



# POPULAR ANNUAL FINANCIAL REPORT



**West Linn - Wilsonville School District 3JT**

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FOR YEAR ENDED JUNE 30, 2019





# TABLE OF CONTENTS

.....

3  
OUR DISTRICT

5  
AWARDS &  
RECOGNITION

7  
FINANCIAL  
STATEMENTS

10  
FUNDING SOURCES

15  
DEBT SERVICES

18  
CAPITAL PROJECTS

20  
GLOSSARY



# A MESSAGE FROM THE CHIEF FINANCIAL OFFICER



October 25, 2020

To the Citizens of the West Linn-Wilsonville School District;

I am pleased to present the first West Linn-Wilsonville School District Popular Annual Financial Report (PAFR) for the period ending June 30, 2019. This report is intended to increase awareness of the financial operations of the WLWV School District and to provide the community with an understanding of the District's financial performance and fiscal health in a user-friendly manner.

It is important to note that this PAFR presents WLWV School District's financial condition in a highly condensed format. The PAFR's financial data was taken from our Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. The CAFR is prepared in conformance with Generally Accepted Accounting Principles (GAAP). It includes audited financial statements, disclosures, an opinion statement from our independent external auditors, and other detailed financial information. The CAFR was audited by the independent audit firm Wilcox Arredondo & Co. and provides a more detailed view of the WLWV School District's finances.

This PAFR is prepared on a non-GAAP basis and is unaudited. It focuses on the District's General Fund, Special Revenue Fund, Debt Services Fund, and Capital Projects. The PAFR should help stakeholders understand how their tax dollars are utilized for student education. Our goal is to provide financial transparency in an understandable manner.

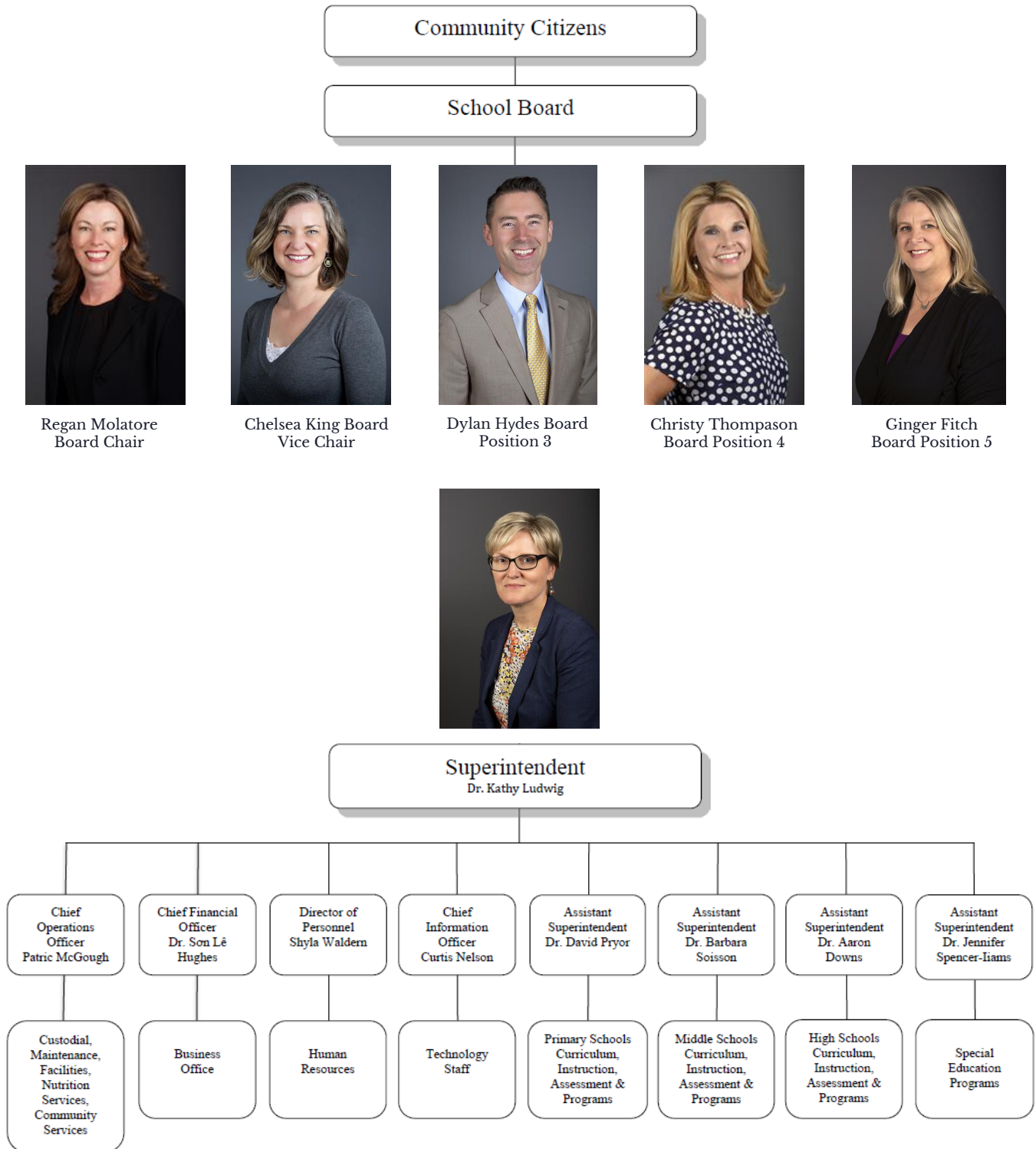
We hope you enjoy reading this report and find it interesting and useful for understanding the District's finances. We welcome your questions, comments, and suggestions for improvement.

