

Gresham-Barlow



School District

BOARD OF EDUCATION

Regular Board Meeting / Business

AGENDA

January 5, 2017

BOARD OF EDUCATION

January 5, 2017

**Public Safety and Schools Building
1331 NW Eastman Parkway, Gresham, OR**

Work Session – 6:00 p.m.

1. *District Goals – Step 3*
2. *Superintendent Vacancy*

Local Contracts Review Board – 6:45 p.m.

1. *Hearing*

REGULAR BOARD MEETING / BUSINESS – 7:00 p.m.I. CALL TO ORDER AND PLEDGE OF ALLEGIANCEII. ROLL CALL

_____ Carla Piluso, Chair	_____ Kathy Ruthruff, Director
_____ Kris Howatt, Vice-Chair	_____ Kent Zook, Director
_____ Sharon Garner, Director	
_____ John Hartsock, Director	_____ Jim Schlachter, Superintendent
_____ Matt O'Connell, Director	_____ Mike Schofield, Chief Financial Officer

III. COMMUNICATION FROM THE AUDIENCE

Time has been set aside later on the agenda for Citizens' Requests of the Board. If anyone in the audience wishes to address the board this evening, there are yellow "Citizens' Requests of the Board" forms on the table in the back of the room; please complete a form and give it to our board secretary, Ms. Cook.

IV. APPROVE MEETING AGENDAV. CONSENT AGENDA

All items listed below are matters considered by the board to be routine and will be enacted by one motion. There will be no separate discussion of these items unless a member of the board or persons in the audience requests specific items be removed from the consent agenda and placed on the regular agenda.

1. Minutes from Regular Work Session.....December 1, 2016
- Minutes from Regular Business Meeting.....December 1, 2016
2. Financial Report
3. Personnel Changes

VI. RECOGNITIONS

4. Kiki Kjeldsen: 6A First Team All State Soccer Player..... Hiu
5. Jesse Mott: Co-Coach of the Year for 6A Girls Volleyball..... Hiu
6. School Board Recognition Month..... Vadnais

VII. GRESHAM-BARLOW EDUCATION FOUNDATION REPORT

7. Gresham-Barlow Education Foundation (GBEF) Report..... Vadnais

VIII. SUPERINTENDENT'S REPORT

IX. PRESENTATIONS

8. Metro East Web Academy (MEWA) Public Charter School
Annual Report to the Board..... Hiu
9. Electronic Books in the Gresham-Barlow School District -
Grant Summary..... Ketelsen

X. RECESS/RECONVENE (5 Minutes)

XI. COMMITTEE MEETING MINUTES AND/OR REPORTS

This portion of the board meeting agenda has been provided for the presentation of advisory committee minutes. No action or discussion is required by the board; however, there may be occasional reports or discussion regarding work being completed by the committee(s).

10. District Advisory Council (DAC)..... Vadnais
11. Policy Review Committee Minutes of December 13, 2016..... Ketelsen

XII. BOARD REPORTS

XIII. CABINET REPORTS

XIV. ASSOCIATIONS REPORTS

- Gresham-Barlow Education Association (GBEA) (2 Minutes)
- Oregon School Employees Association (OSEA) (2 Minutes)

XV. CITIZENS' REQUESTS OF BOARD (3 Minutes per Guest / 15 Minutes Total)

XVI. RECESS/RECONVENE (5 Minutes)

XVII. ACTION ITEMS

First Reading

- | | |
|---|-----------|
| 12. Resolution 1617-10 Authorizing the Issuance, Sale, and Delivery of General Obligation Bonds (Bond Financing Agreement)..... | Schofield |
| 13. Construction Management/General Contractor (CM/GC) Findings of Fact and Authorization..... | Schofield |
| 14. Design- Build Findings of Fact and Authorization..... | Schofield |
| 15. Architect Selections and Contract Awards..... | Schofield |
| 16. Division 22 Standards Assurance of Compliance..... | Ketelsen |
| 17. Superintendent's Letter of Resignation..... | Piluso |

Second Reading

- | | |
|--|-----------|
| 18. Comprehensive Annual Financial Report..... | Schofield |
| 19. Bid Award: Copier Hardware, Software, and Maintenance..... | Schofield |

XVIII. INFORMATION ITEMS

- | | |
|---|-----------|
| 20. Bond Projects Schedule (Draft)..... | Schofield |
|---|-----------|

XIX. ANNOUNCEMENTS

- Jan. 12, 2017: DAC Meeting - 7 p.m.
 Hall Elementary School
 Board Representatives: Carla Piluso, Kent Zook, John Hartsock
- Jan. 17, 2017: Board Member Education 1 of 2
 Partnership Room
 Center for Advanced Learning
- Jan. 19, 2017: Board Work Session - 6 p.m.
 Partnership Room
 Center for Advanced Learning
- Jan. 31, 2017: Board Member Education 2 of 2
 Partnership Room
 Center for Advanced Learning
- Feb. 2, 2017: Regular Board Work Session - 6 p.m.
 Council Chambers
 Public Safety and Schools Building
- Feb. 2, 2017: Regular Board Business Meeting - 7 p.m.
 Council Chambers
 Public Safety and Schools Building

XX. ADJOURNMENT (Estimated time for adjournment: No later than 9 p.m.)

Note: The board may, by majority vote, take action on items listed under first reading or information.

GRESHAM-BARLOW SCHOOL DISTRICT NO. 10 JT.
Minutes of Regular Board Work Session

December 1, 2016

The Gresham-Barlow School District Board of Education held a regular work session on Thursday, December 1, 2016, in the council chambers conference room of the Public Safety and Schools building, 1331 NW Eastman Parkway, Gresham, Oregon.

The meeting was called to order at 6:07 p.m. by the vice-chair, Kris Howatt. Other board members in attendance were Sharon Garner, Kent Zook, Matt O'Connell, and John Hartsock. Kathy Ruthruff and Carla Piluso were absent. (Note: A quorum was present.)

The following members of the superintendent's cabinet were present:

Jim Schlachter	Superintendent
Teresa Ketelsen	Deputy Superintendent of Teaching and Learning
James Hiu	Deputy Superintendent of Secondary Education and Operations
Mike Schofield	Chief Financial Officer
Julie Evans	Executive Director of Elementary Education
Sara Huston	Executive Director of School Performance
John Koch	Executive Director of Student Support Services
Athena Vadnais	Director of Communications and Community Engagement

Randy Bryant, executive director of human resources, was absent.

Jeremy Wright of Wright Public Affairs was also present.

POST BOND ELECTION DEBRIEF (6:10 p.m.)

Jim Schlachter and Mike Schofield recapped events that led up to the November 2016 bond measure, including community education and engagement. Individuals then completed a worksheet to affirm parts of the process that went well, and suggest considerations that could enhance outreach efforts for future bond measures. Working in groups, participants discussed their suggestions, and then reported to the group as a whole.

Results of the worksheets will be compiled and provided at a future board work session for review.

BOND PLANNING / BOND SCHEDULE UPDATE (6:37 p.m.)

Superintendent Schlachter handed out a reference sheet prepared by Cornerstone Management Group, Inc., dated 11/29/16, and titled, "Roles and Responsibilities, 2016 Capital Improvement Program, Gresham-Barlow School District." It provides an at-a-glance overview of steps to anticipate as the district begins its 2016 capital improvement program. The steps are categorized by groups: Board, Superintendent, Management Team, School Principals, Maintenance/Custodians, and Oversight Committee. (A copy of the handout has been filed with these minutes.)

Mike Schofield provided a brief overview of a schedule for bond expenditures, and the process for selling bonds. He noted that a request for approval of project management is on the business meeting agenda for later this evening, which is one of the first items to be completed now that the bond measure has passed. A draft schedule identifying both large and small projects will be presented at the next board meeting. It will be an aggressive schedule, beginning with both high schools and the two replacement elementary schools [North Gresham and East Gresham], primarily to avoid inflation. Opportunities to start on additional projects are being evaluated and prioritized.

Mr. Schofield explained that the ten-year treasury is key to the sale of bonds, because financing is based on the treasury. Interest rates have recently climbed at a very fast pace, which has been attributed to recent changes in the political climate following the presidential election. It is anticipated that this spike in interest rates is temporary and will possibly level out before the district's bond sale date, which currently is scheduled for February 9, 2017. If rates remain high, however, the issuance of debt and financing options are being considered to lessen the impact. Updates will be provided as more information becomes available.

ADJOURNMENT (6:52 p.m.)

The work session was adjourned at 6:52 p.m. A regular board business meeting followed in the council chambers at 7:00 p.m.

Submitted by: _____
Linda J. Cook
Administrative Assistant to the Superintendent and
Board of Directors

GRESHAM-BARLOW SCHOOL DISTRICT NO. 10 JT.
Minutes of Regular Board Meeting / Business

December 1, 2016

The Gresham-Barlow School District Board of Education met in regular session on Thursday, December 1, 2016, in the council chambers of the Public Safety and Schools building, 1331 NW Eastman Parkway, Gresham, Oregon.

The meeting was called to order at 7:01 p.m. by the vice-chair, Kris Howatt. Other board members in attendance were Sharon Garner, Kent Zook, Matt O'Connell, and John Hartsock. Carla Piluso arrived at 8:07 p.m. Kathy Ruthruff was absent. (A quorum was present.)

The following members of the superintendent's cabinet were present:

Jim Schlachter	Superintendent
James Hiu	Deputy Superintendent of Secondary Education and Operations
Teresa Ketelsen	Deputy Superintendent of Teaching and Learning
Mike Schofield	Chief Financial Officer
Julie Evans	Executive Director of Elementary Education
Sara Huston	Executive Director of School Performance
John Koch	Executive Director of Student Support Services
Athena Vadnais	Director of Communications and Community Engagement

Randy Bryant, executive director of human resources, was absent.

Director Howatt led board members, administrators and all those present in the Pledge of Allegiance.

MOTION 28 MEETING AGENDA (7:02 p.m.)

It was moved by Matt O'Connell, seconded by Kent Zook, and carried 5 to 0 to approve the meeting agenda as presented.

MOTION 29 CONSENT AGENDA (7:02 p.m.)

The following items were included on the consent agenda:

1. Minutes from Regular Work Session.....November 3, 2016
Minutes from Regular Business Meeting.....November 3, 2016
2. Financial Report
3. ~~Personnel Changes~~ (Moved to action items below.)
4. Superintendent's Contract Amendment

Director Hartsock asked to move "Personnel Changes" from the Consent Agenda to the regular meeting agenda.

It was moved by Matt O'Connell, seconded by Kent Zook and carried 5 to 0 to approve the consent agenda as amended.

RECOGNITIONS (7:04 p.m.)

Julie Trisel - Outstanding Early Career Classroom Teacher Award: The board honored Julie Trisel, a Gresham High School science teacher, for receiving the 2016 Outstanding Early Career Classroom Teacher Award from the Oregon Science Teachers Association. The award recognizes and honors a teacher's outstanding work that motivates student achievement and excitement in science.

GRESHAM-BARLOW EDUCATION FOUNDATION REPORT (7:07 p.m.)

Foundation reports are typically presented every-other-month. Accordingly, there was no Foundation report this month.

SUPERINTENDENT'S REPORT (7:07 p.m.)

Superintendent Schlachter reported on the following:

- Sharon Garner and John Hartsock have registered to participate in the Oregon School Boards Association's "Leadership Oregon" training. The program focuses on the responsibilities of being a school board member.
- Official results from the successful November 8, 2016, school bond election have been received. The school bond effort was primarily about engaging the community and relying on volunteers who spread the word about the needs of our schools.
- Mr. Schlachter plans to retire at the end of the school year, after seven years of leading the district as superintendent. The district's future is very bright due to a variety of recent achievements, such as improved educational outcomes for students, the recently-passed school bond, and the ever-growing list of community organizations the district partners with. The retirement announcement is being given at this point in the school year to allow the school board time to determine a plan for identifying the next superintendent.

PRINCIPAL FOR A DAY (7:15 p.m.)

Athena Vadnais and Vicki Moen, executive director of the Gresham-Barlow Education Foundation, reported that the foundation and the district joined together to hold a "Principal for a Day" event on November 3, 2016. They shared highlights of the event via a slide presentation. (A copy of the slide presentation has been filed with these minutes.)

CITIZENS' REQUESTS OF THE BOARD (7:30 p.m.)

Several individuals attended the board meeting on behalf of the Girl Scouts and Boy Scouts. Two representatives from the group were selected to speak:

Vaden Green, a parent, encouraged the school district to allow non-profit youth organizations to send home flyers with students two to three times a year.

Carissa Farley, a high school student, talked about how the Girl Scouts program has positively impacted her life. She encouraged the school district to reconsider its flyer distribution policy so that more information can get into the hands of students.

Some individuals offered written comments supporting the distribution of flyers on behalf of the Girl Scouts, Boy Scouts, and other organizations that provide similar opportunities for students. Their written comments have been filed with these minutes.

In response to these citizens' requests, it was noted that the board's policy committee will review the flyer distribution policy and report back to the board with a recommendation at a future work session.

RECESS/RECONVENE (7:42 p.m.)

The meeting was recessed at 7:42 p.m. and reconvened at 7:54 p.m.

COMMITTEE MEETING MINUTES AND/OR REPORTS (7:54 p.m.)

District Advisory Council (DAC): Athena Vadnais, Kris Howatt, and John Hartsock reported on the November 17, 2016, DAC meeting, which was held at West Orient Middle School.

Policy Review Committee: It was noted that minutes of the November 7, 2016, Policy Review Committee meeting were included in the agenda packet for board review. The next committee meeting will be held on December 13, 2016.

BOARD REPORTS (7:53 p.m.)

Board members summarized various meetings and other activities they participated in during the month.

(Note: Carla Piluso arrived at 8:07 p.m. during this portion of the meeting. Kris Howatt continued to preside for the balance of the meeting.)

CABINET REPORTS (8:13 p.m.)

There were no cabinet reports.

ASSOCIATIONS REPORTS (8:13 p.m.)

Rhett Hyman, a teacher at East Orient Elementary School, reported on behalf of the Gresham-Barlow Education Association (GBEA).

Erika Fuller, a secretary at West Gresham Elementary School, reported on behalf of Oregon School Education Association (OSEA) Chapter 8 employees.

MOTION 30 ACCEPT RESULTS OF BOND MEASURE ELECTION (8:15 p.m.)

It was noted that certified abstracts from Multnomah County and Clackamas County election offices regarding the November 8, 2016, bond measure election were included in the board's agenda packet. In summary, the results were as follows:

Measure 26-153 - Bond Election				
	<u>Clackamas</u>	<u>Multnomah</u>	<u>Total</u>	
Yes	2,185	15,070	17,255	51.3%
No	<u>3,017</u>	<u>13,388</u>	<u>16,405</u>	48.7%
Total	5,202	28,458	33,660	

It was moved by Matt O'Connell, seconded by Kent Zook, and carried 6 to 0 to accept the results of the November 8, 2016, Bond Measure 26-187 election as accurately reported by the Multnomah County and Clackamas County elections offices.

MOTION 31 PROJECT MANAGEMENT CONTRACT APPROVAL (8:16 p.m.)

It was moved by John Hartsock and seconded by Sharon Garner to approve the contract with Cornerstone Construction Management pending successful contract negotiations at a price not to exceed \$4.4 million.

Following a review of the selection process, the motion carried 6 to 0.

MOTION 32 PERSONNEL CHANGES (8:21 p.m.)

It was moved by Matt O'Connell, seconded by Kent Zook, and carried 5 to 0 to approve the personnel changes as presented. Director Hartsock abstained.

Director Howatt reminded the board what work is in process to determine if board approval of personnel changes is required by statute, and to identify board policy changes that may be necessary regarding this practice. Results of that review will be presented at a future work session.

MOTION 33 BOND OVERSIGHT COMMITTEE CHARTER (8:23 p.m.)

It was moved by Kent Zook and seconded by Matt O'Connell to approve the charter to create a bond oversight committee for Bond Measure 26-187, as presented.

In the discussion that followed, it was noted that members of the bond oversight committee will be asked to serve on the committee until the bond projects have been fully implemented. It was also noted that the district will implement a communications plan specifically designed to keep the community informed about the progress of the bond projects.

The motion carried 6 to 0.

MOTION 34 POLICY REVISION: IKF, GRADUATION REQUIREMENTS (8:26 p.m.)

It was moved by Kent Zook and seconded by Sharon Garner to adopt revisions to Policy IKF, Graduation Requirements, as presented for second reading. Following a review by board members regarding the process and rationale behind the recommended revisions, the motion carried 6 to 0.

MOTION 35 ADMINISTRATIVE REGULATION REVISION: IKF, GRADUATION REQUIREMENTS (8:33 p.m.)

It was moved by Matt O'Connell, seconded by Kent Zook, and carried 6 to 0 to adopt revisions to Administrative Rule IKF-AR, Graduation Requirements, as presented for second reading.

MOTION 36 OSBA (OREGON SCHOOL BOARDS ASSOCIATION) RESOLUTION NO. 1 (8:34 p.m.)

It was moved by Kent Zook, seconded by Matt O'Connell and carried 6 to 0 to approve OSBA Resolution No. 1 which adopts the proposed 2017-18 OSBA Legislative Priorities and Policies.

(Note: Legislative policies and priorities can be found at OSBA's website, www.osba.org. A link to OSBA Legislative Policy Committee meeting minutes is http://www.osba.org/About%20OSBA/LeftNav/Legislative_Policies/Minutes.aspx.)

MOTION 37 OSBA BOARD OF DIRECTORS POSITION 17 (8:36 p.m.)

It was moved by Kent Zook and seconded by Matt O'Connell to elect Francisco Acosta to the OSBA Board of Directors, Position 17.

Following discussion, the motion carried 5 to 1. Matt O'Connell cast the dissenting vote.

MOTION 38 OSBA BOARD OF DIRECTORS POSITION 19 (8:38 p.m.)

It was moved by John Hartsock, seconded by Sharon Garner, and carried 6 to 0 to elect Paul Anthony to the OSBA Board of Directors, Position 19.

OSBA ANNUAL CONVENTION REPORT (8:38 p.m.)

Board members reported on their experiences at the OSBA annual convention and summarized information they obtained while attending various sessions.

ANNOUNCEMENTS (8:43 p.m.)

Note: There will not be a DAC meeting in December because of winter break

Dec. 8, 2016: Board Work Session - 6 p.m.
Partnership Room
Center for Advanced Learning

Dec. 13, 2016: Board Policy Review Committee – 8:00 - 9:30 a.m.
Gresham-Barlow School District Office
Large Conference Room

Dec. 19 – Jan. 2: Winter Break

Jan. 5, 2017: Regular Board Work Session - 6 p.m.
Council Chambers
Public Safety and Schools Building

Jan. 5, 2017: Regular Board Meeting - 7 p.m.
Council Chambers
Public Safety and Schools Building

ADJOURNMENT

There being no other business, the meeting was adjourned at 8:44 p.m.

Submitted by: _____

Linda J. Cook
Administrative Assistant to the Superintendent and
Board of Directors

GRESHAM-BARLOW SCHOOL DISTRICT
1331 NW Eastman Parkway
Gresham, OR 97030-3825

TO: Board of Directors

FROM: Jim Schlachter
Mike Schofield

DATE: January 5, 2017

RE: No. 2 – Financial Report

EXPLANATION: Calendar Year End: The business office is busy taking care of calendar-year-end activities, including the issuance of 1099 and W-2 forms for staff.

The attached financial report reflects staffing additions made at the start of the school year.

PRESENTER: Mike Schofield

SUPPLEMENTARY
MATERIALS: Financial Report/Summary (Ending November 30, 2016)

RECOMMENDATION: None

REQUESTED ACTION: Consent agenda approval

MS:lc

GENERAL FUND

	Actual QTR 1	Actual Nov	Projected QTR 2	Projected QTR 3	Projected QTR 4	Projected Annual	Actual YTD	Adopted Budget	Variance To Budget
Revenue									
Current Taxes	-	12,565,872	24,065,872	1,200,000	1,000,000	26,265,872	12,565,872	26,204,668	61,204
Prior Year Taxes	151,303	53,095	166,062	87,500	132,500	537,365	262,365	570,000	-32,635
Other Taxes / Interest	154	33	1,059	2,950	550	4,713	1,184	15,000	-10,287
Total Taxes	151,457	12,619,000	24,232,993	1,290,450	1,133,050	26,807,950	12,829,421	26,789,668	18,282
Common School Fund	-	-	-	580,000	580,000	1,160,000	-	1,170,000	-10,000
County School Fund	-	-	-	-	2,000	2,000	-	2,000	0
Federal Forest Fees	-	-	-	-	12,000	12,000	-	12,000	0
State School Fund (SSF)	26,797,192	6,697,288	20,091,864	20,091,864	13,394,576	80,375,496	40,191,768	80,420,000	-44,504
Other SSF Revenue	26,797,192	6,697,288	20,091,864	20,671,864	13,988,576	81,549,496	40,191,768	81,604,000	-54,504
Total Formula Revenue	26,948,649	19,316,288	44,324,857	21,962,314	15,121,626	108,357,446	53,021,189	108,393,668	-36,222
High Cost Disability	-	-	-	-	550,000	550,000	-	550,000	0
Prior Year SSF	-	-	-	-	-	-	-	-	0
State Restricted	-	-	-	-	-	-	-	-	0
Other State Revenue	-	-	-	-	550,000	550,000	-	550,000	0
Tuition / Transportation	7,880	4,060	9,172	15,500	70,000	102,552	14,052	115,000	-12,448
Earning on Investment	47,739	20,771	53,938	45,000	35,000	181,677	86,677	160,000	21,677
Student Fees / Admissions	28,509	38,201	113,841	88,000	172,000	402,350	105,850	360,000	42,350
Rentals	66,238	(11,908)	60,779	80,000	45,000	252,017	97,017	225,000	27,017
Donations	21,000	-	50,000	50,000	125,000	246,000	21,000	275,000	-29,000
Services to other Funds	26,574	8,809	8,809	-	405,000	440,383	35,383	390,000	50,383
Misc.	75,201	31,650	148,125	55,000	160,000	438,326	213,326	400,000	38,326
MESD Transfer	-	-	2,000,000	-	-	2,000,000	-	2,050,000	-50,000
Other County Funds	-	-	-	-	-	-	-	-	0
Drivers' Education	-	-	-	-	-	-	-	-	0
Other Federal Revenue	-	-	-	-	-	-	-	-	0
Child Care Development	-	3,083	15,216	15,000	10,000	40,216	10,216	30,000	10,216
Sale of Fixed Assets	10,350	-	-	-	-	10,350	10,350	5,000	5,350
Bond Proceeds	-	-	-	-	-	-	-	-	0
TRANSFERS	-	-	-	-	-	-	-	-	0
Total Other Revenue	283,491	94,666	2,459,880	348,500	1,022,000	4,113,871	593,871	4,010,000	103,871
TOTAL REVENUE	\$27,232,140	\$19,410,954	\$46,784,737	\$22,310,814	\$16,693,626	\$113,021,317	\$53,615,060	\$112,953,668	67,649
								9,103,818	BFB Budget
Expenditures									
Licensed Salaries	3,032,795	3,001,945	8,988,928	9,000,000	15,500,000	36,521,723	9,021,723	37,123,010	601,287
Support Staff Salaries	1,544,332	908,584	2,726,748	2,730,000	4,500,000	11,501,080	3,361,080	11,581,529	80,449
Admin Salaries	1,382,723	472,292	1,424,024	1,428,000	1,452,000	5,686,747	2,330,747	5,484,637	-202,110
Confidential Salaries	111,419	34,865	109,980	120,000	120,000	461,399	181,399	556,088	94,689
Subs' / Temp Salaries	327,953	374,818	982,427	900,000	1,425,000	3,635,380	985,380	3,742,812	107,432
Total Salaries	6,399,222	4,792,504	14,232,107	14,178,000	22,997,000	57,806,329	15,880,329	58,488,076	681,747
PERS	1,189,247	901,160	2,690,002	2,850,000	4,450,000	11,179,249	2,979,249	11,685,827	506,578
FICA	484,640	364,800	1,085,446	1,095,000	1,770,000	4,435,086	1,205,086	4,463,814	28,728
Insurance	1,543,265	1,121,822	3,415,454	3,525,000	5,250,000	13,733,719	3,783,719	13,680,969	-52,750
Other Benefits	271,614	109,652	302,138	475,000	425,000	1,473,752	483,752	1,423,231	-50,521
Total Benefits	3,488,766	2,497,434	7,493,040	7,945,000	11,895,000	30,821,806	8,451,806	31,253,841	432,035
Purchased Services	1,759,548	1,045,095	3,310,118	3,300,000	4,700,000	13,069,666	3,969,666	13,933,070	863,404
Charter School Payments	2,257,512	645,060	1,731,167	1,725,000	1,150,000	6,863,679	3,413,679	6,741,087	-122,592
Supplies & Materials	697,763	133,567	396,306	375,000	1,295,000	2,764,069	979,069	2,739,936	-24,133
Capital Outlay	223,153	21,040	130,868	35,000	55,000	444,021	329,021	308,000	-136,021
Other Objects	602,758	11,020	24,052	20,000	145,000	791,810	621,810	790,308	-1,502
Transfers	840,000	-	-	-	-	840,000	840,000	840,000	0
TOTAL EXPENDITURES	\$16,268,722	\$9,145,720	\$27,317,658	\$27,578,000	\$42,237,000	\$113,401,380	\$34,485,380	\$115,094,318	\$1,692,938
Reserves - Contingency/Unappropriated Ending Balance								6,963,168	
Beginning Cash Balance							\$10,278,093	\$0	
							(\$380,063)	\$122,057,486	Budget
							\$9,898,030		
							8.7% (Percentage of Projected Expenditures)		

Expenditure Summary

Salaries	15,880,329	46.0%
Benefits	8,451,806	24.5%
Purchased Serv	7,383,345	21.4%
Supplies	979,069	2.8%
Capital Outlay	329,021	1.0%
Other Objects	621,810	1.8%
Transfers	840,000	2.4%
\$	34,485,380	100.0%

GRESHAM-BARLOW SCHOOL DISTRICT
1331 NW Eastman Parkway
Gresham, OR 97030-3825

TO: Board of Directors

FROM: Jim Schlachter
Randy Bryant

DATE: January 5, 2017

RE: No. 3 - Personnel Changes: Resignations/Terminations and New Hires

EXPLANATION: ORS 332.075(2)-(3), states that, "All contracts of the school district must be approved by the district school board before an order can be drawn for payment." As stated, this statute is applicable to all contracts, which includes employment contracts entered into between the district and licensed employees. (Note: Classified employees are not hired by contract.)

In addition, Board Policy GB, General Personnel Policies, provides that, "The employment of candidates to fill positions will be approved by the Board upon the superintendent's recommendation."

In compliance with both the State statute and the school board policy listed above, this executive summary provides a list of all new hires recommended for employment, and board approval is requested.

Also provided in this executive summary are lists of employment resignations and/or terminations. Historically, the board has requested the inclusion of this information to explain where and why vacancies have been created, and to serve as supplemental information for the recommendation of new hires.

Licensed New Hires

Trent Caudle, Special Education Teacher, Highland Elementary School. Temporary Contract. Replacing Joan Oakey, resigned.

Cara Lacey-Morey, Speech-Language Pathologist, Hall Elementary School. Temporary Contract. Replacing Camille Brisbo, resigned.

Evalena Leitz, Math Teacher, Clear Creek Middle School. Temporary Contract. New FTE.

Classified New Hires

Tyler Adams, Educational Assistant – Special Ed FSP, West Gresham Elementary School. New temporary position for balance of 2016-17 only.

Eman Atta, Educational Assistant – Special Ed, Hall Elementary School. New temporary position for balance of 2016-17 only.

Ticia Barcroft, Educational Assistant – Safety Supervision & Support, Hall Elementary School. Replacing Weesam Karam who resigned.

Tracy Alison Barros, Educational Assistant – Special Ed, Gresham High School. Replacing Tonya Harrington who resigned.

Sara Borschel, Educational Assistant – Special Ed, Lewis & Clark Montessori Charter School. New temporary position for balance of 2016-17 only.

Lauren Burks, Educational Assistant – Special Ed, MS Structured Skills Center. New temporary position for balance of 2016-17 only.

Rocky Grandjean, Campus Monitor, Sam Barlow High School. Replacing Tim Sommerville who has retired.

Luiza Harvey, Educational Assistant – Special Ed, East Orient Elementary School. Replacing Toli Harvey who was reassigned.

Jay Jacobsen, Educational Assistant – Supervision, East Gresham Elementary School. Replacing Cassandra Snow who was reassigned.

Petrica Lazar, Custodian, Gresham High School. Replacing Bob Beaver who is on a leave of absence.

Brittney Mack, Educational Assistant – Special Ed, Hall Elementary School. Replacing Kristy Cousineau who resigned.

Board of Directors

Re: No. 3 - Personnel Changes: Resignations/Terminations and New Hires

January 5, 2017

Page 3

Emily Pinkwas, Educational Assistant Special Ed, Clear Creek Middle School. Replacing Tamara Cochran who was reassigned.

Alyson Redinger, Educational Assistant – Special Ed FSP, Highland Elementary School. New temporary position for balance of 2016-17 only.

Karen West, Educational Assistant – Special Ed, Damascus Middle School. New temporary position for balance of 2016-17 only.

Emily Wolfgang – Educational Assistant – Special Ed, Perm Sub, District Wide. Replacing Sam Caudle who was reassigned.

Licensed Resignations/Terminations

Camille Brisbo, Speech Language Pathologist, Hall Elementary School. Notice of resignation received November 9, 2016. Effective December 2, 2016.

Classified Resignations/Terminations

Trent Caudle, Educational Assistant – Adult Living Program, Student Special Services. Notice of resignation received December 1, 2016. Effective December 1, 2016.

Mayumi Feters, Educational Assistant – ELL. Notice of resignation received December 13, 2016. Effective December 16, 2016.

Weesam Karam, Educational Assistant – Special Education. Notice of resignation received November 4, 2016. Effective December 16, 2016.

PRESENTER:

Randy Bryant

SUPPLEMENTARY
MATERIALS:

None

Board of Directors

Re: No. 3 - Personnel Changes: Resignations/Terminations and New Hires

January 5, 2017

Page 4

RECOMMENDATION:

1. In compliance with ORS 332.075(2)(3), the administration recommends board approval of the licensed employment contracts described above.
2. As required by Policy GB, the administration recommends the employment of candidates to fill positions as listed above.

REQUESTED ACTION: Consent agenda approval

RHB:mc:lc

GRESHAM-BARLOW SCHOOL DISTRICT
1331 NW Eastman Parkway
Gresham, OR 97030-3825

TO: Board of Directors

FROM: Jim Schlachter
James Hiu

DATE: January 5, 2017

RE: No. 4 – Kiki Kjeldsen: 6A First Team All State Soccer Player

EXPLANATION: In an effort to recognize students who achieve state champion status or its equivalent in school activities and academic programs, tonight we have the opportunity to recognize a Sam Barlow High School athlete.

Senior Kiki Kjeldsen was recently recognized as a 6A First Team All State soccer player.

PRESENTER: James Hiu

SUPPLEMENTARY
MATERIALS: Certificate of Accomplishment

RECOMMENDATION: The administration recommends the board recognize Kiki Kjeldsen for her athletic accomplishment.

REQUESTED ACTION: No formal action is required.

JH:pkh:lc

GRESHAM-BARLOW SCHOOL DISTRICT
1331 NW Eastman Parkway
Gresham, OR 97030-3825

TO: Board of Directors

FROM: Jim Schlachter
James Hiu

DATE: January 5, 2017

RE: No. 5 – Jesse Mott: Co-Coach of the Year for 6A Girls Volleyball

EXPLANATION: Tonight the board is asked to recognize Ms. Jesse Mott, the girls' volleyball coach at Sam Barlow High School.

Ms. Mott was selected by *The Oregonian* as the co-coach of the year for 6A girls volleyball.

Tonight we recognize Sam Barlow High School Coach Jesse Mott for her coaching skills and support of our Sam Barlow volleyball athletes.

PRESENTER: James Hiu

SUPPLEMENTARY
MATERIALS: None

RECOMMENDATION: The administration recommends the board recognize Coach Jesse Mott.

REQUESTED ACTION: No formal action is requested.

JKH:pkh:lc

GRESHAM-BARLOW SCHOOL DISTRICT
1331 NW Eastman Parkway
Gresham, OR 97030-3825

TO: Board of Directors

FROM: Jim Schlachter
Athena Vadnais

DATE: January 5, 2017

RE: No. 6 – School Board Recognition Month

EXPLANATION: For the past several years, the month of January has been identified as a time when special efforts are made in communities throughout the state to acknowledge the efforts of school board members and to show appreciation for their contributions to the success Oregon's students enjoy.

This year, as in the past, the administration wishes to call the public's attention to the critical and essential nature of the work of our school board members.

In addition, the administration offers a proclamation signed by Governor Kate Brown that highlights the efforts of school board members.

PRESENTER: Jim Schlachter

SUPPLEMENTARY MATERIALS: A proclamation by the governor declaring the month of January 2017 as *School Board Recognition Month*

RECOMMENDATION: The administration recommends that the proclamation be read into the official record of tonight's meeting.

REQUESTED ACTION: No action is required.

AV:lc

STATE OF OREGON
PROCLAMATION
OFFICE OF THE GOVERNOR

- WHEREAS:** Oregonians rely on public education to ensure a prosperous quality of life and strong economic health for Oregon; and
- WHEREAS:** Locally elected boards fulfill leadership roles and serve as the conduit through which teachers, parents, businesses, and communities demonstrate the care, creativity, and support that lead to high-quality, welcoming, and inclusive learning environments for each Oregon student; and
- WHEREAS:** Public schools nurture and train diverse student populations to the best of their ability, whatever the resources, to give students the knowledge, skills, and opportunities they need to succeed; and
- WHEREAS:** Board members build the framework that make it possible for education organizations to teach Oregon's children; and
- WHEREAS:** The committed Oregonians who serve on the boards of the state's 197 school districts, 19 education service districts, and 17 community colleges deserve recognition and thanks for their dedication to the education needs of the people of Oregon.

NOW,

THEREFORE: I, Kate Brown, Governor of the State of Oregon, hereby proclaim **January 2017** to be

SCHOOL BOARD RECOGNITION MONTH

in Oregon and encourage all Oregonians to join in this observance.

IN WITNESS WHEREOF, I hereunto set my hand and cause the Great Seal of the State of Oregon to be affixed. Done at the Capitol in the City of Salem in the State of Oregon on this day, December 5, 2016.



Kate Brown, Governor

Jeanne P. Atkins, Secretary of State



Gresham-Barlow School District Board of Directors Meeting January 5, 2017



Board Members (left to right): John Hartsock, Carla Piluso (chair), Kathy Ruthruff, Matt O'Connell, Kent Zook, and Kris Howatt (vice-chair)

Board member absent: Sharon Garner

Excerpts from Minutes:

School Board Recognition Month: Superintendent Schlachter recognized the school board for its leadership and commitment to provide a quality education for students. School board members received personalized hard hats as a token of appreciation on behalf of the school district. The hard hats will be put to good use when construction begins on the recently passed 2016 school bond. (Note: A photo of board members wearing their helmets has been filed with these minutes.)

Board:lyncook

GRESHAM-BARLOW SCHOOL DISTRICT
1331 NW Eastman Parkway
Gresham, OR 97030-3825

TO: Board of Directors

FROM: Jim Schlachter
Athena Vadnais

DATE: January 5, 2017

RE: No. 7 – Gresham-Barlow Education Foundation Update

EXPLANATION: The Gresham-Barlow Education Foundation has identified the following dates for 2016-17 reports to the school board:

September 1, 2016
November 3, 2016
February 2, 2017
April 6, 2017
June 8, 2017

Accordingly, there will not be a Foundation report this evening.
The next update will be presented on February 2, 2017.

PRESENTER: Athena Vadnais

SUPPLEMENTARY
MATERIALS: None

RECOMMENDATION: This report is being provided as information only.

REQUESTED ACTION: No action is required.

:lc

GRESHAM-BARLOW SCHOOL DISTRICT
1331 NW Eastman Parkway
Gresham, OR 97030-3825

TO: Board of Directors

FROM: Jim Schlachter
James Hiu

DATE: January 5, 2017

RE: No. 8 – Metro East Web Academy Annual Report

EXPLANATION: The Metro East Web Academy (MEWA) completed its 7th year of operation in June 2016. In compliance with ORS 338.095 (1), MEWA must submit a report to the district and the State Board of Education each year on the performance of the school and its students in the preceding fiscal/school year. This report must include, among other things, information regarding the goals and assessments relating to student performance. Representatives from MEWA will be at the board meeting to present their report.

An independent review of the Metro East Web Academy Charter School was conducted by Portland State University, and will be included as part of the evaluation of this charter school.

PRESENTER: James Hiu

SUPPLEMENTARY MATERIALS: Metro East Web Academy Charter School Evaluation Report 2016, from Portland State University

RECOMMENDATION: This report is being provided as information only.

REQUESTED ACTION: No action is required.

JH:pkh:lc

Metro East Web Academy

Charter School Evaluation Report 2016

Gresham-Barlow School District

pdx.edu/education/success



Metro East Web Academy Evaluation Report – 2016

Charter School

Metro East Web Academy
1394 NW Civic Drive
Gresham, OR 97030
(503) 258-4790

Charter Contact

David L. Gray, PhD, principal/CEO
(503) 258-4790
gray@mewebacademy.org

Sponsoring School District

Gresham-Barlow School District (GBSD)

School District Contact

James K. Hiu, deputy Superintendent of Secondary Education and Operations
(503) 261-4577
hiu@gresham.k12.or.us

Center for Student Success Evaluator

Victoria Lukich, EdD, Director
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vlukich@pdx.edu

Center for Student Success Contact Information

centerforsuccess@pdx.edu

Evaluation Purpose

This evaluation is a third-party evaluation of the Metro East Web Academy charter school during its seventh year of operation, 2015-2016.

Table of Contents

Introduction.....	1-2
1.0 Mission-Specific Goals/Admissions & Enrollment.....	3-8
2.0 Overall Student Success.....	9-21
3.0 Longitudinal Analysis of Student Achievement.....	22-25
4.0 Federal Accountability: Student Performance & Programs.....	26-31
5.0 State Accountability.....	32-43
6.0 Fiscal Performance and Accountability.....	44-47
7.0 Governance.....	48-51
Summary of Findings.....	52
Commendations and Recommendations.....	53-54
Appendix A: Evaluator’s Biography	55
Appendix B: Charter School Evaluation Rubric	56-70



INTRODUCTION

The Center for Student Success (CSS) was commissioned by the Gresham-Barlow School District to conduct an evaluation of the Metro East Web Academy (MEWA) for the 2015-2016 school year. This report communicates the findings and recommendations of that evaluation. The CSS evaluator reviewed multiple documents provided by the MEWA staff and interviewed key individuals in person, over the phone, and via email to ensure the school is: i) fulfilling the provisions of its charter with the Gresham-Barlow School District; and ii) fully complying with federal and state statutory requirements regarding charter school operations and accountability in Oregon.

The CSS evaluator conducted a site visit to the Web Academy campus on May 17, 2016. During this day-long visit, the evaluator interviewed the principal/CEO, deputy principal, curriculum director, family engagement coordinator, counselors, teachers, students and parents. The evaluator also toured the facility and observed in classrooms.

After the site visit, numerous requests were made for additional information to clarify questions and operational details; MEWA staff members were consistently responsive and thorough in providing requested information in a timely manner.

On September 13, 2016, the evaluator interviewed the MEWA Board president and the vice president (together) to gain their perspective on long-term charter school plans as well as on the school's current status relative to Board governance and stability and fiscal sustainability.

Evaluation of the Metro East Web Academy is based on the school's performance relative to: 1) federal and state statutes pertaining to the administration of charter schools; 2) general standards of effective school operation; and 3) additional requirements of the Gresham-Barlow School District as a condition of charter authorization. These additional requirements are described in the Charter School Agreement between Web Academy and the Gresham-Barlow School District.

In order to evaluate the school's performance, the Center for Student Success applied a rubric (developed by CSS) to assess the Web Academy in the following domains:

1. Mission-Specific Goals / Admissions & Enrollment
2. Overall Student Success
3. Student Achievement
4. Federal Accountability
5. State Accountability
6. Fiscal Performance and Accountability
7. Governance

Within each of these seven domains, competencies have been identified to describe with more specificity how the charter school should address each domain. Using the descriptions provided in the rubric, the evaluator assigns a rating to each competency indicating whether the school is *exceeding*, *meeting*, *nearly meeting*, or *not meeting* expectations in that competency area. The evaluator determines the rating on the basis of the review of the evidence provided by the charter school as well as from evidence collected during the interviews and the site visit. The rubric (located in Appendix B of this report) was provided to Web Academy leadership prior to the commencement of the evaluation process.

This report was commissioned by the Gresham-Barlow School District administration and remains the property of the school district. Funding for a third-party outside evaluation of Web Academy is provided by the Web Academy as a condition of its charter with the Gresham-Barlow School District. A draft copy of the report was provided to the District and the Academy prior to final publication in order to ensure the accuracy of data within the report.

1.0 MISSION-SPECIFIC GOALS/ ADMISSIONS & ENROLLMENT

1.1 Goals Specific to Mission

Rating: Exceeding

Has the charter school met its mission-specific goals as outlined in the contract with the School District?

Evidence:

- Interviews with teachers
- Interview with the principal/CEO
- Interview with the Board president and vice president
- Interview with the family engagement coordinator
- Interviews with students
- Charter Agreement 2009-2012 and Renewal 2012-2017
- MEWA promotional brochure
- School website
- Site visit to the Web Academy on May 17, 2016
- Staff Resource Guide, 2015-2016
- Student and Family Resource Guide, 2015-2016
- 2015-16 Course Catalog

The Metro East Web Academy's mission is clearly articulated in numerous school documents and publications including the initial charter agreement and subsequent renewal, the Student and Family Resource Guide, the Staff Resource Guide, the school website and promotional brochures. The mission states: "The Metro East Web Academy provides a technology-rich 21st century learning model that ensures student success in a rapidly evolving learning, work, and community environment." Individualized learning plans designed to meet the unique needs, interests, and learning styles of each student are a hallmark feature of MEWA's execution of the school's mission. MEWA's emphasis on providing individualized support for students is described in more detail in the Student and Family Resource Guide:

"Each of our students engages with curriculum materials that match their academic needs and interests, and student progress is tracked continuously throughout the learning program. It is also our intent to provide strong, focused support for each student by delivering the feedback and encouragement needed to stimulate and sustain progress through the computer-based coursework. All of our teachers interact regularly with students in planning courses of study and monitoring progress."

As noted on the school's webpage, "Students enrolled in the Metro East Web Academy will get the best of both worlds—an online learning program designed just for them and the benefits of being part of a 'learning community' with opportunities to interact with teachers, students and the world around them!" Although the majority of MEWA students' academic learning occurs online, the school provides many opportunities for students to make connections with staff and other students to create a cohesive learning community.

MEWA students confirmed that providing personalized educational experiences is not just a motto appearing in the school's founding documents, but is realized in practice at the school. Through interviews with MEWA students, the CSS evaluator learned that personalization with respect to the pacing of instruction/learning and caring relationships with teachers were two features of the school

most appreciated by students. The individualization and strong relationships with teachers help students experience success at MEWA after many of them have not been successful at previous schools. A sample of the comments students shared with the CSS evaluator appear below:

"I like the freedom to work at my own pace."

"Since it is a smaller school, there is a smaller group of teachers to deal with—and there are good teachers here. Seems like they all really care about kids."

"The teachers here are more focused on helping you."

"At this school, it's a more peaceful experience. It's easier to learn here because it's more calm."

"I like this school not really because of the online piece, but because of the teachers – they really care about how students are doing."

"Teachers here pay attention to students."

"In math, I was struggling a lot and since I am bilingual, I can't always understand the explanation people are giving. [Teacher's name] is really good about helping me out and helping me with my assignments."

"I like that I can come in and get help when I don't understand something."

"Everyone here is really nice. At my other school, I didn't want to go to school. But, I like coming here – I haven't missed a day in three years."

"I like the one-on-one communication. When I need help, I can go straight to the teacher—it's a more personal level. You can have real conversations with teachers."

MEWA staff recognize that parents are key partners in students' success at school. In the Student and Family Resource Guide, MEWA staff note: "[W]e must help parents engage in the vital role they play in mentoring and working with their children." To this end, MEWA has expanded the role and responsibilities of the family engagement coordinator. According to the principal/CEO, the new family engagement coordinator was previously an instructional assistant (at MEWA) and is also the parent of a current MEWA student. From these experiences the staff member entered into the new position with existing knowledge of the school and its program. The principal also pointed out that the new coordinator has many connections in the local community which helps her link students and families to support services available in the area.

The family engagement coordinator works closely with students and families to support and promote the success of each student at MEWA. Recognizing the importance of a successful start, the coordinator helps students get acclimated to the system as she meets with each student twice during the first week of the term and once during the second week. The coordinator continues to monitor students and checks in with them regularly throughout the term. She also helps parents understand and assume their role in their child's education. After the first week of class, she calls to check-in with parents and to offer assistance as needed. For parents who have been routinely monitoring their student's work (online), she expresses appreciation and reinforces the importance of their involvement and support for their student's academic progress. For parents who have not been logging in to check their student's work, the coordinator asks how she can assist them—do they need passwords, help with the technology, etc.? The expanded role of the family engagement coordinator aligns with the school's mission to support the success of every MEWA student.

In addition to the support provided by the family engagement coordinator, the principal/CEO shared how MEWA staff have been more intentional about individualizing academic support for students. In his August 17, 2015 (opening of school) letter to students and families, the principal identified several changes that "will continue to support and encourage our students toward further success." These

changes provide evidence that MEWA staff is continually monitoring and assessing how they can improve and enhance their support to ensure all students experience success. Some of the changes the principal identified in his opening letter are listed below.

- Moving to a trimester system: The trimester schedule allows students to earn more credits throughout the school year. It also allows MEWA to clearly define holidays as well as areas of study that are in need of extra focus and attention.
- New staff: Two new instructors joined the teaching staff. This addition allowed two staff members to assume part-time administrative roles.
- During the first two weeks of school students were required to attend two face-to-face sessions on campus. The topics of the sessions included: how to be successful at MEWA and how to stay caught up in all classes.

Providing clear, consistent and frequent communication about expectations for students is another strategy MEWA staff use to support students' success. Staff reported the importance of being consistent and unified in their message—ensuring all students understand what is expected of them and holding students accountable to those expectations. On page 5 of the Student and Family Resource Guide, key expectations are clearly delineated for students and parents.

Expectations for students are also described in the opening paragraph of the 2015-16 MEWA Course Catalog:

“To achieve success, students are expected to submit work in each course weekly. Students can learn at their own pace; however, ‘any pace’ still means that students must make progress in the course every week. To measure learning students complete self-checks, practice lessons, multiple choice questions, projects, discussion-based assessments, and discussions. Students are expected to maintain regular contact with teachers; twice weekly is required. When teachers, students, and parents work together, students are successful.”

During an interview with the CSS evaluator, the principal/CEO described other changes implemented at MEWA to provide more intentional efforts to support students. He noted that the name of the open lab changed—from ‘Open Lab’ to ‘Support Lab’—to represent the intentional focus on academic support. In addition, the principal explained that the lab sessions were built in conjunction with the math and English courses. He reported that “attendance [at the Support Labs] during first and second trimester was strong, but during the third trimester attendance was patchy.” The principal could not fully explain the drop in attendance but hypothesized that perhaps by accessing help early in the year students did not fall behind in coursework and then did not need help later in the year. He reported staff have observed a direct correlation between student success in class and attendance in the Support Lab.

The principal also explained that MEWA staff now use a script to guide the re-engagement meetings with students to ensure the conversations are more focused, intentional and well-documented. Before the end of each re-engagement meeting, a follow-up meeting is scheduled with the student to ensure continuous monitoring and support.

Both the principal and the Board president identify the positive relationship between the charter school and the District as a key factor supporting the school's success in meeting its mission-specific goals. Minutes from the September 24, 2015 MEWA Board meeting included a discussion about the MEWA/GBSD relationship, in addition to a discussion about how the school can reinforce its value to the

District. During the May 17, 2016 meeting with the CSS evaluator, the principal/CEO reported the relationship between the charter school and the sponsoring district continues to be positive and supportive. The principal meets on a monthly basis with the GBSD deputy superintendent, the Human Resources director and the chief financial officer. They have commenced work on a five-year plan for the Web Academy and have started to look at renewing MEWA's contract (scheduled for next year).

During the interview with the CSS evaluator, the Board president reported another factor contributing to MEWA successfully executing its mission—the collaborative relationship between MEWA staff and Board members. The president pointed to ongoing efforts by Board members, teachers and MEWA leadership working together assessing the current status of the school and planning for the future.

Based on the evidence provided, MEWA exceeds its mission-specific goal(s) as identified in the Charter Application and Agreement.

1.2 Student Admissions & Conditions of Enrollment

Rating: Exceeding

Is there evidence that the charter school is following statutory and district guidelines regarding student admission and enrollment?

Evidence:

- *Interview with principal/CEO*
- *Charter Agreement 2009-2012 and Renewal 2012-2017*
- *Student and Family Resource Guide, 2015-2016*
- *Application form*
- *Interviews with parents*

Exhibit A of MEWA's Charter Agreement contains language mirroring ORS 338.125 with respect to student admissions and enrollment: Enrollment in a public charter school is voluntary and all students who reside in the school district in which the charter school is located are eligible for enrollment if space is available.

Oregon statute also requires that public charter schools “may not limit student enrollment based on race, religion, sex, sexual orientation, ethnicity, national origin, disability, the terms of an individualized education program, income level, proficiency in the English language or athletic ability.” MEWA's non-discrimination statement—reflecting the same language as found in the statute—is articulated in MEWA's Charter Agreement, the Student and Family Resource Guide, and the application materials.

In addition, the Charter Agreement states: “Students enrolling in the Web Academy are subject to the District's open enrollment policy and regulations.” All students in grades 6 through 12 who reside in the district are eligible to apply to MEWA; enrollment is based on space available at each grade level. If there are more eligible applicants for enrollment in the Web Academy than there are spaces available, applicants shall be selected by lottery—as required by ORS 338.125. Information about the open enrollment policy also appears in the Student and Family Resource Guide and on the school's website.

Based on interviews with the MEWA principal/CEO, as well as through a review of application and promotional materials, and interviews with parents the CSS evaluator found evidence that the school is in compliance with ORS 338.125 and fully meets its statutory obligations regarding admissions and enrollment practices earning the school a rating of ‘Exceeding’ for this domain.

1.3 Face-to-face Contact Requirement**Rating: Exceeding*****Is there evidence that the charter school is following 2011 statutory requirements regarding face-to-face contact between students and charter school personnel?****Evidence:*

- *Interview with principal/CEO*
- *Interview with teachers*
- *Logs of teachers' and counselors' face-to-face contact with students*
- *Interviews with students*
- *School website – Weekly Announcements*
- *Observation during site visit to the school on May 17, 2016*
- *Staff Resource Guide, 2015-2016*
- *Student and Family Resource Guide, 2015-2016*

In accordance with Oregon statute (ORS 338.120) public charter schools are required to: i) conduct school-sponsored optional educational events at least six times each school year at locations selected to provide convenient access to all students enrolled in the school who want to participate; ii) conduct meetings at least twice a week between teachers and students enrolled in the school, either in person or through the use of conference calls or other technology; and iii) provide opportunities for face-to-face meetings between teachers and students enrolled in the school at least six times each school year.

MEWA addresses each of the components of ORS 338.120. The school sponsored a variety of field trips during 2015-16 including: a science field trip to Bonneville Lab; Ain't Misbehavin' (a musical theatrical performance at Portland Center Stage); and participation in the Virtual Schools Capitol Day in Salem. The principal/CEO also reported that when a MEWA student won 2016 Verselandia! (an annual high school poetry slam presented by Literary Arts) the school transported his classmates to the event at the Arlene Schnitzer Concert Hall to provide support and to celebrate his success. Other events that provided opportunities for MEWA students to engage with each other and make connections in the community included hosting a Gresham Chamber meeting on April 22, 2016, sponsoring a booth at the Chamber Spring Expo in May 2016, and participating in the NW Kids Fest and the Educator Fair.

At the time of the interview with the CSS evaluator, the family engagement coordinator had been in her new position for approximately four weeks and had already started collecting information from students about the types of field trips in which they are most interested. She reported her goal is to provide 1-2 field trips per month and one community service project per term. Ideally, she would like to offer field trips that are 'career-related' to support MEWA's emphasis on post-secondary preparation. The coordinator also indicated she would like to engage parents in the planning and execution of off-campus events.

In the vignette "What it Takes at MEWA" posted on the school's website, a MEWA student described a wide variety of activities, clubs and field trips available for students who want the social aspect of a school environment. Several clubs meet regularly and are open to all MEWA students: Music Club, Chess Club, and Gaming Club for example.

The Web Academy recognizes that direct, personal interactions, not just online contact, are essential to students' academic progress and success. In addition to school-sponsored off-campus educational events and school clubs, each student at MEWA has close teacher support, a mentor, and a counselor to help ensure they are positively connected to the Web Academy and their academic progress is monitored closely and regularly. At the beginning of the school year, parents and students are required

to attend orientation activities. During the school year students participate in mandatory monthly meetings with their mentors, and students who fail to attend are contacted at home; mentors may follow-up with home visits. Teachers and parents are notified if students have failed to log on or come to the Academy for five consecutive days. Emails from students are responded to within 24 hours, if not sooner.

Students can schedule appointments with teachers and counselors through an online interactive calendar on the school's website. The online calendar makes it easier for students to connect with MEWA staff as they are more likely to schedule an appointment electronically than via the phone.

In addition to individual appointments with counselors and teachers, students are encouraged to use the Math and English Lab hours offered four days a week at MEWA. Both in-person and virtual labs are provided for Math and English. The schedule is posted on the school's website.

Counselors meet with students and parents in face-to-face re-engagement meetings as needed. Counselors maintain a log of all re-engagement meetings. A template is used to help guide the focused discussion and to ensure consistent data is collected for each meeting. The template includes: the student's current status, the student's desired status, testing data (Star360 results), Lab Agreements, and other issues including transportation, internet access, etc.

Based on the information provided, MEWA exceeds the requirements of ORS 338.120 regarding the amount of face-to-face contact time between Academy students and charter school personnel.

1.4 Communication with Sponsoring District

Rating: Meeting

Is there evidence that the charter school is following 2011 statutory requirements regarding communication with sponsoring districts?

Evidence:

- *Interview with principal/CEO*
- *Sample email exchanges between MEWA office manager and resident school/district*
- *Charter Agreement 2009-2012 and Renewal 2012-2017*

In accordance with ORS 338.125, when a student is enrolled or withdrawn from a public charter school, written notice must be provided to the sponsoring district—or if different, to the school district where the student is a resident—within ten days. The same requirement is included in MEWA's Charter Agreement with GBSD.

Copies of email and fax communication between the MEWA registrar and the GBSD were provided to the CSS evaluator as evidence indicating accurate and prompt notification occurs when a student enrolls or withdraws from MEWA.

Note: The school received a rating of "Meeting" in this area, the highest possible rating for this domain.

2.0 OVERALL STUDENT SUCCESS

2.1 Enrollment/Retention/Attendance

Rating: Nearly Meeting

To what extent are students making academic progress as measured by enrollment/retention rates and attendance?

Evidence:

- Interview with principal/CEO and deputy principal
- Interview with counselor
- 2015-16 Student and Family Resource Guide
- School's website
- Data from MEWA student retention records
- Fall Membership Report, ODE website: www.ode.state.or.us/search/page/?=3225
- School Report Cards 2012-13, 2013-14, 2014-15, 2015-16

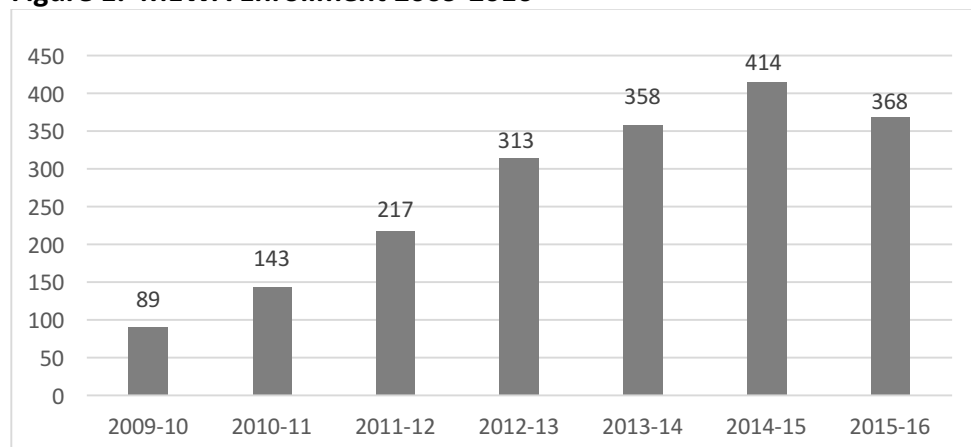
Enrollment

For any student who is considering enrolling at MEWA, the school emphasizes that deciding to transfer from a traditional school setting to an online learning environment is an important decision and should be given thoughtful consideration. MEWA staff openly acknowledge not all students are successful in an online setting and encourage students and parents to invest time in considering this important decision.

On the school's website under the 'Application Steps' tab, MEWA provides a detailed four-step plan to help students and families as they try to decide whether an online setting will be appropriate for the student. The plan includes: the profile of students who are most successful in an online learning environment, a short quiz to help students determine if online learning is a good fit for them, tips for a successful online learning experience, and the initial steps of the MEWA application process. Admittedly asking students to engage in a four-step introductory plan does not ensure that every new student will be successful at MEWA, but staff contend it helps students and families make a more informed decision about whether to enroll.

Figure 1 shows MEWA has experienced a steady increase in enrollment since the school opened in 2009—except for a slight dip in enrollment this past year.

Figure 1. MEWA Enrollment 2009-2016



Note: Data retrieved from ODE Fall Membership Report

When asked about the slight decrease in enrollment at MEWA, the principal/CEO reported that many students in the area are choosing other online schools in Oregon. Although MEWA staff are not sure what has caused students to enroll in other virtual schools, the principal noted they have discovered many students in the area are not aware that MEWA is an option for them. In response to the apparent lack of information about the online program, MEWA staff have increased efforts at marketing and promoting the Web Academy. They have done an exceptional job designing and producing quality recruitment materials that communicate a clear message about the school and its mission.

The Board president shared with the CSS evaluator that the Board has built up a healthy contingency fund which allows them to not be overly concerned about minor fluctuations in enrollment. At the same time, the president also acknowledged the importance of ongoing and consistent efforts by the Board, MEWA leadership and staff to market and promote the school recognizing that many choices in educational programs are available to students and families.

It is worth noting that the principal/CEO reported as of April 2016, 442 students were enrolled at MEWA—an increase of 74 students from the Fall Membership report.

The school has hosted many community events to promote MEWA, GED and MEECA. MEWA staff also hosted an open house for school counselors from Gresham-Barlow, Centennial, Reynolds and David Douglas School Districts. Since a school counselor is the most likely person to recommend options to a student who is struggling in the traditional educational setting, it is important that local counselors understand the MEWA programs well enough to share accurate information with students and families for whom the alternative programs might be a good fit.

During the 2015-16 school year, MEWA leadership invested resources toward and was successful in obtaining NCAA approval for all core classes and are actively communicating this information to current and potential students. NCAA approval is an attractive feature for many students and should help bolster enrollment in the future.

Retention

According to the principal/CEO, of the 416 students enrolled at MEWA on 6/15/16, 126 students graduated leaving 290 potential returning students in September 2016. Of the 290 students, 110 did not return and MEWA gained another 102 new students. The retention rate from June 2016 to September 2016 was 62%—measurably less than the previous year which was 70%.

MEWA staff have tried to increase retention by enhancing the orientation process, diagnosing student learning needs sooner, increasing the frequency and type of face-to-face opportunities for students to receive additional academic help and build personal connections with staff and peers, implementing a mentor program, and increasing communication between school and parents especially with the addition of the family engagement coordinator.

One strand of MEWA's 2015-16 School Success Plan focused on student engagement—a key factor in retaining students. Staff members working on this strand of the School Success Plan defined a lack of engagement as the student being “behind in class assignments and not staying on pace to complete the class.” Committee members gathered student level data to examine the efficacy of several different interventions currently used for re-engaging students at MEWA. The interventions they considered included: student/counselor follow-up meetings; student/administrator re-engagement meetings; the

mentor program; student recognition; and teacher designed courses. After collecting and analyzing the data, MEWA staff identified the following next steps to consider for 2016-2017:

- Identify (as a staff) the 3-5 parameters that contribute to success at MEWA
- Establish metrics and track data in those areas and make that data easily accessible to all
- Create a system to enable staff access to information in a more -timely manner
- Create a system to make student data (especially class assignment completion) available, accessible, current and in one location so that counselors/teachers do not have to go to multiples sources for information on one student.
- Continue counselor check-in and follow-up with students

Increasing the retention rate of students would be of tremendous benefit to students and to the school; MEWA staff is commended for their persistent efforts in this area.

Attendance

Expectations for student attendance at MEWA are clearly identified in the 2015-16 Student and Family Resource Guide: “Students are expected to spend between 25-30 hours/week on their coursework, logging in every school day and completing a minimum of one assignment per day.” MEWA teachers and the family engagement coordinator monitor students’ log-ins to ensure all students are meeting this requirement. In addition to completing at least one online assignment each day, students are also required to participate in virtual learning sessions provided by MEWA teachers.

The Student and Family Resource Guide also delineates expectations for parents and guardians of MEWA students. Parents and guardians are expected to take an active role in their student’s school career and are required to monitor and log their student’s weekly progress.

The state defines “regular attenders” as the percent of students who are in attendance at least 90% of the days they are enrolled. Over the past several years MEWA had shown a steady increase in regular attenders—71% in 2012-13, 74% in 2013-14, and 81% in 2014-15. However, in 2015-16 it was determined that MEWA was out of compliance with how the school determined daily attendance. Beginning in 2015-16, MEWA adjusted their process for reporting daily attendance to align with ODE requirements. The new calculation resulted in a dramatic drop—to 57%—in “regular attenders” at the school.

The deputy principal explained that prior to 2015-16, attendance was viewed and reported as time spent working in the system and submitting assignments in conjunction with teacher-student communication. Attendance is now the responsibility of the teacher and processes have been put in place at MEWA to more accurately reflect ODE’s requirements. The deputy principal also added:

“Although the law requires two contacts per week, we are taking our attendance daily. We want our students engaged everyday with their teachers. We also have worked with our family engagement coordinator and an intervention specialist (although this position is only temporary) to pilot some intervention procedures to identify students who have poor attendance to determine the reasoning for their disengagement. When we determine the efforts are successful, we will implement these throughout the school.”

MEWA's leadership provided training to staff emphasizing expectations for the student/teacher interactions including how to track the interactions and how to record attendance. They are hoping that attendance should show an increase in percentage for the 2016-2017 school year.

Based on the dip in enrollment and reported 57% in daily attendance, the school is rated "Nearly Meeting" in this domain for 2015-16.

2.2 Parent Satisfaction

Rating: Exceeding

To what extent do parent survey respondents indicate satisfaction with students' academic progress and the educational program?

Evidence:

- Interview with principal/CEO
- Interview with family engagement coordinator
- Interviews with parents
- Enrollment data (regarding multiple students per family attending MEWA)
- Results from MEWA Parent Spring Survey 2016

Evidence indicates that parents are pleased with the educational program offered at MEWA. One piece of such evidence is the fact that during the 2015-16 school year, there were 29 family groups enrolled with two siblings and four groups with three siblings showing a slight increase from the previous year.

In addition to an increase in the number of families with multiple children enrolled at MEWA, the annual parent survey also provides evidence of parents' satisfaction with the school. The 2016 parent survey was the same as used in previous years which allows for longitudinal analysis of the results. In the first section of the survey, parents were asked to indicate their level of agreement/disagreement with statements pertaining to their students' experiences and their own experiences at MEWA. Table 1 provides key results from this section of the survey comparing 2015 to 2016 survey responses.

Table 1. Selected Items from Spring Parent Survey (N=133 in 2015, N=108 in 2016)

	Definitely Agree or Mostly Agree		Sometimes Agree		Disagree or Strongly Disagree	
	2015	2016	2015	2016	2015	2016
1. Teachers regularly communicate with me about my student's progress.	74%	83%	16%	13%	10%	4%
2. Office staff are friendly and helpful.	97%	94%	3%	6%	0%	0%
3. MEWA teachers care about the success of my student.	88%	86%	9%	13%	2%	1%
4. My student's experience at MEWA is preparing him/her for college, trade school, or the workforce after graduation from high school.	80%	86%	17%	11%	3%	3%
5. MEWA Administrators care about the success of my student.	91%	91%	6%	7%	3%	2%
6. My student understands what is expected of him/her at MEWA.	86%	94%	11%	6%	2%	0%
7. I understand what is expected of me as a parent of a MEWA student.	89%	95%	9%	5%	1%	0%

In addition to maintaining a high response rate on the Parent Survey, the parents who responded to the survey indicate a high level of satisfaction with the educational program and their students' progress at MEWA. The data are consistent not just for the past two years, but for the past several years. As previously noted in this report, MEWA does an exceptional job ensuring students and parents are aware of expectations at the school. The data from statements #6-7 confirm that students and parents understand their roles and responsibilities at MEWA. From 2015 to 2016 there was a measurable increase in the percent of parents who agreed (definitely, mostly or sometimes) that MEWA teachers regularly communicate with parents about their student's progress—90% to 96%.

