



# West Linn–Wilsonville School District 3JT

## Clackamas County, Oregon



# Comprehensive Annual Financial Report

For The Fiscal Year Ended June 30, 2018

**West Linn-Wilsonville School District No. 3JT  
Clackamas County, Oregon**

**Comprehensive Annual  
Financial Report**

**Year Ended June 30, 2018**

Prepared by the  
Business Office

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Dr. Kathy Ludwig  
Superintendent

Doug Middlestetter  
Chief Financial Officer

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# **INTRODUCTORY SECTION**

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# West Linn-Wilsonville School District 3Jt

ADMINISTRATION BUILDING  
22210 SW Stafford Rd – Tualatin, Oregon 97062  
503-673-7000 or Fax 503-673-7001

December 15, 2018

Citizens & Board of Directors  
West Linn-Wilsonville School District 3Jt  
22210 SW Stafford Rd  
Tualatin, OR 97062

In accordance with the provisions of Oregon Revised Statutes Sections 297.405 through 297.555, known as Municipal Audit Law, submitted herewith is the Comprehensive Annual Financial Report (CAFR) of West Linn-Wilsonville School District 3Jt, Clackamas and Washington counties, Oregon for the year ended June 30, 2018.

This report was prepared by the Business Office of West Linn-Wilsonville School District 3Jt. The responsibility for the completeness, fairness, and accuracy of the data presented and all accompanying disclosures rests with the District. To provide a reasonable basis for making these representations, the District's management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The District's financial statements have been audited by Wilcox Arredondo & Co. a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2018, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2018, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal control and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are presented in the Single Audit Section of this report.

Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

## **THE DISTRICT**

The District is a municipal corporation governed by an elected five-member board. As required by generally accepted accounting principles, these financial statements present financial information of the West Linn-Wilsonville School District No. 3Jt.

Under Oregon State law the District is responsible for educating the children of the District. The District discharges this responsibility by building, operating, and maintaining school facilities; developing and maintaining approved educational programs and courses of study, including vocational programs and programs for handicapped students, in accordance with State standards; and carrying out programs for transportation and feeding of pupils in accordance with District, State, and Federal requirements.

The District is located seven miles south of the City of Portland, Oregon. Within the District's 42 square miles are the cities of West Linn and Wilsonville, as well as several unincorporated towns and areas of Clackamas and Washington Counties. The District was originally formed in 1933 through the consolidation of three smaller districts.

The District and surrounding communities have experienced steady growth over the past three decades. The estimated population of the District has grown from 16,876 in 1980 to 50,761 in 2018. District student membership as of June 30, 2018 was 9,780, which compares to 3,277 in fiscal year 1980. The tax assessed value of property located in the district has grown from just under \$285 million to over \$8.1 billion in the same period. Although the economic declines following 2007 brought the market values down to a low of less than 7.0 billion in 2013, recovery and growth continue to bring values back up, with total market valuation in 2017 now exceeding \$10.9 billion.

The early economy of this area grew as a result of fertile agricultural and timberlands and its access to the Willamette and Columbia rivers. The area then began developing as a suburb of Portland, but over the past two decades has developed its own economic base which includes high technology firms and retail trade and distribution. Even with its rapid development, the County still contains prime agricultural land and a strong agricultural economy.

Interstate Highway 5, which runs through southwestern Clackamas County, has proven to be a major economic stimulus. The area between Wilsonville and Lake Oswego has seen greatly increased commercial and retail activity.

To the south, in the Wilsonville area, the close proximity of I-5 has encouraged warehousing and distribution activities, which require area for expansion and easy transportation connections. Retail stores have become more prominent in the area, as well as strong housing developments.

Easy access to the freeway system has also benefited those areas along Interstate Highway 205, which bisects the County and the District. This bypass link of I-5 runs between Wilsonville in the south and Clark County, Washington in the north. I-205 also connects Clackamas County to Portland International Airport. Most of the segments through Clackamas County were completed during the mid-1970s. At that time major retail and commercial developments occurred in the areas bordering the freeway. Significant smaller infill growth lends a positive impact as well.

## **ECONOMIC CONDITION**

In November, 1996, the voters of the State of Oregon voted by referendum a property tax limitation measure known as "Measure 47." This measure as amended by Measure 50 along with Measure 5, which was approved in November 1990, provides two property tax limitations in the Oregon Constitution. Measure 5 limits the property tax rate to \$5 per \$1,000 in real market value for schools; Measure 50 is a limitation that is based on the assessed value of each parcel of property. Measure 50 was initiated in 1997 by "cutting" the tax on each property to the lesser of the 1996 total property tax reduced by 10% or the 1995 total property tax for schools. Measure 50 also "caps" total operating taxes on each property to a 3% annual increase. Neither of these constitutional measures limits taxes for capital construction bonds.

Legislation passed, subsequent to Measure 50, allowing school districts to refer to voters a "local option" tax. This tax can be levied for up to five years for operation purposes. The tax cannot collect more than the \$5.00 per-thousand of real market value allowed under measure 5 from any property in the school district. On May 16, 2000, district voters approved a Local Option Tax Levy at the rate of \$1.50 per thousand assessed value. Voters passed identical levies in 2004, 2008 and 2014 authorizing additional five-year local option tax levies at \$1.50 per thousand assessed value that will extend through the 2019-20 fiscal year. Due to compression affects, the average "Local Option" taxpayer burden during 2017-18 was approximately 99.4 cents per-thousand of assessed value. Revenues from this tax fall when there is a decrease in real market value. However, with recent economic recoveries, Local Option Tax collections are continuing to show significant increases from a low of \$2,817,057 in 2012-13 to \$8,986,095 in 2018-19.

In response to the rate limitation of Measure 5, the state legislature employs a funding formula which equalizes the annual revenues to each school district in the State based on a per-pupil allocation. Excluding local option taxes, individual school districts are only indirectly dependent upon local property taxes for operating purposes, as the State Formula allocates funds overall.

Clackamas County unemployment rate is under the national average with the most recent rate of 3.5 percent published in June of 2018.

Oregon's current personal income-tax-reliant revenue base continues to have the stability and adequacy shortcomings it has experienced over many years. There is concern that the taxation base is not broad enough to raise the revenues needed for public education and other needed services the state must provide. Recent ballot measures that attempted to fix this situation were not approved by the voters. However, as the local economy responds to recovery and growth, improvements continue to be seen in funding for the needs of education.

## **BUDGET PROCESS**

The District's budget process starts with input and discussions between the school's principals and department heads and the business office. The Superintendent holds meetings with these leaders and with community decision makers to keep them informed of how the State's funding is shaping up as the budget comes together. The Budget Committee meets and weighs in on the proposals, also. Finally, the budget is pulled together and sent to the Board for final approval and adoption.

## MAJOR PROGRAMS

The vision and **mission** of the West Linn-Wilsonville School District is to constantly ask ourselves how we can build and sustain professional learning communities focused on improving conditions for teaching and learning in ways that foster the development and nurturance of each student's potential for life-long intellectual and cultural growth and that readies them for college and career success. The district measures its success by the level of student achievement, participation in extra and co-curricular activities, graduation rates, post-secondary success, and community support.

In its quest for continuous improvement, the school district held two **Futures Conferences** in 1994. These events, preceded by a year of planning, were a part of our strategic planning to move West Linn-Wilsonville Schools into the 21<sup>st</sup> century. Participants sought common ground through dialogue and painted broad strokes of consensus about the goals and values they would ask the school district to live into in the future. One hundred fifty students, teachers, administrators, parents, and members from all sectors of the community spent two-and-a-half rigorous days at each conference. District goals are reviewed, revised as necessary, and adopted annually in response to changes in the community, in the economy, and in response to student needs.

The **vision that evolved** from these meetings is embedded in the question: *How do we create learning communities for the greatest thinkers and most thoughtful people...for the world?* The six vision themes that emerged presented the community and schools with an inviting picture of possibility and launched the district on a challenging and rewarding journey. These themes create a framework within which to work as the district responds to a changing economic and academic landscape. These vision themes of *Personal and Academic Excellence, Personalized Education, Circle of Support, Community Partnerships, Educating the Whole Child, and Integrating Technologies in Daily Learning* guide the work of school board members, teachers, site councils, administrators, children, school support staff and, to an increasing degree, community members in ways that are both global and specific.

The development of systems to support high quality professional learning and in-service continue to be an emphasis in the district. We are committed to supporting all staff in improving the skills and training necessary to improve our effectiveness in delivering powerful instruction and related support services to students and parents.

The general obligation bond passed by voters November 2, 2014 and sold in March, 2015 is now nearly completed, which included the opening of Meridian Creek Middle School, the replacement of Sunset Primary School and also included substantial upgrades in many of the schools in the district. A major emphasis also went into expanding our district security and our technology, realizing that these areas are key to student safety and to preparing our students for a successful future.

The school board has continued to use the services of the long range planning committee which has been in existence since the early 1990's. Long range planning for facilities and associated financial capacity is captured in a long-range plan that is updated on a continual basis. In 2018 and beyond, the community, Long Range Planning Committee, School Board and staff are once again looking to the need to accommodate future student growth in the District, as well as considering other needs for safety, technology and greater student achievement.

Although operating costs continue to rise, with healthy economic recovery continuing in Oregon, our district is benefiting from relative stability of state funding as compared to recent years.

## Awards

The West Linn-Wilsonville School District takes pride in promoting excellence in every aspect of education. It continues to hold the position as being one of the top rated school districts in the state for achieving high levels of student achievement in a wide range of program offerings. The District continues to achieve the highest graduation rate in the State for larger comparable districts.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the West Linn-Wilsonville School District for its comprehensive annual financial report for the fiscal year ended June 30, 2017. This was the 25th consecutive year that the district has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

## ACKNOWLEDGMENTS

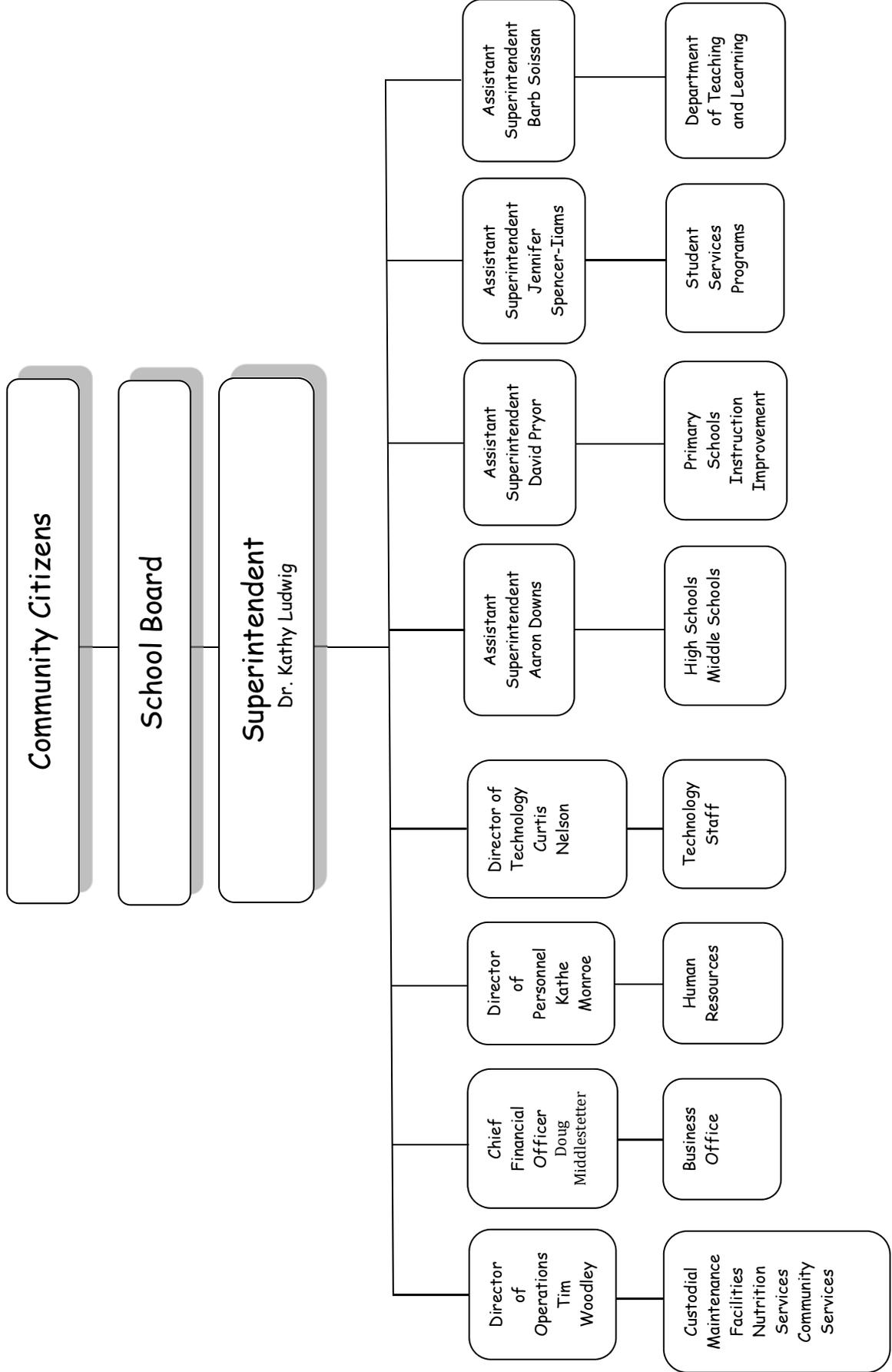
We wish to express our appreciation to the staff of the Business Office and members of other District departments who assisted in the preparation of this Comprehensive Annual Financial Report. We also wish to extend our appreciation to the members of the Board of Education, administrators, employees, and citizens of the district whose continued cooperation, support, and assistance have contributed greatly to the financial stability of the West Linn-Wilsonville School District.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Doug Middlestetter", written over a horizontal line.

Doug Middlestetter, Chief Financial Officer

# West Linn - Wilsonville School District 3JT 2017-18 Organizational Chart



WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT  
CLACKAMAS COUNTY, OREGON

Administration Building  
22210 SW Stafford Road  
Tualatin, OR 97062

Dr. Kathy Ludwig	Superintendent
Dr. Barb Soisson	Assistant Superintendent
Dr. Aaron Downs	Assistant Superintendent
Dr. David Pryor	Assistant Superintendent
Dr. Jennifer Spencer-Liams	Assistant Superintendent
Son Le Hughes Effective July1, 2018	Chief Financial Officer
Doug Middlestetter Through June 30, 2018	Chief Financial Officer

BOARD OF DIRECTORS AS OF JUNE 30, 2018

	<u>Term Expires</u>
Ginger Fitch, Chair	June 30, 2021
Chelsea King Martin, Vice Chair	June 30, 2021
Dylan Hydes, Director	June 30, 2021
Regan Molatore, Director	June 30, 2019
Betty Reynolds, Director	June 30, 2019

The Board of Directors Receives mail at the address above.

LEGAL & BOND COUNSEL

Mersereau Shannon, LLP  
111 SW Columbia Street, #1100  
Portland, OR 97201



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**West Linn-Wilsonville  
School District No. 3JT, Oregon**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2017**

*Christopher P. Morill*

Executive Director/CEO

# **FINANCIAL SECTION**

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# **INDEPENDENT AUDITORS' REPORT**

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To the School Board  
West Linn-Wilsonville School District No. 3JT  
Clackamas County, Oregon

## INDEPENDENT AUDITORS' REPORT

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of West Linn-Wilsonville School District No. 3JT, (District), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the District, as of June 30, 2018, and, the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.



### ***Emphasis of Matter***

As described in Note 13 to the financial statements, during the year ended June 30, 2018, the District adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Changes in Total Other Postemployment Benefits and Related Ratios and Oregon Public Employee Retirement System information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Additionally, accounting principles generally accepted in the United States of America require that the General Fund and Special Revenue Fund budgetary comparison be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the General Fund and Special Revenue Fund budgetary comparison are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Introductory section, the other supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.



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

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

#### **Other Reporting Required by Governmental Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

#### **Reports on Other Legal and Regulatory Requirements**

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 15, 2018, on our consideration of the District's internal control over financial reporting and compliance with certain provisions of laws, regulations, contracts, and grants, 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 internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance.

*Wilcox Arredondo & Co.*

Certified Public Accountants  
Canby, Oregon  
December 15, 2018

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# **MANAGEMENT'S DISCUSSION AND** **ANALYSIS**

**WEST LINN-WILSONVILLE SCHOOL DISTRICT 3JT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2018**

As management of West Linn-Wilsonville School District 3JT (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2018.

**New Accounting Standards Implemented**

The District implemented Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*" (OPEB). This statement replaces the requirements of GASB Statement No. 45, "*Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*", and requires governments to report a liability on the face of the financial statements for the total OPEB liability related to their employees. The implementation of GASB 75 required a restatement of net position as of July 1, 2017, a decrease of \$11,431,795 million. Please refer to the Notes to the Financial Statements for further information.

**Financial Highlights**

- In the government-wide statements, the District's net position decreased by \$4.3 million or 46% during the year ended June 30, 2018 to \$5.04 million. Of this amount, \$87.6 million was a net capital investment in capital assets, \$606,336 was restricted for debt service, \$2.03 million was restricted for other purposes, and a negative net position of \$85.2 million was unrestricted. The negative net position is primarily due to reporting requirements of GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions*" which requires the District to record their proportionate share, \$67.1 million, of the net pension liability of the Oregon Public Employee's Retirement System (OPERS).
- The District's net investment in capital assets increased by \$9.97 million. In addition to capital construction projects funded by the issuance of general obligation bonds in March 2015, the District received a small amount of state grant funds and other resources which were used for capital improvements.
- Unrestricted net assets decreased by \$26.0 million primarily due to the implementation of GASB 75. The Oregon Public Employees Retirement System (OPERS) has provided the District with the audited pension balances necessary to reflect the District's net pension liability. The annual valuation of the net pension liability is affected by many factors including differences from changes in assumptions and differences between projected and actual investment earnings. The PERS board decreased the assumed investment return rate from 7.50% to 7.25%. This change and differences in investment earnings were the primary reasons for the decrease in net position.
- The cost of all of the District's programs per the government-wide Statement of Activities was \$137.6 million, an increase of \$32.3 million from the previous year. Most of this increase is due to changes in pension assumptions.
- The District's governmental funds report combined ending fund balance is \$28.7 million, a decrease of \$16.0 million in comparison to the prior year. This decrease was mainly due to expenditures for buildings and capital projects completed in fulfillment of our 2015 Bond. \$9.2 million of the combined ending fund balance is available for spending at the government's discretion (*unassigned fund balance*).
- The District's total long-term obligations decreased by \$24.0 million during fiscal year 2018. The net pension liability decreased by \$11.6 million and bonds payable (including bond premiums) decreased by \$12.4 million.

**WEST LINN-WILSONVILLE SCHOOL DISTRICT 3JT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2018**

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

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

The *Statement of Net Position*. The *statement of net position* presents information on all of the assets and liabilities of the District at year end. Net position is what remains after the liabilities have been paid or otherwise satisfied. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Activities*. The *statement of activities* presents information showing how the net position of the District changed over the year by tracking revenues, expenses and other transactions that increase or reduce net position. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

In the government-wide financial statements, the District's activities are shown in one category:

- *Governmental activities*. Most of the District's basic functions are shown here, such as regular and special education, child nutrition services, transportation, administration, and facilities acquisition and construction. These activities are primarily financed through property taxes and general obligation bonds, Oregon's State School Fund and other intergovernmental revenues.

**Fund financial statements.** The *fund financial statements* provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The West Linn-Wilsonville School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are reconciled to the government-wide Statements of Net Position and Activities.

The District maintains 4 individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General, Debt Service, and Capital Projects Funds, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided as Supplemental Information.

**WEST LINN-WILSONVILLE SCHOOL DISTRICT 3JT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2018**

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is the same as the government-wide financial statements, only in more detail.

**Notes to the basic financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the District's progress in funding its obligation to provide pension benefits to its employees

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Statement of Net Position.**

The Statement of Net Position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference 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. Net position of the District were comprised of the following:

**Statement of Net Position**

	Governmental Activities		Increase (Decrease)
	Net Position		
	June 30, 2018	June 30, 2017 (**)	
Current and other assets	\$ 49,782,679	\$ 67,781,215	\$ (17,998,536)
Capital assets	279,926,767	269,960,004	9,966,763
<b>Total Assets</b>	<b>329,709,446</b>	<b>337,741,219</b>	<b>(8,031,773)</b>
Deferred Outflows of Resources	27,369,359	48,612,100	(21,242,741)
Long-term debt	331,643,880	344,595,901	(12,952,021)
Other liabilities	17,937,074	31,563,562	(13,626,488)
<b>Total Liabilities</b>	<b>349,580,954</b>	<b>376,159,463</b>	<b>(26,578,509)</b>
Deferred Inflows of Resources	2,462,016	888,604	1,573,412
<b>Net Position</b>			
Net investment in capital assets	87,597,471	90,476,909	(2,879,438)
Restricted	2,631,462	41,211,320	(38,579,858)
Unrestricted	(85,193,098)	(122,382,977)	37,189,879
<b>Total Net Position</b>	<b>\$ 5,035,835</b>	<b>\$ 9,305,252</b>	<b>\$ (4,269,417)</b>

\*\* Restated. See notes to the financial statements

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$5,035,835 at June 30, 2018.

Capital assets, which consist of the District's land, buildings, building improvements, vehicles, and equipment, represent about 84.1 percent of total assets. The remaining assets consist mainly of investments and cash, bond proceeds, grants, and property taxes receivable.

