

**LEBANON COMMUNITY SCHOOL DISTRICT
BUDGET COMMITTEE MEETING
FEBRUARY 14, 2019, 6:00 PM**

Santiam Travel Station

750 S. Third Street, Lebanon, OR 97355

AMENDED MEETING AGENDA

- 1. CALL TO ORDER**
- 2. ELECTION**
 - A. Election of Budget Committee Chair**
 - B. Election of Budget Committee Vice Chair**
- 3. BUDGET COMMITTEE TRAINING**
 - A. Financial Information**
 - B. Enrollment**
 - C. District Goals**
- 4. REQUESTS FOR INFORMATION**
- 5. PUBLIC COMMENT**
- 6. ADJOURN**

Future Budget Committee Meeting Dates:

May 16, 2019	Budget Committee Meeting
May 23, 2019	Budget Committee Meeting
June 13, 2019	Public Budget Hearing & Board Meeting

District- Building- Classroom Priorities

1. Student Achievement

District academic achievement on the state assessment will improve three percentage points per year up to the state average. Schools at or above the state average will continue to show positive growth versus the state standard. Schools well exceeding state standards will maintain current standards and provide modeling for like schools.

2. Graduate 90% of intact cohort on time

Individual support program for students not meeting grade level benchmark. Students who have entered Lebanon High School as freshmen and remain throughout their high school years will graduate in four years.

3. 100% of our cohort students reading at grade level by third grade

It is essential students read at grade level by grade three. Support plan for students as soon as they show deficiency to ensure success. 21st Century Grant and DIG priorities.

4. Develop a comprehensive year-round student support system focused on reading, math, and behavior support

With the number of students currently below grade level, it is essential we provide immediate support that allows students the opportunity to achieve at grade-level. Summer programs focusing on reading, math, and behavior are necessary to ensure students receive more individual support.

5. Provide student, classroom, school, and district programs for behavior support

Due to the increasing number of student behavior issues, student, classroom, school, and district behavior programs need to be developed, implemented, and provided the training and staffing necessary to provide all students with an appropriate learning environment. A continuum of behavioral support services will be developed in order to provide students with the skills to be successful in the least restrictive environment.

**LEBANON COMMUNITY SCHOOL DISTRICT
SCHOOL BOARD MEETING
FEBRUARY 14, 2019, 6:00 PM**

Santiam Travel Station

750 S. Third Street, Lebanon, OR 97355

AMENDED MEETING AGENDA

1. WELCOME

- A. Call to Order
- B. Flag Salute

2. AUDIENCE COMMENTS

This is a time for citizens to address the Board. The Chair will recognize speaker(s) at the designated time. All speakers shall identify themselves and state their name before speaking. Speakers are asked to provide their name, address and telephone number on the Speaker's Sign-in Sheet. Each speaker may address the Board for three minutes.

3. 2017-18 FINANCIAL REPORT AND AUDIT FINDINGS

Action: Informational

4. DIVISION 22 ASSURANCE

Action: Informational

5. RACIAL EQUITY GROUP

Action: Informational

6. ALTERNATIVE EDUCATION PROGRAM UPDATE

Action: Informational

7. DATA UPDATE

Action: Informational

8. CONSENT AGENDA

- A. January 10, 2019 Meeting Minutes

Action: Approval Requested

- B. January 31, 2019 Meeting Minutes

Action: Approval Requested

- C. Hiring/Leave of Absence

Action: Approval Requested

Name	Position	FTE	Start Date	End Date
Tami Volz	School Improvement Administrator	1.0 FTE	3/1/2019	
Temporary 2018-19				
Carol McMahan	Math/Elective Teacher	1.0 FTE	1/31/2019	6/10/2019
Greg Nicosia	Special Education Teacher	1.0 FTE	1/14/2019	6/10/2019
Ryan Christner	Interim Principal for Cascades School	1.0 FTE	3/1/2019	6/30/2019
Leave of Absence				
Sage Randklev	Teacher	1.0 FTE	3/5/2019	6/10/2019

9. DEPARTMENT REPORTS

Action: Informational

- A. Operations
- B. Human Resources
- C. Finance

10. COMMUNICATION

Action: Informational

- A. Board
- B. Superintendent

11. AUDIENCE COMMENTS

The Lebanon Community School District Board of Directors welcomes you to our regular meeting. It is the Board's goal to hold an effective and efficient meeting to conduct the business of the District. In keeping with this goal, the Board provides a place for Audience Comments on each of its regular agendas. This is a time when you can provide statements or ask questions. The Board allows three minutes for each speaker. The language below discusses the Public Meetings Law and public participation in such meetings.

"The Public Meetings Law is a public attendance law, not a public participation law. Under the Public Meetings Law, governing body meetings are open to the public except as otherwise provided by law. ORS 192.630 The right of public attendance guaranteed by the Public Meetings Law does not include the right to participate by public testimony or comment.

"Other statutes, rules, charters, ordinances, and bylaws outside the Public Meetings Law may require governing bodies to hear public testimony or comment on certain matters. But in the absence of such a requirement, a governing body may conduct a meeting without any public participation. Governing bodies voluntarily may allow limited public participation at their meetings."

Oregon Attorney General's Administrative Law Manual and Uniform and Model Rules of Procedure under the Administrative Procedures Act. Hardy Myers, Attorney General, March 27, 2000.

12. ADJOURNMENT

Upcoming Board Meeting Dates:

- February 28, 2019 – Executive Session Only**
- March 14, 2019 – Regular Meeting**



LEBANON
Community Schools

Pursuing excellence for every student every day

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

ANNUAL FINANCIAL REPORT

June 30, 2018



Accuity, LLC

CERTIFIED PUBLIC ACCOUNTANTS

436 1st Avenue W | PO Box 1072

Albany, Oregon 97321 | (541) 223-5555

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

DISTRICT OFFICIALS

June 30, 2018

BOARD OF DIRECTORS

Tom Oliver, Chair
29764 Bartels Creek Drive
Lebanon, Oregon 97355

Nick Brooks, Vice Chair
311 W. Jadon Drive
Lebanon, Oregon 97355

Richard Borden
320 Wheeler Street
Lebanon, Oregon 97355

Mike Martin
769 Mountain River Road
Lebanon, Oregon 97355

Russ McUne
35632 Brewster Road
Lebanon, Oregon 97355

ADMINISTRATION

Robert T. Hess, Superintendent

Linda Darling, Business Director

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

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FINANCIAL SECTION



Accuity, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Lebanon Community School District No. 9
Lebanon, Oregon 97355

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the remaining fund information of Lebanon Community School District No. 9, Lebanon, Oregon, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Sand Ridge Charter School, a discretely presented component unit, which represents 0.63%, 3.9% and 4%, respectively, of the assets, net position, and revenues of the governmental activities. Those statements were audited by other auditors, whose report has been furnished to us and our opinion, insofar as it relates to the amounts included for Sand Ridge Charter School, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200; *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of Sand Ridge Charter School were not audited in accordance with *Government Auditing Standards*.

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 audit opinions.

Basis for Modified Opinion

Management has not obtained an actuarial valuation for the post-employment benefit obligation related to the early retirement plan. Accounting principles generally accepted in the United States of America require that actuarially determined annual required contributions related to postemployment benefits, attributable to employee services already rendered, be recorded as expenses as employees earn the benefits, which, if not funded would increase the liabilities, reduce the net position, and change the expenses of the governmental activities. The amount by which this departure would affect net position, liabilities, and expenses of the government-wide financial statements is not reasonably determinable.

Modified Opinion

In our opinion, except for the effects of the matter described in the “Basis for Modified Opinion” paragraph, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Lebanon Community School District No. 9, Lebanon, Oregon, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter – Change in Accounting Principle

As described in the notes to the financial statements, in the year ended June 30, 2018, the District adopted new accounting guidance: GASB Statements No. 85, *Omnibus 2017* and No. 86, *Certain Debt Extinguishment Issues*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, schedules of funding progress and employer contributions, schedules of the District’s proportionate share of the net pension liability and District contributions for PERS and OPEB, and budgetary comparison information on pages 4 through 11, 60 through 65, 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 management’s discussion and analysis and schedules of funding progress and employer contributions 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 management's discussion and analysis or schedules of funding progress and employer contributions because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison 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 taken as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lebanon Community School District No. 9's basic financial statements. The individual fund schedules, other financial schedules, and supplemental information required by the Oregon Department of Education are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The individual fund schedules, other financial schedules, and schedule of expenditures of federal awards are the responsibility of management, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The supplemental information required by the Oregon Department of Education has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

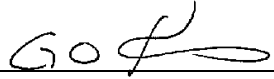
Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2018 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated December 28, 2018 on our tests of the District’s compliance with certain provisions of laws and regulations 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 28, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

As management of Lebanon Community School District No. 9, Lebanon, Oregon, we offer readers this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2018. It should be read in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- At June 30, 2018, total net position of Lebanon Community School District No. 9 amounted to \$(19,662,876). Of this amount, \$(5,713,181) was invested in capital assets, net of related debt. The remaining balance included \$2,449,915 restricted for various purposes and \$(16,399,610) of unrestricted net position.
- At June 30, 2018, the District's governmental funds reported combined ending fund balances of \$8,651,266.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Lebanon Community School District No. 9'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 District's finances in a manner similar to a private-sector business.

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

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Sand Ridge Charter School is a charter school sponsored by the District and is reported as a discretely presented component unit. Their complete financial statements may be obtained from the District's administrative offices.

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

The District is not financially responsible for the charter school, but the nature and significance of their financial relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. The component unit is presented in total in a separate column in the government-wide financial statements to emphasize that they are a legally separate organization from the District. Revenues reported by the component unit as state school fund monies equal the amount passed through the District.

The government-wide financial statements can be found on pages 13 through 15 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. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities and objectives. All of the funds of Lebanon Community School District No. 9 can be divided into two categories: governmental funds and proprietary funds.

□ **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 District's near-term financing requirements.

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

The District maintains three governmental funds. Information is presented separately in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, Special Revenue, and Debt Service Funds, all of which are considered to be major governmental funds.

Lebanon Community School District No. 9 adopts an annual appropriated budget for all of its funds. A budgetary comparison statement has been provided for each fund individually to demonstrate compliance with their respective budgets. The basic governmental fund financial statements can be found on pages 16 through 19 of this report.

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

□ **Proprietary Funds**

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The District maintains two proprietary funds, one enterprise funds and one internal service fund.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses the enterprise fund to account for its vocational housing construction operation.

Internal service funds serve as an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses the internal service fund to account for its unemployment insurance. Because this predominantly benefits governmental functions, it has been included within governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 20 through 22 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 23 through 59 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, which includes schedules of funding progress and employer contributions, schedules of the proportionate share of the net pension liability, OPEB RHIA benefit, and contributions, as well as the budgetary comparison information for the General and Special Revenue Funds. This required supplementary information can be found on pages 60 through 65 of this report.

Individual fund schedules can be found immediately following the required supplementary information on pages 66 through 68 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. At June 30, 2018, the District's liabilities exceeded its assets by \$19,662,876.

A portion of the District'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 District uses these capital assets for classrooms and supporting services for providing kindergarten through twelfth grade education; consequently, these assets are not available for future spending.

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

District's Net Position

The District's net position increased by \$303,893 during the current fiscal year. Condensed statement of net position information is shown below.

	Condensed Statement of Net Position					
	Governmental Activities		Business-type Activities		Totals	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Assets						
Current and other assets	\$ 12,477,368	\$ 10,379,381	\$ 160,092	\$ 80,000	\$ 12,637,460	\$ 10,459,381
Restricted assets	1,506,092	1,349,083	-	-	1,506,092	1,349,083
Capital assets, net	<u>36,955,499</u>	<u>37,684,400</u>	<u>-</u>	<u>-</u>	<u>36,955,499</u>	<u>37,684,400</u>
Total assets	<u>50,938,959</u>	<u>49,412,864</u>	<u>160,092</u>	<u>80,000</u>	<u>51,099,051</u>	<u>49,492,864</u>
Deferred outflows of resources	<u>14,693,178</u>	<u>22,996,485</u>	<u>-</u>	<u>-</u>	<u>14,693,178</u>	<u>22,996,485</u>
Liabilities						
Current liabilities	5,480,034	4,566,252	91	-	5,480,125	4,566,252
Noncurrent liabilities	<u>76,327,272</u>	<u>84,229,924</u>	<u>-</u>	<u>-</u>	<u>76,327,272</u>	<u>84,229,924</u>
Total liabilities	<u>81,807,306</u>	<u>88,796,176</u>	<u>91</u>	<u>-</u>	<u>81,807,397</u>	<u>88,796,176</u>
Deferred inflows of resources	<u>3,647,708</u>	<u>3,739,943</u>	<u>-</u>	<u>-</u>	<u>3,647,708</u>	<u>3,739,943</u>
Net position						
Net investment in capital assets	(5,713,181)	(6,892,033)	-	-	(5,713,181)	(6,892,033)
Restricted for various purposes	2,452,124	1,657,421	-	-	2,452,124	1,657,421
Unrestricted	<u>(16,561,820)</u>	<u>(14,892,158)</u>	<u>160,001</u>	<u>80,000</u>	<u>(16,401,819)</u>	<u>(14,812,158)</u>
Total net position	<u>\$ (19,822,877)</u>	<u>\$ (20,126,770)</u>	<u>\$ 160,001</u>	<u>\$ 80,000</u>	<u>\$ (19,662,876)</u>	<u>\$ (20,046,770)</u>

District's Changes in Net Position

The condensed statement of activities information shown on the following page explains changes in net position.

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

Changes in Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Program revenues						
Charges for services	\$ 388,573	\$ 335,937	\$ -	\$ -	\$ 388,573	\$ 335,937
Operating grants and contributions	5,861,524	5,512,619	-	-	5,861,524	5,512,619
Total program revenues	<u>6,250,097</u>	<u>5,848,556</u>	<u>-</u>	<u>-</u>	<u>6,250,097</u>	<u>5,848,556</u>
General revenues						
Taxes	13,413,859	12,801,738	-	-	13,413,859	12,801,738
State school fund - general support	29,662,765	27,681,417	-	-	29,662,765	27,681,417
Common school fund	410,848	502,314	-	-	410,848	502,314
Unrestricted state and local revenue	167,068	137,286	-	-	167,068	137,286
Unrestricted grants and contributions	353,664	231,412	-	-	353,664	231,412
Investment earnings	366,737	205,176	-	-	366,737	205,176
Miscellaneous	<u>449,929</u>	<u>551,470</u>	<u>1</u>	<u>80,000</u>	<u>449,930</u>	<u>631,470</u>
Total general revenues	<u>44,824,870</u>	<u>42,110,813</u>	<u>1</u>	<u>80,000</u>	<u>44,824,871</u>	<u>42,190,813</u>
Total revenues	<u>51,074,967</u>	<u>47,959,369</u>	<u>1</u>	<u>80,000</u>	<u>51,074,968</u>	<u>48,039,369</u>
Program expenses						
Instruction	27,646,917	26,671,369	-	-	27,646,917	26,671,369
Support Services	17,459,744	16,497,789	-	-	17,459,744	16,497,789
Enterprise and community services	1,800,197	1,918,216	-	-	1,800,197	1,918,216
Unallocated depreciation expense	1,840,394	1,791,565	-	-	1,840,394	1,791,565
Interest on long-term debt	<u>1,943,822</u>	<u>1,937,048</u>	<u>-</u>	<u>-</u>	<u>1,943,822</u>	<u>1,937,048</u>
Total program expenses	<u>50,691,074</u>	<u>48,815,987</u>	<u>-</u>	<u>-</u>	<u>50,691,074</u>	<u>48,815,987</u>
Transfers	<u>(80,000)</u>	<u>-</u>	<u>80,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	303,893	(856,618)	80,001	80,000	383,894	(776,618)
Net position - beginning of year, as restated	<u>(20,126,770)</u>	<u>(19,270,152)</u>	<u>80,000</u>	<u>-</u>	<u>(20,046,770)</u>	<u>(19,270,152)</u>
Net position - end of year	<u>\$ (19,822,877)</u>	<u>\$ (20,126,770)</u>	<u>\$ 160,001</u>	<u>\$ 80,000</u>	<u>\$ (19,662,876)</u>	<u>\$ (20,046,770)</u>

Revenues

Since the District's mission is to provide a free and appropriate public education for kindergarten through twelfth grade students within its boundaries, the District may not charge for its core services. As expected, therefore, general revenues provide 88% of the funding required for governmental programs. Property taxes and state school funding combined for 96% of general revenues and 84% of total revenues.

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

Charges for services make up 1% of total revenues and are comprised of the following items for which it is appropriate that the District charge tuition or fees:

• Food services charges for lunch and breakfast	\$ 80,542
• Various student extracurricular activities	<u>308,031</u>
Total charges for services	<u>\$ 388,573</u>

Operating grants and contributions represent 11% of total revenues. Included in this category are \$5,856,321 for grants and contributions to support various educational activities, including grants to support school nutrition programs.

Expenses

Expenses related to governmental activities are presented in several broad functional categories. Costs of direct classroom instruction activities account for 55% of the total expenses of \$50,691,074. In addition, approximately 35% of the costs in supporting services relate to students, instructional staff, and school administration.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental Funds

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

At the end of the current fiscal year, the District's governmental funds reported combined fund balances of \$8,651,266. Of this amount, \$5,263,313 constitutes unassigned fund balance, which is available for spending at the District's discretion. The General Fund is the chief operating fund of the District. At the end of the current fiscal year, total fund balance of the General Fund was \$5,263,313, all of which was unassigned.

Proprietary Fund

The District's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Net position of the proprietary funds at year-end amounted to \$160,001, all of which is considered to be unrestricted.

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

BUDGETARY HIGHLIGHTS

Budget amounts shown in the financial statements reflect the original budget amounts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2018 amounted to \$36,955,499, net of accumulated depreciation. This investment in capital assets includes land, buildings and improvements, and equipment and vehicles. The total depreciation related to the District's investment in capital assets for the current fiscal year was \$1,840,394.

Major capital asset events during the current fiscal year included improvements of equipment.

Additional information on the District's capital assets can be found in Note III-B on pages 34 through 35 of this report.

Long-Term Debt

At the end of the current fiscal year, the District had total debt outstanding of \$40,020,000. This amount is comprised of general obligation bonds and qualified school construction bonds. The District's total debt outstanding decreased by \$1,770,000 during the current fiscal year.

Additional information on the District's long-term debt can be found in Note III-D on pages 36 through 38 of this report.

KEY ECONOMIC FACTORS AND BUDGET INFORMATION FOR THE FUTURE

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

- The following priorities were identified to develop the 2018-2019: Proposed Budget: 1) Graduation and Support Services, 2) People/Salaries/Benefits, and 3) Facilities.
- Continued support to AVID, ASPIRE, CTE, and other support programs. An example of support in these areas is the Vocational House / CTE program that should be self-sufficient with the sale of the 2017-2018 home; however, this budget reflects transferring \$40,000 to the Vocational House
- Continuing to improve curriculum and instruction is pivotal to student success. This Budget reflects transferring \$400,000 to the Textbook Fund to support new Social Studies K-12 Curriculum Adoption. To support the grade reconfiguration in several schools with new classrooms, \$50,000 is being transferred to the Classroom Furniture Fund.

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

- To enhance student engagement, this budget contains additional supports in the areas of Music and Athletics. This budget reflects additional staffing in Elementary Music and transferring \$446,000 (an increase of \$31,000) to the Athletics Fund, which will support expanding Middle School to include Basketball.
- Increased FTE and support to programs, along with transferring \$250,000 to the PERS Reserve Fund to help address PERS rate increases for 2019-2021. To support increased staffing costs and the CEP (Community Eligibility Provision) that provides free meals to students at qualifying schools this budget reflects the transfer of an additional \$50,000 to the Nutritional Fund; total transfer is \$100,000.

All of these factors were considered in preparing the District's budget for fiscal year 2018-2019.

The unassigned ending General Fund balance of \$5,263,313 will be available for program resources in fiscal year 2018-2019.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Lebanon Community School District No. 9'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 the District Office, Lebanon Community School District No. 9, 485 S. 5th Street, Lebanon, Oregon 97355.

