



The Community Roots School Board Meeting
Tuesday, March 1, 2022 6:30 p.m.
229 Eureka Ave. Silverton

Agenda

1. Call meeting to order – Jackie
2. Reading of Community Roots School Mission Statement – Jane (6:30)
Rooted in our local community, we learn in an authentic Montessori environment, growing as conscientious and joyful learners, inspired to lead in the world community.
3. Consent Agenda (6:35)
 - Approve February Meeting Minutes
4. Audience with Visitors (Audience members may make comments to the board on any topic) (6:40)
5. Administrator Report – Christen Kelly (6:45-6:55)
6. Committee reports (Fundraising, Finance, Facilities) (6:55-7:05)
7. Discussion Items and Actions (7:05-8:00)
 - Policy revisions-2nd reading-Christen
 - Discussion
 - Action
 - **Personnel:**
 - GBNA-AR Hazing, Harassment, Intimidation, Bullying, Menacing, or Cyberbullying Reporting Procedures
 - GBNAA/JHFF Suspected Sexual Conduct with Students and Reporting Requirements
 - GBNAA/JHFF-AR Suspected Sexual Conduct Report Procedures and Forms
 - GBNAB/JHFE Suspected Abuse of a Child Reporting Requirements
 - GBNAB/JHFE-AR (1) Reporting Suspected Abuse of a Child
 - GBNAB/JHFE-AR (2) Abuse of a Child Investigations Conducted on School Premises
 - **Students**
 - JHFF/GBNAA Suspected Sexual Conduct with Students and Reporting Requirements
 - JHFF/GBNAA-AR Suspected Sexual Conduct Report Procedures and Forms
 - JHFE/GBNAB Suspected Abuse of a Child Reporting Requirements
 - JHFE/GBNAB-AR (1) Reporting Suspected Abuse of a Child
 - JHFE/GBNAB-AR (2) Abuse of a Child Investigations Conducted on School Premises
 - Grange lease-Christen
 - Discussion
 - Action

learn, grow, lead.



- Five-year budget-Christen
 - Discussion
 - Action
- Board Elections-Jen
 - Discussion

VISITORS: Meetings of the school board are for the members to conduct official school business. All meetings are open to the public, except executive sessions, which may be called according to Oregon law. Members of the public desiring to address the board are asked to contact the administrator at least one week in advance of the meeting. Large groups are asked to designate a primary spokesperson.

The Community Roots School Board Meeting
Feb. 1, 2022
Draft Minutes

Staff: Hilary, Christen

Board members: Shannon, Jackie, Jadon, Jane, Virginia, Jen

Consent agenda: Jason moves to approves, Jen seconds, **unanimously passed.**

Audience with Visitors: Hilary reported that next week after-school support will begin. Shared how proud she is of all the adults: teachers, families. Also appreciate that Christen has been filling in everywhere.

Administrator Report – see handout: Afterschool program reading and math starting next week 3:30-5 Monday – Friday. Alysa is rocking the outdoor program. They are raising fish and releasing them into Silver Creek. Lifecycle lessons. Mosaics for an installation in the corporate offices. Children are building picnic tables.

Meet with Kim Dowd the controller at SFSD. Monday afternoons are staff professional development. Requested to use their staff salaries for that time to reallocate to ESRA funding and they are available for these activities. Jane will be joining the finance committee

Fundraising: Moving forward with the auction on February 14th. Gathering donations, sent sponsorship and donation letters out. Catered by Little Leaf Café. There is a swag shop to order merchandise online. Giving Tuesday raised \$7,100 but it is supposed to be matched by Facebook – not sure of the %. Received a check for Network for Good and it was \$6,000.

Finance: Still in a deficit. The news from Christen/SFSD on the staff allocation for Monday afternoons will get us closer.

Facilities: Grange asked for some help as they continue negotiating with their neighbor. Neighbor wants the grange to sell part of the property and well to raise the funds for work. There would be an easement and land transfer. Grange property would have to be annexed to the City. Bridget and Shannon will become members of the Grange.

Discussion Items:

Policy revisions-2nd reading: Jen moves, Virginia seconds, **unanimously passed.**

• JEBA Early Entrance Policy • JEC-AR Admissions Procedure • ACG • ACG-AR • GBA • JBG1

Policy revisions-1st reading

Personnel:

- GBNA-AR Hazing, Harassment, Intimidation, Bullying, Menacing, or Cyberbullying
- Reporting Procedures – Staff
- GBNA/JHFF Suspected Sexual Conduct with Students and Reporting Requirements
- GBNA/JHFF-AR Suspected Sexual Conduct Report Procedures and Forms
- GBNA/JHFE Suspected Abuse of a Child Reporting Requirements

- GBNAB/JHFE-AR (1) Reporting Suspected Abuse of a Child
- GBNAB/JHFE-AR (2) Abuse of a Child Investigations Conducted on School Premises

Students:

- JHFF/GBNAA Suspected Sexual Conduct with Students and Reporting Requirements
- JHFF/GBNAA-AR Suspected Sexual Conduct Report Procedures and Forms
- JHFE/GBNAB Suspected Abuse of a Child Reporting Requirements
- JHFE/GBNAB-AR (1) Reporting Suspected Abuse of a Child
- JHFE/GBNAB-AR (2) Abuse of a Child Investigations Conducted on School Premises

Five-year budget: See handout. Jason moved to approve, Virginia seconds, **unanimously passed.**

Board Elections: Board elections are coming up. Jen would like someone to take it over. She will ask Matt if he can take it on.



The Community Roots School March 2022 Administrator Report

Enrollment:

- Current: 99 students enrolled.

1. Enrollment

- a. We have a new student that transferred in last week.
- b. Re-enrollment forms were collected from returning families
- c. Applications for new enrollment are due by March 31st. The lottery is scheduled for April 8th at 4pm.

