LEBANON COMMUNITY SCHOOL DISTRICT
SCHOOL BOARD MEETING AGENDA
February 8, 2018, 6:00 PM
Santiam Travel Station
750 S. 3rd Street, Lebanon, Oregon 97355

A. WELCOME

1. **Call to Order**
2. **Flag Salute**

B. GOOD NEWS/COMMUNITY COMMUNICATIONS

1. Hamilton Creek School Presentation (Enclosure B-1) *–page 4*
2. Lacomb School Presentation (Enclosure B-2) *–page 13*
3. 2016-2017 Audit Presentation (Enclosure B-3) *–page 28*
4. LHS Student Representative

C. AUDIENCE COMMENTS

This is a time for citizens to address the Board. The Chair will recognize speaker(s) at the designated time. All speakers should identify themselves and state their name before speaking. Speakers are asked to write their name, address, and phone number. Each speaker will be allowed 3 minutes.

D. GENERAL BUSINESS

1. **Policies** (Enclosures D-1)
   a. **Action:** Adopt Revised Board Policies on First Reading
      i. DJFA: Credit Purchase Cards *–page 124*
      ii. DN: Disposal of District Property *–page 127*
      iii. DN-AR: Disposal of District Property (information only) *–page 128*
      iv. KL: Public Complaints *–page 129*
      v. KL-AR: Public Complaint Procedure *–page 132*
      vi. GBM: Staff Complaints *–page 136*
      vii. GMB-AR: Staff Complaints (delete) *–page 137*
      viii. BDDH: Public Comment *–page 141*
      ix. AC: Nondiscrimination *–page 146*
      x. AC-AR: Discrimination Complaint Procedure *–page 149*
      xi. IGBBC: Talent and Gifted – Programs and Services *–page 152*
      xii. JGAB: Use of Restraint and Seclusion *–page 153*
      xiii. KL-AR(2): Appeal to the Deputy Superintendent of Public Instruction (new) *–page 156*
      xiv. LGA: Compliance with State Standards (delete) *–page 158*
      xv. LGA-AR(1): Public Appeals and Complaints about Alleged Violations of State Standards (delete) *–page 160*
      xvi. LGA-AR(2): Direct Appeals to the State Superintendent of Public Instruction about Alleged Violations of Standards (delete) *–page 162*
   b. **Action:** Adopt Revised Board Policies on Second Reading
      i. CCG: Evaluation of Administrators *–page 164*
      ii. GCN/GDN: Evaluation of Staff *–page 170*
      iii. GCN-AR: Core Teaching Standards (delete) *–page 172*
      iv. GDN: Evaluation of Classified Staff (delete) *–page 173*
2. **Report:** English Language Learner (Enclosure D-2) *–page 174*
3. **Discussion:** CET Ad Hoc Committee Update (Enclosure D-3) *–page 205*
4. **Discussion:** Comparability Data (Enclosure D-4) *–page 206*
5. **Action:** Superintendent Contract (Enclosure D-5) *–page 222*

E. DEPARTMENT REPORTS

1. **Finance**
   a. **Report** (Enclosure E-1) *–page 230*
2. **Operations**
3. **Human Resources**

F. COMMUNICATION

1. **Board**

a. Ethics Commission Update

2. **Superintendent**

G. CONSENT AGENDA

1. **Action:** Approve January 11, 2018 Board Minutes and Budget Committee Minutes (Enclosure G-1) –*page 237*
2. **Action:** Approve Hiring
   a. Mitchell Robinson, Special Education Teacher – Green Acres School (Temporary 2017-2018 School Year)
   b. Madeline Lemerande, 4th Grade Teacher – Green Acres (Temporary 2017-2018 School Year)
   c. Timothy Faulconer, Math Teacher – Seven Oak Middle School (Temporary 2017-2018 School Year)
   d. Maura Kwiatowski, Executive Secretary to the Superintendent/School Board
3. **Action:** Approve Leave of Absence
   a. Whitney Hook, Personal Case Assistant – February 2018-June 2020

H. AUDIENCE COMMENTS

This is a time for citizens to address the Board. The Chair will recognize speaker(s) at the designated time. All speakers should identify themselves and state their name before speaking. Speakers are asked to write their name, address, and phone number. Each speaker will be allowed 3 minutes.

I. ADJOURN

The Lebanon Community School District Board of Directors welcomes you to our regular meeting. It is the Board's desire to hold an effective and efficient meeting to do the business of the District. In keeping with that objective the Board provides a place for AUDIENCE COMMENTS on each of its regular agendas. This is a time when you can provide statements or ask questions. The Board allows three minutes for each speaker. The following quote is instructive to the Board and its visitors.

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

"Other statutes, rules, charters, ordinances, and bylaws outside the Public Meetings Law may require governing bodies to hear public testimony or comment on certain matters. But in the absence of such a requirement, a governing body may conduct a meeting without any public participation. Governing bodies voluntarily may allow limited public participation at their meetings." Oregon Attorney General's Administrative Law Manual and Uniform and Model Rules of Procedure under the Administrative Procedures Act. Hardy Myers, Attorney General, March 27, 2000.

FUTURE MEETINGS

March 8, 2018 – 6 PM	Santiam Travel Station
April 12, 2018 – 6 PM	Santiam Travel Station
April 26, 2018 – 6 PM	Santiam Travel Station
May 10, 2018 – 6 PM	Santiam Travel Station
June 14, 2018 – 6 PM	Santiam Travel Station

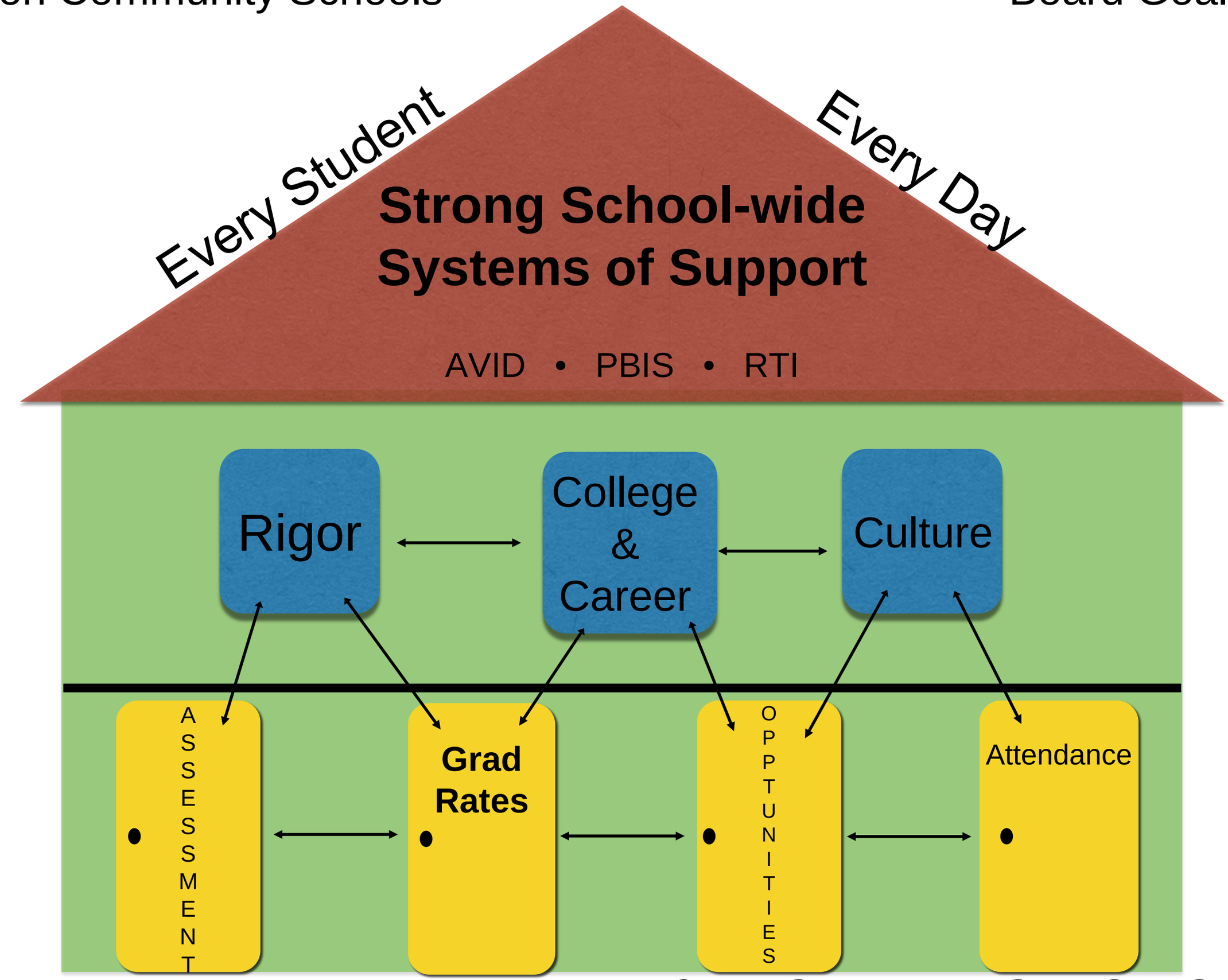
LEBANON COMMUNITY SCHOOL DISTRICT
SCHOOL BOARD MEETING AGENDA – EXECUTIVE SESSION
February 8, 2018, 8:00 PM (or immediately following regular session)
Santiam Travel Station
750 S. 3rd Street, Lebanon, Oregon 97355

A. CALL TO ORDER UNDER:

ORS 192.660(2)(d): *To conduct deliberations with persons designated by the governing body to carry on labor negotiations.*

B. DISCUSSION

C. ADJOURN



Pursuing Excellence for *Hamilton Creek School*

Strong School-wide Systems of Support

"Empowering Each Other, Creating Community, Working Hard"

- **AVID:** College & Career Readiness for all Grades 2-8
- **RTI:** Providing differentiated academic support for all
- **PBIS:** Providing differentiated behavior support for all

Welcome to Hamilton Creek School Home of the Cougars

Empowering Each Other, Creating Community, Working Hard!

Hamilton Creek School Graduation Prep

AVID Goals: ***Organization, Inquiry, notebooks & note taking***

Goal setting for STAR, KAP, and SBAC

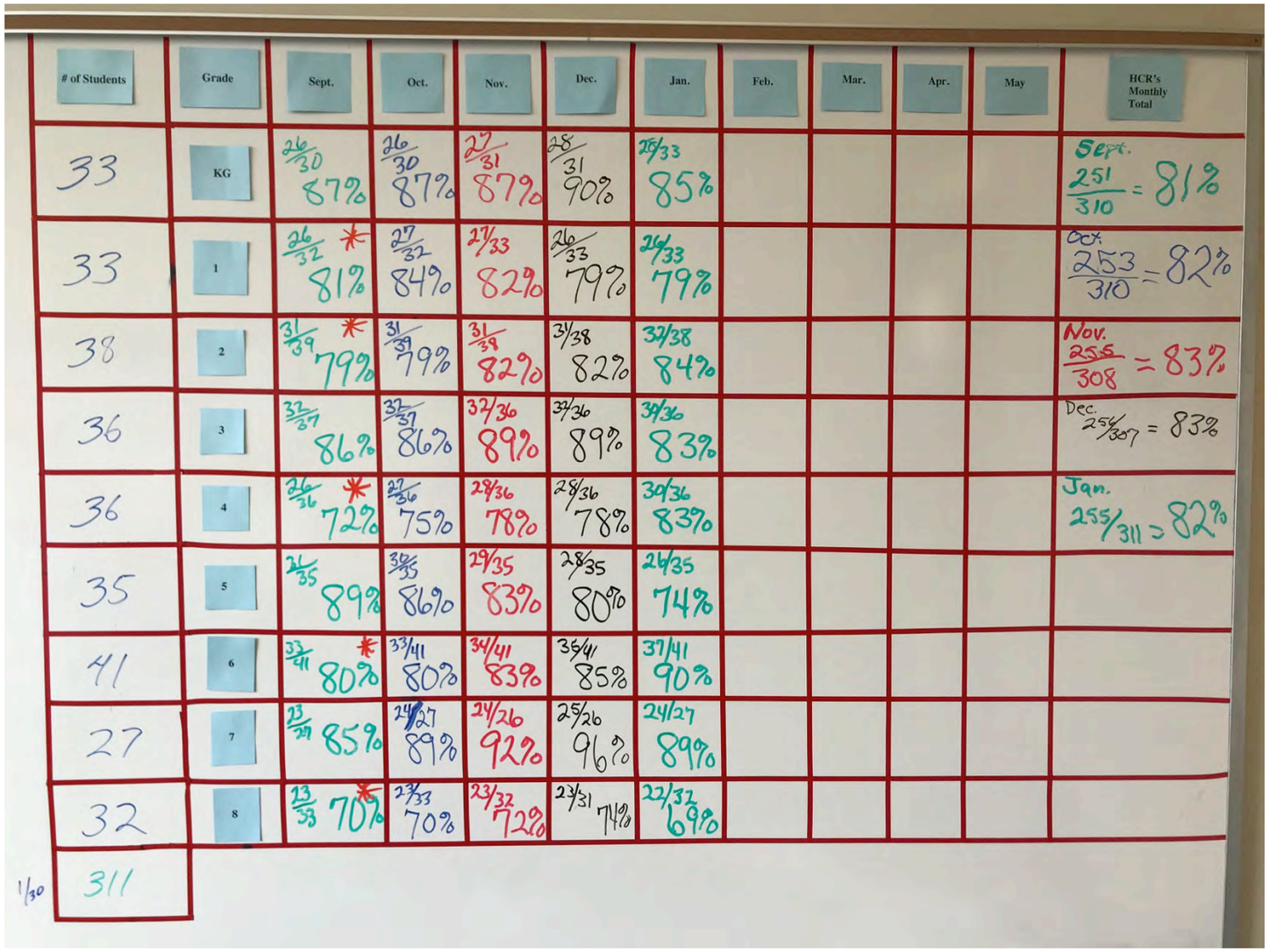
College Field Trips: ***Our 6th – 8th grade***

Advance Math for middle school students: 6th & 7th, *Algebra & Geometry*

High School forecasting

Hamilton Creek School Attendance

Regular attenders: Percent of students attending at least 90% of total school days.



# of Students	Grade	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	HCR's Monthly Total
33	KG	26/30 87%	26/30 87%	27/31 87%	28/31 90%	28/33 85%					Sept. 251/310 = 81%
33	1	26/32 * 81%	27/32 84%	27/33 82%	26/33 79%	26/33 79%					Oct. 253/310 = 82%
38	2	31/39 * 79%	31/39 79%	31/38 82%	31/38 82%	32/38 84%					Nov. 255/308 = 83%
36	3	32/37 86%	32/37 86%	32/36 89%	32/36 89%	30/36 83%					Dec. 254/307 = 83%
36	4	26/36 * 72%	27/36 75%	28/36 78%	28/36 78%	30/36 83%					Jan. 255/311 = 82%
35	5	31/35 89%	30/35 86%	29/35 83%	28/35 80%	26/35 74%					
41	6	33/41 * 80%	33/41 80%	34/41 83%	35/41 85%	37/41 90%					
27	7	23/27 85%	24/27 89%	24/26 92%	25/26 96%	24/27 89%					
32	8	23/33 * 70%	23/33 70%	23/32 72%	23/31 74%	22/32 69%					
1/30 311											

Hamilton Creek School Assessment

Hamilton Creek 2016-2017 SBAC scores compared to Oregon

ELA Grade	Hamilton Creek	State	Math Grade	Hamitlon Creek	State
Grade 3	39%	45.0%	**Grade 3**	46%	45.0%
Grade 4	28%	48.0%	**Grade 4**	23%	43.0%
Grade 5	39%	53.0%	**Grade 5**	44%	39.0%
Grade 6	68%	52.0%	**Grade 6**	28%	40.0%
Grade 7	63%	56.0%	**Grade 7**	38%	42.0%
Grade 8	54%	55.0%	**Grade 8**	42%	41.0%
Total	48.5%	51.5%	**Total**	36.8%	41.7%

Hamilton Creek School Assessment Pt. 2

Hamilton Creek 2016-2017 SBAC scores compared to 2015-2016 & 2014-2015

Grade Level	English/L.A	2014-2015	2015-2016	2016-2017	Group Comparison	Math	2014-2015	2015-2016	2016-2017	Group Comparison
3rd		50%	46%	39%			52%	46%	46%	
4th		54%	44%	28%	-18%		59%	46%	23%	-23%
5th		33%	70%	39%	-5%		17%	51%	44%	-2%
6th		55%	43%	68%	-2%		36%	21%	28%	-23%
7th		61%	68%	63%	20%		40%	41%	38%	17%
8th		79%	63%	54%	-14%		52%	47%	43%	2%

Hamilton Creek School Opportunities

1. Elementary counseling, PE, and a dedicated media assistant
2. AVID in grades 4-8
3. Access to technology (K-8) with two computer labs and multiple chrome carts
4. Outdoor garden instruction fall & spring
5. SMART Readers program
6. Forest Camp 6th grade
7. Battle of the Books teams
8. Middle school Pentagame team
9. Full-time behavior support
10. Active PTA focused on supporting the school and kids

The End

Questions and/or Comments

Lacomb School

Enclosure B-2

Hello!

I am Whitney Connolly

I am here because I believe that **all students** can succeed in **meaningful** ways.

Lacomb Mission:

Pursuing ***excellence*** *for* ***every student*** *every day.*

Our Focus

AVID - PBIS - RTI

1.

AVID

How do we increase instructional rigor and set high expectations for students?

AVID

- Consistent note-taking procedures across grade bands
- Organizational systems that build over time
- Improved communication and parent outreach

All teachers and most classified staff receive monthly AVID professional development. We are working on an AVID "Strategy of the Month."

2.

PBIS

How do we recognize and support positive behaviors across the school setting?

PBIS

- Training on PBIS systems to all staff
- Clarifying schoolwide procedures and routines to encourage and support positive behaviors
- Ongoing training and alignment to ensure consistent, equitable application of expectations

We are working on meeting more regularly to review student data and adjust schoolwide support.

3.

RTI

How do we respond to students with high levels of academic or behavioral need?

RTI

- Added a behavior support assistant and a Focus Room
- Provide regular, routine social skills groups and individual instruction
- Meet regularly to review student data and adjust academic and behavioral plans

We will continue to focus on providing meaningful training to all staff on responding to student need.

So, What's Next?

Our Success

- Highest enrollment in recent history
- Consistently strong state test scores
- Strong attendance rates
- Additional staffing has provided better support for students
- Improvements in opportunities for students

Opportunities for Students

- AVID schoolwide
- Half-time school counselor
- Full-time media assistant
- Behavior Support Specialist and Assistant
- PE every day
- 2-3 recess breaks
- Music 2-3 days a week
- Middle school band
- Ukulele Club
- Chess Club
- Forest Camp (6th grade)
- SMART reading program
- Oregon Battle of the Books
- Strong access to technology
- Active PTC group

Our Goals

- Increase instructional rigor and differentiation in all classrooms
- Streamline access to academic and behavioral interventions
- Provide ongoing training for all staff in addressing and responding to challenging situations

Thanks!
Any Questions?

Pursuing Excellence
LEBANON
Community Schools

Linda Darling, Business Director

485 South 5th Street, Lebanon, Oregon 97355 • Phone: (541) 259-8945 • Fax: (541) 451-8517 • E-mail: linda.darling@lebanon.k12.or.us

Audit: *(enclosure B-3)*

An overview of the June 30, 2017 Annual Financial Report (Audit) will be presented Kori Sarrett of Accuity, LLC. The full report is included in your packet or a printed copy is available at your request. Within the report you will find that the District has an unmodified opinion. This may sound bad, but in reality, it is good (see below):

> An unmodified opinion provides a high level of assurance the professional, independent examination of financial statements has not revealed any actual or possible material misstatements in those financial statements.

In 2016 GASB (Governmental Accounting Standards Board) 68 was implemented, which requires that we list our PERS liability on the Net Position sheet. This impact changed our Net Position from $(3,954,321) in 2015 to $(19,270,145) in 2016 and $(19,996,422) in 2017.

Accuity, LLC
CERTIFIED PUBLIC ACCOUNTANTS

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

We have audited the financial statements of the governmental activities, each major fund, and the remaining fund information of Lebanon Community School District No. 9 for the year ended June 30, 2017, and issued our report thereon dated December 13, 2017 Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated June 5, 2017. Professional standards also require that we communicate to you the following information related to our audit.

Significant Accounting Policies

Qualitative Aspects of the District's Significant Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Lebanon Community School District No. 9 are described in Note I to the financial statements. No new accounting policies were adopted during the year ended June 30, 2017. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

- Management's estimate of depreciable lives and salvage values of capital assets, which are based on expected useful lives of the assets and current market conditions. We evaluated the key factors and assumptions used to develop the depreciable lives and salvage values and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting Lebanon Community School District No. 9's financial statements relate to long-term liabilities, pensions, and post-employment benefits.

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

436 1st Avenue W | P.O. Box 1072 | Albany, Oregon 97321
(541) 223-5555 | www.accuitycpas.com | Fax (541) 730-4420

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

We have requested certain written representations from management, which are included in the attached letter dated December 13, 2017.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity'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 Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, 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.

Other Matters

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

Restriction on Use

This information is intended solely for the use of board of directors and management of Lebanon Community School District No. 9, and is not intended to be, and should not be used by anyone other than these specified parties.

Accuity, LLC

Accuity, LLC

December 13, 2017

LEBANON
Community Schools
Pursuing excellence for every student every day
EST. 1851

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9

Lebanon, Oregon

ANNUAL FINANCIAL REPORT

June 30, 2017

Accuity, LLC
CERTIFIED PUBLIC ACCOUNTANTS
436 1st Avenue W | PO Box 1072
Albany, Oregon 97321 | (541) 223-5555

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

DISTRICT OFFICIALS

June 30, 2017

BOARD OF DIRECTORS

Russ McUne
35632 Brewster Road
Lebanon, Oregon 97355

Kellie Weber
39844 McDowell Creek Drive
Lebanon, OR 97355

Mike Martin
769 Mountain River Road
Lebanon, Oregon 97355

Richard Borden, Chair
320 Wheeler Street
Lebanon, Oregon 97355

Jerry Williams
899 W. D Street
Lebanon, Oregon 97355

ADMINISTRATION

Robert T. Hess, Superintendent

Linda Darling, Business Director

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

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June 30, 2017

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FINANCIAL SECTION

Accuity, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the remaining fund information of Lebanon Community School District No. 9, Lebanon, Oregon, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Sand Ridge Charter School, a discretely presented component unit, which represents 0.66%, 3% and 4%, respectively, of the assets, net position, and revenues of the governmental activities. Those statements were audited by other auditors, whose report has been furnished to us and our opinion, insofar as it relates to the amounts included for Sand Ridge Charter School, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200; *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the remaining fund information of Lebanon Community School District No. 9, Lebanon, Oregon as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of funding progress and employer contributions, and budgetary comparison information on pages 4 through 11, 50 through 52, and 53 through 54, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis and schedules of funding progress and employer contributions in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the management's discussion and analysis or schedules of funding progress and employer contributions because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lebanon Community School District No. 9's basic financial statements. The individual fund schedules, other financial schedules, and supplemental information required by the Oregon Department of Education are presented for purposes of additional analysis and are not a

required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* and is also not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2017 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated December 13, 2017 on our tests of the District's compliance with certain provisions of laws and regulations specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Accuity, LLC

By: _____
Glen O. Kearns, CPA

Albany, Oregon
December 13, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

As management of Lebanon Community School District No. 9, Lebanon, Oregon, we offer readers this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2017. It should be read in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- At June 30, 2017, total net position of Lebanon Community School District No. 9 amounted to $(19,996,422). Of this amount, $(6,892,033) was invested in capital assets, net of related debt. The remaining balance included $1,657,421 restricted for various purposes and $(14,761,810) of unrestricted net position.

- At June 30, 2017, the District's governmental funds reported combined ending fund balances of $6,872,052.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Lebanon Community School District No. 9's basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

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

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

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

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

The government-wide financial statements can be found on pages 12 through 14 of this report.

Fund Financial Statements

The fund financial statements are designed to demonstrate compliance with finance-related legal requirements overseeing the use of fund accounting. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities and objectives. All of the funds of Lebanon Community School District No. 9 can be divided into two categories: governmental funds and proprietary funds.

- **Governmental Funds**

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

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

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

Lebanon Community School District No. 9 adopts an annual appropriated budget for all of its funds. A budgetary comparison statement has been provided for each fund individually to demonstrate compliance with their respective budgets.

The basic governmental fund financial statements can be found on pages 15 through 18 of this report.

- **Proprietary Funds**

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

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

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

The basic proprietary fund financial statements can be found on pages 19 through 21 of this report.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 22 through 49 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, which includes schedules of funding progress and employer contributions, as well as budgetary comparison information for the General and Special Revenue Funds. This required supplementary information can be found on pages 50 through 54 of this report.

Individual fund schedules can be found immediately following the required supplementary information on pages 55 through 57 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. At June 30, 2017, the District's liabilities exceeded its assets by $19,996,422.

A portion of the District's net position reflects its investment in capital assets (e.g., land, buildings, and equipment) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets for classrooms and supporting services for providing kindergarten through twelfth grade education; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

District's Net Position

The District's net position decreased by $726,270 during the current fiscal year. Condensed statement of net position information is shown below.

Condensed Statement of Net Position

	Governmental Activities		Business-type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Assets						
Current and other assets	$ 10,379,381	$ 9,522,805	$ 80,000	$ -	$ 10,459,381	$ 9,522,805
Restricted assets	1,349,083	1,155,634	-	-	1,349,083	1,155,634
Capital assets, net	37,684,400	38,117,443	-	-	37,684,400	38,117,443
Total assets	49,412,864	48,795,882	80,000	-	49,492,864	48,795,882
Deferred outflows of resources	23,046,833	4,961,756	-	-	23,046,833	4,961,756
Liabilities						
Current liabilities	4,566,252	4,464,881	-	-	4,566,252	4,464,881
Noncurrent liabilities	84,229,924	63,725,981	-	-	84,229,924	63,725,981
Total liabilities	88,796,176	68,190,862	-	-	88,796,176	68,190,862
Deferred inflows of resources	3,739,943	4,836,928	-	-	3,739,943	4,836,928
Net position						
Net investment in capital assets	(6,892,033)	(8,188,835)	-	-	(6,892,033)	(8,188,835)
Restricted for various purposes	1,657,421	1,386,106	-	-	1,657,421	1,386,106
Unrestricted	(14,841,810)	(12,467,423)	80,000	-	(14,761,810)	(12,467,423)
Total net position	$ (20,076,422)	$ (19,270,152)	$ 80,000	$ -	$ (19,996,422)	$ (19,270,152)

District's Changes in Net Position

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

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

Changes in Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Program revenues						
Charges for services	$ 335,937	$ 322,612	$ -	$ -	$ 335,937	$ 322,612
Operating grants and contributions	5,512,619	4,726,387	-	-	5,512,619	4,726,387
Total program revenues	5,848,556	5,048,999	-	-	5,848,556	5,048,999
General revenues						
Taxes	12,801,738	12,034,904	-	-	12,801,738	12,034,904
State school fund - general support	27,681,417	26,293,507	-	-	27,681,417	26,293,507
Common school fund	502,314	492,013	-	-	502,314	492,013
Unrestricted state and local revenue	137,286	181,382	-	-	137,286	181,382
Unrestricted grants and contributions	231,412	355,222	-	-	231,412	355,222
Investment earnings	205,176	183,761	-	-	205,176	183,761
Miscellaneous	551,470	274,684	80,000	-	631,470	274,684
Total general revenues	42,110,813	39,815,473	80,000	-	42,190,813	39,815,473
Total revenues	47,959,369	44,864,472	80,000	-	48,039,369	44,864,472
Program expenses						
Regular programs	17,263,884	23,399,549	-	-	17,263,884	23,399,549
Special programs	9,293,483	12,013,682	-	-	9,293,483	12,013,682
Adult continuing education	80,620	28,372	-	-	80,620	28,372
Summer school programs	33,382	90,250	-	-	33,382	90,250
Student support services	2,578,867	3,205,646	-	-	2,578,867	3,205,646
Instructional staff support	1,802,073	1,824,240	-	-	1,802,073	1,824,240
General administrative support	445,721	361,333	-	-	445,721	361,333
School administrative support	3,938,477	4,494,668	-	-	3,938,477	4,494,668
Business support services	5,848,509	6,761,626	-	-	5,848,509	6,761,626
Central activities support	1,467,770	1,624,216	-	-	1,467,770	1,624,216
Enterprise and community services	1,918,216	2,118,468	-	-	1,918,216	2,118,468
Supplemental retirement	366,024	477,967	-	-	366,024	477,967
Unallocated depreciation expense	1,791,565	1,742,353	-	-	1,791,565	1,742,353
Interest on long-term debt	1,937,048	2,037,933	-	-	1,937,048	2,037,933
Total program expenses	48,765,639	60,180,303	-	-	48,765,639	60,180,303
Change in net position	(806,270)	(15,315,831)	80,000	-	(726,270)	(15,315,831)
Net position - beginning of year	(19,270,152)	(3,954,321)	-	-	(19,270,152)	(3,954,321)
Net position - end of year	$ (20,076,422)	$ (19,270,152)	$ 80,000	$ -	$ (19,996,422)	$ (19,270,152)

Revenues

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

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

• Food services charges for lunch and breakfast	$ 110,053
• Various student extracurricular activities	225,884
Total charges for services	$ 335,937

Operating grants and contributions represent 11% of total revenues. Included in this category are $5,512,619 for grants and contributions to support various educational activities, including grants to support school nutrition programs.

Expenses

Expenses related to governmental activities are presented in several broad functional categories. Costs of direct classroom instruction activities account for 55% of the total expenses of $48,752,515. In addition, approximately 38% of the costs in supporting services relate to students, instructional staff, and school administration.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental Funds

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

At the end of the current fiscal year, the District's governmental funds reported combined fund balances of $6,872,052. Of this amount, $3,310,041 constitutes unassigned fund balance, which is available for spending at the District's discretion.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, total fund balance of the General Fund was $3,310,041, all of which was unassigned.

Proprietary Fund

The District's proprietary funds provides the same type of information found in the government-wide financial statements, but in more detail.

Net position of the proprietary funds at year-end amounted to $154,507, all of which is considered to be unrestricted.

BUDGETARY HIGHLIGHTS

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2017 amounted to $37,684,400, net of accumulated depreciation. This investment in capital assets includes land, buildings and improvements, and equipment and vehicles. The total depreciation related to the District's investment in capital assets for the current fiscal year was $1,791,565.

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

Additional information on the District's capital assets can be found in Note III-B on pages 33 through 34 of this report.

Long-Term Debt

At the end of the current fiscal year, the District had total debt outstanding of $41,790,000. This amount is comprised of general obligation bonds and qualified school construction bonds. The District's total debt outstanding decreased by $1,620,000 during the current fiscal year.

Additional information on the District's long-term debt can be found in Note III-D on pages 35 through 37 of this report.

KEY ECONOMIC FACTORS AND BUDGET INFORMATION FOR THE FUTURE

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

- The new Oregon minimum wage rates increases being implemented 2016-2023 will impact the District. The impact is not only in the areas within the minimum wage threshold but all wages for classified employees, which will have a large financial impact.

- Members of the Oregon Public Employees Retirement System have been faced with increases in retirement contributions. The average rates set for the 2017-2019 biennium are an increase of 4.55% which brings the District's required rate to slightly over 30%.

All of these factors were considered in preparing the District's budget for fiscal year 2017-2018.

The unassigned ending General Fund balance of $3,310,041 will be available for program resources in fiscal year 2017-2018.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Lebanon Community School District No. 9's finances for all those with an interest. Questions concerning any of the information provided in the report or requests for additional information should be addressed to the District Office, Lebanon Community School District No. 9, 485 S. 5th Street, Lebanon, Oregon 97355.

BASIC FINANCIAL STATEMENTS

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

STATEMENT OF NET POSITION

June 30, 2017

	Governmental Activities	Business-Type Activities	Total Primary Government	Component Unit Sand Ridge Charter School
ASSETS				
Current assets				
Cash and cash equivalents	$ 8,182,490	$ 19,585	$ 8,202,075	$ 281,153
Accounts receivable	1,147,809	-	1,147,809	-
Inventory	17,167	60,415	77,582	-
Property taxes receivable	915,911	-	915,911	-
Total current assets	10,263,377	80,000	10,343,377	281,153
Restricted assets				
Cash and cash equivalents	164,899	-	164,899	-
Cash with bond agent	802,752	-	802,752	-
Property taxes receivable	381,432	-	381,432	-
Total restricted assets	1,349,083	-	1,349,083	-
Net pension benefit - early retirement stipends	116,004	-	116,004	-
Capital assets not being depreciated	1,411,570	-	1,411,570	-
Capital assets, net of accumulated depreciation	36,272,830	-	36,272,830	47,115
Total assets	49,412,864	80,000	49,492,864	328,268
DEFERRED OUTFLOWS OF RESOURCES	23,046,833	-	23,046,833	1,098,904
LIABILITIES				
Current liabilities				
Accounts payable	236,686	-	236,686	2,608
Deposits held	-	-	-	22,351
Payroll liabilities	2,312,078	-	2,312,078	-
Accrued interest	90,120	-	90,120	-
Compensated absences	157,368	-	157,368	-
Long-term liabilities, current portion	1,770,000	-	1,770,000	-
Total current liabilities	4,566,252	-	4,566,252	24,959
Noncurrent liabilities				
Net pension liability	41,360,281	-	41,360,281	1,945,183
Net OPEB obligation	63,210	-	63,210	-
Long-term liabilities, less current portion	42,806,433	-	42,806,433	-
Total long-term liabilities	84,229,924	-	84,229,924	1,945,183
Total liabilities	88,796,176	-	88,796,176	1,970,142

(Continued)

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

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

STATEMENT OF NET POSITION

June 30, 2017

(Continued)

	Governmental Activities	Business-Type Activities	Total Primary Government	Component Unit Sand Ridge Charter School
DEFERRED INFLOWS OF RESOURCES				
Unearned revenue	$ 95,797	$ -	$ 95,797	$ -
Deferred investment earnings on pension assets	3,644,146	-	3,644,146	69,126
Total deferred inflows of resources	3,739,943	-	3,739,943	69,126
NET POSITION				
Net investment in capital assets	(6,892,033)	-	(6,892,033)	47,115
Restricted for:				
Student activities	494,132	-	494,132	-
Debt service	990,835	-	990,835	-
Energy efficient improvements	170,452	-	170,452	-
Grant programs	2,002	-	2,002	-
Unrestricted	(14,841,810)	80,000	(14,761,810)	(659,211)
Total net position	$ (20,076,422)	$ 80,000	$ (19,996,422)	$ (612,096)

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

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2017

		Program Revenues		Net (Expense) Revenue and Changes in Net Position			
				Primary Government			Component Unit
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Totals	Sand Ridge Charter School
Primary government							
Governmental activities							
Instruction	$ 26,671,369	$ 15,043	$ 2,630,928	$ (24,025,398)	$ -	$ (24,025,398)	$ -
Support services	16,447,441	210,841	1,181,801	(15,054,799)	-	(15,054,799)	-
Enterprise and community services	1,918,216	110,053	1,699,890	(108,273)	-	(108,273)	-
Unallocated depreciation expense	1,791,565	-	-	(1,791,565)	-	(1,791,565)	-
Interest on long-term debt	1,937,048	-	-	(1,937,048)	-	(1,937,048)	-
Total governmental activities	$ 48,765,639	$ 335,937	$ 5,512,619	(42,917,083)	-	(42,917,083)	-
Component unit							
Governmental activities	$ 2,185,357	$ 164,158	$ 651	-	-	-	(2,020,548)
General revenues							
Property taxes levied for general purposes				9,444,945	-	9,444,945	-
Property taxes levied for debt service				3,356,793	-	3,356,793	-
State school fund - general support				27,681,417	-	27,681,417	1,866,943
Common school fund				502,314	-	502,314	-
Unrestricted state and local revenue				137,286	-	137,286	-
Unrestricted grants and contributions				231,412	-	231,412	-
Investment earnings				205,176	-	205,176	-
Miscellaneous				551,470	80,000	631,470	5,057
Total general revenues				42,110,813	80,000	42,190,813	1,872,000
Change in net position				(806,270)	80,000	(726,270)	(148,548)
Net position - beginning				(19,270,152)	-	(19,270,152)	(463,548)
Net position - ending				$ (20,076,422)	$ 80,000	$ (19,996,422)	$ (612,096)

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

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2017

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 5,347,069	$ 2,755,005	$ 164,899	$ 8,266,973
Accounts receivable	322,305	825,504	-	1,147,809
Property taxes receivable	915,911	-	381,432	1,297,343
Supply inventory	-	17,167	-	17,167
Total assets	$ 6,585,285	$ 3,597,676	$ 546,331	$ 10,729,292
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	$ 102,825	$ 127,951	$ 1	$ 230,777
Accrued liabilities	2,312,078	-	-	2,312,078
Total liabilities	2,414,903	127,951	1	2,542,855
Deferred inflows of resources				
Unavailable revenue - property taxes	860,341	-	358,247	1,218,588
Unearned revenue - grant proceeds	-	95,797	-	95,797
Total deferred inflows of resources	860,341	95,797	358,247	1,314,385
Fund balances				
Nonspendable	-	17,167	-	17,167
Restricted	-	1,104,308	188,083	1,292,391
Assigned	-	2,252,453	-	2,252,453
Unassigned	3,310,041	-	-	3,310,041
Total fund balances	3,310,041	3,373,928	188,083	6,872,052
Total liabilities, deferred inflows of resources, and fund balances	$ 6,585,285	$ 3,597,676	$ 546,331	$ 10,729,292

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

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

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

June 30, 2017

Total fund balances		$ 6,872,052
Capital assets are not financial resources and are therefore not reported in the governmental funds:		
Cost	101,458,325	
Accumulated depreciation	(63,773,925)	37,684,400
Property tax revenue is recognized in the net position of governmental activities when the taxes are levied; however, in the governmental fund statements, it is recognized when available to be used for current year operations. Taxes not collected within 60 days of the end of the year are not considered available to pay for current year operations and are therefore not reported as revenue in the governmental funds.		1,218,588
Amounts relating to the Distrct's proportionate share of PERS actuarial valuation balances are not reported in governmental fund statements.		
Deferred outflows of resources relating to PERS	23,046,833	
Deferred inflows of resources relating to PERS	(3,644,146)	19,402,687
Long-term assets are not available to pay for current period expenditures and are therefore not reported as governmental fund assets.		
Cash with escrow agent	802,752	
Net pension benefit - early retirement stipends	116,004	
Net OPEB liability	(63,210)	855,546
The internal service fund is used by management to charge the costs of unemployment insurance premiums to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		74,507
Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due. These liabilities consist of:		
Accrued interest	(90,120)	
Compensated absences	(157,368)	
Net pension liability - PERS	(41,360,281)	
Bond premiums	(2,786,433)	
Bonds payable	(41,790,000)	(86,184,202)
Net position of governmental activities		$ (20,076,422)

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

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended June 30, 2017

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
REVENUES				
Local revenue	$ 9,491,691	$ 1,438,341	$ 3,699,778	$ 14,629,810
Intermediate revenue	208,252	24,384	-	232,636
State revenue	28,450,491	402,350	-	28,852,841
Federal revenue	199,333	3,929,804	-	4,129,137
Total revenues	38,349,767	5,794,879	3,699,778	47,844,424
EXPENDITURES				
Current				
Instruction	21,803,282	2,911,969	-	24,715,251
Support services	14,153,655	2,341,204	-	16,494,859
Community services	-	1,847,665	-	1,847,665
Debt service	-	-	3,842,028	3,842,028
Total expenditures	35,956,937	7,100,838	3,842,028	46,899,803
Excess (deficiency) of revenues over (under) expenditures	2,392,830	(1,305,959)	(142,250)	944,621
OTHER FINANCING SOURCES (USES)				
Debt subsidy rebate	-	-	45,301	45,301
Proceeds from the sale of assets	13,134	3,451	-	16,585
Transfers in	60,000	2,065,656	100,000	2,225,656
Transfers out	(2,180,656)	(70,000)	-	(2,250,656)
Total other financing sources (uses)	(2,107,522)	1,999,107	145,301	36,886
Net change in fund balances	285,308	693,148	3,051	981,507
Fund balances - beginning	3,024,733	2,680,780	185,032	5,890,545
Fund balances - ending	$ 3,310,041	$ 3,373,928	$ 188,083	$ 6,872,052

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

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

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

For the Year Ended June 30, 2017

Net change in fund balances		$ 981,507
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures; however, in the statement of activities, the costs of these assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Expenditures for capital assets	1,358,522	
Less current year depreciation	(1,791,565)	(433,043)
Governmental funds record sinking fund cash deposits as debt service in the year deposited. In the statement of net position, however, making the deposits to the sinking fund increases assets.		175,135
Repayment of principal is an expenditure in the governmental funds, but reduces the liability in the statement of net position.		
Change in accrued interest	-	
Amortization of issuance premium	109,845	
Debt principal paid	1,620,000	1,729,845
The internal service fund is used by management to charge the costs of unemployment insurance premiums to individual funds. This activity is consolidated with the governmental funds in the statement of activities.		(21,123)
Pension expense or credits that do not meet the measureable and available criteria are not recognized as revenue or expense in the current year in the governmental funds. In the statement of activities, pension expense or		(3,137,817)
Some expenses reported in the statement of activities do not require the use of current financial resources and are therefore not reported as expenditures in the governmental funds.		
Change in net OPEB benefit	(115,420)	
Change in net pension benefit - early retirement stipends	(11,238)	
Change in compensated absences	(27,175)	(153,833)
Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the statement of activities, property taxes are recognized as revenue when levied.		53,059
Change in net position		$ (806,270)

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

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

June 30, 2017

	Business-Type Activity	Internal Service Fund
	Enterprise Fund	Insurance
ASSETS		
Cash and cash equivalents	$ 19,585	$ 80,416
Work in process inventory	60,415	-
Total assets	80,000	80,416
LIABILITIES		
Accounts payable	-	5,909
NET POSITION		
Unrestricted	$ 80,000	$ 74,507

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

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

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

PROPRIETARY FUNDS

For the Year Ended June 30, 2017

	Business-Type Activity	Internal Service Fund
	Enterprise Fund	Insurance
Operating revenues	$ -	$ -
Operating expenses		
Support services	-	46,123
Operating income (loss)	-	(46,123)
Nonoperating revenues (expenses)		
Miscellaneous revenue	80,000	-
Transfers in	-	25,000
Change in net position	80,000	(21,123)
Net position - beginning	-	95,630
Net position- ending	$ 80,000	$ 74,507

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

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the Year Ended June 30, 2017

	Business-Type Activity	Internal Service Fund
	Enterprise Fund	Insurance
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to employees	$ -	$ (44,409)
Net cash provided (used) by operating activities	-	(44,409)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Miscellaneous receipts	80,000	-
Work in process payments	(60,415)	-
Transfers in	-	25,000
Net cash provided (used) by financing activities	19,585	25,000
Net increase (decrease) in cash and cash equivalents	19,585	(19,409)
Cash and cash equivalents - beginning	-	99,825
Cash and cash equivalents - ending	$ 19,585	$ 80,416
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ -	$ (46,123)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Increase (decrease) in accounts payable	-	1,714
Net cash provided (used) by operating activities	$ -	$ (44,409)

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

NOTES TO BASIC FINANCIAL STATEMENTS

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statements of activities) report information on all of the activities of the District. Governmental activities, which normally are supported by taxes, intergovernmental revenues and other nonexchange transactions, are reported separately from business-type activities, which rely on fees and charges to external customers for support.

