

COMPREHENSIVE ANNUAL FINANCIAL REPORT



West Linn - Wilsonville School District 3JT

FOR YEAR ENDED JUNE 30, 2020

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

**Comprehensive Annual
Financial Report**

Year Ended June 30, 2020

Prepared by the
Business Office

Dr. Kathy Ludwig, Superintendent

Dr. Sơn Lê Hughes, 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
Phone: 503-673-7000 or Fax: 503-673-7001

December 21, 2020

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, 2020.

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 rest with the District. To provide a reasonable basis for making these representations, the District's management has established a comprehensive internal control framework. The framework's design endeavors to protect the government's assets from loss, theft, or misuse and compile sufficient reliable information to prepare the District's financial statements in conformity with generally accepted accounting principles (GAAP) in the United States of America. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has is designed to provide reasonable rather than an absolute assurance that the financial statements will be free from material misstatement. As management, we assert that this financial report is complete and reliable in all material respects to the best of our knowledge and belief.

INDEPENDENT AUDIT

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, 2020, 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. Based upon the audit, the independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2020, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the District's financial statements was part of a broader, federally mandated "Single Audit" designed to meet federal grantor agencies' unique needs. The standards governing Single Audit engagements require the independent auditor to report not only the fair presentation of the financial statements but also on the audited government's internal control and compliance with legal requirements, emphasizing 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.

PROFILE OF THE DISTRICT

The District is a municipal corporation governed by an elected five-member board. As required by generally accepted accounting principles (GAAP), these financial statements present the 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 disabled 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 and several unincorporated towns and areas of Clackamas and Washington Counties. The District was initially 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 51,338 in 2019. As of June 30, 2020, District student membership was 10,108, which compares to 3,277 in the fiscal year 1980. The tax assessed property value located in the District has grown from just under \$285 million to over \$8.7 billion in the same period.

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

To the south, in the Wilsonville area, the proximity of I-5 has encouraged warehousing and distribution activities, which require space for expansion and easy transportation connections. Retail stores have become more prominent in the area, as well as vital housing developments. Easy access to the freeway system has 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. Interstate segments were completed through Clackamas County during the mid-1970s. At that time, significant retail and commercial developments occurred in the areas bordering the freeway. Significant smaller infill growth lends a positive impact as well.

ECONOMIC CONDITION AND OUTLOOK

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 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, after 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 within the school district. This local option tax was initially approved in 2000 and most recently renewed in 2019. The local option levy has funded classroom teachers. In the 2019-20 fiscal year, the local option levy funded approximately 80 teachers in the District.

In response to the rate limitation of Measure 5, the state legislature employs a funding formula that 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's unemployment rate is under the national average, with the most recent rate of 10.7 percent published in June of 2020. 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 that the State provides. The voters did not approve recent ballot measures that attempted to fix this situation. However, as the local economy responds to recovery and growth, improvements continue to be seen in funding for education needs.

SCHOOL BOARD GOALS

The School Board, for the 2019-20 school year, approved the following goals:

1. Grow student achievement through high leverage instructional and engagement strategies to raise rigor, disrupt systems of racism, and generate equitable outcomes for all students while eliminating opportunity and achievement gaps.
2. Align, evaluate, and update integrated systems of professional growth, assessment, inclusive practice, and accountability to build competence, confidence, and self-efficacy for every student.
3. Operate in an accessible and transparent manner to encourage and generate community involvement as our parents, students, and community partners are an integral and valued voice in our District.
4. Be responsive to community growth and student learning needs of the future by conducting long-range capital improvements and financial planning through processes and practices for long-term financial stability and sustainability.

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.

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 skills and training to enhance our effectiveness in delivering powerful instruction and related support services to students and parents.

Student enrollment projections show anticipated increases of more than 1,000 students in the next ten years. The general obligation bond passed by voters in November 2019 is expected to assist with new schools and learning space to balance current and future enrollment and provide students and staff with safe and efficient learning environments. The 2019 bond provides the district with \$206.8 million dollars for capital improvements projects in West Linn-Wilsonville schools including: 1) prioritize safety & security for all district schools (\$15.25M), 2) relieve crowded classrooms & plan for growth (\$127M), 3) expand opportunities for hands-on learning, CTE & Arts (\$25M), 4) Renovate & Repair Aging Schools (\$13.25M), and 5) Upgrade & Update Technology (\$18M).

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

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 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.

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, 2019. 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

ACKNOWLEDGEMENTS

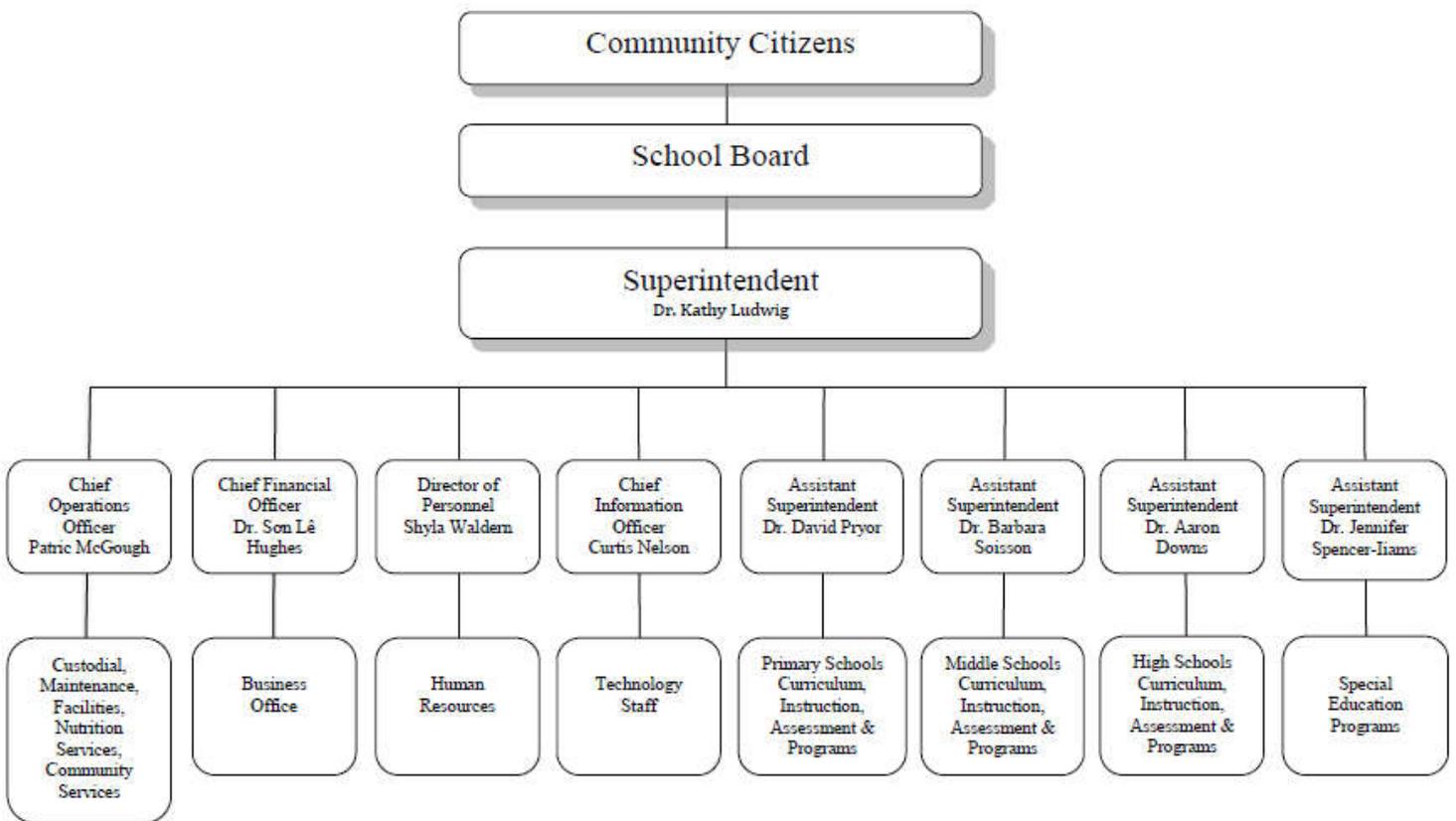
I wish to express my appreciation to the entire staff in the Business Office for their efforts and contributions to this annual financial report. I would also like to thank the Board of Directors for their continued support and dedication to the District's effective financial operation.

Respectfully submitted,



Sơn Lê Hughes, Ph.D.
Chief Financial Officer

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-Iiams	Assistant Superintendent
Dr. Son Lê Hughes	Chief Financial Officer

BOARD OF DIRECTORS AS OF JUNE 30, 2020

	<u>Term Expires</u>
Regan Molatore, Chair	June 30, 2021
Dylan Hydes, Vice Chair	June 30, 2021
Ginger Fitch, Director	June 30, 2021
Chelsea King, Vice Chair	June 30, 2023
Christy Thompson, Director	June 30, 2023

The Board of Directors Receives mail at the address above.

LEGAL & BOND COUNSEL

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

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING



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, 2019

Christopher P. Morrill

Executive Director/CEO

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to WLWV School District for its CAFR for the fiscal year ended June 30, 2019. WLWV School District has received the Certificate of Achievement for Excellence in Financial Reporting for 25 consecutive years.

The CAFR has been judged by an impartial panel to meet the program's high standards, which includes demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential users and user groups to read the CAFR.

The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

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, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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, 2020, 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.



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 Schedules – Pension and OPEB 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 Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – General Fund and Special Revenue Fund 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 Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – General Fund and Special Revenue Fund 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, supplementary information, other financial schedules, and statistical section as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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, and other financial schedules, 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, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2020, 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 21, 2020, 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 21, 2020

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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, 2020**

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, 2020.

FINANCIAL HIGHLIGHTS

- The District's government-wide net position decreased \$8.6 million during the fiscal year.
- The District had \$267.6 million invested in capital assets, net of depreciation.
- At the end of the fiscal year, unassigned fund balance for the General Fund was \$11.9 million or about 11 percent of total General Fund Revenues.
- Total cost of the District's Governmental Fund Program was \$163.1 million, an increase of \$11.4 million when compared with 2018-19.
- The 2019 Capital Bond was passed by the West Linn –Wilsonville voter On November 5, 2019. The \$206.8 million capital bond includes seven major projects spanning across the entire school district as follow:
 - ✓ New Middle School at Dollar Street - Project consists of building a new middle school on district owned 21-acre site in West Linn to accommodate 850 students. School building, parking, street improvements, track and field are all part of this upcoming project.
 - ✓ Relocated and Expand Arts & Technology High School to the current Athey Creek site - Project consists of renovating the current Athey Creek Middle School to include adding a secure entry administration suite and renovation existing building space.
 - ✓ New Primary School at Frog Pond Site - Project consists of building a new starter 350 student enrollment primary school at district owned 10 acres in the Frog Pond area of Wilsonville.
 - ✓ Wilsonville High School Performing Arts Addition - Project consists of adding on a 600 seat theater and support spaces to the existing WHS. Project also includes renovating the current theater/spaces, parking, site circulation and softball field work.
 - ✓ West Linn High School Stadium and Parking - Project consists of increasing current WLHS stadium seating as well as site circulation/paths and increased parking on the site.

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

OVERVIEW OF FINANCIAL STATEMENTS.

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).

**WEST LINN-WILSONVILLE SCHOOL DISTRICT 3JT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

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.

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 term "Net Position" refers to the difference between (a) combined assets and deferred outflows of resources and (b) combined liabilities and deferred inflows of resources, and is an indicator of the West Linn –Wilsonville School District's current financial condition. Changes in net position that occur over time indicate improvement or decline in this condition. Total Assets increased by \$157 million or 50 percent, and total liabilities increased \$176 million, or 49.8 percent during fiscal year 2020. The following summarizes the West Linn –Wilsonville School District' assets and deferred outflows of resources, liabilities and deferred inflows of resources, and net position:

**WEST LINN-WILSONVILLE SCHOOL DISTRICT 3JT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

Statement of Net Position

	Governmental Activities		Increase (Decrease)
	Net Position		
	June 30, 2020	June 30, 2019 (**)	
Current and other assets	\$ 203,320,968	\$ 39,361,258	\$ 163,959,710
Capital assets	267,550,694	274,487,819	(6,937,125)
Total Assets	470,871,662	313,849,077	157,022,585
Deferred Outflows of Resources	52,028,091	39,336,939	12,691,152
Long-term debt	511,100,340	336,970,903	174,129,437
Other liabilities	20,737,677	18,038,127	2,699,550
Total Liabilities	531,838,017	355,009,030	176,828,987
Deferred Inflows of Resources	6,563,044	6,091,755	471,289
Net Position			
Net investment in capital assets	77,390,134	82,421,522	(5,031,388)
Restricted	8,978,194	5,537,634	3,440,560
Unrestricted	(101,869,636)	(94,773,515)	(7,096,121)
Total Net Position	\$ (15,501,308)	\$ (6,814,359)	\$ (8,686,949)

** = Restated

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, liabilities exceeded assets by \$15.5 million at June 30, 2020.

Capital assets, which consist of the District's land, buildings, building improvements, vehicles, and equipment, represent about 56.8 percent of total assets. The remaining assets consist mainly of investments and cash, bond proceeds, grants, and property taxes receivable.

The District's largest liability is for the repayment of general obligation bonds. Current liabilities, representing about 3.9 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.

Deferred inflows and outflows of resources. Deferred outflows of resources increased by \$12.6 million and deferred inflows of resources increased by .47 million when compared to prior year.

The Changes in Net position for the District were as follows:

**WEST LINN-WILSONVILLE SCHOOL DISTRICT 3JT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

**Changes in Net Position
For the Year Ended**

	Governmental Activities		Increase (Decrease)
	Change in Net Position		
	June 30, 2020	June 30, 2019	
Revenues:			
Program Revenues:			
Charges for services	\$ 4,669,632	\$ 2,163,208	\$ 2,506,424
Operating grants	7,060,184	7,183,269	(123,085)
General Revenues:			
Property taxes	63,066,951	58,505,092	4,561,859
Local option	9,395,737	8,954,255	441,482
State sources	59,997,081	57,543,858	2,453,223
Earnings on investments	2,356,445	1,284,017	1,072,428
Gain on Disposition of Capital Assets	4,753,313	-	4,753,313
Miscellaneous	3,071,026	3,099,233	(28,207)
Total revenues	<u>154,370,369</u>	<u>138,732,932</u>	<u>15,637,437</u>
Expenses:			
Instruction	94,660,559	85,805,880	8,854,679
Support services	41,251,709	40,258,819	992,890
Community services	2,563,549	2,401,435	162,114
Facilities services	10,218,396	9,232,284	986,112
Interest on long-term debt	14,363,105	13,985,118	377,987
Total expenses	<u>163,057,318</u>	<u>151,683,536</u>	<u>11,373,782</u>
Change in net position	<u>(8,686,949)</u>	<u>(12,950,604)</u>	<u>4,263,655</u>
Change in net position	(8,686,949)	(12,950,604)	4,263,655
Net position - July 1, previously reported	(6,814,359)	5,035,835	(11,850,194)
Restated	-	1,100,410	(1,100,410)
Net position - June 30, restated	<u>\$ (15,501,308)</u>	<u>\$ (6,814,359)</u>	<u>\$ (8,686,949)</u>

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 2019-20, the District's net position decreased by \$8.6 million. This year showed an increase in funding from State sources of over \$2.4 million. Additionally, receipts from local property taxes increased by \$4.5 million and local option taxes increased by \$441,482 over what was received during the 2018-19 year. Expenses for the year increased in the area of instruction, support and facilities.

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.

**WEST LINN-WILSONVILLE SCHOOL DISTRICT 3JT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

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, 2020 the District's governmental funds reported combined ending fund balances of \$180.9 million, an increase of \$161 million when compared with 2018-19. This increase is primary due to increased cash from sale of bonds and a reclassification from Study Body Agency Fund to Special Revenue Fund.

General Fund: The General Fund is the main operating fund of the District. As of June 30, 2020, unassigned fund balance was \$11.9 million. As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. This years' fund balance represents about 11 percent of total General Fund expenditures. The fund balance increased by \$2.2 million during the current fiscal year. This increase was attributable mostly to increased State funding, plus property tax receipts coming in higher than anticipated.

Special Revenue Fund: The Special Revenue Fund has a total fund balance of \$8.2 million. This fund accounts for revenues and expenditures for grants that are restricted for specific educational projects. Principal revenue sources are federal, state, and intermediate grants, and a reclassification from Study Body Agency Fund to Special Revenue Fund.