2. Educational Accountability & School News

- a. DERS assessments scheduled for the weeks leading up to spring break.
- b. CRS is working on a presentation for BCC on our school-wide DEI practices and endeavors. Christ6ine and Kura to Audit and provide feedback and support in identified areas.
- c. STAR assessments continue to be administered.
- d. K-1 STAR CBM assessments have been completed.
- e. Child Study continues; the team meets 3x month to examine supports and next steps in place for key students.
- f. SPED services continue for children with IEP's and 504s. Prior Notice for Evaluation/Consent for Evaluation requests signed after March 11, 2022 may not be completed prior to the end of the 2021-2022 school-year, but done at the start of 2022-2023.
- g. Afterschool Learning lab program has started. The program is full, with approx. 30% of students in attendance. Learning lab modules focus on extra Reading and Math support. ESSER 3 Funds are used to run this program for our students.
- h. Survey on Mask Mandate went out to community before the announcement was made by the State, lifting the mask mandate on March 19th for indoor spaces – including schools. Survey data yielded 75 respondents. Of which, 63% were parents, 27% students, and 9% staff. When asked, 12% of respondents voted for no change in our current masking policy. 38% voted for indoor masks required; outdoor masks optional, and 49% responded with the desire to have masks optional both indoors and outdoors.
- i. Much is happening in the outdoor classroom – lower el & K students hatched and released rainbow trout, Upper El students are working on building benches and picnic tables, the chickens, ducks and rabbit are a source of great joy + responsibility, and many biology lessons have been taking place.
- j. Hearing Screenings are scheduled for K-3 students on Tuesday March 1st. Opt out forms were provided to families.

3. Budget & Finances

- a. Audit is complete for the 2020/21 school year
- c. 5 year budget final for review is forthcoming. It's due to SFSD by April 1st.

4. Community & Fundraising

- a. Our Middle School students open and operate the Re-Charge Café every Tuesday afternoons on campus. They reached their goal of raising over \$1,000, so Bridgett, their Guide must dye her hair silver.
- b. An outdoor Auction event is scheduled for the Wooden Shoe Tulip Farm on May 14th, 2022. The Fundraising committee has a call out for volunteers to join the effort in organizing this event. Sponsorship and Donation Request Letters are available for distribution. So far we received 3 sponsorships, and donations continue to come in. A banner is scheduled to be displayed to promote the event downtown.
- c. The plant sale will also happen in May, parallel to the Auction.
- d. We always need more volunteers!
- e. The last Saturday of each month a coffee connection in Coolidge McClaine park is held. This month's date is March 26th.



5. Facilities

- a. We are waiting to receive the new Lease Agreement from the Church for the upcoming school year.
- b. We are grateful for all the donations to the outdoor environment from parents and community members.



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- b.** CRS & SFC will conduct a “walkabout” of campus to make sure that we are in alignment with SFC’s expectations -time and date for this is still TBD
 - c.** SFC installed a makeshift sump pump to prevent future basement flooding; however, it is not permanent, and still needs to be revisited.
 - d.** The Grange is starting to work on the renos to the bathroom facilities and permitting that goes along with it.
 - e.** Christen, Adam, and Brett from District IT assessed the Grange building to see what was needed for connectivity and tech.
 - f.** We are still extremely grateful for the covered tent area outside that provides shelter and shade during inclement weather so that students can eat lunch safely outdoors.
- 7. Policy a.** There are revisions that we need to make for JHFF and JHFE, among others, based on OSBA’s policy updates. First and Second readings are included in this packet. Policies will be filtered through our DEI committee’s equity lens before the second reading.
- 8. Lunch/Breakfast Program a.** SFSD has successfully hired someone to staff the breakfast and lunch program for CRS. Meal service starts in February.

Account	Description	Budget	YTD Transactions	Balance	Encumbrance	Budget Balance
<u>Revenue</u>						
760.0000.1760.142.000.000	Supplemental from Fundraised/School Related Acct.	26150.00	13786.56	12363.44	0.00	12363.44
760.0000.3101.142.000.000	State School Fund—General Support (123) \$7037	891855.00	588790.07	303064.93	0.00	303064.93
760.0000.5400.142.000.000	BEGINNING FUND BALANCE	89491.00	171212.39	-81721.39	0.00	-81721.39
	<u>Total Revenue</u>	1007496.00	773789.02	233706.98	0.00	233706.98
<u>Expenditures - 1111</u>						
	K-5					
760.1111.0111.142.000.000	Licensed Salaries	221827.00	84151.86	137675.14	104769.42	32905.72
760.1111.0112.142.000.000	Classified Salaries	99158.00	64055.10	35102.90	85161.30	-50058.40
760.1111.0117.142.000.000	Unused Leave	5250.00	0.00	5250.00	0.00	5250.00
760.1111.124.142.000.000	Temp Classified - Lego- ESL	3000.00	0.00	3000.00	0.00	3000.00
760.1111.0211.142.000.000	Employer Contribution, Tier I and Tier II	44185.00	2552.62	41632.38	3590.16	38042.22
760.1111.0213.142.000.000	PERS UAL Contribution	26187.00	9473.26	16713.74	13330.31	3383.43
760.1111.0214.142.000.000	PERS UAL Contribution 2021 Bond	0.00	8881.21	-8881.21	12497.17	-21378.38
760.1111.0220.142.000.000	Social Security Administration	24353.00	11250.99	13102.01	14407.74	-1305.73
760.1111.0231.142.000.000	Workers' Compensation	1749.00	81.45	1667.55	74.78	1592.77
760.1111.0232.142.000.000	Unemployment Compensation	0.00	445.92	-445.92	0.00	-445.92
760.1111.0240.142.000.000	Contractual Employee Benefits	39054.00	19537.52	19516.48	44854.88	-25338.40
760.1111.0311.142.000.000	Instruction Services - Certified Subs.	8000.00	364.33	7635.67	0.00	7635.67
760.1111.0312.142.000.000	Instructional Programs Improvement Services - Classified Subs	4000.00	1244.75	2755.25	0.00	2755.25
760.1111.0410.142.000.000	Consumable Supplies and Materials (\$400/class)	1733.00	4695.20	-2962.20	413.29	-3375.49
760.1111.0640.142.000.000	Dues and Fees	10000.00	730.67	9269.33	1880.48	7388.85
<u>Expenditures - 1121</u>						
	6-8th					
760.1121.0111.142.050.000	Licensed Salaries	86501.00	33016.98	53484.02	39995.27	13488.75
760.1121.0121.142.050.000	Classified Salaries	39168.00	14461.75	24706.25	20246.45	4459.80
760.1121.0211.142.050.000	Employer Contribution, Tier I and Tier II	18473.00	842.48	17630.52	1058.05	16572.47
760.1121.0213.142.050.000	PERS UAL Contribution	10908.00	2955.41	7952.59	3639.30	4313.29
760.1121.0214.142.050.000	PERS UAL Contribution 2021 Bond	0.00	2770.74	-2770.74	3411.94	-6182.68
760.1121.0220.142.050.000	Social Security Administration	9917.00	3630.34	6286.66	4606.00	1680.66
760.1121.0231.142.050.000	Workers' Compensation	705.00	24.00	681.00	21.40	659.60
760.1121.0232.142.050.000	Unemployment Compensation	0.00	144.39	-144.39	0.00	-144.39
760.1121.0240.142.050.000	Contractual Employee Benefits	15021.00	0.00	15021.00	0.00	15021.00
760.1121.0251.142.050.000	ER Health Insurance Benefit - LIC	0.00	4857.22	-4857.22	6289.92	-11147.14
760.1121.0410.142.250.000	Consumables	677.00	962.02	-285.02	28.07	-313.09
760.2240.0130.142.000.000	Additional Salary	0.00	1615.00	0.00	1615.00	-1615.00
Instructional Staff Development - 2240						