**WEST LINN-WILSONVILLE SCHOOL DISTRICT 3JT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2018**

The District's largest liability is for the repayment of general obligation bonds. Current liabilities, representing about 8.4 percent of the District's total liabilities, consist almost entirely of payables on accounts, payroll withholdings, construction retainage payable, accrued interest payable and the current portion of long-term debt.

The Changes in Net position for the District were as follows

<b>Changes in Net Position For the Year Ended</b>			
	Governmental Activities		Increase (Decrease)
	Change in Net Position		
	June 30, 2018	June 30, 2017	
Revenues:			
Program Revenues:			
Charges for services	\$ 2,241,646	\$ 3,332,450	\$ (1,090,804)
Operating grants	5,497,543	4,029,252	1,468,291
General Revenues:			
Property taxes	56,182,652	53,715,955	2,466,697
Local option	7,793,250	6,791,972	1,001,278
State sources	58,230,043	49,411,772	8,818,271
Earnings on investments	940,691	767,737	172,954
Miscellaneous	6,431,713	7,783,102	(1,351,389)
Total revenues	137,317,538	125,832,240	11,485,298
Expenses:			
Instruction	82,330,132	60,564,628	21,765,504
Support services	38,320,273	30,298,623	8,021,650
Community services	2,284,644	1,683,649	600,995
Facilities services	1,013,531	-	1,013,531
Interest on long-term debt	13,611,839	12,748,141	863,698
Total expenses	137,560,419	105,295,041	32,265,378
Excess (deficiency) before special items	(242,881)	20,537,199	(20,780,080)
Special Items			
Loss on disposition school building	(4,026,536)	-	(4,026,536)
Change in net position	(4,269,417)	20,537,199	(24,806,616)
Net position - July 1, previously reported	9,305,252	21,694,591	(12,389,339)
Restated	-	(32,926,538)	32,926,538
Net position - July 1, restated	\$ 5,035,835	\$ 9,305,252	\$ (4,269,417)

**WEST LINN-WILSONVILLE SCHOOL DISTRICT 3JT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2018**

**Governmental activities.** A comparative analysis discussing and analyzing significant differences from the prior year to the current year is provided on the following page. During fiscal 2017-18, the District's net position decreased by \$4,269,417. This year showed a substantial increase in funding from State sources of over \$8.8 million, thanks to continuing State improved economic conditions, and increased student counts -which directly drive the funding formula. Additionally, receipts from local property taxes increased by \$2.5 million and local option taxes increased by \$1.0 million over what was received during the 2016-17 year. Expenses for the year increased in the area of instruction and support as the District building projects were placed in service. During the year, over \$10.7 million was used to pay down bonded debt. This year over \$22 million worth of construction was paid for, and most was completed and placed in service prior to June 30<sup>th</sup>, 2018. This included the replacement of the Sunset Primary School and the completion of the Meridian Creek Middle School, as well as other projects.

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

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

**Governmental funds.** The focus of the District's governmental funds is to provide information on relatively short-term cash flow and funding for future basic services. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resource's available for spending at the end of a fiscal year.

At June 30, 2018 the District's governmental funds reported combined ending fund balances of \$28,727,841, a decrease of \$19.3 million when compared with 2016-17. This decrease was primarily due to bond construction activity. The bond funds were received and recognized in prior years and shown as a cash asset until construction spending this year shows the use of that cash for building projects. Once converted to capital assets, they are no longer treated as "financial resources" and therefore are not reported in the governmental funds balance sheet.

*General Fund.* The General Fund is the chief operating fund of the District. As of June 30, 2018, unassigned fund balance was \$9,227,907 and the non-spendable balance was \$341,906 for a total ending fund balance of \$9,569,813. As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. This year's fund balance represents about 9.4 percent of total General Fund expenditures. The fund balance increased by \$2,569,813 during the current fiscal year. This increase was attributable mostly to increased State funding and increased student count as stated above, plus the inclusion of the PERS reserve funds into the General Fund balance as restated in the beginning fund balance.

*Debt Service Fund.* As of June 30, 2018, the ending fund balance was \$1,170,821, a decrease of \$519,457 when compared to the prior year. This decrease is due to levy rate adjustments to bring the fund balance back down to an appropriate level for the needs of this fund.

*Capital Projects Fund.* The Capital Projects Fund has a total fund balance of \$15,962,081, which is designated for the capital needs specified in the general obligation bond approved on November 4, 2014, which has mostly been spent. The two major projects from that bond consisted of replacement of Sunset Primary School as well as the construction of the new Meridian Creek Middle School. These two schools were completed and opened in the fall of 2017.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Our budget anticipated a State funding level for education of \$7.8 billion. However, as the District entered a new funding biennium, the 2017-18 Budget benefited from significant revenue increases over the previous year due to continued economic growth and a sustained commitment to increased funding levels set by the State's Legislature. The final funding amount came in at \$8.2 billion. Although significant State funding increases were not fully anticipated in the budget, revenue increases from the State of approximately \$7.75 million were received over what was anticipated. The Budget anticipated another sizable increase in receipts from the Local Option Tax over the previous year, as the local property tax values continued to keep pace with local property value increases. Actual receipts came in higher than the previous year but were over \$730,000 less than the budgeted amount. In spite of that difference, it still was a good year for funding. The overall net projected ending fun balance increased by

**WEST LINN-WILSONVILLE SCHOOL DISTRICT 3JT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2018**

\$9,569,813 over what was budgeted for 2017-18. The greatest contributors to this increase were added state funding, growth in student counts, local option taxes, a strong beginning fund balance, and reclassification of the PERS reserve monies –moving them into the General Fund. The increase allowed us to add approximately 15 more teaching staff than the 18-20 that was already increased in the budget at the beginning of the year.

On the expenditure side, wage increases were budgeted based on estimates of a new year of contracts to be negotiated for the 2017-19 biennium. These cost increases, plus growing staff level additions allowed by greater student counts and increased State funding amounted to 2017-18 added costs of approximately \$4.5 million in budget increases over the previous years' budget. Health insurance premiums, payroll costs and PERS costs were budgeted to increase an additional \$2.8 million in the 2017-18 year. Purchased services for staff training and for repairs, supplies and contingency for unanticipated repairs were all budgeted at almost \$100,000 lower for all compared to the previous year. The main reason for the decrease was budgeting a lower contingency amount. These increases and other miscellaneous budgeted expenses increased operating cost estimates for the year by \$7.3 million over the previous year's budget. Although the budget anticipated the use of cash reserves to complete the year, increases in revenue mentioned above, and savings from not tapping into the contingency reserve helped the District's actual inflows to exceed its expenditures by \$2.9 million for the year.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital assets.** The District's investment in capital assets includes land, buildings and improvements, vehicles and equipment. As of June 30, 2018, the District had invested \$279,926,767 in capital assets, net of depreciation.

Additional information on the District's capital assets can be found on page 31 in the notes to the financial statements.

**Long-term debt.** As of June 30, 2018, the District had total debt outstanding of \$331,461,568. Please refer to the notes to page 32 in the financial statements for more information.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

Resources supporting District General Fund operations primarily reflect local and state revenues, with additional income representing federal, county and other sources. Under Oregon's current funding method, the largest segment of revenue funding continues to be determined by the State School Fund formula. Utilizing this method, the majority of funding provided by the State to the District is based on the District's average daily membership of students –a system of counting student attendance for the year.

Economic stability and growth continue to shore up the overall economy in Oregon and the Nation as reflected in the progress the District is making in achieving a much more predictable and stable funding environment. This is allowing the District's continued commitment to investing its resources directly into the classroom by supporting full-day kindergarten, pre-school expanding to more building locations, emphasis on a rigorous program of staff training, and by promoting quality of educational excellence whenever and wherever possible. Additionally, financial stability has improved as the District has added to its ending fund balance reserve. The results of these and other efforts are evident in the high level of successful graduation rates in the district.

The 2017-18 Budget was based on a K-12 state funding level of \$7.8 billion, which was an increase over the prior biennium funding level-but was still a number lower than what educators believed was necessary to aggressively forward learning in Oregon. However, in an effort to shore up support in the absence of solid funding options, the State decided to split the funding for the biennium in a 50/50 formula, hoping to later increase funding in the second year to restore better funding to account for second-year roll-up costs. Even with that added help, changes in statute and priority considerations and head-line expense issues dominated the budget process. While the State has continued to experience steady economic growth, the legislators continued to struggle with competing requests for funding in an ongoing attempt to help stabilize the important educational elements that were decreased in earlier recessionary years. This 2017-18 budget was eventually improved with the State's passing of funding at the \$8.2 billion funding level, which allowed for more stable funding and staffing in order to avoid class size increases. The District continues to advance with renewed focus to further develop its educational excellence.

**WEST LINN-WILSONVILLE SCHOOL DISTRICT 3JT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2018**

The District is moving forward with planning for continued community growth, and has completed all of its major current construction projects and most of its smaller projects. The District continues to focus on making additional improvements for safety, adding facilities upgrades where needed. Planning continues as the District positions its strategy to meet the growing needs of the communities of West Linn and Wilsonville going into the next biennium. All these factors, and more, help position the District for success of our educational programs as we move into the new 2019-21 biennium and beyond.

**REQUESTS FOR INFORMATION**

This financial report is designed to present the user (citizens, taxpayers, investors, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District's Chief Finance Officer at 22210 SW Stafford Road, Tualatin, Oregon 97062.

# **BASIC FINANCIAL STATEMENTS**

WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT  
STATEMENT OF NET POSITION  
June 30, 2018

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash and Investments	\$ 41,235,384
Property Taxes and Other Receivables	8,135,018
Interfund Receivable	-
Inventory	70,371
Prepaid Expenses	341,906
Capital Assets	
Land and Constructions in Progress - Non Depreciable	21,149,583
Capital Assets, Net of Depreciation	<u>258,777,184</u>
Total Assets	<u>329,709,446</u>
<b>Deferred Outflows of Resources</b>	
Deferred Charge on Refunding	2,044,414
Pension Deferrals - PERS	24,830,671
Pension Deferrals - Stipend Benefit	<u>494,274</u>
Total Deferred Outflows of Resources	<u>27,369,359</u>
<b>Liabilities</b>	
Accounts Payable	2,501,882
Accrued Payroll and Payroll liabilities	14,631,546
Retainage Payable	214,846
Accrued Interest Payable	564,485
Unearned Revenue	23,954
Due to Other Funds	361
Long-term Obligations	
Due Within One Year	
Bonds Payable	11,146,753
Accrued Compensated Absences	182,314
Due in More than One Year	
Bonds Payable	233,374,038
Proportionate Share of Net Pension Liability	67,093,506
Other Postemployment Benefits, Implicit Rate Subsidy	17,257,862
Net Pension Liability, Stipend Benefit	<u>2,589,407</u>
Total Liabilities	<u>349,580,954</u>
<b>Deferred Inflows of Resources</b>	
Pension Deferrals - PERS	2,454,621
Net Pension Liability, Stipend Benefit	<u>7,395</u>
Total Deferred Inflows of Resources	<u>2,462,016</u>
<b>Net Position</b>	
Net investment in Capital Assets	87,597,471
Restricted for:	
Special Grants and Services	2,025,126
Debt Services	606,336
Unrestricted	<u>(85,193,098)</u>
Total Net Position	<u>\$ 5,035,835</u>

See notes to the basic financial statements.

WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT  
 STATEMENT OF ACTIVITIES  
 Year Ended June 30, 2018

	Program Revenues			Net (Expense) Revenue and Change In Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	
Functions/Programs				
Governmental Activities:				
Instructional Services	\$ 82,330,132	\$ 1,191,477	\$ 2,968,721	\$ (78,169,934)
Supporting Services	38,320,273	-	1,109,017	(37,211,256)
Community Services	2,284,644	1,050,169	1,419,805	185,330
Facilities Acquisition	1,013,531	-	-	(1,013,531)
Interest on Long-term Debt	13,611,839	-	-	(13,611,839)
<b>Total Governmental Activities</b>	<b>\$ 137,560,419</b>	<b>\$ 2,241,646</b>	<b>\$ 5,497,543</b>	<b>(129,821,230)</b>
General Revenues				
Property Taxes				56,182,652
Local Option Tax				7,793,250
State School Fund and Common School Fund				58,230,043
ESD Apportionment and County School Fund				1,781,658
Miscellaneous Local and Other Sources				4,650,055
Earnings on Investments				940,691
Special Items				
Loss on Disposition of School Building and Improvements				(4,026,536)
<b>Total general revenues and Special Items</b>				<b>125,551,813</b>
<b>Change in Net Position</b>				<b>(4,269,417)</b>
Net Position				
Beginning of year, as restated				9,305,252
<b>End of year</b>				<b>\$ 5,035,835</b>

See notes to the basic financial statements.

WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2018

	General	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Totals
<b>ASSETS</b>					
Cash and Investments	\$ 24,010,363	\$ -	\$ (373,762)	\$ 17,598,783	\$ 41,235,384
Property Taxes and Other Receivables	4,561,633	1,981,009	1,420,162	172,214	8,135,018
Inventory, at Cost	-	70,371	-	-	70,371
Deposits	-	-	-	-	-
Prepaid Expenses	341,906	-	-	-	341,906
Due from Other funds	-	111,915	1,394,651	-	1,506,566
	<u>28,913,902</u>	<u>2,163,295</u>	<u>2,441,051</u>	<u>17,770,997</u>	<u>51,289,245</u>
Total Assets	<u>\$ 28,913,902</u>	<u>\$ 2,163,295</u>	<u>\$ 2,441,051</u>	<u>\$ 17,770,997</u>	<u>\$ 51,289,245</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ 1,189,993	\$ 51,023	\$ -	\$ 1,260,866	\$ 2,501,882
Accrued Payroll and Payroll liabilities	14,568,354	63,192	-	-	14,631,546
Due to Other Funds	1,173,723	-	-	333,204	1,506,927
Retainage Payable	-	-	-	214,846	214,846
Unearned Revenue	-	23,954	-	-	23,954
	<u>16,932,070</u>	<u>138,169</u>	<u>-</u>	<u>1,808,916</u>	<u>18,879,155</u>
Total Liabilities	<u>16,932,070</u>	<u>138,169</u>	<u>-</u>	<u>1,808,916</u>	<u>18,879,155</u>
<b>DEFERRED INLFOWS OF RESOURCES</b>					
Unavailable Revenue - Property Taxes	2,412,019	-	1,270,230	-	3,682,249
	<u>2,412,019</u>	<u>-</u>	<u>1,270,230</u>	<u>-</u>	<u>3,682,249</u>
Total Deferred Inflows of Resources	<u>2,412,019</u>	<u>-</u>	<u>1,270,230</u>	<u>-</u>	<u>3,682,249</u>
<b>FUND BALANCES</b>					
Nonspendable	341,906	70,371	-	-	412,277
Restricted for					
Special Grants and Services	-	1,954,755	-	-	1,954,755
Debt Service	-	-	1,170,821	-	1,170,821
Future Capital Projects	-	-	-	15,962,081	15,962,081
Unassigned	9,227,907	-	-	-	9,227,907
	<u>9,569,813</u>	<u>2,025,126</u>	<u>1,170,821</u>	<u>15,962,081</u>	<u>28,727,841</u>
Total Fund Balances	<u>9,569,813</u>	<u>2,025,126</u>	<u>1,170,821</u>	<u>15,962,081</u>	<u>28,727,841</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 28,913,902</u>	<u>\$ 2,163,295</u>	<u>\$ 2,441,051</u>	<u>\$ 17,770,997</u>	<u>\$ 51,289,245</u>

See notes to the basic financial statements.

WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT  
 RECONCILIATION OF GOVERNMENTAL FUNDS  
 BALANCE SHEET TO STATEMENT OF NET POSITION  
 June 30, 2018

Total fund balances - governmental funds \$ 28,727,841

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

Capital assets are not financial resources and therefore are not reported in the governmental funds:

Cost	\$ 365,914,963	
Accumulated depreciation	<u>(85,988,196)</u>	279,926,767

A portion of the District's property taxes are collected after year-end but are not available soon enough to pay for the current years' operations, and therefore are not reported as revenue in the governmental funds. 3,682,249

The net pension liability is not due and payable in the current period, and therefore is not reported as a liability in the governmental funds (67,093,506)

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds.

Deferred outflows of resources related to refunding	2,044,414	
Deferred outflows of resources related to pensions- PERS	24,830,671	
Deferred outflows of resources related to pensions -stipend benefit	494,274	
Deferred inflows of resources related to pensions - PERS	(2,454,621)	
Deferred inflows of resources related to stipend benefit	<u>(7,395)</u>	24,907,343

Long-term obligations 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 obligations consist of:

Accrued interest payable	(564,485)	
Accrued Compensated Absences	(182,314)	
Bonds payable	(244,520,791)	
Net OPEB obligations	(17,257,862)	
Net Pension Liability, Stipend Benefit	<u>(2,589,407)</u>	<u>(265,114,859)</u>

Total Net Position \$ 5,035,835

WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT  
 GOVERNMENTAL FUNDS  
 STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 Year Ended June 30, 2018

	General	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
<b>Revenues</b>					
Property Taxes	\$ 34,388,787	\$ -	\$ 21,235,144	\$ -	\$ 55,623,931
Local Option Levy	7,793,250	-	-	-	7,793,250
Construction Excise Tax	-	-	-	657,672	657,672
Tuition	314,756	-	-	-	314,756
Fees	876,721	1,050,169	-	-	1,926,890
Rentals	117,672	245,738	-	-	363,410
Earnings from Investments	653,176	-	33,155	254,360	940,691
Services Provided Other Funds	-	-	4,100,191	-	4,100,191
Miscellaneous	845,883	15,227	11,966	2,745,985	3,619,061
State and Intermediate Sources	60,011,701	2,324,289	-	-	62,335,990
Federal Sources	9,912	3,173,254	-	-	3,183,166
<b>Total Revenues</b>	<b>105,011,858</b>	<b>6,808,677</b>	<b>25,380,456</b>	<b>3,658,017</b>	<b>140,859,008</b>
<b>Expenditures</b>					
<b>Current</b>					
Instruction	67,484,223	3,077,504	-	-	70,561,727
Support Services	34,596,296	1,149,655	-	-	35,745,951
Enterprise and Community Services	-	2,171,560	-	-	2,171,560
<b>Debt Service</b>					
Principal	-	-	10,701,504	-	10,701,504
Interest	-	-	15,198,409	-	15,198,409
<b>Capital Outlay</b>					
Instruction	54,583	20,449	-	-	75,032
Support Services	7,006	-	-	-	7,006
Facilities Acquisition and Construction	-	-	-	22,465,707	22,465,707
<b>Total Expenditures</b>	<b>102,142,108</b>	<b>6,419,168</b>	<b>25,899,913</b>	<b>22,465,707</b>	<b>156,926,896</b>
<b>Excess (Deficiency) of</b>					
<b>Revenues Over (Under) Expenditures</b>					
<b>and Net Change in Fund Balance</b>	2,869,750	389,509	(519,457)	(18,807,690)	(16,067,888)
<b>Fund Balances</b>					
Beginning of Year, as restated	6,700,063	1,635,617	1,690,278	34,769,771	44,795,729
End of year	\$ 9,569,813	\$ 2,025,126	\$ 1,170,821	\$ 15,962,081	\$ 28,727,841

See notes to the basic financial statements.

WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
Year Ended June 30, 2018

Net Change in Fund Balances - total governmental funds \$ (16,067,888)

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

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

Expenditures for capital assets	\$ 21,510,203	
(Loss) on disposition of assets	(4,026,536)	
Less current year depreciation	<u>(7,516,904)</u>	9,966,763

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This is the net effect of these differences in the treatment of long-term debt.

Principal payments	10,701,204	
Change in accrued vacation	<u>46,388</u>	10,747,592

Governmental funds report the effect of issuance costs, premiums, and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences:

Amortization of deferred charge on refunding bonds	(136,294)	
Amortization of premium	<u>1,744,353</u>	1,608,059

(Increases) decreases in proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds. (11,322,769)

In the statement of activities interest is accrued on long-term debt, whereas in the governmental funds it is recorded as interest expenses when due. (21,489)

Property taxes that do not meet the measurable and available criteria are not recognized as revenues in the current year in the governmental funds. In the statement of activities property taxes are recognized as revenue when levied. 558,721

In the statement of activities, contributions for other postemployment benefits less than the actuarially determined contribution amount increase the other postemployment benefit obligation. In the governmental funds the entire contribution is recognized as an expenditure. This is the amount by which the obligation increased. 261,594

Change in Net Position \$ (4,269,417)

WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT  
 STATEMENT OF NET POSITION  
 FIDUCIARY FUNDS  
 June 30, 2018

	Private Purpose Trust Fund	Agency Fund
Assets		
Cash and investments	\$ 249,797	\$ 1,019,179
Other Receivables	361	-
Total Assets	<u>250,158</u>	<u>1,019,179</u>
Liabilities		
Due to Student Organizaitons	-	1,019,179
Total Liabilities	<u>-</u>	<u>1,019,179</u>
Net Position		
Held in trust for:		
Scholarships	250,158	-
Total Net Position	<u>\$ 250,158</u>	<u>\$ -</u>

See notes to the basic financial statements.

WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT  
 STATEMENT OF CHANGES IN NET POSITION  
 FIDUCIARY FUNDS  
 Year Ended June 30, 2018

	Private Purpose Trust Fund
Additions:	
Investment earnings	\$ 4,174
Total Additions	<u>4,174</u>
Deductions:	
Scholarships	<u>-</u>
Total Deductions	<u>-</u>
Change in Net Position	4,174
Net Position	
Beginning of Year	<u>245,984</u>
End of Year	<u><u>\$ 250,158</u></u>

See notes to the basic financial statements.