The second part of the parent survey was open-ended; parents were invited to share what they believe is the best thing about Metro East Web Academy and to provide suggestions to improve services or the program at the school. A sample of the 2016 responses are listed below; many of the themes are consistent with themes from previous years' surveys.

What is the best thing about Metro East Web Academy?

- "Kids can work at their own pace and make the most of their time. The MEECA program is an amazing opportunity for students who are ready to move beyond high school sooner."
- "The ability for my child to feel successful and have a more flexible schedule. Her teachers are available as she needs them, however, she is able to choose which topics to work on that day/particular time which makes it much easier for her."
- "Freedom to complete work at your own pace, anywhere and anytime."
- "Teachers seem to genuinely care about my son's success."
- "Availability of teachers."
- "School has been a challenge for all my kids. Without this school and this opportunity, they would have dropped out. It's going to take my boys a little longer to graduate and there's still a chance one or both may not graduate, but they have promised me to keep trying to get as many credits as they can and work to get that diploma – without this school that chance would be gone!"
- "School/teacher involvement with students/parents and attention to detail on [students'] progress."
- "It's a great place for children who do not fit into the modern high school settings."
- "It gives students with unique circumstances opportunities not available in traditional schools."
- "The fact that kids have other options than just the typical high school. This is a smaller and more intimate setting and environment for kids that need a little more personal attention. This is also a great program for those that are more self-motivated."
- "For my daughter, the environment at this school has allowed my daughter to feel comfortable enough to make real friends."
- "Early College Admission program as well as the opportunity for an alternative from regular public school."

The parent responses mirrored what students reported (during interviews with the CSS evaluator) that they most liked about MEWA: caring and supportive relationships with their teachers partnered with flexibility in scheduling and pacing of learning, supported by a smaller, more intimate and less stressful learning environment.

On the final section of the survey, parents were asked: What suggestions do you have that might improve our services and/or programs? A sample of parents' recommendations from the survey

responses appear below:

- “Come up with other ways or methods for having students collaborate in learning.”
- “I was disappointed in the lack of support from my daughter’s previous high school (name of school) when she decided to register for MEECA. Not only were they not supportive but they were trying to discourage her and made the process as hard as possible. Seems as if the schools should be there to support all students with different needs and learning styles. If the surrounding schools were more supportive, I truly believe the enrollment in MEWA and MEECA would be much higher.”
- “Math is very difficult for most kids online . . . This is a big struggle. I do not have a solution to this.”
- “PE seems to be a lot of paperwork compared to brick and mortar school. Allowing college PE instead of high school PE would be nice.”
- “A better range of classes to fit each student.”
- “Different times for labs, maybe everyday for open labs. Some seniors work and don’t have the specific days that are offered.”

In addition to positive feedback on the survey, parents who were interviewed by the CSS evaluator expressed high levels of satisfaction with the school, the staff and leadership at MEWA. Some of the comments shared by parents appear below:

- “I have been very happy with the school.”
- “The size of the classes is really helpful—my child doesn’t get overwhelmed and she feels comfortable here.”
- “Students here get a lot more attention than at our previous school.”
- “They [teachers] work with students one-on-one.”
- “My daughter has a lot of social issues—she gets to come to school and meet with a small group of students, so its not nearly as intimidating as it was at her other school.”
- “The principal is very good about sending us information each week.”
- “All teachers do a good job communicating with parents.”
- “Students here have teachers helping them and also their mentors give help.”
- “Teachers are very responsive . . . I always get an email response within 24 hours.”
- “As a parent, I feel very good coming to the school to talk to teachers and the counselor. Everyone is very supportive. I never felt discriminated against at other schools, but I just get more attention here than I ever did at our other school.”
- “The counselors do a great job with the kids.”
- “It is nice that students are allowed to work at their own pace – even working ahead if they want. At my son’s other school sometimes he would get bored with the pace of the work.”
- “Our daughter is having a difficult time with math and she needs twice as long as other students might need to do the work. Here at MEWA she gets the lab help and a tutor – in a regular school that would never happen.”
- “Our daughter has an anxiety disorder—school is very stressful for her. This setting is better for her than a regular school.”
- “They are very flexible with instruction and with assessments.”
- “The schedule is flexible which is very helpful for students who have a job.”
- “Everyone here is so willing to help. They show a genuine interest in my kids.”
- “Communication with parents is very good . . . If someone can’t help me, they always direct me to the person who will be able to help and answer my questions.”

The school's website also provides testimonies from parents expressing high levels of satisfaction with the school. Two parent testimonies appear below:

- "We love MEWA. Our son was struggling to feel motivated in school. He complained each day he had to go to his old school. Now, he is much happier and the areas of academic and organizational weakness he had are being actively addressed and he is more empowered than ever. It is not all easy, but I can say that MEWA is the perfect fit for him. We love all the staff."
- "Very happy with MEWA. I believe this way of teaching is the new future. It is so nice to hear positive encouragement from teachers and staff directed at my son . . . MEWA is a 'breath of fresh air' that can only have great results in the students. I am very thankful that we had the MEWA option."

One of the goals identified in MEWA's School Success Plan is to continue developing partnerships with parents and specifically to collect data from parents to improve how the school assists them in supporting their students. To this end, the family engagement coordinator reported one of her goals is to establish a Parent Council to provide parents with a venue where they can contribute to the work of the school and can be involved in decision-making about important matters at MEWA. She explained that "parents love the school but are not getting involved in a deeper level." She is eager to have parents involved in planning and promoting student activities that support the mission of the school.

The coordinator shared she also plans on offering evening events on topics relevant to MEWA parents, such as "Preparing for college," "How to support your online student" or teachers from each department making brief presentations explaining the academic programs to parents. MEWA is commended for giving the family engagement coordinator the freedom to make decisions about how the new position can evolve to more effectively serve students and families.

MEWA is continually working to increase and improve communication with parents and families. As soon as the student is enrolled at MEWA, the student and parent meet with the counselor to develop the best plan for the student. After the initial meeting, parents attend an hour-long orientation meeting where they learn how to communicate with teachers and administrators and how to monitor their student's progress. Parents are also given suggestions in how to create an on-line learning environment at home. At the orientation, parents are encouraged to download the MEWA app which gives them quick access to weekly announcements from the principal and staff. The APP also gives parents the opportunity to use "Parent Check-In" which provides an open line of communication to the family engagement coordinator. The family engagement coordinator connects families to the appropriate resources at the school and in the community.

Based on the evidence provided, MEWA earns a rating of "Exceeding" in this domain.

2.3 Ninth Grade Credits Earned

Rating: Meeting

To what extent are students making academic progress as predicted by ninth grade credits earned?

Evidence:

- *Interview with principal/CEO*
- *Interview and email communication with curriculum director*
- *MEWA's data dashboard*

- *Oregon School Report Cards: 2012-13, 2013-14, 2014-15, 2015-16*

MEWA staff use a data dashboard to closely monitor a variety of student progress/achievement data. The data dashboard is a valuable tool to help ensure student data is collected, analyzed and used by staff to make decisions about curriculum, assessment, instructional strategies and interventions to increase student success at MEWA. One of the important indicators monitored on the dashboard is the percentage of ninth grade students on track to graduate with their four-year cohort.

According to the school's data dashboard: In April 2016, 47% of freshmen were on track to graduate at the end of the first trimester and 62.5% were on track by the end of trimester two. This is a measurable increase from 42.1% in 2014-15 school year.

The work MEWA staff have been engaged in over the past several years creating systems to identify, monitor and assist students who are struggling academically is yielding promising results. Table 2 shows a marked increase over the past three years in the percentage of ninth graders at MEWA on track to graduate with their four-year cohort.

Admittedly, the percentage of ninth graders on track to graduate at MEWA is slightly below the like-school average and measurably lower than the percentage districtwide and statewide. However, the improvement MEWA has made in this area is noteworthy. MEWA is encouraged to continue the focused efforts around monitoring and supporting ninth graders.

Table 2. Ninth Graders on Track to Graduate

MEWA			GBSD	State	Like-School Average
2013-14	2014-15	2015-16	2015-16	2015-16	2015-16
22.2%	42.1%	56.7%	75.5%	83.5%	59.7%

Note: Data retrieved from School Report Cards

Some of the systems and practices in place to support all students, particularly students who begin to show signs they are struggling, include: improved data collection and analysis processes; counselors monitoring student progress and meeting with students regularly; an intervention process using educational assistants; improvements in the advisory process; and weekly parent check-in. As noted previously in this report, the family engagement coordinator assists with tracking attendance, making phone calls home, and scheduling meetings when a student's attendance is not satisfactory. The coordinator serves all students, not just ninth graders, but certainly the addition of this position helps keep ninth graders at MEWA on track towards graduation.

Table 3 shows the number of credits earned by 9th graders for each trimester during the 2015-16 school year as reported by MEWA leadership. MEWA is commended for consistent improvement in this important indicator.

Table 3. Credits Earned by MEWA Ninth Graders 2015-16

	+6	5+	4+	3+	2+	1+	.5+	0
Trimester 1			5	5	14	4	3	
Trimester 2			1	8	12	12	5	8
Trimester 3		2		2	21	10	4	8
Year Totals	22	4	5	3	5	2	3	3

2.4 Four-year Cohort Graduation Rate**Rating: Meeting*****To what extent are students making academic progress as measured by four-year cohort graduation rate?****Evidence:*

- *Interview with principal/CEO*
- *Interview with deputy principal*
- *Oregon School Report Cards: 2012-13, 2013-14, 2014-15, 2015-16*
- *Cohort Graduation and Completion Rates from the ODE website: www.ode.state.or.us/search/page/?id=2644*
- *School Success Plan*
- *MEWA website*

High school graduation is one of four areas of focus identified in MEWA's 2015-16 School Success Plan. For each area, staff identified the initial problem and determined the data they would collect and analyze to help them more fully understand the problem. From the common themes generated by the data, staff established next steps to improve outcomes within the focus area.

According to MEWA leadership, "the goal of the Graduation Committee this year was to understand who our graduating seniors are. The hope is that once we understand who our seniors are, and who are graduating, we can then look to develop other programs to support the non-graduating senior."

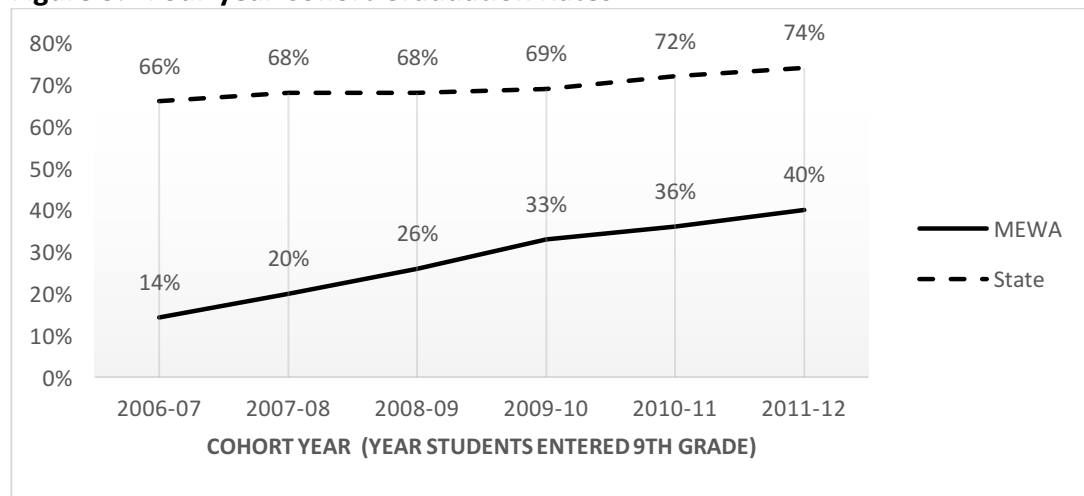
The Graduation Committee collected data from the student information system (SynergySIS) to determine where students were earning credits. Of the 79 student files examined—students who were expected to graduate from MEWA in June 2016 with a standard high school diploma—only three students had attended the Web Academy throughout all four years of high school. A detailed analysis of the data revealed that MEWA has "very few students who stay with the school until graduation. Many of our graduates are recent transfer students." As of late spring 2016, the MEWA students projected to graduate in June 2016 (excluding MEECA students) transferred into the Web Academy with an average of 16.13 high school credits and had earned an average of 4.5 credits through MEWA by spring of the previous year, 2014-15.

These findings led the Graduation Committee to adopt the following next steps:

- Continue to track our seniors and monitor the class cohorts
- Investigate why our freshmen and sophomores are not continuing towards graduation at MEWA
- Track why our students are transferring and where are they going?

Graduation rates and completion rates are key indicators of accountability for high schools and school districts. Beginning with the 2008-09 school year, the Oregon Department of Education (ODE) implemented the cohort method of calculating graduation rates and completion rates. The cohort method identifies the year the student entered high school for the first time (reported as the high school entry year or cohort year) and uses longitudinal student data to determine the student's outcome after four or five years.

Figure 3 shows MEWA's four-year cohort graduation rates for the past six cohorts as reported on the ODE website. For the 2011-12 cohort, 40% of MEWA students graduated in four years compared to 74% of students statewide.

Figure 3. Four-year Cohort Graduation Rates

As noted in last year's report, although MEWA's graduation rate is measurably less than the state it is important to remember that MEWA is an alternative program whose students are often "at risk" learners with a history of school withdrawal and deficient credits. It is difficult to compare the graduation rate for a school like MEWA with the graduation rates of traditional, comprehensive high schools. The credit deficiency issue that confronts a "typical" Web Academy student means that keeping that student enrolled, engaged and able to meet all graduation requirements in four years after a likely history of enrolling/withdrawing from multiple other schools, is indeed significant. The improvement in MEWA's four-year graduation rate over the past six years is commendable. Also noteworthy, is that the gap between MEWA's four-year cohort graduation rate and the state's four-year graduation rate has been dramatically reduced over the past five years.

Of the 154 students in the 2011-12 cohort, 60 students earned a standard high school diploma and one student earned a modified diploma within four years of starting ninth grade yielding a 39.6% four-year cohort graduation rate. Of the 93 students who did not earn a diploma within four years, 17 students earned their GED and 27 students continued to be enrolled in school during 2015-16, their fifth year. The other 49 students either dropped out of school or completed four years of school but did not earn a diploma and did not enroll in 2015-16.

MEWA staff are to be commended for continuing their efforts to increase the graduation rates of students by honing the process of identifying, monitoring, and assisting students not on track for graduation. Not only has the number of students earning their high school diploma at MEWA dramatically increased over the past six years, in the four years since the school instituted a GED program, the number of students earning a GED has also shown a marked increase.

Table 4. Number of Web Academy Students Earning a HS Diploma and GED

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
HS Diploma	11	30	61	66	73	95
GED			5	15	19	26

2.5 Five-year Cohort Completion Rate**Rating: Nearly Meeting*****To what extent are students making academic progress as measured by the five-year completion rate?****Evidence:*

- *Cohort Graduation and Completion Rates from the ODE website*

Five-year graduation and completion data for cohorts that started ninth grade in 2009-10 and 2010-11 are displayed in Table 5. As reported on the ODE website, MEWA's five-year graduation rate and five-year completion rate both showed noticeable increases from the 2009 cohort to the 2010 cohort.

Table 5. Five-Year Graduation & Completion

Year the Cohort started 9th Grade	Year the Cohort finished 5 th year	Adjusted Cohort	Earned HS Diploma (in 5 years)	Five-year Graduation Rate	GED	Five-year Completion Rate
2009-10	2014-15	160	56	35.0%	14	43.8%
2010-11	2015-16	152	60	39.5%	13	48.0%

In comparison, 73.8% of the students in the same cohort statewide completed in five years and the like-school average completion rate was 61.8%. Therefore, MEWA is rated "Nearly Meeting" in this domain.

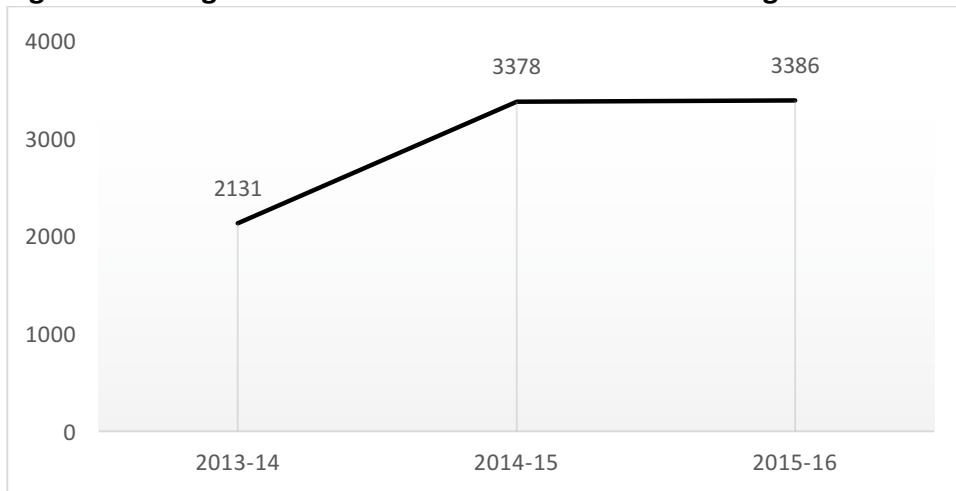
2.6 College Credits**Rating: Exceeding*****To what extent are students making academic progress as measured by earning 9+ college credits?****Evidence:*

- *Interview with principal/CEO*
- *Email communication with curriculum director and principal/CEO*
- *Spreadsheet documenting college credit earned by MEECA students*
- *MEWA Course Catalog and Descriptions for 2015-2016*

MEWA offers several options through which students can earn college credits while simultaneously completing requirements for their high school diploma. Enrolling in the early college program—MEECA—is one option. MEECA students can complete requirements toward high school graduation while accumulating credits toward Associate Degrees at their local community college.

Students who are not interested in participating in early college, can still earn college credits while enrolled at MEWA. Currently, twelve MEWA courses award dual credit: HD 100 (College Success); WR 121 (English Composition); WR 122 (English Composition: Critical Thinking); ENG 104 (Introduction to Literature: Fiction); BA 218 (Personal Finance); Introduction to Business; ART 115 (2D Design), ART 116 (Basic Design 2; Color Theory), ART 117 (3D Design), ART 231 (Drawing), ART 271 (Printmaking), and ART 281 (Painting 1).

MEWA's curriculum director reported during the 2015-16 school year, 130 students were enrolled in college classes either through MEECA or College NOW. The number of college credits earned at MEWA has showed a dramatic increase from 2013-14 to 2014-15 and a slight increase from 2014-15 to 2015-16.

Figure 4. College Credits Earned at MEWA 2013-14 through 2015-16

MEWA staff deserve commendations for increasing opportunities (and maintaining a high success rate) for students earning college credit while completing their high school graduation requirements. The school earns a rating of “Exceeding” in this domain.

2.7 Post-secondary Preparation

Rating: Exceeding

Do high school students (within a sample) have a plan and profile in place with counseling support to help them plan for and enroll in a post-secondary program?

Evidence:

- Interview with principal/CEO and deputy principal
- Interview with curriculum director
- Interview with counselor
- Student and Family Resource Guide 2015-16
- Examples of Educational Plan and Profile
- Oregon School Report Card 2015-16

Planning for and preparing for post-secondary educational opportunities is a hallmark feature of the Web Academy. Completing a “high school and beyond” plan is identified in the Student and Family Resource Guide as an expectation for every MEWA student.

MEWA staff continue to rely heavily on the Education Plan and Profile (EPP) to assist students with forecasting and post-secondary planning. Although no major changes were made in 2015-16 to the EPP at MEWA, staff noted they continue to use the Education Plan and Profile to help inform students as they look at options available to them (e.g., regular diploma versus a GED). Three examples of students’ Education Plan and Profiles were provided as evidence of how MEWA staff are using this tool with its students. With support from their counselors, MEWA students are involved in planning, monitoring and managing their own learning and career development as they develop their Education Plan and Profile.

In addition to the Education Plan and Profile, MEWA staff continue to use Oregon Career Information System (CIS) as a tool to help students with high school forecasting and post-secondary planning. CIS has a variety of features that support MEWA students: The principal reported that CIS is used in the Mentor

Seminar to help create real-life scenarios with respect to career explorations and financial planning for college. CIS also has a built-in 'resume developer' that MEWA students use to create their own resumes. During the school year, MEWA sponsored a Futures Fair where students used the resume they developed in CIS. At the Futures Fair, students participated in mock interviews with community members and received feedback on their resume and on their interview skills. The principal/CEO reported a high level of community involvement in the Futures Fair.

MEWA leadership also noted that counselors use Oregon CIS with GED students who need practice tests as they prepare for the GED exams.

MEWA staff recognize that CIS has many features they have not tapped into and they are continually looking for ways to improve how the tool is used to support their students. The principal/CEO also shared that they are considering exploring Naviance as a tool to assist students, parents and counselors with post-secondary planning.

Students at MEWA are encouraged to think about and prepare for college. HD100 is a college credit course that develops student understanding of the college culture and community. Course topics include college services, policies and procedures; goal setting; time management; educational planning; student responsibility. In this course, students learn the skills and dispositions required to be a successful college student. HD 100 is just one of several College NOW courses offered to Web Academy students.

Data showing the percent of students continuing their education at a community college or four-year school within 16 months of graduation is displayed in Table 6.

Table 6. Students Enrolled in Community College or Four-Year School within 16 Months of Graduation

MEWA 2010-11	MEWA 2011-12	MEWA 2012-13	MEWA 2013-14	STATE 2013-14	Like-School 2013-14
25.0%	36.4%	61.4%	53.3%	59.4%	40.5%

Note: Data retrieved from 2015-16 Oregon School Report Card

Although MEWA fell slightly below the state average on this important data point, the school outperformed like-schools. MEWA is to be commended for continuing to support a strong college-going culture and providing students with a solid foundation that prepares their graduates for post-secondary opportunities.

3.0 LONGITUDINAL ANALYSIS OF STUDENT ACHIEVEMENT

IMPORTANT NOTE: Smarter Balanced Assessment (SBAC)/OAKS

During the transition from the Oregon Assessment of Knowledge and Skills (OAKS) to the Smarter Balanced Assessment (SBAC), the U.S. Department of Education granted the State of Oregon permission to temporarily suspend the assignment of school ratings during 2014-15. Given the recent passage of the Every Student Succeeds Act (ESSA) and the expiration of Oregon's flexibility waiver on August 1, 2016, the State of Oregon will not assign ratings (i.e., overall and comparison school ratings) for the 2015-16 year, either. Data, however, was collected in both years and will be used for the purposes of this report.

3.1 Student Achievement: Reading/ELA

Rating: Nearly Meeting

Over time has student achievement in Reading/ELA improved measurably?

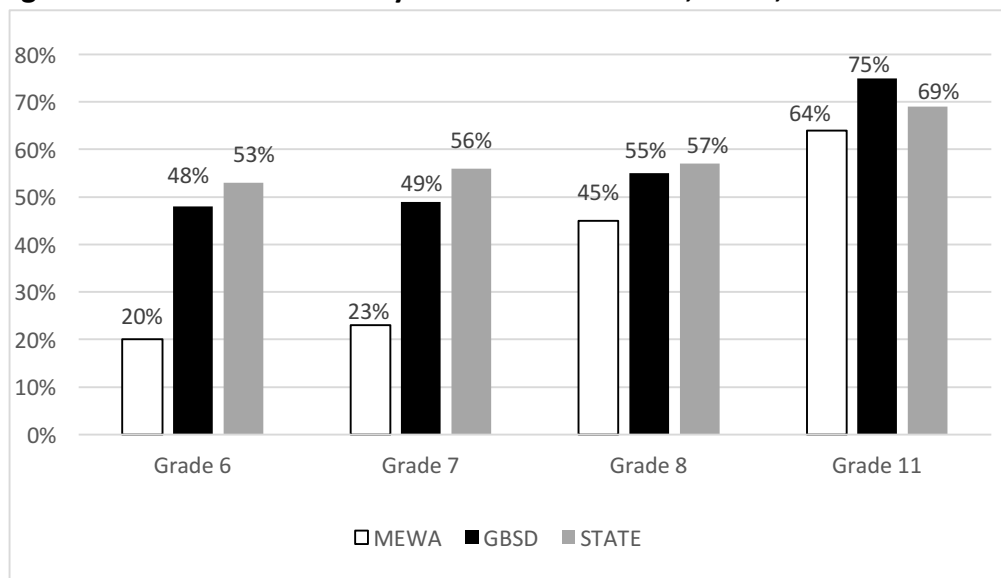
Evidence:

- State Assessment results from ODE website: www.ode.state.or.us/search/page/?=5387
- Oregon School Report Card 2015-16

Given that the state assessment changed from OAKS to Smarter Balanced in 2014-15, only two years of data is available from which to measure improvement. According to MEWA's school report card 58.9% met or exceeded the state standard on the ELA assessment in 2016, slightly less than 62.0% in 2015.

Figure 5 displays 2015-16 ELA state assessment data by grade level comparing the Metro East Web Academy, Gresham-Barlow SD and the state. Caution should be used in interpreting the MEWA data for grades 6 and 7 because of the small number of students at each of the grade levels—10 students in grade 6 and 22 students in grade 7. At grades 8 and 11, the percent of MEWA students who met or exceeded state standards in ELA was below the District and the State with smaller gaps at grade 11.

Figure 5. 2015-16 SBAC ELA by Grade Level: MEWA, GBSD, and STATE



Note: Data retrieved from www.ode.state.or.us/search/page/?=5387

Reviewing the English Language Arts SBAC data disaggregated by subgroup provides insight when comparing the outcomes for key student groups at MEWA to the same groups in the sponsoring district and across the state. Data for groups of students are presented in Table 7. Some demographic groups are not included in the table because the number of students in the group is too small to display while maintaining student confidentiality.

Table 7. Outcomes for Key Student Groups in ELA for 2014-15 and 2015-16

Percent of Students Meeting State Standard on ELA SBAC for Key Student Groups						
	MEWA		GBSD		STATE	
	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16
Economically Disadvantaged	49%	30%	44%	43%	41%	43%
Students with Disabilities	10%	12%	14%	13%	17%	18%
Hispanic/Latino	46%	33%	38%	35%	37%	38%

Note: Data retrieved from www.ode.state.or.us/search/page/?=5387

The percentage of economically disadvantaged students at MEWA meeting or exceeding the state standard was measurably less than in the GBSD and across the State. At MEWA, the percentage of students with disabilities and the percentage of Hispanic/Latino students meeting or exceeding the state standard were slightly less than the percentages for students in those subgroups districtwide.

The percentage of MEWA students meeting/exceeding state standards in ELA decreased from 2014-15 to 2015-16 for two subgroups—economically disadvantaged and Hispanic/Latino—while the percentages for these two subgroups remained essentially unchanged at the District and State levels. MEWA staff is encouraged to examine the data more closely and identify potential next steps to address the discrepancy.

3.2 Student Achievement: Math

Rating: Nearly Meeting

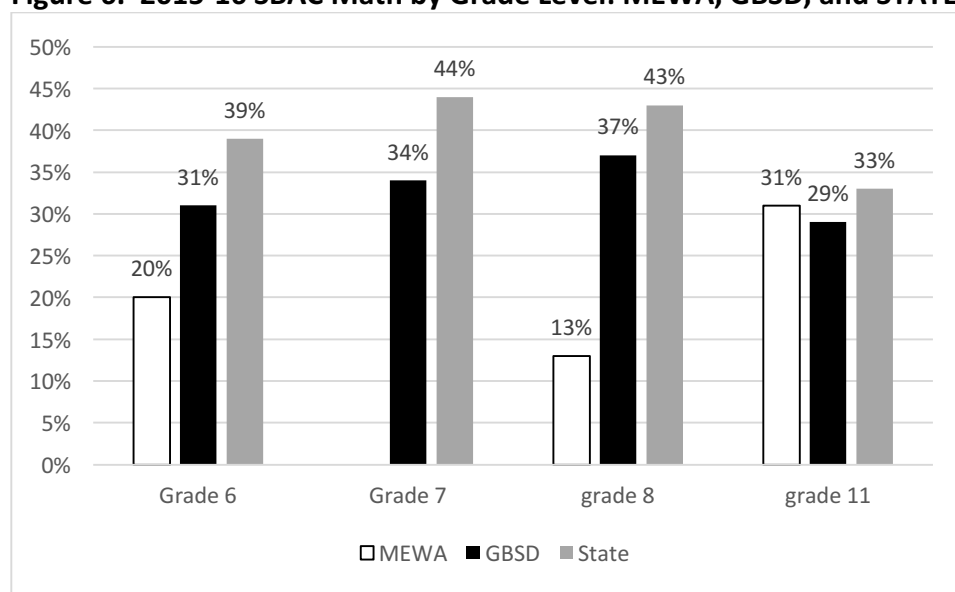
Over time has student achievement in Math improved measurably?

Evidence:

- *State Assessment results from ODE website: www.ode.state.or.us/search/page/?=5387*
- *Oregon School Report Card 2015-16*

Similarly, for math as for ELA, given that the state assessment changed from OAKS to Smarter Balanced in 2014-15, only two years of data is available from which to measure improvement. According to the school report card, 28.6% of all MEWA students met or exceeded state standard on the math assessment in 2016, a slight increase from 27.9% in 2015.

Figure 6 displays 2015-16 Math state assessment data by grade level comparing the Metro East Web Academy, Gresham-Barlow SD and the state. Again, caution should be used in interpreting the MEWA data for grades 6 and 7 because of the small number of students at each of the grade levels. At grade 7, less than 5% of MEWA students met or exceeded the state standard causing the data for that grade level to be suppressed. The gap between MEWA and the District at grade 8 is dramatic, but at grade 11 MEWA students performed slightly better on the state math assessment than GBSD students and nearly as well at the state average. MEWA staff is encouraged to examine the data more closely to determine what steps, if any, should be taken to address the deficiency at grade 8.

Figure 6. 2015-16 SBAC Math by Grade Level: MEWA, GBSD, and STATE

Note: Data retrieved from www.ode.state.or.us/search/page/?=5387.

Reviewing the SBAC data in mathematics disaggregated by subgroup provides valuable insight especially when comparing the outcomes for key student groups at MEWA to the same groups in the sponsoring District and across the state. Data for groups of students are presented in Table 8. Some demographic groups are not included in the table because the number of students in the group is too small to display and still maintain student confidentiality.

Table 8. Outcomes for Key Student Groups in Math for 2014-15 and 2015-16

Percent of Students Meeting State Standard on Math SBAC for Key Student Groups						
	MEWA		GBSD		STATE	
	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16
Economically Disadvantaged	7%	8%	28%	29%	29%	29%
Students with Disabilities	<5%	6%	8%	8%	13%	13%
Hispanic/Latino	9%	13%	21%	19%	24%	24%

Note: Data retrieved from www.ode.state.or.us/search/page/?=5387

MEWA leadership acknowledges that “SBAC math scores continue to be problematic.” However, they have taken steps to address the problem in scheduling math tutoring sessions twice a week for students who need additional assistance. MEWA staff are encouraged to continue exploring innovative ways to support students in math through implementing strong core instruction, identifying students’ learning gaps and providing interventions to meet individual students’ needs.

3.3 Comparative Student Achievement**Rating: Nearly Meeting*****How does the charter school's performance compare to the sponsoring school district and the state as a whole?****Evidence:*

- Interview with principal/CEO
- Interview with counselor
- 2015-16 Oregon School Report Card
- 2015-16 State Assessment Results from ODE website: www.ode.state.or.us/search/page/?=5387

Data in Table 9 shows MEWA students outperformed students in like-schools on the state assessment for both ELA and math. In ELA, the percent of MEWA students meeting or exceeding the state standard was nearly identical to the state as a whole. The percent of MEWA students meeting or exceeding the standard in math was measurably less than the percent reported statewide.

Table 9. Percent Meeting/Exceeding State Standards: MEWA, State, Like-Schools 2015-16

	MEWA	State of Oregon	Like-School Average
English Language Arts	59%	60%	46%
Math	29%	41%	22%

Note: Data retrieved from school report cards 2014-15 and 2015-16.

Table 10 compares the performance of MEWA students to students districtwide in ELA and math disaggregated by middle school level (grades 6-8) and high school level (grade 11). The data was retrieved from the ODE website (not the school report card) so that the data from grades 6-8 could be reported together to align with the data reported for the District.

Table 10. Percent Meeting/Exceeding State Standards: MEWA and GBSD, 2015-16

	MEWA		GBSD	
	Grades 6-8	Grade 11	Grades 6-8	Grade 11
English Language Arts	33%	63%	51%	75%
Math	*	31%	33%	30%

* The ODE suppressed the data for MEWA grade 7 in math due to the small number of students in that cell. Consequently, the data for grades 6-8 would be skewed and is not being reported here.

In ELA, MEWA students at grades 6-8 performed markedly lower than students in middle school grades in the District. Because of the small number of seventh graders meeting/exceeding standard in math at MEWA, ODE suppressed the data making a comparison between MEWA and GBSD for grades 6-8 impossible.

At grade 11, the percentage of MEWA students meeting or exceeding the state standard is lower than the District for ELA and slightly higher for math.

MEWA is rated “Nearly Meeting” in this domain.

4.0 FEDERAL ACCOUNTABILITY: STUDENT PERFORMANCE & PROGRAMS

4.1 Student Achievement

Rating: Nearly Meeting

Did the charter school meet Federal targets in participation in state assessment, academic achievement and academic growth as required by the interim accountability system approved through the ESEA waiver process for 2012?*

Evidence:

- Interview with principal/CEO
- 2015-16 School Report Card
- 2015-16 Report Card Rating Details Report
- State Assessment Results, ODE website: <http://www.ode.state.or.us/search/page/?=5387>

** Oregon's ESEA flexibility waiver expired on August 1, 2016. Because this evaluation is being conducted on data through the 2015-16 SY, the waiver still applies.*

Participation in State Assessments

The Federal ESEA waiver process requires at least 94.5% of enrolled students to participate in state assessments. In 2015-16, MEWA met this requirement for all students and for every subgroup in ELA and in math. Overall, 99% of MEWA students participated in the ELA and math assessments in 2015-16. One hundred percent of students in grades 6, 7, and 8 participated in both state assessments. The school showed improvement from 2014-15 when only 91% of Students with Disabilities participated in state testing.

The staff is encouraged to celebrate the high level of participation at the same time continuing to emphasize to students and families the importance of participating in state testing.

Academic Achievement

For all public schools in Oregon, the Academic Achievement indicator reflects the percent of all students that meet or exceed standards (i.e. perform at a Level 3 or Level 4) on the state English language arts and mathematics assessments at all grades tested in the school. Both English language arts and mathematics have a target as required by Oregon's ESEA waiver; the target for English language arts is 54.5% and for mathematics the target is 40.0%. Assessment data from the last two years is combined to determine the "Combined % Met" for a school. A school meets the target for a group or subgroup of students if the "Combined % Met" is greater than or equal to the target. Table 11 shows the calculation of MEWA's Academic Achievement Indicator in ELA and math for 2015-16.

Table 11. Academic Achievement Indicator for MEWA in ELA and Math, 2015-16

	2014-15		2015-16		Combined % Met	Meets the target?
	Tests	% Level 3/4	Tests	% Level 3/4		
ELA	129	62.0%	112	58.9%	60.6%	Yes
Math	129	27.9%	112	28.6%	28.2%	No

On the 2016 school report card, MEWA's "combined % met" for ELA was 60.6% thus meeting the federal target of 54.5%. MEWA did not meet the target for math because its "combined % met" was 28.2%.

From 2014-15 to 2015-16, slight improvement was noted in the percent of students at MEWA meeting the state standard in math. However, math continues to be an area that warrants attention in terms of

exploring instructional strategies to help increase student achievement. MEWA leadership is encouraged to ensure staff have ongoing and effective professional development in the area of teaching the common core standards in math.

Academic Growth

The Academic Growth indicator does not have targets similar to the Academic Achievement indicator; however, schools may exhibit low, typical or high growth given the value of their respective median growth percentile. A median growth percentile less than 35 is considered “low growth”; greater than or equal to 35 and less than 66 describes “typical growth”; and greater than or equal to 66 describes “high growth.” Table 12 shows the calculation of MEWA’s Academic Growth Indicator in ELA and math for 2015-16.

Table 12. Academic Growth Indicator for MEWA in ELA and Math, 2015-16

Academic Growth	2014-15		2015-16		Combined Median Growth Percentile	Growth Level
	Students	Median Growth Percentile	Students	Median Growth Percentile		
ELA	103	32.0	86	35.5	32.0	Low
Math	103	40.0	86	42.5	40.0	Typical

In ELA, the Web Academy’s median growth percentile was 32%, indicating low growth but very close to the cut-off for typical growth. For math, the school showed “typical growth” with a combined median growth percentile of 40.

As noted in last year’s report for MEWA, it is important to consider context when comparing the performance of students at the Web Academy to those attending school elsewhere: MEWA serves students in grades 6-12—so performance ratings are based on middle and high school criteria. In addition, MEWA serves a high number of credit deficient high school students whose path to graduation typically takes longer.

The CSS evaluator encourages Web Academy staff to continue focusing on innovative ways to personalize learning for students, closely monitoring student achievement data and using the data to adjust instruction as appropriate to meet the needs of diverse learners, to provide a variety of interventions to support students, and to maintain close communication with families. These strategies will result in measurable academic growth for MEWA students over time.

4.2 Highly Qualified Compliance

Rating: Meeting

Do staff members teaching core academic subjects meet the requirements for "highly qualified"?

Evidence:

- *Interview with principal/CEO*

Oregon statute (ORS 338.120) requires “(A) All superintendents, assistant superintendents and principals of the school are licensed to administer by the Teacher Standards and Practices Commission; and (B) Teachers who are licensed to teach by the Teacher Standards and Practices Commission and who are highly qualified as described in the federal No Child Left Behind Act of 2001 (P.L. 107-110, 115 Stat. 1425) teach at least 95 percent of the school’s instructional hours. Based on evidence provided by

the school administration and in conversation with the principal/CEO, MEWA is in compliance with this statute.

The school received a “Meeting” rating, the highest rating possible in this competency.

4.3.a English Language Learners – Programs

Rating: Meeting

Does the charter school implement appropriate practices in providing programs to English Language Learners (ELLs)?

4.3.b English Language Learners – Monitoring Progress

Rating: Meeting

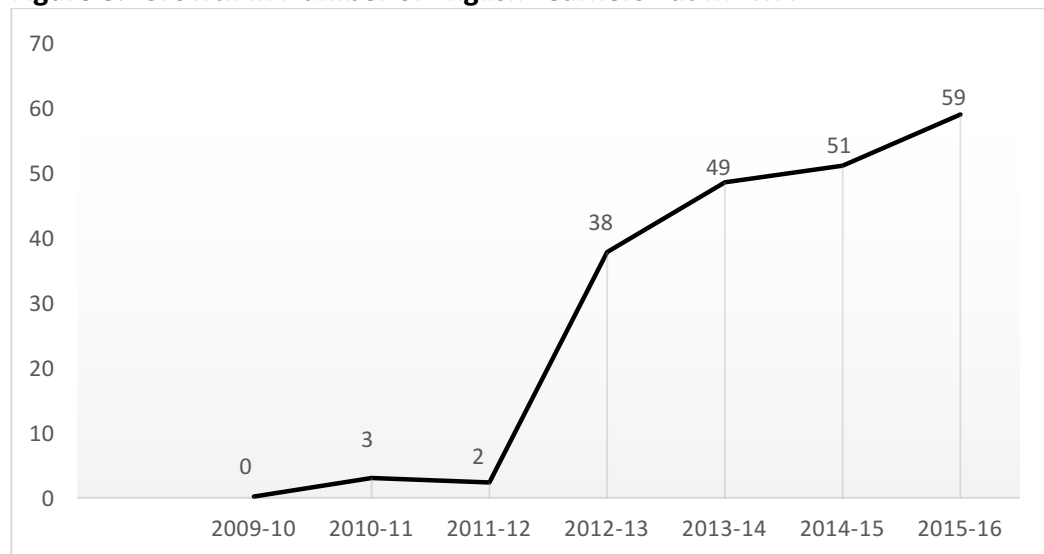
Does the charter school work to assess ELL students and monitor their progress so that English Language Learners (ELL) can succeed in the charter school program?

Evidence:

- 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16 School Report Cards
- Interview with principal/CEO
- School website
- Charter Agreement 2009-2012 and Renewal 2012-2017
- 2015-2016 Student and Family Resource Guide
- English Language Learner (ELL) Program Plan – GBSD, 2013-2016
- Email communication between MEWA and PSU re: ESOL endorsement

The Oregon School Report Card identifies the number of English Learners at a school as the number of students who are currently receiving ELL services or have ever received ELL services. According to the school’s report cards, the number of English Learners at MEWA has dramatically increased since 2009.

Figure 8. Growth in Number of English Learners* at MEWA



*Students who have ever received ELD services.

Although the number of MEWA students who have ever received ELL services has increased, according to documentation provided to the CSS evaluator, during 2015-16 only one MEWA student—a high

school student—received ELD instruction while eight students were on monitoring status.

Prior to and including last year, MEWA has worked with GBSD to provide appropriate ELL services to students who qualify. The following message is posted on the school's home page: "The Metro East Web Academy follows Gresham-Barlow School District policy for English Language Learners." A link to the District's ELL Program and English Language Learner Plan is also included on MEWA's home page along with a set of frequently asked questions regarding ELLs. MEWA's ELLs are currently served under the guidelines of the GBSD ELL Plan which guarantees that "All English language learners in the district receive English Language Development (ELD) support as well as assistance with content instruction." In addition, the Plan requires that all students who enroll in the district complete a home language survey and if the survey indicates that the student's first language is not English, a member of the ELL staff will assess the student's English Language Proficiency.

Web Academy staff work directly with the Gresham-Barlow School District's ELL program coordinator to ensure that students enrolled in Web Academy are appropriately placed and monitored to ensure their success in the charter school program.

The MEWA Student and Family Resource Guide includes a specific section explaining how the school supports the needs of English Learners and their families. The Guide also provides a list of the types of communication parents can expect from the school with respect to their child being identified and served as an English Learner at MEWA.

It is worth noting, that over the past two years, MEWA leadership has worked with a MEWA teacher and Portland State University to support and facilitate the teacher earning an ELL endorsement. Creating a practicum experience that prepares an ESOL teacher to serve students in a virtual learning environment provided unique challenges. However, MEWA and PSU were both committed to ensuring the teacher experienced a rich and authentic practicum preparing her well to meet the language needs of ELLs at MEWA. The teacher completed the ESOL practicum during the 2015-16 school year. Thus, beginning in the fall of 2016 MEWA students who qualify for ELL services will receive those services from a part-time MEWA staff member. The principal/CEO reported they are working on an ELL plan and are hoping that they will be able to provide one-on-one services to ELL learners next year. He also emphasized that this year the MEWA staff have worked with ELL students focusing on building pride in students' ethnic backgrounds.

In addition to contracting with GBSD to provide ELD services to MEWA students who qualify, MEWA supports their ELLs by offering an ELL Success class. In this class students learn "how to succeed in high school, college and beyond by taking their future into their own hands." ELL Success is a two-semester elective course where students learn how to develop social awareness, master time management and engage in goal-setting.

Based on evidence presented, the school is rated "Meeting" in the domains pertaining to providing appropriate instructional programs for ELLs and monitoring progress of English Language Learners.

4.4 Special Education Delivery of Services

Rating: Exceeding

Are regulatory guidelines implemented for IDEA-eligible students so that sponsoring districts take responsibility for providing special education to charter school students?

Evidence:

- *Interview with principal/CEO*
- *Interview with deputy principal/Operations Manager*
- *Interview with Special Education Team case manager – GBSD staff member*
- *Charter Agreement 2009-2012 and Renewal 2012-2017*
- *2015-2016 Student and Family Resource Guide*
- *Email communication from GBSD Special Services*

The partnership between MEWA and GBSD ensuring that students with disabilities receive appropriate services continues to be exemplary. Students' progress toward meeting their IEP goals is closely monitored by the Special Education Team case manager, a GBSD staff member. Communication between charter school staff and district special education staff, including the case manager, is frequent and ongoing.

The Charter Agreement requires the Web Academy to comply with all GBSD policies and regulations and the requirements of federal and state law concerning the education of children with disabilities under IDEA. The District is responsible for providing special education services for students per ORS 338.165. The school is responsible for complying with all District policies regarding discipline of special education students, having a District representative present at all IEP team meetings, and abiding by the IEP team's decision on program and placement.

Reports from MEWA staff indicate frequent and effective communication exists between the District and the school to ensure MEWA students with disabilities receive appropriate services. According to email communication from the GBSD Special Education Team case manager to MEWA deputy principal, 149 IEP meetings—to address the needs of Special Education students at MEWA—occurred from the beginning of the 2015-16 school year until May 16, 2016. As of 5/16/16, there were 48 active MEWA students with a Special Education designation—36 students in high school and 12 in middle school. Over the course of the 2015-16 school year, 59 students with IEPs attended the Web Academy.

Teachers and other support staff from the Web Academy attend all IEP meetings with the district Special Education staff. They are fully apprised of the contents of their student's IEP and work in tandem with other special educators to align teaching content and monitor student academic progress to better ensure student success.

The school earns a rating of "Exceeding" for this competency.

4.5 Section 504 Services

Rating: Meeting

To what extent are regulatory guidelines implemented for Section 504-eligible students?

Evidence:

- *Interview with principal/CEO*
- *Charter Agreement 2009-2012 and Renewal 2012-2017*
- *GBSD Administrative Regulation: JBAA-AR*
- *Documentation provided by school counselor*

GBSD Administrative Regulation JBAA-AR describes the responsibility of the District to meet the requirements of Section 504 of the Rehabilitation Act of 1973. In addition, in MEWA's Charter School

Agreement, the Web Academy acknowledges it is “legally responsible to comply with Section 504 of the Rehabilitation Act of 1973.”

Currently ten students at MEWA are on 504 plans—seven at the high school level, three in middle school. When a student with a 504 plan enrolls in MEWA there is a review of the plan with the student, family and school counselor. The review is either in person or over the phone. While a student is attending MEWA, if the counselor, student or family believe a 504 plan would be appropriate for that particular student, appropriate meetings and discussions will take place to determine if a plan is put in place through appropriate meeting times and discussions. Parents are included in these discussions on all occasions, unless the student is 18 and has specifically requested otherwise. 504 Plans are reviewed annually and counselors communicate specific accommodations to the teaching staff.

Based on the evidence provided, the Web Academy is in compliance with all parts of Section 504 as they apply to access to schools and school programs. The school receives a “Meeting” rating in this competency area, the highest rating possible.

4.6 Free/Reduced Price Lunch

Rating: Meeting

Does the school follow federal guidelines for identifying students for program eligibility and for safeguarding student privacy?

Evidence:

- *Interview with principal/CEO*
- *Online application for Free and Reduce-Price Meals*
- *Interview with registrar*
- *Student and Parent Resource Guide, 2015-16*
- *MEWA school website*

Statements found in the Student and Parent Resource Guide and also on the school website explain that families who qualify for free or reduced meals may have the \$100 deposit for computer loan/maintenance reassessed, reduced or eliminated entirely. Consequently, even though the school does not serve lunch to students, families are encouraged to complete a confidential family income survey (provided by MEWA) or the free and reduce-price meals application (available on the ODE website) to determine their eligibility. The CSS evaluator found evidence that the confidentiality of students and families is protected during the process.

The school receives a “Meeting” rating in this area, the highest rating possible.

5.0 STATE ACCOUNTABILITY

5.1.a Non-Discriminatory Practices – Access to Programs

Rating: Exceeding

Is the charter school complying with statutory guidelines for non-discriminatory practices in regard to student access to programs?

Evidence:

- *Charter Agreement 2009-2012 and Renewal 2012-2017*
- *GBSD Board Policy JB*
- *2015-2016 Student and Family Resource Guide*
- *Interview with principal/CEO*
- *Interview with registrar*
- *School's website: Frequently Asked Questions*

According to the Charter School Agreement, the Web Academy is required to comply with GBSD's Board Policies, including the Equal Educational Opportunity Policy JB which guarantees that every student is given "equal educational opportunities regardless of age, race, religion, color, disability, marital status, sexual orientation or national origin." Furthermore, in MEWA's Charter Agreement and the subsequent renewal, it clearly states that "As provided in ORS 338.125(2), the Web Academy may not limit student admission based on race, religion, sex, sexual orientation, ethnicity, national origin, disability, the terms of an individualized education program, income level, proficiency in the English language, or athletic ability." MEWA reiterates its non-discrimination policy in the Student and Family Resource Guide: "Metro East Web Academy does not discriminate on the basis of race, religion, color, national origin, disability, marital status, sex, sexual orientation, or age in providing education or access to benefits of education services, activities and programs in accordance with Title VI, Title VIII, Title IX and other civil rights or discrimination laws; Section 504 of the Rehabilitation Act of 1973, as amended; the Americans with Disabilities Act; and the Americans with Disabilities Amendments Acts of 2008."

All of the Web Academy's programs—MEWA, MEECA, and GED—are open to all students. For students with special needs, as described in the Charter Agreement, the school will "comply with all District policies and regulations and the requirements of federal and state law concerning the education of children with disabilities under IDEA." The student's IEP team determines the appropriate educational program and placement for the Web Academy student. Students with an existing IEP are admitted on a conditional basis: Admittance is not denied to students with IEPs, but the student's IEP/placement team will reach a decision about placement and inform the parents and student where the best placement would be for their student.

Additional evidence of MEWA's compliance with statutory guidelines for non-discriminatory practices in regard to student access to programs is seen on the school's webpage. The web page is available in seven languages in addition to English: Arabic, Hmong, Romanian, Russian, Spanish, Ukrainian, and Vietnamese. This feature on the school website helps prevent unintentional discrimination by providing access to important information about the school to students and families who are non-English speaking.

Policy and procedures are in place to prevent discriminatory practices regarding student access to programs earning the school an "Exceeding" rating in this competency.

5.1.b Nondiscriminatory Practices – Access to Technology**Rating: Exceeding*****Is the charter school complying with 2011 statutory requirements for nondiscriminatory practices regarding student access to technology?****Evidence:*

- *GBSD Board Policy HBG*
- *Interview with principal/CEO*
- *Student Computer Loan Agreement*

Oregon charter school law (ORS 338.120) identifies specific requirements for virtual public charter schools. The requirements include providing all students equitable access to the education program of the school by ensuring each student enrolled in the charter school:

- (A) Has access to and use of computer and printer equipment as needed;
- (B) Is offered an Internet service cost reimbursement arrangement under which the school reimburses the parent or guardian of the student, at a rate set by the school, for the costs of obtaining Internet service at the minimum connection speed required to effectively access the education program provided by the school; or
- (C) Has access to and use of computer and printer equipment and is offered Internet service cost reimbursement.

GBSD addresses the access to technology requirement outlined in ORS 338.120 in District Board Policy HBG: “To provide all students equal access to district technology materials/equipment and to instruction in their implementation.”

MEWA is in compliance with the state statute and Board policy. As mentioned in Section 4.6 of this report, for families who qualify for free or reduced meals, the \$100 deposit for computer loan/maintenance will be reassessed and may be reduced or waived completely. In extreme cases the school will also cover the cost of internet connection for a family demonstrating financial need, although this is a rare occurrence.

In addition, MEWA students have access to computers, internet and printers during Support Lab hours, Monday through Thursday.

There is evidence that procedures and resources are in place to ensure that each student has access to and use of computer and printer equipment when needed and that internet service costs are reimbursed for those families that qualify as low-income.

5.1c Nondiscriminatory Practices—Staff Hiring**Rating: Exceeding*****Is the charter school complying with statutory guidelines for nondiscriminatory practices in regard to staff hiring?****Evidence:*

- *Charter School Agreement: 2009-2012 and Renewal 2012-2017*
- *2015-2016 Staff Resource Guide*
- *Interview with principal/CEO*
- *GBSD Board Policy GBA*

According to the Charter School Agreement the “hiring of personnel by the Web Academy will be at the sole discretion of the Web Academy ...” The Charter also requires that the Academy follow federal and state laws governing schools and districts including, but not limited to statutes related to non-discrimination in education ORS 659.850, ORS 659.855 and ORS 659.860.

In the Web Academy’s Charter School Agreement and the subsequent renewal of that agreement with the GBSD, nondiscriminatory practices are explicitly addressed: “The Web Academy shall comply with all applicable federal, state, and local laws, rules and regulations regarding nondiscrimination, including without limitation, statutory and constitutional provisions prohibiting discrimination on the basis of disability, age, race, creed, color, sex, national origin, religion, ancestry, marital status, political beliefs and/or affiliations, or sexual orientation.”

MEWA is also required to comply with all Gresham-Barlow School District Board policies. GBSD Board Policy GBA requires “Equal employment opportunity and treatment shall be practiced by the district regardless of race, color, religion, sex, sexual orientation, national origin, marital status, age, veterans’ status, genetic information and disability if the employee, with or without reasonable accommodation, is able to perform the essential functions of the position.”

MEWA’s commitment to nondiscriminatory employment practices is clearly communicated in the 2015-16 Staff Resource Guide: “MEWA believes and affirms that each individual is entitled to equal employment opportunities consistent with the law. This equal employment opportunity extends to recruitment, hiring, promotions, transfers, training, compensation, lay-off, termination, discipline, and all other conditions of employment.”

The school earns a rating of “Exceeding” in this domain given that policy and procedures are in place to prevent discriminatory practices regarding the recruitment, hiring, and promotion of staff.

5.2.a Curriculum – Standards

Rating: Exceeding

Does the content of the curriculum meet Oregon state standards?

Evidence:

- *Interview with principal/CEO*
- *Interview and emails with curriculum director*
- *New Course Proposal Flow Chart*
- *Course Proposal Form*
- *Official dates for submitting new course proposals*
- *Online/Hybrid Course Development Guide and Review (rubric)*

A clear and systemic process for proposing new course proposals at MEWA was developed two years ago and is now being implemented at the school. All new courses must be submitted no later than March 1st for fall classes and May 1st for winter classes. The new course proposal must include a brief description of the course in addition to detailed information about course content, instructional design and learner assessment.

With respect to course content, the proposal must identify measurable course goals and objectives, clearly stating what the student will know and/or be able to do at the culmination of the course. The proposal must show how the course content and assignments are aligned with Common Core State

Standards and CRLE standards or nationally accepted standards for elective courses. Evidence must be presented to demonstrate that the course content, assignments and assessments are of sufficient rigor, depth and breadth to teach the standards and identified student learning outcomes. There also must be evidence that the course provides for timely and appropriate interaction between students and faculty and among students including both synchronous and asynchronous options. Sufficient learning resources and materials to increase student success must also be provided in the new course proposal. Finally, a clear and comprehensive course overview, syllabus and schedule are required.

Details about the course's instructional design is also required for any new course proposal. The proposal must describe how the course provides students with opportunities to engage in higher-order thinking and critical reasoning. The proposal must demonstrate how the course design reflects diversity, is free of bias and allows for the instructor to adapt learning activities to accommodate students' needs. The proposal must address academic integrity and netiquette expectations with respect to lesson activities, discussions, and email communications. The proposal must also describe how feedback on assessment/assignments is provided to students including any rubrics if appropriate. Within the proposal, there must be evidence that the units are designed with the following best practices in mind: anticipatory set, input modeling/modeled practice; check for understanding, practice and closure. Finally, the proposal must include assessment materials that provide the flexibility to assess students in a variety of ways. New course proposals not meeting the criteria listed above are returned to the teacher who submitted the proposal for revision and resubmission.

Last year the curriculum director explained that as they were requiring all new courses to go through the process they were also "backtracking" to examine classes that are already in place at MEWA. The Director stated that their goal was to ensure all courses at MEWA meet the standards identified in the Quality Course Rubric by the end of the 2016-17 school year.

The curriculum director described current and ongoing efforts to evaluate all MEWA courses:

"Our goal is to evaluate the rest of the teacher-developed classes this year. We continue to use the rubric when evaluating the courses and so far, we have found the rubric to be appropriate and applicable. Staff members have been involved in the evaluation process and we will continue to rotate those course review members so more staff members are involved and aware of how this process works."

MEWA staff deserve commendation for developing and implementing a system to ensure all courses offered at the school are rigorous, aligned to standards, and consist of well-designed units that incorporate solid instructional practices.

5.2.b Curriculum – Assessment

Rating: Exceeding

To what extent is the charter school conducting valid assessments of student performance consistent with Oregon state standards?

Evidence:

- *Interview with principal/CEO*
- *Electronic communication with Curriculum Director*
- *Charter Agreement 2009-2012 and Renewal 2012-2017*

Metro East Web Academy administers the Smarter Balanced Assessment (in ELA and math) and OAKS (in

science), which are aligned to Common Core State Standards and Oregon State Standards, as required by law. Other assessments, both formative and summative, are conducted within each course offered at MEWA. The course proposal process (described in 5.2a) includes expectations for creating and implementing valid assessments of student performance that are consistent with Oregon state standards.

During last year's evaluation process, the principal noted that MEWA staff was reviewing their assessment tools and exploring options other than the current assessment they were using (MAPs). Since last year, MEWA staff did make the transition to Star360, and initial feedback regarding the new assessment tool is positive. Star360 is less time intensive than MAPs, and staff believe it provides a more accurate assessment of student progress. The curriculum director provided more detail about the transition to Star360:

"We transitioned to Star360 exclusively last year. MAPs was a little more time consuming and required students to take 3 tests and invest about an hour each. We believe that the results were not indicative as many students were not putting the effort into the test. Star360 affords us the opportunity to get results relative to reading and math with an investment of about 30 minutes per test per student. We test fall, winter, and spring with an intent to measure value-added growth. Students can take the assessment at home or at the school."

Web Academy staff deserve commendations for the consistent use of assessment data to inform decisions about student placement and interventions needed to fill students' learning gaps.

5.3.a Distinctive Teaching Techniques – Charter Contract

Rating: Exceeding

To what extent is the charter school implementing distinctive instructional practices as outlined in their contract with the sponsoring district?

Evidence:

- *Interview with the principal/CEO*
- *Charter Agreement 2009-2012 and Renewal 2012-2017*
- *Charter School Proposal (Exhibit A)*
- *Mentor Seminar Outline*

ORS 338.045 requires a description of "any distinctive learning or teaching techniques to be used in the public charter school" to be included in the initial charter school proposal. In the proposal submitted by the Gresham-Barlow Web Academy (the school's name was changed to Metro East Web Academy in 2013-14) the distinctive learning and teaching techniques were described as follows:

"We plan to offer instruction via computer and deliver it directly to students outside of school buildings. Each student will be loaned a laptop computer. Instruction will be delivered via an internet connection and provide by a provide source of online curriculum programs."

The essence of the Web Academy program is to provide core instruction delivered online in combination with a teacher mentor assigned to each student. The philosophy of the Web Academy is anchored in individualized learning plans to help foster student success with the mentor providing appropriate support and guidance as needed.

The mentor provides support to the student and monitors the student's academic progress on a regular basis. Though most teacher interaction with students is made via electronic communications (both email and virtual meetings), face-to-face visits are also scheduled to build rapport and strengthen accountability. The mentor is also responsible for regular communication with the student's family.

Teachers have access to a Mentor Seminar Outline created by MEWA staff that identifies expectations for teachers and students with respect to the student-mentor relationship. The Mentor Seminar Outline also provides a weekly calendar listing the topics to be addressed during the mentor seminar meetings. In 2015-16, topics included: introduction to the new assessment system STAR360, career exploration using Oregon CIS, goal setting and review, and paying for post-secondary education. Several topics related to students' health and safety were also addressed during the Mentor Seminars including: drug and alcohol abuse, dating violence, cyber safety, stress management and self care. Students also had opportunities during the Mentor Seminar to review their portfolios of work and reflect on (and write about) personal successes they experienced throughout the term.

Another feature of MEWA distinguishing it from more traditional schools is flexibility of the schedule of academic work time for a Web Academy student. It is noted in the Charter School Proposal that the student, teacher, and parent negotiate the work time and schedule again emphasizing the focus on individualized learning:

"Student work will be guided by a student educational plan developed jointly by the student, teacher and parents. Students will be required to submit a proposed work plan which will be reviewed and revised by the student's teacher. The development and use of the plan is seen as an important part of acquiring the self-management skills that will serve students well in adult life."

Encouraging students to be more self-directed and take ownership of their learning is also a key feature of the Web Academy's instructional approach. Online tools (videos) posted on the school website provide students with training so they can more effectively communicate with their teachers, submit their assignments, and monitor and track their own academic progress.

All of the practices described above (which are outlined in the initial Proposal and Charter School Agreement) are currently in place at the Web Academy. MEWA is in compliance with the Charter Agreement with no modifications required earning the school a rating of "Exceeding" in this domain.

5.3.b Distinctive Teaching Techniques –Student/Teacher Meetings **Rating: Exceeding**
To what extent is the charter school meeting requirements outlined in 2011 Charter School legislation pertaining to virtual school student/teacher interactions to assess and improve student progress?

Evidence:

- *Interview with principal/CEO*
- *Interview with deputy principal*
- *2015-2016 Student and Family Resource Guide*
- *2015-2016 Staff Resource Guide*
- *School website*
- *Mentor Seminar Instruction Guidelines*

Charter School legislation (ORS 338.120) requires that charter schools must create and implement a plan to: i) conduct meetings at least twice a week between teachers and students enrolled in the school, either in person or through the use of conference calls or other technology; and ii) provide opportunities for face-to-face meetings between teachers and students enrolled in the school at least six times each school year.

As described in Section 5.3a, each MEWA student is assigned a highly qualified teacher as a mentor who provides guidance and support to the student and his/her family. The role of the mentor is to monitor the overall progress of the student and serve as a point of contact for the family. Students and parents meet with the mentor teacher throughout the school year to discuss the student's progress and answer any questions that arise during the year. The number of meetings is based on student need. In addition, a counselor assigned to each student meets with students and their families as needed to discuss forecasting and any other academic needs the student may have.

In addition to meetings with mentors and counselors, students also have regular contact with their instructors. Every other Tuesday, staff meet to review student performance data and identify students who may need additional support. At this meeting, it is determined what support and interventions are most appropriate for each student. Support for students occur through online, on- and off-campus mentoring support systems. Staff are required to be online daily (Monday-Friday). Protocol outlined in the Staff Resource Guide states email inquiries are responded to within 24 hours (with the exception of weekends and holidays). Each teacher has a cellular phone number that is shared with students and parents and dedicated to Web Academy business. All contact information can be accessed through the school website. Students are encouraged to call, text, email or instant message their teachers when they need assistance—during the normal school operating hours.

Students are encouraged to take advantage of the Support Labs on campus Monday through Thursday from 12:30-3:30pm. This information is posted on the monthly calendar on the school's website. Students also have many opportunities during the week to attend weekly synchronous lectures or meeting sessions. Students log in and interact with the teacher and other students logged in to the same session while at different physical locations.

If a student requires off campus support teachers are available to meet with students at the student's home or at a public location. These appointments are pre-arranged and usually occur in response to unique circumstances. Home visits occur with parent/guardian permission and parents must be present during the entire visit. In addition, staff doing the visitation must be accompanied by another Web Academy staff member.

5.4 School Improvement and Staff Development Plans

Rating: Exceeding

Does the charter school develop school improvement goals and align staff development strategies to achieve them?

Evidence:

- *2015-2016 Success Plan End of Year Reports*
- *Interview with principal/CEO*
- *Interview with deputy principal*
- *Calendar of Professional Development and Staff Meetings*

MEWA staff work collaboratively to develop, implement and annually update the School Success Plan. The 2015-16 School Success Plan includes four focus areas: Graduation, Engagement, Partnerships, and Culture. For each focus area, staff identified the initial problem and determined the data they would collect and analyze to help them more fully understand the problem. From the common themes generated by the data, staff established next steps to improve outcomes within the focus area. Examples of next steps in each of the focus areas generated from the School Success Plan data collection are listed in Table 14.

Table 14. MEWA School Success Plan Focus Areas – Next Steps

GRADUATION	Focus on course completion; track students from the first 30 days and intervene immediately
	Provide students with more tools to be successful (e.g. communicating with teachers, developing good work habits at home)
	Beginning the AVID program
	Better follow-up on students on when they withdraw – where did they go? Did they graduate?
ENGAGEMENT	Identify (as a MEWA staff) the 3-5 parameters that contribute to success at MEWA
	Establish metrics and track data in the identified parameters and make the data accessible to all stakeholders
	Find ways to access information (about student achievement/progress) in a more timely manner
	Student data (especially class assignment completion) needs to be available, accessible, current and in one location so that counselors/ teachers do not have to go to multiples sources for information on one student
	Continue counselor check-in and follow-up with students
CULTURE	Increase number of interactive Adobe Sessions in classes
	Extend gaming club for students who are caught up in their classes
	Require all teachers to be available on Fridays for Middle School Lab
	Once a month Mentor Meeting; meet on campus
	Host a Career Fair
	Increase volunteer opportunities for students
PARTNERSHIPS	Survey business/community to find out how to prepare students for the work force
	Train students to approach businesses for donations
	Continue to collect data from parents to improve how the school assists them in supporting their students
	Research ways to collect parent check-in data

The Web Academy deserves commendations for not only the clarity, transparency, and intentionality of the School Success Plan, but also the process staff use to monitor and communicate progress toward the goals of the Plan. Staff are committed to collecting data from a variety of sources and using the data to make informed decisions about next steps. Through interviews with MEWA staff, it is evident there is buy-in and commitment to the School Success Plan and that the document is used to maintain focus and to hold the school accountable for the goals they have—publically—declared as important.