760.2240.0310.142.000.000	Instructional Professional and Technical	4000.00	1702.00	2298.00	0.00	2298.00
Board of Education Services - 2310						
760.2310.0380.142.000.000	Non-instructional Professional and Tech. - OSBA	2000.00	225.00	1775.00	0.00	1775.00
760.2310.0381.142.000.000	Audit Services	7500.00	0.00	7500.00	0.00	7500.00
760.2310.0410.142.000.000	Consumable Supp./Materials- Print Annual Report	500.00	0.00	500.00	0.00	500.00
760.2310.0650.142.000.000	Insurance and Judgments	5500.00	548.83	4951.17	0.00	4951.17
760.2410.0324.142.000.000	Copier Rental	0.00	938.70	-938.70	670.50	-1609.20
760.2410.0355.142.000.000	Printing and Binding	0.00	218.00	-218.00	1086.86	-1304.86
Other Support Services - 2490						
760.2490.0112.142.000.000	Classified Salaries	24908.00	12966.00	11942.00	12966.00	-1024.00
760.2490.0113.142.000.000	Administrators	123542.00	40931.94	82610.06	29237.06	53373.00
760.2490.0211.142.000.000	Employer Contribution, Tier I and Tier II	17979.00	2658.28	15320.72	822.94	14497.78
760.2490.0213.142.000.000	PERS UAL Contribution	10513.00	4311.81	6201.19	3376.23	2824.96
760.2490.0214.142.050.000	PERS UAL Contribution 2021 Bond	0.00	3003.20	-3003.20	3165.27	-6168.47
760.2490.0220.142.000.000	Social Security Administration	11256.00	4093.96	7162.04	3208.86	3953.18
760.2490.0231.142.000.000	Workers' Compensation	809.00	18.03	790.97	14.67	776.30
760.2490.0232.142.000.000	Unemployment Compensation	0.00	130.83	-130.83	0.00	-130.83
760.2490.0240.142.000.000	Contractual Employee Benefits	16800.00	0.00	16800.00	0.00	16800.00
760.2490.0311.142.000.000	Substitutes - Licensed	1500.00	0.00	1500.00	0.00	1500.00
760.2490.0410.142.000.000	Consumable Supplies and Materials (+ staff gear)	5544.00	5878.97	-334.97	0.00	-334.97
760.2490.0640.142.000.000	Dues & Fees / OSBA policy charge /Bookkeeper/	13040.00	8237.60	4802.40	0.00	4802.40
Fiscal Services - 2520						
760.2520.0231.142.000.000	Workers' Compensation - whole school	2500.00	0.00	2500.00	0.00	2500.00
Operations and Maintenance - 2540						
760.2540.0320.142.000.000	Property Services	57240.00	30697.11	26542.89	32828.15	-6285.26
760.2540.0321.142.000.000	Cleaning Services	7500.00	1350.00	6150.00	1705.00	4445.00
760.2540.0321.142.000.000	Water and Sewer	1228.00	1903.01	-675.01	1826.49	-2501.50
760.2540.0328.142.000.000	Garbage	1272.00	419.42	852.58	0.00	852.58
760.2540.0410.142.000.000	Consumable Supplies and Materials	5000.00	1244.85	3755.15	93.97	3661.18
760.2550.0330.142.000.000	Student Transportation Services	1000.00	0.00	1000.00	0.00	1000.00
Food Service - 3100						
760.3100.0112.142.000.000	Food Classified Salary	0.00	0.00	0.00	10387.68	-10387.68
760.3100.0640.142.000.000	Dues and Fees	0.00	0.00	0.00	0.00	0.00
Planned Reserve						
760.6000.0810.142.000.000	Planned Reserve	16499.00	0.00	16499.00	0.00	16499.00
760.7000.0820.142.000.000	Reserved for Next Year	0.00	0.00	0.00	0.00	0.00
		\$1,007,496.00	\$394,222.75	\$614,888.25	\$463,280.61	\$151,607.64

	Budget	YTD Transactions
Revenue	\$1,007,496.00	\$773,789.02
Expenditures	\$1,007,496.00	\$394,222.75
Balance	\$0.00	\$379,566.27

Reserve Designations		2020-21 Actual	2021-22 Budgeted
Assigned	Total in SSF Reserve	\$83,000	\$83,000
	Reserve - roll over - Fundraising group	\$46,756	\$46,756
Assigned	Play ground Donation	\$4,000	\$4,000
	Contingency Roll-Over	\$105,625	\$105,625
	Reserve - CRS Longevity Fund	\$29,692	\$29,692
Restricted	Total Reserves	\$269,073	\$269,073

SILVERTON GRANGE #748 HALL USE AND HOLD HARMLESS AGREEMENT FOR COMMUNITY ROOTS SCHOOL

This Rental agreement is made as of January 1, 2022 (the “**Effective Date**”) between Silverton Grange #748, an Oregon nonprofit corporation (the Owner) and The Community Roots School, an Oregon nonprofit corporation (“**Renter**”), for the rental of the Grange Hall located at 201 N Division St, Silverton, OR 97381 (the “**Premises**”).