1. Summary of Significant Accounting Policies

Reporting Entity

West Linn-Wilsonville School District No.3JT (the District) is a municipal corporation governed by an elected five-member Board. The Board approves the hiring of administrative officials. The daily functioning of the District is under supervision of the Superintendent. As required by generally accepted accounting principles, all financial activities of the District have been included in the basic financial statements.

The District qualifies as a primary government since it has a separately elected governing body, is a legally separate entity, and is fiscally independent. There are various governmental agencies and special districts, which provide service within the District's boundaries, however, the District is not financially accountable for any of these entities, and therefore, none of them are considered component units or included in these basic financial statements. The Three Rivers Charter School is the Districts only charter school, however it does not qualify for reporting as a component unit.

Basis of Presentation

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities display information about the District. These statements include the governmental financial activities of the overall District, except fiduciary activities. Governmental activities are financed primarily through property taxes, intergovernmental revenues, and charges for services.

The Statement of Activities presents a comparison between direct expenses and program revenues for each of its functions/programs. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to that function. Program revenues include: (1) charges to students or others for tuition, fees, rentals, material, supplies, or services provided, (2) operating grants and contributions and (3) capital grants and contributions. Revenues not classified as program revenues, including property taxes and state supports, are presented as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter is excluded from the governmental-wide financial statements.

Net position is reported restricted when constraints placed on the net position use are either externally restricted, imposed by creditors (such as grantors, contributors or laws) or through constitutional provisions or enabling resolutions.

FUND FINANCIAL STATEMENTS

The fund financial statements provide information about the District's funds including those of a fiduciary nature. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as other governmental funds.

The District reports the following major governmental funds:

General Fund – This fund accounts for all revenues and expenditures except for those required to be accounted for in another fund. The principal revenue sources are property taxes and an apportionment from the State of Oregon. Expenditures in the fund are made for instructional purposes and related support services.

1. Summary of Significant Accounting Policies (Continued)

Basis of Presentation – FUND FINANCIAL STATEMENTS (Continued)

Special Revenue Fund - This fund accounts for the revenues and expenditures of specific educational programs funded from federal, state and local sources. Principal sources of revenue are federal and state grants paid to the District through state and county agencies and other grants paid to the District directly from state, local and private agencies.

Debt Service Fund - This fund is used for the accumulation of resources and payment of general obligation and PERS bond principal and interest. Primary resources in these funds are property taxes, earnings on investments and charges to other funds.

Capital Projects Fund – This fund accounts for activities related to the acquisition, construction, equipping and furnishing of new schools and other facilities. Principal revenue sources are proceeds from general obligation bond issues and related interest earned on proceeds not yet expended.

Additionally, the District reports the following fund types:

Fiduciary Funds – The private-purpose trust scholarship fund and Agency Fund are used to account for scholarship resources and student activities held by the District in a fiduciary capacity for use by students. Disbursements from these funds are made in accordance with the trust and donor agreements.

Measurement Focus and Basis of Accounting

Government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District receives value without giving equal value in exchange, include property taxes, grants, entitlements and donations. On the accrual basis of accounting, revenue from property taxes is recognized in the fiscal year for which all eligibility requirements have been satisfied. Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

Governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Property taxes and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt and claims and judgments, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in the governmental funds and proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources.

The Agency Fund has no measurement focus and reports only assets and liabilities.

1. Summary of Significant Accounting Policies (Continued)

Budget

A budget is prepared and legally adopted for each governmental fund type and private purpose trust on the modified accrual basis of accounting. The budgetary basis of accounting is the same as accounting principles generally accepted in the United States of America basis for the governmental fund types and private purpose trust fund, except that capital outlay expenditures, including items below the District's capitalization level, are budgeted by function in the governmental fund types. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations.

Appropriations are established at the major function level (instruction, support services, enterprise and community services, facilities acquisition and construction, debt service, operating contingency and transfers) for each fund. The detail budget document, however, is required to contain more specific, detailed information for the aforementioned expenditure categories. Unexpected additional resources may be added to the budget through the use of supplemental budget and appropriation resolution.

Supplemental budgets less than 10% of fund's budget may be adopted by the Board at a regular meeting. A supplemental budget greater than 10% of a fund's original budget requires a hearing before the public, publication in newspapers and approval by the Board. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control (major function levels) with Board approval. The District's appropriations lapse at year-end. Expenditures of the various funds were within authorized appropriations except for expenditures exceeded appropriations in the General Fund for the Instruction function by \$93,927 and for the Support Services function by \$851,929. The Special Revenue Fund Enterprise and Community Services function expended \$7,747 in excess of appropriations while the Debt Service Fund Debt Service function expenditures exceeded appropriations by \$41,609.

Cash and Investments

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

Fair Value Inputs and Methodologies and Hierarchy

Fair value is defined as the price that would be received to sell an asset or 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 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/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 not 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 and 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 (including each Funds own assumptions used in determining the fair value of investments).

1. Summary of Significant Accounting Policies (Continued)

Fair Value Inputs and Methodologies and Hierarchy (Continued)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgement exercised in determining fair value is greatest for instruments categorized as 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.

Investments

The District's investments consist of U.S. Government Treasury securities, U.S. Government Agency securities and the State of Oregon Treasurer's Local Government Investment Pool (LGIP). The District's investments are reported at fair value based upon quoted market rates. Changes in fair value of investments are recorded as investment earnings. The LGIP is stated at costs which approximates fair value. Fair value of the LGIP is the same as the District's value in the pool shares.

The Oregon State Treasury administers the LGIP. It is an open-ended, no-load diversified portfolio offered to any agency, political subdivision or public corporation of the State that by law is made the custodian of, or has control of, any fund. The LGIP is commingled with State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon legislature established the Oregon Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury in the management and investment options of the LGIP.

Property Taxes Receivable

Property taxes are levied and become a lien on all taxable property as of July 1. Collections dates are November 15, February 15, and May 15 following the lien date. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent. Uncollected property taxes are recorded on the Statement of Net Position. Uncollected taxes are deemed to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established. All property taxes receivable are due from property owners within the District

Accounts and Other Receivables

Accounts and other receivables are comprised primarily of State school support and claims for reimbursement of costs under various federal and state grants. All accounts receivable are current and no allowance for uncollectible accounts is made as management believes them to be collectible.

Inventories and Prepaid Items

Inventories of supplies are valued at cost, first-in, first-out (FIFO) method. Any donated inventories are stated at their estimated fair market value. The cost of inventory items are recognized as an expenditure when purchased (purchase method) for budgetary purposes. A portion of the inventory consists of donated United States Department of Agriculture (USDA) commodities. Commodities are recorded as expenditures when consumed and are stated at their fair market value based on guidelines provided by the USDA. Commodities on hand at year end are recorded as deferred revenue. As a result, fund balance on the balance sheet has not been reserved for inventories of donated commodities. All other inventories in the governmental funds have been equally offset by an adjustment for inventory recorded under the consumption method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items both in the government-wide and fund financial statements.

1. Summary of Significant Accounting Policies (Continued)

Grants

Unreimbursed grant expenditures due from grantor agencies are reflected in the basic financial statements as receivables and revenues. Grant revenues are recorded at the time eligible expenditures are incurred. Grant monies received prior to the occurrence of qualifying expenditures are recorded as unearned revenue.

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 (OPERS) and additions to/deductions from OPERS fiduciary net position have been determined on the same basis as they are reported by OPERS. 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.

Capital Assets

Capital assets are recorded at original cost or estimated original cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at their acquisition value on the date donated. The District defines capital assets as assets with an initial cost of more than \$5,000 and an estimated life in excess of one year. Interest incurred during construction is not capitalized. Maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following useful lives.

Buildings and improvements	10 to 50 years
Vehicles and Equipment	5 to 20 years

Deferred outflows/inflows of resources

In addition to assets, the statement of net position and balance sheet 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 or fund balance that applies to a future period(s) so will not be recognized as an outflow of resources (expense/expenditure) until that time. The government has three items that arise only under a full accrual basis of accounting that qualify for reporting in this category. The statement of net position reports one type related to the net PERS pension liability, Stipend Benefit and one type related to bond refunding. These amounts are deferred and recognized as an outflow of resources in the period that the amounts become available.

In addition to liabilities, the statement of net position and balance sheet 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 or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has three items that arise for reporting in this category. The balance sheet reports unavailable revenues from one source: property taxes. The statement of net position reports two types related to the net PERS pension liability and stipend benefit. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

1. Summary of Significant Accounting Policies (Continued)

Retirement Plans

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

The District offers its employees a tax deferred annuity plan established pursuant to Section 403(b) and 457(b) of the Internal Revenue Code.

Post Employment Health Care Benefits

Eligible employees who elect early retirement are entitled to participate in the District's group medical insurance plan. Such costs are recorded as expenses in the General Fund and are funded as premiums become due.

Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the District. All unused vacation pay is accrued, if material, when earned in the government-wide financial statements. A liability is accrued in the governmental funds when the amount matures.

Long-term Debt

In the government-wide financial statements long-term debt is reported as a liability in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of applicable bond premium or discount. Bond issuance costs are expensed in the period incurred. Savings realized from advance refunding of debt are recorded as deferred outflows of resources and amortized over the remaining life of the related defeased debt.

In the fund financial statements bond premiums and discounts are recognized when incurred and are not deferred. The face amount of the debt issued, premiums received on debt issuances, and discounts are reported as other financing sources and uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Interfund Transactions

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. This includes interfund transfers occurring within governmental activities and interfund receivables and payables.

Interfund Receivables/Payables

The District maintains a cash pool that is available for use by all funds. The cash pool account is maintained in the General Fund, while activity between funds utilizing this cash is referred to as Due to/from Other Funds in each fund at the end of the fiscal year in the fund basis financial statements. All interfund loan balances are considered current and are eliminated in the government-wide financial statements.

1. Summary of Significant Accounting Policies (Continued)

Fund Balances

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

Governmental fund balances are classified as nonspendable, restricted, committed, assigned or unassigned. Following are descriptions of fund classifications used by the district:

*Nonspendable fund balance* includes items not immediately converted to cash, such as prepaid items and inventory.

*Restricted fund balance* includes amounts that have constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.

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

The governing body has approved the following order of spending regarding fund balance categories: The spending of restricted fund balances on purposes for which such funds can be used to occur first when funds are spent for restricted and unrestricted purposes. When unrestricted classifications of fund balance are spent, the board will consider the committed (if applicable) amounts will be reduced first, followed by assigned (if applicable) amounts and then unassigned amounts.

Net Position

In the government-wide financial statements, net position is classified in the following categories:

*Net Investment in Capital Assets* – This amount consist of capital assets net of accumulated depreciation and reduced by outstanding debt attributed to the acquisition, construction, or improvement of the assets. In addition, the District has unspent bond proceeds in the form of cash and investments to fund bond expenditures in subsequent years.

*Restricted net position* – This amount is restricted when constraints placed on the net position use are either externally restricted, imposed by creditors (such as grantors, contributors or laws) or through constitutional provisions or enabling resolutions.

*Unrestricted net position* – This amount is all net positions that do not meet the definition of “net invested in capital assets” or “restricted net position”.

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 Year Ended June 30, 2018

2. Cash and Investments

The District maintains a cash pool that is available for use by all funds except the agency fund. Each fund type's portion of this pool is reported on the Combined Balance Sheet as Cash and Investments or Due to/from other funds. In addition, cash is separately held by certain funds of the District.

Cash and investments on June 30, 2018 consist of the following:

Deposits with Banks	\$ 6,838,743
Investments	<u>35,665,617</u>
	<u>\$ 42,504,360</u>

Cash and investments are shown on the basic financial statements as:

Statement of Net Position	
Cash and Investments	\$ 41,235,384
Statement of Net Position - Fiduciary Funds	
Cash and Investments - Private Purpose Trust	249,797
Cash and Investments - Agency Fund	<u>1,019,179</u>
	<u>\$ 42,504,360</u>

Deposits

*Custodial credit risk – Deposits*

Custodial credit risk for deposits is the risk that in the event of bank failure, the District's deposits may not be returned to the District. Insurance and collateral requirements for the deposits are established by federal banking regulations and Oregon law. State statutes require that the District's deposits be covered by the Federal Deposit Insurance Corporation (FDIC) or by a multiple financial institution collateral pool under ORS 295.015 which is administered by the State of Oregon Office of the Treasury.

Deposits with financial institutions include primarily bank demand and money market deposits. The balances in these accounts according to the District's records total \$6,807,819 on June 30, 2018. The bank statement records reflect a balance of \$8,617,081 at year end. Of this amount, \$662,766 is covered by the FDIC's general deposit insurance rules. As required by Oregon Revised Statutes, deposits in excess of federal depository insurance were held at a qualified depository for public funds. All qualified depositories for public funds are included in the multiple financial institution collateral pool that is maintained by and in the name of the Office of State Treasurer. As a result the District has no exposure to custodial credit risk for deposits with financial institutions.

Investments

State of Oregon statutes restrict the types of investments in which the District may invest. Authorized investments include obligations of the United States Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, time certificates of deposit, certain commercial paper, and the State of Oregon Treasurer's Local Government Investment Pool.

WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 Year Ended June 30, 2018

2. Cash and Investments (Continued)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity in Years</u>	<u>% of Investment Portfolio</u>
Commercial Paper	\$ 1,994,412	0.58	6%
Commercial Securities	2,993,340	0.75	8%
U.S. Government Agency Securities	2,997,340	1.33	8%
Municipal Bonds	990,050	1.00	3%
Local Government Investment Pool	<u>26,690,475</u>	<u>0.08</u>	<u>75%</u>
	<u>\$ 35,665,617</u>	<u>0.25</u>	<u>100%</u>

The District categorizes its fair value measurements within the fair value hierarchy established by generally acceptable accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of an asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant observable inputs. Investments in Commercial Paper, Commercial Securities, U.S. Treasury securities and U.S. Agency securities are valued using quoted market prices (Level 1 inputs).

The “weighted average maturity in years” calculation assumes that all investments are held until maturity.

*Interest rate risk – investments.* Interest rate risks is the risk that changes in interest rates will adversely affect the fair value of an investment. The District minimizes interest rate risk by structuring the investment portfolio so that securities mature to meet the cash requirements for ongoing operations and capital construction projects, thereby avoiding the need to sell securities in the open market, and investing primarily in the Local Government Investment Pool (LGIP). Funds may be invested in the LGIP to the extent permitted by ORS 294.810. Excess amounts are invested in adherence with the portfolio maturity constraints.

*Concentration of credit risk – investments.* The Oregon State Treasurer’s Local Government Investment Pool (LGIP) is subject to regulatory oversight by the Oregon Secretary of State and is not required to be categorized by risk. The LGIP is stated at cost, which approximates fair value. Fair value of the LGIP is the same as the District’s value in the pool shares. The Oregon State Treasurer maintains the Oregon Short-Term Fund, of which the LGIP is a part. It is not registered with the U.S. Securities and Exchange Commission. The Fund currently has no credit rating as assigned by the credit rating agencies. On June 30, 2018 the fund’s composite weighted rating was equivalent to S&P’s AA ratings. The State’s investment policies are governed by statute and the Oregon Investment Council (Council). The State Treasurer is the investment officer for the Council and is responsible for all funds in the State Treasury. Investments in the Fund are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board (OSTFB) and approved by the Oregon Investment Council (ORS 294.805 to 294.895).

As of June 30, 2018, and for the year then ended, the District was in compliance with the State of Oregon statutes regarding investments as discussed under Note 1 and the District’s investment policies.

3. Accounts, Property Taxes and Grants Receivable

Receivables are comprised of the following as of June 30,2018:

Uncollected Property Taxes	\$ 4,033,268
Other Receivables	<u>4,101,750</u>
Total	<u>\$ 8,135,018</u>

WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 Year Ended June 30, 2018

4. Capital Assets

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

	Balance July 1, 2017	Increases	Decreases	Balance June 30, 2018
Capital assets not being depreciated:				
Land	\$ 8,396,480	\$ -	\$ -	\$ 8,396,480
Construction in Progress	66,415,373	20,789,837	(74,452,107)	12,753,103
<b>Total Capital Assets not being depreciated</b>	<b>74,811,853</b>	<b>20,789,837</b>	<b>(74,452,107)</b>	<b>21,149,583</b>
Capital assets being depreciated:				
Buildings and improvements	254,947,220	72,554,378	(5,444,613)	322,056,985
Site improvements	15,209,620	908,533	(482,447)	15,635,706
Equipment	5,533,250	1,709,564	(170,125)	7,072,689
<b>Total capital assets being depreciated</b>	<b>275,690,090</b>	<b>75,172,475</b>	<b>(6,097,185)</b>	<b>344,765,380</b>
Less accumulated depreciation for:				
Buildings and improvements	(71,626,374)	(6,354,841)	1,826,612	(76,154,603)
Site improvements	(4,881,817)	(659,369)	184,119	(5,357,067)
Equipment	(4,033,750)	(502,694)	59,918	(4,476,526)
<b>Total accumulated depreciation</b>	<b>(80,541,941)</b>	<b>(7,516,904)</b>	<b>2,070,649</b>	<b>(85,988,196)</b>
<b>Total capital assets being depreciated, net</b>	<b>195,148,149</b>	<b>67,655,571</b>	<b>(4,026,536)</b>	<b>258,777,184</b>
<b>Total capital assets, net</b>	<b>\$ 269,960,002</b>	<b>\$ 88,445,408</b>	<b>\$ (78,478,643)</b>	<b>\$ 279,926,767</b>

Depreciation expense for the year was charged to the following programs:

Program	
Instructional programs	\$ 6,690,094
Supporting services	814,010
Community services	12,800
<b>Total depreciation expense</b>	<b>\$ 7,516,904</b>

Construction Commitments - The District has active construction projects as of June 30, 2018. As of the end of the fiscal year, the District is committed under various accepted bid agreements and contracts for approximately \$7,913,806 for goods, services and construction of facilities.

5. Long-Term Debt

General Long-Term Debt

General Obligation Bonds – General obligation bonds are direct obligations and pledge the full faith and credit of the District. The District issues general obligation bonds to provide funds for the acquisition and construction of school facilities. The original amount of general obligation bonds issued in current and prior years was \$439,007,238.

Advance Refunding Bonds - In July 2002 general obligation refunding bonds were issued. The proceeds of the new bonds were placed in an irrevocable trust to provide for future debt service payments on the 1992 bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the basic financial statements.

In November of 2004, general obligation refunding bonds were issued. The proceeds of the new bonds were placed in an irrevocable trust to provide for future debt service payments on the 1997 bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the basic financial statements. The advance refunding was undertaken to reduce total debt service payments over the next 12 years by \$1,509,930.

The government issued \$161,390,000 in general obligation and refunding bonds with interest rates between 2% and 5%. The proceeds were used to refund \$81,395,000 of outstanding Series 2009 general obligation bonds which had interest rates ranging from 2.5% to 5%. Of the \$189,333,774 net proceeds (including a \$27,943,774 premium) \$94,617,780 were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on refundable bonds.

The District refunded the Series 2009 general obligation bonds to reduce its total debt service payments over 19 years by \$10,435,273, resulting in an economic gain of \$4,939,752.

On June 30, 2018, \$82,100,000 of bonds outstanding are considered defeased.

Pension Obligation Bonds – On March 1, 2014, the District issued \$42,180,000 of limited tax pension obligation bonds to finance its portion of the unfunded actuarial liability (UAL) with the State of Oregon Public Employees Retirement System (PERS). The actual savings realized over the life of the bonds is uncertain because of the various legislative changes and legal issues pending with the PERS system which could impact the future required contribution rate.

WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
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5. Long-Term Debt (Continued)

Bonds payable are as follows:

Issue Date	Issue Amount	Outstanding July 1, 2017	Additions	Reductions	Outstanding June 30, 2018	Due Within One Year	Interest Rates
General Obligation Bonds:							
05/03	\$ 74,997,238	\$ 35,798,066	\$ -	\$ 6,356,204	\$ 29,441,862	\$ 6,231,753	2.0% - 4.78%
2009	2,655,172	2,495,000	-	1,225,000	1,270,000	1,270,000	3.0% - 4.25%
03/15	161,390,000	155,475,000	-	1,375,000	154,100,000	1,615,000	2.0% - 5.0%
		193,768,066	-	8,956,204	184,811,862	9,116,753	
Limited Tax Pension Obligation Bonds:							
03/04	42,180,000	35,900,000	-	1,745,000	34,155,000	2,030,000	2.0% - 4.78%
Total G.O. and Pension Bonds		229,668,066	-	10,701,204	218,966,862	\$ 11,146,753	
Unamortized premium		27,298,282	-	1,744,353	25,553,929		
Net Pension Liability - PERS		78,384,174	-	11,290,668	67,093,506		
Net OPEB Obligation		17,328,809	-	70,947	17,257,862		
Net Pension Liability - Stipend		2,846,476	-	257,069	2,589,407		
total Long-term Debt		\$ 355,525,807	\$ -	\$ 24,064,241	\$ 331,461,566		

Payments on the general obligation bonds are made by the Debt Service Fund from property taxes and earnings on investments. Payments on pension bonds are made by the Debt Service Fund from revenue charges to other funds.

Future maturities are as follows:

Fiscal Year	Bonds	Interest Due
2018-2019	\$ 11,146,753	\$ 15,632,018
2019-2020	11,583,221	16,080,669
2020-2021	10,596,065	16,405,214
2021-2022	8,736,928	16,820,628
2022-2023	9,008,895	17,328,103
2023-2028	91,290,000	32,959,819
2028-2033	76,605,000	9,536,500
	\$ 218,966,862	\$ 124,762,951

WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT  
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 Year Ended June 30, 2018

6. Interfund Receivables/Payables & Transfers

The composition of due to/due from balances as of June 30, 2017 is as follows:

	Due From	Due to
Major Government Funds		
General Fund	\$ -	\$ 1,173,723
Special Revenue Fund	111,915	-
Debt Service Fund	1,394,651	-
Capital Projects Fund	-	333,204
Private Purpose Trust	361	-
	<u>\$ 1,506,927</u>	<u>\$ 1,506,927</u>

The District maintains a cash pool that is available for use by all funds. Each fund type's portion of this pool is reported as either Cash and Investments or Due to/from Other Funds. Interfund receivables and payables (Due to / Due from Other Funds) arise during normal processing of receipts and disbursements for all funds through a single checking account and do not represent interfund loans.

