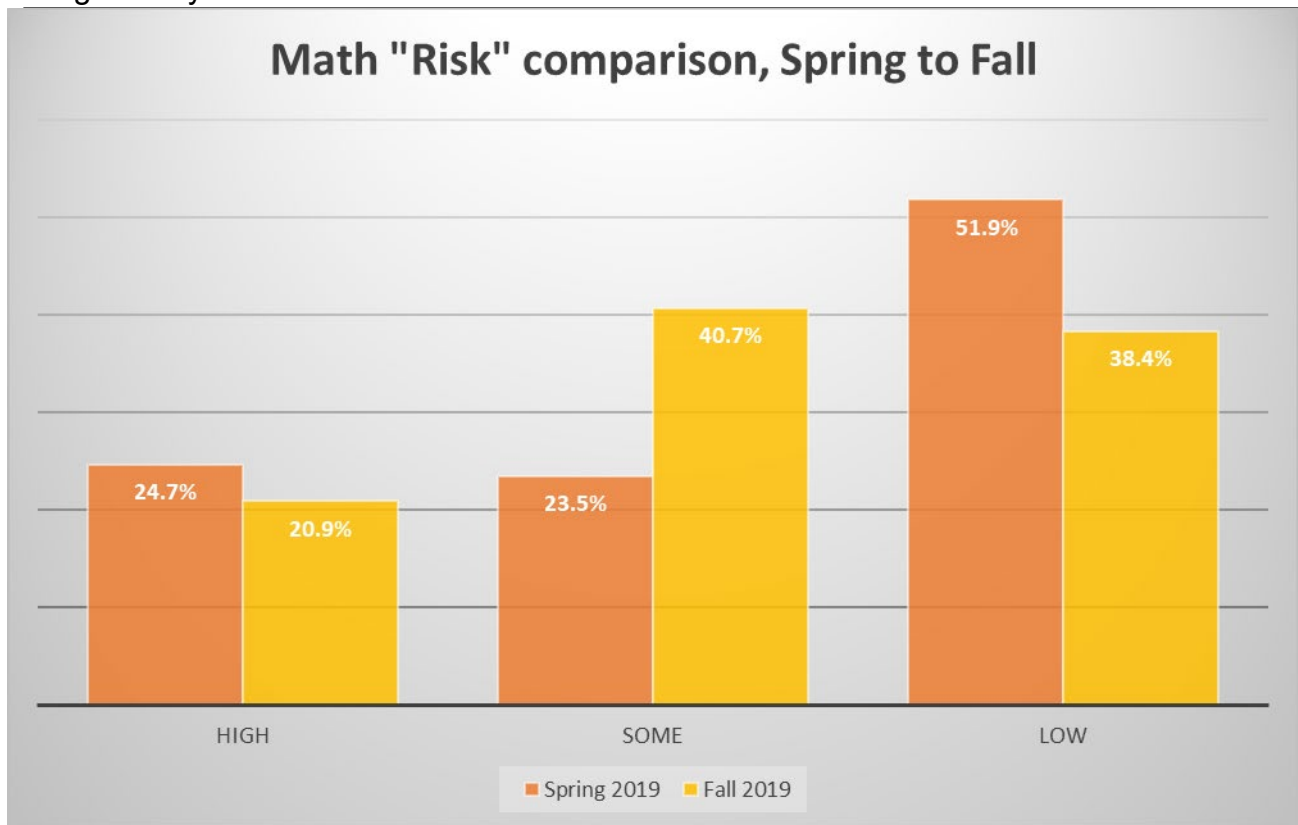
Mathematics Assessments, All Grades

KVCS is using Easy CBM (Elementary) and iReady for diagnostic assessment (Elem/Middle), and iReady for progress monitoring (Elem/Middle).



Easy CBM for Elementary





I-Ready for Elementary

Kings Valley Charter School

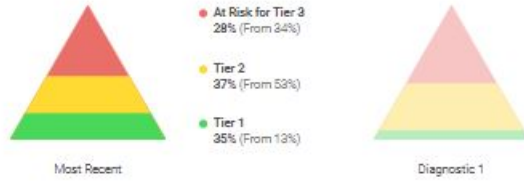
Academic Year: Diagnostic: Prior Diagnostic: Placement Definition:

09/04/19 - 09/21/19

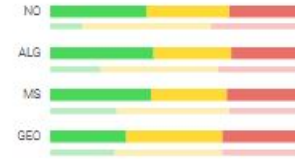
Students Assessed/Total: 109/148

Criterion Referenced

Overall Placement



Placement By Domain



Switch Table View: Show Results By:

Showing 5 of 9

Multi

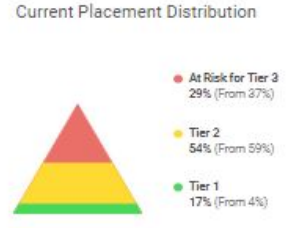
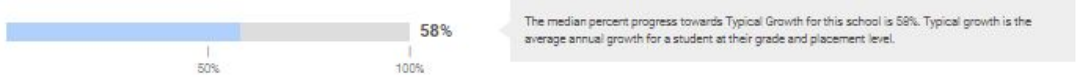
Overall Grade-Level Placement			Students Assessed/Total
Grade 1	Most Recent	56% Tier 1, 33% Tier 2, 11% At Risk for Tier 3	18/19
	Diagnostic 1	78% Tier 2, 22% At Risk for Tier 3	
Grade 2	Most Recent	9% Tier 1, 73% Tier 2, 18% At Risk for Tier 3	11/17
	Diagnostic 1	64% Tier 2, 36% At Risk for Tier 3	
Grade 3	Most Recent	33% Tier 1, 33% Tier 2, 33% At Risk for Tier 3	15/17
	Diagnostic 1	13% Tier 1, 47% Tier 2, 40% At Risk for Tier 3	
Grade 4	Most Recent	30% Tier 1, 20% Tier 2, 50% At Risk for Tier 3	10/19
	Diagnostic 1	60% Tier 2, 40% At Risk for Tier 3	
Grade 5	Most Recent	31% Tier 1, 44% Tier 2, 25% At Risk for Tier 3	16/18
	Diagnostic 1	31% Tier 1, 31% Tier 2, 38% At Risk for Tier 3	

Kings Valley Charter School

Academic Year: Comparison Diagnostic: Placement Definition:

Students Assessed/Total: 127/148

Progress to Annual Typical Growth (Median) [Learn more about growth](#)



Show Results By:

Showing 6 of 9

	Annual Typical Growth		Annual Stretch Growth		% Students with Improved Placement	Students Assessed/Total
	Progress (Median)	% Met	Progress (Median)	% Met		
Grade K	72%	30%	59%	20%	50%	10/14
Grade 1	76%	44%	59%	33%	67%	18/19
Grade 2	42%	0%	31%	0%	27%	15/17
Grade 3	32%	20%	24%	0%	20%	15/17
Grade 4	13%	15%	7%	8%	31%	13/19
Grade 5	61%	24%	31%	12%	35%	17/18

Kings Valley Charter School

iReady for Middle School

Academic Year: Diagnostic: Prior Diagnostic: Placement Definition:

09/04/19 - 09/21/19

Students Assessed/Total: 109/148

Criterion Referenced

Overall Placement



Placement By Domain

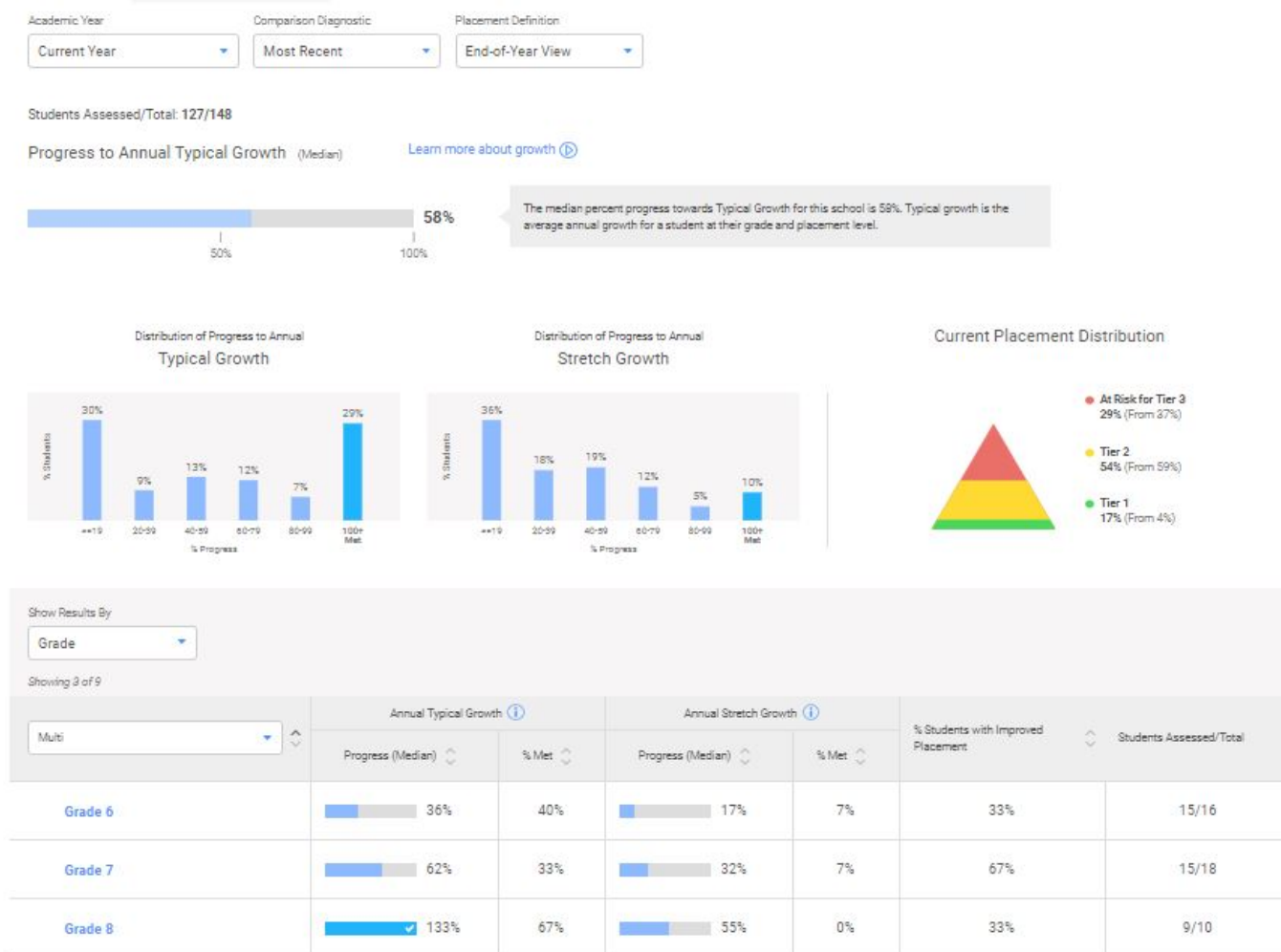


Switch Table View: Show Results By:

Showing 3 of 9

		Overall Grade-Level Placement			Students Assessed/Total
Grade 6	Most Recent	29%	57%	14%	14/16
	Diagnostic 1	21%	57%	21%	
Grade 7	Most Recent	57%	7%	36%	14/18
	Diagnostic 1	21%	43%	36%	
Grade 8	Most Recent	22%	11%	67%	9/10
	Diagnostic 1	11%	33%	56%	

Kings Valley Charter School



Plan for improvement (Elementary/Middle Math):

We are seeing great improvement in math with the implementation of our new I-ready program. Teachers continue to access professional development to successfully deliver and assess efficacy. The online tools are useful; our ability to monitor progress and adjust student levels has improved greatly. The 2020-21 school year is showing many students making great gains. We are excited to see how this program increases student success and improves readiness for our rigorous math courses in high school.

High School Math progress: High school students' math "risk" is evaluated on 2 criteria:

1. Are they enrolled in the math course considered "On track" for the grade level; "Above" or "Below" is relative to that course.
 - a. Algebra 1 = Grade 9 "on track"
 - b. Geometry = Grade 10 "on track"
 - c. Algebra 2 = Grade 11 "on track"
 - d. Pre-Calculus or AP Calculus = Grade 12 (these are considered "Above" since they are optional)

2. Are they passing the course at the first quarter or semester? If not, they will have a “Below” rating.

Based on first Quarter Grades (October 31) and S1 courses, the following were the percentages for the current high school population (includes middle school students taking high school courses; does not include students who have completed math credits or who are not enrolled in math courses).