Respectfully submitted,

Sơn Lê Hughes, Ph.D.  
Chief Financial Officer

To view the District's full  
Comprehensive Annual Financial  
Report (CAFR), please visit:  
<https://www.wlwv.k12.or.us/Page/261>

# ORGANIZATIONAL CHART





# ABOUT WEST LINN - WILSONVILLE SCHOOL DISTRICT

## DISTRICT INFORMATION



The West Linn-Wilsonville School District covers 42 square miles in the south metropolitan area of Portland, Oregon. The district includes rural areas of Clackamas County, and two municipalities: the City of West Linn and the City of Wilsonville. The district is a K-12 public school system with approximately 10,000 students.

## OUR STUDENTS



### ON-TIME GRADUATION

The percentage of WLWV students who graduated in four years: **95%**. This was a 2% increase from the previous year. The Oregon average is 79%.



### ATTENDANCE

The percentage of K-5 students attending more than 90% of enrolled days: **87.5%**

### STUDENT ENROLLMENT (ADM)

**9,823**

58 Languages Spoken  
Class Size Grade K-5: 23  
Class Size Grade 6-12: 26



## DISTRICT THEMES

- Demonstrate personal and academic excellence
- Provide a personalized education to improve student performance
- Establish community partnerships and expand the classroom beyond the school
- Create a circle of support for each student
- Educate the whole person - intellectually, emotionally, physically, and ethically
- Integrate technology in daily learning



### INCLUSIVE PRACTICES

Our classrooms are **100%** inclusive where students with disabilities and students without disabilities learn together, side by side.

### 9TH GRADE ON-TRACK

**88%** of students completed the 9th grade with one-quarter of the credits needed to graduate. The Oregon average is 85%