7. Accrued Compensated Absences

The General Fund and Grant Fund are the primary funds from which the compensated absences balance liability is liquidated.

The change in the balance of accrued compensated absences for the year ended June 30, 2018 was as follows:

Outstanding July 1, 2017	Increase	Payments	Outstanding June 30, 2018	Due within One Year
\$ 228,702	\$ 182,314	\$ (228,702)	\$ 182,314	\$ 182,314

8. Pension Plan

Plan Description

The District participates in the Oregon Public Employees Retirement System (OPERS), a cost-sharing, multiple-employer defined benefit plan. OPERS provides retirement, disability, and death benefits to plan members and their beneficiaries.

All benefits of OPERS are established by the Oregon Legislature pursuant to Oregon Revised Statutes (ORS) Chapters 238 and 238A. The plan complies with Internal Revenue Service rules prescribed in 401(a). The Oregon Legislature has delegated the authority to the Public Employees Retirement Board (PERB) to administer and manage the system. OPERS issues a publicly available financial report that can be obtained at: [http://www.oregon.gov/pers/Pages/section/financial\\_reports/financials.aspx](http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx). OPERS prepares their financial statements in accordance with GASB statements and generally accepted accounting principles. The accrual basis of accounting is used for all funds. Contributions are recognized when due, pursuant to legal (or statutory) requirements. Benefits are recognized in the month they are earned and withdrawals are recognized in the month they are due and payable. Investments are recognized at fair value, the amount at which financial instruments could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

8. Pension Plan (Continued)

There are currently two programs within OPERS, with eligibility determined by the date of employment. Those employed prior to August 29, 2003 are OPERS Program members, and benefits are provided based on whether a member qualifies for Tier One or Tier Two described below. Those employed on or after August 29, 2003 are Oregon Public Service Retirement Plan (OPSRP) Program members. OPERS is a hybrid retirement plan with two components: 1) the Pension Program (defined benefit; established and maintained as a tax-qualified governmental defined benefit plan), and 2) the Individual Account Program (IAP) (defined contribution; established and maintained as a tax-qualified governmental defined contribution plan).

The 1995 Legislature created a second tier of benefits for those who became OPERS Program members after 1995 but before August 29, 2003. The second tier does not have the Tier One assumed earnings rate guarantee.

Beginning January 1, 2004, all employees who were active members of OPERS became members of the OPSRP IAP Program. OPERS plan member contributions (the employee contribution, whether made by the employee or "picked-up" by the employer) go into the IAP portion of OPSRP. OPERS plan members retain their existing OPERS accounts; however, member contributions after January 1, 2004 are deposited in the member's IAP, not into the member's OPERS account.

a. Tier One/Tier Two Retirement Benefit Plan (Chapter 238).

Pension Benefits

The PERS retirement allowance is payable monthly for life. It may be selected from thirteen 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 (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.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer. General service employees may retire after reaching age 55. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60.

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

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:

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

8. Pension Plan (Continued)

Disability Benefits

A member with ten 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 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 when determining the 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. Under current law, the cap on the COLA in fiscal year 2017 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

b. OPSRP Pension Program (Chapter 238A)

Pension Benefits.

The OPSRP Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. For general service employees benefits are calculated with the following formula: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

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

Death Benefits

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

Disability Benefits

A member who has accrued ten 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. Under current law, the cap on the COLA in fiscal year 2017 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

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8. Pension Plan (Continued)

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. 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, 2015 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2017. The District made a lump sum payment to establish side accounts in 2004, which reduced the District rates below the standard School District Pool rates. The District's contractually required contribution rate for the year ended June 30, 2018 was 18.56% of eligible payroll for Tier 1/Tier 2 members and 13.23% of eligible payroll for OPSRP members. Employer contributions for the year ended June 30, 2018 were \$8,032,855, excluding amounts to fund employer specific liabilities. \$4,100,191 was charged for the year ended June 30, 2018 as PERS benefit expenditures to be used for bond payments as they become due. In addition, \$3,083,925 in employee contributions were paid by the district for the year ended June 30, 2017.

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

At June 30, 2018, the District reported a liability of \$67,093,506 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015 rolled forward to June 30, 2017. The District's proportion of the net pension liability was based on the District's projected long-term contribution effort to the Plan with the total projected long-term contribution effort of all employers, actuarially determined. At June 30, 2017 the District's proportion was .497% which was .025% less than its proportion measured as of June 30, 2018.

For the year ended June 30, 2018, the District recognized a pension expense of \$11.32 million. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 3,244,670	
Changes in assumptions	12,229,949	
Net difference between projected and actual earnings on investments	691,220	
Changes in proportionate share	1,324,760	\$ 1,817,255
Differences between employer contributions and employer's proportionate share of system contributions`	45,535	637,366
District contributions subsequent to the measurement date	<u>7,294,537</u>	<u>-</u>
Total	<u>\$ 24,830,671</u>	<u>\$ 2,454,621</u>

WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT  
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 Year Ended June 30, 2018

8. Pension Plan (Continued)

District contributions subsequent to the measurement date of \$7,294,671 reported as deferred outflows of resources related to pensions will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported by the District as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in subsequent years as follows:

	Pension Expense
June 30, 2019	\$ 2,972,491
June 30, 2020	8,403,534
June 30, 2021	5,650,440
June 30, 2022	(1,918,533)
June 30, 2023	(26,419)

Actuarial Methods and Assumptions:

Actuarial Valuations

The employer contribution rates effective July 1, 2017, through June 30, 2018, were set using the projected unit credit actuarial cost method.

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

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

Actuarial Assumptions

The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

Valuation Date	December 31, 2015
Measurement Date	June 30, 2017
Experience Study Report	2014, published September 2015
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	2.50 percent (reduced from 2.75%)
Investment 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%)

8. Pension Plan (Continued)

Cost of living adjustments (COLA)	Blend of 2% COLA and graded COLA (1.25%/0.15% in accordance with <i>Moro</i> decision; blend based on service.
Mortality	<p><b>Healthy retirees and beneficiaries:</b> RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation.</p> <p><b>Active members:</b> Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation.</p> <p><b>Disabled retirees:</b> Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 Sex-distinct, generational per Scale BB, disabled mortality Sex-distinct table.</p>

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 ending on December 31, 2014.

Discount Rate

The discount rate used to measure the total pension liability 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 pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Assumed Asset Allocation

Asset Class/Strategy			OIC Target
Cash			0.0
Debt Securities			20.0
Public Equity			37.5
Private Equity			17.5
Real Estate			12.5
Alternative Equity			12.5
Opportunity Portfolio			0.0
Total			100.0

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8. Pension Plan (Continued)

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. For more information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means, see PERS' audited financial statements at:

[http://www.oregon.gov/pers/docs/financial\\_reports/2017\\_cafr.pdf](http://www.oregon.gov/pers/docs/financial_reports/2017_cafr.pdf)

Asset Class	Target	Compound Annual Return (Geometric)
Core Fixed Income	8.00%	4.00%
Short-Term Bonds	8.00	3.61
Bank/Leveraged Loans	3.00	5.42
High Yield Bonds	1.00	6.20
Large/Mid Cap US Equities	15.75	6.70
Small Cap US Equities	1.31	6.99
Micro Cap US Equities	1.31	7.01
Developed Foreign Equities	13.13	6.73
Emerging Foreign Equities	4.12	7.25
Non-US Small Cap Equities	1.88	7.22
Private Equity	17.50	7.97
Real Estate (Property)	10.00	5.84
Real Estate (REITS)	2.50	6.69
Hedge Fund of Funds-Diver	2.50	4.64
Hedge Fund – Event Driven	0.63	6.72
Timber	1.88	5.85
Farmland	1.88	6.37
Infrastructure	3.75	7.13
Commodities	1.88	4.58
Assumed inflation - Mean		2.50

8. Pension Plan (Continued)

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 discount rate that is one percentage point lower (6.50 percent) or one percentage point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension liability (asset)	\$ 114,339,585	\$ 67,093,506	\$ 27,587,035

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report. The effect of OPERS on the District's net position has been determined on the same basis used by OPERS.

Changes in Plan Provisions Effecting the Roll Forward

There are no changes in actuarial methods, allocation, and assumption since the December 31, 2015 actuarial valuation.

9. Other Post Employment Benefits

Plan Description – Post Employment Health Care Benefits

The District, as a result of collective bargaining agreements, offers a post-employment health care subsidy under a single-employer, defined benefit plan. All employees covered under the District's medical benefits plan at the time of retirement are eligible. Employees must retire from active service while eligible for a pension benefit payable immediately under Oregon PERS. This plan is not a stand-alone plan and therefore does not issue its own financial statements. The General Fund has been used to liquidate this liability.

Retirees and their dependents under age 65 are allowed to continue the health care coverages received prior to retirement. Premiums for retirees are tiered and based upon the premium rates available to active employees. The retiree is responsible for any portion of the premiums not paid by the District.

The implicit employer subsidy is measured as the expected health care cost per retiree and dependent, less the gross premiums charged by the insurance carrier for that coverage. The subsidy is only measured for retirees and spouses younger than 65, at which point such retirees and spouses typically become eligible for Medicare

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. It has not been found necessary to establish a pension trust fund. Benefit payments are paid on a pay as you go basis each year out of the General Fund.

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9. Other Post Employment Benefits – (Continued)

Other Post Employment Benefit Health Insurance Subsidy

Total OPEB Liability – The District’s total OPEB liability of \$17,257,862 was measured as of June 30, 2017 and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and Other Inputs* - The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	June 30, 2017
Measurement date	June 30, 2018 rolled forward
Actuarial cost method	Entry Age Normal, level percent of salary.
Actuarial assumptions:	
Discount rate	3.58% per year, based on all years discounted at municipal bond rate.
Inflation rate	2.50% per year
Salary increases	3.25% per year
Healthcare cost trend rates	Increase from 2.5% to 5.0% in 2017-2018 depending on plan selected by employees
Mortality rates	As developed for the valuation of benefits under Oregon PERS and vary by years of service.
Turnover rates	As developed for the valuation of benefits under Oregon PERS and vary by years of service.
Disability rates	As developed for the valuation of benefits under Oregon PERS and vary by employee age.
Retirement rates	As developed for the valuation of benefits under Oregon PERS and vary by employee age.

Changes in the Total OPEB Liability:

Balance at June 30, 2017	\$ 17,328,809
Service cost	509,638
Interest	597,494
Benefit payments	<u>(1,178,079)</u>
Balance at June 30, 2018	<u>\$ 17,257,862</u>

At June 30, 2018, the District reported no deferred outflows of resources and deferred inflows of resources related to OPEB.

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9. Other Post Employment Benefits – (Continued)

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate* - The following presents the total OPEB liability of the District, as well as what that the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.58 percent) or one percentage point higher (4.58 percent) than the current rate:

	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
Total OPEB Liability	\$ 18,347,544	\$ 17,257,862	\$ 16,221,523

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Trend Rate* - The following presents the total OPEB liability of the District, as well as what that the District's total OPEB liability would be if it were calculated using a healthcare trend rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease	Current Health Care Trend Rates	1% Increase
Total OPEB Liability	\$ 15,630,557	\$ 17,257,862	\$ 19,127,688

Stipend Benefit

Plan Description - A single employer defined benefit supplemental early retirement program is maintained for qualifying employees. An early retirement stipend plan is provided for Teachers pursuant to a collective bargaining agreement. An early retirement stipend has also been established by administrative policy for Administrative, Confidential, and Supervisors employees (CSA Group). Qualifying teachers must have 15 years of full-time service with the District, eligible for PERS retirement (age 55 or 30 years of PERS service), and be hired before July 1, 2007. Eligible CSA employees must have 10 years of full-time service and be eligible for PERS retirement (age 55 or 30 years of PERS Service). No separate audited GAAP basis postemployment benefit plan report is available for the defined benefit plan. The optional early retirement program provides eligible employees with the following:

- For Teachers, \$500 per month for the earlier of 48 months, aged 62, or death.
- For CSA employees, \$500 per month for 48 months, or to the date of death, whichever occurs first.

There is no explicit assumption regarding the inflation rate, the plan has an investment return of 3% which is the discount rate since the plans are unfunded by GASB standards, and there are no projected salary increases or post-retirement benefit increases for the plan. This plan uses the level dollar amortization method. Contributions and Funding Policy - The benefits from this program are fully paid and, consequently, no no funding policy is required.

Funding Policy – There is no obligation on the part of the District to fund these benefits in advance. The benefit from this program is paid by retired employees on a self-pay basis and the required contributions is based on projected pay-as-you go financing requirements out of the General Fund.

Total OPEB Stipend Liability – The District's total OPEB Stipend liability of \$2,589,407 was measured as of June 30, 2017 and was determined by an actuarial valuation as of that date.

WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT  
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9. Other Post Employment Benefits – (Continued)

*Actuarial Assumptions and Other Inputs* - The total OPEB Stipend liability in the June 30, 2017 actuarial valuation was determined using the actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified. See table in health insurance subsidy section.

Changes in the Total OPEB Stipend Liability:

Balance at June 30, 2017	\$ 2,846,476
Service Cost	65,846
Interest	94,433
Recognition of Deferred Outflows	67,432
Recognition of Deferred Inflows	(1,010)
Benefit payments	<u>(483,770)</u>
Balance at June 30, 2018	<u>\$ 2,589,407</u>

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB Stipend from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 494,274	\$ -
Changes in assumptions or other inputs	<u>-</u>	<u>7,395</u>
Total	<u>\$ 494,274</u>	<u>\$ 7,395</u>

Amounts reported by the District as deferred outflows of resources and deferred inflows of resources related to OPEB Stipend will be recognized in pension expense in subsequent years as follows:

	<u>Expense</u>
June 30, 2019	\$ 66,422
June 30, 2020	66,422
June 30, 2021	66,422
June 30, 2022	66,422
June 30, 2023	66,422
Thereafter	154,769

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate* - The following presents the total OPEB liability of the District, as well as what that the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.58 percent) or one percentage point higher (4.58 percent) than the current rate:

	<u>1% Decrease (2.58%)</u>	<u>Current Discount Rate (3.58%)</u>	<u>1% Increase (4.58%)</u>
Total Net Pension Liability - Stipend Benefit	\$ 2,681,592	\$ 2,589,407	\$ 2,498,274

9. Other Post Employment Benefits – (Continued)

Tax Sheltered Annuity and Deferred Compensation Arrangements

The District offers its employees a tax deferred annuity program established pursuant to Section 403(b) of the Internal Revenue Code (the Code). Contributions are made through salary reductions from participating employee's up to the amounts specified in the Code. As of June 30, 2018, 308 employees were participating in the plan.

The District had a deferred compensation plan available for its employees wherein they may execute an individual agreement with the District for amounts earned by them to not be paid until a future date when certain circumstances are met. These circumstances are: termination by reason of death, disability, resignation or retirement. Payment to the employee will be made over a period not to exceed 15 years. The deferred compensation plan is one which is authorized under Section 457 of the Code and has been approved in its specifics by a private ruling from the Internal Revenue Service. The assets of the plan are held by the administration for the sole benefit of the plan participants and are not considered assets or liabilities of the District. As of June 30, 2018, 7 employees were participating in the plan.

10. 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; injuries to employees; and natural disasters. The District carries commercial insurance to minimize exposure risks. The amount of settlements did not exceed insurance coverage limits in any of the past three years.

11. Contingent Liabilities

The amounts of grant revenue reflected in the financial statements are subject to audit and adjustment by grantor agencies, principally the federal government. Any costs that are questioned or recommended to be disallowed which ultimately result in disallowed claims may become a liability of the District. The amount, if any, of costs which may be disallowed by the grantor cannot be determined at this time, although District management expects such amounts, if any, to be immaterial.

The District, in the regular course of business, is named as a defendant in various lawsuits. The likely outcome of these lawsuits is not presently determinable.

The District is dependent on the State of Oregon for a substantial portion of its operating funds. Due to funding uncertainties at the State level, future funding for school district may be reduced. The ultimate effect of this possible reduction in funding on the District's future operations is not yet determinable.

12. Property Tax Abatements

The District's property tax revenue was reduced by \$75,944 under Nonprofit Corporation Low Income Housing agreements by other municipalities within the District's boundaries.

WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 Year Ended June 30, 2018

13. New Accounting Standards Implemented

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

GASB statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. GASB Statement No. 75 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expenses for postemployment benefits other than pensions.

14. Prior Period Restatements

During the year, the District adopted GASB 75 as described in the previous note. Additionally, the District discovered certain assets and liabilities were overstated or understated in the previously issued financial statements. These restatements had the following effect on the net position/fund balance of the District:

Net position at June 30, 2017	\$ 42,231,790
Change in reporting for total OPEB liability - GASB 75	(11,431,795)
Overstated fixed assets	(21,805,314)
Overstated Interest payable	1,414,085
Understated loss on bond refunding	2,180,708
Understated bond premium	(54,266)
Overstated property tax receivable - General Fund	(143,798)
Overstated property tax receivable - Debt Service Fund	(204,028)
Move PERS Reserve Liability to General Fund	(2,953,838)
Understated food service inventory	64,903
Grants receivable and deferred revenue adjustments	6,805
	<hr/>
Net position at June 30, 2017, restated	<u>\$ 9,305,252</u>
	<hr/>
Fund Balance at June 30, 2017 - Governmental Fund	\$ 48,025,685
Overstated property tax receivable - General Fund	(143,798)
Overstated property tax receivable - Debt Service Fund	(204,028)
Move PERS Reserve Liability to General Fund	(2,953,838)
Understated food service inventory	64,903
Grants receivable and deferred revenue adjustments	6,805
	<hr/>
Fund Balance at June 30, 2017 - Governmental Funds, Restated	<u>\$ 44,795,729</u>

**REQUIRED**  
**SUPPLEMENTARY INFORMATION**

WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT  
 SCHEDULE OF CHANGES IN TOTAL OTHER  
 POST EMPLOYMENT BENEFITS AND RELATED RATIOS  
 June 30, 2018

OPEB Liability - Medical Benefit

	June 30, 2018
Total OPEB Liability - Beginning	\$ 17,328,809
Service Cost	509,638
Interest	597,494
Benefit Payments	<u>(1,178,079)</u>
Net Change in Total OPEB Liability	<u>(70,947)</u>
Total Liability - End of Year	<u>\$ 17,257,862</u>
Covered Payroll	\$59,233,770
Total OPEB Liability as Percentage of Covered Payroll	29.14%

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for years for which the required supplementary information is available.

Total Pension Liability - Stipend Benefit

	June 30, 2018	June 30, 2017
Total Total Pension Liability - Beginning	\$ 2,846,476	\$ 2,327,850
Service Cost	65,846	63,619
Interest	94,433	78,975
Recognition of deferred outflows	67,432	(9,415)
Recognition of deferred inflows	(1,010)	629,138
Benefit Payments	<u>(483,770)</u>	<u>(243,691)</u>
Net Change in Total Pension Liability	<u>(257,069)</u>	<u>518,626</u>
Total Liability - End of Year	<u>\$ 2,589,407</u>	<u>\$ 2,846,476</u>
Covered Payroll	\$ 15,972,425	\$ 15,432,295
Total OPEB Liability as Percentage of Covered Payroll	16.21%	18.44%

N/A = Not Available

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for years for which the required supplementary information is available.

WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM  
 June 30, 2018

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Fiscal Year Ended	(a) District's Proportion of the net pension Liability (NPL)	(b) District's Proportionate Share of the Net Pension Liability (NPL)	(c) District's Covered Payroll	(b/c) NPL as a Percentage of covered Payroll	Plan Fiduciary net position as a percentage of the total pension liability
June 30, 2014	0.5100%	\$ 25,903,343	49,970,018	51.84%	91.97%
June 30, 2015	0.5100%	-11,505,742	41,485,063	-27.73%	103.60%
June 30, 2016	0.4900%	28,137,018	52,612,703	53.48%	91.90%
June 30, 2017	0.5221%	78,384,174	59,135,440	132.55%	80.50%
June 30, 2018	0.4977%	67,093,506	51,847,547	129.41%	83.12%

The amounts presented each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date.