MEWA staff is encouraged to consider maintaining the same four focus areas for the 2016-17 School Success Plan in order to implement the next steps that were identified as a result of the investigations during 2015-16.

5.5 Licensure of Charter School Staff**Rating: Exceeding*****Is the charter school compliant with Oregon statutes regarding teacher licensure and registration, and charter agreements?****Evidence:*

- *Charter Agreement 2009-2012 and Renewal 2012-2017*
- *Interview with principal/CEO*
- *Licensure data for current Web Academy staff*

In accordance with ORS 338.120, the principal must be licensed and licensed teachers must teach at least 95% of the Web Academy's instructional hours. Licensure details for each certified staff member was provided to CSS evaluators; 100% of MEWA's teachers are licensed.

According to the Charter School Agreement: "For any individual hired as a teacher, the Web Academy shall retain in its records evidence of the teacher's certification, or other qualifications of the teacher; such evidence will be made available to the District at times the District conducts its visit and review of Web Academy compliance with this Agreement under ORS 338.095(1)." In addition, no later than August 15 of each year, MEWA is required to send to the GBSD a list of all licensed teaching staff, their licensure and their Highly Qualified status with TSPC.

Based on evidence provided, the school earns a rating of "Exceeding" in this domain.

5.6 Teacher Evaluation**Rating: Exceeding*****Is the charter school compliant with statutory guidance and sponsoring school district policy regarding teacher performance evaluation, including the requirements of SB 290 if teachers are school district employees?****Evidence:*

- *Charter Agreement 2009-2012 and Renewal 2012-2017*
- *2015-2016 Staff Resource Guide*
- *Interview with principal/CEO*
- *Interview with deputy principal*
- *ONLINE INSTRUCTOR EVALUATION form*

The Charter School Agreement states that "the Web Academy will be responsible for the supervision and evaluation of the teaching staff within the Web Academy." The purpose of teacher evaluation at MEWA is clearly stated in the Staff Resource Guide: "To aid the teacher in making continuing professional growth and to determine the teacher's performance of the teaching responsibilities."

MEWA's teacher evaluation process provides staff with opportunities to set goals and receive administrator responses to those goals; to access assistance from peers; to participate in formal and informal observations; and to receive verbal and nonverbal feedback for improvement from supervisors. The licensed staff evaluations are developed in collaboration between the teacher and the supervisor and must include the core teaching standards adopted by the Oregon State Board of Education.

Teachers engage in goal setting meetings with the principal and are tasked with creating two student growth goals and one professional growth goal for the school year. For the student growth goals, in addition to developing the SMART goals, the teacher is asked to describe the characteristics or special

learning circumstances of the students in the class, and to provide baseline data of the students in the class, rationale for selecting the goal, a description of how student learning and growth will be measured, and a list of the strategies the teacher will employ to meet the goal. For the professional growth goal, the teacher is required to explain how achieving this goal will improve student learning and engagement, and to describe what professional development and other resources will be needed to help the teacher meet the goal. The MEWA principal conducts informal meetings with each teacher periodically throughout the year to discuss progress toward the Student Growth Goals and the Professional Growth Goal.

During interviews with the CSS evaluator, teachers reported that the principal is extremely visible at the school, visiting the classrooms, the Support Labs and being present in the common areas of the facility. He also facilitates a monthly check-in meeting with each teacher.

The principal conducts a formal, final evaluation for each teacher—using the Online Instructor Evaluation form. The Online Instructor Evaluation form provides a detailed and comprehensive report of the areas of strength and areas in need of attention for each teacher within the domains of: using programs of study, establishing online course climate, instructional management, monitoring student progress, communication skills, professionalism, and use of technology. The information gleaned from the teacher’s annual review, guides the teacher in developing his/her goals for the following year.

Based on the evidence provided, MEWA earns a rating of “Exceeding” in this domain.

5.7 Screening and Hiring Practices **Rating: Meeting**

Is the charter school compliant with statutory guidance and school district policy regarding criminal background checks?

Evidence:

- *Charter Agreement 2009-2012 and Renewal 2012-2017*
- *GBSD Board Policy GCDA/GDDA*
- *Interview with the principal/CEO*
- *2015-2016 Staff Resource Guide*

Gresham-Barlow School District Board Policy GCDA/GDDA states that all school district employees and volunteers and public charter school employees or volunteers are required to undergo criminal records checks and fingerprinting. GBSD provides human resources services to the Web Academy on a contractual basis to include a review of teaching licenses, criminal background checks, TSPC certification, and examination of “Highly Qualified” requirements. Per the Charter School Agreement and subsequent renewal, “No later than August 15 of each school year, the Web Academy shall provide the District with a list containing the names, job positions, and Social Security numbers of all of its employees and volunteers.” The list must also include the date of initiation of each employee’s criminal background check.

According to the principal, criminal background checks have been conducted for all staff members and volunteers at the Web Academy.

The school receives a “Meeting” in this area, the highest rating possible in this domain.

5.8 Reporting of Child Abuse, Training on Identification/Prevention **Rating: Meeting**

Is the charter school and board compliant with statutory requirements for reporting child abuse or sexual conduct, and for providing school employees, parents/guardians, and children annual training on the prevention and identification of child abuse and sexual conduct, and on the obligations of school employees for reporting?

Evidence:

- *Charter Agreement 2009-2012 and Renewal 2012-2017*
- *2015-2016 Staff Resource Guide*
- *2015-2016 Student and Family Resource Guide*
- *Interview with principal/CEO*

The child abuse reporting requirements in compliance with ORS 339.370, 339.372, and 339.388 are outlined in the Staff Resource Guide: “A report must be filed with Children’s Protective Services if any child enrolled at this school is suspected of being a victim of abuse. . . By law, mandatory reporters must report suspected abuse or neglect of a child regardless of whether or not the knowledge of the abuse was gained in the reporter’s official capacity. In other words, the mandatory reporting of abuse or neglect of children is a 24-hour obligation.”

ORS 339.400 requires that school employees participate in training each year on the prevention and identification of abuse and sexual conduct. All Web Academy staff are expected to participate in annual trainings provided by the GBSD. Required trainings focus on keeping schools safe for children by addressing issues such as: child abuse and sexual conduct; confidentiality of records (FERPA); recognition and response to bullying; and identifying and prevention of dating violence. In addition, staff are required to attend trainings for blood borne pathogens and administering medication to students.

The process for reporting sexual conduct between Web Academy staff and students is described in the Student and Family Resource Guide as well as in the Staff Resource Guide.

The school receives a “Meeting” in this area, the highest rating possible in this domain.

5.9 Employee Relations **Rating: Exceeding**

Has the charter school employed generally acceptable employee relations practices including the provision of professional development plans?

Evidence:

- *Interview with principal/CEO*
- *Interview with deputy principal*
- *2015-2016 Staff Resource Guide*

Workplace policies governing employer/employee relations are provided in detail in the Staff Resource Guide. Policies about nondiscrimination and equal employment opportunity, employee reimbursement, use of personal car and mobile phone, and employee privacy rights are included. School policy about different types of employee leaves of absence, overall rules of conduct, and expected procedures for handling staff to staff complaints are also included in the Staff Resource Guide. Staff are required to sign an acknowledgement that they have read, understood, and will operate within the expectations described in the Guide.

In the Staff Resource Guide, Web Academy staff are reminded: “MEWA is an at-will employer and reserves the right to terminate an employee at any time for any or no reason, with or without notice just as an employee has the right to terminate employment with MEWA at any time for any or no reason with or without cause or notice. This at-will employment policy is not subject to change.”

Documentation provided to the CSS evaluator indicated that “there are several staff development opportunities that are scheduled to promote professional growth and staff are encouraged to bring opportunities to the administration for consideration.” According to a calendar provided by MEWA staff, three all-staff professional development opportunities occurred during the 2015-16 school year: 1/12/16, 2/23/16, and 3/8/16. Topics for these PD opportunities included: progress monitoring on the School Success Plan, teacher evaluation and reporting, and training for administering Smarter Balanced Assessments.

Based on the evidence provided, MEWA earns a rating of “Exceeding” in this domain.

6.0 FISCAL PERFORMANCE AND ACCOUNTABILITY

6.1 Accounting

Rating: Exceeding

Are the Generally Accepted Accounting Principles (GAAP) being implemented?

Evidence:

- *Charter Agreement 2009-2012 and Renewal 2012-2017*
- *Interview with principal/CEO*
- *Pauly Rogers Financial Report for Year Ending June 30, 2015*
- *Auditor's Letter to the MEWA Board of Directors, September 11, 2015*
- *Pauly Rogers Financial Report for Year Ending June 30, 2016*
- *Auditor's Letter to the MEWA Board of Directors, October 18, 2016*

The Charter School Agreement requires the Web Academy “to establish, maintain, and retain appropriate financial records in accordance with all applicable federal, state and local laws, rules and regulations and to make such records available to the School District, as requested, . . .”

Also in accordance with the Charter Agreement, MEWA is required to operate in accordance with generally accepted standards of fiscal management. The Web Academy is required to have an annual audit of its accounts (ORS 297.405 to 297.555, and 297.998) and to provide the District with a copy of the audit by October 15 of each year.

MEWA contracts with Pauly Rogers, an independent accounting firm, to conduct the annual audit. For the past two years, the reports have been clean with no concerns presented by the auditors. Web Academy Board meeting minutes serve as evidence that the Board reviewed and discussed the audit.

In accordance with Exhibit A of the Charter GBSD operates as the fiscal agent for the Web Academy. MEWA contracts with the GBSD business department for accounting and fiscal services which include the management of ADMw flow-through funds, any charter school/other grant monies, payroll services, purchasing, accounts payable and receivable and consultation on budget management and planning. This arrangement has served the school well over the course of their seven years of program operation.

6.2 Internal Controls Assessment

Rating: Exceeding

Does the school have evidence of effective operational procedures and internal controls?

Evidence:

- *Charter Agreement 2009-2012 and Renewal 2012-2017*
- *Interview with principal/CEO*
- *Internal Control Procedures for Fiscal Agent (handbook)*
- *MEWA Board Policy DJC*
- *Pauly Rogers Financial Report for Year Ending June 30, 2015*
- *Auditor's Letter to the MEWA Board of Directors, September 11, 2015*
- *Pauly Rogers Financial Report for Year Ending June 30, 2016*
- *Auditor's Letter to the MEWA Board of Directors, October 18, 2016*

MEWA Board Policy DJC describes internal control policies and bidding requirements. The goals of internal controls are identified in the policy statement: “Our internal control objectives relate to the

reliability of financial reporting, timely feedback on the achievement of operational or strategic goals, and compliance with laws and regulations.”

In addition to Board policy, a handbook titled *Internal Control Procedures for Fiscal Agent* describes processes and procedures that provide a safeguard for MEWA assets, control over expenditures, and accurate reporting of financial information. The established procedures allow for separation of duties so that no single employee is responsible for all aspects of any given procedure.

According to the audits of the past two years, there have been no concerns regarding internal controls at the Metro East Web Academy. The school earns a rating of “Exceeding” in this domain.

6.3 Financial Reporting

Rating: Exceeding

Has the school presented financial statements including board-approved budgets, annual audits, and interim financial statements that comply with financial reporting requirements and their Charter?

Evidence:

- *Interview with principal/CEO*
- *Interview with Vice-principal*
- *Metro East Web Academy Adopted Budget 2016-2017*
- *Pauly Rogers Financial Report for Year Ending June 30, 2016*
- *Auditor’s Letter to MEWA Board of Directors, October 18, 2016*
- *Charter Agreement 2009-2012 and Renewal 2012-2017*

MEWA’s Charter Agreement requires that the school submit monthly accounting reports to the District. In addition, the school is required to undergo an annual audit of its accounts and submit a copy of the audit to GBSD by October 15 of each year. All of these requirements were met by MEWA in 2015-16.

Over the past two years, the Web Academy has provided quality financial statements years including annual audits, Board approved budgets, and interim financial statements that comply with financial reporting requirements and the school’s charter.

6.4 Response to Fiscal Crisis

Rating: Meeting

Has the school prepared contingency plans in response to fiscal instability and financial uncertainties related to school funding as well as charter school legislation?

Evidence:

- *Interview with principal/CEO*
- *Interview with deputy principal*
- *Metro East Web Academy Investment Policy*
- *Pauly Rogers Fiscal Audit for Year Ending June 30, 2016*
- *Auditor’s Letter to MEWA Board of Directors, October 18, 2016*
- *Web Academy Adopted Budget 2016-2017*
- *Charter Agreement 2009-2012 and Renewal 2012-2017*

In March 2014 the MEWA Board of Directors adopted a comprehensive investment policy. The purpose of the policy is to set parameters for the investment of operating reserve funds, special project funds, and endowment funds held by Metro East Web Academy. The primary objectives for this investment policy are: preservation of capital; maintenance of a liquid position; and maximum yield. Minimizing risk and maintaining an investment portfolio that is sufficiently liquid to meet all operating and special project requirements that may be reasonably anticipated are identified as the highest priority objectives. The investment policy also addresses topics such as standard of prudence, ethics and conflicts of interest, delegation of authority, authorized financial dealers and institutions, internal controls, investment parameters and investment reporting.

The auditors commented on the fiscal practices of the MEWA Board: “The school’s board of directors remains committed to budgeting conservatively to handle possible downward trends in per-pupil funding, should that result.” The Web Academy’s prudent financial management enabled the school to finish 2015-16 with an ending fund balance of \$687,300.

The school receives a “Meeting” in this area, the highest rating possible for this domain.

6.5 Insurance

Rating: Meeting

Does the school hold current insurance policies for performance bonding and for buildings and items in the contract?

Evidence:

- *Interview with principal/CEO*
- *Policy # PAC307032008 Bell Anderson Agency*
- *Policy # EPP8630469 Great American Insurance Company*

The principal provided a summary of the commercial property policy through Bell Anderson as well as a copy of the Great American Alliance renewal policy for the Directors and Officer of MEWA that provides them with liability protection in the performance of their duties. Both policies are current.

The school receives a “Meeting” in this area, the highest rating possible.

6.6 Site and Facilities

Rating: Exceeding

Are all licenses, approvals, permits, and inspections current and procedures for corrective actions and emergency plans in place?

Evidence:

- *Pictures of marked emergency exits at the facility*
- *Evacuation Plan Procedures document*
- *Floor plans of the facility showing evacuation flow*
- *Evacuation Drill Logs*
- *Gresham-Barlow Web Academy Public Charter School Lease with Gresham Complex, LLC*
- *Interview with principal/CEO*
- *Building Tour*

MEWA leases its current facility from Gresham Complex, LLC. The lease agreement with Gresham expires on June 30, 2020 and covers the rental of 10,499 square feet for Web Academy programs.

As the CSS evaluator noted during the May 2016 site visit and as further evidenced through pictures provided by MEWA leadership, emergency exits at the school are well marked and evacuation routes are posted. Web Academy staff and students participate in monthly evacuation drills that are timed and logged. Evacuation procedures are provided to each teacher—in the teacher safety notebook—and all students are briefed on procedures for leaving and returning to class after drills. After each drill, Academy administration notes the areas that went well and areas that warrant attention. The notes from the drills provide evidence that corrective actions to address deficiencies are put in place immediately and monitored closely during the next drill. School staff are to be commended for taking prompt corrective actions to address problem areas identified in the monthly drills.

6.7 Health and Safety

Rating: Exceeding

Are health, safety, and accessibility standards being met and is documentation being kept current?

Evidence:

- 2015-2016 Student and Family Resource Guide
- Interview with principal/CEO
- 2015-2016 Staff Resource Guide

Several sections of the Student and Family Resource Guide provide information to protect the health and safety of MEWA students. Health and safety topics addressed in the Resource Guide include: information about asbestos inspections; communication procedures when students are diagnosed with communicable diseases; emergency evacuation drills; drug, alcohol and tobacco prevention programs; gender inclusive spaces and other important issues supporting transgender students; protocols for students receiving medication and/or emergency medical treatment; and policies prohibiting harassment, bullying, and teen dating violence.

According to the principal, the fire marshal schedules safety inspections. There is a monthly drill that is either a shelter in place drill or an evacuation drill. The school has an emergency plan in place.

Policies and procedures are clearly defined regarding how, when and where MEWA students and teachers meet off campus in order to keep both students and teachers safe. Teachers are available to assist students at home or in public locations such as the local library. All off campus appointments must be prearranged. Home visits require parent permission and parent(s) must be at home during the entire visit. Additional guidelines for home visits are outlined in the Student and Family Resource Guide.

Policies previously noted in this report regarding non-discrimination and anti-harassment also serve to protect the safety of students and staff at MEWA.

Although this was already mentioned in last year's report, the CSS evaluator deems it important enough to repeat: MEWA staff is commended for supporting transgender and questioning students through the identification of gender inclusive spaces and by creating a system for transgender students to replace their first name with the student's preferred name that corresponds with their gender identity. Both of these practices serve as evidence that MEWA is committed to ensuring that the Web Academy is a safe and inclusive place for all students. Although similar policies and practices are now being adopted in other schools and other public places, MEWA deserves commendations for stepping out ahead of others to create a safe and inclusive learning environment for students and staff.

7.0 GOVERNANCE

7.1a Open Meeting Law

Rating: Exceeding

Is the school in compliance with federal and state law regarding public meetings?

Evidence:

- *Interview with principal/CEO*
- *Interview with Board president and vice president*
- *School website*
- *MEWA Board Policy*
- *2015-2016 Staff Resource Guide*

The Web Academy is in compliance with federal and state law concerning public meetings (ORS 192.610 to 192.690) including, but not limited to: i) all meetings are open to the public and all persons are permitted to attend; ii) the public be made aware of the deliberations and decisions of the Board and the information upon which such decisions were made; iii) meetings are held in a location that does not restrict membership/attendance; and iv) a quorum of the Board may not meet in private for the purpose of deciding on or deliberating toward a decision on any matter.

In response to a suggestion provided during last year's evaluation, a statement has been added to the school's webpage explaining that Board meetings are open to the public and inviting students, parents and community members to attend. Regular Board meetings are held at the school—thus not restricting attendance because stakeholders are familiar with the location and there is ample space at the facility.

Information about the MEWA Board is current and easily accessible through the school website. The link includes general information about MEWA and MEECA along with the names of the Board members and the annual meeting schedule including agendas for day-long work sessions. Agendas and minutes from meetings for the previous six years are also available to view.

The school principal is knowledgeable about and fully understands the school's and Board's responsibilities as they relate to the Web Academy Board of Directors, including the Board's requirements to meet in accordance with the open-meeting statutes. The Staff Resource Guide contains a section describing the Board membership, responsibilities of the Board, and the open meeting law requirement.

7.1b Public Records

Rating: Meeting

Is the school in compliance with federal and state law regarding public records?

Evidence:

- *Gresham-Barlow School District Board Policy KBA*
- *Charter Agreement 2009-2012 and Renewal 2012-2017*
- *Interview with principal/CEO*

As government agencies, public schools must abide by Oregon's public records law supporting the rights of people to know about programs and services of their schools and making every effort to disseminate information. In accordance with the school's Charter Agreement, the Web Academy follows Gresham-Barlow School District Board policy KBA and Administrative Regulation KBA-AR which describe the

process for obtaining public records from the school district. The policy is in alignment with Oregon's public records laws earning MEWA a rating of "Meeting" in this domain.

7.1c Student Records

Rating: Meeting

Is the school in compliance with federal and state law regarding student records?

Evidence:

- *Gresham-Barlow School District Board Policy*
- *Charter Agreement 2009-2012 and Renewal 2012-2017*
- *Interview with principal/CEO*

The Charter School Agreement and subsequent renewal require that the Web Academy shall "comply with all District policies and regulations, and applicable federal and state laws, concerning the maintenance, retention and disclosure of student records, including, without limitation, the Oregon Public Records Law."

The Web Academy is in accordance with all aspects of FERPA: i) Schools must give parents (or eligible student, which is defined as a student who has turned 18) the right to inspect and review their child's education records; ii) Schools must give parents (or eligible student) the right to request that the school correct records which they believe are inaccurate or misleading; and iii) Schools must maintain the confidentiality of student records and require written permission from the parent (or eligible student) in order to release any information from a student's education record.

Based on documentation provided to the CSS evaluators and interviews with the principal and registrar, the evidence indicates the Web Academy is in compliance with federal and state law concerning student records.

7.2.a Fiduciary Responsibilities

Rating: Exceeding

Is the charter school meeting its fiduciary responsibilities?

Evidence:

- *Interview with principal/CEO*
- *Interview with Board President*
- *Designated Funds Policy*
- *Board meeting minutes*
- *Review of Financial Statements 2015-16*
- *Pauly Rogers Audit for School Year Ending June 30, 2016*

The Web Academy's revenue comes primarily from Oregon State School Fund dollars as well as from grants and donations. Student enrollment is the main source of funds for the school. MEWA leadership and Board members monitor enrollment numbers closely and make adjustments in expenses as appropriate to ensure they stay within their proposed budget. Teachers shared with the CSS evaluator when enrollment came in slightly lower than expected in Fall 2015, the decision was made mid-year to reduce the amount budgeted in other areas (such as professional development) so they could maintain a balanced budget. Staff explained that MEWA leadership was transparent in making and communicating the decision for the cuts and the decision was supported by all staff.

As previously noted in this report, MEWA contracts with the District's business office to provide technical assistance related to financial operations. The District's CFO attends Web Academy Board of Directors meetings and delivers updated financial statements and explanations to the Board regularly. The Board sets aside time to adequately review all financial reports, ask questions, and plan for future fiscal issues.

MEWA's financial statements are audited once each year by independent auditors Pauly, Rogers, and Co., P.C. In their report for the year ended June 30, 2016 nothing came to the auditor's attention that caused them to believe the school was not in substantial compliance with certain provisions of laws, regulations, contracts and grants, including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations. The Web Academy prepares a yearly report for the GBSD Board of Directors of that includes a presentation of the annual audit.

The Board's adoption of the Investment Policy and Designated Funds Policy (March 2014) also serves as evidence demonstrating the school's commitment to meetings its fiduciary responsibilities.

According to the Board president and vice president, there are currently no reports of litigation pending against Metro East Web Academy and there are no conflicts of interest regarding financial transactions.

The initial budget for MEWA is developed by the school administration based on estimated ADMw for the fiscal year. A committee composed of administration and staff discuss the initial budget and provide feedback. The budget is then presented to the Board for their approval.

7.2.b Fiduciary Responsibilities - Third-party Contracts **Rating: Exceeding**
Is the charter school meeting its fiduciary responsibilities related to third-party contracts?

Evidence:

- *Interview with principal/CEO*
- *Interview with Board President*
- *Review of Financial Statements 2015-16*
- *Pauly Rogers Audit for School Year Ending June 30, 2016*
- *Web Academy Board Policy BBFA*

Oregon statute (ORS 338.120) prohibits Board members from districts sponsoring charter schools as well as charter school staff or Board members from working for an educational services provider with whom the school contracts services and also requires increased transparency in third-party provider finances in terms of operating expenses and profit margin. Public access to these documents must be provided upon request. Web Academy Board Policy BBFA provides detailed procedures and protocols that must be followed to ensure the school is in compliance with this statute. According to the principal, contracts with any third-party entity to provide educational services for the virtual charter school are in compliance with 2011 legislation.

7.3 Board Stability**Rating: Exceeding*****Are the charter school leadership and Board of Directors stable and sustainable?****Evidence:*

- *Interview with the principal/CEO*
- *Interview with the Board president and vice president*
- *Metro East Web Academy Board Bylaws*

MEWA's Board of Directors is responsible for the successful management and operation of the corporation. The Charter Agreement requires that three to nine members serve on the governing board. Currently the MEWA Board has six members, three of whom have served for several years. The president has been on the Board since the inception of the school, the vice president has served for four years and the secretary has served five years. The president is in his second year in that position and is only the second Board president since the school opened.

Finding individuals who bring unique skills, knowledge, and perspective to the Board, was identified by the Board president as one of the greatest successes of 2015-16. When the three most recent members were added to the Board, current members were careful to select individuals who would add diversity with respect to skills, perspectives and areas of expertise. For example, two members have financial expertise and one new member has extensive experience in the area of online instructional design.

In addition, the Board president shared that all three new members had previous knowledge of and connections to MEWA before they joined the board easing the transition as the board grew from three to six members. The Board provided orientation for each of the new members during the pre-selection period and continuing during their annual fall retreat and throughout the year.

As evidenced through meeting minutes, significant business is accomplished at MEWA Board meetings and Board member attendance is strong. The president emphasized that the Board is not involved in litigation and there is no evidence of an intent to revoke notice.

Minutes from the Board meetings and the full day retreats also serve as evidence that the Board is committed to a cycle of continuous improvement in their oversight and governance of MEWA. A significant investment in resources was made last year as the Board conducted a SWOT analysis—identifying the strengths, weaknesses, opportunities and threats that the MEWA environment provides. Board members answered questions such as: Who are the students we serve? What does the staff look like? What are the unique aspects of the culture of our organization? How has that culture changed over time? How do we move forward while staying connected to our core values? The SWOT analysis and follow-up discussion occurred with the Board and also later included the MEWA staff. Board members deserve commendations for their forward thinking and commitment to continuous improvement.

Based on the evidence provided the school earns a rating of "Exceeding" in this domain.

Summary of Findings

Exceeding

- 1.1 Goals Specific to Mission
- 1.2 Student Admissions & Conditions of Enrollment
- 1.3 Face-to-face Contact Requirement
- 2.2 Parent Satisfaction
- 2.6 College Credits
- 2.7 Post-secondary Preparation
- 4.4 Special Education Delivery of Services
- 5.1.a Non-Discriminatory Practices – *Access to Programs*
- 5.1.b Non-Discriminatory Practices – *Access to Technology*
- 5.1.c Non-Discriminatory Practices – *Staff Hiring*
- 5.2.a Curriculum - *Standards*
- 5.2.b Curriculum – *Assessment*
- 5.3.a Distinctive Teaching Techniques – *Charter Contract*
- 5.3.b Distinctive Teaching Techniques – *Student/Teacher Meetings*
- 5.4 School Improvement and Staff Development Plans
- 5.5 Licensure of Charter School Staff
- 5.6 Teacher Evaluation
- 5.9 Employee Relations
- 6.1 Accounting
- 6.2 Internal Controls Assessment
- 6.3 Financial Reporting
- 6.6 Site and Facilities
- 6.7 Health and Safety
- 7.1.a Open Meeting Law
- 7.2.a Fiduciary Responsibilities
- 7.2.b Fiduciary Responsibilities - *Third-party Contracts*
- 7.3 Board Stability

Meeting

- 1.4 Communication with Sponsoring District
- 2.3 Ninth Grade Credits Earned
- 2.4 Four-year Cohort Graduation Rate
- 4.2 Highly Qualified Compliance
- 4.3.a English Language Learners – *Programs*
- 4.3.b English Language Learners – *Monitoring Progress*
- 4.5 Section 504 Services
- 4.6 Free/Reduced Price Lunch
- 5.7 Screening and Hiring Practices
- 5.8 Reporting of Child Abuse, Training on Identification/Prevention
- 6.4 Response to Fiscal Crisis
- 6.5 Insurance
- 7.1.b Public Records
- 7.1.c Student Records

Nearly Meeting

- 2.1 Enrollment/Retention/Attendance
- 2.5 Five-year Completion Rate
- 3.1 Student Achievement: Reading
- 3.2 Student Achievement: Math
- 3.3 Comparative Student Achievement
- 4.1 Student Achievement

COMMENDATIONS & RECOMMENDATIONS

COMMENDATIONS:

Some of the outstanding practices and/or results occurring at Metro East Web Academy are highlighted below. MEWA deserves commendation for:

- Encouraging students and parents to invest time in the decision to transfer from a traditional school setting to an online environment. MEWA recognizes that an online environment is not the perfect fit for all students. Information is provided to help future students make informed decisions about enrolling at the school. Staff are commended for not recruiting students just to increase the school's enrollment, but for assisting students and families in learning about expectations at MEWA before making the important decision about enrolling in the school.
- Engaging parents as partners in students' success at school.
- Investing resources in and providing support for the family engagement coordinator position—a strong example of the school's commitment to strengthening relationships and building networks between school, families and the community.
- Consistently maintaining exceptionally high levels of parent and student satisfaction.
- Emphasizing the benefits of engaging in a learning community—even in a virtual school; providing numerous opportunities for students to meet face-to-face with their peers, with teachers and other adults in the community. As stated on the school's website: "Students enrolled in the Metro East Web Academy will get the best of both worlds—an online learning program designed just for them and the benefits of being part of a 'learning community' with opportunities to interact with teachers, students and the world around them!"
- Recognizing that success does not look the same for all students and acknowledging that a GED is a legitimate and attainable goal for many students. The increase in the number of GEDs awarded annually at MEWA is remarkable—5 in 2012-13 compared to 26 in 2015-16.
- Maintaining a positive trajectory in the school's four-year graduation rate—14% in 2010, 40% in 2016. The gap between the graduation rate at MEWA and the rate at the District has steadily decreased over the past six years. As noted in last year's report, it is difficult to compare the graduation rate for a school like MEWA with the grad rates of traditional, comprehensive high schools. It is important to remember that MEWA is an alternative program whose students are often "at risk" learners with a history of school withdrawal and deficient credits. The credit deficiency issue that confronts a "typical" Web Academy student means that keeping that student enrolled, engaged and able to meet all graduation requirements in four years after a likely history of enrolling/withdrawing from multiple other schools, is indeed significant. The improvement in MEWA's four-year graduation rate over the past five years is commendable.
- Continuing to support a college-going culture at MEWA that encourages students to take advantage of post-secondary opportunities through MECCA or College NOW. The number of college credits earned by MEWA students continues to increase.
- Outperforming like-schools with respect to the percent of students enrolled in postsecondary options within 16 months of graduation.
- Achieving 99% participation in the state ELA and math assessments. One hundred percent of students in grades 6, 7, and 8 participated in both state assessments. The school showed improvement from 2014-15 when only 91% of students with disabilities participated in state testing.
- Outperforming students in like-schools on the state assessment for both ELA and math.
- Building leadership capacity at MEWA by engaging all staff in the new course proposal process, implementation of the School Success Plan, and collaborative efforts with the MEWA Board in long-term plans for the future of the school.

- The School Success Plan continues to be a strong and effective tool for school improvement at MEWA. The areas of focus that staff identified in the 2015-16 Plan are paramount to the success of the school. The work on the Plan during 2015-16 provided a solid foundation for next steps in the four critical areas of graduation, student engagement, creating partnerships, and developing the culture.
- The MEWA Board is to be commended for its continued commitment to being fiscally responsible, conservative with the budget and maintaining a strong contingency fund.
- Creating and maintaining strong and collaborative relationships between the MEWA Board and GBSD. The Board is consistent and intentional about efforts to ensure MEWA “reinforces its value to the district.”
- Engaging MEWA Board members, school leadership and staff in conversations about the future of the school. The Board president praised the collaborative efforts and acknowledged the benefits of building stronger relationships between Board members and school staff.

RECOMMENDATIONS

CSS offers the following recommendations for the administration and staff at MEWA to consider:

- MEWA staff is strongly encouraged to consider maintaining the same focus areas for the 2016-17 School Success Plan in order to implement the next steps that were identified as a result of the investigations and data analyses conducted during 2015-16. Staff created a solid foundation that deserves thoughtful and careful follow through.
- The percentage of MEWA students meeting/exceeding state standards in ELA decreased from 2014-15 to 2015-16 for two subgroups—economically disadvantaged and Hispanic/Latino—while the percentages for these two subgroups remained essentially unchanged at the district and state levels. MEWA staff is encouraged to examine the data more closely and identify potential next steps to address the discrepancy.
- MEWA staff are encouraged to continue exploring innovative ways to support students in math through implementing strong core instruction, identifying students’ learning gaps and providing interventions to meet individual students’ needs.
- At grade 8, 13% of MEWA students met or exceeded the standard on the state math assessment compared to 37% in GBSD and 43% statewide. MEWA staff is encouraged to examine the data more closely to determine what steps, if any, should be taken to address the deficiency at grade 8.

APPENDIX A: Evaluator's Biography

Victoria Lukich, Ed. D.

Director, Center for Student Success

Portland State University

Victoria Lukich has a rich and varied background in K-12 education spanning 36 years. Her experience has been as a classroom teacher at the middle and high school levels, a school improvement coordinator, assistant principal, and principal. In addition, Victoria served as a district level administrator overseeing and supporting high schools and option schools in a large school district. She has worked for the U.S. Department of Education conducting program evaluations of secondary schools throughout the U.S. Her work in four different districts at the school and district levels, in addition to work with the USDOE, provide her with extensive experience in curriculum development, using data to guide school improvement efforts, program evaluation, and school leadership. Victoria also has expertise in guiding and supporting schools and school leaders through the change process as well as promoting and engaging in practices that promote equity in schools

APPENDIX B: CHARTER SCHOOL EVALUATION RUBRIC

Metro East Web Academy Report - 2015

Domain		Exceeding	Meeting	Nearly Meeting	Not Meeting
1.0 MISSION-SPECIFIC GOALS and ADMISSIONS & ENROLLMENT					
1.1	Goals Specific to Mission	<i>Has the charter school met its mission-specific goals as outlined in the contract with the sponsoring School District?</i>			
		The school has clearly exceeded its mission-specific goal(s) as identified in the Charter Application and Contract.	The school has met all of its mission-specific goals as identified in the Charter Application and Contract.	The school has met some of its mission-specific goal(s) as identified in the Charter Application and Contract.	The school has not met its mission-specific goal(s) as identified in the Charter Application and Contract.
1.2	Student Admissions & Conditions of Enrollment	<i>Is there evidence that the charter school is following statutory and district guidelines regarding student admission and enrollment?</i>			
		The school follows statutory and contractual guidelines for student admissions, including the admission of special populations, and exceeds its enrollment projections.	The school follows statutory guidelines for student admissions, including special populations, and meets its enrollment projections.	The school does not follow statutory guidelines for admission, including special populations, and may or may not meet enrollment projections.	The school does not follow statutory guidelines for admission, including special populations, and does not meet enrollment projections.
1.3	Face-to-Face Contact Requirement	<i>Is there evidence that the charter school is following 2011 statutory requirements regarding face-to-face contact between students and charter school personnel?</i>			
		The number of school-sponsored optional educational events for students and face-to-face contacts exceed the requirements of ORS 338.120.	The number of school-sponsored optional educational events for students and face-to-face contacts meet the requirements of ORS 338.120.	The number of school-sponsored optional educational events for students or the number of face-to-face contacts does not meet the requirements of ORS 338.120.	Neither the number of school-sponsored optional educational events for students nor the number of face-to-face contacts meets the requirements of ORS 338.120.
1.4	Communication with Sponsoring Districts	<i>Is there evidence that the charter school is following 2011 statutory requirements regarding communication with sponsoring districts?</i>			
			When a student is enrolled or withdrawn from school, written notice is provided to the sponsoring district, and, if different, to the school district where the student is a resident, within 10 days.	When a student is enrolled or withdrawn from school, written notice is provided to the sponsoring district, and, if different, to the school district where the student is a resident, but not always within 10 days.	When a student is enrolled or withdrawn from school, written notice is not provided to the sponsoring district and/or, if different, to the school district where the student is a resident.

APPENDIX B: CHARTER SCHOOL EVALUATION RUBRIC

Metro East Web Academy Report - 2015

Domain		Exceeding	Meeting	Nearly Meeting	Not Meeting
2.0 OVERALL STUDENT SUCCESS					
2.1	Enrollment/Retention/ Attendance	<i>To what extent are students making academic progress as measured by enrollment/retention rates and attendance?</i>			
		Student retention rates are increasing and enrollment is expanding. Attendance data indicate that high numbers of students are attending 90% or more school days or meeting virtual school requirements for participation.	Retention rates remain steady and enrollment remains steady. Attendance data indicate that above average numbers of students are attending 90% or more school days or meeting virtual school requirements for participation.	Retention rates vary from year to year. Student enrollment fluctuates significantly from year to year. Attendance data indicate that average numbers of students are attending 90% or more school days or meeting virtual school requirements for participation.	Retention rates and enrollment are declining. Attendance data indicate that low numbers of students are attending 90% or more school days or meeting virtual school requirements for participation.
2.2	Parent Satisfaction	<i>To what extent do parent survey respondents indicate satisfaction with students' academic progress and the educational program?</i>			
		The school regularly surveys parents as a means to improve. A high proportion of parent-respondents (66% or more of the sample) indicate a high level of satisfaction with students' academic progress and the educational program.	The school occasionally surveys parents. A slight majority of parent-respondents (at least 50%) indicate a high level of satisfaction with students' academic progress or with the educational program.	The school seldom asks for parent input and/or less than half of parent-respondents indicate a high level of satisfaction with students' academic progress or the educational program.	The school does not solicit parent input and/or at least half of the parent-respondents indicate dissatisfaction with students' academic progress or the educational program.
2.3	Ninth Grade Credits Earned	<i>To what extent are students making academic progress as predicted by ninth grade credits earned?</i>			
		The percentage of students on track for graduation (earning 6 or more credits at 12 months past ninth grade enrollment) is high. Systems are in place to identify, monitor and assist students not on track.	The percentage of students on track for graduation (earning 6 or more credits at 12 months past ninth grade enrollment) is above average. Some systems are in place to identify, monitor and assist students not on track.	The percentage of students on track for graduation (earning 6 or more credits at 12 months past ninth grade enrollment) is average. Systems are incomplete or not consistently in place to identify, monitor and assist students not on track.	The percentage of students on track for graduation (earning 6 or more credits at 12 months past ninth grade enrollment) is low. Systems are not in place to identify, monitor and assist students not on track.

APPENDIX B: CHARTER SCHOOL EVALUATION RUBRIC

Metro East Web Academy Report - 2015

Domain		Exceeding	Meeting	Nearly Meeting	Not Meeting
2.4	Four-Year Cohort Graduation Rate	<i>To what extent are students making academic progress as measured by the four-year cohort graduation rate?</i>			
		The percentage of students who earn a regular high school diploma within four years of first entering ninth grade is high.	The percentage of students who earn a regular high school diploma within four years of first entering ninth grade is above average.	The percentage of students who earn a regular high school diploma within four years of first entering ninth grade is average.	The percentage of students who earn a regular high school diploma within four years of first entering ninth grade is low.
2.5	Five-Year Completion Rate	<i>To what extent are students making academic progress as measured by the five-year completion rate?</i>			
		The percentage of students who earn a regular or special high school diploma or GED within five years of entering high school is high.	The percentage of students who earn a regular or special high school diploma or GED within five years of entering high school is above average.	The percentage of students who earn a regular or special high school diploma or GED within five years of entering high school is average.	The percentage of students who earn a regular or special high school diploma or GED within five years of entering high school is low.
2.6	College Credits	<i>To what extent are students making academic progress as measured by earning 9+ college credits?</i>			
		The percentage of students who have earned 9 or more college credits while enrolled in high school is high. Information is frequently provided to students and extensive support is provided to help them succeed while taking advanced courses.	The percentage of students who have earned 9 or more college credits while enrolled in high school is above average. Information is provided to students and support is provided to help them succeed while taking advanced courses.	The percentage of students who have earned 9 or more college credits while enrolled in high school is average. Some information is provided to students but the support provided to help them succeed at advanced courses is not consistent or easy to access.	The percentage of students who have earned 9 or more college credits while enrolled in high school is low. Information is not provided to students and there is no support provided to help them succeed while taking advanced courses.
2.7	Post-secondary Preparation	<i>Do high school students (within a sample) have a plan and profile in place with counseling support to help them plan for and enroll in a post-secondary program?</i>			
		All high school students (within a sample) have a plan and profile in place that extends beyond high school. The number of students enrolled in a post-secondary institution within 16 months of high school completion is high.	The majority of high school students (within a sample) have a plan and profile in place that extends beyond high school. The number of students enrolled in a post-secondary institution within 16 months of high school completion is above average.	Less than one-half of high school students (within a sample) have a plan and profile in place that extends beyond high school. The number of students enrolled in a post-secondary institution within 16 months of high school completion is average.	The majority of high school students (within a sample) do not have a plan and profile in place that extends beyond high school. The number of students enrolled in a post-secondary institution within 16 months of high school completion is low.

Domain		Exceeding	Meeting	Nearly Meeting	Not Meeting
3.0 LONGITUDINAL ANALYSIS OF STUDENT ACHIEVEMENT					
3.1	Student Achievement: <i>Reading</i>	<i>Over time, has student achievement in Reading improved measurably?</i>			
		Over time, student achievement at all grade levels has improved measurably (or remained high relative to state averages) in Reading for students overall and key subgroups. Trends in 3 rd grade reading proficiency and student growth show consistent improvement over time.	Over time, student achievement overall has improved and remained at or above state averages in Reading. Trends in 3 rd grade reading proficiency and student growth show some improvement over time.	Over time, student achievement overall is at or above state averages but has not indicated consistent improvement in Reading. Trends in 3 rd grade reading proficiency and student growth are inconsistent in terms of improvement over time.	Over time, student achievement has consistently been below state averages and/or has not shown measurable improvement in Reading. Trends in 3 rd grade reading proficiency and student growth show decline over time.
3.2	Student Achievement: <i>Math</i>	<i>Over time, has student achievement in Math improved measurably?</i>			
		Over time, student achievement at all grade levels has improved measurably (or remained high relative to state averages) in Math for students overall and key subgroups. Trends in 5 th and 8 th grade math proficiency and student growth show consistent improvement over time.	Over time, student achievement overall has improved and remained at or above state averages in Math. Trends in 5 th and 8 th grade math proficiency and student growth show some improvement over time.	Over time, student achievement overall is at or above state averages but has not indicated consistent improvement in Math. Trends in 5 th and 8 th grade math proficiency and student growth are inconsistent in terms of improvement over time.	Over time, student achievement has consistently been below state averages and/or has not shown measurable improvement in Math. Trends in 5 th and 8 th grade math proficiency and student growth decline over time.
3.3	Comparative Student Achievement	<i>How does the charter school's performance compare to the sponsoring school district and the state as a whole?</i>			
		The school's performance consistently outpaces the sponsoring school district and the state as a whole.	The school's performance is better than either the sponsoring school district or the state as a whole.	The school's performance is equivalent to the sponsoring school district and the state as a whole.	The school's performance is poor relative to the sponsoring school district and the state as a whole.

APPENDIX B: CHARTER SCHOOL EVALUATION RUBRIC

Metro East Web Academy Report - 2015

Domain		Exceeding	Meeting	Nearly Meeting	Not Meeting
4.0 FEDERAL ACCOUNTABILITY: STUDENT PERFORMANCE & PROGRAMS					
4.1	Student Achievement	<i>Did the charter school meet Oregon Annual Measurable Objectives in reading and math, as well as for graduation, attendance and participation, approved through the Federal 2012 ESEA waiver process?</i>			
		The school overall exceeded targets in both reading and math. All student subgroups exceeded targets for academic achievement, academic growth, and subgroup growth. The school exceeded graduation, subgroup graduation, attendance, and participation targets. The school is rated "Level 5" on the Oregon Report Card.	The school overall met targets in both math and reading. All student subgroups met targets for academic achievement, academic growth, and subgroup growth. The school met graduation, subgroup graduation, attendance, and participation targets. The school is rated "Level 4" on the Oregon Report Card.	The school overall met targets in reading or math. Most student subgroups met targets, but the school did not meet all criteria in either reading or math. Some, but not all student subgroups met targets for academic achievement, academic growth, and/or subgroup growth. The school may or may not have met graduation, subgroup graduation, attendance, and/or participation targets. The school is rated "Level 3" on the Oregon Report Card.	The school did not meet targets in either reading or math. Some, but not all student subgroups met targets for academic achievement, academic growth, and/or subgroup growth. The school may or may not have met graduation, subgroup graduation, attendance, and/or participation targets. The school is rated "Level 2" or "Level 1" on the Oregon Report Card.
4.2	Highly Qualified Comp.	<i>Do staff members teaching core academic subjects meet the requirements for "highly qualified"?</i>			
			100% of teachers in core subjects meet the federal HQ requirements.	95% to 99% of staff are HQ due to enrollment fluctuation after the school year began; there is a plan of correction for each teacher not HQ in a core subject.	Less than 95% of core subject teachers are HQ and/or there is not a plan of correction to address this deficiency for each affected staff member.
4.3.a	English Language Learners - Programs	<i>Does the charter school implement appropriate practices in providing programs to English Language Learners (ELL)?</i>			
		Provides exemplary programs that teach reading, speaking and writing to ELL students in English until they can effectively participate in regular classroom instruction. Instruction is delivered by well-trained charter school or sponsoring district staff.	Provides appropriate practices in providing programs that teach reading, speaking and writing in English until ELL students can participate in regular classroom instruction. Instruction is delivered by qualified charter school or sponsoring district staff.	Partial implementation of appropriate practices in providing programs to help ELL students overcome language barriers. Those delivering instruction may lack training and the amount of instructional time provided for ELL students is inadequate.	ELL students are not taught reading, writing and speaking in English by qualified staff at the charter school or district level.

APPENDIX B: CHARTER SCHOOL EVALUATION RUBRIC

Metro East Web Academy Report - 2015

Domain		Exceeding	Meeting	Nearly Meeting	Not Meeting
4.3.b	Eng. Language Learners – <i>Monitoring Progress</i>	<i>Does the charter school work to assess ELL students and monitor their progress so that they can succeed in the charter school program?</i>			
		A well-developed plan is in place to assess potential ELL students and to monitor their progress. Students are exited from the program only when they meet state criteria.	A plan is in place to assess potential ELL students, but the process of monitoring their progress and exiting students could be improved.	The process of assessing potential ELL students, monitoring ELL student progress, or exiting students is not clearly or consistently defined.	There is no process to identify, serve or exit ELL students from the charter school program.
4.4	Special Education Delivery of Services	<i>Are regulatory guidelines implemented for IDEA-eligible students so that sponsoring districts take responsibility for providing special education to charter school students?</i>			
		An exemplary partnership with the school district exists to ensure that students with disabilities receive appropriate services. Students' progress toward meeting their IEP goals is monitored. Communication between charter school staff and district special education staff is frequent and ongoing.	A collaborative partnership with the school districts ensures that students with disabilities receive appropriate services. Students' progress toward meeting their IEP goals is monitored. Communication between charter school staff and district special education staff occurs regularly.	There is some degree of monitoring of special education students' progress toward meeting their IEP goals. Communication between charter school staff and district special education staff is sporadic.	There is little or no collaboration with the school district, limited monitoring of special education students' progress toward meeting IEP goals, and little or no communication between charter school staff and district special education staff.
4.5	Section 504 Services	<i>To what extent are regulatory guidelines implemented for Section 504-eligible students?</i>			
			There is evidence that the charter school is compliant with all parts of Section 504 as they apply to access to schools and school programs. The charter school may negotiate specific allocation of responsibilities to the sponsoring school district.		There is little or no evidence that the regulatory guidelines are implemented for Section 504-eligible students. There is no evidence of negotiated allocation of responsibilities for 504-eligible students with the sponsoring school district.
4.6	Free/Reduced Lunch	<i>Does the school follow federal guidelines for identifying students for program eligibility and for safeguarding student privacy?</i>			
			Evidence that federal guidelines are followed for identifying students for program eligibility and for safeguarding student privacy.		Insufficient evidence that federal guidelines are followed for identifying students for program eligibility and for safeguarding student privacy.

Domain		Exceeding	Meeting	Nearly Meeting	Not Meeting
5.0 STATE ACCOUNTABILITY					
5.1.a	Non-Discriminatory Practices—Access to Programs	<i>Is the charter school complying with statutory guidelines for non-discriminatory practices in regard to student access to programs?</i>			
		There is evidence that policy and procedures are in place to prevent discriminatory practices regarding student access to programs.	Procedures are in place to prevent discriminatory practices but evidence is not presented for all areas.	Some procedures are in place to prevent discriminatory practices but evidence is not presented and/or findings indicate that some discriminatory practices exist.	Procedures are not in place to prevent discriminatory practices and findings indicate that discriminatory practices exist.
5.1.b	Non-Discriminatory Practices – Access to Technology	<i>Is the charter school complying with 2011 statutory requirements for non-discriminatory practices regarding student access to technology?</i>			
		There is evidence that procedures and resources are in place to ensure that each student has access to and use of computer and printer equipment when needed and that internet service costs are reimbursed for those that qualify as low-income.	Students have some access to and use of computer and printer equipment when needed. Information about reimbursement of internet costs for those that qualify as low-income is consistently provided.	Students have limited access to or use of computer and printer equipment when needed. Information about reimbursement of internet costs for those that qualify as low-income is not provided to all or provided infrequently.	Students have no access to or use of computer and printer equipment other than what they can use at home. Information about reimbursement of internet costs for those that qualify as low-income is not provided.
5.1.c	Non-Discriminatory Practices—Staff Hiring	<i>Is the charter school complying with statutory guidelines for non-discriminatory practices in regard to staff hiring?</i>			
		There is evidence that policy and procedures are in place to prevent discriminatory practices regarding the recruitment, hiring, and promotion of staff.	Procedures are in place to prevent discriminatory practices regarding the recruitment, hiring, and promotion of staff, but evidence is not presented for all areas.	Some procedures are in place to prevent discriminatory practices but evidence is not presented and/or findings indicate that some discriminatory practices exist.	Procedures are not in place to prevent discriminatory practices and findings indicate that discriminatory practices exist.

APPENDIX B: CHARTER SCHOOL EVALUATION RUBRIC

Metro East Web Academy Report - 2015

Domain		Exceeding	Meeting	Nearly Meeting	Not Meeting
5.2.a	Curriculum - Standards	Does the content of the curriculum meet state standards?			
		Evidence exists that all curriculum areas are fully aligned with state standards.	Evidence exists that the core curriculum is fully aligned to state standards.	Evidence exists that fewer than four curriculum areas are fully aligned to state standards.	There is insufficient evidence that curriculum is aligned to state standards.
5.2.b	Curriculum - Assessment	To what extent is the charter school conducting valid assessments of student performance consistent with state standards?			
		Evidence exists that there is a detailed plan for academic improvement and the school meets all content standards required by ORS 329.045. Student assessment results are regularly reviewed and instruction modified.	Evidence exists that there is a plan for academic improvement and the school meets most of the content standards required by ORS 329.045. Student assessment results are reviewed on a systematic basis.	Academic improvement is not a consistent focus and the school meets only some content standards required by ORS 329.045. Student assessment results are not reviewed on a systematic basis.	No evidence exists that there is a plan for academic improvement and the school meets few or none of the content standards required by ORS 329.045. Student assessment results are not regularly reviewed.
5.3.a	Distinctive Teaching Techniques – Charter Contract	To what extent is the charter school implementing distinctive instructional practices as outlined in their contract with the sponsoring district?			
		Implemented in compliance with the Charter Agreement; no modifications required.	Implemented with modifications	Modification of implementation plan in process.	Significant modifications are required to implement as planned.
5.3.b	Distinctive Teaching Techniques – Student/Teacher Meetings	To what extent is the charter school meeting requirements outlined in 2011 Charter School legislation pertaining to virtual school student/teacher interactions to assess and improve student progress?			
		Planned meetings occur more than twice a week between teachers and students enrolled in the school either in person or through the use of conference calls or other technology. Academic advising and support is a clear focus during meetings.	Meetings occur twice a week between teachers and students enrolled in the school. Meetings could be improved, however, with more systematic planning with clear goals for teachers.	Meetings occur less than twice a week between teachers and students enrolled in the school and/or meetings lack academic focus and direction.	Regular meetings do not occur between teachers and students enrolled in the school.

APPENDIX B: CHARTER SCHOOL EVALUATION RUBRIC

Metro East Web Academy Report - 2015

Domain		Exceeding	Meeting	Nearly Meeting	Not Meeting
5.4	School Improvement and Staff Development Plans	<i>Does the charter school develop school improvement goals and align staff development strategies to achieve them?</i>			
		Evidence exists that indicates goals of the SIP plan are being met. The plan has been collaboratively developed and submitted to the district. Staff training is aligned with SIP goals.	A SIP plan has been developed and is being implemented. Staff training is provided that may help teachers meet SIP goals.	There is evidence that at least one major component of the plan is being implemented. Staff training may or may not be aligned with the SIP plan.	There is insufficient evidence that any components of the plan are being implemented. Staff training is minimal or non-existent.
5.5	Licensure of Charter School Staff	<i>Is the charter school compliant with Oregon statutes regarding teacher licensure, and registration and charter agreements?</i>			
		More than 75 % of teachers are licensed by TSPC and 100% are registered by the state prior to employment.	At least 50% of the teachers are licensed by TSPC and 100% are registered by the state prior to employment.	The school is seeking restricted or emergency licensure for less than 5% of teachers to meet the requirement of at least 50% being properly licensed through TSPC.	Less than 50% of teachers are licensed through TSPC. One or more teachers does not have the appropriate licensure.
5.6	Teacher Evaluation	<i>Is the charter school compliant with statutory guidance and sponsoring school district policy regarding teacher performance evaluation, including the requirements of SB 290 if teachers are school district employees?</i>			
		Written documents support a rigorous process of performance evaluation including self-assessment, goal setting around student achievement and growth, data collection and both formative and summative evaluation.	Written documents support performance evaluation that includes goal setting, classroom observation, and formative and summative evaluation.	All teachers are evaluated by an administrator in writing based on school, department and grade level goals.	There are few if any written expectations regarding teacher performance. Evaluation efforts are incomplete or sporadic.
5.7	Screening / Hiring Practices	<i>Is the charter school compliant with statutory guidance and school district policy regarding criminal background checks?</i>			
			There is evidence that criminal background checks were conducted for all staff members and appropriate adult volunteers.		There is no evidence that criminal background checks have been conducted for all staff.

APPENDIX B: CHARTER SCHOOL EVALUATION RUBRIC

Metro East Web Academy Report - 2015

Domain		Exceeding	Meeting	Nearly Meeting	Not Meeting
5.8	Reporting of Child Abuse, Training on Identification/Prevention	Is the charter school and board compliant with statutory requirements for reporting child abuse or sexual conduct, and for providing school employees, parents/guardians, and children annual training on the prevention and identification of child abuse and sexual conduct, and on the obligations of school employees for reporting?			
			There is evidence that the charter school and the board are compliant with the statutory requirements of ORS 339.370, 339.372, 339.388, and 339.400.		There is no evidence that the charter school and/or the board are compliant with the statutory requirements of ORS 339.370, 339.372, 339.388, and 339.400.
5.9	Employee Relations	Has the charter school employed generally acceptable employee relations practices including the provision of professional development plans?			
	Written documents support customary employee benefits including handbook, insurance protections, and right to form collective bargaining group. Staff has easy access to management for addressing concerns and 75% of staff engaged in some form of professional development provided by the school in the past year.	Written documents support customary employee benefits that includes handbook on procedures, leave policies, insurance protection, and right to form a collective bargaining group. The majority of members took the opportunity to engage in professional development provided by the school in the past year.	Written documents are unclear regarding what are considered customary employee benefits such as insurance protection or leave provisions. Less than half the staff engaged in professional development provided by the school last year.	Written documents do not show customary handbook information or typical benefits and protections for employees such as insurance or leave provisions. Less than one quarter of the staff engaged in professional development provided by the school last year.	

Domain		Exceeding	Meeting	Nearly Meeting	Not Meeting
6.0 FISCAL PERFORMANCE AND ACCOUNTABILITY					
6.1	Accounting	<i>Are the Generally Accepted Accounting Principles (GAAP) being implemented?</i>			
		Exemplary implementation of Generally Accepted Accounting Principles in maintaining accounting records and preparing an annual audit. There is clear evidence that any recommendations from the prior year's audit were implemented and that the Board was fully informed of any recommended changes and received the auditor's management letter.	Full implementation of Generally Accepted Accounting Principles in maintaining accounting records and preparing an annual audit. There is evidence that some recommendations from the prior year's audit have been implemented. Discussion of the prior year's audit is documented in Board minutes.	Partial implementation of Generally Accepted Accounting Principles in maintaining accounting records and preparing an annual audit. Plans are underway to respond to the recommendations in the prior year's audit. The Board may not be aware of any recommendations.	There is little, if any, evidence that Generally Accepted Accounting Principles are used in maintaining accounting records. There are no plans underway to respond to the recommendations in the prior year's audit. The Board was not aware of the audit or the auditor's recommendations, if any.
6.2	Internal Controls Assessment	<i>Does the school have evidence of effective operational procedures and internal controls?</i>			
		The school has evidence of written, effective operational procedures and internal controls. No significant concerns were presented in the most recent auditor's management letter, Board response, staff review process or report on internal controls. All recommendations from the prior year's audit have been implemented.	The school has evidence of effective operational procedures and internal controls. No significant concerns have been presented with the most recent auditor's management letter, Board response, staff review process or report on internal controls. Most recommendations from the prior year's audit have been implemented or are in the process of being implemented.	The school has evidence that it is in the process of developing or improving operational procedures and internal controls. The school has presented significant concerns with the most recent auditor's management letter, Board response, staff review process, or report on internal controls.	The school does not appear to have operational procedures and/or internal controls. The school has presented significant concerns with the most recent management letter, Board response, staff review process or report on internal controls.

Domain		Exceeding	Meeting	Nearly Meeting	Not Meeting
6.3	Financial Reporting	<i>Has the school presented financial statements including board-approved budgets, annual audits, and interim financial statements that comply with financial reporting requirements and their Charter?</i>			
		The school has presented quality financial statements over the past two years, including board approved budgets, annual audits, and interim financial statements that comply with financial reporting requirements and their Charter. The school is applying for OASBO (Oregon Association of School Business Officials) financial recognition.	The school has presented quality financial statements including board approved budgets, annual audits, and interim financial statements that comply with financial reporting requirements and their Charter.	The school has not consistently presented quality financial statements including board approved budgets, annual audits, and interim financial statements that comply with financial reporting requirements and their Charter.	The school has not presented quality financial statements including board approved budgets, annual audits, and interim financial statements that comply with financial reporting requirements and their Charter.
6.4	Response to Fiscal Crisis	<i>Has the school prepared contingency plans in response to fiscal instability and financial uncertainties related to school funding as well as charter school legislation?</i>			
			The school has prepared a comprehensive contingency plan in case of fiscal instability and financial uncertainties. Annual fundraising goals are set and met.		The school does not have a comprehensive contingency plan in case of fiscal instability and financial uncertainties. There are no fundraising goals or they are not met.
6.5	Insurance	<i>Does the school hold current insurance policies for performance bonding and for buildings and items in the contract?</i>			
			The school holds current insurance policies for performance bonding and for buildings and other insurance as specified in the Charter contract.		The school does not hold current insurance policies for performance bonding and for buildings.

APPENDIX B: CHARTER SCHOOL EVALUATION RUBRIC

Metro East Web Academy Report - 2015

	Domain	Exceeding	Meeting	Nearly Meeting	Not Meeting
6.6	Site and Facilities	<i>Are all licenses, approvals, permits, and inspections current and procedures for corrective actions and emergency plans in place?</i>			
		Evidence exists that all licenses, approvals, permits, and inspections are current. Corrective actions and emergency plans have been successfully implemented.	Evidence exists that all licenses, approvals, permits, and inspections are current. Procedures for corrective actions and emergency plans are in place.	Evidence indicates that some licenses, approvals, permits, and inspections are current. Procedures for corrective actions and emergency plans may or may not be in place.	There is little, if any, evidence indicating that licenses, approvals, permits, and inspections are current. Procedures for corrective actions and emergency plans are not in place.
6.7	Health and Safety	<i>Are health, safety, and accessibility standards being met and is documentation being kept current?</i>			
		Evidence exists that health, safety, and accessibility standards have been exceeded and all documentation is current.	Evidence exists that health, safety, and accessibility standards have been met and all documentation is current.	Meets basic health, safety, and accessibility standards but evidence is lacking regarding regularly scheduled reports, inspections, and monitoring procedures.	Does not meet one or more health, safety, or accessibility standard(s).

APPENDIX B: CHARTER SCHOOL EVALUATION RUBRIC

Metro East Web Academy Report - 2015

Domain		Exceeding	Meeting	Nearly Meeting	Not Meeting
7.0 GOVERNANCE					
7.1.a	Open Meeting Law	<i>Is the school in compliance with federal and state law regarding public meetings?</i>			
		Exemplary compliance with federal and state law concerning public meetings.	Evidence indicates compliance with federal and state law concerning public meetings.	Evidence indicates compliance with some but not all federal and state law concerning public meetings.	There is little if any evidence indicating compliance with federal and state law concerning public meetings.
7.1.b	Public Records	<i>Is the school in compliance with federal and state law regarding public records?</i>			
		Exemplary compliance with federal and state law concerning public records.	Evidence indicates compliance with federal and state law concerning public records.	Evidence indicates compliance with some, but not all, federal and state law concerning public records.	There is little if any evidence indicating compliance with federal and state law concerning public records.
7.1.c	Student Records	<i>Is the school in compliance with federal and state law regarding student records?</i>			
		Exemplary compliance with federal and state law concerning student records.	Evidence indicates compliance with federal and state law concerning student records.	Evidence indicates compliance with some, but not all, federal and state law concerning student records.	There is little if any evidence indicating compliance with federal and state law concerning student records.
7.2.a	Fiduciary Responsibilities	<i>Is the charter school meeting its fiduciary responsibilities?</i>			
		The Board did not guarantee any indebtedness on behalf of the school or a third party provider; there are no conflicts of interests or full disclosure with a legal rationale for financial transactions. The Board is involved in the inflow and outflow of funds and regularly reviews financial statements. The Board always engages other school and community members in the budget process. The annual audit meets standards.	The Board did not guarantee any indebtedness on behalf of the school or a third party provider; there are no conflicts of interest or full disclosure with a legal rationale for financial transactions. The Board is involved in the inflow and outflow of funds and reviews financial statements. The Board sometimes engages parents and school staff in the budget process. The annual audit meets standards.	The Board did not guarantee any indebtedness on behalf of the school or a third party provider; there are no conflicts of interest or full disclosure with a legal rationale for financial transactions. The Board is somewhat involved in the inflow and outflow of funds and reviews financial statements. The Board solely engages school management in the budget process. The annual audit does not meet standards.	Any of the following: The Board guaranteed indebtedness on behalf of the school or a third party provider; there are conflicts of interest or no disclosure including a legal rationale for financial transactions. The Board is not involved in the inflow and outflow of funds and there is little if any review of financial statements. The Board has limited involvement in the budget process. The annual audit does not meet standards.

APPENDIX B: CHARTER SCHOOL EVALUATION RUBRIC

Metro East Web Academy Report - 2015

Domain		Exceeding	Meeting	Nearly Meeting	Not Meeting
7.2.b	Fiduciary Responsibilities - Third-party Contracts	<i>Is the charter school meeting its fiduciary responsibilities related to third-party contracts?</i>			
		Contracts with any third-party entity to provide educational services for the virtual charter school are in compliance with 2011 legislation requirements regarding fiscal reporting, curriculum alignment, and school governance.	Contracts with any third-party entity to provide educational services for the virtual charter school are in partial compliance with 2011 legislation requirements regarding fiscal reporting, curriculum alignment, and school governance. Plans are underway to ensure full compliance.	Contracts with any third-party entity to provide educational services for the virtual charter school are in partial compliance with 2011 legislation requirements regarding fiscal reporting, curriculum alignment, and school governance but no plans are underway to ensure compliance.	Contracts with any third-party entity to provide educational services for the virtual charter school are not in compliance with 2011 legislation requirements regarding fiscal reporting, curriculum alignment, and school governance and no plans are underway to ensure compliance.
7.3	Board Stability	<i>Are the charter school leadership and Board of Directors stable and sustainable?</i>			
		Business is completed at regular business meetings; board meetings are not cancelled due to quorum issues; the Board has no vacancies or has an active plan to fill any that exist. The Board has not been in an exigent state in the past year; an orientation process for new members has been implemented; the Board encourages, supports and participates regularly in training opportunities; the Board is not involved in litigation; there is no evidence of an intent to revoke notice.	Not more than one meeting per year is cancelled due to quorum issues; the Board has no vacancies; the Board has not been in an exigent state in the past year; a written orientation process for new members is present; the Board encourages and supports training opportunities as demonstrated through attendance or budget commitments; the Board is not engaged in litigation; there is no evidence of an intent to revoke notice.	Not more than three meetings per year are cancelled due to quorum issues; the Board has no more than one vacancy; the Board has not been in an exigent state in the past year; an orientation process for new members is present but not written; the Board encourages training opportunities but has no supporting evidence that training has occurred or that new Board members are being effectively recruited; the Board is not engaged in litigation; there is no evidence of an intent to revoke notice.	More than three meetings per year are cancelled due to quorum issues; the Board has more than one vacancy; the Board has been in an exigent state in the past year; an orientation process for new members is not present; the Board does not engage in training opportunities or actively recruit to fill vacancies; the Board is engaged in litigation; the school has received a notice of intent to revoke.



2016-2017

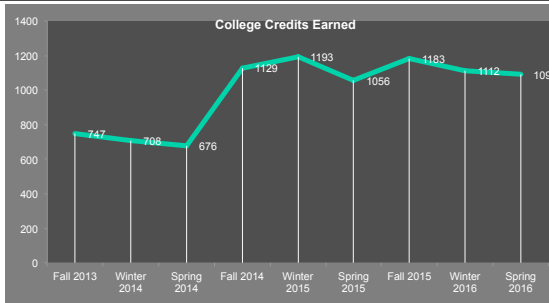
Metro East Web Academy

Our Mission: The Metro East Web Academy provides a technology-rich 21st century learning model that ensures student success in a rapidly evolving learning, work, and community environment.

