

**BOARD OF EDUCATION
UMATILLA COUNTY SCHOOL DISTRICT 8R, HERMISTON**

**There will be a Regular Meeting of the
Board of Education of the Umatilla County School District 8R
at Hermiston School District Offices
Boardroom
305 S.W. 11th Street.
Hermiston, Oregon 97838
Monday, December 14, 2020, 6:30 PM**

**Briana Cortaberria
Executive Assistant to the
Superintendent and Board of Education**

AGENDA

- 1. CALL TO ORDER REGULAR MEETING* (6:30 p.m.)** *Chair Goller*
- 2. INTRODUCTORY ITEMS (6:30 p.m.)** *Chair Goller*
 1. Pledge of Allegiance
 2. Adoption of Agenda
 3. Approval of Minutes 3
- 3. PRESENTATIONS AND RECOGNITIONS (6:35 p.m.)**
 1. Auditor's Report *Ms. Ramos* 7
- 4. COMMUNICATIONS AND ANNOUNCEMENTS (6:55 p.m.)**
 1. Public Comments*** *Chair Goller* 10
 2. Oregon School Employees Association *Ms. Wright*
 3. Hermiston Association of Teachers *Ms. Woodward*
 4. Student Board Representative *Miss Mitchell*
- 5. REPORTS (7:20 p.m.)**
 1. Board of Education *Chair Goller*
Board of Education Goals
 1. Academic Achievement. Schools will demonstrate continuous improvement in all measured areas for each student.
 2. Stewardship. Maintain sound fiscal stewardship of community resources consistent with board policy.
 3. Community. Schools will provide specific community outreach, at least twice annually, in culturally relevant ways to encourage parent/guardian partnerships in advancing student achievement.
 2. Superintendent's Office *Dr. Mooney*
 1. Enrollment Report 11
 2. Bond Oversight Committee
 3. Business Office *Ms. Saul*
 1. Financial Reports 14
- 6. CONSENT ITEMS** (7:45 p.m.)**
 1. Human Resources Department
 1. Personnel Appointments

* Timing of agenda is not meant to be time specific. Instead the time identified is for pacing purposes only. The Board of Education may modify the agenda and the order in which items are taken for consideration. 17

** Consent agenda items are considered for action as an entire group. Details for these items are available for public inspection at the District Office.

*** Members of the public who wish to address the Board of Education should notify the Board Chairman or Superintendent prior to the meeting. The Board of Education normally accepts public comment only at its regularly scheduled meetings. Public comment is not normally accepted at Special Meetings/work sessions.

2. Personnel Resignations	18
3. Extra Responsibility Contracts	19
2. Business Office	
1. Acceptance of Gifts	20
2. Budget Appropriation	23
3. 2019-20 Audit Report	25
3. Superintendent's Office	
1. Policy Review - First Reading	200
2. Policy Review - Second Reading	255
7. CALENDAR/FUTURE ITEMS (7:50 p.m.) <i>Ms. Cortaberra</i>	261
8. EXECUTIVE SESSION (7:55 p.m.)	267
1. ORS 192.660(2)(e)	
2. ORS 192.660(2)(i)	
9. ADJOURN (8:25 p.m.)	

ORS 192.660(2)(e): To conduct deliberations with persons designated by the governing body to negotiate real property transactions.

ORS 192.660(2)(i): To review and evaluate the employment-related performance of the chief executive officer of any public body, a public officer, employee or staff member who does not request an open hearing.

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**REGULAR MEETING
UMATILLA COUNTY SCHOOL DISTRICT #8R, HERMISTON
November 9, 2020**

1 CALL TO ORDER

Chair Goller called the meeting to order at 6:30 p.m.

Hermiston School Board members present: Mr. Josh Goller, Ms. Bonnie Luisi, Ms. Karen Sherman, Mr. Brent Pitney, Ms. Holthus (via conference call)

Also in attendance were: Superintendent of Schools Dr. Tricia Mooney, Assistant Superintendent Bryn Browning, Director of Business Services Katie Saul, and Executive Assistant to the Superintendent and Board Briana Cortaberria

Absent online: Mr. Mark Gomolski, Mr. Bryan Medelez

2 INTRODUCTORY ITEMS

2.1 Pledge of Allegiance

Chair Goller led everyone in the Pledge of Allegiance.

2.2 Adoption of Agenda

Dr. Tricia Mooney noted the addition of 6.3.2 Policy Review in the consent agenda.

2.3 Approval of Minutes

Regular Meeting, October 12, 2020 – A motion was made by Ms. Luisi and seconded by Ms. Sherman that the Board of Education approves the minutes of the regular meeting held on October 12, 2020.

The motion passed 5-0.

Special Meeting, October 26, 2020 – A motion was made by Mr. Pitney and seconded by Ms. Luisi that the Board of Education approves the minutes of the special meeting held on October 26, 2020.

The motion passed 5-0.

3 PRESENTATIONS AND RECOGNITIONS

3.1 Student Success Act

Ms. Browning provided an update to the Hermiston School District Student Success Act, from the initial March presentation, due to a reduction in available funds. The act purpose, roadmap, expenditure categories, and areas for input were unchanged.

Ms. Browning stated that reduction in class sizes at K-2 grades was removed from the original plan. She then reviewed the three priority areas – increased instructional time, student health and safety, and well-rounded learning experiences – and stated the amount invested.

4 COMMUNICATIONS AND ANNOUNCEMENTS

4.1 Public Comments

Chair Goller read the public comment guidelines as posted to the meeting agenda. Public comment was received from parents of HSD students on returning students to the classroom and from a construction company expanding into the area that stated interest in the district's bond projects.

4.2 Oregon School Employees Association

A representative was not present to address the board on behalf of OSEA.

4.3 Hermiston Association of Teachers

Ms. Laurel Woodward spoke to the board on behalf of the Hermiston Association Teachers, commenting on teachers' efforts with CDL and engaging students, volunteer efforts during Halloween, and "fall conferences" which will look different than past years.

4.4 Student Board Representative

Hermiston High School Student Board Representative Miss Violet Mitchell, shared of the Oregon Association Student Councils virtual fall conference and Eastern Oregon representation on its boards, a student-led mental health program, brainstorming money-raising ideas for No Shave November, and Christmas Express canned food drive donation plans.

5 REPORTS

5.1 Board of Education

The Board members shared of events and activities in which they participated or attended since the last Board meeting, sharing of the Bond Oversight Committee meeting and giving thanks to parents in attendance for addressing the board.

5.2 Superintendent's Office

5.2.1 Enrollment Report

Dr. Tricia Mooney shared the enrollment report as of October 30, 2020, showing a decreased enrollment but following the standard trend line.

5.2.2 Ready Schools, Safe Learners Update

Dr. Mooney highlighted the recent Ready Schools, Safe Learners update, from October, noting a two-week "look back" of data, reviewing metric measures, limited in-person guidelines, and the recent two week pause declaration by Governor Kate Brown.

5.3 Business Office

5.3.1 Financial Reports

Director of Business Services Saul shared the September 2020 financial forecast reports, including projections for revenue, expenditure, and the ending fund balance report, all of which are green and yield a 12.70% EFB.

6 CONSENT ITEMS

A motion was made by Ms. Luisi, seconded by Ms. Sherman, and passed 5-0 that the Board of Education approves consent items 6.1.1 thru 6.3.2.

6.1 Human Resources Department

6.1.1 Personnel Appointments

Approves the appointment of the following employees:

Samantha Milligan	Educational Assistant	Sunset Elementary
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6.1.2 Personnel Resignations

Approves the resignation of the following employees:

Criselda Garcia	ELL Assistant	West Park Elementary
Ashley Larson	Administrative Assistant	Sandstone Middle
Cierra Simon	Special Education Assistant	Armand Larive Middle

6.1.3 Extra Responsibility Contract

Approves the following extra responsibility contracts:

Stacy Cooley	Middle School Music	Armand Larive Middle
		Sandstone Middle
Brianna Gilman	FFA Advisor	Hermiston High School**

**High School Student Success Funded

6.2 Business Office

6.2.1 Acceptance of Gifts

Accepts the following gifts:

SCHOOL/PROG	GIFT	VALUE	DONOR
West Park Elementary School	Headphones		American Legion
West Park Elementary School	Cash	\$500.00	JM Manufacturing Co, Inc
West Park Elementary School	Cash	\$558.00	Hermiston American Legion Post #37
Hermiston School District	Cash	\$50.00	American Institute of Research
Hermiston High School FFA	Cash	\$2,000.00	Meenderinck Dairy, LLC

6.3 Superintendent's Office

6.3.1 Student Success Act

Approve the Hermiston School District Student Success Act Plan and Grant Agreement.

6.3.2 Policy Review – First Reading

Adopt the list of policies under review, as included:

ACB - New	All Students Belong
ACB-AR - New	Bias Incident Complaint Procedure

7 ACTION ITEMS

7.1 OSBA Resolution – 2021-2022 Legislative Priorities & Principles

The Oregon School Boards Association provided its annual update resolution referencing the organization’s legislative priorities and principles for district board review and adoption. A motion was made by Mr. Pitney and seconded by Ms. Luisi to approve Oregon School Boards Association Resolution to adopt the OSBA 2021-2022 Legislative Priorities and Principles as recommended by the Legislative Policy Committee. The motion passed 5-0.

8 CALENDAR/FUTURE ITEMS

Upcoming calendars were reviewed.

9 ADJOURN

A motion was made by Ms. Luisi and seconded by Ms. Sherman to adjourn the meeting. The motion passed 5-0.

Chair Goller adjourned the regular meeting at 7:27 p.m.

Date

Chairman

Superintendent/Clerk

Secretary

BARNETT & MORO, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

495 E. Main
Hermiston, OR 97838
(541) 567-5215
(541) 567-0497 Fax

DENNIS L. BARNETT, C.P.A.
KRISTIE L. SHASTEEN, C.P.A.
CAMERON W. ANDERSON, C.P.A.
RICHARD L. STODDARD, C.P.A.
BETSY J. BENNETT, C.P.A.
PAUL A. BARNETT, C.P.A.
REBECCA K. RAMOS BAUTISTA, C.P.A.
MITCHELL L. BOYLAN, C.P.A.

GERALD J. MORO, C.P.A. EMERITUS

November 20, 2020

To the Superintendent and
Board of Education
Umatilla County School District No. 8R
305 SW 11th Street
Hermiston, OR 97838

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Umatilla County School District No. 8R for the year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 7, 2020. Professional standards require that we provide you with the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for selection and use of appropriate accounting policies. The significant accounting policies used by Umatilla County School District No. 8R are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the Umatilla County School District No. 8R during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was management's estimate of the useful lives of depreciable assets. Management's estimate was based on past experience. We evaluated the key factors and assumptions used to develop these estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each of the opinion unit's financial statements taken as a whole.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 20, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Umatilla County School District No. 8R's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Umatilla County School District No. 8R's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquires of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on supplementary information which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Umatilla County School District No. 8R

Page 3

November 20, 2020

We were not engaged to report on the introductory section, other financial schedules and statistical section, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the information and use of the Board of Education and management of Umatilla County School District No. 8R and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,
Barnett & Moro, P.C.

A handwritten signature in blue ink, appearing to read "R. L. Stoddard", with a long horizontal flourish extending to the right.

Richard L. Stoddard, Shareholder

**BOARD OF EDUCATION
UMATILLA COUNTY SCHOOL DISTRICT #8R, HERMISTON
HERMISTON, OREGON**

December 14, 2020

4.0 COMMUNICATIONS AND ANNOUNCEMENTS

4.1 TOPIC: Public Comment

Welcome. This is the time we reserve in our meeting for public comment. Anyone wishing to address the board should stand and be recognized, then move forward to the microphone at the center table. Prior to making your comments, please state your first and last name, home address, and school or topic. Please limit your comments to a maximum of three (3) minutes and address them to me.

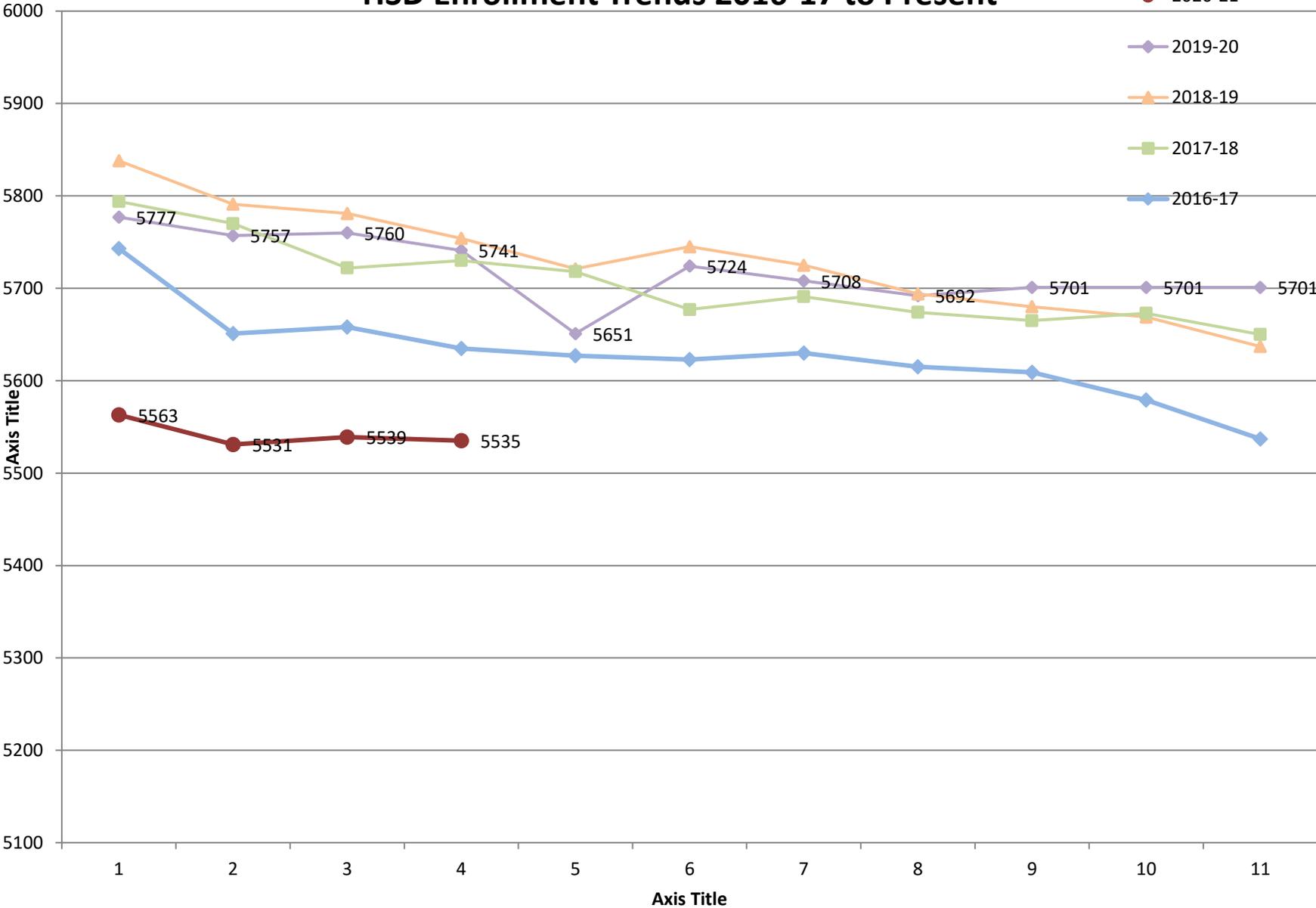
Due to the COVID-19 state-wide restrictions and Governor Brown's "Stay Home, Save Lives" order, the Hermiston School District Board of Education also accepted public comment in writing prior to this meeting. Members of the community wishing to provide public comment submitted those statements via email to the district by 12:00 pm today.

According to Board policy KL, any complaint regarding a specific employee of the Hermiston School District must be routed through the superintendent's office.

Is there anyone here tonight who would like to address the board?

bc

HSD Enrollment Trends 2016-17 to Present



11/30/2020 HERMISTON SCHOOL DISTRICT 8R - ELEMENTARY ENROLLMENT BY TEACHER										
Desert View	532	Highland Hills	427	Rocky Heights	422	Sunset	577	West Park	508	
Kinder		Ross, W(lifeskills)	2	K. Scott (Team)	0					Total
Ramirez	20	K. Carlson	2	Fredricks	14	Escobedo	17	Diaz	2	350
D. Smith	20	Adams	20	Godby	6	Robinson	16	Kellison, A	18	
Pollick	21	Culligan	18	Moore	15	Newton	19	McCoy	16	
Wells	20	Koenig	18	Wilson, M	14	Trigg Linderman	17	Pena	17	
						Trotter	17	Rodriguez	18	
Hermiston Online!	2	Hermiston Online!	0	Hermiston Online!	0	Hermiston Online!	1	Hermiston Online!	0	Avg,
Total	83		60		49		87		71	17.5
1st grade				K.Scott (Team)	1					Total
Bennett	19	K. Carlson	0	Badillo-Juarez	9	Diaz	19	Diaz	1	397
Frazier	19	Liebe	22	Dunkel	22	Milligan	18	Hamilton, N	19	
Lillie	19	Seibel	22	James	21	Mosher	20	Schaefer	19	
McCann	21	Watson	22	Powell	22	Sloan	18	Wattenburger	20	
						Torres	20	Posten	19	
Hermiston Online!	1	Hermiston Online!	1	Hermiston Online!	2	Hermiston Online!	1	Hermiston Online!	0	Avg,
Total	79		67		77		96		78	19.9
2nd grade		Ross, W(lifeskills)	1	K. Scott (Team)	4			(Soc. Com) Skirvin	2	Total
Lowry	23	K. Carlson	2	Badillo-Juarez	5	Colbray	24	Diaz	2	446
Rettkowski	24	Cooley,Sam	21	Hancock	16	Navarrete Campos	23	Gorham	23	
Scott, V	23	Gilstrap	16	Hayden	17	Nicodemus, A	22	Johnston	24	
Zumaya	23	Meade	19	Hofbauer	17	Pridmore	23	Neddo	23	
				Shira	16	Spencer	23	Springstead	23	
Hermiston Online!	2	Hermiston Online!	2	Hermiston Online!	2	Hermiston Online!	0	Hermiston Online!	1	Avg.
Total	95		61		77		115		98	22.3
3rd grade		Ross, W(lifeskills)	2					(Soc. Com) Skirvin	2	Total
Artz	20	K. Carlson	2	Eckblad (Able)	1	Mulkey	18	Diaz	2	409
Dynes	23	Hall	19	Basso	24	Sorey	19	Anderholm	20	
Hill	22	Juul	22	Kautzman	22	Smith	18	Degan	22	
Strehlou	23	Moore	21	Rodriguez, A	22	Weber	18	Morgan	19	
		Alvarez	3			White	19	Purswell	20	
Hermiston Online!	1	Hermiston Online!	4	Hermiston Online!	1	Hermiston Online!	0	Hermiston Online!	0	Avg.
Total	89		73		70		92		85	21.5
4th grade		K. Carlson	1					(Soc. Com) Skirvin	2	Total
Mills	22	Barr	19	Eckblad (Able)	2	Elliott	25	Diaz	2	428
Thurmond	23	Cooke	19	Bailey	22	Frazier	24	Dopps	21	
Wellsandt	23	Plum	21	Lindeman	22	Rouska	26	MacKenzie	21	
Winn	23	Ross, W(lifeskills)	1	McElrea	23	Zuniga	25	Maloy	22	
		Alvarez	9					Peterson	22	
Hermiston Online!	3	Hermiston Online!	2	Hermiston Online!	1	Hermiston Online!	1	Hermiston Online!	1	Avg.
Total	94		72		70		101		91	23.8
5th grade		K. Carlson	1					(Soc. Com) Skirvin	1	Total
Kramer	23	Cook, J	21	Eckblad (Able)	4	Frink	23	Diaz	1	436
Lomas	21	Hamann	21	Lathim	24	Long	21	Lambert	20	
McCormack	23	Moody	22	Linn	25	Sexton	21	Nycz	22	
Nicodemus	22	Wood	20	Sparks	24	Stephens	20	Schultz	20	
		Alvarez	7					Smith, B	21	
Hermiston Online!	3	Hermiston Online!	2	Hermiston Online!	2	Hermiston Online!	1	Hermiston Online!	0	Avg.
Total	92		94		79		86		85	22.9

HermistonOnline Dean-Kennedy HermistonOnline Dean-Davis HermistonOnline Dean-Voelker HermistonOnline Dean-Andreason HermistonOnline Dean-Terjeson

11/30/2020

CUMULATIVE SCHOOL ENROLLMENT -- HERMISTON SCHOOL DISTRICT 8R

	Kg	1st grade	2nd grade	3rd grade	4th grade	5th grade	6th grade	7th grade	8th grade	9th grade	10th grade	11th grade	12th grade	Total
DESERT VIEW	83	79	95	89	94	92								532
HIGHLAND HILLS	60	67	61	73	72	94								427
ROCKY HEIGHTS	49	77	77	70	70	79								422
SUNSET	87	96	115	92	101	86								577
WEST PARK	71	78	98	85	91	85								508
Elementary Total	350	397	446	409	428	436								2466
ALMS							251	271	253					775
SMS							183	185	202					570
HHS										447	443	428	406	1724
COMBINED TOTAL	350	397	446	409	428	436	434	456	455	447	443	428	406	5535

	Increase/ Decrease
Last month's total enrollment:	5539
Same month one year ago:	5741
	-4
	-206

GENERAL FUND REVENUE DATA ENTRY REPORT

MONTH	TAXES	INTST/FEES	INTER	STATE SSF	STATE OTH	FEDERAL	OTHER	TOTAL PROJ.	TOTAL ACT.	VARIANCE	
JUL PRO	\$ -	\$ 47,642	\$ 210,913	\$ 8,671,965	\$ -	\$ -	\$ -	\$ 8,930,520		\$ (227,914)	-2.55%
JUL ACT	\$ -	\$ 30,641	\$ -	\$ 8,671,965	\$ -	\$ -	\$ -	\$ -	\$ 8,702,606	\$ (227,914)	YTD
AUG PRO	\$ 45,055	\$ 65,685	\$ 105,456	\$ 4,334,942	\$ -	\$ -	\$ -	\$ 4,551,138		\$ 178,510	3.92%
AUG ACT	\$ 32,551	\$ 47,346	\$ 316,369	\$ 4,333,382	\$ -	\$ -	\$ -	\$ -	\$ 4,729,648	\$ (49,404)	YTD
SEP PRO	\$ 28,931	\$ 89,254	\$ 105,456	\$ 4,334,942	\$ -	\$ -	\$ -	\$ 4,558,583		\$ (33,516)	-0.74%
SEP ACT	\$ 53,748	\$ 32,481	\$ 105,456	\$ 4,333,382	\$ -	\$ -	\$ -	\$ -	\$ 4,525,068	\$ (82,919)	YTD
OCT PRO	\$ 191,039	\$ 89,766	\$ 105,456	\$ 4,334,942	\$ -	\$ -	\$ -	\$ 4,721,203		\$ (171,743)	-3.64%
OCT ACT	\$ 77,543	\$ 33,079	\$ 105,456	\$ 4,333,382	\$ -	\$ -	\$ -	\$ -	\$ 4,549,460	\$ (254,663)	YTD
NOV PRO	\$ 8,473,307	\$ 68,510	\$ 105,456	\$ 4,334,942	\$ -	\$ -	\$ -	\$ 12,982,215			0.00%
NOV ACT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		YTD
DEC PRO	\$ 282,595	\$ 87,533	\$ 1,403,239	\$ 4,334,942	\$ -	\$ -	\$ -	\$ 6,108,309			0.00%
DEC ACT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		YTD
JAN PRO	\$ 121,144	\$ 100,625	\$ 280,456	\$ 4,068,460	\$ 280,782	\$ 10,000	\$ -	\$ 4,861,467			0.00%
JAN ACT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		YTD
FEB PRO	\$ 175,236	\$ 86,988	\$ 105,456	\$ 4,068,460	\$ -	\$ -	\$ -	\$ 4,436,140			0.00%
FEB ACT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		YTD
MAR PRO	\$ 102,897	\$ 81,023	\$ 105,456	\$ 4,068,460	\$ -	\$ -	\$ -	\$ 4,357,836			0.00%
MAR ACT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		YTD
APR PRO	\$ 37,133	\$ 87,134	\$ 105,456	\$ 4,068,460	\$ -	\$ -	\$ -	\$ 4,298,183			0.00%
APR ACT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		YTD
MAY PRO	\$ 230,327	\$ 87,526	\$ 105,456	\$ 4,068,460	\$ 35,000	\$ -	\$ -	\$ 4,526,769			0.00%
MAY ACT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		YTD
JUN PRO	\$ 124,961	\$ 70,314	\$ -	\$ -	\$ 280,782	\$ -	\$ -	\$ 476,057			0.00%
JUN ACT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		YTD
Projected	\$ 9,812,625	\$ 962,000	\$ 2,738,258	\$ 50,688,975	\$ 596,564	\$ 10,000	\$ -	\$ 64,808,422			
Budget Book	\$ 9,812,625	\$ 1,002,000	\$ 2,746,247	\$ 52,196,519	\$ 618,771	\$ 10,000	\$ 1,155,000	\$ 67,541,162			
Variance	\$ -	\$ (40,000)	\$ (7,989)	\$ (1,507,544)	\$ (22,207)	\$ -	\$ (1,155,000)	\$ (2,732,740)			
TOT ACT	\$ 163,842	\$ 143,547	\$ 527,282	\$ 21,672,111	\$ -	\$ -	\$ -	\$ 22,506,782	FORECAST ACT	\$	64,553,759
% collected	1.67%	14.92%	19.26%	42.76%	0.00%	0.00%	#DIV/0!	34.73%			
NOTE:	Estimating reduced ADMw for lower than budget Kindergarten enrollment										
LEGEND	Above or within 2.00% of projection					Between 2.01% & 5.00% below			Below 5.01% of projection		

GENERAL FUND EXPENDITURE DATA ENTRY REPORT							
MONTH	PROJ. P/R	ACTUAL P/R	PROJ. A/P	ACTUAL A/P	TOTAL	VARIANCE	
JULY PROJECTED	768,855		\$ 1,129,783		\$ 1,898,638 MONTHLY	\$ (51,037)	-2.69%
JULY ACTUAL		\$ 757,881		\$ 1,089,720	\$ 1,847,601 YTD	\$ (51,037)	-2.69%
AUGUST PROJECTED	905,595		\$ 913,713		\$ 1,819,308 MONTHLY	\$ (243)	-0.01%
AUGUST ACTUAL		\$ 858,428		\$ 960,637	\$ 1,819,065 YTD	\$ (51,279)	-1.38%
SEPTEMBER PROJECTED	4,414,916		\$ 864,615		\$ 5,279,531 MONTHLY	\$ (456,693)	-8.65%
SEPTEMBER ACTUAL		\$ 4,046,025		\$ 776,812	\$ 4,822,838 YTD	\$ (507,973)	-5.65%
OCTOBER PROJECTED	4,424,916		\$ 1,118,651		\$ 5,543,567 MONTHLY	\$ (1,061,024)	-19.14%
OCTOBER ACTUAL		\$ 4,052,406		\$ 430,137	\$ 4,482,543 YTD	\$ (1,568,997)	-10.79%
NOVEMBER PROJECTED	4,496,843		\$ 986,603		\$ 5,483,446 MONTHLY	\$ (5,483,446)	-100.00%
NOVEMBER ACTUAL		\$ -		\$ -	\$ - YTD	\$ (7,052,443)	-35.22%
DECEMBER PROJECTED	4,424,916		\$ 979,899		\$ 5,404,815 MONTHLY	\$ (5,404,815)	-100.00%
DECEMBER ACTUAL		\$ -		\$ -	\$ - YTD	\$ (12,457,258)	-48.99%
JANUARY PROJECTED	4,424,916		\$ 894,680		\$ 5,319,596 MONTHLY	\$ (5,319,596)	-100.00%
JANUARY ACTUAL		\$ -		\$ -	\$ - YTD	\$ (17,776,854)	-57.81%
FEBRUARY PROJECTED	4,424,916		\$ 923,374		\$ 5,348,290 MONTHLY	\$ (5,348,290)	-100.00%
FEBRUARY ACTUAL		\$ -		\$ -	\$ - YTD	\$ (23,125,144)	-64.06%
MARCH PROJECTED	4,695,539		\$ 938,943		\$ 5,634,482 MONTHLY	\$ (5,634,482)	-100.00%
MARCH ACTUAL		\$ -		\$ -	\$ - YTD	\$ (28,759,626)	-68.92%
APRIL PROJECTED	4,489,021		\$ 1,183,308		\$ 5,672,329 MONTHLY	\$ (5,672,329)	-100.00%
APRIL ACTUAL		\$ -		\$ -	\$ - YTD	\$ (34,431,955)	-72.64%
MAY PROJECTED	7,735,836		\$ 1,646,562		\$ 9,382,398 MONTHLY	\$ (9,382,398)	-100.00%
MAY ACTUAL		\$ -		\$ -	\$ - YTD	\$ (43,814,353)	-77.16%
JUNE PROJECTED	8,255,234		\$ 2,400,932		\$ 10,656,166 MONTHLY	\$ (10,656,166)	-100.00%
JUNE ACTUAL		\$ -		\$ -	\$ - YTD	\$ (54,470,519)	-80.77%
PROJECTED	\$ 53,461,503		\$ 13,981,063		\$ 67,442,566		
BUDGET BOOK	\$ 56,755,853		\$ 14,122,286		\$ 70,878,139		
VARIANCE	\$ 3,294,350		\$ 141,223		\$ 3,435,573	(proj. difference in budgeted expenditures)	
TOTAL ACTUAL		\$ 9,714,741		\$ 3,257,306	\$ 12,972,047	FORECAST ACT	\$ 65,873,569
% spent to date		18.17%		23.30%	19.23%		
Note:							
LEGEND MONTHLY	Below or within 2.00%	Between 2.01% & 5.00% above	Above 5.01% of projection				
LEGEND YTD	Below or within 2.00%	Between 2.01% & 5.00% above	Above 5.01% of projection				

GENERAL FUND MONTHLY ENDING FUND BALANCE REPORT

DATE	Revenue	Expenditure	Ending Fund Balance	Variance	EFB Monthly Projection for Year End
1-Jul-20 PROJECTED			\$ 11,950,000		
ACTUAL			\$ 11,950,000		
31-Jul-20 PROJECTED	\$ 8,930,520	\$ 1,898,638	\$ 18,981,882		
ACTUAL	\$ 8,702,606	\$ 1,847,601	\$ 18,805,004	\$ (176,877)	-0.93%
31-Aug-20 PROJECTED	\$ 4,551,138	\$ 1,819,308	\$ 21,713,712		
ACTUAL	\$ 4,729,648	\$ 1,819,065	\$ 21,715,587	\$ 2,414	0.01%
30-Sep-20 PROJECTED	\$ 4,558,583	\$ 5,279,531	\$ 20,992,764		
ACTUAL	\$ 4,525,068	\$ 4,822,838	\$ 21,417,818	\$ 425,053	2.02%
31-Oct-20 PROJECTED	\$ 4,721,203	\$ 5,543,567	\$ 20,170,401		
ACTUAL	\$ 4,549,460	\$ 4,482,543	\$ 21,484,735	\$ 1,314,334	6.52%
30-Nov-20 PROJECTED	\$ 12,982,215	\$ 5,483,446	\$ 27,669,170		
ACTUAL	\$ -	\$ -	\$ 21,484,735		0.00%
31-Dec-20 PROJECTED	\$ 6,108,309	\$ 5,404,815	\$ 28,372,664		
ACTUAL	\$ -	\$ -	\$ 21,484,735		0.00%
31-Jan-21 PROJECTED	\$ 4,861,467	\$ 5,319,596	\$ 27,914,535		
ACTUAL	\$ -	\$ -	\$ 21,484,735		0.00%
28-Feb-21 PROJECTED	\$ 4,436,140	\$ 5,348,290	\$ 27,002,385		
ACTUAL	\$ -	\$ -	\$ 21,484,735		0.00%
31-Mar-21 PROJECTED	\$ 4,357,836	\$ 5,634,482	\$ 25,725,740		
ACTUAL	\$ -	\$ -	\$ 21,484,735		0.00%
30-Apr-21 PROJECTED	\$ 4,298,183	\$ 5,672,329	\$ 24,351,594		
ACTUAL	\$ -	\$ -	\$ 21,484,735		0.00%
31-May-21 PROJECTED	\$ 4,526,769	\$ 9,382,398	\$ 19,495,965		
ACTUAL	\$ -	\$ -	\$ 21,484,735		0.00%
30-Jun-21 PROJECTED	\$ 476,057	\$ 10,656,166	\$ 9,315,856		
ACTUAL	\$ -	\$ -	\$ 21,484,735		0.00%
INITIAL FORECASTED EFB	\$ 64,808,422	\$ 67,442,566	\$ 9,315,856		12.14%
ACTUALS TO DATE	\$ 22,506,782	\$ 12,972,047			
ANTICIPATED ACTUALS*	\$64,553,759	\$65,873,569	\$ 10,630,190		13.89%
Monthly Comp.	Above or within 2.00% of projection	Between 2.01% & 5.00% below projection	Below 5.01% of projection		
	*Calculated using actuals through the current month and projected revenue and expenditures for future months				
NOTE:	Estimated; amount may change, depending on 2019-2020 fiscal year end adjustments				
ENDING FUND BALANCE LEGEND	8.00% to 9.00% and above	Between 7.99% to 7.50%	7.49% and below		16

**BOARD OF EDUCATION
UMATILLA COUNTY SCHOOL DISTRICT #8R, HERMISTON
HERMISTON, OREGON**

December 14, 2020

SUPERINTENDENT'S RECOMMENDATION

6.1 CONSENT: Human Resources Department

6.1.1 TOPIC: Personnel Appointment

It is recommended.

RECOMMENDATION:

. that the Board of Education approves the appointment of the following employees:

Laura Jaimes	Youth Transition Program Coordinator	District Level
Danielle Smith	Special Education Assistant	Hermiston High School

bc

**5BOARD OF EDUCATION
UMATILLA COUNTY SCHOOL DISTRICT #8R, HERMISTON
HERMISTON, OREGON**

December 14, 2020

SUPERINTENDENT'S RECOMMENDATION

6.1 CONSENT: Human Resources Department

6.1.2 TOPIC: Personnel Resignation

It is recommended.

RECOMMENDATION:

. that the Board of Education approves the resignation of the following employees:

Evelia Lopez	ELD Assistant	Sandstone Middle School
Judy Ramcharan	Special Education Assistant	West Park Elementary

bc

**BOARD OF EDUCATION
UMATILLA COUNTY SCHOOL DISTRICT #8R, HERMISTON
HERMISTON, OREGON**

December 14, 2020

SUPERINTENDENT'S RECOMMENDATION

6.1 CONSENT: Human Resources Department

6.1.3 TOPIC: Extra Responsibility Contract

It is recommended.

RECOMMENDATION:

. that the Board of Education approves the following extra responsibility contracts:

Sean McClannahan	Band Director	Hermiston High School
Kelly Robison	Skills USA/FFA Assistant Advisor	Hermiston High School**

**High School Success Funded

bc

**BOARD OF EDUCATION
UMATILLA COUNTY SCHOOL DISTRICT #8R, HERMISTON
HERMISTON, OREGON**

December 14, 2020

DIRECTOR OF BUSINESS SERVICES' RECOMMENDATION

6.2 CONSENT ITEMS: Business Office

6.2.1 TOPIC: Acceptance of Gifts

It is recommended.

RECOMMENDATION:

. that the Board of Education accepts the following gifts:

SCHOOL/PROG	GIFT	VALUE	DONOR
Hermiston High School Golf	Cash	\$50.00	Kristin & Mark Smalley
West Park Elementary School	Cash	\$200.00	Community Bank

bc



Hermiston School District 8R

305 SW 11TH Street, Hermiston, Oregon 97838-2103
Phone: (541) 667-6000 Fax: (541) 667-6050
www.hermiston.k12.or.us

APPLICATION FOR ACCEPTANCE OF GIFT

Unit to be presented with Gift/Donation: West Park Elementary

Name of Donor: Community Bank

Donor Address: 50 E Theater Ln, Hermiston, OR 97838

Donor Telephone Number: 541-289-4480

Description of gift(s)/donation(s) including Serial #, purchase date, original purchase price and current cash value: Ck 114744 Date 10/28/2020 Ck \$200.00

Purpose of gift/donation: Teacher received the most nominations for a prize. Allison Peterson was the teacher

Signature of Donor: _____

Date: 11/18/2020

Authority to accept a gift, donation, emolument, favor, or gratuity to the School District is vested in the Board of Education. All such gifts shall become property of the School District.

Gifts will be considered for acceptance, with full District responsibility for maintenance, if they are of a type appearing on approved standard equipment lists or are closely related in instructional value.

Recommendation of Unit Administrator [Signature] Date: 11.18.2020

Recommendation of Business Manager [Signature] Date: 11.24.2020

Recommendation of Superintendent [Signature] Date: 12.2.2020

Action of the Board of Education: Accepted _____ Not Accepted _____

Secretary to the Board of Education _____ Date: _____



Hermiston School District 8R

305 SW 11TH Street, Hermiston, Oregon 97838-2103

Phone: (541) 667-6000 Fax: (541) 667-6050

www.hermiston.k12.or.us

APPLICATION FOR ACCEPTANCE OF GIFT

Unit to be presented with Gift/Donation: Hermiston High School Golf

Name of Donor: Kristin & Mark Smalley

Donor Address: 405 W. Moore Avenue, Hermiston, OR 97838

Donor Telephone Number: _____

Description of gift(s)/donation(s) including Serial #, purchase date, original purchase price and current cash value: Check #2567 for \$50.00

Purpose of gift/donation: In memory of Tricia Mooney's father

Signature of Donor: NA

Date: _____

Authority to accept a gift, donation, emolument, favor, or gratuity to the School District is vested in the Board of Education. All such gifts shall become property of the School District.

Gifts will be considered for acceptance, with full District responsibility for maintenance, if they are of a type appearing on approved standard equipment lists or are closely related in instructional value.

Recommendation of Unit Administrator: [Signature] Date: 11-9-2020

Recommendation of Business Manager: [Signature] Date: 11-9-2020

Recommendation of Superintendent: [Signature] Date: 12-2-2020

Action of the Board of Education: Accepted _____ Not Accepted _____

Secretary to the Board of Education _____ Date: _____

**BOARD OF EDUCATION
UMATILLA COUNTY SCHOOL DISTRICT #8R, HERMISTON
HERMISTON, OREGON**

December 14, 2020

DIRECTOR OF BUSINESS SERVICES' RECOMMENDATION

6.2 CONSENT ITEMS: Business Office

6.2.2 TOPIC: Budget Appropriation

It is recommended.

RECOMMENDATION:

. that the Board of Education approves Resolution 20-21-02.

bc

HERMISTON SCHOOL DISTRICT #8R

Resolution # 20-21-02

WHEREAS, Hermiston School District #8R finds the need to amend the budgeted appropriations as follows for the purpose of increasing appropriations for transfers to reserves and internal service funds and adjust appropriates for expenditures related to specific purpose grant funds, and

WHEREAS, Oregon Revised Statue allows the District to authorize such transfers of appropriation via resolution, and expend specific purpose grants after enactment of an appropriations resolution,

THEREFORE, BE IT RESOLVED that the Board of Education of Hermiston School District #8R hereby approves the following changes in appropriations and expenditures for the fiscal year 2020-2021 Budget.

Fund	Category	Prior Budgeted	Change Amount	New Budget
100	1000	\$41,309,907	(\$360,000)	\$40,949,907
100	2000	\$28,908,232	(\$355,000)	\$28,553,232
100	5000	\$510,000	\$715,000	\$1,225,000
201	R5200	\$0	\$160,000	\$160,000
201	6000	\$950,000	\$160,000	\$1,110,000
221	1000	\$633,200	(\$5,000)	\$628,200
221	3000	\$16,000	\$5,000	\$21,000
235	1000	\$292,260	(\$9,000)	\$283,260
235	2000	\$77,750	\$9,000	\$86,750
236	R5200	\$0	\$75,000	\$75,000
236	1000	\$345,000	\$75,000	\$420,000
255	1000	\$437,856	(\$50,000)	\$387,856
255	2000	\$57,000	\$50,000	\$107,000
261	R5200	\$200,000	\$200,000	\$400,000
261	1000	\$1,800,000	\$200,000	\$2,000,000
270	R5200	\$50,000	\$60,000	\$110,000
270	R1790	\$116,214	(\$60,000)	\$56,214
282	R5200	\$200,000	\$220,000	\$420,000
282	2000	\$400,000	\$220,000	\$620,000

Considered and adopted at the meeting of the Board of Education of the Hermiston School District #8R, on the 14th day of December, 2020.

Board Chairman
Hermiston School District #8R

Secretary to the School Board
Hermiston School District #8R

**BOARD OF EDUCATION
UMATILLA COUNTY SCHOOL DISTRICT #8R, HERMISTON
HERMISTON, OREGON**

December 14, 2020

DIRECTOR OF BUSINESS SERVICES' RECOMMENDATION

6.2 CONSENT ITEMS: Business Office

6.2.3 TOPIC: 2019-20 Audit Report

It is recommended.

RECOMMENDATION:

. that the Board of Education accept the 2019-20 Audit Report as presented.

bc

BARNETT & MORO, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

495 E. Main
Hermiston, OR 97838
(541) 567-5215
(541) 567-0497 Fax

DENNIS L. BARNETT, C.P.A.
KRISTIE L. SHASTEEN, C.P.A.
CAMERON W. ANDERSON, C.P.A.
RICHARD L. STODDARD, C.P.A.
BETSY J. BENNETT, C.P.A.
PAUL A. BARNETT, C.P.A.
REBECCA K. RAMOS BAUTISTA, C.P.A.
MITCHELL L. BOYLAN, C.P.A.

GERALD J. MORO, C.P.A. EMERITUS

November 20, 2020

To the Superintendent and
Board of Education
Umatilla County School District No. 8R
305 SW 11th Street
Hermiston, OR 97838

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Umatilla County School District No. 8R for the year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 7, 2020. Professional standards require that we provide you with the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for selection and use of appropriate accounting policies. The significant accounting policies used by Umatilla County School District No. 8R are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the Umatilla County School District No. 8R during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was management's estimate of the useful lives of depreciable assets. Management's estimate was based on past experience. We evaluated the key factors and assumptions used to develop these estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each of the opinion unit's financial statements taken as a whole.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 20, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Umatilla County School District No. 8R's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Umatilla County School District No. 8R's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquires of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on supplementary information which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Umatilla County School District No. 8R

Page 3

November 20, 2020

We were not engaged to report on the introductory section, other financial schedules and statistical section, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the information and use of the Board of Education and management of Umatilla County School District No. 8R and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,
Barnett & Moro, P.C.

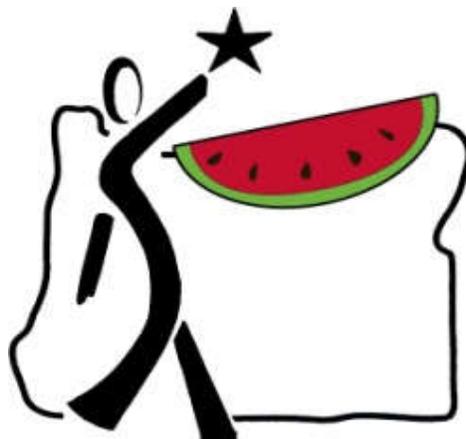
A handwritten signature in blue ink, appearing to read "R. L. Stoddard", with a long horizontal flourish extending to the right.

Richard L. Stoddard, Shareholder

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2020



Prepared by:
The Umatilla County School
District No. 8R
Finance Department

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended

June 30, 2020

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UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

COMPREHENSIVE ANNUAL FINANCIAL REPORT
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UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

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UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

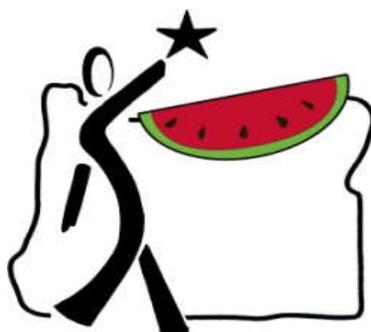
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INTRODUCTORY SECTION



UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

DISTRICT OFFICIALS
AS OF JUNE 30, 2020

BOARD OF EDUCATION

<u>Name</u>	<u>Position</u>	<u>Term Expires June 30,</u>
Karen Sherman	Chair	2021
Josh Goller	Vice-Chair	2023
Ginny Holthus	2nd Vice-Chair	2023
Bonnie Luisi	Member	2023
Brad Pitney (appointed)	Member	2021
Mark Gomolski	Member	2021
Bryan Medelez	Member	2021

ADMINISTRATION

Tricia Mooney, Superintendent
Bryn Browning, Assistant Superintendent of Teaching & Learning
Katie Saul, Business Manager

OFFICIAL ADDRESS

305 S.W. 11th Street
Hermiston, OR 97838
Telephone: 541-667-6000
Fax: 541-667-6050



Hermiston School District 8R
305 S.W. 11th Street, Hermiston, Oregon 97838-1890
Phone: (541) 667-6000 Fax: (541) 667-6050

November 20, 2020

To the Hermiston School District #8R Community
Hermiston, Oregon

Oregon Municipal Audit Law requires that an independent audit be made of all District funds within six months following the close of the fiscal year. Pursuant to this requirement, the Comprehensive Annual Financial Report of Hermiston School District #8R (the District) for the fiscal year ended June 30, 2020 is hereby submitted.

This report was prepared by the District's Business Department. The responsibility for the completeness, fairness, and accuracy of the data presented and all accompanying disclosures rests with the District. To provide a reasonable basis for making these representations, the District's management has established a comprehensive internal control framework that is designed both to protect assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

REPORT CONTENTS

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

Introductory Section - includes this Letter of Transmittal and the District's organizational chart.