SCHEDULE OF DISTRICT CONTRIBUTIONS

Fiscal Year Ended	Statutorily required contribution	Contributions in relation to the statutorily required Contribution	Contribuiton deficiency (excess)	District's Covered payroll	Contributions as a percent of covered payroll
June 30, 2014	\$ 7,667,387	\$ 7,667,387	\$ -	41,485,063	18.48%
June 30, 2015	8,158,233	8,158,233	-	52,612,703	15.51%
June 30, 2016	8,781,366	8,781,366	-	59,135,440	14.85%
June 30, 2017	9,273,315	9,273,315	-	51,847,547	17.89%
June 30, 2018	11,578,991	11,578,991	-	57,278,896	20.22%

These schedules are presented to illustrate information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
Year Ended June 30, 2018

	Budget		Actual	Variance with Final budget
	Adopted	Final		
Revenues				
Revenues from Local Sources				
Property Taxes	\$ 34,777,975	\$ 34,777,975	\$ 34,388,787	\$ (389,188)
Local Option Levy	8,524,800	8,524,800	7,793,250	(731,550)
Tuition	280,715	280,715	314,756	34,041
Earnings from Investments	223,850	223,850	653,176	429,326
Fees	895,683	895,683	876,721	(18,962)
Rentals	152,340	152,340	117,672	(34,668)
Miscellaneous Local Sources	490,267	490,267	845,883	355,616
Total Local Sources	45,345,630	45,345,630	44,990,245	(355,385)
Revenues from Intermediate Sources				
ESD Apportionment	1,485,500	1,485,500	1,780,238	294,738
County School Fund	2,000	2,000	1,420	(580)
Total Intermediate Sources	1,487,500	1,487,500	1,781,658	294,158
Revenues from State Sources				
State School Fund Support	48,484,667	48,484,667	56,239,588	7,754,921
Common School Fund and Other State Sources	1,470,317	1,470,317	1,990,455	520,138
Total State Sources	49,954,984	49,954,984	58,230,043	8,275,059
Revenues from Federal Sources				
Federal Forest Fees	7,500	7,500	9,912	2,412
Total Revenues	96,795,614	96,795,614	105,011,858	16,430,076
Expenditures				
Instruction *	66,844,879	67,444,879	67,538,806	(93,927)
Support Services *	33,551,373	33,751,373	34,603,302	(851,929)
Contingencies *	1,251,422	451,422	-	451,422
Total Expenditures	101,647,674	101,647,674	102,142,108	(494,434)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,852,060)	(4,852,060)	2,869,750	7,721,810
Other Financing Sources (Uses):				
Transfers in	200	200	-	(200)
Transfers (out) *	(100)	(100)	-	100
Total Other Financing Sources (Uses)	100	100	-	(100)
Net Change in Fund Balance	(4,851,960)	(4,851,960)	2,869,750	7,721,710
Fund Balance				
Beginning of Year, as restated	4,851,960	4,851,960	6,700,063	1,848,103
End of Year	\$ -	\$ -	\$ 9,569,813	\$ 9,569,813

\* Legally adopted appropriation level

WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
Year Ended June 30, 2018

	Budget		Actual	Variance with Final budget
	Adopted	Final		
<b>Revenues</b>				
Local Sources	\$ 1,898,237	\$ 1,898,237	\$ 1,311,134	\$ (587,103)
Intermediate Sources	64,145	64,145	808,501	744,356
State Sources	1,360,635	1,360,635	1,515,788	155,153
Federal Sources	3,664,350	3,664,350	3,173,254	(491,096)
<b>Total Revenues</b>	<b>6,987,367</b>	<b>6,987,367</b>	<b>6,808,677</b>	<b>(178,690)</b>
<b>Expenditures</b>				
Instruction *	3,457,506	3,457,506	3,097,953	359,553
Support Services *	1,261,214	1,261,214	1,149,655	111,559
Enterprise and Community Services *	2,163,813	2,163,813	2,171,560	(7,747)
Contingency *	2,408,159	2,408,159	-	2,408,159
<b>Total Expenditures</b>	<b>9,290,692</b>	<b>9,290,692</b>	<b>6,419,168</b>	<b>2,871,524</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>				
	(2,303,325)	(2,303,325)	389,509	2,692,834
<b>Other Financing Sources (Uses):</b>				
Transfers in	200	200	-	(200)
Transfers (Out)	(300)	(300)	-	300
<b>Total Other Financing Sources (Uses):</b>	<b>(100)</b>	<b>(100)</b>	<b>-</b>	<b>300</b>
<b>Net Change in Fund Balance</b>	<b>(2,303,425)</b>	<b>(2,303,425)</b>	<b>389,509</b>	<b>2,692,934</b>
<b>Fund Balances</b>				
Beginning of Year as Restated	2,303,425	2,303,425	1,635,617	(667,808)
End of Year	\$ -	\$ -	\$ 2,025,126	\$ 2,025,126

\* Legally adopted appropriation level

1. Other Postemployment Benefits

The schedule of changes in total other postemployment benefits and related ratios will eventually present 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.

2. Employee Retirement Pension Benefits.

Changes in Plan Provisions

A summary of key changes in plan provisions are described in the Oregon Public Employees Retirement System's GASB information found at:

<https://www.oregon.gov/pers/EMP/Pages/gasb-68.aspx>

Changes in Assumptions

A summary of key changes implemented since the December 31, 2015 valuation are described in the Oregon Public Retirement System's GASB 68 disclosure information which can be found at:

<https://www.oregon.gov/pers/EMP/Pages/gasb-68.aspx>

Additional detail and a comprehensive list of changes in methods and assumptions can be found in the 2014 Experience Study for the System, which was published on September 23, 2015, and can be found at:

[https://www.oregon.gov/pers/docs/2014\\_experience\\_study\\_9-23-15.pdf](https://www.oregon.gov/pers/docs/2014_experience_study_9-23-15.pdf)

3. Budget

A budget is prepared and legally adopted for the General Fund and Special Revenue Fund on the modified accrual basis of accounting. The budgetary basis of accounting is the same as accounting principles generally accepted in the United States of America basis for the governmental fund types, proprietary fund type and private purpose trust fund type. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations.

Appropriations are established at the major function level (instruction, support services, enterprise and community services, facilities acquisition and construction, debt service, operating contingency and transfers) for each fund. The detail budget document, however, is required to contain more specific, detailed information for the aforementioned expenditure categories. Unexpected additional resources may be added to the budget through the use of supplemental budget and appropriation resolution.

Supplemental budgets less than 10% of fund's budget may be adopted by the Board at a regular meeting. A supplemental budget greater than 10% of a fund's original budget requires hearing before the public, publication in newspapers and approval by the Board. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control (major function levels) with Board approval. Appropriations lapse at the end of each fiscal year. Expenditures of the various funds were within authorized appropriations except for expenditures exceeded appropriations in the General Fund for the Instruction function by \$93,927 and for the Support Services function by \$851,929. The Special Revenue Fund Enterprise and Community Services function expended \$7,747 in excess of appropriations while the Debt Service Fund Debt Service function expenditures exceeded appropriations by \$41,609.

# **SUPPLEMENTARY INFORMATION**

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**OTHER MAJOR GOVERNMENTAL FUNDS**

WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
Year Ended June 30, 2018

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
<b>Revenues</b>				
Revenues from Local Sources				
Property Taxes	\$ 21,228,474	\$ 21,228,474	\$ 21,235,144	\$ 6,670
Services Provided Other Funds	3,725,650	3,725,650	4,100,191	374,541
Miscellaneous	-	-	11,966	11,966
Earnings from Investments	1,650	1,650	33,155	31,505
<b>Total Revenue</b>	<b>24,955,774</b>	<b>24,955,774</b>	<b>25,380,456</b>	<b>424,682</b>
<b>Expenditures</b>				
Debt Service *				
Redemption of Principal	10,701,504	10,701,504	10,701,504	-
Interest	15,156,800	15,156,800	15,198,409	(41,609)
Contingency *	512,667	512,667	-	512,667
<b>Total Expenditures</b>	<b>26,370,971</b>	<b>26,370,971</b>	<b>25,899,913</b>	<b>471,058</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,415,197)	(1,415,197)	(519,457)	895,740
<b>Other Financing Sources (Uses)</b>				
Transfers In	100	100	-	(100)
<b>Total Other Financing Sources (Uses)</b>	<b>100</b>	<b>100</b>	<b>-</b>	<b>(100)</b>
Net Change in Fund Balance	(1,415,097)	(1,415,097)	(519,457)	895,640
<b>Fund Balance</b>				
Beginning of Year as Restated	1,415,097	1,415,097	1,690,278	275,181
End of Year	\$ -	\$ -	\$ 1,170,821	\$ 1,170,821

\* Legally adopted appropriation level

WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 Year Ended June 30, 2018

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
<b>Revenues</b>				
Revenues from Local Sources				
Construction Excise Tax	\$ 630,500	\$ 630,500	\$ 657,672	\$ 27,172
Recovery of Prior Year Expenditures	-	-	2,507,331	2,507,331
Miscellaneous Local Sources	-	-	238,654	238,654
Earnings on Investments	484,635	484,635	254,360	(230,275)
<b>Total Revenue</b>	<b>1,115,135</b>	<b>1,115,135</b>	<b>3,658,017</b>	<b>2,542,882</b>
<b>Expenditures</b>				
Facilities Acquisition and Construction *	37,765,758	37,765,758	22,465,707	15,300,051
Contingency *	7,511,650	7,511,650	-	7,511,650
<b>Total Expenditures</b>	<b>45,277,408</b>	<b>45,277,408</b>	<b>22,465,707</b>	<b>22,811,701</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(44,162,273)	(44,162,273)	(18,807,690)	25,354,583
<b>Other Financing Sources</b>				
Proceeds from Bonds Issued	4,500,000	4,500,000	-	(4,500,000)
<b>Total Other Sources *</b>	<b>4,500,000</b>	<b>4,500,000</b>	<b>-</b>	<b>(4,500,000)</b>
<b>Net Change in Fund Balance</b>	<b>(39,662,273)</b>	<b>(39,662,273)</b>	<b>(18,807,690)</b>	<b>20,854,583</b>
<b>Fund Balance</b>				
Beginning of Year	39,662,273	39,662,273	34,769,771	(4,892,502)
End of Year	\$ -	\$ -	\$ 15,962,081	\$ 15,962,081

\* Legally adopted appropriation level

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# **FIDUCIARY FUND**

WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT  
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -  
 FIDUCIARY FUND  
 STUDENT ACTIVITY FUND  
 Year Ended June 30, 2018

	Student Activity Fund			Balances June 30,2018
	Balances July 1, 2017	Additions	Deductions	
<b>Assets</b>				
Cash and Investments	\$ 1,079,957	\$ 2,801,622	\$ 2,862,400	\$ 1,019,179
Total Assets	<u>\$ 1,079,957</u>	<u>\$ 2,801,622</u>	<u>\$ 2,862,400</u>	<u>\$ 1,019,179</u>
<b>Liabilities</b>				
Due to Student Groups	<u>1,079,957</u>	<u>2,801,622</u>	<u>2,862,400</u>	<u>1,019,179</u>
Total Liabilities	<u>\$ 1,079,957</u>	<u>\$ 2,801,622</u>	<u>\$ 2,862,400</u>	<u>\$ 1,019,179</u>

# **OTHER FINANCIAL SCHEDULES**

WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT  
 SUPPLEMENTAL INFORMATION AS REQUIRED  
 BY THE OREGON DEPARTMENT OF EDUCATION  
 Year Ended June 30, 2018

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

	Objects 325 & 326
Function 2540	\$ 1,545,412
Function 2550	-

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

Exclude these functions:

\$	-
----	---

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

**WEST LINN-WILSONVILLE SCHOOL DISTRICT  
SCHEDULE OF REVENUES BY FUNCTION - ALL FUNDS**

**Revenue from Local Sources**

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
1110 Ad Valorem Taxes Levied by District	\$34,375,345		\$21,226,810				
1120 Local Option Ad Valorem Taxes Levied by District	\$7,793,250						
1130 Construction Excise Tax				\$657,673			
1190 Penalties and Interest on Taxes	\$13,442		\$8,334				
1200 Revenue from Local Governmental Units Other Than Districts							
1311 Regular Day School Tuition - From Individuals	\$314,641						
1312 Regular Day School Tuition - Other Dist Within State							
1313 Regular Day School Tuition - Other Districts Outside							
1320 Adult/Continuing Education Tuition							
1330 Summer School Tuition	\$116						
1411 Transportation Fees - From Individuals							
1412 Transportation Fees - Other Dist Within State							
1413 Transportation Fees - Other Districts Outside							
1414 Transportation Fees - Foster Children							
1420 Summer School Transportation Fees							
1500 Earnings on Investments	\$653,176		\$33,155	\$254,360			\$4,174
1600 Food Service		\$999,028					
1700 Extracurricular Activities	\$876,721	\$51,141					\$2,801,622
1800 Community Services Activities							
1910 Rentals	\$117,672	\$245,738					
1920 Contributions and Donations From Private Sources	\$315,676	\$509					
1930 Rental or Lease Payments From Private Contractors							
1940 Services Provided Other Local Education Agencies							
1950 Textbook Sales and Rentals							
1960 Recovery of Prior Years' Expenditure	\$36,210	\$101	\$528	\$2,507,331			
1970 Services Provided Other Funds			\$4,100,191				
1980 Fees Charged to Grants							
1990 Miscellaneous	\$493,995	\$14,617	\$11,439	\$238,653			
<b>Total Revenue from Local Sources</b>	<b>\$44,990,245</b>	<b>\$1,311,134</b>	<b>\$25,380,458</b>	<b>\$3,658,017</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,805,796</b>

**Revenue from Intermediate Sources**

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
2101 County School Funds	\$1,421						
2102 General ESD Revenue	\$1,780,238						
2103 Excess ESD Local Revenue							
2105 Natural Gas, Oil, and Mineral Receipts							
2110 Intermediate "I" Tax							
2199 Other Intermediate Sources		\$754,725					
2200 Restricted Revenue		\$53,776					
2800 Revenue in Lieu of Taxes							
2900 Revenue for/on Behalf of the District							
<b>Total Revenue from Intermediate Sources</b>	<b>\$1,781,659</b>	<b>\$808,501</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Revenue from State Sources**

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
3101 State School Fund - General Support	\$56,239,588						
3102 State School Fund - School Lunch Match		\$18,209					
3103 Common School Fund	\$932,518						
3104 State Managed County Timber							
3106 State School Fund - Accrual							
3199 Other Unrestricted Grants-in-Aid	\$450,791	\$570,952					
3204 Driver Education							
3222 State School Fund (SSF) Transportation Equipment							
3299 Other Restricted Grants-in-Aid	\$607,147	\$926,626					
3800 Revenue in Lieu of Taxes							
3900 Revenue for/on Behalf of the District							
<b>Total Revenue from State Sources</b>	<b>\$58,230,043</b>	<b>\$1,515,788</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Revenue from Federal Sources**

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
4100 Unrestricted Revenue Direct From the Federal Government							
4200 Unrestricted Revenue From the Federal Government Through the State							
4300 Restricted Revenue From the Federal Government							
4500 Restricted Revenue From the Federal Government Through the State		\$2,876,000					
4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies		\$148,298					
4801 Federal Forest Fees	\$9,911						
4802 Impact Aid to School Districts for Operation (PL 874)							
4803 Coos Bay Wagon Road Funds							
4899 Other Revenue in Lieu of Taxes							
4900 Revenue for/on Behalf of the District		\$148,956					
<b>Total Revenue from Federal Sources</b>	<b>\$9,911</b>	<b>\$3,173,254</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Revenue from Other Sources**

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
5100 Long Term Debt Financing Sources							
5200 Interfund Transfers							
5300 Sale of or Compensation for Loss of Fixed Assets							
5400 Resources - Beginning Fund Balance	\$6,700,063	\$1,635,617	\$1,690,278	\$34,769,771			\$1,265,162
<b>Total Revenue from Other Sources</b>	<b>\$6,700,063</b>	<b>\$1,635,617</b>	<b>\$1,690,278</b>	<b>\$34,769,771</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,265,162</b>

**Grand Totals**

<b>Grand Totals</b>	<b>\$111,711,921</b>	<b>\$8,444,294</b>	<b>\$27,070,736</b>	<b>\$38,427,788</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,070,958</b>
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WEST LINN-WILSONVILLE SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES BY FUNCTION/OBJECT - GENERAL FUND

**Fund: 100 General Fund**

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
<b>Instruction Expenditures</b>								
1111 Elementary, K-5 or K-6	\$26,082,968	\$15,931,998	\$9,655,673	\$43,599	\$436,840	\$14,858		
1113 Elementary Extracurricular	\$0							
1121 Middle/Junior High Programs	\$12,016,758	\$7,227,817	\$4,419,373	\$166,622	\$180,328	\$19,746	\$2,873	
1122 Middle/Junior High School Extracurricular	\$364,000	\$229,135	\$81,349	\$15,160	\$28,994		\$9,361	
1131 High School Programs	\$14,440,736	\$8,730,295	\$5,338,628	\$126,441	\$218,861	\$19,979	\$6,532	
1132 High School Extracurricular	\$2,196,342	\$1,335,750	\$408,002	\$269,636	\$138,956		\$43,997	
1140 Pre-Kindergarten Programs	\$402,446	\$291,752	\$107,582		\$3,112			
1210 Programs for the Talented and Gifted	\$524,250	\$317,079	\$123,080	\$56,392	\$27,699			
1220 Restrictive Programs for Students with Disabilities	\$3,108,300	\$1,569,533	\$1,001,062	\$457,696	\$30,009		\$50,000	
1250 Less Restrictive Programs for Students with Disabilities	\$4,594,079	\$2,810,069	\$1,726,715	\$49,784	\$7,511			
1260 Treatment and Habilitation	\$327,829	\$194,286	\$129,616	\$1,535	\$2,392			
1271 Remediation	\$108,621	\$66,300	\$42,321					
1272 Title I	\$0							
1280 Alternative Education	\$1,771,710	\$473,097	\$261,121	\$1,013,041	\$22,670		\$1,781	
1291 English Language Learner Programs	\$1,461,994	\$916,111	\$497,115	\$23,059	\$24,383		\$1,325	
1292 Teen Parent Program	\$0							
1293 Migrant Education	\$0							
1294 Youth Corrections Education	\$0							
1295 English Language Learner - not in programs	\$0							
1299 Other Programs	\$0							
1300 Adult/Continuing Education Programs	\$0							
1400 Summer School Programs	\$138,774	\$99,718	\$34,229		\$4,827			
<b>Total Instruction Expenditures</b>	<b>\$67,538,806</b>	<b>\$40,192,941</b>	<b>\$23,825,866</b>	<b>\$2,222,964</b>	<b>\$1,126,582</b>	<b>\$54,583</b>	<b>\$115,870</b>	<b>\$0</b>
<b>Support Services Expenditures</b>								
2110 Attendance and Social Work Services	\$151,125	\$90,622	\$60,503					
2120 Guidance Services	\$2,143,503	\$1,300,535	\$823,074	\$3,627	\$15,497		\$770	
2130 Health Services	\$374,762	\$214,514	\$141,418	\$8,000	\$10,063		\$768	
2140 Psychological Services	\$495,086	\$295,816	\$184,824	\$8,423	\$6,022			
2150 Speech Pathology and Audiology Services	\$985,989	\$593,736	\$383,790	\$438	\$8,024			
2160 Other Student Treatment Services	\$68,314	\$47,114	\$16,928	\$2,813	\$1,459			
2190 Service Direction, Student Support Services	\$434,584	\$221,957	\$135,851	\$57,797	\$18,715		\$264	
2210 Improvement of Instruction Services	\$1,909,760	\$963,271	\$470,728	\$259,151	\$215,604		\$1,005	
2220 Educational Media Services	\$1,331,752	\$713,435	\$501,687	\$9,587	\$106,978		\$65	
2230 Assessment & Testing	\$102,220	\$102,220						
2240 Instructional Staff Development	\$379,164		\$379,164					
2310 Board of Education Services	\$117,550			\$113,776	\$1,414		\$2,360	
2320 Executive Administration Services	\$573,633	\$246,931	\$142,189	\$85,527	\$60,261		\$38,726	
2410 Office of the Principal Services	\$6,517,980	\$3,857,974	\$2,340,028	\$237,464	\$80,779		\$1,735	
2490 Other Support Services - School Administration	\$0							
2510 Direction of Business Support Services	\$682,327	\$123,553	\$71,228	\$16,004	\$293		\$471,250	
2520 Fiscal Services	\$586,938	\$267,591	\$212,218	\$28,601	\$48,658		\$29,871	
2540 Operation and Maintenance of Plant Services	\$9,089,458	\$3,285,160	\$2,126,069	\$3,028,960	\$642,263	\$7,006		
2550 Student Transportation Services	\$4,878,656			\$4,878,656				
2570 Internal Services	\$202,133	\$87,474	\$59,392	\$54,458	\$809			
2610 Direction of Central Support Services	\$0							
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$22,000			\$22,000				
2630 Information Services	\$117,074	\$78,113	\$33,370		\$5,591			
2640 Staff Services	\$524,759	\$289,149	\$161,699	\$61,885	\$12,025			
2660 Technology Services	\$1,707,295	\$643,840	\$432,784	\$231,669	\$399,002			
2670 Records Management Services	\$0							
2680 Interpretation and Translation Services	\$23,200	\$15,006	\$4,452	\$3,741				
2690 Other Support Services - Central	\$133,319	\$103,359	\$29,959					
2700 Supplemental Retirement Program	\$1,050,721	\$334,643	\$716,077					
<b>Total Support Services Expenditures</b>	<b>\$34,603,302</b>	<b>\$13,876,015</b>	<b>\$9,427,434</b>	<b>\$9,112,578</b>	<b>\$1,633,456</b>	<b>\$7,006</b>	<b>\$546,814</b>	<b>\$0</b>
<b>Enterprise and Community Services Expenditures</b>								
3100 Food Services	\$0							
3200 Other Enterprise Services	\$0							
3300 Community Services	\$0							
3500 Custody and Care of Children Services	\$0							
<b>Total Enterprise and Community Services Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Facilities Acquisition and Construction Expenditures</b>								
4110 Service Area Direction	\$0							
4120 Site Acquisition and Development Services	\$0							
4150 Building Acquisition, Construction, and Improvement	\$0							
4180 Other Capital Items	\$0							
4190 Other Facilities Construction Services	\$0							
<b>Total Facilities Acquisition and Construction Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Other Uses Expenditures</b>								
5100 Debt Service	\$0							
5200 Transfers of Funds	\$0							
5300 Apportionment of Funds by ESD	\$0							
5400 PERS UAL Bond Lump Sum	\$0							
<b>Total Other Uses Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Grand Total</b>	<b>\$102,142,108</b>	<b>\$54,068,956</b>	<b>\$33,253,300</b>	<b>\$11,335,543</b>	<b>\$2,760,038</b>	<b>\$61,588</b>	<b>\$662,683</b>	<b>\$0</b>