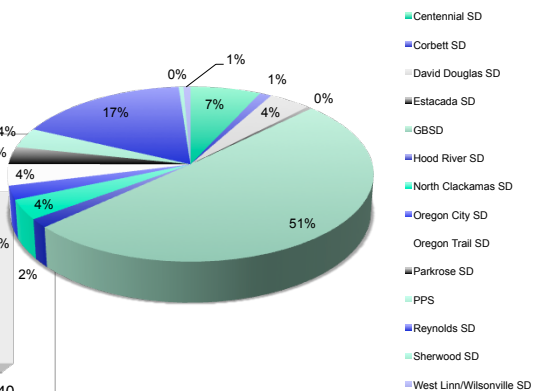
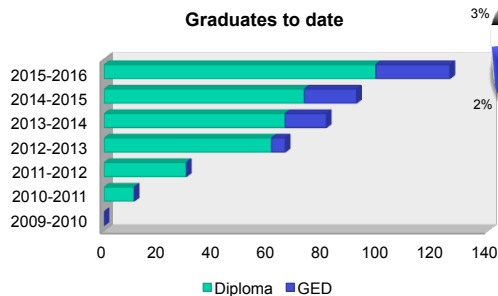
Presenters:

David Gray, Ph.D. – CEO/Principal
 Tonia Gebhart-Deputy Principal/Operations Manager
 Christina Struyk-Bonn- Curriculum and Instruction Coach
 Christeen Calhoun-Testing Coordinator

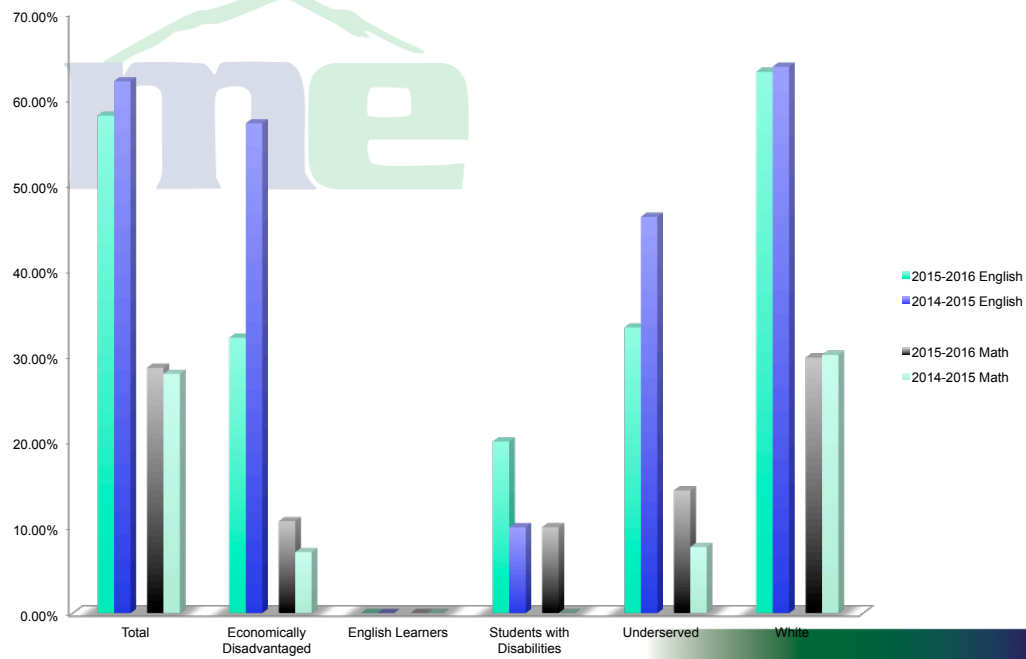
Demographics



Enrollment by home school (Dec 16)



Smarter Balanced Results



STAR360 Fall 2015 to Fall 2016 Analysis

Participation: 79% of our students completed both tests

Reading:

High School

Summary

Teacher	Grade	SGP (58 of 187 Students) Median	Test Date	Average Scores (187 Students)					EORF
				SS	GE	PR	NCE	IRL	
Calhoun	Calhoun, Christeen	61	Pretest	957	8.4	38	43.8	7.6	0
			Posttest	1009	9.0	43	46.0	8.9	0
			Change	+52	+0.6	+5	+2.2	+1.3	0

Middle School

Summary

Teacher	Grade	SGP (7 of 26 Students) Median	Test Date	Average Scores (26 Students)					EORF
				SS	GE	PR	NCE	IRL	
Calhoun	Calhoun, Christeen	69	Pretest	698	6.3	31	39.3	5.2	0
			Posttest	747	6.6	31	39.8	5.6	0
			Change	+49	+0.3	0	+0.5	+0.4	0

STAR360 Fall 2015 to Fall 2016 Analysis



Math:

High School

Summary - Enterprise Tests

Teacher	Grade	SGP (57 of 184 students) Median	Test Date	Average Scores (184 Students)			
				SS	GE	PR	NCE
Calhoun	Calhoun, Christeen	62	Pretest	801	8.4	46	48.0
			Posttest	823	10.6	49	49.7
			Change	+22	+2.2	+3	+1.7

Middle School

Summary - Enterprise Tests

Teacher	Grade	SGP (8 of 27 students) Median	Test Date	Average Scores (27 Students)			
				SS	GE	PR	NCE
Calhoun	Calhoun, Christeen	49	Pretest	697	5.5	29	38.6
			Posttest	727	6.1	35	41.9
			Change	+30	+0.6	+6	+3.3



Overall Results



● Out of 48 subdomains, MEWA received the highest rating possible on 36.

- 27 exceeding
- 9 meeting (Exceeding rating was not applicable to these areas)
- 5 meets
- 7 nearly meeting
 - SBAC
 - Attendance

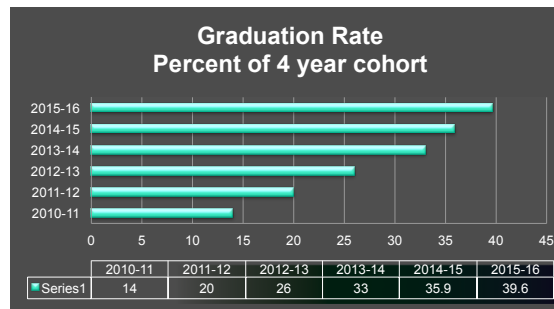


Accomplishments



- Increasing community contact and strengthening community relationships through parent advocacy position
- Engaging parents as partners in student success
- Inform families before making the decision to enroll
- Clarity of school success plan
- Engaging learning community including, field trips, clubs, labs
- Positive trajectory in four year graduation rate

- Continue to support post secondary opportunities through Early College and College Now courses
- 99% participation in SBAC for math and English
- Building leadership capacity
- School success plan
- Board governance: strong contingency fund and being fiscally responsible with conservative budgets
- Engaging all stakeholders in discussions for MEWA's future



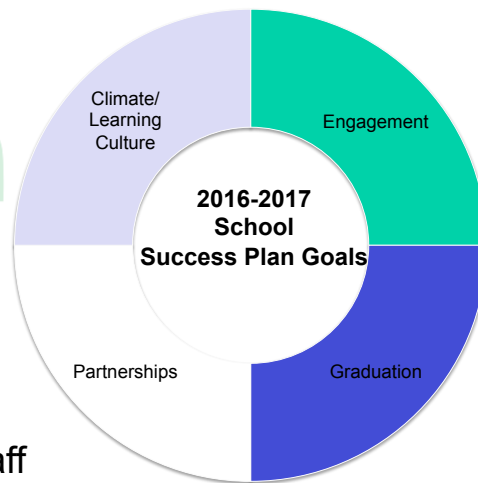
Recommendations

- Continue maintaining focus areas for the school success plan. A solid foundation was created and deserves follow through
- Examine SBAC data to address drops in two subgroups and identify potential steps to implement for improvement
- Explore innovative ways to support students in Math to identify learning gaps and provide interventions to meet students' needs
- Examine SBAC data to address the deficiencies at grade 8 in math. Outline and implement steps to improve student assessment performance in math
- New attendance procedures/position to address chronic absenteeism

Success Plan



- Previous year's data
- Four main areas of focus have been consistent
- Revisit goals every staff meeting
- Drives decision making and programming changes



Enrollment comparisons

Name	District	Enrollment	Students With Disabilities (%)	Forever English Language Learners (%)	SBAC LA Level 3/4	SBAC Math Level 3/4	Freshman on track (%)	Grad rate
Baker Web Academy	Baker	775	9	6	52.7	26.0	50.6	39.7
Clackamas Web Academy	N. Clackamas	488	9	20	57.6	27.8	70.6	72.5
Summit Learning Academy	Estacada	720	<5	10	56.7	28	>95	35.2
Metro East Web Academy	Gresham-Barlow	430	14	18	58.9	28.6	56.7	39.6
Oregon Connections Academy	Santiam Canyon	4147	13	<5	61.5	30.6	64.1	59.6
Oregon Virtual Academy	North Bend	1883	15	<5	47.2	27.9	40	30.9
Sheridan All Prep Academy	Sheridan	153	11	*	35.7	11.9	50	23.3
Silvies River Charter	Frenchglen	163	7	*	47.5	25.9	53.3	11.1
Insight School (K12)	Mitchell	354	12	6	36.7	8	13.2	19.1
* Data not displayed to protect student confidentiality		Mean: 1001	Mean: 10.6%	Mean: 7.8%	Mean: 50.5	Mean: 23.9	Mean: 54.8%	Mean: 36.8%
* Data not displayed to protect student confidentiality								

In-district Students not served by GBSD



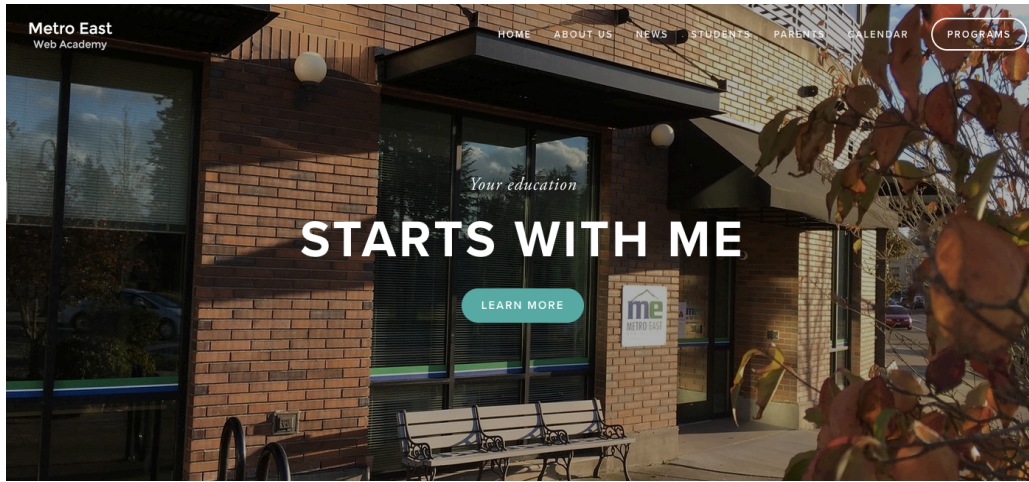
Grade	Fossil Learning Baker Web									
	Homeschooled	ORCA	ORVA	Prg.	Academy	Summit	Clackamas	Paisley	Total	Column1
KG	0	5	1	0	0	0	4	0	2	12
1	11	7	3	1	0	0	5	0	1	29
2	19	7	1	0	0	0	5	2	4	40
3	33	10	3	1	0	0	3	1	0	54
4	45	11	4	0	0	0	5	0	3	72
5	32	4	0	0	0	0	5	1	4	51
6	37	6	3	0	2	2	2	0	0	56
7	48	10	1	2	0	0	4	1	1	74
8	36	10	3	0	0	0	4	1	2	64
9	46	15	1	0	2	7	7	1	0	81
10	62	13	0	0	0	7	0	0	0	92
11	54	10	4	0	2	9	9	4	0	94
12	47	6	3	0	1	18	2	0	0	89
	470	114	27	4	7	78	13	17	730	

Source: GBSD Business Office 10/2016

Future of MEWA



- Create a new website that mirrors the future of MEWA
- A professional and inviting page that can be easily navigated.
- Reflects an organization that will set the standard for others
- Leader of innovation and success within the online school community



GRESHAM-BARLOW SCHOOL DISTRICT
1331 NW Eastman Parkway
Gresham, OR 97030-3825

TO: Board of Directors

FROM: Jim Schlachter
Teresa Ketelsen

DATE: January 5, 2017

RE: No. 9 – Electronic Books in the Gresham-Barlow School District – Grant Summary

EXPLANATION: The Gresham-Barlow Education Foundation has donated \$30,000 to the Gresham-Barlow School District over the past three years for the purchase of electronic books (e-books) for schools throughout the district.

These funds have not only provided more than 2,700 books across the district, they have also been the jumpstart to the creation of a one-stop access point to an ever-growing pool of digital resources.

Not only can the e-books be used in classrooms, but they can also be read by students any time of the day on any device with an internet connection.

Usage data shows that students are taking advantage of increased access to these resources. The donations of funds for these e-books by the Gresham-Barlow Education Foundation has dramatically increased access to books for students across the district.

PRESENTERS: Teresa Ketelsen, Venisha Bahr, and Neil Wong

SUPPLEMENTARY MATERIALS: MackinVia Information Pamphlet and Student Testimonials (to be provided at the board meeting)

RECOMMENDATION: This report is being provided as information only.

REQUESTED ACTION: No action is required.

TK:lc

Thank You

Gresham Barlow Education Foundation

3 years, \$30,000, 18 Schools



2,722 Resources Purchased

Quantity of Licenses Purchased	Format
951	Multi-use, Unlimited Access
1,203	Single-use (some titles shared)
568	Single-use Audiobooks (most titles shared)
GBSD owns digital copies in perpetuity.	

Use of Resources K-12

2014-2016
44,395



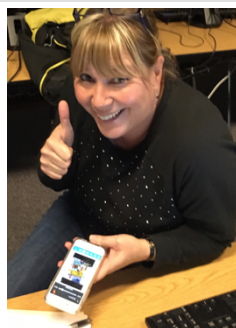
Opinions

These are all free?
No way!

- HCES

...it's convenient
because I'm
always around
technology.

-12th Grade GHS



This rocks!
-4rd Grade HIES

You have *Dork Diaries*!
That's all that matters.

- 4th Grade NGES




E-books can't be left at
home, lost, or
damaged like regular
books checked out
from the library.

-11th grade SBHS




Using ebooks actually first made me start reading more and more.

- 11th Grade SBHS

Advantages

		
<p>1 Elementary School <i>Diary of a Wimpy Kid: Old School</i></p> <p>1 Print Copy: \$5.99 Checked out 23 times and is now lost</p> <p>1 Electronic Copy: \$8.00 Used 587 times and is still in perfect condition</p>	<p>All K-8 schools <i>Travel with Christopher Columbus</i></p> <p>4 Electronic Copies \$84.00</p> <p>No interlibrary loan needed.</p>	<p>1 Elementary School <i>Fossa: A Fearsome Predator</i></p> <p>1 Electronic Copy: \$26.53 Multi-use License Used 492 times Supports 5th grade curriculum</p>

Availability to Resources

	<p>Evening 9:20 PM</p>	<p>9:20 PM, Wednesday, December 21, 2016</p> <p>Cancel Checkout</p>
	<p>4:31 PM, School Library Closed</p>	<p>4:31 PM, Thursday, December 22, 2016</p> <p>Cancel Checkout</p>
	<p>Sunday, 9:30 AM</p>	<p>9:30 AM, Sunday, December 25, 2016</p> <p>Downloaded ⓘ</p>

No need for Internet. Book is downloaded to device.

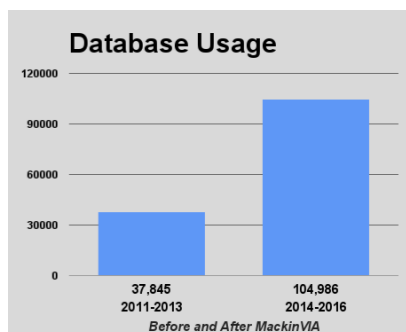


Databases, Websites, Videos

E-books build a foundation to a one stop access point for safe and reliable digital resources.



1st graders at DCD using Kids Infobits for a partner research project on penguins.



Sample Homepage

Sam Barlow High School

Search Resources

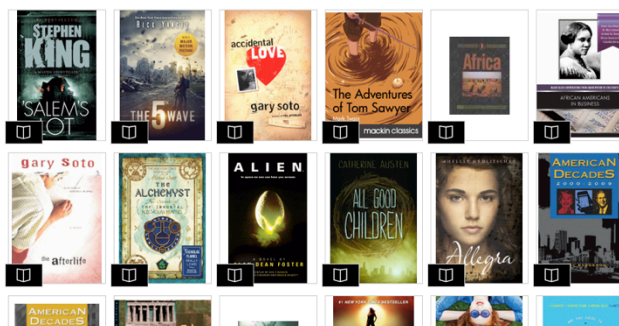
- [A-Z All Resources](#)
- [Categories](#)
- [eBooks](#)
- [Databases](#)
- [Audiobooks](#)
- [Videos](#)
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- [Subjects](#)
- [Topic / Genre](#)
- [Series](#)

eBooks

Results/Page 30

1-30 of 335

Resource A-Z



We Have The Winning
Apptitude

Experience the convenience and latitude of accessing all your digital content from your award-winning MackinVIA account with a full line-up of free apps.



iPad
iPhone
iPod Touch
Mac Desktop



Android Tablet
Android Phone



Windows Desktop



Chromebook

kindle nook

Access, Manage, Search, Sort, Personalize, & Customize
One user ID, one password, seamless access to all your school or library's digital resources.
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Aaron Rodgers and the Green Bay Packers : Super Bowl XLV
Sandler, Michael

Aaron's Test

Super Bowl XLV (45) was the final test for Aaron Rodgers. For six years, the Green Bay

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who doubted him. No one had a chance to prove he was a great Packers quarterback. With a Super Bowl victory no one would be able to doubt him any longer.

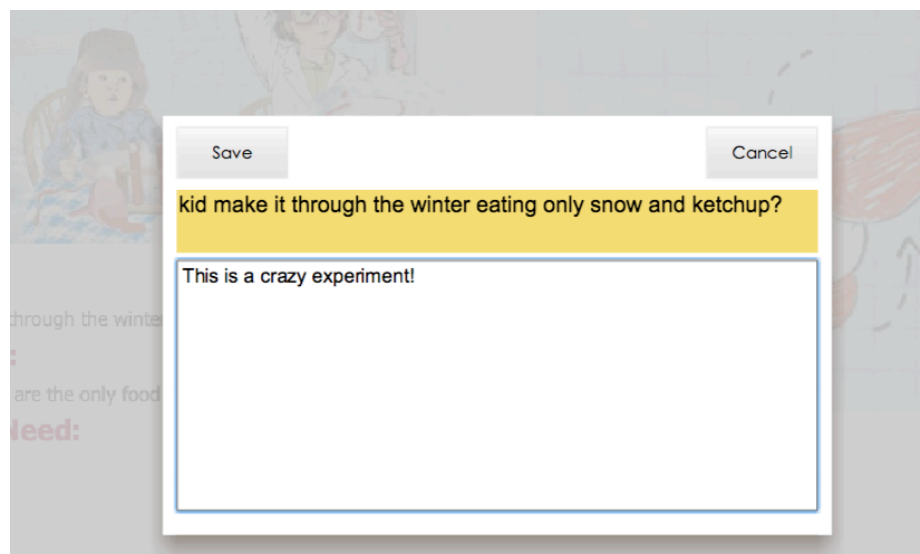
For this to happen, though, Aaron would have to beat a mighty opponent—the

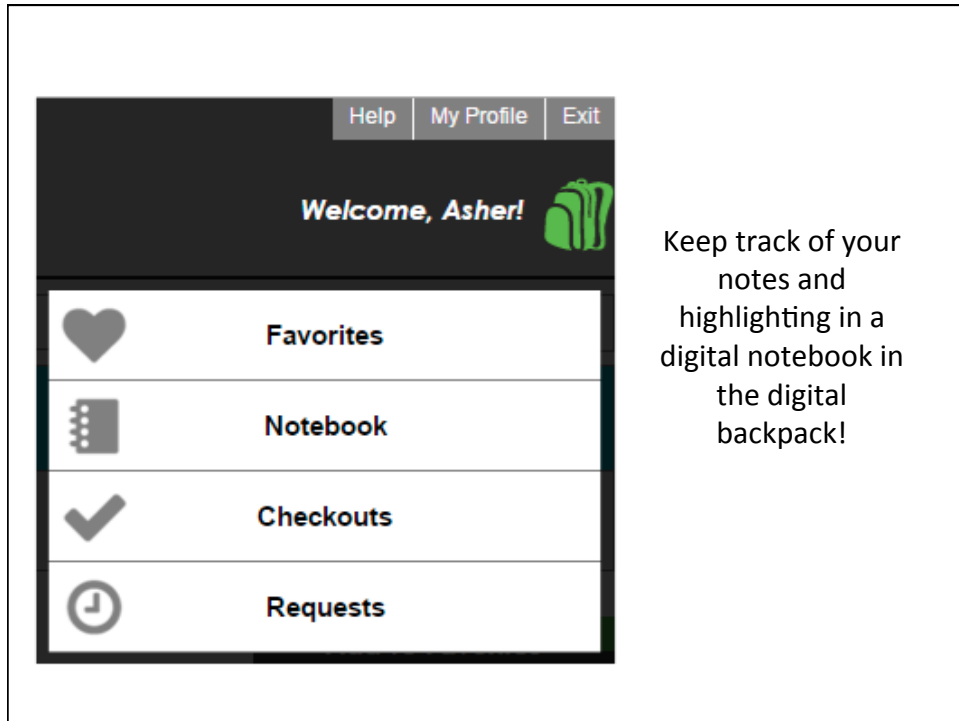
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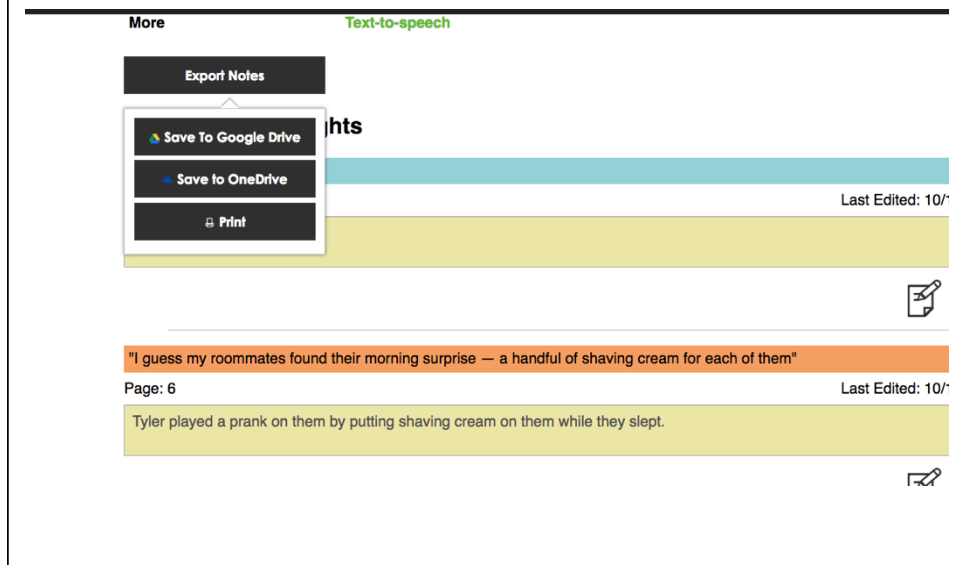
fully involved through jealousy or spite,
 himself through passion or heedlessness.
 No Euripidean hero approaches Oedipus
 in stature. The margin of freedom is
 narrower, and the question of justice,
 so central and absolute an ideal for
 Aeschylus, becomes a subject for irony.
 In *Hippolytus*, for example, the goddess

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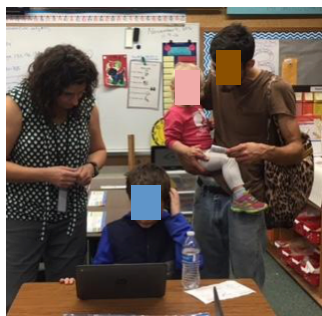
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GRESHAM-BARLOW SCHOOL DISTRICT
1331 NW Eastman Parkway
Gresham, OR 97030-3825

TO: Board of Directors

FROM: Jim Schlachter
Athena Vadnais

DATE: January 5, 2017

RE: No. 10 – District Advisory Council (DAC) Report

EXPLANATION: The District Advisory Council did not meet in December because of winter break; therefore, there will not be a DAC report this evening.

The next DAC meeting will be on January 12, 2017, at Hall Elementary School.

PRESENTER: Athena Vadnais

SUPPLEMENTARY
MATERIALS: None

RECOMMENDATION: This report is being provided as information only.

REQUESTED ACTION: No action is required.

:lc

GRESHAM-BARLOW SCHOOL DISTRICT
1331 NW Eastman Parkway
Gresham, OR 97030-3825

TO: Board of Directors

FROM: Jim Schlachter
Teresa Ketelsen

DATE: January 5, 2017

RE: No. 11 – Policy Review Committee Minutes of December 13, 2016

EXPLANATION: The most recent Policy Review Committee meeting was held on December 13, 2016, at the Gresham-Barlow School District administration office. Minutes of that meeting are included with this summary.

The Policy Review Committee is an advisory committee appointed by the Gresham-Barlow School District Board of Directors to review proposed policy updates, and advance recommendations to the board to ensure that policies are current with legislative requirements and district practice.

PRESENTER: Teresa Ketelsen

SUPPLEMENTARY
MATERIALS: Minutes of the December 13, 2016, Policy Review Committee meeting

RECOMMENDATION: This report is being provided as information only.

REQUESTED ACTION: No action is required.

:lc

Policy Review Committee Meeting Minutes

December 13, 2016

The meeting began at 8:00 a.m. on December 13, 2016 at the Gresham-Barlow School District administration office, 1331 NW Eastman Parkway, Gresham, Oregon.

Policy Review Committee members in attendance were John Hartsock and Kris Howatt, school board members, and Teresa Ketelsen, deputy superintendent of teaching and learning. Guests in attendance for portions of the meeting were James Hiu, deputy superintendent of secondary education and operations, and Randy Bryant, executive director of human resources.

Revisions to the following policies were discussed.

Policy	Title
IIAD	Special Interest Materials
KJA	Materials Distribution
GB	General Personnel Policies
GBA	Equal Employment Opportunity
BDDH	Public Participation in Board Meetings
EEBB	Use of Private Vehicles for District Business

During the December 1, 2016 school board business meeting, the Policy Review Committee was asked by board member O'Connell to look at our policies for distribution of flyers from outside organizations in our schools. Deputy superintendent James Hiu joined the committee to explain our practices and lead us through a review of policies IIAD and KJA.

Executive director Randy Bryant joined the committee to discuss changes to policy GB, GBA and the executive summary for personnel changes.

The policies listed above will be presented to the Board as a first reading during the January 19, 2017 Work Session.

The next Policy Review Committee meeting will be held on Tuesday, February 7, 2017, at 8 a.m. in the same location.

The meeting ended at 10:00 am.

Submitted by: Teresa Ketelsen

GRESHAM-BARLOW SCHOOL DISTRICT
1331 NW Eastman Parkway
Gresham, OR 97030-3825

TO: Board of Directors

FROM: Jim Schlachter
Mike Schofield

DATE: January 5, 2017

RE: No. 12 – Resolution 1617-10 Authorizing the Issuance, Sale, and Delivery of
General Obligation Bonds (Bond Financing Agreement)

EXPLANATION: With the successful passage of Ballot Measure 26-187, one of the necessary steps to issue the bonds to finance the district's capital improvement projects is the attached authorizing resolution. This resolution was created and approved by bond counsel.

PRESENTER: Mike Schofield

SUPPLEMENTARY MATERIAL:

1. Resolution No. 1617-10, Authorizing the Issuance, Sale and Delivery of General Obligation Bonds; Designating an Authorized Representative, Bond Counsel and Underwriter or Placement Agent; Delegating the Negotiation and Approval of Financial Documents and Related Matters
2. Exhibit A, Tax-Exempt Bond Post-Issuance Compliance Procedures (adopted 1/05/17)

RECOMMENDATION: The administration recommends that the board review, discuss, and approve the authorizing resolution.

REQUESTED ACTION: Move to approve Resolution No. 1617-10, thereby authorizing the issuance, sale and delivery of General Obligation Bonds; designating an authorized representative, bond counsel and underwriter or placement agent; and delegating the negotiation and approval of financial documents and related matters, as presented.

MS:lc

RESOLUTION NO. 1617-10

A RESOLUTION OF GRESHAM-BARLOW SCHOOL DISTRICT NO. 10JT, MULTNOMAH AND CLACKAMAS COUNTIES, OREGON AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF GENERAL OBLIGATION BONDS; DESIGNATING AN AUTHORIZED REPRESENTATIVE, BOND COUNSEL AND UNDERWRITER OR PLACEMENT AGENT; DELEGATING THE NEGOTIATION AND APPROVAL OF FINANCIAL DOCUMENTS AND RELATED MATTERS.

THE BOARD OF DIRECTORS OF GRESHAM-BARLOW SCHOOL DISTRICT NO. 10JT, MULTNOMAH AND CLACKAMAS COUNTIES, OREGON HEREBY RESOLVES:

SECTION 1. FINDINGS

The Board of Directors (the "Board") of the Gresham-Barlow School District No. 10JT, Multnomah and Clackamas Counties, Oregon, a common school district of the State of Oregon (the "District") finds:

a. The District is authorized pursuant to the Oregon Constitution and Oregon Revised Statutes Chapters 287A and 328 to issue general obligation bonds to finance capital costs; and

b. On August 4, 2016, the District adopted a resolution authorizing submission to the voters of the District at a measure election on November 8, 2016, the question of contracting a general obligation bonded indebtedness in an amount not to exceed \$291,170,000 to finance capital costs as set forth in the notice of bond election and pay bond issuance costs; and

c. The election was duly and legally held on November 8, 2016, and the elections officer of the county in which the District office is located certified that the issuance of the general obligation bonds was approved by a majority of the qualified voters of the District voting at the election; and

d. The Board hereby determines the results of the election pursuant to ORS 255.295(1) in compliance with the requirement of determining results within forty (40) days of receipt of the abstract of votes; and

e. The District adopts this resolution to provide the terms under which the general obligation bonds will be sold and issued; to authorize the issuance of the general obligation bonds; and to classify the ad valorem taxes levied to pay debt service on the general obligation bonds as not being subject to the limits of Sections 11 and 11b, Article XI of the Oregon Constitution.

SECTION 2. BONDS AUTHORIZED

The District hereby authorizes the issuance of the general obligation bonds in an aggregate principal amount not to exceed \$291,170,000 (the "Bonds"), issued in one or more initial series, to finance the projects set forth in the ballot title for the Bonds.

The Bonds shall mature over a period not exceeding twenty-one (21) years from their date of issue. The remaining terms of the Bonds shall be established as provided in Section 10 hereof.

SECTION 3. DESIGNATION OF AUTHORIZED REPRESENTATIVES

The Board designates the Chair, Superintendent, Chief Financial Officer (each an “Authorized Representative”) or a designee of an Authorized Representative to act on behalf of the District as specified in Section 10 hereof.

SECTION 4. SECURITY

The Bonds are general obligations of the District. The full faith and credit of the District are pledged to the successive owners of each of the Bonds for the punctual payment of such obligations, when due. The District covenants with the Bondowners to levy annually a direct ad valorem tax upon all of the taxable property within the District in an amount without limitation as to rate or amount, and outside of the limitations of Sections 11 and 11b, Article XI of the Oregon Constitution, after taking into consideration discounts taken and delinquencies that may occur in the payment of such taxes and any other funds available, to pay interest accruing and the principal maturing on the Bonds promptly when and as they become due.

SECTION 5. FORM OF BONDS

The Bonds shall be issued in substantially the form as approved by the Authorized Representative. The Bonds may be printed or typewritten, and may be issued as one or more temporary Bonds which shall be exchangeable for definitive Bonds when definitive Bonds are available.

SECTION 6. EXECUTION OF BONDS

The Bonds shall be executed on behalf of the District with the manual or facsimile signature of an Authorized Representative of the District.

SECTION 7. REDEMPTION

The Bonds may be subject to optional redemption or mandatory redemption prior to maturity as determined under Section 10 hereof.

SECTION 8. TAX-EXEMPT STATUS

If any portion of the Bonds are issued as Tax-Exempt Bonds, the District covenants to use the portion of those proceeds of the Bonds, and the facilities financed with such proceeds, and to otherwise comply with the provisions of the Internal Revenue Code of 1986, as amended (the “Code”), so that interest paid on such Bonds will not be includable in gross income of the Bondowners for federal income tax purposes.

The Authorized Representative may enter into covenants on behalf of the District to protect the tax-exempt status of the Bonds.

SECTION 9. DESIGNATION AS A “QUALIFIED TAX-EXEMPT OBLIGATION”

The Authorized Representative, upon the advice of Bond Counsel, may designate any series of the Bonds as a “qualified tax-exempt obligation” pursuant to Section 265(b)(3)(B) of the Code.

SECTION 10. DELEGATION FOR ESTABLISHMENT OF TERMS AND SALE OF THE BONDS

The Authorized Representative is hereby authorized, on behalf of the District without further action of the Board (and such actions of the Authorized Representative, if taken prior to the adoption of this resolution, are hereby affirmed and authorized), to:

- a. establish the principal and interest payment dates, principal amounts, interest rates, denominations, redemption provisions and all other terms for the Bonds be issued;
- b. proceed with a publicly offered sale of the Bonds or select a bank or other financial institution through a direct purchase with the assistance of the Placement Agent;
- c. negotiate the terms of a bond purchase agreement with the underwriter or lender, as determined by the Authorized Representative;
- d. determine if the Bonds shall be issued in a tax-exempt and taxable series;
- e. appoint a registrar and paying agent for the Bonds, if necessary;
- f. take such actions as are necessary to qualify the Bonds for the book-entry only system of The Depository Trust Company if required;
- g. approve of and authorize the distribution of the preliminary and final official statements for the Bonds, if required;
- h. obtain one or more ratings on the Bonds if determined by the Authorized Representative to be in the best interest of the District, and expend Bond proceeds to pay the costs of obtaining such rating;
- i. apply to participate in the Oregon State Guaranty Program, if available and deemed appropriate, execute any documents in connection with such program and expend Bond proceeds to pay any guaranty premium;
- j. apply, if available and deemed appropriate, and expend Bond proceeds to pay any insurance premium;
- k. approve, execute and deliver a Continuing Disclosure Certificate pursuant to SEC Rule 15c2-12, as amended (17 CFR Part 240, § 240.15c2-12), if required;
- l. approve, execute and deliver the Bond closing documents and certificates;
- m. make any clarifying changes or additional covenants not inconsistent with this Resolution; and
- n. execute and deliver a certificate specifying the action taken by the Authorized Representative pursuant to this Section 10 and any other certificates, documents or agreements that the Authorized Representative determines are desirable to issue, sell and deliver the Bonds in accordance with this Resolution.

SECTION 11. DEFAULT AND REMEDIES.

The occurrence of one or more of the following shall constitute an Event of Default under this Resolution and the Bonds:

- a. Failure by the District to pay Bond principal, interest or premium when due (whether at maturity, or upon redemption after a Bond has been properly called for redemption);
- b. Failure by the District to observe and perform any covenant, condition or agreement on its part to be observed or performed for the benefit of Owners of Bonds, for a period of sixty (60) days after written notice to the District by the Owners of fifty-one (51%) percent or more of the principal amount of Bonds then Outstanding specifying such failure and requesting that it be remedied; provided however, that if the failure stated in the notice cannot be corrected within such sixty (60) day period, it shall not constitute an Event of Default so long as corrective action is instituted by the District within the sixty (60) day period and diligently pursued, and the default is corrected as promptly as practicable after the written notice referred to in this paragraph; or,
- c. The District is adjudged insolvent by a court of competent jurisdiction, admits in writing its inability to pay its debts generally as they become due, files a petition in bankruptcy, or consents to the appointment of a receiver for the payments.

The Owners of fifty-one (51%) percent or more of the principal amount of Bonds then Outstanding may waive any Event of Default and its consequences, except an Event of Default as described in (a) of this Section.

Upon the occurrence and continuance of any Event of Default hereunder the Owners of fifty-one (51%) percent or more of the principal amount of Bonds then Outstanding may take whatever action may appear necessary or desirable to enforce or to protect any of the rights of the Owners of Bonds, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Resolution or the Bonds or in aid of the exercise of any power granted in this Resolution or in the Bonds or for the enforcement of any other legal or equitable right vested in the Owners of Bonds by the Resolution or the Bonds or by law. However, the Bonds shall not be subject to acceleration.

No remedy in the Resolution conferred upon or reserved to Owners of Bonds is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Resolution or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. To entitle the Owners of Bonds to exercise any remedy reserved to them, it shall not be necessary to give any notice other than such notice as may be required by this Resolution or by law.

SECTION 12. DEFEASANCE

The District may defease the Bonds by setting aside, with a duly appointed escrow agent, in a special escrow account irrevocably pledged to the payment of the Bonds to be defeased, cash or direct obligations of the United States in an amount which, in the opinion of an independent certified public accountant, is sufficient without reinvestment to pay all principal and interest on the defeased Bonds until their maturity date or any earlier redemption date. Bonds which have been defeased pursuant to this Section shall be deemed paid and no longer outstanding, and shall cease to be entitled to any lien, benefit or security under this Resolution except the right to receive payment from such special escrow account.

SECTION 13. ESTABLISHMENT OF FUNDS AND ACCOUNTS

The following funds and accounts shall be created into which the proceeds of the Bonds shall be deposited, which funds and accounts shall be continually maintained, except as otherwise provided, so long as the Bonds remain unpaid.

a. Debt Service Account. The District shall maintain the debt service account in the District's debt service fund for the payment of principal, premium, if any, and interest on the Bonds as they become due. All accrued interest, if any, and all taxes levied and other moneys available for the payment of the Bonds shall be deposited to the debt service account.

b. Project Fund. The District shall maintain the project fund for the purpose of accounting for and paying all costs of the projects and the costs related to the preparation, authorization, issuance, and sale of the Bonds. Any interest earnings on moneys invested from the project fund shall be retained in the project fund. The District's share of any liquidated damages or other moneys paid by defaulting contractors or their sureties will be deposited into the project fund to assure the completion of the projects.

Upon completion of the projects and upon payment in full of all costs related thereto, any balance remaining in the project fund shall be deposited to the Debt Service Account for payment of debt service.

SECTION 14. PROFESSIONALS

The District hereby affirms Hawkins Delafield & Wood LLP as Bond Counsel for the issuance of the Bonds and affirms Piper Jaffray & Co., as Underwriter or Placement Agent to the District.

SECTION 15. APPROVAL OF POST ISSUANCE COMPLIANCE PROCEDURES

The Board hereby approves the post issuance compliance procedures in substantially the form attached hereto as Exhibit A with such modifications as deemed desirable by the Authorized Representative to assist in the compliance with federal tax and securities law.

SECTION 16. RESOLUTION TO CONSTITUTE CONTRACT

In consideration of the purchase and acceptance of any or all of the Bonds by those who shall own the Bonds from time to time (the "Owners"), the provisions of this Resolution shall be part of the contract of the District with the Owners and shall be deemed to be and shall constitute a contract between the District and the Owners. The covenants, pledges, representations and warranties contained in this Resolution or in the closing documents executed in connection with the Bonds, including without limitation the District's covenants and pledges contained in Section 4 hereof, and the other covenants and agreements herein set forth to be performed by or on behalf of the District shall be contracts for the equal benefit, protection and security of the Owners, all of which shall be of equal rank without preference, priority or distinction of any of such Bonds over any other thereof, except as expressly provided in or pursuant to this Resolution.

ADOPTED by the Board of Directors of the Gresham-Barlow School District No. 10JT, Multnomah and Clackamas Counties, Oregon this 5th day of January 2017.

**GRESHAM-BARLOW SCHOOL DISTRICT NO. 10JT
MULTNOMAH AND CLACKAMAS COUNTIES,
OREGON**

By: _____

Carla C. Piluso, Chair
Board of Directors

ATTEST:

By: _____

Jim Schlachter, Superintendent/DistrictClerk

EXHIBIT A

GRESHAM-BARLOW SCHOOL DISTRICT NO. 10JT TAX-EXEMPT BOND POST-ISSUANCE COMPLIANCE PROCEDURES (adopted 1/05/17)

I.

PURPOSE.

The purpose of this Policy is to ensure that the Gresham-Barlow School District No. 10JT (the “Issuer”) complies with applicable requirements of federal tax and securities laws that apply to any tax-exempt obligations or other debt issued by the Issuer. This Policy is designed to set forth compliance procedures so that the Issuer utilizes the proceeds of all issues of bonds, certificates of participation, bond anticipation notes, bank loans, and tax and revenue anticipation notes (collectively referred to as “Bonds”) in accordance with applicable federal tax and securities law requirements with respect to outstanding Bonds.

The procedures described in II and III describe the federal tax laws and only apply to Bonds to the extent that they are issued as federally tax-exempt obligations. Such procedures do not apply to Bonds issued as federally taxable obligations. To comply with applicable federal tax requirements, the Issuer must confirm that the requirements are met at the time each Bond issue is issued and throughout the term of the Bonds (until maturity or redemption). Generally, compliance should include retention of records relating to the expenditure of the proceeds of each Bond issue, the investment of the proceeds of each Bond issue, and any allocations made with respect to the use of the proceeds of each Bond issue, sufficient to establish compliance with applicable federal tax requirements, including records related to periods before the Bonds are issued (*e.g.*, in the case of reimbursement of prior expenditures) until six (6) years after the final maturity or redemption date of any issue of Bonds.

The procedures described in IV describe the federal securities laws and only apply to Bonds to the extent that there is a disclosure document prepared in connection with a public offering or private placement of the Bonds. For example, they do not currently apply to bank loans or other debt for which an official statement or other disclosure document is not prepared. To comply with applicable federal securities requirements, the Issuer must comply with the anti-fraud rules at the time of issuance and must maintain continuous compliance with its continuing disclosure obligations until the final maturity or redemption of the applicable issue or Bonds.

II.

FEDERAL TAX PROCEDURES.

A. Responsible Official. The Superintendent of the Issuer will identify the officer or other employee(s) of the Issuer (the “Bond Compliance Officer”) who will be responsible for each of the procedures listed below, notify the current holder of that office of the responsibilities, and provide that person a copy of these procedures. Upon employee transitions, the Superintendent of the Issuer will advise any newly-designated Bond Compliance Officer of his/her responsibilities under these procedures and will ensure the Bond Compliance Officer understands the importance of these procedures. If employee positions are restructured or eliminated, the Superintendent of the Issuer will reassign responsibilities as necessary.

B. Issuance of Bonds.

Bond Counsel. The Issuer will retain a nationally-recognized bond counsel law firm (“Bond Counsel”) to assist the Issuer in issuing Bonds. In connection with any tax-exempt Bond issue, Bond Counsel will deliver a legal opinion which will be based in part on covenants and representations set forth in the Issuer’s Tax Certificate (or other closing documents containing the tax representation) (the “Tax Certificate”) and other certificates relating to the Bonds, including covenants and representations concerning compliance with post-issuance federal tax law requirements that must be satisfied to preserve the tax-exempt status of tax-exempt Bonds. As described more fully below, the Issuer will also consult with Bond Counsel and other legal counsel and advisors, as needed, following issuance of each Bond issue to ensure that applicable post-issuance requirements in fact are met, so that tax-exempt status of interest will be maintained for federal income tax purposes so long as any Bonds remain outstanding.

The Bond Compliance Officer and/or other designated Issuer personnel will consult with Bond Counsel and other legal counsel and advisors, as needed, throughout the Bond issuance process to identify requirements and to establish procedures necessary or appropriate so that tax-exempt status of interest will be maintained. Those requirements and procedures shall be documented in a Tax Certificate and other certificates and/or other documents finalized at or before issuance of the Bonds. If there is no document in the transcript titled “Tax Certificate,” the Bond Compliance Officer and/or other designated Issuer personnel will consult with Bond Counsel prior to the closing of the financing to understand which document(s) in the transcript contain the tax representations and covenants. The requirements and procedures in the Tax Certificate shall include future compliance with applicable arbitrage rebate requirements and all other applicable post-issuance requirements of federal tax law throughout (and in some cases beyond) the term of the Bonds.

Documentation of Tax Requirements. The federal tax requirements relating to each Bond issue will be set forth in the Tax Certificate executed in connection with the Bond issue, which will be included in the closing transcript. The certifications, representations, expectations, covenants and factual statements in the Tax Certificate relate primarily to the restriction on use of the Bond-financed facilities by persons or entities other than the Issuer, changes in use of assets financed or refinanced with Bond proceeds, restrictions applicable to the investment of Bond proceeds and other moneys relating to the Bonds, arbitrage rebate requirements, and economic life of the Bond-financed assets.

Information Reporting. The Bond Compliance Officer and/or other designated Issuer personnel will assure filing of information returns on IRS Form 8038-G no later than the 15th day of the second calendar month in the calendar quarter following the calendar quarter in which an issue of Bonds is issued. The Issuer will confirm that the IRS Form 8038-G is accurate and is filed in a timely manner with respect to all Bond issues, including any required schedules and attachments. The IRS Form 8038-G filed with the IRS, together with an acknowledgement copy (if available) or IRS Notice CP152, will be included as part of the closing transcript for each Bond issue, or kept in the records related to the appropriate issue of Bonds.

C. Application of Bond Proceeds.

Use of Bond Proceeds. The Bond Compliance Officer and/or other designated Issuer personnel shall:

- * monitor the use of Bond proceeds and the use of the Bond-financed assets (e.g., facilities, furnishings or equipment) throughout the term of the Bonds (and in some cases beyond the term of the Bonds) to ensure compliance with covenants and restrictions set forth in the applicable Tax Certificate;
- * maintain records identifying the assets or portion of assets that were financed or refinanced with proceeds of each issue of Bonds;
- * consult with Bond Counsel and other legal counsel as needed in the review of any contracts or arrangements involving use of Bond-financed facilities to ensure compliance with all covenants and restrictions set forth in the applicable Tax Certificate;
- * maintain records for any contracts or arrangements involving the use of Bond-financed facilities as might be necessary or appropriate to document compliance with all covenants and restrictions set forth in the applicable Tax Certificate; and

* communicate as necessary and appropriate with personnel responsible for the Bond-financed assets to identify and discuss any existing or planned use of the Bond-financed assets, to ensure that those uses are consistent with all covenants and restrictions set forth in the applicable Tax Certificate.

Timely Expenditure of Bond Proceeds. At the time of issuance of any Bonds issued to fund original expenditures, the Issuer must reasonably expect to spend at least 85% of all proceeds expected to be used to finance such expenditures (which proceeds would exclude proceeds in a reasonably required reserve fund) within three (3) years after issuance of such Bonds.¹ In addition, for such Bonds, the Issuer must have incurred or expect to incur within six months after issuance original expenditures of not less than 5% of such amount of proceeds, and must expect to complete the Bond-financed project (the “Project”) and allocate Bond proceeds to costs with due diligence.² Satisfaction of these requirements allows Project-related Bond proceeds to be invested at an unrestricted yield for three (3) years.³ Bonds issued to refinance outstanding obligations are subject to separate expenditure requirements, which shall be outlined in the Tax Certificate relating to such Bonds. The Issuer’s finance staff will monitor the appropriate capital project accounts (and, to the extent applicable, working capital expenditures and/or refunding escrow accounts) and ensure that Bond proceeds are spent within the applicable time period(s) required under federal tax law.

Capital Expenditures. In general, proceeds (including earnings on original sale proceeds) of Bonds issued to fund original expenditures, other than proceeds deposited in a reasonably required reserve fund or used to pay costs of issuance, should be spent on capital expenditures.⁴ For this purpose, capital expenditures generally mean costs to acquire, construct, or improve property (land, buildings and equipment), or to adapt the property to a new or different use. The property financed or refinanced must have a useful life longer than one (1) year. Capital Expenditures include design and planning costs related to the Project, and include architectural, engineering, surveying, soil testing, environmental, and other similar costs incurred in the process of acquiring, constructing, improving or adapting the property. Capital Expenditures do not include operating expenses of the Project or incidental or routine repair or

¹ In the case of short-term working capital financings (e.g., TRANs), the Issuer’s actual maximum cumulative cash flow deficit as of the close of the six-month period commencing on the issue date must be at least equal to 100% of the issue price of the notes (under the six-month rebate exception, excluding the reasonable working capital reserve) or 90% of the issue price of the notes (under the statutory safe harbor exception) in order for the notes to be exempt from the rebate requirements.

² These requirements do not apply to short-term working capital financings (e.g., TRANs).

³ Proceeds of working capital financings (e.g., TRANs) may be invested at an unrestricted yield for thirteen (13) months.

⁴ Proceeds of working capital financings (e.g., TRANs) need not be spent for capital expenditures.

maintenance of the Project, even if the repair or maintenance will have a useful life longer than one (1) year.

D. Use of Bond-Financed Assets.

Ownership and Use of Project. For the life of a Bond issue, the Project must be owned and operated by the Issuer (or another state or local governmental entity). At all times while the Bond issue is outstanding, no more than 10% (or \$15,000,000, if less) of the Bond proceeds or the Project may used, directly or indirectly, in a trade or business carried on by a person other than a state or local governmental unit (“Private Use”).⁵ In addition, not more than 5% (or \$5 million, if less) of the proceeds of any Bond issue may be used, directly or indirectly, to make a loan to any person other than governmental persons. Generally, Private Use consists of any contract or other arrangement, including leases, management contracts, operating agreements, guarantee contracts, take or pay contracts, output contracts or research contracts, which provides for use by a person who is not a state or local government on a basis different than the general public. The Project may be used by any person or entity, including any person or entity carrying on any trade or business, if such use constitutes “General Public Use”. General Public Use is any arrangement providing for use that is available to the general public at either no charge or on the basis of rates that are generally applicable and uniformly applied.

Management or Operating Agreements. Any management, operating or service contracts whereby a non-exempt entity is using assets financed or refinanced with Bond proceeds (such as bookstore, cafeteria or dining facility, externally-managed parking facilities, gift shops, etc.) must relate to portions of the Project that fit within the allowable private use limitations or the contracts must meet the IRS safe harbor for management contracts. Any replacements of or changes to such contracts relating to Bond-financed assets or facilities, or leases of such assets or facilities, should be reviewed by Bond Counsel. The Bond Compliance Officer shall contact Bond Counsel if there may be a lease, sale, disposition or other change in use of assets financed or refinanced with Bond proceeds.

Useful Life Limitation. The weighted average maturity of the Bond issue cannot exceed 120% of the weighted average economic life of the Bond-financed assets. In other words, the weighted average economic life of the Project must be at least 80% of the weighted average maturity of the Bond issue. Additional state law limitations may apply as well.

⁵ This 10% limitation is limited to 5% in cases in which the Private Use is either unrelated or disproportionate to the governmental use of the financed facility.

E. Investment Restrictions; Arbitrage Yield Calculations; Rebate.

Investment Restrictions. Investment restrictions relating to Bond proceeds and other moneys relating to the Bonds are set forth in the Tax Certificate. The Issuer's finance staff will monitor the investment of Bond proceeds to ensure compliance with applicable yield restriction rules.

Use and Control of Bond Proceeds. Unexpended Bond proceeds (including reserves) may be held directly by the Issuer or by the trustee for the Bond issue under an indenture or trust agreement. The investment of Bond proceeds shall be managed by the Issuer. The Issuer shall maintain appropriate records regarding investments and transactions involving Bond proceeds. The trustee, if appropriate, shall provide regular statements to the Issuer regarding investments and transactions involving Bond proceeds.

Arbitrage Yield Calculations. Investment earnings on Bond proceeds should be tracked and monitored to comply with applicable yield restrictions and/or rebate requirements. Any funds of the Issuer set aside or otherwise pledged or earmarked to pay debt service on Bonds should be analyzed to assure compliance with the tax law rules on arbitrage, invested sinking funds, and pledged funds (including gifts or donations linked or earmarked to the Bond-financed assets).

Rebate. The Issuer is responsible for calculating (or causing the calculation of) rebate liability for each Bond issue, and for making any required rebate payments. Unless Bond Counsel has advised the Issuer that the Bonds are exempt from the rebate requirements described in this section, the Issuer will retain an arbitrage rebate consultant to perform rebate calculations that may be required to be made from time to time with respect to any Bond issue. The Issuer is responsible for providing the arbitrage rebate consultant with requested documents and information on a prompt basis, reviewing applicable rebate reports and other calculations and generally interacting with the arbitrage rebate consultant to ensure the timely preparation of rebate reports and payment of any rebate.

The reports and calculations provided by the arbitrage rebate consultant are intended to assure compliance with rebate requirements, which require the Issuer to make rebate payments, if any, no later than the fifth (5th) anniversary date and each fifth (5th) anniversary date thereafter through the final maturity or redemption date of a Bond issue. A final rebate payment must be made within sixty (60) days of the final maturity or redemption date of a Bond issue.

The Issuer will confer and consult with the arbitrage rebate consultant to determine whether any rebate spending exceptions may be met. Rebate spending exceptions are available for periods of 6

months, 18 months and 2 years. The Issuer will review the Tax Certificate and/or consult with the arbitrage rebate consultant or Bond Counsel for more details regarding the rebate spending exceptions.

In the case of short-term working capital financings, such as tax and revenue anticipation notes, if there is concern as to whether or not the Issuer has met its requisite maximum cumulative cash flow deficit with respect to its short-term working capital notes, the services of a rebate analyst should be engaged to determine whether either the six-month spending exception or the statutory safe harbor exception to the rebate rules is met (in which case no rebate would be owed) or whether the proceeds of the notes are subject, in whole or in part, to rebate.

Copies of all arbitrage rebate reports, related return filings with the IRS (*i.e.*, IRS Form 8038-T), copies of cancelled checks with respect to any rebate payments, and information statements must be retained as described below. The responsible official of the Issuer described in Subsection A of this Part II will follow the procedures set forth in the Tax Certificate entered into with respect to any Bond issue that relate to compliance with the rebate requirements.

F. Record Retention.

Allocation of Bond Proceeds to Expenditures. The Issuer shall allocate Bond proceeds to expenditures for assets, and shall trace and keep track of the use of Bond proceeds and property financed or refinanced therewith.

Record Keeping Requirements. Copies of all relevant documents and records sufficient to support an assertion that the tax requirements relating to a Bond issue have been satisfied will be maintained by the Issuer for the term of a Bond issue (including refunding Bonds, if any) plus six (6) years, including the following documents and records:

- Bond closing transcripts;
- Copies of records of investments, investment agreements, credit enhancement transactions, financial derivatives (*e.g.*, an interest rate swap), arbitrage reports and underlying documents, including trustee statements;
- Copies of material documents relating to capital expenditures financed or refinanced by Bond proceeds, including (without limitation) purchase orders, invoices, trustee requisitions and payment records, as well as documents relating to costs reimbursed with

Bond proceeds and records identifying the assets or portion of assets that are financed or refinanced with Bond proceeds;

- All contracts and arrangements involving private use, or changes in use, of the Bond-financed property;
- All reports and documents relating to the allocation of Bond proceeds and private use of Bond-financed property; and
- Itemization of property financed with Bond proceeds, including placed in service dates.
- In the case of short-term working capital financings, such as tax and revenue anticipation notes, information regarding the Issuer's revenue, expenditures and available balances sufficient to support the Issuer's maximum cumulative cash flow deficit.

III.

POST-ISSUANCE COMPLIANCE.

A. In General. The Issuer will conduct periodic reviews of compliance with these procedures to determine whether any violations have occurred so that such violations can be remedied through the "remedial action" regulations (Treas. Reg. Section 1.141-12) or the Voluntary Closing Agreement Program (VCAP) described in IRS Notice 2008-31 (or successor guidance). If any changes or modifications to the terms or provisions of a Bond issue are contemplated, the Issuer will consult Bond Counsel. The Issuer recognizes and acknowledges that such modifications could result in a "reissuance" of the Bonds for federal tax purposes (*i.e.*, a deemed refunding) and thereby jeopardize the tax-exempt status of the Bonds after the modifications.

The Bond Compliance Officer and/or other designated Issuer personnel will consult with Bond Counsel and other legal counsel and advisors, as needed, following issuance of each issue of the Bonds to ensure that all applicable post-issuance requirements in fact are met, so that interest on the Bonds will be excluded from gross income for federal income tax purposes so long as any Bonds remain outstanding. This will include, without limitation, consultation in connection with future contracts with respect to the use of Bond-financed assets and future contracts with respect to the use of output or throughput of Bond-financed assets.

Whenever necessary or appropriate, the Issuer will engage an expert advisor as arbitrage rebate consultant to assist in the calculation of arbitrage rebate payable in respect of the investment of Bond proceeds.

B. Monitoring Private or Other Use of Financed Assets. The Issuer will maintain records identifying the assets or portion of assets that are financed or refinanced with proceeds of a Bond issue, including the uses and the users thereof (including terms of use and type of use). Such records may be kept in any combination of paper or electronic form. In the event the use of Bond proceeds or the assets financed or refinanced with Bond proceeds is different from the covenants, representations or factual statements in the Tax Certificate, the Issuer will promptly contact and consult with Bond Counsel to ensure that there is no adverse effect on the tax-exempt status of the Bond issue and, where appropriate, will remedy any violations through the “remedial action” regulations (Treas. Reg. Section 1.141-12), the Voluntary Closing Agreement Program (VCAP) described in IRS Notice 2008-31 (or successor guidance), or as otherwise prescribed by Bond Counsel.

C. Ongoing Training. Training shall be made available to the Bond Compliance Officer to support the Bond Compliance Officer’s understanding of the tax requirements applicable to the Bonds. Such training may include, but would not be limited to, attending training sessions at local conferences such as OGFOA, OASBO, and/or SDAO, participation in IRS teleconferences, reading technical guidance materials provided by educational organizations, the IRS, and/or Bond Counsel, and discussing questions and issues with the Issuer’s Bond Counsel and/or arbitrage rebate consultant.

D. Annual Checklist of Tax-Exempt Bond Compliance Checklist. The Bond Compliance Officer will complete the attached “Annual Tax-Exempt Bond Compliance Checklist” with respect to all outstanding Bonds on or before December 1 of each annual period. The Bond Compliance Officer will retain a copy of each completed and signed checklist in a file that is retained in accordance with the document retention requirements described in Section II.F., above.

IV.

FEDERAL SECURITIES LAW PROCEDURES.

A. Anti-Fraud Provisions.

Pursuant to the antifraud provisions of the Securities Act of 1933 and the Securities and Exchange Act of 1934, and accompanying regulations, applicable to securities such as the Bonds, if publicly offered, any material provided by the Issuer in connection with the offer or sale of the Bonds may not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading. This material may be in the form of an offering circular or offering memorandum for a private placement and, although it is unclear whether such rules apply to these materials, the Bond Compliance Officer

should review them with the same standard in mind. For a publicly offered transaction, the disclosure document may be a preliminary official statement or a final official statement and any materials provided to the rating agencies or credit enhancement provider. Such material may also include information provided to a bank or institutional investor about the Issuer or the Bonds in connection with a bank loan or private placement. The antifraud provisions also apply to continuing disclosure discussed below. The Bond Compliance Officer will actively participate in the Bond issuance process to ensure that all information regarding the Issuer described in the official statement or other materials prepared in connection with the initial sale of publicly offered Bonds or bank placements do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

B. Continuing Disclosure.

In connection with an offering of the Bonds, the Issuer will execute a Continuing Disclosure Agreement, Continuing Disclosure Undertaking, Continuing Disclosure Certificate or such similarly titled document (herein referred to as the "Continuing Disclosure Agreement"). Pursuant to the Continuing Disclosure Agreement, the Issuer may be obligated to provide annual financial disclosure to the secondary market through the Municipal Rulemaking Securities Board's Electronic Municipal Market Access ("EMMA") system, as well as notices of certain material events listed in the Continuing Disclosure Agreement. In order to maintain compliance with the Issuer's obligations in the Continuing Disclosure Agreement, the Bond Compliance Officer will, if and as required by such Continuing Disclosure Agreement:

- Assist in the preparation or review of annual reports ("Annual Reports") in the form required by the related Continuing Disclosure Agreements.
- Maintain a calendar, with appropriate reminder notifications, listing the filing due dates relating to dissemination of Annual Reports, which annual due date is generally expressed as a date within a certain number of days following the end of the Issuer's fiscal year (the "Annual Report Due Date"), as provided in the related Continuing Disclosure Agreement.
- Ensure timely dissemination of the Annual Report by the Annual Report Due Date, in the format and manner provided in the related Continuing Disclosure Agreements, which may include transmitting such filing to the Municipal Securities Rulemaking Board

("MSRB") through the Electronic Municipal Market Access ("EMMA") System at www.emma.msrb.org in the format prescribed by the MSRB.

- Monitor the occurrence of any "Material Event" (as defined in the Continuing Disclosure Agreement) and timely file notice of the occurrence of any such Material Event in the manner provided under the Continuing Disclosure Agreement. To be timely filed, such notice must be transmitted within 10 days (or such other time period as set forth in the Continuing Disclosure Agreement) of the occurrence of such Material Event.
- Ensure timely dissemination of notice of any failure to perform under a Continuing Disclosure Agreement, if and as required by the Continuing Disclosure Agreement.
- Respond to requests, or ensure that the Issuer contact responds to requests, for information under SEC Rule 15c2-12, as provided in the Continuing Disclosure Agreement.
- Monitor the performance of any dissemination agent(s) engaged by the Issuer to assist in the performance of any obligation under the Continuing Disclosure Agreement.

Form of Annual Tax-Exempt Bond Compliance Checklist

(to be completed by the “Bond Compliance Officer” as described in the Tax-Exempt Bond Post-Issuance Compliance Policy)

Date Completed: _____

	Yes	No
Has there been a sale of all or any portion of a facility financed with tax-exempt bonds (a “Project”)?		
Has there been a lease of all or any portion of a Project to any party other than a state or local government?		
Has the Issuer entered into a new, or amended an already existing, management or service contract related to a Project?		
Has the Issuer entered into a naming rights agreement relating to all or any portion of a Project?		
Has the Issuer entered into any other arrangement with an entity, other than a state or local government, that provided legal rights to that entity with respect to a Project?		
Will there be a rebate/yield restriction arbitrage computation date during the upcoming annual period?		
Is the Issuer out of compliance with the record retention requirements as described in Section IV of the Tax-Exempt Bond Compliance Procedures?		
Has the Issuer failed to make any required filings with EMMA as required by their Continuing Disclosure Agreements?		

If an answer to any question above is “Yes”, or the answer is unclear, the Bond Compliance Officer shall consult with the Issuer’s bond counsel to determine (i) if the event could adversely impact the tax-exemption of the Issuer’s outstanding tax-exempt bonds and/or (ii) whether any action needs to be taken during the upcoming annual period to ensure compliance with the tax-exempt bond or securities law restrictions.

The undersigned is the “Bond Compliance Officer” as described in the Tax-Exempt Bond Compliance Procedures and has completed the above checklist to the best of the knowledge of the undersigned.

Signature of _____ - Bond Compliance Officer
(print name)

GRESHAM-BARLOW SCHOOL DISTRICT
1331 NW Eastman Parkway
Gresham, OR 97030-3825

TO: Board of Directors

FROM: Jim Schlachter
Mike Schofield

DATE: January 5, 2017

RE: No. 13 – Construction Management/General Contractor Findings of Fact and Authorization

EXPLANATION: Earlier in the evening, the board held a hearing of the Local Contract Review Board to review Findings of Fact supporting the use of the Construction Management/General Contractor (CM/GC) process for projects at Sam Barlow High School, Gresham High School, North Gresham Elementary School, and East Gresham Elementary School. The projects are part of the 2016 capital improvement bond approved by voters on November 8, 2016.

This process is an allowed method of procurement by Oregon Revised Statutes and will use a Request for Proposals process to select contractor(s) that best meet the needs of the district.

PRESENTER: Mike Schofield

SUPPLEMENTARY MATERIALS: Findings of Fact for use of a Construction Management/General Contractor (CM/GC) for Construction of the addition, Renovation/Sitework of Gresham High School and Sam Barlow High School; and Building Replacement Schools, Demolition and Site Improvements at North Gresham Elementary School and East Gresham Elementary School

RECOMMENDATION: Authorize the administration to use the Construction Management/General Contractor process for the addition, renovation and site improvement projects at Sam Barlow High School and Gresham High School as well as building replacement schools, demolition and site improvements at North Gresham Elementary School and East Gresham Elementary School.

REQUESTED ACTION: Move to resolve that the Board of Directors, acting in the capacity of the Local Contract Review Board, adopts the Findings of Fact and grants a specific exemption from competitive bidding requirements for use of a Construction Management/General Contractor (CM/GC) procurement process for projects at Sam Barlow High School, Gresham High School, North Gresham Elementary School, and East Gresham Elementary School.

MS:lc

**GRESHAM-BARLOW SCHOOL DISTRICT
LOCAL CONTRACT REVIEW BOARD HEARING**

January 5, 2017

**REVIEW FINDINGS OF FACT FOR USE OF A
CONSTRUCTION MANAGEMENT/GENERAL CONTRACTOR (CM/GC)
FOR CONSTRUCTION OF THE ADDITION, RENOVATION/SITework OF
GRESHAM HIGH SCHOOL AND SAM BARLOW HIGH SCHOOL; AND
BUILDING REPLACEMENT SCHOOLS, DEMOLITION AND SITE
IMPROVEMENTS AT NORTH GRESHAM ELEMENTARY SCHOOL AND
EAST GRESHAM ELEMENTARY SCHOOL.**

SITUATION

The pre-design work on the projects is proceeding. At this time, the management team working on the projects has evaluated a method to construct the Projects utilizing a Construction Management/General Contractor (CM/GC) process.