Financial Section - includes the independent auditor's report, Management's Discussion and Analysis, basic financial statements for the District as a whole, notes to the basic financial statements, required supplemental information and other supplemental information.

Management's Discussion and Analysis (MD&A) is a narrative introduction, overview and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A, and should be read in conjunction with it. The MD&A can be found following the auditor's report.

**"Serving the needs of all children with rigorous program choices,
high expectations, mutual respect, and excellence in all endeavors."**

Statistical Section - includes government wide summary financial data, ten years of summary fund financial data, debt computations, and a variety of demographic, economic and general information.

Reports of Independent Certified Public Accountants Section – Contains information required by Oregon Revised Statutes, reports required by *Government Auditing Standards*, and Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Profile of the District

Hermiston School District #8R, a kindergarten through twelfth grade school district, is a financially independent, special purpose municipal corporation exercising financial accountability for all public education within its boundaries. As required by accounting principles generally accepted in the United States, all significant activities have been included in the financial statements.

The District is located in the northwest corner of Umatilla County, approximately 180 miles east of Portland, Oregon, and encompasses an area of approximately 163 square miles. Serving approximately 5,700 students in the community of Hermiston and outlying rural areas it has the largest enrollment of school districts in northeast Oregon.

The Hermiston School District School Board, elected by a majority of the voting electorate, is the governing body responsible for the District's policies and public decisions. The seven member Board exercises oversight, responsibility and governance over all activities related to the District. The District Administration and a Board appointed Budget Committee work in conjunction with the School Board in governing the District.

Oregon's Local Budget Law requires the District to adopt an annual budget. An annual budget resolution is passed by the Board of Education, and becomes the formal budget for the District's operations. Budgetary control over expenditures is maintained by function within each fund.

The Board hires all management staff. The management staff for fiscal year 2019-2020 was comprised of one superintendent, two assistant superintendents, and 20 principals and vice-principals and other administrative staff. The district employed approximately 588 full-time equivalent personnel, including administrators, teachers, secretaries and other support staff.

The District serves the City of Hermiston and its outlying rural area which is located in the northwest section of Umatilla County. The District represents approximately 36% of the County's 2019-2020 Real Market Value as shown on the property tax roll. As the District is located in a non-metropolitan county in northeastern Oregon, economic and demographic data is not available specifically for the District. Data is generally available for Umatilla County and the City of Hermiston.

The following table shows recent population data for Umatilla County and the City of Hermiston:

<u>July 1⁽¹⁾</u>	<u>Umatilla County</u>	<u>City of Hermiston</u>
2019	81,160	18,415
2018	80,765	18,200
2017	80,500	17,985
2016	79,880	17,730
2015	79,155	17,520
2014	78,340	17,345
2013	77,895	17,240
2012	77,120	16,995
2011	76,580	16,865
2010	75,889	16,795

(1) *Source: Center for Population Research and Census, Portland State University*

As the data indicates, Umatilla County’s population increased approximately 7% from 2010 to 2019 and the City of Hermiston experienced almost a 10% increase for the same period. Growth in the area is attributed to several major employers locating in the vicinity; ConAgra Foods, the Wal-Mart Distribution Center, Two Rivers Correctional Facility, and Amazon data centers.

Over the last ten years, the District has seen an average growth of approximately 61 students per year. The District has seen an increase of 550 students since the 2009-2010 school year.

Long-Term Financial Planning

In November 2008, voters approved the sale of \$69.9 million in general obligation bonds for the purpose of replacing three aging schools and increasing permanent capacity by over 500 students. Initial costs to property owners of this bond measure are \$1.39 per \$1,000 of assessed value.

In November 2019, voters approved a bond valued at \$82.7 million. The bond qualifies for approximately \$6.5 million in state matching grant money. A majority of the funds will be used to replace Rocky Heights Elementary School, construct a new elementary school, and expand Hermiston High School. Additional projects that the money will fund include elementary school site improvements to address capacity issues and purchasing property for future anticipated student capacity demands.

Local Economy

Umatilla County encompasses an area of approximately 3,231 square miles and includes 12 incorporated cities. Regional figures show a total of approximately 100 manufacturing companies in the county, 30 of which are in the greater Hermiston area.

Economic Indicators

	<u>Umatilla County</u>		<u>Oregon</u>	
	<u>2015</u>	<u>2020</u>	<u>2015</u>	<u>2020</u>
Population	78,340	81,160	3,962,710	4,236,400
Labor Force	34,391	37,661	1,931,402	2,159,459
Employment	32,238	34,435	1,824,493	1,909,526
Unemployment	2,153	3,226	106,909	249,933
Unemployment Rate	6.3%	8.6%	5.5%	11.6%
Non-farm Employment	27,130	28,320	1,721,000	1,968,000
Annual Per Capita				
Personal Income	\$ 35,423	*	45,069	59,512
Assessed Value of				
Property (\$ millions)	\$ 5,004	\$ 6,301	\$ 343,171	\$ 423,669

* Information not available

Sources: Oregon Employment Department; Center for Population Research & Census, PSU; U.S. Census Bureau; Bureau of Economic Analysis; Oregon Department of Revenue.

Major Initiatives

The Hermiston School District #8R serves the needs of all students with rigorous program choices, high expectations, mutual respect and excellence in all endeavors.

In addition to a broad array of educational programs, the district is focusing on four continuous improvement targets:

Student Achievement—The Hermiston Educational Community is committed to improving all students' achievement of the standards set by the State of Oregon. Additionally, special emphasis is placed on developing proficiency in literacy and math.

Post-secondary Success—The District aims at increasing the number of graduates attending post-secondary training by emphasizing life-long learning, community education, and technological literacy.

Quality Staff—In order to educate children to high standards, the District must attract and retain a high quality staff.

Safe Learning Environment—Student and staff security in a positive learning environment enables the District to reach its mission.

Relevant Financial Policies

Throughout the year cash not required for current operations was invested in the State of Oregon Local Government Investment Pool, Certificates of Deposit, U.S. Treasury Securities and demand deposits. All investments were in accordance with the District's Fiscal Management Policies.

Relevant Financial Policies (continued)

The District has maintained a positive cash balance through prudent financial leadership. The Board has adopted a policy of maintaining eight percent of general fund actual ordinary revenue in fund balance, to include both reserved and unreserved fund balance amounts on a GAAP (Generally Accepted Accounting Principles) basis. With a continued approach towards advance planning through the best possible budget procedures, exploring all practical and legal sources of dollar income, guiding the expenditures of funds so as to achieve the greatest education returns, requiring maximum efficiency in accounting and reporting procedures and maintaining a level of per student expenditures needed to provide high quality education, the Board has the expectation of continuing to meet this policy. The Board views themselves as a trustee of community, state and federal funds allocated for use in local education, and therefore, have the responsibility to protect District funds and use them wisely.

The District contributes to the Oregon Public Employees Retirement Fund, a defined benefit pension plan, for all eligible employees hired prior to August 29, 2003 and to the Oregon Public Service Retirement Plan, a defined contribution/benefit plan, for all eligible employees hired on, or after August 29, 2003.

In addition, the District provides early retirement and post employment health care benefits for certain retirees under the terms of negotiated employment contracts. At the end of the current fiscal year there were 34 retired employees receiving this benefit, which are financed on a pay-as-you-go-basis.

The District's actuarially determined employer rates required by the Oregon Public Employees Retirement System are calculated every 2 years. To stabilize rates over time, the District established a PERS reserve fund. The balance of this fund did not change from the previous year of approximately \$2,570,000.

Additional information on the District's pension arrangements and post employment benefits can be found in Notes IV. B. through IV. D. beginning on page 54.

Independent Audit

Hermiston School District's financial statements have been audited by Barnett & Moro, 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, 2020 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall basic financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's basic financial statements for the fiscal year ended June 30, 2020 are fairly presented in conformity with GAAP. The independent auditor's report is presented as a component of the financial section of this report.

Independent Audit (continued)

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 Independent Certified Public Accountants Section of this report.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Umatilla County School District #8R for its comprehensive annual financial report for the fiscal year ended June 30, 2019. This was the fourteenth year that the District achieved the prestigious award. In order to be awarded a Certificate of Achievement, the District must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and will be submitting it to the GFOA to determine eligibility for another certificate.

Many individuals throughout the district provided information needed for the preparation of this report. We wish to express our appreciation to the staff of the Business Department in particular for their efforts and contributions to our Comprehensive Annual Financial Report.

We also thank the members of the School Board for their continued support and dedication to the financial operations of the School District.

Respectfully submitted,



Tricia Mooney
Superintendent



Katie Saul
Business Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Umatilla County School District No. 8R
Oregon**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

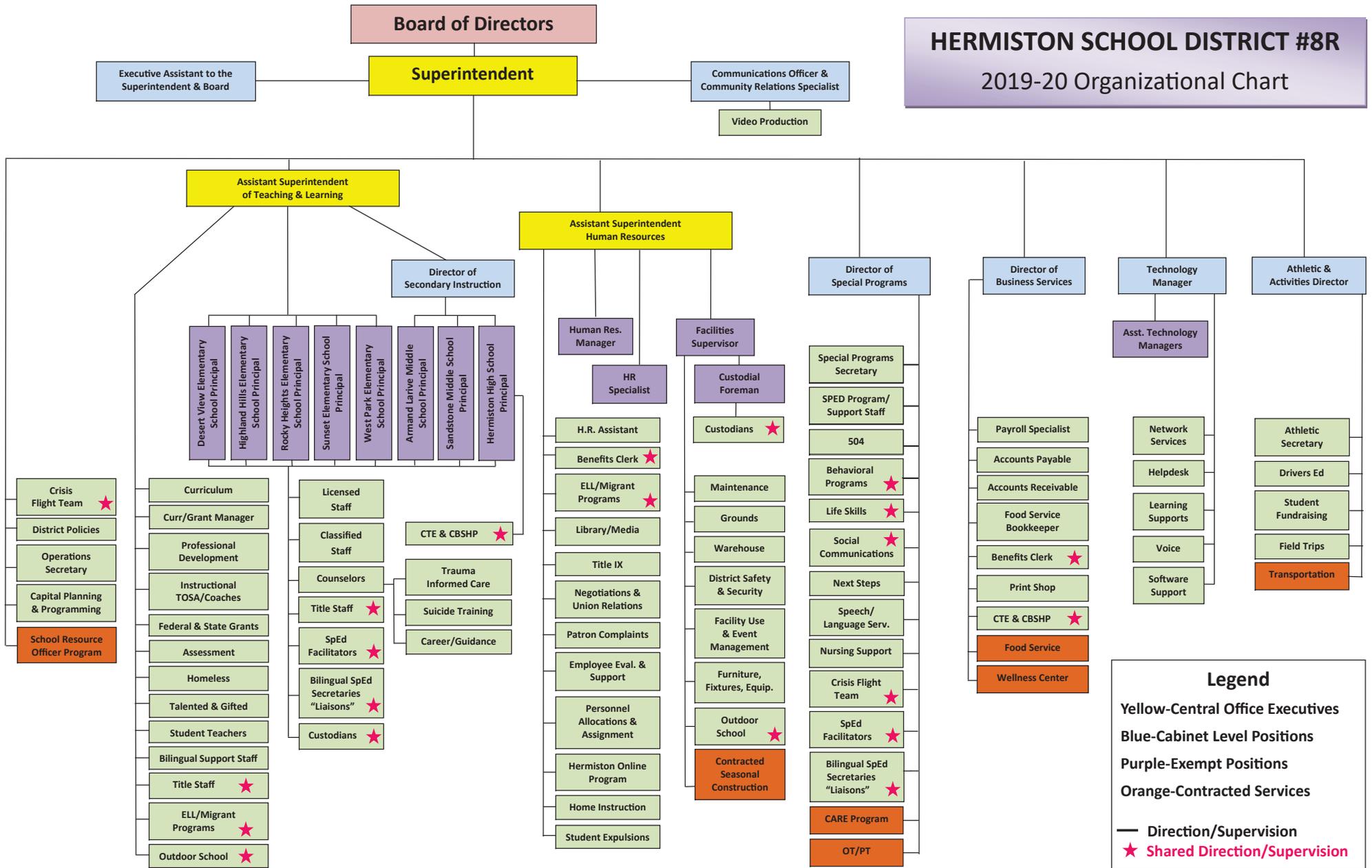
June 30, 2019

Christopher P. Morill

Executive Director/CEO

HERMISTON SCHOOL DISTRICT #8R

2019-20 Organization Chart



Legend

- Yellow-Central Office Executives
- Blue-Cabinet Level Positions
- Purple-Exempt Positions
- Orange-Contracted Services
- Direction/Supervision
- ★ Shared Direction/Supervision

FINANCIAL SECTION



BARNETT & MORO, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

495 E. Main
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(541) 567-5215
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DENNIS L. BARNETT, C.P.A.
KRISTIE L. SHASTEEN, C.P.A.
CAMERON W. ANDERSON, C.P.A.
RICHARD L. STODDARD, C.P.A.
BETSY J. BENNETT, C.P.A.
PAUL A. BARNETT, C.P.A.
REBECCA K. RAMOS BAUTISTA, C.P.A.
MITCHELL L. BOYLAN, C.P.A.

GERALD J. MORO, C.P.A. EMERITUS

INDEPENDENT AUDITOR'S REPORT

To the Board of Education of
Umatilla County School District No. 8R
Hermiston, Oregon

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 Umatilla County School District No. 8R, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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 Umatilla County School District No. 8R, as of June 30, 2020, and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund, the Construction Bond Fund, and the PERS Reserve Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis on pages 15-22 and pension and OPEB disclosures on pages 71-76 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Umatilla County School District No. 8R’s basic financial statements. The introductory section, supplemental information section, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by 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* , and is also not a required part of the financial statements.

The supplementary information section and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Reports on Other Legal and Regulatory Requirements

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2020, on our consideration of Umatilla County School District No. 8R’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 Umatilla County School District No. 8R’s internal control over financial reporting and compliance.

Other Reporting Required by Oregon Minimum Standards

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated November 20, 2020, on our consideration of Umatilla County School District No. 8R’s 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.

Barnett & Moro, P.C.

By: 

Richard L. Stoddard, Shareholder
November 20, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS



UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

MANAGEMENT DISCUSSION AND ANALYSIS
June 30, 2020

As management of UMATILLA COUNTY SCHOOL DISTRICT NO. 8R, “the District”, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with the information contained in the District’s financial statements.

FINANCIAL HIGHLIGHTS

- In the government-wide statements, the assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows at June 30, 2020 by \$26,767,421. Of this amount; \$44,118,959 is the net investment in capital assets; \$7,983,457 is restricted for payment of long-term debt, capital outlay, or educational programs; this leaves the District with a negative unrestricted balance of \$25,334,995. The District has approximately \$28 million in cash and investments available for use at the District's discretion.
- As of June 30, 2020, the general fund balance was \$11,983,191, increasing \$2,041,161 from the prior year. Expenditure increases of \$4,484,753 were offset by revenue increases of \$4,247,227.
- Total fund balances for all governmental funds during the same period increased by \$90,045,358.
- During the current fiscal year, the District issued bond and bond premiums totaling \$87,271,133. The District also repaid approximately \$2 million in principal of prior outstanding debt.
- During the current fiscal year, the District's net position increased by \$2,237,504. The District reported its cost of pension benefits earned net of employee contributions of \$5,613,847 in the statement of activities. These costs represent changes in the District's proportionate share of its Oregon PERS net pension liability.

OVERVIEW OF THE FINANCIAL STATEMENTS

This 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 financial statements. This report also contains other supplementary information in addition to the basic financial statements.

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

MANAGEMENT DISCUSSION AND ANALYSIS
June 30, 2020

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 as of the date on the statement. Net position is what remain after the liabilities have been paid off or otherwise satisfied and after all deferred inflows and outflows have been recognized. 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 most recent fiscal year by tracking revenues, expenses and other transactions that change 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. Some revenues and expenses are reported that will only result in cash flows in future periods, such as uncollected taxes or unused vacation leave.

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 as governmental activities. All basic District functions are shown here; regular and special education, child nutrition services, transportation, administration, as well as interest paid on long term debt. These activities are primarily financed through Oregon's State School Fund, Property Taxes, and other intergovernmental revenues.

The government-wide financial statements are found on pages 24 and 25 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. Umatilla County School District No. 8R, 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 categorized as governmental funds.

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

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

MANAGEMENT DISCUSSION AND ANALYSIS
June 30, 2020

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains a variety of individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, PERS Reserve Fund, and the Debt Service Fund, all of which are considered by the District to be major funds. Data from the other governmental funds are combined into a single, aggregated amount for this presentation. Individual fund data for each of these non-major governmental funds is provided in the combining statements elsewhere in this report.

The governmental fund financial statements can be found on pages 27 through 32 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 financial statements can be found on pages 35 through 69 of this report.

Other information Certain Schedules of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual for the General Fund and major special revenue funds, which have been presented as part of the basic financial statements on pages 33 through 34.

The combining statements referred to earlier in connection with non-major governmental funds are presented following the notes to the basic financial statements. Combining and individual fund statements and schedules can be found on pages 78 through 118 of this report.

GOVERNMENT - WIDE FINANCIAL ANALYSIS

Statement of Net Position

A comparison of this year's net position with that of last year's reveals an increase in net position of \$2,237,504. The District reported its cost of pension benefits earned net of employee contributions of \$5,613,847 in the statement of activities. These costs represent changes in the District's proportionate share of its Oregon PERS net pension liability.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$26,767,421 at June 30, 2020.

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

MANAGEMENT DISCUSSION AND ANALYSIS

June 30, 2020

Capital assets, which consist of land, buildings, building improvements, construction in progress, vehicles, and equipment, represent about 47% of total assets. Unrestricted cash and investments make up about 13% of assets. Assets restricted for debt service and construction make up about 39% of total assets.

Deferred outflows of resources consists of deferred charge relating to bond refunding and pension and OPEB deferrals. Pension and OPEB deferrals also account for all the deferred inflows of the District.

The District's largest liability, \$159,161,422, is general obligation and limited tax pension bonds (including premiums and deferred interest.) Current liabilities, representing about four percent of the District's total liabilities, consist almost entirely of payables on accounts, and accrued salaries and benefits payable.

A large portion of the District's net position reflect its investment in capital assets (e.g., land, buildings, vehicles and equipment), less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students and other District residents; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources required to repay this debt come from property taxes and the capital assets themselves cannot be used to liquidate these liabilities.

The final portion of net position represents resources that are subject to external restrictions on how they must be used. The remaining balance is unrestricted and may be used to meet the District's ongoing obligations to provide services.

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

NET POSITION
(In thousands)

	June 30,		Increase (Decrease) from prior Fiscal Year
	2019	2020	
Current and other assets	\$ 29,905	\$ 119,892	\$ 89,987
Capital assets	105,127	105,320	193
Total assets	<u>135,032</u>	<u>225,212</u>	<u>90,180</u>
Deferred outflows	<u>18,329</u>	<u>16,902</u>	<u>(1,427)</u>
Current liabilities	6,989	7,520	531
Non current liabilities	<u>118,479</u>	<u>204,381</u>	<u>85,902</u>
Total liabilities	<u>125,468</u>	<u>211,901</u>	<u>86,433</u>
Deferred inflows	<u>3,363</u>	<u>3,446</u>	<u>83</u>
Net position:			
Net investment in capital assets	45,328	44,119	(1,209)
Restricted	3,522	7,983	4,461
Unrestricted	(24,320)	(25,335)	(1,015)
Total net position	<u>\$ 24,530</u>	<u>\$ 26,767</u>	<u>\$ 2,237</u>

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

MANAGEMENT DISCUSSION AND ANALYSIS
June 30, 2020

During the current fiscal year, the District's net position increased by \$2,237,504.

Statement of Activities. The key elements of the change in the District's net position for the year ended June 30, 2020 are as follows:

	Governmental Activities		Increase (Decrease)
	Year ended June 30,		From
	2019	2020	Prior
	2019	2020	Year
Revenues:			
Program revenues:			
Charges for service	\$ 1,284	\$ 1,146	\$ (138)
Operating Grants and contributions	6,021	6,448	427
Capital Grants and contributions	155	117	(38)
General revenues:			
Property Taxes	17,636	17,292	(344)
State School Fund- general support	46,956	49,545	2,589
Other State and local sources	3,116	3,046	(70)
Earnings on investments	871	744	(127)
Other	336	228	(108)
Total Revenues	76,375	78,566	2,191
Expenses:			
Instruction	41,547	44,563	3,016
Support services	23,773	25,667	1,894
Enterprise and community services	2,211	1,901	(310)
Facilities acquisition and construction	97	-	(97)
Interest on long-term debt	3,309	3,571	262
Bond issue costs	-	628	628
Total Expenses	70,937	76,330	5,393
Increase (decrease) in net position	5,438	2,237	(3,201)
Beginning net position	18,022	24,530	6,508
Prior period adjustment	1,070	-	(1,070)
Ending net position	\$ 24,530	\$ 26,767	\$ 2,237

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

MANAGEMENT DISCUSSION AND ANALYSIS
June 30, 2020

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to assure 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, 2020, the District's governmental funds reported combined ending fund balances of \$114,566,166, an increase of \$90,045,358 from the prior year. Other financing sources increased over \$87 million due to bond proceeds and premiums of \$87,271,133.

General Fund. The General Fund is the primary operating fund of the District. Expenditures from this fund arise from the daily operations of educational and educational support programs of the District. As of June 30, 2020, the fund balance was \$11,983,191, up \$2,041,161 from the prior year. Revenues increased over \$4 million mainly due to an increase in the state school fund based on an increase in the funding ratio. Expenditures also increased over \$4 million due to increases in the instruction and supporting services functions due to hiring of additional staff and increases in PERS rates and health insurance expense.

As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Fund balance represents 19% of total 2019-20 General Fund budgeted expenditures and transfers out. A portion of the estimated beginning fund balance is set aside to provide for potential revenue adjustments that may occur during the fiscal year as a means of handling minor revenue variances without having to reduce program spending. In light of increased volatility and uncertainty in the marketplace, the District proactively adopted a policy to maintain a minimum fund balance of 8 percent of revenues.

Special Revenue Fund. The PERS Reserve Fund accounts for funds set aside for future Public Employees Retirement System costs. There was no activity in this Fund, so the fund balance did not change from the prior year.

Capital Project Fund. The Construction Bond Fund accounts for school construction financed with 2020 bond proceeds. The ending fund's balance of \$82,814,175 was due to bond proceeds, premium and miscellaneous revenues totaling \$84,433,816 and construction and debt issue costs of \$1,619,641.

Debt Service Fund. The Debt Service Fund has a total fund balance of \$5,076,063, all of which is restricted for the payment of principal and interest on the District's outstanding capital improvement bond issues. Fund balance increased by \$4,288,541 mainly due to bond proceeds of \$2,804,744 and a decrease in debt service payments of over \$2 million. Debt service decreased because the District completed repaying its 2004 general obligation bonds in 2019.

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

MANAGEMENT DISCUSSION AND ANALYSIS
June 30, 2020

General Fund Budgetary Highlights

General Fund Major Classification Expenditures vs. Final Budget
(in thousands)

<u>Classification</u>	<u>Budget</u>	<u>Expended</u>	<u>Variance +/-(-)</u>
Instruction	\$ 38,244	\$ 35,515	\$ 2,729
Support Services	26,634	25,382	1,252

All General Fund expenditures were within budget. As shown above, the district realized savings in the two largest classifications; Instruction and Support Services. The variances for the Instruction and Support Services categories are a result of an ongoing policy of prudent spending and stewardship by the District. District personnel monitor expenditures throughout the year in an effort to reduce costs and ensure budget compliance. In addition to the major classifications described above, budgeted expenditures of \$1,350 were made in the long term debt classification.

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, 2020, the District had invested \$105,319,858 in capital assets, net of depreciation, as shown in the following table:

Capital Assets (net of depreciation) June 30, 2020 (in thousands)		Governmental Activities
Land and land improvements		\$ 4,831
Construction in progress		1,343
Buildings and building improvements		97,649
Equipment		1,205
Motor vehicles		293
Total		<u>\$ 105,320</u>

During fiscal year 2019-2020, the net value of capital assets increased by \$193,327, which is due to capital asset acquisitions being slightly above current year depreciation expense of \$3,395,313.

Additional information of the District's capital assets can be found in Note III C of this report.

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

MANAGEMENT DISCUSSION AND ANALYSIS
June 30, 2020

Long-term debt. At the end of the current fiscal year, the District had total bonded debt outstanding of \$159,161,422 consisting of general obligation debt and limited tax pension bonds.

During the current fiscal year, the District issued Series 2020 bonds and premiums of \$87,271,133 to finance construction of two new schools and make capital improvements to existing buildings. The District also paid down debt principal of approximately \$5 million.

The District's most recent rating from Standard & Poor's for general obligation debt was "AA-".

State statutes limit the amount of general obligation debt that a K-12 school district may issue to 7.95 percent of real market value of all taxable property within the District. The debt limitation currently for the District is \$239,018,331, which exceeded the District's outstanding general obligation debt of \$144,261,421 by \$94,756,910. Limited tax pension bonds do not fall under this limitation as they are payable from the District's general revenues.

Additional information on the District's long-term debt can be found in Note III G and in the statistical section of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The District is one of the few school districts in Northeastern Oregon showing a moderate growth trend. Student enrollment in the preceding five-year period averaged 1.6% per year and for the prior ten years the average growth rate was 1.1%. The District contracted with Portland State University for a population study in 2014 which projected continued district growth with the district adding approximately 800 student by 2024. District enrollment has increased by 550 students since the 2009-10 school year.

Due to the world-wide pandemic related to COVID-19, the District is currently not allowed to offer in-person learning. Income tax collections in Oregon, which fund the District's activities, have been impacted greatly by the pandemic, and this impact is expected to continue into subsequent school years. The overall future impact on the District's operations is unknown as of the date of this report.

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 presented in this report or requests for additional information should be addressed to: Business Manager, Umatilla County School District No. 8R, 305 S.W. 11th Street, Hermiston, OR 97838.

BASIC FINANCIAL STATEMENTS



UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

STATEMENT OF NET POSITION
June 30, 2020

	<u>Governmental Activities</u>
ASSETS:	
Cash and cash equivalents	\$ 4,964,275
Investments	23,546,044
Receivables:	
Property taxes	501,139
Intergovernmental	924,954
Donations	280,986
Lunch sales (net, allowance for uncollectible accounts \$22,000)	87,302
Prepaid items	204,925
Inventory	290,504
Restricted assets	88,598,278
Capital Assets:	
Nondepreciable	6,173,052
Depreciable, net of depreciation	99,146,806
Other post employment benefits	494,104
Total assets	<u>225,212,369</u>
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred charge on refunding	1,319,198
Pension and OPEB deferrals	15,582,848
Total deferred outflows of resources	<u>16,902,046</u>
Total assets and deferred outflows of resources	<u>242,114,415</u>
LIABILITIES:	
Accounts payable	920,446
Unearned revenue	2,896
Payroll and benefits payable	2,957,691
Compensated absences payable	112,570
Accrued interest payable	104,484
Long-term debt, due within one year	3,421,893
Non current liabilities:	
Compensated absences payable	28,143
Long-term debt	155,739,529
Other post employment benefits	5,158,822
Net pension liability	43,454,544
Total liabilities	<u>211,901,018</u>
DEFERRED INFLOWS OF RESOURCES:	
Pension and OPEB deferrals	<u>3,445,976</u>
NET POSITION:	
Net investment in capital assets	44,118,959
Restricted for:	
Capital Outlay	2,502,783
Debt service	5,101,382
Educational Programs	379,292
Unrestricted	(25,334,995)
Total net position	<u>\$ 26,767,421</u>

The notes to the basic financial statements are an integral part of this statement.

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON
STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2020

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Change in Net Position</u>
		<u>Charges for Service</u>	<u>Operating Grants & Contributions</u>	<u>Capital Grants & Contributions</u>	
Governmental activities:					
Instruction	\$ 44,563,272	\$ 797,070	\$ 4,506,070	\$ 117,263	\$ (39,142,869)
Support Services	25,666,703	-	-	-	(25,666,703)
Enterprise and community services	1,900,633	349,380	1,942,300	-	391,047
Facilities acquisition and construction	-	-	-	-	-
Interest on long term debt	3,571,183	-	-	-	(3,571,183)
Bond issue costs	627,732	-	-	-	(627,732)
	<u>\$ 76,329,523</u>	<u>\$ 1,146,450</u>	<u>\$ 6,448,370</u>	<u>\$ 117,263</u>	<u>\$ (68,617,440)</u>
General Revenues:					
					9,598,253
					7,694,172
					2,358,394
					49,544,553
					516,555
					171,266
					743,975
					94,106
					133,670
					<u>70,854,944</u>
					2,237,504
					24,529,917
					<u>\$ 26,767,421</u>

The notes to the basic financial statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

Major Governmental Funds

General Fund - The General Fund is the District's primary operating fund and thus accounts for the financial operations of the School District not accounted for in any other fund. Principal sources of revenue are property taxes, and state school support funding. Expenditures are primarily for salaries, benefits and materials and supplies.

PERS Reserve Fund - This fund accounts for funds set aside for future Public Employees Retirement System costs.

Construction Bond Fund - This is a capital projects fund that accounts for school construction costs financed with 2020 bond proceeds.

Debt Service Fund - This fund accounts for the accumulation of resources for repayment of various District capital construction bond issues. The primary source of revenues is from property tax levies.

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2020

	General Fund	PERS Reserve Fund	Construction Bond Fund	Debt Service Fund	Other Governmental Funds	Totals
ASSETS:						
Cash and cash equivalents	\$ 1,341,831	\$ 15,000	\$ 26,468	\$ 653	\$ 3,607,444	\$ 4,991,396
Investments	12,622,949	2,558,712	83,079,329	5,034,462	8,389,702	111,685,154
Receivables:						
Property taxes receivable	501,139	-	-	432,047	-	933,186
Intergovernmental	-	-	5,500	-	919,454	924,954
Donations and other	261,095	-	-	-	129,193	390,288
Due from other funds	606,246	-	-	-	-	606,246
Prepaid items	204,925	-	-	-	-	204,925
Inventory	190,975	-	-	-	99,529	290,504
Total assets	<u>\$ 15,729,160</u>	<u>\$ 2,573,712</u>	<u>\$ 83,111,297</u>	<u>\$ 5,467,162</u>	<u>\$ 13,145,322</u>	<u>\$ 120,026,653</u>
LIABILITIES:						
Accounts payable	\$ 334,365	\$ -	\$ 297,122	\$ -	\$ 288,959	\$ 920,446
Due to other funds	-	-	-	-	606,246	606,246
Unearned revenue	725	-	-	-	2,171	2,896
Payroll and benefits payable	2,957,691	-	-	-	-	2,957,691
Total liabilities	<u>3,292,781</u>	<u>-</u>	<u>297,122</u>	<u>-</u>	<u>897,376</u>	<u>4,487,279</u>
DEFERRED INFLOWS OF RESOURCES:						
Unavailable property tax revenue	453,188	-	-	391,099	-	844,287
Unavailable misc.	-	-	-	-	128,921	128,921
Total deferred inflows of resources	<u>453,188</u>	<u>-</u>	<u>-</u>	<u>391,099</u>	<u>128,921</u>	<u>973,208</u>
FUND BALANCES:						
Nonspendable	395,900	-	-	-	99,529	495,429
Restricted	-	-	82,814,175	5,076,063	2,907,394	90,797,632
Committed	5,920,054	2,573,712	-	-	9,112,102	17,605,868
Unassigned	5,667,238	-	-	-	-	5,667,238
Total fund balances	<u>11,983,191</u>	<u>2,573,712</u>	<u>82,814,175</u>	<u>5,076,063</u>	<u>12,119,025</u>	<u>114,566,166</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 15,729,160</u>	<u>\$ 2,573,712</u>	<u>\$ 83,111,297</u>	<u>\$ 5,467,162</u>	<u>\$ 13,145,322</u>	<u>\$ 120,026,653</u>

The notes to the basic financial statements are an integral part of this statement.

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION

June 30, 2020

Fund balances - total governmental funds		\$ 114,566,166
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources, and, therefore, are not reported in the funds.		105,319,858
The District's proportionate share of the net pension liability is not a current financial resource in governmental funds; instead it is reported in the Statement of Net Position.		(43,454,544)
The District's proportionate share of the net OPEB liability is not a current financial resource in governmental funds; instead it is reported in the Statement of Net Position.		(4,664,718)
Deferred outflows of resources related to pensions and OPEB are not current financial resources, so are not reported in the fund balance sheet, instead, they are reported in the Statement of Net Position.		15,582,848
Accrued expenses are included in the statement of net position, but are not due and payable in the current period, and, therefore, are not reported in the governmental funds statements.		
Accrued interest payable	(104,484)	
Compensated absences	(140,713)	
		(245,197)
Property tax and other revenue is reported as unavailable in the governmental fund statements until collected. However, the revenue is earned when levied in the governmental activities.		951,208
Deferred inflows of resources related to differences between projected and actual earnings on pension and OPEB investments are not due and payable in the current period, and, therefore, are not recorded in the governmental fund statements.		(3,445,976)
Long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore, are not reported in the funds.		
Bonds payable	(152,428,779)	
Deferred bond refunding costs, net of amortization	1,319,198	
Deferred interest	(4,529,070)	
Bond premiums, net of amortization	(2,203,573)	
		(157,842,224)
Net position of governmental activities		\$ 26,767,421

The notes to the basic financial statements are an integral part of this statement.

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2020

	General Fund	PERS Reserve Fund	Construction Bond Fund	Debt Service Fund	Other Governmental Funds	Totals
REVENUES:						
Revenue from local sources:						
Property taxes	\$ 9,575,328	\$ -	\$ -	\$ 7,703,333	\$ -	\$ 17,278,661
Investment interest	703,992	-	(38,073)	55,663	22,393	743,975
Grants and contributions	5,022	-	-	-	310,172	315,194
Charges for service	226,882	-	5,500	-	3,013,279	3,245,661
Total revenue from local sources	<u>10,511,224</u>	<u>-</u>	<u>(32,573)</u>	<u>7,758,996</u>	<u>3,345,844</u>	<u>21,583,491</u>
Revenue from intermediate sources:						
County School Fund	171,266	-	-	-	-	171,266
Educational Services Dist. apportionment	2,358,394	-	-	-	-	2,358,394
Total revenue from intermediate sources	<u>2,529,660</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,529,660</u>
Revenues from State sources:						
State school fund	49,544,553	-	-	-	-	49,544,553
Common school fund	516,555	-	-	-	-	516,555
State grants	57,138	-	-	-	1,633,746	1,690,884
Total revenue from state sources	<u>50,118,246</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,633,746</u>	<u>51,751,992</u>
Revenue from Federal grants	405	-	-	-	4,790,442	4,790,847
Total revenues	<u>63,159,535</u>	<u>-</u>	<u>(32,573)</u>	<u>7,758,996</u>	<u>9,770,032</u>	<u>80,655,990</u>

The notes to the basic financial statements are an integral part of this statement.

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (Continued)
For the fiscal year ended June 30, 2020

	General Fund	PERS Reserve Fund	Construction Bond Fund	Debt Service Fund	Other Governmental Funds	Totals
EXPENDITURES:						
Instruction	\$ 35,514,962	\$ -	\$ -	\$ -	\$ 4,405,554	\$ 39,920,516
Supporting services	25,381,899	-	-	-	1,041,204	26,423,103
Enterprise and community services	-	-	-	-	1,905,918	1,905,918
Facilities acquisition and construction	-	-	1,014,903	-	-	1,014,903
Debt Service:						
Principal	-	-	-	1,517,094	758,269	2,275,363
Interest	1,350	-	-	1,954,013	1,366,120	3,321,483
Bond issue costs	-	-	604,738	22,994	-	627,732
Total expenditures	<u>60,898,211</u>	<u>-</u>	<u>1,619,641</u>	<u>3,494,101</u>	<u>9,477,065</u>	<u>75,489,018</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,261,324</u>	<u>-</u>	<u>(1,652,214)</u>	<u>4,264,895</u>	<u>292,967</u>	<u>5,166,972</u>
OTHER FINANCING SOURCES (USES)						
Bond proceeds	-	-	82,732,580	2,804,744	-	85,537,324
Bond premiums	-	-	1,733,809	-	-	1,733,809
Payment to refunded bond escrow agent	-	-	-	(2,781,098)	-	(2,781,098)
Sale of capital assets	-	-	-	-	388,351	388,351
Transfers in (out)	(220,163)	-	-	-	220,163	-
Total other financing sources (uses)	<u>(220,163)</u>	<u>-</u>	<u>84,466,389</u>	<u>23,646</u>	<u>608,514</u>	<u>84,878,386</u>
Net change in fund balance	2,041,161	-	82,814,175	4,288,541	901,481	90,045,358
FUND BALANCE-Beginning	9,942,030	2,573,712	-	787,522	11,217,544	24,520,808
FUND BALANCE-Ending	<u>\$ 11,983,191</u>	<u>\$ 2,573,712</u>	<u>\$ 82,814,175</u>	<u>\$ 5,076,063</u>	<u>\$ 12,119,025</u>	<u>\$ 114,566,166</u>

The notes to the basic financial statements are an integral part of this statement.

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

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

For the fiscal year ended June 30, 2020

Net change in fund balance - governmental funds \$ 90,045,358

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay for the current period.

Capital outlay	3,882,885	
Depreciation expense	<u>(3,395,313)</u>	
		487,572

The net effect of sales, trade-ins, and donations of capital assets is to decrease net position. (294,245)

Governmental funds defer revenues that do not provide current financial resources. However, the statement of activities recognizes such revenues at their net realizable value when earned, regardless of when collected. (85,122)

Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which debt payments exceed the current period interest expense. 4,995,363

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences	(19,575)	
Accrued interest	<u>(79,091)</u>	
		(98,666)

Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expenses. (5,613,847)

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

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

(continued)

For the fiscal year ended June 30, 2020

Governmental funds report the effect of premiums and discounts as other financing sources and uses, when issued. However these amounts are deferred and amortized over the life of the bond issue in the statement of activities.

Current year deferred interest adjustments	(96,790)
Current year amortization of premiums	139,865
Current year amortization of deferred refunding costs	(152,586)

Other post employment obligations are an expenditure in the statement of activities. However, the expenditures are reported as paid in the fund financial statements. This is the amount of the net effect of this difference.

181,735

Bond proceeds are recorded as other financing sources in the governmental funds, but the proceeds are added to long-term liabilities in the Statement of Net Assets.

(87,271,133)

Change in net position - governmental activities

\$ 2,237,504

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

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

GENERAL FUND

For the fiscal year ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Local Sources	\$ 10,257,000	\$ 10,257,000	\$ 10,511,224	\$ 254,224
Intermediate sources	2,621,580	2,621,580	2,529,660	(91,920)
State sources	50,463,159	50,463,159	50,118,246	(344,913)
Federal sources	8,400	8,400	405	(7,995)
Total revenues	<u>63,350,139</u>	<u>63,350,139</u>	<u>63,159,535</u>	<u>(190,604)</u>
<u>EXPENDITURES</u>				
Current:				
Instruction	39,243,614	38,243,614	35,514,962	2,728,652
Supporting services	25,633,678	26,633,678	25,381,899	1,251,779
Facilities acquisition and construction	300,000	300,000	-	300,000
Debt service:				
Principal	5,000	5,000	-	5,000
Interest	5,000	5,000	1,350	3,650
Contingency	500,000	500,000	-	500,000
Total expenditures	<u>65,687,292</u>	<u>65,687,292</u>	<u>60,898,211</u>	<u>4,789,081</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u>				
<u>OVER (UNDER) EXPENDITURES</u>	<u>(2,337,153)</u>	<u>(2,337,153)</u>	<u>2,261,324</u>	<u>4,598,477</u>
<u>OTHER FINANCING</u>				
<u>SOURCES (USES)</u>				
Transfers in	1,150,000	1,150,000	-	(1,150,000)
Transfers out	(500,000)	(500,000)	(220,163)	279,837
Sale of fixed assets	5,000	5,000	-	(5,000)
Total other financing sources (uses)	<u>655,000</u>	<u>655,000</u>	<u>(220,163)</u>	<u>(875,163)</u>
Net change in fund balance	(1,682,153)	(1,682,153)	2,041,161	3,723,314
<u>FUND BALANCE - Beginning</u>	<u>8,500,000</u>	<u>8,500,000</u>	<u>9,942,030</u>	<u>1,442,030</u>
<u>FUND BALANCE - Ending</u>	<u>\$ 6,817,847</u>	<u>\$ 6,817,847</u>	<u>\$ 11,983,191</u>	<u>\$ 5,165,344</u>

The notes to the basic financial statements are an integral part of this statement.

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PERS RESERVE FUND
For the fiscal year ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Local Sources	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
<u>EXPENDITURES:</u>				
Instruction	-	-	-	-
Supporting services	-	-	-	-
Contingency	1,060,000	1,060,000	-	1,060,000
Total expenditures	1,060,000	1,060,000	-	1,060,000
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	(1,060,000)	(1,060,000)	-	1,060,000
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	(500,000)	(500,000)	-	500,000
Net change in fund balance	(1,560,000)	(1,560,000)	-	1,560,000
<u>FUND BALANCE - BEGINNING</u>	2,560,000	2,560,000	2,573,712	13,712
<u>FUND BALANCE - ENDING</u>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 2,573,712</u>	<u>\$ 1,573,712</u>

The notes to the basic financial statements are an integral part of this statement.

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The Umatilla County School District No. 8R, Hermiston (the District) was organized under Oregon Statutes pursuant to ORS 332 for the purpose of operating elementary and secondary schools. An elected seven member Board of Education governs the District. The daily functioning of the District is under the supervision of the Superintendent. As required by generally accepted accounting principles, all activities of the District have been included in the basic financial statements.

There are various other governmental agencies and special service districts which provide services within the Districts boundaries. However, the District is not financially accountable for any of these entities and accordingly their financial information is not included in these financial statements.

B. Government – Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* are financed primarily through property taxes and intergovernmental revenues.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those expenses that are clearly identifiable with a specific function or segment. Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Taxes and other items not properly included as program revenues are reported instead as *general revenues*.

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

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

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, interest revenue and charges for services associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

The District reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

The *PERS Reserve Fund* accounts for funds set aside for future Public Employees Retirement System costs. The primary revenue source is transfers from other funds.

The *Construction Bond Fund* accounts for school construction and additions financed with 2020 bond proceeds.

The *Debt Service Fund* accounts for the accumulation of resources for repayment of various District capital construction bond issues. The primary source of revenue is from property taxes.

Additionally, the District reports various special revenue and debt service funds as non-major funds. These funds account for revenue resources that are legally restricted to expenditure for specific purposes.

As a general rule the effect of interfund activity has been eliminated from government-wide financial statements. Exceptions to this rule are actual charges for services between functions of the government. Elimination of these charges would distort the direct costs of program revenues reporting in the various functions concerned.

D. Assets, liabilities, deferred outflows/inflows of resources and net position/fund balance

1. Cash, Cash Equivalents, and Investments

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

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

1. Cash, Cash Equivalents, and Investments (Continued)

Oregon Revised Statutes authorize school districts to invest in obligations of the U.S. Treasury, agencies and instrumentalities of the United States, commercial paper, banker's acceptances guaranteed by a qualified financial institution, repurchase agreements, interest bearing bonds of any city, county, port, or school district in Oregon, corporate indebtedness (subject to specific standards), and the state local government investment pool, among others.

The District maintains merged bank accounts and investments for its funds in a central pool of cash and investments. The investment policy of the District is to invest in: US Government Agencies, corporate indebtedness, the Local Government Investment Pool (LGIP) and interest bearing demand deposits with local banks and to transfer resources to the general checking account as the need arises. This policy is in accordance with ORS 294.035, which specifies the types of investments authorized for municipal corporations. The District allocates earnings on investments to selected funds based on the average monthly balances throughout the year.

Investments in the LGIP are stated at amortized cost, which approximates fair value. All other investments are stated at fair value.

2. Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not available expendable financial resources. Other receivables including accounts, entitlements, and shared revenues are reported in accordance with the policies enumerated in Paragraph C previously.

3. Inventories and Prepaid Items

School operating supplies, food, and cafeteria supplies are stated at cost. Commodities received from the United States Department of Agriculture (USDA) are stated at values assigned by the USDA. Accordingly, USDA inventories are considered a resource available for expenditure and included in the fund balance of the applicable fund.

Certain payments to vendors reflect costs applicable to future accounting periods and are reflected as prepaid items. Prepaid items include a \$200,000 security deposit on a building the District is leasing. The deposit is refundable to the District when the lease term ends, or purchase option is exercised.

Inventory and prepaid items are charged as expenditures at the time of use (consumption method).

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020

4. Capital Assets

Capital assets, which include land and improvements, buildings, equipment, and vehicles, are reported in the government-wide financial statements. The District defines capital assets as assets with an individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets that are purchased or constructed are recorded at historical cost where available or estimated historical cost when actual cost is not available. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

The District operates a student homebuilder program, in which students learn construction skills while building a house. The District records direct costs of this house as construction in progress until completed. Any gain on sale of the house offsets program instruction costs.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building and improvements	10 to 50
Equipment	5 to 30
Vehicles	9 to 15

5. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net position that applies to future periods, and so will not be recognized as an outflow of resources (expense/expenditure) until that future period. The District reports the deferred charge on refunding and pension related deferrals. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that future period. The government has only one item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenues* reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020

6. Long-Term Obligations

In the government-wide financial statements long-term debt obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the lives of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

7. Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. No liability is reported for unpaid accumulated sick pay benefits since it is not the District's policy to pay sick leave when employees separate from service. Vested or accumulated vacation leave liability is reported in the government-wide financial statements. Compensated absences are reported in governmental funds only if they have matured due to separation from service.

8. Fund Balance

In the fund financial statements, the fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash and include inventories and prepaid items.

Fund balance is reported as restricted when the constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Fund balance is reported as committed when the Board of Education passes a resolution that places specific constraints on how the resources may be used. The Board can modify or rescind the resolution at any time through passage of an additional resolution.