WEST LINN-WILSONVILLE SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES BY FUNCTION/OBJECT - SPECIAL REVENUE FUND

**Fund: 200 Special Revenue Funds**

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
<b>Instruction Expenditures</b>								
1111 Elementary, K-5 or K-6	\$38,315	\$15,856	\$3,947		\$18,512			
1113 Elementary Extracurricular	\$0							
1121 Middle/Junior High Programs	\$9,254				\$9,254			
1122 Middle/Junior High School Extracurricular	\$28,728	\$18,700	\$6,048		\$3,979			
1131 High School Programs	\$577,367	\$247,870	\$137,168	\$2,781	\$169,098	\$20,449		
1132 High School Extracurricular	\$923				\$923			
1140 Pre-Kindergarten Programs	\$0							
1210 Programs for the Talented and Gifted	\$0							
1220 Restrictive Programs for Students with Disabilities	\$1,150,471	\$716,986	\$420,572	\$12,913				
1250 Less Restrictive Programs for Students with Disabilities	\$260,666	\$151,354	\$98,705	\$10,200	\$407			
1260 Treatment and Habilitation	\$0							
1271 Remediation	\$0							
1272 Title I	\$550,378	\$355,785	\$191,869	\$2,124	\$600			
1280 Alternative Education	\$445,898	\$244,356	\$163,093	\$2,006	\$35,484		\$959	
1291 English Language Learner Programs	\$32,182	\$26,030	\$6,153					
1292 Teen Parent Program	\$0							
1293 Migrant Education	\$1,024				\$1,024			
1294 Youth Corrections Education	\$0							
1295 English Language Learner - not in programs	\$1,163	\$1,006	\$157					
1299 Other Programs	\$0							
1300 Adult/Continuing Education Programs	\$0							
1400 Summer School Programs	\$1,584	\$1,020	\$367		\$197			
<b>Total Instruction Expenditures</b>	<b>\$3,097,953</b>	<b>\$1,778,964</b>	<b>\$1,028,078</b>	<b>\$30,024</b>	<b>\$239,479</b>	<b>\$20,449</b>	<b>\$959</b>	<b>\$0</b>
<b>Support Services Expenditures</b>								
2110 Attendance and Social Work Services	\$0							
2120 Guidance Services	\$96,434	\$54,784	\$41,650					
2130 Health Services	\$95,543	\$60,854	\$32,188	\$2,500				
2140 Psychological Services	\$169,245	\$105,389	\$63,856					
2150 Speech Pathology and Audiology Services	\$0							
2160 Other Student Treatment Services	\$338,398	\$217,170	\$121,228					
2190 Service Direction, Student Support Services	\$210,672	\$130,313	\$72,792	\$4,325	\$3,242			
2210 Improvement of Instruction Services	\$238,693	\$128,078	\$67,021	\$40,325	\$3,269			
2220 Educational Media Services	\$0							
2230 Assessment & Testing	\$0							
2240 Instructional Staff Development	\$670	\$150	\$520					
2310 Board of Education Services	\$0							
2320 Executive Administration Services	\$0							
2410 Office of the Principal Services	\$0							
2490 Other Support Services - School Administration	\$0							
2510 Direction of Business Support Services	\$0							
2520 Fiscal Services	\$0							
2540 Operation and Maintenance of Plant Services	\$0							
2550 Student Transportation Services	\$0							
2570 Internal Services	\$0							
2610 Direction of Central Support Services	\$0							
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$0							
2630 Information Services	\$0							
2640 Staff Services	\$0							
2660 Technology Services	\$0							
2670 Records Management Services	\$0							
2680 Interpretation and Translation Services	\$0							
2690 Other Support Services - Central	\$0							
2700 Supplemental Retirement Program	\$0							
<b>Total Support Services Expenditures</b>	<b>\$1,149,655</b>	<b>\$696,739</b>	<b>\$399,255</b>	<b>\$47,150</b>	<b>\$6,511</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Enterprise and Community Services Expenditures</b>								
3100 Food Services	\$1,894,778	\$684,149	\$414,137	\$23,173	\$770,733		\$2,586	
3200 Other Enterprise Services	\$0							
3300 Community Services	\$276,782	\$152,460	\$91,891	\$30,834	\$1,597			
3500 Custody and Care of Children Services	\$0							
<b>Total Enterprise and Community Services Expenditures</b>	<b>\$2,171,560</b>	<b>\$836,608</b>	<b>\$506,028</b>	<b>\$54,007</b>	<b>\$772,331</b>	<b>\$0</b>	<b>\$2,586</b>	<b>\$0</b>
<b>Facilities Acquisition and Construction Expenditures</b>								
4110 Service Area Direction	\$0							
4120 Site Acquisition and Development Services	\$0							
4150 Building Acquisition, Construction, and Improvement Services	\$0							
4180 Other Capital Items	\$0							
4190 Other Facilities Construction Services	\$0							
<b>Total Facilities Acquisition and Construction Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Other Uses Expenditures</b>								
5100 Debt Service	\$0							
5200 Transfers of Funds	\$0							
5300 Apportionment of Funds by ESD	\$0							
5400 PERS UAL Bond Lump Sum	\$0							
<b>Total Other Uses Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Grand Total</b>	<b>\$6,419,168</b>	<b>\$3,312,311</b>	<b>\$1,933,361</b>	<b>\$131,181</b>	<b>\$1,018,320</b>	<b>\$20,449</b>	<b>\$3,545</b>	<b>\$0</b>

WEST LINN-WILSONVILLE SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES BY FUNCTION/OBJECT - DEBT SERVICE FUND

**Fund: 300 Debt Service Funds**

<b>Instruction Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
1111 Elementary, K-5 or K-6	\$0							
1113 Elementary Extracurricular	\$0							
1121 Middle/Junior High Programs	\$0							
1122 Middle/Junior High School Extracurricular	\$0							
1131 High School Programs	\$0							
1132 High School Extracurricular	\$0							
1140 Pre-Kindergarten Programs	\$0							
1210 Programs for the Talented and Gifted	\$0							
1220 Restrictive Programs for Students with Disabilities	\$0							
1250 Less Restrictive Programs for Students with Disabilities	\$0							
1260 Treatment and Habilitation	\$0							
1271 Remediation	\$0							
1272 Title I	\$0							
1280 Alternative Education	\$0							
1291 English Second Language Programs	\$0							
1292 Teen Parent Program	\$0							
1293 Migrant Education	\$0							
1294 Youth Corrections Education	\$0							
1295 English Language Learner - not in programs	\$0							
1299 Other Programs	\$0							
1300 Adult/Continuing Education Programs	\$0							
1400 Summer School Programs	\$0							
<b>Total Instruction Expenditures</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Support Services Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
2110 Attendance and Social Work Services	\$0							
2120 Guidance Services	\$0							
2130 Health Services	\$0							
2140 Psychological Services	\$0							
2150 Speech Pathology and Audiology Services	\$0							
2160 Other Student Treatment Services	\$0							
2190 Service Direction, Student Support Services	\$0							
2210 Improvement of Instruction Services	\$0							
2220 Educational Media Services	\$0							
2230 Assessment & Testing	\$0							
2240 Instructional Staff Development	\$0							
2310 Board of Education Services	\$0							
2320 Executive Administration Services	\$0							
2410 Office of the Principal Services	\$0							
2490 Other Support Services - School Administration	\$0							
2510 Direction of Business Support Services	\$0							
2520 Fiscal Services	\$0							
2540 Operation and Maintenance of Plant Services	\$0							
2550 Student Transportation Services	\$0							
2570 Internal Services	\$0							
2610 Direction of Central Support Services	\$0							
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$0							
2630 Information Services	\$0							
2640 Staff Services	\$0							
2660 Technology Services	\$0							
2670 Records Management Services	\$0							
2680 Interpretation and Translation Services	\$0							
2690 Other Support Services - Central	\$0							
2700 Supplemental Retirement Program	\$0							
<b>Total Support Services Expenditures</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Enterprise and Community Services Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
3100 Food Services	\$0							
3200 Other Enterprise Services	\$0							
3300 Community Services	\$0							
3500 Custody and Care of Children Services	\$0							
<b>Total Enterprise and Community Services Expenditures</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Facilities Acquisition and Construction Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
4110 Service Area Direction	\$0							
4120 Site Acquisition and Development Services	\$0							
4150 Building Acquisition, Construction, and Improvement Services	\$0							
4180 Other Capital Items	\$0							
4190 Other Facilities Construction Services	\$0							
<b>Total Facilities Acquisition and Construction Expenditures</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Other Uses Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
5100 Debt Service	\$25,899,913						\$25,899,913	
5200 Transfers of Funds	\$0							
5300 Apportionment of Funds by ESD	\$0							
5400 PERS UAL Bond Lump Sum	\$0							
<b>Total Other Uses Expenditures</b>	\$25,899,913	\$0	\$0	\$0	\$0	\$0	\$25,899,913	\$0
<b>Grand Total</b>	<b>\$25,899,913</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$25,899,913</b>	<b>\$0</b>

WEST LINN-WILSONVILLE SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES BY FUNCTION/OBJECT - CAPITAL PROJECTS FUND

**Fund: 400 Capital Projects Funds**

Instruction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Elementary, K-5 or K-6	\$0							
1113 Elementary Extracurricular	\$0							
1121 Middle/Junior High Programs	\$0							
1122 Middle/Junior High School Extracurricular	\$0							
1131 High School Programs	\$0							
1132 High School Extracurricular	\$0							
1140 Pre-Kindergarten Programs	\$0							
1210 Programs for the Talented and Gifted	\$0							
1220 Restrictive Programs for Students with Disabilities	\$0							
1250 Less Restrictive Programs for Students with Disabilities	\$0							
1260 Treatment and Habilitation	\$0							
1271 Remediation	\$0							
1272 Title I	\$0							
1280 Alternative Education	\$0							
1291 English Second Language Programs	\$0							
1292 Teen Parent Program	\$0							
1293 Migrant Education	\$0							
1294 Youth Corrections Education	\$0							
1295 English Language Learner - not in programs	\$0							
1299 Other Programs	\$0							
1300 Adult/Continuing Education Programs	\$0							
1400 Summer School Programs	\$0							
<b>Total Instruction Expenditures</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Support Services Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
2110 Attendance and Social Work Services	\$0							
2120 Guidance Services	\$0							
2130 Health Services	\$0							
2140 Psychological Services	\$0							
2150 Speech Pathology and Audiology Services	\$0							
2160 Other Student Treatment Services	\$0							
2190 Service Direction, Student Support Services	\$0							
2210 Improvement of Instruction Services	\$0							
2220 Educational Media Services	\$0							
2230 Assessment & Testing	\$0							
2240 Instructional Staff Development	\$0							
2310 Board of Education Services	\$0							
2320 Executive Administration Services	\$0							
2410 Office of the Principal Services	\$0							
2490 Other Support Services - School Administration	\$0							
2510 Direction of Business Support Services	\$0							
2520 Fiscal Services	\$0							
2540 Operation and Maintenance of Plant Services	\$0							
2550 Student Transportation Services	\$0							
2570 Internal Services	\$0							
2610 Direction of Central Support Services	\$0							
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$0							
2630 Information Services	\$0							
2640 Staff Services	\$0							
2660 Technology Services	\$0							
2670 Records Management Services	\$0							
2680 Interpretation and Translation Services	\$0							
2690 Other Support Services - Central	\$0							
2700 Supplemental Retirement Program	\$0							
<b>Total Support Services Expenditures</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Enterprise and Community Services Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
3100 Food Services	\$0							
3200 Other Enterprise Services	\$0							
3300 Community Services	\$0							
3500 Custody and Care of Children Services	\$0							
<b>Total Enterprise and Community Services Expenditures</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Facilities Acquisition and Construction Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
4110 Service Area Direction	\$544,203	\$334,932	\$208,369	\$900			\$3	
4120 Site Acquisition and Development Services	\$0							
4150 Building Acquisition, Construction, and Improvement Services	\$20,018,790			\$1,795,879	\$2,606,531	\$15,615,271	\$1,110	
4180 Other Capital Items	\$1,770,737				\$1,770,737			
4190 Other Facilities Construction Services	\$131,977			\$1,100	\$5,908	\$123,127	\$1,842	
<b>Total Facilities Acquisition and Construction Expenditures</b>	\$22,465,707	\$334,932	\$208,369	\$1,797,879	\$4,383,175	\$15,738,397	\$2,955	\$0
<b>Other Uses Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
5100 Debt Service	\$0							
5200 Transfers of Funds	\$0							
5300 Apportionment of Funds by ESD	\$0							
5400 PERS UAL Bond Lump Sum	\$0							
<b>Total Other Uses Expenditures</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Grand Total</b>	<b>\$22,465,707</b>	<b>\$334,932</b>	<b>\$208,369</b>	<b>\$1,797,879</b>	<b>\$4,383,175</b>	<b>\$15,738,397</b>	<b>\$2,955</b>	<b>\$0</b>

**WEST LINN-WILSONVILLE SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES BY FUNCTION/OBJECT - TRUST & AGENCY FUNDS**

**Fund: 700 Trust and Agency Funds**

<b>Instruction Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
1111 Elementary, K-5 or K-6	\$0							
1113 Elementary Extracurricular	\$267,047							\$267,047
1121 Middle/Junior High Programs	\$0							
1122 Middle/Junior High School Extracurricular	\$416,501							\$416,501
1131 High School Programs	\$0							
1132 High School Extracurricular	\$2,178,852							\$2,178,852
1140 Pre-Kindergarten Programs	\$0							
1210 Programs for the Talented and Gifted	\$0							
1220 Restrictive Programs for Students with Disabilities	\$0							
1250 Less Restrictive Programs for Students with Disabilities	\$0							
1260 Treatment and Habilitation	\$0							
1271 Remediation	\$0							
1272 Title I	\$0							
1280 Alternative Education	\$0							
1291 English Second Language Programs	\$0							
1292 Teen Parent Program	\$0							
1293 Migrant Education	\$0							
1294 Youth Corrections Education	\$0							
1295 English Language Learner - not in programs	\$0							
1299 Other Programs	\$0							
1300 Adult/Continuing Education Programs	\$0							
1400 Summer School Programs	\$0							
<b>Total Instruction Expenditures</b>	<b>\$2,862,400</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,862,400</b>
<b>Support Services Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
2110 Attendance and Social Work Services	\$0							
2120 Guidance Services	\$0							
2130 Health Services	\$0							
2140 Psychological Services	\$0							
2150 Speech Pathology and Audiology Services	\$0							
2160 Other Student Treatment Services	\$0							
2190 Service Direction, Student Support Services	\$0							
2210 Improvement of Instruction Services	\$0							
2220 Educational Media Services	\$0							
2230 Assessment & Testing	\$0							
2240 Instructional Staff Development	\$0							
2310 Board of Education Services	\$0							
2320 Executive Administration Services	\$0							
2410 Office of the Principal Services	\$0							
2490 Other Support Services - School Administration	\$0							
2510 Direction of Business Support Services	\$0							
2520 Fiscal Services	\$0							
2540 Operation and Maintenance of Plant Services	\$0							
2550 Student Transportation Services	\$0							
2570 Internal Services	\$0							
2610 Direction of Central Support Services	\$0							
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$0							
2630 Information Services	\$0							
2640 Staff Services	\$0							
2660 Technology Services	\$0							
2670 Records Management Services	\$0							
2680 Interpretation and Translation Services	\$0							
2690 Other Support Services - Central	\$0							
2700 Supplemental Retirement Program	\$0							
<b>Total Support Services Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Enterprise and Community Services Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
3100 Food Services	\$0							
3200 Other Enterprise Services	\$0							
3300 Community Services	\$0							
3500 Custody and Care of Children Services	\$0							
<b>Total Enterprise and Community Services Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Facilities Acquisition and Construction Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
4110 Service Area Direction	\$0							
4120 Site Acquisition and Development Services	\$0							
4150 Building Acquisition, Construction, and Improvement Services	\$0							
4180 Other Capital Items	\$0							
4190 Other Facilities Construction Services	\$0							
<b>Total Facilities Acquisition and Construction Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Other Uses Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
5100 Debt Service	\$0							
5200 Transfers of Funds	\$0							
5300 Apportionment of Funds by ESD	\$0							
5400 PERS UAL Bond Lump Sum	\$0							
<b>Total Other Uses Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Grand Total</b>	<b>\$2,862,400</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,862,400</b>

# **STATISTICAL SECTION**

**WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT**  
**Condensed Statement of Net Position**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

**Governmental Activities**

	Fiscal year			
	2009	2010	2011	2012
<b>Assets</b>				
Current and other assets	\$ 117,898,306	\$ 96,810,573	\$ 75,828,619	\$ 44,826,159
Prepaid PERS unfunded actuarial liability	30,728,898	29,111,587	27,494,277	25,876,966
Net capital assets	162,711,325	177,196,765	180,140,259	209,736,544
<b>Total assets</b>	<b>311,338,529</b>	<b>303,118,925</b>	<b>283,463,155</b>	<b>280,439,669</b>
<b>Deferred Outflows of Resources</b>				
Pension Related Deferrals	-	-	-	-
Loss on Bond Refunding Expenses	-	-	-	-
<b>Total Deferred Outflows</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Liabilities</b>				
Long-term debt outstanding	247,384,871	239,269,721	229,592,681	218,326,577
Prepaid PERS unfunded actuarial liability outstanding	-	-	-	-
Other liabilities	15,812,732	12,342,167	9,169,717	12,987,009
<b>Total liabilities</b>	<b>263,197,603</b>	<b>251,611,888</b>	<b>238,762,398</b>	<b>231,313,586</b>
<b>Deferred Inflows of Resources</b>				
Net Pension Related Deferrals	-	-	-	-
<b>Net Positions</b>				
Invested in capital assets, net of related debt	59,549,087	62,777,910	59,613,789	68,047,630
Restricted for: Debt Service	2,305,898	82,853	493,745	652,473
Restricted for Grants and Other Purposes	-	72,007	133,307	1,592,292
Restricted for Instruction	-	-	-	-
Unrestricted	(13,714,059)	(11,425,733)	(15,540,084)	(21,166,312)
<b>Total Net Assets</b>	<b>\$ 48,140,926</b>	<b>\$ 51,507,037</b>	<b>\$ 44,700,757</b>	<b>\$ 49,126,083</b>

Fiscal year					
2013	2014	2015	2016	2017	2018
\$ 25,605,145	\$ 27,559,827	\$ 118,356,892	\$ 110,924,720	\$ 67,781,215	\$ 49,782,679
24,259,656	22,642,346	11,885,311	-	-	-
217,942,689	216,565,751	216,012,650	230,189,932	269,960,004	279,926,767
267,807,490	266,767,924	346,254,853	341,114,652	337,741,219	329,709,446
-	-	-	10,401,107	46,431,392	25,324,945
-	-	-	331,404	2,180,708	2,044,414
-	-	-	10,732,511	48,612,100	27,369,359
193,780,326	194,571,517	286,220,361	277,526,728	344,595,901	331,643,880
-	-	-	28,137,018	-	-
18,360,162	11,676,943	12,356,105	18,195,535	31,563,562	17,937,074
212,140,488	206,248,460	298,576,466	323,859,281	376,159,463	349,580,954
-	-	13,912,280	6,326,130	888,604	2,462,016
60,080,449	58,703,511	71,289,067	81,383,510	90,476,909	87,597,471
699,718	1,201,295	1,668,258	1,117,589	1,894,306	2,025,126
329,419	436,040	322,844	1,423,511	4,547,243	606,336
-	-	-	82,903,599	34,769,771	-
(5,442,584)	841,426	(39,182,658)	(145,166,336)	(122,382,977)	(85,193,098)
\$ 55,667,002	\$ 61,182,272	\$ 34,097,511	\$ 21,661,873	\$ 9,305,252	\$ 5,035,835

**WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

<b>Governmental Activities</b>	Fiscal year			
	2009	2010	2011	2012
<b>Expenses</b>				
Instruction	\$ 47,661,417	\$ 46,110,257	\$ 52,769,920	\$ 46,530,573
Support services	27,434,864	25,388,997	29,987,705	25,248,894
Enterprise and Community Services	2,439,278	2,451,763	2,625,723	2,137,665
Non-capital facilities maintenance & replacement	389,427	-	-	-
Interest and fees on long-term debt	9,625,281	12,522,456	11,394,527	11,082,263
<b>Total expenditures</b>	<b>87,550,267</b>	<b>86,473,473</b>	<b>96,777,875</b>	<b>84,999,395</b>
<b>Program Revenues</b>				
Charges for services				
Instruction	2,577,708	2,539,992	2,465,971	3,318,353
Support services	-	-	-	-
Enterprise and Community Services	1,237,241	1,014,289	898,196	600,335
Operating grants and contributions				
Instruction	2,873,346	3,650,027	3,648,225	2,002,655
Support services	1,212,948	1,738,883	1,918,548	890,223
Enterprise and Community Services	853,537	969,714	804,449	828,992
<b>Total program revenues</b>	<b>8,754,780</b>	<b>9,912,905</b>	<b>9,735,389</b>	<b>7,640,558</b>
<b>Net (Expenses)</b>	<b>(78,795,487)</b>	<b>(76,560,568)</b>	<b>(87,042,486)</b>	<b>(77,358,837)</b>
<b>General Revenues</b>				
Property taxes	38,002,939	40,965,816	42,840,890	43,922,204
Local Option Tax	7,420,022	6,736,010	4,861,280	3,164,769
State School Fund	34,928,350	30,936,476	29,912,976	33,928,944
Investment earnings	557,637	871,427	659,793	299,687
Other	449,631	416,950	383,063	407,133
Gain on disposal of capital assets	-	-	1,578,204	61,426
<b>Total general revenues</b>	<b>81,358,579</b>	<b>79,926,679</b>	<b>80,236,206</b>	<b>81,784,163</b>
<b>Change in Net Assets</b>	<b>\$ 2,563,092</b>	<b>\$ 3,366,111</b>	<b>\$ (6,806,280)</b>	<b>\$ 4,425,326</b>