Background

Renter desires to rent the Premises from Owner for Renter’s Adolescent School Program (the “**Approved Use**”), and the Grange is willing to allow the use of the property for the Approved Use, on terms and conditions stated in this Agreement.

Certain construction and improvements described below (the “**Work**”) on the Premises are required before Renter can occupy and use the Premises for the Approved Use.

The parties intend that when the Work is completed, Renter will promptly take possession of the Premises and start paying rent as described below.

Now, therefore, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

Construction period

Permits for the Approved Use. Renter has applied for, and Marion County has approved, a conditional land use permit for Renter’s Approved Use on the Premises. The conditional land use approval is attached as Exhibit A (the CUP) and imposes certain requirements including permits as may be required by the Marion County Building Division and the Marion County Public Works Land Development Engineering and Permits (LDEP).

Building and Engineering Permits. Renter and Owner will cooperate in applying to the Marion County Building Division for a building permit to allow the Approved Use, after which the parties anticipate that a County building inspector will identify all repairs and/or improvements necessary for the Approved Use. Additional permits are required by the Marion County LDEP for certain engineering work. All repairs and improvements required to satisfy the CUP and applicable building and engineering standards and permits for the Approved Use are referred to in this Agreement as the “**Work**”.

Septic Improvements. Pursuant to the CUP, Renter, at its expense and with Owner’s consent, applied for, and Marion County Septic Division issued, a septic major alteration permit. The septic drain field expansion has been completed for the cost of \$4000. Renter will provide written acknowledgment that the septic work has been completed.

Satisfied Conditions. Owner, at its expense, is prepared to satisfy Condition B (Non-Remonstrance Agreement) and Condition C (Declaration of Covenants for Road Maintenance) of the CUP required by Marion County LDEP.

Work Completion Date, Insurance and Costs. No rent, as defined below, will be due during the period from the Effective Date until the “**Work Completion Date**,” which is the date the

SILVERTON GRANGE #748 HALL USE AND HOLD HARMLESS AGREEMENT FOR COMMUNITY ROOTS SCHOOL

Marion County Building Division issues a certificate of occupancy or completion or otherwise indicates in writing that all building permit requirements have been satisfied.

Renter has incurred and will incur additional expenses to perform the Work, including but not limited to the septic permitting, repairs and improvements described above, changes to the driveway, and building repairs and improvements. Renter will not undertake any Work, and will not enter into any oral or written agreements for any portion of the Work, without Owner's prior approval of the scope of the Work, the anticipated cost, the contractor, and the construction agreement, as well as evidence of the contractor's licensing and bonding and liability and workers' compensation insurance in commercially reasonable amounts for the work to be done by the contractor. Owner will be named as an additional insured on liability policies for the Work. Renter will promptly pay all invoices and provide Owner with copies of all invoices and evidence of prompt payment thereof. Renter will defend, indemnify and hold the Owner harmless for, from and against any claims or demands that may arise from entry onto the Premises by Owner, its agents, contractors, subcontractors or representatives, or related to or arising out of the performance of the Work and any other work provided to the Premises for or on Owner's behalf, including without limitation nonpayment thereof.

As of the Work Completion Date, the parties will calculate the total cost of the Work as evidenced by paid invoices and that was performed with Owner's prior consent (the "**Cost of Work**"), which amount will be used in determining rent due as provided below. The Cost of Work does not include costs of any work that is not permanently installed on the Premises or that are not approved in advance by Owner.

Termination Right

If unexpected circumstances or problems arise with respect to permitting, the inspection process, or the water supply serving the Premises, such that the Work Completion Date is not achieved or Renter does not take possession by _____, 2022, either party may terminate this Agreement by written notice to the other, with reasons stated for the election to terminate. In such case, Owner will repay Renter for the Cost of the Work then incurred and paid, up to the total amount of \$10,000 (the "**Reimbursement Amount**"). Owner will pay the Reimbursement Amount to Renter, with no interest, by no later than two (2) years after termination. A minimum of 1/8 of the Reimbursement Amount will be paid to Renter on a quarterly basis until the balance is paid in full, beginning in the quarter following the termination.

Term Commencement and Rent

If this Agreement is not terminated as provided above, then the term of Renter's occupancy of the Premises for the Approved Use will commence as of the Work Completion Date and will continue thereafter until and through June 30, 2024 (the "**Term**"). As of the Work Completion Date, Renter will start paying Owner rent in advance of \$1200 per month (which includes utility costs), subject to abatement provisions below. Partial month's rent will be prorated. Rent will be due and payable in advance on or before the first day of each month.

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Monthly rent will be abated (reduced) up to \$600 per month (50%) as a credit toward the Cost of the Work. The rent abatement will continue until Renter has been credited or otherwise reimbursed for the Cost of the Work. In any case, monthly rent paid by Renter to Owner each month will be no less than \$600.

The parties acknowledge that Renter's Approved Use of the Premises is new to the Owner and to the Premises, with no experience on which to base expected costs and expenses, such that the initial building code improvements required for the Approved Use, and/or the utility and other operating expenses incurred by Owner during the Term, may exceed the rent expected, received or necessary in order for Owner to manage and operate the Grange Hall and Premises in a commercially reasonable manner. In such case, upon Owner's request, Renter agrees to meet to discuss the cost challenges to the Owner and in good faith seek to resolve them.