Debt Service Fund: The Debt Service Fund has a total fund balance of \$2 million, all of which is restricted for the payment of debt service.

Capital Projects Fund: The Capital Projects Fund has a total fund balance of \$158.8 million. The fund balance increased by \$153.3 million during the current fiscal year, primary due to the sale of bonds.

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, 2020, the District had invested \$267,550,694 in capital assets, net of depreciation.

Additional information on the District's capital assets can be found on page 32 in the notes to the financial statements.

Long-term debt. As of June 30, 2020, the District had total debt outstanding of \$510,759,950. Please refer to the notes to page 33 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.

**WEST LINN-WILSONVILLE SCHOOL DISTRICT 3JT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

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 2021-23 biennium and beyond.

The State is still facing budget shortfalls in the future biennium, though these shortfalls are much smaller than the June 2020 forecast. Revenue for the biennium 2019-21 has rebounded from the June forecast and is projected to increase by \$2B.

While the September 2020 Economic and Revenue Forecast estimates are better than June Forecast, it is still below the March 2020 Forecast. This leaves us with long term issues that we must not lose sight of as we move forward. *The State is still facing a budget deficit in the 2021-23 biennium.*

The state and national economies continue to grow. Because of continued growth in real estate values and increased building, property taxes are expected to grow at around 5 percent.

2020-2021 District Goals – the Board have established District Goals to focus on:

1. Grow student achievement through the use of high leverage instructional and engagement strategies to raise rigor, disrupt systems of racism and generate equitable outcomes for all students while eliminating opportunity and achievement gaps.
2. Effectively use systems of professional growth, assessment for learning, social-emotional learning, equitable and inclusive practices to build competence, confidence and self-efficacy for every student.
3. Operate in an accessible and transparent manner to encourage and generate community involvement as our parents, students and community partners are an integral and valued voice in our District.
4. Be responsive to community growth and student learning needs of the future by conducting long-range capital improvements and financial planning through processes and practices for long-term financial stability and sustainability.

The District's Budget Committee and School Board will consider all of these factors when preparing the District Budget for the 2021-22 fiscal year.

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. An electronic copy of this and other prior year Comprehensive Annual Financial Reports (CAFR) are available on the district's website at: <https://www.wlww.k12.or.us/Page/261>

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BASIC FINANCIAL STATEMENTS

WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT
STATEMENT OF NET POSITION
June 30, 2020

	<u>Governmental Activities</u>
Assets	
Cash and Investments	\$ 195,943,244
Property Taxes and Other Receivables	6,227,610
Inventory	75,057
Prepaid Items	55,261
OPEB Net Asset - RHIA	1,019,796
Capital Assets	
Land and Constructions in Progress - Non Depreciable	14,301,215
Capital Assets, Net of Depreciation	<u>253,249,479</u>
Total Assets	<u>470,871,662</u>
Deferred Outflows of Resources	
Deferred Charge on Refunding	13,693,831
Pension Deferrals - PERS	34,559,566
Pension Deferrals - Stipend Benefit	801,201
Other Postemployment Benefits	<u>2,973,493</u>
Total Deferred Outflows of Resources	<u>52,028,091</u>
Liabilities	
Accounts Payable	1,897,893
Accrued Payroll and Payroll liabilities	17,499,485
Retainage Payable	35,081
Accrued Interest Payable	1,227,707
Unearned Revenue	70,321
Other Payables	7,190
Long-term Obligations	
Due Within One Year	
Bonds Payable	12,810,347
Accrued Compensated Absences	340,390
Due in More than One Year	
Bonds Payable	378,858,824
Proportionate Share of Net Pension Liability	95,560,725
Other Postemployment Benefits	21,228,328
Net Pension Liability, Stipend Benefit	<u>2,301,726</u>
Total Liabilities	<u>531,838,017</u>
Deferred Inflows of Resources	
Pension Deferrals - PERS	6,075,889
Net Pension Liability, Stipend Benefit	275,526
Other Postemployment Benefits	<u>211,629</u>
Total Deferred Inflows of Resources	<u>6,563,044</u>
Net Position	
Net investment in Capital Assets	77,390,134
Restricted for:	
Special Grants and Services	8,188,987
Debt Services	789,207
Unrestricted	<u>(101,869,636)</u>
Total Net Position	<u>\$ (15,501,308)</u>

See notes to the basic financial statements.

WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT
STATEMENT OF ACTIVITIES
Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change In Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Instructional Services	\$ 94,660,559	\$ 3,882,862	\$ 4,217,985	\$ (86,559,712)
Supporting Services	41,251,709	-	1,967,133	(39,284,576)
Community Services	2,563,549	786,770	875,066	(901,713)
Facilities Acquisition	10,218,396	-	-	(10,218,396)
Interest on Long-term Debt	14,363,105	-	-	(14,363,105)
Total Governmental Activities	\$ 163,057,318	\$ 4,669,632	\$ 7,060,184	(151,327,502)
General Revenues				
Property Taxes				63,066,951
Local Option Tax				9,395,737
State School Fund and Common School Fund				59,997,081
ESD Apportionment and County School Fund				1,927,923
Miscellaneous Local and Other Sources				1,143,103
Earnings on Investments				2,356,445
Gain on Disposition of Capital Assets				4,753,313
Total general revenues				142,640,553
Change in Net Position				(8,686,949)
Net Position				
Beginning of year, restated				(6,814,359)
End of year				\$ (15,501,308)

See notes to the basic financial statements.

WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2020

	<u>General</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Totals</u>
ASSETS					
Cash and Investments	\$ 27,633,821	\$ 7,409,280	\$ 494,061	\$ 160,406,082	\$ 195,943,244
Property Taxes and Other Receivables	3,458,158	1,820,430	829,450	119,572	6,227,610
Inventory, at Cost	-	75,057	-	-	75,057
Prepaid Items	55,261	-	-	-	55,261
Due from Other funds	-	-	1,331,691	-	1,331,691
Total Assets	<u>\$ 31,147,240</u>	<u>\$ 9,304,767</u>	<u>\$ 2,655,202</u>	<u>\$ 160,525,654</u>	<u>\$ 203,632,863</u>
LIABILITIES					
Accounts Payable	\$ 498,335	\$ 4,943	\$ -	\$ 1,394,615	\$ 1,897,893
Accrued Payroll and Payroll liabilities	17,396,475	103,010	-	-	17,499,485
Due to Other Funds	144,375	913,805	-	280,701	1,338,881
Retainage Payable	-	-	-	35,081	35,081
Unearned Revenue	-	70,321	-	-	70,321
Total Liabilities	<u>18,039,185</u>	<u>1,092,079</u>	<u>-</u>	<u>1,710,397</u>	<u>20,841,661</u>
DEFERRED INFLAWS OF RESOURCES					
Unavailable Revenue - Property Taxes	1,205,051	-	638,288	-	1,843,339
Total Deferred Inflows of Resources	<u>1,205,051</u>	<u>-</u>	<u>638,288</u>	<u>-</u>	<u>1,843,339</u>
FUND BALANCES					
Nonspendable	55,261	51,357	-	-	106,618
Restricted for					
Special Grants and Services	-	8,161,331	-	-	8,161,331
Debt Service	-	-	2,016,914	-	2,016,914
Future Capital Projects	-	-	-	158,815,257	158,815,257
Unassigned	11,847,743	-	-	-	11,847,743
Total Fund Balances	<u>11,903,004</u>	<u>8,212,688</u>	<u>2,016,914</u>	<u>158,815,257</u>	<u>180,947,863</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 31,147,240</u>	<u>\$ 9,304,767</u>	<u>\$ 2,655,202</u>	<u>\$ 160,525,654</u>	<u>\$ 203,632,863</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, 2020

Total fund balances - governmental funds		\$ 180,947,863
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	\$ 369,819,453	
Accumulated depreciation	<u>(102,268,759)</u>	267,550,694
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.		1,843,339
The OPEB Asset - RHIA is not available for current period expenditures, and therefore, is not reported in the governmental funds.		1,019,796
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		(95,560,725)
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	13,693,831	
Deferred outflows of resources related to pensions- PERS	34,559,566	
Deferred outflows of resources related to pensions -stipend benefit	801,201	
Deferred outflows of resources related to pensions -OPEB	2,973,493	
Deferred inflows of resources related to pensions - PERS	(6,075,889)	
Deferred inflows of resources related to stipend benefit	(275,526)	
Deferred inflows of resources related to OPEB	<u>(211,629)</u>	45,465,047
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	(1,227,707)	
Accrued Compensated Absences	(340,390)	
Bonds payable	(391,669,171)	
Net OPEB obligations	(21,228,328)	
Net Pension Liability, Stipend Benefit	<u>(2,301,726)</u>	<u>(416,767,322)</u>
Total Net Position		<u>\$ (15,501,308)</u>

See notes to the basic financial statements.

WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT
 GOVERNMENTAL FUNDS
 STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 Year Ended June 30, 2020

	General	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
Revenues					
Property Taxes	\$ 37,843,709	\$ -	\$ 25,206,057	\$ -	\$ 63,049,766
Local Option Levy	9,343,601	-	-	-	9,343,601
Construction Excise Tax	-	-	-	418,776	418,776
Tuition	320,245	-	-	-	320,245
Fees	415,724	786,770	-	-	1,202,494
Rentals	95,072	220,876	-	-	315,948
Earnings from Investments	872,846	105,529	41,961	1,336,109	2,356,445
Services Provided Other Funds	-	-	3,292,700	-	3,292,700
Extracurricular Activities	-	3,146,893	-	-	3,146,893
Miscellaneous	360,599	47,780	-	-	408,379
State and Intermediate Sources	61,925,004	3,864,312	-	-	65,789,316
Federal Sources	17,878	3,177,994	-	-	3,195,872
Total Revenues	111,194,678	11,350,154	28,540,718	1,754,885	152,840,435
Expenditures					
Current					
Instruction	73,056,286	7,141,802	-	-	80,198,088
Support Services	35,902,060	1,871,028	-	-	37,773,088
Enterprise and Community Services	-	2,397,614	-	-	2,397,614
Debt Service					
Principal	-	-	14,320,556	-	14,320,556
Interest	-	-	15,028,799	-	15,028,799
Other	-	-	-	1,307,489	1,307,489
Capital Outlay					
Facilities Acquisition and Construction	-	-	-	11,042,764	11,042,764
Total Expenditures	108,958,346	11,410,444	29,349,355	12,350,253	162,068,398
Excess (Deficiency) of					
Revenues Over (Under) Expenditures and Net Change in Fund Balance	2,236,332	(60,290)	(808,637)	(10,595,368)	(9,227,963)
Other Financing Sources (Uses)					
Sale of Capital Assets	-	5,560,895	-	-	5,560,895
Proceeds from Bonds Issued	-	-	-	228,664,082	228,664,082
Premium on Bond Issuance	-	-	-	11,148,048	11,148,048
Payment to Refunded Bonds Escrow Agent	-	-	-	(75,871,773)	(75,871,773)
Total Other Sources (Uses)	-	5,560,895	-	163,940,357	169,501,252
Net Change in Fund Balance	2,236,332	5,500,605	(808,637)	153,344,989	160,273,289
Fund Balances					
Beginning of Year Restated	9,666,672	2,712,083	2,825,551	5,470,268	20,674,574
End of year	<u>\$ 11,903,004</u>	<u>\$ 8,212,688</u>	<u>\$ 2,016,914</u>	<u>\$ 158,815,257</u>	<u>\$ 180,947,863</u>

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, 2020

Net Change in Fund Balances - total governmental funds \$ 160,273,289

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	\$ 2,091,221	
(Gain) on disposition of assets	(807,582)	
Less current year depreciation	<u>(8,220,764)</u>	(6,937,125)

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	14,320,556	
Bonds issued	(228,664,082)	
Payment to bonds escrow agent	75,871,773	
Premium on refunding bonds issued	(11,148,048)	
Deferred Interest accrued	(1,256,483)	
Change in accrued vacation	<u>(64,574)</u>	(150,940,858)

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

Amortization of deferred charge on refunding bonds	(531,062)	
Amortization of premium	<u>3,093,571</u>	2,562,509

(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. (12,793,241)

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. (640,332)

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. 69,321

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. (280,512)

Change in Net Position \$ (8,686,949)

See notes to the basic financial statements.

WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT
 STATEMENT OF NET POSITION
 FIDUCIARY FUNDS
 June 30, 2020

	Private Purpose Trust Fund
Assets	
Cash and investments	\$ 261,932
Other receivables	7,190
Total Assets	<u>269,122</u>
Liabilities	
Accounts payable	<u>11,000</u>
Total Liabilities	<u>11,000</u>
Net Position	
Held in trust for:	
Scholarships	<u>258,122</u>
Total Net Position	<u><u>\$ 258,122</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, 2020

	Private Purpose Trust Fund
Additions:	
Investment earnings	\$ 5,648
Donation from Private Source	6,830
Total Additions	<u>12,478</u>
Deductions:	
Scholarships	<u>11,000</u>
Total Deductions	<u>11,000</u>
Change in Net Position	1,478
Net Position	
Beginning of Year	<u>256,644</u>
End of Year	<u><u>\$ 258,122</u></u>

See notes to the basic financial statements.

WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2020

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 District's 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 is used to account for scholarship resources held by the District in a fiduciary capacity. Disbursements from this fund is 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.

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 Special Revenue Fund Instruction Services by \$1,327,293.

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

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.

Prepaid Items

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, 2020

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, 2020 consist of the following:

Deposits with Banks	\$ 5,363,805
Investments	<u>190,841,371</u>
	<u>\$ 196,205,176</u>

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

Statement of Net Position	
Cash and Investments	\$ 195,943,244
Statement of Net Position - Fiduciary Funds	
Cash and Investments - Private Purpose Trust	<u>261,932</u>
	<u>\$ 196,205,176</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 \$5,363,805 on June 30, 2020. The bank statement records reflect a balance of \$25,807,072 at year end. Of this amount, \$250,000 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, 2020

2. Cash and Investments (Continued)

Investment Type	Fair Value	Weighted Average Maturity in Years	% of Investment Portfolio
Commercial Securities	\$ 8,004,410	\$ 0.87	4%
U.S. Treasury Securitys	122,098,371	1.37	64%
U.S. Government Agency Securities	15,156,300	1.02	8%
Local Government Investment Pool	45,582,290	0.08	24%
	<u>\$ 190,841,371</u>	<u>1.32</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 unobservable 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.

Under the District’s investment of over 18 months will be avoided, unless they can be matched to specific expected use of funds as provided by ORS 294.135. The investment of capital bond proceeds are timed to meet constructions payments.

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, 2020 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).

WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT
 NOTES TO BASIC FINANCIAL STATEMENTS
 Year Ended June 30, 2020

2. Cash and Investments (Continued)

As a means of limiting its exposure to fair value losses arising from rising interest rates, no more than the stated percentage of the overall portfolio will be invested in each of the following categories of securities:

<u>Investment Type</u>	<u>Maximum % of Holdings</u>
U.S. Treasury securities	100%
Local Government Investment Pool	100% (or pool limit)
Fully insured Certificates of Deposit (CD)	100%
Bankers' Acceptances (BA's)	50%
Certificates of Deposits (CD)	25%
Repurchase Transactions	10%
U.S. Government agency securities and Instrumentalities of government sponsored Corporations.	100%

As of June 30, 2020, more than 5% of the District's total investments are in securities by the following issuers:

<u>Issuer</u>	<u>% of Total Investments</u>
Federal Home Loan Banks	7.94%
U.S. Treasury	63.98%
Local Government Investment Pool	23.88%

As of June 30, 2020, 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, 2020:

Uncollected Property Taxes	\$ 2,402,426
Other Receivables	3,825,184
	<hr/>
Total	<u>\$ 6,227,610</u>

WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT
 NOTES TO BASIC FINANCIAL STATEMENTS
 Year Ended June 30, 2020

4. Capital Assets

Capital assets activity for the year ended June 30, 2020 was as follows:

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
Capital assets not being depreciated:				
Land	\$ 9,329,779	\$ -	\$ (807,582)	\$ 8,522,197
Construction in Progress	6,368,236	3,065,154	(3,654,372)	5,779,018
Total Capital Assets not being depreciated	15,698,015	3,065,154	(4,461,954)	14,301,215
Capital assets being depreciated:				
Buildings and improvements	327,992,533	706,965	-	328,699,498
Site improvements	16,959,249	1,671,939	-	18,631,188
Equipment	7,921,263	301,535	(35,246)	8,187,552
Total capital assets being depreciated	352,873,045	2,680,439	(35,246)	355,518,238
Less accumulated depreciation for:				
Buildings and improvements	(82,881,733)	(6,785,083)	-	(89,666,816)
Site improvements	(6,079,615)	(763,535)	-	(6,843,150)
Equipment	(5,121,893)	(672,146)	35,246	(5,758,793)
Total accumulated depreciation	(94,083,241)	(8,220,764)	35,246	(102,268,759)
Total capital assets being depreciated, net	258,789,804	(5,540,325)	-	253,249,479
Total capital assets, net	\$ 274,487,819	\$ (2,475,171)	\$ (4,461,954)	\$ 267,550,694

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

Program	
Instructional programs	\$ 7,252,576
Supporting services	955,388
Community services	12,800
Total depreciation expense	\$ 8,220,764

Construction Commitments - The District has active construction projects as of June 30, 2020. As of the end of the fiscal year, the District is committed under various accepted bid agreements and contracts for approximately \$16,247,475 for good, services and construction of facilities.

WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2020

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 \$465,051,320.

In May of 2003, the District issued \$74,997,238 general obligation bonds to finance capital constructions and improvements. Interest rates ranges from 2.0% to 4.78%, payable annually in June. The bonds mature June 15, 2023.

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.

In August of 2019, the District issued \$4,502,366 general obligation bonds to finance capital constructions and improvements. These bonds were approved by voters in 2015. Interest rates ranges from 2.0% to 4.78%, payable annually in June. The bonds mature June 15, 2023.

The District issued series 2020A deferred interest bonds for \$103,756,716 in general obligation bonds to finance capital construction and improvements. Interest rates range from 2.37% to 2.95% deferred interest is compounded and paid at maturity beginning June 2035. The bonds mature June 15, 2050.

In February 2020, the District issued Series 2017B Bonds for \$44,120,000 (plus \$11,148,059 premiums) in general obligation bonds to finance capital construction and improvements. Interest rates of 5.0%, payable semiannually in June and December, beginning December 2020. The bonds mature on December 15, 2034 with principal payments semi-annually December 15 and June 15.

In February 2020, the District issued Series 2020C Bonds for \$76,285,000 in general obligation bonds for the purpose of refunding portion of its general obligation bonds issued in 2015. A total of \$75,871,773 was raised to buy back bonds issued in 2015. The total principal of 2015 bonds defeased was \$63,555,000. The difference of \$413,2227 was paid for cost of issuance of the bonds. The 2020C refunding resulted in a deferred loss in the Statement of Net Position of \$12,316,773 due to the excess of principal balance of the new bonds as compared to the principal balance for the bonds that were paid off. Although the stated balance amount of the bonded debt is now higher, the District will save a significant amount of money over the life of the new bonds due to the reduction in interest payments. The present value savings on the total debt service of the refunding bonds in comparison to the old bonds is \$4,641,866. The unamortized balance of the deferred loss as of June 30, 2020 is \$11,922,005.

On June 30, 2020, \$63,555,000 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
 Year Ended June 30, 2020

5. Long-Term Debt (Continued)

Bonds payable and Long-term Liabilities are as follows:

Issue Date	Issue Amount	Outstanding July 1, 2019	Additions	Reductions	Outstanding June 30, 2020	Due Within One Year	Interest Rates
General Obligation Bonds:							
05/03	\$ 74,997,238	\$ 23,210,109	\$ -	\$ 6,078,221	\$ 17,131,888	\$ 5,826,065	2.0% - 4.78%
03/15	161,390,000	152,485,000	-	66,725,000	85,760,000	2,105,000	2.0% - 5.0%
08/19	4,502,366	-	4,502,366	1,662,335	2,840,031	19,282	2.0% - 4.78%
2020(A)	103,756,716	-	103,756,716	-	103,756,716	-	2.37% - 2.95%
2020(B)	44,120,000	-	44,120,000	-	44,120,000	2,195,000	5.00%
2020(C)	76,285,000	-	76,285,000	1,075,000	75,210,000	-	1.567% - 2.474%
		175,695,109	228,664,082	75,540,556	328,818,635	10,145,347	
Limited Tax Pension Obligation Bonds:							
03/04	42,180,000	32,125,000	-	2,335,000	29,790,000	2,665,000	2.0% - 4.78%
Total G.O. and Pension Bonds		207,820,109	228,664,082	77,875,556	358,608,635	\$ 12,810,347	
Unamortized premium		23,749,576	11,148,048	3,093,571	31,804,053		
Bond Interest Accreditation		-	1,256,483	-	1,256,483		
Total Bonds Payable		231,569,685	241,068,613	80,969,127	391,669,171		
Net Pension Liability - PERS		8,165,525	13,910,200	-	95,560,725		
Net OPEB Obligation		20,917,393	310,935	-	21,228,328		
Net Pension Liability - Stipend		2,557,484	-	255,758	2,301,726		
total Long-term Debt		\$ 336,695,087	\$ 255,289,748	\$ 81,224,885	\$ 510,759,950		

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.

The Net Pension Liability and Net OPEB Obligation payments are made by the General and Special Revenue funds from local, state and federal sources.

Future maturities are as follows:

Fiscal Year	Bonds	Interest Due
2020-2021	\$ 12,810,347	\$ 17,773,161
2021-2022	14,165,826	17,411,281
2022-2023	15,002,245	17,353,704
2023-2024	19,683,502	8,648,267
2024-2025	19,610,000	7,543,765
2025-2030	111,085,000	22,683,633
2030-2035	69,258,713	8,049,996
2035-2040	33,297,053	19,732,947
2040-2045	32,272,844	29,207,156
2045-2050	31,423,105	39,846,893
	\$ 358,608,635	\$ 188,250,803

WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT
 NOTES TO BASIC FINANCIAL STATEMENTS
 Year Ended June 30, 2020

6. Interfund Receivables/Payables & Transfers

The composition of due to/due from balances as of June 30, 2020 is as follows:

	<u>Due From</u>	<u>Due to</u>
Major Government Funds		
General Fund	\$ -	\$ 144,375
Special Revenue Fund	-	913,805
Debt Service Fund	1,331,691	-
Capital Projects Fund	-	280,701
Private Purpose Trust	7,190	-
	<u>\$ 1,338,881</u>	<u>\$ 1,338,881</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, 2020 was as follows:

<u>Outstanding</u>			<u>Outstanding</u>	<u>Due within</u>
July 1, 2019	<u>Increase</u>	<u>Payments</u>	June 30, 2020	One Year
\$ 275,816	\$ 340,390	\$ (275,816)	\$ 340,390	\$ 340,390

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. 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.

WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT
 NOTES TO BASIC FINANCIAL STATEMENTS
 Year Ended June 30, 2020

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, 2017 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2019. 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, 2020 was 24.25% of eligible payroll for Tier 1/Tier 2 members and 18.80% of eligible payroll for OPSRP members. Employer contributions for the year ended June 30, 2020 were \$12,250,725, excluding amounts to fund employer specific liabilities. \$3,289,895 was charged for the year ended June 30, 2020 as PERS benefit expenditures to be used for bond payments as they become due. In addition, \$3,524,068 in employee contributions were paid by the district for the year ended June 30, 2020.

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

At June 30, 2020, the District reported a liability of \$95,560,725 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to June 30, 2019. 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, 2019 the District's proportion was .552% which was .013% more than its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized a pension expense of \$12.79 million. At June 30, 2020, 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	\$ 5,269,892	
Changes in assumptions	12,963,903	
Net difference between projected and actual earnings on investments	-	\$ 2,709,049
Changes in proportionate share	4,401,230	911,577
Differences between employer contributions and employer's proportionate share of system contributions`	-	2,455,263
District contributions subsequent to the measurement date	<u>11,924,541</u>	<u>-</u>
Total	<u>\$ 34,559,566</u>	<u>\$ 6,075,889</u>

WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT
 NOTES TO BASIC FINANCIAL STATEMENTS
 Year Ended June 30, 2020

8. Pension Plan (Continued)

District contributions subsequent to the measurement date of \$11,924,541 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, 2021. 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, 2021	\$ 9,613,421
June 30, 2022	1,229,011
June 30, 2023	3,305,983
June 30, 2024	2,276,826
June 30, 2025	133,895

Actuarial Methods and Assumptions:

Actuarial Valuations

The employer contribution rates effective July 1, 2019, through June 30, 2021, were set using the projected unit credit actuarial cost method.

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

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

Actuarial Assumptions

The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

Valuation Date	December 31, 2017
Measurement Date	June 30, 2019
Experience Study Report	2016, published July 26, 2017
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	2.50 percent
Investment rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increases	3.50 percent

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>Healthy retirees and beneficiaries: RP-2014 Sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p>Active members: RP-2014 Sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: RP-2014 Sex-distinct, generational with Unisex, Social Security Data Scale 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 2016 Experience Study which reviewed experience for the four-year period ending on December 31, 2016.

Discount Rate

The discount rate used to measure the total pension liability was 7.20 percent. 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

WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT
 NOTES TO BASIC FINANCIAL STATEMENTS
 Year Ended June 30, 2020

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 2017 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. 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:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2019-CAFR.pdf>

Asset Class	Target	Compound Annual Return (Geometric)
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00	3.38
Bank/Leveraged Loans	3.00	5.09
High Yield Bonds	1.00	6.45
Large/Mid Cap US Equities	15.75	6.30
Small Cap US Equities	1.31	6.69
Micro Cap US Equities	1.31	6.80
Developed Foreign Equities	13.13	6.71
Emerging Foreign Equities	4.13	7.45
Non-US Small Cap Equities	1.88	7.01
Private Equity	17.50	7.82
Real Estate (Property)	10.00	5.51
Real Estate (REITS)	2.50	6.37
Hedge Fund of Funds-Diver	2.50	4.09
Hedge Fund – Event Driven	0.63	5.86
Timber	1.88	5.62
Farmland	1.88	6.15
Infrastructure	3.75	6.60
Commodities	1.88	3.84
Assumed inflation - Mean		2.50

WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT
 NOTES TO BASIC FINANCIAL STATEMENTS
 Year Ended June 30, 2020

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 7.20 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 (6.20 percent) or one percentage point higher (8.20 percent) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
District's proportionate share of the net pension liability (asset)	\$ 153,032,022	\$ 95,560,725	\$ 47,465,167

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

Changes in actuarial methods, allocation, and assumption from December 31, 2015 to the December 31, 2017 actuarial valuation are listed in the Actuarial Valuation Report pages 103 and 104

9. Other Post Employment Benefits

The District offers a postemployment health insurance subsidy and tax shelter annuity and contributes to a retirement health insurance account through Oregon Public Employees Retirement System. The breakdown of the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB are:

	Postemployment Health Insurance Subsidy	Postemployment Health Insurance Account	Net
Total OPEB Liability	\$ 21,228,328	\$ -	\$ 21,228,328
Total OPEB Asset	-	1,019,796	1,019,796
OPEB Deferred Outflows of Resources	2,930,533	42,960	2,973,493
OPEB Deferred Inflows of Resources	-	211,629	211,629

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.

WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT
 NOTES TO BASIC FINANCIAL STATEMENTS
 Year Ended June 30, 2020

9. Other Post Employment Benefits – (Continued)

Other Post Employment Benefit Health Insurance Subsidy

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.

Total OPEB Liability – The District’s total OPEB liability of \$21,228,328 was measured as of June 30, 2019 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs - The total OPEB liability in the June 30, 2019 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, 2019
Measurement date	June 30, 2019 rolled forward
Actuarial cost method	Entry Age Normal, level percent of salary.
Actuarial assumptions:	
Discount rate	3.50% per year, based on all years discounted at municipal bond rate.
Inflation rate	2.50% per year
Salary increases	3.50% per year
Healthcare cost trend rates	Increase from 2.5% to 5.0% in 2018-2019 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.

WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT
 NOTES TO BASIC FINANCIAL STATEMENTS
 Year Ended June 30, 2020

9. Other Post Employment Benefits – (Continued)

Other Post Employment Benefit Health Insurance Subsidy

Changes in the Total OPEB Liability:

Balance at June 30, 2019	\$ 20,917,393
Service cost	795,448
Interest	711,184
Benefit payments	<u>(1,195,697)</u>
Balance at June 30, 2020	<u>\$ 21,228,328</u>

At June 30, 2020, the District reported no deferred outflows of resources and deferred inflows of resources related to OPEB.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 1,890,921	\$ -
Experience (gain)/loss	<u>1,039,612</u>	<u>-</u>
Total	<u>\$ 2,930,533</u>	<u>\$ -</u>

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

	<u>Expense</u>
June 30, 2021	\$ 308,479
June 30, 2022	308,479
June 30, 2023	308,479
June 30, 2024	308,479
June 30, 2025	308,479
Thereafter	1,388,138

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 (2.50 percent) or one percentage point higher (4.50 percent) than the current rate:

	<u>1% Decrease (2.50%)</u>	<u>Current Discount Rate (3.50%)</u>	<u>1% Increase (4.50%)</u>
Total OPEB Liability	\$ 22,665,940	\$ 21,228,328	\$ 19,858,002

9. Other Post Employment Benefits – (Continued)

Other Post Employment Benefit Health Insurance Subsidy

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:

	<u>1% Decrease</u>	<u>Current Health Care Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 19,161,227	\$ 21,228,328	\$ 23,601,391

Retirement Health Insurance Account (RHIA)

Plan description - As a member of Oregon Public Employees Retirement System (OPERS), the District contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by OPERS. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHJOA resides with the Oregon Legislature. The plan is closed to new entrants hired on or after August 29, 2003. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard 97281-3700

Benefits - RHIA Pays \$60 monthly contribution towards the cost of Medicare companion health insurance premiums of eligible retirees.

Contributions - Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS, currently 0.50% of Tier 1 and Tier 2 payroll and 0.43% of OPSRP of annual covered payroll. The OPERS Board of Trustees sets the employer contribution rate based on the annual required contribution (ARC) of the employers, an amount actuarially determined. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The District's contributions to RHIA for the years ended June 30, 2020, 2019, and 2018, were approximately \$38,788, \$261,561, and \$243,919 which equaled the required contributions each year.

9. Other Post Employment Benefits – (Continued)

Retirement Health Insurance Account (RHIA)

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

At June 30, 2020, the District reported an asset of \$1,019,796 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date. The District’s proportion of the net OPEB liability was based on the District’s actual, legally required contributions made during the fiscal year being compared to the total actual contributions made in the fiscal year by all employers. The District’s proportionate share as of the measurement date is .5277%

For the year ended June 30, 2020, the District recognized OPEB expense reduction of (\$134,008) related to the RHIA OPEB. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to the RHIA OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual experience	\$ -	\$ 134,480
Changes in assumptions	-	1,056
Net difference between projected and actual earnings on pension plan investments	-	62,946
Changes in proportion	4,172	13,147
District contributions subsequent to the measurement date	<u>38,788</u>	<u>-</u>
Total	<u>\$ 42,960</u>	<u>\$ 211,629</u>

\$38,788 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as an addition of the net pension liability in the year ended June 30, 2021. Other amounts reported by the District as deferred outflows of resources and deferred inflows of resources related to the RHIA OPEB will be recognized in OPEB expense follows:

	<u>Expense</u>
June 30, 2021	\$ (104,492)
June 30, 2022	(97,176)
June 30, 2023	(12,274)
June 30, 2024	6,485
June 30, 2025	-
Thereafter	-

9. Other Post Employment Benefits – (Continued)

Retirement Health Insurance Account (RHIA)

Actuarial assumptions and other inputs

The total OPEB liability in the June 30, 2019 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	December 31, 2017
Measurement Date	June 30, 2019
Experience Study Report	2016, published July 26, 2017
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	2.50 percent
Long-term expected rate of return	7.20 percent
Discount rate	7.20 Percent
Projected salary increases	3.50 Percent
Retiree Healthcare Participation	Healthy retirees: 35% Disable Retirees: 20%
Health Cost Trend rate	Not Applicable. Statute stipulates \$60 monthly payment for healthcare insurance.
Mortality	Healthy retirees and beneficiaries: RP-2014 Sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Active members: RP-2014 Sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Disabled retirees: : RP-2014 Sex-distinct, generational with Unisex, Social Security Data Scale sex-distinct table.

Discount Rate

The discount rate used to measure the total OPEB liability at June 30, 2019 was 7.20 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA 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 OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability

9. Other Post Employment Benefits – (Continued)

Retirement Health Insurance Account (RHIA)

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2017 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. 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 long-term expected rate of return for each major asset class, calculated using both the arithmetic and geometric means, see the breakdown in note 7.