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020

8. Fund Balance (Continued)

Fund balance is reported as assigned when resources are constrained by the government's intent to use them for a specific purpose, but are neither restricted nor committed. Intent is expressed when the Board of Education approves which resources should be assigned to expenditure for particular purposes during the adoption of the annual budget resolution. Within the Board of Education's intent, the Board has delegated the authority to classify portions of ending fund balance as "assigned" to the Superintendent. The District's Business Manager uses that information to determine whether those resources should be classified as assigned or unassigned for presentation in the District's Comprehensive Annual Financial Report.

Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been restricted, committed, or assigned. The General fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

When the option is available to use restricted or unrestricted resources for any purpose, the District expends restricted resources first. When the option is available to use committed, assigned, or unassigned resources for any purpose, the District expends committed resources before assigned resources, and assigned resources before unassigned resources.

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

8. Fund Balance (Continued)

Fund balances by classification for the year ended June 30, 2020 were as follows:

	General Fund	PERS Reserve Fund	Construction Bond Fund	Debt Service Fund	Other Governmental Funds	Total
<u>Fund balances</u>						
Nonspendable:						
Inventories	\$ 190,975	\$ -	\$ -	\$ -	\$ 99,529	\$ 290,504
Prepaid items	204,925	-	-	-	-	204,925
	<u>395,900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>99,529</u>	<u>495,429</u>
Restricted:						
Capital projects	-	-	82,814,175	-	2,502,783	85,316,958
Debt service	-	-	-	5,076,063	25,319	5,101,382
Educational programs	-	-	-	-	379,292	379,292
Total restricted	<u>-</u>	<u>-</u>	<u>82,814,175</u>	<u>5,076,063</u>	<u>2,907,394</u>	<u>90,797,632</u>
Committed:						
Capital projects	-	-	-	-	1,540,567	1,540,567
Educational programs	-	-	-	-	3,610,464	3,610,464
School lunch expenses	-	-	-	-	1,235,911	1,235,911
Insurance deductibles	-	-	-	-	712,306	712,306
Employee benefits	-	2,573,712	-	-	-	2,573,712
Repairs & Maintenance	-	-	-	-	2,012,854	2,012,854
Unappropriated						
ending fund balance	5,920,054	-	-	-	-	5,920,054
Total committed	<u>5,920,054</u>	<u>2,573,712</u>	<u>-</u>	<u>-</u>	<u>9,112,102</u>	<u>17,605,868</u>
Unassigned	5,667,238	-	-	-	-	5,667,238
Total fund balances	<u>\$ 11,983,191</u>	<u>\$ 2,573,712</u>	<u>\$ 82,814,175</u>	<u>\$ 5,076,063</u>	<u>\$ 12,119,025</u>	<u>\$ 114,566,166</u>

The District's policy is to commit 10% of general fund revenues for nonspendable, restricted, committed or unappropriated ending fund balances.

At year end, one non-major fund had a negative unassigned fund balance. The negative balance is due to revenue expected to be collected by year end, but not received. This fund balance is expected to be restored by revenues in the next fiscal year.

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020

9. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of certain assets, liabilities, revenues, expenditures, expenses and other disclosures. Accordingly, actual results could differ from those estimates.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP) for all governmental funds. All annual appropriations lapse at fiscal year end.

Oregon Local Budget Law establishes standard procedures relating to the preparation, adoption, and execution of the annual budget.

The District begins its budgeting process by appointing Budget Committee members in the fall of each year. Budget recommendations are developed by management through early spring, with the Budget Committee meeting and approving the budget document in late spring. Public notices of the budget hearing are generally published in May or June and the hearing is held in June.

The Board of Education adopts the budget, makes appropriations, and declares the tax levy no later than June 30. Expenditure appropriations may not be legally over expended, except in the case of specific purpose grant receipts and bond sale proceeds which could not be reasonably estimated at the time the budget was adopted.

The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. The level of budgetary control is established at the functional level: instruction, support services, enterprise and community services, facility acquisition and construction, and other uses. Unexpected additional resources may be added to the budget and appropriated for expenditure through the use of a supplemental budget. The supplemental budget process requires a hearing before the public, publication in the newspaper, and approval by the Board of Education. Oregon Local Budget Law also provides certain specific exceptions to the supplemental budget process to increase appropriations. Management must obtain Board authorization for all appropriation transfers and supplementary budgetary appropriations.

During the year ended June 30, 2020, appropriation increases and transfers were approved. Appropriations are limited to a single fiscal year; therefore, all spending authority of the District lapses as of year end.

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020

III. DETAILED NOTES ON ALL FUNDS

A. Cash, Cash Equivalents and Investments

1. Cash and Cash Equivalents

Cash and cash equivalents are comprised of the following at June 30, 2020:

Demand Deposits	\$ 4,991,160
Cash on Hand	236
Total Cash and Cash Equivalents	\$ 4,991,396
Unrestricted	\$ 4,964,275
Restricted for construction	26,468
Restricted for debt service	653
Total Cash and Cash Equivalents	\$ 4,991,396

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of bank failure, a government's deposits may not be returned to it. ORS Chapter 295 governs the collateralization of Oregon public funds and provides the statutory requirements for the Public Funds Collateralization Program. The Public Funds Collateralization Program was created by the Office of the State Treasurer to facilitate bank depository, custodian and public official compliance with ORS 295. Public officials verify that deposit amounts in excess of deposit insurance limits are only maintained at qualified depositories. ORS 295 requires the qualified depository to pledge collateral against any public funds deposits in excess of deposit insurance amounts.

As of June 30, 2020, the total bank balances were \$5,527,963. Of these deposits, \$250,000 was covered by federal depository insurance. The District maintains its funds at a financial institution deemed to be a qualified depository by the Office of the State Treasurer. As a result, the District's remaining deposits in excess of federal deposit insurance are considered by management to be fully collateralized.

The District has not adopted a formal policy addressing deposit risks. The District has adopted the following policies addressing investment risks:

The District does not invest in securities having a maturity more than 24 months from the date of purchase, except for investments matched with specific requirements such as bond sinking funds or reserves.

The District's investments will be consistent with statutory requirements under ORS 294.035 and Oregon Short Term Fund rules and recommendations.

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020

2. Investments

Investments are comprised of the following at June 30,

Investment Type	Weighted Average Maturity	Fair Value	Percentage of Investment Portfolio
Local Government Investment Pool	0.55	\$ 34,437,922	30.8%
Corporate Bonds (22% A-, 33% A+, 21% AA-, 13% AA, 11% AA+)	0.48	18,589,476	16.6%
US Agencies	1.59	58,543,339	52.4%
Accrued Interest	0.07	114,417	0.1%
Total investments		<u>\$ 111,685,154</u>	<u>100.0%</u>
Portfolio weighted average maturity	1.08		
Unrestricted		\$ 23,546,044	
Restricted for debt service		5,059,781	
Restricted for construction		83,079,329	
Total investments		<u>\$ 111,685,154</u>	

Restricted for debt service – The District is responsible for Limited Tax Pension Obligations issued for financing of payment of the District’s Oregon Public Employee Retirement System (PERS) unfunded liability. The State of Oregon withholds a portion of the District’s State School Funding payment and transfers this portion to a trustee escrow account administered by the State of Oregon for the purpose of repayment of scheduled bond principal and interest, as required since the bonds were issued by the Oregon School Board Association. The amount held in the escrow account for payment of future scheduled payments at June 30, 2020 was \$25,319.

Fair Value Hierarchy – Investments

The District categorizes fair value measurements within the hierarchy established by GASB Statement 72. The hierarchy is based on the inputs used to measure the fair value of an asset. Level 1 inputs are quoted prices in active markets for identical instruments. The District considers US government agency obligations to be level 1. Level 2 inputs are quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-derived valuations in which all significant inputs are observable, and level 3 inputs are significant unobservable input, the LGIP is not required to be categorized. The District considers all other investments other than LGIP and US Government agencies to be level 2.

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020

2. Investments (Continued)

Custodial Credit Risk - Investments - Custodial credit risk is the risk that, in the event of a failure of the counterparty, a government's investments may not be returned to it.

The District invests funds in the Local Government Investment Pool (LGIP), the Oregon Short Term Fund established by the State Treasurer. The LGIP is an unrated external investment pool. The value of the District's position in the pool is the same as the value of the pool shares. The investments are regulated by the Oregon Short Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895.) The LGIP is not registered with the U.S. Securities and Exchange Commission. The amounts invested with the Pool are not subject to custodial credit risk because they are not evidenced by securities that exist in physical book entry form.

In addition, the Oregon State Treasury LGIP distributes investment income on an amortized cost basis and the participant's equity in the pool is determined by the amount of participant deposits, adjusted for withdrawals and distributed income. Accordingly, the adjustment to fair value would not represent an expendable increase (decrease) in the District's cash position.

All of the District's U.S. Government agency securities and Corporate bonds were exposed to custodial credit risk because the securities were held by a third party not in the District's name and were not insured.

Credit Risk – Investments

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. Credit quality ratings issued by S&P are summarized on the previous page for the District's investments in corporate indebtedness. Securities of U.S. Government sponsored enterprises are not explicitly backed by the full faith and credit of the U.S. Government, but they have implied government backing and an implied AAA rating. The District's investment advisors indicate that the U.S. Government agency discount notes are not rated, and the U.S. Government agency bonds are rated AAA. The Local Government Investment Pool's credit risk is not rated. The District investment policy limits the District to investments with credit ratings in compliance with Oregon law.

All investments of the District are made in accordance with Oregon Revised Statutes: ORS 294.035 (Investment of surplus funds or political subdivisions; approved investments), ORS 294.040 (Restriction on investments under ORS 294.035), ORS 294.135 (Investment maturity dates), ORS 294.145 (Prohibited conduct for Custodial Officer), ORS 294.805 to 294.895 (Local Government Investment Pool), and ORS 294.052 (Investment by municipality of proceeds of bonds). Any revisions or extensions of these sections of the ORS Chapter are assumed to be part of the District's Investment Policy immediately upon being enacted. 79

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020

2. Investments (Continued)

Concentration of Credit Risk – Investments

The District is required to provide information about the concentration of credit risk associated with its investments in one issuer that represent 5 percent or more of the total investments, excluding investments in mutual funds, external investment pools, other pooled investments or those issued and explicitly guaranteed by the U.S. Government. The District had the following investments in US Agencies that are not explicitly guaranteed and exceeded the 5 percent threshold: Federal Farm Credit Bank \$19,936,183, Federal Home Loan Banks \$14,287,901, Federal National Mortgage Association \$9,006,508, and Federal Home Loan Mortgage Corp. \$6,200,022. The District investment policy requires the District to follow diversification guidelines consistent with Oregon law and Oregon Short Term Fund rules and recommendations.

Interest Rate Risk – Investments

The District's investment policy does not allow investments with maturities longer than 24 months from the date of purchase except for investments matched with specific requirements such as bond sinking funds or reserves. As of June 30, 2020, the District's weighted average maturity of its investment portfolio was 1.08 years. The District invests in short-term Corporate Bonds, U.S. Government securities, time certificates of deposit and the Local Government Investment Pool. These securities will be redeemed for full value at maturity.

B. Receivables

Uncollected property taxes are shown on the statement of net position as receivables. Property taxes are assessed and attach as an enforceable lien on property as of July 1. Taxes are levied on July 1 and are payable on November 15. They may be paid in installments due November 15, February 15, and May 15. Taxes unpaid as of May 16 are considered delinquent. Taxes are billed and collected by Umatilla County, and remittance to the District is made at periodic intervals. For the fiscal year 2018-2019, the District levied property taxes for a general levy and bond levies in the amounts of \$9,323,863 and \$8,675,037, respectively. The tax rate for the fiscal year for the general fund was \$4.8877 per \$1,000 of assessed value. The assessed valuation for the District was \$2,116,641,101. Property taxes receivable - restricted for debt service at June 30, 2020 were \$432,047.

Donations and intergovernmental receivables are considered to be fully collectible. The majority of lunch sales receivables are over 90 days old. A provision of \$25,000 for uncollectible accounts has been established. An Oregon law that went into effect July 1, 2017 allows students to eat lunch no matter what their account balance is. This has allowed several students to accumulate large account balances. The District based their collectible estimate on previous experience with various other student account balances.

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020

C. Capital Assets

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

	Balance June 30, 2019	Increases	Decreases	Balance June 30, 2020
<u>Governmental Activities:</u>				
Capital assets not being depreciated:				
Land	\$ 4,830,503	\$ -	\$ -	\$ 4,830,503
Construction in progress	294,245	1,342,549	(294,245)	1,342,549
Total capital assets not being depreciated	<u>5,124,748</u>	<u>1,342,549</u>	<u>(294,245)</u>	<u>6,173,052</u>
Capital assets being depreciated:				
Buildings and improvements	146,932,750	1,944,260	-	148,877,010
Equipment	3,088,202	470,745	-	3,558,947
Vehicles	689,352	125,331	-	814,683
Total capital assets being depreciated	<u>150,710,304</u>	<u>2,540,336</u>	<u>-</u>	<u>153,250,640</u>
Less: Accumulated depreciation:				
Buildings and improvements	(48,122,807)	(3,105,450)	-	(51,228,257)
Equipment	(2,132,922)	(220,762)	-	(2,353,684)
Vehicles	(452,792)	(69,101)	-	(521,893)
Total accumulated depreciation	<u>(50,708,521)</u>	<u>(3,395,313)</u>	<u>-</u>	<u>(54,103,834)</u>
Total capital assets being depreciated, net	<u>100,001,783</u>	<u>(854,977)</u>	<u>-</u>	<u>99,146,806</u>
Governmental activities capital assets, net	<u>\$ 105,126,531</u>	<u>\$ 487,572</u>	<u>\$ (294,245)</u>	<u>\$ 105,319,858</u>

Depreciation was charged to functions and programs as follows:

Instruction	\$ 2,905,286
Supporting services	490,027
Total depreciation expense of governmental activities	<u>\$ 3,395,313</u>

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020

D. Interfund Receivable/Payable

At June 30, 2020 interfund balances for operating cash management needs were as follows:

Receivable by	Payable from
General Fund	Non-Major Funds:
\$ 606,246	ESSER Grant Fund
	\$ 90,038
	Farm to School Grant Fund
	14,360
	CTE Career Pathways Fund
	3,070
	Title IIA Grant Fund
	3,665
	Title I Grant Fund
	234,656
	Carl Perkins Fund
	5,784
	HS Graduation and College
	137,254
	IDEA Grant Fund
	97,510
	YTP Grant Fund
	19,619
	Title IV Grant Fund
	290
	Total Interfund Payable
	\$ 606,246

E. Charges for Services – Interest on Long Term Debt

The issuance of the District’s Limited Tax Pension Bonds is secured by an intercept agreement to transfer an amount of State School Funds distributed by the Oregon Department of Revenue to the Pension Bond Trustee for the purpose of payment of annual interest and principal. Due to this reduction of funds available for use for general operations, each fund is charged an additional expense for PERS, relative to each programs gross payroll expense, for the purpose of replacing the intercept payments remitted to the Trustees.

For the year ended June 30, 2020, \$2,097,948 was intercepted and paid to the Trustee charged to governmental activities, as follows:

Governmental activities:	
Regular programs	\$ 1,091,190
Special programs	346,804
Student support services	181,270
Instructional staff support	102,202
General administration	16,859
School administration	163,812
Business support services	131,557
Central activities	62,353
Enterprise and community services	1,901
Total	\$ 2,097,948

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F. Interfund Transfers

Interfund transfers in the fund financial statements are as follows:

	Transfers in	Transfers out
General Fund	\$ -	\$ 220,163
Non-Major Governmental Funds	220,163	-
Total Transfers	\$ 220,163	\$ 220,163

The following transfers occur on a routine basis:

The District transferred \$65,000 from the General Fund to the Outdoor Education Fund to cover operating expenses for the outdoor program.

The District transferred \$65,000 from the General Fund to the Print Shop Fund to meet operating needs.

The District makes non-routine transfers to meet current needs and to commit resources for future needs, including:

\$90,163 to the Student Body Fund to meet future operating needs.

G. Long-Term Liabilities from Direct Borrowings and Direct Placements

1. General Obligation Bonds – Governmental Activities

General obligation bonds are direct obligations and pledge the full faith and credit of the District. The District has issued general obligation bonds to provide funding for the acquisition and construction of major capital facilities and advance refunding of prior issued general obligation bonds.

In April 2020, the District issued general obligation bonds, Series 2020, combining \$80,052,325 (\$135,052,325 final maturity amount) of Series 2020A deferred interest bonds and \$5,485,000 Series 2020B current interest bonds, to finance school construction and renovation. Series 2020A interest is accreted at yields ranging from 1.91% to 3.49%. Series 2020B interest rates are 5.0%. Series 2020B bond premium of \$1,733,809 is reported in the accompanying financial statements as adjustments to bonds payable, and amortized over the life of the bonds using the effective-interest method. Final payment on Series 2020A is due June 2045. Final payment on Series 2020B is due June 2030.

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
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NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020

G. Long-Term Liabilities from Direct Borrowings and Direct Placements (continued)

1. General Obligation Bonds – Governmental Activities (continued)

A portion of the 2020A bond proceeds were issued for advanced refunding of the Series 2010 general obligation bonds. The District defeased the remaining outstanding balance of \$2,720,000 of the original general obligation bonds by placing the proceeds of the advance refunding bonds in irrevocable trusts to provide for all future debt service payments on the old obligation. Accordingly, the trust account assets and the liabilities for the defeased obligations are not included in the District's basic financial statements. \$2,720,000 remained outstanding at June 30, 2020. The refunding resulted in an economic gain to the District of \$382,449, as computed by the District's investment advisors.

In May 2015, the District issued advance refunding general obligation bonds, Series 2015, in the amount \$18,860,000 to refund \$17,190,000 of 2009 general obligation bonds. Interest ranges from 0.75% to 4.00%, increasing as the time to maturity increases based upon the bond's agreement. The reacquisition price exceeded the net carrying amount of the refunded debt by \$2,778,482. This amount is reported as deferred outflow of resources and is amortized over the remaining life of the refunded debt, which is the same life of the new debt issued. In addition, a bond premium in the amount of \$897,839 has been reported in the Statement of Net Position related to the new debt issue, and is being amortized over the life of the bonds. This advanced refunding resulted in an economic gain to the District of \$1,167,112, as computed by the District's investment advisors.

The District defeased the original general obligation bonds by placing the proceeds of the advance refunding bonds in irrevocable trusts to provide for all future debt service payments on the old obligation. Accordingly, the trust account assets and the liabilities for the defeased obligations are not included in the District's basic financial statements. \$17,190,000 remained outstanding at June 30, 2020.

In July 2010, the District issued \$8,795,000 of general obligation bonds, Series 2010, to finance school construction and renovation. Interest rates range from 2.00% to 4.50%. The remaining outstanding balance and bond premiums were paid off with the advanced refunding of the Series 2020 bond issues in April 2020.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020

G. Long-Term Liabilities from Direct Borrowings and Direct Placements (continued)

1. General Obligation Bonds – Governmental Activities (continued)

In December 2009, the District issued \$31,760,000 of Qualified School Construction Bonds, tax credit bonds available under the American Recovery and Reinvestment Act. In addition to a 5.95 % tax credit, these bonds pay interest each June and December at 1.3%. One principal payment of \$31,760,000 plus interest is due in June 2026. The District has covenanted to establish a sinking fund to hold monies solely for payment of principal and interest on the bonds. The first sinking fund deposits were made in 2020.

In April 2009, the District issued general obligation bonds, Series 2009, combining \$21,535,000 of Series 2009A current interest bonds and \$7,807,257 (14,410,000 final maturity amount) of Series 2009B deferred interest bonds, to finance school construction and renovation. Series 2009A obligation was paid off in the year ending June 30, 2018. Series 2009B interest is accreted at yields ranging from 4.38% to 5.05%.

The District's future maturities for the general obligation bonds issues are as follows:

Year Ending June 30,	Principal	Interest
2021	\$ 1,479,825	\$ 2,339,611
2022	1,498,622	2,425,535
2023	1,479,749	2,554,408
2024	4,104,885	3,186,299
2025	3,177,409	1,136,718
2026-2030	62,547,087	5,912,724
2031-2035	22,432,775	10,777,225
2036-2040	21,066,357	16,968,643
2040-2044	19,742,069	23,817,931
Subtotals	137,528,778	69,119,094
Deferred interest	4,529,070	-
Carrying amount	\$ 142,057,848	\$ 69,119,094

2. Limited Tax Pension Bonds

In October 2002, the District issued \$12,877,169 in Limited Tax Pension Bonds, Series 2002 to finance all or a portion of the estimated unfunded actuarial liability with the Oregon Public Employees Retirement System. Interest rates of these full faith and credit bonds range from 2.06% to 6.10% based upon the bond's agreement. Final payment due June 30, 2028.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020

G. Long-Term Liabilities from Direct Borrowings and Direct Placements (continued)

2. Limited Tax Pension Bonds (Continued)

In January 2011, the District redeemed all bonds scheduled to mature in 2021. Face value of the 2021 maturity was \$855,000. The District completed this redemption to reduce its debt service payments by \$494,000 and to obtain an economic gain of \$235,000. The economic gain is the difference between the present value of the old and new debt service as estimated by the District's financial advisors.

In February 2004, the District issued \$8,745,000 in Limited Tax Pension Bonds, Series 2004 to finance all or a portion of the estimated unfunded actuarial liability with the Oregon Public Employees Retirement System. Interest rates of these full faith and credit bonds range from 3.666% to 5.528% based upon the bond's agreement. Final payment due June 30, 2028.

The District's future maturities for Limited Tax Pension Bonds issues are as follows:

Year Ending June 30,	Principal	Interest
2021	\$ 550,000	\$ 823,330
2022	1,600,000	793,503
2023	1,805,000	705,867
2024	2,030,000	606,505
2025	2,270,000	494,015
2026-2030	6,645,001	668,570
	<u>\$ 14,900,001</u>	<u>\$ 4,091,790</u>

3. Changes in Long-Term Liabilities

Long-term liability activity for the year ending June 30, 2020 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General Obligation Bonds:					
Series 2009B	\$ 7,163,547	\$ -	\$ 1,517,094	\$ 5,646,453	\$ 1,479,825
Series 2009C	31,760,000	-	-	31,760,000	-
Series 2010	2,720,000	-	2,720,000	-	-
Series 2015A	5,485,000	-	-	5,485,000	-
Series 2015B	9,100,000	-	-	9,100,000	-
Series 2020A	-	80,052,325	-	80,052,325	-
Series 2020B	-	5,485,000	-	5,485,000	-
Limited Tax Pension Bonds:					
Series 2002	9,008,270	-	273,269	8,735,001	-
Series 2004	6,650,000	-	485,000	6,165,000	550,000
Total Bonds	<u>71,886,817</u>	<u>85,537,325</u>	<u>4,995,363</u>	<u>152,428,779</u>	<u>2,029,825</u>

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
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NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020

G. Long-Term Liabilities from Direct Borrowings and Direct Placements (continued)

3. Changes in Long-Term Liabilities (continued)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Adjustments to Bonds:					
Deferred interest:					
Series 2009B	4,432,280	562,750	992,906	4,002,124	1,115,175
Series 2020A	-	526,946	-	526,946	-
	<u>4,432,280</u>	<u>1,089,696</u>	<u>992,906</u>	<u>4,529,070</u>	<u>1,115,175</u>
Bond premiums:					
Series 2010	52,129	-	52,129	-	-
Series 2015B	557,500	-	87,736	469,764	89,746
Series 2020B	-	1,733,809	-	1,733,809	187,147
	<u>609,629</u>	<u>1,733,809</u>	<u>139,865</u>	<u>2,203,573</u>	<u>276,893</u>
Total Adjustments	<u>5,041,909</u>	<u>2,823,505</u>	<u>1,132,771</u>	<u>6,732,643</u>	<u>1,392,068</u>
Total Bonds, net of adjustments	<u>76,928,726</u>	<u>88,360,830</u>	<u>6,128,134</u>	<u>159,161,422</u>	<u>3,421,893</u>
Compensated Absences	<u>121,138</u>	<u>441,909</u>	<u>422,334</u>	<u>140,713</u>	<u>112,570</u>
Total	<u>\$ 77,049,864</u>	<u>\$ 88,802,739</u>	<u>\$ 6,550,468</u>	<u>\$ 159,302,135</u>	<u>\$ 3,534,463</u>

Governmental funds generally used in prior years to liquidate the liability for compensated absences are the General Fund, and various other Special Revenue Funds.

4. Changes in Deferred Outflows of Resources

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Series 2004 & 2009 refunding costs	\$ 1,471,784	\$ -	\$ 152,586	\$ 1,319,198	\$ 160,739

H. Net Investment in Capital Assets

Capital assets	\$ 105,319,858
Capital debt:	
Series 2009	(37,406,453)
Series 2015	(14,585,000)
Series 2020	(3,796,001)
Premiums	(2,203,573)
Deferred interest	(4,529,070)
Deferred refunding costs	1,319,198
	<u>\$ 44,118,939</u>

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
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NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020

IV. Other Information

A. 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 for which the District carries commercial insurance. Workers compensation insurance is also provided through a commercial carrier. There has been no significant reduction in insurance coverage from the prior year and the District has not been required to pay any settlements in excess of insurance coverage during the past three fiscal years.

B. Pension Plan

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

Tier One/Tier Two Retirement Benefit (Chapter 238):

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

Pension Benefits:

The PERS retirement allowance is payable monthly for life. The basic benefit is based on years of service and final average salary. Generally, a percentage (2.0 percent for police and fire employees, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier Two members are eligible for full benefits at age 60.

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, if certain conditions are met.

Disability Benefits:

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.

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
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NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020

B. Pension Plan (continued)

Tier One/Tier Two Retirement Benefit (Chapter 238) (continued):

Benefit Changes After Retirement:

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

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

OPSRP Pension Program (ORS Chapter 238A):

Pension Benefits:

The Pension Program provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are based on years of service and final average salary.

For 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 member, is age 60 or age 53 with 25 years of retirement credit.

For 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 OPSRP Pension Program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

Death Benefits:

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

Disability Benefits:

A member who has accrued 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.

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
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NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

B. Pension Plan (continued)

OPSRP Pension Program (ORS Chapter 238A) (continued):

Benefit Changes After Retirement:

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA will vary: 1.25 percent for beneficiaries receiving yearly benefits below \$60,000 or \$750 plus 0.15 percent for beneficiaries receiving yearly benefits above \$60,000.

OPSRP Individual Account Program (OPSRP IAP)

Pension Benefits

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

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

Death Benefits

Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Recordkeeping

PERS contracts with VOYA Financial to maintain IAP participant records.

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. Employer contribution rates during the period were based on the December 31, 2017 actuarial valuation. Covered employees are required to contribute 6.00% of wages, which the District pays as part of the employee's compensation package. The District is required to contribute 22.06% of wages for Tier one/Tier two employees and 16.61% for OPSRP employees. Employer contributions for the year ended June 30, 2020 were \$5,580,339, excluding amounts to fund employer specific liabilities.

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
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NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

B. Pension Plan (continued)

Pension Liabilities, Pension Expense, and Deferred Inflows and Outflows of Resources:

At June 30, 2020, the District reported a liability of \$43,454,544 for its proportionate share of the net pension asset. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. At June 30, 2019, the District's proportion was 0.25121711% compared to its proportion of 0.25625848% measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized a pension expense of \$10,856,674, and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,396,390	\$ -
Change of assumptions	5,895,105	-
Net differences between projected and actual earnings on investments	-	1,231,892
Change in proportionate share	1,210,159	882,210
Differences between employer contributions and employer's proportionate share of system contributions	-	812,040
Contributions subsequent to the measurement date	<u>5,526,362</u>	<u>-</u>
	<u>\$ 15,028,016</u>	<u>\$ 2,926,142</u>
Net deferred Outflow / (Inflow) of resources		<u>\$ 12,101,874</u>

Contributions subsequent to the measurement date will be expensed in the year ended June 30, 2021. Other deferred inflow of resources and deferred outflows of resources will be recognized in pension expense/(income) in the following years:

	<u>Year</u>	<u>Amount</u>
	2021	\$ 3,934,650
	2022	429,573
	2023	1,311,778
	2024	866,912
	2025	<u>32,598</u>
		6,575,512
Contributions subsequent to the measurement date		5,526,362
Net deferred Outflow / (Inflow) of resources		<u>\$ 12,101,874</u>

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020

B. Pension Plan (continued)

Actuarial Valuations:

The employer contribution rates effective July 1, 2019, through June 30, 2021, were set using the projected unit credit actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

Actuarial Methods and Assumptions Used in Developing Total Pension Liability:

Valuation Date	December 31, 2017
Experience Study Report	2016, published July 2017
Actuarial cost method	Entry Age Normal
Amortization method	SB 1049 signed into law in June 2019 requires a one-time re-amortization of Tier 1/Tier 2 UAL over a closed period of 22 years. OPSRP pension UAL is amortized over a closed period of 16 years.
Asset valuation method	Market value of assets, excluding reserves

Actuarial assumptions:

Inflation rate 2.50 percent

Investment rate of return 7.20 percent

Projected salary increases 3.50 percent

Mortality

Healthy retirees and beneficiaries:

RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustment and set-back as described in the valuation.

Active members:

RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustment and set-back as described in the valuation.

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
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NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020

B. Pension Plan (continued)

Disabled retirees:

RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Date Scale.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far in to the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2016 Experience Study which reviewed experience for the four-year period ending on December 31, 2016.

Discount Rate:

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

Assumed Asset Allocation:

Asset Class/Strategy:	<u>Low Range</u>	<u>High Range</u>	<u>OIC Target</u>
Debt Securities	15.0 %	25.0 %	20.0 %
Public Equity	32.5	42.5	37.5
Private Equity	14.0	21.0	17.5
Real Estate	9.5	15.5	12.5
Alternative Equity	-	12.5	12.5
Opportunity Portfolio	-	3.0	-
Total			100.0 %

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
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NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020

B. Pension Plan (continued)

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2017 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at the time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<u>Asset Class</u>	<u>Target %</u>	<u>Compound Annual Return (Geometric)</u>
Core Fixed Income	8.00	3.49
Short-Term Bonds	8.00	3.38
Bank/Leveraged Loans	3.00	5.09
High Yield Bonds	1.00	6.45
Large Cap/ Mid Cap US Equities	15.75	6.30
Small Cap US Equities	1.31	6.69
Micro Cap US Equities	1.31	6.80
Developed Foreign Equities	13.13	6.71
Emerging Market Equities	4.13	7.45
Non-US Small Cap Equities	1.88	7.01
Private Equity	17.50	7.45
Real Estate (Property)	10.00	5.51
Real Estate (REITS)	2.50	6.37
Hedge Fund of Funds - Diversified	2.50	4.09
Hedge Fund - Event-driven	0.63	5.86
Timber	1.88	5.62
Farmland	1.88	6.15
Infrastructure	3.75	6.60
Commodities	1.88	3.84
Assumed Inflation - Mean		2.50

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
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NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020

B. Pension Plan (continued)
Sensitivity Analysis :

	1% Decrease (6.2%)	Current Discount Rate	1% Increase (8.2%)
Employers' Net Pension Liability Defined			
Benefit Pension Plan:	\$ 69,588,596	\$ 43,454,544	\$ 21,583,942

Oregon PERS produces an independently audited CAFR which can be found at: <http://www.oregon.gov/pers/Documents/Financials/CAFR/2019-CAFR.pdf>.

GASB 68 requires employers to briefly describe any changes between the measurement date and the employer's reporting date that are expected to have a significant effect on the employer's share of the collective Net Pension Liability, along with an estimate of the resulting change, if available.

We are not aware of any changes that meet this disclosure requirement.

C. Postemployment Health Care Plan - Implied Subsidy

The District operates a single-employer retiree benefit plan that provides postemployment health, dental, vision and prescription coverage benefits to eligible employees and their eligible dependents. The General Fund has typically been used to liquidate this benefit obligation. This "plan" is not a stand-alone plan and therefore does not issue its own financial statements.

The District offers post-employment health care benefits for certain employees who have completed a specified number of years of continuous service, are eligible for PERS benefits, and have not reached the age of 65 or are eligible for Medicare. The District has discontinued this benefit, and it is not available for employees hired after June 30, 2003. At June 30, 2020, 28 participants were included in the District post employment benefit program.

Plan description

The plan provides pre-Medicare health care insurance coverage to retirees based on the gross premium rates charged to active employees. Health care premiums, priced only for retirees who on average incur higher health care claims costs than younger active employees, would be more expensive than health care premiums that are priced to cover the average costs of both actives and retirees combined. The resulting additional cost, or implicit subsidy, must be included in the liabilities and costs reported on the entity's financial statements.

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
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NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2020

C. Postemployment Health Care Plan - Implied Subsidy (continued)

Mortality Pub-2010 Teacher Employee and Healthy Retiree tables, sex distinct for members and dependents. Future mortality improvement is not projected as it would be immaterial to the valuation.

The discount rate was based on Bond Buyer 20-Year General Obligation Bond Index.

Changes in Total OPEB Liability	Increase (Decrease)
	Total OPEB Liability
Balance as of June 30, 2019	\$ 5,504,014
Changes for the year:	
Service cost	283,968
Interest on total OPEB liability	211,315
Effect of economic/demographic gains or losses	(45,358)
Effect of assumptions changes or inputs	(133,523)
Benefit payments	(661,594)
Balance as of June 30, 2020	<u>\$ 5,158,822</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.87% in 2019 to 3.5% in 2020.

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (2.5%)	Current Discount Rate	1% Increase (4.5%)
Total OPEB Implied Subsidy Liability	\$ 5,507,958	\$ 5,158,822	\$ 4,830,888

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Implied Subsidy Liability	\$ 4,752,111	\$ 5,158,822	\$ 5,639,181

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020

C. Postemployment Health Care Plan - Implied Subsidy (continued)

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

For the year ended June 30, 2020, the District recognized OPEB expense of \$435,647. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 40,822
Changes of assumptions or inputs	-	378,160
Benefit Payments	525,551	-
	\$ 525,551	\$ 418,982
Net deferred Outflow / (Inflow) of resources		\$ 106,569

Deferred outflows and inflows of resources will be recognized in OPEB expense (income) as follows:

	Year	Amount
	2021	\$ (59,636)
	2022	(59,636)
	2023	(59,636)
	2024	(59,636)
	2025	(59,636)
	Thereafter	(120,802)
		(418,982)
Benefit Payments		525,551
Net deferred Outflow / (Inflow) of resources		\$ 106,569

D. Postemployment Health Care Plan - Retirement Health Insurance Account (RHIA)

Plan description:

ORS 238.420 established the Retirement Health Insurance Account (RHIA) and authorizes a payment of up to \$60 from RHIA toward the monthly cost of health insurance for eligible PERS members. RHIA is a cost-sharing multiple-employer Other Postemployment Benefit (OPEB) plan. The plan was closed to new entrants hired on or after August 29, 2003. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan.

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020

D. Postemployment Health Care Plan - RHIA (continued)

Contributions:

PERS employers contributed 0.06 percent of PERS-covered salaries for Tier One and Tier Two members to fund the normal cost portion of RHIA benefits.

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

At June 30, 2020, the District reported an asset of \$494,104 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2019. The total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2017 and rolled forward to the measurement date of June 30, 2019. The basis for the employer's proportion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actuarial contributions in the fiscal year of all employers. At June 30, 2019, the District's proportion was 0.25569986% compared to its proportion of 0.24993678% measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized OPEB income of \$66,865. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 65,158
Changes of assumptions	-	512
Net differences between projected and actual earnings on investments	-	30,498
Changes in proportionate share	53	4,684
Contributions subsequent to the measurement date	29,228	-
	\$ 29,281	\$ 100,852
Net deferred Outflow / (Inflow) of resources		\$ (71,571)

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020

D. Postemployment Health Care Plan - RHIA (continued)

Contributions subsequent to the measurement date will be expensed in the year ended June 30, 2021. Other deferred inflows of resources and deferred outflows of resources related to OPEB will be recognized in OPEB expense/(income) in the following years:

	Year	Amount
	2021	\$ (52,058)
	2022	(46,090)
	2023	(5,792)
	2024	3,142
	2025	-
		(100,799)
Contributions subsequent to the measurement date		29,228
Net deferred Outflow / (Inflow) of resources		\$ (71,571)

Actuarial assumptions:

Experience studies are performed as of December 31 of even numbered years. The methods and assumptions are based on the 2016 experience study, which reviewed the experience for the four-year period ended on December 31, 2016. The Retirement Health Insurance Account is a benefit of the Oregon Public Employees Retirement System. Actuarial methods and assumptions, including the long-term expected rate of return, are the same as reported for the District's pension plan.

Discount rate:

The discount rate used to measure the total OPEB liability was 7.20 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made at contractually required rates, actuarially determined. Based on this assumption, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount rate:

The following presents the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.2 percent) or 1-percentage-point higher (8.2 percent) than the current discount rate:

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020

D. Postemployment Health Care Plan -RHIA (continued)

	1% Decrease (6.2%)	Current Discount Rate	1% Increase (8.2%)
Employers' Net Pension Liability (Asset)			
Defined Benefit Pension Plan:	\$ (383,058)	\$ (494,104)	\$ (588,724)

Oregon PERS produces an independently audited CAFR which can be found at:
<http://www.oregon.gov/pers/Documents/Financials/CAFR/2019-CAFR.pdf>.

E. Pension and OPEB Deferrals

Deferrals result from pension and OPEB deferrals described in Notes B, C and D as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension deferrals	\$ 15,028,016	\$ 2,926,142
Other postemployment benefit deferrals - RHIA	29,281	100,852
Other postemployment benefit deferrals - implied subsidy	525,551	418,982
Totals	\$ 15,582,848	\$ 3,445,976

F. Related Party Transactions

The District selects vendors that provide the best value for the District. A member of the Board of Education manages a construction business that contracts with the District. The District developed this business relationship before the vendor's election to the Board. Additionally, several members of management have relatives employed by the District. Care is taken to avoid conflicts of interest.

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020

G. Lease obligations

Operating lease

In April 2015, the District entered into an agreement to lease a building. The lease has a ten year term, beginning August 1, 2015 and ending August 1, 2025. After the initial lease term, the District will have the option to renew the lease for two successive terms of five years. The District also has a purchase option for the building that is exercisable on the 5th, 10th, 15th, or 20th anniversary of the lease date.

Future minimum lease payments are as follows:

Year ending June 30,	
2021	\$ 324,246
2022	330,731
2023	337,346
2024	344,093
2025	350,975
Total	<u>\$ 1,687,391</u>

H. Contingencies

On September 12, 2018 a complaint was filed in the Umatilla County Circuit Court against the District and several of its employees. The complaint seeks approximately \$39 million in damages related to alleged injuries to a student athlete. The District's attorney expects the District's insurance would pay for any recoveries based upon the negligence claims and for any attorney fees related to the complaint, however, they intend to vigorously defend this case. The case is still in the discovery phase.

I. Subsequent Events

The District is in the process of building one new elementary school, rebuilding an existing elementary school and adding on to the high school. These projects are being funded through 2020 bond proceeds and are expected to be finished in the spring of 2023.

Management evaluated all activity of the District through the issue date of the Financial Statements and concluded that no other subsequent events have occurred that would require recognition in the Financial Statements nor disclosure in the Notes to the Financial Statements.

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2020

J. Tax Abatements

The District is subject to tax abatements granted by Umatilla County. Umatilla County grants exemptions from property taxes within enterprise zones as authorized in ORS 285C. Property tax revenues were reduced by \$2,678,393 from Enterprise Zones for the year ending June 30, 2020.

K. Uncertainty

On March 11, 2020, the World Health Organization declared a world-wide pandemic related to COVID-19 coronavirus. The pandemic is causing significant disruption to the United States economy. As a result of Oregon public health measures, the District is currently not allowed to offer in-person learning. Income tax collections in Oregon, which fund the District's activities, have been impacted and this impact is expected to continue into subsequent school years. The overall future impact on the District's operations is unknown as of the date of this report.

REQUIRED SUPPLEMENTARY INFORMATION



UMATILLA COUNTY SCHOOL DISTRICT NO. 8R

Schedule of Proportionate Share of the Net Pension Liability

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability (asset)	0.251217%	0.256258%	0.242992%	0.233259%	0.257982%	0.243750%
Proportionate share of the net pension liability (asset)	\$ 43,454,544	\$ 38,819,784	\$ 32,755,430	\$ 35,017,593	\$ 14,811,937	\$ (5,525,111)
Covered payroll	\$ 28,015,022	\$ 28,412,475	\$ 26,849,874	\$ 24,863,021	\$ 23,177,398	\$ 21,054,407
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	155.11%	136.63%	121.99%	140.84%	63.91%	(26.24)%
Plan fiduciary net position as a percentage of the total pension liability (asset)	80.20%	82.07%	83.12%	80.53%	91.88%	103.59%

Note:

The District implemented GASB 68, which requires that ten years of comparative information be presented, in 2015. Over time, ten years of information will be presented.

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R

Schedule of Pension Contributions

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 5,580,339	\$ 3,850,212	\$ 3,727,319	\$ 2,473,327	\$ 2,373,369	\$ 2,421,729
Contributions in relation to contractually required contributions	<u>(5,580,339)</u>	<u>(3,850,212)</u>	<u>(3,727,319)</u>	<u>(2,473,327)</u>	<u>(2,373,369)</u>	<u>(2,421,729)</u>
Contribution deficiency (excess)	<u>\$ -</u>					
Covered payroll	\$ 30,203,099	\$ 28,015,022	\$ 28,412,475	\$ 26,849,874	\$ 24,863,021	\$ 23,177,398
Contributions as a percentage of covered payroll	18.48%	13.74%	13.12%	9.21%	9.55%	10.45%

Note:

The District implemented GASB 68, which requires that ten years of comparative information be presented, in 2015. Over time, ten years of information will be presented.

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R

Schedule of Proportionate Share of the Net OPEB Liability - RHIA

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Proportion of the net OPEB liability (asset)	0.255670%	0.249937%	23.263400%
Proportionate share of the net pension OPEB (asset)	\$ (494,104)	\$ (278,997)	\$ (97,088)
Covered payroll	\$ 28,015,022	\$ 28,412,475	\$ 26,849,874
Proportionate share of the net pension OPEB (asset) as a percentage of its covered payroll	-1.76%	-0.98%	-0.36%
Plan fiduciary net position as a percentage of the total OPEB liability	-144.40%	-123.99%	108.90%

Note:

The District implemented GASB 75, which requires that ten years of comparative information be presented, in 2018. Over time, ten years of information will be presented.

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R

Schedule of OPEB Contributions - RHIA

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contributions	\$ 18,122	\$ 120,465	\$ 127,856
Contributions in relation to contractually required contributions	<u>(18,122)</u>	<u>(120,465)</u>	<u>(127,856)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 30,203,099	\$ 28,015,022	\$ 28,412,475
Contributions as a percentage of covered payroll	0.06%	0.43%	0.45%

Note:
The District implemented GASB 75, which requires that ten years of comparative information be presented, in 2018. Over time, ten years of information will be presented.

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R

Schedule of Changes in OPEB Liability - Implied Subsidy

Total OPEB Liability	2020	2019	2018
Service Cost	\$ 283,968	\$ 282,567	\$ 302,735
Interest on total OPEB liability	211,315	207,300	183,747
Effect of economic/demographic gains or losses	(45,358)		
Effect of assumptions changes or inputs	(133,523)	(103,941)	(267,613)
Benefit payments	(661,594)	(772,893)	(938,250)
Net change in OPEB liability	(345,192)	(386,967)	(719,381)
Total OPEB Liability, beginning	5,504,014	5,890,981	6,610,362
Total OPEB, ending	<u>\$ 5,158,822</u>	<u>\$ 5,504,014</u>	<u>\$ 5,890,981</u>
Covered payroll	\$ 30,203,099	\$ 28,015,022	\$ 28,412,475
Total OPEB liability as a percentage of covered payroll	17.08%	19.65%	20.73%

Note:
The District implemented GASB 75, which requires that ten years of comparative information be presented, in 2018. Over time, ten years of information will be presented.

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R

Notes to Required Supplementary Information

June 30, 2020

Change in Benefit Terms

GASB 68 and 75 requires employers to briefly describe any changes between the Measurement Date and the employer's reporting date that are expected to have a significant effect on the employer's share of the collective Net Pension or OPEB Liability, along with an estimate of the resulting change, if available.

We are not aware of any changes that meet this disclosure requirement.

SUPPLEMENTARY INFORMATION



COMBINING STATEMENTS

Non-Major Governmental Funds

Special Revenue Funds

The Special Revenue Funds account for revenue from specific sources that are legally restricted to expenditures for specified purposes. Funds included in this category are:

- Biennium Reserve Fund
- ESSER Grant Fund
- Food Service Program Fund
- Farm to School Grant Fund
- Hermiston Education Foundation Gifts Fund
- CTE Career Pathways Fund
- Title III Grant Fund
- Title II A Grant Fund
- Title I A Fund
- Title VI-B Fund
- Insurance Reserve Fund
- Carl Perkins Fund
- M98 CTE Grant Fund
- Classrooms Needs Grant Fund
- Title I C Grant Fund
- IDEA Grant Fund
- Youth Transition Program Grant Fund
- EL Target District Grant Fund
- SP 622 Technology Fund
- Facilities Fund
- Gifts and Donations Fund
- Vendor Contracts Fund
- Curriculum Reserve Fund
- Print Shop Fund
- Outdoor Education Fund
- Student Body Fund
- Title IV Grant Fund
- Maintenance Reserve Fund
- Columbia Basin Student Homes Fund

Debt Service Fund

Debt service funds account for resources set aside to meet current and future debt service requirements.

- PERS Bond Fund

The notes to the basic financial statements are an integral part of this statement.