<u>Quarter 1</u>		<u>Semester 1</u>
% Below HS	64.44%	48.98% -15.46%
% On HS	18.37%	26.53% 8.16%
% Above HS	18.37%	24.49% 6.12%
5 students showed improvement in math from Q1-S1 grades.		

There was no state testing for high school math in 2019-2020

Plan for improvement (High School Math): Due to the number of students who are not working “on” grade level, we have added an additional ½ pace algebra course utilizing an online program called Odysseyware. We are evaluating the use of a program called iXL to do diagnostics for new/struggling students to determine levels and where “holes” of understanding may be. This program is directly aligned with our Big Ideas Curriculum. Students are also being given the option to complete homework problems through iXL, which allows us to see how they are doing on the concepts being taught. All Algebra 1 class students are set up in iXL, and some Geometry and Algebra 2 students. A “slower paced” Algebra 1 course has been established for S2, and many students working on prealgebra or struggling in Algebra 1 have been shifted to this course. We are hopeful that the iXL program will provide targeted progress monitoring for High School, which we have not had before.

Plan for Improvement High School English Language Arts

No Essential Skills or State Assessment data for 2019-20. We continue to challenge students by providing access to Advanced Placement courses. We are also providing a writing support course for students who need individualized and targeted instruction. Funding provided through High School Success Grant allows us to plan during our weekly meetings to ensure each student is getting the specific help they need for a successful path to graduation.

1.2.2. The audited financial statements of KVCS, including proofs of insurance.

The audited financial statements are in Appendix B. The proofs of insurance documents are in Appendix D.

1.2.3. Any statements from the public charter school that show the results of all operations and transactions affecting the financial status of the public charter school during the preceding annual audit period for the school.

The audited financial statements are in Appendix B.

1.2.4. An electronic copy of any balance sheet containing a summary of the assets and liabilities of the public charter school and related operating budget documents as of the closing date of the preceding annual audit period for the school.

An email with our audited financial statements was sent in February to Bill Mancuso and is attached to this document.

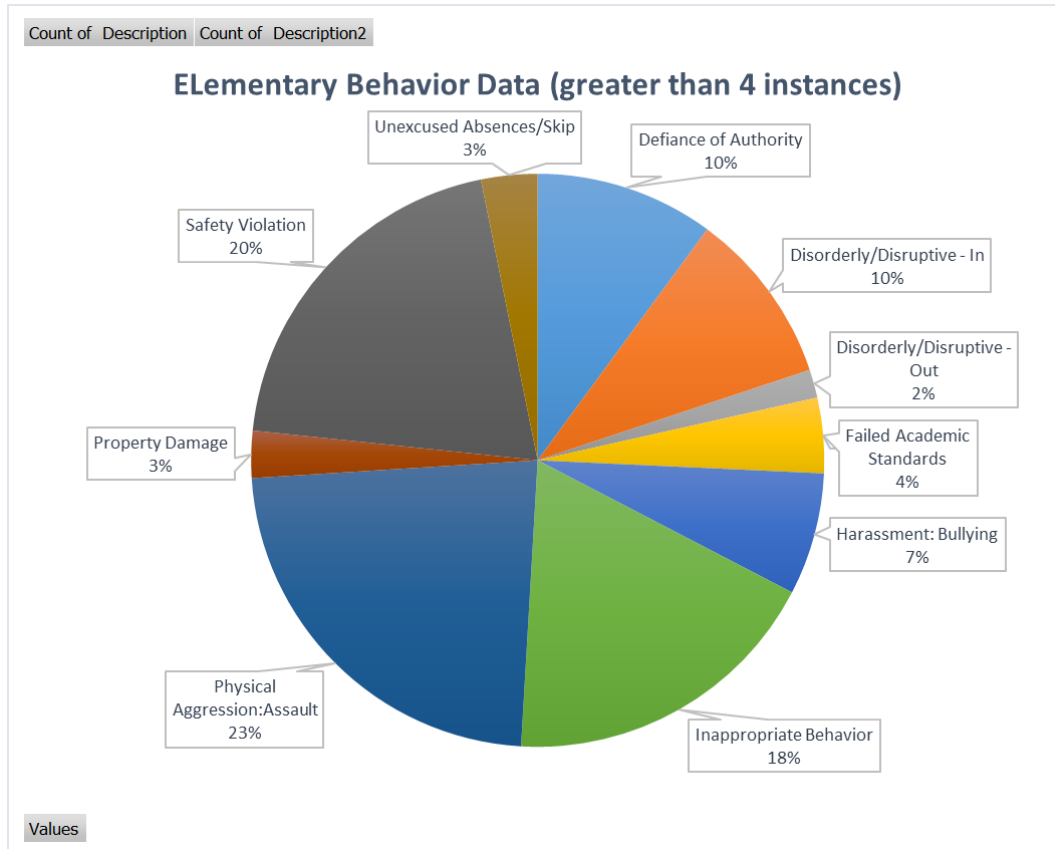
1.2.5. Policy development issues.

All Policy Adjustments for 2019-20 School year aligned with district updates. No KVCS policy adjustments were made.

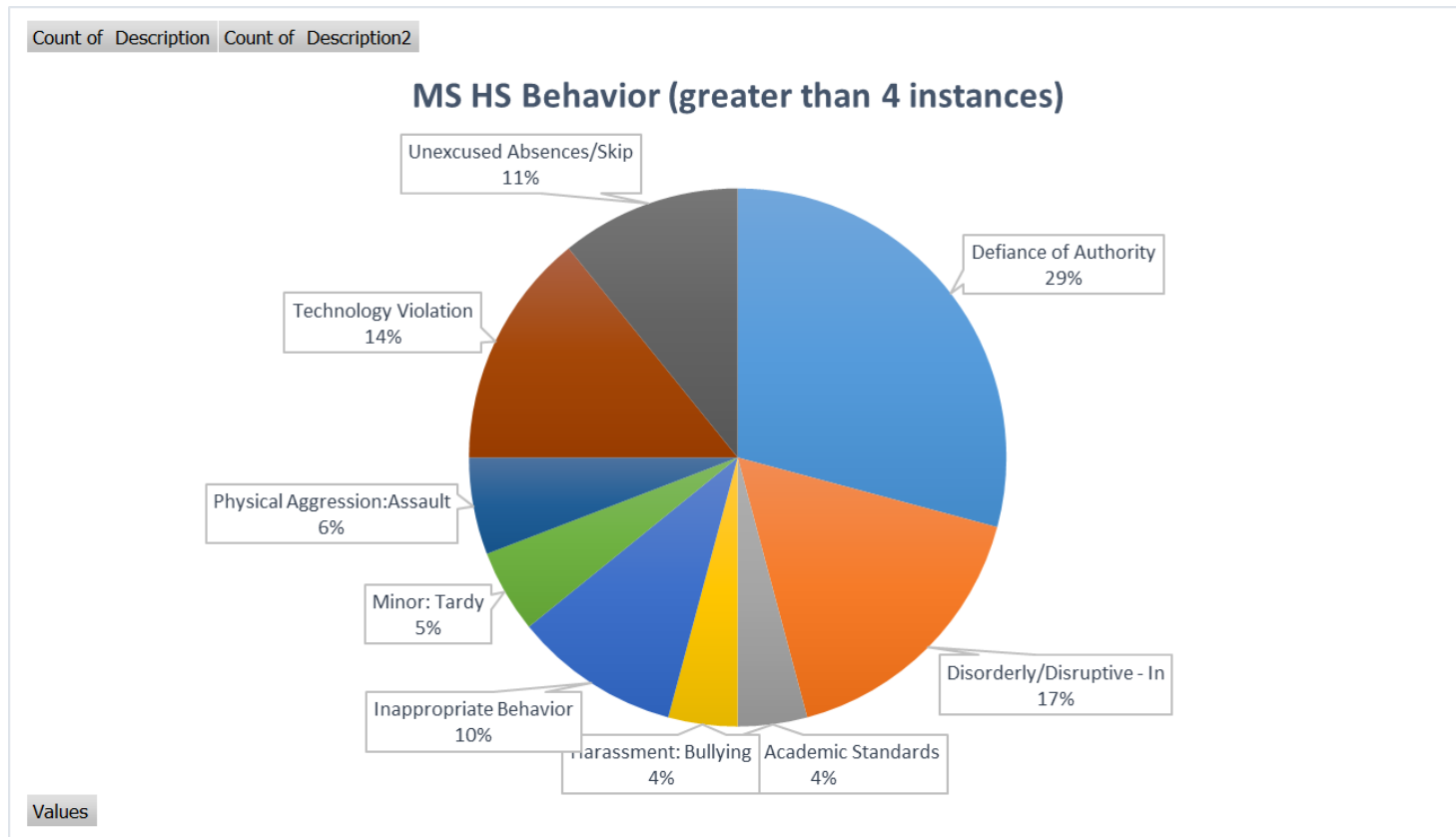
1.2.6. Student attendance and student discipline information.

Elementary Behavior Incidents Through February 2020

This graph reflects 377 incidents in Elementary school.



This graph reflects 120 incidents in Middle or High School



Plan for improvement (behavior):

Our PBIS team is working diligently to take steps to reduce challenging behaviors. Teachers are trained in Collaborative Problem Solving and classroom management techniques as well as students are taught school wide expectations. KVCS has added a part-time Dean of Students through funding from the Student Success Act to support and address student needs.

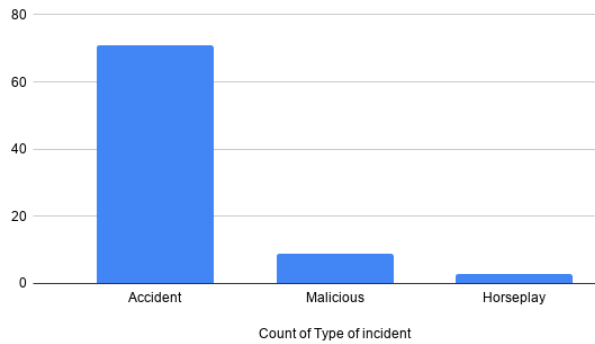
All staff have been trained in the behavior referral process to improve data collection that helps guide decision making school wide.

Injury Incidents

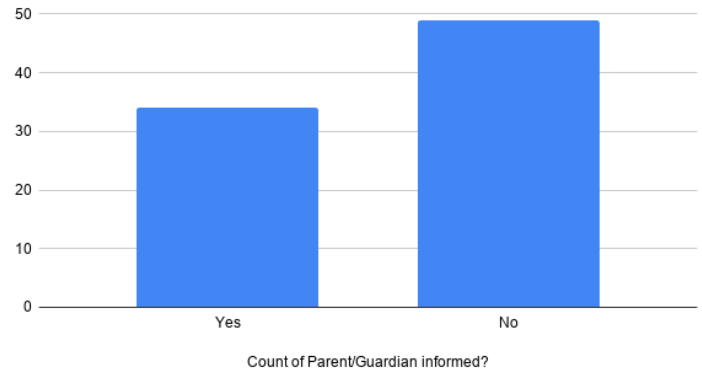
In November, the office established a new form for reporting injuries sent to the office. December-February data is below. We have graphs for each month if needed. Injuries are evaluated and any unsafe conditions are corrected as needed.