BASIC FINANCIAL STATEMENTS

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

STATEMENT OF NET POSITION

June 30, 2018

	Governmental Activities	Business-Type Activities	Total Primary Government	Component Unit Sand Ridge Charter School
ASSETS				
Current assets				
Cash and cash equivalents	\$ 10,265,435	\$ 48,741	\$ 10,314,176	\$ 270,191
Accounts receivable	1,169,325	-	1,169,325	11,561
Inventory	17,615	111,351	128,966	-
Property taxes receivable	879,583	-	879,583	-
Total current assets	<u>12,331,958</u>	<u>160,092</u>	<u>12,492,050</u>	<u>281,752</u>
Restricted assets				
Cash and cash equivalents	237,227	-	237,227	-
Cash with bond agent	908,030	-	908,030	-
Property taxes receivable	360,835	-	360,835	-
Total restricted assets	<u>1,506,092</u>	<u>-</u>	<u>1,506,092</u>	<u>-</u>
Net pension benefit - early retirement stipends	37,819	-	37,819	-
Net OPEB benefit	107,591	-	107,591	-
Capital assets not being depreciated	1,411,570	-	1,411,570	-
Capital assets, net of accumulated depreciation	<u>35,543,929</u>	<u>-</u>	<u>35,543,929</u>	<u>41,197</u>
Total assets	<u>50,938,959</u>	<u>160,092</u>	<u>51,099,051</u>	<u>322,949</u>
DEFERRED OUTFLOWS OF RESOURCES	14,693,178	-	14,693,178	732,556
LIABILITIES				
Current liabilities				
Accounts payable	632,768	91	632,859	7,453
Deposits held	-	-	-	23,816
Payroll liabilities	2,656,983	-	2,656,983	-
Accrued interest	90,120	-	90,120	-
Compensated absences	180,163	-	180,163	-
Long-term liabilities, current portion	<u>1,920,000</u>	<u>-</u>	<u>1,920,000</u>	<u>-</u>
Total current liabilities	5,480,034	91	5,480,125	31,269
Noncurrent liabilities				
Net pension liability	35,578,592	-	35,578,592	1,753,479
Long-term liabilities, less current portion	<u>40,748,680</u>	<u>-</u>	<u>40,748,680</u>	<u>-</u>
Total long-term liabilities	76,327,272	-	76,327,272	1,753,479
Total liabilities	<u>81,807,306</u>	<u>91</u>	<u>81,807,397</u>	<u>1,784,748</u>

(Continued)

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

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

STATEMENT OF NET POSITION

June 30, 2018

(Continued)

	Governmental Activities	Business-Type Activities	Total Primary Government	Component Unit Sand Ridge Charter School
DEFERRED INFLOWS OF RESOURCES				
Unearned revenue	\$ 69,236	\$ -	\$ 69,236	\$ -
Deferred inflows relating to pensions	3,578,472	-	3,578,472	51,328
Total deferred inflows of resources	3,647,708	-	3,647,708	51,328
NET POSITION				
Net investment in capital assets	(5,713,181)	-	(5,713,181)	41,197
Restricted for:				
Student activities	547,491	-	547,491	-
Debt service	1,168,389	-	1,168,389	-
Energy efficient improvements	253,052	-	253,052	-
Grant programs	483,192	-	483,192	-
Unrestricted	(16,561,820)	160,001	(16,401,819)	(821,768)
Total net position	\$ (19,822,877)	\$ 160,001	\$ (19,662,876)	\$ (780,571)

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

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2018

Functions/Programs	Net (Expense) Revenue and Changes in Net Position						
	Program Revenues			Primary Government		Component Unit	
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Totals	Sand Ridge Charter School
Primary government							
Governmental activities							
Instruction	\$ 27,646,917	\$ 25,406	\$ 3,298,002	\$ (24,323,509)	\$ -	\$ (24,323,509)	\$ -
Support services	17,459,744	282,625	870,800	(16,306,319)	-	(16,306,319)	-
Enterprise and community services	1,800,197	80,542	1,692,722	(26,933)	-	(26,933)	-
Unallocated depreciation expense	1,840,394	-	-	(1,840,394)	-	(1,840,394)	-
Interest on long-term debt	1,943,822	-	-	(1,943,822)	-	(1,943,822)	-
Total governmental activities	\$ 50,691,074	\$ 388,573	\$ 5,861,524	(44,440,977)	-	(44,440,977)	-
Component unit							
Governmental activities	\$ 2,322,567	\$ 165,604	\$ -	-	-	-	(2,156,963)
General revenues							
Property taxes levied for general purposes				9,647,391	-	9,647,391	-
Property taxes levied for debt service				3,766,468	-	3,766,468	-
State school fund - general support				29,662,765	-	29,662,765	1,985,361
Common school fund				410,848	-	410,848	-
Unrestricted state and local revenue				167,068	-	167,068	-
Unrestricted grants and contributions				353,664	-	353,664	-
Investment earnings				366,737	-	366,737	-
Miscellaneous				449,929	1	449,930	3,127
Total general revenues				44,824,870	1	44,824,871	1,988,488
Transfers				(80,000)	80,000	-	3,976,976
Change in net position				303,893	80,001	383,894	(168,475)
Net position - beginning, as restated				(20,126,770)	80,000	(20,046,770)	(612,096)
Net position - ending				\$ (19,822,877)	\$ 160,001	\$ (19,662,876)	\$ (780,571)

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

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2018

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 7,700,943	\$ 2,416,298	\$ 237,227	\$ 10,354,468
Cash with agent	22,789	-	-	22,789
Accounts receivable	346,704	816,178	6,443	1,169,325
Property taxes receivable	879,583	-	360,835	1,240,418
Supply inventory	-	17,615	-	17,615
Total assets	\$ 8,950,019	\$ 3,250,091	\$ 604,505	\$ 12,804,615
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 579,507	\$ 53,261	\$ -	\$ 632,768
Accrued liabilities	2,656,983	-	-	2,656,983
Total liabilities	3,236,490	53,261	-	3,289,751
Deferred inflows of resources				
Unavailable revenue - property taxes	450,216	-	344,146	794,362
Unearned revenue - grant proceeds	-	69,236	-	69,236
Total deferred inflows of resources	450,216	69,236	344,146	863,598
Fund balances				
Nonspendable	-	17,615	-	17,615
Restricted	-	1,283,735	260,359	1,544,094
Assigned	-	1,826,244	-	1,826,244
Unassigned	5,263,313	-	-	5,263,313
Total fund balances	5,263,313	3,127,594	260,359	8,651,266
Total liabilities, deferred inflows of resources, and fund balances	\$ 8,950,019	\$ 3,250,091	\$ 604,505	\$ 12,804,615

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

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

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

June 30, 2018

Total fund balances		\$ 8,651,266
Capital assets are not financial resources and are therefore not reported in the governmental funds:		
Cost	102,170,198	
Accumulated depreciation	<u>(65,214,699)</u>	36,955,499
Property tax revenue is recognized in the net position of governmental activities when the taxes are levied; however, in the governmental fund statements, it is recognized when available to be used for current year operations. Taxes not collected within 60 days of the end of the year are not considered available to pay for current year operations and are therefore not reported as revenue in the governmental funds.		
		794,362
Amounts relating to the District's proportionate share of PERS actuarial valuation balances are not reported in governmental fund statements.		
Deferred outflows of resources relating to PERS	14,693,178	
Deferred inflows of resources relating to PERS	<u>(3,578,472)</u>	11,114,706
Long-term assets are not available to pay for current period expenditures and are therefore not reported as governmental fund assets.		
Cash with escrow agent	885,241	
Net pension benefit - early retirement stipends	37,819	
Net OPEB asset	<u>107,591</u>	1,030,651
The internal service fund is used by management to charge the costs of unemployment insurance premiums to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		
		148,194
Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due. These liabilities consist of:		
Accrued interest	(90,120)	
Compensated absences	(180,163)	
Net pension liability - PERS	(35,578,592)	
Bond premiums	(2,648,680)	
Bonds payable	<u>(40,020,000)</u>	<u>(78,517,555)</u>
Net position of governmental activities		\$ <u>(19,822,877)</u>

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

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended June 30, 2018

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
REVENUES				
Local revenue	\$ 10,686,066	\$ 1,321,859	\$ 3,780,551	\$ 15,788,476
Intermediate revenue	210,894	(2,248)	-	208,646
State revenue	30,270,316	722,498	-	30,992,814
Federal revenue	284,926	4,121,381	-	4,406,307
Total revenues	41,452,202	6,163,490	3,780,551	51,396,243
EXPENDITURES				
Current				
Instruction	22,608,763	3,432,282	-	26,041,045
Support services	15,637,824	2,036,390	-	17,674,214
Community services	-	1,895,643	-	1,895,643
Debt service	-	-	3,934,064	3,934,064
Total expenditures	38,246,587	7,364,315	3,934,064	49,544,966
Excess (deficiency) of revenues over (under) expenditures	3,205,615	(1,200,825)	(153,513)	1,851,277
OTHER FINANCING SOURCES (USES)				
Debt subsidy rebate	-	-	90,788	90,788
Proceeds from the sale of assets	-	12,143	-	12,143
Transfers in	82,657	1,035,000	135,000	1,252,657
Transfers out	(1,335,000)	(92,657)	-	(1,427,657)
Total other financing sources (uses)	(1,252,343)	954,486	225,788	(72,069)
Net change in fund balances	1,953,272	(246,339)	72,275	1,779,208
Fund balances - beginning	3,310,041	3,373,933	188,084	6,872,058
Fund balances - ending	\$ 5,263,313	\$ 3,127,594	\$ 260,359	\$ 8,651,266

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

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

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

For the Year Ended June 30, 2018

Net change in fund balances		\$ 1,779,208
<p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p>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. This is the amount by which capital outlays exceeded depreciation in the current period.</p>		
Expenditures for capital assets	1,111,493	
Less current year depreciation	<u>(1,840,394)</u>	(728,901)
<p>Governmental funds record sinking fund cash deposits as debt service in the year deposited. In the statement of net position, however, making the deposits to the sinking fund increases assets.</p>		
		82,489
<p>Repayment of principal is an expenditure in the governmental funds, but reduces the liability in the statement of net position.</p>		
Change in accrued interest	-	
Amortization of issuance premium	137,753	
Debt principal paid	<u>1,770,000</u>	1,907,753
<p>The internal service fund is used by management to charge the costs of unemployment insurance premiums to individual funds. This activity is consolidated with the governmental funds in the statement of activities.</p>		
		73,687
<p>Pension expense or credits that do not meet the measureable and available criteria are not recognized as revenue or expense in the current year in the governmental funds. In the statement of activities, pension expense or</p>		
		(2,562,025)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and are therefore not reported as expenditures in the governmental funds.</p>		
Change in net OPEB benefit	276,869	
Change in net pension benefit - early retirement stipends	(78,185)	
Change in compensated absences	<u>(22,795)</u>	175,889
<p>Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the statement of activities, property taxes are recognized as revenue when levied.</p>		
		<u>(424,207)</u>
Change in net position		<u>\$ 303,893</u>

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

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

June 30, 2018

	Business-Type Activity Enterprise Fund	Internal Service Fund Insurance
ASSETS		
Cash and cash equivalents	\$ 48,741	\$ 148,194
Work in process inventory	111,351	-
Total assets	160,092	148,194
LIABILITIES		
Accounts payable	91	-
NET POSITION		
Unrestricted	\$ 160,001	\$ 148,194

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

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

PROPRIETARY FUNDS

For the Year Ended June 30, 2018

	Business-Type Activity	Internal Service Fund
	Enterprise Fund	Insurance
Operating revenues	\$ -	\$ -
Operating expenses		
Instruction	-	-
Support services	-	21,313
Total operating expenses	-	21,313
Operating income (loss)	-	(21,313)
Nonoperating revenues (expenses)		
Miscellaneous revenue	1	-
Transfers in	80,000	95,000
Total nonoperating revenues (expenses)	80,001	95,000
Change in net position	80,001	73,687
Net position - beginning	80,000	74,507
Net position- ending	\$ 160,001	\$ 148,194

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

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the Year Ended June 30, 2018

	Business-Type Activity Enterprise Fund	Internal Service Fund Insurance
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to employees	\$ -	\$ (27,222)
Net cash provided (used) by operating activities	-	(27,222)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Miscellaneous receipts	1	-
Work in process payments	(50,845)	-
Transfers in	80,000	95,000
Net cash provided (used) by financing activities	29,156	95,000
Net increase (decrease) in cash and cash equivalents	29,156	67,778
Cash and cash equivalents - beginning	19,585	80,416
Cash and cash equivalents - ending	\$ 48,741	\$ 148,194
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ -	\$ (21,313)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Increase (decrease) in accounts payable	-	(5,909)
Net cash provided (used) by operating activities	\$ -	\$ (27,222)

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

NOTES TO BASIC FINANCIAL STATEMENTS

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

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 District. Governmental activities, which normally are supported by taxes, intergovernmental revenues and other nonexchange transactions, are reported separately from business-type activities, which rely on fees and charges to external customers for support.

B. Reporting Entity

Lebanon Community School District No. 9 is a municipal corporation governed by an elected five-member board. The District was organized under provision of Oregon Statutes Chapter 332 for the purpose of operating elementary and secondary schools. As required by accounting principles generally accepted in the United States of America, these basic financial statements present Lebanon Community School District No. 9 (the primary government) and any component units. There are various governmental agencies and special service districts that provide services within the boundaries of the District; however, the District is not financially accountable for any of these entities, and, therefore, none of them are considered component units or included in these basic financial statements, except as noted below.

Sand Ridge Charter School is a charter school sponsored by the District and is reported as a discretely presented component unit. Their complete financial statements may be obtained from the District's administrative offices. The District is not financially responsible for the charter school, but the nature and significance of their financial relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. The component unit is presented in total in a separate column in the government-wide financial statements to emphasize that it is a legally separate organization from the District. Revenues reported by the component unit as state school fund monies equal the amount passed through the District.

C. Basis of Presentation - Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while the business-type activities incorporate data from the enterprise fund. Separate financial statements are provided for all governmental and proprietary funds. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government's funds. Separate statements for each fund category – governmental, and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The government reports the following major governmental funds:

General Fund – The General Fund is the primary operating fund of the District. It accounts for all financial resources except those required to be accounted for in another fund. The primary sources of revenue are property taxes and state revenues.

Special Revenue Fund

Special Revenue Fund – The Special Revenue Fund accounts for the proceeds of specific revenue sources that are restricted for specific purposes. The primary source of revenue is federal grants. The primary uses of revenue are for salaries and employment benefits, education program enhancement, and equipment purchases.

Debt Service Fund – The Debt Service Fund accounts for the repayment of the District's long-term debt. The primary source of revenue is property taxes. The primary use of revenue is payment of principal and interest due on long-term debt.

In addition, the District reports the following proprietary funds:

Enterprise Fund - The Enterprise Fund is used to account for funds used to construct and sell homes through the vocational education program. The primary source of revenue is sales of finished goods.

Internal Service Fund

Insurance Fund – The Insurance Fund is used to account for funds allocated for unemployment benefits. The primary source of revenue is transfers from the General Fund. The primary use of revenue is for unemployment benefits.

Certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between funds included in governmental activities are eliminated.

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

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. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 30 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 30 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

The District did not implement the most current accounting guidance: GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which are GAAP departures. If the District reported in accordance with the most recent GASB requirements, reported results may differ from those currently presented.

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

F. Budgetary Information

Annual budgets are adopted on the modified accrual basis of accounting. The District budgets all funds in accordance with the requirements of state law. Annual appropriated budgets are adopted for the general, special revenue, debt service, enterprise and internal service funds. All funds are budgeted on the modified accrual basis of accounting. The District begins its budgeting process by appointing budget committee members. The budget officer prepares a budget, which is reviewed by the budget committee. The budget is then published in proposed form and is presented at public hearings to obtain taxpayer comments and approval from the budget committee. The budget is legally adopted by the board of directors by resolution prior to the beginning of the District's fiscal year. The board resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total instruction, support services, community services, debt service, capital outlay, operating contingencies, and interfund transfers for each fund are the levels of control established by the resolution. The detailed budget document, however, is required to contain more specific detailed information for the aforementioned expenditure categories and management may revise the detailed line item budgets within appropriation categories. Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriation resolution. Supplemental budgets less than 10% of a fund's original budget may be adopted by the board of directors at a regular board meeting. A supplemental budget greater than 10% of a fund's original budget requires hearings before the public, publication in newspapers, and approval by the board of directors. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval by the board of directors. During the year, there were no supplemental budgets. The District does not use encumbrances and appropriations lapse at year-end. Budget amounts shown in the financial statements reflect the original budget amounts.

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

1. Cash and Cash Equivalents

The District'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 authorize the District 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.

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June 30, 2018

3. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost where no historical records exist. Donated capital assets are recorded at estimated fair market value at the date of donation.

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.

Major capital outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Assets</u>	<u>Years</u>
Vehicles and Equipment	5-15
Buildings and building improvements	20-50

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

In addition to assets, the statement of financial 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 will therefore not be recognized as an outflow of resources (expense/expenditure) until that time.

In addition to liabilities, the statement of financial 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 will therefore not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category.

Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

5. 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.

6. 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.

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

Amounts presented as nonspendable fund balance are those in nonspendable form (such as inventory) or are required to be maintained intact.

Restricted fund balance are amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

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 school board 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.

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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

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 school board has by resolution authorized the Business Director to assign fund balance. The board may also 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.

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. Property Taxes

Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic remittances of collection to entities levying taxes. Property taxes are levied and become a lien as of July 1 on property values assessed as of June 30. Property taxes are payable in three installments, which are due on November 15, February 15, and May 15. Uncollected property taxes are shown as assets in the governmental funds. Property taxes collected within approximately 30 days of fiscal year-end are recognized as revenue, while the remaining are recorded as deferred inflows of resources because they are not deemed available to finance operations of the current period.

3. Compensated Absences

Amounts of vested or accumulated vacation leave that are expected to be liquidated with expendable available financial resources are reported as expenditures when paid. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as long-term liabilities on the statement of net position. In accordance with the provisions of GASB Statement No. 47, *Accounting for Compensated Absences*, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

4. 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 conformity 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.

II. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. Deposits and Investments

Lebanon Community School District No. 9 maintains a cash and cash equivalents pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the fund financial statements as cash and cash equivalents. Additionally, several funds held separate cash accounts. Interest earned on pooled cash and investments is allocated to participating funds based upon their combined cash and investment balances.

Investments, including amounts held in pooled cash and investments, are stated at fair value. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 72, Fair Value Measurement and Application, investments with a remaining maturity of more than one year at the time of purchase are stated at fair value.

The District participates in an external investment pool (State of Oregon Local Government Investment Pool). The Pool is not registered with the U.S. Securities and Exchange Commission as an investment company.

The State's investment policies are governed by the Oregon Revised Statutes (ORS) and the Oregon Investment Council (OIC). The State Treasurer is the investment officer for the OIC and is responsible for all funds in the State Treasury. These funds are invested exercising reasonable care, skill, and caution. Investments in the Pool are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board, which established diversification percentages and specifies the types and maturities of investments.

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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

The portion of the external investment pool which belongs to local government investment participants is reported in an Investment Trust Fund in the State's Comprehensive Annual Financial Report (CAFR). A copy of the State's CAFR may be obtained at the Oregon State Treasury, 350 Winter St. N.E., Salem, Oregon 97310-0840.

Fair Value Measurement

Fair value is defined as the price that would be received to sell an asset or price paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based on the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

- *Level 1* – Unadjusted quoted prices for identical investments in active markets.
- *Level 2* – Observable inputs other than quoted market prices; and,
- *Level 3* – Unobservable inputs.

There were no transfers of assets or liabilities among the three levels of the fair value hierarchy for the year ended June 30, 2018.

Fair values of assets measured on a recurring basis at June 30, 2018 are as follows:

	<u>Level 2</u>
Investments	
LGIP	<u>\$ 9,764,885</u>

Credit Risk

Oregon statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the Local Government Investment Pool. The District has not adopted an investment policy regarding credit risk; however, investments comply with state statutes.

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

Investments

As of June 30, 2018, the District had the following investments:

	Credit Quality Rating	Maturities	Fair Value
Oregon Local Government Investment Pool	Unrated	-	\$ 9,764,885

Interest Rate Risk

The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increases in interest rates.

Concentration of Credit Risk

The District does not have a formal policy that places a limit on the amount that may be invested in any one insurer. 100 percent of the District’s investments are in the Oregon LGIP.

Custodial Credit Risk – Investments

This is the risk that, in the event of the failure of a counterparty, the District will not be able to recover the value of its investments that are in the possession of an outside party. The District does not have a policy that limits the amount of investments that can be held by counterparties.

Custodial Credit Risk – Deposits

This is the risk that, in the event of a bank failure, the District’s deposits may not be returned. All District deposits not covered by Federal Depository Insurance Corporation (FDIC) insurance are covered by the Public Funds Collateralization Program (PFCP) of the State of Oregon, organized in accordance with ORS 295. The PFCP is a shared liability structure for participating bank depositories. Barring any exceptions, a bank depository is required to pledge collateral valued at a minimum of 10% of their quarter-end public fund deposits if they are considered well capitalized, 25% of their quarter-end public fund deposits if they are considered adequately capitalized, or 110% of their quarter-end public fund deposits if they are considered undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities.

The District holds accounts at Umpqua Bank and Well Fargo Bank, for which deposits are insured by the FDIC insurance up to \$250,000. At June 30, 2018, the District’s had deposits of \$250,000 insured by the FDIC, and \$648,448 collateralized under the PFCP.

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

Deposits

The District's deposits and investments at June 30, 2018 are as follows:

Checking accounts	\$ 786,518
Total investments	<u>9,764,885</u>
Total deposits and investments	<u><u>\$ 10,551,403</u></u>

Cash and investments by fund:

Governmental activities - unrestricted	
General Fund	\$ 7,700,943
Special Revenue Fund	2,416,298
Internal service fund - Insurance Fund	<u>148,194</u>
Total governmental activities - unrestricted	10,265,435
Business-type activities - unrestricted	
Enterprise Fund	<u>48,741</u>
Governmental activities - restricted	
Debt Service Fund	<u>237,227</u>
Total cash and investments	<u><u>\$ 10,551,403</u></u>

Restricted cash is for future payments of principal and interest on long-term debt, as well as the completion of bond projects.

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

B. Capital Assets

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets not being depreciated				
Land	1,411,570	-	-	1,411,570
Total capital assets not being depreciated	<u>1,411,570</u>	<u>-</u>	<u>-</u>	<u>1,411,570</u>
Capital assets being depreciated				
Buildings and improvements	93,403,249	65,147	-	93,468,396
Equipment and vehicles	6,643,506	1,046,346	(399,620)	7,290,232
Total capital assets being depreciated	<u>100,046,755</u>	<u>1,111,493</u>	<u>(399,620)</u>	<u>100,758,628</u>
Less accumulated depreciation for				
Buildings and improvements	(58,835,664)	(1,534,932)	-	(60,370,596)
Equipment and vehicles	(4,938,261)	(305,462)	399,620	(4,844,103)
Total accumulated depreciation	<u>(63,773,925)</u>	<u>(1,840,394)</u>	<u>399,620</u>	<u>(65,214,699)</u>
Total capital assets being depreciated, net	<u>36,272,830</u>	<u>(728,901)</u>	<u>-</u>	<u>35,543,929</u>
Governmental activities capital assets, net	<u>\$ 37,684,400</u>	<u>\$ (728,901)</u>	<u>\$ -</u>	<u>\$ 36,955,499</u>

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

	<u>Capital Assets</u>	<u>Accumulated Depreciation</u>	<u>Net Capital Assets</u>
Governmental activities			
Land	\$ 1,411,570	\$ -	\$ 1,411,570
Buildings and improvements	93,468,396	(60,370,596)	33,097,800
Equipment and vehicles	7,290,232	(4,844,103)	2,446,129
Total governmental capital assets	<u>\$ 102,170,198</u>	<u>\$ (65,214,699)</u>	<u>\$ 36,955,499</u>

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

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

Unallocated depreciation expense \$ 1,840,394

C. Interfund Transfers

Interfund transfers during the year consisted of:

	Transfers in:					Total
	General Fund	Special Revenue Fund	Debt Service Fund	Enterprise Fund	Internal Service Fund	
Transfers out:						
General Fund	\$ -	\$ 1,025,000	\$ 135,000	\$ 80,000	\$ 95,000	\$ 1,335,000
Special Revenue Fund	<u>82,657</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>92,657</u>
	<u><u>\$ 82,657</u></u>	<u><u>\$ 1,035,000</u></u>	<u><u>\$ 135,000</u></u>	<u><u>\$ 80,000</u></u>	<u><u>\$ 95,000</u></u>	<u><u>\$ 1,427,657</u></u>

Transfers were made to cover current year special and capital projects, and debt service payments.