Sensitivity Analysis

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the District for the Retirement Health Insurance Account, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20%) or 1-percentage-point higher (8.20%) than the current discount rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Total OPEB Liability	\$ (790,605)	\$ (1,019,796)	\$ (1,215,083)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The total OPEB liability of the District for the Postemployment Health Insurance Subsidy is (\$1,019,796). The ORS stipulates a \$60 monthly payment, so there would be no change to the total OPEB liability if it were calculated using health care cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rates.

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 funding policy is required.

WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT
 NOTES TO BASIC FINANCIAL STATEMENTS
 Year Ended June 30, 2020

9. Other Post Employment Benefits – (Continued)

Stipend Benefit

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 \$2,301,726 was measured as of June 30, 2019 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs - The total OPEB Stipend liability in the June 30, 2020 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, 2019	\$ 2,557,484
Service Cost	66,777
Interest	82,425
Benefit payments	<u>(404,960)</u>
Balance at June 30, 2020	<u><u>\$ 2,301,726</u></u>

At June 30, 2020, 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	\$ 801,201	\$ -
Changes in assumptions or other inputs	<u>-</u>	<u>275,526</u>
Total	<u><u>\$ 801,201</u></u>	<u><u>\$ 275,526</u></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, 2021	\$ 89,934
June 30, 2022	89,934
June 30, 2023	89,934
June 30, 2024	89,934
June 30, 2025	89,934
Thereafter	76,005

9. Other Post Employment Benefits – (Continued)

Stipend Benefit

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 (2.50 percent) or one percentage point higher (4.50 percent) than the current rate:

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Total Net Pension Liability - Stipend Benefit\$	2,393,143	\$ 2,301,726	\$ 2,210,851

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, 2020, 294 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, 2020, 8 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.

WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT
 NOTES TO BASIC FINANCIAL STATEMENTS
 Year Ended June 30, 2020

12. Property Tax Abatements

The District's property tax revenue was reduced by \$58,262 under Nonprofit Corporation Low Income Housing agreements by other municipalities within the District's boundaries.

13. Prior Period Restatements

During the year, the District reclassified the Agency Fund – Student Body Funds to the Special Revenue Fund as recommended by Oregon Department of Education's program budgeting and accounting manual. This restatement had the following effect on the net position/fund balance of the District:

Net position at June 30, 2019	\$ (7,914,769)
Reclassification of Agency Fund - Student Bondy Funds	<u>1,100,410</u>
Net position at June 30, 2019, restated	<u>(6,814,359)</u>
Fund Balance at June 30, 2019 - Governmental Fund	\$ 19,574,164
Reclassification of Agency Fund - Student Bondy Funds	<u>1,100,410</u>
Fund Balance at June 30, 2019 - Governmental Funds, Restated	<u>\$ 20,674,574</u>

11. COVID-19

The COVID-19 outbreak worldwide has resulted in government mandated closures that have caused disruption in the District's ability to deliver in-person education. The outbreak has affected local and global economics. The extent and duration of the impact of this outbreak on operations is unknown at this time.

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REQUIRED
SUPPLEMENTARY INFORMATION

WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT
SCHEDULE OF CHANGES IN TOTAL OTHER
POST EMPLOYMENT BENEFITS AND RELATED RATIOS
June 30, 2020

OPEB Liability - Medical Benefit			
	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability - Beginning	\$ 20,917,393	\$ 17,257,862	\$ 17,328,809
Service Cost	795,448	768,549	509,638
Interest	711,184	582,345	597,494
Change in Assumptions	-	1,258,480	-
Experience (Gain)/Loss	-	2,289,011	-
Benefit Payments	<u>(1,195,697)</u>	<u>(1,238,854)</u>	<u>(1,178,079)</u>
Net Change in Total OPEB Liability	<u>310,935</u>	<u>3,659,531</u>	<u>(70,947)</u>
Total Liability - End of Year	<u>\$ 21,228,328</u>	<u>\$ 20,917,393</u>	<u>\$ 17,257,862</u>
Covered Employee Payroll	\$ 55,468,234	\$ 53,592,497	\$ 59,233,770
Total OPEB Liability as Percentage of Covered Payroll	38.27%	39.03%	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, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total Total Pension Liability - Beginning	\$ 2,557,484	\$ 2,589,407	\$ 2,846,476	\$ 2,327,850
Service Cost	66,777	64,519	65,846	63,619
Interest	82,425	83,651	94,433	78,975
Change in Assumptions	-	(344,167)	67,432	(9,415)
Experience (Gain)/Loss	-	562,831	(1,010)	629,138
Benefit Payments	<u>(404,960)</u>	<u>(398,757)</u>	<u>(483,770)</u>	<u>(243,691)</u>
Net Change in Total Pension Liability	<u>(255,758)</u>	<u>(31,923)</u>	<u>(257,069)</u>	<u>518,626</u>
Total Liability - End of Year	<u>\$ 2,301,726</u>	<u>\$ 2,557,484</u>	<u>\$ 2,589,407</u>	<u>\$ 2,846,476</u>
Covered Employee Payroll	\$ 21,986,457	\$ 21,242,954	\$ 15,972,425	\$ 15,432,295
Total OPEB Liability as Percentage of Covered Payroll	10.47%	12.04%	16.21%	18.44%

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, 2020

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%
June 30, 2019	0.5389%	81,650,525	57,278,896	142.55%	82.10%
June 30, 2020	0.5525%	95,560,725	57,646,722	165.77%	80.20%

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	Contributon 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%
June 30, 2019	12,260,735	12,260,735	-	57,646,722	21.27%
June 30, 2020	15,774,793	15,774,793	-	63,199,550	24.96%

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.

** = Includes 6% employee contributed paid by the District.

WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT
 REQUIRED SUPPLEMENTARY INFORMATION
 OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
 June 30, 2020

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY FOR RHIA

Fiscal Year Ended	(a) District's Proportion of the net OPEB Liability (NOL)	(b) District's Proportionate Share of the Net OPEB Liability (NOL)	(c) District's Covered Payroll	(b/c) NOL as a Percentage of covered Payroll	Plan Fiduciary net position as a percentage of the total OPEB liability
June 30, 2018	0.5223%	\$ (217,984)	\$ 51,847,547	-0.42%	108.88%
June 30, 2019	0.5038%	(562,324)	57,278,896	-0.98%	123.99%
June 30, 2020	0.5277%	(1,019,796)	57,646,722	-1.77%	144.40%

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

SCHEDULE OF DISTRICT CONTRIBUTIONS FOR RHIA

Fiscal Year Ended	Statutorily required contribution	Contributions in relation to the statutorily required Contribution	Contributon deficiency (excess)	District's Covered payroll	Contributions as a percent of covered payroll
June 30, 2018	\$ 243,918	\$ 243,918	-	\$ 57,278,896	0.43%
June 30, 2019	261,561	261,561	-	57,646,722	0.45%
June 30, 2020	38,788	38,788	-	63,199,550	0.06%

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, 2020

	Budget		Actual	Variance with Final budget
	Adopted	Final		
Revenues				
Revenues from Local Sources				
Property Taxes	\$ 38,919,394	\$ 38,919,394	\$ 37,843,709	\$ (1,075,685)
Local Option Levy	9,974,074	9,974,074	9,343,601	(630,473)
Tuition	338,700	338,700	320,245	(18,455)
Earnings from Investments	412,000	412,000	872,846	460,846
Fees	841,423	841,423	415,724	(425,699)
Rentals	135,795	135,795	95,072	(40,723)
Miscellaneous Local Sources	662,757	662,757	360,599	(302,158)
Total Local Sources	51,284,143	51,284,143	49,251,796	(2,032,347)
Revenues from Intermediate Sources				
ESD Apportionment	1,927,200	1,927,200	1,926,800	(400)
County School Fund	1,000	1,000	1,123	123
Total Intermediate Sources	1,928,200	1,928,200	1,927,923	(277)
Revenues from State Sources				
State School Fund Support	57,030,197	58,288,818	58,649,872	361,054
Common School Fund and Other State Sources	1,406,251	1,406,251	1,347,209	(59,042)
Total State Sources	58,436,448	59,695,069	59,997,081	302,012
Revenues from Federal Sources				
Federal Forest Fees	17,500	17,500	17,878	378
Total Revenues	111,666,291	112,924,912	111,194,678	(3,460,846)
Expenditures				
Instruction *	74,789,462	75,620,152	73,056,286	2,563,866
Support Services *	37,839,579	38,267,510	35,902,060	2,365,450
Contingencies *	7,078,007	7,078,007	-	7,078,007
Total Expenditures	119,707,048	120,965,669	108,958,346	12,007,323
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,040,757)	(8,040,757)	2,236,332	10,277,089
Other Financing Sources (Uses):				
Transfers in	2	2	-	(2)
Transfers (out) *	(25,000)	(25,000)	-	25,000
Total Other Financing Sources (Uses)	(24,998)	(24,998)	-	24,998
Net Change in Fund Balance	(8,065,755)	(8,065,755)	2,236,332	10,302,087
Fund Balance				
Beginning of Year	8,065,755	8,065,755	9,666,672	1,600,917
End of Year	\$ -	\$ -	\$ 11,903,004	\$ 11,903,004

* 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, 2020

	Budget		Actual	Variance with Final budget
	Adopted	Final		
Revenues				
Local Sources	\$ 2,337,826	\$ 2,337,826	\$ 4,307,848	\$ 1,970,022
Intermediate Sources	682,622	1,202,802	810,571	(392,231)
State Sources	2,561,537	2,561,537	3,053,741	492,204
Federal Sources	4,070,317	4,070,317	3,177,994	(892,323)
Total Revenues	9,652,302	10,172,482	11,350,154	1,177,672
Expenditures				
Instruction *	5,501,002	5,814,509	7,141,802	(1,327,293)
Support Services *	1,747,406	1,954,079	1,871,028	83,051
Enterprise and Community Services *	2,436,084	2,436,084	2,397,614	38,470
Contingency *	9,051,014	9,051,014	-	9,051,014
Total Expenditures	18,735,506	19,255,686	11,410,444	7,845,242
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,083,204)	(9,083,204)	(60,290)	9,022,914
Other Financing Sources (Uses):				
Sale of Capital Assets	-	-	5,560,895	5,560,895
Transfers In	25,000	25,000	-	(25,000)
Transfers (Out)	(1)	(1)	-	1
Total Other Financing Sources (Uses):	24,999	24,999	5,560,895	5,535,896
Net Change in Fund Balance	(9,058,205)	(9,058,205)	5,500,605	14,558,810
Fund Balances				
Beginning of Year as Restated	9,058,205	9,058,205	2,712,083	(6,346,122)
End of Year	\$ -	\$ -	\$ 8,212,688	\$ 8,212,688

* Legally adopted appropriation level

1. Other Postemployment Benefits – PHIS and RHIA

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, 2017 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 2016 Experience Study for the System, which was published on July 28, 2017, and can be found at:

<https://www.oregon.gov/pers/Documents/2016-Exp-Study.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 Special Revenue Fund for Instruction by \$1,327,293.

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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, 2020

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
Revenues				
Revenues from Local Sources				
Property Taxes	\$ 25,338,751	\$ 25,338,751	\$ 25,206,057	\$ (132,694)
Services Provided Other Funds	4,102,789	4,102,789	3,292,700	(810,089)
Earnings from Investments	33,155	33,155	41,961	8,806
Total Revenue	29,474,695	29,474,695	28,540,718	(933,977)
Expenditures				
Debt Service *				
Redemption of Principal	14,320,556	14,320,556	14,320,556	-
Interest	15,143,334	15,143,334	15,028,799	114,535
Total Expenditures	29,463,890	29,463,890	29,349,355	114,535
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,805	10,805	(808,637)	(819,442)
Net Change in Fund Balance	10,805	10,805	(808,637)	(819,442)
Fund Balance				
Beginning of Year	1,772,364	1,772,364	2,825,551	1,053,187
End of Year	\$ 1,783,169	\$ 1,783,169	\$ 2,016,914	\$ 233,745

* 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, 2020

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
Revenues				
Revenues from Local Sources				
Construction Excise Tax	\$ 650,000	\$ 650,000	\$ 418,776	\$ (231,224)
Earnings on Investments	81,250	81,250	1,336,109	1,254,859
Total Revenue	731,250	731,250	1,754,885	1,023,635
Expenditures				
Debt Service #	-	-	1,307,489	(1,307,489)
Facilities Acquisition and Construction *	8,482,309	58,232,309	11,042,764	47,189,545
Total Expenditures	8,482,309	58,232,309	12,350,253	47,189,545
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,751,059)	(57,501,059)	(10,595,368)	48,213,180
Other Financing Sources				
Proceeds from Bonds Issued	4,500,000	154,500,000	228,664,082	74,164,082
Premium on Bond Issuance	-	-	11,148,048	11,148,048
Payment to Refunded Bonds Escrow Agent	-	(100,250,000)	(75,871,773)	24,378,227
Total Other Sources *	4,500,000	54,250,000	163,940,357	109,690,357
Net Change in Fund Balance	(3,251,059)	(3,251,059)	153,344,989	157,903,537
Fund Balance				
Beginning of Year	4,300,408	4,300,408	5,470,268	1,169,860
End of Year	\$ 1,049,349	\$ 1,049,349	\$ 158,815,257	\$ 159,073,397

= Not a budget violation - Bond Issuance Costs

* Legally adopted appropriation level

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OTHER FINANCIAL SCHEDULES

WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT
 SUPPLEMENTAL INFORMATION AS REQUIRED
 BY THE OREGON DEPARTMENT OF EDUCATION
 Year Ended June 30, 2020

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

	Objects 325, 326 and 327
Function 2540	\$ 1,753,795
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

**AUDIT REVENUE SUMMARY
WEST LINN-WILSONVILLE SCHOOL DISTRICT**

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	37,718,232	-	25,102,953	-	-	-	-
1120 Local Option Ad Valorem Taxes Levied by District	9,351,764	-	-	-	-	-	-
1130 Construction Excise Tax	-	-	-	418,776	-	-	-
1190 Penalties and Interest on Taxes	117,314	-	103,104	-	-	-	-
1200 Revenue from Local Governmental Units Other Than Districts	-	-	-	-	-	-	-
1311 Regular Day School Tuition - From Individuals	254,252	-	-	-	-	-	-
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	65,994	-	-	-	-	-	-
1411 Transportation Fees - From Individuals	-	-	-	-	-	-	-
1412 Transportation Fees - Other Dist Within State	-	-	-	-	-	-	-
1413 Transportation Fees - Other Districts Outside	-	-	-	-	-	-	-
1420 Summer School Transportation Fees	-	-	-	-	-	-	-
1500 Earnings on Investments	872,846	105,529	41,961	1,336,109	-	-	5,648
1600 Food Service	-	763,575	-	-	-	-	-
1700 Extracurricular Activities	415,724	3,170,089	-	-	-	-	-
1800 Community Services Activities	-	-	-	-	-	-	-
1910 Rentals	95,073	220,876	-	-	-	-	-
1920 Contributions and Donations From Private Sources	1,235	14,504	-	-	-	-	6,830
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	16,092	572	-	-	-	-	-
1970 Services Provided Other Funds	-	-	3,292,700	-	-	-	-
1980 Fees Charged to Grants	-	-	-	-	-	-	-
1990 Miscellaneous	343,272	32,703	-	-	-	-	-
Total Revenue from Local Sources	\$49,251,797	\$4,307,846	\$28,540,718	\$1,754,885	\$0	\$0	\$12,478
Revenue from Intermediate Sources							
	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
2101 County School Funds	1,123	-	-	-	-	-	-
2102 General ESD Revenue	1,926,800	-	-	-	-	-	-
2103 Excess ESD Local Revenue	-	-	-	-	-	-	-
2105 Natural Gas, Oil, and Mineral Receipts	-	-	-	-	-	-	-
2110 Intermediate "I" Tax	-	-	-	-	-	-	-
2199 Other Intermediate Sources	-	655,134	-	-	-	-	-
2200 Restricted Revenue	-	155,437	-	-	-	-	-
2800 Revenue in Lieu of Taxes	-	-	-	-	-	-	-
2900 Revenue for/on Behalf of the District	-	-	-	-	-	-	-
Total Revenue from Intermediate Sources	\$1,927,923	\$810,571	\$0	\$0	\$0	\$0	\$0
Revenue from State Sources							
	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
3101 State School Fund - General Support	58,649,872	-	-	-	-	-	-
3102 State School Fund - School Lunch Match	901,046	20,335	-	-	-	-	-
3103 Common School Fund	-	-	-	-	-	-	-
3104 State Managed County Timber	-	-	-	-	-	-	-
3106 State School Fund - Accrual	-	-	-	-	-	-	-
3199 Other Unrestricted Grants-in-Aid	446,163	302,685	-	-	-	-	-
3204 Driver Education	-	-	-	-	-	-	-
3222 State School Fund (SSF) Transportation Equipment	-	-	-	-	-	-	-
3299 Other Restricted Grants-in-Aid	-	2,730,721	-	-	-	-	-
3800 Revenue in Lieu of Taxes	-	-	-	-	-	-	-
3900 Revenue for/on Behalf of the District	-	-	-	-	-	-	-
Total Revenue from State Sources	\$59,997,081	\$3,053,741	\$0	\$0	\$0	\$0	\$0
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	-	-	-	-	-	-	-
4201 Transportation Fees for Foster Children	-	-	-	-	-	-	-
4202 Medicaid Reimbursement for Eligible K-12 Expenses (Ages 5-21)	-	-	-	-	-	-	-
4300 Restricted Revenue From the Federal Government	-	-	-	-	-	-	-
4500 Restricted Revenue From the Federal Government Through the State	17,878	2,188,011	-	-	-	-	-
4501 Medicaid Reimbursement for Eligible Early Intervention (EI) Services (Ages Birth to 3)	-	635,851	-	-	-	-	-
4502 Medicaid Reimbursement for Eligible Early Childhood Special Education (ECSE) Services (Ages 3-5)	-	-	-	-	-	-	-
4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies	-	171,040	-	-	-	-	-
4801 Federal Forest Fees	-	-	-	-	-	-	-
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	-	183,092	-	-	-	-	-
Total Revenue from Federal Sources	\$17,878	\$3,177,994	\$0	\$0	\$0	\$0	\$0
Revenue from Other Sources							
	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
5100 Long Term Debt Financing Sources	-	-	-	239,812,130	-	-	-
5200 Interfund Transfers	-	-	-	-	-	-	-
5300 Sale of or Compensation for Loss of Fixed Assets	-	5,560,895	-	-	-	-	-
5400 Resources - Beginning Fund Balance	9,666,672	2,712,083	2,825,551	5,470,267	-	-	256,643
Total Revenue from Other Sources	\$9,666,672	\$8,272,978	\$2,825,551	\$245,282,397	\$0	\$0	\$256,643
Grand Total	\$120,861,351	\$19,623,131	\$31,366,269	\$247,037,282	\$0	\$0	\$269,122