Historically, public construction projects are competitively bid and awarded to the responsible low bidder. During recent project coordination meetings, the CM/GC contracting method has been discussed. This process involves the selection of a CM/GC firm during the design phase to acquire a contractor's expertise with the project. The CM/GC method has been successfully implemented by the following public agencies:

- Gresham-Barlow School District
- Salem-Keizer School District
- Philomath School District
- Scappoose School District
- Hillsboro School District
- Forest Grove School District
- Multnomah County
- Oregon Health Sciences University
- Parkrose School District
- Pendleton School District
- Port of Portland
- Portland Development Commission
- The State Department of Administrative Services
- The State Department of Corrections
- Washington County

ORS 279C.335 permits the Local Contract Review Board, which for Gresham-Barlow School District is the Board of Directors, to exempt specific projects from the requirements of ORS 279C. In doing so, the statute specifically says that the Local Contract Review Board shall: "where appropriate, direct the use of alternative contracting and purchasing practices that take account of market realities and modern or innovative contracting and purchasing methods, which are also consistent with the public policy of encouraging competition."

Oregon law and duly adopted resolution of the Gresham-Barlow School District permits the Gresham-Barlow School District Board of Directors, acting as the Local Contract Review Board, to consider and approve specific findings that lead to the exemption of certain contracts from traditional competitive public bidding. Selection of the CM/GC firms for these projects will utilize a Request for Proposal. The Request for Proposal will identify specific criteria to be utilized for the selection. Proposals from the CM/GC firms will include a competitive bid for their fee and the known general conditions, general requirements, bond and insurance costs for the project. The CM/GC will provide the Gresham-Barlow School District with a preliminary Guaranteed Maximum Price (GMP) and a full performance/payment bond for the work following detailed review of the Construction Documents.

ORS 279C.335(4) requires the Gresham-Barlow School District to hold a public hearing of the Local Contract Review Board to allow comments on the Gresham Barlow School District draft findings. Notice of this public hearing must be advertised in at least one trade newspaper of general statewide circulation not less than 14 days prior to the hearing.

Notice of public hearing was advertised in the Daily Journal of Commerce on December 21, 2016.

FINDINGS OF FACT

1. Project Description

The Gresham-Barlow School District is currently in the pre-design phase for the construction of the Projects. The Projects will require tight schedule adherence to resolve issues that could impact timely completion. The time required to complete the design, obtain bids from qualified subcontractors and order the equipment and materials required will compress the time available for construction. The management team, which will include district staff, architect and project management, believe the bidding and construction should be the responsibility of the CM/GC firm or firms.

- **Sam Barlow High School** – Major renovation of the existing school, including additions, renovations, safety and security upgrades, HVAC upgrades, roof repair, structural repair, energy efficiency upgrades, site improvements, athletic facilities, required off-site improvements and improving the overall learning environments.
- **Gresham High School** – Major renovation of the existing school, including additions, renovations, safety and security upgrades, HVAC upgrades, roof repair, structural repair, energy efficiency upgrades, site improvements, athletic facilities, required off-site improvements and improving the overall learning environments.
- **North Gresham Elementary School** – Replacement and demolition of the existing elementary, on-site public improvements and required off-site improvements.
- **East Gresham Elementary School** – Replacement and demolition of the existing elementary school, on-site public improvements and required off-site improvements.

2. Responsibilities of the CM/GC Firm or Firms

a) Design Phase

The CM/GC firm or firms will provide assistance for construction scheduling, competitive bid packaging, cost estimating, and the review of design documents from the standpoint of value, long lead procurements, design feasibility, constructability and establishing a negotiated preliminary Guaranteed Maximum Price for the work prior to completion of the construction documents.

b) Bid Process

The CM/GC firm or firms will coordinate the competitive bid process and material procurement process for all work with full oversight and participation by Gresham-Barlow School District. The CM/GC firm or firms will provide a written recommendation to Gresham Barlow School District for each subcontract. Upon approval from Gresham-Barlow School District the CM/GC firms will execute a contract with each approved subcontractor and/or supplier.

c) Construction Phase

The CM/GC firm or firms will be responsible for the construction of the Project, including scheduling of materials procurement, delivery and all work completed by subcontractors. The CM/GC firms are responsible to complete the project on schedule, within budget and at, or above, the quality defined in the specifications prepared by the architect.

3. Rationale to Utilize CM/GC Method

a) Competition

It is unlikely that such exemption will encourage favoritism in the awarding of public contracts or substantially diminish competition for public contracts as the CM/GC firms will be selected through an open, competitive process among qualified contractors. Gresham-Barlow School District will receive written proposals from contractors with the experience and staff required to complete the project. The process will utilize a Request for Proposal that will be publicly advertised and Gresham-Barlow School District may interview the firms before recommending a firm to the Board.

b) Multiple Construction Packages

The construction will be completed in phases and may require early bid or procurement packages. Completing the project in phases should result in cost savings.

c) Procurement of Long Lead Items

The CM/GC method will allow the early procurement of long lead material/equipment. Examples include mechanical equipment, electrical equipment, windows and doors. Early procurement should result in cost savings.

d) Schedule Complexity

The Projects will face tight construction schedules to achieve timely occupancy. By phasing the completion of construction documents, bidding, award and construction, the schedule efficiency required can be achieved. The CM/GC process allows the phasing that will be required.

e) Change Order Cost Control

Change orders cost should be controlled in two ways:

1. By utilizing a contractor to provide cost analysis, construction feasibility reviews and long lead procurement, the final number of change orders should be reduced. Reduction of change orders should result in cost savings.
2. By proposing a fixed fee for overhead and profit, the CM/GC firm's fixed fee is added to the actual cost of the change. It is expected this will be less than the standard fee added to change orders on projects awarded to a bondable, low bidder. Reduction of overhead and profit on changes should result in cost savings.

f) Acceleration

Utilizing the CM/GC approach will reduce the risk of acceleration expense to complete the Projects on time. Reduction or elimination of the cost to accelerate construction to complete the Projects on time should result in cost savings.

g) Improved Cost Management

The financial track record of CM/GC projects with a "Guaranteed Maximum Price" is impressive. The Hillsboro School District, Salem-Keizer School District, McMinnville School District and Forest Grove School District have used the CM/GC method to complete many construction projects with significant success considering timeliness of project completion, cost savings and adherence to budget limitations. Recent examples are Lincoln Elementary School, Witch Hazel Elementary School, Free Orchards Elementary School, Evergreen Middle School, Joseph Gale Elementary School, Scappoose High School, Forest Grove High School, McMinnville High School, Walker Middle School, Richmond Elementary School and Whiteaker Middle School. These projects were all completed on time and under budget. The project team working on the projects successfully balanced the construction budget during the design and construction phases utilizing the same CM/GC process proposed for these projects.

h) Subcontractor Bidding and Selection

The CM/GC firm or firms will have adequate time to prepare bid packages as well as review and analyze bids received from subcontractors. The work subcontracted will be awarded to the lowest responsive bidder. This bid process will not result in favoritism. Utilizing qualified subcontractors should result in better quality and cost savings.

i) Market Conditions

Many general contractors and subcontractors are being impacted the quantity of work to be bid in the next three years. Currently the cost of materials and labor is adjusting to the market. Ordering materials and equipment may take longer now as manufacturers and distributors are not keeping large amounts of inventory in stock. The CM/GC firm or firms will order materials and equipment in a timely manner from manufacturers and distributors that can deliver the material and equipment on-time to avoid delays caused by late shipments.

j) Awareness and involvement by local contractors and suppliers

The CM/GC firms selected will be required to identify local contractors and suppliers prior to starting the Bid Process. The project management team and CM/GC firms will schedule meetings with local contractors and suppliers to review the scope of work and bid dates. This process allows for local contractor and supplier participation in the projects.

k) Qualified Management

The project management team working on these projects is well equipped to manage the complexities of a CM/GC construction process, with experienced and qualified district staff and external project managers with successful CM/GC experience.

4. Operational, Budget and Financial Data:

The projects will result in efficient mechanical and electrical systems thus minimizing operational costs. Generally the method of construction will have little effect on the operational budget. However, the CM/GC process may further reduce life cycle cost through the use of life cycle analysis to assist in the selection of systems, finishes and equipment.

5. Public Benefits:

The primary public benefit is more expeditious completion of the project. The CM/GC process provides for better collaboration to ensure the Projects will be completed on time, on budget and at, or above, the quality described in the construction documents. It provides better opportunities for reducing construction time by fast tracking construction where beneficial.

6. Value Engineering:

Because the contractor is working with the design team during the design phase, the contractor will assist the project team to identify and implement possible cost savings. The value engineering process allows the project team to evaluate quality materials and life cycle costs, thereby helping to reduce operating costs.

7. Specialized Expertise Required:

Completing a complicated project on time, on budget and at, or above, the quality expected requires the CM/GC firms to dedicate a qualified team with the experience and expertise to work with Gresham-Barlow School District, the architect and the project manager. With such experience, mistakes are likely fewer and disruptions are likely to be minimized. The request for proposals process used to select the CM/GC will enable Gresham-Barlow School District to select the best contractors for the Projects.

8. Public Safety:

The CM/GC firms will prepare a construction safety plan for the project. The construction safety plan will help ensure the projects are built safely and will help minimize risk to the neighborhoods and the projects.

9. Technical Complexity:

Completing a fast track construction project on an occupied site is complex. The CM/GC process will address technical complexity and should save time and reduce the final cost.

10. Funding Sources:

The projects will be paid for as part of 2016 Capital Improvement Bond and other funds. The bond measure will also fund other construction projects. Establishment of a preliminary and final Guaranteed Maximum Price will better enable Gresham-Barlow School District manage resources available to complete all the projects.

The CM/GC process will provide Gresham Barlow School District with the following advantages:

- Cost savings, as described above.
- Reduction of schedule risk typically associated with complex construction projects.
- Opportunity to select a qualified CM/GC firm or firms versus award project to any bondable low bidder.
- Accurate cost data for project decisions.
- Greatest assurance of project timely completion.
- Higher confidence in obtaining quality construction.

RECOMMENDATION

The Superintendent recommends the Board of Directors, acting in the capacity of the Local Contract Review Board, review and approve the Findings of Fact supporting a specific exemption from competitive bidding requirements for use of the Construction Management/General Contractor process for the projects at Sam Barlow High School, Gresham High School, North Gresham Elementary School, and East Gresham Elementary School.

Board action will occur during the regular board business meeting.

Gresham-Barlow School District - 01.05.17

GRESHAM-BARLOW SCHOOL DISTRICT
1331 NW Eastman Parkway
Gresham, OR 97030-3825

TO: Board of Directors

FROM: Jim Schlachter
Mike Schofield

DATE: January 5, 2017

RE: No. 14 – Design-Build Findings of Fact and Authorization

EXPLANATION: Earlier in the evening, the board held a hearing of the Local Contract Review Board to review Findings of Fact supporting the use of the Design-Build process for projects where use of this process is determined by the administration to be in the best interest of the district. These are projects included in the 2016 capital improvement bond approved by voters on November 8, 2016.

This process is an allowed method of procurement by Oregon Revised Statutes and will use a Request for Proposals process to select contractor(s) that best meet the needs of the district.

PRESENTER: Mike Schofield

SUPPLEMENTARY MATERIALS: Findings of Fact for use of Design-Build for Construction, Repair and Renovation Projects Including Structural Upgrades, HVAC Upgrades, Safety and Security Upgrades, Building System Improvements and other Renovations at all Gresham-Barlow School District Buildings and Sites

RECOMMENDATION: Authorize the administration to use the Design-Build process for select projects, included in the 2016 capital improvement bond approved by voters.

REQUESTED ACTION: Move to resolve that the Gresham-Barlow School District Board of Directors, acting in the capacity of the Local Contract Review Board, adopts the Findings of Fact and grants a specific exemption from competitive bidding requirements for use of a Design-Build procurement process for select projects identified by the administration to be in the best interest of the Gresham-Barlow School District.

MS:lc

**GRESHAM-BARLOW SCHOOL DISTRICT
LOCAL CONTRACT REVIEW BOARD HEARING**

January 5, 2017

**REVIEW FINDINGS OF FACT FOR USE OF DESIGN-BUILD FOR
CONSTRUCTION, REPAIR AND RENOVATION PROJECTS INCLUDING
STRUCTURAL UPGRADES, HVAC UPGRADES, SAFETY AND SECURITY
UPGRADES, BUILDING SYSTEM IMPROVEMENTS AND OTHER
RENOVATIONS AT ALL GRESHAM-BARLOW SCHOOL DISTRICT
BUILDINGS AND SITES.**

SITUATION

The pre-design work on the projects is proceeding. At this time, the management team working on the projects has evaluated a method to construct the Projects utilizing the Design-Build process.

Historically, public construction projects are competitively bid and awarded to the responsible low bidder. During recent project coordination meetings, the Design-Build contracting method has been discussed. This process involves the selection of a Design-Build firm or firms during the pre-design phase to involve a contractor's expertise to purchase/coordinate the design phase and hire contractors required to complete the construction phase of the projects. The Design-Build method has been successfully implemented by the following public agencies:

- Beaverton School District
- Salem-Keizer School District
- Hillsboro School District
- Marcola School District
- Multnomah County
- Oregon Health Sciences University
- Port of Portland
- Portland Development Commission
- The Oregon State Department of Administrative Services

ORS 279C.335 permits the Local Contract Review Board, which for Gresham-Barlow School District is the Board of Directors, to exempt specific projects from the requirements of ORS 279C. In doing so, the statute specifically says that the Local Contract Review Board shall: "where appropriate, direct the use of alternative contracting and purchasing practices that take account of market realities and modern or innovative contracting and purchasing methods, which are also consistent with the public policy of encouraging competition."

Oregon law and duly adopted resolution of the Gresham-Barlow School District permits the Gresham-Barlow School District Board of Directors, acting as the Local Contract Review Board, to consider and approve specific findings that lead to the exemption of certain contracts/projects from traditional competitive public bidding. Selection of the

Design-Build firms for these projects will utilize a Request for Proposal. The Request for Proposal will identify specific criteria to be utilized for the selection. ORS 279C.335(4) requires Gresham-Barlow School District to hold a public hearing of the Local Contract Review Board to allow comments on the Gresham-Barlow School District draft findings. Notice of this public hearing must be advertised in at least one trade newspaper of general statewide circulation not less than 14 days prior to the hearing.

Notice of public hearing was advertised in the Daily Journal of Commerce on December 21, 2016.

FINDINGS OF FACT

1. Project Description

The Gresham-Barlow School District is currently in the pre-design phase for the construction of the Projects. The Projects will require tight schedule adherence to resolve issues that could impact timely completion. The time required to complete the design, obtain bids from qualified subcontractors, and order the equipment/materials required will compress the time available for construction. The management team, which includes district staff and project management, believe the design / bidding and construction should be the responsibility of the Design-Build firm or firms.

Scope of work considerations for use of Design-Build may include additions, renovations, safety and security upgrades, electrical systems, HVAC upgrades, roof repair, structural repair, energy efficiency upgrades, site improvements, athletic facilities, required off-site improvements and improvements of the overall learning environments for the following Gresham Barlow School Sites and other buildings / sites owned by Gresham-Barlow School District:

- Deep Creek Campus
- DCD K-8 School Campus
- East Gresham Elementary School
- East Orient Elementary School
- Hall Elementary School
- Highland Elementary School
- Hogan Cedars Elementary School
- Hollydale Elementary School
- Kelly Creek Elementary School
- North Gresham Elementary School
- Powell Valley Elementary School
- West Gresham Elementary School
- Clear Creek Middle School
- Dexter McCarty Middle School
- Gordon Russell Middle School
- West Orient Middle School
- Springwater Trail School
- Gresham High School
- Sam Barlow High School
- GBSD Facilities Building

2. Responsibilities of the Design-Build Firm or Firms

a) Design Phase

The Design-Build firm or firms will provide the design and construction documents required to obtain permits and competitive bids, development of construction schedules, bid packaging, cost estimating, and the review of design documents from the standpoint of value, long lead procurements, design feasibility, constructability and establishing a negotiated cost or bid for the work prior to the start of the construction phase.

b) Bid Process

The Design-Build firm or firms will coordinate the competitive bid process and material procurement process for all work with full oversight and participation by Gresham-Barlow School District. The Design-Build firms will provide a written recommendation to Gresham-Barlow School District for each subcontract. Upon approval from Gresham-Barlow School District the Design-Build firms will execute a contract with the approved subcontractor or subcontractors.

c) Construction Phase

The Design-Build firm or firms will be responsible for the construction of the Project, including scheduling of materials procurement, delivery and all the work completed by their employees and by subcontractors. The Design-Build firms are responsible to complete the project on schedule, within budget and at, or above, the quality defined in the specifications prepared by the District.

3. Potential Benefits of Design-Build Process

a) Reduced Design Effort and Cost for Owner

Instead of retaining an architect or engineer to prepare 100% complete plans and specifications, the District prepares performance-type specifications establishing the scope of the project including information that adequately describes the District's needs.

b) Innovative Solutions to Construction Challenges

Construction documents suitable for competitive bidding under Design-Bid-Build need to address all construction issues in detail. This method and results may not always be the most advantageous to the District. Using the Design-Build process, in the course of completing the construction documents, the Design-Build firm may arrive at a better solution. This flexibility also means the District must define its expectations clearly and monitor the design development closely to ensure that it meets the project requirements.

c) Improve Project Delivery Schedule

The initial design phase may be reduced because the District does not prepare construction documents required for Design-Bid-Build projects. Using the Design-Build process, the Design-Build firm may be able to complete the design more quickly. Subject to permitting procedures, a Design-Build firm may be able to begin construction before final plans for entire project are complete. For example grading, site work, foundations and work that does not require a permit can be underway before design for interior finishes, mechanical systems, and special systems is finalized.

d) Define Cost Early in the Process

The price of a fully designed project is not known until the owner opens bids. At that time, the District may discover that it cannot afford to build the project as designed. The rapid cost escalation of some construction materials has made cost forecasting even more difficult. Cost-reduction changes delay construction and increase design costs. Price escalation during the delay makes the budget a moving target. With Design-Build, the District knows what the building will cost when it awards the contract provided there are no material changes to the project or unforeseen conditions.

e) Allows the District to consider factors other than price in selecting the Design-Build Firm.

The ORS allows districts to award projects based upon "best value and other criteria" such as technical design, construction expertise and life cycle costs.

4. Rationale to Utilize Design-Build Method

a) Competition

It is unlikely that such exemption will encourage favoritism in the awarding of public contracts or substantially diminish competition for public contracts as the Design-Build firms will be selected through an open, competitive process among qualified contractors. Gresham-Barlow School District will receive written proposals from Design-Build firms with the experience and staff required to complete the project. The process will include Request for Proposals that will be publicly advertised and Gresham-Barlow School District may interview the firms before recommending a firm to the Board.

b) Multiple Construction Packages

The construction may be completed in phases and may require early bid or procurement packages. Completing the project in phases should result in cost savings.

c) Procurement of Long Lead Items

The Design-Build method will allow the early procurement of long lead material/equipment. Examples include mechanical equipment, electrical equipment, windows and doors. Early procurement should result in cost savings.

d) Schedule Complexity

The Projects will face tight construction schedules to achieve timely occupancy. By phasing the completion of construction documents, bid, award and construction, the schedule efficiency required can be achieved. The Design-Build process allows the phasing that will be required.

e) Change Order Cost Control

Change orders cost should be controlled in two ways:

i) By utilizing a Design-Build firm to provide cost analysis, construction feasibility reviews and long lead procurement, the final number of change orders should be reduced. Reduction of change orders should result in cost savings.

ii) By proposing a fixed fee for overhead and profit, the Design-Build firm's fixed fee is added to the actual cost of the change. It is expected this will be less than the standard fee added to change orders on projects awarded to a bondable, low bidder. Reduction of overhead and profit on change order should result in cost savings.

f) Acceleration

Utilizing the Design-Build approach will reduce the risk of acceleration expense to complete the Projects on time. Reduction or elimination of the cost to accelerate construction to complete the Projects on time should result in cost savings.

g) Improved Cost Management

The financial track record of Design-Build projects is impressive. The Hillsboro School District and Beaverton School District have used the Design-Build method to complete many construction projects with significant success considering timeliness of the project completions, cost savings and adherence to budget limitations.

h) Subcontractor Bidding and Selection

The Design-Build firms will have adequate time to prepare bid packages and review/analyze bids received from subcontractors. The work subcontracted will be awarded to the lowest responsive bidder. This bid process will not result in favoritism. Utilizing qualified subcontractors should result in better quality and cost savings.

i) **Market Conditions**

Many general contractors and subcontractors are being impacted by the quantity of bids for funded projects in the next four years. Currently the cost of materials and labor is adjusting to the market conditions. Ordering materials and equipment may take longer now as the manufacturers and distributors are not keeping large amounts of inventory in stock. The Design-Build firms will order the materials and equipment in a timely manner from manufactures and distributors that can deliver the material and equipment on-time and avoid delays caused by late shipments.

j) **Awareness and involvement by local Contractors and Suppliers**

The Design-Build firms selected will be required to identify local contractors and suppliers prior to starting the Bid Process. The project management team and the Design-Build firms will schedule meetings with local contractors and suppliers to review the scopes of work and bid dates. This process allows for local contractor and supplier participation in the projects.

k) **Qualified Management**

The project management team working on this project is well equipped to manage the complexities of a Design-Build construction process, with experienced and qualified district staff and external project managers with successful Design-Build experience.

5. Operational, Budget and Financial Data:

The projects will result in efficient mechanical and electrical systems thus minimizing operational costs. Generally the method of construction will have little effect on the operational budget. However, the Design-Build process may further reduce operational cost through the use of life cycle analysis to assist in the selection of systems, finishes and equipment.

6. Public Benefits:

The primary public benefit is more expeditious and cost effective completion of the Projects. The Design-Build process provides for better collaboration to ensure the Projects will be completed on time, on budget and at, or above, the quality described in the construction documents. It provides better opportunities for reducing construction time by fast tracking construction where beneficial.

7. Value Engineering:

Because the Design-Build firm is responsible for the design, the Design-Build firm will identify and implement design solutions and possible cost savings. This process allows the project team to evaluate quality materials, equipment and life cycle costs, thereby helping to reduce operating costs.

8. Specialized Expertise Required:

Completing a complicated project on time, on budget and at or above the quality expected requires the Design-Build firms to dedicate a qualified team with the experience and expertise to work with Gresham-Barlow School District and the project manager. With such experience, mistakes are likely fewer and disruptions are likely to be minimized. The request for proposals process used to select the Design-Build firm will enable Gresham-Barlow School District to select the best contractor for the Projects.

9. Public Safety:

The Design-Build firms will prepare a construction safety plan for the project. The construction safety plan will help ensure projects are built safely and will minimize risks to neighborhoods and projects.

10. Technical Complexity:

Completing a fast track construction project on an occupied site is complex. The process Gresham-Barlow School District has elected to use will address the technical complexity and should save time and reduce the final cost.

11. Funding Sources:

These projects will be paid for as part of 2016 Capital Improvement Bond and other funds. The Design-Build process will better enable Gresham-Barlow School District to manage resources available to complete projects.

The Design-Build process will provide Gresham-Barlow School District the following advantages:

- Cost savings, as described above.
- Reduction of schedule risk typically associated with complex construction Project.
- Opportunity to select qualified Design-Build firms versus award project to any bondable low bidder.
- Accurate cost data for project decisions.
- Greatest assurance of project completions.
- Higher confidence in completing quality construction.

RECOMMENDATION

The Superintendent recommends the Board of Directors, acting in the capacity of the Local Contract Review Board, review and approve the Findings of Fact supporting the use of the Design-Build process when the project management team believes it is in the best interest of Gresham-Barlow School District.

Board action will occur during the regular board business meeting.

GRESHAM-BARLOW SCHOOL DISTRICT
1331 NW Eastman Parkway
Gresham, OR 97030-3825

TO: Board of Directors

FROM: Jim Schlachter
Mike Schofield

DATE: January 5, 2017

RE: No. 15 – Architect Selections and Contract Approvals

EXPLANATION: In November 2016, the district issued a request for proposals for architectural services. A mandatory pre-proposal meeting was held on November 22, 2016, to provide information about Ballot Measure 26-187 and answer questions about the proposal requirements. Proposals were due on December 9, 2016.

The district received proposals indicating their preferred projects from the following firms:

High Schools – Renovations and Additions

YGH Architecture
Opsis Architecture (SBHS only)
BORA Architects (SBHS only)
BLRB Architects
DLR Group

Elementary Schools – Replacement Schools

BBL Architects
Deca Architecture
Soderstrom Architects
BORA Architects
BBT Architects
BLRB Architects
DLR Group

Other Site Repair/Renovation Projects

BBL Architects
Axis Design
Deca Architecture
OH Planning and Design
FFA Architecture
Paul L. Bently Architect

All proposals were initially screened and evaluated by committee. Members of the initial screening committee were Jim Schlachter, Terry Taylor, Mike Schofield, and representatives from Cornerstone Management Group. Key criteria used for the evaluation included:

- Qualifications.
- Organizational Structure.
- Past Performance.
- Key Staff & Staff Experience.
- Approach to Local Community Involvement.
- Design Philosophy and Approach.

After the initial screening and evaluation, interviews with selected firms were held on December 14, 2016. The firms interviewed were as follows:

High Schools – Renovations and Additions
Opsis Architecture (Sam Barlow only)
DLR Group
BLRB Architects

Elementary Schools – Replacement Schools
BBT Architects
BORA Architects
Soderstrom Architects
DLR Group

Other Site Repair/Renovation Projects
No interviews. Initial screening committee recommends all architects who submitted for other site repair/renovation projects are eligible. Firms will be selected for these projects as scope of work and schedules are defined.

Interview committee participants for the high school renovations and additions were Jim Schlachter, Michael Schaefer, Bruce Schmidt, James Hiu, Terry Taylor, Mike Schofield, and representatives from Cornerstone Management Group. Interview committee participants for the elementary replacement schools included Jim Schlachter, Julie Evans, Tracy Klinger, Terry Taylor, Mike Schofield, and a representative from Cornerstone Management Group.

After deliberations, the committees recommended awarding firms the following projects:

Gresham High School Renovations/ Additions – BLRB Architects
Barlow High School Renovations/ Additions – Opsis Architecture
North Gresham Elementary Replacement – BBT Architects
East Gresham Elementary Replacement – DLR Group

PRESENTERS: Jim Schlachter
Mike Schofield

SUPPLEMENTARY
MATERIALS: None

RECOMMENDATION: Authorize negotiations between the administration and BLRB Architects for the Gresham High School Renovations/ Additions Project, Opsis Architecture for the Barlow High School Renovations/ Additions Project, BBT Architects for the North Gresham Elementary Replacement Project, and DLR Group for the East Gresham Elementary Replacement Project.

Additionally, approve negotiations with BBL Architects, Axis Design, Deca Architecture, OH Planning and Design, FFA Architecture and Paul L. Bentley Architect for other site repair and renovation projects.

REQUESTED ACTION: 1. Move to approve contracts with BLRB Architects, Opsis Architecture, BBT Architects and DLR Group pending successful contract negotiations.

2. Move to approve contracts with BBL Architects, Axis Design, Deca Architecture, OH Planning and Design, FFA Architecture and Paul L. Bentley Architect pending successful contract negotiations.

MS:lc

GRESHAM-BARLOW SCHOOL DISTRICT
1331 NW Eastman Parkway
Gresham, OR 97030-3825

TO: Board of Directors

FROM: Jim Schlachter
Teresa Ketelsen

DATE: January 5, 2017

RE: No. 16 – Division 22 Standards Assurance of Compliance

EXPLANATION: Annually the Oregon Department of Education (ODE) requires that all Oregon school districts submit a statement of assurances indicating compliance with ORS Chapter 581, Division 22, Standards for Public Elementary and Secondary Schools. These assurances must be presented in a public manner, such as at a regularly-scheduled school board meeting, by January 15.

After a review of all Division 22 Rules, the administration is able to report that the district is in compliance with all of these rules.

PRESENTER: Teresa Ketelsen

SUPPLEMENTARY MATERIALS: Completed Division 22 Standards for Public Elementary and Secondary Schools 2016-17 Assurances Form

RECOMMENDATION: The administration recommends that the board publicly review the Division 22 Standards for Public Elementary and Secondary Schools 2016-17 Assurances Form.

REQUESTED ACTION: Publically review the Division 22 Standards for Public Elementary and Secondary Schools 2016-17 Assurances Form. No formal motion is required.

TK:lc



Division 22
Standards for Public Elementary and Secondary Schools
2016-2017 Assurances
REPORT TO COMMUNITY

This list is provided to assist you in your report to your community as required by OAR 581-022-1610.

Please ***do not*** submit this form to the Oregon Department of Education.

- ✓ Determine your district's compliance with the Oregon Administrative Rules (OARs) located in Chapter 581, Division 22. The OARs are available for review the Secretary of State's webpage at http://arcweb.sos.state.or.us/pages/rules/oars_500/oar_581/581_022.html.
- ✓ Identify areas of compliance and non-compliance by checking the appropriate boxes in the chart below. Districts should report to their communities on each of the standards listed below.
- ✓ Report your district's compliance or non-compliance to the Division 22 Standards for Public Elementary and Secondary Schools to your local district school board by **January 15, 2017**.

OAR Number	Title	Compliance Status	
		Yes, in compliance	No, not in compliance
0405	Career Education	<input checked="" type="checkbox"/>	<input type="checkbox"/>
0413	Prevention Education Programs in Drugs and Alcohol	<input checked="" type="checkbox"/>	<input type="checkbox"/>
0416	Anabolic Steroids and Performance Enhancing Substances	<input checked="" type="checkbox"/>	<input type="checkbox"/>
0421	Safety of School Sports -- Concussions	<input checked="" type="checkbox"/>	<input type="checkbox"/>
0606	District Improvement Plan	<input checked="" type="checkbox"/>	<input type="checkbox"/>
0610	Administration of State Assessments	<input checked="" type="checkbox"/>	<input type="checkbox"/>
0612	Exception of Students with Disabilities from State Assessment Testing	<input checked="" type="checkbox"/>	<input type="checkbox"/>
0615	Assessment of Essential Skills	<input checked="" type="checkbox"/>	<input type="checkbox"/>
0617	Essential Skill Assessments for English Language Learners	<input checked="" type="checkbox"/>	<input type="checkbox"/>
0705	Health Services	<input checked="" type="checkbox"/>	<input type="checkbox"/>
0711	Policies on Reporting Child Abuse	<input checked="" type="checkbox"/>	<input type="checkbox"/>
0807	Standardization	<input checked="" type="checkbox"/>	<input type="checkbox"/>
1030	Local District Goals	<input checked="" type="checkbox"/>	<input type="checkbox"/>
1060	School and District Performance Report Criteria	<input checked="" type="checkbox"/>	<input type="checkbox"/>
1130	Diploma Requirements	<input checked="" type="checkbox"/>	<input type="checkbox"/>
1131	Credit Options	<input checked="" type="checkbox"/>	<input type="checkbox"/>
1133	Extended Diploma	<input checked="" type="checkbox"/>	<input type="checkbox"/>
1134	Modified Diploma	<input checked="" type="checkbox"/>	<input type="checkbox"/>
1135	Alternative Certificate	<input checked="" type="checkbox"/>	<input type="checkbox"/>

1140	Equal Education Opportunity (includes Harassment, Intimidation, Bullying and Cyberbullying)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
1210	District Curriculum	<input checked="" type="checkbox"/>	<input type="checkbox"/>
1215	Literacy Instruction	<input checked="" type="checkbox"/>	<input type="checkbox"/>
1310	Identification of Academically Talented and Intellectually Gifted Students	<input checked="" type="checkbox"/>	<input type="checkbox"/>
1320	Rights of Parents of Talented and Gifted Students	<input checked="" type="checkbox"/>	<input type="checkbox"/>
1330	Programs and Services for Talented and Gifted Students	<input checked="" type="checkbox"/>	<input type="checkbox"/>
1340	Special Education for Children with Disabilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>
1350	Alternative Education Programs	<input checked="" type="checkbox"/>	<input type="checkbox"/>
1360	Expanded Options Annual Notice	<input checked="" type="checkbox"/>	<input type="checkbox"/>
1364	Expanded Options - Requirements for Oregon Public School Districts	<input checked="" type="checkbox"/>	<input type="checkbox"/>
1366	Expanded Options Program Annual Credit Hour Cap	<input checked="" type="checkbox"/>	<input type="checkbox"/>
1420	Emergency Plans and Safety Programs	<input checked="" type="checkbox"/>	<input type="checkbox"/>
1430	Asbestos Management Plans	<input checked="" type="checkbox"/>	<input type="checkbox"/>
1440	Human Sexuality Education	<input checked="" type="checkbox"/>	<input type="checkbox"/>
1510	Comprehensive Guidance and Counseling	<input checked="" type="checkbox"/>	<input type="checkbox"/>
1512	Child Development Specialist Programs	<input checked="" type="checkbox"/>	<input type="checkbox"/>
1520	Media Programs	<input checked="" type="checkbox"/>	<input type="checkbox"/>
1530	Auxiliary Services	<input checked="" type="checkbox"/>	<input type="checkbox"/>
1610	Operating Policies and Procedures	<input checked="" type="checkbox"/>	<input type="checkbox"/>
1620	Required Instructional Time	<input checked="" type="checkbox"/>	<input type="checkbox"/>
1622	Independent Adoptions of Instructional Materials	<input checked="" type="checkbox"/>	<input type="checkbox"/>
1630	Daily Class Size	<input checked="" type="checkbox"/>	<input type="checkbox"/>
1640	Instructional Materials Adoption	<input checked="" type="checkbox"/>	<input type="checkbox"/>
1650	Postponement of Purchase of State-Adopted Instructional Materials	<input checked="" type="checkbox"/>	<input type="checkbox"/>
1660	Records and Reports	<input checked="" type="checkbox"/>	<input type="checkbox"/>
1661	Report on Physical Education Data	<input checked="" type="checkbox"/>	<input type="checkbox"/>
1670	Individual Student Assessment, Recordkeeping, and Reporting	<input checked="" type="checkbox"/>	<input type="checkbox"/>
1710	Personnel	<input checked="" type="checkbox"/>	<input type="checkbox"/>
1720	Personnel Policies	<input checked="" type="checkbox"/>	<input type="checkbox"/>
1723	Teacher and Administrator Evaluation and Support	<input checked="" type="checkbox"/>	<input type="checkbox"/>
1724	Core Teaching Standards	<input checked="" type="checkbox"/>	<input type="checkbox"/>
1725	Educational Leadership—Administrator Standards	<input checked="" type="checkbox"/>	<input type="checkbox"/>
1730	Fingerprinting of Subject Individuals in Positions Not Requiring Licensure as Teachers, Administrators, Personnel Specialists, School Nurses	<input checked="" type="checkbox"/>	<input type="checkbox"/>
1910	Exemptions	<input checked="" type="checkbox"/>	<input type="checkbox"/>
1941	Complaint Procedures	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2130	Kindergarten Assessment	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**Districts must report their status with regards to the Division 22 Standards to their communities
by
January 15, 2017**

GRESHAM-BARLOW SCHOOL DISTRICT
1331 NW Eastman Parkway
Gresham, OR 97030-3825

TO: Board of Directors

FROM: Jim Schlachter
Carla Piluso

DATE: January 5, 2017

RE: No. 17 – Superintendent's Letter of Resignation

EXPLANATION: During his Superintendent's Report at the December 1, 2016, school board meeting, Mr. Schlachter announced his plans to retire at the end of the 2016-17 school year. Mr. Schlachter has served as the district's superintendent over the last 7 years, and has worked in the Gresham-Barlow School District for the past 20 years.

The board's practice has been to formally accept the superintendent's letter of resignation/retirement before beginning a process to select a new superintendent to fill the vacancy. For this reason, Superintendent Schlachter's letter of resignation has been included on the board meeting agenda this evening.

PRESENTER: Carla Piluso, Chair

SUPPLEMENTARY MATERIALS: A copy of Mr. Schlachter's letter of resignation will be presented at the board meeting.

RECOMMENDATION: The board of directors is asked to consider and accept Superintendent Schlachter's letter of resignation/retirement.

REQUESTED ACTION: Move to accept Superintendent Jim Schlachter's letter of resignation/retirement, dated January 5, 2017, with an effective date of June 30, 2017.

:lc



Jim Schlachter, Superintendent

Gresham-Barlow School District No. 10Jt

1331 NW Eastman Parkway, Gresham, OR 97030-3825
www.gresham.k12.or.us

Phone: (503) 261-4555
Fax: (503) 261-4554

January 5, 2017

Board of Directors
Gresham-Barlow School District
1331 NW Eastman Parkway
Gresham, OR 97030-3825

Re: Formal Notice of Retirement

Dear Board of Directors:

It has been a privilege to serve the Gresham-Barlow community over the span of 21 years, the last 7 as superintendent. This letter is notice of my intent to complete the term of my current contract with my final day of service to the Gresham-Barlow School District on June 30, 2017.

The majority of my 39 years in K-12 education has been in the Gresham-Barlow School District. Of the various administrative roles in which I have served the district, my current role as superintendent has provided the greatest challenges and the most opportunities of my career as an educator. Working with you as the district's elected leaders, the mission and vision we developed in 2010 has provided excellent focus for all who work in and are served by the district. We have all worked closely together to prepare every student for success.

While State funding that supports the district's work has been less than sufficient and often inconsistent, the staff members who serve the district have excelled in providing quality instruction for students, and have advanced programs and practices that led to improved outcomes for students. The progress we have worked together to achieve positions the district well among other leading districts in the region and the state. Characterized by our double-digit increases in graduation rates over the past five years, there is great momentum and an opportunity to achieve even higher results in the coming years.

The support our district has received from the community is also a highlight of our work over the past 15 years. The passage of the bond measure in November of 2016 is an indicator of our public's interest in supporting and investing in K-12 education in the Gresham-Barlow community. The projects of the bond measure will have a measurable impact on the health of the community and the ability of our schools to meet the needs and aspirations of our students and staff.

With the continued improved outcomes for students, the high-quality staff working in our schools, and the community support demonstrated in the recent election, this is an appropriate time for me to retire from the district.

Board of Directors
Gresham-Barlow School District
Re: Formal Notice of Retirement
January 5, 2017
Page 2

With six months of continued service to the district and community ahead, I look forward to on-going work with the board, district leaders, and staff as we continue to provide an excellent education for our students.

Sincerely,



Jim Schlachter
Superintendent

JS:lc

GRESHAM-BARLOW SCHOOL DISTRICT
1331 NW Eastman Parkway
Gresham, OR 97030-3825

TO: Board of Directors

FROM: Jim Schlachter
Mike Schofield

DATE: January 5, 2017

RE: No. 18 – Comprehensive Annual Financial Report

EXPLANATION: The Comprehensive Annual Financial Report for 2015-2016 was summarized for first reading at the November 3, 2016, board meeting.

Is has been the board's practice to take formal action to accept the Comprehensive Annual Financial Report as presented by the auditors.

PRESENTER: Mike Schofield

SUPPLEMENTARY
MATERIALS: Comprehensive Annual Financial Report for the Year Ended June 30, 2016

RECOMMENDATION: The administration recommends acceptance of the 2015-2016 Comprehensive Annual Financial Report as presented.

REQUESTED ACTION: Move to accept the 2015-2016 Comprehensive Annual Financial Report.

MS:lc

Comprehensive Annual Financial Report

FOR THE YEAR ENDED JUNE 30, 2016



EVERY STUDENT

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Gresham-Barlow School District 10JT • GRESHAM, OREGON

Serving the Communities of Boring, Damascus, Gresham and Orient in Multnomah and Clackamas Counties

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GRESHAM-BARLOW SCHOOL DISTRICT 10JT
Gresham, Oregon

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Prepared by:
Business Office:

Michael D. Schofield, Chief Financial Officer

Elaine Fagan, Director of Accounting

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GRESHAM-BARLOW SCHOOL DISTRICT 10JT TABLE OF CONTENTS

	<u>Page</u>
<u>INTRODUCTORY SECTION</u>	
Letter of Transmittal.....	i
2015-16 Superintendent's Cabinet – Organization Chart	vi
Certificate of Achievement for Excellence in Financial Reporting	vii
Certificate of Excellence in Financial Reporting.....	viii
Elected and Appointed Officials	ix

FINANCIAL SECTION

Independent Auditors' Report 1

REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis..... 3

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements:	
Statement of Net Position	13
Statement of Activities	14
Fund Financial Statements:	
Balance Sheet – Governmental Funds	15
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position	16
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds	17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities	18
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund ..	19
– Federal Grant Fund	20
Fiduciary Financial Statements	
Statement of Fiduciary Net Position.....	21
Statement of Changes in Fiduciary Net Position.....	22
Notes to the Basic Financial Statements	23

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress and Schedule of Employer Contributions –	
Early Retirement Program	44
Post Employment Health Care Benefit Program	45
Oregon Public Employees Retirement System	
Schedule of District’s Proportionate Share of the Net Pension Liability	46
Schedule of District Contributions	46

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
TABLE OF CONTENTS (Continued)

Page

FINANCIAL SECTION (Continued)

SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Capital Projects Fund	47
Non-Major Governmental Funds Combining Statements:	
Combining Balance Sheet	48
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	49
Detail Budget Reports:	
Schedule of Detailed Revenues – Budget and Actual – General Fund.....	50
Schedule of Detailed Expenditures – Budget and Actual – General Fund	51-52
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
Nutrition Services Fund	53
Federal Grant Fund	54
Schedule of Detailed Expenditures – Budget and Actual – Federal Grant Fund.....	55
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual: State and Other Grant Fund	56
Schedule of Detailed Expenditures – Budget and Actual – State and Other Grant Fund.....	57
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual: Other Special Revenue Fund	58
Schedule of Detailed Expenditures – Budget and Actual – Other Special Revenue Fund	59
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual: Debt Service Fund	60
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual: Capital Projects Fund	61
Schedule of Detailed Expenditures – Budget and Actual – Capital Projects Funds.....	62
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual: Pension Trust Fund.....	63
Agency Fund -- Statement of Changes in Assets and Liabilities	64
Schedule of Bond Redemption and Interest Requirements.....	65
Schedule of Property Tax Transactions	66

OTHER INFORMATION

Comparative Schedule of Student Activity Funds by School	67
Supplemental Information as Required by the Oregon State Department of Education.....	68
Supplemental Information as Required by the Oregon State Department of Education – Schedule of Revenues.....	69
Supplemental Information as Required by the Oregon State Department of Education – Schedule of Special Revenue Fund Expenditures.....	70

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
TABLE OF CONTENTS (Continued)

Page

STATISTICAL SECTION

Net Position by Component	71
Changes in Net Position	72
Fund Balances, Governmental Funds	73
Changes in Fund Balances.....	74
Assessed Value and Actual Value of Taxable Property	75
Largest Taxpayers Within District	76
Property Tax Rates – Direct and Overlapping Governments.....	77
Property Tax Levies and Collection	78
Ratios of General Bonded Debt Outstanding and Legal Debt Margin.....	79
Direct and Overlapping Gross Bonded Debt.....	80
Demographic and Economic Statistics	81
Principal Employers	82
Full-Time Equivalent District Employees by Function	83
Licensed Professional Salary Plan	84
Operating Statistics.....	85
Capital Asset Information.....	86

REPORTS ON LEGAL AND OTHER REGULATORY COMPLIANCE

Independent Auditors' Report Required by Oregon State Regulations	87
---	----

Grant Compliance Review:

Schedule of Expenditures of Federal Awards (Supplementary Information)	89
Independent Auditors' Report on Compliance and 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.....	91
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133	93
Schedule of Findings and Questioned Costs	95

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INTRODUCTORY SECTION

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Jim Schlachter, Superintendent

Gresham-Barlow School District No. 10Jt

1331 NW Eastman Parkway, Gresham, OR 97030-3825

www.gresham.k12.or.us

Phone: (503) 261-4550

Fax: (503) 261-4554

December 1, 2016

Board of Education and Citizens
Gresham-Barlow School District 10JT
1331 NW Eastman Parkway
Gresham, OR 97030

In accordance with the provisions of Oregon Revised Statutes Sections 297.405 through 297.555, known as Municipal Audit Law, submitted herewith is the Comprehensive Annual Financial Report (CAFR) of Gresham-Barlow School District 10JT, Multnomah and Clackamas counties, Oregon for the year ended June 30, 2016.

This report was prepared by the Business Office of Gresham-Barlow School District 10JT. The responsibility for the completeness, fairness, and accuracy of the data presented and all accompanying disclosures rests with the District. To provide a reasonable basis for making these representations, the District's management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

INDEPENDENT AUDIT

The District's financial statements have been audited by Pauly, Rogers and Co., P. C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the District for the fiscal year ended June 30, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall basic financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the District's basic financial statements for the fiscal year ended June 30, 2016, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the Financial Section of this report, beginning on page 1.

The independent audit of the District's basic financial statements was part of a broader, federally mandated "Single Audit" designed to meet the special requirements of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the basic financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Single Audit Section of this report, beginning on page 89.

Management's Discussion and Analysis

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basis financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors, beginning on page 3.

THE DISTRICT

Gresham-Barlow School District 10JT is a unified District, established June 1, 1994, which includes the former Gresham Grade (established in 1884), Orient (established in 1853), Damascus Union (established in 1876), Barlow-Gresham Union High (established in 1902) School Districts, and that portion of Boring School District which was served by the Union High School District prior to unification. The Barlow-Gresham Union High School District Board of Directors remained the governing Board and the policies of the high school district remained intact. The District was given a new name and the Board of Directors was increased from a five-member Board to a seven-member Board.

The District is one of the ten largest districts in the State of Oregon. The District covers approximately 54 square miles serving the communities of Boring, Damascus, Gresham and Orient located in Multnomah and Clackamas Counties. The District area population has grown to approximately 80,000. The District enrollment boundaries include part of the City of Gresham, located in east Multnomah County approximately 12 miles east of Portland; it is the second largest city within the Portland metropolitan area and the fourth largest city in Oregon.

The District serves approximately 11,100 students in kindergarten through grade twelve, and presently operates eleven elementary schools, five middle schools and three high schools.

Seven Board members are elected, four to zoned positions and three at large from within the District, to four-year terms. The Board of Directors is the governing body and is exclusively responsible for its public decisions. The Board of Directors establishes the policies of the District, appoints the management of the District and is accountable for all fiscal matters, which significantly influence operations. The Board of Directors, together with seven appointed citizens, comprises the fourteen member Budget Committee. In addition, citizens take an active role in the District's schools through volunteer programs, advisory boards, site committees and parent groups.

The District is a fiscally independent taxing entity and is not a component of Multnomah or Clackamas Counties or any other government. As required by accounting principles generally accepted in the United States of America, all significant activities and organizations have been included in the financial statements.

Oregon statute provides state funding for charter schools that flows through the district for schools that local boards of education have granted a charter. The District has granted charters to three schools in operation during the 2015-16 fiscal year; Gresham Arthur Academy, Lewis and Clark Montessori and Metro East Web Academy. The Center for Advanced Learning (CAL), a charter school, is reported by the District as a joint venture as described in notes to the financial statements (Note 13).

APPROPRIATIONS AND BUDGETARY CONTROLS

The Board is required by the State of Oregon to adopt an annual budget for all funds subject to the requirements of Local Budget Law as outlined in the Oregon Revised Statutes 294.305 through 294.565, inclusive, by no later than the close of the fiscal year. The District's budget is governed by the Oregon Department of Revenue to ensure that the District remains in compliance with Oregon Budget Law. The annual budget serves as a management tool to enhance performance efficiency and effectiveness, a financial system to account for revenues and expenditures, and a control mechanism to ensure public money is spent as it is authorized. The budget also provides the authority to levy property taxes.

Consistent with Oregon law, expenditures are appropriated for each legally adopted annual operating budget at the following levels of control: Instruction, Support Services, Community Services, Facilities acquisition and construction, Debt Service, Operating Contingencies/Fund Transfers.

Budgetary appropriations may not be legally over-expended except in the case of reimbursable grant expenditures and trust monies which could not be reasonably estimated at the time the budget was adopted. After the original budget is adopted, the Board may approve appropriation transfers between levels of control. The Board may approve supplemental appropriations if any occurrence, condition or need exists which had not been anticipated at the time the budget was adopted through procedures specified in State statute and Board policy.

ECONOMIC CONDITION AND LONG-TERM FINANCIAL PLANNING

The Office of Economic Analysis (OEA) reported in March 2016 that Oregon added 48,100 jobs in 2015 or an increase of 2.7 percent. Arizona State University W.P. Carey School of Business, places Oregon 7th in the nation for job growth in December, 2015. Oregon ranked 6th for job growth in 2014, with growth of 2.8 percent, 11th in 2013 with growth of 2.1 percent and 31st in 2012 with growth of .9 percent. Oregon's unemployment rate sits at 4.5 percent for March 2016, down from the high of 11.6 percent in June 2009. OEA reports that Oregon has averaged just under 2 percent growth since the Great Recession and the forecast is a peak growth of 2.6 percent over the 2014-16 time frame. More important, wages in Oregon are increasing on the average of 3-4 percent per year, which is faster than inflation of 1-2 percent per year. This is better than during the mid-2000s expansion but still below 1990s gains.

OEA reported that Oregon's population is estimated to have reached 3,831,074 in 2010. Oregon gained 409,550 persons between 2000 and 2010 a 12 percent growth, down from a decade ago of 20.4 percent growth. Oregon's population growth during the most recent decade was the second lowest since 1900. The slowest was during the 1980's when Oregon was hit hard by another recession. Oregon's economic condition heavily influences the state's population growth. The economy determines the ability to attract job seekers from other states and beyond as Oregon's population growth is dependent on net in-migration. Oregon's population is expected to continue a slow pace of growth in the near future. Oregon's population is anticipated to reach 4.35 million by 2022, with an annual rate of growth of 1.17% between 2014 and 2022. The growth in K-12 population (aged 5-17) will remain low which will translate into slow growth in school enrollments for the State. The school-age population has actually declined in size in recent years and will grow in the future at well below the overall state average.

District enrollment for 2015-16 as measured in September was five students lower than the District projected and approximately 250 students lower than projected by Portland State University Population Research Center enrollment forecast performed February 2012. However there was an overall growth of 23 students over 2014-15. Due to the important relationship between funding and enrollment, the District will continue to carefully review future projections. From 2009 to 2013, the District was required to make significant changes by reducing staffing and school days, while we now have a full school year the funding has not recovered.

Over the past five years, due to budget constraints, the District has engaged the community in prioritizing the areas where reductions had to be made. Difficult reductions were made with the basic premise in mind; preserve the core. With an increase in available revenue for 2014-15, we are able to maintain staffing and provide a full school year. However, the budget for 2015-16 includes reductions in order to provide for state mandated full-day kindergarten as the increase in state funding is inadequate once again to provide for the increase in enrollment and contract roll-up cost. The 2016-17 budget maintains the staffing ratios, supplies and material allocations and instructional days as 2015-16 actual budget.

The average age of District buildings at June 30, 2016 is over 50 years, however one out of the District's two large high schools is over 100 years old. Much of the original building was demolished and rebuilt in 1940 making it 75 years old. The District's oldest elementary school is over 90 years old. The District attempted to pass a general obligation bond measure to address many of its building issues in 2013. Every school building would have benefited from that bond issue, however the measure failed. The District has placed a bond on the ballot for the November 2016 general election.

MAJOR INITIATIVES AND RELEVANT FINANCIAL POLICIES

Gresham-Barlow is one of the largest school districts in the state, with a student population of more than 11,000, and speaking over 39 languages. Throughout 2015-16, the District has been engaged in a process of strategically planning for the District's future. The planning is part of a year-five task that was written within the 2015 vision developed in 2010. Considerable community input was collected this year through an extensive outreach to students, parents, staff members and community members. The result of this work included the affirmation of our mission statement and the identification of strategic themes and bold steps that defined the 2020 vision for the District.

The District's mission, "Every student prepared for a lifetime of learning, career opportunities, and productive contributions to the community," is supported by our vision as defined by seven strategic themes that guide the District's work:

Teaching and Learning, Growth and Achievement for All — Engage every student in meaningful learning through high-quality, accessible instruction and relevant content

Equitable Outcomes — Reduce the achievement gaps by supporting and sustaining equitable opportunities for every student

College and Career Readiness — Improve and increase high school pathways to college and career options

Early Learning — Align practices and resources to support all students reading at grade level by the end of the 3rd grade

Class Size and Learning Environments — Strive to strategically reduce class sizes and improve learning environments

Community Partnerships — Enhance support for students and schools through parent, business and community partnerships

Community Investment — Create a long-term prioritized plan for enhancing and preserving the community's facilities

As we look forward and discuss financial and economic difficulties and uncertainties, it is important to recognize our pride in recent accomplishments and our commitment to students, staff and patrons. Listed below are just a few of the recent accomplishments in our District:

- In 2016 Gresham-Barlow students won 71 individual and state championships, one national championship and sent 3 athletes to the Olympic games in Brazil.
 - Sam Barlow High School Theatre Department won first place in the Chapter Select One-Act Competition at the State Thespian Festival for their performance of "Bang, Bang You're Dead."
 - Sam Barlow High School Theatre Department won first Place in the nation for their performance at the NEIS Individual Events Competition with their group musical, "Stronger," from the Broadway musical
 - Gresham High School Dance Team has won three state championships in a row.
- The District was awarded the following grants:
 - School Improvement Grant for East Gresham Elementary School. The grant is for \$1.8 million over three years beginning in 2014-15.
 - Mt Hood Cable Regulatory Commission Grant for \$1.37 million to create a technology rich, blended learning kindergarten through 3rd grade classrooms at North Gresham and Kelly Creek elementary schools.
 - Collaboration Design Grant \$50,000 for 2015/2016 to improve student achievement through the voluntary collaboration of teachers and administrators

- The U.S Environmental Protection Agency (EPA) recognized Gresham-Barlow School District with a 2016 Energy Star Partner of the Year – Sustained Excellence Award for its continued leadership in protecting our environment through energy efficiency. This is the 9th Energy Star Partner of the Year award Gresham Barlow has been an energy partner since 2005 and is recognized for winning this award more times than any other district in the country.

Awards

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Gresham-Barlow School District 10JT for its Comprehensive Annual Financial Report for the year ended June 30, 2015. This was the 24th consecutive year that the District has received this prestigious award. In order to be awarded a Certificate of Achievement, the District published an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

In addition, the Association of School Business Officials International (ASBO) awarded its Certificate of Excellence in Financial Reporting to Gresham-Barlow School District 10JT for its Comprehensive Annual Financial Report for the year ended June 30, 2015. This was the 22nd consecutive year that the District has received this prestigious award.

Receiving this Award is recognition that the District has met the highest standards of excellence in school financial reporting as adopted by ASBO. The District believes that the current Comprehensive Annual Financial Report, which will be submitted to ASBO for review, will also conform to these standards.

ACKNOWLEDGMENTS

We wish to express our appreciation to the entire Business Office staff and members of other District departments who assisted in the preparation of this Comprehensive Annual Financial Report. We also wish to extend our appreciation to the members of the Board of Directors, the administrators, managers and employees of the District and citizens for their continued support and dedication to the financial operations of the District.



Jim Schlachter
Superintendent

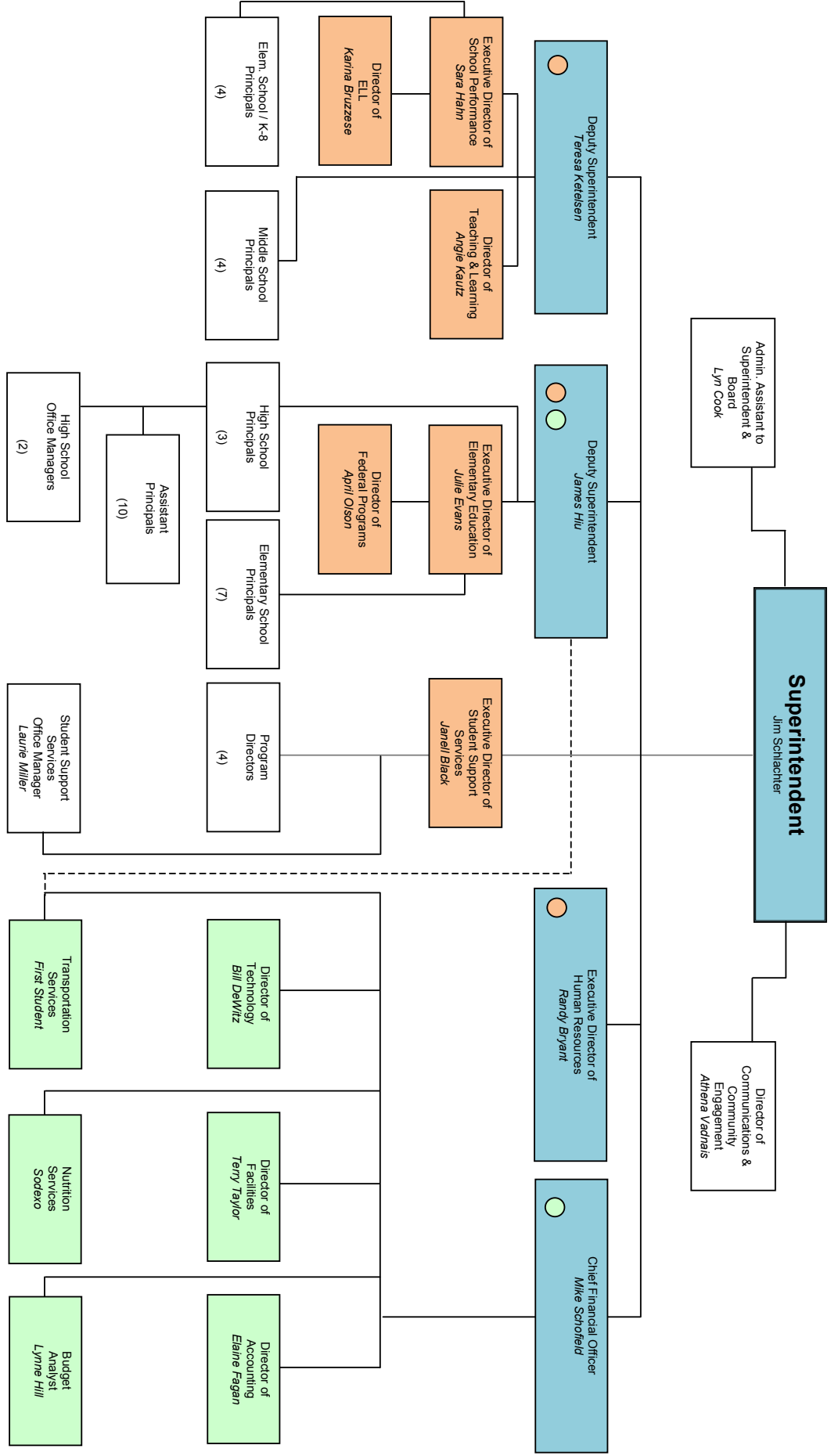


Michael D. Schofield
Chief Financial Officer



Elaine Fagan
Director of Accounting

Gresham-Barlow School District 2015-16 Organizational Chart





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Gresham-Barlow School District No. 10J
Oregon**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting Award
is presented to**

Gresham-Barlow School District 10JT

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ending June 30, 2015**

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards



Brenda Burkett

Brenda R. Burkett, CPA, CSBA, SFO
President

John D. Musso

John D. Musso, CAE, RSBA
Executive Director

Elected and Appointed Officials
Gresham-Barlow School District 10JT
Gresham, Oregon

School Board as of June 30, 2016

Name	Zone	Term Expires
Carla Piluso, Chair Piluso2@gresham.k12.or.us 503-666-2525	At-Large	June 30, 2017
Kris Howatt, Vice Chair Howatt3@gresham.k12.or.us 503-669-9255	Zone 3	June 30, 2019
John Hartsock Hartsock7@gresham.k12.or.us 503-780-4806	At-Large	June 30, 2019
Katherine J. Ruthruff ruthruff@gresham.k12.or.us 503-658-3391	Zone 1	June 30, 2019
Kent Zook Zook3@gresham.k12.or.us 503-278-6096	Zone 4	June 30, 2017
Sharon Garner Garner6@gresham.k12.or.us 503-679-3443	At-Large	June 30, 2017
Matt O'Connell Oconnell5@gresham.k12.or.us 503-680-1314	Zone 2	June 30, 2017
Jim Schlachter Michael D. Schofield	Superintendent and District Clerk Chief Financial Officer and Deputy Clerk Accounting Director	
Administrative Office:	1331 NW Eastman Parkway Gresham, OR 97030-3825	

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

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

December 1, 2016

To the Board of Directors
Gresham-Barlow School District
Multnomah County, Oregon

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Gresham-Barlow School District as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 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.

Opinions

In our opinion, the 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 Gresham-Barlow School District, as of June 30, 2016, and the respective changes in financial position and budgetary comparisons for the general fund and federal grant fund, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The District adopted the provisions of GASB Statement No. 72, Fair Value Measurement and Application, for the year ended June 30, 2016. Our opinion is 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 and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary comparison schedules presented as Required Supplementary Information, as listed in the table of contents, have 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 records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary and other information, as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal expenditures is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CRF) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is not a required part of the basic financial statements.

The supplementary information, as listed in the table of contents and the schedule of expenditures of federal expenditures are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents and the schedule of federal expenditures, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Reports on Other Legal and Regulatory Requirements

In accordance with Government Auditing Standards, we have also issued our report dated December 1, 2016 on our consideration of the internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 1, 2016, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



Matthew Graves, CPA
PAULY, ROGERS AND CO., P.C.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016**

As management of Gresham-Barlow School District 10JT (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our Transmittal Letter, which can be found on pages i – vi of this report.

FINANCIAL HIGHLIGHTS

- In the government-wide statements, the liabilities of the District exceeded its assets at June 30, 2016 by approximately \$15.6 million. Of this amount, approximately \$43.2 million represents the District's investment in capital assets, net of related debt, approximately \$3.4 million is restricted and the remaining (\$62.2) million is unrestricted.
- For the fiscal year ended June 30, 2016, the District's total net position decreased by approximately \$20.9 million. This decrease is primarily due to the change in the proportionate share of net pension liability and the net deferred pension inflow (\$26.9 million). Other changes are from an increase in cash and investments (1.3 million), an increase in accounts receivable (\$1.5 million), a decrease in capital assets (\$.8 million), and a decrease in bonds payable (\$4.1 million).
- The District's governmental funds report combined ending fund balance of approximately \$14.79 million, an increase of approximately \$3.4 million in comparison with the prior year. Of this amount, approximately \$10.3 Million (69%) is unassigned and available for spending at the District's discretion.
- At the end of the fiscal year, unassigned fund balance for the general fund was approximately \$10.3 million, or about 9.5% of total general fund expenditures.
- The District's total debt decreased by \$4.3 million (4.9%) during the 2015-16 fiscal year. Debt decreased due to scheduled debt service payments of approximately \$6.5 million offset by approximately \$.7 million to amortize prior year bond premiums and discounts and proceeds from turf financing in the amount of \$1.5 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. These statements include:

The Statement of Net Position. The *statement of net position* presents information on all of the assets and liabilities of the District at year-end. Net position is what remains after the liabilities have been paid or otherwise satisfied. 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*. The *statement of activities* presents information showing how the net position of the District changed over the year by tracking revenues, expenses and other transactions that increase or reduce net position. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

In the government-wide financial statements, the District's activities are shown in one category:

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

The government-wide financial statements can be found on pages 13 and 14 of this report.

Fund financial statements. The *fund financial statements* provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Gresham-Barlow School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are reconciled to the government-wide Statements of Net Position and Activities

The District maintains seven individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General, Federal Grant Fund and Capital Projects Fund, which are considered to be major funds. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided as Supplemental Information.

The basic governmental fund financial statements can be found on pages 15 and 17 of this report.

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

The basic fiduciary fund financial statements can be found on pages 21-22 of this report.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 23-43 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the District's progress in funding its obligation to provide pension and other post employment benefits to its employees. Required Supplementary Information can be found on pages 44-46 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented as Supplementary Information on pages 48-49 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities exceeded assets by approximately \$15.6 million at June 30, 2016.

Capital assets, which consist of the District's land, buildings, building improvements, construction in progress, vehicles, and equipment, represent about 72.9 percent of total assets. The remaining assets consist mainly of cash, investments, grant and property taxes receivable, equity in CAL and a proportionate share of net pension asset.

The District's largest liability (88 percent) is for the repayment of general obligation, PERS and full faith and credit obligation bonds. Current liabilities, representing about 7.8 percent of the District's total liabilities, consist almost entirely of payables on accounts, payroll withholdings.