B. Reporting Entity

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

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

C. Basis of Presentation – Government-Wide Financial Statements

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

D. Basis of Presentation – Fund Financial Statements

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

The government reports the following major governmental funds:

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

Special Revenue Fund

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

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

In addition, the District reports the following proprietary funds:

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

Internal Service Fund

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

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

E. Measurement Focus and Basis of Accounting

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

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measureable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

F. Budgetary Information

Annual budgets are adopted on the modified accrual basis of accounting. The District budgets all funds in accordance with the requirements of state law. Annual appropriated budgets are adopted for the general, special revenue, debt service, enterprise and internal service funds. All funds are

budgeted on the modified accrual basis of accounting.

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

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

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

1. Cash and Cash Equivalents

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

2. Investments

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

3. Capital Assets

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

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

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

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

Assets	Years
Vehicles and Equipment	5-15
Buildings and building improvements	20-50

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

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

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

5. Net Position Flow Assumption

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

6. Fund Balance Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

7. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

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

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

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

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

H. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Property Taxes

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

3. Compensated Absences

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

4. Pensions

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

I. Use of Estimates

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

II. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. Deposits and Investments

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

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

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

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

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

Fair Value Measurement

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

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

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

There were no transfers of assets or liabilities among the three levels of the fair value hierarchy for the year ended June 30, 2017.

Fair values of assets measured on a recurring basis at June 30, 2017 are as follows:

	Level 2
Investments	
LGIP	$ 7,718,345

Credit Risk

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

Investments

As of June 30, 2017, the District had the following investments:

	Credit Quality Rating	Maturities	Fair Value
Oregon Local Government Investment Pool	Unrated	-	$ 7,718,345

Interest Rate Risk

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

Concentration of Credit Risk

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

Custodial Credit Risk – Investments

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

Custodial Credit Risk – Deposits

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

The District holds accounts at Wells Fargo, for which deposits are insured by the FDIC insurance up to $250,000. At June 30, 2017, the District's had deposits of $250,000 insured by the FDIC, and $3,723,944 collateralized under the PFCP.

Deposits

The District's deposits and investments at June 30, 2017 are as follows:

Checking accounts	$ 648,629
Total investments	7,718,345
Total deposits and investments	$ 8,366,974

Cash and investments by fund:

Governmental activities - unrestricted	
General Fund	$ 5,347,069
Special Revenue Fund	2,755,005
Internal service fund - Insurance Fund	80,416
Total governmental activities - unrestricted	8,182,490
Business-type activities - unrestricted	
Enterprise Fund	19,585
Governmental activities - restricted	
Debt Service Fund	164,899
Total cash and investments	$ 8,366,974

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

B. Capital Assets

Capital asset activity for the year ended June 30, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	1,411,570	-	-	1,411,570
Total capital assets not being depreciated	1,411,570	-	-	1,411,570
Capital assets being depreciated				
Buildings and improvements	93,214,508	188,741	-	93,403,249
Equipment and vehicles	5,792,740	1,169,781	(319,015)	6,643,506
Total capital assets being depreciated	99,007,248	1,358,522	(319,015)	100,046,755
Less accumulated depreciation for				
Buildings and improvements	(57,304,299)	(1,531,365)	-	(58,835,664)
Equipment and vehicles	(4,997,076)	(260,200)	319,015	(4,938,261)
Total accumulated depreciation	(62,301,375)	(1,791,565)	319,015	(63,773,925)
Total capital assets being depreciated, net	36,705,873	(433,043)	-	36,272,830
Governmental activities capital assets, net	$ 38,117,443	$ (433,043)	$ -	$ 37,684,400

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

	Capital Assets	Accumulated Depreciation	Net Capital Assets
Governmental activities			
Land	$ 1,411,570	$ -	$ 1,411,570
Buildings and improvements	93,403,249	(58,835,664)	34,567,585
Equipment and vehicles	6,643,506	(4,938,261)	1,705,245
Total governmental capital assets	$ 101,458,325	$ (63,773,925)	$ 37,684,400

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

Unallocated depreciation expense	$ 1,791,565

C. Interfund Transfers

Interfund transfers during the year consisted of:

	Transfers in:			
	General Fund	Special Revenue Fund	Debt Service Fund	Total
Transfers out:				
General Fund	$ -	$ 2,080,656	$ 100,000	$ 2,180,656
Special Revenue Fund	60,000	10,000	-	70,000
	$ 60,000	$ 2,090,656	$ 100,000	$ 2,250,656

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

D. Compensated Absences

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

	Beginning Balance	Additions	Reductions	Ending Balance
Net compensated absences	$ 130,193	$ 27,175	$ -	$ 157,368

E. Long-Term Liabilities

1. Changes in Long-Term Liabilities

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

	Interest Rates	Original Amount	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities							
General obligation bonds							
Series 2005 refunding	3-4.55%	$ 19,515,000	$ 17,770,000	$ -	$ 465,000	$ 17,305,000	$ 645,000
Series 2011 refunding	2-5%	27,630,000	23,745,000	-	1,155,000	22,590,000	1,125,000
Premium - 2005 refunding		2,013,612	1,827,228	-	58,357	1,768,871	-
Premium - 2011 refunding		1,259,036	1,069,050	-	51,488	1,017,562	-
Total general obligation bonds		50,417,648	44,411,278	-	1,729,845	42,681,433	1,770,000
Qualified school construction bonds	5.13%	1,895,000	1,895,000	-	-	1,895,000	-
Total governmental activities		$ 52,312,648	$ 46,306,278	$ -	$ 1,729,845	$ 44,576,433	$ 1,770,000

2. General Obligation Bonds

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

3. General Obligation Refunding Bonds Series 2005

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

4. General Obligation Refunding Bonds Series 2011

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

5. Qualified School Construction Bonds

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

6. Future Maturities of Long-Term Liabilities

Year Ending	Bonds		
June 30	Principal	Interest	Total
2018	$ 1,770,000	$ 2,037,795	$ 3,807,795
2019	1,920,000	1,973,983	3,893,983
2020	2,090,000	1,900,201	3,990,201
2021	2,295,000	1,795,702	4,090,702
2022	2,495,000	1,694,838	4,189,838
2023-2027	18,030,000	6,257,131	24,287,131
2028-2030	13,190,000	1,409,026	14,599,026
Total	$ 41,790,000	$ 17,068,676	$ 58,858,676

7. General Obligation Debt Capacity

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

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

Real Market Value (Fiscal Year 2017) [1]	$	2,986,907,326
Debt Capacity		
General Obligation Debt Capacity (7.95% of Real Market Value)	$	237,459,132
Less: Outstanding Debt Subject to Limit		(41,790,000)
Remaining General Obligation Debt Capacity	$	195,669,132
Percent of Capacity Issued		17.60%

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

[1] Represents voter-approved, unlimited-tax general obligations of the District.

F. Constraints on Fund Balances

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

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
Fund balances:				
Nonspendable - inventory	$ -	$ 17,167	$ -	$ 17,167
Restricted for:				
Debt service	-	-	188,083	188,083
Energy efficient improvements	-	170,452	-	170,452
Student activities	-	494,132	-	494,132
School nutrition programs	-	437,722	-	437,722
Grant programs	-	2,002	-	2,002
Assigned to:				
Bus replacement	-	175,006	-	175,006
Textbooks	-	192,207	-	192,207
Track and turf replacement	-	98,954	-	98,954
Athletics	-	72,194	-	72,194
PERS reserve	-	1,150,000	-	1,150,000
Academic achievement support	-	18,650	-	18,650
Technology purchases	-	345,261	-	345,261
Classroom furniture	-	9,431	-	9,431
Capital additions	-	190,750	-	190,750
Unassigned	3,310,041	-	-	3,310,041
Total fund balances	$ 3,310,041	$ 3,373,928	$ 188,083	$ 6,872,052

III. OTHER INFORMATION

A. Risk Management

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

B. Retirement Plans

Name of Pension Plan

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

Description of Benefit Terms

Plan Benefits – PERS Pension (Chapter 238)

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

PERS Pension

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

Pension Benefits

The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

Death Benefits

Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

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

Disability Benefits

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining monthly benefit.

Benefit Changes after Retirement

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

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA in fiscal year 2015 and beyond will vary based on the amount of the annual benefit.

OPSRP Pension Program (OPSRP DB)

Pension Benefits

The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.

This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age: police and fire – 1.8 percent is multiplied by the number of years of service and the final average salary.

Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

General Service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

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

Death Benefits

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

Disability Benefits

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

Benefit Changes After Retirement

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

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans.

Employer contribution rates during the period were based on the December 31, 2014 actuarial valuation, which became effective July 1, 2015. The State of Oregon and certain schools, community colleges, and political subdivisions have made unfunded actuarial liability payments, and their rates have been reduced.

Employer contributions for the year ended June 30, 2017 were $4,963,690.

Pension Plan Comprehensive Annual Financial Report (CAFR)

Oregon PERS produces an independently audited CAFR which can be found at: http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx

Actuarial Valuations

The employer contribution rates effective July 1, 2015, through June 30, 2017, were set using the entry age normal actuarial cost method.

For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years.

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

Actuarial methods and assumptions used to determine the Total Pension Liability:

Valuation date	December 31, 2014
Measurement date	June 30, 2016
Experience Study	2014, published September 2015
Actuarial Assumptions:	
Inflation rate	2.50 percent (reduced from 2.75%)
Long-term expected rate of return*	7.50 percent (reduced from 7.75%)
Discount rate	7.50 percent (reduced from 7.75%)
Projected salary increases	3.50 percent (reduced from 3.75%)
Cost of living adjustment (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/.015%) in accordance with *Moro* decision; blend based on service.
Mortality	**Healthy retirees and beneficiaries**: RP-2000 sex-distinct, generational per Scale BB, with

	collar adjustments and set-backs as described in the valuation. **Active members:** Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. **Disabled retirees:** Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 sex-distinct, generational per Scale BB, disabled mortality table.

* At its September 25, 2015 meeting, the PERS Board reduced the assumed rate of return on investments from 7.75 percent to 7.50 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2014 Experience Study, which reviewed experience for the four-year period ended on December 31, 2014.

Discount Rate

The discount rate used to measure the total pension liability of the Plan was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the 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.

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

At June 30, 2017, the District reported a liability of $41,360,281 for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the

projected contributions of all participating employers, actuarially determined. At June 30, 2016 the District's proportion was 0.27550889%.

For the year ended June 30, 2017, the District recognized pension expense of $3,810,927. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,368,379	$ -
Changes of assumptions	8,821,154	-
Net difference between project and actual earnings on investments	8,171,056	-
Changes in proportionate share	-	3,441,597
Differences between employer contributions and employer's proportionate share of system contributions	1,012,146	202,549
Total (prior to post-MD contributions)	19,372,735	3,644,146
Contributions subsequent to the MD	3,674,098	-
Total	$ 23,046,833	$ 3,644,146

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported by the District as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in subsequent years as follows:

Year ended June 30:	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
2018	$ 2,704,021
2019	2,704,021
2020	5,665,837
2021	4,152,944
2022	501,766

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

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

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

1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
$ 66,783,064	$ 19,039,703	$ 20,111,283

Plan Changes Reflected

We are not aware of any changes subsequent to the June 30, 2016 Measurement Date that are required to be reported..

1. Tax Deferred Annuities

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

2. Early Retirement

Plan Description

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

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

The second arrangement requires that the employee be hired on or before December 31, 1982 or eligible to retire on or before June 30, 2005. Beginning with the month of retirement, the District pays a monthly stipend to the retiree equal to 0.5% of their 2002-2003 second half salary placement amount if the employee is age 55 to 58 at retirement or 1.25% if the employee is age 58 to 62 at retirement. Such stipend shall be paid to age 62 or when eligible for social security benefits, whichever is earlier.

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

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

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

Contributions and Funding Policy

The benefits from this program are fully paid and, consequently, no contributions by employees are required. There is no obligation to fund these benefits in advance. The only obligation is to make current benefit payments due each fiscal year. Payments are made on a pay-as-you-go basis each year out of the General Fund and Food Service Fund. An estimate of this liability for current retirees is done annually. There is no separately issued financial report for the plan. The annual expenditures recognized on a budgetary basis for the years ended June 30, 2015, 2016 and 2017 were $81,938, $55,036, and $38,346 respectively.

Funded Status

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

Annual Cost and Net Benefit

The District's annual post-employment benefit cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 27. The ARC represents a level of funding that, if paid on an

ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 3 years. The following table shows the components of the District's annual stipend costs for the year, the amount actually contributed to the plan, and changes in the District's early retirement obligation.

	2017	2016	2015
Employer's normal cost	$ -	$ -	$ -
Interest on net pension obligation	-	-	-
One year's amortization of AAL with interest	49,584	79,520	206,970
Annual Required Contribution (ARC)	49,584	79,520	206,970
Less contributions (amounts paid by the District during year for stipends)	(38,346)	(55,036)	(81,938)
Contribution deficiency (ARC less current year payments)	11,238	24,484	125,032
Net pension obligation (benefit) at beginning of year	(127,242)	(151,726)	(276,758)
Pension obligation (benefit) at end of year	$ (116,004)	$ (127,242)	$ (151,726)

Methods and Assumptions

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

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

the calculations. The unfunded accrued liability is being amortized over an open three-year amortization period.

C. Other Post-Employment Benefits

1. Post-Retirement Health Benefits

Plan Description

The District's post-retirement health benefits plan entry qualifications are described in Note III-B.3. There is also a third arrangement for licensed staff that were age 55 by June 30, 2007 with 20 years of continuous District Service. Arrangement one, including confidential and administrator staff pays full medical, dental, vision and life insurance up to the District cap until age 65. Arrangements two and three pay a monthly $500 contribution towards the District insurance program until age 65.

Funded Status

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

Annual OPEB Cost and Net OPEB Benefit

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

	2017	2016	2015
Annual Required Contribution (ARC)	$ 316,157	$ 401,256	$ 409,530
Interest on net OPEB obligation	(1,916)	(2,809)	(12,286)
Adjustment to ARC for net OPEB obligation	-	-	-
Annual OPEB cost	314,241	398,447	397,244
Less contributions (amounts paid by the District during year for OPEB)	(198,821)	(232,402)	(285,344)
Increase (decrease) in net OPEB obligation	115,420	166,045	111,900
OPEB obligation at beginning of year	(52,210)	(218,255)	(330,155)
OPEB obligation (benefit) at end of year	$ 63,210	$ (52,210)	$ (218,255)

Methods and Assumptions

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

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

The following simplifying assumptions were made:

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

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

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

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

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

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

Annual Cost

During the years ended June 30, 2015, 2016, and 2017, the General Fund recognized (assets) liabilities of $111,900, $166,045, and $115,420, respectively, for post-retirement health benefits. For the years ended June 30, 2015, 2016, and 2017, 71.83%, 58.33%, and 63.27%, respectively, of the annual OPEB costs were contributed by the District.

D. Tax Abatement

Linn County has established an enterprise zone under ORS 285C that abates property taxes on properties within the enterprise zone. As a result, the property taxes that the District will receive for the 2016-2017 levy year has been reduced by $270,910.

E. Subsequent Events

Management has evaluated subsequent events through December 13, 2017, which was the date that the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9

Lebanon, Oregon

SCHEDULES OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS

RETIREE STIPENDS

Schedule of Funding Progress

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

Schedule of Employer Contributions

Year Ended June 30,	Annual Required Contribution	Percentage Contributed	Net OPEB Obligation (Asset)
2009	$ 277,423	170.19%	$ (194,714)
2010	270,609	105.47%	(14,789)
2011	270,090	67.67%	87,318
2012	203,304	136.81%	(74,843)
2013	201,059	124.39%	(49,042)
2014	199,588	120.33%	(30,688)
2015	206,970	39.59%	125,032
2016	79,520	71.00%	24,484
2017	49,584	77.34%	11,238
			$ (116,004)

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

SCHEDULES OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS

OTHER POST-EMPLOYMENT HEALTH BENEFITS

Schedule of Funding Progress

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

Schedule of Employer Contributions

Year Ended June 30,	Annual Required Contribution	Percentage Contributed	Net OPEB Obligation (Asset)
2009	$ 784,569	114.30%	$ (112,159)
2010	780,643	96.52%	27,194
2011	781,595	92.08%	61,939
2012	408,839	157.67%	(235,793)
2013	401,765	120.22%	(81,228)
2014	399,329	97.52%	9,892
2015	397,244	71.83%	111,900
2016	398,447	58.33%	166,045
2017	314,241	63.27%	115,420
			$ 63,210

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

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

OREGON PERS SYSTEM

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

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

Schedule of District Contributions

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

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

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

GENERAL FUND

For the Year Ended June 30, 2017

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual GAAP Basis
REVENUES			
Local revenue	$ 9,245,000	$ 246,691	$ 9,491,691
Intermediate revenue	175,000	33,252	208,252
State revenue	27,625,825	824,666	28,450,491
Federal revenue	215,000	(15,667)	199,333
Total revenues	37,260,825	1,088,942	38,349,767
EXPENDITURES			
Current			
Instruction	22,147,629	(344,347)	21,803,282
Support services	14,882,696	(729,041)	14,153,655
Debt service	500	(500)	-
Contingency	1,000,000	(1,000,000)	-
Total expenditures	38,030,825	(2,073,888)	35,956,937
Excess (deficiency) of revenues over (under) expenditures	(770,000)	3,162,830	2,392,830
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of assets	-	13,134	13,134
Transfers in	60,000	-	60,000
Transfers out	(2,240,000)	(59,344)	(2,180,656)
Total other financing sources (uses)	(2,180,000)	72,478	(2,107,522)
Net change in fund balance	(2,950,000)	3,235,308	285,308
Fund balance - beginning	2,950,000	74,733	3,024,733
Fund balance - ending	$ -	$ 3,310,041	$ 3,310,041

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

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

SPECIAL REVENUE FUND

For the Year Ended June 30, 2017

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual GAAP Basis
REVENUES			
Local revenue	$ 1,184,700	$ 253,641	$ 1,438,341
Intermediate revenue	250,000	(225,616)	24,384
State revenue	122,650	279,700	402,350
Federal revenue	6,094,057	(2,164,253)	3,929,804
Total revenues	7,651,407	(1,856,528)	5,794,879
EXPENDITURES			
Current			
Instruction	5,437,625	(2,525,656)	2,911,969
Support services	3,503,869	(1,162,665)	2,341,204
Community services	2,195,907	(348,242)	1,847,665
Contingency	116,000	(116,000)	-
Total expenditures	11,253,401	(4,152,563)	7,100,838
Excess (deficiency) of revenues over (under) expenditures	(3,601,994)	2,296,035	(1,305,959)
OTHER FINANCING SOURCES (USES)			
Long-term debt proceeds	3,000	451	3,451
Transfers in	2,125,000	(59,344)	2,065,656
Transfers out	(70,000)	-	(70,000)
Total other financing sources (uses)	2,058,000	(58,893)	1,999,107
Net change in fund balance	(1,543,994)	2,237,142	693,148
Fund balance - beginning	2,765,494	(84,714)	2,680,780
Fund balance - ending	$ 1,221,500	$ 2,152,428	$ 3,373,928

OTHER SUPPLEMENTARY INFORMATION

INDIVIDUAL FUND SCHEDULES

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

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

DEBT SERVICE FUND

For the Year Ended June 30, 2017

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual GAAP Basis
REVENUES			
Local revenue	$ 3,543,482	$ 156,296	$ 3,699,778
EXPENDITURES			
Debt service	3,968,197	(126,169)	3,842,028
Excess (deficiency) of revenues over (under) expenditures	(424,715)	282,465	(142,250)
OTHER FINANCING SOURCES (USES)			
Debt subsidy rebate	97,215	(51,914)	45,301
Transfers in	100,000	-	100,000
Total other financing sources (uses)	197,215	(51,914)	145,301
Net change in fund balance	(227,500)	230,551	3,051
Fund balance - beginning	227,500	(42,468)	185,032
Fund balance - ending	$ -	$ 188,083	$ 188,083

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

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

ENTERPRISE FUND

For the Year Ended June 30, 2017

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual GAAP Basis
REVENUES	$ -	$ -	$ -
EXPENDITURES			
Current			
Instruction	250,000	(189,585)	60,415
Excess (deficiency) of revenues over (under) expenditures	(250,000)	189,585	(60,415)
OTHER FINANCING SOURCES (USES)			
Sale of assets	250,000	(170,000)	80,000
Net change in fund balance	-	19,585	19,585
Fund balance - beginning	-	-	-
Fund balance - ending	$ -	$ 19,585	$ 19,585

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

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

INSURANCE FUND

For the Year Ended June 30, 2017

	Original and Final Budget	Variance with Final Budget Over (Under)	Actual GAAP Basis
REVENUES	$ -	$ -	$ -
EXPENSES			
Current			
Support services	120,000	(73,877)	46,123
Excess (deficiency) of revenues over (under) expenses	(120,000)	73,877	(46,123)
OTHER FINANCING SOURCES (USES)			
Transfers in	25,000	-	25,000
Change in net position	(95,000)	73,877	(21,123)
Net position - beginning	95,000	630	95,630
Net position - ending	$ -	$ 74,507	$ 74,507

OTHER FINANCIAL SCHEDULES

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9

Lebanon, Oregon

REVENUE SUMMARY - ALL FUNDS

June 30, 2017

Revenue from Local Sources	**Fund 100**	**Fund 200**	**Fund 300**	**Fund 500**	**Fund 600**
1110 Ad Valorem Taxes Levied by District	$ 8,981,310.70	$ -	$ 3,699,777.48	$ -	$ -
1190 Penalties and Interest on Taxes	67,590.70	-	-	-	-
1312 Regular Day School Tuition - Other Dist Within State	2,526.39	-	-	-	-
1500 Earnings on Investments	156,492.05	3,382.93	-	-	-
1600 Food Service	-	110,053.08	-	-	-
1700 Extracurricular Activities	-	864,502.44	-	-	-
1910 Rentals	9,114.00	-	-	-	-
1920 Contributions and Donations From Private Sources	-	45,025.27	-	-	-
1940 Services Provided Other Local Agencies	32,387.13	-	-	-	-
1960 Recovery of Prior Years' Expenditure	438.74	-	-	-	-
1990 Miscellaneous	241,797.64	415,364.35	-	-	-
Total Revenue from Local Sources	**$ 9,491,657.35**	**$ 1,438,328.07**	**$ 3,699,777.48**	**$ -**	**$ -**

Revenue from Intermediate Sources	**Fund 100**	**Fund 200**	**Fund 300**	**Fund 500**	**Fund 600**
2200 Restricted Revenue	$ 208,252.00	$ 24,383.84	$ -	$ -	$ -
Total Revenue from Intermediate Sources	**$ 208,252.00**	**$ 24,383.84**	**$ -**	**$ -**	**$ -**

Revenue from State Sources	**Fund 100**	**Fund 200**	**Fund 300**	**Fund 500**	**Fund 600**
3101 State School Fund - General Support	$ 27,681,417.22	$ -	$ -	$ -	$ -
3103 Common School Fund	502,314.04	-	-	-	-
3104 State Managed County Timber	137,285.75	-	-	-	-
3199 Other Unrestricted Grants-in-Aid	129,474.27	-	-	-	-
3299 Other Restricted Grants-in-Aid	-	402,350.48	-	-	-
Total Revenue from State Sources	**$ 28,450,491.28**	**$ 402,350.48**	**$ -**	**$ -**	**$ -**

Revenue from Federal Sources	**Fund 100**	**Fund 200**	**Fund 300**	**Fund 500**	**Fund 600**
4200 Unrestricted Revenue From the Federal Government through the State	$ 102,446.76	$ -	$ -	$ -	$ -
4300 Restricted Revenue From the Federal Government	73,725.66	-	-	-	-
4500 Restricted Revenue From the Federal Government Through the State	-	3,685,932.22	-	-	-
4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies	-	129,848.15	-	-	-
4801 Federal Forest Fees	23,159.57	-	-	-	-
4900 Revenue for/on Behalf of the District	-	114,025.20	-	-	-
Total Revenue from Federal Sources	**$ 199,331.99**	**$ 3,929,805.57**	**$ -**	**$ -**	**$ -**

Revenue from Other Sources	**Fund 100**	**Fund 200**	**Fund 300**	**Fund 500**	**Fund 600**
5100 Long Term Debt Financing Sources	$ -	$ -	$ 45,301.49	$ -	$ -
5200 Interfund Transfers	60,000.00	2,065,656.30	100,000.00	-	25,000.00
5300 Sale of assets	13,134.42	3,451.00	-	80,000.00	-
5400 Resources - Beginning Fund Balance	3,024,733.00	2,680,780.58	185,032.23	-	95,630.39
Total Revenue from Other Sources	**$ 3,097,867.42**	**$ 4,749,887.88**	**$ 330,333.72**	**$ 80,000.00**	**$ 120,630.39**
Grand Totals	**$ 41,447,600.04**	**$ 10,544,755.84**	**$ 4,030,111.20**	**$ 80,000.00**	**$ 120,630.39**

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9

Lebanon, Oregon

EXPENDITURE SUMMARY - GENERAL FUND

June 30, 2017

Instruction Expenditures	**Totals**	**Object 100**	**Object 200**
1111 Elementary, K-5 or K-6	$ 6,812,042.12	$ 4,257,494.99	$ 2,379,467.82
1113 Elementary Extracurricular	14,226.34	9,250.00	2,976.34
1121 Middle/Junior High Programs	2,926,986.29	1,869,978.00	1,005,262.98
1122 Middle/Junior High School Extracurricular	31,293.43	16,952.16	5,696.33
1131 High School Programs	4,601,526.33	2,909,016.73	1,510,530.25
1132 High School Extracurricular	86,572.97	60,979.00	20,857.55
1210 Programs for the Talented and Gifted	11,869.99	6,911.71	1,146.81
1220 Restrictive Programs for Students with Disabilities	1,879,550.11	1,069,495.24	801,711.12
1250 Less Restrictive Programs for Students with Disabilities	2,207,548.74	1,326,652.72	874,893.42
1271 Remediation	722.01	537.22	184.79
1280 Alternative Education	2,797,392.35	446,297.43	214,652.06
1291 English Second Language Programs	290,186.14	171,202.57	118,017.17
1292 Teen Parent Program	77,560.37	37,312.02	18,248.35
1300 Adult/Continuing Education Programs	41,735.17	13,835.96	10,313.71
1400 Summer School Programs	24,051.00	17,950.00	6,101.00
Total Instruction Expenditures	**$ 21,803,263.36**	**$ 12,213,865.75**	**$ 6,970,059.70**

Support Services Expenditures	**Totals**	**Object 100**	**Object 200**
2110 Attendance and Social Work Services	$ 143,125.75	$ 26,971.03	$ 23,504.98
2120 Guidance Services	876,184.35	573,265.38	300,625.77
2130 Health Services	171,554.80	108,641.18	59,299.77
2140 Psychological Services	34,400.99	-	-
2150 Speech Pathology and Audiology Services	351,718.12	184,884.40	100,611.23
2160 Other Student Treatment Services	48,307.98	353.82	128.15
2190 Service Direction, Student Support Services	241,956.23	139,463.54	90,657.40
2210 Improvement of Instruction Services	374,389.32	194,667.38	77,844.35
2220 Educational Media Services	381,068.37	178,855.46	156,111.56
2230 Assessment & Testing	128,709.34	28,885.06	21,601.30
2240 Instructional Staff Development	285,983.04	65,480.45	24,733.89
2310 Board of Education Services	66,344.92	-	-
2320 Executive Administration Services	306,075.83	186,184.98	96,528.97
2410 Office of the Principal Services	3,611,169.76	2,234,409.91	1,216,535.72
2520 Fiscal Services	583,424.98	306,943.27	162,526.95
2540 Operation and Maintenance of Plant Services	3,384,213.87	968,387.00	625,238.80
2550 Student Transportation Services	1,572,818.61	764,935.62	519,418.38
2570 Internal Services	17,967.51	11,909.90	4,321.19
2630 Information Services	155,659.13	100,726.98	53,816.11
2640 Staff Services	472,542.96	276,455.92	147,943.89
2660 Technology Services	706,871.71	221,228.73	101,797.08
2680 Interpretation and Translation Services	4,984.63	4,176.54	808.09
2700 Supplemental Retirement Programs	234,166.72	35,621.00	198,545.72
Total Support Services Expenditures	**$ 14,153,638.92**	**$ 6,612,447.55**	**$ 3,982,599.30**

Other Uses Expenditures	**Totals**	**Object 100**	**Object 200**
5200 Transfers of Funds	$ 2,180,656.30	$ -	$ -
Total Other Uses Expenditures	**$ 2,180,656.30**	**$ -**	**$ -**
Grand Total	**$ 38,137,558.58**	**$ 18,826,313.30**	**$ 10,952,659.00**

Object 300	Object 400	Object 500	Object 600	Object 700
$ 68,841.25	$ 105,846.06	$ -	$ 392.00	$ -
-	2,000.00	-	-	-
16,113.12	35,132.19	-	500.00	-
8,644.94	-	-	-	-
76,231.52	100,214.13	-	5,533.70	-
4,736.42	-	-	-	-
835.00	2,976.47	-	-	-
297.14	8,046.61	-	-	-
1,259.59	4,733.01	-	10.00	-
-	-	-	-	-
2,066,671.11	67,811.75	-	1,960.00	-
897.90	68.50	-	-	-
22,000.00	-	-	-	-
17,585.50	-	-	-	-
-	-	-	-	-
$ 2,284,113.49	**$ 326,828.72**	**$ -**	**$ 8,395.70**	**$ -**

Object 300	Object 400	Object 500	Object 600	Object 700
$ 83,180.40	$ 8,569.34	$ -	$ 900.00	$ -
788.95	1,504.25	-	-	-
2,424.78	1,189.07	-	-	-
34,400.99	-	-	-	-
62,143.01	3,969.48	-	110.00	-
47,826.01	-	-	-	-
9,724.41	2,110.88	-	-	-
10,615.16	11,313.66	-	79,948.77	-
495.88	43,137.47	-	2,468.00	-
24,564.74	49,770.24	-	3,888.00	-
187,515.71	2,252.99	-	6,000.00	-
55,869.61	2,030.26	-	8,445.05	-
9,488.95	11,259.93	-	2,613.00	-
37,453.15	112,314.98	-	10,456.00	-
25,772.55	10,778.38	-	77,403.83	-
1,283,545.37	264,824.03	36,057.65	206,161.02	-
54,777.36	174,142.25	28,976.50	30,568.50	-
-	1,736.42	-	-	-
398.68	717.36	-	-	-
17,742.31	25,531.34	-	4,869.50	-
100,007.65	283,183.25	-	655.00	-
-	-	-	-	-
-	-	-	-	-
$ 2,048,735.67	**$ 1,010,335.58**	**$ 65,034.15**	**$ 434,486.67**	**$ -**

Object 300	Object 400	Object 500	Object 600	Object 700
$ -	$ -	$ -	$ -	$ 2,180,656.30
$ -	**$ -**	**$ -**	**$ -**	**$ 2,180,656.30**
$ 4,332,849.16	**$ 1,337,164.30**	**$ 65,034.15**	**$ 442,882.37**	**$ 2,180,656.30**

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

EXPENDITURE SUMMARY - SPECIAL REVENUE FUND

June 30, 2017

Instruction Expenditures	**Totals**	**Object 100**	**Object 200**
1111 Elementary, K-5 or K-6	$ 72,930.69	$ 20,068.15	$ 1,991.29
1113 Elementary Extracurricular	108,349.23	-	-
1121 Middle/Junior High Programs	18,060.88	608.13	172.21
1122 Middle/Junior High School Extracurricular	92,558.17	21,764.00	3,904.17
1131 High School Programs	105,950.02	3,549.97	1,198.51
1132 High School Extracurricular	1,018,295.27	224,191.93	67,375.97
1220 Restrictive Programs for Students with Disabilities	1,455.34	1,318.27	137.07
1250 Less Restrictive Programs for Students with Disabilities	435,306.37	260,094.54	175,211.83
1272 Title I	1,017,845.09	610,665.10	352,964.62
1280 Alternative Education	375.00	-	-
1300 Adult/Continuing Education Programs	34,265.76	17,808.84	12,897.91
1400 Summer School Program	6,576.54	920.00	275.68
Total Instruction Expenditures	**$ 2,911,968.36**	**$ 1,160,988.93**	**$ 616,129.26**

Support Services Expenditures	**Totals**	**Object 100**	**Object 200**
2110 Attendance and Social Work Services	$ 23,775.55	$ 5,902.77	$ 4,659.55
2120 Guidance Services	38,839.10	25,523.98	12,115.12
2150 Speech Pathology and Audiology Services	7,605.89	-	-
2160 Other Student Treatment Services	35,265.00	-	-
2190 Service Direction, Student Support Services	411,533.53	268,234.26	142,704.27
2210 Improvement of Instruction Services	142,797.21	67,027.10	17,745.66
2220 Educational Media Services	5,842.54	-	-
2230 Assessment & Testing	17,056.40	-	-
2240 Instructional Staff Development	376,438.53	159,449.65	47,647.02
2410 Office of the Principal Services	810.57	-	-
2490 Other Support Services - School Administration	741.70	741.70	-
2540 Operation and Maintenance of Plant Services	167,348.21	-	-
2550 Student Transportation Services	634,377.74	-	-
2570 Internal Services	24,777.37	-	-
2620 Planning, Research, Development, Evaluation Services, Grant Writing, and Statistical Services	15,607.51	9,890.40	5,717.11
2660 Technology Services	397,112.23	-	-
2680 Interpretation and Translation Services	41,265.40	20,421.63	19,894.77
2700 Supplemental Retirement Program	-	-	-
Total Support Services Expenditures	**$ 2,341,194.48**	**$ 557,191.49**	**$ 250,483.50**

Enterprise and Community Services Expenditures	**Totals**	**Object 100**	**Object 200**
3100 Food Services	$ 1,810,615.91	$ 565,307.56	$ 445,797.81
3300 Community Services	37,048.74	3,024.28	986.07
Total Enterprise and Community Services Expenditures	**$ 1,847,664.65**	**$ 568,331.84**	**$ 446,783.88**

Other Uses Expenditures	**Totals**	**Object 100**	**Object 200**
5200 Transfers of Funds	$ 70,000.00	$ -	$ -
Total Other Uses Expenditures	**$ 70,000.00**	**$ -**	**$ -**
Grand Total	**$ 7,170,827.49**	**$ 2,286,512.26**	**$ 1,313,396.64**

Object 300	Object 400	Object 500	Object 600	Object 700
$ 294.79	$ 50,576.46	$ -	$ -	$ -
27,374.78	70,780.97	9,800.00	393.48	-
1,404.50	15,876.04	-	-	-
9,264.30	57,071.27	-	554.43	-
12,282.81	75,705.13	13,213.60	-	-
254,230.52	375,311.66	-	97,185.19	-
-	-	-	-	-
-	-	-	-	-
2,717.29	51,498.08	-	-	-
375.00	-	-	-	-
53.46	3,505.55	-	-	-
-	5,380.86	-	-	-
$ 307,997.45	**$ 705,706.02**	**$ 23,013.60**	**$ 98,133.10**	**$ -**

Object 300	Object 400	Object 500	Object 600	Object 700
$ 120.00	$ 12,593.23	$ -	$ 500.00	$ -
1,200.00	-	-	-	-
7,605.89	-	-	-	-
35,265.00	-	-	-	-
-	-	-	595.00	-
6,879.73	48,715.72	-	2,429.00	-
-	5,842.54	-	-	-
-	17,056.40	-	-	-
144,872.01	20,505.62	-	3,964.23	-
300.00	510.57	-	-	-
-	-	-	-	-
123,909.88	43,438.33	-	-	-
1,050.74	-	633,327.00	-	-
-	24,777.37	-	-	-
-	-	-	-	-
31,382.00	-	365,730.23	-	-
-	949.00	-	-	-
-	-	-	-	-
$ 352,585.25	**$ 174,388.78**	**$ 999,057.23**	**$ 7,488.23**	**$ -**

Object 300	Object 400	Object 500	Object 600	Object 700
$ 10,039.09	$ 771,366.86	$ 12,401.00	$ 5,703.59	$ -
19,023.69	14,014.70	-	-	-
$ 29,062.78	**$ 785,381.56**	**$ 12,401.00**	**$ 5,703.59**	**$ -**

Object 300	Object 400	Object 500	Object 600	Object 700
$ -	$ -	$ -	$ -	$ 70,000.00
$ -	**$ -**	**$ -**	**$ -**	**$ 70,000.00**
$ 689,645.48	**$ 1,665,476.36**	**$ 1,034,471.83**	**$ 111,324.92**	**$ 70,000.00**

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

EXPENDITURE SUMMARY - DEBT SERVICE FUND

June 30, 2017

Other Uses Expenditures	**Totals**	**Object 600**
5100 Debt Service	$ 3,842,027.78	$ 3,842,027.78
Total Other Uses Expenditures	**$ 3,842,027.78**	**$ 3,842,027.78**
Grand Total	**$ 3,842,027.78**	**$ 3,842,027.78**

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

EXPENDITURE SUMMARY - INTERNAL SERVICE FUND

June 30, 2017

Instruction Expenditures	**Totals**	**Object 500**
1131 High School Programs	$ 60,415.18	$ 60,415.18
Total Support Services Expenditures	**$ 60,415.18**	**$ 60,415.18**
Grand Total	**$ 60,415.18**	**$ 60,415.18**

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

EXPENDITURE SUMMARY - INTERNAL SERVICE FUND

June 30, 2017

Support Services Expenditures	**Totals**	**Object 300**
2320 Executive Administration Services	$ 46,123.28	$ 46,123.28
Total Support Services Expenditures	**$ 46,123.28**	**$ 46,123.28**
Grand Total	**$ 46,123.28**	**$ 46,123.28**

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

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

STUDENT ACTIVITIES (A division of the special revenue fund)

For the Year Ended June 30, 2016

	July 1, 2016 Balances	Receipts	Disbursements	June 30, 2017 Balances
Lebanon High School	$ 370,271	$ 599,500	$ 587,632	$ 382,139
Seven Oaks Middle School	38,685	26,254	41,614	23,325
Elementary Schools:				
Cascade	11,008	36,195	29,084	18,119
Green Acres	13,918	12,569	10,520	15,967
Hamilton Creek	14,465	11,890	11,338	15,017
Lacomb	14,100	20,799	17,464	17,435
Riverview	9,341	9,254	10,985	7,610
Pioneer	11,333	26,242	23,055	14,520
Totals	$ 483,121	$ 742,703	$ 731,692	$ 494,132

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

SCHEDULE OF FUTURE REQUIREMENTS FOR THE RETIREMENT OF BONDED DEBT

For the Year Ended June 30, 2017

Fiscal Year	TOTAL ALL REQUIREMENTS			GENERAL OBLIGATION BONDS 2005 Refunding		
	Total	Principal	Interest	Total	Principal	Interest
2018	$ 3,807,795	$ 1,770,000	$ 2,037,795	$ 1,571,538	$ 645,000	$ 926,538
2019	3,893,983	1,920,000	1,973,983	1,629,288	735,000	894,288
2020	3,990,201	2,090,000	1,900,201	1,662,538	805,000	857,538
2021	4,090,702	2,295,000	1,795,702	1,872,288	1,055,000	817,288
2022	4,189,838	2,495,000	1,694,838	1,936,900	1,175,000	761,900
2023	4,292,152	2,725,000	1,567,152	1,920,213	1,220,000	700,213
2024	4,397,801	2,970,000	1,427,801	636,163	-	636,163
2025	4,504,352	3,215,000	1,289,352	796,163	160,000	636,163
2026	6,461,070	5,365,000	1,096,070	2,263,963	1,635,000	628,963
2027	4,631,756	3,755,000	876,756	2,543,125	2,000,000	543,125
2028	4,745,588	4,060,000	685,588	2,693,125	2,260,000	433,125
2029	4,865,788	4,390,000	475,788	2,923,825	2,615,000	308,825
2030	4,987,650	4,740,000	247,650	3,165,000	3,000,000	165,000
TOTALS	$ 58,858,676	$ 41,790,000	$ 17,068,676	$ 25,614,129	$ 17,305,000	$ 8,309,129

(Continued)

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

SCHEDULE OF FUTURE REQUIREMENTS FOR THE RETIREMENT OF BONDED DEBT

For the Year Ended June 30, 2017

(Continued)

Fiscal Year	GENERAL OBLIGATION BONDS 2011 Refunding			QUALIFIED SCHOOL CONSTRUCTION BONDS Series 2011		
	Total	Principal	Interest	Total	Principal	Interest
2018	$ 2,139,044	$ 1,125,000	$ 1,014,044	$ 97,213	$ -	$ 97,213
2019	2,167,481	1,185,000	982,481	97,214	-	97,214
2020	2,230,450	1,285,000	945,450	97,213	-	97,213
2021	2,121,200	1,240,000	881,200	97,214	-	97,214
2022	2,155,725	1,320,000	835,725	97,213	-	97,213
2023	2,274,725	1,505,000	769,725	97,214	-	97,214
2024	3,664,425	2,970,000	694,425	97,213	-	97,213
2025	3,610,975	3,055,000	555,975	97,214	-	97,214
2026	2,253,500	1,835,000	418,500	1,943,607	1,895,000	48,607
2027	2,088,631	1,755,000	333,631	-	-	-
2028	2,052,463	1,800,000	252,463	-	-	-
2029	1,941,963	1,775,000	166,963	-	-	-
2030	1,822,650	1,740,000	82,650	-	-	-
TOTALS	$ 30,523,232	$ 22,590,000	$ 7,933,232	$ 2,721,315	$ 1,895,000	$ 826,315

AUDIT COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATIONS

Accuity, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS

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

We have audited the basic financial statements of Lebanon Community School District No. 9 as of and for the year ended June 30, 2017, and have issued our report thereon dated December 13, 2017. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

Compliance

As part of obtaining reasonable assurance about whether Lebanon Community School District No. 9's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes, as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

Indebtedness limitations, restrictions, and repayment

Budgets legally required (ORS Chapter 294)

Insurance and fidelity bonds in force or required by law

Programs funded from outside sources

Authorized investment of surplus funds (ORS Chapter 294)

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

State school fund factors and calculation

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

OAR 162-010-0230 Internal Control

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

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

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

This report is intended solely for the information and use of the board of directors and management of Lebanon Community School District No. 9 and the Oregon Secretary of State, and is not intended to be, and should not be used by anyone other than these parties.