From Dec-Feb there were 103 incidents documented

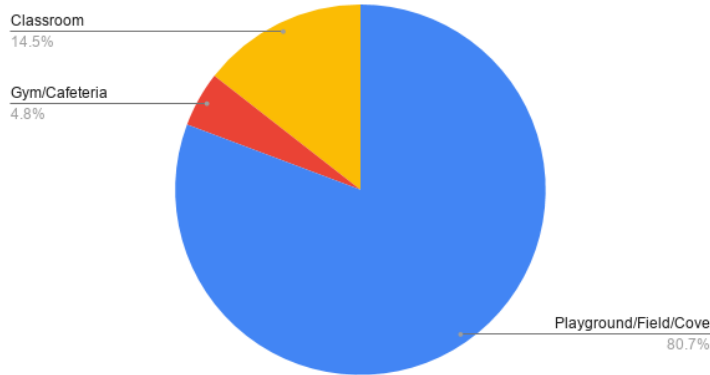
Incident Types Dec-Feb



Parent/Guardian informed? Dec-Feb



Location Data: Dec-Feb



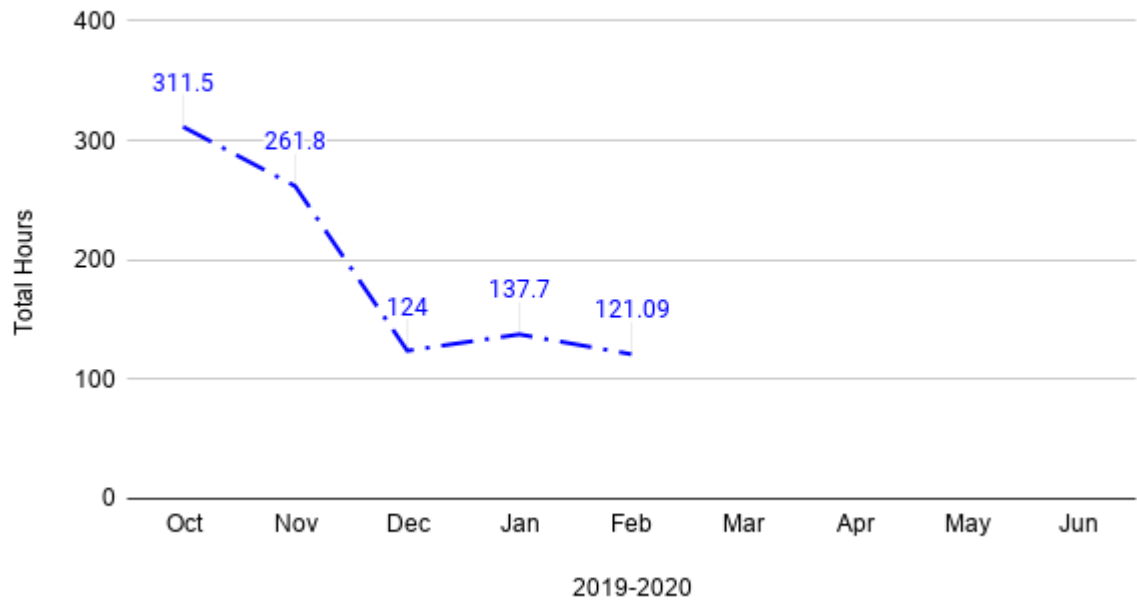
The Great Kindness Challenge
We participated in “The Great Kindness Challenge” for the first time. The goal was to improve the social climate of the school, and help build connections

between Elementary, Middle, and High School students.

1.2.7. Volunteer involvement information

KVCS staff have worked to establish a more efficient way of documenting volunteer numbers and hours. The new “HelpCounter” website is helping with volunteer paperwork, areas of interest, and collection of data. A web app is also available for volunteering that happens off-site or after hours, such as sports. Volunteer hours for 2019-20 are significantly lower due to cancellation of our school auction as a result of Covid-19 restrictions.

Volunteer Hours 2019-2020



1.2.8. Parental survey results

No Parent surveys for 2019-20 due to Covid 19. Survey results from previous years are provided. KVCS surveys for 2020-21 have focused mainly on family needs and planning for distance and in person learning.

1.2.9. Evidence of required insurance coverage

See appendix D.

1.2.10. New and revised policies and procedures adopted by the KVCS Board and have not previously been provided to the District

No policy changes for 2019-20 school year, other than acknowledgement of key district policies.

1.2.11. All information necessary to make a determination of whether KVCS is in compliance with the Charter School Act.

(a) 338.015 Legislative intent; goals.

The KVCS has the following evidence towards meeting the intent and goals of charter schools:

- (1) Increase student learning and achievement;

Results for Student Achievement are found in See 1.2.1 (b)

(2) Increase choices of learning opportunities for students;

The small enrollment, K-12 environment, and curricular approach are unique in the area. In the KVCS attendance range, there is one private religious school in Corvallis, Alsea Public Schools, and the Perrydale Public School outside of Dallas that offer a K-12 configuration. To the best of our knowledge, the academic program is unique in the area also. The KVCS is utilizing multi-age classrooms. The local rural environment provides opportunities for hands-on work in nature as we partner with different organizations to make the most of our setting through gardening, stream restoration, and building projects. Field trips are an important part of providing learning opportunities at all grade levels, including Outdoor School for grade 6 and overnight field trips for high school students. In High School, “College Now” opportunities have been recently added to provide students with college credit. Extended Opportunity in partnership with LBCC and Advanced Placement high school curriculum at early grades to enable gains at all student abilities (see Section 1.2.1 b. Nationally Normed Tests) and prepare them for success at the college level. Students are also given opportunity to take a CLEP exam (College Level Examination Program by the College Board) for American Literature, which could be accepted at colleges.

The KVCS has recently added CTE programs to improve student outcomes and give more options. Our Culinary program has seen great success and a fantastic addition to our school We hope to add more programs in the near future including a Natural Resource Program focusing on agriculture in the 20/21 school year

(3) Better meet individual student academic needs and interests;

The KVCS is using the National Geographic Literacy Program NG Reach and an individualized approach to math to ensure students have access to academic curriculum that fits their abilities and needs. Hands- on projects and integrated academics with art projects are an important method for the KVCS to keep students engaged. New math curriculum, including iReady Math and Big Ideas Mathematics, is showing great promise for student success and providing insight into student progress that we have not had previously.

(4) Build stronger working relationships among educators, parents and other community members.

We provide solid evidence of a strong volunteer community in our monthly reports to the the board. Volunteers are present in our classrooms, in reading remediation work, “project days,” field trips, building upkeep, after school activities, and fundraising.

The KVCS students are involved in restoration projects and have established great partnerships with Benton County, Luckiamute Watershed Council, OSU Extension, ODFW,

and local landowners. KVCS hosted the 4-H Wildlife Stewards in May 2019. Over 250 students visited our school for this amazing event.

The best collaboration with educators is the Special Education collaboration with the Philomath District. This is likely a model arrangement and is producing very good results. The KVCS has benefited by having experienced SPED teachers and consultants in the building. Collaboration with local programs continues to grow as we have developed partnerships with Luckiamute Valley Charter School, Jackson Street Youth Shelter, Strengthening Rural Families, Benton County Health Department and Corvallis Environmental Center.

Teachers have worked to develop relationships with LBCC to improve opportunities for students. These include CLEP testing, Extended Opportunity and College Now credits, as well as our CTE program.

(5) Encourage the use of different and innovative learning methods;

The KVCS has repackaged tried and true methods in innovative ways. For example, multiage classrooms have been in place since the beginning of public education. So has self-paced learning, hands-on learning, and art integration. The way the KVCS applies these techniques could be considered innovative.

(6) Provide opportunities in small learning environments for flexibility and innovation, which may be applied, if proven effective, to other public schools;

The Philomath School District has given the KVCS plenty of space and opportunity to innovate and experiment. The KVCS has consistently produced good results on tests and surveys.

(7) Create new professional opportunities for teachers;

The teachers at the KVCS have access to funds for college tuition. The KVCS is aggressive in ensuring students are achieving at optimum levels which is a unique experience for teachers. Staff at KVCS have access to meaningful professional development opportunities.

(8) Establish additional forms of accountability for schools; and

Staff and board have developed additional accountability rubrics. These have included ethics of excellence, service learning, citizenship, listening, and behaviors. Staff are reviewing new methods of measuring student readiness and school accountability. Specifically, methods to evaluate middle and high school readiness.

(9) Create innovative measurement tools. [1999 c.200 §1]

The KVCS has an accountability plan that is similar in thoroughness to private industry. The

10 years of data of direct surveys of parents and students are of high value now. There are no public schools to benchmark with. The KVCS implements traditional measurements and uses data with staff very well.

(b) 338.125 Student admissions; fund-raising activities; online courses.

The KVCS conducts a lottery every time an opening occurs. The KVCS is careful not to gather information that would prejudice the lotteries. The lotteries always have a minimum of two people and the public is welcome (only a few times have parents been present).

The KVCS charges no fees, and all fundraising is voluntary. Our Parent Teacher Organization performs high-quality fund-raising efforts throughout the year.

There has been an an increasing need to bring more online curriculum to provide diverse opportunities for students. Often students will take an online course for credit recovery or because the KVCS does not offer a necessary credit during the time the student will be enrolled at the KVCS. Occasionally a student might select an online course based on an interest in a specific area not offered at KVCS. We are continuing our evaluation and implementation of this type of program.

(c) 338.135 Employees; licensure and registration requirements; collective bargaining; prohibition on waiver of right to sponsor charter school. (1) Employee assignment to a public charter school shall be voluntary.

The KVCS met all the licensing and FTE requirements in the 2019-20 school year. The Philomath District personnel verify this every year.

No Philomath teachers are on leave of absence to work at the KVCS.

(d) 338.145 Responsibility for student transportation services; costs.

The District has enabled the KVCS to provide transportation at the reimbursed rate.

(e) Federal law

The KVCS had no issues in relation to Federal Law. Our Federal Lunch program had no issues in reporting and compliance. No Title I funds were allocated to the KVCS. No restricted revenue from the Federal Government was distributed to KVCS in this school year.

(f) ORS 192.410 (Definitions for ORS 192.410 to 192.505) to 192.505 (Exempt and nonexempt public record to be separated) (public records law);

The KVCS makes an attempt to publish any public records on the KVCS website. All student records and accounting are kept in fire proof cabinets within a locked room.

(g) ORS 192.610 (Definitions for ORS 192.610 to 192.690) to 192.690 (Exceptions to ORS 192.610 to 192.690) (public meetings law);

Public board meetings are announced electronically on a list that includes media. Minutes and board packets are published on the KVCS website.

The Kings Valley Charter School had the following closed executive board meetings:

There were no closed executive board meetings in the 2019-20 School year.

ORS 297.405 (Definitions for ORS 297.020, 297.230, 297.405 to 297.740 and 297.990) to 297.555 (Short title) and 297.990 (Penalties) (Municipal Audit Law);

The audit was acceptable and is included in appendix B. The KVCS used the same auditor as the District.

(h) ORS 181.534 (Criminal records check), 326.603 (Authority of school districts and schools to obtain fingerprints and criminal records check of employees and contractors), 326.607 (Authority of school districts and schools to obtain criminal records check of volunteers and applicants for employment), 342.223 (Criminal records check) and 342.232 (Employment pending result of check) (criminal records checks);

All employees completed background checks through the district or TSPC. All volunteers were background checked through approved methods.

(i) ORS 337.150 (School board and charter school duty to provide textbooks) (textbooks);

All textbooks were provided. Students are not charged any fees at the KVCS.

(j) ORS 339.141 (Tuition prohibited for regular school program), 339.147 (When tuition authorized) and 339.155 (Prohibitions of certain fees as condition of admission) (tuition and fees);

The KVCS did not charge tuition or any other fees. The school made a significant investment in new textbooks/curriculum for the 2018-19 and 2019-20 school year.

(k) ORS 659.850 (Discrimination in education prohibited), 659.855 (Sanctions for noncompliance with discrimination prohibitions) and 659.860 (Enforcement of ORS 659.850) (discrimination);

The KVCS conducted random lotteries and does not gather prejudicial information from lottery participants. The KVCS posts nondiscriminatory statements and Civil Rights complaint process as required by the Federal Meal program.

(l) ORS 30.260 (Definitions for ORS 30.260 to 30.300) to 30.300 (ORS 30.260 to 30.300 exclusive) (tort claims);

The KVCS does not have any active tort claims currently.

(m) Health and safety statutes and rules;

The Benton County Health inspector inspected the kitchen and water system twice in the school year. All areas were in good order. A new water system has been installed. All improvements and changes are at the guidance of county and state agencies.

(n) Any statute or rule that is listed in the charter;

No other statute or rule is listed in the charter beyond this list.

(o) The statewide assessment system developed by the Department of Education for mathematics, science and English under ORS 329.485 (Statewide assessment system) (2);

KVCS participated and had many areas of success with this system of testing.

(p) ORS 329.045 (Revision of Common Curriculum Goals, performance indicators, diploma requirements, Essential Learning Skills and academic content standards) (academic content standards and instruction);

The best evidence of compliance is continued strong scores on assessments tests. The KVCS is using LBL ESD provided software to track the graduation requirements and Essential Learning Skills. The master schedule including teachers' assignments and NCES course codes are all part of this system and reviewed in detail by the Philomath District staff.

(q) ORS 329.496 (Physical education participation) (physical education);

We are meeting this requirement and we are evaluating the various challenges related to the increased minutes.

(r) Any statute or rule that establishes requirements for instructional time provided by a school during each day or during a year;

The KVCS met the required days of instruction for each grade level.

(s) ORS 339.250 (Duty of student to comply with rules) (12) (prohibition on infliction of corporal punishment);

The KVCS consulted with the district on suspensions and disciplinary actions with staff in regard to this section.