D. Compensated Absences

The following is a summary of compensated absences balances for the year:

	Beginning Balance	Additions	Reductions	Ending Balance
Net compensated absences	<u><u>\$ 157,368</u></u>	<u><u>\$ 22,795</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 180,163</u></u>

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

E. Long-Term Liabilities

1. Changes in Long-Term Liabilities

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

	Interest Rates	Original Amount	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities							
General obligation bonds							
Series 2005 refunding	3-4.55%	\$ 19,515,000	\$ 17,305,000	\$ -	\$ 645,000	\$ 16,660,000	\$ 735,000
Series 2011 refunding	2-5%	27,630,000	22,590,000	-	1,125,000	21,465,000	1,185,000
Premium - 2005 refunding		2,013,612	1,768,871	-	75,052	1,693,819	-
Premium - 2011 refunding		<u>1,259,036</u>	<u>1,017,562</u>	<u>-</u>	<u>62,701</u>	<u>954,861</u>	<u>-</u>
Total general obligation bonds		50,417,648	42,681,433	-	1,907,753	40,773,680	1,920,000
Qualified school construction bonds	5.13%	<u>1,895,000</u>	<u>1,895,000</u>	<u>-</u>	<u>-</u>	<u>1,895,000</u>	<u>-</u>
Total governmental activities		<u>\$ 52,312,648</u>	<u>\$ 44,576,433</u>	<u>\$ -</u>	<u>\$ 1,907,753</u>	<u>\$ 42,668,680</u>	<u>\$ 1,920,000</u>

2. General Obligation Bonds

General obligation bonds are direct obligations that pledge the full faith and credit of the District and are payable from ad valorem debt service levy proceeds. The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. The District's outstanding general obligation bonds represent funding primarily for building improvement projects. Interest is due semiannually in June and December. Interest rates increase at fixed rates over the life of the bonds in accordance with the original bond agreements. The Debt Service Fund has traditionally been used to liquidate long-term debt.

3. General Obligation Refunding Bonds Series 2005

On April 7, 2005, the District issued general obligation bonds of \$19,515,000 (par value) with interest rates of 3% to 4.55% to advance refund the portion of the Series 2001 (dated May 17, 2001) general obligation bonds maturing June 15, 2015 through June 15, 2030 with interest rates of 5.25% to 5.6% and a par value of \$19,470,000. Interest rates increase in accordance with the original bond agreements. The Series 2005 bonds were issued at a premium of \$2,013,613 and, after paying issuance costs of \$243,341, the net proceeds were \$21,396,886. The net proceeds from the issuance of the Series 2005 bonds were used to purchase state and local government securities, which were deposited into an irrevocable trust with an escrow agent to provide debt service payments until the Series 2001 bonds were called on June 15, 2013. The advance refunding met the requirements of an in-substance debt defeasance and the refunded portion of the 2001 bonds was removed from the District's government-wide financial statements.

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

4. General Obligation Refunding Bonds Series 2011

In March 2011, the District issued general obligation bonds of \$27,630,000 (par value) with interest rates of 2% to 5% to advance refund Series 2001 (dated September 1, 2011) general obligation bonds with interest rates of 3.5% to 5.25% and a par value of \$28,665,000. Interest rates increase in accordance with the original bond agreements. The Series 2001 bonds were called on June 15, 2011. The Series 2011 bonds were issued at a premium of \$1,259,036 and, after paying issuance costs of \$224,036, the net proceeds were \$28,728,353. As a result of the refunding, the District reduced its total debt service requirements by \$3,197,455, which resulted in an economic gain (difference between present value of the debt service payments on the old and new debt) of \$2,135,509.

5. Qualified School Construction Bonds

The District entered into a financing agreement dated July 26, 2011 under the Qualified School Construction Bonds (QSCB) Program. The District received financing of \$1,895,000 for upgrades and improvements to school facilities. The agreement requires annual cash deposits to a sinking fund in the amount of \$126,333 to fund the only payment of \$1,895,000 in 2026.

6. Future Maturities of Long-Term Liabilities

Year Ending June 30	Bonds		
	Principal	Interest	Total
2019	\$ 1,920,000	\$ 1,973,983	\$ 3,893,983
2020	2,090,000	1,900,201	3,990,201
2021	2,295,000	1,795,702	4,090,702
2022	2,495,000	1,694,838	4,189,838
2023	2,725,000	1,567,152	4,292,152
2024-2028	19,365,000	5,375,567	24,740,567
2029-2030	<u>9,130,000</u>	<u>723,438</u>	<u>9,853,438</u>
Total	<u>\$ 40,020,000</u>	<u>\$ 15,030,881</u>	<u>\$ 55,050,881</u>

7. Interest Expense

Interest expense was not charged to specific functions or programs of the District and is recorded on the statement of activities as follows:

Interest on long-term debt	<u>\$ 1,943,822</u>
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8. General Obligation Debt Capacity

ORS 328.245 establishes a parameter of bonded indebtedness for school districts. Kindergarten through twelfth grade school districts may issue an aggregate principal amount up to 7.95% of the Real Market Value of all taxable properties within the district.

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

Information on the District's general obligation debt capacity is presented below.

Real Market Value (Fiscal Year 2018) ⁽¹⁾	\$	3,739,009,886
Debt Capacity		
General Obligation Debt Capacity (7.95% of Real Market Value)	\$	297,251,286
Less: Outstanding Debt Subject to Limit		(38,125,000)
Remaining General Obligation Debt Capacity	\$	259,126,286
Percent of Capacity Issued		12.83%

The District's fiscal year commences July 1 and ends on June 30 of the following year (the "Fiscal Year"). *Source: Linn County Department of Assessment and Taxation.*

⁽¹⁾ Represents voter-approved, unlimited-tax general obligations of the District.

F. Constraints on Fund Balances

Constraints on fund balances reported on the balance sheet are as follows:

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
Fund balances:				
Nonspendable - inventory	\$ -	\$ 17,615	\$ -	\$ 17,615
Restricted for:				
Debt service	-	-	260,359	260,359
Energy efficient improvements	-	253,052	-	253,052
Student activities	-	547,491	-	547,491
School nutrition programs	-	478,696	-	478,696
Grant programs	-	4,496	-	4,496
Assigned to:				
Bus replacement	-	33,963	-	33,963
Textbooks	-	27,101	-	27,101
Track and turf replacement	-	118,954	-	118,954
Athletics	-	31,208	-	31,208
PERS reserve	-	1,150,000	-	1,150,000
Academic achievement support	-	18,660	-	18,660
Technology purchases	-	109,635	-	109,635
Classroom furniture	-	-	-	-
Capital additions	-	336,723	-	336,723
Unassigned	5,263,313	-	-	5,263,313
 Total fund balances	 \$ 5,263,313	 \$ 3,127,594	 \$ 260,359	 \$ 8,651,266

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

III. OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. In addition, the District maintains an Insurance Fund for the payment of future unemployment claims. No liability for unpaid unemployment claims has been recorded, as management is unable to reasonably estimate the amount or timing of future claims.

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.

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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

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.

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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.

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.

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Employer contribution rates during the period were based on the December 31, 2015 actuarial valuation, which became effective July 1, 2017. 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, 2018 were \$5,960,905.

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/2017-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, 2017, through June 30, 2019, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (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.

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Actuarial Methods and Assumptions:

Valuation Date	December 31, 2015
Measurement Date	June 30, 2017
Experience Study	2014, published September 2015
<i>Actuarial Assumptions:</i>	
Actuarial Cost Method	Entry age normal
Inflation Rate	2.50 percent
Long-term Expected Rate of Return	7.50 percent
Discount Rate	7.50 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	<p>Health retirees and beneficiaries: RP-2000 sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation.</p> <p>Active members: Mortality rates are a percentage of health retiree rates that vary by group, as described in the valuation.</p> <p>Disabled retirees: Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 sex distinct, generational per scale BB, disabled mortality table.</p>

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 2014 Experience Study, which reviewed experience for the four-year period ended December 31, 2014.

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Discount Rate

The discount rate used to measure the total pension liability was 7.50. 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.

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption.

These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. For more information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means, see PERS' audited financial statements at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2017-CAFR.pdf>.

Assumed Asset Allocation

<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%

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

At June 30, 2018, the District reported a liability of \$35,578,592 for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2017 the District's proportion was 0.26393540%.

For the year ended June 30, 2018, the District recognized pension expense of \$7,087,186. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,720,596	\$ -
Changes of assumptions	6,485,343	-
Net difference between project and actual earnings on investments	366,543	-
Changes in proportionate share	-	3,399,177
Differences between employer contributions and employer's proportionate share of system contributions	1,583,376	142,976
Total (prior to post-MD contributions)	10,155,858	3,542,153
Contributions subsequent to the MD	4,445,268	-
Total	\$ 14,601,126	\$ 3,542,153

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, 2018.

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Other amounts reported by the District as deferred outflows or inflows of resources related to pension will be recognized in pension expense in subsequent years as follows:

Year ended June 30:	Deferred Outflow/(Inflow) of Resources (prior to post- measurement date contributions)
2019	\$ 1,106,205
2020	3,941,469
2021	2,493,553
2022	(985,174)
2023	57,651

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a higher discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate.

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

1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
\$ 60,632,416	\$ 35,578,592	\$ 14,628,955

Changes in Assumptions

The Board reviews the discount rate in odd-numbered years as part of the Board's adoption of actuarial methods and assumptions. That rate is then adopted in an administrative rule at the time the Board sets the new rate. On July 28, 2017, the PERS Board adopted a 7.20% assumed rate. The rule specifies that the adopted assumed rate will be effective for PERS transactions with an effective date of January 1, 2018, consistent with this Board's policy decision from 2013 that the assumed rate will be effective January 1 following the Board's adoption of the rate. A January 1 effective date also provides equitable treatment to all members who retires in a year that a change is adopted, no matter which month they retire. The adopted assumed rate will be aligned with the new actuarial equivalency factors (AEFs), which will allow for a clear effective date for all transactions that involve calculations using both the rate and AEF components.

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C. Other Post-Employment Benefits (GASB 75) RHIA - Oregon PERS Plan

1. Oregon Public Employees Retirement System (PERS) Retirement Health Insurance Account (RHIA) Other Post-Employment Benefit (OPEB) Plan (the Plan)

General Information about the OPEB Plan

Name of OPEB Plan

The Oregon PERS RHIA consists of a single cost-sharing multiple-employer defined benefit OPEB plan.

Description of Benefit Terms

Plan Benefits - PERS RHIA (Chapter 238)

Plan benefits of the System are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A, and the Internal Revenue Code Section 401(a).

OPEB Membership

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

To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (C) enroll in a PERS-sponsored health plan.

As of June 30, 2017, the inactive RHIA plan participants currently receiving benefits totaled 44,769, and there were 61,208 active and 16,369 inactive members who meet the requirements to receive RHIA benefits when they retire.

Basis of Accounting

Contributions for employers are recognized on the accrual basis of accounting. Employer contributions to PERS are calculated based on creditable compensation for active members reported by employers. Employer contributions are accrued when due pursuant to legal requirements.

Consistent with GASB Statement No. 75, paragraph 59(a), employer proportions are determined as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined.

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Contributions

Employer contributions for the year ended June 30, 2018 were \$5,979,757.

OPEB RHIA Plan Comprehensive Annual Financial Report (CAFR)

All assumptions, methods, and plan provisions used in these calculations are described in the Oregon PERS RHIA Cost-Sharing Multiple-Employer OPEB Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the year ended June 30, 2017. That independently audited report was dated April 11, 2018 and can be found at:

https://www.oregon.gov/pers/EMP/Documents/GASB/2018/GASB_75_06.30.2017.pdf

Proportionate Share Allocation Methodology

The basis for the employer’s proportion is determined by comparing the employer’s actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. If the employer did not make contributions during the fiscal year, their proportionate share will be set to zero and the employer will be allocated no proportionate share of the OPEB amounts.

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2015
Measurement Date	June 30, 2017
Experience Study	2014, published September 23, 2015
<i>Actuarial Assumptions:</i>	
Actuarial Cost Method	Entry age normal
Inflation Rate	2.50 percent
Long-term Expected Rate of Return	7.50 percent
Discount Rate	7.50 percent
Projected Salary Increases	3.50 percent
Retiree healthcare participation	Healthy retirees: 38%; disabled retirees: 20%

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Mortality	<p>Health retirees and beneficiaries: RP-2000 sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation.</p> <p>Active members: Mortality rates are a percentage of health retiree rates that vary by group, as described in the valuation.</p> <p>Disabled retirees: Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 sex distinct, generational per scale BB, disabled mortality table.</p>
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Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are on the 2014 Experience Study, which reviewed experience for the four-year period ended December 31, 2014.

Discount Rate

The discount rate used to measure the total OPEB liability at June 30, 2017 was 7.50. 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 RHIA plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA was applied to all periods of projected benefit payments to determine the total OPEB liability.

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

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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/2017-CAFR.pdf>.

Depletion Date Projection

GASB 75 generally requires that a blended discount rate be used to measure the Total OPEB Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan’s Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative expenses.

OPEB Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2018, the District reported an asset of \$78,459 for its proportionate share of the OPEB asset. The OPEB asset was measured at June 30, 2017, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of that date.

The District’s proportion of the net OPEB asset was based on a projection of the District’s long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2017 the District’s proportion was 0.18799718%.

For the year ended June 30, 2018, the District recognized OPEB expense of \$610. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between project and actual earnings on investments	\$ -	\$ 36,338
Changes in proportionate share	510	-
Total (prior to post-MD contributions)	510	36,338
Contributions subsequent to the MD	91,542	-
Total	\$ 92,052	\$ 36,338

Differences between expected and actual experience, changes in assumptions, and changes in employer proportion are amortized over the average remaining service lives of all plan participants, including retirees, determined as of the beginning of the respective measurement period.

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Employers are required to recognize OPEB expense based on the balance of the closed period “layers” attributable to each measurement period. The average remaining service life determined as of the beginning of the June 30, 2017 measurement period is 3.7 years.

Amounts reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB asset in the year ended June 30, 2018. Other amounts reported by the District as deferred outflows or inflows of resources related to OPEB will be recognized in OPEB expense in subsequent years as follows:

Year ended June 30:	Deferred Outflow/(Inflow) of Resources (prior to post- measurement date contributions)
2019	\$ (8,895)
2020	(8,895)
2021	(8,952)
2022	(9,084)
2023	-

Sensitivity of the District’s Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate

The following presents the District’s proportionate share of the net OPEB asset calculated using the discount rate of 7.50 percent, as well as what the District’s proportionate share of the net OPEB asset would be if it were calculated using a higher discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate.

District’s proportionate share of the net OPEB (asset) liability:

1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
\$ 10,937	\$ (78,459)	\$ (154,496)

Changes in Assumptions

At its July 28, 2017 meeting, the PERS Board lowered the assumed rate to 7.2 percent. For member transactions, this rate will take effect January 1, 2018. The current assumed rate is 7.5 percent and has been in effect for member transactions since January 1, 2016.

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D. Tax Deferred Annuities

The District provides tax deferred annuity contracts established under Section 403(b) of the Internal Revenue Code. Participation in the program is voluntary. Contributions are made from salary deductions from participating employees within the limits specified in the Code.

1. Early Retirement

Plan Description

In April 2003, an early retirement plan with two arrangements was established for certified employees who were age 55 and had 10 years of District service or 10 years of District service and 30 years of service in Oregon PERS.

To qualify for the first arrangement, an employee had to be eligible to retire on or before June 30, 2003. Beginning with the month of retirement, the District shall pay to the retired employee a monthly stipend equal to 1% of the annual salary on his/her last permanent teacher contract if the employee is under age 55 at retirement, 1.5% if the employee is age 55 to 58 at retirement, or 2% if the employee is aged 58 to 62 at retirement. The stipend is paid to age 62 or the date on which the retired employee qualifies for federal social security benefits. Employees who have accumulated 30 years of PERS membership or choose to retire prior to age 55 will have their 1% stipend increased to 1.5% at age 55 where it will remain at age 62.

The second arrangement requires that the employee be hired on or before December 31, 1982 or eligible to retire on or before June 30, 2005.

Beginning with the month of retirement, the District pays a monthly stipend to the retiree equal to 0.5% of their 2002-2003 second half salary placement amount if the employee is age 55 to 58 at retirement or 1.25% if the employee is age 58 to 62 at retirement. Such stipend shall be paid to age 62 or when eligible for social security benefits, whichever is earlier.

Administrator or confidential employees need to be hired prior to July 2000, be age 55 with 10 years of District service or 10 years of District service with 30 years under PERS. The stipend benefits for this group are the same as the first arrangement, above, for certified employees.

Upon death of the retiree, the stipend will be paid to the retiree's estate for an additional six months.

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A one-time payment of \$500 will be paid to those certified, administrator, confidential, or classified employees who have served the District 20 years, are retiring at age 62 or older, and meet the requirements of the hire date as outlined in the group's supplemental retirement benefits agreements. This benefit is paid to the beneficiaries of those employees currently employed, regardless of length of service.

Contributions and Funding Policy

The benefits from this program are fully paid and, consequently, no contributions by employees are required. There is no obligation to fund these benefits in advance. The only obligation is to make current benefit payments due each fiscal year. Payments are made on a pay-as-you-go basis each year out of the General Fund and Food Service Fund. An estimate of this liability for current retirees is done annually.

There is no separately issued financial report for the plan. The annual expenditures recognized on a budgetary basis for the years ended June 30, 2016, 2017 and 2018 were \$55,036, \$38,346, and \$17,412, respectively.

Funded Status

The District accounts for the early retirement benefits in accordance with GASB Statement No. 27, *Accounting and Financial Reporting by Employers for Pensions*. As of June 30, 2015, the actuarial accrued liability (AAL) for benefits was \$395,145, and the actuarial value of assets was \$0, resulting in an unfunded accrued liability (UAAL) of \$395,145, and a funded ratio of 0%.

Annual Cost and Net Benefit

The District's annual post-employment benefit cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 27. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 3 years. This calculation is a GAAP departure as described in Note I.

The following table shows the components of the District's annual stipend costs for the year, the amount actually contributed to the plan, and changes in the District's early retirement obligation.

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	2018	2017	2016
Employer's normal cost	\$ -	\$ -	\$ -
Interest on net pension obligation	-	-	-
One year's amortization of AAL with interest	95,597	49,584	79,520
Annual Required Contribution (ARC)	95,597	49,584	79,520
Less contributions (amounts paid by the District during year for stipends)	(17,412)	(38,346)	(55,036)
Contribution deficiency (ARC less current year payments)	78,185	11,238	24,484
Net pension obligation (benefit) at beginning of year	(116,004)	(127,242)	(151,726)
Pension obligation (benefit) at end of year	\$ (37,819)	\$ (116,004)	\$ (127,242)

Methods and Assumptions

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer (ARC) are subject to continual revision, as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time, relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The unfunded accrued liability is being amortized over an open three-year amortization period.

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E. Other Post-Employment Benefits

1. Post-Retirement Health Benefits

Plan Description

The District's post-retirement health benefits plan entry qualifications are described in Note III-B.3. There is also a third arrangement for licensed staff that were age 55 by June 30, 2007 with 20 years of continuous District Service.

Arrangement one, including confidential and administrator staff pays full medical, dental, vision and life insurance up to the District cap until age 65. Arrangements two and three pay a monthly \$500 contribution towards the District insurance program until age 65.

Funded Status

The District accounts for the early retirement benefits in accordance with GASB Statement No. 43. As of June 30, 2015, the actuarial accrued liability (AAL) for benefits was \$966,329, and the actuarial value of assets was \$0, resulting in an unfunded accrued liability (UAAL) of \$966,329 and a funded ratio of 0%.

Annual OPEB Cost and Net OPEB Benefit

The District's annual post-employment benefit cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 5 years.

The following table shows the components of the District's annual stipend costs for the year, the amount actually contributed to the plan, and changes in the District's early retirement obligation. This calculation is a GAAP departure as described in Note I.

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

	2018	2017	2016
Annual Required Contribution (ARC)	\$ 54,408	\$ 316,157	\$ 401,256
Interest on net OPEB obligation	(1,632)	(1,916)	(2,809)
Adjustment to ARC for net OPEB obligation	-	-	-
Annual OPEB cost	52,776	314,241	398,447
Less contributions (amounts paid by the District during year for OPEB)	(145,118)	(198,821)	(232,402)
Increase (decrease) in net OPEB obligation	(92,342)	115,420	166,045
OPEB obligation at beginning of year	63,210	(52,210)	(218,255)
OPEB obligation (benefit) at end of year	\$ (29,132)	\$ 63,210	\$ (52,210)

Methods and Assumptions

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer (ARC) are subject to continual revision, as actual results are compared with past expectations and new estimates are made about the future.

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point.

The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

The following simplifying assumptions were made:

Retirement age for active employees – Based on the historical average retirement age for the covered group, active plan members were assumed to retire at age 55, or at the first subsequent year in which the member would qualify for benefits.

Probability of remaining employed from current age until assumed retirement age – Probabilities were adapted from data maintained by the U.S. Office of Personnel Management regarding the experience of the employee group covered by the Federal Employee Retirement System.