Accuity, LLC

Accuity, LLC

December 13, 2017

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

SUPPLEMENTAL INFORMATION REQUIRED BY OREGON DEPARTMENT OF EDUCATION

For the Year Ended June 30, 2017

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

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

	Objects 325 and 326
Function 2540	$ 689,833
Function 2550	$ –

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

$ 11,000

Exclude these functions: Exclude these functions:

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

SINGLE AUDIT SECTION

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2017

Federal Grantor, Pass through Grantor, Program Title	Pass-through Entity ID	CFDA	Expenditures
U.S. Department of Education			
Passed through Oregon State Department of Education			
Title I, Part A Cluster			
Title I Grants to Local Educational Agencies	2101	84.010	$ 1,233,177
Special Education Cluster			
IDEA Special Education Grants To States	2101	84.027	751,195
IDEA Part B - Section 619	2101	84.173	1,096
Total Special Education Cluster			752,291
SPIG - Personnel Development Grant	2101	84.323	-
English Language Acquisition Grants	2101	84.365	2,505
Title IIA Improving Teaching Quality State Grants	2101	84.367	193,973
Total Passed through Oregon State Department of Education			2,181,946
Passed through Linn-Benton Community College			
Career and Technical Education Basic Grants	N/A	84.048	50,634
Passed through Oregon State University			
Gaining Early Awareness and Readiness for Undergraduates	N/A	84.334	47,469
Passed through Oregon Research Institute			
Positive Family Support Project	N/A	84.324	1,040
Passed through State of Oregon Department of Health Services			
Youth Transition Program (YTP)	N/A	84.126	28,199
Total U.S. Department of Education			2,309,288
U.S. Department of Defense			
Passed through University of Oregon			
JROTC Program	N/A	12.000	73,726

(Continued)

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2017

(Continued)

Federal Grantor, Pass through Grantor, Program Title	Pass-through Entity ID	CFDA	Expenditures
U.S. Department of Agriculture			
Passed through Oregon State Department of Education			
Child Nutrition Cluster			
Food Distribution/USDA Commodities	2101	10.559	$ 800
Food Distribution/USDA Commodities	2101	10.555	114,580
School Breakfast Program	2101	10.553	532,653
National School Lunch Program	2101	10.555	882,748
Summer Food Service Program	2101	10.559	38,549
Total Child Nutrition Cluster			1,569,330
Fresh Fruit and Vegetable Program	2101	10.582	39,521
Child and Adult Care Food Program	2101	10.558	10,874
Child Care - Cash for Commodities	2101	10.558	791
Total Passed through Oregon Department of Education			1,620,516
Passed through Linn County			
Federal Forest Fees	N/A	10.666	23,160
Total U.S. Department of Agriculture			1,643,676
Total federal expenditures			$ 4,026,690

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2017

I. PURPOSE OF SCHEDULE

The accompanying schedule of expenditures of federal awards (the "schedule") includes the federal award activity of Lebanon Community School District No. 9's under programs of the federal government for the year ended June 30, 2017. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Lebanon Community School District No. 9, it is not intended to and does not present the financial position, changes in net position, or cash flows of Lebanon Community School District No. 9.

II. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

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

B. Federal Financial Assistance

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

C. Major Programs

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

D. Reporting Entity

The reporting entity is fully described in the notes to the District's basic financial statements. Additionally, the schedule of expenditures of federal awards includes all federal programs administered by the District for the year ended June 30, 2017.

E. Revenue and Expenditure Recognition

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

Accuity, LLC
CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited the basic financial statements of Lebanon Community School District No. 9 as of and for the year ended June 30, 2017, and have issued our report thereon dated December 13, 2017. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our report includes a reference to other auditors who audited the financial statements of Sand Ridge Charter School. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of Sand Ridge Charter School were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Sand Ridge Charter School.

Internal Control Over Financial Reporting

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

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

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

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Compliance and Other Matters

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

Purpose of this Report

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

Accuity, LLC

Albany, Oregon
December 13, 2017

Accuity, LLC
CERTIFIED PUBLIC ACCOUNTANTS

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

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

Report on Compliance for Each Major Federal Program

We have audited Lebanon Community School District No. 9 compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2017. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Lebanon Community School District No. 9 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

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

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

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

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

Accuity, LLC

Accuity, LLC

Albany, Oregon
December 13, 2017

LEBANON COMMUNITY SCHOOL DISTRICT NO. 9
Lebanon, Oregon

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2017

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Federal Awards

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

Identification of major programs:

CFDA Number(s)	*Name of Federal Program or Cluster*
10.55X	Child Nutrition Cluster

Dollar threshold used to distinguish between Type A and type B programs:	$750,000
Auditee qualified as low-risk auditee?	Yes

Pursuing Excellence
LEBANON
Community Schools

Linda Darling, Business Director

485 South 5th Street, Lebanon, Oregon 97355 • Phone: (541) 259-8945 • Fax: (541) 451-8517 • E-mail: linda.darling@lebanon.k12.or.us

To: **Board of Directors**

From: **Linda Darling, Business Director**

Date: **February 2, 2018**

Re: **Policy Recommendations**

DJFA: Credit/ Purchase Cards

The recommendation is to strike the specific amounts and number of cards that can be issued to that limit at any time. In operating the Purchase Card program in the district for the past seven years, I have found that there are so many factors that can impact how many users need to have their credit limit increased. The change in the policy will allow me to adjust limits according to need for a specific period of time. OSBA example and surrounding districts do no list specific amount.

DN: Disposal of District Property
The recommendation is to strike the sentence that has the Board notified prior to disposing of surplus equipment. This aligns with OSBA example and surrounding districts.

DN – AR: Disposal of District Property
The changes reflect the changes to the proposed policy DN.

Lebanon Community Schools

Code: **DJFA**
Adopted: 5/6/10
Readopted: 10/18/12, 3/10/16

Credit/Purchase Cards

The Board authorizes the superintendent to hold a bank credit/purchase card in the name of the district and to issue such cards to designated employees. Approved card holders will be held responsible for maintaining sole possession and security of issued cards at all times. ~~Credit/purchase cards will have a maximum amount with the need of the individual commensurate holder within the following maximum limits:~~
~~$30,000 for operation (no more than 3 cards issued at any time)~~
~~$10,000 for operation (no more than 3 cards issued at any time)~~
~~$7,500 for operation (no more than 3 cards issued at any time)~~
~~$5,000 for travel (no more than 3 cards issued at any time)~~
~~$4,000-$2,000 for department or building needs (designated as needed)~~
~~$1,000 for Administration & Office managers for day to day business (default)~~
~~$500 for other staff for a specific purpose (default)~~

Credit/purchase cards issued to employees may only be used to purchase items authorized by the adopted district budget.

Purchase slips and receipts must be turned in to the business office within 5 days of the billing cycle. The business office shall pay in full the credit/purchase card balance no later than the due date so that finance charges will not be incurred.

District-issued credit/purchase cards shall be subject to the following:

1. Personal items shall not be charged on district-issued credit/purchase cards. If a personal item is inadvertently purchased on a district-issued credit/purchase card in violation of this policy, repayment by the employee must be through in an automatic deduction from the individual's next payroll disbursement. Accordingly, the district will require individuals issued credit/purchase cards to sign a written authorization for payroll deduction in the event of such personal use;

2. The purchase of alcoholic beverages is strictly prohibited. The purchase of gasoline for a privately-owned vehicle is prohibited without prior authorization;

3. Leaving a gratuity that exceeds 15 percent is prohibited;

4. Airline tickets may be purchased with a district-issued credit/purchase card only with prior superintendent or designee approval. If the issued credit/purchase card provides for purchase incentives (i.e., points, discounts or airline mileage credits), such incentives shall only be redeemed for authorized district business.

Violation of the provisions of this policy may result in the revocation of the credit/purchase card and/or discipline up to and including dismissal.

END OF POLICY

Legal Reference(s):

ORS 332.107

ORS 652.610(3)

Or. Gov't Standards and Practices Comm'n, Advisory Opinion 01A-1007 (Aug. 29, 2001).

Lebanon Community Schools

Code: **DN**
Adopted: 8/20/09
Readopted: 5/6/10, 6/21/12, 4/9/15
Orig. Code(s): DN

Disposal of District Property (Version 1)

The Board may, at any time, declare district property as surplus and authorize its disposal when such property is no longer useful to the district, unsuitable for use, too costly to repair or obsolete. ~~The Board will be notified prior to the disposal of property or materials estimated by the director of business to be greater than $500.~~

If reasonable attempts to dispose of surplus properties fail to produce a monetary return to the district, the Board may dispose of them in another manner.

If the district property was purchased with state, federal or private grant funds disposal of the property shall be made as outlined in the grant or by state or federal regulations.

END OF POLICY

Legal Reference(s):

ORS 279B.055
ORS Chapters 279A, 279B and 279C
ORS 332.155

EDUCATION, TITLE 34 C.F.R. PART 80 § 80.32(e)
HR2/26/15 | RS

Lebanon Community Schools

Code: **DN -AR**

Adopted: 6/21/12

Disposal of District Property

The ~~Board~~ Business Director will be notified prior to the disposal of property or materials ~~estimated by the director of business to be greater than $500~~ that had a purchase price of $2,000 or greater. The notification will include estimated value, purpose for disposal, and process for disposal. Obsolete equipment in the district, shall be disposed in one of the following ways:

1. **Surplus/Obsolete Equipment Sale**
   The district may conduct a surplus/obsolete equipment sale. The sale will include all items that the buildings have determined to be surplus/obsolete and which do not justify a special sale. All proceeds from this sale will be credited to a district sale of assets account unless a building or club actively participates in the sale.

2. **Building Participation in a Special Sale**
   The building administrator or department director may request that a special sale be conducted when the value of the school equipment to be disposed of is over $500. The Director of Business will work with the building administrator in conducting the sale. If the item being disposed of has been purchased with building funds, then the proceeds from the sale will be credited to the building.

3. **Trade-In Allowance**
   The Director of Business or designee may use the school equipment to be disposed of as a trade-in allowance on the purchase of a new piece of equipment. The Director of Business or designee will maintain detailed records of equipment, value, and vendor of all such transactions.

4. **Donation to a Public or Nonprofit Agency**
   Donations of school equipment are limited to only public and nonprofit agencies. All requests must be approved by the superintendent.

5. **Sale to a Public Agency**
   School equipment subject to disposal may be sold directly to another public agency. All requests must be approved by the Director of Business.

Items estimated by the director of business to have a value of less than $500 may be sold by the director of business at prices estimated to be the market values of the items. All sales by the director of business will be recorded by item, price and buyer.

School equipment with no perceived value as determined by the Director of Business or designee may be disposed through the normal work order process. School equipment (to be disposed of) shall not be given to individuals or staff members. Detailed records of all disposed items will be maintained

School equipment acquired through federal or vocational funding may not be disposed of without district approval.

MEMORANDUM

To: **Board of Directors**

From: **Nicole Hundley, Executive Secretary**

Date: **February 2, 2018**

Re: **Policy Recommendations**

The attached policies are presented with all changes incorporated from Jollee Patterson's recommendations to the Board, along with the recent recommendations from OSBA. They are presented as replacements in entirety for KL: Public Complaints, KL-AR: Public Complaint Process, and GMB: Staff Complaints. GMB-AR: Staff Complaints is recommended for deletion.

Lebanon Community School District

Code: **KL**
Adopted: 03/17/11, 09/10/15, 12/10/15, 3/10/16, _____

DRAFT

Public Complaints

The Board takes the concerns of the public seriously. The Board is committed to providing a fair and effective complaint process in order to seek resolution whenever possible, continuously improve the district's performance, and provide open channels of communication. This policy and the accompanying regulation establish the process for addressing public complaints.

Steps for complaint resolution
Whenever possible, the Board supports resolution of complaints with the person most directly involved in the concern. The Board also recognizes that sometimes complaints cannot be satisfactorily resolved at this level, and may require the involvement of supervisors, administrators, and, on occasion, the Board itself.

The steps for resolving complaints are as follows:

1. Complainant should seek to resolve the concern with the teacher or employee directly involved in the situation.

2. If the complaint is not resolved at Step 1, the complainant may appeal to the principal or supervisor of the staff person involved in the situation.

3. If the complaint is not resolved at Step 2, the complainant my appeal to the superintendent or the superintendent's designee. In general, the decision of the superintendent shall be final.

4. If the complainant is not satisfied with the decision of the superintendent or designee, the complainant may file an appeal to the Board. The Board will consider appeals pursuant to the process described in KL-AR.

A complaint against a principal shall start at Step 3 and be filed with the superintendent.

A complaint against the superintendent shall start at Step 4 and be filed with the Board chair.

A complaint against a Board member shall start at Step 4 and be filed with the Board chair on behalf of the Board. A complaint against the Board chair shall start shall be filed with the Board vice chair on behalf of the Board.

Specific timelines and requirements for each step are set out in KL-AR Public Complaint Process.

Persons eligible to file complaints
Complaints may be filed by a person who resides in the district, any parent or guardian of a student who attends school in the district, a staff member, or a student.

Timeline for filing complaints
A complainant must file a complaint within the later of either time limit set below, in accordance with state law:

1. Within two years after the alleged violation or unlawful incident occurred or the complainant discovered the alleged violation or unlawful incident. For incidents that are continuing in nature, the time limitation must run from the date of the most recent incident; or

2. Within one year after the affected student has graduated from, moved away from or otherwise left the district.

Additional provisions
The superintendent will administer the complaint process set forth in KL-AR Public Complaint Procedure, unless the complaint is against a Board member in which case the procedure described in KL-AR shall be administered by the Board. All complainants must follow the complaint procedure in KL and KL-AR.

If there are concerns about conflicts of interest in the investigation or decision-making process of addressing complaints, those concerns should be brought to the attention of the superintendent, the superintendent's designee, and/or the Board chair for evaluation and resolution. The Superintendent or Board chair may determine that it is appropriate to engage a third party to assist regarding the conflict of interest.

If a complaint is made directly to the Board or to an individual Board member, the complainant will be referred to the process above. A Board member shall not attempt to consider such complaints in any official capacity acting as an individual Board member.

Retaliation against any person who files a complaint or participates in the complaint process is strictly forbidden. Concerns about retaliation should be brought promptly to the attention of the appropriate party as outlined in KL-AR Public Complaint Procedure.

END OF POLICY

Legal Reference(s):

ORS 326.051
ORS 192.610-690
OAR 581-022-2370

Lebanon Community Schools

Code:**KL-AR (1)**
Revised/Reviewed: 3/17/11, 8/20/15,
11/5/15, 2/11/16, 12/08/2016

DRAFT

Public Complaint Procedure

This regulation sets out the public complaint procedures.

Process and timelines

The involved staff: Step One

A person who wishes to express a concern should discuss the matter with the employee involved. The employee shall respond within five working days. This step is considered informal complaint resolution.

The Administrator: Step Two

If the complainant is unable to resolve a problem or concern with the employee involved, the complainant may file a written, signed complaint with the administrator or supervisor of the involved employee. A written complaint commences the formal complaint process. The administrator or supervisor shall evaluate the complaint and provide a written response within ten working days after receiving the complaint.

The Superintendent: Step Three

If the complainant is not satisfied with the Step 2 result and wishes to pursue the concern, the complainant shall file a signed, written complaint with the superintendent or designee clearly stating the nature of the complaint and a suggested remedy within 10 working days after receipt of the written response of the administrator or supervisor. A Step 3 complaint must be filed on the form attached to this policy. Copies of the form are also available at the district offices.

The superintendent or designee shall investigate the complaint, confer with the complainant and the parties involved, and prepare a written report. The report shall address each of the allegations in the complaint and include the superintendent's or designee's decisions and reasons for the decisions. The report shall be provided to the complainant within 20 working days after receiving the written complaint.

The Board: Step Four

The role of the Board is to address policy-level issues. Complaints that address the operations of the school district generally should be resolved by the superintendent and his/her staff. However, if a complainant is not satisfied with the Step 3 decision and wishes to pursue the concern, the complainant may appeal the decision to the Board within five working days of receiving the superintendent’s decision.

All Board members will be notified of the appeal to the Board. The Board chair will determine whether the Board will hear the appeal, and will notify the Board members and complainant of his/her decision. However, if a member of the Board disagrees with the Chair's decision, the Board member can refer the decision to a vote of the full Board. In that case, the full Board will vote on whether to consider the complaint.

If the Board chooses not to hear the complaint, the superintendent's decision is final.

If the Board decides to hear an appeal, the Board shall review the complaint during a properly-noticed Board meeting. The Board at its discretion may assign the investigation to a third party. The determination to assign the investigation to a third party shall be made by the Board Chair. However, if a member of the Board disagrees with the Chair's decision, the Board member can refer the decision to a vote of the full Board. The Board may also, in its discretion, offer the complainant and other involved parties an opportunity to appear before the Board, or may resolve the complaint based on the written record. The Board may review the matter in executive session if permitted under the Oregon Public Meetings Law.

The complainant shall be informed in writing of the Board's decision within 10 working days. The Board's decision will address each allegation in the complaint and contain reasons for the Board's decision. The Board's decision will be final.

The timelines described in this section may be extended upon written agreement by the complainant and the district.

The complaint procedure set out above will not be longer than 90 working days from the filing date of the Step 2 complaint with the administrator or supervisor to the final decision, unless extended by mutual written agreement.

Complaints against the Superintendent

Complaints against the superintendent shall be filed with the Board chair. The Board chair shall present the complaint to the Board. The Board at its discretion may assign the investigation to a third party. The determination to assign the investigation to a third party shall be made by the Board Chair. However, if a member of the Board disagrees with the Chair's decision, the Board member can refer the decision to a vote of the full Board. At the next regularly noticed meeting following receipt of the investigation report, the Board will consider the complaint and determine what, if any, action is warranted. The Board may review the matter in executive session if permitted under the Oregon Public Meetings Law.

Complaints against a Board member

When a complaint is against a Board member, the Board at its discretion may assign the investigation to a third party. The determination to assign the investigation to a third party shall be made by the Board Chair, unless the complaint is against the Board Chair, in which case the determination shall be made by the Board Vice-Chair. However, if a member of the Board disagrees with the Chair's or Vice Chair's decision, the Board member can refer the decision to a vote of the full Board. The Board will consider the complaint during a properly-noticed meeting and determine what, if any, action is warranted. The Board member against who the complaint is filed shall not participate in any vote related to the complaint.

Notice of opportunity to appeal to Deputy Superintendent of Instruction

As indicated above, the final decision of the district must address each allegation in the complaint and contain reasons for the district's decision. In addition, complainants should be notified that they may have the right to appeal to the Deputy Superintendent of Public Instruction pursuant Oregon Administrative Rule (OAR) 581-002-0040 or OAR 581-021-0049 for complaints that ion that alleges a violation of OAR Chapter 581, Division 22 (Standards), ORS 339.285 to 339.383 or OAR 581-021-0550 to 581-021-0570 (Restraint and Seclusion), ORS 659.852 (Retaliation) or ORS 659.850 (Discrimination).

Additional provisions

The district may offer mediation or another alternative dispute resolution process as an option if all parties to the complaint agree in writing to participate in such mediation or resolution. The timelines outlined in this procedure will be tolled during the mediation or alternative dispute resolution.

Complaints involving district staff will be processed in accordance with Human Resources procedures. Additionally, complaints regarding licensed or classified staff will be processed in accordance with applicable collective bargaining agreements. Complainants should be aware that the collective bargaining agreements and other considerations place limits on the processing of anonymous complaints. The Board will not hear complaints against employees in a session open to the public unless an employee requests an open session. Complainants should be aware that employees are entitled to certain confidentiality rights under state and federal law, as well as applicable collective bargaining agreements. Taking into account these confidentiality protections, complainants will be notified of the outcome of complaints against employees to the extent permitted by law and applicable collective bargaining agreements.

Retaliation against any person who files a complaint or participates in the complaint process is strictly forbidden. Concerns about retaliation should be brought promptly to the attention of a principal or the superintendent.

To ensure access to the complaint process, complainants shall be provided with interpretation or translation services upon request.

This complaint procedure will be available at the district’s administrative office and on the home page of the district’s website.

Lebanon Community School District

COMPLAINT FORM

TO: □ District Office □ _____ (Name of School)

Person Making Complaint _____

Telephone Number _____ Date _____

Nature of Complaint _____

_____

_____

_____

_____

_____

_____

Who should we talk to and what evidence should we consider? _____

_____

_____

_____

_____

Suggested solution/resolution/outcome: _____

_____

_____

_____

_____

_____

Signature of Complainant: _____ Date: _____

Office Use: Disposition of Complaint: _____

_____

Signature: _____ Date: _____

cc: District Office

Lebanon Community Schools

Code: **GBM**
Adopted: 6/15/98
Readopted: 9/16/10, 4/9/15, 6/9/16,
_____
Orig. Code(s): GBM

DRAFT

Staff Complaints *

The Board takes staff concerns very seriously. Staff can use the following processes to address complaints:

Complaints about employment matters or other employees should be brought to the attention of Human Resources, and will be addressed through Human Resources procedures and any applicable collective bargaining agreements.

Complaints about sexual harassment should be brought according to GBN/JBA – AR Sexual Harassment Complaint Procedure.

Complaints about hazing, harassment, intimidation, bullying, menacing, or cyberbullying should be brought according to GBNA-AR – Hazing/Harassment/Intimidation/Bullying/Menacing/Cyberbullying Complaint Procedures.

Other complaints should be brought according to KL-AR – Public Complaint process.

END OF POLICY

Legal Reference(s):

ORS 326.051
ORS 192.610-690
OAR 581-022-2370

Staff Complaints

Any employee wishing to express a complaint or to pursue a resolution to a complaint concerning an area covered by Board policy will adhere to the following levels of appeal in order:

Level I: The complainant is encouraged to first attempt to resolve the complaint through an informal conference with the person(s) involved and discussing concerns directly. However, if desired, the complainant may bring a complaint to the administrator or immediate supervisor as provided in Level II, below;

Level II: Written appeal to the building principal or immediate supervisor when Level I does not resolve the complaint to the satisfaction of the complainant;

Level III: Written appeal to the superintendent or designee when Level II does not resolve the complaint to the satisfaction of the complainant;

Level IV: Written appeal to the Board, requesting a hearing when Level III does not resolve the complaint to the satisfaction of the complainant.

Written appeal at each level after Level I will include but not be limited to the Employee Complaint Form included with these regulations. The administration or Board may seek any additional information desired prior to making a decision on the complaint. A written response will be delivered to the complainant at each level of appeal either personally delivered or by certified mail. At Level II, a copy of the written complaint and the building principal/supervisor written response will be filed with the superintendent's office.

At each level of the complaint procedure, the person(s) who is the subject of the complaint will be notified that the complaint has been moved to the next level. Any interviews or information gathering relative to the processing of the complaint at any level will be done in confidence. At the Board level, the appeal and discussion will be conducted in executive session whenever the circumstances meet the legal requirements for such session.

An attempt will be made to expedite complaints at each step. If an investigation into the complaint is going to exceed 20 working days from the date the official written complaint is filed, the individual filing the complaint will be notified. If the complaint investigation is not complete within 30 working days from the date the official written complaint is filed, the individual filing the complaint may provide a written appeal to the next level for resolution. The failure to comply to the designated timelines does not constituent validity or non-validity to the complaint.

This complaint procedure is recognized as the only proper channel for complaints employees have about other employees. As such, no employee is to express complaints, concerns or criticisms about another

DELETE

employee to students, other employees, parents or community members. An exception will apply to the proper conduct of employee evaluation activities by supervisors and to executive sessions of the Board.

The disposition of the complaint by the Board will be final, except for possible appeal to appropriate courts as provided by law.

Employee Complaint Hearing Procedure

Board (Level IV) employee complaint hearings will be held in executive session, if the criteria is met, unless an open session is requested by the employee who the complaint is against.

Attendance in the executive session will be limited to: Board members, the complainant, the complainant's representative (if desired), the employee, the employee's representative (if desired) and appropriate district administrators. The Board may admit individuals as the Board determines appropriate.

At any given time, Board members may ask questions of individual(s) presenting information.

Procedural Steps in Executive Session

1. Board members will be given an opportunity to review the Complaint Form and related documents.

2. The complainant shall present his/her complaint (the presentation may include documents and witnesses).

3. The employee may present information to refute the complaint (the presentation may include documents and witnesses).

4. The complainant may present a succinct closing statement.

5. The employee may present a succinct closing statement.

6. The Board may continue the meeting in executive session to deliberate as provided by law. The Board may admit such individuals it deems appropriate.

7. The Board will reconvene to open session. A decision may be made by the Board at that time or a decision can be rendered up to ten working days following the executive session.

DELETE

Employee Complaint Form

1. Complaint Information

Name of Person Filing Complaint:_____

Position: _____ Building/Site: _____

Date this complaint is being submitted: _____ Level II. Principal/Immediate Supervisor

Date this complaint is being submitted: _____ Level III. Superintendent or Designee

Date this complaint is being submitted: _____ Level IV. Board

If this complaint progresses to Level III or Level IV, attach a copy of the written response you received at each previous level.

This complaint is relative to:

□ Alleged violation, misinterpretation or inappropriate application of Board policy.

□ Supervisory or administrative decision or action.

□ Action(s) of another employee.

Note: Attach additional pages if you need more space for Section 2, 3 or 4.

2. Nature of Complaint

Name of individual the complaint if being filed against if applicable. A separate form must be completed if a complaint is being filed against more than one individual:
Or subject of complaint, if applicable:_____

Explain the nature of your complaint. Be specific and detailed including dates and times of events. Include the specific policy you believe has been violated, if applicable.

DELETE

3. Information Concerning Informal Attempts to Resolve Complaints (Level I):

4. Requested Remedy

Explain what remedy, if any, you feel should occur relative to your complaint.

5. Timelines

Written appeal to Level III must be made within ten working days of receipt of the decision at Level II.

Written appeal to Level IV must be made within ten working days of receipt of the decision at Level III.

The Board hearing at Level IV, will occur at a regularly scheduled Board meeting or special meeting of the Board to hear the appeal if deemed necessary.

The decision of the Board may occur at the conclusion of the hearing or may be delayed up to ten working days at the direction of the Board.

_____ _____

Signature of Complainant Date

DELETE

MEMORANDUM

To: **Board of Directors**

From: **Jennifer Meckley, Director of Human Resources and Community Relations**

Nicole Hundley, Executive Secretary

Date: **February 2, 2018**

Re: **Policy Recommendations**

OSBA recently sent us a higher amount of policy revisions than usual. In order to best process these changes, we have been bringing the suggested revisions to the Board in smaller groups organized by type. This is the last section, which we have been waiting to provide with the other revisions to the District's KL Complaint Policies. The District supports OSBA's recommendations on the policy revisions listed in the packet.

PUBLIC COMMENTS

Policy Implications

- BDDH - Public Comment at Board Meetings (Highly Recommended)

Summary

As a result of several court cases, OSBA's legal staff recommends that members no longer allow any public comment – not just prohibiting complaints – concerning staff.
By prohibiting only criticism, it could be seen as "viewpoint discrimination" which is protected under the First Amendment.

Legal Reference

See policy document for changes.

Local District Responsibility

It is recommended that the Board review the recommended language and readopt this highly recommended policy, and review the recommended revised language in the administrative regulation and issue it to the Board for review.

LCSD Commentary

After Board discussion at the January meeting, only policy BDDH is brought forward for Board approval. The policy does not contain restrictions on positive staff comments.

Lebanon Community Schools

Code: **BDDH**
Adopted: 6/16/09
Readopted: 2/4/10
Orig. Code(s): BDDH

Public Participation in Board Meetings

All Board meetings, with the exception of executive sessions, will be open to the public. The Board invites district ~~citizens~~ community members to attend Board meetings to become acquainted with the program and operation of the schools. Members of the public also are encouraged to share their ideas and opinions with the Board when appropriate.

It is the intent of the Board to ensure communications with individuals with disabilities are as effective as communications with others. Individuals with hearing, vision or speech impairments will be given an equal opportunity to participate in Board meetings. Primary consideration will be given to requests of qualified individuals with disabilities in selecting appropriate auxiliary aids[1] and services.

~~Auxiliary aids include, but are not limited to, such services and devices as qualified interpreters, assistive listening systems, note takers, readers, taped text, Brailled materials and large print. Auxiliary aids and services for disabled persons will be available at no charge to the individual.~~

Auxiliary aids and services for persons with disabilities will be available at no charge to the individual. All auxiliary aids and/or service requests must be made with appropriate advance notice. Should the Board demonstrate such requests would result in a fundamental alteration in the service, program or activity or in undue financial and administrative burdens, alternative, equally effective means of communication will be used.

Audience

During an open session of a Board meeting, members of the public are specifically invited to present concerns during the designated portion of the agenda. At the discretion of the chair, further public participation may be allowed.

Request for an Item on the Agenda

A member of the public may request the superintendent place an item of concern on the agenda of a regular Board meeting. This request should be made in writing and presented to the superintendent for consideration at least five working days prior to the scheduled meeting.

Procedures for Public Participation in Meetings

The Board will establish procedures for public participation in open meetings. The purpose of these procedures will be to inform the public how to effectively participate in Board meetings for the best

[1] Auxiliary aids may include, but are not limited to, such services and devices as qualified interpreters, assistive listening systems, note takers, readers, taped texts, Braille materials and large print.

interests of the individual, the district and the patrons. The information will be easily accessible and available to all patrons attending a public Board meeting.

~~At the discretion of the Board chair, anyone wishing to speak before the Board, either as an individual or as a member of a group, on any agenda item or other topic, may do so by addressing the Board during an appropriate time on the agenda.~~

1. Discussion or presentation concerning a published agenda item is limited to its designated place on the agenda, unless otherwise authorized by the Board chair.

2. A visitor speaking during the meeting may introduce a topic not on the published agenda. The Board, at its discretion, may ~~direct~~ require that a proposal, inquiry or request be submitted in writing, and reserves the right to refer~~red~~ the matter to the administration for action or study.

3. Any person who is invited by the Board chair to speak to the Board during a meeting should state his/her name and address and, if speaking for an organization, the name and identity of the organization. A spokesperson ~~may~~ should be ~~requested~~ designated to represent a group with a common purpose.

4. Statements by members of the public should be brief and concise. The Board chair may use discretion to establish a time limit on discussion or oral presentation by visitors.

5. Questions asked by the public , when possible, ~~may~~ will be answered ~~immediately~~ by the Board chair or referred to the superintendent~~staff members~~ for reply. Questions requiring investigation may, at the discretion of the Board chair, be referred to the superintendent for response at a later time.

6. At the discretion of the Board chair, anyone wishing to speak before the Board, either as an individual or as a member of a group, on any agenda item or other topic, may do so by addressing the Board during an appropriate time on the agenda.

The Board chair should be alert to see that all visitors have been acknowledged and thanked for their presence and for any contributed comments on agenda issues. Similar courtesy should be extended to members of staff who have been in attendance. Their return for future meetings should be welcomed.

Petitions

Petitions may be accepted at any Board meeting. No action will be taken in response to a petition before the next regular meeting. Petitions will be referred to the superintendent for consideration and recommendation. ~~Petitions shall not be accepted in lieu of following established complaint procedures.~~

~~Criticisms of~~ Comments Regarding Staff Members

Speakers may offer objective criticism of school operations and programs.~~, but t~~The Board will not hear complaints concerning an individual~~ school personnel in a public meeting~~ District staff member. The Board chair will direct the visitor to the procedures in Board policy KL- Public Complaints ~~appropriate means for~~ for Board consideration ~~and disposition~~ of a legitimate complaint~~s~~ involving ~~individuals~~ a staff member. [The association contract governing the employee's rights will be followed.]

END OF POLICY

Legal Reference(s):

ORS 165.535
ORS 165.540
ORS 192.610 - 192.690
ORS 332.057

Americans with Disabilities Act of 1990, 42 U.S.C. §§ 12101-12213 (2017); 29 C.F.R. Part 1630 (~~2006~~2017); 28 C.F.R. Part 35 (~~2006~~2017).
Americans with Disabilities Act Amendments Act of 2008.
Baca v. Moreno Valley Unified Sch. Dist., 936 F. Supp. 719 (C.D. Cal. 1996).
Leventhal v. Vista Unified Sch. Dist., 973 F. Supp. 951 (S.D. Cal. 1997).

HR 9/28/17 | PH

Cross Reference(s):

BDDC - Board Meeting Agenda

COMPLAINTS AND APPEALS

Policy Implications

- AC - Nondiscrimination (Required)
- AC-AR - Discrimination Complaint Procedure (Required)
- IGBBC - Talented and Gifted – Programs and Services** (Highly Recommended)
- JGAB - Use of Restraint and Seclusion (Required)
- KL - Public Complaints (Highly Recommended) (Version 1, 2, 3 or 4)
- KL-AR[(1)] - Public Complaint Procedure (Highly Recommended)
- KL-AR(2) - Appeal to the Deputy Superintendent of Public Instruction (***New*** – Highly Recommended)
- LGA - Compliance with Standards - Recommend ***Delete***
- LGA-AR(1) - Public Appeals and Complaints about Alleged Violations of Standards - Recommend ***Delete***
- LGA-AR(2) - Appeal to the State Superintendent for Alleged Standards Violation - Recommend ***Delete***

Summary

The State Board of Education revised and renumbered OAR 581-022-1941 to 581-022-2370 (Complaint Procedures); OAR 581-022-1940 to 581-002-0040 (Appeal Procedure); revised OAR 581-021-0570 (Complaint Procedures - Restraint and Seclusion); and repealed OAR 581-021-0043 (Retaliation; added to 581-022-2370). All are OARs related to the local complaint procedure, and the appeal procedure to the Deputy Superintendent of Public Instruction for which the Deputy Superintendent has jurisdiction.

Key revisions include but are not limited to:

- The local complaint procedure may not have more than four steps.
- The complaints relating to discrimination, retaliation, restraint and seclusion and Division 22 standards are the only type of complaints that can be appealed to the Deputy Superintendent of Public Instruction.
- The appeal procedure for a complaint is limited to complaints that are pursued by a student, a parent or guardian of a student attending school in the district or a person that resides in the district.
- The district is directed to have complaint procedures available at the district's administrative office and on the home page of the district's website.

Legal Reference

See the policy documents for changes.

Local District Responsibility

Review the required and highly recommend policies and administrative regulations (AR) and the proposed language revisions for policy adoption and board review (AC-AR is required to be adopted by the board). Repeal the policies and ARs that are recommended for deletion.

Lebanon Community Schools

Code: **AC**
Adopted: 6/16/09
Readopted: 2/4/10, 09/10/15
Orig. Code(s): AC

Nondiscrimination

The district prohibits discrimination and harassment on any basis protected by law, including but not limited to, an individual's perceived or actual race, color, religion, sex, sexual orientation[1], national or ethnic origin, marital status, age, mental or physical disability or perceived disability, pregnancy, familial status, economic status, veterans' status, or because of the perceived or actual race, color, religion, sex, sexual orientation, national or ethnic origin, marital status, age, mental or physical disability or perceived disability, pregnancy, familial status, economic status, veterans' status of any other persons with whom the individual associates.

The district prohibits discrimination and harassment, including but not limited to, in employment, assignment and promotion of personnel; in educational opportunities and services offered students; in student assignment to schools and classes; in student discipline; in location and use of facilities; in educational offerings and materials; and in accommodating the public at public meetings.

The Board encourages staff to improve human relations within the schools, to respect all individuals and to establish channels through which citizens can communicate their concerns to the administration and the Board.

The superintendent shall appoint and make known the individuals to contact on issues concerning the Americans with Disabilities Act of 1990 and Americans with Disabilities Act Amendments Act of 2008 (ADA), Section 504 of the Rehabilitation Act of 1973, Title VI, Title VII, Title IX and other civil rights or discrimination issues[2]. The district will publish complaint procedures providing for prompt and equitable resolution of complaints from students, employees and the public, and such procedures will be available at the District's administrative office and available on the home page of the District's website.

The district prohibits retaliation and discrimination against an individual who has opposed any discrimination act or practice; 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.

END OF POLICY

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[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 behavior differs from that traditionally associated with the individual's sex at birth.
[2]Districts are ~~reminded that the district is~~ required to notify students and employees of the name, office address and telephone number of the employee or employees appointed.

Legal Reference(s):

ORS 174.100
ORS 192.630
ORS 326.051(1)(e)
ORS 659.805
ORS 659.815
ORS 659.850 to -860
ORS 659.865
ORS 659.870
ORS 659A.003
ORS 659A.006
ORS 659A.009
ORS 659A.029
ORS 659A.030
ORS 659A.040
ORS 659A.100 to -145
ORS 659A.233
ORS 659A.236
ORS 659A.309
ORS 659A.321
ORS 659A.409

OAR 581-021-0045
OAR 581-021-0046
OAR 581-021-0049
OAR 581-022-~~1140~~2310
OAR 581-022-2370
OAR 839-003

Age Discrimination Act of 1975, 42 U.S.C. §§ 6101-6107 (~~2006~~2017).
Age Discrimination in Employment Act of 1967, 29 U.S.C. §§ 621-634 (~~2006~~2017); 29 C.F.R Part 1626 (~~2006~~2017).
Americans with Disabilities Act of 1990, 42 U.S.C. §§ 12101-12213 (2017); 29 C.F.R. Part 1630 (~~2006~~2017); 28 C.F.R. Part 35 (~~2006~~2017).
Equal Pay Act of 1963, 29 U.S.C. § 206(d) (~~2006~~2017).
Rehabilitation Act of 1973, 29 U.S.C. §§ 503, 791, 793-794 (~~2006~~2017).
Title IX of the Education Amendments of 1972, 20 U.S.C. §§ 1681-1683 (~~2006~~2017); Nondiscrimination on the Basis of Sex in Education Programs or Activities Receiving Federal Financial Assistance, 34 C.F.R. Part 106 (~~2006~~2017).
Title VI of the Civil Rights Act of 1964, 42 U.S.C. § 2000d (~~2006~~2017).
Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000e (~~2006~~2017).
Wygant v. Jackson Bd. of Educ., 476 U.S. 267 (1989).
Americans with Disabilities Act Amendments Act of 2008.
The Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended, 38 U.S.C. § 4212 (2017).
Title II of the Genetic Information Nondiscrimination Act of 2008 (2017).

R9/28/17~~6/25/15~~ | ~~SL~~PH

Lebanon Community Schools

Code: **AC-AR**
Adopted: 8/1/05
Readopted: 2/4/10, 8/20/15
Orig. Code(s): AC-AR

Discrimination Complaint Procedure

Complaints regarding discrimination-or harassment, on any basis protected by law, shall be processed in accordance with the following procedures:

Step 1: Complaints may be oral or in writing and must be filed with the administrator. The administrator shall determine the action to be taken, if any, and reply, in writing, to the complainant within five school days of receipt of the complaint.

Any staff member that receives a written or oral complaint shall report the complaint to the administrator

Step 2: If the complainant wishes to appeal the decision of the administrator he/she may submit a written appeal to the superintendent or designee within five school days after receipt of the administrator's response to the complaint. The superintendent or designee may review the administrator's decision and may meet with all parties involved. The superintendent or designee will review the merits of the complaint and the administrator's decision and respond in writing to the complainant within ten school days.

Step 3: If the complainant 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's or designee's response to Step 2. The Board may decide to hear or deny the request for appeal. The Board may meet with the concerned parties and their representative at the next regular or special Board meeting. The Board's decision will be final and will ~~include the legal basis for the decision, findings of fact and conclusions of law~~ 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 or electronic form within 10 days of this meeting.

If the administrator is the subject of the complaint, the individual may start at step 2 and file a complaint with the superintendent or designee. If the superintendent is the subject of the complaint, the complaint may start at step 3 and should be referred to the Board chair. The Board may refer the investigation to a third party.

Complaints against the Board as a whole or against an individual Board member, may start at step 3 and should be made to the Board chair and may be referred to district counsel. Complaints against the Board chair may start at step 3 and be made directly to the Board vice chair.

Timelines may be extended based upon mutual consent of both parties.

If the complainant is a person who resides in the district, is a parent or guardian of student who attends school in the district or is a student, and is not satisfied after exhausting local complaint procedures~~,~~ or after 90 days, whichever occurs first, he/she may appeal in writing to the Superintendent of Public Instruction under Oregon Administrative Rule (OAR) ~~581-022-1940~~581-021-0049.

DISCRIMINATION COMPLAINT FORM

_____ _____ _____
Name of Person Filing Complaint Date School or Activity

Student/Parent □ Employee □ Nonemployee □ (Job applicant) Other □ _____

Type of discrimination: □ Race □ Color □ Religion
□ Sex □ National Origin □ Disability
□ Marital Status □ Age □ Sexual Orientation
□ Other _____

Specific complaint: (Please provide detailed information including names, dates, places, activities and results of informal discussion.)