(t) ORS 339.370 (Definitions for ORS 339.370 to 339.400), 339.372 (Policies of school boards on reporting of child abuse and sexual conduct), 339.388 (Report of child abuse or sexual conduct) and 339.400 (Training on prevention and identification) (reporting of child abuse and training on prevention and identification of child abuse);

All staff working at KVCS took the mandatory training. Compliance was tracked by using the training system provided by the PACE (OSBA insurance company)

(u) ORS 329.451 (High school diploma) (high school diploma, modified diploma, extended diploma and alternative certificate);

The KVCS is offering these diplomas. Compliance is monitored by District staff. Special education students are receiving District services that include graduation planning.

(v) ORS chapter 657 (Employment Department Law);

No issues came up under this requirement.

(w) ORS 339.326 (Actions after receipt of notice under ORS 419A.305);

We received no notices.

1.2.12. All non-routine maintenance, repairs and improvements made during the previous year and the cost thereof, including the value of in-kind labor and materials.

This is no longer a requirement with the property sale, although upgrades to facilities are made as needed. Information about maintenance, repairs and improvements can be provided upon request.

1.2.13. The annual report shall also include the results of grade level performance testing and a summary of all corrective action plans and their effectiveness.

All test results were posted in section 1.2 (a).

1.3. Appendix A: Parent Survey Report

Title: Parent Survey Report June 2018

Control Information

Control Item	Details
Owner/Curator	Jamon Ellingson
Policy #	KVK draft
Supersedes	None
File Location	www.kvschool.org
Board approval date	

Revision History

Revision	Date	Revision Description	Originator
A		2019 – No Report due to Covid 19	
B			
C			

Parent Survey Report June 2018

Summary:

Our Parent Survey was re-structured in June 2018 to separate comments related to students in Elementary, Middle and High school. This allowed parents to reflect on different experiences of multiple children at those age groupings. It allows us to consider what areas to address at those levels as well

Comments on parent comments --

The parent comments and concerns should be discussed. Areas of concern will be shared with appropriate staff to identify areas that need improvement.

Comparison to previous years:

The data from these tables is from June of each year unless otherwise noted. There were 42 responses. Comparable to 41 in 2017.

General Satisfaction

Parent Survey Data	2003-2004	2005-2006 (Mar)	2006-2007	2007-2008	2008-2009	2009-2010	June	June	June	June	Nov	June	June	June
							2011	2012	2013	2014	2015	2016	2017	2018
Highly Satisfied			55%	51%	29%	53%	46%	53%	44%	51%	46%	53%	49%	26%
Very Satisfied and highly satisfied	85%	95%	83%	89%	86%	85%	84%	83%	77%	72%	84%	76%	78%	60%
Satisfied and higher	100%	100%	100%	100%	95%	100%	100%	100%	98%	94%	98%	98%	95%	93%

Jamon's comments:

This is similar to previous years. There was 1 unsatisfied parent out of 42 responses.

My Child is Receiving Individualized Education:

	2007-2008	2008-2009	2009-2010	Jun-11	Jun-12	Jun-13	Jun-14	Nov 2015	June 2016	June 2017
Noticeably	29%	38%	63%	42%	35%	37%	43%	31%	37%	41%
regularly and noticeably	34%	79%	94%	88%	84%	86%	91%	78%	82%	91%

June 2018	Elementary	Middle	High	Preschool
Noticeably	27%	15%	29%	50%
Noticeably and Regularly	73%	54%	65%	83%
Total Surveyed	26	13	17	6

Jamon's comments:

Our number is down from previous years. The information worth noting is our ability to separate the schools. We have made adjustments in our middle school as a response to this data. Dedicated teaching staff have been added to our middle school.

Child is Completing Work that Demonstrates Learning

	2007-2008	2008-2009	2009-2010	Jun-11	Jun-12	Jun-13	Jun-14	Nov 2015	June 2016	June 2017
Noticeably	29%	48%	53%	42%	35%	33%	42%	38%	43%	39%
regularly and noticeably	88%	91%	91%	96%	86%	80%	88%	84%	84%	97%

June 2018	Elementary	Middle	High	Preschool
Noticeably	35%	15%	24%	33%
Noticeably and Regularly	88%	69%	65%	83%
Total Surveyed	26	13	17	6

Jamon's comments:

Elementary is performing the same as previous years. Sharing student work with home could be a strategy that we work with. More discussion should happen here

Child's Work is Valued by Staff:

	2007-2008	2008-2009	2009-2010	Jun-11	Jun-12	Jun-13	Jun-14	Nov 2015	June 2016	June 2017
Noticeably	43%	49%	71%	50%	44%	37%	39%	47%	47%	48%
regularly and noticeably	95%	88%	93%	88%	88%	86%	88%	93%	96%	95%

June 2018	Elementary	Middle	High	Preschool
Noticeably	54%	15%	35%	67%
Noticeably and Regularly	100%	77%	71%	100%
Total Surveyed	26	13	17	6

Jamon's comments:

Our elementary school and preschool have shown great success with recognizing student work. Having bulletin boards to regularly display great work is a great way to do this. Middle and high school staff will brainstorm ideas to improve in this area. Our museums and science fair are two examples of recognizing students for their great work.

Opportunities to Show or Exhibit Work:

	2007-2008	2008-2009	2009-2010	Jun-11	Jun-12	Jun-13	Jun-14	Nov 2015	June 2016	June 2017
Noticeably	62%	52%	70%	58%	51%	49%	34%	43%	48%	45%
regularly and noticeably	100%	100%	98%	96%	91%	89%	95%	87%	88%	85%

June 2018	Elementary	Middle	High	Preschool
Noticeably	50%	8%	41%	33%
Noticeably and Regularly	88%	77%	53%	83%
Total Surveyed	26	13	17	6

Jamon's comments: Similar to previous

Positive Relationships with Peers

	2007-2008	2008-2009	2009-2010	Jun-11	Jun-12	Jun-13	Jun-14	Nov 2015	June 2016	June 2017
Noticeably	49%	32%	50%	21%	40%	26%	37%	44%	45%	32%
regularly and noticeably	90%	88%	84%	88%	91%	89%	86%	89%	86%	89%

June 2018	Elementary	Middle	High	Preschool
Noticeably	42%	8%	41%	33%
Noticeably and Regularly	92%	62%	82%	100%
Total Surveyed	26	13	17	6

Jamon's comments:

Good to see the positive relationships in elementary and high school. We have added programming to improve middle school relationships. Including the social emotional learning curriculum and Girl's circle and Boy's Council

Positive Relationships with Adults

	2007-2008	2008-2009	2009-2010	Jun-11	Jun-12	Jun-13	Jun-14	Nov 2015	June 2016	June 2017
Noticeably	55%	36%	59%	42%	49%	33%	43%	56%	61%	46%
regularly and noticeably	95%	91%	96%	100%	93%	93%	88%	90%	92%	96%

June 2018	Elementary	Middle	High	Preschool
Noticeably	62%	8%	35%	83%

Kings Valley Charter School

Noticeably and Regularly	96%	69%	76%	100%
Total Surveyed	26	13	17	6

Jamon’s comments:

Elementary relationships amongst elementary students and adults have good results. Middle and high school students has opportunity for growth. As stated above we have added programming to improve in the areas and will continue to brainstorm other means for building positive relationships with adults. Our LEAD program has been a valuable and exciting program that encourages relationships and service to our community.

1.1. Comparison to previous years:

The new structure of the survey also allowed for feedback on the following areas:

Social Climate:

June 2018	Elementary	Middle	High	Preschool
Highly Satisfied	12%	0%	18%	33%
Satisfied, Very Satisfied, Highly Satisfied	81%	62%	88%	100%
Total Surveyed	26	13	17	6

Academic Program:

June 2018	Elementary	Middle	High	Preschool
Highly Satisfied	19%	0%	18%	33%
Satisfied, Very Satisfied, Highly Satisfied	96%	85%	88%	83%
Total Surveyed	26	13	17	6

Communication from school to home:

June 2018	Elementary	Middle	High	Preschool
Highly Satisfied	19%	0%	12%	33%
Satisfied, Very Satisfied, Highly Satisfied	81%	69%	76%	100%
Total Surveyed	26	13	17	6

Child’s Social Experience at KVCS:

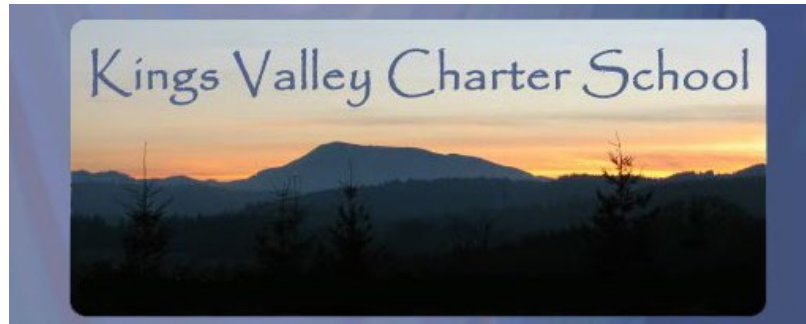
June 2018	Elementary	Middle	High	Preschool
Highly Satisfied	15%	0%	29%	33%
Satisfied, Very Satisfied, Highly Satisfied	92%	77%	88%	100%
Total Surveyed	26	13	17	6

Child's Academic Experience at KVCS:

June 2018	Elementary	Middle	High	Preschool
Highly Satisfied	23%	0%	35%	33%
Satisfied, Very Satisfied, Highly Satisfied	96%	85%	76%	83%
Total Surveyed	26	13	17	6

1.5. Appendix C: New or Updated Policies

1.4. Appendix B: Financial Audit Report



KINGS VALLEY CHARTER SCHOOL
(A Component Unit of Philomath School District 17J)
Philomath, Oregon

ANNUAL FINANCIAL REPORT

June 30, 2020



436 1st Avenue W • PO Box 1072
Albany, Oregon 97321 • (541) 223-5555

**KINGS VALLEY CHARTER SCHOOL
Philomath, Oregon**

BOARD OF DIRECTORS

June 30, 2020

OFFICERS

Sally Lammers, Chair
31615 Luckiamute Road
Philomath, Oregon 97370

Diana Barnhart, Secretary/Treasurer
14185 Wildwood Road
Philomath, Oregon 97370

MEMBERS

Beth Hoinacki
38001 Alexander Road
Philomath, Oregon 97370

Bill Mahr
39142 Kings Valley Highway
Monmouth, Oregon 97361

EXECUTIVE DIRECTOR

Jamon Ellingson
38840 Kings Valley Highway
Philomath, Oregon 97370

**KINGS VALLEY CHARTER SCHOOL
Philomath, Oregon**

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June 30, 2020

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Board of Directors
Kings Valley Charter School
Philomath, Oregon 97370

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of Kings Valley Charter School, Philomath, Oregon, a component unit of Philomath School District 17J, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School'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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of Kings Valley Charter School, Philomath, Oregon as of June 30, 2020, and the respective changes in financial position thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules of the School's proportionate share of the net pension liability and School contributions on pages 4 through 8 and 35, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Kings Valley Charter School's basic financial statements. The budgetary comparison information is presented for purposes of additional analysis and is not a required part of the basic financial statements.


The budgetary comparison information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 budgetary comparison information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 15, 2020, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance

Accuity, LLC

By: 

Glen O. Kearns, CPA

Albany, Oregon
December 15, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

KINGS VALLEY CHARTER SCHOOL
Philomath, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

As management of Kings Valley Charter School, Philomath, Oregon, we offer readers this narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2020. It should be read in conjunction with the School's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- At June 30, 2020, total net position of Kings Valley Charter School amounted to \$497,416. Of this amount, \$275,844 was invested in capital assets, net of related debt. The remaining balance included \$11,981 restricted for various activities, and \$209,591 of unrestricted net position.
- The School's total net position increased by \$41,539 during the current fiscal year.
- Overall revenues of \$2,263,118 exceeded total expenses of \$2,221,579 by \$41,539.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Kings Valley Charter School's basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the School's finances in a manner similar to a private-sector business.

The statement of net position presents information on all the School's assets, liabilities, and deferred inflows and outflows of resources with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School is improving or deteriorating.

The statement of activities presents information showing how the School'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., grants receivable).

The government-wide financial statements can be found on pages 9 through 10 of this report.

Fund Financial Statements

The fund financial statements are designed to demonstrate compliance with finance-related legal requirements overseeing the use of fund accounting.