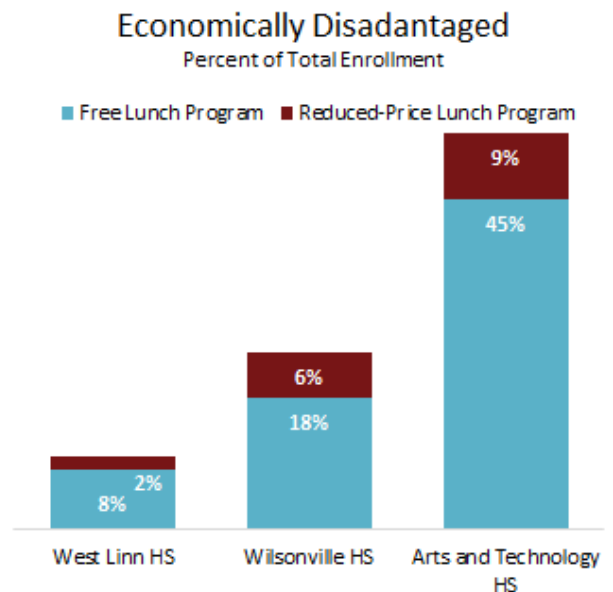
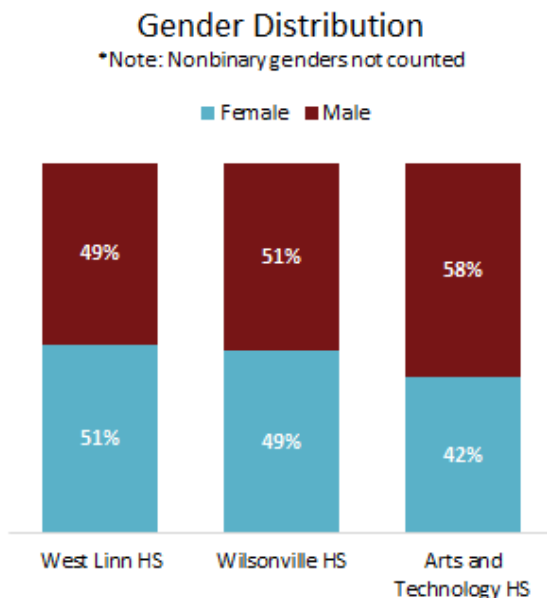
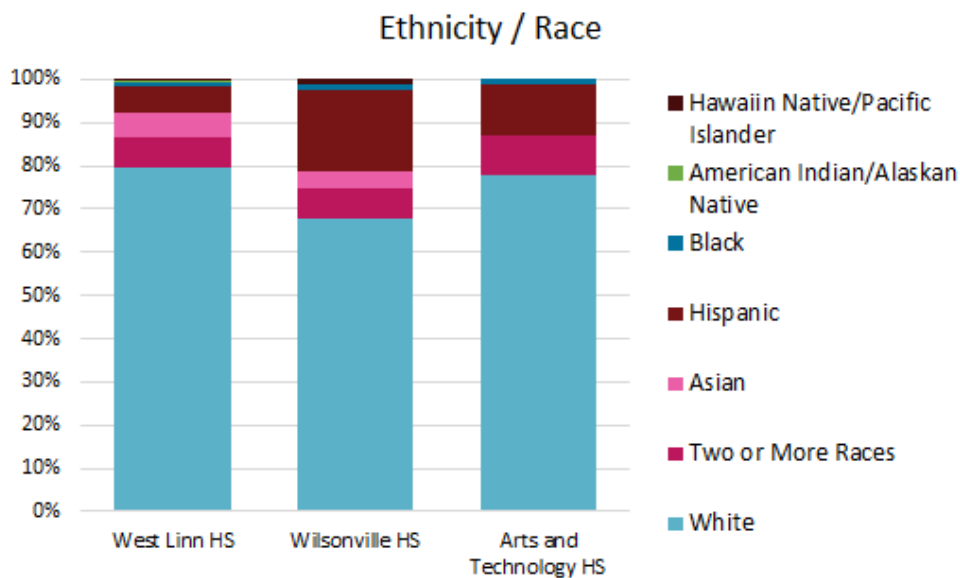




# ACADEMIC EXCELLENCE

## High School Demographics

Although this Popular Annual Financial Report is for the 2019 Fiscal Year, this demographic data is reported from 2020 data. Source: USNews.com.