_____
_____
_____
_____
_____
_____

Who should we talk to and what evidence should we consider?_____
_____
_____
_____
_____

Suggested solution/resolution/outcome: _____
_____
_____
_____
_____
_____
_____
_____

~~The~~ This complaint form should be mailed or ~~taken~~submitted to the administrator. Direct complaints related to educational programs and services may be made to the U.S. Department of Education, Office for Civil Rights. Direct complaints related to employment may be filed with the Oregon Bureau of Labor and Industries, Civil Rights Division, or the U.S. Department of Labor, Equal Employment Opportunities Commission.

R~~6/25/15~~9/28/17 |~~SL~~PH

Lebanon Community Schools

Code: **IGBBC**
Adopted: 12/16/10

Talented and Gifted - Programs and Services ~~- Talented and Gifted~~**

A district written plan will be developed for programs and services beyond those normally offered by the regular school program. All required written course statements shall identify the academic instructional programs and services to be provided which accommodate the assessed levels and accelerated rates of learning in identified talented and gifted students. The superintendent will remove any administrative barriers that may exist which restrict a student's~~'~~ access to appropriate services and will develop program and service options as reflected in the district TAG handbook.

The Board has established an appeals process for a parent~~s~~ or guardian to utilize if ~~they~~ he/she is~~are~~ dissatisfied with the programs and services recommended for their student that has been identified as talented and gifted, ~~student~~ and wish to request reconsideration. See Board policy KL – Public Complaints and accompanying administrative regulation.

The Board has established a complaint procedure to utilize if a~~n individual~~ person who resides in the district or a parent or guardian of a student attending school in the district has a complaint regarding the appropriateness of programs and services provided for a student identified as talented and gifted ~~students~~. See Board policy KL – Public Complaints and accompanying administrative regulation.

END OF POLICY

Legal Reference(s):

OAR 581-002-0040
OAR 581-022~~-1310 to -1330~~2325
~~OAR 581-022 1940~~
OAR 581-022-2330
OAR 581-022-2370
OAR 581-022-2500

HR9/28/17 | PH

Cross Reference(s):

IGBBA - Identification - Talented and Gifted
IGBBB - Identification - Talented and Gifted Students among Nontypical Populations
IGBBD - Parent Notification and Participation

Lebanon Community Schools

Code: **JGAB**
Adopted: 8/6/01
Readopted: 1/20/11, 12/15/11, 12/5/13, 3/20/14, 9/11/14

Use of Restraint and Seclusion

The Board is dedicated to the development and application of best practices within the district's public educational/behavioral programs. It is the intent of the Board to establish a policy that defines the circumstances that must exist and the requirements that must be met prior to, during and after the use of physical restraint and/or seclusion as an intervention with district students.

Definitions

1. "Physical restraint" means the restriction of a student's movement by one or more persons holding the student or applying physical pressure upon the student. "Physical restraint" does not include touching or holding a student without the use of force for the purpose of directing the student or assisting the student in completing a task or activity. The definition of "physical restraint" does not include the use of mechanical, chemical or prone restraint of a student as these methods are prohibited by Oregon law.

2. "Seclusion" means the involuntary confinement of a student alone in a room from which the student is physically prevented from leaving.

   Seclusion does not include the removal of a student for a short period of time to provide the student with an opportunity to regain self-control, in a setting from which the student is not physically prevented from leaving.

3. "Serious bodily injury" means any significant impairment of the physical condition of a person, as determined by qualified medical personnel, whether self-inflicted or inflicted by someone else.

4. "Mechanical restraint" means a device used to restrict the movement of a student or the movement or normal function of a portion of the body of a student.

   Mechanical restraint does not include:

   a. A protective or stabilizing device ordered by a licensed physician; or
   b. A vehicle safety restraint when used as intended during the transport of a student in a moving vehicle.

5. "Chemical restraint" means a drug or medication that is used on a student to control behavior or restrict freedom of movement that has not been prescribed by a licensed health professional or other qualified health care professional acting under the professional's scope of practice.

6. "Prone restraint" means a restraint in which a student is held face down on the floor.

The use of physical restraint and/or seclusion is only permitted as a part of a behavioral support plan when other less restrictive interventions would not be effective and the student's behavior poses a threat of imminent, serious physical harm to the student or others.

Except in the case of an emergency, only staff current in the required training in accordance with the district-designated physical restraint and seclusion training program will implement physical restraint or seclusion with a student. In an emergency, physical restraint and/or seclusion may also be used by a school administrator, teacher or other school employee as necessary when the student's behavior imposes a reasonable threat of imminent, serious bodily injury to the student or to others. The use of physical restraint or seclusion under these circumstances is only allowed so long as the student's behavior poses a threat of imminent, serious physical harm to themselves or to others. Any student being restrained or secluded within the district whether in an emergency or as a part of a plan shall be constantly monitored by staff for the duration of the intervention. Any room used for seclusion of a student must meet the standards as outlined in Oregon Administrative Rule (OAR) 581-021-0568.

The district shall utilize the Oregon Intervention System training program of physical restraints and seclusion for use in the district. As required by state regulation, the selected program shall include: behavioral support, prevention, de-escalation and crisis response techniques. Any program selected by the district must be in compliance with state and federal law with respect to the use of restraint and/or seclusion.

An annual review of the use of physical restraint and seclusion during the preceding school year shall be completed and submitted to the Superintendent of Public Instruction to ensure compliance with district policies and procedures.

The results of the annual review shall be documented and shall include at a minimum:

7. The total number of incidents of physical restraint;

8. The total number of incidents of seclusion;

9. The total number of seclusions in a locked room;

10. The total number of students placed in physical restraint;

11. The total number of students placed in seclusion;

12. The total number of incidents that resulted in injuries or death to students or personnel as a result of the use of physical restraint or seclusion;

13. The total number of students placed in physical restraint and/or seclusion more than 10 times in a school year and an explanation of what steps have been taken by the district to decrease the use of physical restraint and seclusion for each student;

14. The total number of physical restraint and seclusion incidents carried out by untrained individuals;

15. The demographic characteristics of all students upon whom physical restraint and/or seclusion was imposed;

16. The total number of rooms available for use by the district for seclusion of a student and a description of the dimensions and design of the rooms.

This report shall be made available to the Board and to the public at the district's main office and on the district's website.

At least once each school year the public shall be notified as to how to access the report.

The district shall investigate all complaints regarding the use of restraint and/or seclusion practices according to the procedures outlined in Board policy KL – Public Complaints and KL-AR - Public Complaint~~s~~ Procedure. The complaint procedure is available at the district's administrative office and is available on the home page of the district's website.

A complainant, who is a student, is a parent or guardian of a student attending school in the district, or is a person who resides in the district, may appeal a final decision by the Board to the Deputy Superintendent of Public Instruction as provided in OAR 581-002-0040. [This appeal process is identified in administrative regulation KL-AR(2) - Appeal to the Deputy Superintendent of Public Instruction.]

The superintendent shall develop administrative regulations to carry out the requirements set forth in this policy and to meet any additional requirements established by law related to the use, reporting and written documentation of the use of physical restraint or seclusion by district personnel.

END OF POLICY

Legal Reference(s):

ORS 161.205
ORS 339.250
ORS 339.285
ORS 339.288
ORS 339.291

OAR 581-021-0061
OAR 581-021-0550
OAR 581-021-0553
OAR 581-021-0556
OAR 581-021-0559
OAR 581-021-0563

OAR 581-021-0566
OAR 581-021-0568
OAR 581-021-0569
OAR 581-021-0570
OAR 581-022-2370

R~~6/12/14~~9/28/17 | ~~RS~~PH

NEW

Appeal to the Deputy Superintendent of Public Instruction

For complaints that allege violation of Oregon Division 22 Standards, restraint and seclusion or retaliation as defined in Oregon Revised State (ORS) 659.852, the complainant may have appeal rights for a complaint with the Deputy Superintendent of Public Instruction, if the complainant has exhausted the local complaint procedures and one of the following occurred:

1. The district failed to render a written decision within 30 days of the submission of the complaint at each step identified in the district's complaint process; or

2. The district failed to resolve the complaint within 90 days of the initial filing of the written complaint with the district, unless the district and the complainant have agreed in writing to a longer time period.

The appeal must be received by the Oregon Department of Education (ODE) no later than one year after the date of the final decision of the district or if the district fails to issue a final decision, no later than two years after the date the complainant first filed the underlying complaint with the district.

1. The complaint upon which the appeal is based, must have filed with the district by the later of the either stated below:

    a. Filed the complaint within two years after the alleged violation or unlawful incident occurred or after the complainant discovered the alleged violation or unlawful incident. If the alleged violation or unlawful incident is of a continuing nature, the right to file an appeal exists so long as the complaint was filed within two years of the most recent incident; or
    b. One year after the affected student has graduated from, moved away from or otherwise left the district.

2. The appeal shall be in writing submitted by mail, in person or electronically, and contain:

    a. The name and address of the person bringing the appeal;
    b. The name and address of the district which is alleged to have violated the statute or administrative rule; and
    c. A statement of the facts on which the appeal is based.

3. Upon receipt of the appeal, the Deputy Superintendent will determine whether the appeal alleges a violation of a statute or administrative rule for which the Deputy Superintendent has jurisdiction and whether the requirements contained in section 2. of OAR 581-002-0040 have been satisfied.

After these determinations, the Deputy Superintendent will either, not accept the appeal and will notify the complainant and the district, or will accept the appeal and notify the complainant and the district that the appeal has been accepted.

4. If the Deputy Superintendent has accepted an appeal and made notification to the complainant and the district involved as described in OAR 581-002-0040, the district shall submit a written report within 30 days of receipt of the notice which shall include:

   a. A statement of facts;
   b. A statement of district action, if any, taken in response to the complaint; if none was taken, the reason(s) why no action was taken;
   c. A stipulation, if one was reached, of the settlement of the complaint; and
   d. A list of any complaints filed with another agency by the party concerning the subject of the appeal.

5. The Deputy Superintendent may for good cause extend the time for the filing of a report by the district.

6. Upon receipt of the district's report, the Deputy Superintendent will conduct an investigation that will include a review of the written materials submitted by the complainant and district and may also include, but not be limited to:

   a. Onsite investigations;
   b. Interviews;
   c. Surveys; and
   d. Reviewing documents.

7. The Deputy Superintendent will issue a written final order that addresses each allegation in the complaint that was accepted for appeal and contains the reasons for the Deputy Superintendent's decision on whether or not the district is deficient. The final order will be issued within 90 days of the date the Deputy Superintendent receives the district's report,[1] or the Deputy Superintendent may extend the time period for issuing a final order pursuant to OAR 581-002-0040(7)(b),(c).

8. If a violation is found, the Deputy Superintendent's final order will include any necessary corrective action to be taken by the district as well as any documentation to be supplied by the district to ensure that the corrective action has occurred.

9. Corrective action ordered by the Deputy Superintendent must be completed within the timelines established in the final order.

HR9/28/17 | PH

[1]If the 90-day period for issuing the final order would conclude during the time when the schools of the district are closed for the summer, the final order will be issued within 90 days of the date the Deputy Superintendent received the district's report exclusive of the time the schools are closed for the summer. The Deputy Superintendent of Public Instruction may extend the time period with agreement from the complainant. The Deputy Superintendent shall prepare a timeline and plan for investigation and provide copies to the complainant and the district within two weeks of receiving the district's report.

Lebanon Community Schools

Code: **LGA**
Adopted: 6/15/98
Readopted: 1/20/11
Orig. Code(s): LGA

Compliance with State Standards

The Board recognizes the need to comply with the educational standards as outlined by the State Board of Education.

It is also recognized that a district may petition the State Superintendent of Public Instruction for a waiver of a specific standard. A petition shall specify the reason(s) the district is seeking the waiver and other relevant information. If it is determined the request conforms with the intent of the standards, the state superintendent shall recommend the waiver to the State Board.

The district will maintain a record of any waivers which has been requested by the district and approved by the State Board of Education.

Procedures shall be developed whereby residents of the district or any parent of students attending school in the district may make an appeal or complaint alleging violation of standard. The district shall also include a procedure for direct appeal to the State Superintendent of Public Instruction of an alleged standards violation.

END OF POLICY

Legal Reference(s):

ORS 327.103
ORS 329.085
ORS 336.035 - 336.088

DELETE

OAR 581-022-0102 to -1940

DELETE

Lebanon Community Schools

Code: **LGA-AR(1)**
Revised/Reviewed: 6/15/98; 1/20/11
Orig. Code(s): LGA-AR(1)

Public Appeals and Complaints About Alleged Violations of State Standards

DELETE

The Board recognizes a need to implement a procedure for the prompt resolution of complaints alleging violations of standards as outlined by the Oregon Department of Education.

Any complainant who resides in the district or any parent of students attending school in the district qualifies to participate in the procedure described below:

1. All complaints to school personnel shall be reported immediately to the principal involved, whether these come by telephone, letter or by personal conference;

2. The principal shall encourage the complainant to discuss the nature of the alleged standards violation and the complainant shall be given the opportunity to talk to any appropriate district employee;

3. If the complainant wishes to pursue the matter further, he/she shall be supplied with a printed "Request For Investigation of Standard" form which must be filled out and submitted to the superintendent or designee before formal consideration shall be given to the complaint;

4. The standard which is the subject of the complaint shall not be altered pending final action by the Board;

5. The superintendent or designee will arrange for a review committee consisting of an administrator, a Board member, a lay person, an appropriate content area specialist, coordinator or director (if appropriate) and the curriculum director (if appropriate):

   a. The lay person and Board member shall be appointed by the Board chair;
   b. The committee shall meet as soon as possible and return a written report of its findings to the superintendent or designee within three weeks of its appointment;
   c. The committee may recommend that the matter be determined to be:

      (1) In total compliance;
      (2) In partial compliance (specification shall be stated for total compliance);
      (3) In non-compliance;
      (4) The superintendent shall immediately report the recommendation of the review committee to the Board, who shall determine any necessary action.

   Standards include all those areas as outlined in the Standards for Public Schools provided by the Oregon Department of Education.

Request for Investigation of a Standard

Date: _____

Request Initiated by: _____

Person Making Request Represents: _____

□ Self: _____

□ Group:_____

Name of Group: _____

1. What is the standard? _____

2. What is the alleged violation?_____

3. What is the recommendation(s) to rectify the alleged violation? _____

_____

Signature Date

Received by superintendent or designee:

_____

Name Position

_____

Signature Date

DELETE

Direct Appeals to the State Superintendent of Public Instruction About Alleged Violation of Standards

DELETE

After exhausting local procedures, as described in Board policy LGA - Compliance with State Standards and administrative regulation, LGA-AR - Public Appeals and Complaints About Alleged Violations of State Standards or 45 or more days after filing a written complaint alleging violation of standards with the district (whichever occurs first), any complainant who resides in a district or any parent of students attending school in the district may make a direct appeal to the State Superintendent of Public Instruction.

The appeal shall be in writing and shall contain:

1. The name and address of the person bringing the appeal and the district in which that person resides;

2. The name and address of the district which is alleged to have violated standards; and

3. A brief statement indicating how the district is alleged to have violated standards.

Upon receipt of the appeal, the state superintendent shall give notice of the appeal by sending a copy of the appeal, via certified mail, to the district. Within 30 days of receipt of notice, the district shall file a written report with the state superintendent which shall include:

1. A statement of facts;

2. A statement of action, if any, taken in response to the complaint; if none was taken, the reason(s) why no action was taken;

3. A stipulation, if one was reached, of the settlement of the complaint; and

4. A list of any complaints filed with another agency by the party concerning the subject of the appeal.

The state superintendent may for good cause extend the time for the filing of a report by the district.

Upon receipt of the report, the state superintendent shall review the appeal and report and determine whether a violation of standards has been properly alleged, and that the requirements contained in this rule have been satisfied. After this determination, the state superintendent may dismiss the appeal or may notify all parties that the appeal has been accepted.

If the appeal is accepted, the state superintendent shall take such action as is deemed appropriate, including, but not limited to:

1. Appointing a conciliator to meet with the parties to work toward a settlement. If no settlement is reached within 45 days, the state superintendent may schedule a contested case hearing as provided in ORS 183.410 to 183.470 or allow additional time for conciliation;

2. Scheduling a visit to the district to determine whether the district is in compliance with standards; or

3. Appointing a fact-finder to conduct an investigation and file a written report which shall indicate whether the fact-finder believes the allegations in the appeal are supported by fact.

4. At any time during an appeal the parties may agree to settle the issue. The party bringing the appeal may at any time file a written request that the appeal be withdrawn. When such a request is received, the state superintendent shall terminate all further action regarding the appeal.

5. After a final review, the state superintendent may find the district deficient under ORS 327.103.

DELETE

MEMORANDUM

To: **Board of Directors**

From: **Jennifer Meckley, Director of Human Resources and Community Relations**

Nicole Hundley, Executive Secretary

Date: **January 4, 2018**

Re: **Policy Recommendations**

OSBA recently sent us a higher amount of policy revisions than usual. In order to best process these changes, we are bringing the suggested revisions to the Board in smaller groups organized by type. The District supports OSBA's recommendations on the policy revisions listed in the packet. Additional explanations on the suggested changes from OSBA are included before each policy revision group along with additional commentary from the District when necessary.

TEACHER AND ADMINISTRATOR EVALUATIONS

Policy Implications

- CCG - Evaluation of Administrators (Version 1 is kept; updated; removed "Version 1" from title)
- CCG - Evaluation of Administrators (***Delete/Replace*** Version 2 with the revised version attached)
- CCG-AR - Administrative Standards (Recommend ***Delete***; no longer necessary in an AR)
- GCN/GDN - Evaluation of Staff (Required)
- GCN-AR - Core Teaching Standards (Recommend ***Delete***; no longer necessary in an AR)
- GDN - Evaluation of Classified Staff *(Recommend* ***Delete***)

Summary

At its June 2017 meeting the Oregon Board of Education revised the Oregon Administrative Rule (OAR) 581-022-2410 (renumbered from 581-022-1723) on Teacher and Administrator Evaluation and Support. These revisions removed the requirements generated by the expired NCLB waiver, while maintaining the integrity of Senate Bill 290. The changes requires district superintendents to regularly evaluate and report to the Board on the implementation of their local evaluation and support systems and educator effectiveness.

Legal Reference

None

Collective Bargaining Impact

The OAR states, "The standards shall be customized based on the collaborative efforts of the teachers and administrators of the school district and the exclusive bargaining representative of the employees of the school district." Review the district's collective bargaining agreement and any administrator agreements.

Local District Responsibility

The district should review the recommended changes and readopt the attached versions of policy CCG and GCN/GDN. If the district previously adopted Version 2 of policy CCG, OSBA recommends replacing it with the revised version presented in this update for policy CCG.

If the district previously adopted single coded versions of policy GCN and GDN, this double-coded version (GCN/GDN) can replace them both.

LCSD Commentary

<u>GCN/GDN – From Jennifer Meckley</u>

The Certified Professional Growth and Accountability (PG&A) program was created through collaboration between the District and certified staff. The current PGA (attached) has been aligned with state requirements for teacher evaluation. Teachers are evaluated using multiple measures using four performance level ratings of effectiveness. The District and certified staff members will be meeting this winter to review the current program and make any necessary adjustments to ensure alignment with new state requirements.

CCG – From Rob Hess

The passage of SB 290 in 2011 resulted in multiple measures of evaluation for teachers and administrators, including the requirement of SMART goals, observations, self-reflections, assessments, and portfolios of evidence. All of these requirements are reflected in policy CCG. Our administrative evaluation system was revised based upon the passage of that bill. The handbook created through that revision is included. The district contracted with TalentEd Perform to electronically track all of the required elements of our evaluation system. TalentEd is now used to for the evaluation of all staff. Any revisions to the program based on new legislation (like ESSA) have been incorporated through TalentEd and are reflected in policy CCG.

Policy CCG allows for districts to customize their evaluation program to reflect local needs provided the program is attached to state standards. The alignment of our standards to the state standards begins on page 57 our handbook. Each of our administrators is evaluated twice a year on the standards. Their evaluation cycle includes creating SMART goals, reflecting on those goals, and monthly coaching meeting on progress and needs of the school.

Code:

Lebanon Community Schools

CCG
Adopted: 6/15/98
Readopted: 3/4/10, 11/15/12
Orig. Code(s): CCG

~~Licensed Evaluation - Administrators~~Evaluation of Administrators

The superintendent will implement and supervise an evaluation system for administrative personnel. The purpose of administrator evaluations is to assist an administrator with developing and strengthening his/her professional abilities, to improve the instructional program and management of the school system, and for supervisors to make recommendations regarding their employment and/or salary status. ~~He/She will report to the Board annually on the performance of all administrators and make recommendations regarding their employment and/or salary status.~~

A ~~F~~formal evaluation~~s~~ will be ~~made~~ conducted at least ~~annually~~once each year. The~~y~~ evaluation shall be conducted according to the following guidelines:

1. Evaluative criteria for each position will be in written form and made available to the administrator;

2. Evaluations will be made by the superintendent and/or a qualified, licensed designee;

3. Evaluations will be in writing and discussed with the administrator by the person who ~~makes~~ conducts the evaluation;

4. The administrator being evaluated will have the right to attach a memorandum to the written evaluation and the right of appeal through established grievance procedures, if applicable.

An ~~A~~administrator's~~'~~ evaluation~~s~~ shall ~~be customized based on collaborative efforts and include~~ use the following educational leadership-administrator standards[1] adopted by the State Board of Education. ~~The standards include:~~

1. Visionary leadership;

2. Instructional improvement;

3. Effective management;

4. Inclusive practice;

5. Ethical leadership; and

6. Socio-political context.

[1]These standards are aligned with the Interstate School Leaders Licensure Consortium (ISLLC) and the Educational Leadership Constituents Council (ELCC) standards for Education Leadership.

Administrator evaluations shall be based on the core administrator standards adopted by the Oregon State Board of Education. The standards shall be customized based on collaborative efforts with the administrators and any exclusive bargaining representative of the administration.

Local evaluation and support systems established by the district for administrators must be designed to meet or exceed the requirements defined in the Oregon Framework for Teacher and Administrator Evaluation and Support Systems, including:

1. Four performance level ratings of effectiveness;

2. Consideration of multiple measures of administrator practice and responsibility which may include, but are not limited to:

   a. Classroom-based assessments including observations, lesson plans and assignments;
   b. Portfolios of evidence:
   c. Supervisor reports; and
   d. Self-reflections and assessments.

3. Consideration of evidence of student academic growth and learning based on multiple measures of student progress including performance data of students, schools and districts that is both formative and summative. Evidence may also include other indicators of student success;

4. A summative evaluation method for considering multiple measures of professional practice, professional responsibilities, and student learning and growth to determine the administrator's professional growth path;

5. Customized by the district, which may include individualized weighting and application of the standards.

~~Evaluations~~ An evaluation using the administrator standards must attempt to:

1. Strengthen the knowledge, skills, disposition and administrative practices of administrators;

2. Refine the support, assistance and professional growth opportunities offered to an administrator, based on the individual needs of the administrator and the needs of the students, the school and the district;

3. Allow the administrator to establish a set of administrative practices and student learning objectives that are based on the individual circumstances of the administrator, including other assignments of the administrator;

4. Establish a formative growth process for each administrator that supports professional learning and collaboration with other administrators; ~~and~~

5. Use evaluation methods and professional development, support and other activities that are based on curricular standards and are targeted to the needs of the administrator~~.~~; and

6. Address ways to help all educators strengthen their culturally responsive practices.

Evaluation and support systems established by the district must evaluate administrators on a regular cycle. The superintendent shall regularly report to the Board on the implementation of the evaluation and support systems and educator effectiveness.

END OF POLICY

Legal Reference(s):

ORS 192.660(2), (8)
ORS 332.505
ORS 342.513
ORS 342.815
ORS 342.850
ORS 342.856
OAR 581-022-~~1720~~2405
OAR 581-022-~~1723~~2410
OAR 581-022-~~1725~~2420

Hanson v. Culver Sch. Dist. (FDAB 1975)

R~~9/20/12~~9/28/17 | RS

Lebanon Community Schools

Code: **GCN/GDN**
Adopted: 6/15/98
Readopted: 9/16/10, 11/15/12
Orig. Code(s): GCN

Evaluation of Staff *

An effective evaluation program is essential to a quality educational program. It is an important tool to determine the current level of a teacher's performance of the teaching responsibilities. It is also an important assessment of classified employees and current performance of their job assignments. Under Board policy, administrators are charged with the responsibility of evaluating the staff. An evaluation program provides a tool for supervisors who are responsible for making decisions about promotion, demotion, contract extension, contract nonextension, contract renewal or nonrenewal, dismissal and discipline.

Licensed Staff

~~Evaluation of licensed staff shall be conducted to conform with applicable Oregon Revised Statutes and any applicable collective bargaining provisions.~~

~~Teachers'~~The evaluations for licensed staff shall be based on the core teaching standards adopted by the Oregon State Board of Education. The standards shall be customized based on collaborative efforts ~~and include the core teaching standards adopted by the State Board of Education~~ with teachers and any exclusive representatives of the licensed staff.

Evaluation and support systems established by the district for teachers must be designed to meet or exceed the requirements defined in the Oregon Framework for Teacher and Administrator Evaluation and Support Systems, including:

1. Four performance level ratings of effectiveness;

2. Classroom-level student learning and growth goals set collaboratively between the teacher and the evaluator;

3. Consideration of multiple measures of teacher practice and responsibility which may include, but are not limited to:

   a. Classroom-based assessments including observations, lesson plans and assignments;
   b. Portfolios of evidence:
   c. Supervisor reports; and
   d. Self-reflections and assessments.

4. Consideration of evidence of student academic growth and learning based on multiple measures of student progress, including performance data of students, that is both formative and summative. Evidence may also include other indicators of student success;

5. A summative evaluation method for considering multiple measures of professional practice, professional responsibilities and student learning and growth to determine the teacher's professional growth path;

6. Customized by each district, which may include individualized weighting and application of standards.

~~Evaluations must attempt to:~~
An evaluation using the core teaching standards must attempt to:

1. Strengthen the knowledge, skills, disposition and classroom practices of teachers;

2. Refine the support, assistance and professional growth opportunities offered to a teacher, based on the individual needs of the teacher and the needs of the students, the school and the district;

3. Allow the teacher to establish a set of classroom practices and student learning objectives that are based on the individual circumstances of the teacher, including the classroom and other assignments;

4. Establish a formative growth process for each teacher that supports professional learning and collaboration with other teachers;

5. Use evaluation methods and professional development, support and other activities that are based on curricular standards and are targeted to the needs of the teacher;~~.~~ and

6. Address ways to help all educators strengthen their culturally responsive practices.

Evaluation and support systems established by the district must evaluate teachers on a regular cycle. The superintendent shall regularly report to the Board on implementation of the evaluation and support systems and educator effectiveness.

Each probationary teacher shall be evaluated at least annually, but with multiple observations. The purpose of the evaluation is to aid the teacher in making continuing professional growth and to determine the teacher's performance of the teaching responsibilities. Evaluations shall be based upon at least two observations and other relevant information developed by the district.

Classified Staff

All classified employees will be formally evaluated by their immediate supervisor at least twice during their first year of employment and at least once ~~a~~ each year thereafter.

END OF POLICY

Legal Reference(s):

ORS 243.650
ORS 332.505
ORS 342.850
ORS 342.856
OAR 581-022-~~1720~~2405
OAR 581-022-~~1723~~2410
OAR 581-022-~~1724~~2415

R9/28/17 | RS

Lebanon Community Schools

Code: **GCN-AR**
Revised/Reviewed: 11/15/12

Core Teaching Standards

The core teaching standards must:

1. Consider multiple measures of teacher effectiveness that encompass a range of appropriate administrative behaviors. These measures use multiple evaluation methods that utilize multiple measures to evaluate teacher performance which may include, but is not limited to:

   a. Student performance;
   b. Student assessment;
   c. Classroom-based assessments, including observations, lesson plans and assignments;
   d. Portfolios of evidence;
   e. Supervisor reports; and
   f. Self-reflections and assessments.

2. Consider evidence of student academic growth and learning based on multiple measures of student progress, including student performance data;

3. Be research based;

4. Be separately developed for each teacher; and

5. Be customized to the district, which may include individualized weighting and application of standards.

Local evaluation and support systems established by the district for teachers must be:

1. Designed with four performance level ratings of effectiveness as defined in the *Oregon Framework for Teacher and Administrator Evaluation and Support Systems*;

2. Based on significant consideration of student learning, which may include, but is not limited to:

   a. Schoolwide academic growth, as determined by the statewide assessment system implemented by the Oregon Department of Education under ORS 329.485;
   b. Formative and summative assessments; and
   c. Classroom-level student learning goals set collaboratively between teachers and evaluators.

3. On a regular cycle.

Superintendents shall regularly report to the Board on implementation of the evaluation and support systems and educator effectiveness.

9/20/12 | RS

DELETE

Lebanon Community Schools

Code: **GDN**
Adopted: 6/15/98
Readopted: 9/16/10
Orig. Code(s): GDN

Evaluation of Classified Employees

The effective functioning of all classified support personnel is a key to the success of the district. The evaluation program shall be designed to assess the performance of the employee and provide the basis for improvement.

Administrators and supervisors are charged with the responsibility of evaluating all classified employees in relation to position descriptions, performance standards, district regulations and any applicable collective bargaining agreement provisions.

END OF POLICY

Legal Reference(s):

ORS 243.650
ORS 332.505
ORS 342.850
OAR 581-022-1720

DELETE

English Language Learner Report

2-8-2018

Annual Report to the Lebanon Community School Board

Lebanon Community School District English Learner Plan 2017-2019 (draft excerpts)

Current Model – Magnet School (Green Acres & Seven Oak)

Proposed Model – Serve ALL EL students in their neighborhood school

An annual Report to the Legislature on English Language Learners 2014-2015

Required to share annually (most current edition)

Dawn.Baker
LEBANON COMMUNITY SCHOOL DISTRICT
FEDERAL PROGRAMS DIRECTOR

District Demographics for the 2017-2018 school year

District Totals (Fall 2017)	
Lebanon total student population:	4239
Green Acres Elementary	315
Pioneer School	361
Cascades Elementary	315
Hamilton Creek	307
Lacomb	249
Seven Oak	659
Lebanon High School	1285
Sandridge Charter School	313
Riverview	409

Race/Ethnicity		Languages Spoken	
White	80% 3390	ASL (1)	Punjabi (1)
Mixed Race	6% 245	Amharic (1)	Russian (8)
Hispanic/Latino	11% 475	Chinese (6)	Spanish (163)
Indian	1% 62	Gujarati (1)	Ukrainian (4)
Asian	<1% 34	Indian (2)	Vietnamese (3)
Black	<1% 15	Italian (1)	
Pacific Islander	<1% 18	Laotian (1)	

EL student enrollment, based on current LEP count (Fall 2017)		
	Count	**% of population at site**
Green Acres Elementary	48	15%
Seven Oak	31	5%
LHS	52	4%
Pioneer	2	---
Hamilton Creek	6	---
Lacomb	5	---
Riverview	6	---
Sandridge	6	---
Cascades	3	---
Lebanon	159	*3%*

According to ADI download Spring 2017 Showing Growth on ELPA21						
	District EL		ELSWD		EL 5+ years	
All ELs	10/39	26%	1/11	9%	4/23	17%
Ever ELs	29/68	13%	2/15	13%	10/27	37%
Waivered Services	7/17	41%	0/3	0%	0/1	0%
Exiting	12/12	100%	1/1	100%	6/6	100%

Standardized Test Proficiency						
Student Count			ELA SBAC		Math SBAC	
(5M 2016)	year 1	5	2/2	100%	2/2	100%
(5M 2015)	year 2	17	2/10	20%	1/11	9%
(5M 2014)	year 3	6	1/4	25%	2/4	50%
(5M 2013)	year 4	7	1/4	25%	1/4	25%

English Language Learners Program Goals

1. Increase students' English language proficiency.
2. Increase students' academic achievement in core academic subjects.
3. Provide ELD curriculum designed to support content-area instruction and advance students' progress toward benchmarks and meeting the district objectives and goals that all students are expected to meet.
4. Ensure that ELD students graduate high school at a rate equal to other students.
5. Provide ongoing staff development and training opportunities that will enhance teachers' understanding of second language acquisition and teaching techniques proven beneficial to English Language Learners.
6. Ensure meaningful participation in district's educational program for all ELD students.
7. Assist schools with concerns that may negatively affect student achievement.
8. Facilitate parent involvement in the schools and in the education of their children.
9. Continually monitor and reevaluate administration of ELD Program and services to ensure that students are receiving the best model of service delivery possible.

The ELD program plan uses a combination of educational approaches to provide services to eligible EL's. The number of ELD students in the district and the resources available, the Lebanon Community School District has chosen the English as a Second Language model to serve its ELD population. Students are instructed in the use of the English language with little or no use of their native language. This model is described in the Oregon Department of Education's English Language Learners' Program Guide (ODE, 2013) as based on research (Tikunoff et.al.1991; Snow, Met & Genesee 1989; Collier 1992; Ramirez et.al. 1991.) and appropriate to meet the goals of the District's ELD Program.

Elementary students are served either in their regular classroom or in an ELD pullout model. ELD class periods are used at the secondary levels. Students at the secondary level, who are Newcomers, are given an additional ELD class designed specifically for Newcomers. The pull-out model or ELD instructional period will consist of building a solid foundation of English, driven by proficiency level by teaching specific language students did not learn before coming to school and will not be taught specifically in other content areas, but is needed to learn and use every day in other aspects of school and life. "A recent study suggests that ELD probably benefits from a separate period……when a separate ELD block was used, students scored higher on a standardized measure of English oral language," (Goldenberg, 2008). The amount of services provided to each student is determined by student needs and availability of staff. When students are not receiving ELD instruction, they are in a mainstream classroom with SIOP, GLAD or teacher trained in other appropriate instructional strategies designed to improve learning outcomes for EL's.

Position	Duties	Qualifications
ELD Teachers	• Instructs students in English Language Development • Assesses students on English language proficiency, reading and writing skills • Supports students in classroom settings • Communicates with ELL families about student progress and school information • Supports ELL assistants • Participate in Professional Learning Community work and PBIS system at school level. • Supports classroom teachers with ELA standards expectations for ELLs, models strategies and plans for student success • Teams with other district ELL teachers to support English Language Development district-wide and evaluate district ELL program • Participate in ongoing professional development to strengthen instructional strategies and sheltered instruction techniques • Maintains school database of ELL students (SIS and ESD)	• ESOL Endorsement • Current teaching certificate
ELL Assistants	• Instructs students in English Language Development under supervision of ELD teacher. • Conduct assessments • Supports students in content or ELD classroom settings • Participates in ongoing professional development to strengthen instructional strategies and sheltered instruction techniques • Bilingual Office staff duties- answering phone calls, developing forms • Bilingual Family Liaison- works with Title X staff to coordinate services for families	• Bilingual per local assessment • Meet NCLB Highly Qualified criteria
ELL Coordinator	• Oversees and implements District EL (LAU) Program Plan • Develops and implements EL plan • Oversees ELL staffing needs • Develops and oversees ELL program budget • Works with leadership to implement and improve the ELL Program Plan • Tracks testing and student databases • Provides professional development and ongoing support to ELL staff	Understanding of ESSA and Title III

School Name	Level	ELL Staffing
All Elementary schools	K-5 Pull-Out Family Coordinator	1.0 FTE 22.5 hrs/day classified 3.5 hrs/day classified
Seven Oak	6-8/Designated class periods Family Coordinator	.25 FTE 3.5 hrs/day classified
Lebanon High School	9-12/Designated class periods	.25 FTE 7.25 hrs/day classified

Possible students affected by the shift from a “Magnet Program Model” to a “District Model”

School	Attend Magnet	Decline Magnet
Cascade	7	2
Green Acre		
Hamilton Creek	3	3
Lacomb		3
Pioneer	7	2
Riverview	4	5

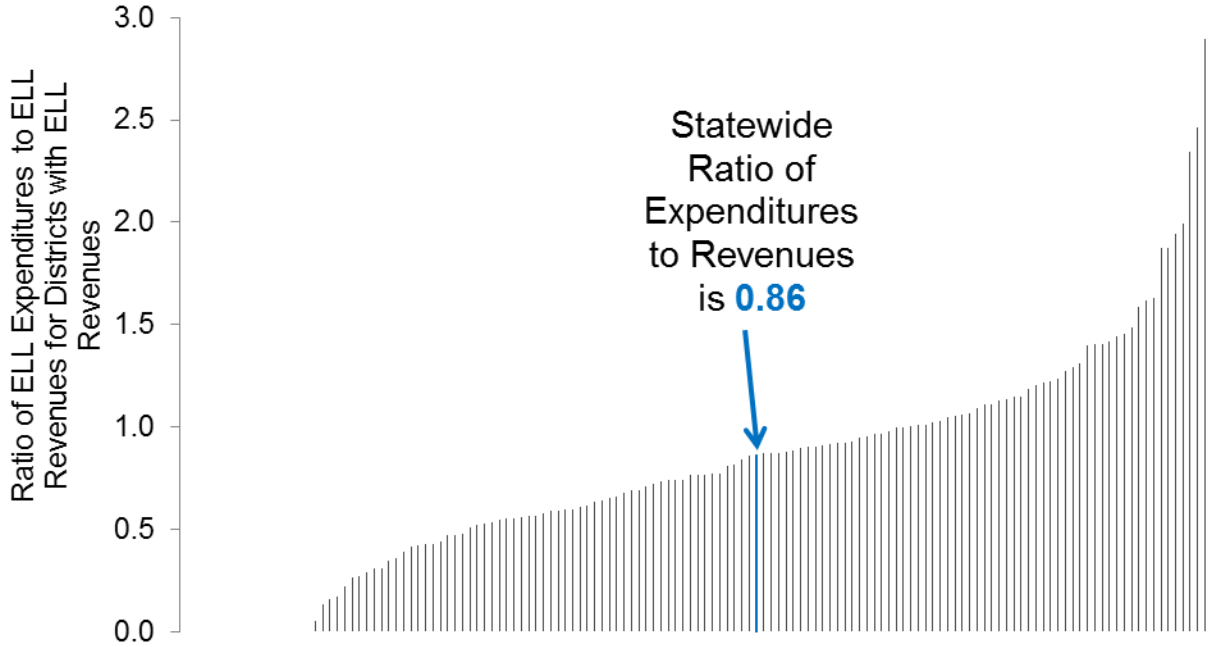
An Annual Report to the Legislature on English Language Learners 2014-2015 Oregon Department of Education

Revised 8/4/2016

Section 1: State School Fund Formula Revenues and General Fund Expenditures for English Language Learners

Graph 1 shows the relationship between ELL revenues allocated to districts via the State School Fund Formula and the total ELL expenditures from the General Fund in districts accounting financial reports. Graph 1 shows the ratio of these expenditures to revenues by district. Statewide, the ratio of expenditures to revenues is 0.86, meaning that 86% of the funds allocated to districts via the State School Fund Formula are accounted for as being spent on ELLs. The ratios by district ranges from 0 to 2.90. Table 1 gives the exact values for revenues and expenditures for each district, based on the district financial statements.

Graph 1: Ratio of ELL Expenditures to Revenues by District

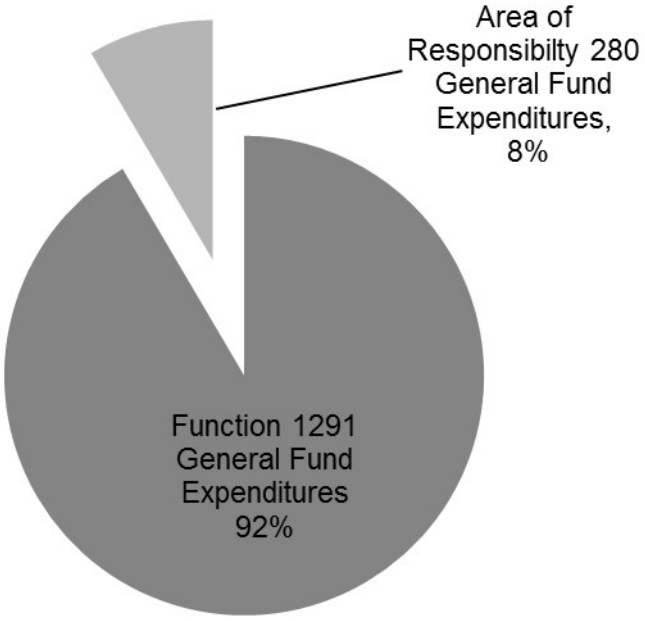


District Name	ELL Formula Revenues	Total ELL General Fund Expenditures	Ratio of Expenditures to Revenues
Lebanon Community SD 9	$177,281	$232,333	1.31

Section 2: General Fund Expenditures on English Language Learners

Expenditures from the General Fund on ELL students are accounted for using Function 1291 and Area of Responsibility 280. Function 1291 includes expenditures for instruction in English Second Language Programs. Area of Responsibility 280 includes expenditures for Functions **other than** Function 1291 that are for the benefit of ELLs. For example, transportation expenditures to take ELLs on an educational field trip would be recorded as Area of Responsibility 280 under Function 2550 (Student Transportation).[1] Graph 2 shows that about 92% of the expenditures for ELLs are accounted for using Function 1291, while the remaining 8% are accounted for in Area of Responsibility 280. Table 2 shows each district's General Fund expenditures broken down into Function 1291 and Area of Responsibility 280.