Healthcare cost trend rate – The expected rate of increase in healthcare insurance premiums was based on historical trends experienced by the District. A rate of 3% was used.

Health insurance premiums – 2015 health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid.

Inflation rate – The expected long-term inflation assumption of 3% was based on projected changes in the Consumer Price Index.

In addition, the current age actuarial cost method was used and the actuarial value of plan assets is measured at fair value. The unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at June 30, 2015 was five years.

Annual Cost

During the years ended June 30, 2016, 2017, and 2018, the General Fund recognized (assets) liabilities of \$166,045, \$115,420, and \$(92,342), respectively, for post-retirement health benefits. For the years ended June 30, 2016, 2017, and 2018, 58.33%, 63.27%, and 36.37%, respectively, of the annual OPEB costs were contributed by the District.

F. Concentrations

1. Collective Bargaining Agreement

At June 30, 2018, the District had approximately 595 employees who were accounted for under the governmental activities of the District. Of this total, 247 are certified staff represented by a union, 324 are classified staff, 3 are confidential staff, 17 are administrative staff, and 4 are miscellaneous staff covered by respective collective bargaining agreements. The existing agreements expired on June 30, 2018.

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

G. Tax Abatement

Linn County has established an enterprise zone under ORS 285C that abates property taxes on properties within the enterprise zone. As a result, the property taxes that the District will receive for the 2016-2017 levy year has been reduced by \$265,673.

H. New Pronouncements

For the fiscal year ended June 30, 2018, the District implemented the following new accounting standards:

GASB Statement No. 85, *Omnibus 2017* – This statement addresses practice issues identified during implementation of other GASB Statements, including blending component units, goodwill, fair value measurement and application, and postemployment benefits.

GASB Statement No. 86, *Certain Debt Extinguishment Issues* – This statement addresses the accounting and financial reporting for in-substance defeasance of debt where existing resources are placed in an irrevocable trust for the sole purpose of extinguishing debt.

The District 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 following pronouncements:

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. The statement is effective for fiscal years beginning after December 15, 2018.

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 statement is effective for fiscal years beginning after December 15, 2019.

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 is effective for fiscal years beginning after June 15, 2018.

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

I. Restatement

The District's previously issued financial statements were restated as follows:

Government-Wide Statements	Governmental Activities
Net assets - beginning, as originally reported	(20,076,422)
Adjustment for GASB No. 75 implementation	<u>(50,348)</u>
Net assets - beginning, as restated	<u><u>(20,126,770)</u></u>

J. Subsequent Events

Management has evaluated subsequent events through December 28, 2018, which was the date that the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

SCHEDULES OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS

RETIREE STIPENDS

Schedule of Funding Progress

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b)-(a) AAL (UAAL)	(a/b) Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
2009	\$ -	\$ 801,166	\$ 801,166	0.00%	\$ 956,846	83.73%
2012	\$ -	\$ 602,115	\$ 602,115	0.00%	\$ 630,660	95.47%
2015	\$ -	\$ 395,145	\$ 395,145	0.00%	N/A	

Schedule of Employer Contributions

Year Ended June 30,	Annual Required Contribution	Percentage Contributed	Net OPEB Obligation (Asset)
2009	\$ 277,423	170.19%	\$ (194,714)
2010	270,609	105.47%	(14,789)
2011	270,090	67.67%	87,318
2012	203,304	136.81%	(74,843)
2013	201,059	124.39%	(49,042)
2014	199,588	120.33%	(30,688)
2015	206,970	39.59%	125,032
2016	79,520	71.00%	24,484
2017	49,584	77.34%	11,238
2018	95,597	18.21%	78,185
			<u>\$ (37,819)</u>

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

SCHEDULES OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS

OTHER POST-EMPLOYMENT HEALTH BENEFITS

Schedule of Funding Progress

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b)-(a) AAL (UAAL)	(a/b) Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
2009	\$ -	\$ 3,621,627	\$ 3,621,627	0.00%	\$ 1,214,345	298.24%
2012	\$ -	\$ 1,915,432	\$ 1,915,432	0.00%	\$ 870,130	220.13%
2015	\$ -	\$ 966,329	\$ 966,329	0.00%	N/A	

Schedule of Employer Contributions

Year Ended June 30,	Annual Required Contribution	Percentage Contributed	Net OPEB Obligation (Asset)
2009	\$ 784,569	114.30%	\$ (112,159)
2010	780,643	96.52%	27,194
2011	781,595	92.08%	61,939
2012	408,839	157.67%	(235,793)
2013	401,765	120.22%	(81,228)
2014	399,329	97.52%	9,892
2015	397,244	71.83%	111,900
2016	398,447	58.33%	166,045
2017	314,241	63.27%	115,420
2018	52,776	36.37%	(92,342)
			<u>\$ (29,132)</u>

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

SCHEDULES OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY AND DISTRICT CONTRIBUTIONS

OREGON PERS SYSTEM

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability (asset)	0.26393540%	0.27550889%	0.00677444%	0.36335169%
District's proportionate share of the net pension liability (asset)	\$ 35,578,592	\$ 41,360,281	\$ 19,039,703	\$ (8,236,146)
District's covered-employee payroll	\$ 17,590,007	\$ 16,031,072	\$ 16,214,823	\$ 17,185,736
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	202%	258%	117%	-48%
Plan fiduciary net position as a percentage of the total pension liability	83%	81%	92%	104%

Schedule of District Contributions

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 5,979,757	\$ 4,963,690	\$ 4,637,109	\$ 3,344,918
Contributions in relation to the contractually required contribution	<u>(5,979,757)</u>	<u>(4,963,690)</u>	<u>(4,637,109)</u>	<u>(3,344,918)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 19,595,401	\$ 19,237,669	\$ 17,568,345	\$ 17,185,736
Contributions as a percentage of covered-employee payroll	31%	26%	26%	19%

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

SCHEDULES OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
OTHER POST EMPLOYMENT BENEFITS AND DISTRICT CONTRIBUTIONS

OREGON PERS SYSTEM RHIA

Schedule of the District's Proportionate Share of the Other Post Employment Benefits

	<u>2018</u>	<u>2017</u>
District's proportion of the OPEB liability (asset)	0.18799718%	0.18542451%
District's proportionate share of the OPEB liability (asset)	\$ (78,459)	\$ 50,354
District's covered-employee payroll	\$ 17,590,007	\$ 16,031,072
District's proportionate share of the OPEB liability (asset) as a percentage of its covered-employee payroll	-0.45%	0.31%
Plan fiduciary net position as a percentage of the total OPEB liability	108.88%	94.15%

Schedule of District Contributions

	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 91,542	\$ 92,755
Contributions in relation to the contractually required contribution	<u>(91,542)</u>	<u>(92,755)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 19,595,401	\$ 19,237,669
Contributions as a percentage of covered-employee payroll	0.47%	0.48%

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

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

GENERAL FUND

For the Year Ended June 30, 2018

	<u>Original and Final Budget</u>	<u>Variance with Final Budget Over (Under)</u>	<u>Actual GAAP Basis</u>
REVENUES			
Local revenue	\$ 9,320,000	\$ 1,366,066	\$ 10,686,066
Intermediate revenue	175,000	35,894	210,894
State revenue	28,674,000	1,596,316	30,270,316
Federal revenue	<u>215,000</u>	<u>69,926</u>	<u>284,926</u>
Total revenues	<u>38,384,000</u>	<u>3,068,202</u>	<u>41,452,202</u>
EXPENDITURES			
Current			
Instruction	23,917,899	(1,309,136)	22,608,763
Support services	15,790,601	(152,777)	15,637,824
Debt service	500	(500)	-
Contingency	<u>1,085,000</u>	<u>(1,085,000)</u>	<u>-</u>
Total expenditures	<u>40,794,000</u>	<u>(2,547,413)</u>	<u>38,246,587</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,410,000)</u>	<u>5,615,615</u>	<u>3,205,615</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of assets	-	-	-
Transfers in	645,000	(562,343)	82,657
Transfers out	<u>(1,335,000)</u>	<u>-</u>	<u>(1,335,000)</u>
Total other financing sources (uses)	<u>(690,000)</u>	<u>(562,343)</u>	<u>(1,252,343)</u>
Net change in fund balance	(3,100,000)	5,053,272	1,953,272
Fund balance - beginning	<u>3,100,000</u>	<u>210,041</u>	<u>3,310,041</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 5,263,313</u>	<u>\$ 5,263,313</u>

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

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

SPECIAL REVENUE FUND

For the Year Ended June 30, 2018

	<u>Original and Final Budget</u>	<u>Variance with Final Budget Over (Under)</u>	<u>Actual GAAP Basis</u>
REVENUES			
Local revenue	\$ 1,390,524	\$ (68,665)	\$ 1,321,859
Intermediate revenue	250,000	(252,248)	(2,248)
State revenue	123,500	598,998	722,498
Federal revenue	<u>6,196,440</u>	<u>(2,075,059)</u>	<u>4,121,381</u>
Total revenues	<u>7,960,464</u>	<u>(1,796,974)</u>	<u>6,163,490</u>
EXPENDITURES			
Current			
Instruction	5,106,400	(1,674,118)	3,432,282
Support services	3,408,250	(1,371,860)	2,036,390
Community services	2,225,007	(329,364)	1,895,643
Contingency	<u>957,000</u>	<u>(957,000)</u>	<u>-</u>
Total expenditures	<u>11,696,657</u>	<u>(4,332,342)</u>	<u>7,364,315</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,736,193)</u>	<u>2,535,368</u>	<u>(1,200,825)</u>
OTHER FINANCING SOURCES (USES)			
Sale of assets	3,000	9,143	12,143
Transfers in	1,035,000	-	1,035,000
Transfers out	<u>(655,000)</u>	<u>(562,343)</u>	<u>(92,657)</u>
Total other financing sources (uses)	<u>383,000</u>	<u>571,486</u>	<u>954,486</u>
Net change in fund balance	(3,353,193)	3,106,854	(246,339)
Fund balance - beginning	<u>3,353,193</u>	<u>20,740</u>	<u>3,373,933</u>
Fund balance - ending	<u><u>\$ -</u></u>	<u><u>\$ 3,127,594</u></u>	<u><u>\$ 3,127,594</u></u>

OTHER SUPPLEMENTARY INFORMATION
INDIVIDUAL FUND SCHEDULES

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

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

DEBT SERVICE FUND

For the Year Ended June 30, 2018

	<u>Original and Final Budget</u>	<u>Variance with Final Budget Over (Under)</u>	<u>Actual GAAP Basis</u>
REVENUES			
Local revenue	\$ 3,640,582	\$ 139,969	\$ 3,780,551
EXPENDITURES			
Debt service	<u>4,025,582</u>	<u>(91,518)</u>	<u>3,934,064</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(385,000)</u>	<u>231,487</u>	<u>(153,513)</u>
OTHER FINANCING SOURCES (USES)			
Debt subsidy rebate	90,000	788	90,788
Transfers in	<u>135,000</u>	<u>-</u>	<u>135,000</u>
Total other financing sources (uses)	<u>225,000</u>	<u>788</u>	<u>225,788</u>
Net change in fund balance	(160,000)	232,275	72,275
Fund balance - beginning	<u>160,000</u>	<u>28,084</u>	<u>188,084</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 260,359</u>	<u>\$ 260,359</u>

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

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

ENTERPRISE FUND

For the Year Ended June 30, 2018

	<u>Original and Final Budget</u>	<u>Variance with Final Budget Over (Under)</u>	<u>Actual GAAP Basis</u>
REVENUES			
Contributions	\$ 40,000	\$ (40,000)	\$ -
Total revenues			
EXPENDITURES			
Current			
Instruction	<u>200,000</u>	<u>(149,064)</u>	<u>50,936</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(160,000)</u>	<u>109,064</u>	<u>(50,936)</u>
OTHER FINANCING SOURCES (USES)			
Sale of assets	-	1	1
Interfund transfers	<u>80,000</u>	<u>-</u>	<u>80,000</u>
Total other financing sources (uses)	<u>80,000</u>	<u>1</u>	<u>80,001</u>
Net change in fund balance	(80,000)	109,065	29,065
Fund balance - beginning	<u>80,000</u>	<u>(60,415)</u>	<u>19,585</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 48,650</u>	<u>\$ 48,650</u>

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION -
 BUDGET AND ACTUAL

INSURANCE FUND

For the Year Ended June 30, 2018

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual GAAP Basis
REVENUES	\$ -	\$ -	\$ -
EXPENSES			
Current			
Support services	175,000	(153,687)	21,313
Excess (deficiency) of revenues over (under) expenses	(175,000)	153,687	(21,313)
OTHER FINANCING SOURCES (USES)			
Transfers in	95,000	-	95,000
Change in net position	(80,000)	153,687	73,687
Net position - beginning	80,000	(5,493)	74,507
Net position - ending	\$ -	\$ 148,194	\$ 148,194

OTHER FINANCIAL SCHEDULES

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9

Lebanon, Oregon

REVENUE SUMMARY - ALL FUNDS

June 30, 2018

Revenue from Local Sources	Fund 100	Fund 200	Fund 300	Fund 500	Fund 600
1110 Ad Valorem Taxes Levied by District	\$ 9,985,647.35	\$ -	\$ 3,780,557.27	\$ -	\$ -
1190 Penalties and Interest on Taxes	71,869.31	-	-	-	-
1312 Regular Day School Tuition - Other Dist Within State	-	-	-	-	-
1500 Earnings on Investments	267,980.63	7,967.55	-	-	-
1600 Food Service	-	80,542.04	-	-	-
1700 Extracurricular Activities	-	879,682.04	-	-	-
1910 Rentals	7,730.50	-	-	-	-
1920 Contributions and Donations From Private Sources	-	35,984.43	-	-	-
1940 Services Provided Other Local Agencies	119,136.48	-	-	-	-
1960 Recovery of Prior Years' Expenditure	10,140.48	-	-	-	-
1990 Miscellaneous	223,531.04	317,663.93	-	-	-
Total Revenue from Local Sources	\$ 10,686,035.79	\$ 1,321,839.99	\$ 3,780,557.27	\$ -	\$ -
Revenue from Intermediate Sources	Fund 100	Fund 200	Fund 300	Fund 500	Fund 600
2200 Restricted Revenue	\$ 210,893.80	\$ (2,249.20)	\$ -	\$ -	\$ -
Total Revenue from Intermediate Sources	\$ 210,893.80	\$ (2,249.20)	\$ -	\$ -	\$ -
Revenue from State Sources	Fund 100	Fund 200	Fund 300	Fund 500	Fund 600
3101 State School Fund - General Support	\$ 29,662,764.86	\$ -	\$ -	\$ -	\$ -
3103 Common School Fund	410,848.18	-	-	-	-
3104 State Managed County Timber	167,068.26	-	-	-	-
3199 Other Unrestricted Grants-in-Aid	29,635.21	-	-	-	-
3299 Other Restricted Grants-in-Aid	-	722,497.12	-	-	-
Total Revenue from State Sources	\$ 30,270,316.51	\$ 722,497.12	\$ -	\$ -	\$ -
Revenue from Federal Sources	Fund 100	Fund 200	Fund 300	Fund 500	Fund 600
4200 Unrestricted Revenue From the Federal Government through the State	\$ 72,378.79	\$ -	\$ -	\$ -	\$ -
4300 Restricted Revenue From the Federal Government	69,777.37	-	-	-	-
4500 Restricted Revenue From the Federal Government Through the State	-	3,864,670.95	-	-	-
4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies	-	139,783.72	-	-	-
4801 Federal Forest Fees	142,769.62	-	-	-	-
4900 Revenue for/on Behalf of the District	-	116,927.70	-	-	-
Total Revenue from Federal Sources	\$ 284,925.78	\$ 4,121,382.37	\$ -	\$ -	\$ -
Revenue from Other Sources	Fund 100	Fund 200	Fund 300	Fund 500	Fund 600
5100 Long Term Debt Financing Sources	\$ -	\$ -	\$ 90,787.58	\$ -	\$ -
5200 Interfund Transfers	82,657.30	1,035,000.00	135,000.00	80,000.00	95,000.00
5300 Sale of assets	-	12,142.77	-	-	-
5400 Resources - Beginning Fund Balance	3,310,041.46	3,373,928.35	188,083.42	19,584.82	74,507.11
Total Revenue from Other Sources	\$ 3,392,698.76	\$ 4,421,071.12	\$ 413,871.00	\$ 99,584.82	\$ 169,507.11
Grand Totals	\$ 44,844,870.64	\$ 10,584,541.40	\$ 4,194,428.27	\$ 99,584.82	\$ 169,507.11

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9

Lebanon, Oregon

EXPENDITURE SUMMARY - GENERAL FUND

June 30, 2018

Instruction Expenditures

	Totals	Object 100	Object 200
1111 Elementary, K-5 or K-6	\$ 7,299,827.86	\$ 4,434,685.01	\$ 2,693,345.47
1113 Elementary Extracurricular	19,113.50	12,475.00	4,638.50
1121 Middle/Junior High Programs	3,148,758.55	1,938,267.93	1,149,806.36
1122 Middle/Junior High School Extracurricular	24,923.21	18,131.00	6,792.21
1131 High School Programs	4,667,463.46	2,853,549.53	1,605,512.97
1132 High School Extracurricular	77,697.70	53,237.00	20,088.29
1210 Programs for the Talented and Gifted	16,375.22	8,750.00	2,591.86
1220 Restrictive Programs for Students with Disabilities	2,011,844.39	1,101,949.01	902,218.99
1250 Less Restrictive Programs for Students with Disabilities	2,181,672.31	1,265,148.12	909,112.02
1280 Alternative Education	2,757,024.94	427,157.16	192,706.00
1291 English Second Language Programs	278,175.77	167,181.51	107,297.80
1292 Teen Parent Program	57,455.57	38,098.34	9,964.43
1300 Adult/Continuing Education Programs	27,621.97	2,711.87	2,183.10
1400 Summer School Programs	40,791.62	30,000.00	10,689.96
Total Instruction Expenditures	\$ 22,608,746.07	\$ 12,351,341.48	\$ 7,616,947.96

Support Services Expenditures

	Totals	Object 100	Object 200
2110 Attendance and Social Work Services	\$ 197,180.32	\$ 58,632.69	\$ 48,133.28
2120 Guidance Services	999,388.85	632,019.53	363,725.93
2130 Health Services	181,174.55	106,959.48	71,214.59
2140 Psychological Services	35,433.00	-	-
2150 Speech Pathology and Audiology Services	440,022.60	246,576.86	135,627.60
2190 Service Direction, Student Support Services	211,391.38	115,439.12	82,421.60
2210 Improvement of Instruction Services	178,524.69	114,323.21	48,109.30
2220 Educational Media Services	398,594.78	190,248.18	177,564.55
2230 Assessment & Testing	137,915.16	5,261.83	1,705.42
2240 Instructional Staff Development	237,192.62	37,514.73	17,089.17
2310 Board of Education Services	101,593.56	-	-
2320 Executive Administration Services	760,789.39	459,527.67	247,033.35
2410 Office of the Principal Services	3,818,566.62	2,338,289.84	1,352,523.88
2520 Fiscal Services	570,214.55	319,285.16	178,906.29
2540 Operation and Maintenance of Plant Services	4,016,462.32	1,100,045.60	755,142.33
2550 Student Transportation Services	1,698,333.12	812,362.98	562,292.98
2570 Internal Services	18,308.21	12,263.29	4,670.87
2630 Information Services	156,996.64	92,789.82	61,103.75
2640 Staff Services	492,755.09	283,417.32	169,036.55
2660 Technology Services	819,466.39	210,033.15	104,284.78
2680 Interpretation and Translation Services	3,667.35	2,700.00	967.35
2700 Supplemental Retirement Programs	163,839.54	17,412.20	146,427.34
Total Support Services Expenditures	\$ 15,637,810.73	\$ 7,155,102.66	\$ 4,527,980.91

Other Uses Expenditures

	Totals	Object 100	Object 200
5200 Transfers of Funds	\$ 1,335,000.00	\$ -	\$ -
Total Other Uses Expenditures	\$ 1,335,000.00	\$ -	\$ -

Grand Total

\$ 39,581,556.80 \$ 19,506,444.14 \$ 12,144,928.87

Object 300	Object 400	Object 500	Object 600	Object 700
\$ 30,831.50	\$ 140,563.88	\$ -	\$ 402.00	\$ -
-	2,000.00	-	-	-
18,085.36	42,598.90	-	-	-
-	-	-	-	-
99,950.32	94,992.59	-	13,458.05	-
1,961.00	2,411.41	-	-	-
352.00	4,681.36	-	-	-
453.49	7,222.90	-	-	-
1,290.01	6,097.16	-	25.00	-
2,120,933.03	12,706.29	-	3,522.46	-
703.31	2,993.15	-	-	-
9,392.80	-	-	-	-
22,727.00	-	-	-	-
-	101.66	-	-	-
\$ 2,306,679.82	\$ 316,369.30	\$ -	\$ 17,407.51	\$ -

Object 300	Object 400	Object 500	Object 600	Object 700
\$ 80,505.26	\$ 9,712.09	\$ -	\$ 197.00	\$ -
1,360.08	2,283.31	-	-	-
2,311.71	549.27	-	139.50	-
35,433.00	-	-	-	-
56,107.79	1,570.85	-	139.50	-
9,209.73	4,320.93	-	-	-
7,677.81	7,720.37	-	694.00	-
675.26	27,696.79	-	2,410.00	-
24,172.65	103,238.76	-	3,536.50	-
181,562.47	1,026.25	-	-	-
85,485.35	802.71	-	15,305.50	-
14,500.39	33,380.98	-	6,347.00	-
38,512.39	76,988.51	3,330.00	8,922.00	-
31,552.61	8,165.77	-	32,304.72	-
1,298,135.69	511,864.67	141,057.78	210,216.25	-
31,337.40	209,896.26	51,500.00	30,943.50	-
-	1,374.05	-	-	-
2,621.70	481.37	-	-	-
12,813.74	24,063.48	-	3,424.00	-
100,496.05	400,822.25	-	3,830.16	-
-	-	-	-	-
-	-	-	-	-
\$ 2,014,471.08	\$ 1,425,958.67	\$ 195,887.78	\$ 318,409.63	\$ -