KINGS VALLEY CHARTER SCHOOL
Philomath, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

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. The only fund of the School is a governmental fund.

□ **Governmental 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 the School'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 School's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The School maintains one governmental fund. Information is presented in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balance for the General Fund, which is considered to be a major fund.

Kings Valley Charter School adopts an annual appropriated budget for the General Fund. Budgetary comparison data has been provided to demonstrate compliance with its budget but is not a required part of the basic financial statements.

The basic governmental fund financial statements can be found on pages 11 through 14 of this report.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 15 through 34 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI) and other supplementary information (OSI).

RSI includes the schedules of the School's proportionate share of the net pension liability and School contributions, and OSI includes the budgetary comparison information for the General Fund. This information can be found on pages 35 through 36 of this report, respectively.

KINGS VALLEY CHARTER SCHOOL
Philomath, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the School's financial position. At June 30, 2020, the School's assets exceeded its liabilities by \$497,416. A large portion of the School's net position reflects its investment in capital assets (e.g., land, buildings, and equipment) less any related debt used to acquire those assets that is still outstanding. The School uses these capital assets to provide services to students; consequently, these assets are not available for future spending.

Although the School's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay the debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

School's Net Position

At the end of the current fiscal year, the School was able to report positive balances in all categories of net position. The School's net position increased by \$41,539 during the current fiscal year. This increase was mainly due to an increase in state school fund revenue.

Condensed statement of net position information is shown below.

Condensed Statement of Net Position

	Governmental Activities	
	2020	2019
ASSETS		
Current assets	\$ 330,077	\$ 340,392
Restricted assets	11,981	11,355
Capital assets, net	288,131	227,810
Total assets	630,189	579,557
DEFERRED OUTFLOWS OF RESOURCES	76,652	80,680
LIABILITIES		
Current liabilities	35,197	34,391
Noncurrent liabilities	133,682	115,100
Total liabilities	168,879	149,491
DEFERRED INFLOWS OF RESOURCES	40,546	54,869
NET POSITION		
Net investment in capital assets	275,844	211,622
Restricted	11,981	11,355
Unrestricted	209,591	232,900
Total net position	\$ 497,416	\$ 455,877

KINGS VALLEY CHARTER SCHOOL
Philomath, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

School's Changes in Net Position

The condensed statement of activities information shown below explains changes in net position.

Changes in Net Position

	Governmental Activities	
	2020	2019
Program revenues		
Charges for services	\$ 12,790	\$ 19,071
Operating grants and contributions	126,497	143,673
Total program revenues	139,287	162,744
General revenues		
State school fund – general support	2,105,081	2,062,816
Investment earnings	-	33
Miscellaneous	18,750	33,013
Total general revenues	2,123,831	2,095,862
Total revenues	2,263,118	2,258,606
Program expenses		
Instruction	1,322,560	1,267,352
Support services	685,796	843,047
Community services	65,418	29,688
Facilities acquisition and construction	114,307	110,578
Unallocated depreciation	32,463	29,367
Interest on long-term debt	1,035	933
Total program expenses	2,221,579	2,280,965
Change in net position	41,539	(22,359)
Net position - beginning	455,877	478,236
Net position - ending	\$ 497,416	\$ 455,877

FINANCIAL ANALYSIS OF THE SCHOOL'S FUND

As noted earlier, the School uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

KINGS VALLEY CHARTER SCHOOL
Philomath, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Fund

The focus of the School's governmental fund is to provide information on near-term inflows, outflows, and balances of expendable resources.

Such information is useful in assessing the School's financing requirements. In particular, unassigned fund balance may serve as a useful measurement of the School's net resources available for spending at the end of the fiscal year. At the end of the current fiscal year, the School's governmental funds reported a fund balance of \$311,052, a decrease of \$10,025 from the prior year. Of this \$274,173 constitutes unassigned fund balance, which is available for spending at the School's discretion.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The School's investment in capital assets for its governmental activities as of June 30, 2020 amounted to \$288,131, net of accumulated depreciation. This investment is comprised of leasehold improvements and vehicles. Total depreciation expense related to the School's investment in capital assets during the current fiscal year was \$32,463. Additional information on the School's capital assets can be found pages 22 of this report.

Long-Term Liabilities

At the end of the current fiscal year, the School had total long-term liabilities outstanding of \$12,287. This amount relates to one capital lease. The School's total long-term liabilities decreased by \$3,901 during the current fiscal year. Additional information on the School's long-term liabilities can be found pages 23 through 24 of this report.

KEY ECONOMIC FACTORS AND BUDGET INFORMATION FOR THE FUTURE

At the time these financial statements were prepared and audited, the School was aware of the following circumstances that could significantly affect its future financial health.

- The COVID-19 pandemic is expected to affect costs due to the need for continued comprehensive distance learning.

At the end of the current fiscal year, unassigned fund balance of the General Fund was \$274,173 and will be available for program resources in the 2020-2021 fiscal year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the School's finances for all those with an interest. Questions concerning any of the information provided in the report or requests for additional information should be addressed to Kings Valley Charter School, 33840 Kings Valley Highway, Philomath, Oregon 97370.

BASIC FINANCIAL STATEMENT

KINGS VALLEY CHARTER SCHOOL
Philomath, Oregon

STATEMENT OF NET POSITION

June 30, 2020

	Governmental Activities
ASSETS	
Current assets	
Cash and cash equivalents	\$ 296,127
Accounts receivable	33,950
Total current assets	330,077
Restricted assets	
Cash and cash equivalents	11,981
Capital assets not being depreciated	15,240
Capital assets being depreciated, net	272,891
Total assets	630,189
DEFERRED OUTFLOWS OF RESOURCES	76,652
LIABILITIES	
Current liabilities	
Accrued liabilities	28,796
Accrued payroll liabilities	2,210
Capital lease, current portion	4,191
Total current liabilities	35,197
Noncurrent liabilities	
Capital lease, less current portion	8,096
Net pension liability	125,586
Total noncurrent liabilities	133,682
Total liabilities	168,879
DEFERRED INFLOWS OF RESOURCES	40,546
NET POSITION	
Net investment in capital assets	275,844
Restricted for various activities	11,981
Unrestricted	209,591
Total net position	\$ 497,416

The accompanying notes are an integral part of these financial statements.

KINGS VALLEY CHARTER SCHOOL
Philomath, Oregon

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2020

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental activities				
Instruction	\$ 1,322,560	\$ 12,790	\$ 126,497	\$ (1,183,273)
Support services	685,796	-	-	(685,796)
Enterprise and community services	65,418	-	-	(65,418)
Facilities acquisition and construction	114,307	-	-	(114,307)
Unallocated depreciation	32,463	-	-	(32,463)
Interest on long term debt	<u>1,035</u>	<u>-</u>	<u>-</u>	<u>(1,035)</u>
Total governmental activities	<u>\$ 2,221,579</u>	<u>\$ 12,790</u>	<u>\$ 126,497</u>	<u>\$ (2,082,292)</u>
General revenues				
State school fund - general support				2,105,081
Miscellaneous				<u>18,750</u>
Total general revenues				<u>2,123,831</u>
Change in net position				41,539
Net position - beginning				<u>455,877</u>
Net position - ending				<u>\$ 497,416</u>

The accompanying notes are an integral part of these financial statements.

KINGS VALLEY CHARTER SCHOOL
Philomath, Oregon

BALANCE SHEET

GOVERNMENTAL FUND

June 30, 2020

	<u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ 308,108
Accounts receivable	<u>33,950</u>
Total assets	<u><u>\$ 342,058</u></u>
LIABILITIES	
Current	
Accrued liabilities	\$ 28,796
Accrued payroll liabilities	<u>2,210</u>
Total liabilities	<u>31,006</u>
FUND BALANCE	
Restricted for various activities	11,981
Committed to facilities acquisition	24,898
Unassigned	<u>274,173</u>
Total fund balance	<u>311,052</u>
Total liabilities and fund balance	<u><u>\$ 342,058</u></u>

The accompanying notes are an integral part of these financial statements.

KINGS VALLEY CHARTER SCHOOL
Philomath, Oregon

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET POSITION OF GOVERNMENTAL ACTIVITIES

June 30, 2020

Total fund balance		\$ 311,052
Capital assets are not financial resources and are therefore not reported in the governmental funds. These consist of:		
Cost	530,884	
Accumulated depreciation	<u>(242,753)</u>	288,131
Liabilities not payable in the current year are not reported as governmental fund liabilities. These liabilities are not accrued in the governmental fund, but are recognized as expenditures when due. This consists of:		
Capital lease payable		(12,287)
Amounts relating to the School's proportionate share of the net pension liability for the Oregon Public Employees Retirement Systems (PERS) are not reported in governmental fund statements. In the governmental fund statements, pension expense is recognized when due. These amounts consist of:		
Deferred outflows of resources relating to pension expense	76,652	
Deferred inflows of resources relating to the return on pension assets	(40,546)	
Net pension liability	<u>(125,586)</u>	<u>(89,480)</u>
Net position of governmental activities		<u><u>\$ 497,416</u></u>

The accompanying notes are an integral part of these financial statements.

KINGS VALLEY CHARTER SCHOOL
Philomath, Oregon

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

GOVERNMENTAL FUND

For the Year Ended June 30, 2020

	<u>General Fund</u>
REVENUES	
Local revenue	\$ 105,868
State revenue	2,126,212
Federal revenue	<u>31,038</u>
Total revenues	<u>2,263,118</u>
EXPENDITURES	
Current	
Instruction	1,322,123
Support services	678,254
Community services	65,418
Facilities acquisition and construction	207,091
Contingency	<u>437</u>
Total expenditures	<u>2,273,323</u>
Excess (deficiency) of revenues over (under) expenditures	(10,205)
Fund balance - beginning	<u>321,257</u>
Fund balance - ending	<u><u>\$ 311,052</u></u>

The accompanying notes are an integral part of these financial statements.

**KINGS VALLEY CHARTER SCHOOL
Philomath, Oregon**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

For the Year Ended June 30, 2020

Net change in fund balance \$ (10,205)

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

Governmental funds report capital outlay as expenditures; however, in the statement of activities, the costs of these assets are allocated over their estimated useful lives and reported as depreciation expense.

Capital asset additions	92,784	
Depreciation expense recorded in the current year	<u>(32,463)</u>	60,321

Long-term debt proceeds are reported as other financing sources, in the governmental funds. In the statement of net position, however, issuing long-term debt increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability in the statement of net position.

Debt principal paid		3,901
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Pension expense or credits that do not meet the measurable and available criteria are not recognized as revenue or expense in the current year in governmental funds. In the statement of activities, pension expense or credits are recognized when determined to have been accrued.

(12,478)

Change in net position of governmental activities		<u>\$ 41,539</u>
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The accompanying notes are an integral part of these financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

KINGS VALLEY CHARTER SCHOOL
Philomath, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statements of activities) report information on all of the activities of the School. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported by the School.

B. Reporting Entity

Kings Valley Charter School operates under the authority of Philomath School District 17J, who grants a charter to the School and exercises oversight, as required by Oregon law. The School is reported as a component unit of Philomath School District 17J. The School began operations in 2001, serving the Kings Valley area. The School is subject to ORS 338 in connection with the operation of public charter schools. In accordance with ORS 338, the School is organized as a not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code. The School is governed by a four-member board of directors.

C. Income Taxes

Kings Valley Charter School is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code; therefore, no provision for income taxes has been made. In addition, the School qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). The tax-exempt status can be revoked by the Internal Revenue Service as a result of direct violations of laws and regulations governing 501(c)(3) organizations. The School's operating policy requires strict adherence to these laws and regulations in order to maintain its tax-exempt status. Management's policy is to engage in activities related to their exempt purpose.

Management evaluates tax positions annually based on the guidance in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740. FASB ASV 740 prescribes a comprehensive model for recognizing, measuring, presenting, and disclosing, in the financial statements, tax position taken or expected to be taken on a tax return, including positions that the School is exempt from income taxes or not subject to income taxes on unrelated business income. The School presently discloses or recognizes income tax positions based on management's estimate of whether it is reasonably possible or probable, respectively, that a liability has been incurred for unrecognized income tax benefits.

Generally, the School is subject to examination by U.S. federal and state income tax authorities for three years from the filing of a tax return.

KINGS VALLEY CHARTER SCHOOL
Philomath, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2020

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government’s fund. The emphasis of fund financial statements is on major governmental funds.