Fiscal year					
2013	2014	2015	2016	2017	2018
\$ 49,517,820	\$ 52,933,695	\$ 48,087,074	\$ 77,474,978	\$ 60,564,628	\$ 82,330,132
23,081,837	29,167,674	26,437,672	40,427,152	30,298,623	38,320,273
2,041,979	1,963,207	2,038,325	2,074,007	1,683,649	2,284,644
-	-	-	-	-	1,013,531
10,665,010	8,842,269	22,107,917	12,424,772	12,748,141	13,611,839
85,306,646	92,906,845	98,670,988	132,400,909	105,295,041	137,560,419
3,088,414	3,256,931	2,547,030	754,580	2,539,929	1,191,477
-	-	-	-	-	-
794,786	681,857	703,857	770,826	792,521	1,050,169
2,259,827	2,154,594	2,076,003	2,052,698	2,217,694	2,968,721
885,505	1,007,810	958,421	894,928	921,763	1,109,017
604,664	863,725	829,587	1,054,603	889,795	1,419,805
7,633,196	7,964,917	7,114,898	5,527,635	7,361,702	7,739,189
(77,673,450)	(84,941,928)	(91,556,090)	(126,873,274)	(97,933,339)	(129,821,230)
43,877,179	45,580,819	45,830,813	51,133,867	53,715,955	56,182,652
2,800,796	2,801,069	3,884,793	5,087,515	6,791,972	7,793,250
36,192,101	41,541,170	44,111,818	48,614,895	49,411,772	58,230,043
162,710	194,772	2,236,722	724,913	767,737	940,691
1,181,583	1,655,070	9,285,485	8,276,826	7,783,102	6,431,713
-	(61,890)	-	665,084	-	(4,026,536)
84,214,369	91,711,010	105,349,631	114,503,100	118,470,538	125,551,813
<u>\$ 6,540,919</u>	<u>\$ 6,769,082</u>	<u>\$ 13,793,541</u>	<u>\$ (12,370,174)</u>	<u>\$ 20,537,199</u>	<u>\$ (4,269,417)</u>

**WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	Fiscal years 2009-2013				
	2009	2010	2011	2012	2013
<b>Fund Balances (Deficit)</b>					
Nonspendable	\$ -	\$ -	\$ 178,973	\$ 155,927	\$ 80,103
Restricted for:					
General Fund	-	-	133,307	1,592,292	329,419
Debt service funds	-	-	493,745	652,473	699,718
Future Capital Projects			57,548,496	23,223,469	11,148,549
Committed			1,224,746	-	-
Unassigned			4,659,738	3,255,981	4,278,963
Reserved, reported in					
General Fund	89,073	72,007	-	-	-
Debt service funds	2,305,898	82,853	-	-	-
Unreserved, reported in					
General Fund	1,562,018	2,439,735	-	-	-
Special revenue funds	120,015	300,976	-	-	-
Capital projects funds	96,932,803	78,851,796	-	-	-
<b>Total fund balances</b>	<b>\$ 101,009,807</b>	<b>\$ 81,747,367</b>	<b>\$ 64,239,005</b>	<b>\$ 28,880,142</b>	<b>\$ 16,536,752</b>

	Fiscal years 2014-2018				
	2014	2015	2016	2017	2018
<b>Fund Balances (Deficit)</b>					
Nonspendable	\$ 85,877	\$ 209,706	\$ 84,990	\$ 297,467	\$ 412,277
Restricted for:					
Grants and Other	436,040	322,844	1,423,551	1,593,405	1,954,755
Debt Service	1,201,295	1,668,258	1,117,468	1,894,306	1,170,821
Future Capital Projects	8,154,014	98,010,357	82,903,599	34,769,771	15,962,081
Committed	-	-	-	-	-
Unassigned	4,395,909	5,161,253	6,153,770	6,240,780	9,227,907
Reserved, reported in					
General Fund	-	-	-	-	-
Debt service funds	-	-	-	-	-
Unreserved, reported in					
General Fund	-	-	-	-	-
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
<b>Total fund balances</b>	<b>\$ 14,273,135</b>	<b>\$ 105,372,418</b>	<b>\$ 91,683,378</b>	<b>\$ 44,795,729</b>	<b>\$ 28,727,841</b>

(1) GASB 54 implemented - requiring new fund balance categories. Over time all fund balances will be reported under new GASB 54 fund balance categories

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**WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT**  
**Changes in Fund Balance of All Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	Fiscal year			
	2009	2010	2011	2012
<b>REVENUES:</b>				
Local Sources:	\$ 51,803,870	\$ 54,812,001	\$ 54,921,063	\$ 53,933,679
Intermediate Sources:	692,997	643,999	556,127	685,451
State Sources:	34,950,009	30,958,143	29,932,984	33,944,494
Federal Sources	4,285,121	5,728,494	5,806,422	3,130,511
<b>TOTAL REVENUES</b>	<b>91,731,997</b>	<b>92,142,637</b>	<b>91,216,596</b>	<b>91,694,135</b>
<b>EXPENDITURES:</b>				
Current:				
Instruction	45,023,547	42,784,272	40,239,385	42,867,738
Support Services	26,791,199	24,463,911	23,689,350	24,247,333
Enterprise and Community Services	2,260,424	2,232,378	1,956,123	1,895,339
Facilities Acquisition and Construction	4,452,264	9,823,777	22,538,547	35,220,168
Debt Service				
Principal	11,770,000	9,885,000	10,785,000	10,305,375
Interest	7,609,060	12,856,209	11,074,527	12,476,888
Capital Outlay	41,470	9,357,019	-	-
<b>TOTAL EXPENDITURES</b>	<b>97,947,964</b>	<b>111,402,566</b>	<b>110,282,932</b>	<b>127,012,841</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(6,215,967)</b>	<b>(19,259,929)</b>	<b>(19,066,336)</b>	<b>35,318,706</b>
<b>OTHER FINANCING SOURCES, (USES):</b>				
Sale of Fixed Assets	-	-	1,529,687	-
Bond Sale Proceeds	100,355,737	-	-	-
Transfers In	175,000	210,000	270,000	70,000
Transfers Out	(175,000)	(210,000)	(270,000)	(70,000)
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>100,355,737</b>	<b>-</b>	<b>1,529,687</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>94,139,770</b>	<b>(19,259,929)</b>	<b>(17,536,649)</b>	<b>(35,318,706)</b>
<b>BEGINNING FUND BALANCE</b>	<b>6,864,186</b>	<b>101,009,807</b>	<b>81,747,367</b>	<b>64,239,005</b>
<b>Adjustment for Inventories reported under the purchase method</b>	<b>5,851</b>	<b>(2,511)</b>	<b>28,287</b>	<b>(40,157)</b>
Prior Period Adjustment	-	-	-	-
<b>ENDING FUND BALANCE</b>	<b>\$ 101,009,807</b>	<b>\$ 81,747,367</b>	<b>\$ 64,239,005</b>	<b>\$ 28,880,142</b>
Ratio of total debt service to total non-capital expenditures	0.207	0.246	0.249	0.246

Fiscal year					
2013	2014	2015	2016	2017	2018
\$ 54,771,375	\$ 72,772,760	\$ 63,055,879	\$ 65,042,468	\$ 70,819,518	\$ 71,720,791
597,987	581,843	1,901,939	2,045,644	2,160,902	3,619,061
36,206,101	41,541,170	44,111,818	48,631,895	49,429,672	62,335,990
2,970,799	3,479,826	3,317,707	3,418,297	3,396,978	3,183,166
94,546,262	118,375,599	112,387,343	119,138,304	125,807,070	140,859,008
43,533,497	50,021,283	54,429,715	59,822,353	64,230,670	70,561,727
20,278,358	27,562,868	29,903,160	30,771,343	31,030,670	35,735,951
1,667,862	1,855,191	1,902,839	1,953,835	1,992,591	2,171,560
13,153,990	1,531,125	5,320,908	17,184,455	-	-
13,710,000	27,231,781	112,223,602	11,221,288	11,877,387	10,701,504
10,031,883	9,393,081	6,867,332	12,542,237	12,756,883	15,198,409
4,500,000	3,043,887	-	-	49,940,770	22,557,745
106,875,590	120,639,216	210,647,556	133,495,511	171,828,971	156,926,896
(12,329,328)	(2,263,617)	(98,260,213)	(14,357,207)	(46,021,901)	(16,067,888)
-	-	-	665,084	-	-
-	-	189,333,774	-	-	-
1,230,255	100,000	100,000	250,000	5,194	-
(1,230,255)	(100,000)	(100,000)	(250,000)	(5,194)	-
-	-	189,333,774	665,084	-	-
(12,329,328)	(2,263,617)	91,073,561	(13,692,123)	(46,022,261)	(16,067,888)
28,830,847	16,537,030	14,273,134	105,394,326	94,047,946	44,795,729
35,233	(278)	25,723	(18,825)	-	-
-	-	-	-	(3,229,956)	-
\$ 16,536,752	\$ 14,273,135	\$ 105,372,418	\$ 91,683,378	\$ 44,795,729	\$ 28,727,841
0.209	0.315	0.580	0.210	0.253	0.239

**WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT**  
**Assessed Values of Taxable Property within School District No. 3JT Boundaries**  
**Last Ten Fiscal Years**

Fiscal Year Ending June 30	Assessed Value			Total Direct Tax Rate *	Real Market Value			AV as a % of RMV
	Real Property	Personal Property	Total Assessed Value		Real Property	Personal Property	Total Real Market Value	
2009	\$ 5,403,740,204	\$ 160,117,445	\$ 5,563,857,649	8.85	\$ 9,179,539,626	\$ 160,117,445	\$ 9,339,657,071	59.6
2010	5,690,536,150	148,349,758	5,838,885,908	8.83	8,340,052,650	148,349,758	8,488,402,408	68.8
2011	5,855,503,933	144,297,381	5,999,801,314	8.63	7,450,639,449	144,297,381	7,594,936,830	79.0
2012	6,013,239,941	130,267,169	6,143,507,110	8.38	6,978,592,430	130,267,169	7,108,859,599	86.4
2013	6,149,698,840	139,170,115	6,288,868,955	8.34	6,788,248,438	139,170,115	6,927,418,553	90.8
2014	6,233,375,454	327,631,848	6,561,007,302	8.25	6,899,647,051	145,725,863	7,243,162,431	90.6
2015	6,603,380,740	345,810,350	6,949,191,090	8.34	7,797,024,933	156,718,618	8,156,722,428	85.2
2016	6,922,003,063	380,069,754	7,302,072,817	9.24	8,570,270,178	404,806,749	8,975,076,927	81.4
2017	7,287,685,922	399,786,841	7,687,472,763	9.23	9,617,195,451	402,856,210	10,020,051,661	76.7
2018	7,654,272,568	428,067,373	8,082,339,941	9.07	10,538,774,757	431,910,321	10,970,685,078	73.7

Source:  
Assessors office of both Clackamas and Washington Counties.

\* Per \$1,000 of Assessed Value

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**WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**

District Direct Rates					
Fiscal Year	General Tax Permanent Rate 1	Local Option 2	GAP Bond (PERS)	General Obligation Debt Service Bonds	Total Direct Tax Rate
2009	4.84	1.33	-	2.68	8.85
2010	4.84	1.18	-	2.81	8.83
2011	4.84	0.82	-	2.97	8.63
2012	4.87	0.52	-	2.99	8.38
2013	4.87	0.45	-	3.02	8.34
2014	4.87	0.43	-	2.95	8.25
2015	4.87	0.58	-	2.89	8.34
2016	4.87	0.72	-	2.87	8.46
2017	4.87	0.91	-	2.86	8.34
2018	4.87	0.99	-	2.71	8.57

Overlapping Total Property Tax Rates						
Fiscal Year	City of West Linn	City of Wilsonville	Clackamas Community College	Clackamas County	Clackamas County Education Service Dist	Tualatin Valley Fire & Rescue
2009	2.50	2.20	0.74	2.81	0.36	1.84
2010	2.45	2.17	0.72	3.59	0.36	1.77
2011	2.45	2.20	0.70	3.13	0.36	1.88
2012	2.42	2.20	0.68	3.31	0.36	1.93
2013	2.56	2.21	0.70	3.32	0.36	1.91
2014	2.56	2.14	0.71	3.18	0.37	1.91
2015	2.54	2.13	0.70	3.18	0.36	1.51
2016	2.54	2.10	0.74	3.19	0.37	2.11
2017	2.54	1.97	0.74	3.19	0.37	1.98
2018	2.54	2.02	0.74	3.20	0.37	2.08

1. Permanent tax rates are determined by the State of Oregon Constitution and State Statutes. Existing districts cannot increase their permanent rate authority. Local option levies are limited to five years for operations and ten years for capital projects. Elections for local option levies must meet the double majority election test, except in the November and May election every year. Rates for debt service are based on each year's requirements.

2. Local Option taxes are assessed at \$1.50 per thousand AV. The district-wide average rate for 2017-18 is \$.99. Local option taxes are assessed on a property by property basis. Not all properties pay at the highest \$1.50 rate.

Source: Clackamas County Assessors Office

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Metropolitan Service District	Port of Portland	Tri-Met	City of Tualatin	Washington County	City of Lake Oswego
0.39	0.07	0.08	2.72	2.98	5.28
0.43	0.07	0.08	2.18	2.98	5.21
0.40	0.07	0.09	2.53	2.98	5.18
0.31	0.07	0.06	2.56	2.97	5.18
0.40	0.07	-	2.56	2.97	5.17
0.47	0.07	-	2.55	2.97	5.14
0.45	0.07	-	2.53	2.82	4.99
0.37	0.07	-	2.52	2.84	4.82
0.40	0.07	-	2.51	2.96	4.77
0.41	0.07	-	2.50	2.96	5.91

**WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT**  
**Principal Property Tax Payers for the West Linn-Wilsonville School District**  
**Current Year and Ten Years Ago**  
*Taxing District - School District*

		<b>2017-18</b>	
<u>Employer</u>	<u>Type of Business</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total Taxable Assessed Value</u>
PORTLAND GEN ELEC CO	Utilities	\$775,951,510	9.60%
NORTHWEST NATURAL GAS	Utilities	220,928,000	2.73%
COMCAST CORPORATION	Television and Internet	206,549,400	2.56%
CENTURYLINK	Television and Internet	55,632,600	0.69%
AT&T INC	Communications and Phone	34,597,400	0.43%
VERIZON COMMUNICATIONS	Communications and Phone	33,300,500	0.41%
MOLALLA TELEPHONE CO	Communications and Phone	31,580,000	0.39%
FRONTIER COMMUNICATIONS	Communications and Phone	31,182,000	0.39%
NORTHWEST PIPELINE LLC	Utilities	29,996,100	0.37%
ROIC OREGON LLC	Real Estate	22,678,100	0.28%
Subtotal - ten of the District's largest taxpayers		\$1,442,395,610	17.85%
ALL OTHER TAXPAYERS		6,639,944,331	82.15%
Total District taxpayers		<u>\$8,082,339,941</u>	<u>100.00%</u>
TOTAL			

		<b>2009</b>	
<u>Employer</u>	<u>Type of Business</u>	<u>Value</u>	<u>Total Taxable</u>
SHORENSTEIN PROPERTIES LLC	Real Estate	\$ 225,387,963	4.05%
GENERAL GROWTH PROPERTIES INC	Real Estate	214,878,097	3.86%
FRED MEYER STORES INC #651	Retail Sales	176,131,042	3.17%
PCC STRUCTURALS INC	Manufacturing	86,512,010	1.55%
XEROX CORPORATION	Document Imaging	71,919,769	1.29%
SAFEWAY STORES INC #2696	Retail Sales	53,587,984	0.96%
MENTOR GRAPHICS CORPORATION	Document Imaging	52,779,827	0.95%
WARN INDUSTRIES INC	Manufacturing	47,393,796	0.85%
KAISER FOUNDATION HOSPITAL	Health Care	44,952,384	0.81%
BLOUNT INC	Manufacturing	41,760,826	0.75%
Subtotal - ten of the District's largest taxpayers		1,015,303,698	18.25%
ALL OTHER TAXPAYERS		4,548,553,951	81.75%
Total District taxpayers		<u>\$ 5,563,857,649</u>	<u>100.00%</u>

Source:  
Clackamas County, Division of Assessment and Taxation

**WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

Fiscal Year Ending June 30	Net Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections for Prior Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	\$ 46,519,129	\$ 43,344,411	93.20	\$ 1,362,944	\$ 44,707,355	96.10
2010	48,871,072	45,805,570	93.73	1,784,543	47,590,113	97.38
2011	49,197,378	46,235,456	93.98	1,695,545	47,931,001	97.43
2012	48,139,714	45,362,760	94.23	1,324,095	46,686,855	96.98
2013	48,123,591	45,345,170	94.23	1,368,641	46,713,810	97.07
2014	49,475,387	47,191,004	95.38	1,363,510	48,554,513	98.14
2015	49,662,152	47,271,135	95.19	1,166,181	48,427,316	97.51
2016	52,453,818	49,927,677	95.18	978,962	50,906,639	97.00
2017	55,161,417	52,990,663	96.06	934,418	53,925,081	97.75
2018	57,514,304	54,994,181	95.62	1,188,471	56,182,652	97.68

**Note:**

Net taxes levied are combined for Clackamas and Washington counties. Responsibility for the collection of all property taxes rests within the County's Department of Assessment and Taxation. Current taxes are assessed as of July, become due as of November 15 and become delinquent as of May 15. Assessed taxes become a lien upon real property in the fourth year of delinquency. Proceeds of tax sales are applied to delinquent taxes, interest and other costs attributable to the property sold.

**WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT**

**Outstanding Debt by Type**

**Last Ten Fiscal Years**

*(dollars in thousands, except per capita)*

Fiscal Year	Governmental Activities			Outstanding Debt Per Capita	Outstanding Debt as a Percentage of Personal Income (1)
	General Obligation Bonds	Pension Obligation Bonds	Total Primary Government		
2009	\$ 201,162	\$ 42,135	\$ 243,297	\$ 5,738	1.77
2010	191,637	41,955	233,592	5,398	1.68
2011	181,492	41,635	223,127	5,107	1.50
2012	170,272	41,155	211,427	4,687	1.17
2013	157,862	40,505	198,367	4,307	1.15
2014	146,914	39,675	186,589	3,930	1.01
2015	214,126	38,640	252,766	5,232	1.32
2016	204,155	37,390	272,021	4,907	1.29
2017	193,768	35,900	257,131	4,536	1.15
2018	184,812	34,155	218,967	4,314	1.04

**Note:** See Demographic and Economic Statistics for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

(1) Personal Income data is for all of Clackamas County.

**WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2018**

Overlapping Issuer	Net Property-tax Backed Debt <sup>1</sup>	Percent Overlapping	Net Overlapping Debt
Clackamas Community College	\$ 98,403,913	20.45%	\$ 20,123,600
City of West Linn	14,065,000	99.19%	13,951,074
METRO	205,735,000	3.43%	7,056,711
Clackamas County	138,185,000	15.05%	20,796,843
Washington County	219,115,761	19.00%	41,631,995
Portland Community College	543,076,466	8.00%	43,446,117
City of Tualatin	5,183,801	1.64%	85,014
Tualatin Valley Fire & Rescue Dist.	30,635,000	12.66%	3,878,391
City of Lake Oswego	59,225,000	0.00%	-
Subtotal, overlapping debt	1,313,624,941		150,969,745
Direct District net property-tax backed debt	184,811,862	100%	184,811,862
Total direct and overlapping debt	\$ 1,498,436,803		\$ 335,781,607

<sup>1</sup> Net Property-tax Backed Debt includes all General Obligation (GO) bonds and Limited-tax GO bonds, less Self-supporting Unlimited-tax (GO) and Self-supporting Limited-tax GO debt.

Source:

Overlapping Debt compiled from records published by the Oregon State Treasury, Debt Management Division using NET overlapping property tax debt as a percentage of NET property tax debt.

**WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
*(dollars in thousands, except per capita)*

Fiscal Year	General Bonded Debt			Percentage of Actual Taxable Value of Property (1)	Net G.O. Debt per Student Average Daily Membership (2)
	General Obligation Bonds	Less Amount Available for Repayment	Net General Obligation Bonds Outstanding		
2009	\$ 201,162,238	-	\$ 201,162,238	5.71%	24,998
2010	191,637,238	-	191,637,238	5.12%	23,762
2011	181,492,238	-	181,492,238	3.02%	22,357
2012	170,272,238	-	170,272,238	2.77%	20,828
2013	157,862,238	-	157,862,238	2.50%	18,849
2014	146,914,645	-	146,914,645	2.24%	17,006
2015	214,126,741	-	214,126,741	3.08%	24,046
2016	204,155,453	-	204,155,453	2.80%	21,538
2017	193,768,066	-	193,768,066	2.52%	19,910
2018	184,811,862	-	184,811,862	2.29%	18,708

Fiscal Year	Other Governmental Activities Debt	Total District (3)	Per Student ADM (2)	Per Capita (4)	ADM	Population
	Refunding Special Obligations					
2009	42,135,000	243,297,238	30,235	5,738	8,047	42,400
2010	41,955,000	233,592,238	28,964	5,398	8,065	43,276
2011	41,635,000	223,127,238	27,485	5,107	8,118	43,687
2012	41,135,000	211,407,238	25,860	4,687	8,175	45,107
2013	40,505,000	198,367,238	23,686	4,304	8,375	46,089
2014	39,675,000	186,589,645	21,599	3,930	8,639	47,476
2015	38,640,000	252,766,741	28,385	5,232	8,905	48,315
2016	37,390,000	241,545,453	25,482	4,907	9,479	49,222
2017	35,900,000	229,668,066	23,599	4,536	9,732	50,627
2018	34,155,000	218,966,862	22,165	4,314	9,879	50,761

**Note:** Details regarding the District's outstanding debt can be found in the notes to the financial statements.

<sup>1</sup> See schedule titled "Assessed Values of Taxable Property ..."