Object 300	Object 400	Object 500	Object 600	Object 700
\$ -	\$ -	\$ -	\$ -	\$ 2,180,656.30
\$ -	\$ -	\$ -	\$ -	\$ 2,180,656.30
\$ 4,321,150.90	\$ 1,742,327.97	\$ 195,887.78	\$ 335,817.14	\$ 2,180,656.30

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

EXPENDITURE SUMMARY - SPECIAL REVENUE FUND

June 30, 2018

Instruction Expenditures	Totals	Object 100	Object 200
1111 Elementary, K-5 or K-6	\$ 170,791.39	\$ 9,157.93	\$ 2,035.58
1113 Elementary Extracurricular	105,514.41	-	-
1121 Middle/Junior High Programs	140,916.09	18,642.40	6,373.99
1122 Middle/Junior High School Extracurricular	84,311.51	27,863.84	5,482.40
1131 High School Programs	231,328.72	53,910.11	37,050.95
1132 High School Extracurricular	1,009,437.12	225,440.74	78,031.74
1220 Restrictive Programs for Students with Disabilities	193.36	178.40	14.96
1250 Less Restrictive Programs for Students with Disabilities	608,238.67	357,729.44	240,669.11
1272 Title I	1,007,133.05	599,621.67	370,486.37
1291 English Language Learner	27,481.28	14,127.89	10,442.39
1300 Adult/Continuing Education Programs	46,922.88	29,417.38	17,402.08
Total Instruction Expenditures	\$ 3,432,268.48	\$ 1,336,089.80	\$ 767,989.57
Support Services Expenditures	Totals	Object 100	Object 200
2110 Attendance and Social Work Services	\$ 251,876.62	\$ 149,760.50	\$ 90,637.31
2120 Guidance Services	68,674.25	43,511.14	24,638.11
2130 Health Services	3,500.80	2,546.58	954.22
2150 Speech Pathology and Audiology Services	13,040.18	(1,738.43)	256.85
2160 Other Student Treatment Services	36,750.00	-	-
2190 Service Direction, Student Support Services	327,473.85	204,801.75	122,077.10
2210 Improvement of Instruction Services	139,672.20	89,389.59	29,963.48
2220 Educational Media Services	300.00	-	-
2240 Instructional Staff Development	159,290.96	17,554.99	2,554.18
2410 Office of the Principal Services	593.50	-	-
2540 Operation and Maintenance of Plant Services	93,321.60	-	-
2550 Student Transportation Services	456,123.40	-	-
2570 Internal Services	9,431.01	-	-
2620 Planning, Research, Development, Evaluation Services, Grant Writing, and Statistical Services	17,261.14	10,458.24	6,555.19
2660 Technology Services	400,241.29	-	-
2680 Interpretation and Translation Services	58,829.64	33,962.26	24,867.38
Total Support Services Expenditures	\$ 2,036,380.44	\$ 550,246.62	\$ 302,503.82
Enterprise and Community Services Expenditures	Totals	Object 100	Object 200
3100 Food Services	\$ 1,869,706.33	\$ 574,257.51	\$ 476,962.77
3300 Community Services	25,939.35	2,739.97	969.00
Total Enterprise and Community Services Expenditures	\$ 1,895,645.68	\$ 576,997.48	\$ 477,931.77
Other Uses Expenditures	Totals	Object 100	Object 200
5200 Transfers of Funds	\$ 92,657.30	\$ -	\$ -
Total Other Uses Expenditures	\$ 92,657.30	\$ -	\$ -
Grand Total	\$ 7,456,951.90	\$ 2,463,333.90	\$ 1,548,425.16

Object 300	Object 400	Object 500	Object 600	Object 700
\$ 735.24	\$ 158,862.64	\$ -	\$ -	\$ -
24,435.89	79,465.28	-	1,613.24	-
58,677.82	57,221.88	-	-	-
13,343.73	37,152.90	-	468.64	-
16,553.11	110,245.31	12,887.18	682.06	-
280,887.11	366,171.38	-	58,906.15	-
-	-	-	-	-
6,741.37	3,098.75	-	-	-
1,015.86	36,009.15	-	-	-
-	2,911.00	-	-	-
-	103.42	-	-	-
\$ 402,390.13	\$ 851,241.71	\$ 12,887.18	\$ 61,670.09	\$ -

Object 300	Object 400	Object 500	Object 600	Object 700
\$ 150.80	\$ 11,158.01	\$ -	\$ 170.00	\$ -
525.00	-	-	-	-
-	-	-	-	-
14,521.76	-	-	-	-
36,750.00	-	-	-	-
-	-	-	595.00	-
18,940.45	1,378.68	-	-	-
-	300.00	-	-	-
139,106.79	75.00	-	-	-
200.00	393.50	-	-	-
35,468.22	42,415.97	14,182.47	1,254.94	-
1,823.40	-	454,300.00	-	-
-	9,431.01	-	-	-
-	247.71	-	-	-
274,295.91	720.00	125,225.38	-	-
-	-	-	-	-
\$ 521,782.33	\$ 66,119.88	\$ 593,707.85	\$ 2,019.94	\$ -

Object 300	Object 400	Object 500	Object 600	Object 700
\$ 11,455.42	\$ 770,786.88	\$ 27,050.75	\$ 9,193.00	\$ -
8,847.56	13,382.82	-	-	-
\$ 20,302.98	\$ 784,169.70	\$ 27,050.75	\$ 9,193.00	\$ -

Object 300	Object 400	Object 500	Object 600	Object 700
\$ -	\$ -	\$ -	\$ -	\$ 92,657.30
\$ -	\$ -	\$ -	\$ -	\$ 92,657.30
\$ 944,475.44	\$ 1,701,531.29	\$ 633,645.78	\$ 72,883.03	\$ 92,657.30

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

EXPENDITURE SUMMARY - DEBT SERVICE FUND

June 30, 2018

Other Uses Expenditures

5100 Debt Service

	Totals	Object 600
	\$ 3,934,063.22	\$ 3,934,063.22
Total Other Uses Expenditures	\$ 3,934,063.22	\$ 3,934,063.22
Grand Total	\$ 3,934,063.22	\$ 3,934,063.22

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

EXPENDITURE SUMMARY - ENTERPRISE FUND

June 30, 2018

Instruction Expenditures	Totals	Object 300	Object 400	Object 600
1131 High School Programs	\$ 50,935.05	\$ 19,154.45	\$ 26,817.67	\$ 4,962.93
Total Support Services Expenditures	\$ 50,935.05	\$ 19,154.45	\$ 26,817.67	\$ 4,962.93
Grand Total	\$ 50,935.05	\$ 19,154.45	\$ 26,817.67	\$ 4,962.93

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

EXPENDITURE SUMMARY - INTERNAL SERVICE FUND

June 30, 2018

Support Services Expenditures

2320 Executive Administration Services

	Totals	Object 300
	\$ 21,312.81	\$ 21,312.81
Total Support Services Expenditures	\$ 21,312.81	\$ 21,312.81
Grand Total	\$ 21,312.81	\$ 21,312.81

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN ACTIVITY BALANCES -
 BY SCHOOL

STUDENT ACTIVITIES (A division of the special revenue fund)

For the Year Ended June 30, 2018

	July 1, 2017 <u>Balances</u>	<u>Receipts</u>	<u>Disbursements</u>	June 30, 2018 <u>Balances</u>
Lebanon High School	\$ 382,139	\$ 625,151	\$ 576,949	\$ 430,341
Seven Oaks Middle School	23,327	36,744	34,858	25,213
Elementary Schools:				
Cascade	18,120	24,873	20,313	22,680
Green Acres	15,967	8,684	8,164	16,487
Hamilton Creek	15,016	12,145	14,643	12,518
Lacomb	17,434	20,867	20,291	18,010
Pioneer	14,519	28,935	27,626	15,828
Riverview	<u>7,610</u>	<u>6,069</u>	<u>7,266</u>	<u>6,413</u>
Totals	<u>\$ 494,132</u>	<u>\$ 763,468</u>	<u>\$ 710,110</u>	<u>\$ 547,490</u>

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

SCHEDULE OF FUTURE REQUIREMENTS FOR THE RETIREMENT OF
BONDED DEBT

For the Year Ended June 30, 2018

Fiscal Year	TOTAL ALL REQUIREMENTS			GENERAL OBLIGATION BONDS 2005 Refunding		
	Total	Principal	Interest	Total	Principal	Interest
2019	\$ 3,893,983	\$ 1,920,000	\$ 1,973,983	\$ 1,629,288	\$ 735,000	\$ 894,288
2020	3,990,201	2,090,000	1,900,201	1,662,538	805,000	857,538
2021	4,090,702	2,295,000	1,795,702	1,872,288	1,055,000	817,288
2022	4,189,838	2,495,000	1,694,838	1,936,900	1,175,000	761,900
2023	4,292,152	2,725,000	1,567,152	1,920,213	1,220,000	700,213
2024	4,397,801	2,970,000	1,427,801	636,163	-	636,163
2025	4,504,352	3,215,000	1,289,352	796,163	160,000	636,163
2026	6,461,070	5,365,000	1,096,070	2,263,963	1,635,000	628,963
2027	4,631,756	3,755,000	876,756	2,543,125	2,000,000	543,125
2028	4,745,588	4,060,000	685,588	2,693,125	2,260,000	433,125
2029	4,865,788	4,390,000	475,788	2,923,825	2,615,000	308,825
2030	4,987,650	4,740,000	247,650	3,165,000	3,000,000	165,000
TOTALS	\$ 55,050,881	\$ 40,020,000	\$ 15,030,881	\$ 24,042,591	\$ 16,660,000	\$ 7,382,591

(Continued)

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

SCHEDULE OF FUTURE REQUIREMENTS FOR THE RETIREMENT OF
BONDED DEBT

For the Year Ended June 30, 2018

(Continued)

Fiscal Year	GENERAL OBLIGATION BONDS			QUALIFIED SCHOOL CONSTRUCTION BONDS		
	2011 Refunding			Series 2011		
	Total	Principal	Interest	Total	Principal	Interest
2019	\$ 2,167,481	\$ 1,185,000	\$ 982,481	\$ 97,214	\$ -	\$ 97,214
2020	2,230,450	1,285,000	945,450	97,213	-	97,213
2021	2,121,200	1,240,000	881,200	97,214	-	97,214
2022	2,155,725	1,320,000	835,725	97,213	-	97,213
2023	2,274,725	1,505,000	769,725	97,214	-	97,214
2024	3,664,425	2,970,000	694,425	97,213	-	97,213
2025	3,610,975	3,055,000	555,975	97,214	-	97,214
2026	2,253,500	1,835,000	418,500	1,943,607	1,895,000	48,607
2027	2,088,631	1,755,000	333,631	-	-	-
2028	2,052,463	1,800,000	252,463	-	-	-
2029	1,941,963	1,775,000	166,963	-	-	-
2030	1,822,650	1,740,000	82,650	-	-	-
TOTALS	<u>\$ 28,384,188</u>	<u>\$ 21,465,000</u>	<u>\$ 6,919,188</u>	<u>\$ 2,624,102</u>	<u>\$ 1,895,000</u>	<u>\$ 729,102</u>

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



Accuity, LLC
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS**

Board of Directors
Lebanon Community School District No. 9
Lebanon, Oregon 97355

We have audited the basic financial statements of Lebanon Community School District No. 9 as of and for the year ended June 30, 2018, and have issued our report thereon dated December 28, 2018. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

Compliance

As part of obtaining reasonable assurance about whether Lebanon Community School District No. 9'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:

Deposit of public funds with financial institutions (ORS Chapter 295)

Indebtedness limitations, restrictions, and repayment

Budgets legally required (ORS Chapter 294)

Insurance and fidelity bonds in force or required by law

Programs funded from outside sources

Authorized investment of surplus funds (ORS Chapter 294)

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

State school fund factors and calculation

In connection with our testing, nothing came to our attention that caused us to believe the District was not in substantial compliance with certain provisions of laws, 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 District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses, as defined above. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

This report is intended solely for the information and use of the board of directors and management of Lebanon Community School District No. 9 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 28, 2018

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

SUPPLEMENTAL INFORMATION REQUIRED BY OREGON DEPARTMENT OF EDUCATION

For the Year Ended June 30, 2018

Part A is needed for computing Oregon's full allocation for ESEA, Title I, and other Federal Funds for Education.

- A. **Energy Bill for Heating - All Funds:**
 Please enter your expenditures for electricity and heating fuel for these Functions and Objects.

	Objects 325 and 326
Function 2540	\$ 656,469
Function 2550	\$ -

- B. **Replacement of Equipment - General Fund:**
 Include all General Fund expenditures in object 542, except for the following exclusions:

\$ -

Exclude these functions:

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

SINGLE AUDIT SECTION

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2018

Federal Grantor, Pass through Grantor, Program Title	Pass-through Entity ID	CFDA	Expenditures
<u>U.S. Department of Education</u>			
Passed through Oregon State Department of Education			
Title I, Part A Cluster			
Title I Grants to Local Educational Agencies	2101	84.010	\$ 1,182,272
Special Education Cluster			
IDEA Special Education Grants To States	2101	84.027	876,895
IDEA Part B - Section 619	2101	84.173	<u>11,194</u>
Total Special Education Cluster			888,089
English Language Acquisition Grants	2101	84.365	774
Title IIA Improving Teaching Quality State Grants	2101	84.367	<u>169,457</u>
Total Passed through Oregon State Department of Education			<u>2,240,592</u>
Passed through Linn-Benton Community College			
Career and Technical Education Basic Grants	N/A	84.048	<u>50,593</u>
Passed through University of California			
Title IIA Improving Teaching Quality State Grants	N/A	84.367	<u>3,000</u>
Passed through Oregon State University			
Gaining Early Awareness and Readiness for Undergraduates	N/A	84.334	<u>48,756</u>
Passed through Oregon Research Institute			
Positive Family Support Project	N/A	84.324	<u>2,706</u>
Passed through State of Oregon Department of Health Services			
Youth Transition Program (YTP)	N/A	84.126	<u>37,064</u>
Total U.S. Department of Education			<u>2,382,711</u>
<u>U.S. Department of Defense</u>			
Passed through University of Oregon			
JROTC Program	N/A	12.000	<u>69,777</u>

(Continued)

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2018

(Continued)

Federal Grantor, Pass through Grantor, Program Title	Pass-through Entity ID	CFDA	Expenditures
<u>Department of Health and Human Services</u>			
Passed through Oregon State Department of Education			
Foster Care Title IV-E	2101.000	93.658	<u>1,137</u>
<u>U.S. Department of Agriculture</u>			
Passed through Oregon State Department of Education			
Child Nutrition Cluster			
Food Distribution/USDA Commodities	2101	10.559	\$ 528
Food Distribution/USDA Commodities	2101	10.555	116,400
School Breakfast Program	2101	10.553	578,486
National School Lunch Program	2101	10.555	923,865
Summer Food Service Program	2101	10.559	<u>42,703</u>
Total Child Nutrition Cluster			<u>1,661,982</u>
State Administrative Expenses for Child Nutrition	2101	10.560	895
Child Nutrition Discretionary Grants	2101	10.579	20,833
Fresh Fruit and Vegetable Program	2101	10.582	32,418
Child and Adult Care Food Program	2101	10.558	16,021
Child Care - Cash for Commodities	2101	10.558	<u>1,153</u>
Total Passed through Oregon Department of Education			<u>1,733,302</u>
Passed through Linn County			
Federal Forest Fees	N/A	10.666	<u>142,770</u>
Total U.S. Department of Agriculture			<u>1,876,072</u>
Total federal expenditures			<u>\$ 4,329,697</u>

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2018

I. PURPOSE OF SCHEDULE

The accompanying schedule of expenditures of federal awards (the "schedule") includes the federal award activity of Lebanon Community School District No. 9's under programs of the federal government for the year ended June 30, 2018. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Lebanon Community School District No. 9, it is not intended to and does not present the financial position, changes in net position, or cash flows of Lebanon Community School District No. 9.

II. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Lebanon Community School District No. 9 has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

B. Federal Financial Assistance

Pursuant to the Uniform Guidance, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance, or direct appropriations. Accordingly, non-monetary federal assistance, including federal surplus property, is included in federal financial assistance and, therefore, is reported on the schedule of expenditures of federal awards, if applicable. Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts between the state and federal government for which the federal government procures tangible goods or services are not considered to be federal financial assistance.

C. Major Programs

The Uniform Guidance establishes criteria to be used in defining major federal financial assistance programs. Major programs for the District are those programs selected for testing by the auditor using a risk assessment model, as well as certain minimum expenditure requirements, as outlined in the Uniform Guidance.

D. Reporting Entity

The reporting entity is fully described in the notes to the District's basic financial statements. Additionally, the schedule of expenditures of federal awards includes all federal programs administered by the District for the year ended June 30, 2018.

E. Revenue and Expenditure Recognition

The receipt and expenditure of federal awards are accounted for under the modified accrual basis of accounting.



Accuity, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Lebanon Community School District No. 9
Lebanon, Oregon 97355

We have audited the basic financial statements of Lebanon Community School District No. 9 as of and for the year ended June 30, 2018, and have issued our report thereon dated December 28, 2018. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our report includes a reference to other auditors who audited the financial statements of Sand Ridge Charter School. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of Sand Ridge Charter School were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Sand Ridge Charter School.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting (internal control) in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lebanon Community School District No. 9's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in blue ink that reads "Accuity, LLC". The signature is stylized and cursive.

Accuity, LLC

Albany, Oregon
December 28, 2018



Accuity, LLC
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY *THE UNIFORM GUIDANCE***

Board of Directors
Lebanon Community School District No. 9
Lebanon, Oregon 97355

Report on Compliance for Each Major Federal Program

We have audited Lebanon Community School District No. 9 compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2018. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Lebanon Community School District No. 9 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of Lebanon Community School District No. 9 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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



Accuity, LLC

Albany, Oregon
December 28, 2018

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2018

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's opinion issued:	Unmodified
Internal control over financial reporting:	
• Material weaknesses identified?	No
• Significant deficiencies identified not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weaknesses identified?	No
• Significant deficiencies identified not considered to be material weaknesses?	No
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>	
82.027/84.173	Special Education Cluster	
Dollar threshold used to distinguish between Type A and type B programs:		\$750,000
Auditee qualified as low-risk auditee?		Yes

BOARD MEMORANDUM



To: Board of Directors

From: Jennifer Meckley, Director of Human Resources

Date: February 1, 2019

Meeting Date: February 14, 2019

Re: Division 22

Our district is in compliance with all requirements set forth in OAR 581-022 Division 22 - Standards for Public Elementary and Secondary Schools with exception to 581-022-2305, 581-022-2045 , and 581-022-2050.

581-022-2305 Operating Policies and Procedures : *By **February 1** of each year, school district superintendents are required by OAR 581-022-2305 Operating Policies and Procedures to report to their communities the district's standing with respect to all of the Standards for Public Elementary and Secondary Schools as set out in Oregon Administrative Rules Chapter 581, Division 22 OAR 581-022-2305 Operating Policies and Procedures. This report was completed on January 31, 2019, but not reviewed by the school board until the February 14, 2019 meeting. The report is due to the state by **February 15** of each year. The report will be submitted on time.*

581-022-2045: Prevention Education Programs in Drug and Alcohol : There have been some updates to this OAR that will require us explore our current programs and practices. We will meet with health teachers and administrators to determine next steps.

581-022-2050: Human Sexuality: There have been some updates to this OAR that will require us explore our current programs and practices. We will meet with health teachers and administrators to determine next steps.

Attachment

Oregon

Division 22 Assurances Form

Due February 15, 2019

Please Note: To fulfill Division 22 Assurance requirements, all districts need to:

1. Upload a copy of their Local Board Minutes to the appropriate folder in the Document Upload feature (top left of Indistar dashboard)
2. Complete this form
3. Submit completed Division 22 Assurances form by clicking the SUBMIT button located under Submissions (bottom of page on the Indistar dashboard).

Submissions are due by February 15, 2019

Please contact the ODE Helpdesk, with any questions or concerns.

Phone: 1-503-947-5772 **Email:** ODEHelpdesk@state.or.us ([https://mail.google.com/mail/?view=cm&fs=1&tf=1&to=ODEHelpdesk@state.or.us&su=Division 22 Assistance Needed](https://mail.google.com/mail/?view=cm&fs=1&tf=1&to=ODEHelpdesk@state.or.us&su=Division%20Assistance%20Needed))

In February 2019, districts are expected to report on all Division 22 Oregon Administrative Rules compliance status for 2017-2018. This would be an update on the data provided last year which was for only part of 2017-18. The State Board of Education determined that districts should report on a full year of compliance with Division 22 standards rather than a partial year giving districts additional time to resolve any areas of need. Please carefully review each OAR as you complete this form.

The following information is required for the person completing this form:

Name:	Jennifer Meckley
Title:	Director of Human Resources and Community Relations
Email:	jennifer.meckley@lebanon.k12.or.us
Phone:	541-451-8511

REPORT TO THE COMMUNITY

581-022-2305 Operating Policies and Procedures

In October 2017, the State Board of Education revised the district reporting requirements for Division 22 compliance. The following questions are in regards to your district's compliance to the revised rule.

By **February 1** of each year, school district superintendents are required by **OAR 581-022-2305 Operating Policies and Procedures** to report to their communities the district's standing with respect to all of the Standards for Public Elementary and Secondary Schools as set out in **Oregon Administrative Rules Chapter 581, Division 22 OAR 581-022-2305 Operating Policies and Procedures** (click [here](#) to review policy).

(<https://secure.sos.state.or.us/oard/viewSingleRule.action?ruleVrsnRsn=237662>)The district report to the community was provided by February 1.

Yes No

Your district board acknowledged receipt of this report on:	2/14/2019
--	-----------

Your district report on compliance with the state standards was posted on:	
The report was provided on:	2/14/2019

Upload Required:

Please check to verify your district has uploaded the appropriate documentation.