Graph 2: Expenditures Divided by Function 1291 and Area of Responsibility 280

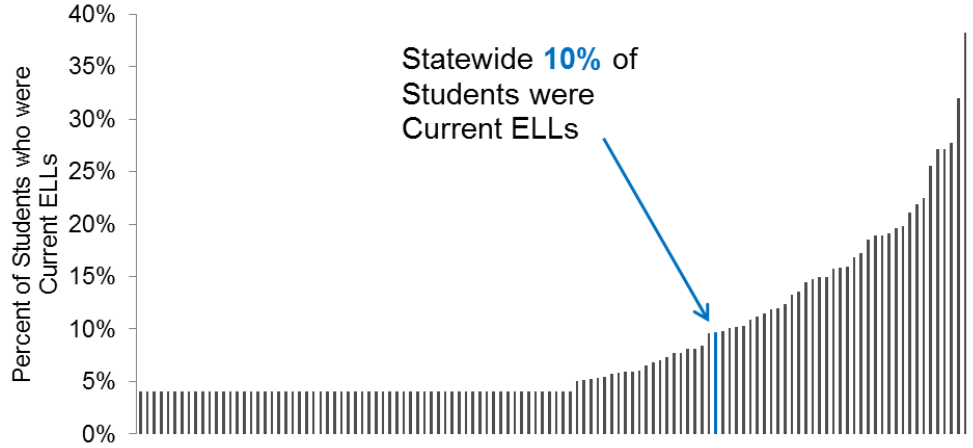


District Name	Function 1291 General Fund Expenditures	Area of Responsibility 280 General Fund Expenditures	Total ELL General Fund Expenditures
Lebanon Community SD 9	$232,333	$0	$232,333

Section 3: Number of English Language Learners

This section summarizes the number of current and former ELLs as a count and as a percent of the total student population. Current ELLs were identified as students who qualified for English language services during the 2014-2015 school year and appeared in the Spring Membership Collection. Former ELLs were identified as students who qualified for English language services prior to the 2014-2015 school year and appeared in the Spring Membership collection. Graphs 3a and 3b show that about 10% students statewide were current ELL students and 8% were former ELL students. Table 3 gives the specific numbers and percentages for each district, which range from fewer than 5% to 38% for current ELLs and fewer than 5% to 33% for former ELLs.

Graph 3a: Percent of Current ELLs by District



Graph 3b: Percent of Former ELLs by District

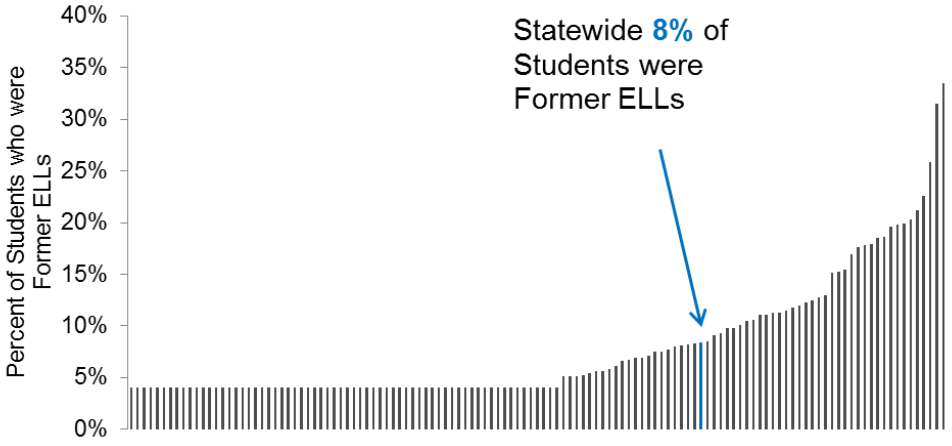


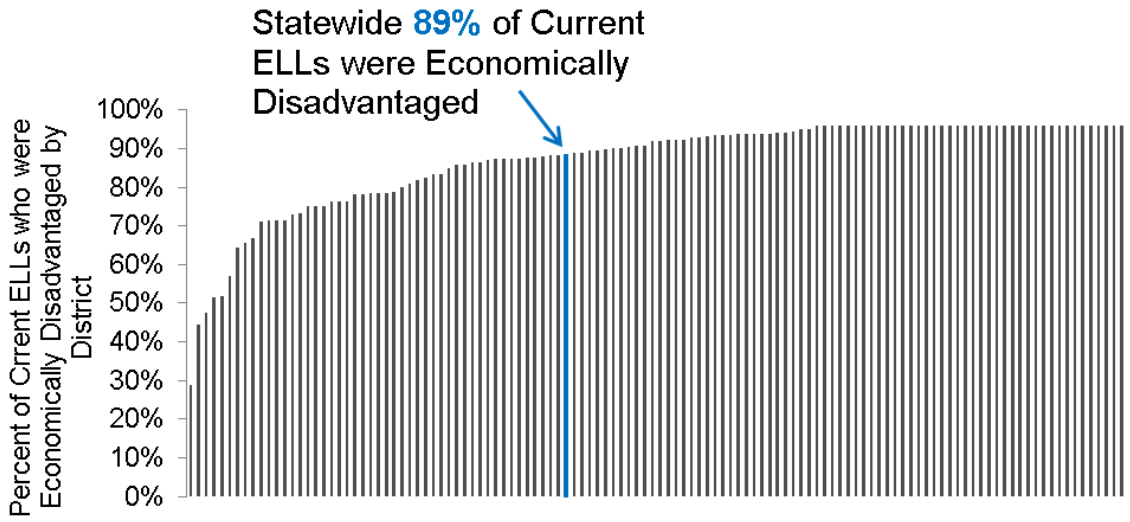
Table 3: Current and Former English Learners, Count and Percent

District ID	District Name	Current ELL Count	Percent of Students who were Current ELLs	Former ELL Count	Percent of Students who were Former ELLs
2101	Lebanon Community SD 9	83	<5%	86	<5%

Section 4: Economically Disadvantaged English Language Learners

This section summarizes the percent of current and former ELLs who were economically disadvantaged. Graph 4a shows that statewide about 89% of current ELLs were economically disadvantaged, with district averages ranging from 29% to more than 95%. Graph 4b shows that statewide about 82% of former ELLs were economically disadvantaged, with district values ranging from 17% to more than 95%. Table 4 gives the percentages of current and former ELLs who are economically disadvantaged by district.

Graph 4a: Percent of Current ELLs who were Economically Disadvantaged by District



Graph 4b: Percent of Former ELLs who were Economically Disadvantaged by District

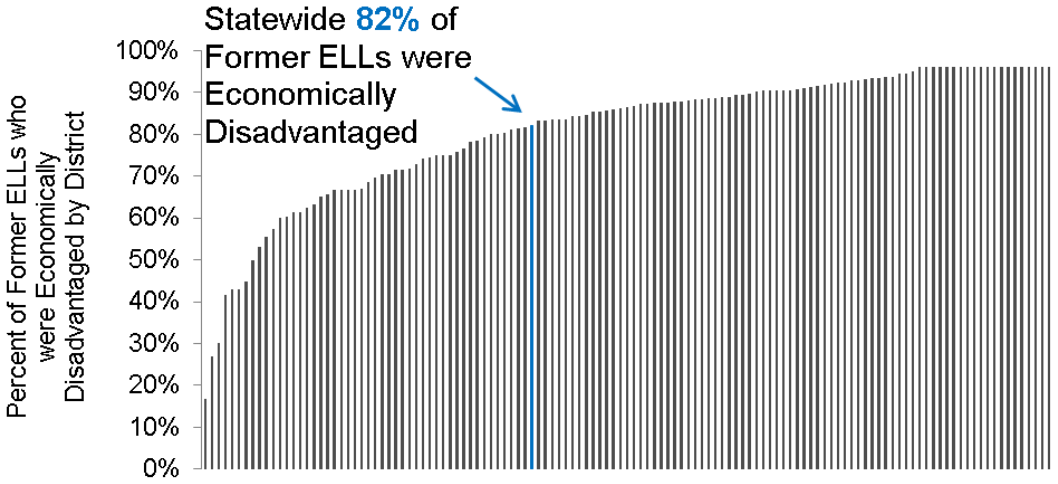


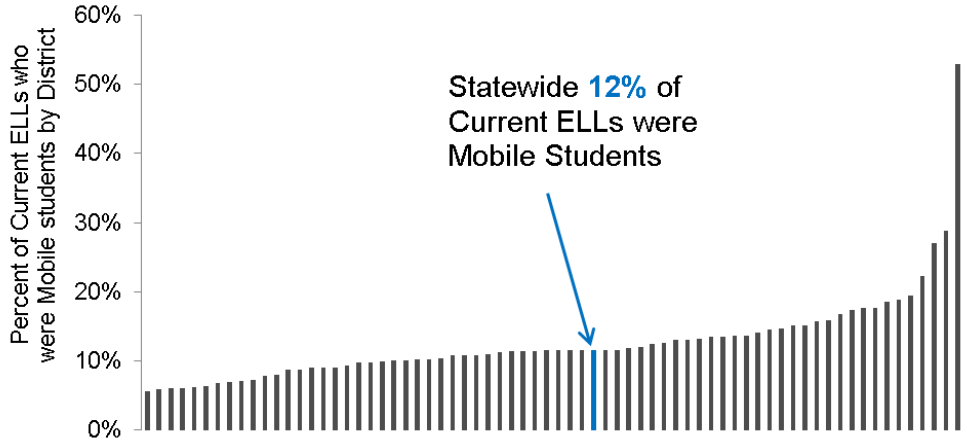
Table 4: Percent of Economically Disadvantaged English Language Learners

District ID	District Name	Percent Economically Disadvantaged Current ELLs	Percent Economically Disadvantaged Former ELLs
2101	Lebanon Community SD 9	93%	81%

Section 5: Mobile English Language Learners

This section summarizes the percent of current and former ELLs who were mobile. A mobile student is defined as a student who attended more than one school between July 1 and May 1, entered the Oregon public education system after October 1, exited the Oregon education system before May 2 without earning a diploma or certificate, or had significant gaps in enrollment of 10 consecutive school days or more. Graph 5a illustrates that statewide 12% of current ELLs were mobile, with district averages ranging from 6% to 53%. Graph 5b shows that statewide 8% of former ELLs were mobile, with district averages ranging from fewer than 5% to 40%.

Graph 5a: Mobile Students who were Current ELLs by District



Graph 5b: Mobile Students who were Former ELLs by District

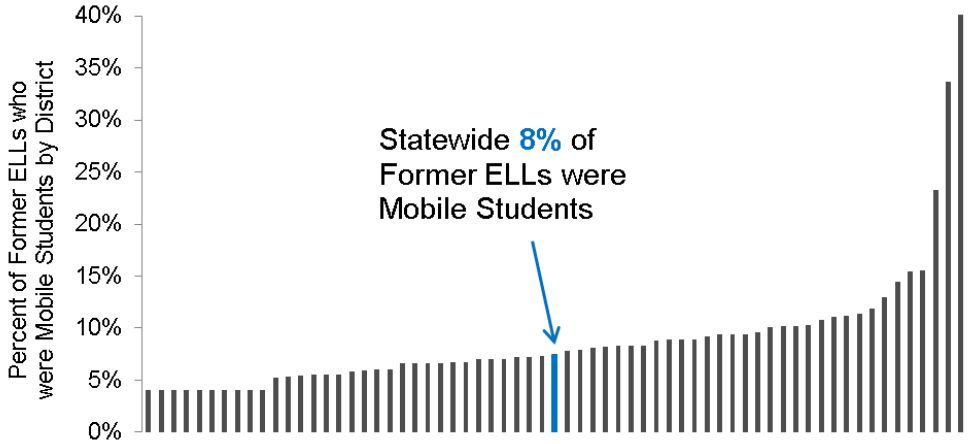


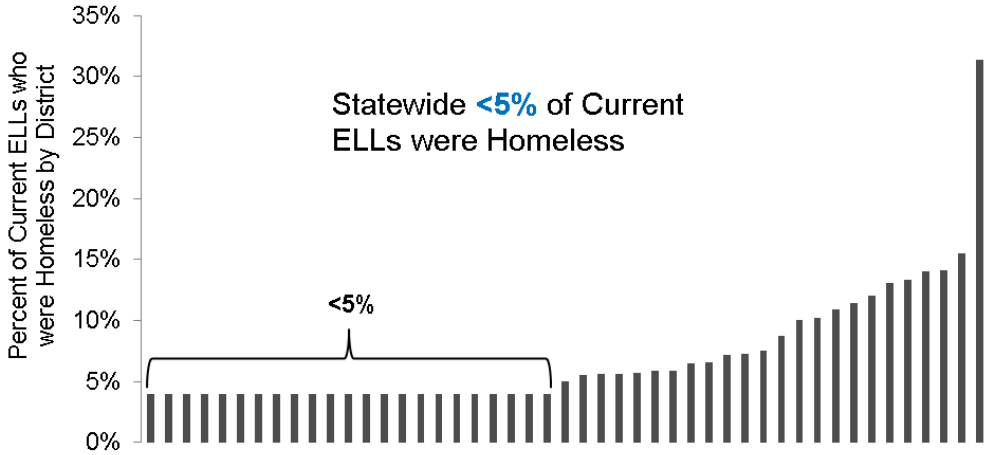
Table 5: Mobile English Language Learner Students

District ID	District Name	Percent of Current ELLs who were Mobile	Percent of Former ELLs who were Mobile
2101	Lebanon Community SD 9	11%	7%

Section 6: Homeless English Language Learners

This section summarizes data on current and former ELLs who were classified as homeless at some point during the 2014-2015 school year as defined by McKinney-Vento Act. Graphs 6a and 6b show that statewide, fewer than 5% of ELLs are homeless. Table 6 shows specific percentages for each district.

Graph 6a: Fewer than 5% of Current ELLs were Homeless by District



Graph 6b: Fewer than 5% of Former ELLs were Homeless by District

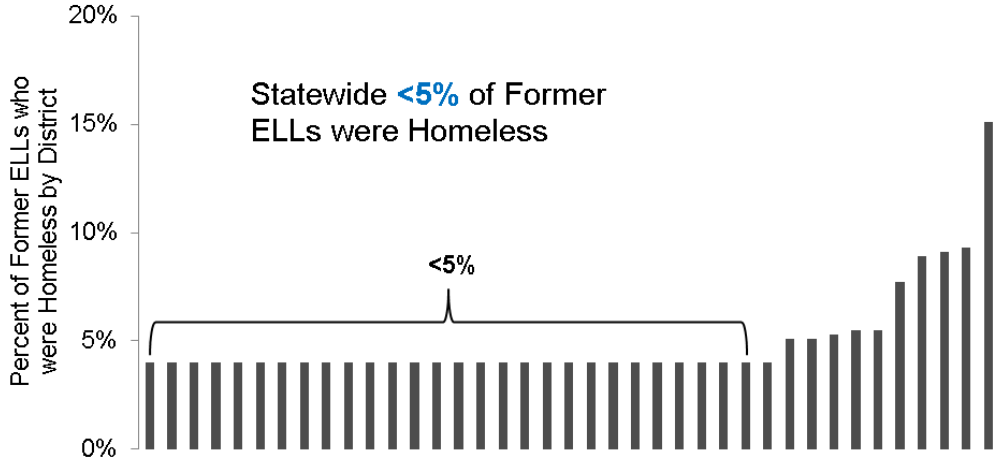


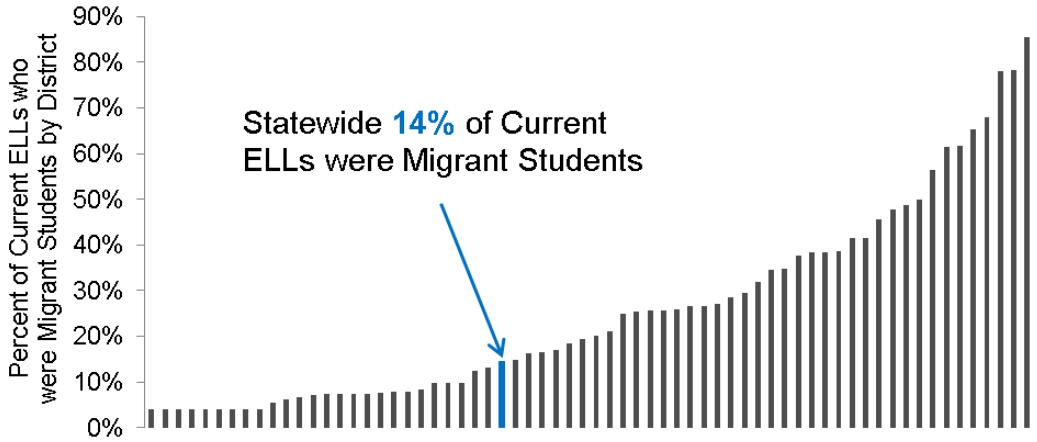
Table 6: Homeless English Language Learners by District

District ID	District Name	Percent of Current ELLs who were Homeless	Percent of Former ELLs who were Homeless
2101	Lebanon Community SD 9	13%	*

Section 7: Migrant English Language Learners

This section summarizes data on current and former ELLs who were migrant students. Migrant students are students who have moved with his/her family within the previous 36 months for the purpose of seeking temporary or seasonal employment in the agriculture or fishing industries. Graph 7a shows that 14% of current ELLs are migrant students, with district averages ranging from fewer than 5% to 85% . Graph 7b shows that 11% of former ELLs are migrant students with district averages ranging from fewer than 5% to 76%. Table 7 shows each district's percentages for ELLs who were migrant students.

Graph 7a: Percent of ELLs who are Migrant Students



Graph 7b: Percent of ELLs who are Migrant Students

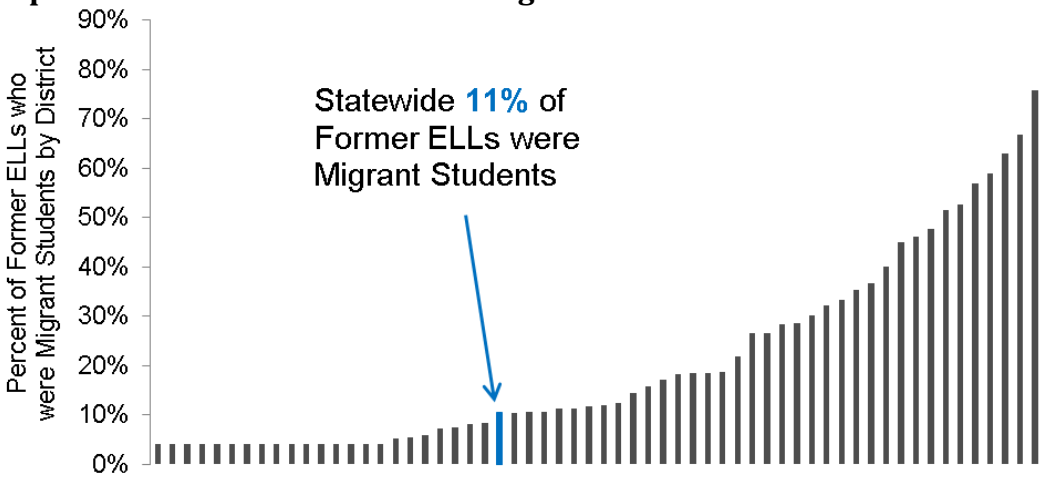


Table 7: Percent of Migrant English Language Learner Students

District ID	District Name	Percent of Current ELLs who were Migrant Students	Percent of Former ELLs who were Migrant Students
2101	Lebanon Community SD 9	*	*

Section 8: Recent Arriver English Language Learners

This section summarizes data on current and former ELLs who were recent arrivers. Recent arrivers are students who were born outside of the US and Puerto Rico and who have been educated in the US for fewer than 3 cumulative years. Graph 8 shows that about 7% of current ELLs were recent arrivers, with districts ranging from fewer than 5% to 58%. A graph for former ELLs who were recent arrivers is not included due to the small number of districts that have non-suppressed data available. Districts range from having fewer than 5% to 7% of former ELLs who are recent arrivers. Table 8 shows the specific percentages by district for current and former ELLs.

Graph 8: Percent of Current ELLs who were Recent Arrivers

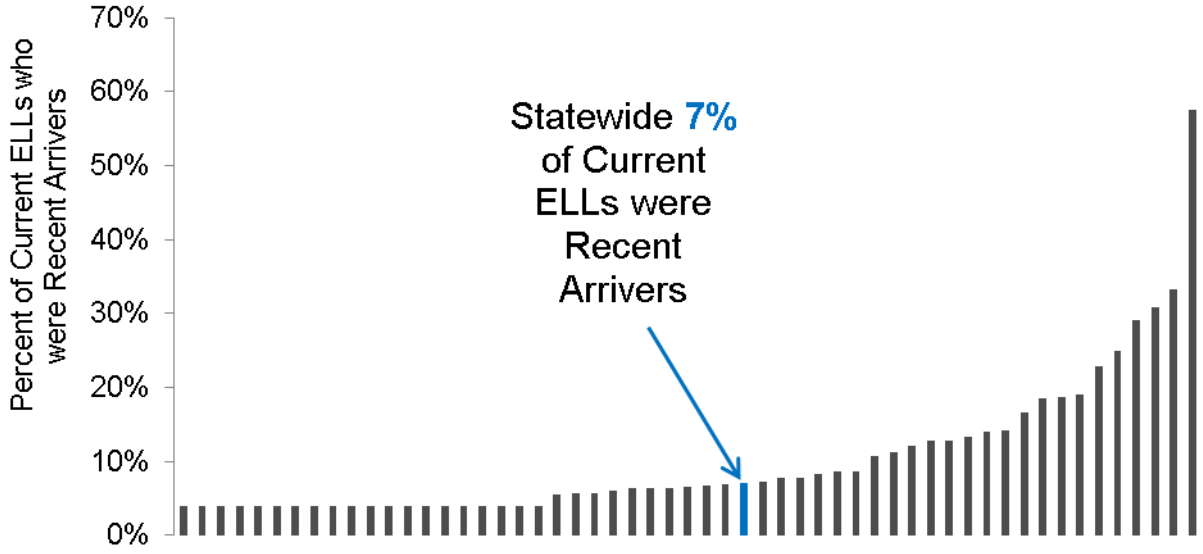


Table 8: Recent Arriver English Language Learner Students

District ID	District Name	Percent of Current ELLs who were Recent Arrivers	Percent of Former ELLs that were Recent Arrivers
2101	Lebanon Community SD 9	*	*

Section 9: Small Area Income and Poverty Estimates

The U.S. Census Bureau's Small Area Income and Poverty Estimates (SAIPE) measure provides an estimate of the poverty rate for children from ages 5-17 in each school district. Graph 9 shows that statewide 19% of children age 5 to 17 are living in poverty. Table 9 gives specific student counts and percentages for each district based on the SAIPE measure of poverty for each district.

Graph 9: Small Area Income and Poverty Estimates by District

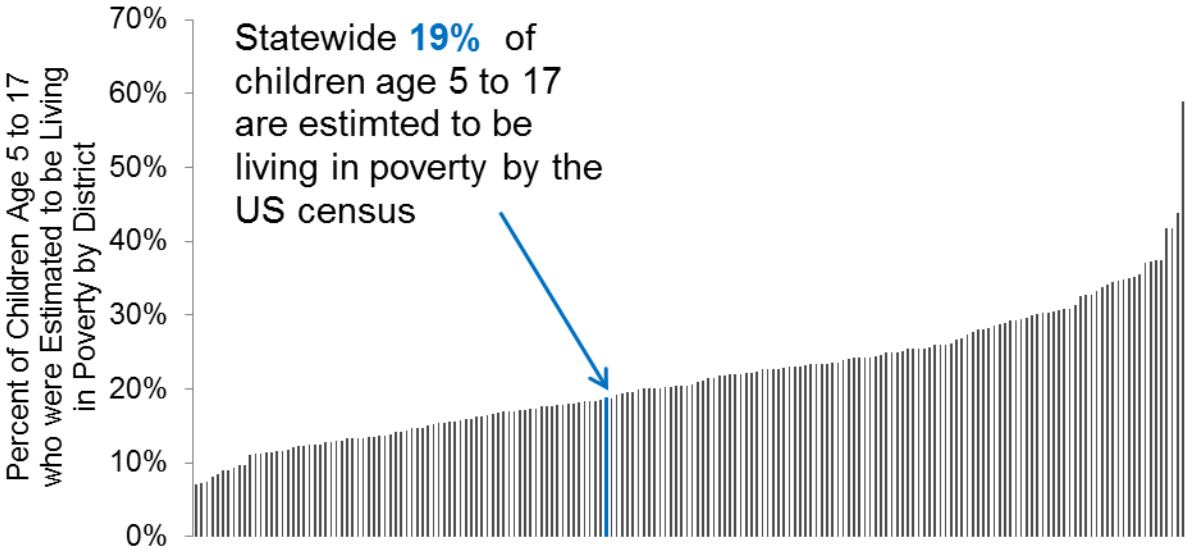


Table 9: Small Area Income and Poverty Estimates (SAIPE Estimates)

District ID	District Name	Estimated Number of Children Ages 5-17 in Poverty	Small Area Income and Poverty Estimate (SAIPE)
2101	Lebanon Community SD 9	1,233	26%

Section 10: Most Common Home Languages Spoken by English Language Learners

This section summarizes the home languages reported by English Language Learners. Languages that were reported by 6 or more students are reported in Table 10.

Table 10: Home Languages Reported by District

District ID	District Name	List of Languages
2101	Lebanon Community SD 9	Spanish

Section 11: Growth on the English Language Proficiency Assessment (ELPA)

This section summarizes the performance of current ELLs on the English Language Proficiency Assessment (ELPA). ELPA is the assessment used by the State of Oregon to test language proficiency of ELLs. ELPA is only taken by current ELLs and students who are identified as possibly needing ELL services. Graph 11 shows the median growth percentile of current ELLs who took ELPA in the 2014-2015 school year. The statewide median growth percentile was 50. This means that the median student showed growth greater than or equal to 50% of all students taking ELPA with similar past test scores. Higher growth percentiles indicate Table 11 shows each district's median growth percentile along with the count of students who took the assessment.

Graph 11: Median Growth Percentile on ELPA by District

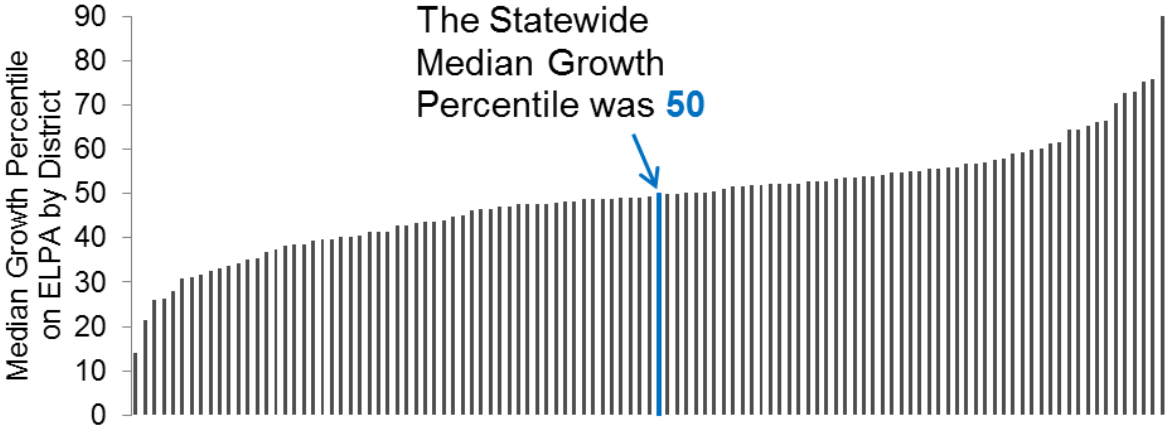


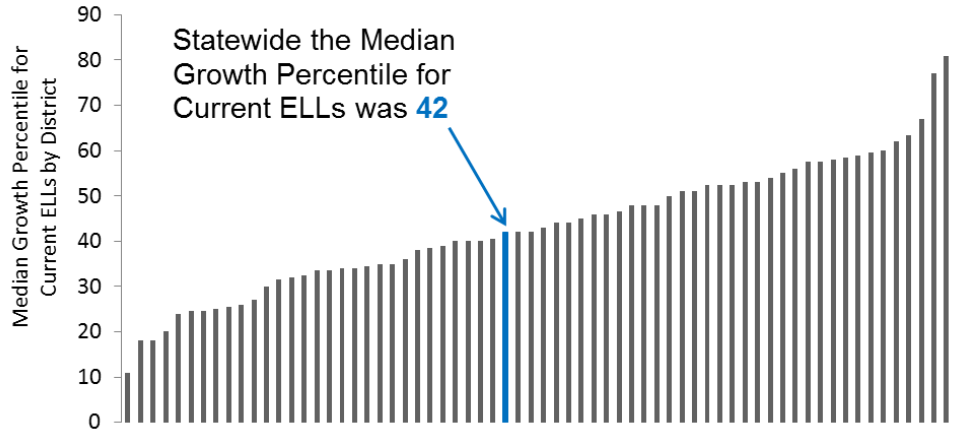
Table 11: Growth on the English Language Proficiency Assessment (ELPA)

District ID	District Name	Count of Student Growth Percentiles	Median Growth Percentile
2101	Lebanon Community SD 9	55	72.8

Section 12: Median Mathematics Growth Percentile, 6th-8th Grade

This section summarizes the median mathematics growth percentile for current and former ELLs from 6th to 8th grade. The growth model expresses a student's achievement growth as a percentile which reflects a student's growth relative to his or her academic peers For example, the median student from a district with a median mathematics growth percentile of 42 showed growth equal to or greater than 42% of students with similar past scores. Graph 12a shows the statewide median mathematics growth percentile for 6th-8th graders who are current ELLs was 42, with district averages ranging from 11 to 81. Graph 12b shows the statewide median mathematics growth percentile for 6th-8th graders who were former ELLs was 49, with district averages ranging from 21 to 95. Table 12 gives each district's median mathematics growth percentile.

Graph 12a: Median Mathematics Growth Percentile, 6th -8th Grade for Current ELLs



Graph 12b: : Median Mathematics Growth Percentile, 6th -8th Grade for Former ELLs

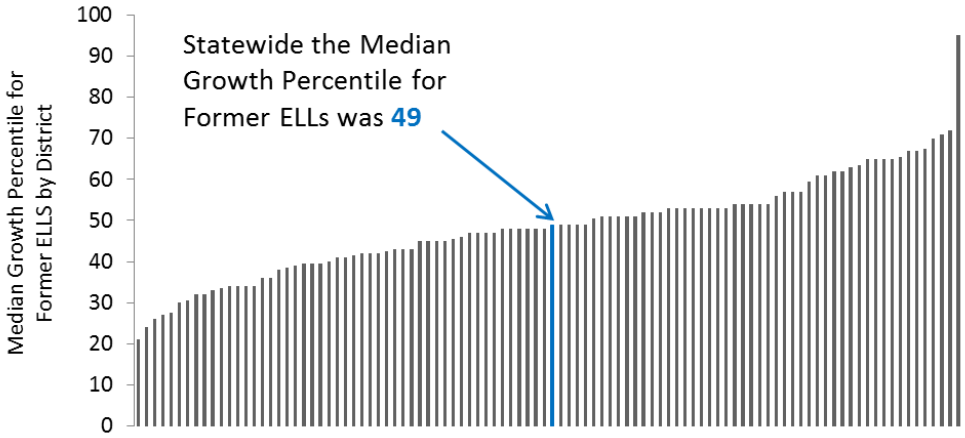


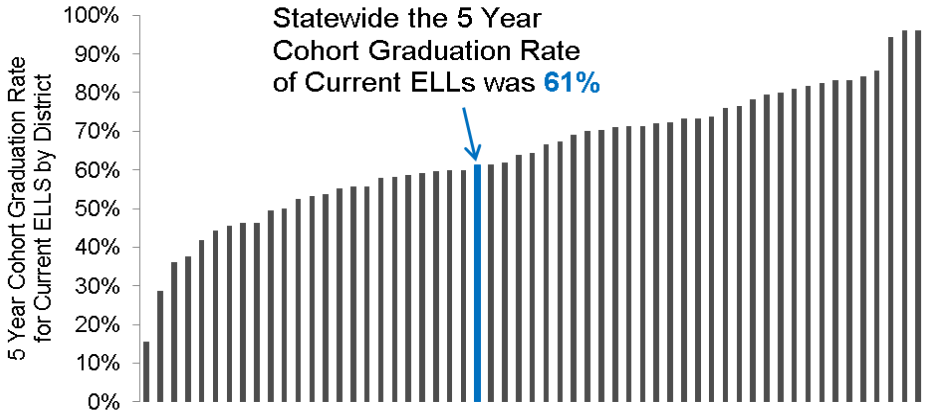
Table 12: Median Mathematics Growth Percentile, 6th - 8th Grade

District ID	District Name	Median Growth Percentile for Current ELLs	Median Growth Percentile for Former ELLs
2101	Lebanon Community SD 9	51	70.0

Section 13: 5 Year Cohort Graduation Rate for English Language Learners

This section summarizes the 5 year graduation rates for current and former ELLs for the 2014-2015 school year. Students in this cohort first entered high school in the 2010-2011 school year. The cohort is adjusted for students who move into or out of the system, emigrate, or are deceased. The cohort graduation rate is calculated as the number of students in the cohort who graduated with a regular or modified diploma within five years and as a percent of the total number of students in the cohort. Graphs 13a shows that the statewide 5 Year Cohort Graduation Rate for current ELLs was 61%, with district averages ranging from 16% to more than 95%. Graph 13b shows that statewide the 5 Year Cohort Graduation Rate was 80% for former ELLs, with district averages ranging from 27% to more than 95%. Table 13 gives the 5 Year Cohort Graduation Rates for each district.

Graph 13a: 5 Year Cohort Graduation Rate for Current ELLs



Graph 13b: 5 Year Cohort Graduation Rate for Former ELLs

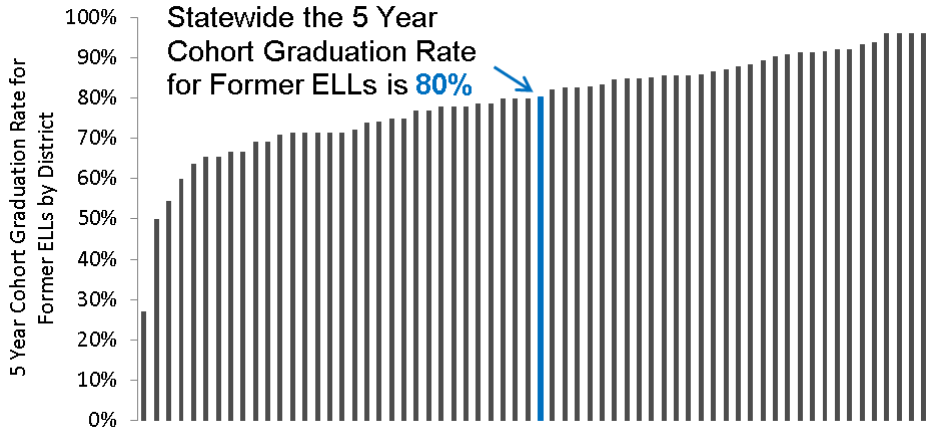


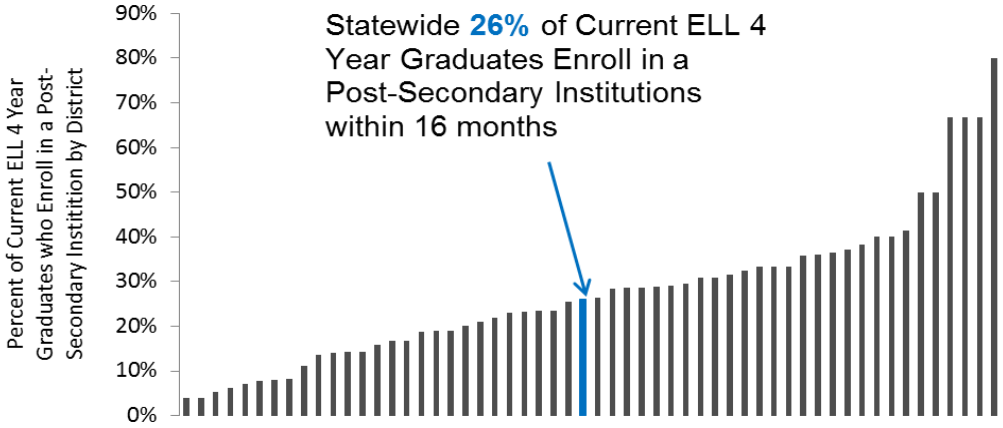
Table 13: 5 Year Cohort Graduation Rate for English Language Learners

District ID	District Name	Current ELLs in Cohort	5 Year Cohort Graduation Rate Current ELLs	Former ELLs in Cohort	5 Year Cohort Graduation Rate Former ELLs
2101	Lebanon Community SD 9	5	60%	6	83%

Section 14: Post-Secondary Enrollment

This section summarizes post-secondary enrollment of 4-Year Cohort High School Graduates within 16 months of high school graduation for current and former ELLs. Graph 14a shows that statewide 26% of current ELLs who graduate high school in 4 years enter a post-secondary institution within 16 months. District averages range from fewer than 5% to 80%. Graph 14b shows that statewide 43% of former ELLs who graduate high school in 4 years enter a post-secondary institution within 16 months. District averages range from fewer than 5% to more than 95%. Table 14 shows the percentage of post-secondary enrollment for each district.

Graph 14a: Post-secondary enrollment of 4 Year Graduate Current ELLs within 16 Months of High School Graduation



Graph 14b: Post-secondary enrollment of 4 Year Graduate Former ELLs within 16 Months of High School Graduation

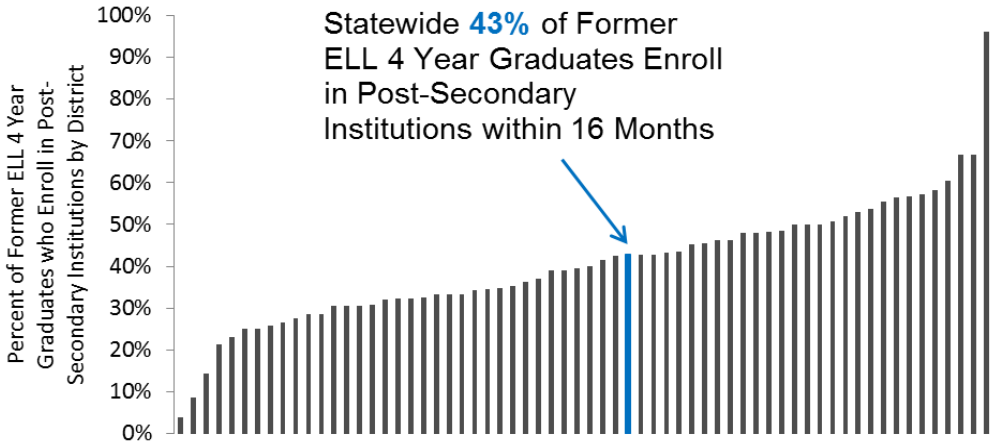


Table 14: Post-Secondary Enrollment of 4 Year Graduate ELLs within 16 Months of High School Graduation

District ID	District Name	Percent Current ELL 4 Year Graduates who Enroll in Post- Secondary Institutions	Percent Former ELL 4 Year Graduates who Enroll in Post- Secondary Institutions
2101	Lebanon Community SD 9	*	33%

Part C: Demographics of Students in English Language Learner Programs

This section fulfills 327.016(c)(A, B, C) by providing information on the demographics of students in English language learner programs in each school district, including

(A) The average number of years students have been enrolled in an English language learner programs;
(B) The average number of years the students have attended their current schools;
(C) The percentage of students who also receive special education and related services.

The sections in Part C include:

- Section 15: Average Number of Years Students have been Enrolled as an ELL,
- Section 16: Average Number of Years ELLs are Enrolled in a School, and
- Section 17: English Language Learners who also Receive Special Education Services

Section 15: Average Number of Years Students have been Enrolled as an ELL

This section provides the average number of years students have been enrolled as an ELL by grade. This average was calculated using the total years of English Language Learner instruction from ODE's Average Daily Membership Data Collection. Graph 15 shows that, statewide, 8th Grade ELLs average 5.9 years of ELL instruction, the highest average in the state by grade. Table 15 gives each district's average number of years students are classified as ELLs by grade.

Graph 15: Average Number of Years Students have been Enrolled as an ELL, Statewide Averages

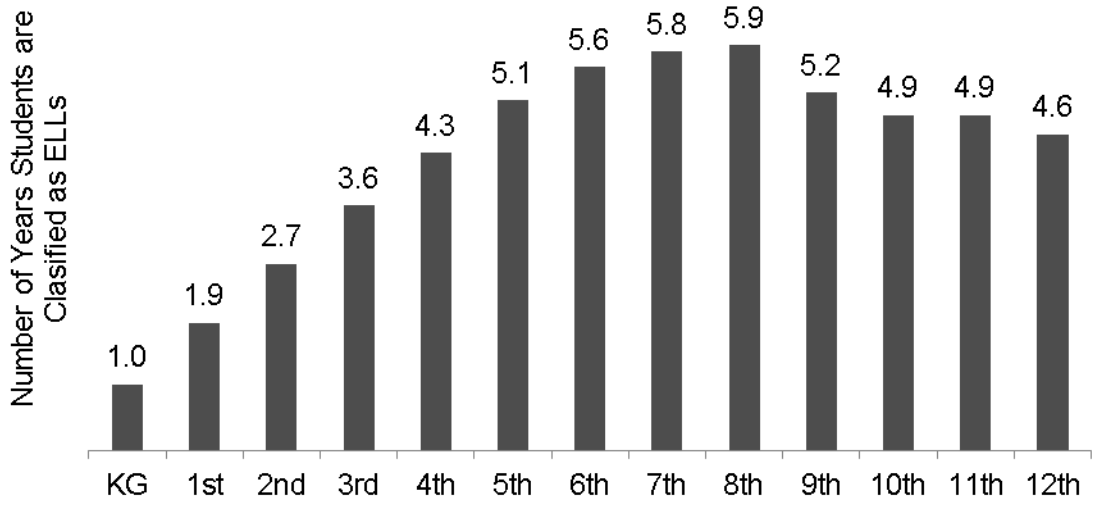


Table 15: Average Number of Years Students are Classified as an English Language Learner

District ID	District Name	KG	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th
2101	Lebanon Community SD 9	0.92	1.93	*	*	3.92	*	*	5.02	*	*	*	*	*

Section 16: Average Number of Years ELLs are Enrolled in a School

This section shows the average number of years current ELLs are enrolled in their current school aggregated to the district-level. Oregon public schools' grade compositions vary widely both within and between districts. For example, some grade combinations include K-3, K-5, K-6, K-12, 6-8, 7-8, and 9-12. Due to this variation, it is not reasonable to directly compare districts on the average number of number of years students are enrolled. For this reason, non-ELLs are included in the graph and table below as a comparison group for ELLs.

Graph 16 shows that non-ELLs and current ELLs have a similar average number of years in their current school in the early grades. In 1st-4th grade, current ELLs average a longer tenure in a single school than non-ELLs. This trend changes in 5th grade and the gap increases as students reach high school age. Table 16 shows the average number of years by grade for each district by non-ELLs and current ELLs.