**DISTRICT AUDIT EXPENDITURE SUMMARY
WEST LINN-WILSONVILLE SCHOOL DISTRICT**

Fund: 100 General Fund

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111	Elementary, K-5 or K-6	27,584,178	16,697,469	10,538,461	52,090	296,157	-	-	-
1113	Elementary Extracurricular	-	-	-	-	-	-	-	-
1121	Middle/Junior High Programs	13,111,487	7,858,305	5,047,712	38,867	164,521	-	2,083	-
1122	Middle/Junior High School Extracurricular	292,257	193,779	75,228	10,810	7,410	-	5,030	-
1131	High School Programs	15,464,506	9,184,042	5,872,154	108,663	294,799	-	4,848	-
1132	High School Extracurricular	2,184,348	1,431,007	433,562	166,712	103,461	-	49,606	-
1140	Pre-Kindergarten Programs	431,578	315,039	112,018	-	4,520	-	-	-
1210	Programs for the Talented and Gifted	458,046	279,186	114,346	41,048	23,466	-	-	-
1220	Restrictive Programs for Students with Disabilities	4,859,107	2,620,790	1,755,040	446,638	36,640	-	-	-
1250	Less Restrictive Programs for Students with Disabilities	4,450,128	2,661,252	1,721,168	54,866	12,841	-	-	-
1260	Treatment and Habilitation	359,680	212,798	144,030	1,466	1,386	-	-	-
1271	Remediation	-	-	-	-	-	-	-	-
1272	Title I	24,920	16,542	8,378	-	-	-	-	-
1280	Alternative Education	1,817,302	467,608	279,544	1,043,015	26,942	-	194	-
1291	English Second Language Programs	1,323,529	815,542	504,523	-	3,463	-	-	-
1292	Teen Parent Program	-	-	-	-	-	-	-	-
1293	Migrant Education	-	-	-	-	-	-	-	-
1294	Youth Corrections Education	-	-	-	-	-	-	-	-
1299	Other Programs	515,519	330,381	158,038	6,510	18,109	-	2,480	-
1300	Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400	Summer School Programs	179,702	128,358	46,956	-	4,388	-	-	-
Total Instruction Expenditures		\$73,056,286	\$43,212,098	\$26,811,158	\$1,970,685	\$998,104	\$0	\$64,241	\$0
Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	\$190,164	\$113,319	\$74,554	\$726	\$1,565	\$0	-	-
2120	Guidance Services	2,442,457	1,473,139	960,529	-	7,913	-	877	-
2130	Health Services	555,276	277,235	200,504	66,265	10,215	-	1,057	-
2140	Psychological Services	581,975	358,900	217,420	904	4,752	-	-	-
2150	Speech Pathology and Audiology Services	1,007,385	613,041	390,283	186	3,875	-	-	-
2160	Other Student Treatment Services	96,538	54,909	38,807	1,879	943	-	-	-
2190	Service Direction, Student Support Services	449,032	232,787	144,806	52,277	16,948	-	2,214	-
2210	Improvement of Instruction Services	1,263,842	730,766	417,451	106,593	8,283	-	750	-
2220	Educational Media Services	1,343,238	742,560	509,799	4,029	86,850	-	-	-
2230	Assessment & Testing	105,580	-	-	-	105,580	-	-	-
2240	Instructional Staff Development	360,961	-	360,961	-	-	-	-	-
2310	Board of Education Services	180,170	1,890	566	137,025	19,209	-	21,480	-
2320	Executive Administration Services	543,832	269,707	171,389	32,240	67,618	-	2,879	-
2410	Office of the Principal Services	6,939,307	4,103,738	2,642,146	109,316	78,024	-	6,083	-
2490	Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510	Direction of Business Support Services	226,367	136,048	85,518	6,198	142	-	(1,539)	-
2520	Fiscal Services	1,288,176	352,403	259,785	40,491	65,749	-	569,748	-
2540	Operation and Maintenance of Plant Services	10,119,411	3,917,096	2,647,084	2,928,751	625,230	-	1,250	-
2550	Student Transportation Services	4,227,890	-	-	4,227,890	-	-	-	-
2570	Internal Services	192,590	97,276	56,120	39,042	152	-	-	-
2610	Direction of Central Support Services	-	-	-	-	-	-	-	-
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	2,755	-	-	2,755	-	-	-	-
2630	Information Services	163,698	96,266	57,864	5,270	4,213	-	85	-
2640	Staff Services	654,835	319,113	244,336	81,553	9,502	-	330	-
2660	Technology Services	1,758,769	597,710	420,130	305,550	431,657	-	3,721	-
2670	Records Management Services	-	-	-	-	-	-	-	-
2680	Interpretation and Translation Services	18,711	10,259	3,304	5,149	-	-	-	-
2690	Other Support Services - Central	-	-	-	-	-	-	-	-
2700	Supplemental Retirement Program	1,189,101	397,060	792,041	-	-	-	-	-
Total Support Services Expenditures		\$35,902,060	\$14,895,219	\$10,695,399	\$8,154,089	\$1,548,420	\$0	\$608,933	\$0
Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	-	-	-	-	-	-	-	-
3200	Other Enterprise Services	-	-	-	-	-	-	-	-
3300	Community Services	-	-	-	-	-	-	-	-
3500	Custody and Care of Children Services	-	-	-	-	-	-	-	-
Total Enterprise and Community Services Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facilities Acquisition and Construction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110	Service Area Direction	-	-	-	-	-	-	-	-
4120	Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150	Building Acquisition, Construction, and Improvement Services	-	-	-	-	-	-	-	-
4180	Other Capital Items	-	-	-	-	-	-	-	-
4190	Other Facilities Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	-	-	-	-	-	-	-	-
5200	Transfers of Funds	-	-	-	-	-	-	-	-
5300	Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400	PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grand Total		\$108,958,346	\$58,107,317	\$37,506,558	\$10,124,773	\$2,546,523	\$0	\$673,175	\$0

**DISTRICT AUDIT EXPENDITURE SUMMARY
WEST LINN-WILSONVILLE SCHOOL DISTRICT**

Fund: 200 Special Revenue 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	10,459	-	-	25	10,349	-	85	-
1113	Elementary Extracurricular	158,943	6,925	2,032	-	149,985	-	-	-
1121	Middle/Junior High Programs	373,999	113,718	73,675	181,916	4,690	-	-	-
1122	Middle/Junior High School Extracurricular	242,813	8,825	3,215	-	230,773	-	-	-
1131	High School Programs	1,453,252	845,661	510,825	18,033	78,580	-	153	-
1132	High School Extracurricular	2,465,309	-	-	-	2,465,309	-	-	-
1140	Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210	Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220	Restrictive Programs for Students with Disabilities	1,152,869	679,822	458,641	13,525	881	-	-	-
1250	Less Restrictive Programs for Students with Disabilities	298,044	181,337	113,892	2,738	77	-	-	-
1260	Treatment and Habilitation	-	-	-	-	-	-	-	-
1271	Remediation	-	-	-	-	-	-	-	-
1272	Title I	519,937	331,639	185,508	1,738	1,051	-	-	-
1280	Alternative Education	364,308	206,913	132,816	16,770	7,808	-	-	-
1291	English Second Language Programs	65,344	39,393	25,952	-	-	-	-	-
1292	Teen Parent Program	-	-	-	-	-	-	-	-
1293	Migrant Education	1,028	-	-	-	1,028	-	-	-
1294	Youth Corrections Education	-	-	-	-	-	-	-	-
1299	Other Programs	-	-	-	-	-	-	-	-
1300	Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400	Summer School Programs	-	-	-	-	-	-	-	-
Total Instruction Expenditures		\$7,141,802	\$2,435,996	\$1,514,932	\$234,745	\$2,955,890	\$0	\$238	\$0
Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	117,415	70,805	46,610	-	-	-	-	-
2120	Guidance Services	397,728	239,603	158,125	-	-	-	-	-
2130	Health Services	213,467	132,744	75,723	5,000	-	-	-	-
2140	Psychological Services	193,143	121,346	71,796	-	-	-	-	-
2150	Speech Pathology and Audiology Services	-	-	-	-	-	-	-	-
2160	Other Student Treatment Services	441,571	260,569	154,027	26,974	-	-	-	-
2190	Service Direction, Student Support Services	249,280	157,956	86,232	3,600	1,492	-	-	-
2210	Improvement of Instruction Services	257,039	146,278	75,617	33,518	1,626	-	-	-
2220	Educational Media Services	-	-	-	-	-	-	-	-
2230	Assessment & Testing	-	-	-	-	-	-	-	-
2240	Instructional Staff Development	-	-	-	-	-	-	-	-
2310	Board of Education Services	-	-	-	-	-	-	-	-
2320	Executive Administration Services	-	-	-	-	-	-	-	-
2410	Office of the Principal Services	-	-	-	-	-	-	-	-
2490	Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510	Direction of Business Support Services	-	-	-	-	-	-	-	-
2520	Fiscal Services	1,385	-	-	1,282	-	-	103	-
2540	Operation and Maintenance of Plant Services	-	-	-	-	-	-	-	-
2550	Student Transportation Services	-	-	-	-	-	-	-	-
2570	Internal Services	-	-	-	-	-	-	-	-
2610	Direction of Central Support Services	-	-	-	-	-	-	-	-
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical S	-	-	-	-	-	-	-	-
2630	Information Services	-	-	-	-	-	-	-	-
2640	Staff Services	-	-	-	-	-	-	-	-
2660	Technology Services	-	-	-	-	-	-	-	-
2670	Records Management Services	-	-	-	-	-	-	-	-
2680	Interpretation and Translation Services	-	-	-	-	-	-	-	-
2690	Other Support Services - Central	-	-	-	-	-	-	-	-
2700	Supplemental Retirement Program	-	-	-	-	-	-	-	-
Total Support Services Expenditures		\$1,871,028	\$1,129,302	\$668,131	\$70,374	\$3,118	\$0	\$103	\$0
Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	2,095,983	805,024	500,956	26,285	740,983	5,711	17,023	-
3200	Other Enterprise Services	-	-	-	-	-	-	-	-
3300	Community Services	301,632	170,387	124,319	6,694	232	-	-	-
3500	Custody and Care of Children Services	-	-	-	-	-	-	-	-
Total Enterprise and Community Services Expenditures		\$2,397,615	\$975,411	\$625,275	\$32,979	\$741,215	\$5,711	\$17,023	\$0
Facilities Acquisition and Construction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110	Service Area Direction	-	-	-	-	-	-	-	-
4120	Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150	Building Acquisition, Construction, and Improvement Services	-	-	-	-	-	-	-	-
4180	Other Capital Items	-	-	-	-	-	-	-	-
4190	Other Facilities Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	-	-	-	-	-	-	-	-
5200	Transfers of Funds	-	-	-	-	-	-	-	-
5300	Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400	PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grand Total		\$11,410,444	\$4,540,709	\$2,808,338	\$338,098	\$3,700,223	\$5,711	\$17,365	\$0

**DISTRICT AUDIT EXPENDITURE SUMMARY
WEST LINN-WILSONVILLE SCHOOL DISTRICT**

Fund: 300 Debt Service 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	-	-	-	-	-	-	-	-
1113	Elementary Extracurricular	-	-	-	-	-	-	-	-
1121	Middle/Junior High Programs	-	-	-	-	-	-	-	-
1122	Middle/Junior High School Extracurricular	-	-	-	-	-	-	-	-
1131	High School Programs	-	-	-	-	-	-	-	-
1132	High School Extracurricular	-	-	-	-	-	-	-	-
1140	Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210	Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220	Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1250	Less Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1260	Treatment and Habilitation	-	-	-	-	-	-	-	-
1271	Remediation	-	-	-	-	-	-	-	-
1272	Title I	-	-	-	-	-	-	-	-
1280	Alternative Education	-	-	-	-	-	-	-	-
1291	English Second Language Programs	-	-	-	-	-	-	-	-
1292	Teen Parent Program	-	-	-	-	-	-	-	-
1293	Migrant Education	-	-	-	-	-	-	-	-
1294	Youth Corrections Education	-	-	-	-	-	-	-	-
1299	Other Programs	-	-	-	-	-	-	-	-
1300	Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400	Summer School Programs	-	-	-	-	-	-	-	-
Total Instruction Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	-	-	-	-	-	-	-	-
2120	Guidance Services	-	-	-	-	-	-	-	-
2130	Health Services	-	-	-	-	-	-	-	-
2140	Psychological Services	-	-	-	-	-	-	-	-
2150	Speech Pathology and Audiology Services	-	-	-	-	-	-	-	-
2160	Other Student Treatment Services	-	-	-	-	-	-	-	-
2190	Service Direction, Student Support Services	-	-	-	-	-	-	-	-
2210	Improvement of Instruction Services	-	-	-	-	-	-	-	-
2220	Educational Media Services	-	-	-	-	-	-	-	-
2230	Assessment & Testing	-	-	-	-	-	-	-	-
2240	Instructional Staff Development	-	-	-	-	-	-	-	-
2310	Board of Education Services	-	-	-	-	-	-	-	-
2320	Executive Administration Services	-	-	-	-	-	-	-	-
2410	Office of the Principal Services	-	-	-	-	-	-	-	-
2490	Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510	Direction of Business Support Services	-	-	-	-	-	-	-	-
2520	Fiscal Services	-	-	-	-	-	-	-	-
2540	Operation and Maintenance of Plant Services	-	-	-	-	-	-	-	-
2550	Student Transportation Services	-	-	-	-	-	-	-	-
2570	Internal Services	-	-	-	-	-	-	-	-
2610	Direction of Central Support Services	-	-	-	-	-	-	-	-
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical S	-	-	-	-	-	-	-	-
2630	Information Services	-	-	-	-	-	-	-	-
2640	Staff Services	-	-	-	-	-	-	-	-
2660	Technology Services	-	-	-	-	-	-	-	-
2670	Records Management Services	-	-	-	-	-	-	-	-
2680	Interpretation and Translation Services	-	-	-	-	-	-	-	-
2690	Other Support Services - Central	-	-	-	-	-	-	-	-
2700	Supplemental Retirement Program	-	-	-	-	-	-	-	-
Total Support Services Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	-	-	-	-	-	-	-	-
3200	Other Enterprise Services	-	-	-	-	-	-	-	-
3300	Community Services	-	-	-	-	-	-	-	-
3500	Custody and Care of Children Services	-	-	-	-	-	-	-	-
Total Enterprise and Community Services Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facilities Acquisition and Construction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110	Service Area Direction	-	-	-	-	-	-	-	-
4120	Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150	Building Acquisition, Construction, and Improvement Services	-	-	-	-	-	-	-	-
4180	Other Capital Items	-	-	-	-	-	-	-	-
4190	Other Facilities Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	29,349,355	-	-	-	-	-	29,349,355	-
5200	Transfers of Funds	-	-	-	-	-	-	-	-
5300	Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400	PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures		\$29,349,355	\$0	\$0	\$0	\$0	\$0	\$29,349,355	\$0
Grand Total		\$29,349,355	\$0	\$0	\$0	\$0	\$0	\$29,349,355	\$0