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

Net Position at June 30, 2016 and 2015 (in thousands)			
	Governmental Activities		Increase (Decrease) From Fiscal 2015
	2016	2015	
Current and other assets	\$ 26,978	\$ 24,651	\$ 2,327
		73,412	(777)
Capital assets	72,635		
Total assets	99,613	98,063	1,550
		7,227	(715)
Current liabilities	6,512		
Non-Current liabilities	76,753	80,510	(3,757)
Proportionate share of net pension liability	30,542	(12,463)	43,005
Total liabilities	113,807	75,274	38,533
Deferred Inflow of Resources			
Net deferred pension liability (asset)	1,389	17,457	(16,067)
Net position:		40,316	2,860
Net investment in capital assets	43,176		
Restricted	3,435	3,300	135
Unrestricted	(62,194)	(38,284)	(23,910)
Total net position	\$ (15,583)	\$ 5,332	\$ (20,915)

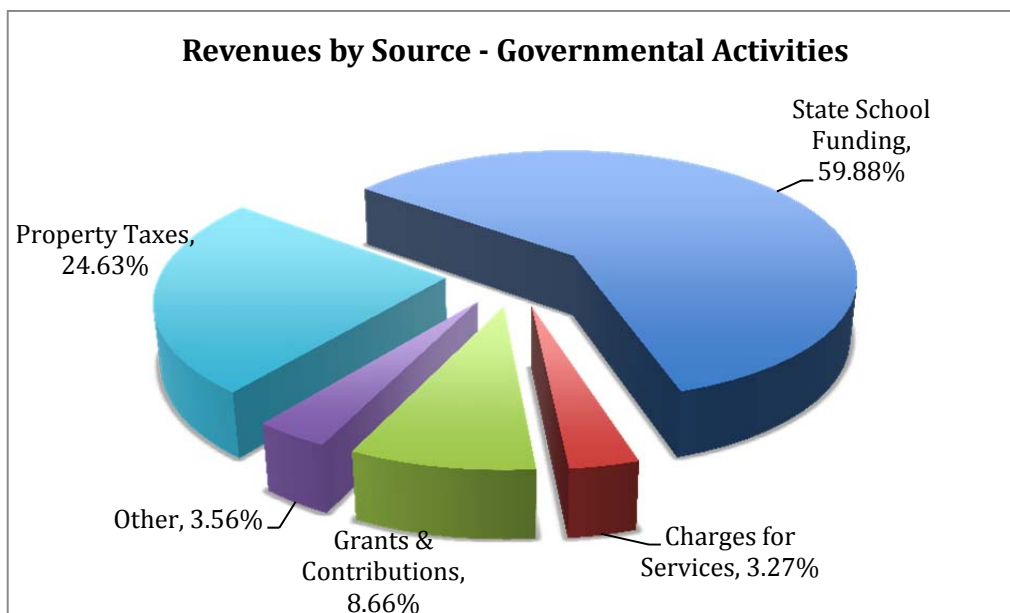
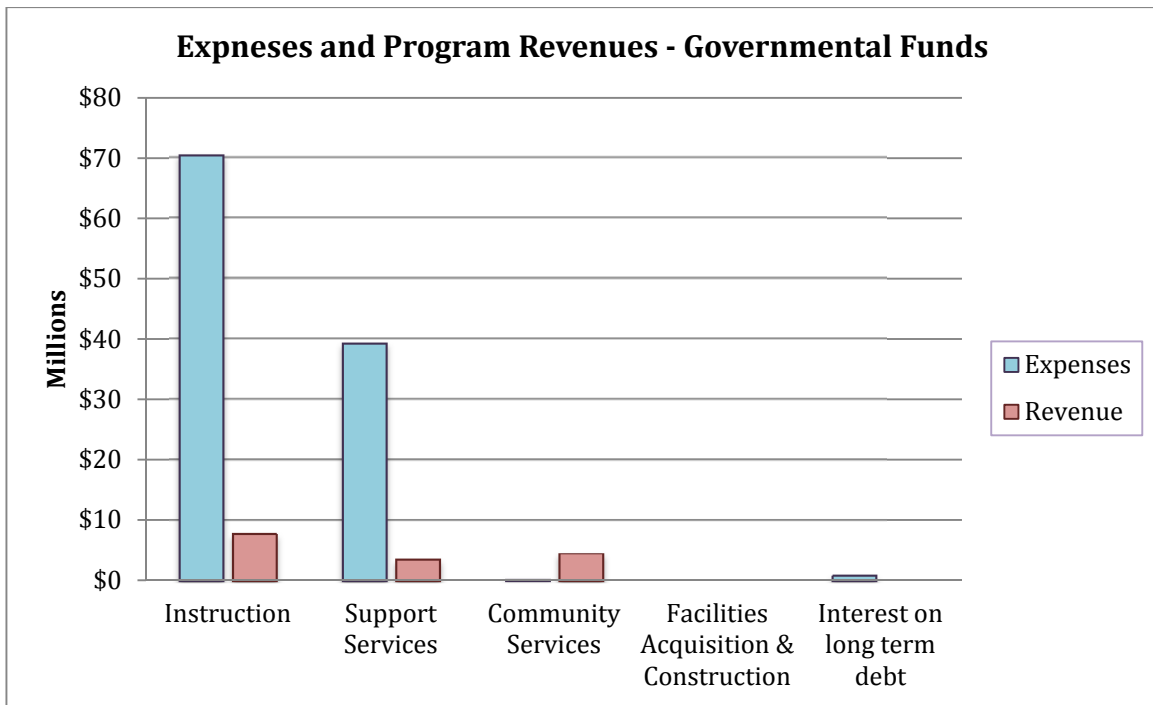
During the current fiscal year, the District's net position decreased by approximately \$20.9 million. Invested in capital assets, net of related debt increased by \$2.9 million and unrestricted decreased by \$23.9 million while restricted net position increased by \$.1 million. This decrease is primarily due to the change in the proportionate share of net pension liability and the net deferred pension inflow of \$26.9 million. Other changes include an increase in current assets of \$2.3 million, a decrease in capital assets in excess of depreciation by \$.7 million, and a decrease in non-current liabilities of \$3.7. Unrestricted decreased primarily due to the \$26.9 million change in assets and deferred inflows caused by the implementation of GASB 68. Restricted increased primarily due to a decrease in the amounts restricted for student groups and school construction.

Governmental activities. The key elements of the change in the District's net position for the year ended June 30, 2016 are as follows:

- General revenues increased by approximately \$3.2 million, mainly due to a increase in the State School Fund general support of approximately \$1.6 million, a increase in property taxes of approximately \$1.5 million and an increase in grants of approximately \$.5 million.
- Governmental program expenses increased by about \$42.8 million. This was primarily due to the change in net pension liability from 6/30/2015 to 6/30/2016.

Changes in Net Position
For the year ended June 30, 2016 and 2015
(in thousands)

	Governmental Activities		Increase (Decrease) from Fiscal 2015
	2016	2015	
Revenues:			
Program revenues:			
Charges for service	\$ 4,309	\$ 4,298	\$ 11
Operating grants and contributions	10,718	11,182	(464)
Capital grants and contributions	695	867	(172)
General revenues:			
Property taxes	32,458	30,976	1,482
State school fund – general support	78,923	77,338	1,585
Other federal, state and local sources	4,269	3,787	482
Earnings on investments	232	169	63
Other	190		190
Total revenues	<u>131,794</u>	<u>128,617</u>	<u>3,177</u>
Expenses:			
Instruction	96,408	62,039	34,369
Support services	50,825	38,871	11,954
Enterprise and community services	4,220	4,083	137
Facilities acquisition and construction	-	-	-
Interest on long-term debt	1,256	4,869	(3,613)
Total expenses	<u>152,709</u>	<u>109,862</u>	<u>42,847</u>
Increase (decrease) in net position	<u>(20,915)</u>	<u>18,755</u>	<u>(39,670)</u>
Net position – July 1	<u>5,332</u>	<u>(13,423)</u>	<u>18,755</u>
Net position – June 30	<u>\$ (15,583)</u>	<u>\$ 5,332</u>	<u>\$ (20,915)</u>



FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental funds. The focus of the District's governmental funds is to provide information on relatively short-term cash flow and funding for future basic services. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year.

At June 30, 2016, the District's governmental funds reported combined ending fund balances of \$14.79 million, an increase of approximately \$3.43 million in comparison with the prior year. About \$10.28 million (69.5 percent) of the ending fund balance constitutes *unassigned ending fund balance*, which is available for spending at the government's discretion. About 5.9 percent of fund balance (\$.87 million) is restricted for debt service, about 9.5 percent of fund balance (\$1.4 million) is restricted for Student groups, art institute and print shop activities, about 7.4 percent (\$1.1 million) is restricted for the Nutrition Service program and another 1 percent (\$151,652) is restricted for school construction projects. An additional 6.7 percent (\$.99 million) is assigned to capital projects.

General Fund. The General Fund is the chief operating fund of the District. As of June 30, 2016, unassigned fund balance was about \$10.28 million. As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Fund balance represents 9.6 percent of total General Fund expenditures. The fund balance increased by approximately \$3.4 million during the current fiscal year compared to an increase of approximately \$.8 million during the 2014/15 fiscal year.

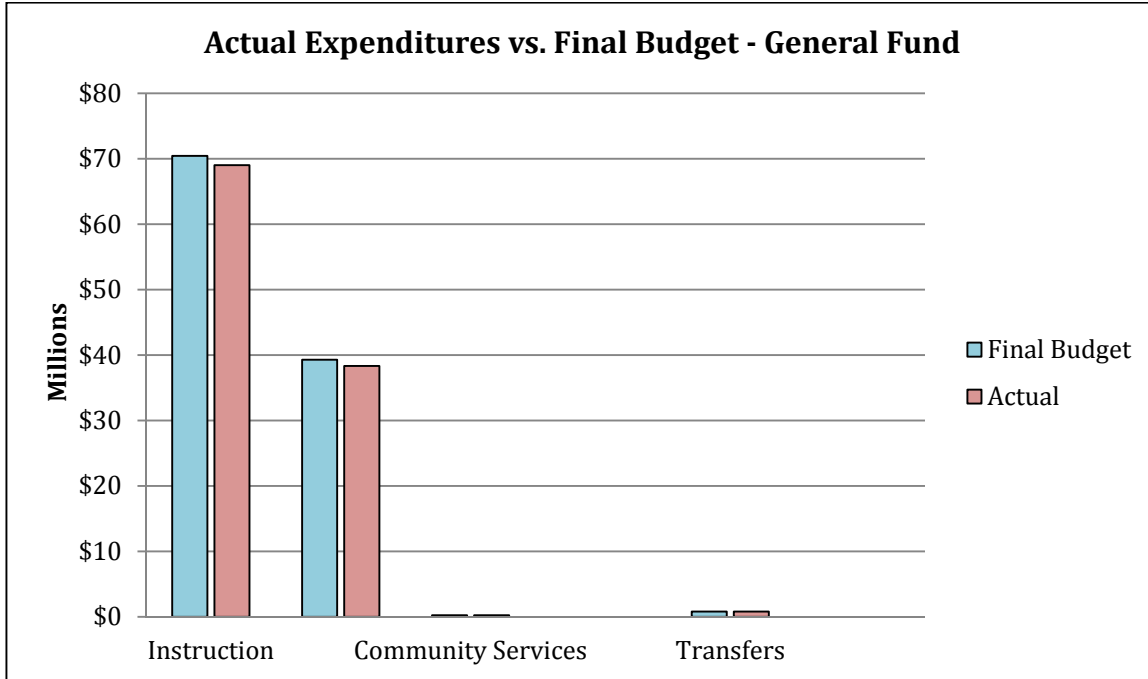
Federal Grant Fund. Revenues and expenditures in the Federal Grant Fund decreased from approximately \$6.7 million in 2014/15 fiscal year to approximately \$6.3 million for 2015/16. This decrease was due to a reduction in funding for school improvement with Title I funding.

Capital Projects Fund. The Capital Projects Fund has a total fund balance of approximately \$1 million. The fund balance decreased by \$248,257 during the fiscal year primarily due to the turf project at Gresham High School.

Changes to fund balances in the other governmental funds can be attributed to a increase in fund balance in the Food Service Fund of \$157,401, a increase in fund balance in the Debt Service Fund of \$12,414, an increase in the Other Special Revenue Fund of \$27,420 and an increase in fund balance for State and Other Grant Fund of \$69,937.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, as shown in the chart, below, all General Fund expenditures were within budget. Variances noted between instruction and support services budget and actual totals were not inconsistent with prior year experience, and reflect the District's conservative budget and spending practices.



CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The District's investment in capital assets includes land, buildings and improvements, vehicles and equipment and construction in progress. As of June 30, 2016, the District had invested approximately \$72 million in capital assets, net of depreciation, as shown in the following table:

Capital Assets (Net of Depreciation) June 30, 2016 and 2015 (in thousands)			
	Governmental Activities		Increase (Decrease) From Fiscal 2015
	2016	2015	
Land	\$ 6,326	\$ 6,326	\$ -
Buildings and improvements	65,128	65,386	(258)
Vehicles and equipment	1,181	1,183	(2)
Construction in progress	0	517	(517)
	72,635	73,412	(777)

During the year, the District's investment in capital assets decreased by approximately \$.78 million. The major capital asset events for the year include the following:

- Gresham High Turf Project approximately \$1,354,000
- Cabling, data and VOIP at seven schools approximately \$366,000
- Other minor capital assets additions totaling approximately \$357,000

The capital asset additions above were offset by approximately \$2.8 million in depreciation expense. Additional information of the District's capital assets can be found in Note 4 on page 30 of this report.

Long-term debt. At the end of the current fiscal year, the District had total debt outstanding of approximately \$73.6 million, consisting of general obligation debt, full faith and credit obligations and capital leases, net of unamortized premium/discount.

During the current fiscal year, the District's total debt decreased by approximately \$4.3 million (5.6 percent). The decrease is the result of approximately \$6.5 million in scheduled debt service payments offset by approximately \$.7 million in amortization of bond premium and discounts and \$1.5 million in proceeds from a new capital lease.

The District's debt is currently all issued with the Oregon School Bond Guaranty. Standard & Poors has rated the bonds AA+ and Moody's under their Global Scale Rating has rated the bonds Aa2.

State statutes limit the amount of general obligation debt a governmental entity may issue to 7.95 percent of its total real market valuation. The current debt limitation for the District is approximately \$615 million, which is significantly in excess of the District's outstanding general obligation debt.

Additional information on the District's long-term debt can be found in Note 5 on pages 31-33 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The most significant economic factor for the District is the State of Oregon's State School Fund. For the year ended June 30, 2016, the State School Fund – General Support provided 60 percent of the District's total resources and 71.7 percent of District's general fund resources. This is up from previous years as there were significant reductions in the State School Fund from 2009-2013 caused by the economic downturn where Gresham-Barlow School District was required to make significant reductions in staffing and school days. While we now have a full school year, funding for schools has not recovered.

The 2016-17 budget relies on K-12 funding level of \$7.376 billion for the 2015-2017 biennium, a projected average daily membership weighted (ADMw) of approximately 14,645, which includes full-day kindergarten and an estimated beginning fund balance of approximately \$9.1 million. The enrollment projection is based on the District's most recent demographic student population report and experience over the past couple of years and is critical to our revenue projections, as the state bases our revenue on enrollment and special needs students.

To comply with state law and sound business principles, the District must maintain a balanced budget with adequate reserves for economic and operational uncertainties. The commonly cited standard, and the amount the district is committed to setting aside is 5 percent of annual operating expenditures. The District's anticipated expenditures will use a portion of the increased reserves in 2015-16 to support expenditures in 2016-17.

A bond measure proposal in 2013 addressed many of the District's capital needs and would have been realized in the 2014-15 school year. However, with the failure of the bond, there are capital needs challenges that must be addressed. A primary investment that must be included in future budgets is support for technology infrastructure and computers. A four-year plan to finance the acquisition of computers was included in the 2014-15 budget and will need to be included in future budgets through 2017-18 to complete the plan. In March 2015 the Board approved the replacement of the turf field at Gresham High School. The District has secured a 10 year note to pay for the project. Due to the use of funds set aside from community use fees, community fund raising efforts and inclusion of turf field and stadium improvements at both high schools in a future bond, the hope is that the general fund will not be impacted by the turf replacement costs. The District has placed a bond on the November 2016 Ballot.

The education of students is labor intensive, as reflected in the allocation of the financial resources of the district. For the 2016-17 budget, salaries and fringe benefits represent approximately 73.5% of the General Fund operating budget. The expenditures for salaries and fringe benefits are determined by contractual agreements and staffing policies and guidelines of the board, on the basis of projected enrollment, special student needs, and the conditions of employment established by collective bargaining agreements. In 2015 to 2016 ending fund balance increased from \$6.86 million to \$14.79 million. The 2016-2017 budget anticipates an ending fund balance of approximately \$6.96 million.

The District's ability to house, educate and prepare students for the future and to maintain school facilities continues to be stretched significantly. The District is trying to adjust our expectations to the amount of revenue available. The increasing needs of students will continue to challenge educators to find creative ways to prepare them for the 21st Century.

REQUESTS FOR INFORMATION

This financial report is designed to present the user (citizens, taxpayers, investors, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District's Chief Finance Officer at 1331 NW Eastman Parkway, Gresham, Oregon 97030.

BASIC FINANCIAL STATEMENTS

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GRESHAM-BARLOW SCHOOL DISTRICT 10JT
STATEMENT OF NET POSITION
JUNE 30, 2016

ASSETS:

Cash and investments	\$ 17,666,033
Receivables	5,664,618
Net pension Asset	287,886
Equity interest in CAL	3,359,762
Capital assets, net	
Land	6,326,123
Buildings and improvements	65,128,238
Vehicles and equipment	<u>1,180,502</u>

TOTAL ASSETS

99,613,162

DEFERRED OUTFLOWS OF RESOURCES

Pension related deferred outflows	<u>6,248,903</u>
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LIABILITIES:

Accounts payable and other current payables	6,358,849
Accrued interest payable	63,521
Unearned revenue	89,120
Noncurrent liabilities:	
Compensated absences, due within one year	688,219
due in more than one year	172,055
Capital leases, due within one year	249,361
due in more than one year	253,600
Bonds payable, net of unamortized premium/discount,	
due within one year	5,886,279
due in more than one year	67,198,907
Net OPEB obligation	2,304,942
Proportionate share of net pension liability	30,542,161

TOTAL LIABILITIES

113,807,014

DEFERRED INFLOW OF RESOURCES:

Pension related deferred inflows	<u>7,638,126</u>
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NET POSITION:

Net investment in capital assets	43,176,211
Restricted for:	
Debt service	-
School construction	59,751
Student and other activities	1,408,787
Nutrition services	1,100,720
Unrestricted	<u>(61,328,544)</u>

TOTAL NET POSITION

\$ (15,583,075)

See notes to basic financial statements.

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense), Revenue and Change in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction:					
Regular programs	\$ 65,410,928	\$ 2,531,283	\$ 299,295	\$ 523,450	\$ (62,056,900)
Special programs	30,955,800	125,047	4,224,714	-	(26,606,039)
Summer school programs	40,928	-	-	-	(40,928)
Total instruction	96,407,656	2,656,330	4,524,009	523,450	(88,703,867)
Support Services:					
Student support services	9,279,322	1,663	924,548	-	(8,353,111)
Instructional staff support	5,869,810	-	1,236,035	-	(4,633,775)
General administration	1,503,735	-	25,110	-	(1,478,625)
School administration	9,614,000	15,561	-	-	(9,598,439)
Business support services	20,504,784	867,813	213,584	-	(19,423,387)
Central activities	3,753,521	26,135	214,365	-	(3,513,021)
Supplemental retirement program	300,000	-	-	-	(300,000)
Total support services	50,825,172	911,172	2,613,642	-	(47,300,358)
Enterprise and Community Services:	4,220,173	741,698	3,580,673	171,375	273,573
Facilities Acquisition and Construction:	-			-	-
Interest on long-term debt	1,256,043	-	-	-	(1,256,043)
Total governmental activities	\$ 152,709,044	\$ 4,309,200	\$ 10,718,324	\$ 694,825	(136,986,695)
General revenues:					
Property taxes levied for general purposes					26,419,363
Property taxes levied for debt service					6,038,838
State school fund - general support					78,922,863
Other unrestricted state sources					-
Common school fund					1,488,746
County school fund					1,882
Other unrestricted federal sources					2,777,900
Earnings on investments					232,192
Miscellaneous					190,048
Total general revenues					116,071,832
CHANGE IN NET POSITION					(20,914,863)
Net position, restated - July 1, 2015					5,331,788
Net position - June 30, 2016					\$ (15,583,075)

See notes to basic financial statements.

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	General Fund	Federal Grant Fund	Capital Projects Fund	Other Governmental Funds	Total
ASSETS					
Equity in pooled cash and investments	\$ 13,426,120	\$ -	\$ 967,213	\$ 3,272,700	\$ 17,666,033
Receivables	3,117,620	1,739,600	22,207	785,191	5,664,618
Due from other funds	1,709,725	-	-	-	1,709,725
TOTAL ASSETS	\$ 18,253,465	\$ 1,739,600	\$ 989,420	\$ 4,057,891	\$ 25,040,376
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts, retainage, payroll and payroll withholding payables	\$ 6,288,314	\$ 25,000	\$ 3,131	\$ 42,404	\$ 6,358,849
Due to other funds	-	1,709,725	-	-	1,709,725
Unearned revenue	-	4,875	-	84,245	89,120
Total Liabilities	6,288,314	1,739,600	3,131	126,649	8,157,694
Deferred Inflows of Resources:					
Unavailable revenue-property taxes	1,687,058	-	-	404,139	2,091,197
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	-	-	59,751	3,527,103	3,586,854
Committed	-	-	-	-	-
Assigned	-	-	926,538	-	926,538
Unassigned	10,278,093	-	-	-	10,278,093
Total fund balances	10,278,093	-	986,289	3,527,103	14,791,485
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 18,253,465	\$ 1,739,600	\$ 989,420	\$ 4,057,891	\$ 25,040,376

See notes to basic financial statements.

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION
JUNE 30, 2016**

TOTAL FUND BALANCES		\$	14,791,485
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Capital assets are not financial resources and therefore are not reported in the governmental funds:

Cost	\$	134,990,360	
Accumulated depreciation		<u>(62,355,497)</u>	72,634,863

A portion of the District's property taxes are collected after year-end but are not available soon enough to pay for the current years' operations, and therefore are not reported as revenue in the governmental funds.			2,091,197
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The proportionate share of the net pension liability is not reported as an liability in the governmental funds			(30,542,161)
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The net pension asset is not reported as an asset in the governmental funds.			287,886
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The net OPEB obligation is not reported as an asset in the governmental funds.			(2,304,942)
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The net deferred pension liability is not reported as a deferred inflow in the in the governmental funds			(1,389,223)
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Equity interest in the Center for Advanced Learning (CAL) is not reported in the governmental funds.			3,359,762
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Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest in 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 payable		(63,521)	
Capital leases		(502,961)	
Bonds and financing payables		(73,085,186)	
Compensated absences payable		<u>(860,274)</u>	<u>(74,511,942)</u>

TOTAL NET POSITION		\$	<u><u>(15,583,075)</u></u>
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See notes to basic financial statements.

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016

	General Fund	Federal Grant Fund	Capitol Projects Fund	Other Governmental Funds	Total
REVENUES:					
Property taxes	\$ 26,317,701	\$ -	\$ -	\$ 6,025,291	\$ 32,342,992
Other taxes	-	-	355,619	-	355,619
Federal sources	63,366	6,334,334	-	3,573,476	9,971,176
State and local sources	83,211,748	-	292,826	795,475	84,300,049
Charges for services	2,003,553	-	43,438	2,423,415	4,470,406
Investment earnings	191,647	-	9,642	30,903	232,192
TOTAL REVENUES	111,788,015	6,334,334	701,525	12,848,560	131,672,434
EXPENDITURES:					
Current:					
Instruction	69,012,006	4,204,864	-	2,153,876	75,370,746
Support services	38,336,990	2,098,524	468,071	670,715	41,574,300
Community services	232,923	30,946	-	3,838,979	4,102,848
Facilities acquisition and construction	-	-	-	-	-
Debt service:					
Principal	-	-	536,586	5,303,175	5,839,761
Interest	-	-	74,746	733,263	808,009
Capital outlay	300,992	-	1,630,379	121,380	2,052,751
TOTAL EXPENDITURES	107,882,911	6,334,334	2,709,782	12,821,388	129,748,415
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,905,104	-	(2,008,257)	27,172	1,924,019
OTHER FINANCING SOURCES (USES):					
Transfers to other funds	(500,000)	-	-	-	(500,000)
Transfer from other funds	-	-	260,000	240,000	500,000
Proceeds from financing agreement	-	-	1,500,000	-	1,500,000
Sale of capital assets	6,538	-	-	-	6,538
TOTAL OTHER FINANCING SOURCES (USES)	(493,462)	-	1,760,000	240,000	1,506,538
NET CHANGE IN FUND BALANCE	3,411,642	-	(248,257)	267,172	3,430,557
FUND BALANCE, July 1, 2015	6,866,451	-	1,234,546	3,259,931	11,360,928
FUND BALANCE, June 30, 2016	\$ 10,278,093	\$ -	\$ 986,289	\$ 3,527,103	\$ 14,791,485

See notes to basic financial statements.

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016

NET CHANGE IN FUND BALANCE **\$ 3,430,557**

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

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Expenditures for capital assets	\$ 2,077,158	
Less current year depreciation	<u>(2,854,134)</u>	(776,976)

In the Statement of Activities, the contributions to the Pension Trust Fund were more than the actuarially determined contribution amount increasing the net pension asset. In the governmental funds the entire contribution is recognized as an expenditure. This is the amount by which the net pension asset is increased:

Contribution to Pension Trust Fund	367,266	
Annual pension cost	<u>(341,605)</u>	25,661

In the Statement of Activities, the contributions to the Post Retirement Health Benefits Program were less than the actuarially determined contribution amount increasing the net OPEB liability. In the governmental funds the entire contribution is recognized as an expenditure. This is the amount by which the net OPEB is recognized as an expenditure. This is the amount by which the net OPEB liability is increased:

Contribution to Post Retirement Health Benefits	871,840	
Annual OPEB cost	<u>(1,251,047)</u>	(379,207)

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

Debt principal repaid (GO \$4,630,000 PERS \$1,400,106, FFCO \$125,000, Financing \$138,000)	6,293,106
Proceeds from financing agreement	(1,500,000)
Payments on capital lease	245,193

Governmental funds report the effect of premiums, and discounts when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Amortization of premium/(discount)	(701,969)
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Change in Proportionate Share of Net Pension Liability	(43,005,099)
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Change in deferred outflow of resources from Net Pension Liability	16,067,433
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Change in Equity Interest in Center for Advanced Learning (CAL)	(537,975)
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In the Statement of Activities interest is accrued on long-term debt, whereas in the governmental funds it is recorded as an interest expense when due	9,499
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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.	115,209
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Compensated absences are recognized as an expenditure in the governmental funds when they are paid. In the Statement of Activities compensated absences are recognized as an expenditures when earned	<u>(200,295)</u>
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CHANGE IN NET POSITION	<u>\$ (20,914,863)</u>
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See notes to basic financial statements.

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE- BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2016

	Budget			Variance with Final Budget Over (Under)
	Adopted	Final	Actual	
REVENUES:				
Property taxes	\$ 25,505,000	\$ 25,505,000	\$ 26,313,652	\$ 808,652
State and local sources	84,332,372	84,332,372	85,215,301	882,929
Investment earnings	135,000	135,000	195,696	60,696
Federal sources	42,000	42,000	63,366	21,366
Total revenues	110,014,372	110,014,372	111,788,015	1,773,643
EXPENDITURES:				
Instruction	70,444,939	70,444,939	69,012,006	(1,432,933)
Support services	39,298,783	39,298,783	38,337,982	(960,801)
Community services	245,604	245,604	232,923	(12,681)
Facilities acquisition and construction	-	-	-	-
Operating contingency	5,547,376	5,547,376	-	(5,547,376)
Total expenditures	115,536,702	115,536,702	107,582,911	7,953,791
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,522,330)	(5,522,330)	4,205,104	9,727,434
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	(800,000)	(800,000)	(800,000)	-
Proceeds from sale or loss of capital assets	5,000	5,000	6,538	1,538
	(795,000)	(795,000)	(793,462)	1,538
NET CHANGE IN FUND BALANCE	(6,317,330)	(6,317,330)	3,411,642	9,728,972
FUND BALANCE, July 1, 2015	6,317,330	6,317,330	6,866,451	549,121
FUND BALANCE, June 30, 2016	\$ -	\$ -	\$ 10,278,093	\$ 10,278,093

See notes to basic financial statements.

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FEDERAL GRANT FUND
YEAR ENDED JUNE 30, 2016

	Budget		Actual	Variance with Final Budget Over (Under)
	Adopted	Final		
REVENUES:				
Federal sources	\$ 8,406,881	\$ 8,406,881	\$ 6,334,334	\$ (2,072,547)
Total revenues	8,406,881	8,406,881	6,334,334	(2,072,547)
EXPENDITURES:				
Instruction	5,015,585	5,015,585	4,204,864	(810,721)
Support services	3,281,595	3,281,595	2,098,524	(1,183,071)
Community services	109,701	109,701	30,946	(78,755)
Total expenditures	8,406,881	8,406,881	6,334,334	2,072,547
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, July 1, 2015	-	-	-	-
FUND BALANCE, June 30, 2016	\$ -	\$ -	\$ -	\$ -

See notes to basic financial statements.

FIDUCIARY FUNDS

These funds account for the District's early retirement and post-employment health care benefits, and scholarship programs provided by bequests and donations. Included are:

Pension Trust Fund – The Early Retirement Fund accounts for the accumulation of resources to be used for payments to employees who receive supplemental early retirement stipends. The Post Retirement Fund accounts for the accumulation of resources to be used to pay post-employment medical care benefits (OPEB). Resources for the early retirement fund are charged to other funds as a percent of payroll based on actuarial valuations. Resources are contributed to the Post Retirement Fund through a transfer from the general fund. Both funds are budgeted together as the Pension Trust Fund.

Agency Fund – accounts for the receipts and disbursements associated with the processing of payroll for the Center for Advanced Learning and to account for “pass-through” grants where the District acts as fiscal agent or cash conduit.

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GRESHAM-BARLOW SCHOOL DISTRICT 10JT
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2016

	Pension Trust Funds		
	Early Retirement Fund	Post Retirement Fund	Agency Fund
ASSETS			
Cash and cash equivalents	\$ 313,534	\$ 965,144	\$ 7,757
Receivables	-	-	3,247
TOTAL ASSETS	313,534	965,144	11,004
LIABILITIES			
Book overdraft	-	-	3,247
Due to other agencies	-	-	7,757
TOTAL LIABILITIES	-	-	11,004
NET POSITION RESTRICTED FOR PENSIONS	\$ 313,534	\$ 965,144	\$ -

See notes to basic financial statements.

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2016

	Pension Trust Funds	
	Early Retirement Fund	Post Retirement Fund
ADDITIONS:		
Contributions:		
Employer	\$ 367,266	\$ 300,000
Investment earnings	1,718	6,612
Total additions	<u>368,984</u>	<u>306,612</u>
DEDUCTIONS:		
Early retirement benefits	354,557	-
Health and welfare benefits	<u>-</u>	<u>132,615</u>
Total deductions	<u>354,557</u>	<u>132,615</u>
CHANGE IN NET POSITION	14,427	173,997
NET POSITION, July 1, 2015	<u>299,107</u>	<u>791,147</u>
NET POSITION, June 30, 2016	<u><u>\$ 313,534</u></u>	<u><u>\$ 965,144</u></u>

See notes to basic financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Gresham-Barlow School District 10JT (the District), was established on July 1, 1994 as the result of the unification of the former Gresham Grade, Orient, Damascus Union and Barlow-Gresham Union High School Districts. The elementary districts merged into Barlow-Gresham Union High School District. The Barlow-Gresham Union High School District Board of Directors remained the governing Board and the policies of the high school remained intact.

The District is governed by an elected seven-member board. The District is a special-purpose primary government exercising financial accountability for all public education within its boundaries. As required by generally accepted accounting principles, these financial statements present all significant activities and organizations of the District. The District reports no component units, nor is the District a component unit of any other entity. There are various governmental agencies and special service districts, which provide service with the District's boundaries, however, the District is not financially accountable for any of these entities, and therefore, none of them are considered component units or included in these basic financial statements.

The District has granted charter to three public charter schools, Gresham-Barlow Web Academy Charter School, Gresham Arthur Academy Charter School and Lewis and Clark Montessori Charter School. These public charter schools are legally separate, tax-exempt organizations governed by their own boards of directors and their financial statements may be obtained by their administrative offices.

Gresham-Barlow Web Academy
1331 NW Eastman Parkway
Gresham, OR 97030

Lewis and Clark Montessori Charter School
PO Box 365
Gresham, OR 97030

Arthur Academy Gresham, Mastery Learning Institute
13717 SE Division
Portland, OR 97236

Basis of Presentation

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District. These statements include the governmental financial activities of the overall District, except fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Governmental activities are financed primarily through property taxes, intergovernmental revenues, and charges for services.

The Statement of Activities presents a comparison between direct expenses and program revenues for each of its functions/programs. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to that function. Eliminations have been made to minimize the double counting of internal activities in the Statement of Activities, however interfund services provided and used are not eliminated in the process of consolidation. Program revenues include: (1) charges to students or others for tuition, fees, rentals, material, supplies or services provided, (2) operating grants and contributions and (3) capital grants and contributions. Revenues that are not classified as program revenues, including property taxes and state support, are presented as general revenues.

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

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

Fund Financial Statements

The fund financial statements provide information about the District's funds including those of a fiduciary nature. Separate statements for each fund category - governmental and fiduciary - are presented. The emphasis of fund financial statements is

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as other governmental funds.

The District reports the following major governmental funds:

General Fund - This is the District's primary operating fund and accounts for all revenues and expenditures except those required to be accounted for in another fund.

Federal Grant Fund – This fund accounts for revenues and expenditures of grants restricted for specific educational projects. Principal revenue sources are federal grants.

Capital Project Fund – This fund accounts for financial resources that are used for the acquisition of land, construction of buildings, remodel, rehabilitation and/or major renovation of capital facilities, fixtures, new equipment and textbooks for program improvement and educational technology. Principal revenue sources are construction excise taxes, SB 1149 revenues, rental fees on surplus land and surplus land sales, MESD resolution, and transfers from the General fund.

Additionally, the District reports the following fund types:

The pension trust fund accounts for the accumulation of resources to be used for payments to employees who receive supplemental early retirement stipends and post-employment health care benefits.

The Agency Fund accounts for pass-through grants where the District acts as fiscal agent or cash conduit and handles the payroll function for the Center for Advanced Learning and Gresham-Barlow Education Foundation.

Measurement Focus and Basis of Accounting

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

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

Agency fund financial statements report only assets and liabilities and therefore, have no measurement focus. However the accrual basis of accounting is used to recognize receivables and payables.

Cash, Cash Equivalents and Investments

The District's cash and cash equivalents consist of cash on hand, demand deposits, saving deposits, money market deposits, investments in the State of Oregon Treasurer's Local Government Investment Pool (LGIP) and cash with county treasurers.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The District's investments, according to policy, can consist of time certificates of deposit, bankers' acceptances, commercial paper and U.S. Government Agency securities. Time certificates of deposits are stated at cost which approximates fair value. Investments, other than time certificates of deposit, that have a remaining maturity at the time of purchase of one year or less are stated at amortized cost. All other investments are stated at fair value, or estimated fair value. The LGIP is stated at cost which approximates fair value. Fair value of the LGIP is the same as the District's value in pool shares.

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

Property Taxes Receivable

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

Accounts and Other Receivables

Accounts and other receivables are comprised primarily of State school support and claims for reimbursement of costs under various federal and state grants. All accounts receivable are current and no allowance for uncollectible accounts is made.

Interfund Receivables and Payables and Transfers

The receipt and payment of monies through one central checking account, as well as transfers between funds, result in interfund payables and receivables until cash is transferred from one fund to the other. These amounts represent current assets and liabilities and are reported as due to or due from other funds.

Grants

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

Supply Inventories and Prepaids

Inventories are charged as expenditures when purchased and are stated at cost using first-in, first-out (FIFO) method. Any donated inventories are stated at their estimated fair market value. Inventories at year end were considered immaterial.

A portion of the inventory consists of donated United States Department of Agriculture (USDA) commodities. Commodities are recorded when processing and handling fees are paid and are stated at their fair market value based on guidelines provided by the USDA. Commodities on hand at year end were considered immaterial.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Intangible Assets

Intangible assets are recorded in accordance with GASB Statement No. 51. The capitalization threshold for intangible assets is \$50,000. There were no intangible assets as of June 30, 2016.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets are recorded at original or estimated original cost. Donated capital assets are recorded at their estimated fair market value on the date donated. The District defines capital assets as assets with an initial cost of more than \$5,000 and an estimated life in excess of three years. Interest incurred during construction is not capitalized. Maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	10 to 50 years
Equipment and vehicles	5 to 20 years
Land and construction in progress are not depreciated.	

Retirement Plans

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

In addition, licensed, classified employees (hired prior to July 1, 1999), administrative supervisors, (hired prior to July 1, 2005) and confidential employees (hired prior to July 1, 2009) with 15 years of service with the District and reaching age 55 (10 years for administrative) or age 55 with 30 years of service with PERS, generally, are eligible for early retirement benefits. Payment of benefits is made from a fiduciary fund, which accumulates contributions made from the General Fund. These contributions are charged to expenditures based on actuarially determined amounts. Employer contributions to the Pension Trust Fund are recorded when due and the Board has made a formal commitment to provide contributions.

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

Post Employment Health Care Benefits

Eligible administrative and confidential employees who elect early retirement are entitled to payment of group medical and dental insurance premiums up to specified maximum limits. Such costs are recorded as expenses in the Pension Trust Fund and funded as premiums become due.

Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the District. All unused vacation pay is accrued when earned in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignation and retirements.

Long-term Debt

In the government-wide financial statements long-term debt is reported as a liability in the Statement of Net Position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budget

A budget is prepared and legally adopted for each governmental fund type and pension trust funds on the modified accrual basis of accounting. The agency fund is not required to be budgeted. A budget is prepared for multiple areas of the District's Capital Project Fund and Special Revenue Funds because the individual funds are associated with specific bond proceeds, grants or other revenue sources, however, the legal level of budgetary control is at the combined level as adopted by the Board of Education by resolution. The budgetary basis of accounting is substantially the same as accounting principles generally accepted in the United States of America basis, except capital outlay expenditures, including items below the District's capitalization level, are budgeted by major function in governmental fund types, inventories are budgeted as expenditures when purchased and contributions to the Post Retirement Fund are budgeted as transfers. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations.

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

Supplemental budgets less than 10% of a fund's original budget may be adopted by the Board at a regular 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. A budget amendment was approved by the Board on May 7, 2015 in the amount of approximately \$1 million which was less than one percent of the original budget. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control (major function levels) with Board approval. During the year, no appropriation transfers were made. Appropriations lapse at the end of each fiscal year. Expenditures of the various funds were within authorized appropriations.

Use of Estimates

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

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has unavailable property taxes and a net deferred pension inflow, which arises only under the modified accrual basis of accounting, which qualifies for reporting in this category. This amount is deferred and recognized as an outflow of resources in the period that the amounts are due.

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 represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has items, which arise only under the modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, these items, unavailable revenue, are reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net position flow assumption

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitation requiring the use of resources for specific purposes. These categories are described as follows:

Nonspendable Fund Balance – represents amounts that are not in a spendable form (inventories and prepaid items). The District currently has no nonspendable fund balance.

Restricted Fund Balance – represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements or other governments) or are restricted by law (constitutionally or by enabling legislation).

Committed Fund Balance – represents funds formally set aside by the Board of Directors for a particular purpose. The Board of Directors must take formal action by resolution to establish, modify or resend the commitment. The District currently has no committed fund balance.

Assigned Fund Balance – represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. The Board has given authority by motion to the District's Superintendent and/or the District's Chief Finance Officer to assign fund balance.

Unassigned Fund Balance – is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

The Board of Directors has approved the following order of spending regarding fund balance categories:

1. Restricted Fund Balance
2. Committed Fund Balance
3. Assigned Fund Balance
4. Unassigned Fund Balance

2. CASH, DEPOSITS AND INVESTMENTS

Cash, deposits and investments are comprised of the following as of June 30, 2016, stated at cost which approximates fair value:

Cash on hand	\$ 5,050
Deposits banks	2,517,394
Time certificates of deposit	136,115
State of Oregon treasurer's investment pool	16,290,662
	<hr/>
	\$ 18,949,221

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

Statement of Net Position	
Equity in Cash and Investments	\$ 17,666,033
Statement of Fiduciary Funds Net Assets	
Equity in Cash and Investments	1,286,435
Book overdraft	(3,247)
	<hr/>
	\$ 18,949,221

Interest rate risk. In accordance with its investment policy, the District manages its exposure to declines in fair values by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and investing operating funds primarily in shorter-term securities or short-term

2. CASH, DEPOSITS AND INVESTMENTS (CONTINUED)

investment pools. The maximum maturity shall be the anticipated use of the cash or 18 months, whichever is shorter, unless the funds are being accumulated for a specific purpose, including future construction projects, and upon approval of the District, the maximum maturity date matches anticipated use of the funds.

As of June 30, 2016 the District held the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in months)			% of Portfolio
		Less than 3	3-18	18-59	
Local Government Investment Pool	\$ 16,290,662	\$ 16,290,662	\$ -	\$ -	100 %
U. S. Agencies	-	-	-	-	0
	<u>\$ 16,290,662</u>	<u>\$ 16,290,662</u>	<u>\$ -</u>	<u>-</u>	<u>100 %</u>

Credit risk. State law and the District's investment policy limits investments in corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs) and commercial paper to the top rating (top two if issued on Oregon business enterprises). The District's investment in U.S. Agency Securities were rated Aaa by Moody's Investors Service. The State treasurer's investment pool is an open-ended, no-load diversified portfolio. The fund is not registered with the U. S. Securities and Exchange Commission as an investment company and is not rated.

Concentration of Credit Risk. The District's investment policy places no limit on the amount the District may invest in U.S. government agency securities and instrumentalities of government-sponsored corporations or the state treasurer's investment pool, however the policy limits investment to a single U. S government agency to 50% of surplus funds. The District's investment policy limits commercial paper to 35% of total investments with no more than 5% in a single corporate entity or its affiliates or subsidiaries. The District's investment policy also limits banker's acceptances to 50% of the total investment portfolio with no more than 25% of the total portfolio of investments in a single issuer. State and Local Government securities are limited to 25% of the total portfolio and to lawfully issued debt obligation or the agencies and instrumentalities of the States of Oregon, Washington, Idaho and California. The District policy, which adheres to State of Oregon law, is to limit its investment to issuers within Oregon with a rating of at least "A" (bond) or A-2/P-2 (commercial paper) or better by Standard and Poor's, Moody's Investor Service or any other nationally recognized statistical rating organization, issuers not in Oregon must be rated AA/Aa (bonds) or A-1/P-1 (commercial paper) or better.

Custodial credit risk – deposits. At year-end, the District's net carrying amount of deposits was \$2,653,509 and the bank balance was \$4,461,909. Of these deposits, \$815,196 was covered by federal depository insurance, the remainder is collateralized the Oregon Public Funds Collateralization Program (PFCP). Oregon Revised Statutes and District policy require depository institutions to maintain on deposit, with the collateral pool manager, securities having a value not less than 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized, or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of the State Treasurer.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District minimizes custodial credit risk by limiting investments to the types of securities allowed by law; and pre-qualifying the financial institutions, and broker/dealers with which the District will do business. The

District's investment policy requires that all of the District's investments, except for the investment in the Local Government Investment Pool which is not evidenced by securities and the overnight sweep repurchase agreements, to be delivered to and held in third party safekeeping. The overnight sweep repurchase agreements were held in safekeeping by the financial institution counterparty in the financial institution's general customer account name. There was no overnight sweep balance at June 30, 2016.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of an asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District has its position in the LGIP as a recurring fair value measurement as of June 30, 2016. The LGIP is valued using quoted market prices (Level 1 inputs).

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

3. RECEIVABLES

Receivables are comprised of the following as of June 30, 2016:

Property taxes	\$	2,091,197
Grants		1,844,373
Common school fund		893,248
July turnover with county treasurer		166,425
Agency fund		3,247
Other		699,377
Total	\$	<u>5,667,867</u>

4. CAPITAL ASSETS

Capital assets activity for the year was as follows:

	July 1, 2015	Increases	Decreases	June 30, 2016
Capital assets not being depreciated:				
Land	\$ 6,326,123	\$ -	\$ -	\$ 6,326,123
Construction in progress	517,039	-	517,039	-
Total capital assets not being depreciated	<u>6,843,162</u>	<u>-</u>	<u>517,039</u>	<u>6,326,123</u>
Capital assets being depreciated				
Buildings and improvements	119,377,751	2,443,645	-	121,821,396
Vehicles and equipment	6,692,289	150,552	-	6,842,841
Total capital assets being depreciated	<u>126,070,040</u>	<u>2,594,197</u>	<u>-</u>	<u>128,664,237</u>
Less accumulated depreciation for:				
Buildings and improvements	(53,992,433)	(2,700,725)	-	(56,693,158)
Vehicles and equipment	(5,508,930)	(153,409)	-	(5,662,339)
Total accumulated depreciation	<u>(59,501,363)</u>	<u>(2,854,134)</u>	<u>-</u>	<u>(62,355,497)</u>
Total capital assets being depreciated, net	<u>66,568,677</u>	<u>(259,937)</u>	<u>-</u>	<u>66,308,740</u>
Total capital assets, net	<u>\$ 73,411,839</u>	<u>\$ (259,937)</u>	<u>\$ 517,039</u>	<u>\$ 72,634,863</u>

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

<u>Program</u>	
Regular programs	\$ 2,575,151
Special programs	32,503
Student support services	971
Instructional programs	661
School administration	1,611
Business support services	187,876
Central activities	7,959
Enterprise and community services	47,402
Total	<u>\$ 2,854,134</u>

5. Long-Term Debt

Bonds Payable

General Obligation Bonds

General obligation bonds are direct obligations and pledge the full faith and credit of the District. The District issues general obligation bonds to provide funds for the acquisition and construction of District school facilities. Outstanding issues are all refunding issues which refunded the 1996 and 2000 construction bonds.

On June 19, 2012 the District issued \$9.43 million in taxable refunding bonds in order to refund \$8,895 million of the Series 2003 GO Bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the government activities column of the statement of net assets. The bonds were issued at par.

Changes in general obligation bonds outstanding are as follows:

ISSUE DATE:	Original Issue	Outstanding July 1, 2015	Issued	Matured and Redeemed	Outstanding June 30, 2016	Due Within One Year	Interest Rates
April 18, 2005	\$32,405,000	\$ 25,125,000	\$ -	\$ 2,340,000	\$ 22,785,000	\$2,575,000	5.50%
June 19, 2012	9,430,000	4,620,000	-	2,290,000	2,330,000	2,330,000	1.37
		29,745,000	-	4,630,000	25,115,000	4,905,000	
Unamortized premium		1,387,749	-	231,292	1,156,457	231,291	
Total		\$ 31,132,749	\$ -	\$ 4,861,292	\$ 26,271,457	\$ 5,136,291	

Pension Obligation Bonds

On October 31, 2002 and April 21, 2003, limited tax pension obligation bonds totaling \$35,758,403 and \$25,307,539, respectively, were issued to finance the District's unfunded actuarially accrued liability (UAL) with the State of Oregon Public Employees Retirement System (PERS). The issuance of the bonds was considered an advance refunding of the District's UAL and resulted in an estimated present value saving of approximately \$16 million over the life of the bonds. The actual savings realized by the District over the life of the bonds is uncertain because of the various legislative changes and legal issues pending with the PERS system which could impact the District's future required contribution rate.

On January 31, 2012, limited tax pension refunding obligation bonds totaling \$2,485 million were issued to refund \$2,380 million of the October 31, 2002 limited tax pension obligation bonds. The remaining pension obligation bonds are not callable. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the government activities column of the statement of net assets.

Changes in pension obligation bonds outstanding are as follows:

ISSUE DATE:	Original Issue	Outstanding July 1, 2015	Issued	Matured and Redeemed	Outstanding June 30, 2016	Due Within One Year	Interest Rates
October 31, 2002	\$ 35,758,403	\$ 27,945,555	\$ -	\$ 714,911	\$27,230,644	\$ 728,542	5.48-6.1%
April 21, 2003	25,307,539	18,752,892	-	685,195	18,067,697	685,705	5.66-6.34
January 31, 2012	2,485,000	2,485,000	-		2,485,000		2.75
		49,183,447	-	1,400,106	47,783,341	1,414,247	
Unamortized discount		(5,102,812)	-	(946,004)	(4,156,807)	(946,004)	
Total		\$ 44,080,635	\$ -	\$ 454,102	\$ 43,626,534	\$468,243	

5. LONG-TERM DEBT (CONTINUED)

Full Faith and Credit Obligations

On August 22, 2012 the District issued \$2.185 million in full faith and credit obligations in order to finance energy efficiency and related capital projects. Repayment will be made from the District's general non-restricted revenues and other funds that may be available for that purpose but primarily SB 1149 revenues which are designated for energy projects. The obligations are not general obligation bonds and are not subject to the District's debt limitation.

Changes in full faith and credit obligation bonds outstanding are as follows:

ISSUE DATE:	Original Issue	Outstanding July 1, 2015	Issued	Matured and Redeemed	Outstanding June 30, 2016	Due Within One Year	Interest Rates
August 12, 2012	\$ 2,185,000	\$ 1,810,000	\$ -	\$ 125,000	\$1,685,000	\$ 130,000	3-4%
	Unamortized premium	152,940		12,745	140,195	12,745	
Total		\$ 1,962,940	\$ -	\$ 137,745	\$ 1,825,195	\$ 142,745	

Financing Agreement

The District entered into a ten-year financing agreement with Washington Federal on July 6, 2015 for the purpose of replacing the turf field at Gresham High School in the amount of \$1.5 million. The obligation is not subject to the District's debt limitation.

Changes in the financing agreement outstanding are as follows:

ISSUE DATE:	Original Issue	Outstanding July 1, 2015	Issued	Matured and Redeemed	Outstanding June 30, 2016	Due Within One Year	Interest Rates
July 6, 2015	\$ 1,500,000	\$ -	\$ 1,500,000	\$ 138,000	\$1,362,000	\$ 139,000	2.9%

Future maturities are as follows and does not include amortization of premium and discounts:

Fiscal Year Ending June 30,	Principal	Interest
2017	\$ 6,588,247	\$ 5,333,271
2018	6,116,791	5,428,939
2019	6,536,415	5,472,195
2020	6,973,175	5,506,592
2021	9,165,426	3,904,898
2022-2026	28,390,287	11,668,828
2027-2028	12,175,000	892,346
Total	\$ 75,945,341	\$ 38,207,069

In prior years, the District defeased general obligation bonds by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old obligations. As a result, the early refunding bonds are considered to be defeased. Accordingly, the trust account assets and the liabilities for the defeased obligations are not included in the District's basic financial statements. At June 30, 2016, \$25,775,000 of general obligation bonds and \$2,380,000 of PERS bonds outstanding are considered defeased.

5. LONG-TERM DEBT (CONTINUED)

Compensated Absences

<u>Outstanding 7/1/15</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding 6/30/16</u>	<u>Due with one year</u>
\$659,979	\$860,274	\$659,979	\$860,274	\$688,219

Compensated absences are assumed to be used on a first in first out basis and are generally liquidated by the general fund. An estimate has been made to determine balances which are considered due within one year.

The general obligation bonds will be paid from general property tax revenues from the Debt Service Fund. The pension bonds will be paid from the general fund with reimbursements from charges to fringe benefits for all employees who qualify for the State of Oregon Public Employees Retirement System. The full faith and credit obligation and the financing agreement will be paid from the capital projects fund. Compensated absences will be paid from the general fund.

6. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Due to/from other funds at June 30, 2016 are as follows:

General fund	\$	1,709,725	
Federal Grant Fund			\$ 1,709,725
Non-major governmental funds			-
Total interfund receivables and payables	\$	<u>1,709,725</u>	<u>\$ 1,709,725</u>

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

Transfers are used to move unrestricted revenues to finance various programs that the District must account for in other funds in accordance with budgetary authorization.

In the year ended June 30, 2016, the District made the following transfers:

- 1) A transfer of \$260,000 from the General Fund to the Capital Projects Fund in support of the maintenance reserve program.
- 2) A transfer of \$300,000 from the General Fund to the Post Retirement Fund in support of other post employment health care benefits.
- 3) A transfer of \$240,000 from the General Fund to the Other Special Revenue Fund in support of print shop operations.

7. OPERATING LEASES

The District leases equipment, primarily copiers, under non-cancelable lease agreements. Operating lease expenses/expenditures totaled approximately \$210,000 for the year ended June 30, 2016. Future payments associated with operating leases are due as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2017	\$ 198,000
2018	85,000
2019	44,000
2020	20,000
2021	8,000
	<u>\$ 355,000</u>

8. CAPITAL LEASES

The District entered into a lease agreement as lessee for financing the acquisition of computer hardware with a down payment of \$257,911 on July 17, 2014. The lease agreement qualifies as a capital lease for accounting purposes and, therefore has been recorded at the present value of the future minimum lease payments as of the inception date. The equipment acquired through the capital lease had a purchase price of \$1,006,065 but did not meet the criteria for capitalization under the District's capitalization policy and therefore was expensed in the 2014-2015 fiscal year. Lease payments for the current fiscal year amounted to \$257,911, with \$12,719 representing interest.

The future minimum lease obligation and net present value of these lease payments as of June 30, 2016 is as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2017	257,912
2018	257,911
Total minimum lease payments	515,823
Less: amount representing interest	(12,862)
Present Value of minimum lease payments	<u>\$ 502,961</u>

9. OTHER POST EMPLOYMENT BENEFITS

Post Employment Health Care Benefits

Plan Description - The District, as a result of collective bargaining agreements, offers post-employment medical benefits under a single-employer, defined benefit plan, to administrators and confidential employees upon retiring under the provisions of PERS and to instructors who retired prior to July 1, 1992. In addition to qualifying for PERS, retirees must elect early retirement under the District's early retirement program as described in the previous Note. For these retirees, the District provides payments for medical premiums and provides dental coverage to administrators until the earlier of 120 months or until age 65.

Prior to July 1, 1992, the program was also available to instructors. As a result of collective bargaining, increased benefits in the District's early retirement program, as described in the previous note, have replaced the post-employment health care benefits for instructions retiring on or after July 1, 1992. Benefits will continue for those instructors already receiving benefits, who retired prior to July 1, 1992. The District does not issue a stand-alone report for this plan.

Summary of significant accounting policies -The plan is accounted for in the Post Retirement Fund, which is reported on the accrual basis of accounting. The District's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Plan investments are a part of the District's investment pool, reported at fair value. Because the District has not transferred the assets to an insurance trust, the actuarial value of assets is zero.

Funding Policy - The benefits from this program are fully paid by the District and, consequently, no contributions by employees are required. Although there is no obligation on the part of the District to fund these benefits in advance, the District has established a Post Retirement Fund to accumulate assets to pay these benefits in the future; however the District does not contribute to the fund on an actuarially determined basis.

Annual Pension Cost and Net Pension Obligation - The District's annual other postemployment benefit cost is calculated based on the annual required contribution of the employer (ARC), and amount actuarially determined in accordance within the parameter of GASB Statement 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 (or funding excess) over a period not to exceed thirty years. The following table shows the components of the OPEB obligation at the end of the year:

9. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

	2016	2015	2014
Annual required contribution	\$ 199,755	\$ 251,201	\$ 256,645
Interest on net pension obligation	9,309	7,206	5,404
Adjustment to annual required contribution	(32,009)	(24,779)	(18,581)
Annual pension cost	177,055	233,628	243,468
Contributions made	(119,204)	(173,541)	(191,979)
Increase in net pension obligation	57,851	60,087	51,489
OPEB (Asset) at beginning of year	265,976	205,889	154,400
OPEB (Asset) at end of year	\$ 323,827	\$ 265,976	\$ 205,889
Percentage of APC contributed	67.3%	74.3%	78.9%

Actuarial Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the type 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 actuarial 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 annual required contribution (ARC) for the current year was determined as part of the July 1, 2015 actuarial valuation using the projected unit credit method. The objective of this method is to fund each participant's benefits under the plans as they accrue. The unfunded accrued liability is amortized over an open period of 10 years as a percentage of payroll. The actuarial assumptions included (a) a rate of return on investment of present and future assets of 3.5% compounded annually and a 100% assumption of participants who elect medical coverage at retirement; (b) for employees who are not yet retired, the District paid cap is assumed to increase \$60 per month each year until retirement; and (c) no post-retirement benefit increases, an inflation rate of 2.75% and a payroll growth rate of 3.5%.

Funding Status and Funding Progress – As of July 1, 2015, the plan was 0% funded. The actuarial accrued liability for benefits was \$1,222,355, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,222,355. The covered payroll (annual payroll of active employees covered by the plan) was \$3,397,410, and the ratio of the UAAL to the covered payroll was 36%.

Actuarial valuations of an ongoing plan involve 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 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, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The funding policy for these programs provides for an actuarially determined periodic transfer of resources by the General Fund to the Post Retirement Fund. The transfer of resources is intended to be a constant dollar amount for each employee covered by the programs so that sufficient resources will be available to pay benefits when due. Costs of administering these programs are funded by the District.

Program membership consisted of the following at January 1, 2015:

Retirees currently receiving benefits	15
Active program members	37
Total	52

9. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Post Employment Health Insurance Subsidy

Plan Description - The District operates a single-employer retiree benefit plan that provides postemployment health, dental vision and life insurance benefits to eligible employees and their spouses. There are active and retired members in the plan. Benefits and eligibility for members are established through the collective bargaining agreements.

The District's post-retirement healthcare plan established in accordance with Oregon Revised Statutes (ORS) 243.303. ORS stipulated that for the purpose of establishing healthcare premiums, the rate must be based on all plan members, including both active employees and retirees. The difference between retiree claims cost, which because of the effect of age is generally higher in comparison to all plan members, and the amount of retiree healthcare premiums represents the District's implicit employer contribution.

The District did not establish an irrevocable trust (or equivalent arrangement) to account for the plan. Instead, the activities of the plan are reported in the General Fund. The District does not issue a stand-alone report for this plan.

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

Annual Pension Cost and Net Pension Obligation - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the type 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 actuarial 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 District's annual other postemployment benefit cost is calculated based on the annual required contribution of the employer (ARC), and amount actuarially determined in accordance within the parameter of GASB Statement 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 (or funding excess) over a period not to exceed thirty years. The following table shows the components of the OPEB obligation at the end of the year:

	2016	2015	2014
Annual required contribution	\$ 1,126,551	\$ 1,450,464	\$ 1,366,042
Interest on net pension obligation	58,092	43,218	31,071
Adjustment to annual required contribution	(110,651)	(77,175)	(52,219)
Annual pension cost	1,073,992	1,416,507	1,344,894
Contributions made	(752,636)	(991,551)	(997,821)
Increase in net pension obligation	321,356	424,956	347,073
OPEB (Asset) at beginning of year	1,659,759	1,234,803	887,730
OPEB (Asset) at end of year	\$ 1,981,115	\$ 1,659,759	\$ 1,234,803
Percentage of APC contributed	70.1%	70.0%	74.2%

Actuarial Methods and Assumptions – The annual required contribution (ARC) for the current year was determined as part of the July 1, 2015 actuarial valuation using the projected unit credit method. The objective of this method is to fund each participant's benefits under the plans as they accrue. The unfunded accrued liability is amortized over a closed period of 20 years as a percentage of payroll. The actuarial assumptions included (a) a rate of return on investment of present and future assets of 3.5% compounded annually, an inflation rate of 2.75% and a payroll growth rate of 3.5%, (b) a 60% assumption of participants who elect self-pay retiree medical coverage and a 100% assumption of participants who elect District-paid retiree life insurance coverage at retirement; (c) medical and prescription drug costs would increase at 5.5% inflation for the current year, then ranging from 4.75 to 7 percent annual rate over the next 55 years and dental costs would increase at 4.5% inflation per year.

9. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

The demographic assumptions, such as mortality, disability incidence, retirement and turnover rates, are the same as those used by Oregon PERS for School Districts. Other demographic assumptions were based on historical demographic data provided by the District.

Funding Status and Funding Progress – As of July 1, 2015, the plan was 0% funded. The actuarial accrued liability for benefits was \$8,680,775, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$8,680,775. The covered payroll (annual payroll of active employees covered by the plan) was \$54,456,022, and the ratio of the UAAL to the covered payroll was 15.9%.

Actuarial valuations of an ongoing plan involve 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 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, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Tax Sheltered Annuity

The District offers its employees a tax deferred annuity programs established pursuant to Section 403(b) and 457(b) of the Internal Revenue Code (the Code). Contributions are made through salary reductions from participating employees up to the amounts specified in the Code. No contributions are required from the District. As of June 30, 2015, approximately 380 employees were participating in the plan.

10. PENSION PLANS

Early Retirement

Plan Description - The District maintains a single employer early retirement supplement program for its employees. This program covers all full-time certificated and classified employees (hired prior to July 1, 1999) and administrative employees (hired prior to July 1, 2005) and confidential (hired prior to July 1, 2009) personnel of the District. The District does not issue a stand alone report for this plan.

These programs have been established under separate collective bargaining agreements and provide provisions for early retirement after 30 years of service or age 55 with at least 15 years of continuous District service (ten years for administrative) immediately preceding retirement. This optional early retirement program provides the employee with the following:

- For certificated employees, \$780 per month for the earlier of forty-eight months or until age 62.
- For classified or confidential employees, \$200 per month for the earlier of forty-eight months or until age 62.
- For administrators with between 10 and 15 years of service, \$350 per month for the earlier of forty-eight months or until age 62.
- For administrators with 15 or more years of service, \$400 per month for the earlier of forty-eight months or until age 62

Summary of significant accounting policies –The plan is accounted for in the Early Retirement Fund, which is reported on the accrual basis of accounting. The District's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Plan investments are a part of the District's investment pool, reported at fair value.

Funding Policy - The benefits from this program are fully paid by the District and, consequently, no contributions by employees are required. Although there is no obligation on the part of the District to fund these benefits in advance, the District has established an Early Retirement Fund to accumulate assets to pay these benefits in the future based on an actuarially determined rate.

10. PENSION PLANS, (CONTINUED)

Annual Pension Cost and Net Pension Obligation - The District's annual pension cost and net pension obligation (NPO) to the Early Retirement Fund for the current year and prior year were as follows:

	2016	2015	2014
Annual required contribution	\$ 312,061	\$ 386,928	\$ 386,928
Interest on net pension obligation	(9,178)	(9,768)	(10,650)
Adjustment to annual required contribution	38,722	40,164	43,788
Annual pension cost	341,605	417,324	420,066
Contributions made	(367,266)	(400,449)	(394,882)
Decrease in net pension obligation	(25,661)	16,875	25,184
NPO (Asset) at beginning of year	(262,225)	(279,100)	(304,284)
NPO (Liability) at end of year	\$ (287,886)	\$ (262,225)	\$ (279,100)
Percentage of APC contributed	108.0%	96.0%	94.0%

Actuarial Methods and Assumptions - The annual required contribution (ARC) for the current year was determined as part of the July 1, 2015 actuarial valuation using the aggregate actuarial cost method, which does not identify nor separately amortize unfunded actuarial liabilities. The actuarial assumptions included

(a) A rate of return on investment of present and future assets of 3.5% compounded annually; (b) No future increase in benefit payable from this program; and (c) No post-retirement benefit increases and an inflation rate of 2.75%. Assets of the Early Retirement Fund for these programs are valued at cost which approximates fair value.

Funding Status and Funding Progress - Because the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about funding progress has been prepared using the entry age actuarial cost method for that purpose, and the information presented is intended to serve as a surrogate for the funded status and funding progress of the plan. As of July 1, 2015, the most recent actuarial valuation date, the plan was 14% funded. The actuarial accrued liability for benefits was approximately \$2.1 million, and the actuarial value of assets was \$299,107, resulting in an unfunded actuarial accrued liability (UAAL) of approximately \$1.8 million. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$15.2 million, and the ratio of the UAAL to the covered payroll was 11.9%.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The funding policy for these programs provides for an actuarially determined periodic transfer of resources by the General Fund to the Early Retirement Fund. The transfer of resources is intended to be a constant dollar amount for each employee covered by the programs so that sufficient resources will be available to pay benefits when due. Costs of administering these programs are funded by the District.

Program membership consisted of the following at January 1, 2015:

Retirees currently receiving benefits	53
Active program members	273
Total	326

10. PENSION PLANS, (CONTINUED)

Oregon Public Employees Retirement System (PERS)

Plan Description – The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Comprehensive Annual Financial Report which can be found at: http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx.

- a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
 - i) **Pension Benefits.** The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated either by a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results.
 - ii) **Death Benefits.** Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided on or more of the following contributions are met:
 - member was employed by PERS employer at the time of death,
 - member died within 120 days after termination of PERS covered employment,
 - member died as a result of injury sustained while employed in a PERS-covered job, or
 - member was on an official leave of absence from a PERS-covered job at the time of death.
 - iii) **Disability Benefits.** A member with 10 or more years of creditable service who becomes disable from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
 - iv) **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 equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.
- b) **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
 - i) **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:
Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.
General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.
A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.
 - ii) **Death Benefits.** Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.
 - iii) **Disability Benefits.** A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.
 - iv) **Benefit Changes After Retirement.** Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

10. PENSION PLANS, (CONTINUED)

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2013 actuarial valuation, which became effective July 1, 2015. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2016 were \$2,931,512, excluding amounts to fund employer specific liabilities. Approximately \$4,964,000 was charged for the year ended June 30, 2016 as PERS benefits expenditures to be used for bond payments as they become due. In addition approximately \$2,278,000 in employee contributions were paid or picked up by the District in fiscal 2016.

At June 30, 2016, the District reported a liability of \$30,542,161 for its proportionate share of the net pension liability. The pension liability was measured as of December 31, 2012, 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 school districts, actuarially determined. At December 31, 2012, the District's proportion was .53 percent.