- A copy of Local Board minutes or other documentation has been uploaded to the 'Local Board Minutes' folder on our district's Indistar dashboard.

Describe the process your district used to determine whether the district is or is not in compliance with the Division 22 Oregon Administrative Rules.

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The Division 22 Assurances were completed through collaboration with district personnel (Superintendent, Assistant Superintendent, Federal Programs Director, Human Resources, and Special Education). Supporting materials are filed in Human Resources office.

Compliance Review:

On the checklist below, please indicate whether your district is or is not in compliance with each of the requirements of Oregon's administrative rules found in DIVISION 22 - STANDARDS FOR PUBLIC ELEMENTARY AND SECONDARY SCHOOLS.

For each rule marked not in compliance, enter a plan for coming into compliance in the box provided beside the rule title.

Click [here](https://secure.sos.state.or.us/oard/displayChapterRules.action?selectedChapter=137) to review all Division 22 rules. (https://secure.sos.state.or.us/oard/displayChapterRules.action?selectedChapter=137)

Oregon Administrative Rule	Yes, in Compliance	No, not in Compliance	Compliance Plan
581-022-0102 Definitions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
581-022-2000 Diploma Requirements	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
581-022-2005 Veterans Diploma	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NA

581-022-2010 Modified Diploma	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
581-022-2015 Extended Diploma	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
581-022-2020 Alternative Certificate	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
581-022-2025 Credit Options	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
581-022-2030 District Curriculum	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
581-022-2045 Prevention Education Programs in Drugs and Alcohol	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There are some updates to this OAR that will require us to explore our current programs and possibly update them. We will meet with health teachers and administrators to determine next steps.
581-022-2050 Human Sexuality Education	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There are some updates to this OAR that will require us to explore our current programs and possibly update them. We will meet with health teachers and administrators to determine next steps.
581-022-2055 Career Education	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
581-022-2060 Comprehensive School Counseling	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
581-022-2100 Administration of State Assessments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
581-022-2110 Exception of Students with Disabilities from State Assessment Testing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
581-022-2115 Assessment of Essential Skills	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
581-022-2120 Essential Skills for English Language Learners	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
581-022-2130 Kindergarten Assessment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
581-022-2205 Policies on Reporting of Child Abuse	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
581-022-2210 Anabolic Steroids and Performance Enhancing Substances	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
581-022-2215 Safety of School sports -- Concussions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
581-022-2220 Health Services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

581-022-2223 Healthy and Safe Schools Plan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
581-022-2225 Emergency Plans and Safety Programs	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
581-022-2230 Asbestos Management Plans	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
581-022-2250 District Improvement Plan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
581-022-2255 School and District Performance Report Criteria	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
581-022-2260 Records and Reports	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
581-022-2265 Report on PE Data	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
581-022-2270 Individual Student Assessment, Recordkeeping, Grading, and Reporting	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
581-022-2300 Standardization	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
581-022-2305 Operating Policies and Procedures	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The Division 22 Assurances were presented to the School Board on February 17, 2019.
581-022-2310 Equal Educational Opportunities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
581-022-2315 Special Education for Children with Disabilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
581-022-2320 Required Instructional Time	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
581-022-2325 Identification of Academically Talented and Intellectually Gifted Students	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
581-022-2330 Rights of Parents of Talented and Gifted Students	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
581-022-2335 Daily Class Size	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
581-022-2340 Media Programs	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
581-022-2345 Auxiliary Services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

581-022-2350 Independent Adoptions of Instructional Materials	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
581-022-2355 Instructional Materials Adoption	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
581-022-2360 Postponements of Purchase of State-Adopted Instructional Materials	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
581-022-2370 Complaint Procedures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
581-022-2400 Personnel	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
581-022-2405 Personnel Policies	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
581-022-2410 Teacher and Administrator Evaluation and Support	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
581-022-2415 Core Teaching Standards	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
581-022-2420 Educational Leadership - Administrator Standards	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
581-022-2430 Fingerprinting of Subject Individuals in Positions Not Requiring Licensure as Teachers, Administrators, Personnel Specialists, School Nurses	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
581-022-2440 Teacher Training Related to Dyslexia	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
581-022-2445 Universal Screenings for Risk Factors of Dyslexia	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
581-022-2500 Programs and Services for Talented and Gifted Students	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
581-022-2505 Alternative Education Programs	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

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581-022-2045

Prevention Education in Drugs and Alcohol

(1) Each school district shall develop a comprehensive plan for alcohol and drug abuse prevention program which shall include, but not limited to:

(a) Instruction in the effects of tobacco, alcohol, drugs, including anabolic steroids, performance-enhancing and controlled substances as an integral part of the district's K–12 comprehensive health education program. In addition, at least annually, all high school students, grades 9–12 shall receive age-appropriate instruction about drug and alcohol prevention

(A) The age-appropriate curriculum for this instruction shall:

(i) Emphasize prevention strategies;

(ii) Be reviewed and updated annually to reflect current research; and

(iii) Be consistent with State Board adopted Health Education Academic Content Standards.

(B) Basic information shall include:

(i) The effects of alcohol, tobacco and other drug use, including anabolic steroids, performance-enhancing and controlled substances

(ii) All laws relating to the use, especially by minors, of alcohol and other illegal drugs; and

(iii) The availability of school and community resources.

(C) The instructional program shall include activities which will assist students in developing and reinforcing skills to:

(i) Understand and manage peer pressure;

(ii) Understand the consequences of consuming alcohol and other drugs;

(iii) Make informed and responsible decisions; and

(iv) Motivate students to adopt positive attitudes towards health and wellness.

(b) A public information program for students, parents, and district staff; and

(c) Policies, rules, and procedures which:

(A) Include a philosophy statement relating to drug-free schools and the established tobacco-free policies and procedures for students, staff and visitors.

(B) Define the nature and extent of the district's program, including a plan to access and use federal funds;

(C) State that alcohol, tobacco, and other drug use by student is illegal and harmful;

(D) In accordance with OAR 581-021-0050 and 581-021-0055, indicate the consequences for using and/or selling alcohol and other drugs, including the specific rule of the school as it relates to law enforcement agencies;

(E) Describe the district's intervention and referral procedures, including those for drug-related medical emergencies;

(F) Indicate clearly that the school district's jurisdiction includes all school sponsored events including student activities; and

(G) Are reviewed and updated annually.

(2) The district's drug and alcohol prevention and intervention program shall be approved by the school district board after consultation from parents, teachers, school administrators, local community agencies, and persons from the health or alcohol and drug service community who are knowledgeable of the latest research information.

(3) Staff development in the district shall:

(a) Inform all staff of the district plan and their responsibilities within that plan; and

(b) Provide alcohol and drug abuse prevention education to all staff.

581-022-2050

Human Sexuality Education

(1) The following definitions apply to Oregon Administrative Rule 581-022-2050:

(a) "Age-appropriate" means curricula designed to teach concepts, information, and skills based on the social, cognitive, emotional, experience and developmental level of students;

(b) "Balanced" means instruction that provides information with the understanding of, and strength of the preponderance of evidence;

(c) "Best practice" means a practice/curriculum that is based in proven theory and practices, and has some evidence of effectiveness, but has not specifically gone through a randomized controlled trial that is needed to become an evidence-based practice;

(d) "Comprehensive plan of instruction" (as defined by Oregon education statutes) means k–12 programs that emphasize abstinence, but not to the exclusion of condom and contraceptive skills-based education. The human sexuality information provided is complete, balanced, and medically accurate. Opportunities are provided for young people to develop and understand their values, attitudes, beliefs and decisions about sexuality as a means of helping young people exercise responsibility regarding sexual relationships and sexual health decisions as further defined by subsections (2) and (3);

(e) "Consensual" means the presence of a "yes" when "no" is a viable option;

(f) "Culturally inclusive" means using materials and instruction strategies that respond to culturally diverse individuals, families, and communities in a respectful and effective manner;

- (g) "Gender expression" means how people express their gender based on mannerisms, dress, etc. A person's gender expression/presentation may not always match their gender identity;
- (h) "Gender identity" means a person's internal sense of being male, female or some other gender, regardless of whether the individual's appearance, expression or behavior differs from that traditionally associated with the individual's sex assigned at birth;
- (i) "Gender role" means the socially determined sets of behaviors assigned to people based on their biological sex;
- (j) "Gender sensitive" means using materials and instruction strategies that are sensitive to individual's similarities and differences regarding gender role, gender identity and/or sexual orientation;
- (k) "Healthy relationship" means one in which both people feel a healthy sense of "self". Each person feels comfortable and safe when spending time with the other person. Two individuals try to meet each other's needs, and each can ask for help and support, within and outside of the relationship without fear of criticism or harm;
- (l) "Medically accurate" means information that is established through the use of the 'scientific method.' Results can be measured, quantified, and replicated to confirm accuracy, and are reported or recognized in peer-reviewed journals or other authoritative publications;
- (m) "Non-consensual sexual behavior" means any sexual act that is inflicted upon a person who is unable to grant consent or that is unwanted and compelled through the use of physical force, manipulation, threats, or intimidation;
- (n) "Research-based" means intervention is based on theoretical approaches that have been shown through scientific evaluation to be effective in achieving the intended outcomes. Evaluation based on studies using scientifically based designs; results published in recognized, peer-reviewed journals;
- (o) "Sexual intercourse" means a type of sexual contact or activity involving one of the following:
- (A) Vaginal sex;
 - (B) Oral sex; or
 - (C) Anal sex;
- (p) "Sexual orientation" means an individual's actual or perceived heterosexuality, homosexuality, bisexuality or other romantic and/or sexual attraction;
- (q) "Shame or fear based" means terminology, activities, scenarios, context, language, and/or visual illustrations that are used to devalue, ignore, and/or disgrace students who have had or are having sexual relationships. Not all curricula or activities that describe risks of sexual activities can be considered "fear-based;"
- (r) "Skills-based" means instructional strategy that has students practice the desired skill; and
- (s) "Student bystander behavior" means behaviors in which students who witness or learn about a peer's harmful behaviors or attitudes intervene when it is safe to do so.

(2) Each school district shall provide an age-appropriate, comprehensive plan of instruction focusing on human sexuality education, HIV/AIDS and sexually transmitted infections and disease prevention in elementary and secondary schools as an integral part of health education and other subjects. Course material and instruction for all human sexuality education courses that discuss human sexuality in public elementary and secondary schools shall enhance students' understanding of sexuality as a normal and healthy aspect of human development. As part of the comprehensive plan of human sexuality instruction, each school district board shall adopt a child sexual abuse prevention instructional program for students in kindergarten through grade 12 as defined in subsection (9). In addition, the HIV/AIDS and sexually transmitted infections and disease prevention education and the human sexuality education comprehensive plan shall provide adequate instruction at least annually, for all students' grades 6-8 and at least twice during grades 9-12.

(3) Parents, teachers, school administrators, local health department staff, other community representatives, and persons from the medical community who are knowledgeable of the latest scientific information and effective education strategies shall develop the plan of instruction required by this rule, and in alignment with the Oregon Health Education Standards and Benchmarks, cooperatively.

(4) Local school boards shall approve the plan of instruction and require that it be reviewed and updated biennially in accordance with new scientific information and effective education strategies.

(5) Any parent may request that his/her child be excused from that portion of the instructional program required by this rule under the procedures set forth in ORS 336.035(2).

(6) The comprehensive plan of instruction shall include information that:

(a) Promotes abstinence for school-age youth and mutually monogamous relationships with an uninfected partner for adults as the safest and mostly responsible sexual behavior to reduce the risk of unintended pregnancy and exposure to HIV, Hepatitis B/C and other sexually transmitted infectious diseases;

(b) Allays those fears concerning HIV that are scientifically groundless;

(c) Is balanced and medically accurate;

(d) Provides balanced, accurate information, and skills-based instruction on the risks and benefits of contraceptives, condoms and other disease reduction measures which reduce the risk of unintended pregnancy, exposure to HIV, hepatitis B/C and other sexually transmitted infections and diseases;

(e) Discusses responsible sexual behaviors and hygienic practices which may reduce or eliminate unintended pregnancy, exposure to HIV, hepatitis B/C and other sexually transmitted infections and diseases;

(f) Stresses the risks of contracting HIV, hepatitis B and C and other infectious diseases through sharing of needles or syringes for injecting illegal drugs and controlled substances;

(g) Discusses the characteristics of the emotional, physical and psychological aspects of a healthy relationship;

(h) Discusses the benefits of delaying pregnancy beyond the adolescent years as a means to better ensure a healthy future for parents and their children. Students shall be provided with statistics based on the latest medical information regarding both the health benefits and the possible side effects of all forms of contraceptives, including the success and failure rates for prevention of pregnancy, sexually transmitted infections and diseases;

- (i) Stresses that HIV/STDs and hepatitis B/C can be possible hazards of sexual contact;
 - (j) Provides students with information about Oregon laws that address young people's rights and responsibilities relating to childbearing and parenting, and prevention of the spread of STDs, STIs, including testing for STDs, STIs, HIV and pregnancy;
 - (k) Advises pupils of the circumstances in which it is unlawful under ORS 163.435 and 163.445 for persons 18 years of age or older to have sexual relations with persons younger than 18 years of age to whom they are not married;
 - (l) Encourages positive family communication and involvement and helps students learn to make responsible, respectful and healthy decisions;
 - (m) Teaches that no form of sexual expression, or behavior is acceptable when it physically or emotionally harms oneself or others and that it is wrong to take advantage of or exploit another person;
 - (n) Teaches that consent is an essential component of healthy sexual behavior. Course material shall promote positive attitudes and behaviors related to healthy relationships and sexuality, and encourage active student bystander behavior;
 - (o) Teaches students how to identify and respond to attitudes and behaviors which contribute to sexual violence;
 - (p) Validates through course material and instruction the importance of honesty with oneself and others, respect for each person's dignity and well-being, and responsibility for one's actions;
 - (q) Uses inclusive materials, language, and strategies that recognizes different sexual orientations, gender identities and gender expression;
 - (r) Includes information about relevant community resources, how to access these resources, and the laws that protect the rights of minors to anonymously access these resources; and
 - (s) Is culturally inclusive.
- (7) The comprehensive plan of instruction shall emphasize skills-based instruction that:
- (a) Assists students to develop and practice effective communication skills, the development of self-esteem and the ability to resist peer and partner pressure;
 - (b) Provides students with the opportunity to learn about and personalize peer, media, technology and community influences that both positively and negatively impact their attitudes and decisions related to healthy sexuality, relationships, and sexual behaviors, including decisions to abstain from sexual intercourse;
 - (c) Enhances students' ability to access valid health information and resources related to their sexual health;
 - (d) Teaches how to develop and communicate relational, sexual and reproductive boundaries;
 - (e) Is research-based, evidence-based and/or best practice; and
 - (f) Aligns with the Oregon Health Education Content Standards and Benchmarks.

(8) All human sexuality education programs shall emphasize that abstinence from sexual intercourse, when practiced consistently and correctly, is the only method that is 100 percent effective against unintended pregnancy, HIV infection (when transmitted sexually), hepatitis B/C infection, and other sexually transmitted infections and diseases. Abstinence is to be stressed, but not to the exclusion of contraceptives and condoms for preventing unintended pregnancy, HIV infection, sexually transmitted infections and diseases, and hepatitis B/C. Such courses are to acknowledge the value of abstinence while not devaluing, ignoring or stigmatizing those students who have had or are having sexual relationships. Further, sexuality education materials, instructional strategies, and activities must not, in any way, use shame or fear based tactics.

(9) As part of the comprehensive plan of human sexuality instruction, each school district shall provide child sexual abuse prevention instruction from kindergarten through grade 12. School Districts must provide a minimum of four instructional sessions per year. One instructional session is equal to one standard class period.

(10) Materials and information shall be presented in a manner sensitive to the fact that there are students who have experienced, perpetrated, or witnessed sexual abuse and relationship violence.



Racial Equity Group (REG) Update and Vision

February 14, 2019



Educational Equity

Defining Equity:

- *Educational equity is based on the principles of fairness and justice in allocating resources, opportunity, treatment and creating a successful path to graduation for each student.*
- *Educational equity furthers the real possibility of equality of educational results for diverse groups of students and students of color. Equity strategies are intentional, individually based, systemic and focused on the core of the teaching and learning process. (As stated in our District Equity Policy)*

Providing ALL students with the supports they need to be successful in school and reach “excellence”, as it aligns with our district wide vision- “Pursuing excellence for EVERY student, every day.”

REG Introduces Educational Equity

What is REG (Racial Equity Group)?

- *REG is a group of teachers, counselors, school social workers, administrators and classified staff who are committed to improving school climate and education outcomes through an equity lens. REG has existed formally for the last two years, though has built upon ongoing momentum and involvement in equity issues within the district, including student voice, parent engagement, student discipline, and professional development. REG members collaborate willingly and seek growth to systematically reduce barriers for students and families of color.*
- *Our vision is to provide leadership for LCSD by empowering staff, students and parents to acknowledge and address systemic racial inequity in our community. REG members collaborate willingly and seek growth to systematically reduce barriers for students and families of color.*
- Select REG members constructed an Educational Equity Policy to support our school's vision to pursue excellence for every student every day. Policy was presented by Amanda Sassaki and Patricia Martinez to the board and it was adopted July 17, 2018.

Equity Work in our District

Parent Engagement:

- Latino Family outreach group
- REG leadership has hosted numerous Latino Parent Night sessions
- Board adopted Resolution 1617 -3 which documents the Board's support for rights of undocumented students (February 9, 2017)
- The district has developed a Welcome Center to support families and better connect to the community

Student Voice:

- LHS has held a student voice forum with Oregon Student Voice to address areas of need.
- LHS provided listening sessions for teachers and staff to better understand how students are experiencing their education
- REACH: Student initiative to create a culturally diverse and inclusive school climate
- Seven Oak has had student leaders from the high school connect and provide a space for middle school students to be heard
- The district has explored restorative practices and trauma informed practices to identify student barriers and work to keep students engaged in school

Equity Work in our District, co

Equity Data:

- LHS had a Data Equity focus team working on building an Equity Data Toolkit that would be applicable to all schools.
- This toolkit was presented to and adopted by the REG Leadership team in Dec. 2018.
- The purpose of the toolkit is disaggregating data to inform practices and explore areas of focus to close the achievement gap in our district.
- LHS, 7 Oak, Green Acres, Pioneer, and Cascades all have individual plans to begin the implementing the Equity Toolkit this school year.

Professional Development for staff:

- Building level PD occurring at LHS. Plans for Elementary in progress (starting with GAC)
- District supported sending staff to Regional and National Courageous Conversation trainings the last 3 years
- Brought in Dr. Peter Davis for opt -in training on Critical Race Theory

LHS REACH students at Seven



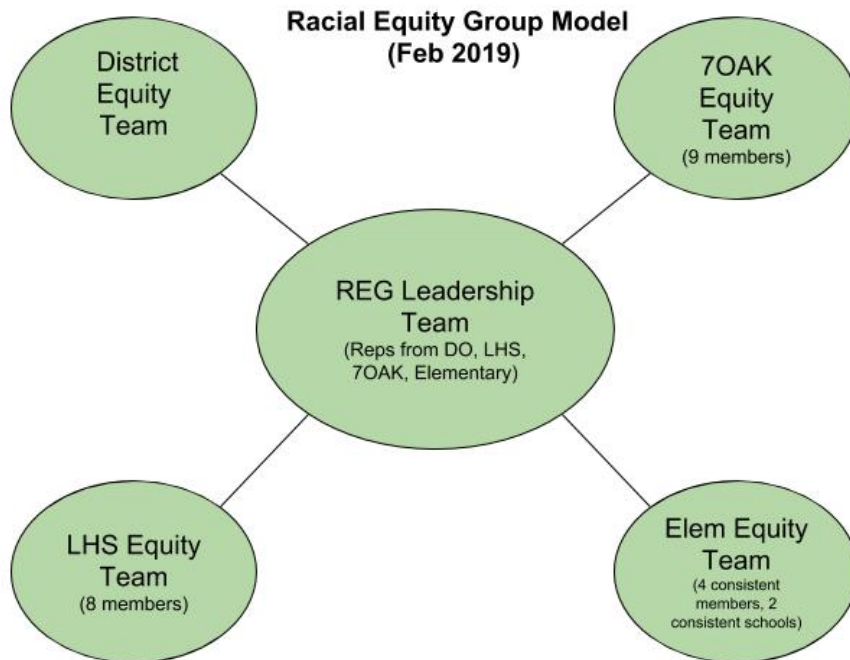
Seven Oak Visits LHS



Latino Parent Night at LHS



Current REG Model



Building Level Equity Teams:

- Any # of participants, including Administrative presence
- Independent structure
- Student Voice
- Building level PD/training
- Building level data review
- School action items based on data reviews

REG Leadership Team:

- Currently has 7 members
- Policies/procedures
- District level PD/training
- District level development of toolkits (data, etc)
- District-wide parent nights

District Equity Team:

- Currently has 3 members
- Review policies and procedures at district level
- Implement Courageous Conversation framework at district level

REG Vision

Equity Data Toolkit

- Year 1 (19/20): Every school building collects and disaggregates data for equity in some capacity
- Year 2 (20/21): Every school building collects and disaggregates data in all 4 areas of the equity toolkit
- Year 3 (21/22): Every school building collects, disaggregates, and analyzes data in all 4 areas of the equity toolkit, looking for actionable areas of improvement in gap areas

Professional Development

- We are in the process of developing a 3 -year plan for Professional Development

REG Model Expansion

- Model developed to include independent REG teams at each school doing racial equity work in each school
- Building capacity for staff members to have multiple points of entry for racial equity work, whatever their capacity

Racial Equity Group

Update and Vision

UPDATES

Leadership REG

- District wide PD
 - Building capacity for current and potential REG members (Critical Race Theory, Courageous Conversations, book studies)
 - Foundational training for all staff from equity lens (AVID CRT, PBIS, RTI Restorative Practices)
- Adoption and implementation of Equity Data Toolkit

LHS REG

- Building PD: Microaggressions, Discipline, and future Critical Race Theory trainings
- Facilitation of Courageous Conversations in between staff and in the classroom
- Representation and voice in equity matters: curriculum adoption, superintendent search, employability scores
- Equity Data Toolkit focus team
- Student Voice focus team

7OAK REG

- Implementation of Courageous Conversation equity framework and building capacity for courageous conversations as a school.
- Disaggregating data to review and assess areas that reflect achievement gaps (grades)
- Building capacity through additional book studies
- Reviewing Equity Data Toolkit

Elementary REG (Consistent representation from Green Acres and Pioneer, who each have their own REG teams)

- PD for elementary schools (piloted by GAC)
- Utilizing Equity Data Toolkit to disaggregate behavior data
- Assembling a resource pool for Elementary REG teams

District REG

- Review existing policies, programs, professional development and procedures for the promotion of educational equity. (Hiring practices, budget, curriculum, ELL)
- Implementation of Courageous Conversation equity framework and building capacity for courageous conversations at building level

VISION

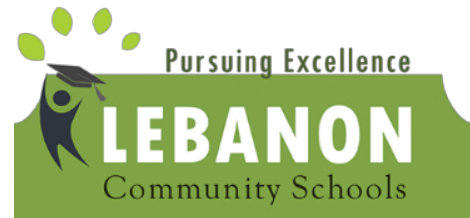
Equity Data Toolkit

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Professional Development

- We are in the process of developing a 3-year plan for Professional Development

BOARD MEMORANDUM



To: Board of Directors

From: Rachel Cannon, Director of Alternative Education

Date: 2/7/2019

Meeting Date: 2/14/019

Re: Alternative Education Update

Background

This is an update for the current alternative education programs in the district.