Use of Premises

1. Renter will have access to and use of the building and grounds of the Premises from 6:00 am - 4:00 pm Monday - Friday, excepting holidays and school breaks, during Renter's school calendar year unless other arrangements are communicated in advance. Renter may also place a storage unit for Renter's use at a location on the west side of the Grange building approved in advance by Owner. All costs associated with the storage unit, including payment for, delivery and removal, are solely the responsibility of Renter and are not reimbursable by Owner. At expiration of the Term, Renter will promptly remove the storage unit, and failure to do so will result in monthly rent continuing to be due and payable.
2. Renter will use the Grange Hall solely for the operation of the Approved Use. No more than 25 students are allowed for the daily use of the facility. Renter will not use, or allow use of, any of the Premises for any other purpose or in violation of any law, ordinance, or government regulation, or any purpose that is in any way hazardous to the Premises or unsafe to any person.
3. Renter will obtain, at its expense, and keep in effect starting as of the Effective Date, a General Liability Insurance policy covering Bodily Injury and Property Damage with minimum limits of \$2,000,000.00 and will maintain all other insurance required or typically carried for Renter's uses. The required insurance will include contractual liability coverage for indemnity provided under this agreement. Prior to taking possession, Renter will furnish evidence of all of its insurance policies and a Certificate of Liability Insurance naming Owner as an additional insured on Renter's liability policy. Renter, and not Owner, will be responsible for insuring any of Renter's personal property that may be brought onto the Premises and releases Owner from any damages to such property arising on or about the Premises.
4. Failure to pay rent by the first of each month will be a default under this Agreement.
5. Alcohol is prohibited during the hours the Renter is using the Premises.

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6. There is no smoking in or on any of the Premises.
7. Renter agrees to remove all garbage generated by its use from the Premises by 4:00 pm each Friday.
8. Renter (including employees, parents, agents, contractors and guests) will park only on the paved parking lot on the Premises. Renter will instruct its guests that the maximum speed on Division Street is 10 MPH.
9. Renter will secure from public agencies having jurisdiction any license or permit required for any activity or purpose for which Renter uses the Premises.
10. Renter will limit amplified music and/or noise to a maximum noise level at the Premises property line of 65 dBA, which is as loud as average conversation at 3 feet.
11. Grange property may not be disturbed or removed from the Premises.
12. Renter will ensure that all doors remain closed when the furnace is on and running.
13. Owner will have access to the entire Premises on weeknight evenings (after 4 pm) and weekends for private rentals and Grange activities.
14. Renter shall maintain the Premises in the same (or better) condition as existed at commencement of the Term. If damage to the Premises occurs, Renter will communicate with the Rental Coordinator as soon as possible to determine a plan of action. If damage exceeds \$50 the Renter shall promptly pay the excess amount or make arrangements for repairs to be made in a timely manner.
15. Renter will leave the Premises clean and neat daily, and put away all personal property, for possible evening use, and Owner agrees to do the same for the Renter's daytime use. Owner's Rental Coordinator will communicate upcoming weekday rentals to Renter on a weekly basis.
16. If a dispute arises from or relates to this Agreement or the alleged breach thereof, and if the dispute cannot be settled through negotiations within a reasonable time, but no later than 60 days, the parties agree to endeavor first to settle the dispute by mediation before resorting to arbitration. Any dispute arising from or relating to this contract or breach thereof not resolved through mediation will be resolved by arbitration in accordance with Oregon law, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The foregoing does not apply to Renter defaults for nonpayment of rent, for which Owner may seek remedies available through court process, including actions for forcible entry and detainer or ejection.
17. If suit or action is instituted in connection with any controversy arising out of this agreement, the prevailing party shall be entitled to recover in addition to costs such sum as the court shall adjudge reasonable attorney fees at trial, on petition for review and on appeal.
18. The Renter will defend, indemnify and hold the Owner harmless with respect to any and all claims and demands which arise at any time out of the use of the Grange Hall or Premises (including during construction) by the Renter, its employees, agents, guests and invitees, including work by any contractors.
19. If Grange Representatives need to be on the Premises at any time during the rental period they will communicate with Renter with as much advance notice as possible.

**SILVERTON GRANGE #748 HALL
USE AND HOLD HARMLESS AGREEMENT
FOR COMMUNITY ROOTS SCHOOL**

20. Owner and Renter intend to share use of the Premises as described in this Agreement. Owner's use is exempt from real property taxation as a fraternal association pursuant to ORS 307.136. Because of Owner's continued use of the Premises throughout Renter's use of the Premises, and Renter's educational and community mission, the Premises are expected to continue to be exempt from real property taxation pursuant to ORS 307.136. Alternatively, Renter's occupancy of the Premises is expected to qualify as exempt from real property taxation pursuant to ORS 307.130 (PLEASE VERIFY STATUTE WITH THE SCHOOL). Owner and Renter will cooperate to ensure that the Premises remain exempt from real property taxation and, if necessary, will file a copy of this Agreement with the Marion County Tax Assessor's office. Owner and Renter have calculated rent under this Agreement on the basis that any such reduction in property taxes resulting from any exemption that may be available as a result of Renter's tax-exempt or nonprofit status as belonging to Renter. For any year in which the property tax exemption is unavailable or not obtained, Renter will promptly pay to Owner or directly to the Marion County Assessor the amount of taxes on the Premises that may be lawfully required as a result of such lack of an exemption arising from Renter's use.
21. Renter may not assign or sublet its interest under this Agreement without Owner's written consent which may be denied in Owner's sole discretion.
22. Renter will be given ___key(s) to the Grange Hall. Renter will make no additional copies of the key(s) and will ensure the safe and secure handling thereof. Renter must immediately notify Owner if any key is misplaced or lost. At any time, Owner will have the right to change any or all locks to and in the Grange Hall provided Owner will promptly provide Renter with a copy or copies thereof (except in the event of a default).
23. The term of Renter's use of the Premises may be extended year-to-year upon mutual agreement.
24. This contains the entire agreement and understanding between the parties relating to the Premises. No modification or claimed waiver will be binding upon any parties unless in writing made after the date hereof making specific reference to this Agreement and signed by Owner and Renter. Renter represents that the signature(s) below on its behalf have been duly authorized by Renter's board of directors. Owner represents that the signature(s) below on its behalf have been duly authorized by its membership or Executive Committee.
25. Renter will make all checks payable to SILVERTON GRANGE #748.