Graph 16: Statewide Average Number of Years Non-ELLS and Current ELLs are Enrolled in a School

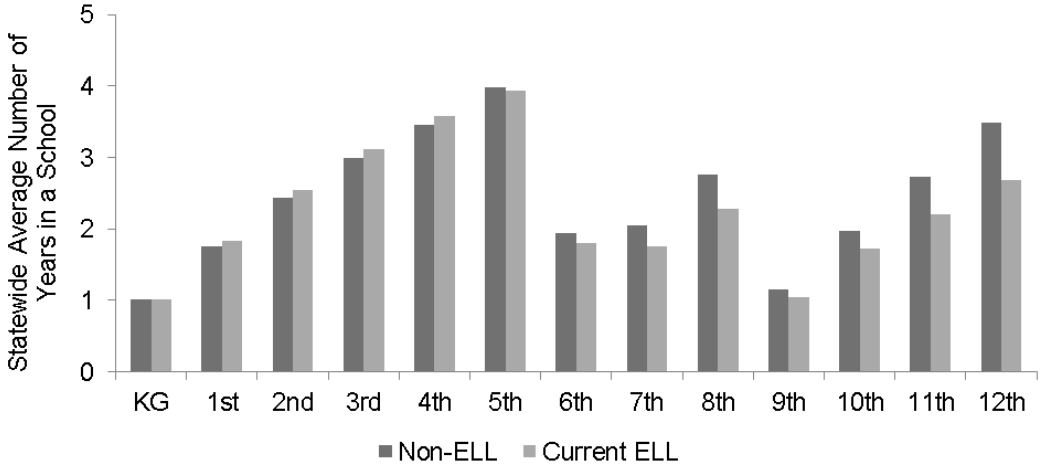


Table 16: Average Years ELLs and Non-ELLS have Attend Their Current Schools
*Y indicates current ELLs. N indicates all other students including former ELLs.

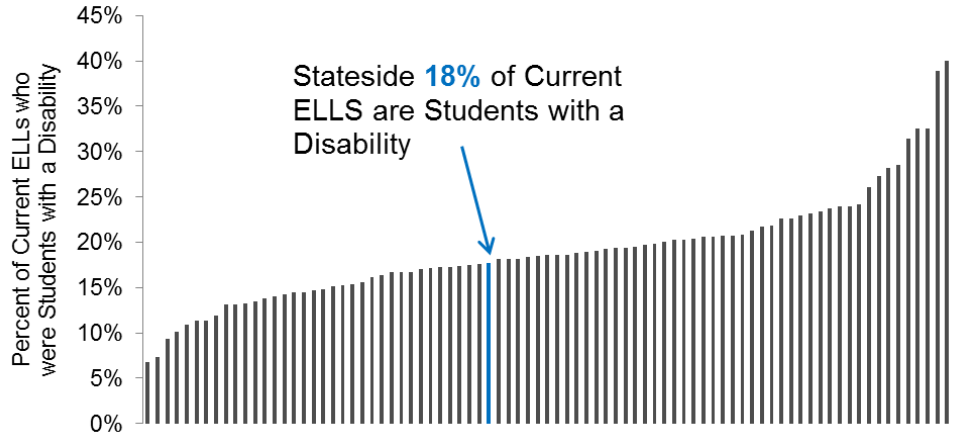
Table 16: Average Years ELLs and Non-ELLS have Attend Their Current Schools
*Y indicates current ELLs. N indicates all other students including former ELLs.

District ID	District Name	LEP*	KG	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th
2101	Lebanon Community SD 9	N	1.02	1.81	2.47	3.14	3.51	4.19	2.72	3.14	3.86	1.12	1.89	2.72	3.57
2101	Lebanon Community SD 9	Y	1	1.67	*	*	2.89	*	*	2	*	*	*	*	*

Section 17: English Language Learners who also Receive Special Education Services

This section summarizes the percentage of current and former ELLs who are also receive special education and related services. Graph 17a shows that 18% of current ELLs statewide are also identified as students with a disability, with district percentages ranging from 7% to 40%. Graph 17b shows that 10% of former ELLs are also identified as students with a disability, with district percentages ranging from fewer than 5% to 42%. Table 17 gives the percentage of current and former ELLs who are also identified as students with a disability by district.

Graph 17a: Percent of Current ELLs who also Receive Special Education and Related Services by District



Graph 17b: Percent of Former ELLs who also Receive Special Education and Related Services by District

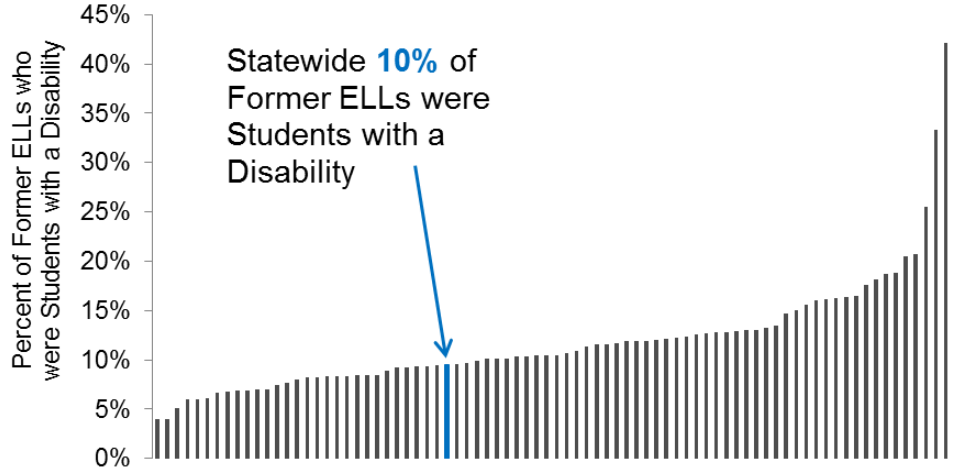


Table 17: Percent of English Language Learners who also Receive Special Education and Related Services

District ID	District Name	Percent of Current ELLs who were SWDs	Percent of Former ELLs who were SWDs
2101	Lebanon Community SD 9	14%	10%

Part D: Other Information on English Language Learner Students

This section fulfills 327.016(c)(D) by providing information on other demographics of students in English language learner programs in each school district and other information.

The sections in Part D include:

- Section 18: English Language Learners by Grade,
- Section 19: Percent of English Language Learners who Exit by Grade,
- Section 20: Not Chronically Absent English Language Learners,
- Section 21: Percent of English language Learners who Met the Freshman On-Track Criteria,
- Section 22: Dropout Rates for English Language Learners,
- Section 23: English Language Learners with Discipline Incidents, and
- Section 24: Oregon State Seal of Biliteracy.

Section 18: English Language Learners by Grade

This section shows the distribution of ELLs by grade. Graph 18 illustrates that most current ELLs were in grades Kindergarten through 5th grade. Table 18 gives the percentage of current ELLs by grade for each district.

Graph 18: Percent of English Language Learners by Grade

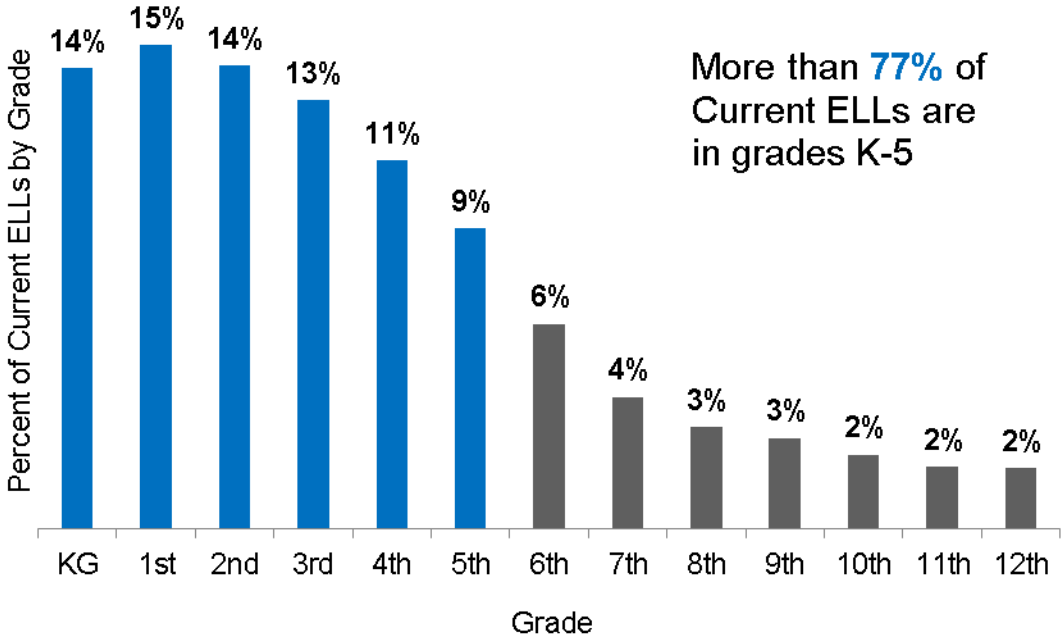


Table 18: Percent of Current ELLs by Grade

District ID	District Name	Current ELLs	Pct KG	Pct 1st	Pct 2nd	Pct 3rd	Pct 4th	Pct 5th	Pct 6th	Pct 7th	Pct 8th	Pct 9th	Pct 10th	Pct 11th	Pct 12th
2101	Lebanon Community SD 9	83	16%	16%	10%	8%	17%	*	*	12 %	*	*	*	*	*

Section 19: Percent of English Language Learners who Exit by Grade

This section summarizes the percent a current ELLs who exit by grade. Graph 19 shows that statewide 19% of ELLs who exit ELL status are 5th graders. Table 19 gives the percentage of students exiting by grade for each district.

Graph 19: Statewide Average Percent of ELLs who Exit by Grade

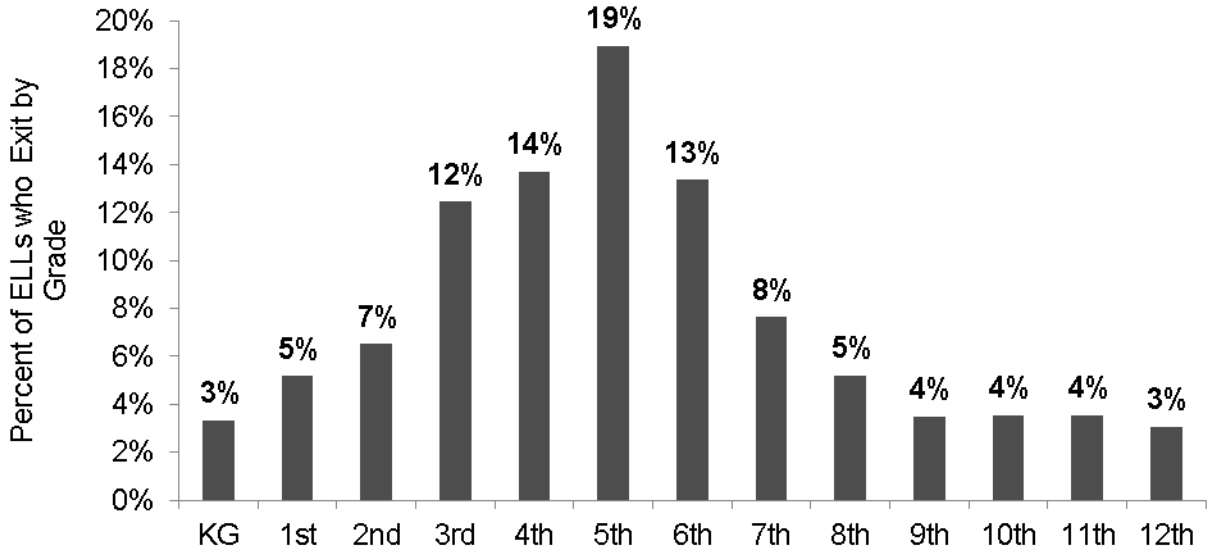


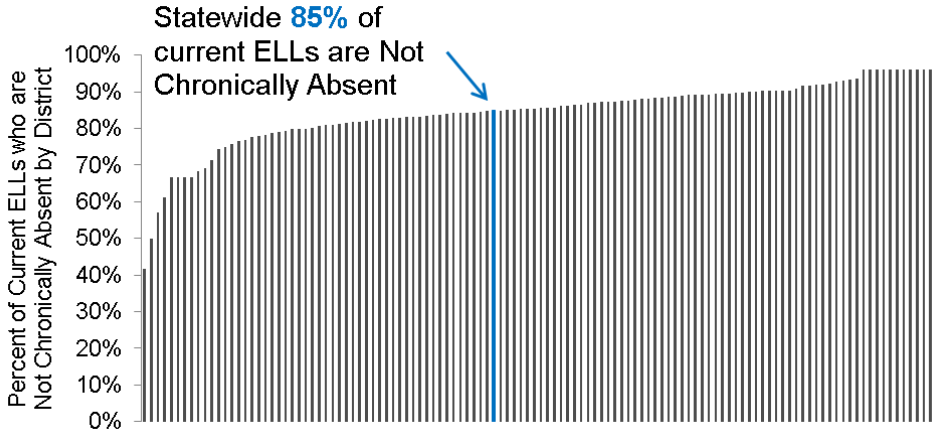
Table 19: Percent English Language Learners who Exit by Grade

District ID	District Name	KG	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th
2101	Lebanon Community SD 9	*	*	*	*	*	*	*	*	*	*	*	*	*

Section 20: Not Chronically Absent English Language Learners

This section summarizes the percent of current and former ELLs who are 'Not Chronically Absent.' Oregon defines chronic absenteeism as missing more than 10% of enrolled school days in a school year. Thus, 'Not Chronically Absent' students attend school 90% or more of their enrolled days. Graph 20a shows that statewide 85% of current ELLs are 'Not Chronically Absent', with districts averages ranging from 42% to greater than 95%. Graph 20b shows that statewide 82% of former ELLs are 'Not Chronically Absent', with district averages ranging from 13% to greater than 95%. Table 20 gives the average percentages by district for current and former ELLs.

Graph 20a: Percent of Current ELLs who are Not Chronically Absent



Graph 20b: Percent of Former ELLs who are Not Chronically Absent

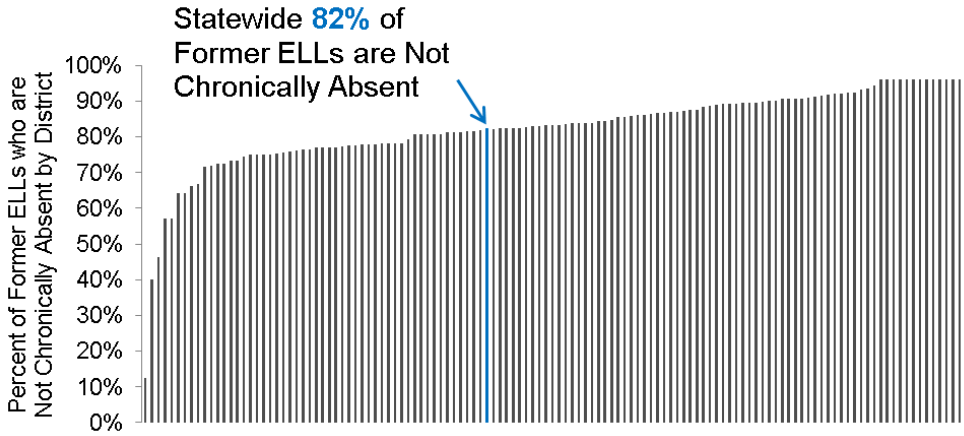


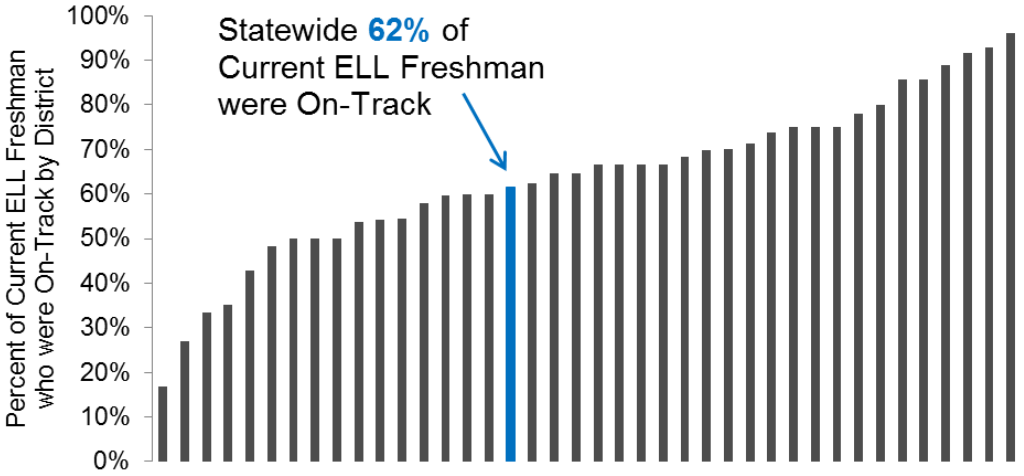
Table 20: Percent of ELLs who are Not Chronically Absent

District ID	District Name	Current ELLs Percent Not Chronically Absent	Former ELLs Percent Not Chronically Absent
2101	Lebanon Community SD 9	81%	84%

Section 21: Percent of English language Learners who Met the Freshman On-Track Criteria

This section summarizes the percent of current and former ELLs who met the freshman on-track criteria. To be considered a freshman on-track a student must have earned at least 6 credits or 25% of the number required for high school graduation, whichever is higher, by the end of their first year of high school. Graph 21a shows that statewide 62% of current ELLs met the freshman on-track criteria, with district averages ranging from 17% to greater than 95%. Graph 21b shows that statewide 77% of former ELLs met the freshman on-track criteria, with district averages ranging from fewer than 5% to greater than 95%.

Graph 21a: Percent of Current ELL Freshman who were on Track by District



Graph 21b: Percent of Former ELL Freshman who were On-Track by District

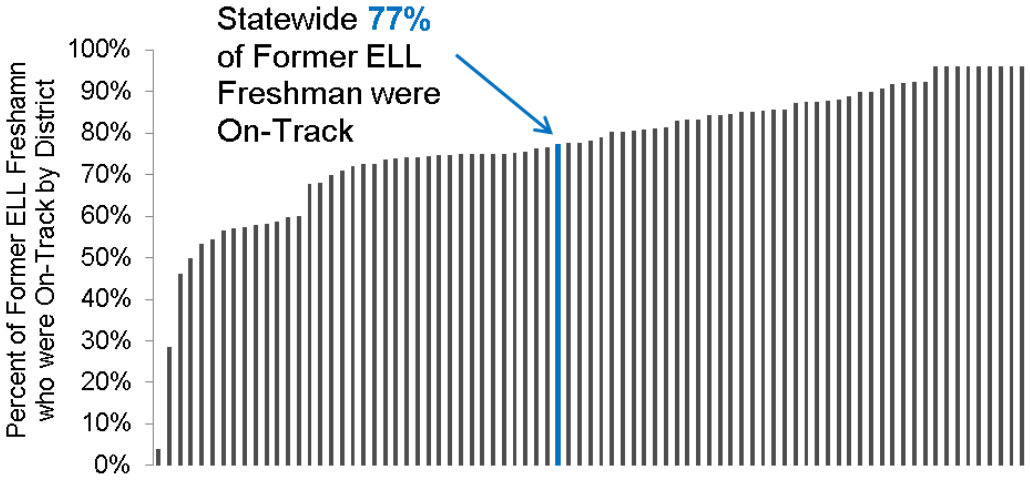


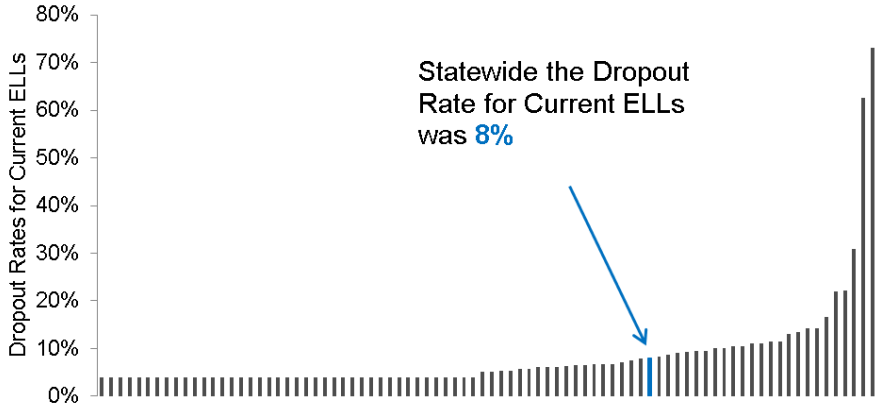
Table 21: English Language Learners who Met the Freshman On-Track Criteria

District ID	District Name	Current ELLs Freshman On-Track Rate	Former ELLs Freshman On-Track Rate
2101	Lebanon Community SD 9	*	88%

Section 22: Dropout Rates for English Language Learners

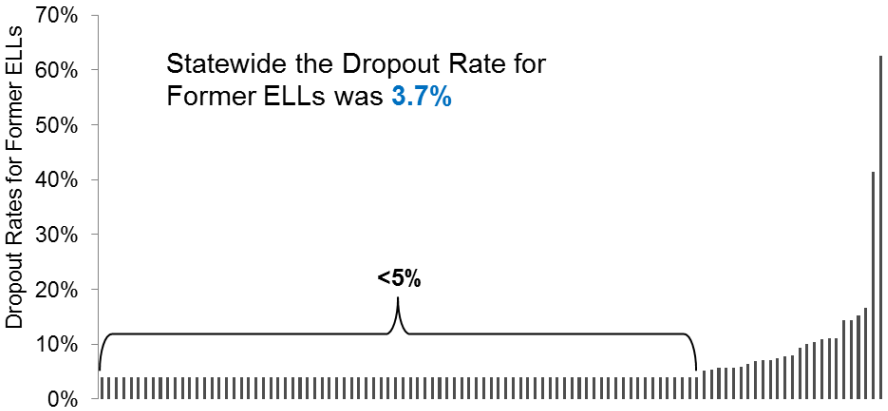
This section summarizes the dropout rate for current and former ELLs. The one-year dropout rate is calculated by dividing the number of dropouts (grades 9-12) by the number of students reported on the October 1 Membership (Enrollment) Data Collection for grades 9-12. Graph 22a shows the statewide dropout rate for current ELLs was 8%, with district averages ranging from fewer than 5% to 73%. Graph 22b shows the statewide dropout rate for former ELLs was fewer than 5%, with district averages ranging from fewer than 5% to 63%. Table 22 gives the dropout rate for each district.

Graph 22a: Dropout Rate for Current ELLs by District



*Only districts with more than 6 current ELLs are represented on the graph.

Graph 22b: Dropout Rate for Former ELLs by District



*Only districts with more than 6 former ELLs are represented on the graph.

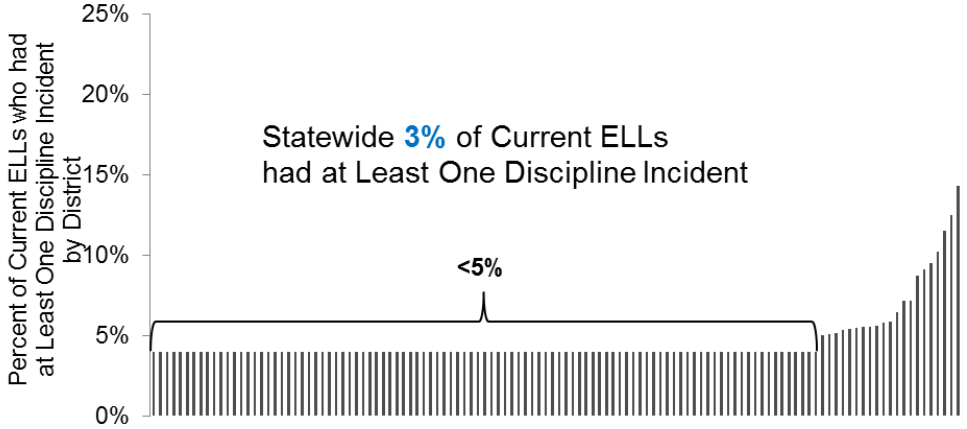
Table 22: Dropout Rates, Current and Former English Learners

District ID	District Name	Denominator Current ELLs	Dropout Rate Current ELLs	Denominator Former ELLs	Dropout Rate Former ELLs
2101	Lebanon Community SD 9	14	0.0%	40	0.0%

Section 23: English Language Learners with Discipline Incidents

This section summarizes the percent of current and former ELLs who had at least one discipline incident during the 2014-2015 school year. A discipline incident is defined as an in school suspension, out of school suspension, or an expulsion. About 3% of current ELLs had a discipline incident, with Graph 23a showing that district percentages ranged from fewer than 5% to 14%. About 4% of former ELLs had a discipline incident, with Graph 23b showing that districts percentages ranged from fewer than 5% to 24%. Table 24 gives specific percentages for each district with 6 or more current and former ELLs.

Graph 23a: Percent of Current ELLs who had at Least One Discipline Incident by District



Graph 23b: Percent of Former ELLs who had at Least One Discipline Incident by District

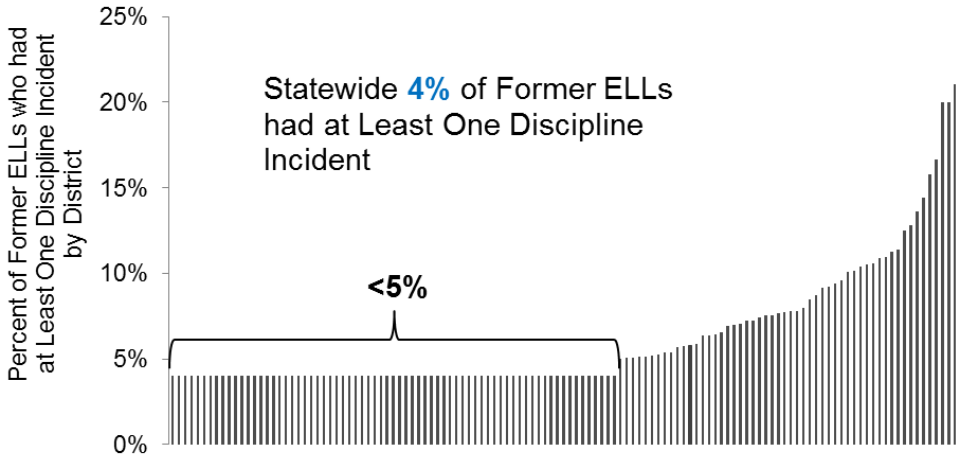


Table 23:Percent of Current and Former ELLs who had at Least One Discipline Incident

District ID	District Name	Percent of Current ELLs who had at Least One Discipline Incident	Percent of Former ELLs who had at Least One Discipline Incident
2101	Lebanon Community SD 9	<5%	7%

Section 24: Oregon State Seal of Biliteracy

The Oregon State Seal of Biliteracy has been in the design process for two years. The program was piloted during the 2014-2015 school year. The State Board of Education adopted the final rules for the Seal in April 2016. The full rollout of the State Seal of Biliteracy will begin in summer of 2016.

The Oregon State Seal of Biliteracy is an award students can earn by proving language proficiency in both English and another partner language. Students must meet three criteria for the seal:

- Satisfy all regular graduation requirements,
- Meet Essential Skills in English, and
- Score at the accepted level on the Partner Language Proficiency Assessment or provide a portfolio of evidence.

The assessment and/or portfolio must assess the four language domains of listening, speaking, reading, and writing. The award is in the form of a certificate and an embossed seal that can be affixed to the graduating students' diplomas. The seal will also be noted on students' transcripts for post-secondary applications.

Table 24 shows the 10 districts and one charter school that reported awarding Biliteracy Seals during the 2014-2015 school year. Statewide, 350 Biliteracy Seals were awarded in Spanish, Russian, Chinese, Ukrainian, Japanese, French, German, Somali, Vietnamese, Persian. These may have been awarded to students who were never English Language Learners.

Table 24: Number of Biliteracy Seals awarded statewide and by District, a Pilot Year

District ID	District Name	Number of Students who earned the Biliteracy Seal
999	State of Oregon	350
2243	Beaverton SD 48J	10
2191	Central SD 13J	30
1901	Corvallis SD 509J	34
4040	Four Rivers Community School*	7
2239	Hillsboro SD 1J	16
2048	Medford SD 549C	5
1924	North Clackamas SD 12	55
2180	Portland SD 1J	84
2142	Salem-Keizer SD 24J	58
1922	West Linn-Wilsonville SD 3J	9
2146	Woodburn SD 103	42

*Four Rivers Community School is a charter school that does not belong to a school district.

Source: Voluntary Reporting to the Oregon Department of Education

Pursuing Excellence
LEBANON
Community Schools

Linda Darling, Business Director

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Construction Excise Tax (CET): *(enclosure D-3)*

The district has submitted applications to Oregon Department of Education for the following assistance programs:

- Facilities Assessment ($20,000)
- Long-Range Facility Plan ($25,000)
- Seismic Assessment ($25,000)

Notification of the funding awards will be processed in mid-March. Assuming that we proceed with the Facilities Assessment and Long-Range Facility Plan (with or without ODE funding) the approximate timeline would be 12 months, which is an aggressive goal. Both of these steps have to be completed before the Board could implement the Construction Excise Tax.

The committee also considered potential long term goals that the District could have. The Oregon School Capital Improvement Matching Program (OSCIM Program) is funds potentially available for districts to do a voter approved Capital Improvement Bond that matches or exceeds that state approved amount. For Lebanon the current amount is $4,739,186, which would be a $9.5 million bond. I have attached a potential timeline to reflect all of the steps to access funding from OSCIM Program and Seismic Assessment.

The committee would like to recommend to the Board that they consider all potential funding to help address needs of our facilities and the timing of those funds. We need to be transparent about our facility needs and available funds to help offset the impact on the district and the community, in order to pursue the OSCIM Program and then potentially the Construction Excise Tax.

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Comparability District Data: *(enclosure D-4)*

Enclosed graphs compare groups of staffing FTE (Full Time Equivalent), Students Per FTE, and Average Salary. The School Districts used have comparable ADMr of 4,000 – 4,500 in 2015-2016. These districts are: Central Point SD, Eagle Point SD, Hood River County SD, Oregon Trail SD, and Lebanon Community SD.

TABLE 1:
This graph shows the comparability districts' Principals and Assistant Principals FTE, Student per FTE and Average Salary. Even though Lebanon has more teachers then most of the districts our wage is also lower.

TABLE 2:
This table shows the same data as TABLE 1 except it represents Teachers (Non-Special Ed).

TABLE 3:
This table shows all classified school support staff that are special education and general education over three years. The categories included are: School Support Non-Licensed, Special Education Non-Licensed, Special Education Paraprofessional, and Student Support Non-Special Education.

TABLE 4:
This table shows the range of average salaries in the listed categories of our comparable district. Lebanon is at the 0% in all areas.

TABLE 5:
This table shows the same categories as Table 4 but the total FTE and Salary for those areas in 2017.

TABLE 6:
This tables shows the FTE of Teachers (Non-Special Education) and the student / staff ratio by school over the past 6 years. Please note that the elementary schools are in one group and the middle and high school are grouped so the axis values are different in each group. By producing the report in two groups it makes the data easier to read.

TABLE 7:
This table show the amount of total students that were in each grade by school and the average class size (the class is referring to grade) in the school. Please note that the elementary schools are in one group and the middle and high school are grouped so the axis values are different in each group. By producing the report in two groups it makes the data easier to read.

TABLE 8:
This table shows data for LCSD only, displayed by school and categories. Within each category the average enrollment of the school, FTE, Student per FTE in that school and category, and the average experience or years of service that group has had in LCSD.

TABLE 1

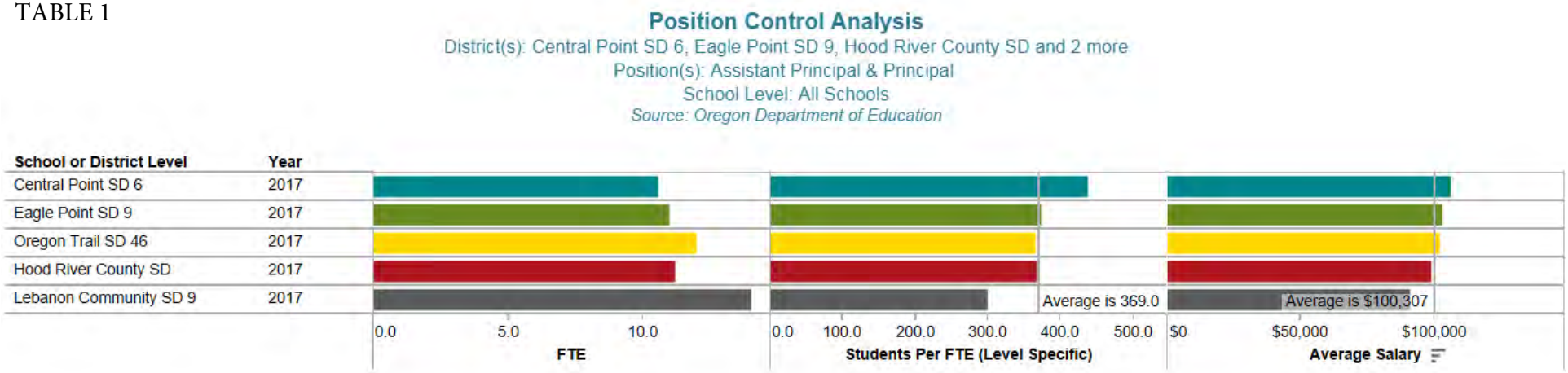
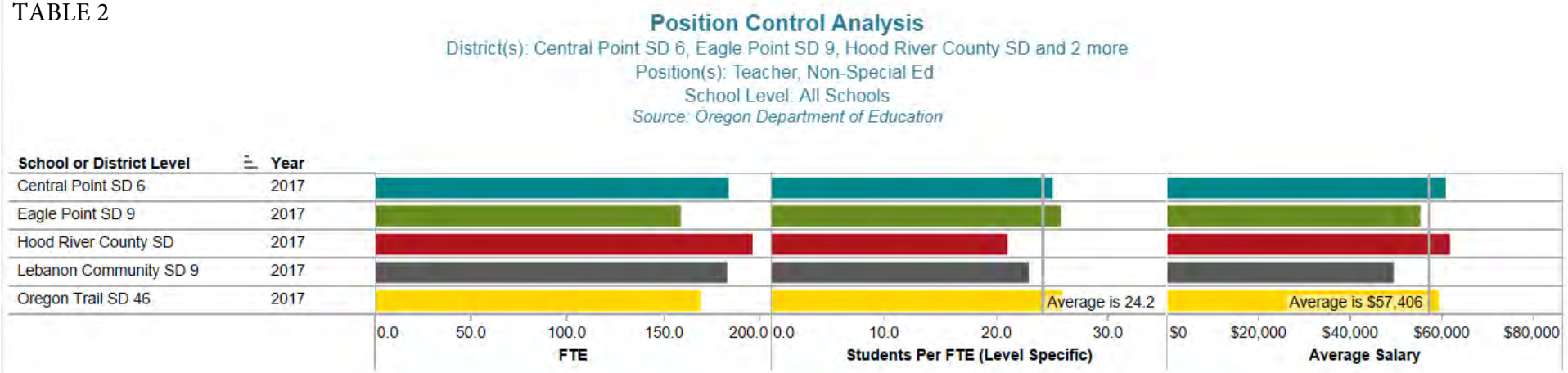


TABLE 2



District	2017 Enrollment
Central Point SD 6	4,617
Eagle Point SD 9	4,103
Hood River County SD	4,120
Lebanon Community SD 9	4,202
Oregon Trail SD 46	4,397

TABLE 3

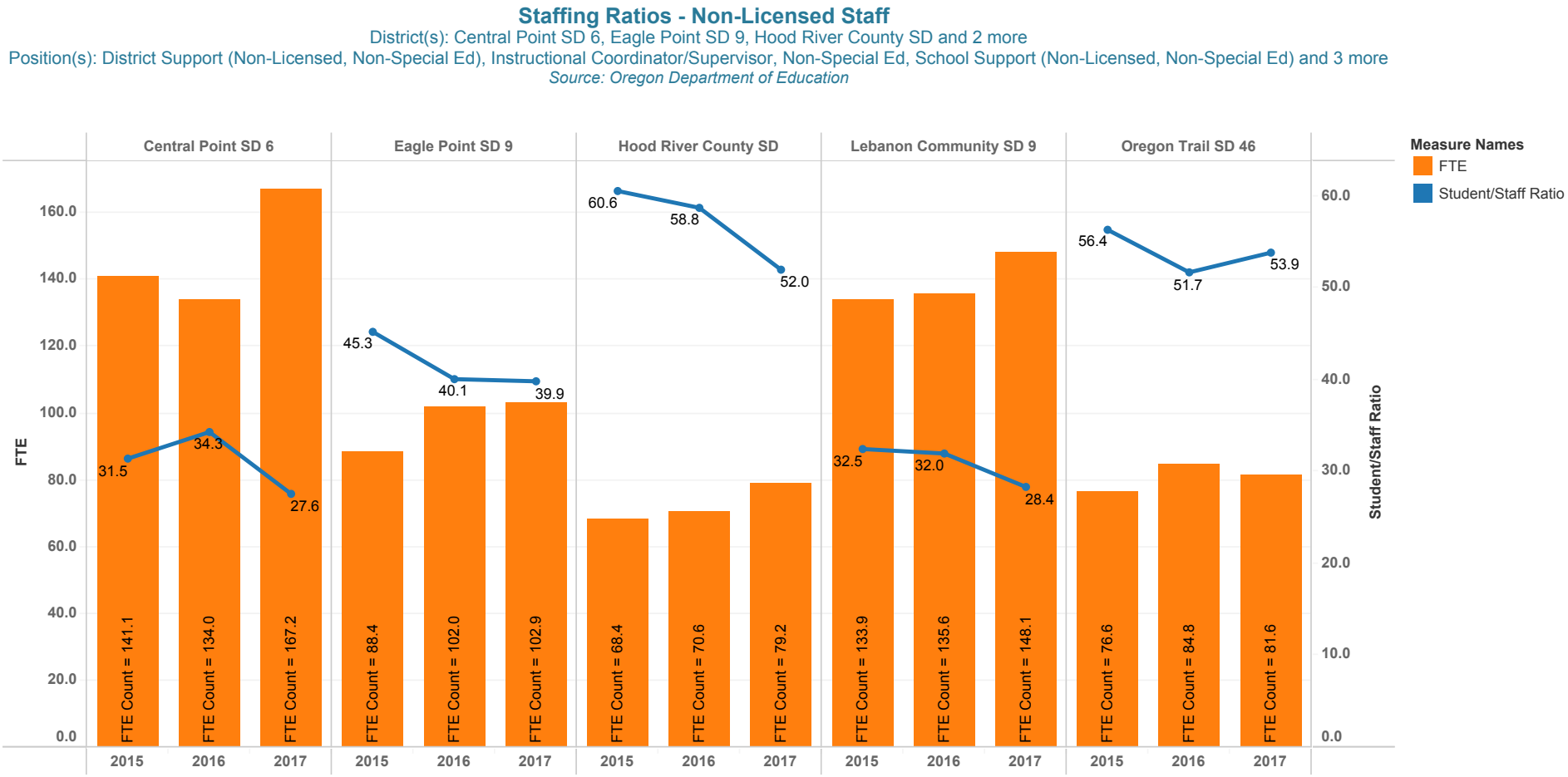

Staffing Ratios - Non-Licensed Staff
District(s): Central Point SD 6, Eagle Point SD 9, Hood River County SD and 2 more
Position(s): District Support (Non-Licensed, Non-Special Ed), Instructional Coordinator/Supervisor, Non-Special Ed, School Support (Non-Licensed, Non-Special Ed) and 3 more
Source: Oregon Department of Education
Central Point SD 6
Eagle Point SD 9
Hood River County SD
Lebanon Community SD 9
Oregon Trail SD 46
FTE
Student/Staff Ratio
Measure Names
FTE
Student/Staff Ratio
FTE Count = 141.1
FTE Count = 134.0
FTE Count = 167.2
FTE Count = 88.4
FTE Count = 102.0
FTE Count = 102.9
FTE Count = 68.4
FTE Count = 70.6
FTE Count = 79.2
FTE Count = 133.9
FTE Count = 135.6
FTE Count = 148.1
FTE Count = 76.6
FTE Count = 84.8
FTE Count = 81.6
31.5
34.3
27.6
45.3
40.1
39.9
60.6
58.8
52.0
32.5
32.0
28.4
56.4
51.7
53.9
2015
2016
2017

TABLE 4

Average Salary by Position Comparison

District: Lebanon Community SD 9

Position(s): Assistant Principal, Guidance Counselor, Non-Special Ed, Head Teacher, Non-Special Ed and 6 more

Source: Oregon Department of Education

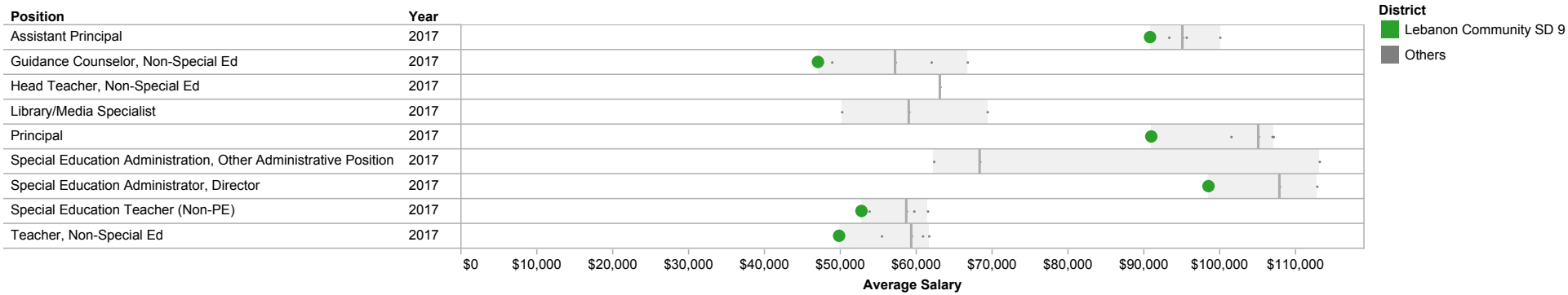


TABLE 5

Salary Position Detail

District(s): Central Point SD 6, Eagle Point SD 9, Hood River County SD and 2 more