**DISTRICT AUDIT EXPENDITURE SUMMARY
WEST LINN-WILSONVILLE SCHOOL DISTRICT**

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	-	-	-	-	-	-	-	-
1113	Elementary Extracurricular	-	-	-	-	-	-	-	-
1121	Middle/Junior High Programs	-	-	-	-	-	-	-	-
1122	Middle/Junior High School Extracurricular	-	-	-	-	-	-	-	-
1131	High School Programs	-	-	-	-	-	-	-	-
1132	High School Extracurricular	-	-	-	-	-	-	-	-
1140	Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210	Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220	Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1250	Less Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1260	Treatment and Habilitation	-	-	-	-	-	-	-	-
1271	Remediation	-	-	-	-	-	-	-	-
1272	Title I	-	-	-	-	-	-	-	-
1280	Alternative Education	-	-	-	-	-	-	-	-
1291	English Second Language Programs	-	-	-	-	-	-	-	-
1292	Teen Parent Program	-	-	-	-	-	-	-	-
1293	Migrant Education	-	-	-	-	-	-	-	-
1294	Youth Corrections Education	-	-	-	-	-	-	-	-
1299	Other Programs	-	-	-	-	-	-	-	-
1300	Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400	Summer School Programs	-	-	-	-	-	-	-	-
Total Instruction Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	-	-	-	-	-	-	-	-
2120	Guidance Services	-	-	-	-	-	-	-	-
2130	Health Services	-	-	-	-	-	-	-	-
2140	Psychological Services	-	-	-	-	-	-	-	-
2150	Speech Pathology and Audiology Services	-	-	-	-	-	-	-	-
2160	Other Student Treatment Services	-	-	-	-	-	-	-	-
2190	Service Direction, Student Support Services	-	-	-	-	-	-	-	-
2210	Improvement of Instruction Services	-	-	-	-	-	-	-	-
2220	Educational Media Services	-	-	-	-	-	-	-	-
2230	Assessment & Testing	-	-	-	-	-	-	-	-
2240	Instructional Staff Development	-	-	-	-	-	-	-	-
2310	Board of Education Services	-	-	-	-	-	-	-	-
2320	Executive Administration Services	-	-	-	-	-	-	-	-
2410	Office of the Principal Services	-	-	-	-	-	-	-	-
2490	Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510	Direction of Business Support Services	-	-	-	-	-	-	-	-
2520	Fiscal Services	-	-	-	-	-	-	-	-
2540	Operation and Maintenance of Plant Services	-	-	-	-	-	-	-	-
2550	Student Transportation Services	-	-	-	-	-	-	-	-
2570	Internal Services	-	-	-	-	-	-	-	-
2610	Direction of Central Support Services	-	-	-	-	-	-	-	-
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical S	-	-	-	-	-	-	-	-
2630	Information Services	-	-	-	-	-	-	-	-
2640	Staff Services	-	-	-	-	-	-	-	-
2660	Technology Services	-	-	-	-	-	-	-	-
2670	Records Management Services	-	-	-	-	-	-	-	-
2680	Interpretation and Translation Services	-	-	-	-	-	-	-	-
2690	Other Support Services - Central	-	-	-	-	-	-	-	-
2700	Supplemental Retirement Program	-	-	-	-	-	-	-	-
Total Support Services Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	-	-	-	-	-	-	-	-
3200	Other Enterprise Services	-	-	-	-	-	-	-	-
3300	Community Services	-	-	-	-	-	-	-	-
3500	Custody and Care of Children Services	-	-	-	-	-	-	-	-
Total Enterprise and Community Services Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facilities Acquisition and Construction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110	Service Area Direction	956,321	570,707	366,623	18,990	-	-	1	-
4120	Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150	Building Acquisition, Construction, and Improvement Services	8,355,406	111,672	59,372	2,878,487	839,469	4,466,406	-	-
4180	Other Capital Items	1,555,945	-	-	1,462	1,554,483	-	-	-
4190	Other Facilities Construction Services	175,092	-	-	-	-	166,283	8,809	-
Total Facilities Acquisition and Construction Expenditures		\$11,042,763	\$682,379	\$425,995	\$2,898,939	\$2,393,951	\$4,632,690	\$8,810	\$0
Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	77,179,262	-	-	-	-	-	77,179,262	-
5200	Transfers of Funds	-	-	-	-	-	-	-	-
5300	Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400	PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures		\$77,179,262	\$0	\$0	\$0	\$0	\$0	\$77,179,262	\$0
Grand Total		\$88,222,025	\$682,379	\$425,995	\$2,898,939	\$2,393,951	\$4,632,690	\$77,188,072	\$0

**DISTRICT AUDIT EXPENDITURE SUMMARY
WEST LINN-WILSONVILLE SCHOOL DISTRICT**

Fund: 700 Trust and Agency 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	-	-	-	-	-	-	-	-
1113	Elementary Extracurricular	-	-	-	-	-	-	-	-
1121	Middle/Junior High Programs	-	-	-	-	-	-	-	-
1122	Middle/Junior High School Extracurricular	-	-	-	-	-	-	-	-
1131	High School Programs	-	-	-	-	-	-	-	-
1132	High School Extracurricular	-	-	-	-	-	-	-	-
1140	Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210	Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220	Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1250	Less Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1260	Treatment and Habilitation	-	-	-	-	-	-	-	-
1271	Remediation	-	-	-	-	-	-	-	-
1272	Title I	-	-	-	-	-	-	-	-
1280	Alternative Education	-	-	-	-	-	-	-	-
1291	English Second Language Programs	-	-	-	-	-	-	-	-
1292	Teen Parent Program	-	-	-	-	-	-	-	-
1293	Migrant Education	-	-	-	-	-	-	-	-
1294	Youth Corrections Education	-	-	-	-	-	-	-	-
1299	Other Programs	-	-	-	-	-	-	-	-
1300	Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400	Summer School Programs	-	-	-	-	-	-	-	-
Total Instruction Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	-	-	-	-	-	-	-	-
2120	Guidance Services	-	-	-	-	-	-	-	-
2130	Health Services	-	-	-	-	-	-	-	-
2140	Psychological Services	-	-	-	-	-	-	-	-
2150	Speech Pathology and Audiology Services	-	-	-	-	-	-	-	-
2160	Other Student Treatment Services	-	-	-	-	-	-	-	-
2190	Service Direction, Student Support Services	-	-	-	-	-	-	-	-
2210	Improvement of Instruction Services	-	-	-	-	-	-	-	-
2220	Educational Media Services	-	-	-	-	-	-	-	-
2230	Assessment & Testing	-	-	-	-	-	-	-	-
2240	Instructional Staff Development	-	-	-	-	-	-	-	-
2310	Board of Education Services	-	-	-	-	-	-	-	-
2320	Executive Administration Services	11,000	-	-	11,000	-	-	-	-
2410	Office of the Principal Services	-	-	-	-	-	-	-	-
2490	Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510	Direction of Business Support Services	-	-	-	-	-	-	-	-
2520	Fiscal Services	-	-	-	-	-	-	-	-
2540	Operation and Maintenance of Plant Services	-	-	-	-	-	-	-	-
2550	Student Transportation Services	-	-	-	-	-	-	-	-
2570	Internal Services	-	-	-	-	-	-	-	-
2610	Direction of Central Support Services	-	-	-	-	-	-	-	-
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical S	-	-	-	-	-	-	-	-
2630	Information Services	-	-	-	-	-	-	-	-
2640	Staff Services	-	-	-	-	-	-	-	-
2660	Technology Services	-	-	-	-	-	-	-	-
2670	Records Management Services	-	-	-	-	-	-	-	-
2680	Interpretation and Translation Services	-	-	-	-	-	-	-	-
2690	Other Support Services - Central	-	-	-	-	-	-	-	-
2700	Supplemental Retirement Program	-	-	-	-	-	-	-	-
Total Support Services Expenditures		\$11,000	\$0	\$0	\$11,000	\$0	\$0	\$0	\$0

Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	-	-	-	-	-	-	-	-
3200	Other Enterprise Services	-	-	-	-	-	-	-	-
3300	Community Services	-	-	-	-	-	-	-	-
3500	Custody and Care of Children Services	-	-	-	-	-	-	-	-
Total Enterprise and Community Services Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Facilities Acquisition and Construction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110	Service Area Direction	-	-	-	-	-	-	-	-
4120	Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150	Building Acquisition, Construction, and Improvement Services	-	-	-	-	-	-	-	-
4180	Other Capital Items	-	-	-	-	-	-	-	-
4190	Other Facilities Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	-	-	-	-	-	-	-	-
5200	Transfers of Funds	-	-	-	-	-	-	-	-
5300	Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400	PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Grand Total \$11,000 \$0 \$0 \$11,000 \$0 \$0 \$0 \$0 \$0

STATISTICAL SECTION

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	76
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	84
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	90
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	94
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	98

Sources:

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The District implemented GASB Statement 34 in 2002-03; schedules presenting government-wide information include information beginning in that year.

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

Governmental Activities	Fiscal year			
	2010-11	2011-12	2012-13	2013-14
Assets				
Current and other assets	\$ 75,828,619	\$ 44,826,159	\$ 25,605,145	\$ 27,559,827
Prepaid PERS unfunded actuarial liability	27,494,277	25,876,966	24,259,656	22,642,346
Net capital assets	180,140,259	209,736,544	217,942,689	216,565,751
Net Position	283,463,155	280,439,669	267,807,490	266,767,924
Deferred Outflows of Resources				
Pension Related Deferrals	-	-	-	-
Other Postemployment Benefits	-	-	-	-
Loss on Bond Refunding Expenses	-	-	-	-
Total Deferred Outflows	-	-	-	-
Liabilities				
Long-term debt outstanding	229,592,681	218,326,577	193,780,326	194,571,517
Prepaid PERS unfunded actuarial liability outstanding	-	-	-	-
Other liabilities	9,169,717	12,987,009	18,360,162	11,676,943
Total liabilities	238,762,398	231,313,586	212,140,488	206,248,460
Deferred Inflows of Resources				
Net Pension Related Deferrals	-	-	-	-
Net Positions				
Net Investments in Capital Assets	59,613,789	68,047,630	60,080,449	58,703,511
Restricted for: Debt Service	493,745	652,473	699,718	1,201,295
Restricted for Grants and Other Purposes	133,307	1,592,292	329,419	436,040
Restricted for Instruction	-	-	-	-
Unrestricted	(15,540,084)	(21,166,312)	(5,442,584)	841,426
Total Net Position	\$ 44,700,757	\$ 49,126,083	\$ 55,667,002	\$ 61,182,272

Fiscal year					
2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
\$ 118,356,892	\$ 110,924,720	\$ 67,781,215	\$ 49,782,679	\$ 39,361,258	\$ 203,320,968
11,885,311	-	-	-	-	-
216,012,650	230,189,932	269,960,004	279,926,767	274,487,819	267,550,694
346,254,853	341,114,652	337,741,219	329,709,446	313,849,077	470,871,662
-	10,401,107	46,431,392	25,324,945	33,919,194	35,360,767
-	-	-	-	3,509,625	2,973,493
-	331,404	2,180,708	2,044,414	1,908,120	13,693,831
-	10,732,511	48,612,100	27,369,359	39,336,939	52,028,091
286,220,361	277,526,728	344,595,901	331,643,880	336,970,903	511,100,340
-	28,137,018	-	-	-	-
12,356,105	18,195,535	31,563,562	17,937,074	18,038,127	20,737,677
298,576,466	323,859,281	376,159,463	349,580,954	355,009,030	531,838,017
13,912,280	6,326,130	888,604	2,462,016	6,091,755	6,563,044
71,289,067	81,383,510	90,476,909	87,597,471	82,421,522	77,390,134
1,668,258	1,117,589	1,894,306	2,025,126	2,825,551	789,207
322,844	1,423,511	4,547,243	606,336	1,611,673	8,188,987
-	82,903,599	34,769,771	-	-	-
(39,182,658)	(145,166,336)	(122,382,977)	(85,193,098)	(94,773,515)	(101,869,636)
\$ 34,097,511	\$ 21,661,873	\$ 9,305,252	\$ 5,035,835	\$ (7,914,769)	\$ (15,501,308)

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

Governmental Activities	Fiscal year			
	2010-11	2011-12	2012-13	2013-14
Expenses				
Instruction	\$ 52,769,920	\$ 46,530,573	\$ 49,517,820	\$ 52,933,695
Support services	29,987,705	25,248,894	23,081,837	29,167,674
Enterprise and Community Services	2,625,723	2,137,665	2,041,979	1,963,207
Non-capital facilities maintenance & replacement	-	-	-	-
Interest and fees on long-term debt	11,394,527	11,082,263	10,665,010	8,842,269
Total expenditures	96,777,875	84,999,395	85,306,646	92,906,845
Program Revenues				
Charges for services				
Instruction	2,465,971	3,318,353	3,088,414	3,256,931
Support services	-	-	-	-
Enterprise and Community Services	898,196	600,335	794,786	681,857
Operating grants and contributions				
Instruction	3,648,225	2,002,655	2,259,827	2,154,594
Support services	1,918,548	890,223	885,505	1,007,810
Enterprise and Community Services	804,449	828,992	604,664	863,725
Total program revenues	9,735,389	7,640,558	7,633,196	7,964,917
Net (Expenses)	(87,042,486)	(77,358,837)	(77,673,450)	(84,941,928)
General Revenues				
Property taxes	42,840,890	43,922,204	43,877,179	45,580,819
Local Option Tax	4,861,280	3,164,769	2,800,796	2,801,069
State School Fund	29,912,976	33,928,944	36,192,101	41,541,170
Investment earnings	659,793	299,687	162,710	194,772
Other	383,063	407,133	1,181,583	1,655,070
Gain on disposal of capital assets	1,578,204	61,426	-	(61,890)
Total general revenues	80,236,206	81,784,163	84,214,369	91,711,010
Change in Net Position	\$ (6,806,280)	\$ 4,425,326	\$ 6,540,919	\$ 6,769,082

Fiscal year					
2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
\$ 48,087,074	\$ 77,474,978	\$ 60,564,628	\$ 82,330,132	\$ 85,805,880	\$ 94,660,559
26,437,672	40,427,152	30,298,623	38,320,273	40,258,819	41,251,709
2,038,325	2,074,007	1,683,649	2,284,644	2,401,435	2,563,549
-	-	-	1,013,531	9,232,284	10,218,396
22,107,917	12,424,772	12,748,141	13,611,839	13,985,118	14,363,105
98,670,988	132,400,909	105,295,041	137,560,419	151,683,536	163,057,318
2,547,030	754,580	2,539,929	1,191,477	1,018,115	3,882,862
-	-	-	-	-	-
703,857	770,826	792,521	1,050,169	1,145,093	786,770
2,076,003	2,052,698	2,217,694	2,968,721	4,426,307	4,217,985
958,421	894,928	921,763	1,109,017	1,584,504	1,967,133
829,587	1,054,603	889,795	1,419,805	1,172,458	875,066
7,114,898	5,527,635	7,361,702	7,739,189	9,346,477	11,729,816
(91,556,090)	(126,873,274)	(97,933,339)	(129,821,230)	(142,337,059)	(151,327,502)
45,830,813	51,133,867	53,715,955	56,182,652	58,505,092	63,066,951
3,884,793	5,087,515	6,791,972	7,793,250	8,954,255	9,395,737
44,111,818	48,614,895	49,411,772	58,230,043	57,543,858	59,997,081
2,236,722	724,913	767,737	940,691	1,284,017	2,356,445
9,285,485	8,276,826	7,783,102	6,431,713	2,883,525	3,071,026
-	665,084	-	(4,026,536)	215,708	4,753,313
105,349,631	114,503,100	118,470,538	125,551,813	129,386,455	142,640,553
<u>\$ 13,793,541</u>	<u>\$ (12,370,174)</u>	<u>\$ 20,537,199</u>	<u>\$ (4,269,417)</u>	<u>\$ (12,950,604)</u>	<u>\$ (8,686,949)</u>