Recommendation

None; this is an informational item only.

Attachment

Alternative Education Update
2/14/2019

Social Emotional Learning Program Update:

- 1 full time Special Education teacher
- Differentiated Instruction increased
- PBIS structure
- 2 students transitioned successfully back into general education setting

Tutoring Update:

- PE added to middle school tutoring group
- Jackson Street Boys Council and Girls Circle
- Added BSP to allow more time for 1:1 students
- Focus on plans after GED

Teen Center Update:

- Additional Trauma Training through Linn County Mental Health
- Pizza Fridays with school counselor and social worker
- Partnership with Pipeline
- Hot lunches now provided

Total GED tests passed: 29

Total credits earned first semester: 87.50 credits

CASCADES

SEMESTER 1 1819

Row Labels	Count of Number Involved
Defiance of Authority	51
Disorderly/Disruptive - In	35
Disorderly/Disruptive - Out	1
Disrespectful Behavior	11
Harassment: Bullying	3
Harassment: Sexual	1
Harassment: Sexual Orientation	1
Inappropriate Behavior	4
Inappropriate Language	6
Minor: Allegation Hrsmt-VrbAst	1
Minor: Defiance/Disrespect	82
Minor: Disrespect	9
Minor: Disruption	40
Minor: Phys Contact/Aggression	35
Minor: Property Misuse	2
Other Action	3
Physical Aggression:Assault	46
Physical Aggression:Fighting	12
Property Damage	4
Safety Violation	1
Technology Violation	5
Theft	6
Threats/Menacing	1
Truancy (ODE Reported)	1
Weapons: Knife	1
Weapons: Other	1
Grand Total	363

SEMESTER 1 1718

Row Labels	Count of Number Involved
Bus Misconduct	1
Defiance of Authority	5
Disorderly/Disruptive - In	17
Disrespectful Behavior	9
Harassment: Bullying	9
Harassment: Sexual	1
Harassment: Sexual Orientation	1
Inappropriate Behavior	7
Inappropriate Language	19
Insubordination	51
Lying/Forgery	1
Minor: Allegation Hrsmt-Bully	4
Minor: Allegation Hrsmt-Sex	1
Minor: Allegation Hrsmt-VrbAst	5
Minor: Defiance/Disrespect	154
Minor: Disruption	38
Minor: Phys Contact/Aggression	62
Minor: Property Misuse	11
Other Action	5
Physical Aggression:Assault	34
Physical Aggression:Fighting	50
Property Damage	1
Technology Violation	1
Theft	4
Threats/Menacing	6
Truancy (ODE Reported)	3
Vandalism	1
Grand Total	501

Green Acres

SEMESTER 1 1819

Row Labels	Count of Number Involved
Cheating/Plagiarism	8
Defiance of Authority	168
Disorderly/Disruptive - In	128
Disorderly/Disruptive - Out	3
Disrespectful Behavior	59
Harassment: Bullying	9
Harassment: Verbal Assault	1
Inappropriate Behavior	108
Inappropriate Language	37
Lying/Forgery	1
Minor: Allegation Hrsmt-Bully	1
Minor: Defiance/Disrespect	319
Minor: Disruption	204
Minor: Dress Code Violation	1
Minor: Phys Contact/Aggression	81
Minor: Property Misuse	18
Minor: Safety Violation	3
Minor: Technology Violation	3
Minor: Unexcused Abs/Skip	6
Physical Aggression:Assault	176
Physical Aggression:Fighting	5
Property Damage	10
Safety Violation	5
Technology Violation	2
Theft	4
Threats/Menacing	14
Truancy (ODE Reported)	17
Unexcused Absences/Skip	1
Vandalism	1
Weapons: Other	4
Grand Total	1398

SEMESTER 1 1718

Row Labels	Count of Number Involved
Arson	1
Defiance of Authority	168
Disorderly/Disruptive - In	54
Disrespectful Behavior	83
Harassment: Bullying	31
Harassment: Disability	1
Harassment: Sexual	1
Harassment: Verbal Assault	2
Inappropriate Behavior	123
Inappropriate Language	52
Insubordination	106
Internet Misuse	3
Lying/Forgery	15
Minor: Allegation Hrsmt-Bully	1
Minor: Allegation Hrsmt-VrbAst	1
Minor: Defiance/Disrespect	140
Minor: Disruption	119
Minor: Dress Code Violation	1
Minor: Phys Contact/Aggression	161
Minor: Property Misuse	14
Minor: Safety Violation	1
Minor: Technology Violation	4
Minor: Unexcused Abs/Skip	4
Physical Aggression:Assault	123
Physical Aggression:Fighting	8
Property Damage	5
Safety Violation	42
Technology Violation	3
Theft	14
Threats/Menacing	19
Truancy (ODE Reported)	18
Vandalism	2
Weapons: Knife	1
Weapons: Other	1
Grand Total	1323

Hamilton Creek

SEMESTER 1 1819

Row Labels	Count of Number Involved
Defiance of Authority	39
Disorderly/Disruptive - In	32
Disorderly/Disruptive - Out	1
Disrespectful Behavior	14
Harassment: Bullying	4
Harassment: Disability	1
Inappropriate Behavior	2
Inappropriate Language	12
Minor: Defiance/Disrespect	93
Minor: Disrespect	7
Minor: Disruption	36
Minor: Phys Contact/Aggression	35
Minor: Property Misuse	5
Minor: Tardy	4
Minor: Technology Violation	1
Minor: Unexcused Abs/Skip	4
Other Action	1
Physical Aggression:Assault	64
Physical Aggression:Fighting	5
Property Damage	5
Recklessly Endangering	1
Safety Violation	4
Technology Violation	2
Theft	2
Threats/Menacing	6
Truancy (ODE Reported)	7
Unexcused Absences/Skip	1
Grand Total	388

SEMESTER 1 1718

Row Labels	Count of Number Involved
Cheating/Plagiarism	2
Defiance of Authority	21
Disorderly/Disruptive - In	22
Disrespectful Behavior	14
Harassment: Sexual	2
Inappropriate Behavior	9
Inappropriate Language	3
Insubordination	5
Lying/Forgery	2
Minor: Defiance/Disrespect	50
Minor: Disruption	15
Minor: Gum Chewing	5
Minor: Phys Contact/Aggression	19
Minor: Property Misuse	9
Minor: Tardy	1
Minor: Technology Violation	2
Physical Aggression:Assault	20
Physical Aggression:Fighting	2
Technology Violation	8
Theft	4
Truancy (ODE Reported)	8
Vandalism	1
Weapons: Knife	2
Weapons: Other Firearms	1
Grand Total	227

Lacomb

SEMESTER 1 1819

Row Labels	Count of Number Involved
Cheating/Plagiarism	2
Defiance of Authority	26
Disorderly/Disruptive - In	10
Disrespectful Behavior	12
Harassment: Bullying	3
Inappropriate Behavior	4
Inappropriate Language	13
Minor: Defiance/Disrespect	70
Minor: Disruption	9
Minor: Phys Contact/Aggression	46
Minor: Property Misuse	15
Other Action	14
Physical Aggression:Assault	42
Physical Aggression:Fighting	15
Property Damage	2
Technology Violation	2
Theft	2
Threats/Menacing	6
Truancy (ODE Reported)	2
Unexcused Absences/Skip	1
Vandalism	2
Grand Total	298

SEMESTER 1 1718

Row Labels	Count of Number Involved
Bus Misconduct	3
Defiance of Authority	16
Disrespectful Behavior	10
Harassment: Bullying	5
Harassment: Sexual	1
Inappropriate Behavior	1
Inappropriate Language	1
Lying/Forgery	10
Minor: Bus Misconduct	2
Minor: Defiance/Disrespect	25
Minor: Disruption	6
Minor: Phys Contact/Aggression	20
Minor: Property Misuse	7
Minor: Technology Violation	1
Other Action	13
Physical Aggression:Assault	13
Physical Aggression:Fighting	7
Safety Violation	1
Theft	2
Truancy (ODE Reported)	2
Weapons: Knife	2
Grand Total	148

Riverview

SEMESTER 1 1819

Row Labels	Count of Number Involved
Defiance of Authority	19
Disrespectful Behavior	5
Harassment: Bullying	1
Inappropriate Language	3
Minor: Defiance/Disrespect	226
Minor: Disrespect	8
Minor: Disruption	48
Minor: Phys Contact/Aggression	116
Minor: Property Misuse	9
Minor: Technology Violation	16
Other Action	1
Physical Aggression:Assault	30
Physical Aggression:Fighting	4
Technology Violation	1
Theft	6
Truancy (ODE Reported)	8
Minor: Bus Misconduct	1
Minor: Safety Violation	1
Minor: Cheating/Plagiarism	1
Grand Total	504

SEMESTER 1 1718

Row Labels	Count of Number Involved
Defiance of Authority	28
Disrespectful Behavior	7
Inappropriate Behavior	3
Inappropriate Language	2
Minor: Defiance/Disrespect	251
Minor: Disruption	3
Minor: Phys Contact/Aggression	140
Minor: Technology Violation	1
Physical Aggression:Assault	42
Physical Aggression:Fighting	8
Technology Violation	1
Theft	1
Truancy (ODE Reported)	21
Harassment: Bullying	2
Bus Misconduct	1
Minor: Allegation Hrsmt-Bully	1
Threats/Menacing	2
Minor: Bus Misconduct	2
Minor: Safety Violation	3
Minor: Cheating/Plagiarism	1
Grand Total	520

Seven Oak

SEMESTER 1 1819

Row Labels	Count of Number Involved
Cheating/Plagiarism	4
Defiance of Authority	135
Disorderly/Disruptive - In	79
Disorderly/Disruptive - Out	1
Disrespectful Behavior	41
Drug Manufacture or Delivery	1
Drug Possession/Use	12
Harassment: Bullying	19
Harassment: Ethnic/Race	1
Harassment: Sexual	11
Harassment: Sexual Orientation	1
Harassment: Verbal Assault	12
Inappropriate Behavior	1
Inappropriate Language	9
Lying/Forgery	7
Minor: Allegation Hrsmt-Bully	1
Minor: Unexcused Abs/Skip	1
Mischief	2
Other Action	3
Physical Aggression:Assault	16
Physical Aggression:Fighting	30
Tardies	9
Technology Violation	2
Theft	3
Threats/Menacing	7
Tobacco Possession/Use	2
Truancy (ODE Reported)	30
Unexcused Absences/Skip	31
Vandalism	2
Weapons: Knife	1
Grand Total	474

SEMESTER 1 1718

Row Labels	Count of Number Involved
Alcohol Possession/Use	2
Cheating/Plagiarism	3
Defiance of Authority	225
Disorderly/Disruptive - In	106
Disrespectful Behavior	41
Drug Possession/Use	4
Harassment: Bullying	49
Harassment: Ethnic/Race	1
Harassment: Sexual	1
Harassment: Sexual Orientation	1
Inappropriate Behavior	5
Inappropriate Language	50
Lying/Forgery	3
Off Campus w/o Permission	4
Other Action	33
Physical Aggression:Assault	15
Physical Aggression:Fighting	63
Property Damage	10
Recklessly Endangering	17
Safety Violation	2
Tardies	8
Technology Violation	10
Theft	8
Threats/Menacing	9
Truancy (ODE Reported)	55
Unexcused Absences/Skip	112
Vandalism	3
Weapons: Other	2
Grand Total	842

LHS

SEMESTER 1 1819

Row Labels	Count of Number Involved
Alcohol Possession/Use	5
Cheating/Plagiarism	3
Defiance of Authority	43
Disorderly/Disruptive - In	21
Disorderly/Disruptive - Out	3
Disrespectful Behavior	31
Drug Possession/Use	17
Harassment: Bullying	5
Harassment: Ethnic/Race	1
Harassment: Sexual	1
Harassment: Sexual Orientation	1
Harassment: Verbal Assault	12
Inappropriate Behavior	1
Inappropriate Language	34
Lying/Forgery	3
Minor: Allegation Hrsmt-VrbAst	1
Minor: Defiance/Disrespect	34
Minor: Disruption	29
Minor: Dress Code Violation	1
Minor: Phys Contact/Aggression	1
Minor: Property Misuse	6
Minor: Technology Violation	2
Minor: Unexcused Abs/Skip	6
Other Action	18
Physical Aggression:Assault	6
Physical Aggression:Fighting	19
Property Damage	2
Safety Violation	2
Tardies	35
Technology Violation	17
Theft	1
Threats/Menacing	5
Tobacco Possession/Use	25
Truancy (ODE Reported)	328
Unexcused Absences/Skip	207
Vandalism	1
Weapons: Knife	2
Weapons: Other	1
Grand Total	930

SEMESTER 1 1718

Row Labels	Count of Number Involved
Alcohol Possession/Use	6
Cheating/Plagiarism	3
Defiance of Authority	209
Disorderly/Disruptive - In	2
Disorderly/Disruptive - Out	3
Disrespectful Behavior	6
Drug Possession/Use	22
Harassment: Bullying	1
Harassment: Ethnic/Race	2
Harassment: Sexual	4
Harassment: Verbal Assault	2
Inappropriate Behavior	3
Inappropriate Language	51
Lying/Forgery	7
Minor: Allegation Hrsmt-Bully	1
Minor: Allegation Hrsmt-VrbAst	4
Minor: Cheating/Plagiarism	4
Minor: Defiance/Disrespect	385
Minor: Disruption	118
Minor: Phys Contact/Aggression	1
Minor: Property Misuse	10
Minor: Technology Violation	7
Other Action	2
Physical Aggression:Assault	1
Physical Aggression:Fighting	13
Property Damage	3
Tardies	381
Technology Violation	8
Theft	1
Tobacco Possession/Use	7
Truancy (ODE Reported)	495
Unexcused Absences/Skip	372
Weapons: Knife	2
Weapons: Look-alikes	1
Grand Total	2137

**LEBANON COMMUNITY SCHOOL DISTRICT
SCHOOL BOARD MEETING
JANUARY 10, 2019, 6:00 PM**

Santiam Travel Station

750 S. Third Street, Lebanon, OR 97355

MEETING MINUTES

The following individuals were present:

Tom Oliver, Chair

Nick Brooks, Vice Chair

Tammy Schilling, Member

Mike Martin, Member

Bo Yates, Interim Superintendent

Jennifer Meckley, Director of Human Resources
and Community Relations

Richard Borden, Member, was absent.

The meeting minutes were recorded by Interim Executive Secretary Ruth Hopkins.

1. WELCOME AND CALL TO ORDER

Chair Tom Oliver called the meeting to order at 6:00 PM.

2. AUDIENCE COMMENTS

No members of the audience requested the opportunity to address the Board.

3. SUPERINTENDENT SALARY RANGE

Hank Harris from HYA provided information for salaries of various superintendent salary ranges for surrounding school districts. Martin looked over the information provided and said there was a lot of inequality, and that it is all over the board in range.

Oliver felt that the Board just needed to establish a competitive range. Based upon the neighboring districts' information, he felt that \$135,000 to \$160,000 would be a good range.

Martin said that the ESD should not be considered as a fair comparison since there was not a high school and it was for school support, not over actual schools. He said the TSA was the bigger issue.

Schilling indicated that we should start where we left off as a salary range, but not go higher. She like the range that Oliver mentioned.

Brooks felt the \$135,000 to \$160,000 range was appropriate as well.

Brooks made a motion to set the salary range offered in the superintendent recruitment to \$135,000 to \$160,000. Schilling seconded the motion. The motion carried by the majority.

4. CONSENT AGENDA

A. December 17, 2018 Minutes

Brooks made a motion to approve the December 17, 2018 minutes as presented. Schilling seconded the motion. The motion carried by the majority.

B. Proposed Budget Calendar

Oliver explained we were pushing the first budget meeting back to February due to the delay in the school budget coming from the state level. Brooks made a motion to approve the Proposed Budget Calendar as presented. Martin seconded the motion. The motion carried by the majority.

C. Approve Hiring

Martin made a motion to approve the hiring of Elizabeth Clause, temporary 3rd grade teacher for the 2018-19 school year, and to approve the leave of absence for David Aro, bus driver, as presented. Brooks seconded the motion. The motion carried by the majority.

5. DEPARTMENT REPORTS

A. Operations

Yates shared pictures of all of the improvements that were happening in the district. The brick house project at the high school, where the district is partnering with WVRC, is being completed by Mark Lofft, a parent in our district. A new roof is currently being added. Tre Kennedy has worked to raise funds for both the softball and baseball fields and the work there is now complete.

For the land lab improvements, there was some lumber that was left behind. Yates said that he is thinking about making a couple of gazebos with the lumber so that students could use them for eating lunch at, class work, and so forth. He is working with David Gillott to figure that out. He is looking at one gazebo up top and one down below. More pictures were displayed showing the improvements. He said that there are 53 acres at the land lab and the majority of that was in timber. His goal was to make it more accessible to kids. The classrooms have been improved there. He said they are adding a 40x20 classroom with open walls, barn doors and overhangs off each edge. He said they are close to making it more usable and accessible for younger kids. There is also another hot house that is going to be added in the spring.

For transportation, the district has purchased a couple of propane busses. He said the district is currently about \$5,000 under in the budget for fuel compared to last year. For food services, we are about \$20,000 over where we were, but we have added a \$10,000 walk-in cooler and we are feeding more kids. For technology, we are close to 1:1 in all buildings with Chromebooks.

Cameras are still being updated, and with them we were able to catch the person responsible for vandalizing Green Acres School. He mentioned we are also looking at building bathrooms by the softball and soccer fields that are self-contained, and we are working with the city to price that out.

Martin asked about a vision for the land lab and how our present program is in alignment with the new construction. He wanted to see how those new buildings align with what we are working towards. Yates said the elementary is working with the secondary to align curriculum as they both work together to get kids out to the land lab.

B. Human Resources

Meckley shared that HR was gearing up for the recruiting season, which starts in early April. The HR team is meeting to look at strategies and processes for recruiting. They are also working on district branding for racial equity. The district is currently a finalist for the OEA School Employee Wellness Grant. We should know by the end of day on Monday if the district is awarded that. The grant would be \$30,000 each year for five years for school employee wellness initiatives. The district partnered with community groups when writing the grant and the committee was impressed with that.

C. Finance

There was nothing to add from the finance department.

6. COMMUNICATION

A. Board

Brooks shared that he had met with the superintendent search consultants. He was impressed with their professionalism, felt that they asked good questions and was looking forward to continuing the process. He felt it was the most important thing that the Board is going to do this year and he encouraged the community to get out there and voice their opinions in the public focus groups and the online survey.

Martin met with them as well. He shared that he felt they were very professional and that they were working to encapsulate all of the data they were gathering and will put it together to make a recommendation. He said he is concerned that we get more input from the community and felt we want as much input as we can get.

Oliver said he would encourage everyone to go out and voice their opinions as well.

B. Superintendent

Yates shared that every one of our elementary schools had a reading support program after school. He said that the high school basketball programs were going over to the middle school to help with academics and hope to use some of them for the summer school program.

Martin said he had discussed with the kindergarten classes where they have an assistant the first 20 days of school. He felt that should be expanded to 30 days. He felt that getting kids started on the right foot was important.

A discussion was held around what we had done within the framework of the budget to support those students. Martin felt that if it was 30 days, then it should be a month and a half. Brooks asked what the process was for that. Yates shared the current process for support in the classroom. Meckley said that we add a temporary classified employee if there are challenges,

and it is based on the need. Brooks suggested that if it was needed, bring it to the Board. That we needed to do it and make it work in the budget.

7. AUDIENCE COMMENTS

No members of the audience requested the opportunity to address the Board.

8. ADJOURNMENT

There being no further business before the Board, the meeting was adjourned at 6:31 PM.

Upcoming Board Meeting Dates:

January 31, 2019 – Special Meeting

February 14, 2019 – Regular and Budget Committee Meeting

February 31, 2019 – Executive Session and Special Meeting

Tom Oliver, Chair

Bo Yates, Interim Superintendent

**LEBANON COMMUNITY SCHOOL DISTRICT
SPECIAL SCHOOL BOARD MEETING
JANUARY 31, 2019, 7:00 PM**

Santiam Travel Station

750 S. Third Street, Lebanon, OR 97355

MEETING MINUTES

The following individuals were present:

Tom Oliver, Chair

Nick Brooks, Vice Chair

Tammy Schilling, Member

Richard Borden, Member

Bo Yates, Interim Superintendent

Jennifer Meckley, Director of Human Resources
and Community Relations

Kim Grousbeck, Director of Classified and
Employee Relations

Mike Martin, Member, was absent

The meeting minutes were recorded by Interim Executive Secretary Ruth Hopkins.