The School reports the following major governmental fund:

General Fund – The General Fund is the School’s only operating fund. It accounts for all financial resources of the School. The primary sources of revenue are state and local revenues.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

The 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

F. Budgetary Information

The School is not subject to Oregon Budget Law. The School prepares an annual budget for management purposes and for submission to its sponsoring district, as required under the terms of its charter. A budgetary comparison schedule is included in this report for additional analysis. Annual budgets are adopted on the modified accrual basis of accounting. Budget amounts shown in the financial statements reflect the original budget amounts.

KINGS VALLEY CHARTER SCHOOL
Philomath, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2020

G. Assets, Liabilities, and Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash and Cash Equivalents

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

2. Investments

State statutes authorized the School to invest in legally issued general obligations of the United States, the agencies and instrumentalities of the United States and the states of Oregon, Washington, Idaho, or California, certain interest-bearing bonds, time deposit open accounts, certificates of deposit, and savings accounts in banks, mutual savings banks, and savings and loan associations that maintain a head office or a branch in this state in the capacity of a bank, mutual savings bank, or savings and loan association, and share accounts and savings accounts in credit unions in the name of , or for the benefit of, a member of the credit union pursuant to a plan of deferred compensation.

3. Inventory

Inventory is valued at cost using the first-in, first out method. Inventories consist of supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed rather than when purchased.

4. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the School 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 where no historical records exist. Donated capital assets are recorded at estimated fair market value at the date of donation.

Property, plant, and equipment of the School are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Vehicles	10
Leasehold improvements	20

KINGS VALLEY CHARTER SCHOOL
Philomath, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2020

The costs of normal maintenance or repairs that do not add to the value of an asset or materially extend its life are charged to expenditures as incurred and are not capitalized.

5. Deferred Outflows/Inflows of Resources (Non-Pension Related)

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources until that time.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and therefore, will not be recognized as an inflow of resources until that time.

6. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

7. Fund Balance Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

8. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes.

KINGS VALLEY CHARTER SCHOOL
Philomath, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2020

The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The board of directors is the highest level of decision-making authority for the government that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for the specific purposes but do not meet the criteria to be classified as committed. The board may assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The School reports fund equity in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

The following classifications describe the relative strength of the spending constraints:

- Nonspendable fund balance - amounts that are in nonspendable form (such as inventory or prepaid expenses) or are required to be maintained intact.
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance - amounts constrained to specific purposes by the School itself, using its highest level of decision-making authority (i.e. board of directors). To be reported as committed, amounts cannot be used for any other purpose unless the School takes the same highest level action to remove or change the constraint.
- Assigned fund balance - amounts that School intends to use for a specific purpose. Intent can be expressed by the board of directors or by an official or body to which the school board delegates authority.

KINGS VALLEY CHARTER SCHOOL
Philomath, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2020

- Unassigned fund balance - amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

Commitment of fund balance is accomplished through adoption of a resolution by the board of directors. Further, commitments of fund balance may be modified or rescinded only through approval of the board of directors via resolution or ordinance. Authority to assign fund balances has been granted to the Executive Director.

The School has adopted a minimum fund balance policy. In general, the School strives to maintain minimum fund balance to be used for unanticipated emergencies of approximately 200% of budgeted payroll expenditures.

H. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Pensions

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

I. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

KINGS VALLEY CHARTER SCHOOL
Philomath, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2020

II. DETAILED NOTES ON THE FUND AND ALL ACCOUNT GROUPS

A. Cash Deposits with Financial Institutions

Custodial Credit Risk - Deposits

This is the risk that, in the event of a bank failure, the School's deposits may not be returned. The School holds accounts at Citizens Bank, for which the FDIC provides insurance coverages of \$250,000 for demand deposit accounts and an additional \$250,000 for time and savings accounts.

At June 30, 2020, the School had deposits of \$250,000 insured by the FDIC and \$62,105 of uninsured deposits.

Deposits

The School's deposits and investments at June 30, 2020 are as follows:

Cash on hand	\$	50
Checking accounts		303,030
Savings accounts		<u>5,028</u>
Total deposits and investments	\$	<u><u>308,108</u></u>

Deposits and investments by restriction type:

Governmental activities - unrestricted		
General Fund - cash and cash equivalents	\$	296,127
Governmental activities - restricted		
General Fund		<u>11,981</u>
Total deposits and investments	\$	<u><u>308,108</u></u>

Restricted cash is for future student activities, memorials, and grant expenditures.

KINGS VALLEY CHARTER SCHOOL
Philomath, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2020

B. Capital Assets

Capital asset activity for the year ended June 30, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Construction in progress	\$ 2,938	\$ 15,240	\$ (2,938)	\$ 15,240
Capital assets being depreciated				
Leasehold improvements	274,719	80,482	-	355,201
Vehicles	160,443	-	-	160,443
Total capital assets being depreciated	435,162	80,482	-	515,644
Less accumulated depreciation for				
Leasehold improvements	(92,808)	(17,104)	-	(109,912)
Vehicles	(117,482)	(15,359)	-	(132,841)
Total accumulated depreciation	(210,290)	(32,463)	-	(242,753)
Capital assets being depreciated, net	224,872	48,019	-	272,891
Governmental activities capital assets, net	\$ 227,810	\$ 63,259	\$ (2,938)	\$ 288,131

Capital assets are reported on the statement of net position as follows:

	Capital Assets	Accumulated Depreciation	Net Capital Assets
Governmental activities			
Construction in progress	\$ 15,240	\$ -	\$ 15,240
Leasehold improvements	355,201	(109,912)	245,289
Vehicles	160,443	(132,841)	27,602
Total governmental activities	\$ 530,884	\$ (242,753)	\$ 288,131

Depreciation was not charged to specific functions or programs of the School. Capital assets of the School are for the use of the entire School and are therefore unallocated. Depreciation expense is recorded on the statement of activities as follows:

Governmental activities	
Unallocated depreciation	\$ 32,463

KINGS VALLEY CHARTER SCHOOL
Philomath, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2020

C. Operating Leases

The School has a long-term lease agreement with King Valley Community Trust, a related party, with terms as follows:

1. School Premises Lease

On February 6, 2014, the School signed a 15-year lease agreement for use of the building in which the School operates, ending on September 20, 2028. Payments of \$12,500 are due quarterly. Lease expense for the year ended June 30, 2020 was \$50,000.

Future estimated lease liabilities are as follows:

<u>Year ending June 30:</u>	<u>Amount</u>
2021	\$ 50,000
2022	50,000
2023	50,000
2024	50,000
2025	50,000
2025-2029	<u>212,500</u>
Total	<u>\$ 462,500</u>

D. Long-Term Liabilities

1. Changes in Long-Term Liabilities

The following is a summary of long-term liabilities for the year:

	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities							
Kubota Leasing	7.18%	<u>\$ 20,565</u>	<u>\$ 16,188</u>	<u>\$ -</u>	<u>\$ 3,901</u>	<u>\$ 12,287</u>	<u>\$ 4,191</u>

2. Interest expense

Interest expense is recorded on the statement of activities as follows:

Governmental activities	
Interest on long-term debt	<u>\$ 1,036</u>

KINGS VALLEY CHARTER SCHOOL
Philomath, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2020

3. Kubota Lease

The School entered into an agreement to lease Kubota equipment on February 9, 2018. This lease agreement qualifies as a capital lease for accounting purposes and has therefore been recorded at the present value of minimum lease payments as of the inception date. Interest is fixed at 7.18%, and payments of \$411 are due on the ninth of each month. The lease is collateralized by the Kubota equipment.

4. Governmental Activity Future Maturities of Long-Term Liabilities

Year ending June 30:	Kubota Lease		
	Principal	Interest	Total
2021	\$ 4,191	\$ 746	\$ 4,937
2022	4,502	435	4,937
2023	<u>3,594</u>	<u>108</u>	<u>3,702</u>
	<u>\$ 12,287</u>	<u>\$ 1,289</u>	<u>\$ 13,576</u>

E. Constraints on Fund Balances

	General Fund
Fund balances:	
Restricted for:	
Student activities	\$ 11,981
Committed to:	
Building fund	24,898
Unassigned	<u>274,173</u>
Total fund balances	<u>\$ 311,052</u>

III. OTHER INFORMATION

A. Risk Management

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the School carries commercial insurance. There was no significant reduction in insurance coverage from the previous year. There were no insurance settlements exceeding insurance coverages in the past year.

KINGS VALLEY CHARTER SCHOOL
Philomath, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2020

B. Retirement Plans

1. Oregon Public Employees Retirement System

General Information about the Pension Plan

Name of Pension Plan

The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan.

Description of Benefit Terms

Plan Benefits – PERS Pension (Chapter 238)

Plan benefits of the System are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A

PERS Pension

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

Pension Benefits

The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, 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.

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:

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

KINGS VALLEY CHARTER SCHOOL
Philomath, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2020

Disability Benefits

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for a either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining 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. The cap on the COLA in fiscal year 2015 and beyond will vary based on the amount of the annual benefit, in accordance with *Moro* decision.

OPSRP Pension Program (OPSRP DB)

Pension Benefits

The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age: police and fire - 1.8 percent is multiplied by the number of years of service and the final average salary.

Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement. General Service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit. A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which the 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.

KINGS VALLEY CHARTER SCHOOL
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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2020

Disability Benefits

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

Benefit Changes After Retirement

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA in fiscal year 2015 and beyond will vary based on the amount of the annual benefit, in accordance with *Moro* decision.

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, which became effective July 1, 2019. The State of Oregon and certain schools, community colleges, and political subdivisions have made unfunded actuarial liability payments, and their rates have been reduced.

Employer contributions for the year ended June 30, 2020 were \$18,987.

Pension Plan Comprehensive Annual Financial Report (CAFR)

Oregon PERS produces an independently audited CAFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2019-CAFR.pdf>.

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

Actuarial Valuations

The employer contribution rates effective July 1, 2019, through June 30, 2021, were set using the entry age normal actuarial cost method.

KINGS VALLEY CHARTER SCHOOL
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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2020

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 actuarially determined amount for funding a disability benefit component, and (c) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 16 years.

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2017
Measurement Date	June 30, 2019
Experience Study	2016, published July 26, 2017
<i>Actuarial Assumptions:</i>	
Actuarial Cost Method	Entry age normal
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 adjustment (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	Health retirees and beneficiaries: RP-2014 healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.

KINGS VALLEY CHARTER SCHOOL
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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2020

	<p>Active members: RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs 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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Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future.

Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are on the 2016 Experience Study, which reviewed experience for the four-year period ended 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 Plan investments was applied to all periods of projected benefit payments to determine the total pension 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 July 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 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/2019-CAFR.pdf>

KINGS VALLEY CHARTER SCHOOL
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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2020

<u>Asset Class</u>	<u>Low Range</u>	<u>High Range</u>	<u>OIC Target</u>
Cash	0.0%	3.0%	0.0%
Debt Securities	15.0%	25.0%	20.0%
Public Equity	32.5%	42.5%	37.5%
Private Equity	13.5%	21.5%	17.5%
Real Estate	9.5%	15.5%	12.5%
Alternative Equity	0.0%	12.5%	12.5%
Opportunity Portfolio	0.0%	3.0%	0.0%
Total			100.0%

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

At June 30, 2020, the School reported a liability of \$125,586 for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School's proportion of the net pension liability was based on a projection of the School's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2019 the School's proportion was 0.00007260%. For the year ended June 30, 2020, the School recognized pension expense of \$35,572. At June 30, 2020, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 6,926	\$ -
Changes of assumptions	17,037	-
Net difference between projected and actual earnings on investments	-	(3,560)
Changes in proportionate share	27,206	(34,996)
Differences between employer contributions and employer's proportionate share of system contributions	5,568	(1,990)
Total (prior to post-MD contributions)	56,737	(40,546)
Contributions subsequent to the MD	19,915	-
Total	<u>\$ 76,652</u>	<u>\$ (40,546)</u>

KINGS VALLEY CHARTER SCHOOL
Philomath, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2020

Amounts 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, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in subsequent years as follows:

Employer Subsequent Fiscal Years:	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
1st Fiscal Year	\$ 13,319
2nd Fiscal Year	1,724
3rd Fiscal Year	(2,157)
4th Fiscal Year	2,737
5th Fiscal Year	568

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

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

School's proportionate share of the net pension liability (asset):

1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
\$ 201,115	\$ 125,586	\$ 62,379

Changes Subsequent to the Measurement Date

A legislative change that occurred after the December 31, 2017 valuation date affected the plan provisions reflected for financial reporting purposes. Senate Bill 1049, signed into law in June 2019, introduced a limit on the amount of annual salary included for the calculation of benefits. Beginning in 2020, annual salary in excess of \$195,000 (as indexed in future years) will be excluded when determining member benefits. As a result, future Tier 1/Tier 2 and OPSRP benefits for certain active members are now projected to be lower than prior to the legislation. For GASB 67 and GASB 68, the benefits valued in the Total Pension Liability are required to be

KINGS VALLEY CHARTER SCHOOL
Philomath, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2020

in accordance with the benefit terms legally in effect as of the relevant fiscal year-end for the plan. As a result, Senate Bill 1049 was reflected in the June 30, 2019 Total Pension Liability. The decrease in the Total Pension Liability resulting from Senate Bill 1049, measured as of June 30, 2019, is shown in the Exhibit A as the “Effect of plan changes” during the measurement period. While Senate Bill 1049 also made changes to certain aspects of the System’s funding and administration, the salary limit is the only change that affects the measured Total Pension Liability. As a result, the salary limit provision is the only difference in the valuation basis used to determine the Total Pension Liability between June 30, 2018 and June 30, 2019.