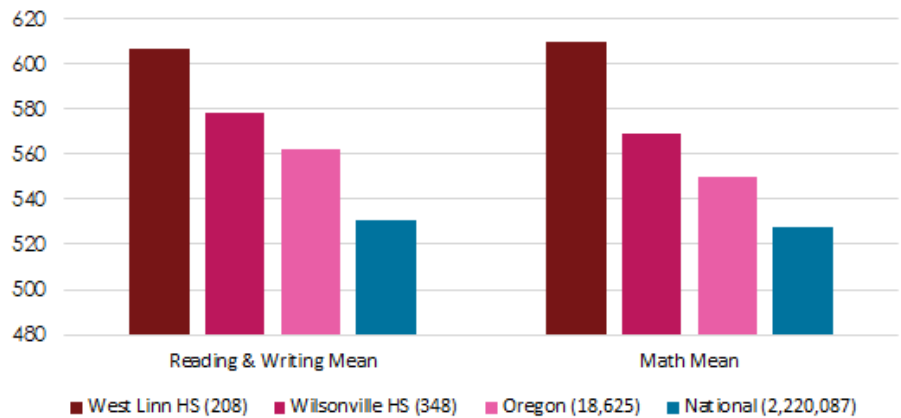
# AWARDS & RECOGNITION

## Excellence in Education

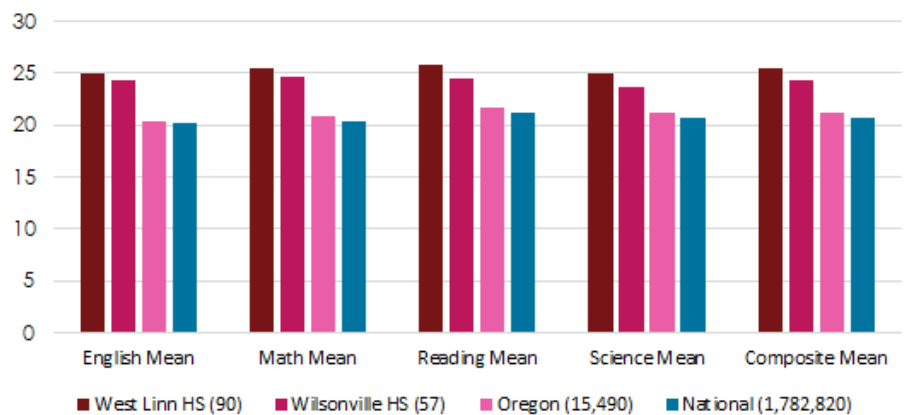
The West Linn-Wilsonville School District takes pride in promoting excellence in every aspect of education. It continues to hold the position as one of the top-rated school districts in the state for achieving high levels of student achievement in a wide range of program offerings.

The District continues to achieve the highest graduation rate in the state for larger comparable districts.

Mean SAT Scores - 2019  
by School (# of Exam Takers)



Mean ACT Scores - 2019  
by School (# of Exam Takers)



### West Linn HS

In 2020, ranked:  
#4 in Oregon High Schools  
#401 in National Rankings  
25:1 Student-Teacher Ratio  
Overall Score: 97.75/100



### Wilsonville HS

In 2020, ranked:  
#9 in Oregon High Schools  
#1,046 in National Rankings  
23:1 Student-Teacher Ratio  
Overall Score: 94.12/100

# 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

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.





# OVERVIEW OF DISTRICT FINANCIAL STATEMENTS

The District's basic financial statements consist of three components:

1. Government-Wide Financial Statements
2. Fund Financial Statements
3. Notes To The Basic 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: 1) the Statement of Net Position, and 2) the Statement of Activities.