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 1,646,988	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	6,402,329
Changes in proportion and differences between District contributions and proportionate share of contributions	-	1,235,797
District contributions subsequent to measurement date	4,601,915	-
Net deferred outflow (inflow) of resources		\$ (1,389,223)

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

<u>Year ending June 30,</u>	<u>Amount</u>
2017	\$ (2,991,508)
2018	\$ (2,991,508)
2019	\$ (2,991,508)
2020	\$ 2,891,662
2021	\$ 91,724
Thereafter	-
Total	\$ (5,991,138)

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated May 23, 2016. Oregon PERS produces an independently audited CAFR which can be found at: http://www.oregon.gov/pers/Pages/section/financial_reports/financial.aspx.

Actuarial Valuations – The employer contribution rates effective July 1, 2013 through June 30, 2015, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

10. PENSION PLANS, (CONTINUED)

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

Actuarial Methods and Assumptions:

Valuation date	December 31, 2012 rolled forward to June 30, 2014
Experience Study Report	2012, Published September 18, 2013
Actuarial cost method	Entry Age Normal
Amortization method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years
Asset valuation method	Market value of assets
Inflation rate	2.75 percent
Investment rate of return	7.75 percent
Projected salary increase	3.75 percent overall payroll growth; salaries for individuals are assumed to grow at 3.75 percent plus assumed rates of merit/longevity increases based on service
Mortality	Healthy retirees and beneficiaries: RP-2000 Sex-district, generational per Scale AA, with collar adjustments and set-backs as described in the valuation. Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (65% for males and 90% for females) of the RP-2000 static combined disabled mortality sex-distinct table.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2012 Experience Study which is reviewed for the four-year period ending December 31, 2012.

Discount Rate – The discount rate used to measure the total pension liability was 7.75 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate – The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent than the current rate.

	Decrease (6.75%)	Rate (7.75%)	Increase (8.75%)
District's proportionate share of the net pension liability	\$ 73,712,368	\$ 30,542,161	\$ (5,838,983)

10. PENSION PLANS, (CONTINUED)

Changes in Plan Provisions Subsequent to Measurement Date: The Oregon Supreme Court on April 30, 2015, ruled in the Moro decision, that the provisions of Senate Bill 861, signed into law in October 2013, that limited the post-retirement COLA on benefits accrued prior to the signing of the law were unconstitutional. Benefits could be modified prospectively, but not retrospectively. As a result, those who retired before the bills were passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a 2% increase annually. PERS will make restoration payments to those benefit recipients. PERS members who have accrued benefits before and after the effective dates of the 2013 legislation will have a blended COLA rate when they retire. Oregon Public Employees Retirement System Notes to the Schedules of Employer Allocations and Pension Amounts by Employer As of and for the Fiscal Year Ended June 30, 2014 39 This is a change in benefit terms subsequent to the measurement date of June 30, 2014, which will be reflected in the next year's actuarial valuations. The impact of the Moro decision on the total pension liability and employer's net pension liability (asset) has not been fully determined. However, PERS' third-party actuaries have estimated the impact of the Moro decision under one possible methodology, which is summarized below (dollars in millions). Estimates have been rounded to the nearest \$10 million.

	June 30, 2014 Measurement Date	
	Pre-Moro	Post-Moro
Total pension liability	\$ 63,134.8	\$ 68,050.0
Fiduciary net position	65,401.5	65,400.0
Net pension liability (asset)	<u>(2,266.7)</u>	<u>2,650.0</u>

11. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft or damage to and destruction of assets; errors and omissions; and natural disasters. The District purchases commercial insurance for all claims other than that represented by minimal deductible amounts per loss. Workers' compensation insurance is purchase on a retrospectively rated basis so that total insurance cost is ultimately in direct proportion to losses. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years and there have been no reductions in insurance coverage from the prior year. The District does not engage in risk financing activities where the risk is retained (self-insurance).

12. COMMITMENTS AND CONTINGENCIES

On July 1, 2004, the District entered into a contract for pupil transportation to extend through the 2013-2014 school year. The District may extend the contract for up to an additional four years in two year increments. The contract was extended on March 3, 2016 for an additional two years to through the 2017-18 school year. The total cost to the District under this contract will vary depending upon the number of buses utilized each day. Expenditures under the contract for pupil transportation during fiscal 2016 were approximately \$5,631,000, including expenditures for gasoline and additional bus services not included in the computation of minimum annual costs.

In May 2015, the District entered into a one-year contract for food service management to extend through the 2015-16 school year. The contract may be renewed yearly upon mutual written agreement for up to four additional years. The contract was renewed on June 9, 2016 for the 2016-17 fiscal year. The total cost to the District under the contract will vary depending upon the number of meals served. Expenditures under the contract for fiscal 2016 were approximately \$3,506,000

The District, in the regular course of business, is named as a defendant in various lawsuits. The likely outcome of these lawsuits is not presently determinable.

13. JOINT VENTURE

The District has entered into an intergovernmental property agreement to build and operate a Center for Advanced Learning (CAL), a charter school. However, payment and ownership will be shared with the following Districts along with their share of ownership: Reynolds School District No. 7, 19.305%; Centennial School District no. 28J, 16.369%; Mt. Hood Community College, 15.058%; and Gresham-Barlow School District No. 10J, 49.268%. The District's investment in CAL at June 30, 2015 and 2016 was \$3,897,737 and \$3,359,762, respectively. The Center for Advanced Learning issues a publicly available financial report which may be obtained by writing: Administrator, The Center for Advanced Learning, 1484 NW Civic Drive, Gresham, OR 97030.

14. SCHOOL FUNDING

The District is dependent on the State of Oregon for a substantial portion of its operating funds. Due to funding uncertainties at the State level, future funding for school districts may be reduced. The ultimate effect of this possible reduction in funding on the District's future operations is not yet determinable.

The District participates in a number of federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The federal audits for these programs for the year ended June 30, 2016 have not been conducted. Accordingly, compliance with grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although such amounts are expected to be immaterial.

15. FUND BALANCES

Below is a schedule of ending fund balance, based on GASB Statement No 54 implementation.

	General Fund	Major Capital Projects Fund	Non Major Funds	Total
Fund Balances:				
Restricted:				
Student and other activities	-	-	1,560,439	1,560,439
Food Services	-	-	1,100,720	1,100,720
Debt Service	-	-	865,944	865,944
School Construction	-	59,751	-	59,751
	-	59,751	3,527,103	3,586,854
Committed to:				
Pers Rate Increase		-		-
		-		-
Assigned to:				
Other Capital Projects	-	926,537	-	926,537
	-	926,537	-	926,537
Unassigned:	10,278,093	-	-	10,278,093
Total Fund Balances	\$ 10,278,093	\$ 986,288	\$ 3,527,103	\$ 14,791,484

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REQUIRED SUPPLEMENTAL INFORMATION

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GRESHAM-BARLOW SCHOOL DISTRICT 10JT
REQUIRED SUPPLEMENTARY INFORMATION
EARLY RETIREMENT PROGRAM

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL) Entry Age	(b)-(a) AAL (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	((b-a)/c) UAAL as a Percentage of Covered Payroll
2015	\$ 299,107	\$ 2,113,618	\$ 1,814,511	14.2 %	\$ 15,264,713	11.9 %
2013	409,601	2,626,610	2,217,009	15.6	15,172,265	14.6
2011	643,601	3,074,897	2,431,296	16.4	21,032,620	11.6
2009	798,715	3,919,169	3,120,454	20.4	30,719,808	10.2
2007	602,404	4,764,481	4,162,077	12.6	28,321,924	14.7
2005	605,330	5,725,034	5,119,704	10.6	31,277,187	16.4

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2016	\$ 312,061	118 %
2015	386,928	103
2014	386,928	102
2013	414,583	110
2012	414,583	116
2011	492,283	102
2010	492,283	109
2009	625,353	111
2008	625,353	116
2007	706,668	103

The above data is based on actuarial valuations performed as of July 1, 2005, July 1, 2007

July 1, 2009, July 1, 2011, July 1, 2013 and July 1, 2015. Significant actuarial assumptions used in the valuation include

(a) a rate of return on investment of present and future assets of 4.0% (5.5% July 1, 2005 and 4% July 1, 2007-2015)

compounded annually, (b) no future increases in benefits payable from the program,

(c) the actuarial cost method used is the Aggregate Actuarial Cost Method, which provides no unfunded actuarial accrued liability and no amortization added to the normal cost, (d) the asset valuation method is fair value, and (e) an inflation rate of 2.75%.

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
REQUIRED SUPPLEMENTARY INFORMATION**

POST EMPLOYMENT HEALTH CARE BENEFIT PROGRAM

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	(c) Covered Payroll	((b-a)/c) UAAL as a Percentage of Covered Payroll
2015	\$ -	\$ 1,222,355	\$ 1,222,355	- %	\$ 3,397,410	36.0 %
2013	-	1,598,837	1,598,837	-	3,306,481	48.4
2011	-	1,744,609	1,744,609	-	3,825,831	45.6
2009	-	2,280,325	1,963,075	-	4,036,745	48.6
2007		1,963,075	1,963,075		4,808,901	40.8

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30,	Annual Required Contribution	Percentage Contributed	Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2016	\$ 199,755	59.7 %	2011	352,329	64.7 %
2015	251,201	69.1	2010	285,962	81.1
2014	256,645	74.8	2009	141,142	181.4
2013	267,823	81.3	2008	-	-
2012	276,562	81.3	2007	-	-

POST EMPLOYMENT HEALTH INSURANCE SUBSIDY

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	(c) Covered Payroll	((b-a)/c) UAAL as a Percentage of Covered Payroll
2015	\$ -	\$ 8,680,775	\$ 8,680,775	- %	\$ 54,456,022	15.9 %
2013	-	11,556,634	11,556,634	-	49,346,866	23.4
2011	-	12,281,208	12,281,208	-	53,980,419	22.8
2009	-	10,417,117	10,417,117	-	52,093,617	20.0
2007		8,766,708	8,766,708	-	48,950,495	17.9

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30,	Annual Required Contribution	Percentage Contributed	Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2016	\$ 1,126,551	66.8 %	2011	1,158,809	76.0 %
2015	1,450,464	68.4	2010	824,371	100.0
2014	1,366,042	73.0	2009	852,128	80.9
2013	1,449,693	81.1	2008	-	-
2012	1,372,543	86.1	2007	-	-

The above data is based on actuarial valuations performed as of July 1, 2007, 2009, 2011, 2013 and 2015. Funding requirements from the 2007, 2009, 2011 and 2013 study were used for biennial 2007-09, 2009-11, 2011-13 and 2013-15 respectively. Significant actuarial assumptions used in the valuation include (a) a rate of return on investment of present and future assets of 4.0%, compounded annually, and a 100% assumption of participants who elect medical coverage at retirement; b) for employees who are not yet retired, the District cap is assumed to increase \$60 per month annually until retirement; and c) no post-retirement benefit increases and an inflation rate of 2.75%. Actuarial Value of Assets are recorded at zero because the District does not use an insurance trust.

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
REQUIRED SUPPLEMENTARY INFORMATION
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM

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

*Year Ended June 30,	(a) District's proportion of the net pension liability (NPL)	(b) District's proportionate share of the net pension liability (NPL)	(c) District's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2016	.53 %	\$ 30,542,161	\$ 58,294,529	56.0 %	91.9 %
2015	.55	(12,462,938)	54,561,564	(22.8)	103.6
2014	.55	28,058,317	47,561,896	59.0	92.0

The amounts presented for each fiscal year were actuarial determined at 12/31/12 and rolled forward to the measurement date.

SCHEDULE OF DISTRICT CONTRIBUTIONS

*Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	District's covered payroll	Contributions as a percent of covered payroll
2016	\$ 2,931,512	\$ 2,931,512	\$ -	\$ 58,294,529	5.0 %
2015	4,088,013	4,088,013	-	54,561,564	7.5
2014	3,906,814	3,906,814	-	47,561,896	8.2

*Ten years of data are not available as GASB 68 was implemented in 2015.

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SUPPLEMENTAL INFORMATION

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GRESHAM-BARLOW SCHOOL DISTRICT 10JT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2016

	Budget			Variance with Final Budget Over (Under)
	Adopted	Final	Actual	
REVENUES:				
Construction excise taxes	\$ 150,000	\$ 150,000	\$ 408,698	\$ 258,698
E-Rate	200,000	200,000	-	(200,000)
Intermediate Sources	75,000	75,000	75,000	-
Other state and local sources	285,000	285,000	217,826	(67,174)
Investment earnings	6,700	6,700	-	(6,700)
Miscellaneous	15,000	15,000	-	(15,000)
Total revenues	731,700	731,700	701,524	(30,176)
EXPENDITURES:				
Instruction	70,000	70,000		(70,000)
Support services	1,739,600	1,739,600	890,941	(848,659)
Facilites acquisition and construction	1,500,000	1,500,000	1,207,509	(292,491)
Debt Service	613,400	613,400	611,332	(2,068)
Total expenditures	3,923,000	3,923,000	2,709,782	(1,213,218)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	(3,191,300)	(3,191,300)	(2,008,258)	1,183,042
OTHER FINANCING SOURCES (USES):				
Financing Proceeds	1,500,000	1,500,000	1,500,000	-
Transfers from other funds	260,000	260,000	260,000	-
	1,760,000	1,760,000	1,760,000	-
NET CHANGE IN FUND BALANCE				
	(1,431,300)	(1,431,300)	(248,258)	1,183,042
FUND BALANCE, July 1, 2015				
	1,622,500	1,622,500	1,234,546	(387,954)
FUND BALANCE, June 30, 2016				
	\$ 191,200	\$ 191,200	\$ 986,288	\$ 795,088

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NONMAJOR GOVERNMENTAL FUNDS

These funds account for revenues and expenditures restricted for specific educational projects, the District's food dispensing program, future capital equipment replacement, and student participation fees. Included are the following funds:

Nutrition Services Fund – The program is funded by the sale of meal tickets and monies and food products received from the U. S. D. A. and the Oregon State Department of Education. The Board has contracted the operation of the food service to Sodexo, a nationwide food service contractor.

State and Other Grant Fund – This fund accounts for revenue and expenditures of grants restricted for specific educational projects. Principal revenue sources are state and local grants.

Other Special Revenue Fund – This fund accounts for the other special revenues from three primary sources: print shop, student activities and the Art Institute. The major sources of revenue are printing and duplicating fees, student participation fees and receipts from event admission charges for student activities and art institute participation fees.

Debt Service Fund – This fund accounts for the payment of principal and interest on the general obligation bonds issued in 1996 and 2001, refunded in 2003, 2005 and 2012.

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GRESHAM-BARLOW SCHOOL DISTRICT 10JT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2016

	Nutrition Services Fund	State and Other Grant Fund	Other Special Revenue Fund	Debt Service Fund	Total
ASSETS					
Equity in pooled cash and investments	\$ 894,856	\$ 95,648	\$ 1,447,290	\$ 834,906	\$ 3,272,700
Property taxes receivable	-	-	-	404,139	404,139
Accounts and other receivable	243,123	104,772	1,899	31,258	381,052
TOTAL ASSETS	<u>\$ 1,137,979</u>	<u>\$ 200,420</u>	<u>\$ 1,449,189</u>	<u>\$ 1,270,303</u>	<u>\$ 4,057,891</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts and retainage payable	\$ 1,657	\$ 125	\$ 40,402	\$ 220	\$ 42,404
Matured interest coupons payable	-	-	-	-	-
Unearned revenue	35,602	48,643	-	-	84,245
Due to other funds	-	-	-	-	-
TOTAL LIABILITIES	37,259	48,768	40,402	220	126,649
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	-	-	-	404,139	404,139
Fund Balances:					
Restricted for:					
Food Service	1,100,720	-	-	-	1,100,720
Retirement of long-term debt	-	-	-	865,944	865,944
School activities	-	-	1,305,948	-	1,305,948
Other activities	-	151,652	102,839	-	254,491
TOTAL FUND BALANCES	<u>1,100,720</u>	<u>151,652</u>	<u>1,408,787</u>	<u>865,944</u>	<u>3,527,103</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 1,137,979</u>	<u>\$ 200,420</u>	<u>\$ 1,449,189</u>	<u>\$ 1,270,303</u>	<u>\$ 4,057,891</u>

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2016

	Nutrition Services Fund	State and Other Grant Fund	Other Special Revenue Fund	Debt Service Fund	Total
REVENUES:					
Property taxes	\$ -	\$ -	\$ -	\$ 6,025,291	\$ 6,025,291
Other taxes	-	-	-	-	-
Federal grants	3,573,476	-	-	-	3,573,476
State and local sources	97,465	509,387	188,623	-	795,475
Charges for services	439,642	-	1,983,773	-	2,423,415
Investment earnings	7,012	-	330	23,561	30,903
TOTAL REVENUES	4,117,595	509,387	2,172,726	6,048,852	12,848,560
EXPENDITURES:					
Current:					
Instruction	-	69,102	2,084,774	-	2,153,876
Support services	-	370,183	300,532	-	670,715
Community services	3,838,814	165	-	-	3,838,979
Capital outlay	121,380	-	-	-	121,380
Debt Service:					
Principal	-	-	-	5,303,175	5,303,175
Interest	-	-	-	733,263	733,263
TOTAL EXPENDITURES	3,960,194	439,450	2,385,306	6,036,438	12,821,388
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	157,401	69,937	(212,580)	12,414	27,172
OTHER FINANCING SOURCES:					
5100 Financing Proceeds	-	-	-	-	-
5200 Transfers in	-	-	240,000	-	240,000
	-	-	240,000	-	240,000
NET CHANGE IN FUND BALANCE	157,401	69,937	27,420	12,414	267,172
FUND BALANCE, July 1, 2015	943,319	81,715	1,381,367	853,530	3,259,931
FUND BALANCE, June 30, 2016	\$ 1,100,720	\$ 151,652	\$ 1,408,787	\$ 865,944	\$ 3,527,103

DETAIL BUDGET REPORTS

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GRESHAM-BARLOW SCHOOL DISTRICT 10JT
SCHEDULE OF DETAILED REVENUES -
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2016

	Budget			Variance with Final Budget Over (Under)
	Adopted	Final	Actual	
REVENUES:				
Local Sources:				
Current year taxes	\$ 24,900,000	\$ 24,900,000	\$ 25,744,829	\$ 844,829
Prior year taxes	600,000	600,000	559,661	(40,339)
Other taxes	5,000	5,000	9,162	4,162
Penalties and interest	10,000	10,000	4,049	(5,951)
Tuition and transportation	125,000	125,000	90,565	(34,435)
Investment earnings	135,000	135,000	191,647	56,647
Co-curricular activities	310,000	310,000	321,097	11,097
Community services activities	55,000	55,000	45,642	(9,358)
Rentals	225,000	225,000	251,679	26,679
Services provided to others	230,000	230,000	290,133	60,133
Fees charged to grants	275,000	275,000	487,890	212,890
Medicare Reimbursements	100,000	100,000	120,613	20,613
Miscellaneous	345,000	345,000	395,934	50,934
Total local sources	27,315,000	27,315,000	28,512,901	1,197,901
Intermediate Sources:				
County School Fund	2,000	2,000	1,882	(118)
Other Intermediate sources	2,150,000	2,150,000	1,949,048	(200,952)
Total intermediate sources	2,152,000	2,152,000	1,950,930	(201,070)
State Sources:				
State school fund	78,949,425	78,949,425	78,922,863	(26,562)
Common school fund	1,125,947	1,125,947	1,488,746	362,799
Other State Revenue	430,000	430,000	849,209	419,209
Total state sources	80,505,372	80,505,372	81,260,818	755,446
Federal Sources:				
Child care development	30,000	30,000	51,273	21,273
Federal forest fees	12,000	12,000	12,093	93
Other federal sources	-	-	-	-
Total federal sources	42,000	42,000	63,366	21,366
TOTAL REVENUES	110,014,372	110,014,372	111,788,015	1,773,643
Other Financing Sources:				
Proceeds from sale or loss of capital assets	5,000	5,000	6,538	1,538
Total other financing sources	5,000	5,000	6,538	1,538
TOTAL REVENUES AND OTHER FINANCING SOURCES	110,019,372	110,019,372	111,794,553	1,775,181
FUND BALANCE, July 1, 2015	6,317,330	6,317,330	6,866,451	549,121
TOTAL REVENUES, OTHER FINANCING SOURCES AND FUND BALANCE	\$ 116,336,702	\$ 116,336,702	\$ 118,661,004	\$ 2,324,302

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
SCHEDULE OF DETAILED EXPENDITURES -
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2016

	Actual			
	Salaries (100)	Benefits (200)	Services (300)	Materials (400)
EXPENDITURES:				
Instruction:				
1111 Elementary programs	\$ 13,758,414	\$ 7,400,785	\$ 44,216	\$ 303,156
1121 Middle school programs	6,903,554	3,439,231	26,931	672,670
1122 Middle school extracurricular	127,501	35,268	10,648	2,195
1131 High school programs	8,100,637	4,208,129	26,653	185,092
1132 High school extracurricular	913,900	321,333	132,943	31,643
1140 Preschool programs	232,550	156,875	1,032	9,472
1210 Talented and gifted programs	14,717	7,094	7,072	120
1220 Restrictive programs	1,425,290	805,283	719,003	11,931
1250 Resource rooms	4,570,345	2,648,790	1,848	8,593
1271 Remediation	44,916	15,942	37,000	-
1272 Title I	-	-	-	-
1280 Alternative education	216,176	80,330	7,544,907	1,816
1290 Designated programs	2,418,084	1,295,568	27,579	10,896
1400 Summer School	3,274	1,242	14,691	-
Total instruction	38,729,358	20,415,870	8,594,523	1,237,584
Support services:				
2110 Attendance and social work services	671,777	414,107	205,877	722
2120 Guidance services	1,613,927	828,248	59	4,846
2130 Health services	362,581	150,334	89,290	6,233
2140 Psychological services	437,279	202,625	1,570	3,129
2150 Speech pathology and audiology services	466,343	235,691	195,219	3,028
2190 Service direction - student support services	316,673	113,200	34,215	39,595
2210 Improvement of instruction services	648,003	286,707	162,343	5,298
2220 Educational media services	621,994	418,208	978	55,040
2230 Assessment and testing	188,405	81,014	6,129	16,339
2240 Instructional staff development	376,977	683,917	89,911	7,987
2310 Board of education services	41,314	21,465	138,023	1,034
2320 Executive administration services	585,846	301,716	68,504	9,667
2410 Office of the principal services	4,792,181	2,428,516	150,200	45,089
2520 Fiscal services	622,584	320,321	153,017	21,025
2540 Operation and maintenance of plant service	2,686,900	1,384,939	3,975,785	634,276
2550 Student transportation services	62,224	36,311	5,776,262	1,261
2570 Internal services	8,727	7,064	240,816	48,166
2620 Planning and development services	-	-	-	-
2630 Information services	112,928	52,906	24,548	8,139
2640 Staff services	409,847	201,717	53,547	6,257
2660 Technology services	951,505	497,007	16,463	453,224
2670 Records management	-	-	-	-
2690 Other central support	44,493	20,340	24	2,430
Total support services	16,022,508	8,686,353	11,382,780	1,372,785

			Budget		Variance with Final Budget Over (Under)
Capital Outlay (500)	Other Objects (600)	Total	Adopted	Final	
\$ -	\$ -	\$ 21,506,571	\$ 21,596,553	\$ 21,596,553	\$ (89,982)
-	11,397	11,053,783	10,891,066	10,891,066	162,717
-	25	175,637	204,692	204,692	(29,055)
-	6,172	12,526,683	12,817,006	12,817,006	(290,323)
-	15,958	1,415,777	1,568,391	1,568,391	(152,614)
-	524	400,453	365,476	365,476	34,977
-	595	29,598	67,008	67,008	(37,410)
-	-	2,961,507	3,274,831	3,274,831	(313,324)
-	-	7,229,576	7,561,550	7,561,550	(331,974)
-	-	97,858	93,438	93,438	4,420
-	-	-	-	-	-
-	-	7,843,229	8,072,518	8,072,518	(229,289)
-	-	3,752,127	3,908,233	3,908,233	(156,106)
-	-	19,207	24,177	24,177	(4,970)
-	34,671	69,012,006	70,444,939	70,444,939	(1,432,933)
-	-	1,292,483	1,375,443	1,375,443	(82,960)
-	-	2,447,080	2,678,017	2,678,017	(230,937)
-	45	608,483	663,305	663,305	(54,822)
-	-	644,603	608,920	608,920	35,683
-	-	900,281	861,592	861,592	38,689
-	9,975	513,658	552,269	552,269	(38,611)
-	(41,622)	1,060,729	1,143,498	1,143,498	(82,769)
-	-	1,096,220	1,166,805	1,166,805	(70,585)
-	1,079	292,966	372,617	372,617	(79,651)
-	1,020	1,159,812	1,077,121	1,077,121	82,691
-	11,457	213,293	202,861	202,861	10,432
-	12,478	978,211	990,827	990,827	(12,616)
-	21,527	7,437,513	7,554,460	7,554,460	(116,947)
-	539,409	1,656,356	1,737,487	1,737,487	(81,131)
300,992	1,079	8,983,971	9,021,284	9,021,284	(37,313)
-	-	5,876,058	5,877,904	5,877,904	(1,846)
-	-	304,773	306,625	306,625	(1,852)
-	-	-	-	-	-
-	3,371	201,892	227,379	227,379	(25,487)
-	12,746	684,114	721,906	721,906	(37,792)
-	-	1,918,199	2,057,153	2,057,153	(138,954)
-	-	-	12,447	12,447	(12,447)
-	-	67,287	88,863	88,863	(21,576)
300,992	572,564	38,337,982	39,298,783	39,298,783	(960,801)

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
SCHEDULE OF DETAILED EXPENDITURES -
BUDGET AND ACTUAL (Continued)
GENERAL FUND
YEAR ENDED JUNE 30, 2016

	Actual			
	Salaries (100)	Benefits (200)	Services (300)	Materials (400)
Community servies:				
3310 Community services	\$ 99,529	50,509	8,885	11,946
3320 Civic services	49,183	11,571	-	-
Total community services	148,712	62,080	8,885	11,946
Facilities acquisition and construction				
4150 Building acquisition and construction	-	-	-	-
Total facilities acquisition and construction	-	-	-	-
6110 OPERATING CONTINGENCY	-	-	-	-
 TOTAL EXPENDITURES	 \$ 54,900,578	 \$ 29,164,303	 \$ 19,986,188	 \$ 2,622,315
OTHER FINANCING USES:				
5200 Transfers out				
 7000 UNAPPROPRIATED ENDING FUND BALANCE				
 TOTAL EXPENDITURES AND OTHER FINANCING USES				

Capital Outlay (500)	Other Objects (600)	Total	Budget		Variance with Final Budget Over (Under)
			Adopted	Final	
-	1,300	172,169	\$ 184,169	\$ 184,169	\$ (12,000)
-	-	60,754	61,435	61,435	(681)
-	1,300	232,923	245,604	245,604	(12,681)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	5,547,376	5,547,376	(5,547,376)
<u>\$ 300,992</u>	<u>\$ 608,535</u>	<u>\$ 107,582,911</u>	<u>\$ 115,536,702</u>	<u>\$ 115,536,702</u>	<u>\$ (7,953,791)</u>
		800,000	800,000	800,000	-
		800,000	800,000	800,000	-
		-	-	-	-
		<u>\$ 108,382,911</u>	<u>\$ 116,336,702</u>	<u>\$ 116,336,702</u>	<u>\$ (7,953,791)</u>

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
NUTRITION SERVICES FUND
YEAR ENDED JUNE 30, 2016

	Budget			Variance with Final budget Over (Under)
	Adopted	Final	Actual	
REVENUES:				
Charges for services:				
1600 Food services sales	\$ 1,015,580	\$ 1,015,580	\$ 438,679	\$ (576,901)
1900 Miscellaneous	-	-	963	963
Total local sources	1,015,580	1,015,580	439,642	(575,938)
State sources:				
3102 State school fund - school lunch match	43,260	43,260	41,151	(2,109)
3200 Other state sources	-	-	56,314	56,314
Total state sources	43,260	43,260	97,465	54,205
Federal sources:				
4505 Received through state agencies	2,703,750	2,703,750	3,573,476	869,726
4503 Food distribution	272,950	272,950	-	(272,950)
Total federal sources	2,976,700	2,976,700	3,573,476	596,776
1500 Investment earnings	3,000	3,000	7,012	4,012
TOTAL REVENUES	4,038,540	4,038,540	4,117,595	79,055
EXPENDITURES:				
Community services*:				
3100 Food preparation and dispensing services:				
100 Salaries	26,574	26,574	-	(26,574)
200 Benefits	15,178	15,178	-	(15,178)
300 Services	4,213,857	4,213,857	3,578,734	(635,123)
400 Materials	496,931	496,931	66,447	(430,484)
500 Captial outlay	200,000	200,000	121,380	(78,620)
600 Other	13,000	13,000	193,633	180,633
TOTAL EXPENDITURES	4,965,540	4,965,540	3,960,194	(1,005,346)
NET CHANGE IN FUND BALANCE	(927,000)	(927,000)	157,401	1,084,401
FUND BALANCE, July 1, 2015	927,000	927,000	943,319	16,319
FUND BALANCE, June 30, 2016	\$ -	\$ -	\$ 1,100,720	\$ 1,100,720

* Appropriation level

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
SCHEDULE OF DETAILED REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FEDERAL GRANT FUND
YEAR ENDED JUNE 30, 2016

	Budget		Actual	Variance with Final Budget Over (Under)
	Adopted	Final		
REVENUES:				
Federal Sources:				
4500 Received through state agencies	\$ 8,406,881	\$ 8,406,881	\$ 6,334,334	\$ (2,072,547)
4900 Received through other sources	-	-	-	-
Total federal sources	8,406,881	8,406,881	6,334,334	(2,072,547)
EXPENDITURES:				
1000 Instruction	5,015,585	5,015,585	4,204,864	(810,721)
2000 Support Services	3,281,595	3,281,595	2,098,524	(1,183,071)
3000 Community Services	109,701	109,701	30,946	(78,755)
Total expenditures	8,406,881	8,406,881	6,334,334	(2,072,547)
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, July 1, 2015	-	-	-	-
FUND BALANCE, June 30, 2016	\$ -	\$ -	\$ -	\$ -

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
SCHEDULE OF DETAILED EXPENDITURES -
BUDGET AND ACTUAL
FEDERAL GRANT FUND
YEAR ENDED JUNE 30, 2016

	Actual			
	Salaries (100)	Benefits (200)	Services (300)	Materials (400)
EXPENDITURES:				
INSTRUCTION*:				
1220 Restrictive programs	\$ 73,958	\$ 49,898	\$ -	\$ 7,784
1250 Resource rooms	578,149	301,190	2,059	4,846
1272 Title 1	1,597,730	881,849	577,132	91,460
1280 Alternative education	-	-	-	-
1290 Other programs	-	-	-	-
1460 Summer school - special programs	-	-	-	-
Total instruction	<u>2,249,837</u>	<u>1,232,937</u>	<u>579,191</u>	<u>104,090</u>
SUPPORT SERVICES*:				
2120 Placement services	-	-	16	-
2130 Health services	146,872	76,511	10,070	1,384
2140 Psychological services	50,758	35,251	57	-
2150 Speech pathology and audiology services	214,863	108,500	-	-
2190 Service direction-student support services	164,537	71,417	2,835	-
2210 Improvement of instruction services	60,852	30,543	690	3,451
2230 Assessment and testing	-	-	-	-
2240 Instructional staff development	530,029	263,606	63,171	2,802
2520 Fiscal services	-	-	-	-
2550 Student transportation	-	-	-	-
2690 Other central support services	-	-	-	-
Total support services	<u>1,167,911</u>	<u>585,828</u>	<u>76,839</u>	<u>7,637</u>
3300 COMMUNITY SERVICES*:	<u>11,631</u>	<u>2,948</u>	<u>1,963</u>	<u>14,404</u>
TOTAL EXPENDITURES	<u>\$ 3,429,379</u>	<u>\$ 1,821,713</u>	<u>\$ 657,993</u>	<u>\$ 126,131</u>

*Appropriation level

Capital Outlay (500)	Other Objects (600)	Total	Budget		Variance with Final Budget Over (Under)
			Adopted	Final	
\$ -	\$ -	\$ 131,640	\$ 252,872	\$ 252,872	\$ (121,232)
-	-	886,244	984,262	984,262	(98,018)
-	38,809	3,186,980	3,469,451	3,469,451	(282,471)
-	-	-	-	-	-
-	-	-	300,000	300,000	(300,000)
-	-	-	9,000	9,000	(9,000)
-	38,809	4,204,864	5,015,585	5,015,585	(810,721)
-	-	16	-	-	16
-	-	234,837	317,951	317,951	(83,114)
-	853	86,919	184,108	184,108	(97,189)
-	-	323,363	348,666	348,666	(25,303)
-	301	239,090	250,482	250,482	(11,392)
-	-	95,536	443,619	443,619	(348,083)
-	-	-	-	-	-
-	45,571	905,179	1,524,693	1,524,693	(619,514)
-	213,584	213,584	212,076	212,076	1,508
-	-	-	-	-	-
-	-	-	-	-	-
-	260,309	2,098,524	3,281,595	3,281,595	(1,183,071)
-	-	30,946	109,701	109,701	(78,755)
\$ -	\$ 299,118	\$ 6,334,334	\$ 8,406,881	\$ 8,406,881	\$ (2,072,547)

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GRESHAM-BARLOW SCHOOL DISTRICT 10JT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
STATE AND OTHER GRANT FUND
YEAR ENDED JUNE 30, 2016

	Budget		Actual	Variance with Final Budget Over (Under)
	Adopted	Final		
REVENUES:				
Revenues from local sources:				
1920 Private donations	\$ 38,372	\$ 38,372	\$ 68,397	\$ 30,025
1990 Miscellaneous	-	-	-	-
Total local sources	38,372	38,372	68,397	30,025
Revenues from intermediate sources:				
2102 ESD apportionment	100,000	100,000	100,000	-
2900 Other intermediate sources	650,000	650,000	185,396	(464,604)
Total intermediate sources	750,000	750,000	285,396	(464,604)
Revenues from state sources:				
3199 Other restricted grants			-	
3299 Other restricted grants			155,594	
	355,700	355,700	155,594	(200,106)
TOTAL REVENUES	1,144,072	1,144,072	509,387	(634,685)
EXPENDITURES:				
1000 Instruction	153,376	153,376	69,102	(84,274)
2000 Support services	782,882	782,882	370,183	(412,699)
3000 Community services	-	-	165	165 +
Total expenditures	936,258	936,258	439,450	(496,808)
NET CHANGE IN FUND BALANCE	207,814	207,814	69,937	(137,877)
FUND BALANCE, July 1, 2015	-	-	81,715	81,715
FUND BALANCE, June 30, 2016	\$ 207,814	\$ 207,814	\$ 151,652	\$ (56,162)

+Exempt from Oregon Budget Law per ORS 294.338(2)

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
SCHEDULE OF DETAILED EXPENDITURES -
BUDGET AND ACTUAL
STATE AND OTHER GRANT FUND
YEAR ENDED JUNE 30, 2016

	Actual			
	Salaries (100)	Benefits (200)	Services (300)	Materials (400)
EXPENDITURES:				
INSTRUCTION*:				
1111 Elementary school programs	\$ -	\$ -	\$ -	\$ -
1121 Middle school programs	-	-	-	11,702
1131 High school programs	4,930	1,503	325	30,792
1271 Remediation	9,235	2,765	-	-
1272 Title I	5,996	1,854	-	-
1290 Other Programs	-	-	-	-
Total instruction	20,161	6,122	325	42,494
SUPPORT SERVICES*:				
2113 Social Work	24,647	12,019	114	1,401
2130 Health services	-	-	-	-
2190 Service direction-student support services	1,390	242	474	36
2210 Improvement of instruction services	7,645	1,451	-	-
2220 Education media services	-	-	-	10,684
2230 Assessment and testing	2,467	345	-	39,604
2240 Instructional staff development	42,879	9,512	39,011	1,887
2320 Executive administration services	7,298	1,172	16,640	-
2540 Operation and maintenance of plant services	-	-	-	-
2550 Student transportation	-	-	-	-
2620 Planning and development services	-	-	-	-
2640 Staff services	-	-	-	-
2660 Technology services	-	-	-	139,365
Total support services	86,326	24,741	56,239	192,977
3100 COMMUNITY SERVICES*:	-	-	-	165 +
TOTAL EXPENDITURES	\$ 106,487	\$ 30,863	\$ 56,564	\$ 235,636
7000 UNAPPROPRIATED ENDING FUND BALANCE*:				
TOTAL EXPENDITURES AND UNAPPROPRIATED ENDING FUND BALANCE				

57B

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GRESHAM-BARLOW SCHOOL DISTRICT 10JT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
OTHER SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2016

	Budget			Variance with Final Budget Over (Under)
	Adopted	Final	Actual	
REVENUES:				
Local sources:				
1311 Tuition from individuals	\$ 130,000	\$ 130,000	\$ 110,622	\$ (19,378)
1330 Summer school tuition	18,000	18,000	2,540	(15,460)
1410 Transportation from individuals	83,000	83,000	468	(82,532)
1700 Extracurricular Activities	1,792,500	1,792,500	1,761,911	(30,589)
1920 Contributions	217,500	217,500	188,623	(28,877)
1940 Services provided others	84,682	84,682	26,483	(58,199)
1950 Textbook sales and rentals	16,050	16,050	11,292	(4,758)
1990 Miscellaneous	28,200	28,200	70,457	42,257
Total local sources	2,369,932	2,369,932	2,172,396	(197,536)
1500 Investment earnings	500	500	330	(170)
			-	
TOTAL REVENUES	2,370,432	2,370,432	2,172,726	(197,706)
EXPENDITURES:				
1000 Instruction	3,373,800	3,373,800	2,084,774	(1,289,026)
2000 Support services	471,132	471,132	300,532	(170,600)
Total expenditures	3,844,932	3,844,932	2,385,306	(1,459,626)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,474,500)	(1,474,500)	(212,580)	1,261,920
OTHER FINANCING SOURCES:				
5200 Transfers in	240,000	240,000	240,000	-
NET CHANGE IN FUND BALANCE	(1,234,500)	(1,234,500)	27,420	1,261,920
FUND BALANCE, July 1, 2015	1,234,500	1,234,500	1,381,367	146,867
FUND BALANCE, June 30, 2016	\$ -	\$ -	\$ 1,408,787	\$ 1,408,787

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
SCHEDULE OF DETAILED EXPENDITURES -
BUDGET AND ACTUAL
OTHER SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2016

	Actual			
	Salaries (100)	Benefits (200)	Services (300)	Materials (400)
EXPENDITURES:				
INSTRUCTION*:				
1113 Elementary school extracurricular	\$ -	\$ -	\$ 22,580	\$ 179,009
1122 Middle school extracurricular	-	-	\$ 99,649	\$ 172,644
1131 High school programs	-	-	\$ -	\$ -
1132 High school extracurricular	-	-	\$ 419,247	\$ 607,272
1400 Summer school programs.	10,900	\$ 3,882	\$ -	\$ 758
Total instruction	10,900	3,882	541,476	959,683
SUPPORT SERVICES*:				
2410 Office of the Principal	-	\$ -	\$ 316	\$ 15,246
2550 Student transportation	-	\$ -	\$ 26,784	\$ -
2570 Internal services	104,083	\$ 39,060	\$ 57,594	\$ 57,449
Total support services	104,083	39,060	84,694	72,695
TOTAL EXPENDITURES	\$ 114,983	\$ 42,942	\$ 626,170	\$ 1,032,378
7000 UNAPPROPRIATED ENDING FUND BALANCE*:				
TOTAL EXPENDITURES AND UNAPPROPRIATED ENDING FUND BALANCE				

*Appropriation level

			Budget		Variance with Final Budget Over (Under)
Capital Outlay (500)	Other Objects (600)	Total	Adopted	Final	
\$ -	\$ 77,893	\$ 279,482	\$ 334,300	\$ 334,300	\$ (54,818)
\$ -	\$ 58,165	330,458	649,000	649,000	(318,542)
\$ -	\$ -	-	25,000	25,000	(25,000)
\$ -	\$ 432,775	1,459,294	2,345,500	2,345,500	(886,206)
\$ -	\$ -	15,540	20,000	20,000	(4,460)
-	568,833	2,084,774	3,373,800	3,373,800	(1,289,026)
\$ -	\$ -	15,562	37,500	37,500	(21,938)
\$ -	\$ -	26,784	108,950	108,950	(82,166)
\$ -	\$ -	258,186	-	-	258,186
-	-	300,532	146,450	146,450	154,082
\$ -	\$ 568,833	\$ 2,385,306	\$ 3,520,250	\$ 3,520,250	\$ (1,134,944)
		-	-	-	-
		\$ 2,385,306	\$ 3,520,250	\$ 3,520,250	\$ (1,134,944)

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2016

	Budget			Variance with Final Budget Over (Under)
	Adopted	Final	Actual	
REVENUES:				
1100 Property taxes	\$ 5,929,149	\$ 5,929,149	\$ 6,025,291	\$ 96,142
1500 Investment earnings	15,000	15,000	23,561	8,561
TOTAL REVENUES	5,944,149	5,944,149	6,048,852	104,703
EXPENDITURES:				
5100 Debt service:*				
610 Principal	4,630,000	4,630,000	5,303,175	673,175
620 Interest	1,406,438	1,406,438	733,263	(673,175)
	<u>6,036,438</u>	<u>6,036,438</u>	<u>6,036,438</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(92,289)	(92,289)	12,414	104,703
FUND BALANCE, July 1, 2015	720,000	720,000	853,530	133,530
FUND BALANCE, June 30, 2016	\$ 627,711	\$ 627,711	\$ 865,944	\$ 238,233

*Appropriation level

GRESHAM-BARLOW SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2016

	Budget			Variance with Final Budget Over (Under)
	Adopted	Final	Actual	
REVENUES:				
1130 Construction Excise Tax	\$ 150,000	\$ 150,000	\$ 243,251	\$ 93,251
2190 Intermediate Sources	75,000	75,000	75,000	-
3290 Other State Sources	210,000	210,000	217,826	7,826
1500 Investment earnings	6,700	6,700	9,642	2,942
1960 E-Rate and recovery of prior year	200,000	200,000	112,368	(87,632)
1920 Contributions	75,000	75,000	7,606	(67,394)
1910 Rentals	15,000	15,000	35,832	20,832
TOTAL REVENUES	731,700	731,700	701,525	(30,175)
EXPENDITURES:				
1000 Instruction	70,000	70,000	-	(70,000)
2000 Support services	1,739,600	1,739,600	890,941	(848,659)
4000 Facilities Acquisition and construction	1,500,000	1,500,000	1,207,509	(292,491)
5110 Debt services	613,400	613,400	611,332	(2,068)
Total expenditures	3,923,000	3,923,000	2,709,782	(1,213,218)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,191,300)	(3,191,300)	(2,008,257)	1,183,043
OTHER FINANCING SOURCES:				
5100 Financing Proceeds	1,500,000	1,500,000	1,500,000	-
5200 Transfers in	260,000	260,000	260,000	-
	1,760,000	1,760,000	1,760,000	-
NET CHANGE IN FUND BALANCE	(1,431,300)	(1,431,300)	(248,257)	1,183,043
FUND BALANCE, July 1, 2015	1,622,500	1,622,500	1,234,546	(387,954)
FUND BALANCE, June 30, 2016	\$ 191,200	\$ 191,200	\$ 986,289	\$ 795,089

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
SCHEDULE OF DETAILED EXPENDITURES -
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2016

	Actual			
	Salaries (100)	Benefits (200)	Services (300)	Materials (400)
EXPENDITURES:				
INSTRUCTION*:				
1111 Elementary, K-5	\$ -	-	-	-
SUPPORT SERVICES*:				
2520 Fiscal services	-	-	282,607	66,990
2540 Operation and maintenance of plant services	5,000	1,122	39,604	-
2630 Information services	-	-	-	-
2660 Technology services	5,768	1,685	-	65,295
Total support services	10,768	2,807	322,211	132,285
FACILITIES ACQUISITION AND CONSTRUCTION*:				
4110 Facilities acquisition and construction direction	-	-	-	-
4120 Site acquisition and development	-	-	-	-
4150 Building acquisition, construction and improvement	-	-	-	-
Total facilities acquisition and construction	-	-	-	-
DEBT SERVICES*:				
5110 Long-Term Debt				
Principal	-	-	-	-
Interest	-	-	-	-
Lease				
Total debt services	-	-	-	-
TOTAL EXPENDITURES	\$ 10,768	\$ 2,807	\$ 322,211	\$ 132,285
7000 UNAPPROPRIATED ENDING FUND BALANCE*:				
TOTAL EXPENDITURES AND UNAPPROPRIATED ENDING FUND BALANCE				

*Appropriation level

Capital Outlay (500)	Other Objects (600)	Total	Budget		Variance with Final Budget Over (Under)
			Adopted	Final	
-	-	-	\$ 70,000	\$ 70,000	\$ (70,000)
-	-	349,597	180,000	180,000	169,597
422,870	-	468,596	1,108,100	1,108,100	(639,504)
-	-	-	-	-	-
-	-	72,748	451,500	451,500	(378,752)
422,870	-	890,941	1,739,600	1,739,600	(848,659)
-	-	-	-	-	-
-	-	-	-	-	-
1,207,509	-	1,207,509	1,500,000	1,500,000	(292,491)
1,207,509	-	1,207,509	1,500,000	1,500,000	(292,491)
-	536,586	536,586	537,500	537,500	(914)
-	74,746	74,746	75,900	75,900	(1,154)
-	-	-	-	-	-
-	611,332	611,332	613,400	613,400	(2,068)
\$ 1,630,379	\$ 611,332	\$ 2,709,782	\$ 3,923,000	\$ 3,923,000	\$ (1,213,218)
		-	191,200	191,200	(191,200)
		\$ 2,709,782	\$ 4,114,200	\$ 4,114,200	\$ (1,404,418)

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
PENSION TRUST FUND
YEAR ENDED JUNE 30, 2016

	Budget			Variance with Final Budget Over (Under)
	Adopted	Final	Actual	
REVENUES:				
5200 Contributions	\$ 300,000	\$ 300,000	\$ 300,000	\$ -
1970 Charges for Services	394,118	394,118	367,266	(26,852)
1500 Investment earnings	5,000	5,000	8,330	3,330
TOTAL REVENUES	699,118	699,118	675,596	(23,522)
EXPENDITURES:				
Support services:*				
2700 Supplemental retirement program:				
100 Salaries	636,896	636,896	339,088	(297,808)
200 Benefits	1,132,222	1,132,222	148,084	(984,138)
Total support services	1,769,118	1,769,118	487,172	(1,281,946)
NET CHANGE IN FUND BALANCE	(1,070,000)	(1,070,000)	188,424	1,258,424
FUND BALANCE, July 1, 2015	1,070,000	1,070,000	1,090,255	20,255
FUND BALANCE, June 30, 2016	\$ -	\$ -	\$ 1,278,679	\$ 1,278,679

*Appropriation level

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
YEAR ENDED JUNE 30, 2016

	<u>BALANCES</u> <u>JULY 1, 2015</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCES</u> <u>JUNE 30, 2016</u>
ASSETS				
Cash and investments	\$ 8,531	\$ 277,411	\$ 278,184	\$ 7,758
Accounts receivable	<u>6,099</u>	<u>\$ 3,247</u>	<u>6,099</u>	<u>3,247</u>
Total Assets	<u>\$ 14,630</u>	<u>\$ 280,658</u>	<u>\$ 284,283</u>	<u>\$ 11,005</u>
LIABILITIES				
Book overdraft	\$ 6,099	\$ 3,247	\$ 6,099	\$ 3,247
Due to agencies	<u>8,531</u>	<u>277,411</u>	<u>278,184</u>	<u>7,758</u>
Total Liabilities	<u>\$ 14,630</u>	<u>\$ 280,658</u>	<u>\$ 284,283</u>	<u>\$ 11,005</u>

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GRESHAM-BARLOW SCHOOL DISTRICT 10JT
SCHEDULE OF BOND AND FINANCING REDEMPTION AND INTEREST REQUIREMENTS
June 30, 2016

DATE	Gresham-Barlow #10JT 2005 Refunding Series		Gresham-Barlow #10JT 2012 Refunding Series		Gresham-Barlow #10JT 2012 FFCO Series*		PERS Bonds 2003 Series	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016-17	\$ 2,575,000	\$ 1,223,500	\$ 2,330,000	\$ 31,921	\$ 130,000	\$ 57,150	\$ 685,705	\$ 1,620,564
2017-18	4,420,000	1,088,438	-	-	130,000	53,250	682,234	1,739,035
2018-19	4,825,000	856,387	-	-	135,000	48,050	677,872	1,863,497
2019-20	5,250,000	603,075	-	-	140,000	42,650	674,173	1,992,096
2020-21	5,715,000	314,325	-	-	145,000	37,050	669,426	2,126,843
2021-22	-	-	-	-	155,000	31,250	666,333	2,264,935
2022-23	-	-	-	-	160,000	26,050	666,954	2,409,315
2023-24	-	-	-	-	165,000	20,700	2,465,000	756,269
2024-25	-	-	-	-	170,000	15,750	2,760,000	617,984
2025-26	-	-	-	-	175,000	10,650	3,080,000	461,216
2026-27	-	-	-	-	180,000	5,400	3,420,000	286,272
2027-28	-	-	-	-	-	-	1,620,000	92,016
				-		-		
TOTALS	\$ 22,785,000	\$ 4,085,725	\$ 2,330,000	\$ 31,921	\$ 1,685,000	\$ 347,950	\$ 18,067,697	\$ 16,230,042

DATE	PERS Bonds 2002 Series		PERS Bonds 2012 Refunding Series		Financing Agreement 2015 Series*		Total Requirements All Issues	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016-17	\$ 728,542	\$ 2,303,332	\$ -	\$ 68,338	\$ 139,000	\$ 28,466	\$ 6,588,247	\$ 5,333,271
2017-18	742,557	2,454,318	-	68,337	142,000	25,561	6,116,791	5,428,939
2018-19	753,543	2,613,331	-	68,337	145,000	22,593	6,536,415	5,472,195
2019-20	761,002	2,780,872	-	68,337	148,000	19,562	6,973,175	5,506,592
2020-21	-	1,341,874	2,485,000	68,337	151,000	16,469	9,165,426	3,904,898
2021-22	2,705,000	1,341,874	-	-	154,000	13,313	3,680,333	3,651,372
2022-23	3,050,000	1,193,640	-	-	158,000	10,095	4,034,954	3,639,100
2023-24	3,425,000	1,026,195	-	-	161,000	6,792	6,216,000	1,809,956
2024-25	3,835,000	836,107	-	-	164,000	3,428	6,929,000	1,473,269
2025-26	4,275,000	623,265	-	-	-	-	7,530,000	1,095,131
2026-27	4,745,000	386,003	-	-	-	-	8,345,000	677,675
2027-28	2,210,000	122,655	-	-	-	-	3,830,000	214,671
				-		-		
TOTALS	\$ 27,230,644	\$ 17,023,466	\$ 2,485,000	\$ 341,686	\$ 1,362,000	\$ 146,279	\$ 75,945,341	\$ 38,207,069

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
SCHEDULE OF PROPERTY TAX TRANSACTIONS
For the Year Ended June 30, 2016

General Fund:	TAXES UNCOLLECTED JUNE 30, 2014	ADD LEVY AS EXTENDED BY ASSESSOR	DEDUCT DISCOUNTS ALLOWED	ADD INTEREST	ADD (DEDUCT) CANCELLATION AND ADJUSTMENTS	DEDUCT COLLECTIONS	TAXES UNCOLLECTED JUNE 30, 2015
Total General Fund Levies							
2015-2016		\$ 27,093,381	\$ 700,094	\$ 10,847	\$ (67,330)	\$ 25,744,829	\$ 591,975
2014-2015	\$ 605,627	-	(496)	21,022	(21,358)	273,778	332,009
2013-2014	338,224	-	(15)	19,916	(1,329)	111,144	245,682
2012-2013	249,294	-	(10)	26,650	(854)	105,035	170,065
2011-2012	185,654	-	(1)	16,330	881	55,388	147,478
2010-2011 & Prior	206,597	-	-	5,965	2,125	14,315	200,372
Total Prior	1,585,396	-	(522)	89,883	(20,535)	559,660	1,095,606
Total	\$ 1,585,396	\$ 27,093,381	\$ 699,572	\$ 100,730	\$ (87,865)	\$ 26,304,489	\$ 1,687,581
Multnomah County							
2015-2016		\$ 22,648,251	585,896	9,160	(60,972)	21,515,884	\$ 494,659
2014-2015	\$ 507,141	-	(496)	17,113	(19,643)	225,432	279,675
2013-2014	287,728	-	(15)	16,512	(934)	92,106	211,215
2012-2013	213,631	-	(10)	22,088	(650)	87,189	147,890
2011-2012	162,401	-	(1)	13,696	(357)	46,460	129,281
2010-2011 & Prior	177,448	-	-	4,489	(803)	10,792	170,342
Total Prior	1,348,349	-	(522)	73,898	(22,387)	461,979	938,403
Total	\$ 1,348,349	\$ 22,648,251	\$ 585,374	\$ 83,058	\$ (83,359)	\$ 21,977,863	\$ 1,433,062
Clackamas County							
2015-2016		\$ 4,445,130	114,198	1,687	(6,358)	4,228,945	\$ 97,316
2014-2015	\$ 98,486	-	-	3,909	(1,715)	48,346	52,334
2013-2014	50,496	-	-	3,404	(395)	19,038	34,467
2012-2013	35,663	-	-	4,562	(204)	17,846	22,175
2011-2012	23,253	-	-	2,634	1,238	8,928	18,197
2010-2011 & Prior	29,149	-	-	1,476	2,928	3,523	30,030
Total Prior	237,047	-	-	15,985	1,852	97,681	157,203
Total	\$ 237,047	\$ 4,445,130	\$ 114,198	\$ 17,672	\$ (4,506)	\$ 4,326,626	\$ 254,519
Debt Service Fund:							
Total Debt Service Levies							
2015-2016		\$ 6,196,842	\$ 160,129	\$ 2,482	\$ (15,415)	\$ 5,888,383	\$ 135,397
2014-2015	\$ 140,916	-	(115)	4,893	(4,966)	63,711	77,247
2013-2014	80,293	-	(4)	4,726	(291)	26,378	58,354
2012-2013	60,441	-	(2)	6,468	(214)	25,493	41,204
2011-2012	46,481	-	-	4,133	(1,436)	14,019	35,159
2010-2011 & Prior	62,461	-	-	1,852	(3,184)	4,230	56,899
Total Prior	390,592	-	(121)	22,072	(10,091)	133,831	268,863
Total	\$ 390,592	\$ 6,196,842	\$ 160,008	\$ 24,554	\$ (25,506)	\$ 6,022,214	\$ 404,260

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GRESHAM-BARLOW SCHOOL DISTRICT 10JT
SCHEDULE OF PROPERTY TAX TRANSACTIONS (Continued)
For the Year Ended June 30, 2016

Debt Service Fund (Continued):

	TAXES UNCOLLECTED JUNE 30, 2015	ADD LEVY AS EXTENDED BY ASSESSOR	DEDUCT DISCOUNTS ALLOWED	ADD INTEREST	ADD (DEDUCT) CANCELLATION AND ADJUSTMENTS	DEDUCT COLLECTIONS	TAXES UNCOLLECTED JUNE 30, 2016
Multnomah County							
2015-2016		\$ 5,191,689	134,306	\$ 2,100	\$ (13,977)	\$ 4,932,115	\$ 113,391
2014-2015	\$ 117,826	-	(115)	3,976	(4,564)	52,376	64,977
2013-2014	68,418	-	(4)	3,926	(222)	21,901	50,225
2012-2013	51,496	-	(2)	5,324	(163)	21,017	35,642
2011-2012	38,687	-	-	3,263	(85)	11,068	30,797
2010-2011 & Prior	45,607			1,293	(194)	3,000	43,706
Total Prior	322,034	-	(121)	17,782	(5,228)	109,362	225,347
Total	\$ 322,034	\$ 5,191,689	\$ 134,185	\$ 19,882	\$ (19,205)	\$ 5,041,477	\$ 338,738
Clackamas County							
2015-2016		\$ 1,005,153	\$ 25,823	\$ 382	\$ (1,438)	\$ 956,268	\$ 22,006
2014-2015	\$ 23,090	-	-	917	(402)	11,335	12,270
2013-2014	11,875	-	-	800	(69)	4,477	8,129
2012-2013	8,945	-	-	1,144	(51)	4,476	5,562
2011-2012	7,794	-	-	870	(1,351)	2,951	4,362
2010-2011 & Prior	16,854	-	-	559	(2,990)	1,230	13,193
Total Prior	68,558	-	-	4,290	(4,863)	24,469	43,516
Total	\$ 68,558	\$ 1,005,153	\$ 25,823	\$ 4,672	\$ (6,301)	\$ 980,737	\$ 65,522
						General Fund	Debt Service Fund
Total Property Taxes						\$ 26,304,489	\$ 6,022,214
Other taxes							
County sales tax						-	-
Tax offsets						-	-
Total other taxes						-	-
Total Taxes						\$ 26,304,489	\$ 6,022,214

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OTHER INFORMATION

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GRESHAM-BARLOW SCHOOL DISTRICT 10JT
 COMPARATIVE SCHEDULE OF STUDENT ACTIVITY FUNDS BY SCHOOL
 June 30, 2016 and 2015

	2016	2015
Gresham Union High School:		
Cash and investments	\$ 322,336	\$ 362,402
Sam Barlow High School:		
Cash and investments	503,188	481,271
Springwater Trail High School		
Cash and investments	35,587	33,088
Clear Creek Middle School:		
Cash and investments	49,108	53,265
Damascus Middle School:		
Cash and investments	62,708	57,485
Dexter McCarty Middle School:		
Cash and investments	47,547	49,086
Gorden Russell Middle School:		
Cash and investments	85,194	67,445
West Orient Middle School:		
Cash and investments	51,464	47,629
Deep Creek Elementary School:		
Cash and investments	-	-
East Gresham Elementary School		
Cash and investments	7,323	3,946
East Orient Grade School:		
Cash and investments	18,757	20,624
Hall Elementary School:		
Cash and investments	7,183	10,693
Highland Elementary School:		
Cash and investments	7,606	6,876
Hogan Cedars Elementary School		
Cash and investments	41,913	36,265
Hollydale Elementary School:		
Cash and investments	10,721	6,743
Kelly Creek Elementary School:		
Cash and investments	29,797	18,364
North Gresham Grade School:		
Cash and investments	9,381	4,551
Powell Valley Grade School:		
Cash and investments	7,878	6,964
West Gresham Grade School		
Cash and investments	8,261	7,127
Total	\$ 1,305,949	\$ 1,273,824

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GRESHAM-BARLOW SCHOOL DISTRICT 10JT
 SUPPLEMENTAL INFORMATION AS REQUIRED
 BY THE OREGON STATE DEPARTMENT OF EDUCATION
 YEAR ENDED JUNE 30, 2016

A. Energy bills for heating - all funds:				<u>Objects 325 and 326</u>	
Please enter your expenditures for electricity				Function 2540	\$ 1,386,338
& heating fuel for these Functions & Objects.				Function 2550	-
B. Replacement of equipment - General Fund:				<u>Amount</u>	
Include all General Fund expenditures in Object 542, except for the following exclusions:					
Exclude these functions:					
1113, 1122 & 1132	Co-curricular activities	4150	Construction	\$	188,795
1140	Pre-kindergarten	2550	Pupil transportation		
1300	Continuing education	3100	Food service		
1400	Summer school	3300	Community services		

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
SUPPLEMENTAL INFORMATION AS REQUIRED
BY THE OREGON STATE DEPARTMENT OF EDUCATION
SCHEDULE OF REVENUES
YEAR ENDED JUNE 30, 2016

	Fund 100	Fund 200	Fund 300
REVENUES:			
REVENUES FROM LOCAL SOURCES:			
1110 Ad valorem taxes levied by district	\$ 26,313,652	\$ -	\$ 6,024,343
1190 Penalties and interest on taxes	4,049	\$ -	\$ 949
1130 Construction excise tax	-	\$ -	\$ -
1310 Tuition from individuals	-	\$ 110,621	\$ -
1330 Summer school tuition	-	\$ 2,540	\$ -
1410 Transportation fees from individuals	90,565	\$ 468	\$ -
1500 Earnings on investments	191,647	\$ 7,342	\$ 23,561
1600 Food service	-	\$ 438,679	\$ -
1700 Extracurricular activities	321,097	\$ 1,761,911	\$ -
1800 Community services activities	45,642	\$ -	\$ -
1910 Rentals	251,679	\$ -	\$ -
1920 Contributions and donations	21,700	\$ 257,020	\$ -
1940 Services provided to other LEA	290,133	\$ 26,483	\$ -
1950 Textbook sales and rentals	-	\$ 11,292	\$ -
1960 Recovery of prior year's expenditures	113,365	\$ -	\$ -
1970 Services provided other funds	-	\$ -	\$ -
1980 Fees charged to grants	487,890	\$ -	\$ -
1990 Miscellaneous	381,482	\$ 71,420	\$ -
Total revenue from local sources	<u>28,512,901</u>	<u>2,687,776</u>	<u>6,048,853</u>
REVENUES FROM INTERMEDIATE SOURCES:			
2101 County school fund	1,882	\$ -	\$ -
2102 General education service district funds	1,916,598	\$ -	\$ -
2190 Other revenue from intermediate sources	32,450	\$ 285,396	\$ -
Total revenue from intermediate sources	<u>1,950,930</u>	<u>285,396</u>	<u>-</u>
REVENUES FROM STATE SOURCES:			
3101 State school fund	78,922,863	\$ -	\$ -
3102 State school lunch match	-	\$ 41,151	\$ -
3103 Common school fund	1,488,746	\$ -	\$ -
3199 Other unrestricted state revenue	849,209	\$ -	\$ -
3204 Driver education	-	\$ -	\$ -
3299 Other restricted state revenue	-	\$ 211,908	\$ -
Total revenue from state sources	<u>81,260,818</u>	<u>253,059</u>	<u>-</u>
REVENUES FROM FEDERAL SOURCES:			
4500 Restricted revenue from federal government through the state	-	\$ 9,907,810	\$ -
4700 Restricted revenue from federal government through the intermediate sources	51,273	\$ -	\$ -
4801 Forest Fees	12,093	\$ -	\$ -
Total revenue from federal sources	<u>63,366</u>	<u>9,907,810</u>	<u>-</u>
REVENUES FROM OTHER SOURCES:			
5160 Lease purchase receipts	-	\$ -	\$ -
5200 Transfers	-	\$ 240,000	\$ -
5300 Sale or compensation for loss of fixed assets	6,538	\$ -	\$ -
5400 Resources - beginning fund balance	6,866,451	\$ 2,406,401	\$ 853,530
Total revenue from other sources	<u>6,872,989</u>	<u>2,646,401</u>	<u>853,530</u>
TOTAL REVENUES	<u><u>\$ 118,661,004</u></u>	<u><u>\$ 15,780,442</u></u>	<u><u>\$ 6,902,383</u></u>

Fund 400	Fund 500	Fund 600	Fund 700	Total
\$ -	\$ -	\$ -	\$ -	\$ 32,337,995
\$ -	\$ -	\$ -	\$ -	4,998
\$ 243,251	\$ -	\$ -	\$ -	243,251
\$ -	\$ -	\$ -	\$ -	110,621
\$ -	\$ -	\$ -	\$ -	2,540
\$ -	\$ -	\$ -	\$ -	91,033
\$ 9,642	\$ -	\$ -	\$ 8,330	240,522
\$ -	\$ -	\$ -	\$ -	438,679
\$ -	\$ -	\$ -	\$ -	2,083,008
\$ -	\$ -	\$ -	\$ -	45,642
\$ 35,832	\$ -	\$ -	\$ -	287,511
\$ 7,606	\$ -	\$ -	\$ 8,460	294,786
\$ -	\$ -	\$ -	\$ 236,482	553,098
\$ -	\$ -	\$ -	\$ -	11,292
\$ 112,368	\$ -	\$ -	\$ -	225,733
\$ -	\$ -	\$ -	\$ 367,266	367,266
\$ -	\$ -	\$ -	\$ -	487,890
\$ -	\$ -	\$ -	\$ 32,469	485,371
408,699	-	-	653,007	38,311,236
\$ -	\$ -	\$ -	\$ -	1,882
\$ -	\$ -	\$ -	\$ -	1,916,598
\$ 75,000	\$ -	\$ -	\$ -	392,846
75,000	-	-	-	2,311,326
\$ -	\$ -	\$ -	\$ -	78,922,863
\$ -	\$ -	\$ -	\$ -	41,151
\$ -	\$ -	\$ -	\$ -	1,488,746
\$ -	\$ -	\$ -	\$ -	849,209
\$ -	\$ -	\$ -	\$ -	-
\$ 217,826	\$ -	\$ -	\$ -	429,734
217,826	-	-	-	81,731,703
\$ -	\$ -	\$ -	\$ -	9,907,810
\$ -	\$ -	\$ -	\$ -	51,273
\$ -	\$ -	\$ -	\$ -	12,093
-	-	-	-	9,971,176
\$ 1,500,000	\$ -	\$ -	\$ -	1,500,000
\$ 260,000	\$ -	\$ -	\$ 300,000	800,000
\$ -	\$ -	\$ -	\$ -	6,538
\$ 1,234,546	\$ -	\$ -	\$ 1,098,785	12,459,713
1,494,546	-	-	1,398,785	14,766,251
\$ 2,196,071	\$ -	\$ -	\$ 2,051,792	\$ 147,091,692

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
SUPPLEMENTAL INFORMATION AS REQUIRED
BY THE OREGON STATE DEPARTMENT OF EDUCATION
SCHEDULE OF SPECIAL REVENUE FUND EXPENDITURES
YEAR ENDED JUNE 30, 2016

	100 Objects	200 Objects	300 Objects
EXPENDITURES:			
INSTRUCTION:			
1111 Primary programs K-5	\$ -	\$ -	\$ -
1113 Elementary extracurricular	-	\$ -	\$ 22,580
1121 Middle school programs	-	\$ -	\$ -
1122 Middle school extracurricular	-	\$ -	\$ 99,649
1131 High school programs	4,930	\$ 1,503	\$ 325
1132 High school extracurricular	-	\$ -	\$ 419,247
1220 Restrictive programs for students with disabilities	73,958	\$ 49,898	\$ -
1250 Resource rooms	578,149	\$ 301,190	\$ 2,059
1271 Remediation	9,235	\$ 2,765	\$ -
1272 Title I	1,603,726	\$ 883,703	\$ 577,132
1299 Other programs	-	\$ -	\$ -
1400 Summer school programs	10,900	\$ 3,882	\$ -
Total instruction	<u>2,280,898</u>	<u>1,242,941</u>	<u>1,120,992</u>
SUPPORT SERVICES:			
2110 Attendance and social work	24,647	\$ 12,019	\$ 114
2120 Guidance services	-	\$ -	\$ 16
2130 Health services	146,872	\$ 76,511	\$ 10,070
2140 Psychological testing services	50,758	\$ 35,251	\$ 57
2150 Speech pathology and audiology	214,863	\$ 108,500	\$ -
2190 Service direction - student support services	165,927	\$ 71,659	\$ 3,309
2210 Improvement of instruction services	68,497	\$ 31,994	\$ 690
2220 Educational media services	-	\$ -	\$ -
2230 Assessment and testing	2,467	\$ 345	\$ -
2240 Instructional staff development	572,907	\$ 273,118	\$ 102,182
2320 Executive administration services	7,298	\$ 1,172	\$ 16,640
2410 Office of the principal	-	\$ -	\$ 316
2520 Fiscal services	-	\$ -	\$ -
2550 Student transportation	-	\$ -	\$ 26,784
2570 Internal services	104,083	\$ 39,060	\$ 57,594
2620 Planning and development services	-	\$ -	\$ -
2660 Technology services	-	\$ -	\$ -
2690 Other central support	-	\$ -	\$ -
Total support services	<u>1,358,319</u>	<u>649,629</u>	<u>217,772</u>
COMMUNITY SERVICES:			
3100 Food services	-	\$ -	\$ 3,578,735
3300 Community services	11,631	\$ 2,948	\$ 1,963
Total community services	<u>11,631</u>	<u>2,948</u>	<u>3,580,698</u>
TOTAL EXPENDITURES	<u><u>\$ 3,650,848</u></u>	<u><u>\$ 1,895,518</u></u>	<u><u>\$ 4,919,462</u></u>

400 Objects	500 Objects	600 Objects	Total
\$ -	\$ -	\$ -	\$ -
\$ 179,009	\$ -	\$ 77,893	279,482
\$ 11,702	\$ -	\$ -	11,702
\$ 172,644	\$ -	\$ 58,165	330,458
\$ 29,742	\$ -	\$ -	36,500
\$ 608,322	\$ -	\$ 432,775	1,460,344
\$ 7,784	\$ -	\$ -	131,640
\$ 4,846	\$ -	\$ -	886,244
\$ -	\$ -	\$ -	12,000
\$ 91,460	\$ -	\$ 38,809	3,194,830
\$ -	\$ -	\$ -	-
\$ 758	\$ -	\$ -	15,540
<u>1,106,267</u>	<u>-</u>	<u>607,642</u>	<u>6,358,740</u>
\$ 1,400	\$ -	\$ -	38,180
\$ -	\$ -	\$ -	16
\$ 1,384	\$ -	\$ -	234,837
\$ -	\$ -	\$ 853	86,919
\$ -	\$ -	\$ -	323,363
\$ 36	\$ -	\$ 301	241,232
\$ 3,451	\$ -	\$ -	104,632
\$ 10,684	\$ -	\$ -	10,684
\$ 39,604	\$ -	\$ -	42,416
\$ 4,689	\$ -	\$ 55,471	1,008,367
\$ -	\$ -	\$ -	25,110
\$ 15,246	\$ -	\$ -	15,562
\$ -	\$ -	\$ 213,585	213,585
\$ -	\$ -	\$ -	26,784
\$ 57,449	\$ -	\$ -	258,186
\$ -	\$ -	\$ -	-
\$ 139,365	\$ -	\$ -	139,365
\$ -	\$ -	\$ -	-
<u>273,308</u>	<u>-</u>	<u>270,210</u>	<u>2,769,238</u>
\$ 66,447	\$ 121,380	\$ 193,634	3,960,196
\$ 14,569	\$ -	\$ -	31,111
<u>81,016</u>	<u>121,380</u>	<u>193,634</u>	<u>3,991,307</u>
<u>\$ 1,460,591</u>	<u>\$ 121,380</u>	<u>\$ 1,071,486</u>	<u>\$ 13,119,285</u>

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STATISTICAL SECTION

This part of Gresham-Barlow School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents	Page
Financial Trends	71
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
Revenue Capacity	75
These schedules contain information to help the reader assess the government's most significant local revenue sources, the property tax.	
Debt Capacity	79
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	
Demographic and Economic Information	81
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	
Operating Information	85
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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GRESHAM-BARLOW SCHOOL DISTRICT 10JT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2015-16	2014-15	2013-14*	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
Governmental activities:										
Net investment in capital assets	\$ 43,176,211	\$ 40,316,151	\$ 37,147,822	\$ 34,124,378	\$ 31,873,301	\$ 29,983,256	\$ 27,643,113	\$ 25,985,197	\$ 12,850,499	\$ 8,324,531
Restricted	3,435,202	3,299,710	3,692,994	4,216,323	4,100,076	3,897,351	2,323,424	4,991,939	7,588,096	10,259,006
Unrestricted	<u>(62,194,488)</u>	<u>(38,284,073)</u>	<u>(54,264,349)</u>	<u>4,704,560</u>	<u>11,151,934</u>	<u>18,091,441</u>	<u>23,717,800</u>	<u>20,329,271</u>	<u>23,107,608</u>	<u>23,841,655</u>
Total primary government net position	<u>\$ (15,583,075)</u>	<u>\$ 5,331,788</u>	<u>\$ (13,423,533)</u>	<u>\$ 43,045,261</u>	<u>\$ 47,125,311</u>	<u>\$ 51,972,048</u>	<u>\$ 53,684,337</u>	<u>\$ 51,306,407</u>	<u>\$ 43,546,203</u>	<u>\$ 42,425,192</u>

*as restated for GASB 68

Source: Gresham-Barlow School District 10JT financial records.