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS

June 30, 2020

	Special Revenue Funds										
	Biennium Reserve Fund	ESSER Grant Fund	Food Service Program Fund	Farm to School Grant Fund	Hermiston Education Foundation Fund	CTE Career Pathways Fund	TITLE III Grant Fund	TITLE II A Grant Fund	TITLE I A Grant Fund	TITLE VI-B Grant Fund	Insurance Reserve Fund
ASSETS											
Cash and cash equivalents	\$ 600,000		\$ 1,011,105	\$ -	\$ 4,861	\$ -	\$ 406	\$ -	\$ -	\$ -	\$ 273,638
Investments	1,000,000	-	155,649	-	-	-	-	-	-	-	433,857
Receivables:											
Intergovernmental	-	90,878	141,512	14,360	-	-	-	5,231	235,438	-	4,811
Donations and other	-	-	109,302	-	-	3,070	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-	-	-	-	-
Inventory	-	-	99,529	-	-	-	-	-	-	-	-
Total assets	\$ 1,600,000	\$ 90,878	\$ 1,517,097	\$ 14,360	\$ 4,861	\$ 3,070	\$ 406	\$ 5,231	\$ 235,438	\$ -	\$ 712,306
LIABILITIES, DEFERED INFLOWS OF RESOURCES AND FUND BALANCES											
Liabilities:											
Accounts payable	\$ -	\$ 840	\$ 72,355	\$ -	\$ -	\$ -	\$ -	\$ 1,566	\$ 782	\$ -	\$ -
Unearned revenue	-	-	-	-	-	-	406	-	-	-	-
Due to other funds	-	90,038	-	14,360	-	3,070	-	3,665	234,656	-	-
Total liabilities	-	90,878	72,355	14,360	-	3,070	406	5,231	235,438	-	-
Deferred inflows of resources:	-	-	109,302	-	-	-	-	-	-	-	-
Fund balances:											
Nonspendable	-	-	99,529	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	4,861	-	-	-	-	-	-
Committed	1,600,000	-	1,235,911	-	-	-	-	-	-	-	712,306
Total fund balances	1,600,000	-	1,335,440	-	4,861	-	-	-	-	-	712,306
Total liabilities, deferred inflows of resources and fund balances	\$ 1,600,000	\$ 90,878	\$ 1,517,097	\$ 14,360	\$ 4,861	\$ 3,070	\$ 406	\$ 5,231	\$ 235,438	\$ -	\$ 712,306

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS (continued)
June 30, 2020

Special Revenue Funds

	Carl Perkins Fund	M98 CTE Grant Fund	Classroom Needs Grant Fund	TITLE I C Grant Fund	IDEA Grant Fund	YTP Grant Fund	EL Target District Grant Fund	SB 622 Technology Fund	Facilities Fund	Gifts and Donations Fund
ASSETS										
Cash and cash equivalents	\$ -	\$ -	\$ 87,889	\$ -	\$ -	\$ -	\$ -	\$ 100,515	\$ 249,111	\$ 270,991
Investments	-	-	754,193	-	-	-	-	597,970	2,253,672	-
Receivables:										
Intergovernmental	5,784	140,127	-	-	260,538	19,619	-	-	-	849
Donations and other	-	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 5,784	\$ 140,127	\$ 842,082	\$ -	\$ 260,538	\$ 19,619	\$ -	\$ 698,485	\$2,502,783	\$ 271,840
LIABILITIES, DEFERED INFLOWS OF RESOURCES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ -	\$ 2,873	\$ -	\$ -	\$ 163,028	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned revenue	-	-	-	-	-	-	-	-	-	-
Due to other funds	5,784	137,254	-	-	97,510	19,619	-	-	-	-
Total liabilities	5,784	140,127	-	-	260,538	19,619	-	-	-	-
Deferred inflows of resources:	-	-	-	-	-	19,619	-	-	-	-
Fund balances:										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	(19,619)	-	-	2,502,783	271,840
Committed	-	-	842,082	-	-	-	-	698,485	-	-
Total fund balances	-	-	842,082	-	-	(19,619)	-	698,485	2,502,783	271,840
Total liabilities, deferred inflows of resources and fund balances	\$ 5,784	\$ 140,127	\$ 842,082	\$ -	\$ 260,538	\$ 19,619	\$ -	\$ 698,485	\$2,502,783	\$ 271,840

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS (continued)
June 30, 2020

	Special Revenue Funds							Debt Service Fund	TOTALS	
	Vendor Contracts Fund	Curriculum Reserve Fund	Print Shop Fund	Outdoor Education Fund	Student Body Fund	Title IV Grant Fund	Maintenance Reserve Fund	Columbia Basin Student Homes Fund		PERS Bond Fund
ASSETS										
Cash and cash equivalents	\$ 3,410	\$ 110,984	\$ 7,945	\$ 99,510	\$ 223,380	\$ -	\$ 500,000	\$ 63,699	\$ -	\$ 3,607,444
Investments	-	1,656,188	-	-	-	-	1,512,854	-	25,319	8,389,702
Receivables:										
Intergovernmental	-	-	-	-	-	307	-	-	-	919,454
Donations and other	-	-	-	-	15,073	1,748	-	-	-	129,193
Prepaid Items	-	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-	99,529
Total assets	\$ 3,410	\$ 1,767,172	\$ 7,945	\$ 99,510	\$ 238,453	\$ 2,055	\$ 2,012,854	\$ 63,699	\$ 25,319	\$ 13,145,322
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 6,516	\$ -	\$ -	\$ 40,999	\$ -	\$ 288,959
Unearned revenue	-	-	-	-	-	1,765	-	-	-	2,171
Due to other funds	-	-	-	-	-	290	-	-	-	606,246
Total liabilities	-	-	-	-	6,516	2,055	-	40,999	-	897,376
Deferred inflows of resources:	-	-	-	-	-	-	-	-	-	128,921
Fund balances:										
Nonspendable	-	-	-	-	-	-	-	-	-	99,529
Restricted	-	-	-	99,510	-	-	-	22,700	25,319	2,907,394
Committed	3,410	1,767,172	7,945	-	231,937	-	2,012,854	-	-	9,112,102
Total fund balances	3,410	1,767,172	7,945	99,510	231,937	-	2,012,854	22,700	25,319	12,119,025
Total liabilities, deferred inflows of resources and fund balances	\$ 3,410	\$ 1,767,172	\$ 7,945	\$ 99,510	\$ 238,453	\$ 2,055	\$ 2,012,854	\$ 63,699	\$ 25,319	\$ 13,145,322

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2020

	Special Revenue Funds										
	Biennium Reserve Fund	ESSER Grant Fund	Food Service Program Fund	Farm to School Grant Fund	Hermiston Education Foundation Fund	CTE Career Pathways Fund	TITLE III Grant Fund	TITLE II A Grant Fund	TITLE I A Grant Fund	TITLE VI-B Grant Fund	Insurance Reserve Fund
REVENUES:											
Investment interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions	-	-	-	-	25,282	-	-	-	-	-	-
Charges from service	-	-	349,666	-	-	-	-	-	-	-	24,846
State school fund	-	-	-	-	-	-	-	-	-	-	-
State grants	-	-	60,927	14,360	-	43,657	-	-	-	-	-
Revenue from federal grants	-	90,877	1,942,300	-	-	-	96,748	181,950	1,475,896	42,366	-
Total revenues	-	90,877	2,352,893	14,360	25,282	43,657	96,748	181,950	1,475,896	42,366	24,846
EXPENDITURES:											
Instruction	-	67,475	-	-	22,857	43,657	2,723	-	1,297,825	13,363	-
Supporting services	-	23,402	-	-	-	-	94,025	181,950	161,547	29,003	600
Community and enterprise	-	-	1,875,034	14,360	-	-	-	-	16,524	-	-
Facilities acquisition	-	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	-	90,877	1,875,034	14,360	22,857	43,657	96,748	181,950	1,475,896	42,366	600
Excess (deficiency) of revenues over (under) expenditures	-	-	477,859	-	2,425	-	-	-	-	-	24,246
OTHER FINANCING SOURCES											
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-	-	-	-	-	-
Net change in fund balance	-	-	477,859	-	2,425	-	-	-	-	-	24,246
FUND BALANCE - Beginning	1,600,000	-	857,581	-	2,436	-	-	-	-	-	688,060
FUND BALANCE - Ending	\$ 1,600,000	\$ -	\$ 1,335,440	\$ -	\$ 4,861	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 712,306

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS (continued)
For the fiscal year ended June 30, 2020

	Special Revenue Funds									
	Carl Perkins Fund	M98 CTE Grant Fund	Classroom Needs Grant Fund	TITLE I C Grant Fund	IDEA Grant Fund	YTP Grant Fund	EL Target District Grant Fund	SB 622 Technology Fund	Facilities Fund	Gifts and Donations Fund
REVENUES:										
Investment interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions	-	-	-	-	-	-	-	-	-	251,260
Charges from service	-	-	-	-	-	-	-	18,409	-	-
State school fund	-	-	-	-	-	-	-	-	-	-
State grants	-	1,213,811	-	-	-	3,531	180,000	-	-	16,388
Revenue from federal grants	53,314	-	-	59,471	799,252	13,283	-	-	-	-
Total revenues	53,314	1,213,811	-	59,471	799,252	16,814	180,000	18,409	-	267,648
EXPENDITURES:										
Instruction	-	1,004,518	-	59,471	797,403	34,890	-	-	-	105,630
Supporting services	53,314	209,293	-	-	1,849	1,543	90,000	-	-	27,440
Community and enterprise	-	-	-	-	-	-	-	-	-	-
Facilities acquisition	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Total expenditures	53,314	1,213,811	-	59,471	799,252	36,433	90,000	-	-	133,070
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-	(19,619)	90,000	18,409	-	134,578
OTHER FINANCING SOURCES										
Sale of assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-	-	-	-	-
Net change in fund balance	-	-	-	-	-	(19,619)	90,000	18,409	-	134,578
FUND BALANCE - Beginning	-	-	842,082	-	-	-	(90,000)	680,076	2,502,783	137,262
FUND BALANCE - Ending	\$ -	\$ -	\$ 842,082	\$ -	\$ -	\$ (19,619)	\$ -	\$ 698,485	\$ 2,502,783	\$ 271,840

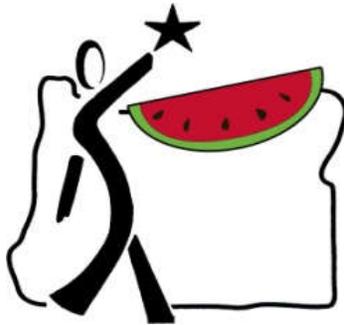
The notes to the basic financial statements are an integral part of this statement.

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS (continued)
For the fiscal year ended June 30, 2020

	Special Revenue Funds							Debt Service	TOTALS	
	Vendor	Curriculum	Print	Outdoor	Student	Title IV	Maintenance	Columbia Basin		PERS
	Contracts	Reserve	Shop	Education	Body	Grant	Reserve	Student Homes		Bond
Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund		
REVENUES:										
Investment interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,393	\$ 22,393
Grants and contributions	8,503	-	-	-	25,127	-	-	-	-	310,172
Charges from service	-	-	64,869	-	456,196	500	-	845	2,097,948	3,013,279
State school fund	-	-	-	-	-	-	-	-	-	-
State grants	-	-	-	101,072	-	-	-	-	-	1,633,746
Revenue from federal grants	-	-	-	-	-	34,985	-	-	-	4,790,442
Total revenues	8,503	-	64,869	101,072	481,323	35,485	-	845	2,120,341	9,770,032
EXPENDITURES:										
Instruction	13,673	-	-	103,667	437,845	8,440	-	392,117	-	4,405,554
Supporting services	-	-	140,193	-	-	27,045	-	-	-	1,041,204
Community and enterprise	-	-	-	-	-	-	-	-	-	1,905,918
Facilities acquisition	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	2,124,389	2,124,389
Total expenditures	13,673	-	140,193	103,667	437,845	35,485	-	392,117	2,124,389	9,477,065
Excess (deficiency) of revenues over (under) expenditures	(5,170)	-	(75,324)	(2,595)	43,478	-	-	(391,272)	(4,048)	292,967
OTHER FINANCING SOURCES										
Sale of capital assets	-	-	-	-	-	-	-	388,351	-	388,351
Transfers in	-	-	65,000	65,000	90,163	-	-	-	-	220,163
Total other financing sources	-	-	65,000	65,000	90,163	-	-	388,351	-	608,514
Net change in fund balance	(5,170)	-	(10,324)	62,405	133,641	-	-	(2,921)	(4,048)	901,481
FUND BALANCE - Beginning	8,580	1,767,172	18,269	37,105	98,296	-	2,012,854	25,621	29,367	11,217,544
FUND BALANCE - Ending	\$ 3,410	\$ 1,767,172	\$ 7,945	\$ 99,510	\$ 231,937	\$ -	\$ 2,012,854	\$ 22,700	\$ 25,319	\$12,119,025

BUDGETARY COMPARISON SCHEDULES



**SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

Governmental Funds

Special Revenues Funds

- Biennium Reserve Fund
- ESSER Grant Fund
- Food Service Program Fund
- Farm to School Grant
- Hermiston Education Foundation Gifts Fund
- CTE Career Pathway Program Grant Fund
- Title III Grant Fund
- Title II A Grant Fund
- Title I A Fund
- Title VI-B Fund
- Insurance Reserve Fund
- Carl Perkins Fund
- M98 CTE Grant Fund
- Classroom Needs Grant Fund
- Title I C Grant Fund
- IDEA Grant Fund
- YTP Grant Fund
- EL Target District Fund
- SP 622 Technology Fund
- Facility Grant Fund
- Gifts and Donations Fund
- Vendor Contracts Fund
- Curriculum Reserve Fund
- Print Shop Fund
- Outdoor Education Fund
- Student Body Fund
- Title IV Grant Fund
- Maintenance Reserve Fund
- Columbia Basin Student Homes Fund

Capital Projects Fund

- Construction Bond Fund

Debt Service Funds

- PERS Bond Fund
- Debt Service Fund

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BIENNIUM RESERVE FUND
For the fiscal year ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
State sources	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
<u>EXPENDITURES:</u>				
Current:				
Contingency	950,000	950,000	-	950,000
Total expenditures	950,000	950,000	-	950,000
<u>EXCESS (DEFICIENCY) OF</u>				
<u>REVENUES OVER (UNDER)</u>				
<u>EXPENDITURES</u>				
	(950,000)	(950,000)	-	950,000
<u>OTHER FINANCING</u>				
<u>SOURCES (USES)</u>				
Transfers out	(650,000)	(650,000)	-	650,000
Total other financing sources (uses)	(650,000)	(650,000)	-	650,000
Net change in fund balance	(1,600,000)	(1,600,000)	-	1,600,000
<u>FUND BALANCE - BEGINNING</u>	1,600,000	1,600,000	1,600,000	-
<u>FUND BALANCE - ENDING</u>	\$ -	\$ -	\$ 1,600,000	\$ 1,600,000

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ESSER GRANT FUND
For the fiscal year ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Federal sources	\$ -	\$ 1,085,040	\$ 90,877	\$ (994,163)
Total revenues	-	1,085,040	90,877	(994,163)
<u>EXPENDITURES:</u>				
Current:				
Instruction	-	285,040	67,475	217,565
Support services	-	800,000	23,402	776,598
Total expenditures	-	1,085,040	90,877	994,163
Net change in fund balance	-	-	-	-
<u>FUND BALANCE - BEGINNING</u>	-	-	-	-
<u>FUND BALANCE - ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOOD SERVICE PROGRAM FUND
For the fiscal year ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Local sources	\$ 540,000	\$ 540,000	\$ 349,666	\$ (190,334)
State sources	65,000	65,000	60,927	(4,073)
Federal sources	1,876,211	1,876,211	1,942,300	66,089
 Total revenues	 <u>2,481,211</u>	 <u>2,481,211</u>	 <u>2,352,893</u>	 <u>(128,318)</u>
<u>EXPENDITURES:</u>				
Current:				
Community & Enterprise services	2,881,211	2,881,211	1,875,034	1,006,177
 Total expenditures	 <u>2,881,211</u>	 <u>2,881,211</u>	 <u>1,875,034</u>	 <u>1,006,177</u>
 Net change in fund balance	 (400,000)	 (400,000)	 477,859	 877,859
<u>FUND BALANCE - BEGINNING</u>	<u>400,000</u>	<u>400,000</u>	<u>857,581</u>	<u>457,581</u>
<u>FUND BALANCE - ENDING</u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,335,440</u></u>	<u><u>\$ 1,335,440</u></u>

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FARM TO SCHOOL GRANT FUND
For the fiscal year ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
State sources	\$ 45,000	\$ 45,000	\$ 14,360	\$ (30,640)
Total revenues	45,000	45,000	14,360	(30,640)
<u>EXPENDITURES:</u>				
Current:				
Community & Enterprise services	45,000	45,000	14,360	30,640
Total expenditures	45,000	45,000	14,360	30,640
Net change in fund balance	-	-	-	-
<u>FUND BALANCE - BEGINNING</u>	-	-	-	-
<u>FUND BALANCE - ENDING</u>	\$ -	\$ -	\$ -	\$ -

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL
HERMISTON EDUCATION FOUNDATION GIFTS FUND
For the fiscal year ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Local sources	\$ 73,000	\$ 73,000	\$ 25,282	\$ (47,718)
Total revenues	<u>73,000</u>	<u>73,000</u>	<u>25,282</u>	<u>(47,718)</u>
<u>EXPENDITURES:</u>				
Current:				
Instruction	<u>80,000</u>	<u>80,000</u>	<u>22,857</u>	<u>57,143</u>
Total expenditures	<u>80,000</u>	<u>80,000</u>	<u>22,857</u>	<u>57,143</u>
Net change in fund balance	(7,000)	(7,000)	2,425	9,425
<u>FUND BALANCE - BEGINNING</u>	<u>7,000</u>	<u>7,000</u>	<u>2,436</u>	<u>(4,564)</u>
<u>FUND BALANCE - ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,861</u>	<u>\$ 4,861</u>

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL
CTE CAREER PATHWAY PROGRAM GRANT FUND
For the fiscal year ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
State sources	\$ 220,000	\$ 220,000	\$ 43,657	\$ (176,343)
Total revenues	<u>220,000</u>	<u>220,000</u>	<u>43,657</u>	<u>(176,343)</u>
<u>EXPENDITURES:</u>				
Current:				
Instruction	215,000	215,000	43,657	171,343
Support services	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total expenditures	<u>220,000</u>	<u>220,000</u>	<u>43,657</u>	<u>176,343</u>
Net change in fund balance	-	-	-	-
<u>FUND BALANCE - BEGINNING</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCE - ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TITLE III GRANT FUND
For the fiscal year ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Federal sources	\$ 250,200	\$ 250,200	\$ 96,748	\$ (153,452)
Total revenues	<u>250,200</u>	<u>250,200</u>	<u>96,748</u>	<u>(153,452)</u>
<u>EXPENDITURES:</u>				
Current:				
Instruction	4,000	11,000	2,723	8,277
Supporting services	243,500	236,500	94,025	142,475
Ent and community service	<u>2,700</u>	<u>2,700</u>	<u>-</u>	<u>2,700</u>
Total expenditures	<u>250,200</u>	<u>250,200</u>	<u>96,748</u>	<u>153,452</u>
Net change in fund balance	-	-	-	-
<u>FUND BALANCE - BEGINNING</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCE - ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

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

TITLE II A FUND

For the fiscal year ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Federal sources	<u>\$ 299,700</u>	<u>\$ 299,700</u>	<u>\$ 181,950</u>	<u>\$ (117,750)</u>
Total revenues	<u>299,700</u>	<u>299,700</u>	<u>181,950</u>	<u>(117,750)</u>
<u>EXPENDITURES:</u>				
Current:				
Supporting services	<u>299,700</u>	<u>299,700</u>	<u>181,950</u>	<u>117,750</u>
Total expenditures	<u>299,700</u>	<u>299,700</u>	<u>181,950</u>	<u>117,750</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCE - BEGINNING</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCE - ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

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

TITLE I A FUND

For the fiscal year ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Federal sources	\$ 1,963,854	\$ 1,963,854	\$ 1,475,896	\$ (487,958)
Total revenues	<u>1,963,854</u>	<u>1,963,854</u>	<u>1,475,896</u>	<u>(487,958)</u>
<u>EXPENDITURES:</u>				
Current:				
Instruction	1,710,426	1,707,926	1,297,825	410,101
Supporting services	232,112	232,112	161,547	70,565
Community services	21,316	23,816	16,524	7,292
Total expenditures	<u>1,963,854</u>	<u>1,963,854</u>	<u>1,475,896</u>	<u>487,958</u>
Net change in fund balance	-	-	-	-
<u>FUND BALANCE - BEGINNING</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCE - ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

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

TITLE VI-B FUND

For the fiscal year ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Federal sources	\$ 118,686	\$ 125,686	\$ 42,366	\$ (83,320)
Total revenues	118,686	125,686	42,366	(83,320)
<u>EXPENDITURES:</u>				
Current:				
Instruction	20,000	34,000	13,363	20,637
Supporting services	98,686	91,686	29,003	62,683
Total expenditures	118,686	125,686	42,366	83,320
Net change in fund balance	-	-	-	-
<u>FUND BALANCE - BEGINNING</u>	-	-	-	-
<u>FUND BALANCE - ENDING</u>	\$ -	\$ -	\$ -	\$ -

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
INSURANCE RESERVE FUND
For the fiscal year ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Local sources	\$ 30,000	\$ 30,000	\$ 24,846	\$ (5,154)
Total revenues	30,000	30,000	24,846	(5,154)
<u>EXPENDITURES:</u>				
Current:				
Instruction	70,000	70,000	-	70,000
Supporting services	620,000	620,000	600	619,400
Total expenditures	690,000	690,000	600	689,400
Net change in fund balance	(660,000)	(660,000)	24,246	684,246
<u>FUND BALANCE - BEGINNING</u>	660,000	660,000	688,060	28,060
<u>FUND BALANCE - ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 712,306</u>	<u>\$ 712,306</u>

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CARL PERKINS FUND
For the fiscal year ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Federal sources	<u>\$ 80,000</u>	<u>\$ 80,000</u>	<u>\$ 53,314</u>	<u>\$ (26,686)</u>
Total revenues	<u>80,000</u>	<u>80,000</u>	<u>53,314</u>	<u>(26,686)</u>
<u>EXPENDITURES:</u>				
Current:				
Support services	<u>80,000</u>	<u>80,000</u>	<u>53,314</u>	<u>26,686</u>
Total expenditures	<u>80,000</u>	<u>80,000</u>	<u>53,314</u>	<u>26,686</u>
Net Change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCE - BEGINNING</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCE - ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
M98 CTE GRANT FUND
For the fiscal year ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
State sources	\$ 900,000	\$ 2,259,802	\$ 1,213,811	\$ (1,045,991)
Total revenues	900,000	2,259,802	1,213,811	(1,045,991)
<u>EXPENDITURES:</u>				
Current:				
Instruction	627,043	1,513,888	1,004,518	509,370
Support services	222,957	695,914	209,293	486,621
Facilities acquisition and construction	50,000	50,000	-	50,000
Total expenditures	900,000	2,259,802	1,213,811	1,045,991
Net Change in fund balance	-	-	-	-
<u>FUND BALANCE - BEGINNING</u>	-	-	-	-
<u>FUND BALANCE - ENDING</u>	\$ -	\$ -	\$ -	\$ -

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CLASSROOM NEEDS GRANT FUND
For the fiscal year ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
State sources	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
<u>EXPENDITURES:</u>				
Current:				
Instruction	335,000	335,000	-	335,000
Supporting services	340,000	340,000	-	340,000
Contingency	145,000	145,000	-	145,000
Total expenditures	820,000	820,000	-	820,000
Net change in fund balance	(820,000)	(820,000)	-	820,000
<u>FUND BALANCE - BEGINNING</u>	820,000	820,000	842,082	22,082
<u>FUND BALANCE - ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 842,082</u>	<u>\$ 842,082</u>

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TITLE I C GRANT FUND
For the fiscal year ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Federal sources	\$ 119,169	\$ 119,169	\$ 59,471	\$ (59,698)
Total revenues	<u>119,169</u>	<u>119,169</u>	<u>59,471</u>	<u>(59,698)</u>
<u>EXPENDITURES:</u>				
Current:				
Instruction	<u>119,169</u>	<u>119,169</u>	<u>59,471</u>	<u>59,698</u>
Total expenditures	<u>119,169</u>	<u>119,169</u>	<u>59,471</u>	<u>59,698</u>
Net change in fund balance	-	-	-	-
<u>FUND BALANCE - BEGINNING</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCE - ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
IDEA GRANT FUND
For the fiscal year ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Federal sources	\$ 1,453,784	\$ 1,453,784	\$ 799,252	\$ (654,532)
Total revenues	1,453,784	1,453,784	799,252	(654,532)
<u>EXPENDITURES:</u>				
Current:				
Instruction	1,424,784	1,424,784	797,403	627,381
Supporting services	29,000	29,000	1,849	27,151
Total expenditures	1,453,784	1,453,784	799,252	654,532
Net change in fund balance	-	-	-	-
<u>FUND BALANCE - BEGINNING</u>	-	-	-	-
<u>FUND BALANCE - ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YOUTH TRANSITION PROGRAM GRANT FUND
For the fiscal year ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
State sources	\$ -	\$ 28,998	\$ 3,531	\$ (25,467)
Federal sources	-	32,265	13,283	(18,982)
Total revenues	<u>-</u>	<u>61,263</u>	<u>16,814</u>	<u>(44,449)</u>
<u>EXPENDITURES:</u>				
Current:				
Instruction	-	58,645	34,890	23,755
Supporting services	-	2,618	1,543	1,075
Total expenditures	<u>-</u>	<u>61,263</u>	<u>36,433</u>	<u>24,830</u>
Net change in fund balance	-	-	(19,619)	(19,619)
<u>FUND BALANCE - BEGINNING</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCE - ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (19,619)</u>	<u>\$ (19,619)</u>

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
EL TARGET DISTRICT GRANT
For the fiscal year ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
State sources	<u>\$ 90,000</u>	<u>\$ 90,000</u>	<u>\$ 180,000</u>	<u>\$ 90,000</u>
Total revenues	<u>90,000</u>	<u>90,000</u>	<u>180,000</u>	<u>90,000</u>
<u>EXPENDITURES:</u>				
Current:				
Supporting services	<u>90,000</u>	<u>90,000</u>	<u>90,000</u>	<u>-</u>
Total expenditures	<u>90,000</u>	<u>90,000</u>	<u>90,000</u>	<u>-</u>
Net Change in fund balance	-	-	90,000	90,000
<u>FUND BALANCE - BEGINNING</u>	<u>-</u>	<u>-</u>	<u>(90,000)</u>	<u>(90,000)</u>
<u>FUND BALANCE - ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SB 622 TECHNOLOGY FUND
For the fiscal year ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Local sources	\$ 50,000	\$ 50,000	\$ 18,409	\$ (31,591)
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>18,409</u>	<u>(31,591)</u>
<u>EXPENDITURES:</u>				
Current:				
Supporting services	525,000	525,000	-	525,000
Facilities acquisition and construction	<u>175,000</u>	<u>175,000</u>	<u>-</u>	<u>175,000</u>
Total expenditures	<u>700,000</u>	<u>700,000</u>	<u>-</u>	<u>700,000</u>
Net change in fund balance	(650,000)	(650,000)	18,409	668,409
<u>FUND BALANCE - BEGINNING</u>	<u>650,000</u>	<u>650,000</u>	<u>680,076</u>	<u>30,076</u>
<u>FUND BALANCE - ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 698,485</u>	<u>\$ 698,485</u>

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FACILITY GRANT FUND
For the fiscal year ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
State sources	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
<u>EXPENDITURES:</u>				
Current:				
Supporting services	500,000	500,000	-	500,000
Facility Acquisition/Construction	1,100,000	1,100,000	-	1,100,000
Total expenditures	1,600,000	1,600,000	-	1,600,000
Net change in fund balance	(1,600,000)	(1,600,000)	-	1,600,000
<u>FUND BALANCE - BEGINNING</u>	1,600,000	1,600,000	2,502,783	902,783
<u>FUND BALANCE - ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,502,783</u>	<u>\$ 2,502,783</u>

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GIFTS AND DONATIONS FUND
For the fiscal year ended June 30, 2020

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Local sources	\$ 271,434	\$ 271,434	\$ 267,648	\$ (3,786)
State sources	10,000	10,000	-	(10,000)
Total revenues	<u>281,434</u>	<u>281,434</u>	<u>267,648</u>	<u>(13,786)</u>
<u>EXPENDITURES:</u>				
Current:				
Instruction	438,434	438,434	105,630	332,804
Supporting services	58,000	58,000	27,440	30,560
Total expenditures	<u>496,434</u>	<u>496,434</u>	<u>133,070</u>	<u>363,364</u>
Net change in fund balance	(215,000)	(215,000)	134,578	349,578
<u>FUND BALANCE - BEGINNING</u>	<u>215,000</u>	<u>215,000</u>	<u>137,262</u>	<u>(77,738)</u>
<u>FUND BALANCE - ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 271,840</u>	<u>\$ 271,840</u>

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
VENDOR CONTRACTS FUND
For the fiscal year ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Local sources	\$ 45,000	\$ 45,000	\$ 8,503	\$ (36,497)
<u>EXPENDITURES:</u>				
Current:				
Instruction	55,000	55,000	13,673	41,327
Total expenditures	55,000	55,000	13,673	41,327
Net change in fund balance	(10,000)	(10,000)	(5,170)	4,830
<u>FUND BALANCE - BEGINNING</u>	10,000	10,000	8,580	(1,420)
<u>FUND BALANCE - ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,410</u>	<u>\$ 3,410</u>

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CURRICULUM RESERVE FUND
For the fiscal year ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
State sources	\$ -	\$ -	\$ -	\$ -
<u>EXPENDITURES:</u>				
Current:				
Instruction	1,800,000	1,800,000	-	1,800,000
Total expenditures	1,800,000	1,800,000	-	1,800,000
Net change in fund balance	(1,800,000)	(1,800,000)	-	1,800,000
<u>FUND BALANCE - BEGINNING</u>	1,800,000	1,800,000	1,767,172	(32,828)
<u>FUND BALANCE - ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,767,172</u>	<u>\$ 1,767,172</u>

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PRINT SHOP FUND
For the fiscal year ended June 30, 2020

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Local Sources	\$ 110,756	\$ 110,756	\$ 64,869	\$ (45,887)
Total revenues	<u>110,756</u>	<u>110,756</u>	<u>64,869</u>	<u>(45,887)</u>
<u>EXPENDITURES:</u>				
Current:				
Supporting services	<u>185,756</u>	<u>185,756</u>	<u>140,193</u>	<u>45,563</u>
Total expenditures	<u>185,756</u>	<u>185,756</u>	<u>140,193</u>	<u>45,563</u>
<u>EXCESS (DEFICIENCY) OF</u>				
<u>REVENUES OVER (UNDER)</u>				
<u>EXPENDITURES</u>				
	(75,000)	(75,000)	(75,324)	(324)
<u>OTHER FINANCING SOURCES:</u>				
Transfers in	<u>50,000</u>	<u>50,000</u>	<u>65,000</u>	<u>15,000</u>
Net change in fund balance	(25,000)	(25,000)	(10,324)	14,676
<u>FUND BALANCE - BEGINNING</u>	<u>25,000</u>	<u>25,000</u>	<u>18,269</u>	<u>(6,731)</u>
<u>FUND BALANCE - ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,945</u>	<u>\$ 7,945</u>

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
OUTDOOR EDUCATION FUND
For the fiscal year ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
State source	\$ 51,977	\$ 51,977	\$ 101,072	\$ 49,095
Total revenue	<u>51,977</u>	<u>51,977</u>	<u>101,072</u>	<u>49,095</u>
<u>EXPENDITURES:</u>				
Current:				
Instruction	105,977	105,977	103,667	2,310
Total expenditures	<u>105,977</u>	<u>105,977</u>	<u>103,667</u>	<u>2,310</u>
<u>EXCESS (DEFICIENCY) OF</u>				
<u>REVENUES OVER (UNDER)</u>				
<u>EXPENDITURES</u>				
	(54,000)	(54,000)	(2,595)	51,405
<u>OTHER FINANCING SOURCES:</u>				
Transfers in	50,000	50,000	65,000	15,000
Net change in fund balance	(4,000)	(4,000)	62,405	66,405
<u>FUND BALANCE - BEGINNING</u>	<u>4,000</u>	<u>4,000</u>	<u>37,105</u>	<u>33,105</u>
<u>FUND BALANCE - ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 99,510</u>	<u>\$ 99,510</u>

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
STUDENT BODY FUND
For the fiscal year ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Local sources	\$ 820,000	\$ 820,000	\$ 481,323	\$ (338,677)
Total revenue	820,000	820,000	481,323	(338,677)
<u>EXPENDITURES:</u>				
Current:				
Instruction	1,000,000	1,000,000	437,845	562,155
Total expenditures	1,000,000	1,000,000	437,845	562,155
<u>EXCESS (DEFICIENCY) OF</u>				
<u>REVENUES OVER (UNDER)</u>				
<u>EXPENDITURES</u>				
	(180,000)	(180,000)	43,478	223,478
<u>OTHER FINANCING SOURCES:</u>				
Transfers in	-	-	90,163	90,163
Net change in fund balance	(180,000)	(180,000)	133,641	313,641
<u>FUND BALANCE - BEGINNING</u>	180,000	180,000	98,296	(81,704)
<u>FUND BALANCE - ENDING</u>	\$ -	\$ -	\$ 231,937	\$ 231,937

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TITLE IV GRANT FUND
For the fiscal year ended June 30, 2020

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Local sources	\$ -	\$ -	\$ 500	\$ 500
Federal sources	154,500	154,500	34,985	(119,515)
Total revenues	<u>154,500</u>	<u>154,500</u>	<u>35,485</u>	<u>(119,015)</u>
<u>EXPENDITURES:</u>				
Current:				
Instruction	103,400	106,500	8,440	98,060
Supporting services	51,100	48,000	27,045	20,955
Total expenditures	<u>154,500</u>	<u>154,500</u>	<u>35,485</u>	<u>119,015</u>
Net change in fund balance	-	-	-	-
<u>FUND BALANCE - BEGINNING</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCE - ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MAINTENANCE RESERVE FUND
For the fiscal year ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
State sources	\$ -	\$ -	\$ -	\$ -
<u>EXPENDITURES:</u>				
Current:				
Supporting services	400,000	400,000	-	400,000
Facilities acquisition and construction	2,000,000	2,000,000	-	2,000,000
Total expenditures	2,400,000	2,400,000	-	2,400,000
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	(2,400,000)	(2,400,000)	-	2,400,000
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	400,000	400,000	-	(400,000)
Net Change in fund balance	(2,000,000)	(2,000,000)	-	2,000,000
<u>FUND BALANCE - BEGINNING</u>	2,000,000	2,000,000	2,012,854	12,854
<u>FUND BALANCE - ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,012,854</u>	<u>\$ 2,012,854</u>

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COLUMBIA BASIN STUDENT HOMES FUND
For the fiscal year ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Local Sources	\$ 10,000	\$ 10,000	\$ 845	\$ (9,155)
Total revenues	10,000	10,000	845	(9,155)
<u>EXPENDITURES:</u>				
Current:				
Instruction	400,000	400,000	392,117	7,883
Total expenditures	400,000	400,000	392,117	7,883
<u>EXCESS (DEFICIENCY) OF</u>				
<u>REVENUES OVER (UNDER)</u>				
<u>EXPENDITURES</u>	(390,000)	(390,000)	(391,272)	(1,272)
<u>OTHER FINANCING SOURCES:</u>				
Sale of fixed assets	390,000	390,000	388,351	(1,649)
Net change in fund balance	-	-	(2,921)	(2,921)
<u>FUND BALANCE - BEGINNING</u>	-	-	25,621	25,621
<u>FUND BALANCE - ENDING</u>	\$ -	\$ -	\$ 22,700	\$ 22,700

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CONSTRUCTION BOND FUND
For the fiscal year ended June 30, 2020

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Local sources	\$ -	\$ -	\$ (32,573)	\$ (32,573)
<u>EXPENDITURES:</u>				
Current:				
Supporting services	-	1,500,000	-	1,500,000
Facilities acquisition and construction	-	82,966,390	1,619,641	81,346,749
Total expenditures	-	84,466,390	1,619,641	82,846,749
<u>EXCESS (DEFICIENCY) OF</u>				
<u>REVENUES OVER (UNDER)</u>				
<u>EXPENDITURES</u>				
	-	(84,466,390)	(1,652,214)	82,814,176
<u>OTHER FINANCING</u>				
<u>SOURCES</u>				
Bond proceeds	-	84,466,390	84,466,389	(1)
Total other financing sources	-	84,466,390	84,466,389	(1)
Net Change in fund balance	-	-	82,814,175	82,814,175
<u>FUND BALANCE - BEGINNING</u>				
	-	-	-	-
<u>FUND BALANCE - ENDING</u>				
	\$ -	\$ -	\$ 82,814,175	\$ 82,814,175

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PERS BOND FUND
For the fiscal year ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Local sources	\$ 2,109,390	\$ 2,109,390	\$ 2,120,341	\$ 10,951
Total revenues	2,109,390	2,109,390	2,120,341	10,951
<u>EXPENDITURES:</u>				
Debt service:				
Principal	758,269	758,269	758,269	-
Interest	1,366,121	1,366,121	1,366,120	1
Total expenditures	2,124,390	2,124,390	2,124,389	1
Net change in fund balance	(15,000)	(15,000)	(4,048)	10,952
<u>FUND BALANCE - BEGINNING</u>	15,000	15,000	29,367	14,367
<u>FUND BALANCE - ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,319</u>	<u>\$ 25,319</u>

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
For the fiscal year ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Revenue from property taxes	\$ 7,682,308	\$ 7,682,308	\$ 7,703,333	\$ 21,025
Revenue from local sources	50,000	50,000	55,663	5,663
Total revenues	<u>7,732,308</u>	<u>7,732,308</u>	<u>7,758,996</u>	<u>26,688</u>
<u>EXPENDITURES:</u>				
Debt service:				
Principal	1,517,095	1,517,095	1,517,094	1
Interest	2,015,213	2,015,213	1,954,013	61,200
Bond issue costs	-	22,994	22,994	-
Total expenditures	<u>3,532,308</u>	<u>3,555,302</u>	<u>3,494,101</u>	<u>61,201</u>
<u>EXCESS OF REVENUES</u>				
<u>OVER EXPENDITURES</u>				
	<u>4,200,000</u>	<u>4,177,006</u>	<u>4,264,895</u>	<u>87,889</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Bond proceeds	-	2,804,744	2,804,744	-
Payment to refunded bond escrow agent	-	(2,781,750)	(2,781,098)	652
Total other financing sources (uses)	<u>-</u>	<u>22,994</u>	<u>23,646</u>	<u>652</u>
Net change in fund balance	4,200,000	4,200,000	4,288,541	88,541
<u>FUND BALANCE - BEGINNING</u>	<u>700,000</u>	<u>700,000</u>	<u>787,522</u>	<u>87,522</u>
<u>FUND BALANCE - ENDING</u>	<u>\$ 4,900,000</u>	<u>\$ 4,900,000</u>	<u>\$ 5,076,063</u>	<u>\$ 176,063</u>

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

SCHEDULE OF BONDED DEBT TRANSACTIONS
June 30, 2020

<u>Bond Principal:</u>	<u>Outstanding June 30, 2019</u>	<u>Issued During Year</u>	<u>Matured and Paid During Year</u>	<u>Outstanding June 30, 2020</u>
<u>General Obligation Bonds:</u>				
April 15, 2009 (Series 2009B)	\$ 7,163,547	\$ -	\$ 1,517,094	\$ 5,646,453
December 3, 2009 (Series 2009C)	31,760,000	-	-	31,760,000
July 13, 2010	2,720,000	-	2,720,000	-
May 7, 2015 (Series 2015A)	5,485,000	-	-	5,485,000
May 7, 2015 (Series 2015B)	9,100,000	-	-	9,100,000
April 9, 2020 (Series 2020A)	-	80,052,325	-	80,052,325
April 9, 2020 (Series 2020B)	-	5,485,000	-	5,485,000
<u>Limited Tax Pension Bonds:</u>				
October 31, 2002	9,008,270	-	273,269	8,735,001
February 19, 2004	6,650,000	-	485,000	6,165,000
Total Principal	<u>\$ 71,886,817</u>	<u>\$ 85,537,325</u>	<u>\$ 4,995,363</u>	<u>\$ 152,428,779</u>
	<u>Outstanding June 30, 2019</u>	<u>Matured During Year</u>	<u>Paid During Year</u>	<u>Outstanding June 30, 2020</u>
<u>Bond Interest:</u>				
<u>General Obligation Bonds:</u>				
April 15, 2009 (Series 2009B)	\$ 4,432,280	\$ 562,750	\$ 992,906	\$ 4,002,124
December 3, 2009 (Series 2009C)	-	412,880	412,880	-
July 13, 2010	-	122,298	122,298	-
May 7, 2015 (Series 2015A)	-	168,527	168,527	-
May 7, 2015 (Series 2015B)	-	318,500	318,500	-
April 9, 2020 (Series 2020A)	-	526,946	-	526,946
April 9, 2020 (Series 2020B)	-	-	-	-
<u>Limited Tax Pension Bonds:</u>				
October 31, 2002	-	1,000,181	1,000,181	-
February 19, 2004	-	365,939	365,939	-
Total Interest	<u>\$ 4,432,280</u>	<u>\$ 3,478,021</u>	<u>\$ 3,381,231</u>	<u>\$ 4,529,070</u>

The notes to the basic financial statements are an integral part of this statement.

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

SCHEDULE OF FUTURE BONDED DEBT SERVICE REQUIREMENTS
June 30, 2020

Year of Maturity	General Obligation Bonds Series 2009B		General Obligation Bonds Series 2009C		General Obligation Refunding Bonds Series 2015A and 2015B		General Obligation Bonds Series 2020A and 2020B	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020-21	\$ 1,479,825	\$ 1,115,175	\$ -	\$ 412,880	\$ -	\$ 487,027	\$ -	324,529
2021-22	1,431,468	1,248,532	-	412,880	-	487,027	67,154	277,096
2022-23	1,395,194	1,374,806	-	412,880	-	487,027	84,555	279,695
2023-24	1,339,966	1,515,034	-	412,880	2,650,000	974,054	114,919	284,331
2024-25	-	-	-	412,880	2,805,000	406,997	372,409	316,841
2026-2030	-	-	31,760,000	412,880	9,130,000	625,681	21,657,087	4,874,163
2030-2034	-	-	-	-	-	-	22,432,775	10,777,225
2035-2039	-	-	-	-	-	-	21,066,357	16,968,643
2040-2044	-	-	-	-	-	-	19,742,069	23,817,931
Totals	<u>\$ 5,646,453</u>	<u>\$ 5,253,547</u>	<u>\$ 31,760,000</u>	<u>\$ 2,477,280</u>	<u>\$ 14,585,000</u>	<u>\$ 3,467,813</u>	<u>\$ 85,537,325</u>	<u>\$ 57,920,454</u>
	Limited Tax Pension Bonds Series 2002		Limited Tax Pension Bonds Series 2004					
Year of Maturity	Principal	Interest	Principal	Interest	Principal	Interest		
2020-21	\$ -	\$ 483,450	550,000	\$ 339,880	\$ 2,029,825	\$ 3,162,941		
2021-22	975,000	483,450	625,000	310,053	3,098,622	3,219,038		
2022-23	1,100,000	430,020	705,000	275,847	3,284,749	3,260,275		
2023-24	1,235,000	369,630	795,000	236,875	6,134,885	3,792,804		
2024-25	1,380,000	301,088	890,000	192,927	5,447,409	1,630,733		
2026-2030	4,045,001	407,648	2,600,000	260,922	69,192,088	6,581,294		
2030-2034	-	-	-	-	22,432,775	10,777,225		
2035-2039	-	-	-	-	21,066,357	16,968,643		
2040-2044	-	-	-	-	19,742,069	23,817,931		
Totals	<u>\$ 8,735,001</u>	<u>\$ 2,475,286</u>	<u>\$ 6,165,000</u>	<u>\$ 1,616,504</u>	<u>\$ 152,428,779</u>	<u>\$ 73,210,884</u>		

The notes to the basic financial statements are an integral part of this statement.