C. Individual Account Program (IAP)

Plan Description

Employees of the School are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003. Chapter 238A created the Oregon Public Service Retirement Plan (OPSRP), which consists of the Defined Benefit Pension Program and the Individual Account Program (IAP).

Membership includes public employees hired on or after August 29, 2003. PERS members retain their existing defined benefit plan accounts, but member contributions are deposited into the member’s IAP account. OPSRP is part of OPERS and is administered by the OPERS Board.

Pension Benefits

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

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

Death Benefits

Upon the death of a non-retired member, the beneficiary receives in a lump sum the member’s account balance, rollover account balance, and vested employer optional contribution account balance.

KINGS VALLEY CHARTER SCHOOL
Philomath, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2020

If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Contributions

Member contributions are set by statute at 6 percent of salary and are remitted by participating employers. The contributions are either deducted from member salaries or paid by the employers on the members' behalf. As permitted, the School has opted to pick-up the contributions on behalf of its employees.

Actuarial Methods and Assumptions

Assets are valued at their market value. Gains and losses between odd-year valuations are amortized as a level percentage of combined valuation payroll over 20 years from the odd-year valuation in which they are first recognized. The assumed rate of return on investments is 7.2% compounded annually. The assumed consumer price inflation rate used is 2.5% per year. Additional disclosures related to Oregon PERS not applicable to specific employers are available by contacting PERS at the following address: PO Box 23700 Tigard, OR 97281-3700, or can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2019-CAFR.pdf>.

D. Related Party Transactions

Kings Valley Charter School is a related party to People Sustaining Kings Valley (PSKV), which was created to provide a platform for entrepreneurial economic development activities, and to provide educational services to and hold and care for capital assets of the Kings Valley community. The amounts paid to PSKV during the year ended June 30, 2020 totaled \$1,721,458. The amount payable to PSKV as of June 30, 2020 was \$0.

Kings Valley Charter School is a related party to Kings Valley Community Trust, which was established for the benefit of holding assets for the School. The School leases the property on which the School operates from the Trust. Refer to Note II-C for information regarding the current year transactions.

E. Concentrations of Funding Sources

Kings Valley Charter School received a significant portion of its revenue from the state school fund. For the year ended June 30, 2020, the School received approximately 93% of its total revenue from the state school fund.

F. Commitments and Contingencies

A substantial portion of operating funding is received from the State of Oregon through Philomath School District 17J.

State funding is determined through statewide revenue projections that are paid to individual

KINGS VALLEY CHARTER SCHOOL
Philomath, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2020

school districts based on pupil counts and other factors in the state school fund revenue formula. Since these projections are pupil counts fluctuate, they can cause either increases or decreases in revenue. Due to these future uncertainties at the state level, the future effect on operations cannot be determined.

G. New Pronouncements

The Governmental Accounting Standards Board (GASB) issued [Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance](#). The Statement is intended to provide relief to governments and other stakeholders in light of the COVID-19 pandemic.

The guidance postpones by one year the effective dates of certain provisions in the pronouncements as follows:

GASB Statement No. 84, *Fiduciary Activities* – This statement established criteria and guidance for identifying fiduciary activities of all state and local governments for accounting and financial reporting purposes, as well as the reporting requirements for these fiduciary funds.

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Borrowing and Direct Placements* – This statement addresses the information that is disclosed in the notes to government financial statements related to debt, including borrowing and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

The Statement postpones the effective dates of the following pronouncements by 18 months:

GASB Statement No. 87, *Leases* – This statement addresses the accounting and financial reporting for leases by governments, requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases.

The School will implement applicable new GASB pronouncements no later than the required fiscal year. Management has not determined the effect on the financial statements for implementing any of the above pronouncements. The GASB provides other COVID-19 related resources on its website:

<https://www.gasb.org/COVID19>.

H. Subsequent Events

Management has evaluated subsequent events through December 15, 2020, which was the date that the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION

KINGS VALLEY CHARTER SCHOOL
Philomath, Oregon

SCHEDULE OF THE SCHOOL'S CONTRIBUTIONS

OREGON PERS SYSTEM

Schedule of the School's Proportionate Share of the Net Pension Liability

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
School's Proportion of the net pension liability (asset)	0.00007260%	0.00067869%	0.00122586%	0.00063725%	0.00055280%	0.00089963%
School's proportionate share of the net pension liability (asset)	\$ 125,586	\$ 102,813	\$ 165,246	\$ 95,666	\$ 31,739	\$ (20,392)
School's covered-employee payroll (from actuarial exhibits)	\$ 54,319	\$ 49,732	\$ 82,844	\$ 37,885	\$ 28,099	\$ 27,087
School's proportionate share of the net pension liability (asset) as a percentage its covered-employee payroll	231%	207%	199%	253%	113%	-75%
Plan fiduciary net position as a percentage of the total pension liability	80%	82%	83%	81%	92%	104%

Schedule of the School's Contributions

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 18,987	\$ 15,144	\$ 13,608	\$ 8,239	\$ 10,420	\$ 8,698
Contributions in relation to the contractually required contribution	<u>(18,987)</u>	<u>(15,144)</u>	<u>(13,608)</u>	<u>(8,239)</u>	<u>(10,420)</u>	<u>(8,698)</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School's covered-employee payroll	\$ 78,581	\$ 74,345	\$ 85,581	\$ 62,377	\$ 91,875	\$ 41,891
Contributions as a percentage of covered-employee payroll	24%	20%	16%	13%	11%	21%

OTHER INFORMATION

KINGS VALLEY CHARTER SCHOOL
Philomath, Oregon

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended June 30, 2020

	Original and Final Budget	Variance with Final Budget Over (Under)	GAAP Basis
REVENUES			
Local revenue	\$ 103,934	\$ 1,934	\$ 105,868
State revenue	2,150,285	(24,073)	2,126,212
Federal revenue	40,477	(9,439)	31,038
Total revenues	2,294,696	(31,578)	2,263,118
EXPENDITURES			
Current			
Instruction	1,288,764	33,359	1,322,123
Support services	760,508	(82,254)	678,254
Community services	77,173	(11,755)	65,418
Debt service	1,649	(1,649)	-
Facilities acquisition and construction	85,816	121,275	207,091
Contingency	253	184	437
Total expenditures	2,214,163	59,160	2,273,323
Excess (deficiency) of revenues over (under) expenditures	80,533	(90,738)	(10,205)
Fund balance - beginning	-	321,257	321,257
Fund balance - ending	\$ 80,533	\$ 230,519	\$ 311,052

**AUDIT COMMENTS AND DISCLOSURES REQUIRED BY
STATE REGULATIONS**



INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

Board of Directors
Kings Valley Charter School
Philomath, Oregon 97370

We have audited the financial statements of Kings Valley Charter School, Philomath, Oregon, a component unit of Philomath School District 17J, as of and for the year ended June 30, 2020, and have issued our report thereon dated December 15, 2020. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether Kings Valley Charter School'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 162-010-0000 through 162-010-0320 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 statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

Insurance and fidelity bonds in force or required by law

Programs funded from outside sources

Public contracts and purchasing (ORS Chapters 279A, 279B, 279C)

Public charter school requirements

In connection with our testing, nothing came to our attention that caused us to believe the School was not in substantial compliance with certain provisions of laws, contracts, and grants, including the provisions of Oregon Revised Statutes, as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

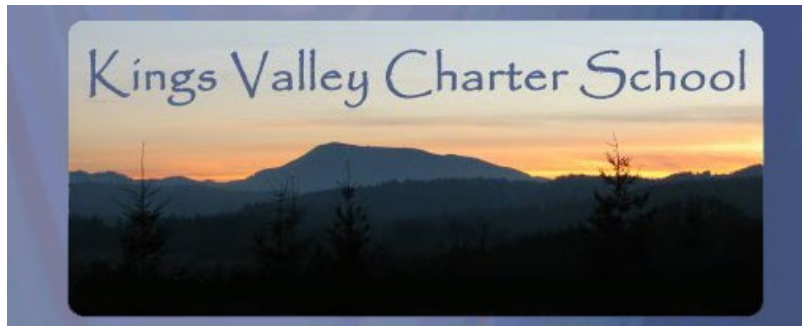
OAR 162-010-0230 Internal Control

In planning and performing our audit, we considered the School'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 School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over financial reporting. However, we noted certain matters that we have reported to management of the School in a separate letter dated December 15, 2020.

This report is intended solely for the information and use of the board of directors and management of Kings Valley Charter School, Philomath School District 17J, and the Oregon Secretary of State, and is not intended to be, and should not be used by anyone other than these parties.


Accuity, LLC

December 15, 2020



KINGS VALLEY CHARTER SCHOOL
(A Component Unit of Philomath School District 17J)

Report to the Board of Directors
for the Year Ended June 30, 2020

December 15, 2020



**KINGS VALLEY CHARTER SCHOOL
Philomath, Oregon**

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Engagement Letter
Management Representation Letter
Adjusting Journal Entries.....



December 15, 2020

Board of Directors
Kings Valley Charter School
Philomath, Oregon

We are pleased to present this report related to our audit of the financial statements of the governmental activities and the major fund of Kings Valley Charter School, Philomath, Oregon, a component unit of Philomath School District 17J, for the year ended June 30, 2020. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the School's financial reporting process. Also included, is a summary of recently issued accounting standards that may affect future financial reporting by the School.

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

It will be our pleasure to respond to any questions you have regarding this report. We appreciate the opportunity to continue to be of service to the School.

Very truly yours,

Accuity, LLC

Certified Public Accountants
Albany, Oregon



Board of Directors
Kings Valley Charter School
Philomath, Oregon

We have audited the financial statements of the governmental activities and the major fund of Kings Valley Charter School, Philomath, Oregon, a component unit of Philomath School District 17J for the year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated June 4, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Kings Valley Charter School are described in Note I to the financial statements. No new accounting policies were adopted during the year, and the application of existing policies was not changed during the year ended June 30, 2020. We noted no transactions entered into by the School during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the School's financial statements were:

- Management's estimate of depreciable lives and salvage values of capital assets, which are based on expected useful lives of the assets and current market conditions. We evaluated the key factors and assumptions used to develop the depreciable lives and salvage values and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.
- Defined benefit pension plans (actuarial assumptions) and defined other postemployment benefits (OPEB) plans (actuarial assumptions)
- Accrued compensation

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the School's financial statements relate to long-term liabilities, pensions, and post-employment benefits.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

Disagreements with Management

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

Management Representations

We have requested certain written representations from management, which are included in the attached letter dated December 15, 2020.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

We applied certain limited procedures to the management's discussion and analysis, School's proportionate share of the net pension liability and School contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the aforementioned RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the General Fund budgetary comparison schedule, which is RSI. We were also engaged to report on the combining and individual fund statements and schedules, the schedules of revenue, expenditures and changes in fund balance - budget and actual, the schedules of revenues, expenses and changes in fund net position, and the schedule of expenditures of federal awards, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America. The method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the aforementioned information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the supplemental information required by the Oregon Department of Education, which accompanies the financial statements but is not RSI. We did not audit or perform other procedures on this other information, and we do not express an opinion or provide any assurance on it.

Very truly yours,



Accuity, LLC

December 15, 2020

Recently Issued Accounting Standards June 30, 2020

The Governmental Accounting Standards Board (GASB) issued [Statement No. 95](#), *Postponement of the Effective Dates of Certain Authoritative Guidance*. The Statement is intended to provide relief to governments and other stakeholders in light of the COVID-19 pandemic.