<p>SILVERTON GRANGE NO. 148, an Oregon nonprofit corporation</p> <p>By: _____ Its: President</p> <p>Owner's mailing address: Silverton Grange #748 PO Box 1115 Silverton, OR 97381</p>	<p>THE COMMUNITY ROOTS SCHOOL, an Oregon nonprofit corporation</p> <p>By: _____ Its: President</p> <p>Renter's mailing address: _____ _____ _____</p>
--	---

**SILVERTON GRANGE #748 HALL
USE AND HOLD HARMLESS AGREEMENT
FOR COMMUNITY ROOTS SCHOOL**

Attachments: Exhibit A (CUP)

**COMMUNITY ROOTS CHARTER SCHOOL
MARION COUNTY, OREGON**

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2021



**12700 SW 72nd Ave.
Tigard, OR 97223**

COMMUNITY ROOTS CHARTER SCHOOL
MARION COUNTY, OREGON

FINANCIAL REPORT

For the Year Ended June 30, 2021

**COMMUNITY ROOTS CHARTER SCHOOL
MARION COUNTY, OREGON**

2020-2021

BOARD OF DIRECTORS

Shannon Wilson

Jason Wagoner

Jen De Jong

Jackie Kemp

Rhonda Bostic

Virginia Griffin

All board members receive mail at the address below:

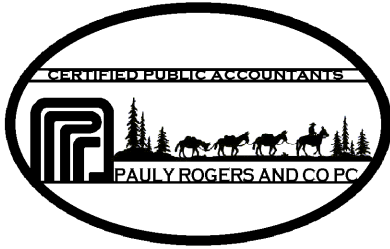
ADMINISTRATION

Christen Kelly, School Director
229 Eureka Ave
Silverton, OR 97381

COMMUNITY ROOTS CHARTER SCHOOL
MARION COUNTY, OREGON

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PAULY, ROGERS, AND CO., P.C.
12700 SW 72nd Ave. ♦ Tigard, OR 97223
(503) 620-2632 ♦ (503) 684-7523 FAX
www.paulyrogersandcocpas.com

January 27, 2022

To the Board of Directors
Community Roots Charter School
Marion County, Oregon

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Community Roots Charter School as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents, pursuant to ORS 297.405 to 297.555, ORS 297.990 and ORS 338.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major funds of Community Roots Charter School, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has not presented a Management's Discussion and Analysis that governmental accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Community Roots Charter School's basic financial statements. The listing of current year board members, located before the table of contents, and the budgetary comparison schedules for the General and Fundraising funds, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. They have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Reports on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated January 27, 2022, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



Kenneth Allen, CPA
Municipal Auditor
PAULY, ROGERS AND CO., P.C.

COMMUNITY ROOTS CHARTER SCHOOL
MARION COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

COMMUNITY ROOTS CHARTER SCHOOL
MARION COUNTY, OREGON

STATEMENT OF NET POSITION
June 30, 2021

ASSETS:

Cash and Investments	\$ 296,216
Total Assets	<u>296,216</u>

LIABILITIES:

Accounts Payable	40,608
Payroll Liabilities	<u>1,213</u>
Total Liabilities	<u>41,821</u>

NET POSITION:

Unrestricted	<u>254,395</u>
Total Net Position:	<u>\$ 254,395</u>

See accompanying notes to the basic financial statements.

COMMUNITY ROOTS CHARTER SCHOOL
MARION COUNTY, OREGON

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

FUNCTIONS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
Instruction	\$ 649,977	\$ -	\$ 92,421	\$ (557,556)
Support Services	262,326	-	37,749	(224,577)
Enterprise and Community Services	-	-	-	-
Total Governmental Activities	<u>\$ 912,303</u>	<u>\$ -</u>	<u>\$ 130,170</u>	<u>(782,133)</u>
				<u>899,246</u>
				<u>899,246</u>
				117,113
				<u>137,282</u>
				<u>\$ 254,395</u>

See accompanying notes to the basic financial statements.

COMMUNITY ROOTS CHARTER SCHOOL
MARION COUNTY, OREGON

BALANCE SHEET - GOVERNMENTAL FUNDS
 June 30, 2021

	GENERAL FUND	FUNDRAISING FUND	TOTAL
ASSETS:			
Cash and Investments	\$ 212,233	\$ 83,983	\$ 296,216
Total Assets	\$ 212,233	\$ 83,983	\$ 296,216
LIABILITIES AND FUND BALANCE:			
Liabilities:			
Accounts Payable	\$ 39,808	\$ 800	\$ 40,608
Payroll Liabilities	1,213	-	1,213
Total Liabilities	41,021	800	41,821
Fund Balance:			
Assigned	-	83,183	83,183
Unassigned	171,212	-	171,212
Total Fund Balance	171,212	83,183	254,395
Total Liabilities and Fund Balance	\$ 212,233	\$ 83,983	\$ 296,216

See accompanying notes to the basic financial statements.

COMMUNITY ROOTS CHARTER SCHOOL
MARION COUNTY, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2021

REVENUES:	GENERAL FUND	FUNDRAISING FUND	TOTAL
Local Sources	\$ 5,001	\$ 66,317	\$ 71,318
State Sources	908,216	-	908,216
Federal Sources	49,882	-	49,882
Total Revenues	963,099	66,317	1,029,416
EXPENDITURES:			
Instruction	649,977	-	649,977
Support Services	244,680	17,646	262,326
Total Expenditures	894,657	17,646	912,303
Net Change in Fund Balance	68,442	48,671	117,113
Beginning Fund Balance	102,770	34,512	137,282
Ending Fund Balance	\$ 171,212	\$ 83,183	\$ 254,395

See accompanying notes to the basic financial statements.