OTHER FINANCIAL SCHEDULES



UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
2019-2020 AUDIT SUMMARY - REVENUE

Major Revenue Source	General Fund	Special Revenue	Debt Service	Capital Projects	Grand Total
Ad Valorem Taxes	\$ 9,572,047.58	\$ -	\$ 7,700,703.85	\$ -	\$ 17,272,751.43
Penalties and Interest on Taxes	3,280.26	-	2,627.86	-	5,908.12
Earnings on Investments	703,992.31	-	78,056.24	(38,072.79)	743,975.76
Food Service	-	349,380.29	-	-	349,380.29
Extracurricular Activities	67,616.17	457,846.01	-	-	525,462.18
Rentals	12,510.00	-	-	-	12,510.00
Contributions and Donations From Private Sources	5,021.62	167,672.71	-	-	172,694.33
Recovery of Prior Years' Expenditure	1,179.62	373.50	-	-	1,553.12
Services Provided to Other Funds	62,538.83	-	2,097,948.32	-	2,160,487.15
Fees Charged to Grants	-	64,465.25	-	-	64,465.25
Miscellaneous Reimbursements & Charges	83,037.28	185,766.39	-	5,500.00	274,303.67
Total Local Revenues	10,511,223.67	1,225,504.15	9,879,336.27	(32,572.79)	21,583,491.30
County School Fund	171,266.34	-	-	-	171,266.34
General ESD Funds	2,358,394.00	-	-	-	2,358,394.00
Total Intermediate Sources	2,529,660.34	-	-	-	2,529,660.34
State School Fund - General Support	49,544,553.16	-	-	-	49,544,553.16
State School Fund - School Lunch Match	-	26,958.92	-	-	26,958.92
Common School Fund	516,555.13	-	-	-	516,555.13
Driver Education	11,670.00	-	-	-	11,670.00
Other State Support	45,468.24	1,606,785.29	-	-	1,652,253.53
Total State Revenues	50,118,246.53	1,633,744.21	-	-	51,751,990.74
Restricted Federal Revenues	405.00	4,554,244.09	-	-	4,554,649.09
Federal Forest Fees	-	-	-	-	-
Commodities	-	236,199.74	-	-	236,199.74
Total Federal Revenues	405.00	4,790,443.83	-	-	4,790,848.83
Bond Proceeds	-	-	2,804,744.45	82,732,580.20	85,537,324.65
Bond Premium	-	-	-	1,733,808.50	1,733,808.50
Transfers In	-	220,162.74	-	-	220,162.74
Sale of or Compensation for loss of Fixed Assets	-	388,350.80	-	-	388,350.80
Beginning Fund Balance	9,942,028.84	13,761,891.80	816,889.22	-	24,520,809.86
Total Other Resources	9,942,028.84	14,370,405.34	3,621,633.67	84,466,388.70	112,400,456.55
Grand Total	\$ 73,101,564.38	\$ 22,020,097.53	\$ 13,500,969.94	\$ 84,433,815.91	\$ 193,056,447.76

UMATILLA COUNTY SCHOOL DISTRICT 8R
EXPENDITURE SUMMARY - 3211 FORMAT

Fund 100
FYE 06/30/20

Function	Function Description	100 Salaries	200 Benefits	300 Pur Svc	400 Material/Sply	500 Capital	600-800 All Other	Total
1111	Elementary, K-5	\$ 7,791,670	\$ 4,907,224	\$ 74,915	\$ 166,521	\$ -	\$ -	\$ 12,940,330
1121	Middle/Junior High Programs	3,548,507	2,181,676	46,507	87,241	-	-	5,863,932
1122	Middle/Junior High Extracurricular	256,294	96,518	29,733	11,683	-	2,282	396,509
1131	High School Programs	4,119,345	2,531,122	96,146	181,406	-	1,134	6,929,153
1132	High School Extracurricular	735,962	297,251	151,277	116,500	9,967	5,111	1,316,067
1140	Pre-kindergarten Programs	-	-	77,492	-	-	-	77,492
1220	Restrictive Programs	2,682,771	1,941,897	84,990	188,112	-	-	4,897,770
1250	Less Restrictive	-	-	119	6,328	-	-	6,447
1271	Remediation	111,070	42,590	-	543	-	-	154,203
1280	Alternative Education	123,302	76,509	280	54,782	-	-	254,873
1291	English Second Language	1,477,735	1,022,477	41,627	136,345	-	-	2,678,185
1000	Instructional Programs	20,846,658	13,097,265	603,085	949,461	9,967	8,527	35,514,962
2000	Support Services							
2110	Attendance and Social Work Services	228,438	200,661	211,541	68,569	-	-	709,209
2120	Guidance Services	999,161	678,618	135,444	4,020	-	739	1,817,981
2130	Health Services	127,553	74,475	10,691	6,022	-	-	218,740
2140	Psychological Services	331,904	193,064	5,774	24,877	-	600	556,218
2150	Speech Pathology and Audiology Services	347,675	197,759	1,395	10,552	-	99	557,480
2190	Service Direction, Student Support Services	475,915	371,937	16,844	1,489	-	595	866,779
2210	Improvement of Instruction	806,340	475,111	7,428	12,116	-	2,067	1,303,062
2220	Educational Media Center	350,993	274,418	912	62,679	-	363	689,366
2230	Assessment and Testing	75,764	40,802	17,526	139,339	-	-	273,432
2240	Instructional Staff Development	195,711	73,968	251,240	16,912	-	-	537,832
2310	Board of Education Services	-	-	64,960	6,575	-	118,360	189,895

UMATILLA COUNTY SCHOOL DISTRICT 8R
EXPENDITURE SUMMARY - 3211 FORMAT

Fund 100 (Continued)

FYE 06/30/20

Function	Function	100	200	300	400	500	600-800	Total
	Description	Salaries	Benefits	Pur Svc	Material/Sply	Capital	All Other	
2320	Executive Administration Services	\$ 245,388	\$ 131,166	\$ 19,288	\$ 14,165	\$ -	\$ 2,269	\$ 412,276
2410	Office of the Principal Services	2,309,774	1,510,704	24,639	56,504	-	11,338	3,912,959
2510	Direction of Business Support Services	127,562	69,209	2,754	1,916	-	1,300	202,740
2520	Fiscal Services	171,853	116,707	30,761	89,871	-	1,855	411,047
2540	Operation and Maintenance of Plant							
	Services	1,638,154	1,191,330	1,925,316	427,386	2,123,066	244,998	7,550,250
2550	Student Transportation Services	-	-	1,458,084	2,936	75,354	-	1,536,374
2570	Internal Services	93,717	71,176	-	1,485	-	-	166,378
2630	Information Services	131,923	80,211	25,002	7,939	-	390	245,465
2640	Staff Services	328,006	263,598	24,208	31,194	-	9,962	656,968
2660	Technology Services	496,065	306,827	134,982	1,390,771	-	1,000	2,329,645
2670	Records Management Services	-	-	1,320	29,963	-	-	31,283
2700	Supplemental Retirement Program	-	206,520	-	-	-	-	206,520
2000	Support Services	<u>9,481,897</u>	<u>6,528,261</u>	<u>4,370,107</u>	<u>2,407,279</u>	<u>2,198,420</u>	<u>395,935</u>	<u>25,381,899</u>
5000	Other Uses							
5110	Long-Term Debt Service	-	-	-	-	-	1,350	1,350
5200	Transfer of Funds	-	-	-	-	-	220,163	220,163
5000	Other Uses	-	-	-	-	-	221,513	221,513
Total	Fund 100	<u>\$30,328,554.67</u>	<u>\$19,625,525.66</u>	<u>\$ 4,973,192</u>	<u>\$ 3,356,740</u>	<u>\$ 2,208,387</u>	<u>\$ 625,974</u>	<u>\$61,118,373.60</u>

UMATILLA COUNTY SCHOOL DISTRICT 8R
EXPENDITURE SUMMARY - 3211 FORMAT

200 Funds
FYE 06/30/20

Function	Function Description	100 Salaries	200 Benefits	300 Pur Svc	400 Material/Sply	500 Capital	600-800 All Other	Total
1111	Elementary, K-5	\$ 55,358	\$ 10,576	\$ 81,239	\$ 20,526	\$ -	\$ 79	\$ 167,778
1113	Elementary Extracurricular	3,744	1,429	1,050	2,217	-	-	8,440
1121	Middle/Junior High Programs	63,303	28,332	-	33,315	-	279	125,230
1122	Middle/Junior High Extracurricular	-	-	23,635	28,781	-	-	52,416
1131	High School Programs	288,102	158,926	32,877	297,965	547,794	41,455	1,367,120
1132	High School Extracurricular	26,920	9,142	108,219	346,360	-	993	491,634
1220	Restrictive Programs	318,055	243,212	110,393	152,981	-	7,744	832,386
1250	Less Restrictive	-	-	-	-	-	-	-
1272	Title 1A	663,630	496,954	78,097	44,532	-	14,614	1,297,826
1291	English Second Language	31,833	27,639	530	1,798	-	925	62,725
1000	Instructional Programs	1,450,945	976,209	436,041	928,476	547,794	66,088	4,405,554
2000	Support Services							
2110	Attendance and Social Work Services	44,984	42,443	-	-	-	-	87,427
2120	Guidance Services	74,499	35,037	48	13,637	-	-	123,221
2130	Health Services	-	-	-	1,855	-	-	1,855
2190	Service Direction, Student Support Services	79	35	-	-	-	-	114
2210	Improvement of Instruction Services	32,767	6,870	1,903	62,674	-	419	104,634
2220	Educational Media Center	-	-	300	464	-	-	764
2230	Assessment and Testing	-	-	-	16,437	-	-	16,437
2240	Instructional Staff Development	114,482	27,841	159,781	22,929	-	2,151	327,184
2310	Board of Education Services	-	-	-	-	-	600	600
2320	Executive Administration Services	49	18	750	179	-	-	996
2410	Office of the Principal Service	97	38	-	4,858	-	-	4,993
2490	Other Support Services - School Administration	77,721	42,087	58,785	4,559	-	9,950	193,101
2520	Fiscal Services	131	56	-	-	-	-	187
2540	Operation and Maintenance of Plant	7,741	3,035	-	100	-	-	10,875
2550	Student Transportation Services	-	-	-	-	-	-	-

UMATILLA COUNTY SCHOOL DISTRICT 8R
EXPENDITURE SUMMARY - 3211 FORMAT
200 Funds (Continued)
FYE 06/30/20

Function	Function Description	100 Salaries	200 Benefits	300 Pur Svc	400 Material/Sply	500 Capital	600-800 All Other	Total
2570	Internal Services	\$ 34,830	\$ 28,864	\$ 42,865	\$ 34,234	\$ -	\$ -	\$ 140,792
2640	Staff Services	23	18,463	-	-	-	-	18,486
2660	Technology Services	-	-	7,918	1,619	-	-	9,537
2000	Support Services	387,402	204,786	272,349	163,546	-	13,121	1,041,205
3000	Enterprise and Community Services							
3100	Food Services	32,289	27,653	1,528,545	289,418	8,851	2,639	1,889,394
3300	Community Services	-	-	-	16,524	-	-	16,524
3000	Enterprise and Community Services	32,289	27,653	1,528,545	305,942	8,851	2,639	1,905,918
4000	Facilities Acquisition and Construction Expenditures							
	Building Acquisition, Construction, and							
4150	Improvement Services	-	-	-	-	-	-	-
4000	Facilities Acquisition and Construction Exp	-	-	-	-	-	-	-
Total	Fund 200s	1,870,636	1,208,649	2,236,935	1,397,964	556,645	81,848	7,352,677

UMATILLA COUNTY SCHOOL DISTRICT 8R
EXPENDITURE SUMMARY - 3211 FORMAT
300 Funds
FYE 06/30/20

5000	Other Uses							
5100	Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,399,588	\$ 8,399,588
5000	Other Uses	-	-	-	-	-	8,399,588	8,399,588
Total	Fund 300s	-	-	-	-	-	8,399,588	8,399,588

UMATILLA COUNTY SCHOOL DISTRICT 8R
EXPENDITURE SUMMARY - 3211 FORMAT

400 Funds
FYE 06/30/20

Function	Function Description	100 Salaries	200 Benefits	300 Pur Svc	400 Material/Sply	500 Capital	600-800 All Other	Total
4000	Facilities Acquisition and Construction Expenditures							
4110	Service Area Direction	\$ -	\$ -	\$ 327,027.86	\$ -	\$ -	\$ 608,238.22	\$ 935,266
4120	Site Acquisition and Development Services	-	-	64,600	-	-	-	64,600
4150	Building Acquisition, Construction, and Improvement Services			559,756	-	59,451	568	619,775
4000	Facilities Acquisition and Construction Expenditur	-	-	951,384	-	59,451	608,806	1,619,641
5000	Other Uses							
5200	Transfer of Funds	-	-	-	-	-	-	-
5000	Other Uses	-	-	-	-	-	-	-
Total	Fund 400	-	-	951,384	-	59,451	608,806	1,619,641

SUPPLEMENTAL INFORMATION 2019-2020

School District Business Managers and Auditors:

This page is a required part of your annual audited financial statements. Please make sure it is included.

Part A is needed for computing Oregon’s full allocation for ESSA, Title I & other Federal Funds for Education.

A. Energy Bill for Heating - **All funds:**
 Please enter your expenditures for electricity, heating fuel, and water & sewage for these Functions & Objects.

	Objects 325 & 326 & *327
Function 2540	\$ 794,671
Function 2550	\$ -

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

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

\$ 141,409

Exclude these functions:

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

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

STATISTICAL SECTION



UMATILLA COUNTY SCHOOL DISTRICT NO. 8R

STATISTICAL SECTION CONTENTS

June 30, 2020

This part of the Umatilla County School District No. 8R's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, required supplementary information says about the equity's overall financial health.

	<u>Pages</u>
<u>Financial Trends</u>	
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	131-137
<u>Revenue Capacity</u>	
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	138-140
<u>Debt Capacity</u>	
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	141-147
<u>Demographic and Economic Information</u>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	148-149
<u>Operating Information</u>	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	150-153

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
GOVERNMENT-WIDE REVENUES BY FUNCTION
June 30, 2020

Fiscal Year	PROGRAM REVENUES			GENERAL REVENUES						Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Property Taxes	State School Fund General Support	Unrestricted State and Local Sources	Earnings (losses) on Investments	Miscellaneous		
2019-20	\$ 1,146,450	\$ 6,448,370	\$ 117,263	17,292,425	49,544,553	3,046,215	\$ 743,975	\$ 227,776	\$ 78,567,027	
2018-19	1,283,959	6,021,037	154,867	17,636,357	46,956,323	3,116,351	871,761	334,176	76,374,831	
2017-18	1,426,808	5,526,142	141,266	17,045,967	45,933,646	3,037,934	507,651	326,379	73,945,793	
2016-17	1,474,016	4,727,391	165,599	16,618,201	41,343,156	2,833,335	276,467	191,487	67,629,652	
2015-16	1,353,924	4,504,966	166,050	15,942,388	39,590,902	2,617,961	132,502	120,666	64,429,359	
2014-15	1,382,743	4,767,894	224,731	15,278,017	35,005,511	576,376	97,812	80,633	57,413,717	
2013-14	1,580,211	4,192,679	506,404	14,852,839	33,410,483	538,423	3,797,096	38,515	58,916,650	
2012-13	1,310,229	3,876,536	1,710,258	14,655,512	29,164,231	548,166	2,650,007	19,833	53,934,772	
2011-12	1,407,675	7,253,725	2,103,575	14,057,134	29,192,138	657,951	924,514	39,711	55,636,423	
2010-11	1,366,388	5,797,101	518,285	13,967,342	28,104,400	450,714	3,948,826	387,402	54,540,458	

Source: Umatilla County School District No. 8R financial records.

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses:										
Governmental activities:										
Regular programs	\$ 27,727,540	\$ 26,727,190	\$ 25,112,287	\$ 25,783,244	\$ 22,358,604	\$ 21,702,647	\$ 21,049,083	\$ 18,952,205	\$ 19,108,128	\$ 18,182,910
Special programs	10,184,414	9,552,601	9,060,384	8,712,305	7,757,593	7,789,287	7,547,670	6,905,879	6,520,166	6,369,848
Student support services	2,027,613	3,354,240	2,176,547	3,086,881	3,473,136	1,708,793	1,339,662	2,154,341	2,245,783	1,854,590
Instructional staff support	3,237,062	2,362,203	2,319,287	424,062	1,778,730	1,525,563	386,437	1,191,860	1,243,281	1,229,780
General administration	603,768	874,570	548,437	607,337	525,202	580,689	566,114	561,219	530,780	589,406
School administration	4,111,053	3,872,908	3,112,944	2,878,656	2,672,243	2,801,453	2,715,928	2,227,350	2,268,791	2,172,762
Business support services	10,018,643	8,484,242	8,574,434	7,342,509	6,829,832	6,582,533	6,413,865	6,032,669	5,772,697	5,378,896
Central activities	3,291,384	3,057,406	3,030,314	2,842,874	1,769,416	1,920,654	1,585,978	1,088,071	1,492,155	1,219,517
Supplemental retirement program	206,520	253,236	362,602	512,160	688,686	695,611	746,643	768,311	731,025	606,941
Enterprise and community services	1,895,186	2,207,794	2,557,555	2,436,242	2,356,706	2,127,673	2,047,876	2,110,947	1,999,851	1,917,976
Facilities acquisition and construction	-	97,080	595	121,776	151,474	90,358	101,635	-	-	-
Other functions	-	-	-	-	-	-	-	-	-	-
Amortization of PERS prepayment	-	-	-	-	-	-	1,926,474	1,643,829	1,671,188	2,325,895
Other post employment obligations	(181,735)	(367,492)	(304,458)	(173,508)	75,007	103,431	302,043	329,651	506,189	500,501
Interest on long term debt	3,571,183	3,309,380	3,496,109	3,717,102	3,912,382	3,667,091	4,174,671	4,357,998	4,451,392	4,805,616
Bond issue costs	627,732	-	-	-	-	190,233	-	-	-	-
Unallocated Depreciation	3,395,313	3,336,469	3,241,341	3,232,079	3,251,524	3,653,532	3,505,715	3,318,583	2,582,770	2,688,845
Pension expense (revenue)	5,613,847	3,815,552	3,684,512	3,472,722	12,141,332	(7,550,660)	-	-	-	-
Total primary government expenses	76,329,523	70,937,379	66,972,890	64,996,441	69,741,867	47,588,888	54,409,794	51,642,913	51,124,196	49,843,483
Program Revenues:										
Governmental activities:										
Charges for services										
Instruction	797,070	847,307	984,286	1,028,552	932,080	943,933	1,139,724	854,301	919,483	865,849
Enterprise and community services	349,380	436,652	442,522	445,464	421,844	438,810	440,487	455,928	488,192	500,539
Operating grants and contributions	6,448,370	6,021,037	5,526,142	4,727,391	4,504,966	4,767,894	4,192,679	3,876,536	7,253,725	5,797,101
Capital grants and contributions	117,263	154,867	141,266	165,599	166,050	224,731	506,404	1,710,258	2,103,575	518,285
Total primary government program revenues	7,712,083	7,459,863	7,094,216	6,367,006	6,024,940	6,375,368	6,279,294	6,897,023	10,764,975	7,681,774
Net (Expense)/Revenue										
Total primary government net expense	\$ (68,617,440)	\$ (63,477,516)	\$ (59,878,674)	\$ (58,629,435)	\$ (63,716,927)	\$ (41,213,520)	\$ (48,130,500)	\$ (44,745,890)	\$ (40,359,221)	\$ (42,161,709)

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net (Expense)/Revenue										
Total primary government net expense net expense	\$ (68,617,440)	\$ (63,477,516)	\$ (59,878,674)	\$ (58,629,435)	\$ (63,716,927)	\$ (41,213,520)	\$ (48,130,500)	\$ (44,745,890)	\$ (40,359,221)	\$ (42,161,709)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes levied for general purposes	9,598,253	9,136,600	8,812,120	8,642,843	8,166,335	7,793,809	7,539,779	7,480,239	7,251,438	7,125,249
Property taxes levied for debt service	7,694,172	8,499,757	8,233,847	7,975,358	7,776,053	7,484,208	7,313,060	7,175,273	6,805,696	6,842,093
ESD Apportionment	2,358,394	2,377,346	2,350,294	2,068,965	1,910,855	-	-	-	-	-
State school fund	49,544,553	46,956,323	45,933,646	41,343,156	39,590,902	35,005,511	33,410,483	29,164,231	29,192,138	28,104,400
Common school fund	516,555	572,304	538,924	640,316	590,224	474,849	446,193	455,484	410,659	365,266
County school funds	171,266	166,701	148,716	124,054	116,882	101,527	92,230	92,682	83,674	85,448
Other	227,776	334,176	326,379	191,487	120,666	80,633	38,515	19,833	39,711	387,402
Earnings on investments	743,975	871,761	507,651	276,467	132,502	97,812	3,797,096	2,650,007	1,088,132	3,948,826
Total primary government	70,854,944	68,914,968	66,851,577	61,262,646	58,404,419	51,038,349	52,637,356	47,037,749	44,871,448	46,858,684
Change in Net Position - increase (decrease)	\$ 2,237,504	\$ 5,437,452	\$ 6,972,903	\$ 2,633,211	\$ (5,312,508)	\$ 9,824,829	\$ 4,506,856	\$ 2,291,859	\$ 4,512,227	\$ 4,696,975

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
GOVERNMENTAL FUNDS REVENUE
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Local Sources:										
Ad valorem Taxes	\$ 17,278,661	\$17,619,922	\$17,069,224	\$16,608,355	\$15,885,857	\$15,412,799	\$14,970,370	\$14,747,604	\$14,042,728	\$13,901,216
Food service sales	349,666	436,652	507,651	445,464	421,988	438,810	440,488	455,709	487,094	500,540
Interest income	743,975	871,761	472,839	276,467	132,502	97,812	111,559	146,108	163,619	238,572
Other revenues	3,211,189	3,210,197	3,201,087	3,182,851	2,985,448	2,979,935	3,306,085	4,101,877	4,667,795	2,670,085
Total local sources	21,583,491	22,138,532	21,250,801	20,513,137	19,425,795	18,929,356	18,828,502	19,451,298	19,361,236	17,310,413
Intermediate Sources:										
County school fund	171,266	166,701	148,716	124,054	116,882	101,527	92,230	92,682	83,674	85,448
ESD Apportionment	2,358,394	2,377,346	2,350,294	2,068,965	1,910,855	-	-	-	-	-
Other	-	-	-	-	-	-	-	6,962	7,127	-
Total intermediate sources	2,529,660	2,544,047	2,499,010	2,193,019	2,027,737	101,527	92,230	99,644	90,801	85,448
State Sources:										
State School Support	49,544,553	46,956,323	45,933,646	41,343,156	39,590,902	35,005,511	33,410,483	29,164,231	29,192,138	28,125,274
Common School Fund	516,555	572,304	538,924	640,316	590,224	474,849	446,193	455,484	410,659	365,266
Other	1,690,884	1,228,190	920,580	455,177	234,384	674,181	104,807	(50,628)	3,310,745	538,646
Total State sources	51,751,992	48,756,817	47,393,150	42,438,649	40,415,510	36,154,541	33,961,483	29,569,087	32,913,542	29,029,186
Federal sources:										
Federal grants	2,848,547	2,627,053	2,526,608	2,274,021	2,313,383	2,278,142	2,391,206	2,261,973	2,178,069	4,209,700
Food service programs	1,942,300	2,056,896	2,018,035	1,944,246	1,883,756	1,726,924	1,633,894	1,617,671	1,536,981	1,460,231
Total Federal sources	4,790,847	4,683,949	4,544,643	4,218,267	4,197,139	4,005,066	4,025,100	3,879,644	3,715,050	5,669,931
Other sources:										
Other	-	-	-	-	-	-	-	-	865	-
Total Other sources	-	-	-	-	-	-	-	-	865	-
Total revenues	\$ 80,655,990	\$78,123,345	\$75,687,604	\$69,363,072	\$66,066,181	\$59,190,490	\$56,907,315	\$52,999,673	\$56,081,494	\$52,094,978

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Fund Balances										
General Fund										
Nonspendable	\$ 395,900	\$ 354,742	\$ 446,813	\$ 330,333	\$ 405,051	\$ 427,748	\$ 225,802	\$ 251,230	\$ 203,899	\$ 191,199
Committed	5,920,054	5,536,489	5,325,024	4,150,700	3,865,586	3,048,160	3,255,990	2,976,938	3,379,005	3,288,859
Unassigned	5,667,238	4,050,799	2,171,343	1,548,826	425,244	339,111	92,076	102,775	549,649	1,283,847
Other Funds										
Nonspendable	99,529	103,395	119,049	107,552	80,687	87,162	49,116	40,911	63,853	55,863
Restricted	90,797,632	3,522,096	2,432,962	1,719,152	1,766,816	1,504,021	2,713,510	3,390,582	4,995,078	13,086,850
Committed	11,685,814	11,065,632	9,873,896	8,177,268	6,988,944	4,095,629	3,972,760	3,655,081	5,694,972	3,976,654
Unassigned	-	(112,345)	-	-	-	-	-	-	-	-
Total Fund Balances	\$ 114,566,166	\$ 24,520,808	\$ 20,369,087	\$ 16,033,831	\$ 13,532,328	\$ 9,501,831	\$ 10,309,254	\$ 10,417,517	\$ 14,886,456	\$ 21,883,272

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental Activities										
Net Investment in capital										
assets	\$ 44,118,959	\$ 45,327,859	\$ 41,407,636	\$ 31,106,459	\$ 27,467,271	\$ 24,480,775	\$ 28,110,748	\$ 25,254,475	\$ 17,718,408	\$ 22,446,334
Restricted	7,983,457	3,522,096	2,433,953	1,719,152	1,766,816	1,504,021	2,713,510	3,390,582	4,154,342	1,826,866
Unrestricted	(25,334,995)	(24,320,038)	(25,819,822)	(18,970,558)	(18,012,245)	(9,450,446)	9,379,860	7,920,950	12,401,398	5,488,721
Total governmental										
activities net position	<u>\$ 26,767,421</u>	<u>\$ 24,529,917</u>	<u>\$ 18,021,767</u>	<u>\$ 13,855,053</u>	<u>\$ 11,221,842</u>	<u>\$ 16,534,350</u>	<u>\$ 40,204,118</u>	<u>\$ 36,566,007</u>	<u>\$ 34,274,148</u>	<u>\$ 29,761,921</u>

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues:										
Local sources	\$ 21,583,491	\$ 22,138,532	\$ 21,250,801	\$ 20,513,137	\$ 19,425,795	\$ 18,929,356	\$ 18,828,502	\$ 19,451,298	\$ 19,361,236	\$ 17,310,413
Intermediate sources	2,529,660	2,544,047	2,499,010	2,193,019	2,027,737	101,527	92,230	99,644	90,801	85,448
State sources	51,751,992	48,756,817	47,393,150	42,438,649	40,415,510	36,154,541	33,961,483	29,569,087	32,913,542	29,029,186
Federal sources	4,790,847	4,683,949	4,544,643	4,218,267	4,197,139	4,005,066	4,025,100	3,879,644	3,715,050	5,669,931
Total Revenues	80,655,990	78,123,345	75,687,604	69,363,072	66,066,181	59,190,490	56,907,315	52,999,673	56,080,629	52,094,978
Expenditures:										
Instruction	39,920,516	38,137,481	35,952,326	34,495,552	31,667,348	31,007,829	28,596,755	26,959,113	26,643,822	25,555,759
Support services	26,423,103	23,376,836	22,147,000	20,125,676	18,430,833	16,385,769	15,741,491	15,556,643	15,186,268	13,587,202
Enterprise & community services	1,905,918	2,209,736	2,559,440	2,453,701	2,358,821	2,192,550	2,049,949	2,112,949	2,001,168	1,919,168
Facilities acquisition & construction	1,014,903	223,053	920,149	208,764	299,145	1,085,835	1,598,235	4,132,769	10,844,284	39,831,397
Other uses	-	-	-	-	-	-	-	-	-	-
Debt service:										
Principal	2,275,363	7,806,648	7,336,200	6,862,965	6,298,486	5,636,165	5,217,775	4,761,820	4,342,140	4,576,849
Interest	3,321,483	2,617,770	2,797,233	3,044,911	3,316,136	3,288,889	3,811,374	3,945,318	4,060,628	4,417,406
Bond issue costs	627,732	-	-	-	-	190,233	-	-	-	107,037
Total Expenditures	75,489,018	74,371,524	71,712,348	67,191,569	62,370,769	59,787,270	57,015,579	57,468,612	63,078,310	89,994,818
Revenues over (under) expenditures	5,166,972	3,751,821	3,975,256	2,171,503	3,695,412	(596,780)	(108,264)	(4,468,939)	(6,997,681)	(37,899,840)
Other Financing Sources (Uses):										
Proceeds from bonds	82,732,580	-	-	-	-	-	-	-	-	8,795,000
Proceeds of refunding bonds	2,804,744	-	-	-	-	18,860,000	-	-	-	-
Bond premium	1,733,809	-	-	-	-	897,839	-	-	-	428,164
Payment of refund bond escrow agent	(2,781,098)	-	-	-	-	(19,968,482)	-	-	-	-
Sale of Fixed assets	388,351	399,900	360,000	330,000	335,085	-	-	-	865	9,188
Operating transfers in	220,163	500,000	2,550,000	244,000	1,210,000	412,893	116,274	393,130	664,001	1,738,249
Operating transfers out	(220,163)	(500,000)	(2,550,000)	(244,000)	(1,210,000)	(412,893)	(116,274)	(393,130)	(664,001)	(1,738,249)
Total other financing sources (uses)	84,878,386	399,900	360,000	330,000	335,085	(210,643)	-	-	865	9,232,352
Net change in fund balance	\$ 90,045,358	\$ 4,151,721	\$ 4,335,256	\$ 2,501,503	\$ 4,030,497	\$ (807,423)	\$ (108,264)	\$ (4,468,939)	\$ (6,996,816)	\$ (28,667,488)
Debt service as a percentage of noncapital expenditures	7.5%	14.2%	14.7%	14.9%	15.6%	14.9%	16.4%	16.7%	16.3%	18.0%

Source: Current and prior years' financial statements

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R

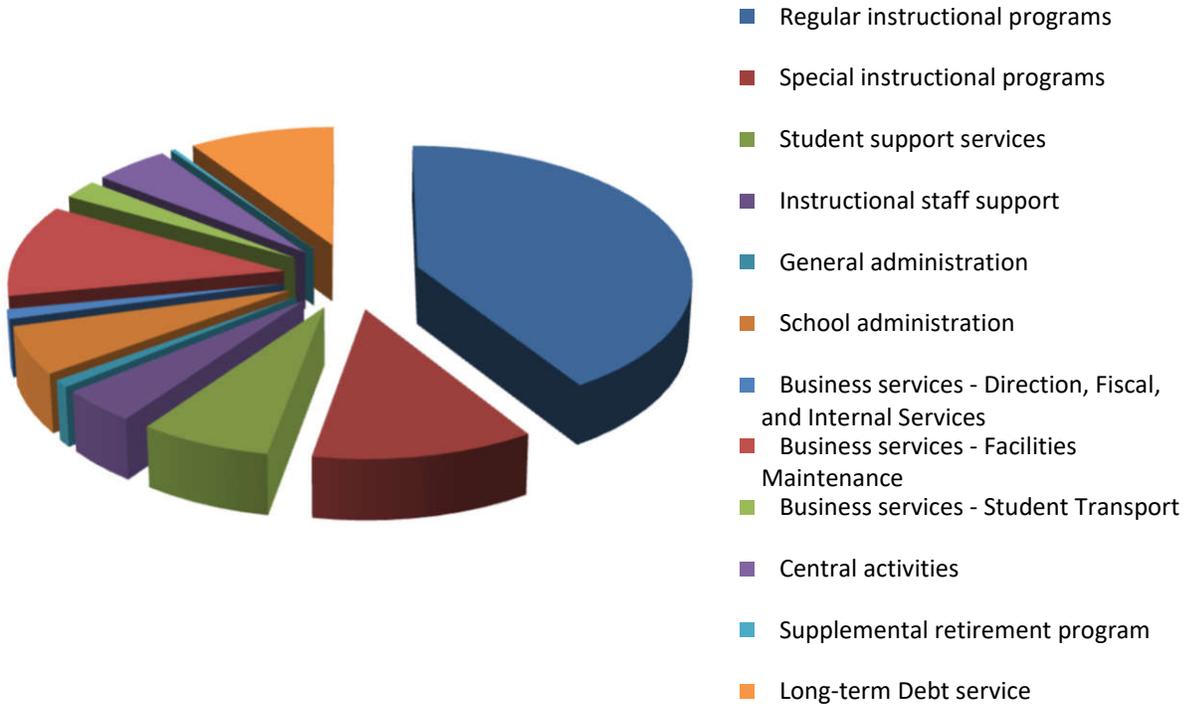
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 14,364,943	13,341,801	92.9%	665,453	14,007,254	97.5%
2012	\$ 14,372,359	13,349,818	92.9%	731,407	14,081,225	98.0%
2013	\$ 14,903,426	13,969,768	93.7%	557,234	14,527,002	97.5%
2014	\$ 15,141,799	14,209,145	93.8%	527,596	15,130,830	99.9%
2015	\$ 15,645,932	14,692,031	93.9%	384,938	15,076,969	96.4%
2016	\$ 16,302,081	15,380,881	94.3%	543,852	15,924,733	97.7%
2017	\$ 16,972,453	15,982,713	94.2%	148,122	16,130,835	95.0%
2018	\$ 17,520,845	16,470,549	94.0%	376,043	16,846,592	96.2%
2019	\$ 17,998,900	17,012,738	94.5%	306,256	17,318,994	96.2%
2020	\$ 17,764,696	16,817,921	94.7%	-	16,817,921	94.7%

Information provided by Umatilla County Tax Collector's office.

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
PROPERTY TAX ALLOCATIONS
June 30, 2020

This is how your school property tax dollars are used



Regular instructional programs	40.97%
Special instructional programs	11.90%
Student support services	7.04%
Instructional staff support	4.17%
General administration	0.90%
School administration	5.83%
Business services - Direction, Fiscal, and Internal Services	1.16%
Business services - Facilities Maintenance	11.24%
Business services - Student Transport	2.29%
Central activities	4.86%
Supplemental retirement program	0.31%
Long-term Debt service	9.34%
	100.00%

Data represents expenditures from the General Fund and Debt Service fund only.

Source: Umatilla County School District No. 8R financial records.

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
ASSESSED AND REAL MARKET VALUE OF TAXABLE PROPERTY
LAST TEN YEARS

	<u>Real Property</u>	<u>Personal Property</u>	<u>Public Utilities</u>	<u>Assessed Value</u>	<u>Total Tax Rate</u>	<u>Real Market Value</u>	<u>Ratio of Assessed Value to Real Market Value</u>
2019-2020	\$ 1,637,163,468	\$ 64,136,131	\$ 514,575,800	\$ 2,215,875,399	8.39	\$ 3,006,519,882	73.70%
2018-2019	1,545,407,569	68,697,738	503,389,380	2,117,494,687	8.93	2,780,411,549	76.16%
2017-2018	1,499,375,141	62,711,503	493,470,746	2,055,557,390	9.00	2,709,854,675	75.85%
2016-2017	1,424,950,523	59,985,382	543,889,430	2,028,825,335	8.94	2,562,364,968	79.18%
2015-2016	1,346,749,632	56,631,221	539,093,070	1,942,473,923	8.97	2,366,877,432	82.07%
2014-2015	1,265,732,621	55,364,123	528,116,873	1,849,213,617	9.02	2,251,176,945	82.14%
2013-2014	1,225,561,366	57,947,159	516,425,620	1,799,934,145	9.03	2,145,870,073	83.88%
2012-2013	1,198,270,341	54,444,213	515,720,580	1,768,435,134	9.01	2,074,246,481	85.26%
2011-2012	1,152,301,987	53,367,534	500,806,240	1,706,475,761	8.98	2,036,517,867	83.79%
2010-2011	1,117,818,721	52,656,114	492,531,000	1,663,005,835	9.12	2,020,768,931	82.30%

Source: Umatilla County Tax Assessor

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN YEARS

LEGAL DEBT MARGIN CALCULATION FOR THE FISCAL YEAR 2020

True cash value	<u>\$ 3,006,519,882</u>
Debt limit (7.95% of true cash value)	\$239,018,331
Debt applicable to limit:	
General obligation bonded debt	<u>144,261,421</u>
Legal debt margin	<u>\$ 94,756,910</u>
Total net debt applicable to the limit as a percentage of debt limit	60.36%

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Debt limit	\$ 221,042,718	\$215,433,447	\$203,708,015	\$ 188,166,756	\$178,968,567	\$170,596,671	\$164,902,595	\$161,903,170	\$160,651,130
Total net debt applicable to limit	<u>62,475,000</u>	<u>69,590,000</u>	<u>76,300,000</u>	<u>82,590,000</u>	<u>88,370,000</u>	<u>91,870,000</u>	<u>96,670,000</u>	<u>101,065,000</u>	<u>105,090,000</u>
Legal debt margin	<u>\$ 158,567,718</u>	<u>\$145,843,447</u>	<u>\$127,408,015</u>	<u>\$105,576,756</u>	<u>\$ 90,598,567</u>	<u>\$ 78,726,671</u>	<u>\$ 68,232,595</u>	<u>\$ 60,838,170</u>	<u>\$ 55,561,130</u>
Total net debt applicable to the limit as a percentage of debt limit	28.26%	32.30%	37.46%	43.89%	49.38%	53.85%	58.62%	62.42%	65.42%

Oregon law provides a debt limit of 7.95% of the true cash value (market) of all taxable property within the District boundaries.

The true cash value information obtained from Umatilla County Assessor's office.

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
DIRECT AND OVERLAPPING DEBT
AND DEBT RATIOS
June 30, 2020

<u>Government</u>	<u>Debt Outstanding</u>	<u>Percent Within School District</u>	<u>Gross Bonded Debt</u>
<u>Direct Debt</u>			
Hermiston School District #8R	\$ 159,161,422	100.00%	\$ 159,161,422
<u>Overlapping Debt</u>			
Blue Mountain Community College	25,045,000	17.69%	4,430,461
City of Hermiston	11,027,264	95.79%	10,563,016
City of Umatilla	625,970	0.09%	563
East Umatilla RFPD	75,000	74.15%	55,613
Umatilla Morrow Radio and Data District	3,214,148	21.12%	678,828
Umatilla County	10,088,644	32.27%	3,255,605
Umatilla Rural Fire Protection District	1,615,000	66.50%	1,073,975
Intermountain Educational Services District	6,898,219	15.06%	1,038,872
Total Overlapping Debt	<u>58,589,245</u>		<u>21,096,933</u>
Total Direct and Overlapping Debt	<u>\$ 217,750,667</u>		<u>\$ 180,258,355</u>

The following tables present information regarding the District's tax-supported debt and the estimated portion of the debt of overlapping taxing districts allocated to the District's property owners.

2019-2020 data;

RMV	\$ 3,006,519,882
Assessed Value	\$ 2,215,875,399
Estimated District Population	30,832

Bonded Debt Ratios

Direct Debt to RMV	5.29%
Direct and Overlapping Debt to RMV	6.00%
Per Capita RMV	\$ 97,513
Per Capita Direct Debt	\$ 5,162
Per Capita Direct and Overlapping Debt	\$ 5,846

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
DIRECT AND OVERLAPPING PROPERTY TAX RATES
ALL OVERLAPPING GOVERNMENTS
PER \$1,000 OF ASSESSED VALUE
LAST TEN YEARS

Fiscal Year Ended June 30,	<u>School District No. 8R</u>			City of Hermiston	Umatilla County	BMCC(1)	IMESD(2)	WUMCD(3)	UCFD(4)	UMRDD(5)	Port of Umatilla	Cemetery District	Total
	General Fund	Service Fund	Total										
2020	4.83	3.56	8.39	6.52	2.82	0.87	0.61	0.20	1.73	0.17	0.15	0.09	21.55
2019	4.83	4.10	8.93	6.53	2.82	0.87	0.61	0.20	1.73	0.17	0.15	0.09	22.11
2018	4.89	4.11	9.00	6.44	2.85	0.87	0.62	0.29	1.75	0.17	0.15	0.09	22.23
2017	4.89	4.05	8.94	6.37	2.85	0.87	0.62	0.29	1.75	0.17	0.15	0.09	22.11
2016	4.89	4.09	8.97	6.38	3.04	0.89	0.62	0.28	1.20	0.17	0.15	0.09	21.81
2015	4.89	4.13	9.02	6.46	3.03	0.66	0.62	0.24	1.20	0.17	0.15	0.09	21.65
2014	4.89	4.14	9.03	6.48	3.06	0.95	0.62	0.38	1.20	0.17	0.15	0.09	22.13
2013	4.89	4.13	9.01	6.43	3.10	0.96	0.62	0.29	1.20	0.17	0.15	0.09	22.03
2012	4.89	4.09	8.98	6.55	3.11	0.96	0.62	0.29	1.20	0.17	0.15	0.09	22.12
2011	4.89	4.23	9.12	6.60	3.11	0.97	0.56	0.29	1.20	-	0.15	0.09	22.09

1. BMCC- Blue Mountain Community College
2. IMESD- Intermountain Education Service District
3. WUMCD- West Umatilla Mosquito Control District
4. UCFD- Umatilla County Fire District 1
5. UMRDD- Umatilla Morrow Radio and Data District

Source: Umatilla County Assessor Office

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
RATIO OF ANNUAL DEBT SERVICE REQUIREMENTS FOR
GENERAL OBLIGATION BONDED DEBT TO TOTAL GENERAL
FUND EXPENDITURES AND TRANSFERS
LAST TEN YEARS

	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>General Fund Expenditures and Transfers</u>	<u>Ratio of Debt Service to General Fund Expenditures and Transfers</u>
2019-2020	\$ 1,517,094	\$ 1,954,013	\$ 3,471,107	61,118,374	5.7%
2018-2019	7,115,000	1,287,222	8,402,222	56,913,458	14.8%
2017-2018	6,710,000	1,507,435	8,217,435	55,805,050	14.7%
2016-2017	6,290,000	1,790,997	8,080,997	50,549,768	16.0%
2015-2016	5,780,000	2,099,683	7,879,683	47,445,082	16.6%
2014-2015	5,170,000	2,109,530	7,279,530	43,207,702	16.8%
2013-2014	4,800,000	2,665,237	7,465,237	40,531,949	18.4%
2012-2013	4,395,000	2,831,363	7,226,363	38,336,469	18.8%
2011-2012	4,025,000	2,977,324	7,002,324	38,770,721	18.1%
2010-2011	3,450,000	3,333,298	6,783,298	36,143,115	18.8%

Source: Umatilla County School District No. 8R financial records.

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
PRINCIPAL TAXPAYERS - UMATILLA COUNTY
CURRENT YEAR AND NINE YEARS AGO

	<u>2020</u>		<u>2011</u>	
	<u>Assessed Value</u>	<u>Percentage of total Assessed Value</u>	<u>Assessed Value</u>	<u>Percentage of total Assessed Value</u>
<u>Private Enterprise</u>				
Vadata, Inc.	\$ 420,166,889	6.6%		
Union Pacific Railroad	177,343,070	2.8%	110,241,360	2.4%
ConAgra Foods Lamb- Weston, Inc.	44,823,783	0.7%	31,497,519	0.7%
CenturyLink	37,744,000	0.6%		
Wal-Mart	32,153,740	0.5%	34,298,500	0.8%
Snack Alliance	39,602,570	0.6%		
Calpine Corporation			21,000,000	0.5%
ANR Pipeline Company			34,131,100	0.8%
Northwest Pipeline Corp			35,410,870	0.8%
Smith Canning and Freezing Co			22,699,560	0.5%
<u>Utilities</u>				
Hermiston Power LLC	230,000,000	3.6%		
PacifiCorp (Pacific Power & Light)	142,080,000	2.2%	137,648,740	3.0%
Hermiston Generating	104,000,000	1.6%	126,000,000	2.8%
Charter Communications	31,336,200	0.5%		
Qwest Corporation			22,891,500	0.5%
All other taxpayers	5,108,767,589	80.2%	3,965,959,309	87.3%
Total County	<u>\$ 6,368,017,841</u>	<u>100.00%</u>	<u>\$ 4,541,778,458</u>	<u>100.00%</u>

Source: Umatilla County Assessor's Office

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
PRINCIPAL TAXPAYERS - DISTRICT
CURRENT YEAR AND NINE YEARS AGO

	2020		2011	
	Assessed Value	Percentage of total Assessed Value	Assessed Value	Percentage of total Assessed Value
<u>Private Enterprise</u>				
ConAgra Foods Lamb- Weston, Inc.	\$ 44,823,783	2.0%	\$ 31,091,111	1.9%
Snack Alliance	39,602,570	1.8%		
Pioneer Hi Bred	24,946,900	1.1%		
Union Pacific Railroad	18,136,240	0.8%	10,786,370	0.6%
Teton Venture LLC & Triumph Prop.	9,007,380	0.4%		
Pioneer Hi Bred International Inc.	9,763,720	0.4%		
Calpine Corporation			210,050,000	12.6%
ANR Pipeline Company			11,832,300	0.7%
Retail Trust # 2			9,028,210	0.5%
HD Development of Maryland, Inc.			8,777,070	0.5%
Good Shepherd Hospital			8,581,400	0.5%
Hermiston Station, LLC			7,821,680	0.5%
<u>Utilities</u>				
Hermiston Power LLC	230,000,000	10.4%		
Hermiston Generating	104,000,000	4.7%	117,400,000	7.1%
PacifiCorp (Pacific Power & Light)	94,777,000	4.3%	103,526,000	6.2%
Charter Communications	10,886,800	0.5%		
All other taxpayers	1,629,931,006	73.6%	1,144,111,694	68.8%
Total District	\$ 2,215,875,399	100.00%	\$ 1,663,005,835	100.00%

Source: Umatilla County Assessor's Office

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN YEARS

	General Obligation Bonds	Limited Tax Pension Bonds	Total General Bonded Debt	Resources Restricted to Paying Principal	Net General Bonded Debt (2)
2019-2020	\$ 144,261,421	\$ 14,900,001	\$ 159,161,422	\$ 5,101,382	\$ 154,060,040
2018-2019	61,270,456	15,658,270	76,928,726	816,889	76,111,837
2017-2018	68,291,431	16,349,918	84,641,349	597,240	84,044,109
2016-2017	74,672,019	16,976,118	91,648,137	485,837	91,162,300
2015-2016	80,680,345	17,549,082	98,229,427	543,731	97,685,696
2014-2015	86,218,015	18,067,568	104,285,583	646,659	103,638,924
2013-2014	88,547,669	18,533,733	107,081,402	748,883	106,332,519
2012-2013	92,401,303	18,951,508	111,352,811	831,287	110,521,524
2011-2012	96,445,490	19,318,328	115,763,818	821,022	114,942,796
2010-2011	100,142,695	19,635,468	119,778,163	1,014,688	118,763,475

	Population(1) (Estimated)	Assessed Valuation	Net General Bonded Debt (2)	Per Capita	Percentage of Actual Taxable Value of Property
2019-2020	18,415	\$ 2,215,875,399	\$ 154,060,040	\$ 8,366	6.95%
2018-2019	18,200	2,055,557,390	76,111,837	4,182	3.70%
2017-2018	17,985	2,028,825,335	84,044,109	4,673	4.14%
2016-2017	17,730	1,942,473,923	91,162,300	5,142	4.69%
2015-2016	17,520	1,849,213,617	97,685,696	5,576	5.28%
2014-2015	17,345	1,799,934,145	103,638,924	5,975	5.76%
2013-2014	17,240	1,768,435,134	106,332,519	6,168	6.01%
2012-2013	16,995	1,706,475,761	110,521,524	6,503	6.48%
2011-2012	16,865	1,663,005,835	114,942,796	6,815	6.91%
2010-2011	16,795	1,635,163,124	118,763,475	7,071	7.26%

(1) Population for City of Hermiston, Source; Portland State University

(2) Computed as total bonded debt less resources restricted to paying principal.