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

	Fiscal years 2011-2015			
	2010-11	2011-12	2012-13	2013-14
Fund Balances (Deficit)				
Nonspendable	\$ 178,973	\$ 155,927	\$ 80,103	\$ 85,877
Restricted for:				
General Fund	133,307	1,592,292	329,419	436,040
Debt service funds	493,745	652,473	699,718	1,201,295
Future Capital Projects	57,548,496	23,223,469	11,148,549	8,154,014
Committed	1,224,746	-	-	-
Unassigned	4,659,738	3,255,981	4,278,963	4,395,909
Total fund balances	<u>\$ 64,239,005</u>	<u>\$ 28,880,142</u>	<u>\$ 16,536,752</u>	<u>\$ 14,273,135</u>

Fiscal years 2016-2020

2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
\$ 209,706	\$ 84,990	\$ 297,467	\$ 412,277	\$ 406,538	\$ 106,618
322,844	1,423,551	1,593,405	1,954,755	1,560,316	8,161,331
1,668,258	1,117,468	1,894,306	1,170,821	2,825,551	2,016,914
98,010,357	82,903,599	34,769,771	15,962,081	5,470,268	158,815,257
-	-	-	-	-	-
5,161,253	6,153,770	6,240,780	9,227,907	9,311,491	11,847,743
<u>\$ 105,372,418</u>	<u>\$ 91,683,378</u>	<u>\$ 44,795,729</u>	<u>\$ 28,727,841</u>	<u>\$ 19,574,164</u>	<u>\$ 180,947,863</u>

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

	2010-11	2011-12	2012-13	2013-14
REVENUES:				
Local Sources:	\$ 54,921,063	\$ 53,933,679	\$ 54,771,375	\$ 72,772,760
Intermediate Sources:	556,127	685,451	597,987	581,843
State Sources:	29,932,984	33,944,494	36,206,101	41,541,170
Federal Sources	5,806,422	3,130,511	2,970,799	3,479,826
TOTAL REVENUES	91,216,596	91,694,135	94,546,262	118,375,599
EXPENDITURES:				
Current:				
Instruction	40,239,385	42,867,738	43,533,497	50,021,283
Support Services	23,689,350	24,247,333	20,278,358	27,562,868
Enterprise and Community Services	1,956,123	1,895,339	1,667,862	1,855,191
Facilities Acquisition and Construction	22,538,547	35,220,168	13,153,990	1,531,125
Debt Service				
Principal	10,785,000	10,305,375	13,710,000	27,231,781
Interest	11,074,527	12,476,888	10,031,883	9,393,081
Other	-	-	-	-
Capital Outlay	-	-	4,500,000	3,043,887
TOTAL EXPENDITURES	110,282,932	127,012,841	106,875,590	120,639,216
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(19,066,336)	35,318,706	(12,329,328)	(2,263,617)
OTHER FINANCING SOURCES, (USES):				
Sale of Fixed Assets	1,529,687	-	-	-
Bond Sale Proceeds	-	-	-	-
Premium on Bond Issurance	-	-	-	-
Payment to Bond Escrow Agent	-	-	-	-
Transfers In	270,000	70,000	1,230,255	100,000
Transfers Out	(270,000)	(70,000)	(1,230,255)	(100,000)
TOTAL OTHER FINANCING SOURCES	1,529,687	-	-	-
NET CHANGE IN FUND BALANCE	(17,536,649)	(35,318,706)	(12,329,328)	(2,263,617)
BEGINNING FUND BALANCE	81,747,367	64,239,005	28,830,847	16,537,030
Adjustment for Inventories reported under the purchase method	28,287	(40,157)	35,233	(278)
Prior Period Adjustment	-	-	-	-
ENDING FUND BALANCE	\$ 64,239,005	\$ 28,880,142	\$ 16,536,752	\$ 14,273,135
Ratio of total debt service to total non-capital expenditures	24.90%	24.60%	20.90%	31.50%

Fiscal year					
2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
\$ 63,055,879	\$ 65,042,468	\$ 70,819,518	\$ 71,720,791	\$ 78,535,265	\$ 83,855,247
1,901,939	2,045,644	2,160,902	3,619,061	354,264	2,738,494
44,111,818	48,631,895	49,429,672	62,335,990	63,000,468	63,050,822
3,317,707	3,418,297	3,396,978	3,183,166	3,232,950	3,195,872
112,387,343	119,138,304	125,807,070	140,859,008	145,122,947	152,840,435
54,429,715	59,822,353	64,230,670	70,561,727	75,403,636	80,198,088
29,903,160	30,771,343	31,030,670	35,735,951	38,051,321	37,773,088
1,902,839	1,953,835	1,992,591	2,171,560	2,317,551	2,397,614
5,320,908	17,184,455	-	-	-	-
112,223,602	11,221,288	11,877,387	10,701,504	15,630,287	14,320,556
6,867,332	12,542,237	12,756,883	15,198,409	11,146,753	15,028,799
-	-	-	-	-	1,307,489
-	-	49,940,770	22,557,745	12,066,221	11,042,764
210,647,556	133,495,511	171,828,971	156,926,896	154,615,769	162,068,398
(98,260,213)	(14,357,207)	(46,021,901)	(16,067,888)	(9,492,822)	(9,227,963)
-	665,084	-	-	339,145	5,560,895
189,333,774	-	-	-	-	228,664,082
-	-	-	-	-	11,148,048
-	-	-	-	-	(75,871,773)
100,000	250,000	5,194	-	-	-
(100,000)	(250,000)	(5,194)	-	-	-
189,333,774	665,084	-	-	339,145	169,501,252
91,073,561	(13,692,123)	(46,022,261)	(16,067,888)	(9,153,677)	160,273,289
14,273,134	105,394,326	94,047,946	44,795,729	28,727,841	20,674,574
25,723	(18,825)	-	-	-	-
-	-	(3,229,956)	-	1,100,410	-
\$ 105,372,418	\$ 91,683,378	\$ 44,795,729	\$ 28,727,841	\$ 20,674,574	\$ 180,947,863
58.00%	21.00%	25.30%	9.00%	18.80%	19.40%

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 Assessed Value	Total Direct Tax Rate *	Real Market Value		Total Real Market Value	AV as a % of RMV
	Real Property	Personal Property			Real Property	Personal Property		
2010-11	\$ 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
2011-12	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
2012-13	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
2013-14	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
2014-15	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
2015-16	6,922,003,063	380,069,754	7,302,072,817	8.46	8,570,270,178	404,806,749	8,975,076,927	81.4
2016-17	7,287,685,922	399,786,841	7,687,472,763	8.34	9,617,195,451	402,856,210	10,020,051,661	76.7
2017-18	7,654,272,568	428,067,373	8,082,339,941	8.57	10,538,774,757	431,910,321	10,970,685,078	73.7
2018-19	7,971,617,453	422,815,994	8,394,433,447	8.76	11,245,346,138	423,711,711	11,669,057,849	71.9
2019-20	8,304,651,810	452,993,872	8,757,645,682	8.93	12,178,547,536	454,119,753	12,632,667,289	69.3

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
2010-11	4.84	0.82	-	2.97	8.63
2011-12	4.87	0.52	-	2.99	8.38
2012-13	4.87	0.45	-	3.02	8.34
2013-14	4.87	0.43	-	2.95	8.25
2014-15	4.87	0.58	-	2.89	8.34
2015-16	4.87	0.72	-	2.87	8.46
2016-17	4.87	0.91	-	2.86	8.34
2017-18	4.87	0.99	-	2.71	8.57
2018-19	4.87	1.07	-	2.82	8.76
2019-20	4.87	1.10	-	2.96	8.93

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
2010-11	2.45	2.20	0.70	3.13	0.36	1.88
2011-12	2.42	2.20	0.68	3.31	0.36	1.93
2012-13	2.56	2.21	0.70	3.32	0.36	1.91
2013-14	2.56	2.14	0.71	3.18	0.37	1.91
2014-15	2.54	2.13	0.70	3.18	0.36	1.51
2015-16	2.54	2.10	0.74	3.19	0.37	2.11
2016-17	2.54	1.97	0.74	3.19	0.37	1.98
2017-18	2.54	2.02	0.74	3.20	0.37	2.08
2018-19	2.54	2.52	0.74	3.22	0.37	2.08
2019-20	2.54	2.52	0.73	3.22	0.37	2.07

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 2019-20 is \$12,996,488 (compression loss \$ 3,448,501). 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

Metropolitan Service District	Port of Portland	Tri-Met	City of Tualatin	Washington County	City of Lake Oswego
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
-	0.07	-	2.89	2.96	5.24
0.66	0.07	-	2.87	2.96	5.21

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

		2019-20	
<u>Employer</u>	<u>Type of Business</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total Taxable Assessed Value</u>
Portland General Electric	Electrical Utility	\$ 139,093,798	1.59%
Mentor A. Siemens Business	Electronics Manufacturing	60,712,925	0.69%
Mentor Graphics Corp	CAD Software Systems	57,940,540	0.66%
Jackson Square Properties, LLC	Multifamily Housing	49,320,369	0.56%
Lipt Ash Meadows Lane, LLC	Multifamily Housing	48,618,858	0.56%
Swire Pacific Holding, Inc	Beverage Manufacturing	47,979,214	0.55%
Truamerica Multifamily, LLC	Multifamily Housing	41,135,416	0.47%
Retail Opportunity Investments Corp	Retail	37,472,588	0.43%
Sysco/Continental Food Services	Food Services	34,296,416	0.39%
Fred Meyer Stores, Inc.	Retail	34,143,925	0.39%
Subtotal - ten of County's largest taxpayers		550,714,049	6.29%
All other County's taxpayers		8,206,931,633	93.71%
Total County		<u>\$ 8,757,645,682</u>	<u>100.00%</u>

		2009-10	
<u>Employer</u>	<u>Type of Business</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total Taxable Assessed Value</u>
Portland General Electric	Utility	\$ 91,152,000	1.56%
Xerox Corporation	Document Imaging	87,599,652	1.50%
Mentor Graphics Corporation	Document Imaging	54,692,492	0.94%
Thomson Reuters PTS Inc	Post Trade Services	38,786,647	0.66%
Coca-Cola Bottling Co of OR	Soft Drink Industry	32,483,099	0.56%
Northwest Natural Gas	Utility	29,720,300	0.51%
Sysco/Continental Food Service	Food Distribution	28,105,021	0.48%
Bit Holdings Fifty-Seven Inc	Real Estate	27,871,281	0.48%
Ch Realities/Portland Industrial LLC	Real Estate	27,570,455	0.47%
Flir Systems Inc	Thermal Imaging	26,638,307	0.46%
Subtotal - ten of the District's largest taxpayers		444,619,254	7.61%
ALL OTHER TAXPAYERS		5,394,266,654	92.39%
Total District taxpayers		<u>\$ 5,838,885,908</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
2010-11	\$ 49,197,378	\$ 46,235,456	93.98%	\$ 1,695,545	\$ 47,931,001	97.43%
2011-12	48,139,714	45,362,760	94.23%	1,324,095	46,686,855	96.98%
2012-13	48,123,591	45,345,170	94.23%	1,368,641	46,713,810	97.07%
2013-14	49,475,387	47,191,004	95.38%	1,363,510	48,554,513	98.14%
2014-15	49,662,152	47,271,135	95.19%	1,166,181	48,427,316	97.51%
2015-16	52,453,818	49,927,677	95.18%	978,962	50,906,639	97.05%
2016-17	55,161,417	52,990,663	96.06%	934,418	53,925,081	97.76%
2017-18	57,514,304	54,994,181	95.62%	1,188,471	56,182,652	97.68%
2018-19	60,385,530	58,258,562	96.48%	2,054,876	60,313,438	99.88%
2019-20	64,400,626	62,299,114	96.74%	522,071	62,821,185	97.55%

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 (2)
	General Obligation Bonds (1)	Pension Obligation Bonds	Total Primary Government		
2010-11	\$ 181,492	\$ 41,635	\$ 223,127	\$ 5,107	1.50
2011-12	170,272	41,155	211,427	4,687	1.17
2012-13	157,862	40,505	198,367	4,307	1.15
2013-14	146,914	39,675	186,589	3,930	1.01
2014-15	244,820	38,640	252,766	5,232	1.32
2015-16	234,630	37,390	272,021	4,907	1.29
2016-17	221,012	35,900	257,131	4,536	1.15
2017-18	210,365	34,155	218,967	4,314	1.04
2018-19	199,445	32,125	231,570	4,048	1.34
2019-20	361,879	29,790	391,669	7,583	2.26

Note: See Demographic and Economic Statistics for personal income and population data.

(1) This is general bonded debt net of original issue discounts and premiums

(2) 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, 2020

Overlapping Issuer	Net Property-tax Backed Debt ¹	Percent Overlapping	Net Overlapping Debt
Clackamas Community College	\$ 88,668,913	20.12%	\$ 17,840,185
City of West Linn	31,015,000	99.19%	30,763,779
METRO	964,085,000	3.51%	33,839,384
Clackamas County	121,210,000	14.81%	17,951,201
Washington County	213,232,118	0.20%	426,464
Portland Community College	575,107,061	0.08%	460,086
City of Tualatin	21,117,389	1.65%	348,437
Tualatin Valley Fire & Rescue Dist.	23,785,000	12.23%	2,908,906
City of Lake Oswego	88,550,000	0.00%	-
Subtotal, overlapping debt	2,126,770,481		104,538,442
Direct District net property-tax backed debt	391,669,171	100%	391,669,171
Total direct and overlapping debt	\$ 2,518,439,652		\$ 496,207,613

¹ 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		
2010-11	\$ 181,492,238	-	\$ 181,492,238	3.02%	\$ 22,357
2011-12	170,272,238	-	170,272,238	2.77%	20,828
2012-13	157,862,238	-	157,862,238	2.50%	18,849
2013-14	146,914,645	-	146,914,645	2.24%	17,006
2014-15	242,531,064	-	242,531,064	3.49%	24,046
2015-16	234,631,133	-	234,631,133	3.21%	21,538
2016-17	221,012,082	-	221,012,082	2.87%	19,910
2017-18	210,365,791	-	210,365,791	2.60%	18,708
2018-19	199,444,685	-	199,444,685	2.38%	20,132
2019-20	361,879,171	-	361,879,171	4.13%	35,801

Fiscal Year	Other Governmental Activities Debt		Per Student ADM (2)	Per Capita (4)	ADM	Population
	Refunding Special Obligations	Total District (3)				
2010-11	\$ 41,635,000	\$ 223,127,238	27,485	2,107	8,118	43,687
2011-12	41,135,000	211,407,238	25,860	4,687	8,175	45,107
2012-13	40,505,000	198,367,238	23,686	4,304	8,375	46,089
2013-14	39,675,000	186,589,645	21,599	3,930	8,639	47,476
2014-15	38,640,000	281,171,064	28,385	5,232	8,905	48,315
2015-16	37,390,000	272,021,133	25,482	4,907	9,479	49,222
2016-17	35,900,000	256,912,082	23,599	4,536	9,732	50,627
2017-18	34,155,000	244,520,791	22,165	4,314	9,879	50,761
2018-19	32,125,000	231,569,685	23,374	4,511	9,907	51,338
2019-20	29,790,000	391,669,171	38,748	7,583	10,108	51,654

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

¹ See schedule titled "Assessed Values of Taxable Property ..."

² Student enrollment data can be found on the sheet titled "Operating Statistics"

³ Includes net general bonded debt and other governmental activities debt.