COMMUNITY ROOTS CHARTER SCHOOL
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units as required by Oregon law for charter schools. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the accounting policies are described below.

A. THE FINANCIAL REPORTING ENTITY

Community Roots Charter School is a non profit corporation governed by a six-member board. Generally accepted accounting principles require that these financial statements present Community Roots Charter School and all component units, if any. Component units are separate organizations for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government. Community Roots Charter School has no component units.

Community Roots Charter School was organized under provisions of Oregon Revised Statutes Chapter 338 for the purpose of operating a charter school.

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows, liabilities, and deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows, liabilities, and deferred inflows resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

All direct expenses are reported by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function.

FUND FINANCIAL STATEMENTS

The accounts are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

COMMUNITY ROOTS CHARTER SCHOOL
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION (CONTINUED)

GOVERNMENTAL FUND TYPES

Governmental funds are used to account for the general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Grant revenue is not considered available and, therefore, is not recognized until received. Expenditures are recorded when the liability is incurred.

Revenues susceptible to accrual are interest, state, county and local shared revenue and federal and state grants. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

There were the following major governmental funds:

GENERAL FUND

This fund accounts for all financial resources and expenditures, except those required to be accounted for in another fund. The principal revenue sources are payments of state school support from Silver Falls School District, fees, fundraising and donations.

FUNDRAISING FUND

This fund accounts for all fundraising, donations and student fees brought in by the School.

GRANTS

Unreimbursed expenditures due from grantor agencies are reflected in the government wide financial statements as receivables and revenues. Grant revenues are recorded at the time eligible expenditures are incurred. Cash received from grantor agencies in excess of related grant expenditures is recorded as a liability in the balance sheet and statement of net position.

FUND EQUITY

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated, and unreserved/undesignated were replaced with five new classifications – nonspendable, restricted, committed, assigned, and unassigned.

- Nonspendable fund balance represents amounts that are not in a spendable form.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).

COMMUNITY ROOTS CHARTER SCHOOL
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION (CONTINUED)

- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.
- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body.
- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

A portion of the fund balance is assigned for fundraising. Restricted resources are spent first when both restricted and unrestricted (committed, assigned or unassigned) resources are available for expenditures. When unrestricted resources are spent, the order of spending is committed (if applicable), assigned (if applicable) and unassigned.

NET POSITION

Net position is comprised of the various net earnings from operations, nonoperating revenues, expenses and contributions of capital. Net position is classified in the following two categories:

Restricted – Consists of external constraints placed on net position use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. There is no restricted net position.

Unrestricted – Consists of all other portions of Net Position.

When both restricted and unrestricted net position are available for use, restricted net position is utilized first.

FAIR VALUE INPUTS AND HIERARCHY

Fair value is defined as the price that would be received to sell an asset or 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 and market participants would use in pricing the assets. The classification for securities within the fair value hierarchy is based upon the activity level in the market for the security type and the inputs used to determine their fair value as follows.

Level 1 – unadjusted price quotations in active markets or exchanges for identical assets or liabilities that each Fund has the ability to access

Level 2 – other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market – corroborated inputs)

Level 3 – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available

COMMUNITY ROOTS CHARTER SCHOOL
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

FAIR VALUE INPUTS AND METHODOLOGIES AND HIERARCHY (CONTINUED)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

C. CAPITAL ASSETS

Capital assets, which include equipment, Buildings, Land & Leasehold Improvements, are reported in the government wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$5,000, and an estimated useful life in excess of one year. Capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at their estimated fair market value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Depreciation is recorded on capital assets on the straight line method over the useful life of the asset, which range from three to seven years.

D. SUPPLY INVENTORY

Detailed supply inventory records are not maintained. Inventories are not considered to be material by management.

E. RETIREMENT PLANS

Substantially all of the contracted employees are participants in Public Employees Retirement System (PERS). Contributions to PERS are made on a current basis as required by the plan and are charged to expenditures as funded. The School's employees are employees of Silver Falls School District and earn PERS benefits through the District.

F. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

G. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School does not have an item that qualifies for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The School does not have an item that qualifies for reporting in this category.

COMMUNITY ROOTS CHARTER SCHOOL
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS

State statutes govern the School's cash management policies, because the School does not have an official investment policy. Statutes authorize the School to invest in banker's acceptances, time certificates of deposit, repurchase agreements, obligations of the United States and its agencies and instrumentalities, and the Oregon State Treasurer's Local Government Investment Pool. Cash and Investments of Community Roots Charter School include deposits in the School's checking account as well as the School's portion of cash invested in the Oregon State Treasurer's Local Government Investment Pool held by Silver Falls School District. Deposits with financial institutions include bank demand deposits.

Investments

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund's compliance with all portfolio guidelines can be found in their annual report when issued. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it approximates fair value. The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. The audited financial reports of the Oregon Short Term Fund can be found here:

[http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-\(OSTF\).aspx](http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-(OSTF).aspx)

Credit risk: Oregon statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-I by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the state treasurer's investment pool.

Cash and Investments at June 30, 2021 (recorded at fair value) consisted of:

Deposits with a Financial Institution:

Demand Deposits, Non-Interest Bearing - Checking	\$	83,983
Investments		<u>212,233</u>
Total	\$	<u>296,216</u>

COMMUNITY ROOTS CHARTER SCHOOL
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (CONTINUED)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in months)</u>	
		<u>Less than 3</u>	<u>More than 3</u>
State Treasurer's Investment Pool	\$ 212,233	\$ 212,233	\$ -
Total	\$ 212,233	\$ 212,233	\$ -

Credit Risk

Oregon Revised Statutes does not limit investments as to credit rating for securities purchased from US Government Agencies or USGSE. The State Investment Pool is not rated.