Source: Umatilla County Assessor and financial records of Umatilla County School District No. 8R.

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
DEMOGRAPHIC STATISTICS
Last Ten Years

	<u>Population(1)</u> (Estimated)	<u>Per Capita</u> <u>Income(2)</u>	<u>Personal</u> <u>Income</u>	<u>School</u> <u>Enrollment</u>	<u>Unemployment</u> <u>Rate(3)</u>
2019-2020	18,415	N/A	N/A	5,740	11.6%
2018-2019	18,200	N/A	N/A	5,766	4.0%
2017-2018	17,985	39,684	713,716,740	5,710	4.0%
2016-2017	17,730	37,964	673,101,720	5,645	3.7%
2015-2016	17,520	37,715	660,766,800	5,501	4.8%
2014-2015	17,345	36,434	631,947,730	5,297	5.5%
2013-2014	17,240	34,318	591,642,320	5,241	7.4%
2012-2013	16,995	33,643	571,762,785	5,209	8.2%
2011-2012	16,865	32,901	554,875,365	5,093	8.5%
2010-2011	16,795	30,701	515,623,295	5,190	9.1%

(1) Population for City of Hermiston, Source: Center for Population Research and Census, Portland State University

(2) Data for Umatilla County. Source: Bureau of Economic Analysis

(3) Seasonally Adjusted Unemployment Rate for the State of Oregon for June of each year, Source: U.S. Dept. of Labor, Bureau of Labor Statistics.

N/A- data was not available at time of publication.

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Employer:	2020			2011		
	Number Employees	Rank	Percentage of total Employment	Number Employees	Rank	Percentage of total Employment
Con-Agra Foods - Lamb Weston	1,320	1	10.7%	1,000	2	8.8%
Wal-Mart Distribution	884	2	7.2%	800	3	7.0%
Good Shepherd Medical Center	720	3	5.8%	465	7	4.1%
Hermiston School District	588	4	4.8%	455	8	4.0%
River Point Farms	550	5	4.5%	650	6	5.7%
Shearers	450	6	3.6%			
Wal-Mart Supercenter	400	7	3.2%	400	9	3.5%
Marlette Homes	400	7	3.2%			
Medelez Trucking	200	9	1.6%			
Safeway	110	10	0.9%			
Umatilla Army Depot				1,080	1	9.5%
Express Employment Professionals				800	3	7.0%
Certified Personnel Services				725	5	6.4%
Union Pacific Railroad				300	10	2.6%
Total percentage of city employment			45.5%			58.6%

Source: City of Hermiston

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
STUDENT TO TEACHER RATIO
LAST TEN YEARS

	<u>Teaching Staff (1)</u>	<u>School Enrollment</u>	<u>Ratio of Teaching Staff to Enrollment</u>
2019-2020	347	5,740	1:17.2
2018-2019	334	5,766	1:17.3
2017-2018	321	5,710	1:17.8
2016-2017	316	5,645	1:17.9
2015-2016	301	5,501	1:18.3
2014-2015	284	5,297	1:18.7
2013-2014	273	5,241	1:19.2
2012-2013	259	5,209	1:20.1
2011-2012	258	5,093	1:19.7
2010-2011	264	4,993	1:18.9

(1) Includes Classroom, Music, Physical Education, Special Education Teachers, Counselors and Librarians.

Source: Umatilla County School District No. 8R payroll and attendance records.

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
CERTIFIED, CLASSIFIED AND ADMINISTRATIVE EMPLOYEES ⁽¹⁾
LAST TEN YEARS

	<u>CERTIFIED</u>	<u>CLASSIFIED</u>	<u>ADMINISTRATIVE</u>	<u>TOTAL</u>
2019-2020	347	218	23	588
2018-2019	334	213	23	570
2017-2018	321	207	22	550
2016-2017	316	201	21	538
2015-2016	301	200	19	520
2014-2015	284	197	18	499
2013-2014	273	179	18	470
2012-2013	259	174	16	449
2011-2012	258	179	15	452
2010-2011	258	168	15	441

(1) Full time equivalent (FTE) positions

Source: Umatilla County School District No. 8R payroll records

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
PER PUPIL SPENDING
LAST TEN YEARS

School Year	ADMw	School Enrollment	General Fund (1)		Governmental Activities (2)	
			Expenditures	Per Student	Expenses	Per Student
2019-2020	7,069.89	5,740	\$ 60,898,211	\$ 10,609	\$ 76,329,523	\$ 13,298
2018-2019	7,048.70	5,766	56,413,458	9,784	70,937,379	12,303
2017-2018	7,012.20	5,710	53,255,050	9,327	66,972,890	11,729
2016-2017	7,052.50	5,645	50,305,768	8,912	64,996,441	11,514
2015-2016	6,767.30	5,501	46,235,082	8,405	69,741,867	12,678
2014-2015	6,212.10	5,297	42,794,809	8,079	47,588,888	8,984
2013-2014	6,148.41	5,241	40,490,675	7,726	54,409,794	10,382
2012-2013	6,128.27	5,209	38,266,469	7,346	51,642,913	9,914
2011-2012	6,007.84	5,093	38,700,721	7,599	51,124,196	10,038
2010-2011	6,077.79	5,190	35,269,525	6,796	49,843,483	9,604

(1) General fund information provides expenditures of the District's primary operating fund.

(2) Governmental activities information provides an overview of the District's expenses in a manner similar to a private-sector business.

Source: Umatilla County School District No. 8R enrollment and financial records

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
CAPITAL ASSET INFORMATION
LAST SIX YEARS

	Fiscal Year						Average Age of Buildings (in years)
	2020	2019	2018	2017	2016	2015	
<u>SCHOOLS</u>							
Elementary							
Buildings	5	5	5	5	5	5	27
Modulars	15	14	14	14	12	-	
Capacity	2,249	2,249	2,249	2,249	2,724	2,724	
Total capacity	2,849	2,809	2,809	2,809	3,012	2,724	
Enrollment	2,723	2,747	2,719	2,726	2,731	2,580	
Less: Online Students	0	1	0	0	0	0	
On-site Enrollment	2,723	2,746	2,719	2,726	2,731	2,580	
Percent Used	96%	98%	97%	97%	91%	95%	
Middle							
Buildings	2	2	2	2	2	2	17
Capacity	1,369	1,369	1,369	1,369	1,369	1,369	
Enrollment	1,378	1,363	1,354	1,294	1,287	1,190	
Less: Online Students	2	2	0	0	0	0	
On-site Enrollment	1,376	1,361	1,354	1,294	1,287	1,190	
Percent Used	101%	99%	99%	95%	94%	87%	
High							
Buildings	1	1	1	1	1	1	18
Modulars	4	3	3	3	-	-	
Capacity	1,627	1,627	1,627	1,627	1,627	1,627	
Total capacity	1,787	1,747	1,747	1,747	1,627	1,627	
Enrollment	1,638	1,655	1,637	1,625	1,641	1,527	
Less: Online Students	6	12	48	37	92	*	
On-site Enrollment	1,632	1,643	1,589	1,588	1,549	1,527	
Percent Used	91%	94%	91%	91%	95%	94%	

* - Information not available.

Source: September 2014 facility capacity study by Facility Master Planning Committee.

REPORTS OF INDEPENDENT CERTIFIED
PUBLIC ACCOUNTANTS



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INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS

To the Board of Education of
Umatilla County School District No. 8R
Hermiston, Oregon

We have audited the basic financial statements of the Umatilla County School District No. 8R as of and for the year ended June 30, 2020, and have issued our report thereon dated November 20, 2020. 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.

Compliance

As part of obtaining reasonable assurance about whether Umatilla County School District No. 8R's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

In connection with our testing nothing came to our attention that caused us to believe Umatilla County School District No. 8R 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 Umatilla County School District No. 8R's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Umatilla County School District No. 8R's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Umatilla County School District No. 8R's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Education, and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these specified parties.

Barnett & Moro, P.C.

By: 

Richard L. Stoddard, Shareholder
Hermiston, Oregon
November 20, 2020

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MITCHELL L. BOYLAN, C.P.A.

GERALD J. MORO, C.P.A. EMERITUS

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

To the Board of Education of
Umatilla County School District No. 8R
Hermiston, Oregon

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 Umatilla County School District No. 8R, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Umatilla County School District No. 8R's basic financial statements, and have issued our report thereon dated November 20, 2020.

Internal control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Umatilla County School District No. 8R's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Umatilla County School District No. 8R's internal control. Accordingly, we do not express an opinion on the effectiveness of Umatilla County School District No. 8R's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Umatilla County School District No. 8R’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Barnett & Moro, P.C.



Richard L. Stoddard, Shareholder
November 20, 2020

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

To the Board of Education of
Umatilla County School District No. 8R
Hermiston, Oregon

Report on Compliance for Each Major Federal Program

We have audited Umatilla County School District No. 8R'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 Umatilla County School District No. 8R's major federal programs for the year ended June 30, 2020. Umatilla County School District No. 8R's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Umatilla County School District No. 8R's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Umatilla County School District No. 8R's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Umatilla County School District No. 8R's compliance.

Opinion on Each Major Federal Program

In our opinion, Umatilla County School District No. 8R, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of Umatilla County School District No. 8R, 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 Umatilla County School District No. 8R's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 Umatilla County School District No. 8R's internal control over compliance.

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

Barnett & Moro, P.C.



Richard L. Stoddard, Shareholder
November 20, 2020

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020

Program Title	Federal CFDA Number	Grant Period	Original Program or Grant amount	Receivable June 30, 2019	Revenue Recognized	Expenditures	Receivable/ (Deferred Revenue) June 30, 2020
U.S. DEPARTMENT OF EDUCATION							
<u>Passed through Oregon Department of Education</u>							
<u>Special Education Cluster (IDEA)</u>							
IDEA Part B, Section 611	84.027	7/1/18 - 9/30/20	\$ 803,243	\$ 115,719	\$ 555,302	\$ 555,302	\$ 24,673
IDEA Part B, Section 611	84.027	7/1/19 - 6/30/21	826,703	-	228,530	228,530	228,530
IDEA Part B, Section 611	84.027	7/1/18 - 6/30/19	5,109	5,109	-	-	-
IDEA Part B, Section 611	84.027	7/1/18 - 6/30/19	1,099	1,099	-	-	-
IDEA Part B, Section 611	84.027	7/1/19- 6/30/20	1,099	-	-	-	-
IDEA Part B, Section 611	84.027	10/1/18 - 9/30/19	7,957	(492)	7,756	7,756	-
IDEA Part B, Section 611	84.027	6/1/19-9/30/19	405	-	405	405	405
Special Ed Preschool Grant	84.173	7/1/17 - 9/30/19	7,087	6,897	-	-	-
Special Ed Preschool Grant	84.173	7/1/18 - 9/30/20	6,714	3,875	2,839	2,839	2,510
Special Ed Preschool Grant	84.173	7/1/19 - 9/30/21	4,825	-	4,825	4,825	4,825
Total Special Education Cluster (IDEA)			<u>1,664,241</u>	<u>132,206</u>	<u>799,656</u>	<u>799,656</u>	<u>260,943</u>
Title I-A	84.010	7/1/18 - 9/30/19	1,466,477	230,937	586,079	586,079	-
Title I-A	84.010	7/1/19 - 9/30/20	1,317,979	-	889,817	889,817	235,438
Career and Technical Education	84.048	7/1/18 - 9/30/19	49,805	8,734	-	-	-
Career and Technical Education	84.048	7/1/19 - 9/30/20	53,314	-	53,314	53,314	5,784
Title VI B - Rural and Low Income Schools	84.358	7/1/18 - 9/30/19	85,254	9,178	42,366	42,366	-
Title III - English Language Acquisition	84.365	7/1/18 - 9/30/19	132,368	13,925	47,453	47,453	-
Title III - English Language Acquisition	84.365	7/1/18 - 9/30/20	134,232	-	49,295	49,295	(406)
Title II-A Supporting Effective Instruction	84.367	7/1/18 - 9/30/19	168,534	24,825	64,915	64,915	-
Title II-A Supporting Effective Instruction	84.367	7/1/19 - 9/30/20	176,521	-	93,035	93,035	5,231
Title IV-A Student Support and Academic Enrichment	84.424	7/1/18 - 9/30/19	85,955	13,044	49,421	49,421	-
Title IV-A Student Support and Academic Enrichment	84.424	7/1/19 - 9/30/20	112,980	-	9,564	9,564	(1,458)
Elementary and Secondary School Emergency Rlf Fund	84.425D	3/13/20 - 9/30/22	1,085,039	-	90,877	90,877	90,877
Total passed through Oregon Department of Education:			<u>6,532,700</u>	<u>432,849</u>	<u>2,775,794</u>	<u>2,775,794</u>	<u>596,409</u>

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020

Continued from previous page

Program Title	Federal CFDA Number	Grant Period	Original Program or Grant amount	Receivable June 30, 2019	Revenue Recognized	Expenditures	Receivable/ (Deferred Revenue) June 30, 2020
U.S. DEPARTMENT OF EDUCATION							
<u>Passed through Local Education Service District</u>							
Title I-C Migrant Education	84.011	7/1/18 - 9/30/19	\$ 67,500	\$ 54,821	\$ 5,584	\$ 5,584	\$ -
Title I-C Migrant Education	84.011	7/1/19 - 9/30/20	71,000	-	53,887	53,887	-
Total passed through Local Education Service District:			<u>138,500</u>	<u>54,821</u>	<u>59,471</u>	<u>59,471</u>	<u>-</u>
<u>Passed through Oregon Department of Human Services</u>							
Youth Transition Program (YTP)	84.126A	7/1/19 - 6/30/21	64,530	-	13,283	13,283	5,905
Total passed through Oregon Department of Human Services:			<u>64,530</u>	<u>-</u>	<u>13,283</u>	<u>13,283</u>	<u>5,905</u>
Total U.S. Department of Education			<u>6,735,729</u>	<u>487,670</u>	<u>2,848,547</u>	<u>2,848,547</u>	<u>602,314</u>
U.S. DEPARTMENT OF AGRICULTURE							
<u>Passed through Oregon Department of Education</u>							
<u>Child Nutrition Cluster</u>							
USDA commodities	10.555	7/1/19 - 6/30/20	-	-	236,200	236,200	-
National School Lunch Program	10.555	7/1/19 - 6/30/20	-	81,855	1,290,356	1,290,356	96,100
National School Breakfast Program	10.553	7/1/19 - 6/30/20	-	23,347	415,744	415,744	46,312
Total Child Nutrition Cluster			<u>-</u>	<u>105,203</u>	<u>1,942,300</u>	<u>1,942,300</u>	<u>142,412</u>
National School SAE Admin	10.560	7/1/19 - 6/30/20	-	4,964	-	-	-
Total passed through Oregon Department of Education			<u>-</u>	<u>110,167</u>	<u>1,942,300</u>	<u>1,942,300</u>	<u>142,412</u>
Total U.S. Department of Agriculture			<u>-</u>	<u>110,167</u>	<u>1,942,300</u>	<u>1,942,300</u>	<u>142,412</u>
Total Federal Revenue and Expenditures			<u>\$ 6,735,729</u>	<u>\$ 597,837</u>	<u>\$ 4,790,847</u>	<u>\$ 4,790,847</u>	<u>\$ 744,725</u>

* Denotes major program

See note to schedule of expenditures of federal awards

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Note A - Basis of Accounting

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Umatilla County School District No. 8R and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

The District has a negotiated indirect cost rate of 5.68%, but elects to use a 1.00% rate.

Note B - Transfers

The accompanying schedule of expenditures of federal awards will not reconcile to the financial statements because \$24,000 was transferred from Title IV-A to Title II-A as allowed by the Every Student Succeeds Act (ESSA). Per Oregon Department of Education guidance, transferred funds take on the identity of the Title they are transferred to, however, the funds will still be drawn down from the original individual title subgrants. Therefore, these funds are tracked in the financial statements as Title II-A but are reported on the schedule of expenditures of federal awards as Title IV-A.

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R
HERMISTON, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unqualified opinion

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(s) identified? _____ yes X none reported
- Noncompliance material to financial Statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(s) identified? _____ yes X no

Type of auditor's report issued on compliance for major program:

unqualified opinion

- Any audit findings disclosed that are required to be reported in accordance with section 200.516 of Title 2 CFR Part 200? _____ yes X no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
CFDA #10.555	USDA commodities
CFDA #10.555	National School Lunch Program
CFDA #10.553	National School Breakfast Program

Dollar threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee? X yes _____ no

Section II-Financial Statement Findings

There are no financial statement award findings for the year ended June 30, 2020.

Section III-Federal Award Findings and Questioned Costs

There are no federal award findings or questioned costs for the year ended June 30, 2020.

UMATILLA COUNTY SCHOOL DISTRICT NO. 8R

SUMMARY SCHEDULE OF PRIOR YEAR'S AUDIT FINDINGS

Year Ended June 30, 2020

QUESTIONED COSTS:

There were no questioned costs for the year ended June 30, 2019.

FINDINGS:

There were no findings relative to federal awards for the year ended June 30, 2019.

**BOARD OF EDUCATION
UMATILLA COUNTY SCHOOL DISTRICT #8R, HERMISTON
HERMISTON, OREGON**

December 14, 2020

SUPERINTENDENT’S RECOMMENDATION

6.3 CONSENT ITEMS: Superintendent’s Office

6.3.1 TOPIC: Policy Review – First Reading

It is recommended.

RECOMMENDATION:

. that the Board of Education adopt the list of policies under review, as included:

GCBDA/GDBDA-AR	Federal Family and Medical Leave/State Family Medical Leave
IJ – OLD	Guidance Program/Child Development Specialist Program
IJ – NEW	School Counseling Program
IKFB	Graduation Exercises
JB	Equal Educational Opportunity
JFCM	Threats of Violence**
LBE	Public Charter Schools
LBE-AR – OLD	Public Charter Schools
LBE-AR – NEW	Public Charter Schools
LBEA	Resident Student Denial for Virtual Public Charter School Attendance**

bc

Hermiston School District 8R

Code: GCBDA/GDBDA-AR

Revised/Reviewed: 7/10/17

Federal Family and Medical Leave/State Family Medical Leave

Coverage

The federal Family and Medical Leave Act (FMLA) applies to districts with 50 or more employees within 75 miles of the employee's work site, based on employment during each working day during any of the 20 or more workweeks in the calendar year in which the leave is to be taken, or in the calendar year preceding the year in which the leave is to be taken. The 50 employee test does not apply to educational institutions for determining employee eligibility.

The Oregon Family Leave Act (OFLA) and the Oregon Military Family Leave Act (OMFLA) applies to districts that employ 25 or more part-time or full-time employees in Oregon, based on employment during each working day during any of the 20 or more workweeks in the calendar year in which the leave is to be taken, or in the calendar year immediately preceding the year in which the leave is to be taken.

Employee Eligibility

FMLA applies to employees who have worked for the district for at least 12 months (not necessarily consecutive) and worked for at least 1,250 hours during the 12-month period immediately preceding the start of the leave.

An employee who has previously qualified for and has taken some portion of FMLA leave may request additional FMLA leave within the same leave year. In such instances, the employee need not requalify as an eligible employee, if the additional leave applied for is in the same leave year and for the same condition.

OFLA applies to employees who work an average of 25 hours or more per week during the 180 calendar days or more immediately prior to the first day of the start of the requested leave.¹ For parental leave purposes, an employee becomes eligible upon completing at least 180 days immediately preceding the date on which the parental leave begins. There is no minimum average number of hours worked per week when determining employee eligibility for parental leave.

An employee who has previously qualified for and has taken some portion of OFLA leave, may request additional OFLA leave within the same leave year. In such instances, the employee must requalify as an eligible employee for each additional leave requested unless one of the following exceptions apply:

¹ The requirements of OFLA do not apply to any employer offering eligible employees a nondiscriminatory cafeteria plan, as defined by section 125 of the Internal Revenue Code of 1986, which provides as one of its options employee leave at least as generous as the leave required by OFLA.

1. A female employee who has taken 12 weeks of pregnancy disability leave need not requalify leave in the same leave year for any other purpose;
2. An employee who has taken 12 weeks of parental leave need not requalify to take an additional 12 weeks in the same leave year for sick child leave; and
3. An employee granted leave for a serious health condition for the employee or a family member need not requalify if additional leave is taken in this leave year for the same reason.

OMFLA applies to employees who work an average of at least 20 hours per week. There is no minimum number of days worked when determining employee eligibility for OMFLA.

In determining if an employee has been employed for the preceding 180 calendar days, when applicable, the employer must consider days, e.g., paid or unpaid, an employee is maintained on payroll for any part of a work week. Full-time public school teachers who have been maintained on payroll by a district for 180 consecutive calendar days are thereafter deemed to have been employed for an average of at least 25 hours per week during the 180 days immediately preceding the start date of the OFLA leave. This provision is eligible for rebuttal if for example, the employee was on a nonpaid sabbatical.

In determining average workweek, the employer must count the actual hours worked using the Fair Labor Standards Act (FLSA) guidelines.

Qualifying Reason

Eligible employees may access FMLA leave for the following reasons:

1. Serious health condition of the employee or the employee's covered family member:
 - a. Inpatient care;
 - b. Continuing treatment;
 - c. Chronic conditions;
 - d. Permanent, long-term or terminal conditions;
 - e. Multiple treatments;
 - f. Pregnancy and prenatal care.
2. Parental leave² (separate from eligible leave as a result of a child's serious health condition):
 - a. Bonding with and the care for the employee's newborn (within 12 months following birth);
 - b. Bonding with and the care for a newly adopted or newly placed foster child under the age of 18 (within 12 months of placement);
 - c. Care for a newly adopted or newly placed foster child over 18 years of age who is incapable of self-care because of a physical or mental impairment (within 12 months of placement);
 - d. Time to effectuate the legal process required for placement of a foster child or the adoption of a child.

² Parental leave must be taken in one continuous block of time within 12 months of the triggering event.

3. Military Caregiver Leave: leave for the care for spouse, son, daughter or next-of-kin who is a covered servicemember/veteran with a serious injury or illness;
4. Qualifying Exigency Leave: leave arising out of the foreign deployment of the employee's spouse, son, daughter or parent.

Eligible employees may access OFLA for the following reasons:

1. Serious health condition of the employee or the employee's covered family member:
 - a. Inpatient care;
 - b. Continuing treatment;
 - c. Chronic conditions;
 - d. Permanent, long-term or terminal conditions;
 - e. Multiple treatments;
 - f. Pregnancy and prenatal care.
2. Parental leave (separate from eligible leave as a result of the child's serious health condition):
 - a. Bonding with and the care for the employee's newborn (within 12 months following birth);
 - b. Bonding with and the care for a newly adopted or newly placed foster child under the age of 18 (within 12 months of placement);
 - c. Care for a newly adopted or newly placed foster child over 18 years of age who is incapable of self-care because of a physical or mental impairment (within 12 months of placement);
 - d. Time to effectuate the legal process required for placement of a foster child or the adoption of a child.
3. Sick Child Leave: leave for non-serious health conditions of the employee's child. For OFLA, sick child leave includes absence to care for an employee's child whose school or child care provider has been closed³ in conjunction with a statewide public health emergency declared by a public health official.⁴
4. Bereavement Leave: leave related to the death of a covered family member.⁵

³ "Closure" for the purpose of sick child leave during a statewide public health emergency declared by a public health official means a closure that is ongoing, intermittent, or recurring and restricts physical access to the child's school or child care provider. OAR 839-009-0210(4).

⁴ The district may request verification of the need for sick child leave due to a closure during a statewide emergency. Verification may include:

1. The name of the child being cared for;
2. The name of the school or child care provider that has closed or become unavailable; and
3. A statement from the employee that no other family member of the child is willing and able to care for the child. With the care of a child older than 14, a statement that special circumstances exist requiring the employee to provide care to the child during daylight hours.

⁵ Bereavement leave under OFLA must be completed within 60 days of when the employee received notice of the death.

5. Eligible employees may access OMFLA for the purpose of spending time with a spouse or same-gender domestic partner who is in the military and has been notified of an impending call or order to active duty, or who has been deployed during a period of military conflict.
6. The eligibility of an employee who takes multiple leaves for different qualified reasons during the same district designated leave period may be reconfirmed at the start of each qualified leave requested.

Definitions

1. Family member:

a. For the purposes of FMLA, “family member” means:

- (1) Spouse⁶;
- (2) Parent;
- (3) Child; or
- (4) Persons who are “in loco parentis”.

b. For the purposes of OFLA, “family member” means:

- (1) Spouse;
- (2) Registered, same-gender domestic partner;
- (3) Parent;
- (4) Parent-in-law;
- (5) Parent of employee’s registered, same-gender domestic partner;
- (6) Child;
- (7) Child of employee’s registered, same-gender domestic partner;
- (8) Grandchild;
- (9) Grandparent; or
- (10) Persons who are “in loco parentis”.

2. Child:

- a. For the purposes of FMLA, “child” means a biological, adopted or foster child, a stepchild, a legal ward or a child of a person standing “in loco parentis”, who is either under the age of 18, or who is 18 years of age or older and who is incapable of self-care because of a physical or mental impairment.
- b. For the purposes of Military Caregiver Leave and Qualifying Exigency Leave under FMLA, “child” means the employee’s son or daughter on covered active duty regardless of that child’s age.
- c. For the purposes of OFLA, “child” means a biological, adopted, foster child or stepchild of the employee, the child of the employee’s same-gender domestic partner, or a child with whom the employee is or was in a relationship of “in loco parentis”.

⁶ “Spouse” means individuals in a marriage, including “common law” marriage and same-sex marriage. For OFLA, spouse also includes same-sex individuals with a Certificate of Registered Domestic Partnership.

- d. For the purposes of parental and sick child leave under OFLA, the child must be under the age of 18 or an adult dependent child substantially limited by a physical or mental impairment.
3. In loco parentis:
- a. For the purposes of FMLA, “in loco parentis” means persons with day-to-day responsibility to care for and financially support a child, or, in the case of an employee, who had such responsibility for the employee when the employee was a child. A biological or legal relationship is not necessary.
 - b. For the purposes of OFLA, “in loco parentis” means person in the place of the parent having financial or day-to-day responsibility for the care of a child. A legal or biological relationship is not required.

4. Next of kin:

For the purposes of FMLA and Military Caregiver Leave under FMLA, “next of kin” means the nearest blood relative other than the servicemember’s spouse, parent, son or daughter in the following order of priority (unless otherwise designated in writing by the servicemember):

- a. Blood relatives who have been granted legal custody of the servicemember by court decree or statutory provisions;
- b. Brothers or sisters;
- c. Grandparents;
- d. Aunts and uncles; and
- e. First cousins.

5. Covered servicemembers:

For the purposes of Military Caregiver Leave under FMLA, “covered servicemember” means a current member of the Armed Forces, including a member of the National Guard or Reserves, who is receiving medical treatment, recuperation or therapy, or is in outpatient status, or is on the temporary disability retire list for a serious injury or illness.

6. Covered veteran:

For the purposes of Military Caregiver Leave under FMLA, “covered veteran” means a veteran who is undergoing medical treatment, recuperation or therapy for a serious injury or illness provided they were:

- a. A member of the Armed Forces (including a member of the National Guard or Reserves);
- b. Discharged or released under conditions other than dishonorable; and
- c. Discharged within the five-year period before the eligible employee first takes FMLA, Military Caregiver Leave.

Leave Period

For the purposes of calculating an employee’s leave period, the district will use a “rolling” 12-month period measured backward from the date the employee uses any family and medical leave. The same method for calculating the 12-month period for FMLA and OFLA leave entitlement shall be used for all

employees. However, in all instances, the leave period for the purposes of OMFLA and Military Caregiver Leave under FMLA shall be dependent on the start of any such leave regardless of the district's designated 12-month leave period described above.

Leave Duration

For the purposes of FMLA, an eligible employee is generally entitled to a total of 12 weeks of qualified leave during the district's designated leave period⁷. Spouses who work for the district may be limited to a combined 12 weeks of FMLA leave during the district's designated leave period when the purpose of the leave is for the birth of a child or to care for a child after birth, placement of an adopted or foster child or the care for an adopted or foster child after placement, or to care for the employee's parent's serious medical condition. Except in specific and unique instances, all qualified leave under FMLA counts toward an employee's leave entitlement within the district's designated leave period.

For the purposes of OFLA, an eligible employee is generally entitled to a total of 12 weeks of qualified leave during the district's designated leave period. However, a woman is entitled to an additional, full 12 weeks of parental leave during the district's designated leave period following the birth of a child regardless of how much OFLA qualified leave she has taken prior to the birth of such child during the district's designated leave period. Likewise, an employee who uses the full 12 weeks of parental leave during the district designated leave period, will be entitled to an additional 12 weeks of sick child leave under OFLA during the district's designated leave period for the purpose of caring for a child(ren) with a non-serious health condition requiring home care.⁸ Unlike FMLA, OFLA does not combine the leave entitlement for spouses working for the district. However, under OFLA, family members who work for the district may be restricted from taking concurrent OFLA qualified leave.⁹

For the purposes of OMFLA, an eligible employee is entitled to 14 days of leave per call or order to active duty or notification of a leave from deployment. When an employee also meets the eligibility requirements of OFLA, the duration of the OMFLA leave counts toward that employee's leave entitlement during the district's designated leave period.

Except as otherwise noted above, qualified leave under FMLA and OFLA for an eligible employee will run concurrently during the district's designated leave period.

⁷ An eligible employee taking Military Caregiver Leave under FMLA is entitled to up to 26 weeks of leave in the 12-month period beginning with the first day of such leave and regardless of any FMLA leave taken previously during the district's leave period. However, once the 12-month period begins for the purposes of Military Caregiver Leave under FMLA, any subsequent FMLA qualified leave, regardless of reason for such leave, will count toward the employee's 26-week entitlement under Military Caregiver Leave under FMLA.

⁸ Sick child leave under OFLA need not be provided if another family member, including a noncustodial biological parent, is willing and able to care for the child.

⁹ Exceptions to the ability to require family members from taking OFLA qualified leave at different times are when 1) employee is caring for the other employee who has a serious medical condition; 2) one employee is caring for a child with a serious medical condition when the other employee is suffering a serious medical condition; 3) each family member is suffering a serious medical condition; 4) each family member wants to take Bereavement Leave under OFLA; and 5) the employer allows the family members to take concurrent leave.

For the purpose of tracking the number of leave hours an eligible employee is entitled and/or has used during each week of the employee's leave, leave entitlement is calculated by multiplying the number of hours the eligible employee normally works per week by 12¹⁰.

If an employee's schedule varies from week-to-week, a weekly average of the hours worked over the 12 weeks worked prior to the beginning of the leave period shall be used for calculating the employee's normal workweek¹¹. If an employee takes intermittent or reduced work schedule leave, only the actual number of hours of leave taken may be counted toward the 12 weeks of leave to which the employee is entitled.

Intermittent Leave

With the exception of parental leave which must be taken in one continuous block of time, an eligible employee is permitted under FMLA and OFLA to take intermittent leave for any qualifying reason.

Intermittent leave is taken in multiple blocks of time (i.e., hours, days, weeks, etc.) rather than in one continuous block of time and/or requires a modified or reduced work schedule. For OFLA this includes but not limited to sick child leave taken requiring an altered or reduced work schedule because the intermittent or recurring closure of a child's school or child care provider due to a statewide public health emergency declared by a public health official.

When an employee is eligible for OFLA leave, but not FMLA leave, the employer:

1. May allow an exempt employee, as defined by state and federal law, with accrued paid time off to take OFLA leave in blocks of less than a full day; but
2. May not reduce the salary of an employee who is taking intermittent leave when they do not have accrued paid leave available. To do so would result in the loss of exemption under state law.

An employee's FMLA and/or OFLA intermittent leave time is determined by calculating the difference between the employee's normal work schedule and the number of hours the employee actually works during the leave period. The result of such calculation is credited against the eligible employee's leave entitlement.

Holidays or days in which the district is not in operation, are not counted against the eligible employee's intermittent OFLA leave period unless the employee was scheduled and expected to work on any such day.

Alternate Work Assignment

The district may transfer an employee recovering from a serious health condition to an alternate position which accommodates the serious health condition provided:

¹⁰ For example, an employee normally employed to work 30 hours per week is entitled to 12 times 30 hours, or a total of 360 hours of leave.

¹¹ For example, an employee working an average of 25 hours per week is entitled to 12 times 25 hours, or a total of 300 hours of leave.

1. The employee accepts the position voluntarily and without coercion;
2. The transfer is temporary, lasts no longer than necessary and has equivalent pay and benefits;
3. The transfer is compliant with any applicable collective bargaining agreement;
4. The transfer is compliant with state and federal law, including but not limited to the protections provided for in FMLA and/or OFLA; and
5. The transfer is not used to discourage the employee from taking FMLA and/or OFLA leave for a serious health condition or to create a hardship for the employee.

The district may transfer an eligible employee who is on a foreseeable intermittent FMLA and/or OFLA leave to another position with the same or different duties to accommodate the leave, provided:

1. The employee accepts the transfer position voluntarily and without coercion;
2. The transfer is temporary, lasts no longer than necessary and has equivalent pay and benefits;
3. The transfer is compliant with any applicable collective bargaining agreements;
4. The transfer is compliant with state and federal law, including but not limited to the protections provided for in FMLA and/or OFLA;
5. The transfer to an alternate position is used only when there is no other reasonable option available that would allow the employee to use intermittent leave or reduced work schedule; and
6. The transfer is not used to discourage the employee from taking intermittent or reduced work schedule leave, or to create a hardship for the employee.

If an eligible employee is transferred to an alternative position, and as a result the employee works fewer hours than the employee was working in the original position, the employee's FMLA and/or OFLA leave time is determined by calculating the difference between the employee's normal work schedule and the number of hours the employee actually works during the leave period. The result of such calculation is credited against the eligible employee's leave entitlement.

When an employee is transferred to alternate position as described above but such transfer does not result in a reduced schedule, time worked in any such alternate position shall not be considered for the purpose of FMLA and/or OFLA leave. An employee working in an alternate position retains the right to return to the employee's original position unless all FMLA and/or OFLA leave taken in that leave year plus the period of time worked in the alternate position exceeds 12 weeks.

Special Rules for School Employees

For the purposes of FMLA, "school employee" means those whose principal function is to teach and instruct students in a class, a small group or an individual settlement. Athletic coaches, driving instructors and special education assistants, such as interpreters for the hearing impaired, are included in this definition. This definition does not apply to teacher assistants or aides, counselors, psychologist, curriculum specialists, cafeteria workers, maintenance workers or bus drivers.

For the purposes of OFLA, “school employee” means employees employed principally as instructors in public kindergartens, elementary schools, secondary schools or education service districts.

FMLA and/or OFLA leave that is taken for a period that ends with the school year and begins with the next semester is considered consecutive rather than intermittent. In any such situation, the eligible school employee will receive any benefits during the break period that employees would normally receive if they had been working at the end of the school year.

1. Foreseeable Intermittent Leave Exceeding 20 Percent of Working Days

When the qualified leave is foreseeable, will encompass more than 20 percent of the eligible school employee’s regular work schedule during the leave period, and the purpose of such leave is to care for a family member with a serious medical condition, for a servicemember with a serious medical condition or because of the employee’s own serious medical condition, the district may require the eligible school employee to:

- a. Take leave for a period or periods of a particular duration, not greater than the duration of the planned treatment; or
- b. Temporarily transfer the eligible school employee to an alternate position for which the employee is qualified, which has equivalent pay and benefits and which better accommodates recurring periods of leave than the employee’s original position.

2. Limitation on Leave Near the End of the School Year

When an eligible school employee requests leave near the end of the school year, the district may require the following:

- a. When the qualified leave begins more than five weeks before the end of the school year:
 - (1) For the purposes of FMLA leave, the eligible school employee may be required to continue taking leave until the end of the school year provided:
 - (a) The leave will last at least three weeks; and
 - (b) The employee would return to work during the three-week period before the end of the term.
 - (2) For the purposes of OFLA leave, if the reason for the leave is because of the eligible school employee’s own serious health condition, the eligible school employee may be required to remain in leave until the end of the school year, provided:
 - (a) The leave will last at least three weeks; and
 - (b) The employee’s return to work would occur within three weeks of the end of the school year.
- b. For the purposes of FMLA and/or OFLA leave, when the qualified leave begins within five weeks of the end of the school year and the purpose of such leave is parental leave, for the serious health condition of a family member or for the serious health condition of a servicemember, the eligible school employee may be required to remain on leave until the end of the school year provided:

- (1) The leave will last more than two weeks; and
 - (2) The employee would return to work during the two-week period before the end of the school year.
- c. For the purposes of FMLA and/or OFLA leave, when the qualified leave begins within three weeks of the end of the school year and the purpose of such leave is parental leave, for the serious health condition of a family member or for the serious health condition of a servicemember, the eligible school employee may be required to remain on leave until the end of the school year provided the length of the leave will last more than five working days.

If the district requires an eligible school employee to remain on leave until the end of the school year as described above, additional leave required by the employer until the end of the school year shall not count against the eligible school employee's leave entitlement.

Paid/Unpaid Leave

FMLA and OFLA do not require the district to pay an eligible employee who is on a qualified leave. Subject to any related provisions in any applicable collective bargaining agreement, the district requires the eligible employee to use any available accrued sick leave, vacation or personal leave days (or other available paid time established by Board policy(ies) and/or collective bargaining agreement) in the order specified by the district and before taking FMLA and/or OFLA leave without pay during the leave period.

The district will notify the eligible employee that the requested leave has been designated as FMLA and/or OFLA leave and, if required by the district, that available accrued paid leave shall be used during the leave period. In the event the district is aware of an OFLA or FMLA qualifying exigency, the district shall notify the eligible employee of its intent to designate the leave as such regardless of whether a request has been made by the eligible employee. Such notification will be given to the eligible employee prior to the commencement of the leave or within two working days of the employee's notice of an unanticipated or emergency leave, whichever is sooner.

When the district does not have sufficient information to make a determination of whether the leave qualifies as FMLA or OFLA leave, the district will provide the required notice promptly when the information is available but no later than two working days after the district has received the information. Oral notices will be confirmed in writing no later than the following payday. If the payday is less than one week after the oral notice is given, written notice will be provided no later than the subsequent payday.

Eligible employees who request OMFLA leave shall not be required to use any available accrued paid time off during the OMFLA leave period.

Benefits and Insurance

When an eligible employee returns to work following a FMLA or OFLA qualified leave, the employee must be reinstated to the same position the employee held when the leave commenced, or to an equivalent position with equivalent benefits, pay and other terms and conditions of employment.

During an OFLA qualified leave an eligible employee does not accrue seniority or other benefits that would have accrued while the employee was working. The eligible employee is also subject to layoff to

the same extent similarly situated employees not taking OFLA leave are subject unless the terms of an applicable collective bargaining agreement, other agreement or the district's policies provide otherwise.

For the purposes of FMLA and OFLA, the district will continue to pay the employer portion of the eligible employee's group health insurance contribution (if applicable) during the qualified leave period. The eligible employee is required to pay the employee portion of any such group health insurance contribution as a condition of continued coverage.

For the purposes of FMLA qualified leave, the district's obligation to maintain the employee's group health insurance coverage will cease if the employee's contribution is remitted more than 30 calendar days late. The district will provide written notice that the premium payment is more than 30 calendar days late. Such notice will be provided within 15 calendar days before coverage is to cease.

For the purposes of OMFLA, the eligible employee is entitled to a continuation of benefits.

Fitness-for-Duty Certification

Prior to the reinstatement of an employee following a leave which was the result of the employee's own serious health condition, the district may require the employee to obtain and present a Fitness-for-Duty Certification. The certification will specifically address the employee's ability to perform the essential functions of the employee's job as they relate to the health condition that was the reason for the leave. If the district is going to require a fitness-for-duty certification upon return to work, the district must notify the employee of such requirement when the leave is designated as FMLA and/or OFLA leave. Failure to provide the certification may result in a delay or denial of reinstatement.

For the purposes of FMLA qualified leave, any costs associated with obtaining the fitness-for-duty certification shall be borne by the employee.

For the purposes of OFLA qualified leave, any out-of-pocket costs associated with obtaining the fitness-for-duty certification shall be borne by the district.

If the leave is qualified under both FMLA and OFLA, any out-of-pocket costs associated with obtaining the fitness-for-duty certification shall be borne by the district.

Application

Under federal and state law, an eligible employee requesting FMLA and/or OFLA leave shall provide at least 30 days' notice prior to the leave date if the leave is foreseeable. The notice shall be written and include the anticipated start date, duration and reasons for the requested leave. When appropriate, the eligible employee must make a reasonable effort to schedule treatment, including intermittent leave and reduced leave, so as not to unduly disrupt the operation of the district.

The district may request additional information to determine that the requested leave qualifies as FMLA and/or OFLA leave. The district may designate the employee as provisionally on FMLA and/or OFLA leave until sufficient information is received to properly make a determination. An eligible employee able to give advance notice of the need to take FMLA and/or OFLA leave must follow the employer's known, reasonable and customary procedures for requesting any kind of leave.

For the purposes of FMLA, if advance notice is not possible, an employee eligible for FMLA leave must provide notice as soon as practicable. “As soon as practicable,” for the purpose of FMLA leave, means the employee must comply with the employer’s normal call-in procedures except in limited and under unique circumstances. Failure of an employee to provide the required notice for FMLA leave may result in the district delaying the employee’s leave up to 30 days after the notice is ultimately given.

For the purposes of OFLA, an eligible employee is required to provide oral or written notice within 24 hours of commencement of the leave in unanticipated or emergency leave situations. The employee may designate a family member or friend to notify the district during that period of time. Failure of an employee to provide the required notice for leave covered by OFLA may result in the district deducting up to three weeks from the employee’s unused OFLA leave in that one-year leave period. The employee may be subject to disciplinary action for not following the district’s notice procedures.

When an employee fails to give advance notice for both the FMLA and OFLA above, the district must choose the remedy that is most advantageous to the employee.

In all cases, proper documentation must be submitted no later than three working days following the employee’s return to work.

Medical Certification

The district may require an eligible employee to provide medical documentation, when appropriate, to support the stated reason for such leave. The district will provide written notification to an employee of this requirement within five working days of the employee’s request for leave. If the employee provides less than 30 days’ notice, the employee is required to submit such medical certification no later than 15 calendar days after receipt of the district’s notification that medical certification is required.

The district may request re-certification of a condition when the minimum duration of a certification expires if continued leave is requested. If the certification does not indicate a duration or indicates that it is ongoing, the district may request re-certification at least every six months in connection with an absence.

Under federal law, a second medical opinion may be required whenever the district has reason to doubt the validity of the initial medical opinion. The health care provider may be selected by the district. The provider shall not be employed by the district on a regular basis. Should the first and second medical certifications differ, a third opinion may be required. The district and the employee will mutually agree on the selection of the health care provider for a third medical certification. The third opinion will be final. Second and third opinions and the actual travel expenses for an employee to obtain such opinions will be paid for by the district.

Second and Third Opinions

1. For the purposes of FMLA, the district may designate a second health care provider, but that person cannot be utilized by the district on a regular basis except in rural areas where health care is extremely limited. If the opinions of the employee’s and the district’s designated health care provider(s) differ, the district may require a third opinion at the district’s expense. The third health care provider must be designated or approved jointly by the employee and the district. This third opinion shall be final and binding.

2. For the purposes of OFLA, and except for leave related to sick child leave under OFLA, the district may require the employee to obtain a second opinion from a health care provider designated by the district. If the first and second verifications conflict, the employer may require the two health care providers to jointly designate a third health care provider for the purpose of providing a verification. This third verification shall be final and binding.

Notification

Any notice required by federal and state laws explaining employee rights and responsibilities will be posted in all staff rooms and the district office. Additional information may be obtained by contacting the human resources department.

Record Keeping/Posted Notice

The district will maintain all records as required by federal and state laws including dates leave is taken by employees, identified separately from other leave; hours/days of leave; copies of general and specific notices to employees, including Board policy(ies) and regulations; premium payments of employee health benefits while on leave and records of any disputes with employees regarding granting of leave.

Medical documentation will be maintained separately from personnel files as confidential medical records.

The district will post notice of FMLA and OFLA leave requirements.

Federal vs. State Law

Both federal and state law contain provisions regarding leave for family illness. Federal regulations state an employer must comply with both laws; that the federal law does not supersede any provision of state law that provides greater family leave rights than those established pursuant to federal law; and that OFLA and FMLA leave entitlements run concurrently. State law requires that FMLA and OFLA leave entitlements run concurrently when possible.

For example, due to differences in regulations, an eligible employee who takes OFLA leave after 180 days of employment, but before they are eligible for FMLA leave, is still eligible to take a full 12 workweeks of FMLA leave after meeting FMLA's eligibility requirements. Thereafter, any eligible leave period will run concurrently, when appropriate.

EMPLOYEE RIGHTS AND RESPONSIBILITIES UNDER THE FAMILY AND MEDICAL LEAVE ACT

Basic Leave Entitlement

FMLA requires covered employers to provide up to 12 weeks of unpaid, job-protected leave to eligible employees for the following reasons:

- For incapacity due to pregnancy, prenatal medical care or child birth;
- To care for the employee's child after birth, or placement for adoption or foster care;
- To care for the employee's spouse, son or daughter, or parent, who has a serious health condition; or
- For a serious health condition that makes the employee unable to perform the employee's job.

Military Family Leave Entitlements

Eligible employees with a spouse, son, daughter, or parent on covered active duty or call to covered active duty status may use their 12-week leave entitlement to address certain qualifying exigencies. Qualifying exigencies may include attending certain military events, arranging for alternative childcare, addressing certain financial and legal arrangements, attending certain counseling sessions, and attending post-deployment reintegration briefings.