Position(s): Assistant Principal, Guidance Counselor, Non-Special Ed, Head Teacher, Non-Special Ed and 6 more

Source: Oregon Department of Education

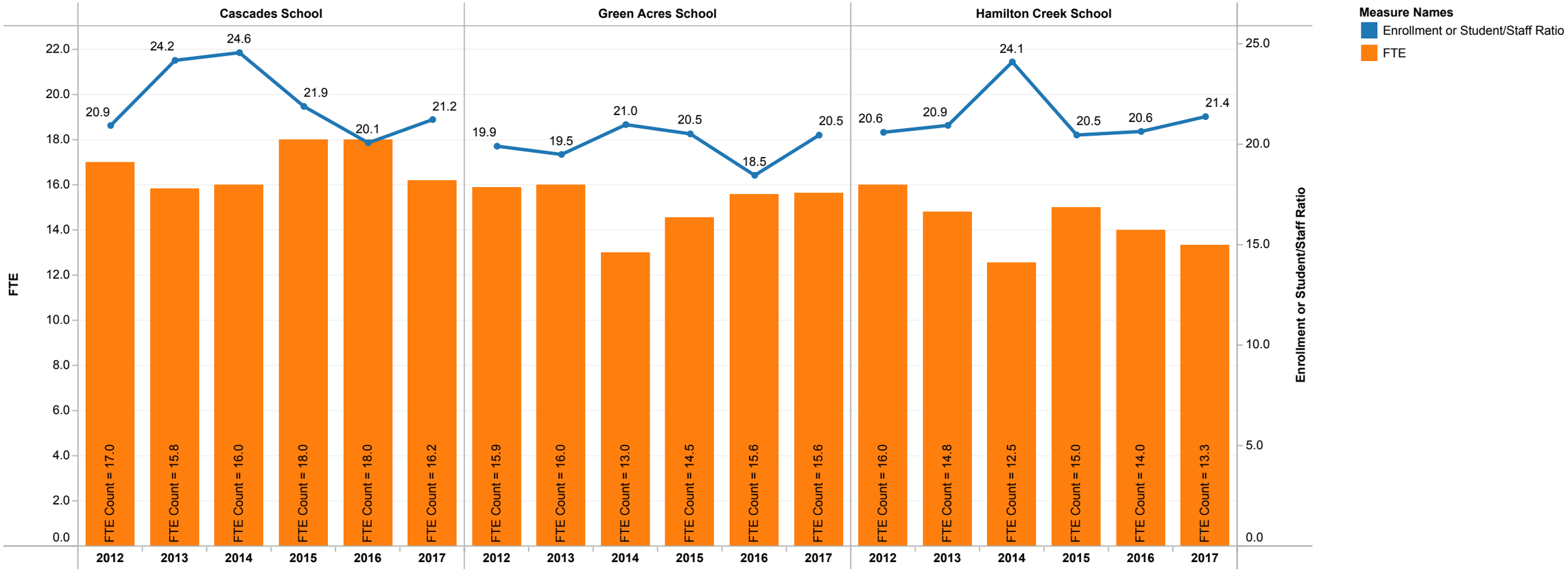
	Central Point SD 6		Eagle Point SD 9		Hood River County SD		Lebanon Community SD 9	
	2017		2017		2017		2017	
Position	**FTE**	**Salary**	**FTE**	**Salary**	**FTE**	**Salary**	**FTE**	**Salary**
Assistant Principal	1.0	$99,989	3.0	$279,788	4.0	$379,840	4.0	$363,017
Guidance Counselor, Non-Special Ed	2.0	$114,485	2.0	$97,755	6.0	$400,015	6.5	$305,687
Head Teacher, Non-Special Ed			3.0	$189,430				
Library/Media Specialist			1.0	$69,346	0.5	$25,081		
Principal	9.6	$1,021,060	8.0	$856,463	7.2	$730,295	10.0	$910,156
Special Education Administration, Other ..	2.0	$124,436			0.0	$3,383		
Special Education Administrator, Director					0.9	$107,130	1.0	$98,530
Special Education Teacher (Non-PE)	29.0	$1,781,969	21.0	$1,128,081	21.1	$1,240,227	21.5	$1,135,715
Teacher, Non-Special Ed	185.9	$11,310,743	160.0	$8,848,133	199.3	$12,264,895	188.0	$9,376,570

	Oregon Trail SD 46	
	2017	
Position	**FTE**	**Salary**
Assistant Principal	4.0	$382,286
Guidance Counselor, Non-Special Ed	10.0	$620,034
Head Teacher, Non-Special Ed		
Library/Media Specialist	3.0	$176,965
Principal	8.0	$840,694
Special Education Administration, Other ..	0.8	$54,638
Special Education Administrator, Director	1.0	$107,855
Special Education Teacher (Non-PE)	16.8	$1,002,364
Teacher, Non-Special Ed	170.8	$10,134,837

TABLE 6

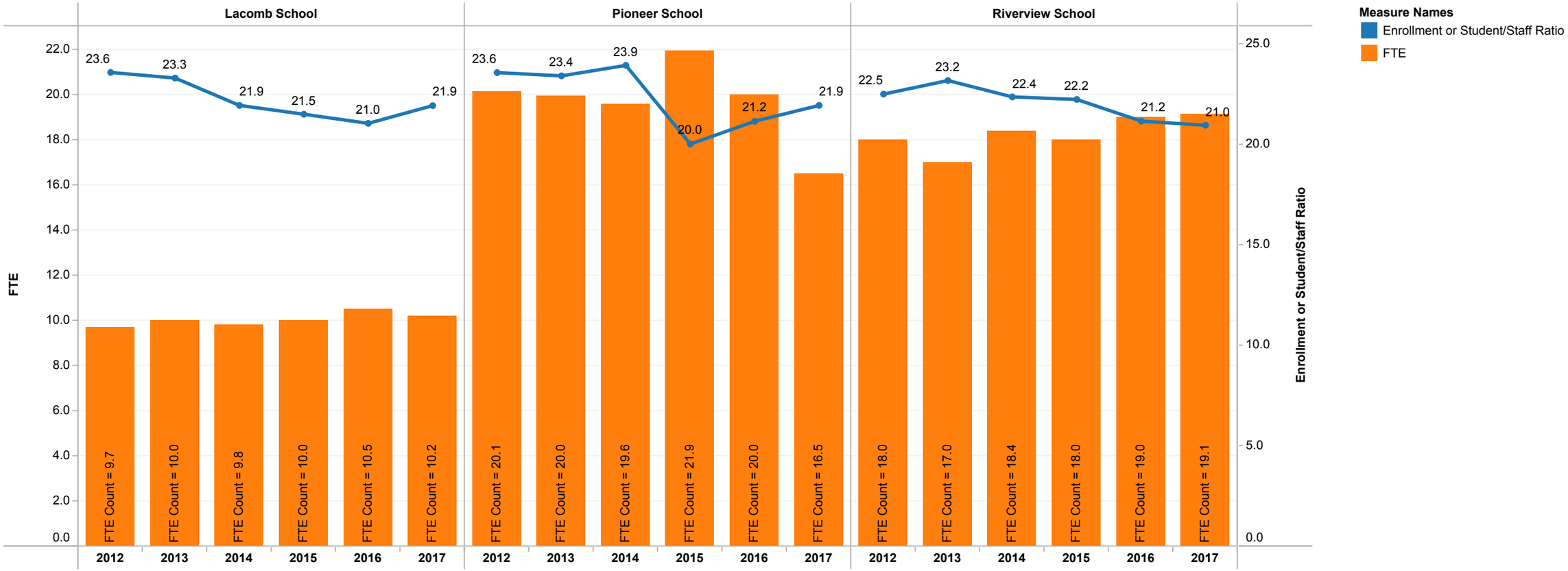
Staffing Ratios

District(s): Lebanon Community SD 9
Position(s): Teacher, Non-Special Ed
Source: Oregon Department of Education



Staffing Ratios

District(s): Lebanon Community SD 9
Position(s): Teacher, Non-Special Ed
Source: Oregon Department of Education



Staffing Ratios

District(s): Lebanon Community SD 9
Position(s): Teacher, Non-Special Ed
Source: Oregon Department of Education

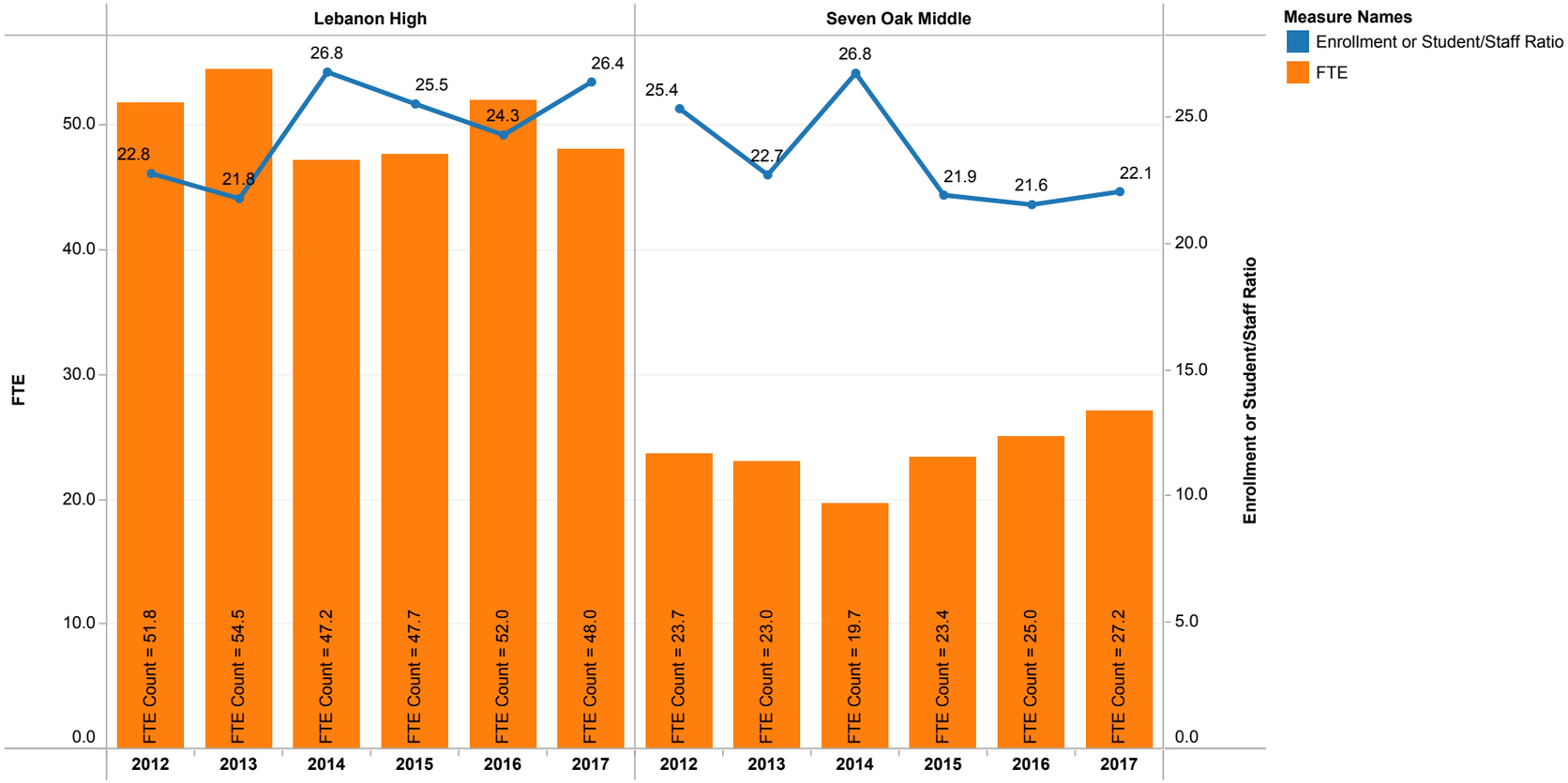


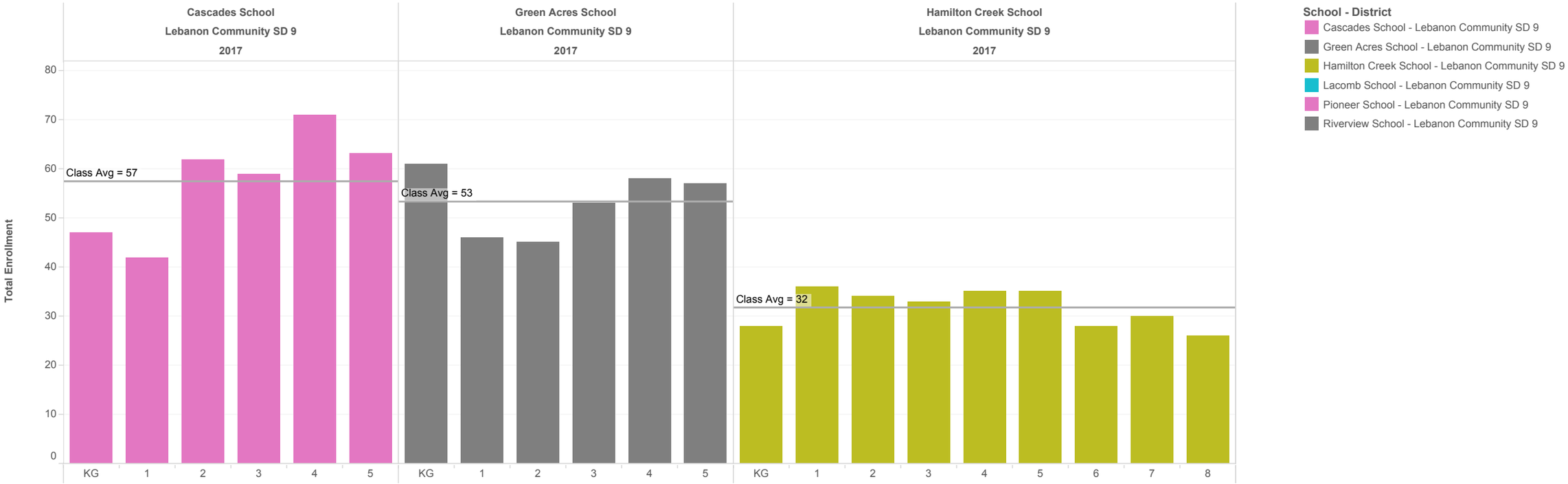
TABLE 7

School Grade Level

District: Lebanon Community SD 9

School(s): Cascades School, Green Acres School, Hamilton Creek School and 3 more

Source: Oregon Department of Education

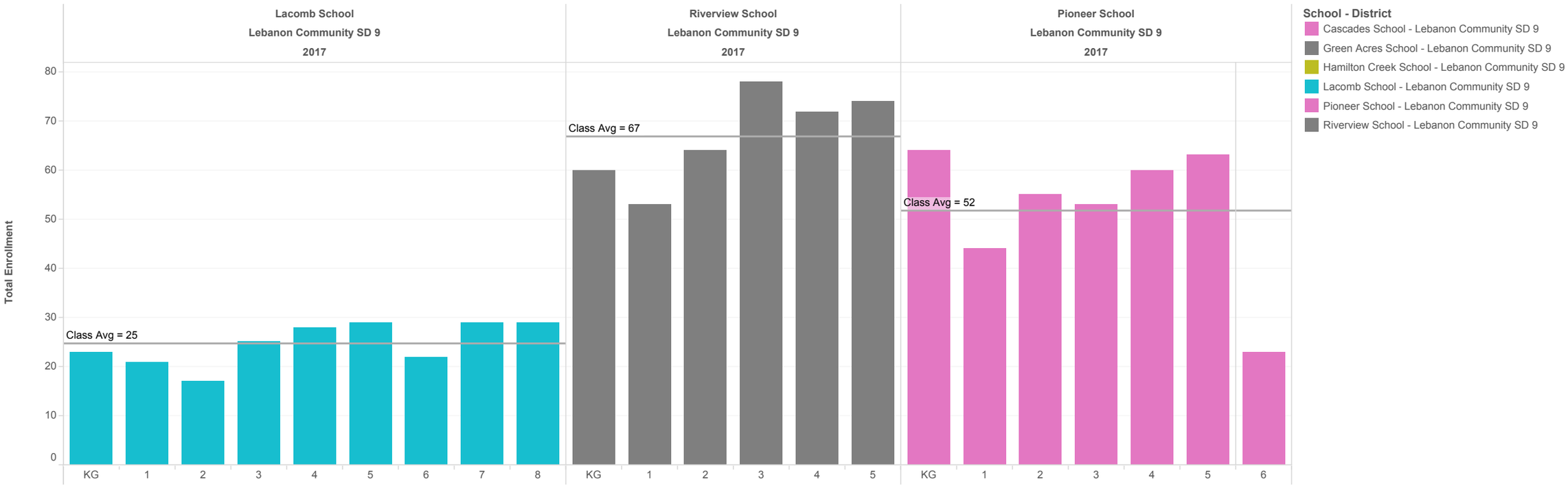


School Grade Level

District: Lebanon Community SD 9

School(s): Cascades School, Green Acres School, Hamilton Creek School and 3 more

Source: Oregon Department of Education



School Grade Level

District: Lebanon Community SD 9

School(s): Lebanon High & Seven Oak Middle

Source: Oregon Department of Education

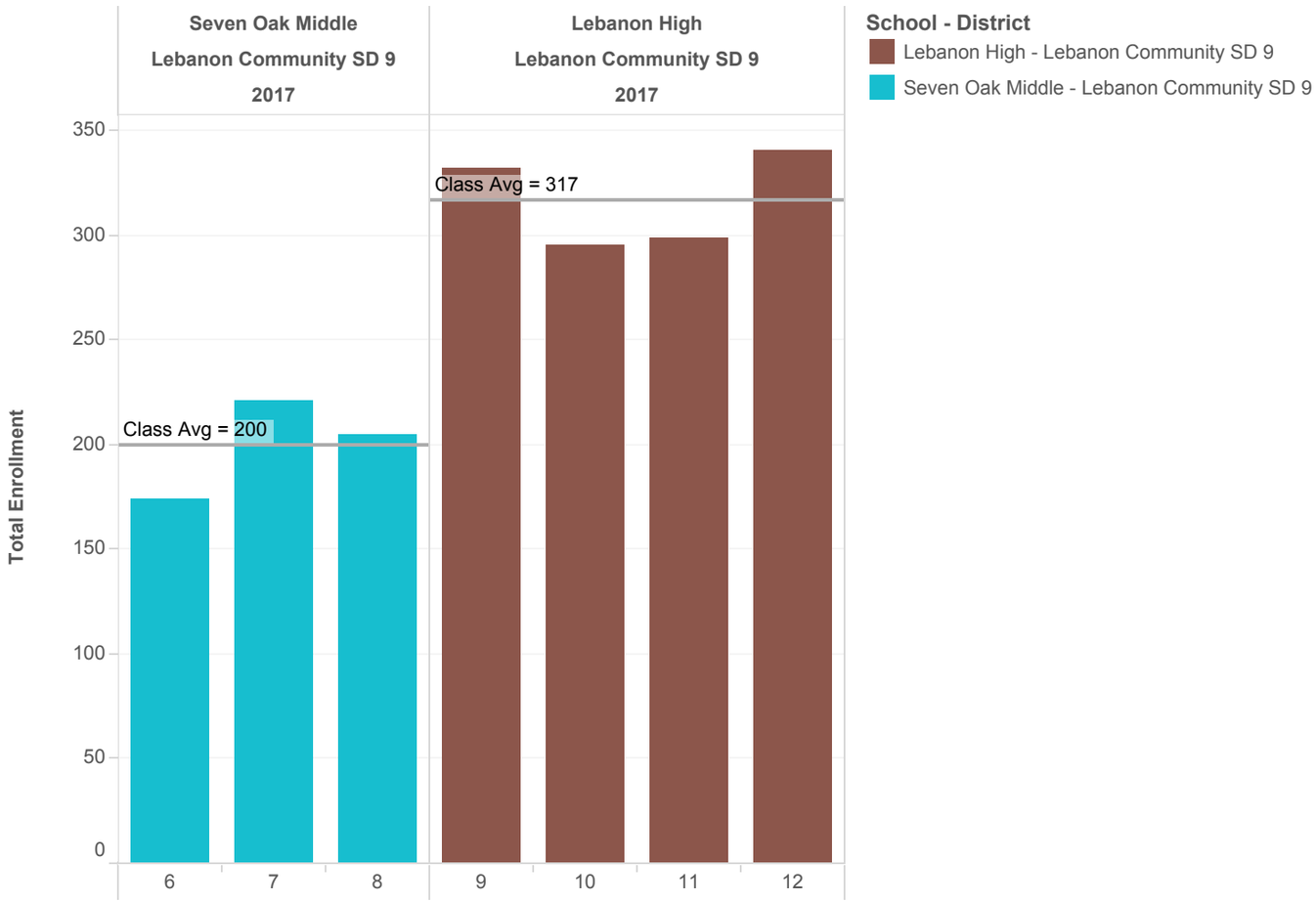


TABLE 8

Key School Statistics
District(s): Lebanon Community SD 9
Source: Oregon Department of Education

School	Position		2013	2014	2015	2016	2017
Cascades School	**Principal**	Avg. Enrollment	383.0	393.0	394.0	361.0	344.0
		FTE	1.0	1.0	1.0	1.0	1.0
		Student per FTE (School)	383.0	393.0	394.0	361.0	344.0
		Avg. Exp. - District	4.0	5.0	6.0	7.0	8.0
	Teacher, Non-Special Ed	Avg. Enrollment	383.0	393.0	394.0	361.0	344.0
		FTE	15.8	16.0	18.0	18.0	16.2
		Student per FTE (School)	24.2	24.6	21.9	20.1	21.2
		Avg. Exp. - District	12.7	6.6	5.1	6.8	7.0
	Special Education Teacher (Non-PE)	Avg. Enrollment	383.0	393.0	394.0	361.0	344.0
		FTE	1.0	1.0	1.0	1.0	1.0
		Student per FTE (School)	383.0	393.0	394.0	361.0	344.0
		Avg. Exp. - District	5.0	0.0	1.0	0.0	1.0
	Guidance Counselor, Non-Special Ed	Avg. Enrollment				361.0	344.0
		FTE				1.0	1.0
		Student per FTE (School)				361.0	344.0
		Avg. Exp. - District				1.0	9.0
Green Acres School	**Principal**	Avg. Enrollment	312.0		298.0	288.0	320.0
		FTE	1.0		1.0	1.0	1.0
		Student per FTE (School)	312.0		298.0	288.0	320.0
		Avg. Exp. - District	1.0		9.0	10.0	5.0
	Teacher, Non-Special Ed	Avg. Enrollment	312.0	273.0	298.0	288.0	320.0
		FTE	16.0	13.0	14.5	15.6	15.6
		Student per FTE (School)	19.5	21.0	20.5	18.5	20.5
		Avg. Exp. - District	9.8	12.9	10.3	6.2	5.9
	Special Education Teacher (Non-PE)	Avg. Enrollment	312.0	273.0	298.0	288.0	320.0
		FTE	3.0	2.0	2.0	2.0	3.0
		Student per FTE (School)	104.0	136.5	149.0	144.0	106.7
		Avg. Exp. - District	3.7	5.0	6.0	7.0	5.3
	Guidance Counselor, Non-Special Ed	Avg. Enrollment			298.0		
		FTE			0.5		
		Student per FTE (School)			596.0		
		Avg. Exp. - District			0.0		

Key School Statistics
District(s): Lebanon Community SD 9
Source: Oregon Department of Education

School	Position		2013	2014	2015	2016	2017
Hamilton Creek School	**Principal**	Avg. Enrollment	310.0	302.0	307.0	289.0	285.0
		FTE	1.0	1.0	1.0	1.0	1.0
		Student per FTE (School)	310.0	302.0	307.0	289.0	285.0
		Avg. Exp. - District	4.0	5.0	0.0	1.0	2.0
	Teacher, Non-Special Ed	Avg. Enrollment	310.0	302.0	307.0	289.0	285.0
		FTE	14.8	12.5	15.0	14.0	13.3
		Student per FTE (School)	20.9	24.1	20.5	20.6	21.4
		Avg. Exp. - District	11.8	7.0	10.8	12.4	11.9
	Special Education Teacher (Non-PE)	Avg. Enrollment	310.0	302.0	307.0	289.0	285.0
		FTE	1.0	1.0	1.0	1.0	1.0
		Student per FTE (School)	310.0	302.0	307.0	289.0	285.0
		Avg. Exp. - District	8.0	9.0	10.0	11.0	12.0
Lacomb School	**Principal**	Avg. Enrollment	233.0	215.0	215.0	221.0	223.0
		FTE	1.0	1.0	1.0	1.0	1.0
		Student per FTE (School)	233.0	215.0	215.0	221.0	223.0
		Avg. Exp. - District	14.0	15.0	16.0	17.0	18.0
	Teacher, Non-Special Ed	Avg. Enrollment	233.0	215.0	215.0	221.0	223.0
		FTE	10.0	9.8	10.0	10.5	10.2
		Student per FTE (School)	23.3	21.9	21.5	21.0	21.9
		Avg. Exp. - District	10.0	10.3	8.6	10.8	12.7
	Special Education Teacher (Non-PE)	Avg. Enrollment	233.0	215.0		221.0	223.0
		FTE	0.8	0.8		1.0	1.0
		Student per FTE (School)	310.7	286.7		221.0	223.0
		Avg. Exp. - District	6.0	0.0		0.0	1.0
	Guidance Counselor, Non-Special Ed	Avg. Enrollment					223.0
		FTE					0.5
		Student per FTE (School)					446.0
		Avg. Exp. - District					0.0

Key School Statistics
District(s): Lebanon Community SD 9
Source: Oregon Department of Education

School	Position		2013	2014	2015	2016	2017
Lebanon High	**Principal**	Avg. Enrollment	1188.0	1264.0	1218.0	1264.0	1268.0
		FTE	1.0	1.0	1.0	1.0	1.0
		Student per FTE (School)	1188.0	1264.0	1218.0	1264.0	1268.0
		Avg. Exp. - District	0.0	1.0	2.0	3.0	4.0
	Assistant Principal	Avg. Enrollment	1188.0	1264.0	1218.0	1264.0	1268.0
		FTE	1.0	2.0	3.0	3.0	3.0
		Student per FTE (School)	1188.0	632.0	406.0	421.3	422.7
		Avg. Exp. - District	9.0	5.5	7.7	11.0	11.3
	Teacher, Non-Special Ed	Avg. Enrollment	1188.0	1264.0	1218.0	1264.0	1268.0
		FTE	54.5	47.2	47.7	52.0	48.0
		Student per FTE (School)	21.8	26.8	25.5	24.3	26.4
		Avg. Exp. - District	10.0	10.4	9.9	9.5	10.2
	Special Education Teacher (Non-PE)	Avg. Enrollment	1188.0	1264.0	1218.0	1264.0	1268.0
		FTE	6.0	6.0	5.7	4.2	7.0
		Student per FTE (School)	198.0	210.7	213.3	298.8	181.1
		Avg. Exp. - District	3.2	3.0	2.2	9.4	2.9
	Guidance Counselor, Non-Special Ed	Avg. Enrollment	1188.0	1264.0	1218.0	1264.0	1268.0
		FTE	3.0	4.0	4.0	4.0	2.0
		Student per FTE (School)	396.0	316.0	304.5	316.0	634.0
		Avg. Exp. - District	10.3	8.5	5.5	6.5	0.0

Key School Statistics
District(s): Lebanon Community SD 9
Source: Oregon Department of Education

School	Position		2013	2014	2015	2016	2017
Pioneer School	**Principal**	Avg. Enrollment	467.0	469.0	439.0	423.0	362.0
		FTE	1.0	1.0	1.0	1.0	1.0
		Student per FTE (School)	467.0	469.0	439.0	423.0	362.0
		Avg. Exp. - District	6.0	11.0	12.0	13.0	14.0
	Assistant Principal	Avg. Enrollment				423.0	
		FTE				1.0	
		Student per FTE (School)				423.0	
		Avg. Exp. - District				4.0	
	Teacher, Non-Special Ed	Avg. Enrollment	467.0	469.0	439.0	423.0	362.0
		FTE	20.0	19.6	21.9	20.0	16.5
		Student per FTE (School)	23.4	23.9	20.0	21.2	21.9
		Avg. Exp. - District	11.0	11.5	7.7	7.9	6.9
	Special Education Teacher (Non-PE)	Avg. Enrollment	467.0	469.0	439.0	423.0	362.0
		FTE	1.5	1.8	1.0	1.0	1.0
		Student per FTE (School)	311.3	268.0	439.0	423.0	362.0
		Avg. Exp. - District	9.5	11.0	19.0	5.0	6.0
	Guidance Counselor, Non-Special Ed	Avg. Enrollment		469.0			362.0
		FTE		1.0			1.0
		Student per FTE (School)		469.0			362.0
		Avg. Exp. - District		0.0			0.0
Riverview School	**Principal**	Avg. Enrollment	394.0	411.0	400.0	402.0	401.0
		FTE	1.0	1.0	1.0	1.0	1.0
		Student per FTE (School)	394.0	411.0	400.0	402.0	401.0
		Avg. Exp. - District	4.0	5.0	6.0	7.0	8.0
	Teacher, Non-Special Ed	Avg. Enrollment	394.0	411.0	400.0	402.0	401.0
		FTE	17.0	18.4	18.0	19.0	19.1
		Student per FTE (School)	23.2	22.4	22.2	21.2	21.0
		Avg. Exp. - District	11.1	11.2	9.3	8.4	8.7
	Special Education Teacher (Non-PE)	Avg. Enrollment	394.0	411.0	400.0	402.0	401.0
		FTE	1.0	1.5	1.5	1.0	2.0
		Student per FTE (School)	394.0	274.0	266.7	402.0	200.5
		Avg. Exp. - District	14.0	7.5	3.0	2.0	0.0
	Guidance Counselor, Non-Special Ed	Avg. Enrollment		411.0	400.0	402.0	401.0
		FTE		0.2	0.3	1.0	1.0
		Student per FTE (School)		2055.0	1600.0	402.0	401.0
		Avg. Exp. - District		0.0	1.0	0.0	1.0

Key School Statistics
District(s): Lebanon Community SD 9
Source: Oregon Department of Education

School	Position		2013	2014	2015	2016	2017
Sand Ridge Charter Sch	**Principal**	Avg. Enrollment	377.0	378.0	374.0	344.0	307.0
		FTE	2.0	1.0	1.0	1.0	2.0
		Student per FTE (School)	188.5	378.0	374.0	344.0	153.5
		Avg. Exp. - District	2.0	0.0	0.0	0.0	0.5
	Teacher, Non-Special Ed	Avg. Enrollment	377.0	378.0	374.0	344.0	307.0
		FTE	20.9	14.5	13.5	21.5	17.3
		Student per FTE (School)	18.0	26.1	27.7	16.0	17.8
		Avg. Exp. - District	1.4	2.3	2.7	2.8	2.2
Seven Oak Middle	**Principal**	Avg. Enrollment	523.0	528.0	514.0	539.0	600.0
		FTE	1.0	1.0	1.0	1.0	1.0
		Student per FTE (School)	523.0	528.0	514.0	539.0	600.0
		Avg. Exp. - District	15.0	16.0	17.0	5.0	6.0
	Assistant Principal	Avg. Enrollment	523.0	528.0	514.0	539.0	600.0
		FTE	1.0	1.0	1.0	1.0	1.0
		Student per FTE (School)	523.0	528.0	514.0	539.0	600.0
		Avg. Exp. - District	2.0	3.0	4.0	9.0	10.0
	Teacher, Non-Special Ed	Avg. Enrollment	523.0	528.0	514.0	539.0	600.0
		FTE	23.0	19.7	23.4	25.0	27.2
		Student per FTE (School)	22.7	26.8	21.9	21.6	22.1
		Avg. Exp. - District	7.1	6.7	5.3	5.1	5.8
	Special Education Teacher (Non-PE)	Avg. Enrollment	523.0	528.0	514.0	539.0	600.0
		FTE	2.5	2.0	3.0	2.0	3.0
		Student per FTE (School)	209.2	264.0	171.3	273.6	200.0
		Avg. Exp. - District	13.3	7.0	3.3	5.5	8.7
	Guidance Counselor, Non-Special Ed	Avg. Enrollment	523.0	528.0	514.0	539.0	600.0
		FTE	1.0	0.4	1.0	1.0	1.0
		Student per FTE (School)	523.0	1200.0	514.0	539.0	600.0
		Avg. Exp. - District	12.0	13.0	7.0	8.0	2.0

MEMORANDUM

To: **Board of Directors**

From: **Tom Oliver, Board Chair**

Date: **February 2, 2018**

Re: **Superintendent Contract**

At the last board meeting, Dr. Hess requested that we revisit the residency requirement contained in his current and 2018-2021 employment agreements.

I have worked with Dr. Hess and legal counsel to develop a new contract for your consideration. Should the board approve the proposed employment agreement, both the current agreement and the 2018-2021 agreement would be terminated and replaced with the new agreement, with a term that continues until June 30, 2020.

The significant points of the new proposed agreement are as follows:

- The residency clause has been removed.
- New language allowing for termination without cause has been added, including a provision for liquidated damages that limits the District's liability to a maximum of twelve months of pay.
- Removal of twelve paid days of additional paid leave.
- Clarification of language pertaining to the superintendent's evaluation, including the use of an independent third party and/or a 360 evaluation.
- The initial term of the agreement has been reduced, and a mechanism for annual renewal, at the board's discretion, has been added.
- An annual cost of living adjustment has been included.

EMPLOYMENT CONTRACT

BETWEEN
ROBERT HESS
AND THE
GOVERNING BOARD OF THE
LEBANON COMMUNITY SCHOOLS NO. 9
OF LINN COUNTY, OREGON

THIS AGREEMENT is made and entered into this ___ Day of February 2018, by and between the LEBANON COMMUNITY SCHOOLS, hereinafter referred to as the "District," and ROBERT HESS, hereinafter referred to as "Superintendent."

W I T N E S S E T H:

WHEREAS, Superintendent is desirous of continuing to serve as the chief executive officer of the District and to perform all duties required by that office; and

WHEREAS, the District is desirous of securing a Superintendent of Schools to supervise and direct the schools and the educational program of the District under the general supervision of the District's School Board; and

WHEREAS, the District and Superintendent believe that a written Employment Contract is necessary to describe specifically their relationship and to serve as the basis of effective communication between them as they fulfill their governance and administrative functions in the operation of the education program of the Schools;

WHEREAS, the District and Superintendent have previously entered into written employment agreements dated March 6, 2014 and February 9, 2017 and the District and the Superintendent herein mutually terminate those agreements in consideration of the terms set forth in this agreement.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the District hereby employs Superintendent as the Superintendent of Schools in and for *said* District, and Superintendent hereby accepts such employment upon the terms and conditions as set forth below.

SECTION 1. TERM

This Agreement shall be effective upon signing and shall continue until June 30, 2020. The District, acting through the Lebanon Community School Board, in its sole discretion, may renew or not renew this contract for an additional year following the Superintendent’s yearly evaluation starting in 2018 and thereafter. Any such renewal or non-renewal shall occur as soon as practical after the Superintendent’s evaluation but in no case later than August of each year. This section constitutes notice of non-renewal pursuant to ORS 342.513. Nothing contained in this

Agreement shall be interpreted to provide any “automatic” renewal of this Agreement beyond its terms.

Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the District or Superintendent to terminate this Agreement at any time subject only to Section 3 below.

SECTION 2. DISCHARGE FOR CAUSE

The District may terminate this employment contract at any time upon good and just cause. For the purposes of this section, cause is deemed conduct that is seriously prejudicial to and which substantially affects the fundamental mission of the district, including, but not limited to: neglect of duty, breach of contract, immorality, insubordination, conviction of a crime involving moral turpitude, inadequate performance, failure to comply with such reasonable requirements as the Board may prescribe to show normal improvement, failure to show evidence of professional training and growth, and failure to maintain in good standing a valid and appropriate license to act as a Superintendent of Schools as required by the State of Oregon.

Notice of the District's consideration of discharge for cause shall be given in writing. Such notice shall include a statement of the reasons constituting cause and shall be given not less than ten (10) days prior to the date that Superintendent shall be entitled to appear before the Board as hereinafter provided. Superintendent shall be entitled to appear before the Board to discuss such causes. Superintendent may choose to be accompanied by legal counsel at such meeting at Superintendent's sole cost and expense. Such meeting may be conducted in executive session as provided by Oregon law. Superintendent shall be provided a written decision describing the results of the meeting.

SECTION 3. TERMINATION

a. Superintendent may resign and terminate this Agreement upon ninety (90) days’ written notice to the School Board Chairperson;
b. This Agreement may be terminated at any time and under any settlement provisions mutually agreed upon by both the District and the Superintendent;
c. The District may terminate Superintendent’s employment at any time, with or without cause and without Superintendent’s concurrence. If this Agreement is terminated without the Superintendent’s consent, then the District shall pay to Superintendent liquidated damages in the amount equal to all of the aggregate salary, retirement and insurance benefits to which Superintendent would have otherwise been entitled under this Agreement from the date of termination for a period of twelve (12) months or until the expiration date of this contract, whichever is less.

SECTION 4. SALARY

The District shall pay Superintendent an initial annual salary of $135,000 (One Hundred Thirty-Five Thousand dollars) payable in twelve (12) equal monthly payments. Superintendent’s salary shall increase 1.5 percent for cost of living adjustment (COLA) each year for the duration of this Agreement, with the first increase going into effect on July 1, 2018. The District will pay on

behalf of Superintendent the employee's contribution to the Oregon Public Employees Retirement System.

SECTION 5. DUTIES

As chief executive office of the District, Superintendent shall perform the duties of District Superintendent as prescribed by the Laws of the State of Oregon. In addition to the powers and duties as provided by law, Superintendent shall have the additional powers and duties set forth in the position description of Superintendent.

Superintendent shall be entitled to:

a. Present Superintendent's recommendation to the Board on any subject under consideration by the Board prior to action being taken on the subject by the Board;
b. Attend each meeting of the Board, except any meeting called for the purpose of discussing employment of Superintendent; and
c. Serve as an ex-officio member of each committee established by the Board.

This is an agreement for the performance for professional services as superintendent by the Superintendent, who shall not be assigned to any other position.

SECTION 6. PROFESSIONAL GROWTH OF SUPERINTENDENT

The District encourages the continuing professional growth of Superintendent through Superintendent's participation in:

a. Seminars and courses offered by public or private educational institutions to be reimbursed up to an amount agreed upon between the Board and Superintendent; and
b. Informational meetings with other persons whose particular skills or backgrounds would serve to improve the capacity of Superintendent to perform Superintendent's professional responsibilities for the District.
c. The Superintendent's travel to and from participation in national conferences at District expense during each year of this contract as may be agreed between Superintendent and the School Board Chairperson. The District and Superintendent recognize and anticipate that this participation will include the AASA conference.
d. The Superintendent may undertake additional professional activities each year, which may include but is not limited to consultative work, teaching university courses, speaking engagements, writing or other professional activities. Unless otherwise approved by the School Board Chairperson, to the extent any such professional activities result in Superintendent’s absence from the District during customary work days and result in compensation to the Superintendent beyond *de minimis* honoraria or expenses, Superintendent shall utilize vacation time. It is anticipated than any such additional professional activities are for a short duration, shall not interfere with the Superintendent’s responsibilities, and shall be related to the professional development of the Superintendent.

SECTION 7. SUPERINTENDENT'S LICENSE

Superintendent shall maintain throughout the life of this Agreement a valid and appropriate license to act as the Superintendent of Schools as required by the State of Oregon. The breach of this requirement will immediately terminate this Agreement without recourse.

SECTION 8. EVALUATION

A. Purpose of Evaluation. The Board will evaluate the Superintendent's performance for the purposes of improving District leadership, maintaining open and effective communication between the Board and the Superintendent, and enhancing relations between the Board and the Superintendent. The evaluations shall be made in reference to the Superintendent's position description as more fully set forth in District Policy CBA and those general goals and specific objectives established annually by the Board in consultation with the Superintendent.

B. Procedure for Evaluations. The Superintendent shall be evaluated consistent with the OSBA Superintendent Evaluation Standards as follows:

a. The Board will establish general goals and specific objectives for the school year by October 1st.
b. The Superintendent shall reflect in writing on the goals, objectives and any other pertinent information to the Board by May 1st.
c. Each Board Member shall identify District/Superintendent strengths and areas for improvement and provide a copy of their individual ratings to the Board Chair.
d. The Board Chair will summarize the feedback/ratings, assess in writing the performance of the Superintendent, and provide a copy to the Superintendent prior to June 1st.
e. The Superintendent shall be entitled to meet with the Board in Executive Session to review the evaluation before it is made public.
f. The evaluation process for the Superintendent shall be completed annually prior to June 30 of each school year.

C. 360 Degree Evaluation. The District may, but is not required to, conduct a 360 degree evaluation as part of the Superintendent’s yearly evaluation. The District may engage the services of an independent third party with expertise in the field of Oregon superintendent performance standards to facilitate any yearly evaluation. Any such expert shall be agreed on by both the District and the Superintendent.

SECTION 9. PERFORMANCE GOALS

Annually, the Board shall, in consultation with the Superintendent, establish general goals and specific objectives for the school year. The goals and objectives shall be established in writing and be among the criteria for evaluation of the Superintendent. These goals (or Key Result Areas) will be established prior to October 1st of each school year.

SECTION 10. CONTRACT DAYS

Superintendent shall render twelve (12) months of full and regular service to the District during each annual period covered by the Agreement (260 contract days). Superintendent shall be entitled to twenty-five (25) days of vacation in addition to any other paid holidays normally observed by the District and available to other administrative staff. The Superintendent may accumulate ten (10) vacation days from one contract year into the next contract year. Vacation days shall not accumulate beyond thirty-five (35); any vacation days in excess of thirty-five (35) shall be forfeited. Any accumulation consistent with the provisions of this section, to a limit of ten (10) days per fiscal year, may be cashed out by Superintendent in June at the current year's rate of pay.