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
 CHANGES IN NET POSITION, LAST TEN YEARS
 (accrual basis of accounting)

	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
Expenses										
Governmental activities:										
Instruction:										
Regular programs	\$ 65,410,928	\$ 38,759,479	\$ 45,136,409	\$ 42,766,242	\$ 46,001,030	\$ 45,585,182	\$ 45,897,151	\$ 49,652,048	\$ 49,823,751	\$ 47,809,488
Special programs	30,955,800	23,247,820	24,005,235	21,281,755	19,462,804	18,662,614	17,550,276	15,627,129	13,805,383	12,917,518
Adult/Continuing programs	-	-	-	-	-	-	-	-	-	-
Summer school programs	40,928	31,756	23,617	27,907	29,639	37,316	35,779	53,740	60,793	61,653
Total instruction	96,407,656	62,039,055	69,165,261	64,075,904	65,493,473	64,285,112	63,483,206	65,332,917	63,689,927	60,788,659
Support services:										
Student support services	9,279,322	5,559,793	6,610,669	6,224,778	6,291,417	5,970,489	5,928,050	6,789,371	6,745,334	6,241,911
Instructional staff support	5,869,810	4,065,219	3,604,080	3,757,790	4,046,447	4,615,721	4,799,441	4,050,962	4,195,903	4,041,777
General administration	1,503,735	873,881	1,078,227	1,016,157	600,724	1,096,149	860,098	868,546	665,759	693,776
School administration	9,614,000	5,870,308	7,088,709	6,816,155	6,762,586	6,163,757	6,361,477	7,074,493	7,057,092	6,710,075
Business support services	20,504,784	18,633,516	19,493,722	21,367,682	18,949,088	16,737,959	15,434,205	15,368,094	14,935,319	13,920,197
Central activities	3,753,521	3,568,485	5,125,256	4,993,580	3,163,133	4,924,378	4,621,373	6,392,442	6,276,653	5,948,619
Supplemental retirement program	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Total support services	50,825,172	38,871,202	43,300,663	44,476,142	40,113,395	39,808,453	38,304,644	40,843,908	40,176,060	37,856,355
Enterprise and community services	4,220,173	4,083,154	3,972,990	3,943,914	3,756,939	3,656,939	3,836,382	3,751,276	3,664,382	3,420,469
Facilities and construction	-	-	146,963	-	-	-	-	-	-	-
Interest on long-term debt	1,256,043	4,868,853	4,757,167	4,903,333	5,321,741	5,053,148	5,136,273	5,121,596	5,151,722	5,203,913
Total primary government expenses	\$ 152,709,044	\$ 109,862,264	\$ 121,343,044	\$ 117,399,293	\$ 114,685,548	\$ 112,803,652	\$ 110,760,505	\$ 115,049,697	\$ 112,682,091	\$ 107,269,396
Program Revenues										
Governmental activities:										
Charges fro services:										
Regular programs	\$ 2,531,283	\$ 2,580,889	\$ 2,258,215	\$ 2,404,909	\$ 2,591,406	\$ 2,489,026	\$ 2,490,473	\$ 2,660,125	\$ 2,859,102	\$ 2,973,074
Other instruction activities	125,047	84,280	175,515	173,701	171,181	175,652	166,175	100,568	181,743	290,368
Support services	911,172	927,334	865,374	514,453	448,729	789,508	897,504	603,320	752,460	769,184
Enterprise and community services	741,698	705,118	922,338	953,220	1,039,824	1,123,322	1,241,200	1,337,930	1,571,961	1,482,185
Operating grants and contributions	10,718,324	11,182,275	10,374,635	11,123,257	10,410,830	12,407,411	12,084,445	8,816,914	7,656,704	7,632,200
Capital grants and contributions	694,825	867,493	554,778	1,733,518	1,202,499	936,071	403,907	227,399	18,429	175,795
Total primary government program revenues	\$ 15,722,349	\$ 16,347,389	\$ 15,150,855	\$ 16,903,058	\$ 15,864,469	\$ 17,920,990	\$ 17,283,704	\$ 13,746,256	\$ 13,040,399	\$ 13,322,806
Net (Expense)/Revenue										
Total primary government net expense	\$ (136,986,695)	\$ (93,514,875)	\$ (106,192,189)	\$ (100,496,235)	\$ (98,821,079)	\$ (94,882,662)	\$ (93,476,801)	\$ (101,303,441)	\$ (99,641,692)	\$ (93,946,590)

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
 CHANGES IN NET POSITION, LAST TEN YEARS
 (accrual basis of accounting)

	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2008-09	2007-08	2006-07	2005-06
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes	\$ 26,419,363	\$ 25,127,171	\$ 23,524,401	\$ 23,617,045	\$ 23,114,803	\$ 22,742,618	\$ 22,241,298	\$ 21,322,714	\$ 20,494,301	\$ 19,674,688
Property taxes levied for debt service	6,038,838	5,848,183	5,585,613	5,731,001	5,865,392	5,770,673	5,937,248	6,081,408	8,865,489	9,482,930
State school fund - general support	78,922,863	77,338,087	72,089,563	65,044,223	60,784,257	58,771,970	62,535,975	61,607,549	64,716,534	60,237,660
State school fund - school improvement fund	-	-	-	-	-	-	-	2,512,333	2,538,558	-
Common school fund	1,488,746	1,226,724	1,168,802	1,219,378	1,098,776	1,195,304	1,230,366	998,554	1,300,412	1,145,972
Multnomah county income taxes	1,882	-	-	-	-	85,995	59,254	-	693,052	976,584
Unrestricted state and local sources	2,765,807	2,548,419	2,276,194	449,916	2,651,937	367,976	26,328	1,066,638	33,029	752,431
Federal forest fees	12,093	12,662	13,289	13,282	6,747	22,283	26,376	30,291	34,823	31,835
Other federal sources	-	-	-	-	35,578	3,734,680	3,229,489	2,337,828	-	-
Earnings on investments	232,192	168,950	170,315	198,678	241,170	237,566	304,554	1,031,904	1,970,692	2,193,201
Miscellaneous	190,048	-	-	142,662	175,540	241,308	263,843	136,794	115,813	108,769
Proceeds from refunding bonds	-	-	-	-	142	-	-	-	-	-
Total primary government	<u>\$ 116,071,832</u>	<u>\$ 112,270,196</u>	<u>\$ 104,828,177</u>	<u>\$ 96,416,185</u>	<u>\$ 93,974,342</u>	<u>\$ 93,170,373</u>	<u>\$ 95,854,731</u>	<u>\$ 97,126,013</u>	<u>\$ 100,762,703</u>	<u>\$ 94,604,070</u>
Change in Net Position										
Total primary government	<u>\$ (20,914,863)</u>	<u>\$ 18,755,321</u>	<u>\$ (1,364,012)</u>	<u>\$ (4,080,050)</u>	<u>\$ (4,846,737)</u>	<u>\$ (1,712,289)</u>	<u>\$ 2,377,930</u>	<u>\$ (4,177,428)</u>	<u>\$ 1,121,011</u>	<u>\$ 657,480</u>

Source: Gresham-Barlow School District 10JT financial records.

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2015-16(1)	2014-15(1)	2013-14(1)	2012-13(1)	2011-12(1)	2010-11(1)	2009-10	2008-09	2007-08	2006-07
General Fund (1)										
Unassigned	\$ 10,278,093	\$ 6,866,451	\$ 6,080,252	\$ 6,530,804	\$ 10,654,889	\$ 12,714,159				
Unreserved							\$ 13,557,462	\$ 10,172,332	\$ 13,085,912	\$ 13,977,440
Total general fund	<u>\$ 10,278,093</u>	<u>\$ 6,866,451</u>	<u>\$ 6,080,252</u>	<u>\$ 6,530,804</u>	<u>\$ 10,654,889</u>	<u>\$ 12,714,159</u>	<u>\$ 13,557,462</u>	<u>\$ 10,172,332</u>	<u>\$ 13,085,912</u>	<u>\$ 13,977,440</u>
All Other Governmental Funds(1)										
Resticted for:										
Student activity groups	\$ 1,305,948	\$ 1,286,825	\$ 1,271,120	\$ 1,319,242	\$ 1,365,098	\$ 1,306,688	\$ -	\$ -	\$ -	\$ -
Retirement of long-term debt	865,944	853,530	893,146	1,069,912	1,164,286	1,450,341	-	-	-	-
Food service	1,100,720	943,319	933,926	788,221	672,758	475,903	-	-	-	-
School construction	59,751	121,494	231,001	706,896	607,767	451,362	-	-	-	-
Planning activities	151,652	81,715	46,286	16,718	-	-	-	-	-	-
Other activities	102,839	94,542	-	-	-	-	-	-	-	-
Committed to:										
PERS litigation	-	-	-	-	-	3,352,000	-	-	-	-
Assigned to:										
Capital expenditures(2)	926,538	1,113,052	1,156,265	1,573,340	720,371	782,383	-	-	-	-
Reserved for:										
Student activity groups						-	1,263,121	1,195,670	1,086,687	1,175,052
Retirement of long-term debt						-	1,770,506	1,863,037	1,812,245	1,736,011
Capital expenditures(2)						-	948,887	941,317	1,327,472	2,069,306
PERS litigation						-	3,336,190	3,312,047	3,244,703	3,095,725
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	327,906	343,578	477,741	448,333
Total all other governmental funds	<u>\$ 4,513,392</u>	<u>\$ 4,494,477</u>	<u>\$ 4,531,744</u>	<u>\$ 5,474,329</u>	<u>\$ 4,530,280</u>	<u>\$ 7,818,677</u>	<u>\$ 7,646,610</u>	<u>\$ 7,655,649</u>	<u>\$ 7,948,848</u>	<u>\$ 8,524,427</u>

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

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

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
CHANGES IN FUND BALANCES
Last Ten Years
(modified accrual basis of accounting)

REVENUES:	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
Local sources:										
Taxes(1)	\$ 32,698,611	\$ 31,371,012	\$ 29,350,424	\$ 29,546,553	\$ 29,029,839	\$ 28,761,869	\$ 28,364,220	\$ 27,275,876	\$ 29,229,085	\$ 29,159,013
Earnings on investments	232,192	168,950	170,315	199,253	241,170	237,566	304,554	1,031,904	1,970,692	2,193,201
Other Local Sources	4,470,406	4,603,450	4,518,788	5,801,012	4,681,234	5,166,456	5,236,971	5,179,019	5,697,896	5,966,279
Intermediate Sources(3)	2,025,930	2,399,201	2,299,495	1,248,936	657,635	514,209	528,565	458,145	1,223,071	2,129,012
State Sources(2)	82,274,119	79,634,347	73,895,753	66,817,581	64,711,770	60,404,359	63,841,922	66,224,037	68,631,628	61,513,048
Federal Sources	9,971,176	10,363,332	9,704,632	9,531,146	10,203,702	16,050,190	14,857,826	10,452,395	6,889,976	6,920,155
Total Revenues	131,672,434	128,540,292	119,939,407	113,144,481	109,525,350	111,134,649	113,134,058	110,621,376	113,642,348	107,880,708
EXPENDITURES:										
Current:										
Instruction	75,370,746	74,744,012	70,652,667	67,548,028	65,948,102	64,693,562	63,823,957	65,523,523	63,750,979	60,786,584
Support Services	41,574,300	42,399,084	39,371,998	38,277,642	37,221,418	36,620,508	35,499,369	38,145,944	37,496,402	35,017,556
Enterprise and Community Services	4,102,848	4,134,407	3,956,043	3,929,611	3,723,763	3,634,613	3,817,410	3,731,405	3,644,970	3,391,166
Facilities Acquisition & Construction	-	-	148,444	102,336	47,369	-	154,673	1,500	1,164,900	1,671,342
Other Capital Outlay	2,052,751	1,181,480	1,251,059	2,836,840	1,818,164	707,685	400,043	319,680	111,490	210,016
Debt Service:										
Principal	5,839,761	4,737,911	4,250,000	4,120,000	3,745,000	3,532,970	3,301,667	3,188,511	5,920,000	5,960,000
Interest	808,009	1,600,531	1,718,968	1,892,070	2,371,556	2,620,786	2,799,602	2,917,837	3,020,764	3,264,637
Total Expenditures	129,748,415	128,797,425	121,349,179	118,706,527	114,875,372	111,810,124	109,796,721	113,828,400	115,109,505	110,301,301
Excess of revenues over (under) expenditures	1,924,019	(257,133)	(1,409,772)	(5,562,046)	(5,350,022)	(675,475)	3,337,337	(3,207,024)	(1,467,157)	(2,420,593)
Other Financing Sources (uses):										
General long-term debt issued	1,500,000	-	-	2,185,000	11,915,000					
Premium/(discount) on debt issued	-	-	-	191,174	(82,562)					
Payments to refunded bond escrow	-	-	-	-	(11,832,296)					
Proceeds from capital leases	-	1,006,065	-	-	-	-	-	-	-	-
Sale or loss of capital assets	6,538	-	16,635	5,836	2,213	4,239	38,754	245	50	39,673
Transfers in	500,000	510,000	250,000	250,000	3,616,205					
Transfers out	(500,000)	(510,000)	(250,000)	(250,000)	(3,616,205)					
Total other financing sources (uses)	1,506,538	1,006,065	16,635	2,382,010	2,355	4,239	38,754	245	50	39,673
Net change in fund balances	\$ 3,430,557	\$ 748,932	\$ (1,393,137)	\$ (3,180,036)	\$ (5,347,667)	\$ (671,236)	\$ 3,376,091	\$ (3,206,779)	\$ (1,467,107)	\$ (2,380,920)
Debt services as a percentage of noncapital expen	5.21%	4.97%	4.98%	5.19%	5.41%	5.54%	5.59%	5.38%	7.85%	8.51%

(1) Revenues are recognized when susceptible to accrual.

(2) Includes state replacement/transportation reimbursement and basic school support.

(3) Addition of PERS Litigation fund for 2003-04 to 2005-06.

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years

FISCAL YEAR	PROPERTY VALUE ASSESSED VALUATION(1)				TOTAL DIRECT TAX RATE(2)	PROPERTY VALUE TRUE CASH VALUATION(1)				RATIO OF ASSESSED VALUATION TO TRUE CASH VALUATION
	REAL PROPERTY	PERSONAL PROPERTY	PUBLIC UTILITY PROPERTY	TOTAL		REAL PROPERTY	PERSONAL PROPERTY	PUBLIC UTILITY PROPERTY	TOTAL	
2015-16	\$ 5,713,975,169	\$ 94,699,500	\$ 236,328,300	\$ 6,045,002,969	\$ 5.55	\$ 7,333,823,559	\$ 98,851,917	\$ 299,960,840	\$ 7,732,636,316	78.2 %
2014-15	5,471,345,826	89,714,891	238,220,500	5,799,281,217	5.56	6,690,357,833	93,359,109	272,772,787	7,056,489,729	82.2
2013-14	5,221,377,564	94,527,553	225,607,960	5,541,513,077	5.56	6,078,358,205	98,166,145	269,903,109	6,446,427,459	86.0
2012-13	5,086,731,228	96,150,587	219,078,200	5,401,960,015	5.61	5,998,838,242	99,719,516	259,509,321	6,358,067,079	85.0
2011-12	5,049,372,484	100,445,837	224,488,380	5,374,306,701	5.57	6,206,883,641	104,198,915	238,505,680	6,549,588,236	82.1
2010-11	4,951,908,278	107,992,177	186,293,200	5,246,193,655	5.59	6,767,365,771	111,713,129	186,878,336	7,065,957,236	74.2
2009-10	4,801,708,917	111,816,750	181,458,890	5,094,984,557	5.62	7,243,951,660	112,838,609	181,540,671	7,538,330,940	67.6
2008-09	4,648,285,952	121,218,173	125,844,240	4,895,348,365	5.69	7,814,487,254	122,051,905	126,358,154	8,062,897,313	60.7
2007-08	4,430,421,338	119,211,440	127,900,970	4,677,533,748	6.53	7,374,288,255	119,903,109	129,713,058	7,623,904,422	61.4
2006-07	4,258,201,774	103,338,804	116,175,520	4,477,716,098	6.75	6,468,452,934	103,975,373	116,835,689	6,689,263,996	66.9

(1) Multnomah County Tax Supervising and Conservation Commission, Multnomah and Clackamas Counties.

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

NA=not available

GRESHAM-BARLOW SCHOOL DISTRICT 10JT

LARGEST TAXPAYERS WITHIN DISTRICT
CURRENT AND NINE YEARS AGO

	2016			2007		
	ASSESSED	PERCENTAGE OF TOTAL DISTRICT'S ASSESSED VALUATION		ASSESSED	PERCENTAGE OF TOTAL DISTRICT'S ASSESSED VALUATION	
PRIVATE ENTERPRISES	VALUATION	VALUATION		VALUATION	VALUATION	
Microchip Technology Inc	\$ 142,576,040	2.36	%	\$ 109,272,700	2.44	%
Semiconductor Components	134,818,460	2.23		98,100,040	2.19	
Comcast Corporation	99,916,700	1.65				
Westlake Gresham Center LLC	29,502,340	0.49				
Holly Ridge Associates	27,348,560	0.45		20,960,480	0.47	
PKI Gresham Town Fair LLC	23,938,410	0.40				
SHP IV Courtyard Fountains LLC	21,240,220	0.35		13,161,882	0.29	
ROC II or Vista at 23 LLC	19,810,050	0.33				
Fred Meyer Stores Inc	19,628,990	0.32		16,205,630	0.36	
Timberline Partners LLC/Columbia Trails	18,754,140	0.31		14,373,590	0.32	
EQR Oregon LLC				15,113,150	0.34	
Chang Income Property				36,566,790	0.82	
CT Retail Properties Finance				18,242,320	0.41	
Pan Pacific LLC				13,736,700	0.31	
<u>PUBLIC UTILITIES</u>						
Portland General Electric Co.	53,874,190	0.89		44,116,000	0.99	
Frontier/Verizon Communications	23,630,000	0.39		32,731,900	0.73	
Northwest Natural Gas	11,025,400	0.18				
SUB TOTAL	626,063,500	10.36		432,581,182	9.66	
ALL OTHER TAXPAYERS	5,418,939,469	89.64		4,045,134,916	90.34	
TOTAL	\$ 6,045,002,969	100.00	%	\$ 4,477,716,098	100.00	%

Source: Multnomah County Department of Assessment and Taxation

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Years

	Dollars per \$1,000 True Cash Value									
	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
DIRECT:										
Gresham-Barlow School District 10JT Permanent Rate	\$ 4.53	\$ 4.53	\$ 4.53	\$ 4.53	\$ 4.53	\$ 4.53	\$ 4.53	\$ 4.53	\$ 4.53	\$ 4.53
Gresham-Barlow School District 10JT Bond	1.02	1.03	1.03	1.08	1.04	1.06	1.09	1.14	1.18	1.37
Gresham Grade School #4 Bond	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.82	0.85
Weighted Average Direct (1)	\$ 5.55	\$ 5.56	\$ 5.56	\$ 5.61	\$ 5.57	\$ 5.59	\$ 5.62	\$ 5.69	\$ 6.53	\$ 6.75
Orient School district #6 Bond (2)	0.00	0.00	0.00	0.00	0.00	0.00	0.34	0.53	0.55	0.59
Damascus Union School District #26 Bond (2)	0.00	0.00	0.00	0.00	0.72	0.73	0.77	0.73	0.75	0.75
Overlapping:										
Tri-Met Service District	0.00	0.00	0.00	0.00	0.06	0.09	0.09	0.08	0.09	0.10
Port of Portland	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07
Multnomah ESD	0.46	0.46	0.46	0.44	0.46	0.46	0.46	0.46	0.46	0.46
Mt. Hood Community College	0.49	0.49	0.49	0.48	0.49	0.49	0.49	0.49	0.49	0.49
Clackamas Community College	0.75	0.71	0.71	0.72	0.70	0.70	0.72	0.74	0.74	0.73
City of Gresham	3.61	3.61	3.61	3.51	3.61	3.61	3.61	3.61	3.69	3.80
City of Damascus	2.80	2.80	3.10	3.10	3.30	3.30	3.30	3.30	3.30	3.30
Metropolitan Service District	0.39	0.46	0.47	0.40	0.32	0.41	0.44	0.40	0.43	0.28
Multnomah County	5.67	5.67	5.69	5.42	5.44	5.38	5.40	5.39	5.42	5.29
East Multnomah County Water & Soil	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.09	0.07	0.03
Clackamas County Rural	3.22	3.22	3.22	3.22	3.22	2.86	2.86	2.79	2.86	2.87
Boring Fire district 59	2.38	2.38	2.38	2.38	2.38	2.38	2.38	2.38	2.38	2.38
Vector control	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.00
	19.97	20.00	20.33	19.87	20.18	19.88	19.95	19.83	20.03	19.80
Totals*	\$ 25.52	\$ 25.56	\$ 25.89	\$ 25.48	\$ 25.75	\$ 25.47	\$ 25.57	\$ 25.52	\$ 26.56	\$ 26.55

*Numbers in totals do not reflect the actual tax rate for any one property, but are the results of the potential combination of taxing units within District boundaries.

(1) This is a weighted average rate as limited by ballot measure 5. Actual rates may vary by tax codes and lots because of differing compression.

(2) Rates are presented for comparison only and are not included in the totals. Debt levies were not consolidated upon merger. Instead, the debt levies are assessed depending upon the former District's boundary lines.

N/A - Not Available

Source: Multnomah and Clackamas Counties Departments of Assessment and Taxation.

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
PROPERTY TAX LEVIES AND COLLECTION
Last Ten Years

FISCAL YEAR ENDED JUNE 30	TOTAL TAX LEVY FOR FISCAL YEAR			COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE	
	GENERAL FUND	DEBT SERVICE FUND	TOTAL	AMOUNT	PERCENTAGE OF LEVY		AMOUNT	PERCENTAGE OF LEVY
2015-16	\$ 27,063,772	\$ 6,196,842	\$ 33,260,614	\$ 32,533,242	97.8 %	\$ -	\$ 32,533,242	97.8 %
2014-15	25,773,207	5,996,922	31,770,129	31,023,586	97.7	337,287	31,360,873	98.7
2013-14	24,087,065	5,717,058	29,804,123	29,033,266	97.4	466,821	29,500,087	99.0
2012-13	24,240,352	5,880,813	30,121,165	29,287,073	97.2	622,823	29,909,896	99.3
78 2011-12	23,670,264	5,999,667	29,669,931	28,740,137	96.9	747,157	29,487,294	99.4
2010-11	23,437,991	5,939,102	29,377,093	28,539,902	97.2	717,534	29,257,436	99.6
2009-10	22,864,871	6,095,480	28,960,351	28,019,394	96.8	831,067	28,850,461	99.6
2008-09	21,975,158	6,264,837	28,239,995	27,196,140	96.3	1,038,659	28,234,799	100.0
2007-08	21,046,857	9,103,905	30,150,762	29,242,468	97.0	904,554	30,147,022	100.0
2006-07	20,190,083	9,731,694	29,921,777	29,110,173	97.3	808,598	29,918,771	100.0

Source: Multnomah and Clackamas County Departments of Assessment and Taxation.

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

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
RATIOS OF GENERAL BONDED DEBT OUTSTANDING AND LEGAL DEBT MARGIN
 Last Ten Fiscal Years

FISCAL YEAR	DEBT OUTSTANDING						RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUATION
	GENERAL OBLIGATION BONDS	PENSION OBLIGATION BONDS	TOTAL	LESS DEBT SERVICE FUND	NET GENERAL BONDED DEBT	OTHER DEBT OUTSTANDING(4)	
2015-16	\$ 26,271,457	\$ 43,626,533	\$ 69,897,990	\$ 865,944	\$ 69,032,046	\$ 3,827,900	\$ 1.14%
2014-15	31,132,749	44,080,635	75,213,384	853,530	74,359,854	2,711,093	1.28%
2013-14	35,724,040	44,113,855	79,837,895	893,146	78,944,749	2,095,685	1.42%
2012-13	40,085,332	44,120,084	84,205,416	1,069,912	83,135,504	2,228,430	1.54%
2011-12	44,392,310	44,085,334	88,477,644	1,164,286	87,313,358		1.62%
2010-11	48,291,210	43,899,973	92,191,183	1,450,341	90,740,842		1.73%
2009-10	52,166,203	43,719,868	95,886,071	1,770,506	94,115,565		1.85%
2008-09	55,836,341	43,546,567	99,382,908	1,863,037	97,519,871		1.99%
2007-08	59,450,209	43,295,245	102,745,454	1,812,245	100,933,209		2.16%
2006-07	65,795,567	42,951,037	108,746,604	1,736,011	107,010,593		2.39%

Legal Debt Margin Calculation for Fiscal Year 2016:

Real Market Value	\$ 7,732,636,316
Debt Limit (7.95%)(1)	614,744,587
Amount of Debt Applicable to Debt Limit	(69,032,046)
Legal Debt Margin	\$ 544,846,597

FISCAL YEAR	RATIO OF NET GENERAL BONDED DEBT TO TRUE CASH VALUE	RATIO OF TOTAL GENERAL BONDED DEBT TO PERSONAL INCOME	TOTAL GENERAL BONDED DEBT PER CAPITA	NET GENERAL BONDED DEBT PER CAPITA	LEGAL DEBT LIMIT(1)	LEGAL DEBT MARGIN(2)	RATIO OF LEGAL DEBT MARGIN TO DEBT LIMIT
2015-16	0.89%	N/A	901	\$ 890	\$ 614,744,587	\$ 544,846,597	88.63%
2014-15	1.05%	2.07%	975	964	560,990,933	485,777,549	86.59%
2013-14	1.22%	2.29%	1,038	1,026	512,490,983	432,653,088	84.42%
2012-13	1.31%	2.46%	1,097	1,083	505,466,333	421,260,917	83.34%
2011-12	1.33%	2.69%	1,155	1,139	520,692,265	432,214,621	83.01%
2010-11	1.28%	2.92%	1,205	1,186	561,743,600	469,552,417	83.59%
2009-10	1.25%	2.99%	1,207	1,184	599,297,310	503,411,239	84.00%
2008-09	1.21%	2.96%	1,255	1,232	641,000,336	541,617,428	84.50%
2007-08	1.32%	3.21%	1,316	1,293	606,100,402	503,354,948	83.05%
2006-07	1.60%	3.55%	1,414	1,392	531,796,488	423,049,884	79.55%

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

- (1) ORS 328.245 establishes a parameter of bonded indebtedness for school districts. Aggregates are governed by real market values of all taxable properties within the District bases on the following: (A) For each grade from kindergarten to eighth for which the District operates schools, fifty-five one-hundredths of one of one percent (.0055) of real market value. (B) For each grade from ninth to twelfth for which the District operates schools, seventy-five one-hundredths of one percent (.0075) of real market value. Allowable percent of real market value: (A) Kindergarten through eighth grade, $9 \times .0055 = 4.95\%$
 (B) Ninth through twelfth grade, $4 \times .0075 = 3.00\%$ or 7.95% of real market value. Real market value data can be found on page 75:

Assessed Value and Actual Value of Taxable Property.

- (2) The legal debt margin is the District's available borrowing authority under ORS 328.245 and is calculated by subtracting the net debt applicable to the legal debt limit from the legal debt limit.
 (3) Demographic and Economic Statistics can be found on page 81 for personal income and population data. Assessed Value and True Cash Value can be found on page 75.
 (4) Includes Full Faith and Credit Obligations, Financing Agreement and Capital Leases (all of which are not included in the debt limit calculation).

Sources: Portland State University, Population Research Center and Multnomah and Clackamas Counties Departments of Assessment and Taxation.

GRESHAM-BARLOW SCHOOL DISTRICT 10JT

DIRECT AND OVERLAPPING GROSS BONDED DEBT

June 30, 2016

GOVERNMENTAL UNIT	2015-2016				OVERLAPPING	
	REAL MARKET VALUATION	GROSS (1) BONDED DEBT	NET (2) DIRECT DEBT	PERCENT WITHIN SCHOOL DISTRICT(3)	GROSS (1) BONDED DEBT	NET (2) DIRECT DEBT
<u>DIRECT DEBT</u>						
Gresham-Barlow School District	\$ 7,732,636,316	\$ 865,944	\$ 865,944	100.00%	\$ 865,944	\$ 865,944
<u>OVERLAPPING GOVERNMENT</u>						
City of Troutdale	1,656,564,223	10,873,000	10,873,000	2.45	266,106	266,106
Clackamas County	53,076,860,113	108,410,136	107,010,136	2.86	3,098,687	3,058,671
Clackamas Community College	38,741,861,484	94,161,012	66,116,012	0.00	3,013	2,116
Multnomah County	109,183,784,794	293,833,079	175,739,766	5.70	16,741,434	10,012,949
Multnomah County RFPD 10	802,170,422	3,560,538	3,560,538	63.49	2,260,643	2,260,643
Metropolitan Service District	215,408,649,968	223,625,000	193,205,000	3.42	7,640,595	6,601,235
Multnomah ESD	110,954,595,647	31,355,000	-	6.97	2,186,698	-
Mt. Hood Community College	31,791,558,764	65,483,056	24,445,000	24.34	15,935,891	5,948,911
Port of Portland	234,450,071,682	65,302,566	-	3.30	2,155,311	-
Lusted Water Authority	201,309,451	795,000	795,000	100.00	795,000	795,000
Rockwood Water PUD	4,570,424,949	5,670,000	-	14.63	829,566	-
Pleasant Home Water District	168,475,147	1,720,000	1,720,000	94.13	1,619,062	1,619,062
City of Gresham	9,336,988,143	86,222,192	38,146,192	60.74	52,369,204	23,169,043
TOTAL OVERLAPPING	810,343,314,787	991,010,579	621,610,644		105,901,210	53,733,736
TOTAL	\$ 818,075,951,103	\$ 991,876,523	\$ 622,476,588		\$ 106,767,154	\$ 54,599,680

Source: Municipal Debt Advisory Commission, State of Oregon.

(1) Gross bonded debt includes all bonds backed by a general obligation pledge including self-supporting general obligation bonds and limited tax debt.

(2) Net direct debt including all tax-supported bonds. Self-supporting bonds are excluded.

(3) The percentage of overlapping debt is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the overlapping district's taxable assessed value that is within the school district's boundaries and dividing it by the overlapping district's total taxable assessed value.

These percentages are calculated by the State of Oregon Municipal Debt Advisory Commission.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the District. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

GRESHAM-BARLOW SCHOOL DISTRICT 10JT

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

FISCAL YEAR	POPULATION (ESTIMATED) (1)	PERSONAL INCOME (thousands of dollars) (ESTIMATED) (3)	PER CAPITA PERSONAL INCOME (2)	UNEMPLOYMENT RATE (2)
2015-2016	77,549	\$ N/A	\$ N/A	4.8 %
2014-2015	77,108	3,632,249	47,106	5.7
2013-2014	76,909	3,482,824	45,285	6.6
2012-2013	76,757	3,424,744	44,618	7.7
2011-2012	76,631	3,288,006	42,907	8.6
2010-2011	76,485	3,152,176	41,213	9.4
2009-2010	79,462	3,202,001	40,296	11.3
2008-2009	79,179	3,361,069	42,449	12.1
2007-2008	78,054	3,198,263	40,975	6.1
2006-2007	76,900	3,063,465	39,837	5.1

(1) Population Research Center, Portland State University

a) 2010-11 from 2010 Census, 2011-12 estimated based on City of Gresham's projected population increases since the 2010 Census

b) Estimated based on City of Gresham's projected population increases since the 2000 Census (2002-2010)

(2) Employment Division, Research and Statistics, State of Oregon (For Multnomah County)

(3) Estimated using per capital information and estimated population.

GRESHAM-BARLOW SCHOOL DISTRICT 10JT

PRINCIPAL EMPLOYERS

CURRENT AND NINE YEARS AGO

EMPLOYER	2016			2007		
	Employees	Rank	Percentage of total employment(1)	Employees	Rank	Percentage of total employment(1)
Mt. Hood Community College	1,283	1	2.45 %	1,350	1	2.79 %
Gresham-Barlow School District	1,095	2	2.09	1,195	2	2.47
ON Semiconductor	666	3	1.27	500	5	1.03
Legacy Mt. Hood Medical Center	601	4	1.15	557	3	1.15
Microchip Technology	558	5	1.07	352	6	0.73
City of Gresham	551	6	1.05	540	4	1.12
Fred Meyer Inc	279	7	0.53	250	7	0.52
Winco Foods	165	8	0.32	180	10	0.37
Fairlawn Health Center	131	9	0.25	123	12	0.25
Kaiser Permanente	130	10	0.25	210	8	0.43
Regency Gresham Nursing	116	11	0.22			
First Student	110	12	0.21	135	11	0.28
Scenic Fruit Company				183	9	0.38
Total	<u>5,685</u>		<u>10.87 %</u>	<u>5,575</u>		<u>11.52 %</u>

Source: City of Gresham, Community and Economic Development Department and United States Department of Labor, Bureau of Labor and Statistics.

(1)The District does not have records on employers within its jurisdiction and was unable to find a resource for its jurisdiction. The District used total employment for the City of Gresham as reported by the Bureau of Labor and Statistics.

The District took the City's top 25 list and was able to use this information to obtain those top ten within the District's jurisdiction.

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14(1)</u>	<u>2012-13(1)</u>	<u>2011-12(1)</u>	<u>2010-11(2)</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>
Instruction:										
Primary programs	226.9	201.3	199.3	202.8	199.1	149.9	152.6	171.0	174.6	170.9
Intermediate programs(4)	-	-	-	-	-	78.6	75.8	87.4	86.9	94.9
Middle school programs	95.4	101.8	98.1	112.5	110.7	125.2	124.8	132.1	130.5	129.6
High school programs	119.3	120.5	117.7	136.2	132.5	149.4	148.7	159.9	163.6	162.1
Preschool programs	5.7	5.7	5.7	6.6	6.1	6.1	6.5	6.5	6.5	6.5
Talented and gifted programs	0.2	0.1	0.1	0.2	0.2	0.3	-	-	-	-
Restrictive programs	37.8	35.6	50.6	28.7	30.4	15.1	50.5	58.6	59.8	63.9
Resource rooms	114.2	113.5	103.2	104.2	107.0	118.9	82.4	67.7	68.8	70.0
Remediation	-	-	-	-	-	-	-	1.2	1.2	0.8
Title I	32.5	38.4	33.5	25.8	29.0	46.8	39.0	39.5	27.9	29.4
Alternative education	3.1	0.8	2.2	2.2	3.1	3.8	5.4	6.0	6.5	5.4
Designated programs	44.4	44.6	39.8	39.4	39.5	40.4	39.5	44.0	42.6	40.4
Total instruction	<u>679.5</u>	<u>662.3</u>	<u>650.3</u>	<u>658.6</u>	<u>657.6</u>	<u>734.5</u>	<u>725.2</u>	<u>773.9</u>	<u>768.9</u>	<u>773.9</u>
Support services:										
Attendance and social work services	17.5	18.3	17.5	18.0	17.8	17.3	16.5	17.3	13.3	15.1
Guidance services	27.3	26.9	27.5	29.5	31.1	31.7	34.9	44.0	45.5	43.4
Health services	9.8	8.8	7.3	7.3	5.2	6.2	4.6	3.6	3.6	3.6
Psychological services	6.5	6.5	7.5	7.5	7.1	7.1	7.1	7.3	7.4	7.4
Speech pathology and audiology services	12.0	11.7	11.7	11.7	14.5	13.9	14.0	17.2	16.3	15.6
Service direction - student support services	5.7	5.7	3.8	4.3	4.2	4.2	4.2	4.2	4.2	4.2
Improvement of instruction services	6.3	5.8	5.8	5.6	9.3	7.6	7.4	10.3	8.1	8.6
Educational media services	18.4	18.5	18.9	18.9	19.5	20.7	19.8	21.7	22.5	25.8
Assessment and testing	2.4	2.4	2.4	2.4	1.9	2.5	2.2	3.0	3.0	3.0
Instructional staff development	9.9	7.9	8.3	8.0	7.5	16.1	1.3	2.3	2.3	2.2
Executive administration services	6.0	6.0	6.0	6.0	3.0	4.0	4.0	4.5	4.3	4.0
Office of the principal services	74.7	78.1	76.3	77.5	78.2	77.8	71.6	87.7	86.7	85.9
Fiscal services	8.7	8.6	8.8	8.9	9.9	8.9	8.8	9.9	9.9	9.9
Operations and maintenance of plant services	58.0	58.0	57.0	57.0	57.0	59.0	59.0	68.5	70.5	72.2
Student transportation services	1.0	0.9	0.9	0.9	0.9	0.9	4.0	0.5	0.5	0.5
Internal services	2.3	2.2	1.2	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Planning and development services	-	-	-	-	-	-	-	-	-	-
Information services	1.5	1.5	1.5	1.5	1.5	2.0	2.0	2.0	2.0	2.0
Staff services	6.0	6.0	6.0	6.0	6.0	7.0	7.0	7.0	7.0	7.0
Technology services	18.8	18.8	18.4	18.3	18.3	18.1	19.1	26.0	25.4	21.5
Other central support	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total support services	<u>293.9</u>	<u>293.6</u>	<u>287.8</u>	<u>291.3</u>	<u>294.9</u>	<u>307.0</u>	<u>289.5</u>	<u>339.0</u>	<u>334.5</u>	<u>333.9</u>
Community services:										
Food preparation and dispensing	0.2	0.2	0.2	-	-	-	0.1	0.1	0.1	0.1
Community services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.5
Civic services	-	-	-	-	-	-	-	-	0.6	0.9
Other community services										
Total community services	<u>2.2</u>	<u>2.2</u>	<u>2.2</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.1</u>	<u>2.1</u>	<u>2.7</u>	<u>2.5</u>
Total FTE	<u>975.6</u>	<u>958.1</u>	<u>940.3</u>	<u>951.9</u>	<u>954.5</u>	<u>1,043.5</u>	<u>1,016.8</u>	<u>1,115.0</u>	<u>1,106.1</u>	<u>1,110.3</u>

(1) FTE (Full Time Equivalent) based on a reduction of 5 contracted working days.

(2) FTE (Full Time Equivalent) based on a reduction of 8 contracted working days.

(3) FTE based on a reduction of 10 contracted working days.

(4) Function eliminated in 2011-12

GRESHAM-BARLOW SCHOOL DISTRICT 10JT

LICENSED PROFESSIONAL SALARY PLAN

YEAR ENDED JUNE 30, 2015

LEVEL	BACHELORS*	BACHELORS +45*	BACHELORS +75* MASTERS*	BACHELORS +105* MASTERS +23*
1	37,843	41,569	42,915	46,736
2	39,707	43,356	44,791	48,647
3	41,663	45,220	46,750	50,633
4	43,716	47,164	48,793	52,701
5	45,868	49,192	50,928	54,850
6	48,126	51,307	53,155	57,090
7	50,497	53,514	57,111	61,170
8	52,985	55,815	57,906	61,849
9	55,593	58,216	60,437	64,376
10	58,333	60,717	63,081	67,003
11		63,328	65,840	69,738
12		66,053	68,718	72,588
13			71,724	75,551

*Based on 187 day contract

LICENCED STAFF PER LEVEL AND EDUCATION IN FULL-TIME EQUIVALENT EMPLOYEES-JUNE 2015

LEVEL	BACHELORS	BACHELORS +45	BACHELORS +75 MASTERS	BACHELORS +105 MASTERS +23	TOTAL
1	6.00	0.00	11.00	2.50	19.50
2	8.00	1.67	11.50	4.52	25.69
3	3.60	1.00	11.00	9.67	25.27
4	0.83	2.00	6.00	1.00	9.83
5	4.00	1.00	13.20	4.00	22.20
6	0.00	0.00	5.67	6.00	11.67
7	0.00	0.00	4.00	7.50	11.50
8	0.00	1.00	12.18	10.50	23.68
9	0.00	0.00	14.90	7.67	22.57
10	14.67	0.00	8.10	11.10	33.87
11		2.00	14.10	12.20	28.30
12		16.50	13.50	26.00	56.00
13			69.25	215.00	284.25
Total	37.10	25.17	194.40	317.66	574.33

Source: Gresham-Barlow School District Budget Department

GRESHAM-BARLOW SCHOOL DISTRICT 10JT

OPERATING STATISTICS

Last Ten Fiscal Years

FISCAL YEAR	STUDENT ENROLLMENT(1)	AVERAGE DAILY MEMBERSHIP(2)	COST PER PUPIL(3)			TEACHING STAFF (5)	PUPIL- TEACHER RATIO (4)	NUMBER OF STUDENTS GRADUATED(5)		
			K-8	9-12	ALL			GRESHAM HIGH SCHOOL	BARLOW HIGH SCHOOL	SPRING- WATER TRAIL
2015-2016	11,144	11,993	\$ 9,063	\$ 9,227	\$ 9,607	574.3	19.40	347	335	38
2014-2015	11,120	11,647	9,460	8,757	9,223	556.4	19.99	307	344	34
2013-2014	11,251	11,630	8,873	8,355	8,700	512.6	21.95	315	334	29
2012-2013	11,319	11,708	8,671	8,476	8,611	568.8	19.90	328	354	26
2011-2012	11,507	11,661	8,508	8,289	8,442	560.2	20.54	342	362	29
2010-2011	11,598	11,648	8,234	8,153	8,213	613.9	18.89	332	368	32
2009-2010	11,925	11,694	7,997	8,331	8,109	609.6	19.56	330	377	32
2008-2009	12,007	11,682	8,292	8,326	8,311	659.9	18.20	339	374	31
2007-2008	12,116	11,590	8,145	8,216	8,177	660.7	18.34	388	339	26
2006-2007	12,123	11,515	7,581	7,885	7,686	659.2	18.39	355	353	30

FISCAL YEAR	NUMBER OF TYPE A LUNCES SERVED			NUMBER OF BREAKFASTS SERVED		
	PAID	FREE	REDUCED PRICE	PAID	FREE	REDUCED PRICE
2015-2016	134,229	788,452	46,470	21,035	372,462	11,469
2014-2015	131,919	723,820	38,787	17,866	325,204	7,884
2013-2014	180,825	562,725	73,555	54,116	271,047	31,274
2012-2013	234,133	612,662	72,010	61,002	304,513	28,870
2011-2012	266,606	595,317	78,625	49,147	247,628	27,323
2010-2011	305,294	550,631	88,862	69,760	209,919	33,264
2009-2010	364,163	536,262	103,422	79,085	210,632	38,105
2008-2009	424,169	465,425	101,554	74,188	188,178	26,921
2007-2008	457,480	423,957	110,027	76,481	177,323	30,149
2006-2007	452,255	396,267	113,070	67,638	148,571	25,861

(1) Enrollment in Gresham-Barlow School District locations only.

(2) Average Daily Membership (ADM) includes all resident students regardless of where they attend (including charter schools, schools outside the district, and schools for special needs students operated by other agencies and education service districts).

(3) Cost per pupil is calculated by the District using actual expenditures on the budgetary basis, excluding capital outlay and debt service and offset by payments received for tuition (i.e., outdoor school, driver's education) and non-reimbursable transportation.

(4) Enrollment to Teacher Ratio

(5) Includes all licensed staff, not just classroom teachers, (i.e., counselors, special education, librarians).

N/A-Not Available

Sources: Gresham Barlow School District Human Resources Department, Food Service Department, High Schools, Enrollment and Attendance Records.

GRESHAM-BARLOW SCHOOL DISTRICT 10JT

CAPITAL ASSET INFORMATION

LAST TEN FISCAL YEARS

	2016	2015	2014	2013(1)	2012	2011	2010	2009	2008	2007
SCHOOLS										
ELEMENTARY										
BUILDINGS	11	11	11	11	11	11	11	11	11	11
SQUARE FEET	633,084	633,084	633,084	633,084	651,268	651,268	649,635	649,667	649,667	647,867
CAPACITY	5,611	5,611	5,611	5,611	5,838	5,838	5,353	5,353	5,353	5,293
ENROLLMENT	4,914	4,914	4,914	4,914	4,925	4,925	5,081	5,132	5,240	5,270
MIDDLE										
BUILDINGS	5	5	5	5	5	5	5	5	5	5
SQUARE FEET	460,285	460,285	460,285	460,285	472,199	472,199	470,257	470,257	470,257	470,257
CAPACITY	3,328	3,328	3,328	3,328	3,280	3,280	2,943	2,943	2,943	2,943
ENROLLMENT	2,741	2,741	2,741	2,741	2,887	2,887	2,946	2,950	2,989	2,923
HIGH										
BUILDINGS	3	3	3	3	3	3	3	3	3	3
SQUARE FEET	561,876	561,876	561,876	561,876	537,134	537,134	537,134	537,134	537,134	537,134
CAPACITY	3,630	3,630	3,630	3,630	3,627	3,627	3,170	3,170	3,170	3,170
ENROLLMENT(2)	3,664	3,664	3,664	3,664	3,389	3,389	3,769	3,892	3,864	3,902
ADMINISTRATIVE										
BUILDINGS	1	1	1	1	1	1	1	1	1	1
SQUARE FEET	13,094	13,094	13,094	13,094	13,094	13,094	12,000	12,000	12,000	12,000
OPERATIONS AND MAINTENANCE										
BUILDINGS	1	1	1	1	1	1	1	1	1	1
SQUARE FEET	12,000	12,000	12,000	12,000	12,000	12,000	6,000	6,000	6,000	6,000
OTHER										
SQUARE FEET	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000
ATHLETICS										
FOOTBALL FIELDS	3	3	3	3	3	3	3	3	3	3
SOCCER FIELDS	4	4	4	4	4	4	4	4	4	4
FOOTBALL/SOCCER FIELDS	2	2	2	2	2	2	2	2	2	2
BASEBALL/SOFTBALL	20	20	20	20	20	20	20	20	20	20
SWIMMING POOLS	2	2	2	2	2	2	2	2	2	2
PLAYGROUNDS	16	16	16	16	16	16	16	16	16	16

(1) Long-range planning for building capacity was conducted on a building by building and room by room basis to develop optimal capacity information.

(2) Does not include Adult Living Program.

Source: Gresham-Barlow School District Facilities Department

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AUDIT COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATIONS

Oregon Administrative Rules 162-10-050 through 162-10-320 incorporated in the *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy, enumerate the financial statements, schedules, and comments and disclosures required in all audit reports. The required statements and schedules are set forth in the preceding sections of this report. Required comments and disclosures related to the audit of such statements and schedules are set forth in the following pages.

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Independent Auditor's Report Required by Oregon State Regulations

We have audited the basic financial statements of the Gresham-Barlow School District as of and for the year ended June 30, 2016, and have issued our report thereon dated December 1, 2016. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

Compliance

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

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

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

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

OAR 162-10-0230 Internal Control

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

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

A handwritten signature in black ink, appearing to read "Matthew Graves".

Matthew Graves, CPA
PAULY, ROGERS AND CO., P.C.

SINGLE AUDIT SECTION

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Gresham-Barlow School District 10JT
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2016

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>ODE Pass Through Entity Number</u>	<u>Grant Period Covered</u>	<u>Expenditures</u>
U.S. Department of Education				
Passed through Oregon Department of Education:				
Title IA/D Grants to LEA's	84.010	35982	07/01/15-09/30/16	\$ 2,499,594 (1)
	84.010	36558	07/01/15-09/30/16	8,657 (1)
	84.010	37551	07/01/15-09/30/16	38,632 (1)
	84.010	37552	07/01/15-09/30/16	29,751 (1)
	84.010	32775	07/01/14-09/30/15	414 (1)
	84.010	32776	07/01/14-09/30/15	15,225 (1)
	84.010	32591	07/01/14-09/30/16	171,457 (1)
				<u>2,763,730 (1)</u>
English Language Acquisition	84.365	36327	07/01/15-09/30/16	143,478
	84.365	32328	07/01/14-09/30/16	21,733
				<u>165,211</u>
Support Effective Instruction State Grant	84.367	36179	07/01/15-09/30/16	234,763
	84.367	32915	07/01/14-09/30/15	17,412
				<u>252,175</u>
Special Education - Grants to States	84.027	36862	07/01/15-09/30/17	1,648,153
	84.027	37868	08/01/15- 06/30/16	6,316
	84.027	38328	10/01/15 - 09/30/16	12,731
	84.027	35757	07/01/15 - 06/30/16	2,700
	84.173	33457	07/01/14 - 09/30/16	14,667
	84.027	38126	08/01/15-08/30/15	418
	84.173	37171	07/01/15-09/30/17	3,215
	84.027	33275	07/01/14 - 09/30/16	329,002
				<u>2,017,202</u>
21st Century Community Learning	84.287	36383	07/01/15- 09/30/17	438,446
	84.287	32271	07/01/14-06/30/16	124,963
				<u>563,409</u>
School Improvement Grants	84.377	36383	07/01/15-09/30/17	485,507
	84.377	31395	07/01/14-09/30/15	87,100
				<u>572,607</u>
Total U.S. Department of Education				<u><u>6,334,334</u></u>
U.S. Department of Health & Human Services				
Passed through Oregon Employment Department				
Child Care and Development Block Grant	93.575	ODE/OCC 14-036	07/01/13 - 06/30/15	<u>51,273</u>
Total U.S. Department of Health & Human Services				<u><u>51,273</u></u>

(1) Indicates major programs

(2) There were no funds passed through to subrecipients

(Continued on next page)

Program Title	Federal CFDA Number	ODE Pass Through Entity Number	Period Covered	Expenditures
U.S. Department of Agriculture:				
Passed through Oregon Department of Education:				
Child Nutrition Cluster:				
Donated Commodities	10.555		07/01/15-06/30/16	3,148
School Breakfast Program	10.553		07/01/15-06/30/16	760,245
National School Lunch Program	10.555		07/01/15-06/30/16	2,617,913
NSLP Child Care Food	10.558		07/01/15-06/30/16	124,180
Summer Food	10.559		07/01/15-06/30/16	67,991
				3,573,477
Passed through Clackamas and Multnomah Counties Oregon				
Federal Forest Fees	10.665		07/01/15-06/30/16	12,093
Total U.S. Department of Agriculture				3,585,570
TOTAL FEDERAL FINANCIAL ASSISTANCE				\$ 9,971,177

(2) There were no funds passed through to subrecipients

REPORTS ON LEGAL AND OTHER REGULATORY COMPLIANCE

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December 1, 2016

To the Board of Directors
Gresham-Barlow School District
Multnomah County, Oregon

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Gresham-Barlow School District School District as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated December 1, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we do not express an opinion on the effectiveness of internal control.

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

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements are free from material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Matthew Graves".

Matthew Graves, CPA
PAULY, ROGERS AND CO., P.C.



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December 1, 2016

To the Board of Directors
Gresham-Barlow School District
Multnomah County, Oregon

Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

Report on Compliance for Each Major Federal Program

We have audited Gresham-Barlow School District School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2016. The 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 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 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 compliance.

Opinion on Each Major Federal Program

In our opinion, Gresham-Barlow School District School District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management 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 internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 internal control over compliance.

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

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

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



Matthew Graves, CPA
PAULY, ROGERS AND CO., P.C.

GRESHAM-BARLOW SCHOOL DISTRICT
MULTNOMAH COUNTY, OREGON

SCHEDULE FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016

SECTION I – SUMMARY OF AUDITORS’ RESULTS

FINANCIAL STATEMENTS

Type of auditors’ report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? ☐ yes ☒ no

Significant deficiency(s) identified that are not considered
to be material weaknesses? ☐ yes ☒ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

Any GAGAS audit findings disclosed that are required to be reported in
accordance with the Uniform Guidance? ☐ yes ☒ no

FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified? ☐ yes ☒ no

Significant deficiency(s) identified that are not considered
to be material weaknesses? ☐ yes ☒ none reported

Type of auditors’ report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance
with the Uniform Guidance? ☐ yes ☒ no

IDENTIFICATION OF MAJOR PROGRAMS

CFDA NUMBER **NAME OF FEDERAL PROGRAM CLUSTER**

84.010 Title IA

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes

SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONS COSTS:

None

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. Basis of Presentation:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Gresham-Barlow School District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

GRESHAM-BARLOW SCHOOL DISTRICT
1331 NW Eastman Parkway
Gresham, OR 97030-3825

TO: Board of Directors

FROM: Jim Schlachter
Mike Schofield

DATE: January 5, 2017

RE: No. 19 – Bid Award: Copier Hardware, Software and Maintenance

EXPLANATION: As discussed at the October 20, 2016, board work session, the administration issued request for proposals for copiers, production hardware, print job submission software, usage tracking software, and printer service and supplies. The district currently plans to replace 52 devices.

A summary provided by Optimizon, our copier consultant, regarding the recommended purchases will be provided at the board meeting. Annual savings is projected at approximately \$83,000 per year with a total 60-month savings of approximately \$415,000.

PRESENTER: Mike Schofield

SUPPLEMENTARY MATERIALS: An award recommendation dated December 1, 2016, will be provided at the board meeting).

RECOMMENDATION: Authorize negotiations between the administration and Pacific Office Automation.

REQUESTED ACTION: Approve contracts with Pacific Office Automation pending successful contract negotiations at an annual average cost of approximately \$254,000.

MS:lc



**Gresham-Barlow School District
Recommendation to Award
December 1, 2016**

Please refer to the Executive Summary dated October 12, 2016 for a summary of the RFP process and the initial recommendation.

Final Award Recommendation:

Based on a successful completion of the onsite Copier/MFD hardware and Usage Tracking Software acceptance testing, the recommendation is to award all 5 RFPs to Pacific Office Automation.

Financial Summary for Upcoming Activity:

Component	Current Average Annual Cost	New Average Annual Cost
RFP #1617-01: Copier/MFD Hardware and Service: Pacific Office Automation Replacement of 49 devices to take place in December 2016 / January 2017	\$179,830	\$122,209
RFP #1617-02: Production Hardware and Service: Pacific Office Automation Replacement of 3 devices to take place in December 2016 / January 2017	\$84,101	\$68,812
RFP #4821: Print Shop Job Submission Software: Pacific Office Automation To be implemented between January and May 2017 for District-Wide launch Summer 2017	\$0	\$21,674
RFP #1617-05: Usage Tracking Software: Pacific Office Automation To be rolled out as Copiers are replaced	\$0	\$6,607
RFP #1617-03: Printer/MFP Service + Supplies: Pacific Office Automation To be implemented in Summer 2017	\$72,997	\$34,543
Total Average Annual Cost	\$336,923	\$253,845
Average Annual Savings	\$83,078	
Total 60 Month Savings	\$415,385	

The cost includes hardware, software, service, and supplies (such as ink and toner).

GRESHAM-BARLOW SCHOOL DISTRICT
1331 NW Eastman Parkway
Gresham, OR 97030-3825

TO: Board of Directors

FROM: Jim Schlachter
Mike Schofield

DATE: January 5, 2017

RE: No. 20 – Bond Projects Schedule (Draft)

EXPLANATION: As preliminarily discussed at the December 1, 2016, boardd work session, the bond projects team has been working on a draft schedule for the bond projects.

The schedule is essentially divided by project size, and consists of large projects and small projects. The schedule anticipates starting the two high school renovations as well as the two replacement elementary schools early. These projects represent well over half of the bond project budget.

There are also projects such as technology, furniture and classroom door locks that may run concurrent and in phases with the site-specific projects.

PRESENTER: Mike Schofield

SUPPLEMENTARY
on MATERIALS: A draft projects schedule will be presented at the board meeting on January 5, 2017.

RECOMMENDATION: Review and discuss the draft bond project schedule.

REQUESTED ACTION: No action is required.

MS:lc

Small Project Schedule
2016 Capital Improvement Program
Gresham Barlow School District

Note: This is a very preliminary rough draft only:lyn

DRAFT
12/5/2016

		36 Months																																																			
PROJECTS	BUDGET	2016				2017												2018												2019												2020											
		A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D											
1 Highland Elementary School	\$ 3,457,000																																																				
Pre-Design / Design / Bid-Award																																																					
Construction / Closeout																																																					
2 West Orient Middle School	\$ 3,257,000																																																				
Pre-Design / Design / Bid-Award																																																					
Construction / Closeout																																																					
3 West Gresham Elementary School	\$ 562,000																																																				
Pre-Design / Design / Bid-Award																																																					
Construction / Closeout																																																					
4 Hogan Cedars Elementary School	\$ 1,672,000																																																				
Pre-Design / Design / Bid-Award																																																					
Construction / Closeout																																																					
5 Kelly Creek Elementary School	\$ 4,391,000																																																				
Pre-Design / Design / Bid-Award																																																					
Construction / Closeout																																																					
6 Powell Valley Elementary School	\$ 3,781,000																																																				
Pre-Design / Design / Bid-Award																																																					
Construction / Closeout																																																					
7 Springwater Trail High School	\$ 1,099,000																																																				
Pre-Design / Design / Bid-Award																																																					
Construction / Closeout																																																					
8 East Orient Elementary School	\$ 3,147,000																																																				
Pre-Design / Design / Bid-Award																																																					
Construction / Closeout																																																					

TOTAL BUDGET	\$ 21,366,000
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DRAFT

LEGEND	
	Pre-Design
	Design
	Bid-Award
	Construction
	Closeout

NOTES

1. FFE Projects may be district direct projects.
2. IT, Access Control, etc. projects may be district direct projects.

Large Project Schedule
2016 Capital Improvement Program
Gresham Barlow School District

Note: This is a very preliminary rough draft only:lyn

DRAFT
12/5/2016

PROJECTS	BUDGET	36 Months																																																				
		2016				2017				2018				2019				2020				2021																																
		A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
1 Gresham High School	\$ 93,568,000																																																					
Pre-Design / Design / Bid-Award																																																						
Construction / Closeout																																																						
2 Sam Barlow High School	\$ 70,356,000																																																					
Pre-Design / Design / Bid-Award																																																						
Construction / Closeout																																																						
3 East Gresham Elementary School	\$ 29,000,000																																																					
Pre-Design / Design / Bid-Award																																																						
Construction / Closeout																																																						
4 North Gresham Elementary School	\$ 29,000,000																																																					
Pre-Design / Design / Bid-Award																																																						
Construction / Closeout																																																						
5 Hall Elementary School	\$ 8,044,000																																																					
Pre-Design / Design / Bid-Award																																																						
Construction / Closeout																																																						
6 Hollydale Elementary School	\$ 6,543,000																																																					
Pre-Design / Design / Bid-Award																																																						
Construction / Closeout																																																						
7 Deep Creek K-8	\$ 6,340,199																																																					
Pre-Design / Design / Bid-Award																																																						
Construction / Closeout																																																						
8 Dexter McCarty Middle School	\$ 10,912,000																																																					

TOTAL BUDGET **\$278,824,199** **DRAFT**

LEGEND	
	Pre-Design
	Design
	Bid-Award
	Construction
	Closeout

NOTES

1. FFE Projects may be district direct projects.
2. IT, Access Control, etc. projects may be district direct projects