FMLA also includes a special leave entitlement that permits eligible employees to take up to 26 weeks of leave to care for a covered servicemember during a single 12-month period. A covered servicemember is: (1) a current member of the Armed Forces, including a member of the National Guard or Reserves, who is undergoing medical treatment, recuperation or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness*; or (2) a veteran who was discharged or released under conditions other than dishonorable at any time during the five-year period prior to the first date the eligible employee takes FMLA leave to care for the covered veteran, and who is undergoing medical treatment, recuperation, or therapy for a serious injury or illness*.

***The FMLA definition of "serious injury or illness" for current servicemembers and veterans are distinct from the FMLA definition of "serious health condition".**

Benefits and Protections

During FMLA leave, the employer must maintain the employee's health coverage under any "group health plan" on the same terms as if the employee had continued to work. Upon return from FMLA leave, most employees must be restored to their original or equivalent positions with equivalent pay, benefits, and other employment terms. Use of FMLA leave cannot result in the loss of any employment benefit that accrued prior to the start of an employee's leave.

Eligibility Requirements

Employees are eligible if they have worked for a covered employer for at least 12 months, have 1,250 hours of service over the previous 12 months, and if at least 50 employees are employed by the employer within 75 miles.

Definition of Serious Health Condition

A serious health condition is an illness, injury, impairment, or physical or mental condition that involves either an overnight stay in a medical care facility, or continuing treatment by a health care provider for a condition that either prevents the employee from performing the functions of the employee's job, or prevents the qualified family member from participating in school or other daily activities.

Subject to certain conditions, the continuing treatment requirement may be met by a period of incapacity of more than three consecutive calendar days combined with at least two visits to a health care provider or one visit and a regimen of continuing treatment, or incapacity due to pregnancy, or

incapacity due to a chronic condition. Other conditions may meet the definition of continuing treatment.

Use of Leave

An employee does not need to use this leave entitlement in one block. Leave can be taken intermittently or on a reduced leave schedule when medically necessary. Employees must make reasonable efforts to schedule leave for planned medical treatment so as not to unduly disrupt the employer's operations. Leave due to qualifying exigencies may also be taken on an intermittent basis.

Substitution of Paid Leave for Unpaid Leave

Employees may choose or employers may require use of accrued paid leave while taking FMLA leave. In order to use paid leave for FMLA leave, employees must comply with the employer's normal paid leave policies.

Employee Responsibilities

Employees must provide 30 days advance notice of the need to take FMLA leave when the need is foreseeable. When 30 days' notice is not possible, the employee must provide notice as soon as practicable and generally must comply with an employer's normal call-in procedures. Employees must provide sufficient information for the employer to determine if the leave may qualify for FMLA protection and the anticipated timing and duration of the leave. Sufficient information may include that the employee is unable to perform job functions, the family member is unable to perform daily activities, the need for hospitalization or continuing treatment by a health care provider, or circumstances supporting the need for military family leave. Employees also must inform the employer if the requested leave is for a reason for which FMLA leave was previously taken or certified. Employees also may be required to provide a certification and periodic recertification supporting the need for leave.

Employer Responsibilities

Covered employers must inform employees requesting leave whether they are eligible under FMLA. If they are, the notice must specify any additional information required as well as the employees' rights and responsibilities. If they are not eligible, the employer must provide a reason for the ineligibility.

Covered employers must inform employees if leave will be designated as FMLA-protected and the amount of leave counted against the employee's leave entitlement. If the employer determines that the leave is not FMLA-protected, the employer must notify the employee.

Unlawful Acts by Employers

FMLA makes it unlawful for any employer to:

- Interfere with, restrain, or deny the exercise of any right provided under FMLA; and
- Discharge or discriminate against any person for opposing any practice made unlawful by FMLA or for involvement in any proceeding under or relating to FMLA.

Enforcement

An employee may file a complaint with the U.S. Department of Labor or may bring a private lawsuit against an employer. FMLA does not affect any Federal or State law prohibiting discrimination, or supersede any State or local law or collective bargaining agreement which provides greater family or medical leave rights.

FMLA section 109 (29 U.S.C. § 2619) requires FMLA covered employers to post the text of this notice. Regulations 29 C.F.R. § 825.300(a) may require additional disclosures.

For additional information:

1-866-4US-WAGE (1-866-487-9243) TTY: 1-877-889-5627

WWW.WAGEHOUR.DOL.GOV

U.S. Department of Labor | Wage and Hour Division

Hermiston School District 8R

Code: **IJ**
Adopted: 2/03/09
Revised/Readopted: 7/10/17
Orig. Code: IJ

Guidance Program/Child Development Specialist Program

(Version 1)

(See newly revised version 2; see summary for details.)

The district's counseling and guidance program focuses on the developmental needs of all students, K-12, based on the Oregon Department of Education's *Framework for Comprehensive Guidance and Counseling Programs for Pre-kindergarten through Twelfth Grade*.

The district's counseling and guidance program may include a child development specialist program for grade K-8 students and families who reside in the attendance areas of the schools.

Counselors/child development specialists demonstrate respect for each individual's dignity and worth and encourage each student to develop individual responsibility and decision-making skills. Counselors coordinate the school guidance program and involve staff members in designing and implementing plans to meet four major goals:

1. Educational Development – Students will develop an education plan and portfolio that utilizes educational opportunities and alternatives consistent with academic standards and their career aspirations;
2. Personal/Social Development – Students will develop appropriate interpersonal and communication skills for a variety of social and work settings; students will develop self-advocacy and decision-making skills, and confidence in their own abilities;
3. Career Development – Students in grades K-12 will develop career options consistent with their interests, abilities and values. Career development includes focus on vocation, avocation, family life, and citizenship.
4. Community involvement – Students will demonstrate the importance of making an individual contribution to the community through community service learning projects.

Counselors of students in grades 7-12 will develop and annually review an educational plan which creates education, career and life goals, identifies learning goals and activities.

Within the framework of the counseling and guidance goals, specific student and curricular objectives will be developed.

Within the areas of counseling and guidance responsibility, the counselor enters into professional relationships with three segments of the school community: students, school personnel and parents. Consistent with individual rights and the counselor's obligations as a professional, the counseling relationship and resulting information is, in most instances, protected as privileged communications by Oregon law.

When appropriate, counselors will be responsible for explaining the ramifications of confidentiality to students.

END OF POLICY

Legal Reference(s):

[ORS 40.245](#)

[ORS 326.565](#)

[ORS 326.575](#)

[ORS 329.603](#)

[ORS 336.187](#)

[OAR 581-021-0013](#)

[OAR 581-021-0046\(7\)](#)

[OAR 581-022-2030](#)

[OAR 581-022-2055](#)

[OAR 581-022-2060](#)

[OAR 581-022-2250](#)

Family Educational Rights and Privacy Act of 1974, 20 U.S.C. § 1232g (2018); Family Educational Rights and Privacy, 34 C.F.R. Part 99 (2019).

Protection of Pupil Rights, 20 U.S.C. § 1232h (2018); Student Rights in Research, Experimental Programs and Testing, 34 C.F.R. Part 98 (2019).

Hermiston School District 8R

Code: IJ
Adopted:

School Counseling Program

The district's coordinated comprehensive school counseling program supports the academic, career, social-emotional, and community involvement development of all students. Each school will have a comprehensive counseling program for students in grades K-12, which will be based on the Oregon Department of Education's *Oregon's Framework for Comprehensive School Counseling Programs*.¹

The district's comprehensive school counseling program may include a child development specialist program for grades K-8 students and families who reside in the attendance areas of district schools.

The district will adopt program goals, which will assist students to:

1. Understand and utilize the educational opportunities and alternatives available to them;
2. Meet academic standards;
3. Establish tentative career and educational goals;
4. Create and maintain an education plan and education portfolio;
5. Demonstrate the ability to utilize personal qualities, education and training, in the world of work;
6. Develop decision-making skills;
7. Obtain information about self;
8. Accept increasing responsibility for their own actions, including the development of self-advocacy skills;
9. Develop skills in interpersonal relations, including the use of effective and receptive communication;
10. Utilize school and community resources;
11. Demonstrate and discuss personal contributions to the larger community; and
12. Know where and how to utilize personal skills in making contributions to the community.

Consistent with individual rights and the counselor's obligations as a professional, the counseling relationship and resulting information may be protected as privileged communications by Oregon law.²

¹ Oregon Department of Education - [Comprehensive School Counseling](#)

² See ORS 40.245.

END OF POLICY

Legal Reference(s):

[ORS 40.245](#)

[ORS 326.565](#)

[ORS 326.575](#)

[ORS 329.603](#)

[ORS 336.187](#)

[OAR 581-021-0013](#)

[OAR 581-021-0046\(7\)](#)

[OAR 581-022-2030](#)

[OAR 581-022-2055](#)

[OAR 581-022-2060](#)

[OAR 581-022-2250](#)

Family Educational Rights and Privacy Act of 1974, 20 U.S.C. § 1232g (2018); Family Educational Rights and Privacy, 34 C.F.R. Part 99 (2019).

Protection of Pupil Rights, 20 U.S.C. § 1232h (2018); Student Rights in Research, Experimental Programs and Testing, 34 C.F.R. Part 98 (2019).

Hermiston School District 8R

Code: **IKFB**
Adopted: 8/03/04
Readopted: 7/10/17
Orig. Code: IKFB

Graduation Exercises

The Board believes that completion of the requirements for a diploma, a modified diploma, an extended diploma or an alternative certificate from public schools is an achievement that improves the community as well as the individual. The Board wishes to recognize this achievement in a publicly, celebrated graduation exercise.

Accordingly, appropriate graduation programs may be planned by the school on the date selected by the Board.

The school's valedictorian(s), salutatorian(s) or others, at the discretion of the principal or designee, may be permitted to speak as part of the district's planned graduation program. All speeches will be reviewed and approved in advance by the building principal or designee.

All students in good standing¹ who have successfully completed the requirements for a high school diploma, or qualifies to receive or receives a modified diploma, an extended diploma or an alternative certificate, including a student participating in a district-sponsored alternative education program and a student with disabilities receiving a document certifying successful completion of program requirements, shall have the option to participate in graduation exercises.

A student shall be allowed to wear a dress uniform issued to the student by a branch of the U.S. Armed Forces if the student:

1. Qualifies to receive a high school diploma, a modified diploma, an extended diploma or an alternative certificate; and
2. Has completed basic training for, and is an active member of, a branch of the U.S. Armed Forces.

Graduating students will be allowed to wear items of cultural significance, in accordance with consistently-enforced rules established by the principal or designee.

END OF POLICY

Legal Reference(s):

[ORS 329.451](#)
[ORS 332.107](#)
[ORS 339.505](#)
[ORS 343.295](#)

[OAR 581-021-0050](#)
[OAR 581-021-0055](#)
[OAR 581-021-0060](#)

[OAR 581-022-2000](#)
[OAR 581-022-2010](#)
[OAR 581-022-2015](#)
[OAR 581-022-2020](#)

¹ A student may be denied participation in graduation exercises for conduct that violates board policy, administrative regulation and/or code of conduct provisions.

31 Or. Atty. Gen. Op. 428 (1964)

Title IX of the Education Amendments of 1972, 20 U.S.C. §§ 1681-1683 (2018); Nondiscrimination on the Basis of Sex in Education Programs or Activities Receiving Federal Financial Assistance, 34 C.F.R. Part 106 (2020).

Kay v. David Douglas Sch. Dist. No. 40, 1987); cert. den., 484 U.S. 1032 (1988).

Doe v. Madison Sch. Dist. No. 321, 177 F.3d 789 (9th Cir. 1999).

Lee v. Weisman, 505 U.S. 577 (1992).

Hazelwood Sch. Dist. v. Kuhlmeier, 484 U.S. 260 (1988).

Hermiston School District 8R

Code: **JB**
Adopted: 7/02/09
Revised/Readopted: 7/24/17
Orig. Code: JB

Equal Educational Opportunity

Every student of the district will be given equal educational opportunities regardless of age, sex, sexual orientation¹, race, religion, color, national origin, disability, familial status, parental status, linguistic background, culture, socioeconomic status, capability or geographic location, or marital status.

No student will be excluded from participating in, denied the benefits of, or subjected to discrimination under any educational program or activity conducted by the district or denied access to facilities in the district.

A student or parent may also access and use the district's general complaint procedure through Board policy KL - Public Complaints.

All reports, complaints or information will be investigated.

The district will communicate the availability of policy and available complaint procedures to students and their parents through available district communication systems, handbooks, and will be published to the district website and made available at the district office during regular business hours.

A student of the district may not be subjected to retaliation by the district for the reason that the student has in good faith reported information that the student believes is evidence of a violation of a state or federal law, rule or regulation.

END OF POLICY

Legal Reference(s):

[ORS 174.100](#)
[ORS 192.630](#)
[ORS 326.051](#)
[ORS 329.025](#)
[ORS 332.107](#)
[ORS 336.086](#)

[ORS 659.850](#)
[ORS 659.852](#)
[ORS 659A.003](#)
[ORS 659A.006](#)
[ORS 659A.103 - 659A.145](#)
[ORS 659A.400](#)

[ORS 659A.403](#)
[ORS 659A.406](#)
[OAR 581-021-0045](#)
[OAR 581-021-0046](#)
[OAR 581-022-2310](#)
[OAR 839-003-0000](#)

Title VI of the Civil Rights Act of 1964, 42 U.S.C. § 2000d (2018); 28 C.F.R. §§ 42.101-42.106 (2019).

Rehabilitation Act of 1973, 29 U.S.C. §§ 791, 793-794 (2018); 34 C.F.R. Part 104 (2019).

Title IX of the Education Amendments of 1972, 20 U.S.C. §§ 1681-1683, 1701, 1703-1705 (2018); Nondiscrimination on the Basis of Sex in Education Programs or Activities Receiving Federal Financial Assistance, 34 C.F.R. Part 106 (2020).

¹ "Sexual orientation" means an individual's actual or perceived heterosexuality, homosexuality, bisexuality or gender identity, regardless of whether the individual's gender identity, appearance, expression or behaviors differs from that traditionally associated with the individual's sex at birth.

Americans with Disabilities Act of 1990, 42 U.S.C. §§ 12101-12213 (2018); 29 C.F.R. Part 1630 (2019); 28 C.F.R. Part 35 (2019).

Americans with Disabilities Act Amendments Act of 2008, 42 U.S.C. §§ 12101-12333 (2018).

Cross Reference(s):

AC - Nondiscrimination

ACA - Americans with Disabilities Act

Hermiston School District 8R

Code: JFCM
Adopted: 7/02/09
Revised/Readopted: 7/24/17
Orig. Code: JFCM

Threats of Violence**

The Board is committed to promoting healthy relationships and a safe learning environment. To this end, student threats of harm to self or others, threatening behavior or acts of violence, including threats to severely damage any district property, shall not be tolerated on district property or at activities under the jurisdiction of the district.

Students shall be instructed of the responsibility to inform a teacher, counselor or administrator regarding any information or knowledge relevant to conduct prohibited by this policy. Parents and others will be encouraged to report such information to the district. Staff shall immediately notify an administrator of any threat, threatening behavior or act of violence the staff member has knowledge of, has witnessed or received. All reports will be promptly investigated.

Students found in violation of this policy shall be subject to discipline up to and including expulsion. The principal shall notify the parent or guardian of any student in violation of this policy and the disciplinary action imposed. A referral to law enforcement shall be made for any infraction involving a student bringing, possessing, concealing or using a weapon or destructive device as prohibited by state and federal law and Board policy.

The district shall enforce this policy consistently, fairly and without bias against any student, including a student from a protected class as defined in Oregon Revised Statute 659.850.

The building principal shall, in determining appropriate disciplinary action, consider:

1. Immediately removing from the classroom setting any student who has threatened to injure another person or to severely damage district property;
2. Placing the student in a setting where the behavior will receive immediate attention from an administrator, counselor, licensed mental health professional or others;
3. Requiring the student to be evaluated by a licensed mental health professional before allowing the student to return to the classroom setting¹.

The district may enter into contracts with licensed mental health professionals to perform student evaluations. Funds for evaluations, other disciplinary options or other procedures as may be required by law and this policy shall be provided by the district.

The principal shall attempt to notify:

¹ A student removed from the classroom setting for an evaluation may not be removed for more than 10 school days unless the principal is able to show good cause that an evaluation could not be completed in that time period.

1. The parent or guardian of a student when the student’s name appears on a targeted list at school that threatens violence or harm to the students on the list or when threats of violence or harm to the student are made by another student;
2. Any district employee whose name appears on a targeted list at school threatening violence or harm to the district employee and when threats of violence or harm are made by a student or others at school.

The principal shall attempt to notify the above persons by telephone or in person promptly and within 12 hours of discovery of a targeted list or learning of a threat. Regardless, the principal shall issue a written follow-up notification within 24 hours of discovery of a targeted list or learning of a threat.

The principal will provide necessary information regarding threats of violence to law enforcement, child protective services and health-care professionals in connection with a health and safety emergency if knowledge of the information is necessary to protect the health and safety of the student or other individuals. Additionally, the principal may provide such information to other school officials, including teachers, within the district or other districts who have a legitimate educational interest in the student(s) consistent with state and federal education records laws and district policies.

The district or person participating in good faith in making the notification required by ORS 339.327 is immune from any liability, civil or criminal, that might otherwise be incurred or imposed with respect to the making or content of the notification.

As a part of the district’s proactive safety efforts, the superintendent will plan staff development activities designed to alert staff to early warning signs of possible violent behavior. Students so identified shall be referred to a counselor, licensed mental health professional and/or multidisciplinary team for evaluation and follow-up as appropriate.

END OF POLICY

Legal Reference(s):

[ORS 161.015](#)
[ORS 166.210 - 166.370](#)
[ORS 332.107](#)
[ORS 339.115](#)
[ORS 339.240](#)

[ORS 339.250](#)
[ORS 339.327](#)

[OAR 581-021-0050 - 021-0075](#)
[OAR 581-053-0010\(5\)](#)

[OAR 581-053-0230\(9\)\(k\)](#)
[OAR 581-053-0330\(1\)\(r\)](#)
[OAR 581-053-0430\(17\)](#)
[OAR 581-053-0531\(16\)](#)
[OAR 581-053-0630](#)

Gun-Free School Zones Act of 1990, 18 U.S.C. §§ 921(a)(25)-(26), 922(q) (2018).
 Individuals with Disabilities Education Act (IDEA), 20 U.S.C. §§ 1400-1419 (2018).
 Family Educational Rights and Privacy Act of 1974, 20 U.S.C. § 1232g (2018); Family Educational Rights and Privacy, 34 C.F.R. Part 99 (2019).

Cross Reference(s):

GBNA - Hazing/Harassment/Intimidation/Bullying/Menacing – Staff
 JFCF - Harassment/Intimidation/Bullying/Cyberbullying/Teen Dating Violence/Domestic Violence – Student
 JFCJ - Weapons in the Schools

Hermiston School District 8R

Code: **LBE**
Adopted: 1/02/01
Revised/Readopted: 8/09/05; 12/10/12; 1/13/15;
7/24/17; 6/10/19
Orig. Code: LBE

Public Charter Schools

Public charter schools may be established as a new public school or a virtual public school, from one or more existing public schools in the district or a portion of the school, or from an existing alternative education program. A public charter school may not convert an existing tuition-based private school into a charter school, affiliate itself with a nonpublic sectarian school or religious institution, or encompass all the schools in the district unless the district is composed of only one school.

Public charter schools shall demonstrate a commitment to the mission and diversity of public education while adhering to the following goals:

1. Increase student learning and achievement;
2. Increase choices of learning opportunities for students;
3. Better meet individual student academic needs and interests;
4. Build stronger working relationships among educators, parents and other community members;
5. Encourage the use of different and innovative learning methods;
6. Provide opportunities in small learning environments for flexibility and innovation;
7. Create new professional opportunities for teachers;
8. Establish additional forms of accountability for schools; and
9. Create innovative measurement tools.

An applicant must submit a complete public charter school proposal that meets the requirements of Oregon law, and includes other information required by the district in the application process.

The public charter school employer will be determined with each proposal. If the district is the employer, the terms of the current collective bargaining agreement will be examined to determine which parts of the agreement apply. If the district is not the sponsor of the public charter school, the district shall not be the employer and will not collectively bargain with public charter school employees.

The district will determine if it has any vacant or unused buildings and make a list of such buildings; buildings may be made available for public charter school use, subject to Board approval and Board policy.

Public charter school students may, upon request, be allowed to participate in district programs such as physical education, instrumental and vocal music offerings or other selected options if space and materials are available. Students must adhere to state law, Board policies, regulations and rules concerning student conduct and discipline.

The district will not provide instructional materials, lesson plans or curriculum guides for use in a public charter school.

Public charter school students in grades K-8 may participate in their resident district's activities that are offered before or after regular school hours. Public charter school students in grades 9-12 may participate in their resident district's available activities that are sanctioned by the Washington Interscholastic Activities Association (WIAA) when the requirements found in Oregon law are met.

The superintendent will develop administrative regulations to include, but not limited to, the proposal process, review and appeal procedures, and program evaluation, renewal, and termination.

END OF POLICY

Legal Reference(s):

[ORS 327.077](#)

[ORS 327.109](#)

[ORS 332.107](#)

[ORS 338](#)

[ORS 339.141](#)

[ORS 339.147](#)

[ORS 339.450](#)

[ORS 339.460](#)

[OAR 581-026-0005 - 0710](#)

Every Student Succeeds Act, 20 U.S.C. §§ 6311-6322 (2018).

Hermiston School District 8R

Code: **LBE-AR**
Revised/Reviewed: 1/11/16; 7/24/17; 2/10/20
Orig. Code: LBE-AR

Public Charter Schools

(Version 1)

(There is a new version of this AR; see summary for details.)

1. Definitions

- a. “Applicant” means any person or group that develops and submits a written proposal for a public charter school to the district.
- b. “Public charter school” means an elementary or secondary school offering a comprehensive instructional program operating under a written agreement entered into between the district and an applicant.
- c. “Virtual Public Charter School” means a public charter school that provides online courses, but does not primarily serve students in a physical location.
 - (1) For the purpose of this definition, an “online course” is a course in which instruction and content are delivered on a computer using the internet, other electronic network or other technology such as CDs or DVDs; the student and teacher are in different physical locations for the majority of instructional time; the student is not required to be in a physical location of a school while participating in the course; and the online instruction is integral to the academic program of the charter school.
 - (2) For the purpose of this definition, “primarily serving students in a physical location” means that more than 50 percent of the core courses offered are not online courses; more than 50 percent of the total number of students attending the school are not receiving instructional services in an online course; and more than 50 percent of the school’s required instructional hours are not through an online course.
- d. “Remote and necessary school district” means a school district that offers kindergarten through grade 12 and has: (a) an average daily membership (ADM), as defined in ORS 327.006, in the prior fiscal year of less than 110; and (b) a school that is located, by the nearest traveled road, more than 20 miles from the nearest school or from a city with a population of more than 5,000.
- e. “Sponsor” means the district Board.

2. Proposal Process

- a. The public charter school applicant shall submit the proposal to the district no later than 365 days prior to the proposed starting date.
- b. To be considered complete, the proposal for a public charter school shall include the following:
 - (1) The identification of the applicant;
 - (2) The name of the proposed public charter school;
 - (3) A description of the philosophy and mission of the public charter school and how it differs from the district’s current program and philosophy;

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- (4) A description of any distinctive learning or teaching techniques to be used;
- (5) A description of the curriculum of the public charter school;
- (6) A description of the expected results of the curriculum and the verified methods of measuring and reporting results that will allow comparisons with district schools;
- (7) The governance structure (public charter school board membership, selection, duties and responsibilities);
- (8) The projected enrollment including the ages or grades to be served;
- (9) The target population of students the public charter school is designed to serve;
- (10) The legal address, facilities and physical location of the public charter school and applicable occupancy permits and health and safety approvals;
- (11) A description of admission policies and application procedures;
- (12) The statutes and rules that shall apply to the public charter school;
- (13) The proposed budget and financial plan including evidence that the proposed budget and financial plan are financially sound;
- (14) A financial management system that includes:
 - (a) A description of a financial management system for the public charter school. The financial management system must include a budget and accounting system that:
 - (i) Is compatible with the budget and accounting system of the sponsor of the school; and
 - (ii) Complies with the requirements of the uniform budget and accounting system adopted by the State Board of Education under OAR 581-023-0035.
 - (b) A plan for having the financial management system in place at the time the school begins operating.
- (15) The standards for behavior and the procedures for the discipline, suspension or expulsion of students;
- (16) The proposed school calendar, including the length of the school day and length of the school year;
- (17) A description of the proposed school staff and required qualifications of teachers (including a breakdown of professional staff who hold a valid teaching license issued by the Teacher Standards and Practices Commission (TSPC) and those who do not hold a license but are registered with the TSPC) (At least one-half of the full-time equivalent teaching and administrative staff of the public charter school shall be licensed.);
- (18) The date upon which the public charter school would begin operating;
- (19) The arrangements for any necessary special education and related services for students with disabilities who qualify under the Individuals with Disabilities Education Act (IDEA) and special education or regular education and related services for students who qualify under Section 504 of the Rehabilitation Act of 1973 who may attend the public charter school;
- (20) Information on the manner in which community groups may be involved in the planning and development process of the public charter school;
- (21) The term of the charter;
- (22) The plan for performance bonding or insuring the public charter school, including buildings and liabilities;
- (23) A proposed plan for the placement of public charter school teachers, other employees and students upon termination or nonrenewal of a charter;

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- (24) The manner in which the public charter school program review and fiscal audit will be conducted;
- (25) In the case of a district school’s conversion to charter status, the following additional criteria must be addressed:
 - (a) The alternate arrangements for students who choose not to attend the public charter school and for teachers and other school employees who choose not to participate in the public charter school;
 - (b) The relationship that will exist between the public charter school and its employees including terms and conditions of employment.
- (26) The district will not complete the review required under ORS 338.055 of an application that does not contain the required components listed in ORS 338.045 (2)(a) - (y). A good faith determination of incompleteness is not a denial for purposes of requesting state board review under ORS 338.075;
- (27) In addition to the minimum requirements enumerated in ORS 338.045 (2)(a) - (y), the district, under ORS 338.045 (3), may require the applicant to submit any of the following information as necessary to add detail or clarity to the minimum requirements or that the Board considers relevant to the formation or operation of the public charter school:
 - (a) Curriculum, Instruction and Assessment
 - (i) Description of a curriculum for each grade of students, which demonstrates in detail alignment with Oregon’s academic content standards;
 - (ii) Description of instructional goals in relationship to Oregon’s academic content standards and benchmarks;
 - (iii) A planned course statement for courses taught in the program, including related content standards, course criteria, assessment practices and state required work samples that will be collected;
 - (iv) Documentation that reflects consideration of credits for public charter school course work a student may perform at any other public school;
 - (v) Explanation of grading practices for all classes and how student performance is documented;
 - (vi) Explanation of how the proposed academic program will be aligned with that of the district. (If an applicant is proposing an elementary level public charter school, please describe how the curriculum is aligned at each grade level with the district’s curriculum, including an explanation of how a student in the public charter school will be adequately prepared to re-enter the district’s public school system after completing the charter school’s program.);
 - (vii) Description of the student assessment system, including how student academic progress will be measured at each grade level and any specific assessment instruments that will be used;
 - (viii) Description of the plan for reporting student progress to parents, students and the community;
 - (ix) Description of policies and procedures regarding diplomas and graduation;
 - (x) Description of policies and practices for meeting the needs of students who are not successful in the regular program;

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- (xi) Identification of primary instructional materials by publisher, copyright date, version and edition for each academic content area in each grade;
- (xii) Identification of major supplementary material in core academic content areas and the criteria for use with students;
- (xiii) Description of how the public charter school will meet the unique learning needs of students working above and below grade level, including but not limited to, talented and gifted students;
- (xiv) Description of how the public charter school staff will identify and address students' rates and levels of learning;
- (xv) Description of strategies the public charter school staff will use to create a climate conducive to learning and positive student engagement;
- (xvi) Documentation that demonstrates improvements in student academic performance over time (both individual and program/grade level) from any private alternative school operated by the public charter school applicant, if applicable;
- (xvii) Description of how teachers will utilize current student knowledge and skills to assist in the design of appropriate instruction;
- (xviii) Identification of how the public charter school will provide access to national assessments such as PSAT, SAT and ACT, if applicable;
- (xix) Description of parental involvement, content of planned meetings and how the school will adjust any meeting to meet the needs of working parents;
- (xx) Description of distance learning options available to students, including the grade levels and amount of instruction offered to students, if applicable.

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(b) State and Federal Mandates/Special Education

- (i) Description of how the public charter school will meet any and all requirements of Every Student Succeeds Act (ESSA), which also specifically addresses adequate yearly progress (AYP) and the safe schools aspects of the law;
- (ii) Description of how the public charter school will collect AYP information on all subgroup populations in the school;
- (iii) Description of specific program information regarding curriculum and how specially designed instruction is delivered for special education students. (Include methodologies, data collection systems and service delivery models used.);
- (iv) Description of how the public charter school will serve the needs of talented and gifted students, including screening, identification and services;
- (v) Description of how the public charter school will deliver services and instruction to English Language Learners (ELL), including descriptions of curriculum, methodology and program accommodations;
- (vi) Description of how the public charter school will work with the district to comply with Section 504 accessibility requirements and nondiscrimination requirements in admissions and staff hiring;
- (vii) Explanation of how the public charter school will work with the district to implement Child Find requirements;
- (viii) Explanation of how the public charter school will work with the district to manage IDEA 2004 mandates regarding eligibility, individual education program (IEP) and placement meetings;

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- (ix) Explanation of how the public charter school will work with the district in which the public charter school is located to implement accommodations and modifications contained in the IEP or Section 504 plan;
- (x) Explanation of how the public charter school will work with the district to include parents in implementing IEPs;
- (xi) Explanation of how the public charter school intends to work with the district in which the public charter school is located to provide special education services for eligible students.

(c) Teacher Certification

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- (i) Identification regarding the training and/or certification of staff, including areas of industry training, endorsements and the TSPC licensure;
- (ii) Explanation of how the public charter school will comply with the TSPC requirements for all staff, including all TSPC Oregon Administrative Rules pertaining to its staff.

(d) Professional Development

- (i) Provide the public charter school's plan for comprehensive professional development for all staff;
- (ii) Identification of how the public charter school's licensed staff will obtain their required Continuing Professional Development units for licensure renewal.

(e) Budget

- (i) Explanation of projected budget item for the Public Employees Retirement System (PERS) contributions that would be required of the public charter school;
- (ii) Description of planned computer and technology support;
- (iii) Description of planned transportation costs, if applicable;
- (iv) Explanation of projected budget items for teaching salaries and other personnel contracts;
- (v) Explanation on facilities costs, including utilities, repairs, and rent;
- (vi) Copies of municipal audits for any other public charter school operated by the public charter school applicant, if applicable.

(f) Policy

Copies of any policy that the public charter school intends to adopt:

- (i) Which address expectations of academic standards for students and transcribing of credits;
- (ii) On student behavior, classroom management, suspensions and expulsions, which must contain an explanation of how the charter school will handle a student expelled from another district for reasons other than a weapons violation;
- (iii) Regarding corporal punishment including descriptions;

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- (iv) Regarding dispensing of medication to students who are in need of regular medication during school hours;
- (v) Regarding reviewing and selecting instructional materials;
- (vi) Regarding solicitation/advertising/fundraising by nonschool groups;
- (vii) Regarding field trips;
- (viii) Regarding student promotion and retention;
- (ix) Regarding student publications;
- (x) Regarding staff/student vehicle parking and use;
- (xi) Regarding diplomas and graduation, and also participation in graduation exercises;
- (xii) Regarding student/parent/public complaints;
- (xiii) Regarding visitors;
- (xiv) Regarding staff discipline, suspension or dismissal.

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(g) Other Information

- (i) Plans for use of any unique district facilities including, but not limited to, gymnasiums, auditoriums, athletic fields, libraries, cafeterias, computer labs and music facilities;
- (ii) Plans for child nutrition program(s);
- (iii) Plans for student participation in extracurricular activities pursuant to Oregon School Activities Association and Board policy, regulations and rules;
- (iv) Plans for counseling services;
- (v) Explanation of contingency plans for the hiring of substitute professional and classified staff;
- (vi) Description of how the public charter school will address the rights and responsibilities of students;
- (vii) Description of how the public charter school will handle situations involving student, possession, use or distribution of illegal drugs, weapons, flammable devices and other items that may be used to injure others;
- (viii) Description of procedures on how the public charter school will handle disciplinary referrals and how they will impact student promotion and advancement;
- (ix) Copies of program reviews conducted by other school districts that may have referred students to another public charter school operated by the public charter school applicant, if applicable;
- (x) Description of the typical school day for a student, including a master schedule, related activities, breaks and extracurricular options;
- (xi) Description of how student membership will be calculated, including a description of the type of instruction and location of instruction that contributes to ADM;
- (xii) Documentation and description of how long most students remain in the program, and documentation of student improvement in academic performance, disciplinary referrals, juvenile interventions, or any other disciplinary action while in the program;
- (xiii) Explanation of the legal relationship between the public charter school and any other public charter school, if applicable. (Please provide any contracts

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- or legal documents that will create the basis of the relationship between the entities. Please also provide all financial audits and auditor’s reports.);
- (xiv) If a public charter school applicant is operating any other public charter school, documentation that the public charter school applicant has established a separate Oregon nonprofit corporation, legally independent of any other public charter school in operation;
- (xv) If a public charter school applicant has not secured a facility at the time of submitting a public charter school proposal, a written and signed declaration of intent that states:

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If given any type of approval (conditional or unconditional), the public charter school applicant promises to provide to the school district liaison, at least sixty (60) days before the intended date to begin operation of the public charter school, proof that it will be able to secure, at least thirty (30) days before the intended date to begin operation of the public charter school, a suitable facility, occupancy and safety permits and insurance policies with minimum coverages required by the school district in school board policy and administrative regulation LBE that sets forth the requirements and process for the school board in reviewing, evaluating and approving a public charter school.

If the public charter school applicant fails to provide proof of an ability to secure a facility and all necessary occupancy and safety permits and insurance that is required by the school district as a condition of approval by the due date, it will withdraw its application to begin operation of a public charter school for the upcoming school year.

By signing this document, I affirm that I am authorized to make the promises stated above on behalf of the public charter school applicant. I understand that failure to fulfill the conditions listed above will result in an approval becoming void, and will automatically revoke any type of approval that the school board previously granted to the public charter school applicant.

 Name
 On behalf of the [ADD APPLICANT’S NAME] _____
 Date

The public charter school applicant will organize and label all information required in section 27 to correspond to the requested numbers.

- (28) Each member of the proposed public charter school’s governing body must provide an acknowledgment of understanding of the standards of conduct and the liabilities of a director of a nonprofit organization in ORS 65.

3. Proposal Review Process

- a. The superintendent may appoint an advisory committee to review public charter school proposals and submit a recommendation to the Board. The committee will consist of district representatives, community members and others as deemed appropriate.

- b. Within 30 business days of receipt of a proposal, the district will notify the applicant as to the completeness of the proposal and identify the specific elements of the proposal that are not complete. The district shall provide the applicant with a reasonable opportunity to complete the proposal.
- c. Within 60 days after the receipt of a completed proposal that meets the requirements of law and the district, the Board shall hold a public hearing on the provisions of the public charter school proposal.
- d. The Board must evaluate a proposal in good faith using the following criteria:

- (1) The demonstrated sustainable support for the proposal by teachers, parents, students and other community members, including comments received at the public hearing;
- (2) The demonstrated financial stability of the proposed public charter school including the demonstrated ability of the school to have a sound financial management system that:
 - (a) Is in place at the time the school begins operating;
 - (b) Is compatible with the budget and accounting system of the sponsor of the school; and
 - (c) Complies with the requirements of the uniform budget and accounting system adopted by the State Board of Education under OAR 581-023-0035.
- (3) The capability of the applicant in terms of support and planning to provide comprehensive instructional programs;
- (4) The capability of the applicant in terms of support and planning to provide comprehensive instructional programs to students identified by the applicant as academically low achieving;
- (5) The adequacy of the information provided as required in the proposal process criteria;
- (6) Whether the value of the public charter school is outweighed by any directly identifiable, significant and adverse impact on the quality of the public education of students residing in the district;

A “directly identifiable, significant and adverse impact” is defined as an adverse loss or reduction in staff, student, program or funds that may reduce the quality of existing district educational programs. This may include, but not be limited to, the following current data as compared to similar data from preceding years:

- (a) Student enrollment;
 - (b) Student teacher ratio;
 - (c) Staffing with appropriately licensed or endorsed personnel;
 - (d) Student learning and performance;
 - (e) Specialty programs or activities such as music, physical education, foreign language, talented and gifted and English as a second language;
 - (f) Revenue;
 - (g) Expenditure for maintenance and upkeep of district facilities.
- (7) Whether there are arrangements for any necessary special education and related services;
 - (8) Whether there are alternative arrangements for students, teachers and other school employees who choose not to attend or be employed by the public charter school if the public charter school is converting an existing district school;

- (9) The prior history, if any, of the applicant in operating a public charter school or in providing educational services.

- e. The Board must either approve or deny the proposal within 30 days of the public hearing.
- f. Written notice of the Board's action shall be sent to the applicant. If denied, the notice must include the reasons for the denial with suggested remedial measures. The applicant may then resubmit the proposal. The Board must either approve or deny the resubmitted proposal within 30 days. The Board may, with good cause, request an extension in the approval process timelines from the State Board of Education.

4. Terms of the Charter Agreement

- a. Upon Board approval of the proposal, the Board will become the sponsor of the public charter school. The district and the applicant must develop a written charter agreement, subject to Board approval, which shall act as the legal authorization for the establishment of the public charter school.
- b. The charter agreement shall be legally binding and must be in effect for a period of not more than five years but may be renewed by the district.
- c. The district and the public charter school may amend a charter agreement through joint agreement.
- d. It is the intent of the Board that the charter agreement be detailed and specific to protect the mutual interests of the public charter school and the district. The agreement shall incorporate the elements of the approved proposal and will address additional matters, statutes and rules not fully covered by law or the proposal that shall apply to the public charter school including, but not limited to, the following:

- (1) Sexual harassment (ORS 342.700, 342.704);
- (2) Pregnant and parenting students (ORS 336.640);
- (3) English language learners (ORS 336.079);
- (4) Student conduct (ORS 339.250);
- (5) Alcohol and drug abuse policy and plan (ORS 336.222);
- (6) Student records (ORS 326.565);
- (7) Oregon Report Card (ORS 329.115);
- (8) Recovery of costs associated with property damage (ORS 339.270);
- (9) Use of school facilities (ORS 332.172);
- (10) Employment status of public charter school employees:

- (a) Public charter school law requires the following:

- (i) Employee assignment to a public charter school shall be voluntary;
- (ii) A public charter school or the sponsor of the public charter school may be considered the employer of any employees of the public charter school;
- (iii) If the Board is not the sponsor of the public charter school, it shall not be the employer and shall not collectively bargain with the employees;
- (iv) A public charter school employee may be a member of a labor organization or organize with other employees to bargain collectively. The bargaining unit may be separate from other bargaining units of the district;
- (v) The public charter school governing body shall control the selection of employees at the public charter school;

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- (vi) The Board shall grant a leave of absence to any employee who chooses to work in the public charter school. The length and terms of the leave of absence shall be set by collective bargaining agreement or by Board policy; however, the length of leave of absence may not be less than two years unless:
 - 1) The charter of the public school is terminated or the public charter school is dissolved or closed during the leave of absence; or
 - 2) The employee and the Board have mutually agreed to a different length of time.

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- (vii) An employee of a public charter school operating within the district who is granted a leave of absence and returns to employment with the district shall retain seniority and benefits as an employee, pursuant to the terms of the leave of absence.

- (b) The terms and conditions of employment addressed in the agreement may include, but not limited to, the following provisions:
 - (i) A proposed plan for the placement of teachers and other school employees upon termination or nonrenewal of the charter;
 - (ii) Arrangements for employees who choose not to be employed or participate in the public charter school, if a district school has been converted to a public charter school;
 - (iii) Salary for professional staff or wages for classified staff;
 - (iv) Health benefits;
 - (v) Leaves, including timing, commencement and duration of leave; voluntary and involuntary termination and return to work; whether the leave is paid or unpaid; and a description of benefits upon termination of leave (i.e., same, similar or available position and salary schedule placement);
 - (vi) Work year;
 - (vii) Working hours;
 - (viii) Discipline and dismissal procedures;
 - (ix) Arrangements to secure substitutes;
 - (x) Arrangements to ensure that 50 percent of the total full-time equivalent teaching and administrative staff are licensed;
 - (xi) Hiring practices;
 - (xii) Evaluation procedures.

- (11) Student enrollment, application procedures and whether the public charter school will admit nonresident students and on what basis:

- (a) Public charter school law requires the following:
 - (i) Student enrollment shall be voluntary. If the number of applicants exceeds the capacity, students shall be selected through a lottery process. An equitable lottery may incorporate a weighted lottery for historically underserved students. All resident applicants will have their names written on a uniform-sized card to be placed in a covered container. Names will be drawn individually until all available slots are filled. If slots remain after

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resident applicants are placed, the remaining slots may be filled by nonresident applicants using an identical process. The drawing shall be made in the presence of at least two employees of the public charter school and two employees of the district. If the public charter school has been in operation one or more years, priority enrollment will be given to those students who:

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- 1) Were enrolled in the public charter school the prior year;
- 2) Have siblings who are presently enrolled in the public charter school and who were enrolled the prior year;
- 3) Only when the public charter school is party to a cooperative agreement for the purpose of forming a partnership to provide educational services, reside in:
 - a) The public charter school’s sponsoring district; or
 - b) A district which is a party to the cooperative agreement.

- (ii) A public charter school may not limit student admission based on ethnicity, national origin, race, religion, disability, sex, sexual orientation, income level, proficiency in the English language or athletic ability but may limit admission within a given age group or grade level and may implement a weighted lottery for historically underserved students. Historically underserved students are at risk because of any combination of two or more factors including their race, ethnicity, English language proficiency, socioeconomic status, gender, sexual orientation, disability and geographic location.

(12) Transportation of students:

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- (a) Public charter school law requires the following:

- (i) The public charter school shall be responsible for providing transportation for its students and may negotiate with the district for the provision of transportation services;
- (ii) The district shall provide transportation for public charter school students pursuant to ORS 327.043. Resident public charter school students will be transported under the same conditions as students attending private or parochial schools located along or near established district bus routes. The district shall not be required to add or extend existing bus routes;
- (iii) Public charter school students who reside outside the district may use existing bus routes and transportation services of the district in which the public charter school is located;
- (iv) Any transportation costs incurred by the district shall be considered approved transportation costs.

(13) The plan for performance bonding or insuring the public charter school sufficient to protect the district. Documentation shall be submitted prior to agreement approval.

(a) Insurance¹:

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- (i) Commercial General Liability Insurance in an amount of not less than \$1,000,000 combined single limit per occurrence/\$3,000,000 annual aggregate covering the public charter school, the governing board, employees and volunteers against liability for damages because of personal injury, bodily injury, death or damage to property including the loss of use thereof. Coverage to include, but not limited to, contractual liability, advertisers' liability, employee benefits liability, professional liability and teachers' liability;
 - E** (ii) Liability Insurance for Directors and Officers in an amount not less than \$1,000,000 each loss/\$3,000,000 annual aggregate covering the public charter school, the governing board, employees and volunteers against liability arising out of wrongful acts and employment practices. Continuous "claims made" coverage will be acceptable, provided the retroactive date is on the effective date of the charter;
 - (iii) Automobile Liability Insurance in an amount not less than \$1,000,000 combined single limit covering the public charter school, the governing board, employees and volunteers against liability for damages because of bodily injury, death or damage to property, including the loss of use thereof arising out of the ownership, operation, maintenance or use of any automobile. The policy will include underinsured and uninsured motorist vehicle coverage at the limits equal to bodily injury limits;
 - (iv) Workers' Compensation Insurance shall also be maintained pursuant to Oregon laws (ORS Chapter 656). Employers' liability insurance with limits of \$100,000 each accident, \$100,000 disease each employee and \$500,000 each policy limit;
 - (v) Honesty Bond to cover all employees and volunteers. Limits to be determined by the governing board, but no less than \$25,000. Coverage shall include faithful performance and loss of moneys and securities;
 - (vi) Property Insurance shall be required on all owned or leased buildings or equipment. The insurance shall be written to cover the full replacement cost of the building and/or equipment on an "all risk of direct physical loss basis," including earthquake and flood perils.

(b) Additional requirements:

- (i) The district shall be an additional insured on commercial general and automobile liability insurance. The policies shall provide for a 90-day written notice of cancellation or material change. A certificate evidencing all of the above insurance shall be furnished to the district;
- (ii) The public charter school shall also hold harmless and defend the district from any and all liability, injury, damages, fees or claims arising out of the operations of the public charter school operations or activities;
- (iii) The district shall be loss payee on the property insurance if the public charter school leases any real or personal district property;

¹ Insurance requirements for individual public charter schools may vary and should be reviewed by legal counsel and an insurance representative.

- (iv) The coverage provided and the insurance carriers must be acceptable to the district.

e. If the district and the public charter school enter a cooperative agreement with other school districts for the purpose of forming a partnership to provide educational services, then the agreement must be incorporated into the charter of the public charter school.

f. In addition to any other terms required to be in the charter agreement, a virtual public charter school must have in the charter of the school, a requirement that the school:

- (1) Monitor and track student progress and attendance; and
- (2) Provide student assessments in a manner that ensures that an individual student is being assessed and that the assessment is valid.