<sup>2</sup> Student enrollment data can be found on the sheet titled "Operating Statistics"

<sup>3</sup> Includes net general bonded debt and other governmental activities debt.

<sup>4</sup> Per capita is calculated using the estimated District population of 50,761 for 2017-18

**WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

**Legal Debt Margin Calculation for Fiscal Year 2018**

Real Market Value	\$ 10,538,774,757
Debt Limit (7.95%) <sup>1</sup>	837,832,593
Amount of Debt Applicable to Debt Limit:	
General Obligation Bonded Debt	184,811,862
Less: Amount Available in Debt Service Funds	-
Amount of Debt Applicable to Debt Limit	<u>184,811,862</u>
Legal Debt margin	<u>\$ 653,020,731</u>

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt Limit	\$ 742,502,737	674,827,991	603,797,478	565,154,338	550,729,775	575,831,413	648,459,433	713,518,616	796,594,107	837,832,593
Total net debt applicable to limit	<u>201,162,238</u>	<u>191,637,238</u>	<u>181,492,238</u>	<u>170,272,238</u>	<u>157,862,238</u>	<u>146,914,645</u>	<u>214,126,741</u>	<u>204,155,453</u>	<u>193,768,066</u>	<u>184,811,862</u>
Legal debt margin	<u>\$ 541,340,499</u>	<u>\$ 483,190,753</u>	<u>\$ 422,305,240</u>	<u>\$ 394,882,100</u>	<u>\$ 392,867,537</u>	<u>\$ 428,916,768</u>	<u>\$ 434,332,692</u>	<u>\$ 509,363,163</u>	<u>\$ 602,826,041</u>	<u>\$ 653,020,731</u>

Total net debt applicable to the limit as a percentage of debt limit	16.06%	27.09%	28.40%	30.06%	30.13%	28.66%	25.51%	28.61%	24.32%	22.06%
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<sup>1</sup> ORS 328.245 establishes a parameter of bonded indebtedness for school districts. Aggregates are governed by real market values of all taxable properties within the District as follows:  
<sup>A</sup> For each grade from kindergarten to eighth for which the District operates schools, fifty-five one-hundredths of one percent (.0055) of the real market value.  
<sup>B</sup> For each grade from ninth to twelfth for which the District operates schools, seventy-five one-hundredths of one percent (.0075) of the real market value.

Allowable Percentage of Real Market Value:

<sup>A</sup> Kindergarten through eighth grade, 9 x .0055	4.95%
<sup>B</sup> Ninth through twelfth, 4 x .0075	3.00%
Allowable Percentage	<u>7.95%</u>

Source  
Market value per Clackamas and Washington County Assessors Offices.

**WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT**  
**Demographic and Economic Statistics**  
**Last Ten Calendar Years**  
*Clackamas County*

<b>Year</b>	<b>District Population (Estimated)</b>	<b>County Personal Income (1) (thousands of dollars)</b>	<b>County Per Capita Personal Income (3)</b>	<b>Clackamas County Unemployment Rate (2)</b>
2009	42,400	16,853,655	43,646	10.4%
2010	43,276	16,945,867	44,954	10.1%
2011	43,687	17,457,115	44,480	8.9%
2012	45,107	18,813,208	47,110	8.0%
2013	46,089	17,863,812	46,028	7.1%
2014	47,476	18,724,587	47,464	6.2%
2015	48,315	19,901,153	49,565	5.1%
2016	49,222	20,965,832	51,379	4.4%
2017	50,627	N/A	N/A	3.7%
2018	50,761	N/A	N/A	3.5%

Sources:

<sup>1</sup> Bureau of Economic Analysis for Clackamas County. District-level data unavailable

<sup>2</sup> State of Oregon Unemployment Rate for Clackamas County

<sup>3</sup> For constituents residing in Clackamas County

N/A = Not available

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**WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT**  
**Full-time Equivalent District Employees by Type**  
**Last Ten Fiscal Years**

Full-time Equivalent Employees as of June 30 (1)

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b><u>Instructional Staff</u></b>				
Primary, K-5 Instruction	270.10	265.31	239.27	229.55
Intermediate, 4-5 Instruction (2)	0.00	0.00	0.00	0.00
Middle School Instruction	114.57	114.65	106.16	94.95
High School Instruction	128.15	126.00	123.70	116.50
High School Activities	2.00	2.00	2.00	2.00
Pre-Kindergarten Instruction	7.00	6.10	6.55	5.61
Talented & Gifted	1.71	1.71	1.71	3.06
High Needs Students	44.48	39.97	30.88	26.75
Resource Rooms	65.24	57.14	41.22	40.95
Alternative Education	10.30	10.30	10.64	9.14
Charter Schools	0.00	0.00	0.00	0.00
English - Second Language	10.34	8.10	5.20	5.00
CREST	3.60	3.60	3.00	3.00
Subtotal Instructional Staff	<b>657.49</b>	<b>634.88</b>	<b>570.33</b>	<b>536.51</b>
<b><u>Support Services Staff</u></b>				
Social Work Services	1.50	1.50	0.00	0.00
Counseling	22.60	19.50	18.90	19.00
District Nurse	4.00	3.00	3.00	3.00
Psychological Services	4.00	4.00	4.50	2.00
Speech	8.80	8.00	7.40	8.80
Special Services-Direction	3.00	3.00	3.00	4.00
Curriculum Development	5.65	4.25	3.50	2.00
Curriculum - Direction	0.00	0.00	0.00	1.00
Libraries-Media	16.37	15.00	13.14	11.50
Executive Administration	2.00	2.00	3.00	2.50
Office of the Principal	49.70	49.70	44.70	44.70
Business - Direction	1.00	1.00	1.00	1.00
Fiscal Office	5.00	5.00	5.00	5.00
Operations Direction	0.00	0.00	0.00	0.00
Maintenance - Direction	4.20	4.20	3.20	4.00
Care & Upkeep of Buildings	46.50	45.50	40.00	42.00
Care & Upkeep of Grounds	0.00	0.00	0.00	0.00
Maintenance	19.00	17.00	16.00	15.00
Warehouse & Distribution	2.00	2.00	2.00	2.00
Information Services	1.00	0.00	0.00	0.00
Staff Services - Personnel	4.00	3.00	3.00	3.00
Technology Services	12.50	12.50	11.50	11.00
Subtotal Support Services Staff	<b>212.82</b>	<b>200.15</b>	<b>182.84</b>	<b>181.50</b>
<b>Total</b>	<b>870.31</b>	<b>835.03</b>	<b>753.17</b>	<b>718.01</b>

**Source:**

District Budget Office

**Notes:**

(1) General Fund Employees Only.

(2) State no longer recognizes "Intermideiate, 4-5 Instruction." It is now included as part of "Primary K-5 Instruction."

Full-time Equivalent Employees as of June 30 (1)

<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
202.00	199.42	193.11	137.00	129.16	140.32
0.00	0.00	0.00	70.23	68.30	71.02
92.52	86.16	85.19	101.46	99.51	107.42
104.10	102.02	100.53	110.60	108.56	117.82
2.00	2.20	2.60	2.20	2.20	2.20
4.41	5.88	5.52	7.28	6.48	5.59
2.81	1.76	1.76	2.61	2.61	2.51
22.25	31.54	30.89	39.53	37.90	47.75
34.58	30.00	28.82	36.73	41.53	45.69
5.45	6.18	6.19	4.90	5.90	1.15
0.00	0.00	0.00	0.00	1.25	0.00
5.00	4.38	3.70	7.31	6.50	11.01
2.00	3.00	3.00	2.75	2.75	2.50
<b>477.12</b>	<b>472.54</b>	<b>461.31</b>	<b>522.60</b>	<b>512.65</b>	<b>554.98</b>
0.00	0.00	0.00	0.00	0.00	0.00
15.00	18.50	18.50	18.25	17.50	19.70
3.00	3.00	3.00	3.15	3.37	3.12
0.50	0.00	0.00	0.60	0.00	3.50
5.80	5.00	5.00	2.55	3.05	9.85
3.00	3.00	2.00	3.21	3.00	4.00
2.00	2.00	2.00	2.00	2.50	2.31
1.00	1.00	1.00	1.50	1.50	0.50
10.22	14.96	14.84	19.70	18.40	20.60
2.50	2.50	1.50	2.00	2.00	3.00
42.50	43.10	36.50	45.10	43.60	45.60
0.89	0.89	0.89	1.88	0.83	1.00
4.72	4.61	4.61	5.63	5.41	6.00
0.00	0.00	0.00	0.00	0.00	0.00
1.88	2.88	2.88	2.69	2.53	4.00
40.00	41.50	39.50	39.50	39.50	36.90
0.00	0.00	0.00	14.96	0.00	5.00
15.00	15.15	15.10	0.00	8.00	9.50
2.00	1.95	0.99	2.91	3.00	3.00
0.00	0.00	0.00	0.00	0.00	0.00
3.00	3.00	3.00	3.00	3.00	3.50
7.73	8.23	8.48	9.98	7.03	8.00
<b>160.74</b>	<b>171.27</b>	<b>159.79</b>	<b>178.61</b>	<b>164.22</b>	<b>189.08</b>
<b>637.86</b>	<b>643.81</b>	<b>621.10</b>	<b>701.21</b>	<b>676.87</b>	<b>744.06</b>

**WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT**  
**Operating Statistics**  
**Last Ten Fiscal Years**

Fiscal Year	Student Average Daily Membership (1)	Charter Schools Student Average Daily Membership	Operating Expenses (2)	Cost Per ADM (1)	Certified Staff FTE (3)	ADM to Certified Ratio (3)	Ave Tchr Salary	Tchr Salary Range-Low	Tchr Salary Range-High	Percentage
										Free & Reduced per ADM
2008-09	8,047	100	74,075,170	9,205	481	16.7	53,932	32,270	65,940	16.9
2009-10	8,065	100	69,480,561	8,615	445	18.1	54,902	33,830	67,248	19.6
2010-11	8,118	100	66,319,321	8,169	451	18.0	50,561	34,425	68,732	21.3
2011-12	8,175	100	69,081,540	8,450	430	19.0	53,119	35,183	69,938	23.3
2012-13	8,375	100	72,466,034	8,653	444	18.9	57,121	35,610	70,997	21.8
2013-14	8,639	105	79,439,342	9,195	447	19.3	57,121	35,877	71,336	23.6
2014-15	8,905	110	86,322,425	9,694	537	16.6	57,326	36,057	71,693	22.7
2015-16	9,479	110	92,547,531	9,763	553	17.1	59,663	37,499	74,541	21.7
2016-17	9,732	110	104,677,615	10,756	542	18.0	62,549	38,346	76,404	21.2
2017-18	9,879	110	108,479,238	10,981	552	17.9	64,523	39,685	78,887	24.6

(1) Includes charter school students

(2) Operating expenditures are all governmental fund expenditures less debt service and capital outlays.

(3) Excludes charter school staff/teachers

Source:

District Records

**WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT**  
**Principal Employers for the West Linn-Wilsonville School District Area (1)**  
**Current Year and Ten Years Ago**

		<b>2017-18</b>	
<b>Employer</b>	<b>Type of Business</b>	<b>Number of Employees</b>	<b>Percentage of Total City Employment*</b>
Mentor Graphics Corporation	CAD Software Systems	976	6.1%
Sysco Portland Inc	Warehouse & Distribution	568	3.6%
Rockwell Collins Head-Up Guidance Systems	Aviation Guidance Systems	488	3.1%
Swire Coca-Cola USA	Warehouse & Distribution	378	2.4%
Precision Interconnect	Medical & Technology Equipmt.	320	2.0%
Southern Glazers Wine Dist. Of OR LLC	Beverage distribution	300	1.9%
Costco Wholesale #766	Warehouse	291	1.8%
Fred Meyer #516	Grocer	274	1.7%
Dealer Spike LLC	Web Hosting	254	1.6%
DWFritz Automation Inc.	Manufacturing	249	1.6%
		4,098	25.8%

		<b>2008-09</b>	
<b>Employer</b>	<b>Type of Business</b>	<b>Number of Employees</b>	<b>Percentage of Total City Employment**</b>
Xerox Corporation	Copiers and Printers	1,563	10.7%
Mentor Graphics Corporation	CAD Software Systems	1,110	7.6%
Precision Interconnect	Electronic Machinery	654	4.5%
Sysco/Continental Food Service	Warehouse & Distribution Center	582	4.0%
Hollywood Entertainment Corporation	Headquarters, warehouse, retail	356	2.4%
Flir Systems, Inc	Thermal imaging/infrared equipment	352	2.4%
Fry's Electronics	Retail	309	2.1%
Infocus Corporation	Projectors & Display Systems	309	2.1%
Rite Aid Distribution Center	Warehouse & Distribution Center	275	1.9%
Orepac Building Products	Forest Products	198	1.4%
		5,708	39.1%

\*Total city employment for 2017-18 15,966

\*\*Total city employment for 2008-09 14,612

(1) City of Wilsonville only, City of West Linn not available  
 Number of employees is listed as FTE (full-time equivalent)

Source:  
 City of Wilsonville Business License Database

**WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT**  
**Capital Asset Information**  
**Last Ten Fiscal Years**

	Fiscal Year										Average Age of Buildings
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 (in years)	
<b>Schools</b>											
<b>Primary</b>											
Buildings	7	7	7	7	9	9	9	9	9	9	53
Square Feet	446,982	446,982	446,982	446,982	581,626	581,626	581,626	581,626	581,626	597,833	
Capacity	3,382	3,382	3,382	3,382	4,401	4,401	4,401	4,401	4,401	4,401	
Membership (ADM)	3,375	3,375	3,375	3,785	4,025	4,096	4,153	4,265	4,309	4,292	
Percent Used	100%	100%	100%	112%	91%	93%	94%	97%	98%	98%	
<b>Middle</b>											
Buildings	3	3	3	3	3	3	3	3	3	4	18
Square Feet	282,519	282,519	282,519	284,519	284,519	284,519	284,519	284,519	284,519	375,625	
Capacity	2,082	2,082	2,082	1,932	1,932	1,932	1,932	1,932	1,932	2,332	
Membership (ADM)	1,899	1,899	1,899	2,026	2,065	2,120	2,210	2,307	2,313	2,323	
Percent Used	91%	91%	91%	105%	107%	110%	114%	119%	120%	100%	
<b>High</b>											
Buildings	2	2	2	2	2	2	2	2	2	2	43
Square Feet	500,631	500,631	500,631	499,943	499,943	499,943	499,943	499,943	522,063	522,063	
Capacity	3,291	3,291	3,291	3,220	3,220	3,220	3,220	3,220	3,220	3,220	
Membership (ADM)	2,508	2,508	2,508	2,773	2,866	2,896	3,042	3,082	3,161	3,077	
Percent Used	76%	76%	76%	86%	89%	90%	94%	96%	98%	96%	
<b>Other</b>											
Buildings	3	3	3	3	3	3	3	3	3	3	12
Square Feet	7,442	7,442	7,442	46,266	46,266	46,266	46,266	46,266	46,266	46,266	
<b>Administration</b>											
Buildings	1	1	1	1	1	1	1	1	1	1	82
Square Feet	21,000	21,000	21,000	17,439	17,439	17,439	17,439	17,439	17,439	17,439	
<b>Maintenance</b>											
Buildings	5	5	5	5	5	5	5	5	5	5	19
Square Feet	40,020	40,020	40,020	54,900	54,900	54,900	54,900	54,900	54,900	54,900	

Source: West Linn-Wilsonville School District Department of Operations Statistics

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

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WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT  
INDEPENDENT AUDITORS' REPORT  
REQUIRED BY OREGON STATE REGULATIONS

We have audited the basic financial statements of the West Linn-Wilsonville School District No. 3JT, (District) as of and for the year ended June 30, 2018 and have issued our report thereon dated December 15, 2018. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

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

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

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

1. Budgets: Expenditures exceeded appropriations in the General Fund for the Instruction function by \$93,927 and for the Support Services function by \$851,929. The Special Revenue Fund Enterprise and Community Services function expended \$7,747 in excess of appropriations while the Debt Service Fund Debt Service function expenditures exceeded appropriations by \$41,609.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the District'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 District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.



### **Purpose of this Report**

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

*Wilcox Arredondo & Co.*

Certified Public Accountants  
Canby, Oregon  
December 15, 2018

# **GRANT COMPLIANCE SECTION**

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To the School Board  
West Linn-Wilsonville School District No. 3JT  
Clackamas County, Oregon

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of West Linn-Wilsonville School District No. 3JT, (District), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 15, 2018.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. 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 material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.

*Wilcox Arredondo & Co.*

Certified Public Accountants  
Canby, Oregon  
December 15, 2018



To the School Board  
West Linn-Wilsonville School District No. 3JT  
Clackamas County, Oregon

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

**Report on Compliance for Each Major Federal Program**

We have audited West Linn-Wilsonville School District No. 3JT (District's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2018. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and 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, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.



## Report on Internal Control over Compliance

Management of the District 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 to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that 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 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 preceding 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

*Wilcox Arredondo & Co.*

Certified Public Accountants  
Canby, Oregon  
December 15, 2018

WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 Year Ended June 30, 2018

<b>Federal Grantor/Pass-through Grantor/ Program Title</b>	<b>Grant Period</b>	<b>Federal C.F.D.A. Number</b>	<b>Pass-Through Grantor's Number</b>	<b>Expenditures</b>
<b><u>U.S. Department of Education</u></b>				
Passed through Oregon State Department of Education				
Title IA - Part A - Grants to Local Educational Agencies	07/01/17-09/30/18	84.010	45722	\$ 550,378
Title III - English Language Acquisition	07/01/17-09/30/18	84.365	44259	41,997
Title IIA - Improving Teacher Quality	07/01/16-09/30/18	84.367	45937	165,035
Title IVA - Student Support and Enrichment	07/01/17-09/30/18	84.424	47851	15,134
IDEA, Part B, Special Education	07/01/17-09/30/18	84.027	45279	1,304,297
IDEA, Part B, Special Education	07/01/17-09/30/18	84.027	45090	1,099
IDEA, SPR&I	07/01/17-06/30/18	84.027	44524	4,355
IDEA, Enhancement	10/01/17-06/30/18	84.027	46569	12,731
Total Special Education				1,322,482
Passed Through Clackamas Education Service District				
Title 1C Migrant Education	07/01/17-06/30/18	84.011	N/A	1,024
Carl Perkins	07/01/17-06/30/18	84.048	40307/40331	33,274
<b>Total U.S. Department of Education</b>				<b>2,129,324</b>
<b><u>U. S. Department of Labor</u></b>				
Passed Through Clackamas Education Service District				
C-TEC	07/01/17-06/30/18	17.259	N/A	45,000
<b>Total U.S. Department of Labor</b>				<b>45,000</b>
<b><u>U.S. Department of Health and Human Services</u></b>				
Youth Transition Program	07/01/17-06/30/18	84.126A	143295	147,275
<b>Total U.S. Department of Health and Human Services</b>				<b>147,275</b>
<b><u>U.S. Department of Agriculture</u></b>				
Passed through Oregon State Department of Education				
National School Breakfast Program	07/01/17-06/30/18	10.553	N/A	78,844
Commodities	07/01/17-06/30/18	10.555	N/A	148,956
National School Lunch Program	07/01/17-06/30/18	10.555	N/A	621,008
Total National School Lunch				769,964
Total Child Nutrition Cluster				848,808
National School Lunch Program - Administration	07/01/17-06/30/18	10.560	N/A	2,858
Passed through Clackamas County and Clackamas Education Service District				
Federal Forest Fees	07/01/17-06/30/18	10.665	N/A	9,901
<b>Total U.S. Department of Agriculture</b>				<b>861,567</b>
<b>Total Federal Awards</b>				<b>\$ 3,183,166</b>

WEST LINN WILSONVILLE SCHOOL DISTRICT NO. 3JT  
NOTES RELATIVE TO SCHEDULE OF FEDERAL AWARDS  
For the Year Ended June 30, 2018

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of West Linn-Wilsonville School District NO. 3JT (District) programs of the federal government for the year ended June 30, 2018. The information in this Schedule is presented in accordance with the requirements of title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District.

2. Summary of Significant Accounting Policies

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 and OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*) wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

The District has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance due to the fact that the District has a negotiated indirect cost rate with Oregon Department of Education, and thus is not allowed to use the de minimus rate.

4. Subrecipients

The District had no subrecipients.

WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 Year Ended June 30, 2018

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements:**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes \_\_\_ No

Significant deficiency(ies) identified that are not considered to be material weakness(es) Yes \_\_\_ None reported

Noncompliance material to financial statements noted? Yes \_\_\_ No

**Federal Awards:**

Internal control over major programs:

Material weakness(es) identified? Yes \_\_\_ No

Significant deficiency(ies) identified not considered to be material weakness(es)? Yes \_\_\_ None reported

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 section 200.516(a)? Yes \_\_\_ No

**Identification of major programs:**

CFDA NUMBER

NAME OF PROGRAM OR CLUSTER

10.553, 10.555, 10.559

Child Nutrition Cluster

Dollar threshold used to distinguish between type A and B programs \$ 750,000

Auditee qualified as low-risk auditee? Yes  No \_\_\_

WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2018

**SECTION II - FINANCIAL STATEMENT FINDINGS - NONE**

**SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS - NONE**

**SECTION IV - SUMMARY OF PRIOR AUDIT FINDING - NONE**