1. WELCOME AND CALL TO ORDER

Chair Tom Oliver called the meeting to order at 7:22 PM.

2. AUDIENCE COMMENTS

Audience members Isabella Ayala and Guneet Aulukh, seniors at Lebanon High School, addressed the Board and presented each board member with a Lebanon Warrior sweatshirt as a thank you on behalf of the district for School Board Appreciation Month.

Audience member Maureen Twomey addressed the Board and presented some of her observations from the work session regarding community involvement and the changes made to the superintendent search timeline.

No other comments were made.

3. SUPERINTENDENT PROFILE PRESENTATION

The superintendent profile that was created by Hank Harris was presented for approval.

Brooks made a motion to approve the profile as amended. Borden seconded the motion. The motion carried by the majority.

4. SUPERINTENDENT SEARCH UPDATE

Oliver shared that the superintendent position has been posted. There is now an approved profile for the selection of potential candidates. Interviews will start in March.

5. CONSENT AGENDA

Borden made a motion to reappoint Terry Deacon and William Barish to another term as budget committee members for the Lebanon School District. Brooks seconded the motion. The motion carried by the majority.

6. AUDIENCE COMMENTS

No members of the audience requested the opportunity to address the Board.

7. ADJOURNMENT

There being no further business before the Board, the meeting was adjourned at 7:30 PM.

Tom Oliver, Board Chair

Bo Yates, Interim Superintendent



The Board of Directors of Lebanon Community Schools seeks an exceptional educational leader who embodies the following:

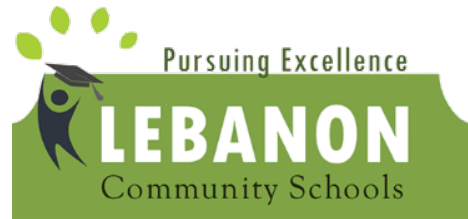
PERSONAL

- A person of ethics, who represents the highest levels of integrity, and who speaks with honesty and transparency and authenticity.
- A leader who is widely seen as fair and equitable in her/his treatment of all individuals; a person who disparages favoritism and nepotism.
- A person who values relationships and builds strong connections with individuals from all spectrums within the community.
- A respectful and thoughtful executive who brings a high level professional conduct to the office of Superintendent.

PROFESSIONAL

- A moral decision-maker who listens, makes use of stakeholder input, and seeks to make the *right* decision – and then has the tenacity and fortitude to hold firm to what is right in the face of pushback.
- A visionary, insightful educator and leader with a perspective of the future of education, skilled in collaborating around and executing a vision and taking Lebanon to new heights of excellence.
- One who holds self and others accountable to establishing a culture of high expectations for all students to succeed.
- An exceedingly capable communicator. Our new superintendent must not only write and speak well, but must listen well too. The leader must do so frequently, in multiple forums, with a commitment to ensuring that staff and families have clarity about district decisions and opportunities for two-way dialogue.
- A leader who possesses a strong track record of success both within a school and a central office. A deep understanding of instructional best practice.
- One who engages and re-engages parents and community members toward fostering a higher level of involvement in District activities and mission.
- An equity-minded leader who understands the needs of underrepresented and/or marginalized populations and builds programs to support the unique needs of such students and their families.
- A collaborator who promotes working across lines and barriers, understanding that there are many different ideas and thoughts on how to solve an issue, and that there are times when the best ideas come from the outside.
- An innovator who is open to new ideas and who will bring best practices from the field of education to our schools in Lebanon.

BOARD MEMORANDUM



To: The Honorable Chair and Members
Lebanon Community School District Board of Directors

From: William H. Lewis III, Business Director

Date: February 08, 2019

Meeting Date: February 14, 2019

Re: Financial Report

Financial Report

The 2018-2019 Financial Board Report included in this packet reflects all revenues and expenditures for 2014-2017, projections for 2017-18, and the budgeted and spent plus encumbered amounts for 2018-2019 as of 2/08/19.

The projected EFB for 2017-2018 is currently approximately \$5.2 mil which is the same as the January report. The March report will reflect the audited information presented tonight.

We will be discussing the district's 2017-18 annual financial report with the districts auditors Accuity, LLC. See attached.

Attachment

2018-2019 All Funds Summary Report

All Funds

Fund	Description	14/15 Actual	15/16 Actual	16/17 Actual	16/17 EFB	17/18 Proj. Actual	17/18 Proj. EFB	18/19 Adopted Budget	2-08-19 Y-T-D	2-08-19 Encumb	2-08-19 Balance
100	General Fund	34,950,241	37,398,917	38,137,559	3,310,041	39,427,300	5,217,618	45,618,000	19,605,254	18,545,754	7,466,992
200	Grant Funds	2,591,884	2,353,551	2,861,683	2,002	2,862,000	2,000	5,200,500	1,661,081	1,573,355	1,966,064
205	Senate Bill 1149	185,000	-	-	170,452	-	255,000	335,000	147,713	-	187,287
212	Academic Achievement	-	-	-	18,650	-	18,650	28,650	-	-	28,650
230	Bus Replacement	100,735	-	633,327	175,006	454,000	34,000	345,000	-	-	345,000
232	Classroom Furniture	50,000	40,792	24,777	9,431	9,431	-	50,000	26,347	-	23,653
240	Textbook Adoption	18,550	759,564	112,367	192,207	215,100	27,000	450,000	2,752	-	447,248
272	Capital Improvments	284,536	156,950	152,300	190,750	115,000	330,000	700,000	38,101	43,903	617,996
274	Technology	124,500	495	397,112	345,261	430,000	200,000	400,000	125,759	67,590	206,651
277	Track and Turf Replacement	100,000	100,000	-	98,954	-	118,000	435,000	139,738	-	295,262
279	Student Activity	590,053	632,780	731,692	494,132	750,000	500,000	1,120,000	427,175	16,106	676,719
286	High School Athletics	445,055	453,152	547,517	72,194	575,000	30,000	638,000	316,811	98,048	223,141
292	CTE Local Fund	-	-	-	-	-	-	-	-	-	-
296	Nutrition Services	1,596,163	1,615,906	1,710,052	454,889	1,720,000	500,000	2,302,594	932,281	711,428	658,885
299	PERS Reserve	-	-	-	1,150,000	-	1,150,000	1,675,000	-	-	1,675,000
300	Debt Service	3,442,481	3,528,481	3,618,481	146,778	3,710,000	200,000	3,796,770	937,607	-	2,859,163
311	2011 Non-Bonded Debt	223,547	223,547	223,547	41,306	223,500	50,000	530,000	97,214	-	432,786
530	Vocational House Fund	-	-	60,415	19,585	65,000	43,000	580,000	68,796	25,081	486,123
601	Unemployment	37,539	10,646	46,123	74,507	50,000	135,000	160,000	13,070	18,592	128,338
	Grand Total	44,740,285	47,274,779	49,256,952	6,966,145	50,606,331	8,810,268	64,364,514	24,539,699	21,099,857	18,724,958
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2018-2019 General Fund Expenditure Report

Obj	Description	14/15 Actual	15/16 Actual	16/17 Actual	17/18 Project	18/19 Budget	2-08-19 YTD	2-08-19 Encumb	2-08-19 Balance
111	Certified salaries	9,311,147	10,161,648	10,831,007	10,876,200	11,797,989	5,168,274	7,107,030	(477,315)
112	Classified salaries	4,164,521	4,545,055	4,757,666	5,009,800	5,639,806	2,643,238	2,892,069	104,499
113	Administrative salaries	1,464,907	1,648,330	1,614,127	1,599,200	1,742,336	885,087	621,249	236,000
114	Managerial - classified	94,714	178,755	187,797	187,800	261,983	159,259	107,858	(5,134)
116	Retirement stipends	76,123	51,134	35,621	17,400	10,709	9,717	10,187	(9,195)
119	Confidential salaries	125,785	84,504	131,698	159,800	166,575	94,218	65,585	6,772
121	Certified subs	373,350	432,293	446,157	448,400	472,543	39,151	-	433,392
122	Classified subs	148,818	155,004	150,074	186,200	172,297	42,240	-	130,057
123	Temp certified	62,030	73,949	133,971	185,300	143,000	68,772	66,410	7,818
124	Temp classified	982	-	-	16,000	16,000	8,432	-	7,568
127	Student helpers salaries	11,768	7,895	6,544	18,200	24,000	2,880	-	21,120
132	Compensation time	23,861	25,767	37,764	70,600	43,350	12,678	-	30,672
133	Extra duty	254,381	324,897	286,017	278,100	426,334	268,110	80,551	77,673
134	Classified extra hrs	142,975	185,048	192,566	186,200	208,000	94,964	-	113,036
135	Vacation Payoff	4,377	6,938	12,246	17,200	16,200	1,719	-	14,481
136	Mentor teacher pay	990	609	-	700	-	-	-	-
137	Personal Leave Payout	75	-	-	-	-	-	-	-
138	Department Head Extra Duty	2,159	1,613	1,556	900	4,000	544	-	3,456
140	Salary Settlements	-	-	-	250,000	-	-	-	-
142	Taxable Meal Reimbursement	436	903	1,503	1,600	1,400	850	-	550
	Total Salaries	16,263,399	17,884,343	18,826,313	19,509,600	21,146,522	9,500,133	10,950,939	695,450
210	PERS	3,976,407	4,187,401	4,442,519	5,330,900	6,202,731	2,519,528	2,887,125	-
220	Social Security	1,207,537	1,328,140	1,385,595	1,428,600	1,584,881	696,801	792,685	-
231	Worker's Comp	136,822	173,370	196,943	239,000	294,128	115,889	107,898	-
241	Employee Ins - Admin	177,948	212,862	208,912	215,200	259,617	133,412	97,309	-
242	Employee Ins - Certified	2,307,416	2,328,554	2,370,817	2,550,200	2,767,204	1,170,544	1,632,135	-
243	Employee Ins - Classified	1,874,827	2,137,321	2,102,847	2,173,500	2,585,539	1,072,152	1,289,510	-
244	Employee Ins - Other	20,700	7,731	27,124	41,200	38,805	21,230	15,257	-
245	Employee Ins - Retired	276,090	228,774	195,821	156,600	125,000	100,016	-	-
247	TSA	42,912	40,991	22,082	21,700	25,200	4,200	3,000	-
	Total Benefits	10,020,660	10,645,144	10,952,659	12,156,900	13,883,105	5,833,772	6,824,919	1,224,414
311	Instructional Services	152,856	157,581	110,051	123,100	164,000	30,876	-	133,124
312	Instr Prog Improve Service	43,468	36,748	39,424	47,000	52,000	33,042	-	18,958
319	Other Instr-Prof-Tech SVCS	21,870	9,745	23,110	18,800	20,000	-	-	20,000
322	Repairs & Maintenance	163,270	168,482	173,295	180,000	157,750	115,478	38,964	3,308
323	Radio Service	-	7,767	38,310	8,400	11,100	7,760	5,012	(1,672)
324	Rentals	135,308	104,777	102,560	110,800	128,725	53,587	2,455	72,683

2018-2019 General Fund Expenditure Report

325	Electricity	467,896	473,758	466,093	465,800	526,600	251,237	409,381	(134,018)
326	Fuel	177,759	187,899	223,740	190,700	234,600	70,345	85,303	78,952
327	Water & Sewer	139,255	121,239	150,725	134,100	161,600	68,809	-	92,791
328	Garbage	86,324	96,811	95,095	88,100	102,400	53,644	-	48,756
329	Other Property Services	13,001	19,246	34,726	12,100	20,000	10,550	-	9,450
330	Reimb. Student Transportation	6,950	-	1,589	2,200	5,200	(40,099)	1,346	43,953
340	Travel	114,592	140,225	178,985	133,400	165,646	55,393	1,459	108,794
343	Travel - Student - Out of Dist.	-	-	2,916	7,600	10,300	450	-	9,850
346	Meals/Transportation	104	48	99	-	200	153	-	47
348	Staff Tuition	49,577	44,768	71,830	87,500	47,000	72,046	-	(25,046)
351	Telephone	82,642	70,529	39,486	49,700	76,200	26,265	33,322	16,613
353	Postage	23,607	21,909	14,712	23,000	27,650	13,065	131	14,454
354	Advertising	4,416	3,551	1,087	1,200	4,300	565	650	3,085
355	Printing & Binding	68,861	48,223	51,996	13,200	31,400	7,836	-	23,564
360	Charter School Payments	2,064,403	1,961,788	1,866,943	1,973,800	2,046,000	1,456,040	-	589,960
371	Tuitions Payments to Other Dist.	40,570	29,701	29,536	-	-	-	-	-
373	Tuition Pay Private School	-	-	-	-	5,000	-	-	5,000
374	Other Tuition	605,954	625,503	162,192	140,000	192,500	83,973	-	108,527
381	Audit Services	27,650	25,150	27,700	20,200	30,000	10,000	-	20,000
382	Legal Services	2,028	5,288	11,261	50,000	35,000	15,513	-	19,487
384	Negotiation Services	5,934	13,784	8,590	6,500	10,000	-	-	10,000
386	Data Processing SVCS	59,787	76,794	75,380	78,900	89,600	36,746	1,660	51,194
388	Election Services	4,565	-	1,573	-	5,000	-	-	5,000
389	Other Non_instr Pro/Tech	515,889	539,114	292,488	337,300	395,600	239,682	20,141	135,777
391	Physical Exams - Drivers	2,380	3,168	4,193	3,800	4,400	2,415	1,935	50
392	Drug Tests Drivers	1,110	635	1,255	1,300	3,000	860	1,140	1,000
393	Child Care Services	22,000	22,000	22,000	9,400	30,000	-	-	30,000
394	Sub calling service	5,559	7,489	6,464	6,800	8,000	14,113	-	(6,113)
395	Classified subs	-	-	-	-	-	85,767	-	-
396	Criminal History checks	2,546	2,928	3,179	4,100	3,200	2,508	-	692
398	Fingerprinting	639	462	266	100	1,000	-	-	1,000
399	Classified subs	-	-	-	-	-	175,310	-	-
	Total P. Services	5,112,768	5,027,111	4,332,849	4,328,900	4,804,971	2,953,207	602,899	1,248,865
406	Gas Oil & Lubricants	152,805	103,868	115,426	165,000	190,500	85,324	101,064	4,112
410	Supplies & Materials	457,671	419,096	486,014	460,000	592,360	379,710	23,333	189,317
413	Vehicle repair parts	50,201	48,980	44,746	50,000	52,800	14,099	19,534	19,167
414	Transportation operations	5,674	6,060	8,776	9,000	6,000	11,986	1,888	(7,874)
420	Textbooks	240,685	131,379	83,687	103,000	182,700	45,786	-	136,914
430	Library Books	9,934	8,588	5,880	5,900	16,694	2,891	-	13,803
440	Periodicals	6,012	1,937	5,354	6,200	6,200	4,170	-	2,030
460	Equipment under 5K	125,632	212,514	184,119	357,800	179,224	93,475	7,635	78,114

2018-2019 General Fund Expenditure Report

470	Computer software	173,513	195,888	181,289	285,500	270,425	82,712	13,422	174,291
480	Computer hardware	255,516	252,444	221,873	136,600	173,364	122,436	97	50,831
	Total Supplies & Materials	1,477,643	1,380,753	1,337,164	1,579,000	1,670,267	842,589	166,973	660,705
540	Equipment	6,779	20,047	65,034	138,100	54,500	20,767	-	33,733
564	Bus Replacement	-	-	-	51,500	-	118,784	-	(118,784)
	Total Capital Outlay	6,779	20,047	65,034	189,600	54,500	139,551	0	(85,051)
621	Regular Interest	-	-	-	-	500	-	-	500
640	Dues & Fees	92,488	67,655	178,632	92,900	174,735	90,719	24	83,992
650	Insurance & Judgments	216,456	218,639	230,250	235,400	262,200	245,279	-	16,921
659	Settlements	-	-	34,000	-	-	-	-	-
670	Taxes & Licenses	49	-	-	-	200	-	-	200
	Total Other Objects	308,993	286,294	442,882	328,300	437,635	335,998	24	101,613
707	Transfer - Vocational House Fund	-	-	-	80,000	40,000	-	-	40,000
710	Transfer - Technology	175,000	200,000	225,000	-	100,000	-	-	100,000
711	Transfer - Classroom Furniture	50,000	50,000	25,000	-	50,000	-	-	50,000
712	Transfer - Textbook Adoption	350,000	350,000	300,000	50,000	400,000	-	-	400,000
713	Transfer - Capital Improvement	225,000	250,000	250,000	250,000	400,000	-	-	400,000
714	Transfer - Track and Turf Fund	110,000	110,000	10,000	10,000	85,000	-	-	85,000
715	Transfer - Athletic Fund	365,000	365,000	405,000	415,000	446,000	-	-	446,000
716	Transfer - Bus Replacement	250,000	250,000	250,000	250,000	300,000	-	-	300,000
717	Transfer - Unemploy Ins	25,000	15,000	25,000	95,000	25,000	-	-	25,000
718	PERS Reserve	150,000	500,000	500,000	-	525,000	-	-	525,000
719	Transfer - Food Service	50,000	65,225	90,656	50,000	100,000	-	-	100,000
730	Transfer - Debt Service	-	-	100,000	135,000	150,000	-	-	150,000
731	Transfer - Academic Achievemer	10,000	-	-	-	-	-	-	-
	Total Transfers	1,760,000	2,155,225	2,180,656	1,335,000	2,621,000	-	-	2,621,000
810	Reserve/Contingency	-	-	-	-	1,000,000	-	-	1,000,000
	Grand Total	34,950,241	37,398,917	38,137,559	39,427,300	45,618,000	19,605,251	18,545,754	7,466,995

2018-2019 General Fund Summary Report

	14/15 Actual	15/16 Actual	16/17 Actual	17/18 Projected	18/19 Budget	2-08-19 YTD & Enc	2-08-19 Balance
General Fund - Revenue							
SSF Formula	34,892,810	36,036,233	37,131,855	39,779,100	39,633,000	28,511,210	11,121,790
SSF Adjustment	81,421	(254,069)	390,697	280,700	-	-	-
Interest	62,596	91,245	156,492	270,000	100,000	87,778	12,222
Third Party Billing	25,179	45,178	102,447	95,000	80,000	42,326	37,674
TMR	154,930	149,514	208,252	210,900	175,000	90,278	84,722
JROTC	64,220	66,034	73,726	69,900	65,000	35,236	29,764
Other	379,017	297,128	299,398	451,500	420,000	146,351	273,649
Interfund Transfer	60,000	60,000	60,000	70,000	70,000	8,029	61,971
BFB	3,162,455	3,932,387	3,024,733	3,310,000	5,075,000	5,148,847	(73,847)
Total	38,882,628	40,423,650	41,447,600	44,537,100	45,618,000	34,070,055	11,547,945
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General Fund - Expenses							
Salaries	16,263,399	17,884,343	18,826,313	19,509,600	21,146,522	20,451,072	695,450
Benefits	10,020,660	10,645,144	10,952,659	12,156,900	13,883,105	12,658,691	1,224,414
P. Services	5,112,768	5,027,111	4,332,849	4,328,900	4,804,971	3,556,106	1,248,865
Supplies	1,477,643	1,380,753	1,337,164	1,579,000	1,670,267	1,009,562	660,705
Capital Outlay	6,779	20,047	65,034	189,600	54,500	139,551	(85,051)
Other Objects	308,993	286,294	442,882	328,300	437,635	336,022	101,613
Transfers	1,760,000	2,155,225	2,180,656	1,335,000	2,621,000	-	2,621,000
Contingency	-	-	-	-	1,000,000	-	1,000,000
Total	34,950,241	37,398,917	38,137,559	39,427,300	45,618,000	38,151,005	7,466,995
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2018-2019 General Fund Revenue Report

		14/15	15/16	16/17	17/18	18/19	2-08-19	2-08-19
		Actual	Actual	Actual	Project	Budget	YTD	Balance
SSF Formula								
1111,	Taxes	8,234,812	8,533,160	9,048,901	9,643,000	10,550,000	9,428,223	1,121,777
4801,4899	Federal Forest Fees	264,679	205,708	23,160	143,000	-	-	-
3103	Common School	409,884	492,013	502,314	410,900	419,000	-	419,000
3104	State Timber	405,152	181,382	137,286	170,000	150,000	85,334	64,666
3101/3199	School Support Fund	25,578,283	26,623,971	27,420,195	29,412,200	28,514,000	18,997,653	9,516,347
Adjustments to SSF Payments								
	Adj for Prior Year payments	48,134	(330,463)	261,223	251,000			-
	Adj for HC Disability Grant	33,286	76,394	129,474	29,700	-	-	-
	Total SSF Formula	34,974,231	35,782,164	37,522,552	40,059,800	39,633,000	28,511,210	11,121,790
								-
1510	Interest on Investments	62,596	91,245	156,492	270,000	100,000	87,778	12,222
1995	Third Party billing - Medicaid	25,179	45,178	102,447	95,000	80,000	42,326	37,674
2210	TMR	154,930	149,514	208,252	210,900	175,000	90,278	84,722
4300	JROTC reimbursement	64,220	66,034	73,726	69,900	65,000	35,236	29,764
Other								
1910	Rental Fees	27,828	10,474	9,114	81,000	10,000	1,090	8,910
1980	Fees Charged to Grants	-	800	-	8,100	30,000	-	30,000
1312, 1960, 1990,								
5300	Miscellaneous	282,468	202,944	213,437	294,400	300,000	145,261	154,739
1994	E-Rate reimbursement	68,721	82,910	76,847	68,000	80,000	-	80,000
5200	Interfund Transfer - Athletics	60,000	60,000	60,000	70,000	70,000	8,029	61,971
5400	Beginning Fund Balance	3,162,455	3,932,387	3,024,733	3,310,000	5,075,000	5,148,847	(73,847)
	Total	38,882,628	40,423,650	41,447,600	44,537,100	45,618,000	34,070,055	11,547,945
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