SECTION 11. FRINGE BENEFITS

The Superintendent's fringe benefits shall include: (1) sick leave, emergency leave and bereavement leave as are available to other administrative staff; (2) annual premium for any term life insurance as available to other administrative staff; and (3) the District will contribute $1,500.00 (One Thousand Five Hundred dollars) per month payable into a tax-deferred annuity. Superintendent may purchase short and/or long term disability insurance at his own expense.

The Superintendent shall be allowed to defer such other portions of his salary into a tax-sheltered annuity plan of the Superintendent's choice in an amount authorized by law. The Superintendent shall be responsible for any payroll costs associated with this tax-sheltered annuity.

The District recognizes that Superintendent is allowed to accumulate sick leave from other Oregon school districts pursuant to ORS 332.507, and Superintendent's accumulation of leave is governed by ORS 332.507.

SECTION 12. DISABILITY OF SUPERINTENDENT

Notwithstanding anything in this Agreement to the contrary, the District is hereby given the option to terminate this Agreement in the event that Superintendent shall become permanently disabled and eligible for long-term disability benefits provided under Section 12 during the term of this Agreement or any extension thereof. Permanent disability is a disability which incapacitates Superintendent from performing Superintendent's duties under this Agreement on a regular and continuing basis for a period of 120 days. Such option shall be exercised by the District giving ten (10) days written notice to Superintendent by registered mail and addressed to Superintendent at the District office or at such other address as Superintendent shall furnish in writing to the District.

In no event shall the long-term disability amount paid to Superintendent exceed the full pay of Superintendent including the employer PERS contribution and insurance benefits.

SECTION 13. SICK LEAVE

Sick leave shall be credited to Superintendent's account upon Superintendent's reporting for duty and shall accrue during the term of this Agreement in accordance with ORS 332.507.

SECTION 14. HEALTH BENEFITS

The District shall provide Superintendent with the same health insurance plan provided to its other administrative staff.

SECTION 15. EXPENSES

The District shall reimburse Superintendent for all actual and necessary expenses incurred by Superintendent within the scope of Superintendent's employment and within amounts budgeted for such purposes.

SECTION 16. MEMBERSHIP DUES

The District shall pay the cost of Superintendent's annual membership dues in the following organizations:

a. Professional organizations such as AASA, COSA and OASE; and
b. Rotary Club and such other dues as may be agreed upon by the parties.

SECTION 17. PROFESSIONAL LIABILITY

The District agrees that it shall defend, hold harmless, and indemnify the Superintendent from any and all demands, claims, suits, actions and legal proceedings brought against the Superintendent in his individual capacity, or in his official capacity as agent and employee of the District, provided the incident arose while the Superintendent was acting within the course and scope of his employment and excluding criminal litigation and as such liability coverage is within the authority of the Board to provide under state law. Except that, in no case, will individual Board members be considered personally liable for indemnifying the Superintendent against such demands, claims, suits, actions and legal proceedings.

SECTION 18. ATTORNEY FEES

In the event of any suit or action hereon, the prevailing party in such suit or action shall be entitled to reasonable attorney fees to be fixed by the trial court, if any appeal is taken, from the decision of the trial court, such further sum as may be fixed by the appellate court as reasonable attorney fees in the appellate court, together with the prevailing party's costs and disbursements incurred therein.

SECTION 19: APPLICABLE LAW

This Agreement is to be construed under the laws of the State of Oregon. The venue for resolving all legal disputes under this agreement shall be in the Circuit Court of Linn County, Oregon.

IN WITNESS WHEREOF, the District, pursuant to the authority of its Board of Directors, by resolution duly and regularly adopted on February ___, 2018, has caused two originals of this Agreement to be signed in the name of the District by the Chairperson of the School Board, and Superintendent has hereunto affixed his hand and seal the day and year first above mentioned.

DISTRICT:
LEBANON COMMUNITY SCHOOLS
LINN COUNTY, OREGON

By: _____
Chairperson Tom Oliver

SUPERINTENDENT:

By: _____
Superintendent Robert Hess

Linda Darling, Business Director

Business Report
February 8, 2018

Financial Report: *(enclosure E-1)*

The 2017-2018 Financial Board report included in this packet reflects all revenues and expenditures for 2014-2018, along with the budgeted and spent or encumbered amounts for 2017-2018. The Ending Fund Balance for 2016-2017 is $3,310,041. The projected Ending Fund Balance (EFB) for 2017-2018 is $4,141,400 which is an increase of $29,900 from the January Report. The higher EFB in 2017-2018 will help since we have the same funding in 2018-2019, a result of 50/50 funding for the biennium. There are many factors that impact this projected EFB, including staffing changes, contract conditions, and items required for district operations.

Disposal of Obsolete Equipment:

There are three buses (1990-1996) with estimated values of $500-$1,000 that the District will be disposing of.

RFP Updates:

The Legal RFP (Request for Proposal) was published through the ORPIN (Oregon Procurement Information Network), District Webpage, and mailings to identified agencies that practice school law on January 29th. The RFP will close on March 2nd at noon. Review of proposals and interviews will be in March, with the final decision made the first of April. Intent to award will be brought to the Board at the May 10th meeting. If you would like to be part of the selection process, please let me know.

The Banking RFP, which is collaborative with LBL ESD, Greater Albany School District, Harrisburg School District and our District, was published on January 19th and will close on February 28th. Review of proposals, interviews, and final decision will be in March. Intent to award will be brought to the Board at the April 12th meeting. If you would like to be part of the selection process, please let me know.

Oregon State Economic and Revenue Forecast:

February 16th the March Forecast will be released, information will be included in the March Board packet.

2017-2018 General Fund Summary Report

	14/15 Actual	15/16 Actual	16/17 Actual	17/18 Budget	1-29-18 YTD & Enc	1-29-18 Balance	17/18 Project
General Fund - Revenue							*2/1/2018*
SSF Formula	34,926,096	36,112,627	37,261,330	37,574,000	28,040,497	9,533,503	38,725,000
SSF Adjustment	48,134	(330,463)	261,223	-	-	-	(50,000)
Interest	62,596	91,245	156,492	70,000	96,789	(26,789)	175,000
Third Party Billing	25,179	45,178	102,447	80,000	71,545	8,455	110,000
TMR	154,930	149,514	208,252	175,000	104,839	70,161	209,000
JROTC	64,220	66,034	73,726	65,000	34,438	30,562	69,900
Other	379,017	297,128	299,398	420,000	146,857	273,143	262,200
Interfund Transfer	60,000	60,000	60,000	645,000	38,850	606,150	60,000
BFB	3,162,455	3,932,387	3,024,733	3,100,000	3,310,041	(210,041)	3,310,000
Total	**38,882,628**	**40,423,650**	**41,447,600**	**42,129,000**	**31,843,856**	**10,285,144**	**42,871,100**
	========	========	========	========	========	========	========
General Fund - Expenses							
Salaries	16,263,399	17,884,343	18,826,313	19,519,650	18,374,635	19,519,650	19,146,500
Benefits	10,020,660	10,645,144	10,952,659	13,242,597	11,459,793	13,242,597	11,838,000
P. Services	5,112,768	5,027,111	4,332,849	4,819,956	2,436,064	4,819,956	4,544,500
Supplies	1,477,643	1,380,753	1,337,164	1,652,163	981,837	1,652,163	1,440,000
Capital Outlay	6,779	20,047	65,034	52,900	22,274	52,900	65,000
Other Objects	308,993	286,294	442,882	421,734	287,001	421,734	360,700
Transfers	1,760,000	2,155,225	2,180,656	1,335,000	1,335,000	1,335,000	1,335,000
Contingency	-	-	-	1,085,000	-	1,085,000	-
Total	**34,950,241**	**37,398,917**	**38,137,559**	**42,129,000**	**34,896,604**	**42,129,000**	**38,729,700**
	========	========	========	========	========	========	========
					Projected Ending Fund Balance		4,141,400

2017-2018 General Fund Revenue Report

	14/15 Actual	15/16 Actual	16/17 Actual	17/18 Budget	1-29-18 YTD	1-29-18 Balance	17/18 Project
							2/1/2018
SSF Formula							
Taxes	8,234,812	8,533,160	9,048,901	8,750,000	8,910,071	(160,071)	9,200,000
Federal Forest Fees	264,679	205,708	23,160	150,000	-	150,000	-
Common School	409,884	492,013	502,314	500,000	-	500,000	500,000
State Timber	405,152	181,382	137,286	150,000	-	150,000	90,000
School Support Fund	25,578,283	26,623,971	27,420,195	28,024,000	19,130,426	8,893,574	28,935,000
Adjustments to SSF Payments							
Adj for Prior Year payments	-	-	-	-		-	(50,000)
Adj for HC Disability Grant	33,286	76,394	129,474	-	-	-	-
Adj for 11/12 payment	-	-	-	-		-	
Adj for 12/13 payment	-	-	-	-		-	
Adj for 13/14 payment	48,134	-	-	-		-	
Adj for 14/15 payment	-	(330,463)	-	-		-	
Adj for 15/16 payment	-	-	261,223	-		-	
Total SSF Formula	34,974,231	35,782,164	37,522,552	37,574,000	28,040,497	9,533,503	38,675,000
						-	
Interest of Investments	62,596	91,245	156,492	70,000	96,789	(26,789)	175,000
Third Party billing - Medicaid	25,179	45,178	102,447	80,000	71,545	8,455	110,000
TMR	154,930	149,514	208,252	175,000	104,839	70,161	209,000
JROTC reimbursement	64,220	66,034	73,726	65,000	34,438	30,562	69,900
Other							
Rental Fees	27,828	10,474	9,114	10,000	3,790	6,211	9,800
Fees Charged to Grants	-	800	-	30,000	-	30,000	-
Miscellaneous	282,468	202,944	213,437	300,000	75,061	224,939	184,400
E-Rate reimbursement	68,721	82,910	76,847	80,000	68,007	11,993	68,000
Interfund Transfer - Athletics	60,000	60,000	60,000	645,000	38,850	606,150	60,000
Beginning Fund Balance	3,162,455	3,932,387	3,024,733	3,100,000	3,310,041	(210,041)	3,310,000
Total	**38,882,628**	**40,423,650**	**41,447,600**	**42,129,000**	**31,843,856**	**10,285,144**	**42,871,100**
	========	========	========	========	========	========	========

Enclosure: E-1

2017-2018 General Fund Expenditure Report

2/1/2018

Obj	Description	14/15 Actual	15/16 Actual	16/17 Actual	17/18 Budget	1-29-18 YTD	1-29-18 Encumb	1-29-18 Balance	17/18 Project
111	Certified salaries	9,311,147	10,161,648	10,831,007	11,132,090	4,632,941	6,249,050	250,099	10,895,000
112	Classified salaries	4,164,521	4,545,055	4,757,666	5,127,319	2,408,345	2,584,844	134,131	5,004,000
113	Administrative salaries	1,464,907	1,648,330	1,614,127	1,513,354	910,255	654,669	(51,570)	1,600,000
114	Managerial - classified	94,714	178,755	187,797	187,797	109,548	78,249	-	188,000
116	Retirement stipends	76,123	51,134	35,621	27,364	12,950	4,462	9,952	17,500
118	Retirement Support Program	-	-	-	-	-	-	-	-
119	Confidential salaries	125,785	84,504	131,698	150,061	85,202	60,859	4,000	168,000
121	Certified subs	373,350	432,293	446,157	438,935	149,637	-	289,298	419,000
122	Classified subs	148,818	155,004	150,074	166,100	65,293	-	100,807	153,000
123	Temp certified	62,030	73,949	133,971	83,000	75,392	-	7,608	120,000
124	Temp classified	982	-	-	500	7,825	-	(7,325)	16,000
127	Student helpers salaries	11,768	7,895	6,544	7,000	14,889	-	(7,889)	20,000
132	Compensation time	23,861	25,767	37,764	34,600	7,375	-	27,225	42,000
133	Extra duty	254,381	324,897	286,017	422,268	135,510	36,710	250,048	285,000
134	Classified extra hrs	142,975	185,048	192,566	207,662	82,806	-	124,856	197,000
135	Vacation Payoff	4,377	6,938	12,246	16,200	6,437	-	9,763	19,000
136	Mentor teacher pay	990	609	-	-	449	-	(449)	1,000
137	Personal Leave Payout	75	-	-	-	-	-	-	-
138	Department Head Extra Duty	2,159	1,613	1,556	4,000	344	-	3,656	1,000
142	Taxable Meal Reimbursement	436	903	1,503	1,400	594	-	806	1,000
	Total Salaries	**16,263,399**	**17,884,343**	**18,826,313**	**19,519,650**	**8,705,793**	**9,668,842**	**1,145,015**	**19,146,500**
								-	
210	PERS	3,976,407	4,187,401	4,442,519	5,744,620	2,346,029	2,594,178	804,413	5,074,500
220	Social Security	1,207,537	1,328,140	1,385,595	1,497,051	642,005	694,539	160,507	1,395,600
231	Worker's Comp	136,822	173,370	196,943	232,028	114,026	104,531	13,471	223,900
241	Employee Ins - Admin	177,948	212,862	208,912	232,321	121,158	88,621	22,542	212,000
242	Employee Ins - Certified	2,307,416	2,328,554	2,370,817	2,779,702	1,068,898	1,440,035	270,768	2,542,000
243	Employee Ins - Classified	1,874,827	2,137,321	2,102,847	2,516,049	1,002,870	1,105,256	407,923	2,155,000
244	Employee Ins - Other	20,700	7,731	27,124	38,826	20,534	14,933	3,359	35,000
245	Employee Ins - Retired	276,090	228,774	195,821	190,000	90,179	-	99,821	188,000
247	TSA	42,912	40,991	22,082	12,000	7,000	5,000	-	12,000
	Total Benefits	**10,020,660**	**10,645,144**	**10,952,659**	**13,242,597**	**5,412,699**	**6,047,094**	**1,782,804**	**11,838,000**
			-						

Enclosure: E-1

2017-2018 General Fund Expenditure Report

2/1/2018

Obj	Description	14/15 Actual	15/16 Actual	16/17 Actual	17/18 Budget	1-29-18 YTD	1-29-18 Encumb	1-29-18 Balance	17/18 Project
311	Instructional Services	152,856	157,581	110,051	164,000	53,606	-	110,394	110,000
312	Instr Prog Improve Service	43,468	36,748	39,424	52,000	39,846	-	12,154	58,000
319	Other Instr-Prof-Tech SVCS	21,870	9,745	23,110	15,000	12,292	-	2,708	24,000
322	Repairs & Maintenance	163,270	168,482	173,295	146,050	46,728	31,657	67,665	140,000
323	Radio Service	-	7,767	38,310	10,900	5,122	2,878	2,900	8,000
324	Rentals	135,308	104,777	102,560	132,975	65,625	19,087	48,263	105,000
325	Electricity	467,896	473,758	466,093	518,000	256,446	-	261,554	469,000
326	Fuel	177,759	187,899	223,740	231,500	71,281	-	160,219	243,000
327	Water & Sewer	139,255	121,239	150,725	156,800	68,513	-	88,287	137,000
328	Garbage	86,324	96,811	95,095	99,700	40,888	-	58,812	97,000
329	Other Property Services	13,001	19,246	34,726	20,000	7,585	6,984	5,431	22,300
330	Reimb. Student Transportation	6,950	-	1,589	5,200	-	-	5,200	5,000
340	Travel	114,592	140,225	178,985	177,976	67,414	461	110,101	159,000
343	Travel - Student - Out of Dist.	-	-	2,916	8,255	2,546	-	5,709	5,000
346	Meals/Transportation	104	48	99	200	-	-	200	200
348	Staff Tuition	49,577	44,768	71,830	55,000	64,752	-	(9,752)	75,000
351	Telephone	82,642	70,529	39,486	80,200	27,822	3,498	48,880	50,000
353	Postage	23,607	21,909	14,712	26,650	9,434	3,000	14,216	20,000
354	Advertising	4,416	3,551	1,087	4,300	437	-	3,863	3,000
355	Printing & Binding	68,861	48,223	51,996	46,050	8,025	-	38,025	27,000
360	Charter School Payments	2,064,403	1,961,788	1,866,943	2,005,000	1,227,831	-	777,169	2,100,000
371	Tuitions Payments to Other Dist.	40,570	29,701	29,536	85,000	-	-	85,000	-
373	Tuition Pay Private School	-	-	-	5,000	-	-	5,000	-
374	Other Tuition	605,954	625,503	162,192	203,000	45,708	-	157,292	180,000
381	Audit Services	27,650	25,150	27,700	30,000	15,150	-	14,850	30,000
382	Legal Services	2,028	5,288	11,261	35,000	22,982	-	12,018	50,000
384	Negotiation Services	5,934	13,784	8,590	15,000	-	-	15,000	9,000
386	Data Processing SVCS	59,787	76,794	75,380	89,500	48,208	-	41,292	77,000
388	Election Services	4,565	-	1,573	-	-	-	-	-
389	Other Non_instr Pro/Tech	515,889	539,114	292,488	358,100	123,582	5,449	229,069	300,000
391	Physical Exams - Drivers	2,380	3,168	4,193	3,700	1,570	2,330	(200)	4,000
392	Drug Tests Drivers	1,110	635	1,255	3,000	510	1,490	1,000	1,000
393	Child Care Services	22,000	22,000	22,000	25,000	5,337	11,078	8,585	25,000
394	Sub calling service	5,559	7,489	6,464	8,000	6,764	-	1,236	7,000
396	Criminal History checks	2,546	2,928	3,179	2,900	2,206	-	694	3,000
398	Fingerprinting	639	462	266	1,000	(59)	-	1,059	1,000
	Total P. Services	**5,112,768**	**5,027,111**	**4,332,849**	**4,819,956**	**2,348,152**	**87,912**	**2,383,892**	**4,544,500**

Enclosure: E-1

2017-2018 General Fund Expenditure Report

2/1/2018

Obj	Description	14/15 Actual	15/16 Actual	16/17 Actual	17/18 Budget	1-29-18 YTD	1-29-18 Encumb	1-29-18 Balance	17/18 Project
406	Gas Oil & Lubricants	152,805	103,868	115,426	193,700	64,422	105,104	24,174	134,000
410	Supplies & Materials	457,671	419,096	486,014	555,341	288,028	32,625	234,688	486,000
413	Vehicle repair parts	50,201	48,980	44,746	55,500	25,306	19,667	10,528	48,000
414	Transportation operations	5,674	6,060	8,776	6,000	4,699	1,287	14	9,000
420	Textbooks	240,685	131,379	83,687	193,800	41,457	-	152,343	84,000
430	Library Books	9,934	8,588	5,880	12,794	2,570	-	10,224	8,000
440	Periodicals	6,012	1,937	5,354	3,640	4,299	-	(659)	6,000
460	Equipment under 5K	125,632	212,514	184,119	205,618	102,669	11,100	91,849	213,000
470	Computer software	173,513	195,888	181,289	229,850	166,714	-	63,136	196,000
480	Computer hardware	255,516	252,444	221,873	195,920	104,709	7,181	84,029	256,000
	Total Supplies & Materials	**1,477,643**	**1,380,753**	**1,337,164**	**1,652,163**	**804,873**	**176,964**	**670,326**	**1,440,000**
540	Equipment	6,779	20,047	65,034	52,900	20,278	1,996	30,626	65,000
	Total Capital Outlay	**6,779**	**20,047**	**65,034**	**52,900**	**20,278**	**1,996**	**30,626**	**65,000**
621	Regular Interest	-	-	-	500	-	-	500	-
640	Dues & Fees	92,488	67,655	178,632	172,034	51,207	700	120,127	120,600
650	Insurance & Judgments	216,456	218,639	230,250	249,000	235,094	-	13,906	240,000
659	Settlements	-	-	34,000	-	-	-	-	
670	Taxes & Licenses	49	-	-	200	-	-	200	100
	Total Other Objects	**308,993**	**286,294**	**442,882**	**421,734**	**286,301**	**700**	**134,733**	**360,700**
707	Transfer - Vocational House Fund		-	-	80,000	80,000	-	-	80,000
710	Transfer - Technology	175,000	200,000	225,000	-	-	-	-	-
711	Transfer - Classroom Furniture	50,000	50,000	25,000	-	-	-	-	-
712	Transfer - Textbook Adoption	350,000	350,000	300,000	50,000	50,000	-	-	50,000
713	Transfer - Capital Improvement	225,000	250,000	250,000	250,000	250,000	-	-	250,000
714	Transfer - Track and Turf Fund	110,000	110,000	10,000	10,000	10,000	-	-	10,000
715	Transfer - Athletic Fund	365,000	365,000	405,000	415,000	415,000	-	-	415,000
716	Transfer - Bus Replacement	250,000	250,000	250,000	250,000	250,000	-	-	250,000
717	Transfer - Unemploy Ins	25,000	15,000	25,000	95,000	95,000	-	-	95,000
718	PERS Reserve	150,000	500,000	500,000	-	-	-	-	-
719	Transfer - Food Service	50,000	65,225	90,656	50,000	50,000	-	-	50,000
730	Transfer - Debt Service	-	-	100,000	135,000	135,000	-	-	135,000
731	Transfer - Academic Achievemer	10,000	-	-	-	-	-	-	-
	Total Transfers	**1,760,000**	**2,155,225**	**2,180,656**	**1,335,000**	**1,335,000**	**-**	**-**	**1,335,000**
810	**Reserve/Contingency**	-	-	**-**	**1,085,000**	**-**	**-**	**1,085,000**	**-**
	Grand Total	**34,950,241**	**37,398,917**	**38,137,559**	**42,129,000**	**18,913,095**	**15,983,509**	**7,232,396**	**38,729,700**

Enclosure: E-1

2017-2018 All Funds Summary Report

All Funds

Fund	Description	14/15 Actual	15/16 Actual	16/17 Actual	16/17 EFB	17/18 Adopted Budget	1-29-18 Y-T-D	1-29-18 Encumb	1-29-18 Balance	*2/1/2018* 17/18 Proj. Actual	17/18 Proj. EFB
100	General Fund	34,950,241	37,398,917	38,137,559	3,310,041	42,129,000	18,913,095	15,983,509	7,232,396	38,729,700	4,141,400
200	Grant Funds	2,591,884	2,353,551	2,861,683	2,002	5,200,500	1,433,250	1,302,549	2,464,701	2,862,000	2,000
205	Senate Bill 1149	185,000	-	-	170,452	245,000	-	-	245,000		264,000
212	Academic Achievement	-	-	-	18,650	28,650	-	-	28,650	5,000	13,600
230	Bus Replacement	100,735	-	633,327	175,006	425,000	219,312	-	205,688	219,000	208,000
232	Classroom Furniture	50,000	40,792	24,777	9,431	11,500	9,431	-	2,069	9,431	-
240	Textbook Adoption	18,550	759,564	112,367	192,207	280,000	13,902	-	266,098	160,000	82,000
272	Capital Improvments	284,536	156,950	152,300	190,750	420,000	56,803	23,209	339,988	175,000	224,000
274	Technology	124,500	495	397,112	345,261	675,000	103,510	279,295	292,195	435,000	50,000
277	Track and Turf Replacement	100,000	100,000	-	98,954	139,000	-	-	139,000	-	100,000
279	Student Activity	590,053	632,780	731,692	494,132	1,120,000	332,204	42,970	744,825	750,000	500,000
286	High School Athletics	445,055	453,152	547,517	72,194	607,000	308,940	75,397	222,663	567,000	40,000
292	CTE Local Fund	-	-	-	-	-	(0)	-	0	-	-
296	Nutrition Services	1,596,163	1,615,906	1,710,052	454,889	2,050,007	823,498	656,808	569,701	1,800,000	450,000
299	PERS Reserve	-	-	-	1,150,000	1,150,000	-	-	1,150,000	-	1,150,000
300	Debt Service	3,442,481	3,528,481	3,618,481	146,778	3,710,582	970,291	-	2,740,291	3,710,000	130,000
311	2011 Non-Bonded Debt	223,547	223,547	223,547	41,306	315,000	97,214	-	217,787	223,500	45,000
530	Vocational House Fund	-	-	60,415	19,585	200,000	11,547	10,261	178,192	100,000	-
601	Unemployment	37,539	10,646	46,123	74,507	175,000	6,478	-	168,522	50,000	125,000
	Grand Total	**44,740,285**	**47,274,779**	**49,256,952**	**6,966,145**	**58,881,239**	**23,299,475**	**18,373,998**	**17,207,766**	**49,795,631**	**7,525,000**
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Enclosure: E-1

LEBANON COMMUNITY SCHOOL DISTRICT
SCHOOL BOARD MEETING
MINUTES
January 11, 2018 - 6:00 PM
Santiam Travel Station – 750 S. 3rd Street, Lebanon, Oregon 97355

A regular School Board Meeting was held at the Santiam Travel Station on January 11, 2018. Those present included:

Nick Brooks, Director	Rob Hess, Superintendent
Richard Borden, Director	Bo Yates, Assistant Superintendent
Russ McUne, Director	Jennifer Meckley, Director of Human Resources
Tom Oliver, Director	Linda Darling, Director of Business

Mike Martin, Director, was not present. Minutes recorded by Nicole Hundley, Executive Secretary.

Board Chair Tom Oliver called the meeting to order.

GOOD NEWS/COMMUNITY COMMUNICATIONS

1. **Attendance Team at Lebanon High School**

Principal Brad Shreve introduced Jeff Stolsig, Dean of Attendance. Jeff Stolsig reviewed the purpose of the Attendance Team: to improve graduation rate, attendance rate, academic success, and school culture. He outlined the actions they are taking under accountability, support and meaningful incentives to accomplish the team's goals. He also reviewed data showing improvement in attendance. Discussion ensued regarding unexcused absences, the need for consistency in grading and make up work practices, attendance taking by teachers, and open campus lunch. Jeff Stolsig also reviewed future actions the team hopes to take in accountability, support, and meaningful incentives. He reviewed some positive stories from students that have been directly impacted by the Attendance Team.

AUDIENCE COMMENTS

Sandi Cox commented about seeing high school students out on campus frequently during class time. She also encouraged that other school events and activities be incorporated into the potential grading policy.

GENERAL BUSINESS

1. Policies

a. Discussion: Policy BDDH: Public Participation at Board Meetings and BDDH-AR: Public Comment at Board Meetings

The OSBA recently suggested changes to the policies governing public comment. At the last meeting, the Board decided to table these policies to allow for further thought before continuing forward. Tom Oliver noted that he did not see a compelling reason to change, as he is not interested in limiting public comment, and our current process is working. He felt it was a stretch to limit positive comment on staff. Richard Borden agreed, stating that the Board needs public input. Russ McUne also agreed, and asked that a clean policy without the changes limiting public comment be brought for first reading at the next meeting.

b. Action: Adopt Revised Board Policies on First Reading

The following policies were presented with revisions according to recommendations from OSBA based on various law changes as outlined in the enclosure: CCG: Evaluation of Administrators; GCN/GDN: Evaluation of Staff; GCN-AR: Core Teaching Standards (delete); and GDN: Evaluation of Classified Staff (delete). Russ McUne made a motion to approve the policies as presented for first reading. Nick Brooks seconded the motion. The motion carried by majority.

c. Action: Adopt Revised Board Policies on Second Reading

The following policies were presented with revisions according to recommendations from OSBA based on various law changes as outlined in the enclosure: IGBA: Students with Disabilities – Child Identification Procedures; IGBAG-AR: Special Education – Procedural Safeguards; IGBAH: Special Education – Evaluation Procedures; IGBAJ: Special Education: Free Appropriate Public Education (FAPE); IGBAJ-AR: Special Education: Free Appropriate Public Education (FAPE); IGBHE: Expanded Options Program; IGBHE-AR: Expanded Options Program; IGCA: Post Graduate Scholars Program; JEC: School Admission and Open Enrollment; JEC-AR(1): Open Enrollment/School Attendance Areas (information only); JEC-AR(3): Application for Open Enrollment (information only); JECA: Admission of Resident Students; IKF: Graduation Requirements; IKF-AR: Graduation Requirements; IKFB: Graduation Exercises; JFCG/JFCH/JFCI: Use of Tobacco Products, Alcohol, Drugs and Inhalant Delivery Systems (new); JFCH: Alcohol (delete); JFCI: Substance /Drug Abuse (delete); JFCG-AR: Discipline for Use, Possession, Distribution of Sale of Tobacco Products or Inhalant Delivery Systems (new); JOA: Directory Information; KBA: Public Records; and KBA-AR: Public Records. Russ McUne made a motion to approve the policies as presented for second reading. Richard Borden seconded the motion. The motion carried by majority.

2. Report: Sand Ridge Charter School

The Board reviewed the annual report from Sand Ridge Charter School. There were no questions or concerns.

3. Action: Approve Non Resident Open Enrollment and Interdistrict Transfer

Nicole Hundley explained the two separate processes for allowing non-resident students to attend the District. The Non Resident Open Enrollment process is only open during the month of March, and the District proposed closing this to Seven Oak Middle School and Lacomb School. Interdistrict transfers were proposed to still be accepted for all schools based on a space availability basis at grade and classroom level.

Nick Brooks asked that this topic be tabled until after the Seven Oak Overcrowding discussion.

4. Discussion: CET Ad Hoc Committee Update

Linda Darling reported that the Committee next meets on January 29 and there will be more details at the February board meeting.

5. Discussion: Update on Public Complaint Policy and Process

Tom Oliver noted that he anticipates Jollee Patterson will have completed recommendations for policy revisions at the next Board meeting.

6. Report: 2020 Vision Reflection

Rob Hess presented the next five reflections of the original 25 focus areas of the 2020 Vision. This includes evidence of progress towards the goal in the last seven years and some suggestions for the District's next steps in that area.

7. Report: Division 22 Assurances

Jennifer Meckley discussed the Division 22 Assurances report. Annually, we are required to report compliance with some or all of Division 22. Jennifer Meckley noted that we are in compliance with all components. One staff person from each school will have completed the new dyslexia training by July 1. All supporting documents are kept in Jennifer Meckley's office if a Board member would like more detail.

8. Action: Approve LBL ESD Local Service Plan

The annual local service plan with Linn Benton Lincoln Education Service District was presented for Board approval. Rob Hess noted that the ESD uses their Board and local superintendents' feedback to create the service plan. He outlined the differences in Tier 1 and Tier 2 funding. Richard Borden made a motion to approve the LBL ESD Local Service Plan. Russ McUne seconded the motion. The motion carried by majority.

The Board meeting recessed for five minutes.

9. Discussion: Seven Oak Overcrowding Solutions

The Board reviewed the facts and assumptions that went into creating the seven possible solutions outlined in the memo. Rob Hess noted that he is looking for direction from the Board on how to solicit input from staff and parents between now and a future meeting.

Nick Brooks asked which idea Rob Hess ranked best. Rob Hess discussed the sister school concept, which was originally Bo Yates' idea. This is a long term solution that allows the PK-2 level to be in an environment with no testing, with focused Title 1 resources, learning to read. Then the 3-6 level would be reading to learn and would be the introduction of the SBAC. Seven Oak could then be only 7-8, with an increased focus on SBAC, career preparation and CTE exploration. In the short term, this would be the most stressful transition. Several staff members would be moved and we may have licensing issues at 6th grade. However, there would be no modules or new facilities necessary and it would allow the District to stretch our current facilities longer. Grouping students this way both academically and socially is more resource efficient than the K-5/K-6 model. Discussion ensued regarding large families having students at multiple schools, transportation, and the distance between schools.

Bo Yates reviewed classroom and common area square footage per student across different District buildings. Seven Oak does have narrow hallways, lockers and a small lunch room. Previously the 6th grade was self-contained but now they are also in the halls during passing periods. Compared to other buildings in the District, Seven Oak has the least square footage per student. Discussion ensued regarding the building design at 750 students not being reasonable when it feels crowded at 670.

The Board discussed several concerns, including how to seek public input, if the public would support sister schools, and potentially having another big change in a few years. The board agreed they strongly want parent input, but did not feel there was sufficient time to complete a process like the 2020 prior to the next school year, and Seven Oak needs a more immediate resolution.

Bo Yates and Rob Hess discussed a self-contained wing at Seven Oak for the 6th grade as the most feasible option given the timeline. Option A, expanding Cascades School to become a K-6, is the least disruptive option. Option B, expanding Cascades and Green Acres to K-6, is the next feasible, as it is requires modulars and will be more expensive.

The Board agreed that doing nothing is not an option. They determined to move forward with meetings at schools to seek input from staff, parents and the community. Rob Hess will also conduct an electronic survey and an online thought exchange. This would be for an immediate solution on where to put 50-75 6th graders in order to reduce the class size at Seven Oak, and then a long term solution at a later time. Tom Oliver stressed that the group should

look for the least disruptive, least expensive short term solution that doesn't preclude the District from moving towards a good long term solution.

Discussion ensued regarding high open enrollment requests at the 6th grade level and the plan for District wide band options at the 6th grade level for equity.

Rob Hess will schedule meetings at the schools potentially impacted to solicit feedback from families and the community, with a goal of a Board decision in March to allow for the plan to be included in the Budget for 2018-2019.

DEPARTMENT REPORTS

1. Finance

a. Report

Linda Darling noted that the report was reviewed during the Budget Committee Meeting. There were no further questions.

b. Report: 2016-2017 Audit Report

The Audit was provided in the packet for Board review. Linda Darling asked if the Board was interested in having the auditors come to a meeting. Tom Oliver and Nick Brooks asked that the auditors come and present. Linda Darling will schedule this for an upcoming Board meeting.

2. Operations

Bo Yates noted that there are new storage facilities at Seven Oak and LHS. He discussed the two new buses, and how DEQ may provide more grant funds to reimburse for their purchase. He may ask during the Budget season that these funds be used for activity vans for high school athletic competition transportation.

3. Human Resources

Jennifer Meckley noted that classified bargaining will begin January 31, and the team is currently preparing for that.

COMMUNICATION

1. Board

Tom Oliver reported that he had a recent conversation with the Ethics Commission regarding Rob Hess' inquiry for guidance on the supervision and evaluation of family members. We should have material from the Ethics Commission before the next meeting.

2. Superintendent

Rob Hess noted that the CTE Ad Hoc Committee had its first meeting today. The purpose of this group is to explore what we are currently doing in the District with CTE and how to increase interest, participation and efficiency. It is commitment of the District to support CTE, and there is a lot of community interest and investment.

Rob Hess also discussed the calendar committee which consists of four administrator representatives, four classified representatives, and four certified representatives. Their first meeting was this week, and they will have another in February, with a goal of bringing at least one calendar to the Board at the March meeting for consideration.

Rob Hess then discussed how he has found a house to purchase that is big enough to support his large family; however the house is outside of the District's boundary which is a superintendent contract obligation. He inquired as to the Board's openness to reconsider that part of the contract, as the home is only 15 minutes from the District Office and he would still be in the area. Russ McUne noted how the residency requirement is not in any other District employee's contract, and the purpose of this section was to have the superintendent be involved in the community. Richard Borden also supported that the intent of that section of the contract is to have participation in the local area. Nick Brooks expressed some concern because the contract was reapproved last year with the residency section intact. He was unsure how the Board would go about changing this section on this short of notice. Rob Hess stressed that this was not something he intended for the Board to vote on tonight. Rather he wanted the Board's input and wanted to have the situation discussed in public for transparency. Nick Brooks noted that he felt put on the spot because of the short timeline, and expressed that the Board had the chance to take the residency section into consideration last year and did not. Rob Hess discussed how his participation in the community could be a part of his evaluation rather than his contract. Tom Oliver noted that he had discussed the contract section with Nancy Hungerford, and the language is enforceable and is neither common nor uncommon. Tom Oliver felt that the current language of this section is not worded in a way to address the intent of the superintendent's commitment and engagement in the community. He felt the Board should open up the entire contract for reconsideration. Discussion ensued regarding the timeline due to the potential home purchase. Russ McUne felt not making a decision at this meeting did not allow Rob Hess to move forward, while Tom Oliver felt that the matter required more due dillegence than this meeting allowed. Rob Hess again noted that he was not asking for a vote, he just wanted a Board conversation to help form his decisions. Discussion ensued regarding bringing the contract that starts in July 2018 back to the Board for consideration of language changes. Rob Hess agreed that this achieved what he hoped to accomplish tonight by seeking Board feedback and knowing the Board is open to bringing the contract forward for additional conversations. Tom Oliver noted that the Board did not want to withhold something from the superintendent that they would reasonably allow for other employees.

RETURN TO GENERAL BUSINESS

3. Action: Approve Non Resident Open Enrollment and Interdistrict Transfer

Richard Borden made a motion to establish that all nonresident students shall receive written consent for admission under ORS 339.133(5)(b) for the 2018-2019 school year at the following schools: Cascades School, Green Acres School, Hamilton Creek School, Pioneer School, Riverview School, and Lebanon High School. Non-Resident Open Enrollments will not be accepted at Seven Oak Middle School or Lacomb School. Russ McUne seconded the motion. The motion carried by majority

Richard Borden made a motion to establish that all nonresident students shall receive written consent for admission under the interdistrict transfer policy for the 2018-2019 school year, subject to space availability for the K-8 grade levels and school requested and only after consideration of resident requests for open enrollment. All resident students shall receive written consent for release to another district under the interdistrict transfer policy for the 2018-2019 school year. Russ McUne seconded the motion. The motion carried by majority.

CONSENT AGENDA

1. Action: Approve December 14, 2017 Board Minutes

Richard Borden made a motion to approve the December 14, 2017 minutes as presented. Russ McUne seconded the motion. The motion carried by majority.

2. Action: Approve Hiring

- **i. Cindy Cady – 3rd Grade Teacher, Riverview School (Temporary 2017-2018 School Year)**
- **ii. Katherine Harkins – Elementary Teacher, Green Acres School and Pioneer School (Temporary 2017-2018 School Year)**

Richard Borden made a motion to approve the hirings as presented. Russ McUne seconded the motion. The motion carried by majority.

AUDIENCE COMMENTS

Board Chair Tom Oliver welcomed audience comments.

Cindy Thompson, a Green Acres employee, asked if the District was taking into consideration how many of the classrooms at Seven Oak only had eight students in them. She also commented that she does not feel the superintendent should have his children attend school outside the District.

Theresa Peltier discussed the potential changes to Seven Oak. She noted that the change from a K-8 to K-6 at Pioneer has been positive, as it allowed the 6th graders to focus on leadership, academics and social-emotional learning. She felt this model would be great for other schools. She expressed concern on sister schools, because of the number of students that would be displaced in order to implement this model. She also suggested that the District look into outsourcing the school structure conversation to a consultant. She worried about rushing decisions that would be disruptive to students.

Jason Pottoroff noted how he appreciated the Board's measured approach to discussing overcrowded classrooms. He recommended that the Board focus on a minimum square footage per student goal and disregard the design capacity figure as it does not make sense. He also expressed disappointment that Russ McUne tried to rush a decision on changing the superintendent's contract at this meeting.

ADJOURN

The meeting adjourned at 9:00 PM.

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Tom Oliver, Board Chair

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Rob Hess, Superintendent

LEBANON COMMUNITY SCHOOL DISTRICT
SCHOOL BOARD MEETING – BUDGET COMMITTEE
MINUTES
January 11, 2018 - 5:00 PM
Santiam Travel Station – 750 S. 3rd Street, Lebanon, Oregon 97355

A Budget Committee Meeting was held at the Santiam Travel Station on January 11, 2018. Those present included:

Richard Borden, Director	Bill Barish, Committee Member	Rob Hess, Superintendent
Nick Brooks, Director	Kris Latimer, Committee Member	Bo Yates, Assistant Superintendent
Russ McUne, Director	Terry Deacon, Committee Member	Linda Darling, Business Director
Tom Oliver, Director	Sandi Cox, Committee Member	
	Jeff Vandiver, Committee Member	

Mike Martin, Director, was not present. Minutes recorded by Nicole Hundley, Executive Secretary.

Tom Oliver called the meeting to order.

ROLES AND RESPONSIBILITIES

Linda Darling reviewed the roles and responsibilities booklet that was provided to all Committee members. She noted that the Budget Committee provides suggestions to the District, but they do not have the authority to change programs.

FINANCIAL INFORMATION

Linda Darling then reviewed the financial report. She noted that we have an ending fund balance projection of $4,111,500 for this year. This funding biennium was a 50/50 split rather than the usually 49/51. We have not used our PERS Reserve, so that may help the District offset increased costs in the second year of the biennium. Linda Darling then reviewed the all funds summary report.

Linda Darling discussed the District's PERS rate. The District's largest cost is people, with 78% of the general fund going towards salaries and benefits. Within that, the largest cost is for PERS and it is out of our control. She discussed how the District's rate is not bonded.

Sandi Cox joined the meeting at 5:15 PM.

Linda Darling reviewed how the preliminary 2017-2019 PERS rate increase is 6.5%, or about $1,000,000 for the District. We will need to plan for that potential impact in the 2019-2020 budget as we plan the 2018-2019 budget. Linda Darling also discussed Measure 101. If the measure is not passed, the impact would be approximately $300-$320 million to the State's general fund. The State school fund is approximately 39% of the State's general fund, so we may see a mid-biennium correction to funding. Linda Darling also discussed federal tax revisions. We do not yet know how the revisions may impact the District as they go into effect and impact at the State level. We will be following the discussion at the legislature. Linda Darling noted that we have no local control over any of these potential impacts. The CET Ad Hoc Committee is looking into a new potential revenue stream for the District via construction excise tax. It would not be large, but any amount helps. Discussion ensued regarding how CET funds would be restricted for capital improvements and a long term facilities plan would be necessary, making any potential revenue not available until 2019-2020. Another option for additional revenue would be a local option levy.

ENROLLMENT

The Committee reviewed the District's enrollment history. This drives how much we receive in funding from the State. Linda Darling explained average daily membership weights and noted when we began receiving full funding

for full day kindergarten in 2015-2016. The intent would be to build a budget on the projection of 4,180 students for 2018-2019. Discussion ensued regarding the District's special education population being at 17% but state funding for special education being capped at 11%.

We should know more about potential funding impacts by the end of February. The first Budget Committee Meeting is in April.

Discussion ensued regarding population increase for Lebanon. The City projects a 1% annual increase in population, but our enrollment has been fairly stagnant. Discussion also ensued regarding home school, private school and interdistrict transfer options that families utilize.

REQUESTS FOR INFORMATION

There were no requests for additional information.

PUBLIC COMMENT

Tom Oliver welcomed public comment. There was none.

ADJOURN

The meeting adjourned at 5:40 PM.

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Tom Oliver, Board Chair

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Rob Hess, Superintendent