Concentration of Credit Risk

In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The School does not have a deposit policy for custodial credit risk. As of June 30, 2021, 100% of the School's bank balance of \$83,783 was insured by the FDIC.

3. TAX STATUS

The School is qualified pursuant to Section 501(c)(3) of the Internal Revenue Code, and, accordingly, the School's net investment income is exempt from income taxes. The School has obtained a favorable determination letter from the Internal Revenue Service and the Board of Directors believe that the School continues to qualify and to operate in accordance with applicable provisions of the Internal Revenue Code.

U.S. Generally Accepted Accounting Principles require School management to evaluate tax positions taken by the School and recognize a tax liability (or asset) if the School has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The School is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

4. CLAIMS AND LITIGATION

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts, if any, or expenditures which may be disallowed by the grantor agencies cannot be determined at this time although the School expects such amounts, if any, to be immaterial.

5. RISK MANAGEMENT

Community Roots Charter School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Commercial insurance is purchased to minimize its exposure to these risks. Settled claims have not exceeded this commercial coverage.

COMMUNITY ROOTS CHARTER SCHOOL
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. COMMITMENTS AND CONTINGENCIES

A substantial portion of operating funding is received from the State of Oregon. State funding is determined through state wide revenue projections that are paid to individual school districts based on pupil counts and other factors in the state school fund revenue formula. Since these projections and pupil counts fluctuate they can cause increases or decreases in revenue. Due to these future uncertainties at the state level, the future effect on the School's operations cannot be determined.

The School operates under authority of the Silver Falls School District who grants a charter to the School and exercises oversight as required by Oregon law. The effect of non-renewal of the charter has not been determined.

The Covid-19 outbreak in the United States has caused disruption through mandated closure of both government and business activities. These developments are expected to impact School revenue. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. Therefore, while the School expects this matter to negatively impact its operating results, the related financial impact and duration cannot be reasonably estimated at this time.

7. OPERATING LEASE

The School operates out of a building owned by Silverton Friends Church. The School has an operating lease for use of the building through June 30, 2022. For the fiscal year ended June 30, 2021 the School paid the Church \$40,800 in rent for the use of their facilities. Future minimum lease payments per the lease agreement are as follows:

Fiscal Year Ending June 30	Lease Payments
2022	\$ 40,800
Total	\$ 40,800

COMMUNITY ROOTS CHARTER SCHOOL
MARION COUNTY, OREGON

Other Information: Schedules of Revenues, Expenditures and Changes in Fund Balance

COMMUNITY ROOTS CHARTER SCHOOL
MARION COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
- ACTUAL AND BUDGET -
For the Year Ended June 30, 2021

<u>GENERAL FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
REVENUES:				
Local Sources	\$ 57,600	\$ 57,600	\$ 5,001	\$ (52,599)
State Sources	951,750	951,750	908,216	(43,534)
Federal Sources	-	-	49,882	49,882
Total Revenues	<u>1,009,350</u>	<u>1,009,350</u>	<u>963,099</u>	<u>(46,251)</u>
EXPENDITURES:				
Instruction	736,092	736,092	649,977	86,115
Support Services	251,258	251,258	244,680	6,578
Enterprise and Community Services	10,000	10,000	-	10,000
Contingencies	12,000	12,000	-	12,000
Total Expenditures	<u>1,009,350</u>	<u>1,009,350</u>	<u>894,657</u>	<u>114,693</u>
Net Change in Fund Balance	-	-	68,442	68,442
Beginning Fund Balance	<u>83,000</u>	<u>83,000</u>	<u>102,770</u>	<u>19,770</u>
Ending Fund Balance	<u>\$ 83,000</u>	<u>\$ 83,000</u>	<u>\$ 171,212</u>	<u>\$ 88,212</u>

COMMUNITY ROOTS CHARTER SCHOOL
MARION COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
- ACTUAL AND BUDGET -
For the Year Ended June 30, 2021

<u>FUNDRAISING FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>(NEGATIVE)</u>
From Local Sources:				
Fundraising	\$ 6,000	\$ 6,000	\$ 12,720	\$ 6,720
Grants	-	-	48,597	48,597
Miscellaneous	-	-	5,000	5,000
Total Revenues	<u>6,000</u>	<u>6,000</u>	<u>66,317</u>	<u>60,317</u>
EXPENDITURES:				
Support Services	<u>6,000</u>	<u>6,000</u>	<u>17,646</u>	<u>11,646</u>
Total Expenditures	<u>6,000</u>	<u>6,000</u>	<u>17,646</u>	<u>11,646</u>
Net Change in Fund Balance	-	-	48,671	48,671
Beginning Fund Balance	<u>30,935</u>	<u>30,935</u>	<u>34,512</u>	<u>3,577</u>
Ending Fund Balance	<u><u>\$ 30,935</u></u>	<u><u>\$ 30,935</u></u>	<u><u>\$ 83,183</u></u>	<u><u>\$ 52,248</u></u>

COMMUNITY ROOTS CHARTER SCHOOL
MARION COUNTY, OREGON

Independent Auditors' Report Required by Oregon State Regulations



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Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the Community Roots Charter School as of and for the year ended June 30, 2021, and have issued our report thereon dated January 27, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the Community Roots Charter School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. As such, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

- **Insurance and fidelity bonds in force or required by law.**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**
- **Public charter school requirements.**
- **Programs funded from outside sources.**

In connection with our testing nothing came to our attention that caused us to believe the Community Roots Charter School was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the Community Roots Charter School's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Community Roots Charter School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Community Roots Charter School's internal control over financial reporting.

This report is intended solely for the information and use of the board of directors and management of Community Roots Charter School and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

A handwritten signature in black ink, appearing to read "Ken Allen". The signature is fluid and cursive, with a large initial "K" and "A".

Kenneth Allen, CPA
Municipal Auditor
PAULY, ROGERS AND CO., P.C.