⁴ Per capita is calculated using the estimated District population of 51,654 for 2019-20

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

Legal Debt Margin Calculation for Fiscal Year 2020

Real Market Value	\$ 12,178,547,536
Debt Limit (7.95%) ¹	968,194,529
Amount of Debt Applicable to Debt Limit:	
General Obligation Bonded Debt	361,879,171
Less: Amount Available in Debt Service Funds	(627,570)
Amount of Debt Applicable to Debt Limit	<u>361,251,601</u>
Legal Debt margin	<u>\$ 606,942,928</u>

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Debt Limit	\$ 603,797,478	\$ 565,154,338	\$ 550,729,775	\$ 575,831,413	\$ 648,459,433	\$ 713,518,616	\$ 796,594,107	\$ 837,832,593	\$ 894,005,018	\$ 968,194,529
Total net debt applicable to limit	<u>181,492,238</u>	<u>170,272,238</u>	<u>157,862,238</u>	<u>146,914,645</u>	<u>242,531,064</u>	<u>234,631,133</u>	<u>221,012,082</u>	<u>210,365,791</u>	<u>198,775,935</u>	<u>361,251,601</u>
Legal debt margin	<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>	<u>\$ 695,229,083</u>	<u>\$ 606,942,928</u>
Total net debt applicable to the limit as a percentage of debt limit	28.40%	30.06%	30.13%	28.66%	25.51%	28.61%	24.32%	22.06%	22.23%	37.31%

¹ ORS 328.245 establishes a parameter of bonded indebtedness for school districts. Aggregates are governed by real market values of all taxable properties within the District as follows:

^A 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.

^B 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:

^A Kindergarten through eighth grade, 9 x .0055	4.95%
^B 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

Year	District Population (Estimated)	County Personal Income (1) (thousands of dollars)	County Per Capita Personal Income (3)	Clackamas County Unemployment Rate (2)
2010-11	43,687	\$ 17,457,115	\$ 44,480	8.9%
2011-12	45,107	18,813,208	47,110	8.0%
2012-13	46,089	17,863,812	46,028	7.1%
2013-14	47,476	18,724,587	47,464	6.2%
2014-15	48,315	19,901,153	49,565	5.1%
2015-16	49,222	20,965,832	51,379	4.3%
2016-17	50,627	23,220,274	56,268	3.7%
2017-18	50,761	24,385,155	58,608	3.7%
2018-19	51,338	N/A	N/A	3.4%
2019-20	51,654	N/A	N/A	N/A

Sources:

¹ Bureau of Economic Analysis for Clackamas County. District-level data unavailable

² State of Oregon Unemployment Rate for Clackamas County

³ 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)			
	2019-20	2018-19	2017-18	2016-17
<u>Instructional Staff</u>				
Primary, K-5 Instruction	274.09	275.66	270.10	265.31
Intermediate, 4-5 Instruction (2)	0.00	0.00	0.00	0.00
Middle School Instruction	119.73	118.08	114.57	114.65
High School Instruction	123.35	127.75	128.15	126.00
High School Activities	2.00	2.00	2.00	2.00
Pre-Kindergarten Instruction	6.98	7.03	7.00	6.10
Talented & Gifted	1.81	1.81	1.71	1.71
High Needs Students	66.81	60.84	44.48	39.97
Resource Rooms	61.64	59.46	65.24	57.14
Alternative Education	0.20	7.13	10.30	10.30
Charter Schools	6.93	0.00	0.00	0.00
English - Second Language	13.25	11.65	10.34	8.10
CREST	5.50	5.60	3.60	3.60
Subtotal Instructional Staff	<u>682.29</u>	<u>677.01</u>	<u>657.49</u>	<u>634.88</u>
<u>Support Services Staff</u>				
Social Work Services	1.50	1.50	1.50	1.50
Counseling	23.50	24.50	22.60	19.50
District Nurse	5.00	4.00	4.00	3.00
Psychological Services	5.00	5.00	4.00	4.00
Speech	9.00	9.00	8.80	8.00
Special Services-Direction	3.00	4.00	3.00	3.00
Curriculum Development	5.85	5.25	5.65	4.25
Curriculum - Direction	0	0.00	0.00	0.00
Libraries-Media	16.50	16.50	16.37	15.00
Executive Administration	2.00	2.00	2.00	2.00
Office of the Principal	49.83	49.70	49.70	49.70
Business - Direction	1.00	2.00	1.00	1.00
Fiscal Office	6.00	6.00	5.00	5.00
Operations Direction	0.00	0.00	0.00	0.00
Maintenance - Direction	4.50	4.20	4.20	4.20
Care & Upkeep of Buildings	48.50	48.50	46.50	45.50
Care & Upkeep of Grounds	0.00	0.00	0.00	0.00
Maintenance	22.00	21.00	19.00	17.00
Warehouse & Distribution	2.00	2.00	2.00	2.00
Information Services	1.00	1.00	1.00	0.00
Staff Services - Personnel	4.00	4.00	4.00	3.00
Technology Services	8.70	11.80	12.50	12.50
Subtotal Support Services Staff	<u>218.88</u>	<u>221.95</u>	<u>212.82</u>	<u>200.15</u>
Total	<u>901.17</u>	<u>898.96</u>	<u>870.31</u>	<u>835.03</u>

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)

2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
239.27	229.55	202.00	199.42	193.11	137.00
0.00	0.00	0.00	0.00	0.00	70.23
106.16	94.95	92.52	86.16	85.19	101.46
123.70	116.50	104.10	102.02	100.53	110.60
2.00	2.00	2.00	2.20	2.60	2.20
6.55	5.61	4.41	5.88	5.52	7.28
1.71	3.06	2.81	1.76	1.76	2.61
30.88	26.75	22.25	31.54	30.89	39.53
41.22	40.95	34.58	30.00	28.82	36.73
10.64	9.14	5.45	6.18	6.19	4.90
0.00	0.00	0.00	0.00	0.00	0.00
5.20	5.00	5.00	4.38	3.70	7.31
3.00	3.00	2.00	3.00	3.00	2.75
570.33	536.51	477.12	472.54	461.31	522.60
0.00	0.00	0.00	0.00	0.00	0.00
18.90	19.00	15.00	18.50	18.50	18.25
3.00	3.00	3.00	3.00	3.00	3.15
4.50	2.00	0.50	0.00	0.00	0.60
7.40	8.80	5.80	5.00	5.00	2.55
3.00	4.00	3.00	3.00	2.00	3.21
3.50	2.00	2.00	2.00	2.00	2.00
0.00	1.00	1.00	1.00	1.00	1.50
13.14	11.50	10.22	14.96	14.84	19.70
3.00	2.50	2.50	2.50	1.50	2.00
44.70	44.70	42.50	43.10	36.50	45.10
1.00	1.00	0.89	0.89	0.89	1.88
5.00	5.00	4.72	4.61	4.61	5.63
0.00	0.00	0.00	0.00	0.00	0.00
3.20	4.00	1.88	2.88	2.88	2.69
40.00	42.00	40.00	41.50	39.50	39.50
0.00	0.00	0.00	0.00	0.00	14.96
16.00	15.00	15.00	15.15	15.10	0.00
2.00	2.00	2.00	1.95	0.99	2.91
0.00	0.00	0.00	0.00	0.00	0.00
3.00	3.00	3.00	3.00	3.00	3.00
11.50	11.00	7.73	8.23	8.48	9.98
182.84	181.50	160.74	171.27	159.79	178.61
753.17	718.01	637.86	643.81	621.10	701.21

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

Fiscal Year Ending June 30	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
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	63,275	39,685	78,887	24.6
2018-19	9,906	110	116,261,906	11,737	566	17.5	63,982	40,980	81,460	18.7
2019-20	10,108	110	120,638,790	11,935	569	17.8	64,332	42,210	83,904	15.6

(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

		2019-20	
Employer	Type of Business	Number of Employees	Percentage of Total City Employment*
Mentor Graphics Corporation	Computer Support Services	1,126	5.5%
Swire Coca-Cola USA	Beverage Supply	621	3.1%
Sysco Portland Inc	Groceries & Related Products	412	2.0%
Columbia Distributing	Beer, Wine & Distilled Alcohol	400	2.0%
Fred Meyer #516	General Merchandise Stores	329	1.6%
Precision Interconnect	Electronic Equipment	324	1.6%
Costco Wholesale #766	General Merchandise Stores	317	1.6%
Southern Glazers Wine Dist. of OR LLC	Beer, Wine & Distilled Alcohol	235	1.2%
DW Fritz Automation Inc	Primary Metal Industries	198	1.0%
Rite Aid Wilsonville Distribution Center	Public Warehousing	170	0.8%
		4,132	20.4%

		2009-10	
Employer	Type of Business	Number of Employees	Percentage of Total City Employment**
Xerox Corporation	Copiers and Printers	1,568	11.4%
Mentor Graphics Corporation	CAD Software Systems	1,006	7.3%
Sysco/Continental Food Service	Warehouse & Distribution Center	539	3.9%
Precision Interconnect	Electronic Machinery	510	3.7%
Flir Systems, Inc	Thermal imaging/infrared equipment	427	3.1%
Hollywood Entertainment Corporation	Headquarters, warehouse, retail	407	2.9%
Rockwell Collins	Aerospace Technology	258	1.9%
Rite Aid Distribution Center	Warehouse & Distribution Center	243	1.8%
Fry's Electronics	Retail	235	1.7%
Adeco USA Inc.	Temporary Staffing Services	153	1.1%
		5,346	38.8%

*Total city employment for 2019-20 20,317

**Total city employment for 2009-10 13,809

(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

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	Average Age of Buildings (in years)
Schools											
Primary											
Buildings	7	7	9	9	9	9	9	9	9	9	54
Square Feet	446,982	446,982	581,626	581,626	581,626	581,626	581,626	597,833	597,833	597,833	
Capacity	3,382	3,382	4,401	4,401	4,401	4,401	4,401	4,965	4,965	4,965	
Membership (ADM)	3,375	3,785	4,025	4,096	4,153	4,265	4,309	4,292	4,278	4,189	
Percent Used	100%	112%	91%	93%	94%	97%	98%	86%	86%	84%	
Middle											
Buildings	3	3	3	3	3	3	3	4	4	4	19
Square Feet	282,519	284,519	284,519	284,519	284,519	284,519	284,519	375,625	375,625	375,625	
Capacity	2,082	1,932	1,932	1,932	1,932	1,932	1,932	2,623	2,623	2,623	
Membership (ADM)	1,899	2,026	2,065	2,120	2,210	2,307	2,313	2,323	2,429	2,418	
Percent Used	91%	105%	107%	110%	114%	119%	120%	89%	93%	92%	
High											
Buildings	2	2	2	2	2	2	2	2	2	2	44
Square Feet	500,631	499,943	499,943	499,943	499,943	499,943	522,063	522,063	522,063	522,063	
Capacity	3,291	3,220	3,220	3,220	3,220	3,220	3,220	3,155	3,155	3,155	
Membership (ADM)	2,508	2,773	2,866	2,896	3,042	3,082	3,161	3,077	3,101	3,150	
Percent Used	76%	86%	89%	90%	94%	96%	98%	98%	98%	100%	
Other											
Buildings	3	3	3	3	3	3	3	3	3	3	13
Square Feet	7,442	46,266	46,266	46,266	46,266	46,266	46,266	46,266	46,266	46,266	
Administration											
Buildings	1	1	1	1	1	1	1	1	1	1	83
Square Feet	21,000	17,439	17,439	17,439	17,439	17,439	17,439	17,439	17,439	17,439	
p											
Maintenance											
Buildings	5	5	5	5	5	5	5	5	5	5	20
Square Feet	40,020	54,900	54,900	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, 2020 and have issued our report thereon dated December 21, 2020. 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 Special Revenue Fund the Instruction Services function by \$1,327,293



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 21, 2020

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, 2020, 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 21, 2020.

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) as a basis for designing 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 21, 2020



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, 2020. 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, 2020.

Other Matters

The result of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2020-01. Our opinion on each major federal program is not modified with respect to these matters.



The Districts' response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questions costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the response.

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 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, we did identify a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questions costs as item 2020-01, that we consider to be a significant deficiency.

The District's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questions costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the response.

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 21, 2020

WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended June 30, 2020

Federal Grantor/Pass-through Grantor/ Program Title	Grant Period	Federal C.F.D.A. Number	Pass-Through Grantor's Number	Expenditures
<u>U.S. Department of Education</u>				
Passed through Oregon State Department of Education				
Title IA - Part A - Grants to Local Educational Agencies	07/01/19-09/30/20	84.010	53396	\$ 519,937
Title IA - Part A - Grants to Local Educational Agencies	07/01/19-09/30/20	84.010	54342	47,500
Title IA - Part A - Grants to Local Educational Agencies	07/01/19-09/30/20	84.010	52096	45,116
Total Title IA - Part A - Grants to Local Educational Agencies				612,553
Title III - English Language Acquisition	07/01/19-09/30/20	84.365	53465	14,990
Title IIA - Improving Teacher Quality	07/01/19-09/30/20	84.367	53658	155,613
Title IVA - Student Support and Enrichment	07/01/19-09/30/20	84.424	54648	23,298
IDEA, Part B, Special Education	07/01/19-09/30/21	84.027	53825	1,302,333
IDEA, Part B Post School Outcomes	07/01/19-06/30/20	84.027	49197	1,050
				1,303,383
IDEA, Part B, Section 619	07/01/17-09/30/19	84.173	45526	4,705
IDEA, Part B, Section 619	07/01/18-09/30/20	84.173	50211	7,285
IDEA, Part B, Section 619	07/01/19-09/30/21	84.173	45526	3,924
				15,914
Total Special Education Cluster				1,319,297
Passed Through Oregon Department of Human Services				
Youth Transition Program	07/01/19-06/30/21	84.126A	160759	170,012
Passed Through Clackamas Education Service District				
Title 1C Migrant Education	07/01/19-06/30/20	84.011	N/A	1,029
Carl Perkins	07/01/19-09/30/20	84.048	N/A	39,691
Total U.S. Department of Education				2,336,483
<u>U. S. Department of Labor</u>				
Passed Through Clackamas Education Service District				
C-TEC	07/01/19-06/30/20	17.259	N/A	45,092
Total U.S. Department of Labor				45,092
<u>U.S. Department of Health and Human Services</u>				
Foster Care Title IV	07/01/19-06/30/20	93.658	47563	16,828
Total U.S. Department of Health and Human Services				16,828
<u>U.S. Department of Agriculture</u>				
Passed through Oregon State Department of Education				
National School Breakfast Program	07/01/19-06/30/20	10.553	N/A	60,279
COVID-19 National School Breakfast Program - Cares	07/01/19-06/30/20	10.553	N/A	49,276
Total School Breakfast Program				109,555
Commodities	07/01/19-06/30/20	10.555	N/A	183,092
National School Lunch Program	07/01/19-06/30/20	10.555	N/A	428,184
COVID-19 National School Lunch Program - Cares	07/01/19-06/30/20	10.555	N/A	76,638
Total National School Lunch				687,914
Total Child Nutrition Cluster				797,469
Total U.S. Department of Agriculture				797,469
Total Federal Awards				\$ 3,195,872

WEST LINN WILSONVILLE SCHOOL DISTRICT NO. 3JT
NOTES RELATIVE TO SCHEDULE OF FEDERAL AWARDS
For the Year Ended June 30, 2020

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, 2020. 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 minimis rate.

4. Federal Financial Assistance

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

5. Major Programs

Uniform Guidance establishes criteria to be used in defining major federal financial assistance programs. Major programs for the District are those programs selected for testing by the auditor using a risk-assessment model, as well as certain minimum expenditure requirements, as outlined in Uniform Guidance. Programs with similar requirements may be grouped into a cluster for testing purposes

6. Subrecipients

The District had no subrecipients.

WEST LINN-WILSONVILLE SCHOOL DISTRICT NO. 3JT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2020

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

84.027, 84.173

Special Education Cluster

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

Auditee qualified as low-risk auditee? Yes No ___

SECTION II - FINANCIAL STATEMENT FINDINGS - NONE

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Finding 2020-01

Federal Program: CFDA 84.027, 84.173 Special Education Cluster

Federal Agencies: Department of Education

Pass Through Entity: Oregon Department of Education

Criteria: The District is required to maintain semi-annual certifications of employees whose salary is supported by only one Federal program to document time and effort requirements for the program.

Condition: The required semi-annual certifications were not completed for three employees as required by the program.

Cause: The District did not review the Special Education employees in detail to ensure time and effort requirements were met.

Effect: Without the required semi-annual certifications it is not possible for the District to support the time and effort requirements under the program.

Questioned Costs: None

Context: Required semi-annual certifications were not completed by the District because the District overlooked the requirements.

Recommendation: Develop a review process to ensure timely completion of semi-annual certifications for all of the District's programs with this requirement.

View of Responsible Officials: The District is aware of these requirements and is working to ensure that the program coordinators and the accounting staff are completing the semi-annual certifications in a timely manner for all the District's programs with this requirement.

SECTION IV - SUMMARY OF PRIOR AUDIT FINDING - NONE