5. Public Charter School Operation

a. The public charter school shall operate at all times in accordance with the public charter school law, the terms of the approved proposal and the charter agreement.

b. Statutes and rules that apply to the district shall not apply to the public charter school except the following, as required by law, shall apply:

- (1) Federal law, including applicable provisions of the ESSA;
- (2) Public Records Law (ORS 192.311 to 192.478);
- (3) Public Meetings Law (ORS 192.610 to 192.690);
- (4) Public Contracting Code (ORS Chapters 279A, 279B and 279C);
- (5) Student records (ORS 326.565, 326.575 and 326.580);
- (6) Municipal Audit Law (ORS 297.405 to 297.555 and 297.990);
- (7) Criminal records check (ORS 181A.195, 326.603, 326.607 and 342.223);
- (8) Textbooks (ORS 337.150);
- (9) Considerations for educational services (ORS 339.119);
- (10) Use of personal electronic devices (ORS 336.840);
- (11) Tuition and fees (ORS 339.141, 339.147 and 339.155);
- (12) Core teaching standards (ORS 342.856);
- (13) Discrimination (ORS 659.850, 659.855 and 659.860);
- (14) Tort claims (ORS 30.260 to 30.300);
- (15) Employment Department Law (ORS Chapter 657);
- (16) Health and safety statutes and rules;
- (17) Any statute or rule listed in the charter;
- (18) The statewide assessment system developed by the Oregon Department of Education (ODE) for Mathematics, Science and English under ORS 329.485(2);
- (19) The academic content standards and instruction (ORS 329.045);
- (20) Physical education (ORS 329.496);
- (21) Any statute or rule that establishes requirements for instructional time;
- (22) Prohibition of infliction of corporal punishment (ORS 339.250(9));
- (23) Notice concerning students subject to juvenile court petitions (ORS 339.326);
- (24) Reporting of suspected abuse of a child and suspected sexual conduct, and training on prevention and identification of abuse and sexual conduct (ORS 339.370, 339.372, 339.388 and 339.400);
- (25) Diploma, modified diploma, extended diploma and alternative certificate standards (ORS 329.451);

- (26) Statutes and rules that expressly apply to public charter schools;
- (27) Statutes and rules that apply to special government body ORS 174.117, or public body ORS 174.109;
- (28) ORS Chapter 338.

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- c. The public charter school may employ as a teacher or administrator a person who is not licensed by the TSPC; however, at least one-half of the total full-time equivalent teaching and administrative staff at the public charter school shall be licensed by the commission, pursuant to ORS 342.136, 342.138 or 342.140.
- d. A board member of the school district in which the public charter school is located may not serve as a voting member of the public charter school's board, yet may serve in an advisory capacity.
- e. The public charter school shall participate in the PERS.
- f. The public charter school shall not violate the Establishment Clause of the First Amendment to the United States Constitution or Section 5, Article I of the Oregon Constitution, or be religion based.
- g. The public charter school shall maintain an active enrollment of at least 25 students, unless the public charter school is providing educational services under a cooperative agreement entered into for the purpose of forming a partnership to provide educational services.
- h. The public charter school may sue or be sued as a separate legal entity.
- i. The public charter school may enter into contracts and may lease facilities and services from the district, education service district, state institution of higher education, other governmental unit or any person or legal entity.
- j. The public charter school may not levy taxes or issue bonds under which the public incurs liability.
- k. The public charter school may receive and accept gifts, grants and donations from any source for expenditure to carry out the lawful functions of the school.
- l. The district shall offer a high school diploma, modified diploma, extended diploma, alternative certificate to any public charter school student located in the district who meets the district's and state's standards for a high school diploma, modified diploma, extended diploma, alternative certificate.
- m. A high school diploma, modified diploma, extended diploma, alternative certificate issued by a public charter school shall grant to the holder the same rights and privileges as a high school diploma, modified diploma, extended diploma, alternative certificate issued by a nonchartered public school.
- n. Upon application by the public charter school, the State Board of Education may grant a waiver of certain public charter school law provisions if the waiver promotes the development of programs by providers, enhances the equitable access by underserved families to the public education of their choice, extends the equitable access to public support by all students or permits high quality programs of unusual cost. This waiver request must specify the reasons the public charter school is seeking the waiver and further requires the public charter school to notify the sponsor if a waiver is being considered.

6. Virtual Public Charter School Operation

- a. In addition to the other requirements for a public charter school, a virtual public charter school must have:

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- (1) A plan for academic achievement that addresses how the school will improve student learning and meet academic content standards required by ORS 329.045;
- (2) Performance criteria the school will use to measure the progress of the school in meeting the academic performance goals set by the school for its first five years of operation;
- (3) A plan for implementing the proposed education program of the school by directly and significantly involving parents and guardians of students enrolled in the school and involving the professional employees of the school;
- (4) A budget, business plan and governance plan for the operation of the school;
- (5) An agreement that the school will operate using an interactive, Internet-based technology platform that monitors and tracks student progress and attendance in conjunction with performing other student assessment functions;
- (6) A plan that ensures:
 - (a) All superintendents, assistant superintendents and principals of the schools are licensed by the TSPC to administrate; and
 - (b) Teachers who are licensed to teach by the TSPC, teach at least 95 percent of the school's instructional hours.
- (7) A plan for maintaining student records and school records, including financial records, at a designated central office of operations;
- (8) A plan to provide equitable access to the education program of the school by ensuring that each student enrolled in the school:
 - (a) Has access to and use of a 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.
- (9) A plan to provide access to a computer and printer equipment and the Internet service cost reimbursement as described in (8) above by students enrolled in the school who are from families that qualify as low-income under Title I of the ESSA;
- (10) A plan to conduct school-sponsored optional educational events at least six times each school year at locations selected to provide convenient access to all students in the school who want to participate;
- (11) A plan to conduct biweekly meetings between teachers and students enrolled in the school, either in person or through the use of conference calls or other technology;
- (12) A plan to provide opportunities for face-to-face meetings between teachers and students enrolled in the school at least six times each school year;
- (13) A plan to provide written notice to both the sponsoring district and the district in which the student resides upon enrollment or withdrawal for a reason other than graduation from high school:
 - (a) If notice is provided due to enrollment, then the notice must include the student's name, age, address and school at which the student was formerly enrolled;
 - (b) If notice is provided due to withdrawal for a reason other than graduation from high school, then notice must include the student's name, age, address, reason for

withdrawal (if applicable) and the name of the school in which the student intends to enroll (if known).

- D** (14) An agreement to provide a student's education records to the student's resident school district or to the sponsor upon request of the resident school district or sponsor.
- b. The sponsor of a virtual public charter school or a member of the public may request access to any of the documents described in a. above.
 - c. If a virtual public charter school or the sponsor of a virtual public charter school contracts with a for-profit entity to provide educational services through the virtual public charter school, the for-profit entity may not be the employer of any employees of the virtual public charter school.
 - d. The following limitations apply:
 - (1) School board members of the virtual public charter school's sponsoring district may not be:
 - (a) An employee of the virtual public charter school;
 - (b) A member of the governing body of the virtual public charter school;
 - (c) An employee or other representative of any third-party entity with which the virtual public charter school has entered into a contract to provide educational services.
 - (2) Members of the governing body of the virtual public charter school may not be an employee of a third-party entity with which the virtual public charter school intends to enter or has entered into a contract to provide educational services;
 - (3) If a third-party entity contracts with a virtual public charter school to provide educational services to the school, then:
 - (a) No third-party entity's employee or governing board member may attend an executive session of the sponsoring district's school board;
 - (b) No virtual public charter school employee may promote the sale or benefits of private supplemental services or classes offered by the third-party entity;
 - (c) The educational services must be consistent with state standards and requirements;
 - (d) The virtual public charter school must have on file the third-party entity's budget for the provision of educational services, including itemization of:
 - (i) The salaries of supervisory and management personnel and consultants who are providing educational or related services for a virtual public charter school in this state; and
 - (ii) The annual operating expenses and profit margin of the third-party entity for providing educational services to a virtual public charter school in this state.

7. Charter Agreement Review

- a. The public charter school shall report at least annually on the performance of the school and its students to the State Board of Education and the district.
- b. The Board or designee shall visit the public charter school at least annually to assure compliance with the terms and provisions of the charter.

c. The public charter school shall be audited annually in accordance with the Municipal Audit Law. After the audit, the public charter school shall forward a copy of the audit to ODE and the following to the sponsoring district:

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- (1) A copy of the annual audit;
 - (2) Any statements from the public charter school that show the results of operations and transactions affecting the financial status of the charter school during the preceding annual audit period for the school; and
 - (3) Any balance sheet containing a summary of the assets and liabilities of the public charter school and related operating budget documents as of the closing date of the preceding annual audit period for the school.
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- d. The sponsoring district may request at any time an acknowledgment from each member of the public charter school governing body that the member understands the standards of conduct and liabilities of a director of a nonprofit organization.
- e. The public charter school shall submit to the Board quarterly financial statements that reflect the school's financial operations. The report shall include, but not be limited to, revenues, expenditures, loans and investments.

8. Charter School Renewal

- a. The first renewal of a charter shall be for the same time period as the initial charter. Subsequent renewals of a charter shall be for a minimum of five years but may not exceed 10 years.
- b. The Board and the public charter school shall follow the timeline listed below, unless a different timeline has been agreed upon by the Board and the public charter school:
- (1) The public charter school shall submit a written renewal request to the Board for consideration at least 180 days prior to the expiration of the charter;
 - (2) Within 45 days after receiving a written renewal request from a public charter school, the Board shall hold a public hearing regarding the renewal request;
 - (3) Within 30 days after the public hearing, the Board shall approve the charter renewal or state in writing the reasons for denying charter renewal;
 - (4) If the Board approves the charter renewal, the Board and the public charter school shall negotiate a new charter within 90 days unless the Board and the public charter school agree to an extension of the time period. Notwithstanding the time period specified in the charter, an expiring charter shall remain in effect until a new charter is negotiated;
 - (5) If the Board does not renew the charter, the public charter school may address the reasons stated for denial of the renewal and any remedial measures suggested by the Board and submit a revised request for renewal to the Board;
 - (6) If the Board does not renew the charter based on the revised request for renewal or the parties do not negotiate a charter contract within the timeline established in this policy, the public charter school may appeal the Board's decision to the State Board of Education for a review of whether the Board used the process required by Oregon law in denying the charter renewal.
- (a) If the State Board of Education finds that the Board used the appropriate process in denying the request for renewal, it shall affirm the decision of the Board. A public charter may seek judicial review of this order.

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- (b) If the State Board of Education finds that the Board did not use the appropriate process in denying the request for renewal, it shall order the Board to reconsider the request for renewal. If after reconsideration the Board does not renew the charter, the public charter school may seek judicial review of the Board's decision.

(7) The Board shall base the charter renewal decision on a good faith evaluation of whether the public charter school:

- (a) Is in compliance with all applicable state and federal laws;
- (b) Is in compliance with the charter of the public charter school;
- (c) Is meeting or working toward meeting the student performance goals and agreements specified in the charter or any other written agreements between the Board and the public charter school;
- (d) Is fiscally stable and used the sound financial management system described in the proposal submitted under ORS 338.045 and incorporated into the written charter agreement; and
- (e) Is in compliance with any renewal criteria specified in the charter of the public charter school.

(8) The Board shall base the renewal evaluation described above primarily on a review of the public charter school's annual performance reports, annual audit of accounts and annual site visit and review and any other information mutually agreed upon by the public charter school and the Board;

(9) For purposes of this section, the phrase "good faith evaluation" means an evaluation of all criteria required by this section resulting in a conclusion that a reasonable person would come to who is informed of the law and the facts before that person.

9. Charter School Termination

a. The public charter school may be terminated by the Board for any of the following reasons:

- (1) Failure to meet the terms of an approved charter agreement or any requirement of ORS Chapter 338 unless waived by the State Board of Education;
- (2) Failure to meet the requirements for student performance as outlined in the charter agreement;
- (3) Failure to correct a violation of federal or state law;
- (4) Failure to maintain insurance;
- (5) Failure to maintain financial stability;
- (6) Failure to maintain, for two or more consecutive years, a sound financial management system described in the proposal submitted under ORS 338.045 and incorporated into the written charter under ORS 338.065;
- (7) Failure to maintain the health and safety of the students.

b. If a charter school is terminated by the Board for any reason listed in sections a. (1) through a. (7) above, the following shall occur:

- (1) The district shall give the public charter school a 60-day written notification of its decision;
- (2) If the grounds for termination include failure to maintain financial stability or failure to maintain a sound financial management system, the sponsor and the public charter

school may agree to develop a plan to correct deficiencies. The plan to correct deficiencies will follow the process as per ORS 338.105;

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- (3) The district shall state the grounds for termination and deliver notification to the business office of the public charter school;
 - (4) The public charter school may request a hearing by the district. The request must be made in writing and delivered to the business address of the sponsor;
 - (5) Within 30 days of receiving the request for a hearing, the sponsor must provide the public charter school with the opportunity for a hearing on the proposed termination;
 - (6) The public charter school may appeal the decision to terminate to the State Board of Education;
 - (7) If the public charter school appeals the decision to terminate to the State Board of Education, the public charter school will remain open until the State Board issues its final order;
 - (8) If the State Board's final order upholds the decision to terminate and at least 60 days have passed since the notice of intent to terminate was received by the public charter school, the district's sponsorship of the public charter school will terminate;
 - (9) The final order of the State Board may be appealed under the provision of ORS 183.484;
 - (10) Throughout the ORS 183.484 judicial appeals process the public charter school shall remain closed;
 - (11) If terminated or dissolved, assets of the public charter school purchased by the public charter school with public funds, shall be given to the State Board of Education.

c. If the public charter school is terminated by the Board for any reason related to student health or safety as provided in section a. (7) above, the following shall occur:

- (1) If the district reasonably believes that a public charter school is endangering the health or safety of the students enrolled in the public charter school, the district may act to immediately terminate the approved charter and close the public charter school without providing the notice required in section b. (1) above;
- (2) A public charter school closed due to health or safety concerns may request a hearing by the sponsor. Such a request must be made in writing and delivered to the business address of the district;
- (3) Within 10 days of receiving the request for a hearing, the district must provide the public charter school with the opportunity for a hearing on the termination;
- (4) If the district acts to terminate the charter following the hearing, the public charter school may appeal the decision to the State Board of Education;
- (5) The State Board will hold a hearing on the appeal within 10 days of receiving the request;
- (6) The public charter school will remain closed during the appeal process unless the State Board orders the district not to terminate and to re-open the public charter school; and
- (7) The final order of the State Board may be appealed under the provisions of ORS 183.484.

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d. If the public charter school is terminated, closed or dissolved by the governing body of the public charter school, it shall be done only at the end of a semester and with 180 days' notice to the district, unless the health and safety of the students are in jeopardy. Such notice must be made in writing and be delivered to the business address of the sponsor.

Assets of a terminated, closed or dissolved public charter school that were obtained with grant funds will be dispersed according to the terms of the grant. If the grant is absent any reference to ownership or distribution of assets of a terminated, closed or dissolved public charter school, all assets will be given to the State Board of Education for disposal.

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10. District Immunity

The district, members of the Board and employees of the district are immune from civil liability with respect to the public charter school's activities.

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Hermiston School District 8R

Code: LBE-AR

Revised/Reviewed:

Public Charter Schools

1. Definitions

- a. “Applicant” means any person or group that develops and submits a written proposal for a public charter school to the district.
- b. “Public charter school” means an elementary or secondary school offering a comprehensive instructional program operating under a written agreement entered into between the district and an applicant.
- c. “Virtual public charter school” means a public charter school that provides online courses, but does not primarily serve students in a physical location as described in Oregon Administrative Rule (OAR) 581-026-0300.
- d. “Remote and necessary school district” means a school district that offers kindergarten through grade 12 and has: (a) an average daily membership (ADM), as defined in Oregon Revised Statute (ORS) 327.006, in the prior fiscal year of less than 110; and (b) a school that is located, by the nearest traveled road, more than 20 miles from the nearest school or from a city with a population of more than 5,000.
- e. “Sponsor” means the district or Board.

2. Proposal Process

- a. An applicant will issue a written statement of its intent to submit a proposal not less than 30 days prior to the submission date outlined below.
- b. An applicant shall submit a complete proposal for sponsorship of a public charter school by the Board, including items outlined in ORS 338.045, and any additional requirements as are required in the Board’s application for sponsorship, to the district office no less than 180 days prior to the proposed starting date of the proposed public charter school. The applicant shall also submit a copy of the same proposal to the State Board of Education.
- c. The district will complete the review process as outlined in Section 3 below.
- d. As part of the proposal, each member of the proposed public charter school’s governing body must provide an acknowledgment of understanding of the standards of conduct and the liabilities of a director of a nonprofit organization, as described in ORS Chapter 65, if the public charter school is organized as required by ORS 338.035(2)(a)(B) and (C).

3. Proposal Review Process

- a. Within 30 business days of receipt of a proposal, the district will notify the applicant as to the completeness of the proposal.
 - (1) If the Board determines the proposal is incomplete, the district will identify the specific elements of the proposal that are not complete and provide the applicant with a reasonable opportunity, as determined by the Board, to complete the proposal.

- (2) If after given a reasonable opportunity the applicant does not complete the required elements, the Board may disapprove¹ the proposal.
 - (3) An applicant, that has had a proposal disapproved pursuant to section (2) may appeal the Board's decision to the State Board of Education within 30 days of the disapproval.
 - (4) A good faith disapproval is not a denial for purposes of requesting a review by the State Board of Education under ORS 338.075.
- b. Within 60 days after the receipt of a completed proposal, or a final order issued by the Superintendent of Public Instruction remanding the proposal to the Board for consideration following a decision on an appeal, the Board shall hold a public hearing on the provisions of the public charter school proposal.
- c. The Board must evaluate a proposal in good faith using the following criteria:
- (1) The demonstrated sustainable support for the proposed charter school by teachers, parents, students and other community members, including comments received at the public hearing;
 - (2) The demonstrated financial stability of the proposed public charter school including the demonstrated ability of the school to have a sound financial management system that is in place at the time the school begins operating and meets requirements of ORS 338.095(1);
 - (3) The capability of the applicant, in terms of support and planning, to provide comprehensive instructional programs;
 - (4) The capability of the applicant, in terms of support and planning, to provide comprehensive instructional programs to students identified as academically low achieving;
 - (5) The adequacy of the information provided as required in the proposal criteria;
 - (6) Whether the value of the public charter school is outweighed by any directly identifiable, significant and adverse impact² on the quality of the public education of students residing in the district in which the public charter school will be located.
 - (7) Whether there are arrangements for any necessary special education and related services for students with disabilities;
 - (8) Whether there are alternative arrangements for students, teachers and other school employees who choose not to attend or who choose not to be employed by the public charter school; and
 - (9) The prior history, if any, of the applicant in operating a public charter school or in providing educational services.
- d. The Board must either approve or deny the proposal within 30 days of the public hearing. Written notice of the Board's action shall be sent to the applicant by the district.
- (1) If approved, the applicant shall also submit a copy of the approval to the State Board of Education.
 - (2) If denied, the notice must include the reasons for the denial with suggested remedial measures. The Board shall provide a reasonable opportunity for the applicant to amend

¹ The term "disapprove" is used for a proposal that is rejected due to being incomplete. See ORS 338.055(1)(c).

² A determination of whether an impact is directly identifiable, significant and adverse may include, but is not limited to student enrollment, student-teacher ratios, staff with requisite licensure or endorsement, student learning and performance, specialty programs, financial considerations, and maintenance capabilities.

and resubmit the proposal. The Board must either approve or deny the resubmitted proposal within 30 days of receipt. The Board may, with good cause, request an extension in the approval process timelines from the State Board of Education.

- e. If the Board denies the resubmitted proposal, the process ends. An applicant whose resubmitted proposal is not approved by the Board may request a review of that decision to the State Board of Education within 30 days of the disapproval.

4. Terms of the Charter Agreement

- a. Upon the approval of a proposal by the Board, the applicant, in cooperation with the district, must prepare and execute a written charter agreement, subject to Board approval, which shall act as the legal authorization for the establishment of the public charter school.
- b. The charter agreement shall be legally binding and must be in effect for a period of not more than five years but may be renewed by the Board.
- c. The Board and the public charter school may amend a charter agreement through joint agreement.
- d. The agreement shall incorporate the elements of the approved proposal, will address the requirements outlined in OAR 581-026-0100(2) and any additional requirements that may apply to the public charter school including, but not limited to, the following:
 - (1) Pregnant and parenting students (ORS 336.640);
 - (2) English language learners (ORS 336.079);
 - (3) Student conduct (ORS 339.250);
 - (4) Alcohol and drug abuse policy and plan (ORS 336.222);
 - (5) Oregon Report Card (ORS 329.115);
 - (6) Employment status of public charter school employees pursuant to ORS 338.135;
 - (7) Student enrollment, application procedures and whether the public charter school will admit nonresident students and on what basis pursuant to ORS 338.125.³
 - (8) Transportation of students shall comply with ORS 338.145;
 - (9) The plan for performance bonding or insuring the public charter school sufficient to protect the public charter school and the district from loss and liability and comply with Oregon law. Documentation shall be submitted prior to agreement approval.
- e. If the district and the public charter school enter a cooperative agreement with other school districts for the purpose of forming a partnership to provide educational services, then the agreement must be incorporated into the charter of the public charter school.

5. Public Charter School Operation

- a. The public charter school shall operate at all times in accordance with the laws and rules governing public charter school operation in the state of Oregon, including but not limited to ORS Chapter 338 and applicable OAR Chapter 581 Division 22, and the charter agreement.

³ Student enrollment shall be voluntary. A public charter school may not limit student enrollment based on ethnicity, national origin, race, religion, disability, sex, sexual orientation³, income level, the terms of an individualized education program, proficiency in the English language or athletic ability but may limit admission within a given age group or grade level, and may implement an equitable lottery if applications for enrollment exceed the capacity of a program, class, grade level or building pursuant to ORS 338.125.

- b. Upon application by the public charter school, the State Board of Education may grant a waiver of certain public charter school law provisions if the waiver promotes the development of programs by providers, enhances the equitable access by underserved families to the public education of their choice, extends the equitable access to public support by all students or permits high quality programs of unusual cost. This waiver request must specify the reasons the public charter school is seeking the waiver and further requires the public charter school to notify the sponsor if a waiver is being considered.

6. Virtual Public Charter School Operation

In addition to the other requirements for a public charter school, a virtual public charter school must comply with additional requirements pursuant to ORS 338.120.

7. Charter Agreement Review

- a. The public charter school shall report at least annually on the performance of the school and its students to ODE and the district.
- b. The public charter school shall be audited annually in accordance with the Municipal Audit Law. After the audit, the public charter school shall forward a copy of the annual audit to ODE and the following to the sponsoring district:
 - (1) A copy of the annual audit;
 - (2) Any statements from the public charter school that show the results of operations and transactions affecting the financial status of the public charter school during the preceding annual audit period for the school; and
 - (3) A balance sheet containing a summary of the assets and liabilities of the public charter school as of the closing date of the preceding annual audit period for the school.
- c. The district may request at any time an acknowledgment from each member of the public charter school board that the member understands the standards of conduct and liabilities of a director of a nonprofit organization, as those standards and liabilities are described in ORS Chapter 65.
- d. The public charter school shall submit to the district [quarterly] financial statements that reflect the school's financial operations. The report shall include, but not be limited to, revenues, expenditures, loans and investments.

8. Authorizing Duties

- a. The district shall designate a liaison to the public charter school for ease of communication between the district and the public charter school.
- b. The district shall ensure at all times that both the public charter school and the district are in compliance with the charter agreement, as per ORS 338.065(2).
- c. The district shall conduct:
 - (1) A comprehensive annual visit to the public charter school and written evaluation of the charter school's program, which should include an audit of the public charter school's academic, financial, and operational performance.
 - (2) A review of public charter school staff credentials to ensure that public charter school staff are properly licensed and/or registered with TSPC.
 - (3) A collection and review of all deliverables specified in the agreement.

- (4) A review of data to ensure the public charter school is making progress on reasonable, measurable written goals for academic, financial, and operational performance.
- (5) A review to ensure the public charter school is providing appropriate services to students who qualify, e.g., English learner supports.

9. Complaints Heard by the Charter School Board

A final decision reached by the public charter school board for a complaint that alleges a violation of ORS 339.285 - 339.303 or OAR 581-021-0550 - OAR 581-021-0570 (Restraint or Seclusion), ORS 659.850 (Discrimination), ORS 659.852 (Retaliation), or applicable OAR Chapter 581, Division 22 (Division 22 Standards), may be appealed to the Board of the Hermiston School District⁴. The complainant may file such appeal with the Board chair of the Hermiston School District. A final decision reached by the Board of the Hermiston School District will be the district's final decision and may be appealed to the Oregon Department of Education under OAR 581-002-0003 - 581-002-0005.

10. Charter School Renewal

- a. The first renewal of a charter agreement shall be for the same time period as the initial charter. Subsequent renewals of a charter agreement shall be for a minimum of five years but may not exceed 10 years.
- b. The Board and the public charter school shall follow the timeline listed below, unless a different timeline has been agreed upon by the Board and the public charter school:
 - (1) The public charter school board shall submit a written renewal request to the Board for consideration at least 180 days prior to the expiration of the charter agreement;
 - (2) Within 45 days after receiving a written renewal request from a public charter school, the Board shall hold a public hearing regarding the renewal request;
 - (3) Within 30 days after the public hearing, the Board shall approve the charter renewal or state in writing the reasons for denying charter renewal;
 - (4) If the Board approves the charter renewal, the district and the public charter school shall negotiate a new charter agreement within 90 days unless the district and the public charter school agree to an extension of the time period. Notwithstanding the time period specified in the charter agreement, an expiring charter agreement shall remain in effect until a new charter agreement is negotiated;
 - (5) If the Board does not renew the charter agreement, the public charter school board may address the reasons stated for denial of the renewal and any remedial measures suggested by the district and submit a revised request for renewal to the Board;
 - (6) If the Board does not renew the charter agreement based on the revised request for renewal the public charter school may appeal the Board's decision to the State Board of Education for a review of whether the Board used the process required by Oregon law in denying the charter agreement renewal pursuant to ORS 338.065(6).
 - (7) The Board shall base the charter agreement renewal decision on a good faith evaluation pursuant to ORS 338.065(8) and shall base the renewal evaluation described primarily on a review of the public charter school's annual performance reports, annual audit of

⁴ The district Board will hear this appeal as established through Board policy.

accounts and annual site visit and review as required by ORS 338.095 and any other information mutually agreed upon by the public charter school board and the Board.

For purposes of this section, the phrase “good faith evaluation” means an evaluation of all criteria required by ORS 338.065 resulting in a conclusion that a reasonable person would come to who is informed of the law and the facts before that person.

11. Charter School Termination

- a. The public charter school may be terminated by the Board for any of the following reasons:
 - (1) Failure to meet the terms of an approved charter agreement or any requirement of ORS Chapter 338 unless waived by the State Board of Education.
 - (2) Failure to meet the requirements for student performance as outlined in the charter agreement.
 - (3) Failure to correct a violation of federal or state law that is described in ORS 338.115.
 - (4) Failure to maintain insurance as described in the charter.
 - (5) Failure to maintain financial stability.
 - (6) Failure to maintain, for one or more consecutive years, a sound financial management system described in the proposal submitted under ORS 338.045 and incorporated into the written charter under ORS 338.065.
 - (7) Failure to maintain the health and safety of the students.
- b. If a public charter school is terminated by the Board for any reason listed in sections a.(1) through a.(6) above, the following shall occur:
 - (1) The Board shall give the public charter school board, at least 60 days prior to the proposed effective date of termination, written notification of its decision which shall state the grounds for termination.
 - (2) If the grounds for termination include failure to maintain financial stability or failure to maintain a sound financial management system, the Board and the public charter school may agree to develop a plan to correct deficiencies. The plan to correct deficiencies will follow a process outlined in ORS 338.105.
 - (3) The public charter school may request a hearing with the Board in relation to a termination or a plan to correct deficiencies. The request must be made in writing and delivered to the business address of the district.
 - (4) Following a hearing, a decision reached by the Board to terminate may be appealed by the public charter school to the State Board of Education.
- c. The Board may terminate a charter immediately and close the public charter school for endangering the health or safety of the students enrolled in the public charter school under ORS 338.105(4):
 - (1) A public charter school board may request, in writing and delivered to the business address of the district, a hearing with the Board.
 - (2) Within 10 days of receiving the request for a hearing, the Board must hold a hearing on the termination.
 - (3) If the Board acts to terminate the charter following the hearing, the public charter school may appeal the decision reached by the Board to the State Board of Education.

- (4) The public charter school will remain closed during the appeal process at the discretion of the Board unless the State Board of Education orders the Board not to terminate and to re-open the public charter school.
- d. If the charter agreement is terminated or a public charter school is closed or dissolved by the governing body of the public charter school, it shall be done only at the end of a semester and the public charter school board shall notify the district at least 180 days' prior to the proposed effective date of the termination, closure or dissolution. Such notice must be made in writing and be delivered to the business address of the district.
- e. If a charter agreement is terminated or a public charter school is dissolved, assets that were obtained with grant funds will be dispersed according to the terms of the grant. If the grant is absent any reference to ownership or distribution of assets of a terminated, closed or dissolved public charter school, all assets will be given to the State Board of Education for disposal.

Hermiston School District 8R

Code: **LBEA**
Adopted: 5/11/15
Revised/Readopted: 7/24/17

Resident Student Denial for Virtual Public Charter School Attendance**

The district will annually, by October 1, calculate the percentage of the number of students residing in the district, who are enrolled in a virtual public charter school not sponsored by the district. When the established percentage is more than three percent, the district will not approve additional students enrollment to a virtual public charter school, subject to the requirements in Oregon Administrative Rule (OAR) 581-026-0305 (2).

The district may send a notice of approval or disapproval to a parent¹ of a student who has sent a notice to the district of intent to enroll the student in a virtual public charter school not sponsored by the district (See OAR 581-026-0305 (3)). The district may respond with an approval or disapproval to a parent within eight business days of receipt of the notice from the parent.

The district is only required to use data that is reasonably available to the district, including but not limited to the following for such calculation:

1. The number of students residing in the district enrolled in the schools within the district;
2. The number of students residing in the district enrolled in public charter schools located in the district;
3. The number of students residing in the district enrolled in virtual public charter schools;
4. The number of home-schooled students who reside in the district and who have registered with the educational service district; and
5. The number of students who reside in the district enrolled in private schools located within the school district.

A parent may appeal a decision of a district to not approve a student enrollment to a virtual public charter school to the State Board of Education under OAR 581-026-0310.

END OF POLICY

Legal Reference(s):

[ORS 332.107](#)
[ORS 338.125](#)

[OAR 581-026-0305](#)
[OAR 581-026-0310](#)

¹ "Parent" means parent, legal guardian or person in "parental relationship" as defined in Oregon Revised Statute (ORS) 339.133.

**BOARD OF EDUCATION
UMATILLA COUNTY SCHOOL DISTRICT #8R, HERMISTON
HERMISTON, OREGON**

December 14, 2020

SUPERINTENDENT’S RECOMMENDATION

6.3 CONSENT ITEMS: Superintendent’s Office

6.3.2 TOPIC: Policy Review – Second Reading

It is recommended.

RECOMMENDATION:

. that the Board of Education adopt the list of policies under review, as included:

ACB - New	All Students Belong
ACB-AR - New	Bias Incident Complaint Procedure

bc

OSBA Model Sample Policy

Code: **ACB**

Adopted:

All Students Belong

All students are entitled to a high quality educational experience, free from discrimination or harassment based on perceived race, color, religion, gender identity, sexual orientation, disability or national origin.

All employees are entitled to work in an environment that is free from discrimination or harassment based on perceived race, color, religion, gender identity, sexual orientation, disability or national origin.

All visitors are entitled to participate in an environment that is free from discrimination or harassment based on perceived race, color, religion, gender identity, sexual orientation, disability or national origin.

“Bias incident” means a person’s hostile expression of animus toward another person, relating to the other person’s perceived race, color, religion, gender identity, sexual orientation, disability or national origin, of which criminal investigation or prosecution is impossible or inappropriate. Bias incidents may include derogatory language or behavior directed at or about any of the preceding demographic groups.

“Symbol of hate” means a symbol, image, or object that expresses animus on the basis of race, color, religion, gender identity, sexual orientation, disability or national origin including, the noose, swastika, or confederate flag¹, and whose display:

1. Is reasonably likely to cause a substantial disruption of or material interference with school activities; or
2. Is reasonably likely to interfere with the rights of students by denying them full access to the services, activities, and opportunities offered by a school.

The district prohibits the use or display of any symbols of hate on district grounds or in any district- or school-sponsored program, service, school or activity that is funded in whole or in part by monies appropriated by the Oregon Legislative Assembly, except where used in teaching curriculum that is aligned to the Oregon State Standards.

In responding to the use of any symbols of hate, the district will use non-disciplinary remedial action whenever appropriate.

The district prohibits retaliation against an individual because that person has filed a charge, testified, assisted or participated in an investigation, proceeding or hearing; and further prohibits anyone from coercing, intimidating, threatening or interfering with an individual for exercising any rights guaranteed under state and federal law.

Nothing in this policy is intended to interfere with the lawful use of district facilities pursuant to a lease or license.

¹ While commonly referred to as the “confederate flag,” the official name of the prohibited flag is the Battle Flag of the Armies of Northern Virginia.

The district will use administrative regulation ACB-AR - Bias Incident Complaint Procedure to process reports or complaints of bias incidents.

END OF POLICY

Legal Reference(s):

[ORS 659.850](#)
[ORS 659.852](#)

[OAR 581-002-0005](#)
[OAR 581-022-2312](#)

[OAR 581-022-2370](#)

Tinker v. Des Moines Indep. Cmty. Sch. Dist., 393 U.S. 503 (1969).
Dariano v. Morgan Hill Unified Sch. Dist., 767 F.3d 764 (9th Cir. 2014).
State v. Robertson, 293 Or. 402 (1982).

OSBA Model Sample Policy

Code: **ACB-AR**

Adopted:

Bias Incident Complaint Procedure

The term “bias incident” is defined in policy. Persons impacted by a bias incident shall be defined broadly to include individuals at whom an incident was directed as well as students in the larger school community likely to be impacted by the incident.¹

Step 1: When a staff member learns of a potential bias incident, the staff member will prioritize the safety and well-being of all persons impacted and immediately report the incident to the building or program administrator.

Step 2: The administrator or designee shall acknowledge receipt of the complaint and investigate any complaint of a bias incident. Responding staff will recognize the experience of all persons impacted, acknowledge the impact, commit to taking immediate action, and prevent further harm against those persons impacted from taking place. Redirection procedures, if any, will include:

- Educational components that address the history and impact of hate;
- Procedural components to ensure the safety, healing, and agency of those impacted by hate;
- Accountability and transformation for people who cause harm; and
- Transformation of the conditions that perpetuated the harm.

The administrator or designee must consider whether the behavior implicates other district policies or civil rights laws, and if so, respond accordingly.

The administrator or designee will make a decision within 10 days of receiving the complaint.

All persons impacted will be provided with information relating to the investigation and the outcome of the investigation. At a minimum, the information provided must include:

- That an investigation has been initiated;
- When the investigation has been completed;
- The findings of the investigation and the final determination based on those findings; and
- Actions taken with the person or persons who committed the harassing behavior to remedy the behavior and prevent reoccurrence when the actions relate directly to a person impacted by the event.

¹ The term “complainant” in this administrative regulation includes persons filing formal complaints and persons reporting bias incidents, regardless of whether the complainant is a victim. Similarly, the term “complaint” includes any report, information or complaint.

If any of the above information cannot be shared, a citation to the law prohibiting release and an explanation of how that law applies to the current situation will be provided.²

Step 3: If complainant or a respondent wishes to appeal the decision of the administrator or designee, the complainant or respondent may submit a written appeal to the superintendent within five school days after receipt of the administrator or designee's response to the complaint.

The superintendent or designee shall acknowledge receipt of the appeal and may meet with all parties involved. The superintendent or designee will review the merits of the complaint and the administrator or designee's decision. The superintendent or designee will respond in writing to the complainant within 10 school days.

The superintendent or designee will ensure that the requirements in Steps 1 and 2 (redirection procedures, notice, etc.) are continued to be met through Step 3, as appropriate.

Step 4: If the complainant or respondent is not satisfied with the decision of the superintendent or designee, a written appeal may be filed with the Board within five school days of receipt of the superintendent or designee's response to Step 3. The Board may decide to hear or deny the request for appeal at a Board meeting. The Board may use an executive session if the subject matter qualifies under Oregon law. If the Board decides to hear the appeal, the Board may meet with the concerned parties at the next regular or special Board meeting. The Board's decision will be final and will address each allegation in the complaint and contain reasons for the Board's decision. A copy of the Board's final decision shall be sent to the complainant in writing within 10 days of this meeting.

The Board will ensure that the requirements in Steps 1 and 2 (redirection procedures, notice, etc.) are continued to be met through Step 4, as appropriate.

Complaints can be filed with or communicated directly to the administrator or designee, in which case Step 1 will be skipped. Complaints against the administrator can be directed to the superintendent or designee and will begin at Step 3. Complaints against the superintendent or a Board member(s) can be directed to the Board and will begin at Step 4. If complaints begin later than Step 1, the individuals reviewing the complaint will ensure that all requirements are met.

The complainant, if a person who resides in the district, or a parent or guardian of a student who attends school in the district or a student, is not satisfied after exhausting local complaint procedures, the district fails to render a written decision within 30 days of submission of the complaint at any step or fails to resolve the complaint within 90 days of the initial filing of the complaint, may appeal³ the district's final decision to the Deputy Superintendent of Public Instruction under Oregon Administrative Rules (OAR) 581-002-0001 – 581-002-0023.

² Refer to policies GBL - Personnel Records, JOA - Directory Information and JOB - Personally Identifiable Information and district legal counsel for guidance in these situations. Possible laws include, but are not limited to, Title 34 C.F.R. § 99.31 and ORS 342.850.

³ An appeal must meet the criteria found in OAR 581-002-0005(1)(a).

Complaints may also be filed directly with the U.S. Department of Education Office for Civil Rights.⁴

District administration will develop and implement instructional materials to ensure that all school employees and staff are made aware of this procedure and related practices. The materials will include reporting procedures, educational processes, and possible consequences.

⁴ Complaints must meet criteria as established by law. For more information, visit <http://www.ed.gov/about/offices/list/ocr/complaintintro.html>

Board Members

Thu Dec 17, 2020

7am - 8am HAT Morning Meeting

Where: DO Boardroom
Calendar: Board Members
Created by: Briana Cortaberria

8am - 9am Board Debrief Meeting

Where: DO Supt's CR
Calendar: Board Members
Created by: Briana Cortaberria

Mon Dec 21, 2020

All day Winter Break

Mon Dec 21, 2020 - Fri Jan 1, 2021
Calendar: Board Members
Created by: Briana Cortaberria

Tue Dec 22, 2020

All day Winter Break

Mon Dec 21, 2020 - Fri Jan 1, 2021
Calendar: Board Members
Created by: Briana Cortaberria

Wed Dec 23, 2020

All day Winter Break

Mon Dec 21, 2020 - Fri Jan 1, 2021
Calendar: Board Members
Created by: Briana Cortaberria

8:30am - 9:30am Finance Committee Meeting

Where: Superintendent's Conference Room
Calendar: Board Members
Created by: Briana Cortaberria

Thu Dec 24, 2020

All day Winter Break

Mon Dec 21, 2020 - Fri Jan 1, 2021
Calendar: Board Members
Created by: Briana Cortaberria

Fri Dec 25, 2020

All day Winter Break

Mon Dec 21, 2020 - Fri Jan 1, 2021
Calendar: Board Members
Created by: Briana Cortaberria

Sat Dec 26, 2020

All day Winter Break

Mon Dec 21, 2020 - Fri Jan 1, 2021
Calendar: Board Members
Created by: Briana Cortaberria

Sun Dec 27, 2020

All day Winter Break

Mon Dec 21, 2020 - Fri Jan 1, 2021
Calendar: Board Members
Created by: Briana Cortaberria

Board Members

Mon Dec 28, 2020

- **All day Winter Break**
Mon Dec 21, 2020 - Fri Jan 1, 2021
Calendar: Board Members
Created by: Briana Cortaberria

Tue Dec 29, 2020

- **All day Winter Break**
Mon Dec 21, 2020 - Fri Jan 1, 2021
Calendar: Board Members
Created by: Briana Cortaberria

Wed Dec 30, 2020

- **All day Winter Break**
Mon Dec 21, 2020 - Fri Jan 1, 2021
Calendar: Board Members
Created by: Briana Cortaberria

Thu Dec 31, 2020

- **All day Winter Break**
Mon Dec 21, 2020 - Fri Jan 1, 2021
Calendar: Board Members
Created by: Briana Cortaberria

Fri Jan 1, 2021

- **All day Winter Break**
Mon Dec 21, 2020 - Fri Jan 1, 2021
Calendar: Board Members
Created by: Briana Cortaberria

Wed Jan 6, 2021

- **8am - 9am Board Meeting Agenda Review**
Calendar: Board Members
Created by: Briana Cortaberria
- **6pm - 7pm Bond Oversight Committee Meeting**
Where: HSD Boardroom
Calendar: Board Members
Created by: Briana Cortaberria

Mon Jan 11, 2021

- **6:30pm - 8pm Board Business Meeting**
Calendar: Board Members
Created by: Briana Cortaberria

Tue Jan 12, 2021

- **8am - 8:30am KOHU Odds & Ends Show**
Where: KOHU
Calendar: Board Members
Created by: Briana Cortaberria

Wed Jan 13, 2021

- **8am - 9am Board Debrief Meeting**
Where: DO Supt's CR
Calendar: Board Members
Created by: Briana Cortaberria

Board Members

Mon Jan 18, 2021

 **All day MLK Holiday - No School**

Mon Jan 18, 2021

Calendar: Board Members

Created by: Briana Cortaberria

Thu Jan 21, 2021

 **7am - 8am HAT Morning Meeting**

Where: DO Boardroom

Calendar: Board Members

Created by: Briana Cortaberria

Mon Jan 25, 2021

 **6:30pm - 8pm Board Special Meeting**

Calendar: Board Members

Created by: Briana Cortaberria

Wed Jan 27, 2021

 **8:30am - 9:30am Finance Committee Meeting**

Where: Superintendent's Conference Room

Calendar: Board Members

Created by: Briana Cortaberria

Thu Jan 28, 2021

 **All day End of 1st Semester**

Thu Jan 28, 2021

Calendar: Board Members

Created by: Briana Cortaberria

Fri Jan 29, 2021

 **All day Transition Day - Non Student Day**

Fri Jan 29, 2021

Calendar: Board Members

Created by: Briana Cortaberria

Sun	Mon	Tue	Wed	Thu	Fri	Sat
29	30	1	2	3 ● 5pm - December 3, 2020,	4	5
6	7	8	9 ● 8am - Board Meeting Agenda	10	11	12
13	14 ● 6:30pm - Board Business	15 ● 8am - KOHU Odds & Ends	16	17 ● 7am - HAT Morning Meeting @ ● 8am - Board Debrief Meeting	18	19
20	21	22	23	24	25	26
● Winter Break						
			● 8:30am - Finance Committee			
27	28	29	30	31	1	2
● Winter Break						

Sun	Mon	Tue	Wed	Thu	Fri	Sat
27	28	29	30	31	1	2
Winter Break						
3	4	5	6	7	8	9
			8am - Board Meeting Agenda 6pm - Bond Oversight			
10	11	12	13	14	15	16
6:30pm - Board Business	8am - KOHU Odds & Ends	8am - Board Debrief Meeting				
17	18	19	20	21	22	23
MLK Holiday - No School				7am - HAT Morning Meeting @		
24	25	26	27	28	29	30
6:30pm - Board Special			8:30am - Finance Committee	End of 1st Semester	Transition Day - Non Student	
31	1	2	3	4	5	6
			8am - Board Meeting Agenda			

Sun	Mon	Tue	Wed	Thu	Fri	Sat
31	1	2	3 ● 8am - Board Meeting Agenda	4	5	6
7 ● 6:30pm - Board Business	8 ● 8am - KOHU Odds & Ends	9 ● 8am - Board Debrief Meeting	10	11	12 ● Staff In-Service Day	13
14 ● Presidents' Day @ United	15	16	17	18 ● 7am - HAT Morning Meeting @	19	20
21 ● 6:30pm - Board Special	22	23	24 ● 8:30am - Finance Committee	25	26	27

**BOARD OF EDUCATION
UMATILLA COUNTY SCHOOL DISTRICT #8R, HERMISTON
HERMISTON, OREGON**

December 14, 2020

8.0 EXECUTIVE SESSION

The board of education will now meet in executive session pursuant to the following Oregon Revised Statute(s):

	Statutory Citation	Subject	Media Permitted?
	ORS 192.660(2)(a)	To consider the employment of a public officer, employee, staff member or individual agent.	Yes
	ORS 192.660(2)(b)	To consider the dismissal or disciplining of, or to hear complaints or charges brought against, a public officer, employee, staff member or individual agent who does not request an open hearing.	Yes
	ORS 192.660(2)(d)	To conduct deliberations with persons designated by the governing body to carry on labor negotiations.	No
X	ORS 192.660(2)(e)	To conduct deliberations with persons designated by the governing body to negotiate real property transactions.	Yes
	ORS 192.660(2)(f)	To consider information or records that are exempt by law from public inspection.	Yes
	ORS 192.660(2)(h)	To consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed.	No
X	ORS 192.660(2)(i)	To review and evaluate the employment-related performance of the chief executive officer of any public body, a public officer, employee or staff member who does not request an open hearing.	Yes
	ORS 192.660(2)(k)	To consider matters relating to school safety or a plan that responds to safety threats made toward a school.	Yes
	ORS 332.061(1)	To conduct a hearing to expel minor students or to examine confidential medical records	No

The Hermiston School District Board of Education will now meet in executive session pursuant to ORS **(per above)**. Representatives of the news media and designated staff shall be allowed to attend the executive session. All other members of the audience are asked to leave the room. Representatives of the news media are specifically directed not to report on or otherwise disclose any of the deliberations or anything said about these subjects during the executive session, except to state the general subject of the session as previously announced. No decision may be made in executive session, except for a student expulsion. At the end of the executive session, the board will return to open session and welcome the audience back into the room.

Attorney General's Public Records and Meetings Manual, p. K-9.

Board Policy BDC-AR: Executive Sessions – News Media
<http://policy.osba.org/hermiston/AB/BDC%20R%20G1.PDF>