The guidance postpones by one year the effective dates of certain provisions in the pronouncements as follows:

GASB Statement No. 84, *Fiduciary Activities* - This statement established criteria and guidance for identifying fiduciary activities of all state and local governments for accounting and financial reporting purposes, as well as the reporting requirements for these fiduciary funds.

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Borrowing and Direct Placements* - This statement addresses the information that is disclosed in the notes to government financial statements related to debt, including borrowing and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

The Statement postpones the effective dates of the following pronouncements by 18 months:

GASB Statement No. 87, *Leases* - This statement addresses the accounting and financial reporting for leases by governments, requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases.

The School will implement applicable new GASB pronouncements no later than the required fiscal year. Management has not determined the effect on the financial statements for implementing any of the above pronouncements.

The GASB provides other COVID-19 related resources on its website:

<https://www.gasb.org/COVID19>.



June 18, 2020

Jamon Ellingson
Kings Valley Charter School
38840 Kings Valley Hwy
Philomath, OR 97370

Dear Jamon Ellingson,

We are pleased to confirm our understanding of the services we are to provide to Kings Valley Charter School for the year ended June 30, 2020. We will audit the financial statements of the governmental activities, business-type activities, blended or discretely presented component unit, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of Kings Valley Charter School as of and for the year ended June 30, 2020. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Kings Valley Charter School's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Kings Valley Charter School's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will 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. The following RSI is required by the U.S. Generally Accepted Accounting Principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis
2. Schedules of the Government's Proportionate Share of the Net Pension and OPEB Liabilities and Government Contributions, if applicable
3. Schedules of Funding Progress and Government Contributions, if applicable

The following RSI is required by the Governmental Accounting Standards Board and will be subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole:

1. Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund and Major Special Revenue Funds, if any

We have also been engaged to report on supplementary information other than RSI that accompanies Kings Valley Charter School's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole:

1. Combining Balance Sheet and Combining Statement of Revenues, Expenditures, and Changes in Fund Balances for all Nonmajor Governmental Funds, if any



2. Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Nonmajor Special Revenue Funds, Debt Service Funds, and Capital Projects Funds, if any

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information:

1. Schedule of Long-Term Debt Transactions
2. Schedule of Future Requirements for Retirement of Long-Term Debt

Audit Objectives

The objective of our audit is the expression of opinions as to whether the basic financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the supplementary information referred to above when considered in relation to the basic financial statements taken as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the Minimum Standards for Audits of Oregon Municipal Corporations and will include tests of accounting records of Kings Valley Charter School and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of Kings Valley Charter School's financial statements. Our report will be addressed to the governing body of Kings Valley Charter School. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with management in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

Audit Procedures – General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. 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 will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Government or to acts by management or employees acting on behalf of the Government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with auditing standards generally accepted in the United States of America. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from the Government's attorneys as part of the engagement, and they may bill



you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures – Internal Control

Our audit will include obtaining an understanding of the Government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, during the audit, we will communicate to management and those charged with governance, internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Kings Valley Charter School's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance, and we will not express such an opinion.

Other Services

We will also assist in preparing the financial statements and related notes of Kings Valley Charter School in conformity with U.S. generally accepted accounting principles based on information provided by you. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements and related notes as previously defined. We, in our sole professional judgement, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities. We will assist with preparation of the capital asset schedule and depreciation calculation in conformity with the applicable basis of accounting.

Management Responsibilities

Management is responsible for designing, implementing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including identification of all related parties and all related-party relationships and transactions, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the Government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government



complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with the U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with the GAAP (2) that you believe the supplementary information, including its form and content, is fairly presented in accordance with the GAAP, (3) that the methods of measurement or presentation have not changed from those used in the prior period (or if they have changed, the reasons for such changes), and (4) you have disclosed to us any significant assumptions in interpretations underlying the measurement or presentation of the supplementary information.

You agree to assume all management responsibilities for financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but will remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing and will prepare schedules requested by us by the dates communicated directly to management.

We will provide copies of our reports to Kings Valley Charter School, however management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Accuity, LLC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the State of Oregon or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Accuity, LLC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by the State of Oregon. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party/parties contesting the audit finding for guidance prior



to destroying the audit documentation.

We expect to begin our audit on August 31, 2020, and to issue our report no later than December 31, 2020. is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fees for these services will be based on the value of the services rendered, plus out-of-pocket expenses. We estimate that our fees for these services, including out-of-pocket costs (such as report reproduction, typing, postage, copies, or travel), will be \$5,000. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate. Our invoices for these fees will be rendered each month as work progresses and are payable upon presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

At the conclusion of our audit engagement, we will communicate to the governing body, who we have determined to be those charged with governance, the following significant findings from the audit:

- Our view about the qualitative aspects of the Government's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to the governing body regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures, if any;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence with management.

If you intend to publish or otherwise reproduce the financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

If this engagement letter is written in support of any existing bid or contract, in case of any conflict between such agreement and this letter, this letter will control.

If any of the above sections or clauses are held to be invalid for any reason, or are declared to be null and void, all other sections and clauses of this agreement shall remain valid, will not be nullified, and are hereby further affirmed.

Venue of all matters arising from this agreement, this engagement, and subsequent engagements shall reside in Albany, Linn County, Oregon.

Any dispute, controversy, or claim rising out of this agreement shall be settled by binding arbitration under the arbitration rules of the Linn County Circuit Court. There shall be one arbitrator selected from the Circuit Court Panel of Arbitrators and the proceeding shall follow the Oregon Rules of Civil Procedure.

The arbitrator shall have the authority to award any remedy or relief that an Oregon court could order or grant, including, without limitation, specific performance of any obligation created under this agreement, the issuance of an



injunction, or the imposition of sanctions for abuse or frustration of the arbitration process, except that the arbitrator shall not have authority to award punitive damages or any other amount for the purpose of imposing a penalty as opposed to compensating for actual damages suffered or loss incurred. With respect to any action relating to this agreement, the prevailing party shall be entitled to recover from the losing party its reasonable attorney's fees, paralegal fees, expert fees, and all other fees, costs, and expenses actually incurred and reasonably necessary in connection with such action as determined by the arbitrator. Our audit engagement ends upon delivery of our audit report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new specific engagement letter for that service.

We appreciate the opportunity to be of service to you and believe that this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Glen Kearns
Accuity, LLC

RESPONSE:

This letter correctly sets forth the understanding of Kings Valley Charter School

Jamon Ellingson

Jamon Ellingson, Executive Director
12/01/2020

Date

Accuity, LLC
Certified Public Accountants
436 1st Avenue W
P.O. Box 1072
Albany, Oregon 97321

This representation letter is provided in connection with your audit of the financial statements of Kings Valley Charter School, which comprise the respective financial position of the governmental activities and the major fund, as of June 30, 2020, the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of signature of this letter, the following representations made to you during your audit.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 18, 2020, including our responsibility for the preparation and fair presentation of the financial statements and for preparation of the supplementary information in accordance with the applicable criteria.
2. The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America and include all properly classified funds and other financial information of the School required by accounting principles generally accepted in the United States of America to be included in the financial reporting entity.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates are reasonable.
6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of accounting principles generally accepted in the United States of America.
7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
8. All events subsequent to the date of the financial statements and for which accounting principles generally accepted in the United States of America requires adjustment or disclosure have been adjusted or disclosed. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of signature of this letter that would require adjustment to or disclosure in the aforementioned financial statements.
9. We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the accounts.
10. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation, claims, or assessments.
11. Guarantees, whether written or oral, under which the School is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

12. We have provided you with:
 - a. Access to all information of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the School from whom you determined it necessary to obtain audit evidence.

- d. Minutes of the meetings of the board of directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 13. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 14. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 15. We have no knowledge of any fraud or suspected fraud that affects the School and involves:
 - a. Management,
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.
- 16. We have no knowledge of any allegations of fraud or suspected fraud affecting the School's financial statements communicated by employees, former employees, regulators, or others.
- 17. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 18. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 19. We have disclosed to you the identity of the School's related parties and all the related party relationships and transactions of which we are aware.

School-Specific

- 20. We have made available to you all financial records and related data.
- 21. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 22. We have taken timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, contracts, grant agreements, or abuse that you have reported to us.
- 23. We have a process to track the status of audit findings and recommendations.

24. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
25. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions for the report.
26. The School has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
27. We are responsible for compliance with laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
28. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
29. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objective.
30. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
31. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
32. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants, whose effects should be considered for disclosure in the financial statements, as a basis for recording a loss contingency, or for reporting on noncompliance.
33. As part of your audit, you assisted with preparation of the financial statements and related notes. We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have assumed all management responsibilities.

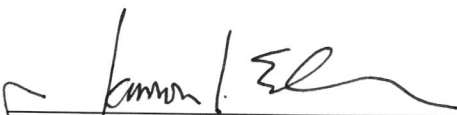
We have reviewed, approved, and accepted responsibility for those financial statements and related notes.

34. The School has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral.
35. The School has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
36. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
37. The financial statements properly classify all funds and activities.
38. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34.
39. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
40. Components of net position (net investment in capital assets, restricted, and unrestricted) and equity amounts are properly classified and, if applicable, approved.
41. Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
42. Provisions for uncollectible receivables have been properly identified and recorded.
43. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
44. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
45. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
46. Deposits, investment securities, and derivative instruments are properly classified as to risk and are properly disclosed.
47. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
48. We have appropriately disclosed the School's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which

both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.

49. We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
50. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
51. With respect to the management's discussion and analysis and budgetary comparison information:
 - a. We acknowledge our responsibility for presenting the management's discussion and analysis and budgetary comparison information in accordance with accounting principles generally accepted in the United States of America, and we believe this information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the management's discussion and analysis and budgetary comparison information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
52. Expenditures of federal awards were below the \$750,000 threshold for the year ended June 30, 2020 and we were not required to have an audit in accordance with the Uniform Guidance.

Business Manager



Executive Director

Date

12/15/21

Date

rec'd 12/18/2020

KINGS VALLEY CHARTER SCHOOL

Journal Entry

6/30/2020

Account	Description	Workpaper Reference	Debit	Credit	Net Income Effect
AJE01		R2			
To reclass grant income to correct account.					
4900-000	Miscellaneous Income		39,842.17	0.00	
3200-000	Grant Revenue		0.00	39,842.17	
Total			<u>39,842.17</u>	<u>39,842.17</u>	0.00
AJE02		F2			
To remove capital items at budget basis					
1120-221	Leasehold Improvements		0.00	22,132.21	
4160-410	Supplies		22,132.21	0.00	
2000-231	Building and Building Improvements		0.00	90,307.94	
4160-410	Supplies		90,307.94	0.00	
Total			<u>112,440.15</u>	<u>112,440.15</u>	-112,440.15
AJE03					
To record PY entries not booked by client					
2410-541	Equipment		0.00	43,804.00	
1300-141	Accounts Receivable		5,940.00	0.00	
3000-740	Fund Balance		37,864.00	0.00	
Total			<u>43,804.00</u>	<u>43,804.00</u>	43,804.00
GRAND TOTAL			<u>196,086.32</u>	<u>196,086.32</u>	-68,636.15



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

03/05/2021

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Rhodes-Warden Insurance Inc. PO Box 2660 Albany, OR 97321	CONTACT NAME: Bob Foster
	PHONE (A/C, No, Ext): 541-967-8062 FAX (A/C, No): 541-967-4169
	E-MAIL ADDRESS: bfoster@rhodeswardenins.com
	INSURER(S) AFFORDING COVERAGE
	INSURER A : Special Districts Association of Oregon
INSURED Kings Valley Charter School 38840 Kings Valley Highway Philomath, OR 97370	INSURER B : SAIF Corporation
	INSURER C :
	INSURER D :
	INSURER E :
	INSURER F :

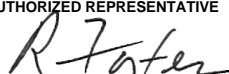
COVERAGES **CERTIFICATE NUMBER: 91014939-205264** **REVISION NUMBER: 31**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Educators Liability <input checked="" type="checkbox"/> GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			35P60168-1020	07/01/2020	07/01/2021	EACH OCCURRENCE \$ 20,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ 30,000,000 PRODUCTS - COMP/OP AGG \$ \$
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			35P60168-1020	07/01/2020	07/01/2021	COMBINED SINGLE LIMIT (Ea accident) \$ 500,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Excess Auto \$ 1450000
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N N/A If yes, describe under DESCRIPTION OF OPERATIONS below			956899	09/01/2020	09/01/2021	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER \$ 500,000 E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER**CANCELLATION**

Kings Valley Charter School 38840 Kings Valley Highway Philomath, OR 97370	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE  (RMF)