## 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: 1) governmental funds, and 2) fiduciary funds.

## 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.



# GOVERNMENT-WIDE FINANCIAL ANALYSIS

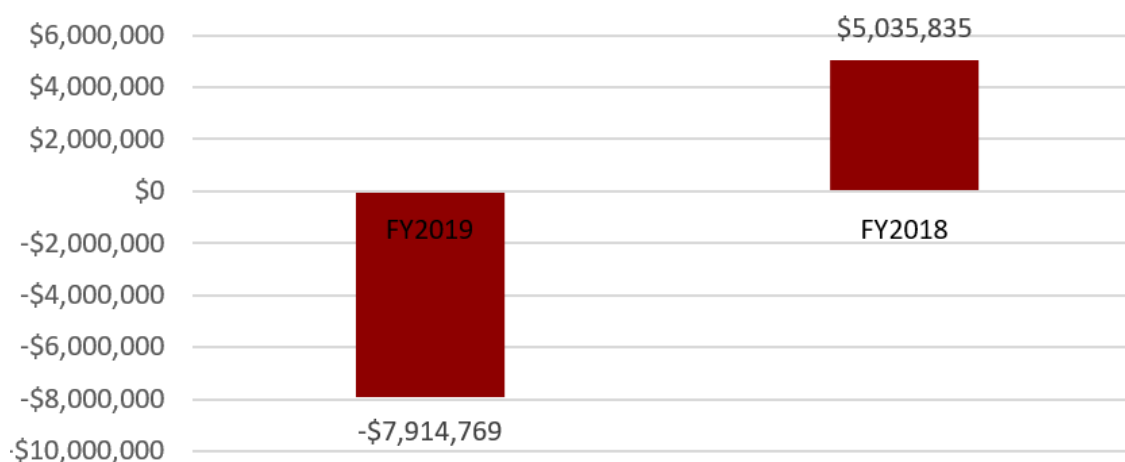
The government-wide financial statements include:

1) Statement of Net Position, and 2) Statement of Activities.

## Statement of Net Position

Statement of Net Position was formerly called the “Balance Sheet.” As the name of this report has changed to the “Statement of Net Position,” the accounting equation has also undergone a slight transformation: (assets + deferred outflows of resources) – (liabilities + deferred inflows of resources) = Net Position. The statement reflects the organization's overall financial position at a given moment in time, much like a snapshot, and may serve as a useful gauge of the district’s financial health. On June 30, 2019, the WLWV School District's liabilities exceeded assets by \$7,914,769.

## Total Net Position



## Detail of Net Position: Assets/Outflows & Liabilities/Inflows

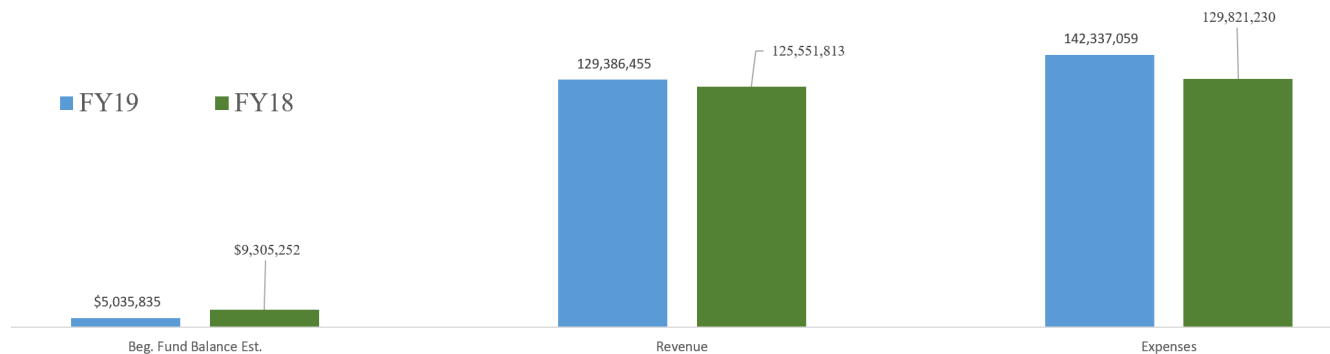
Statement of Net Position	June 30, 2019	June 30, 2018	Increase (Decrease)
<b>Total Assets</b>	313,849,077	329,709,446	(15,860,369)
<b>Deferred Outflows of Resources</b>	39,336,939	27,369,359	11,967,580
<b>Total Liabilities</b>	355,009,030	349,580,954	5,428,076
<b>Deferred Inflows of Resources</b>	6,091,755	2,462,016	3,629,739
<b>TOTAL NET POSITION</b>	(7,914,769)	5,035,835	(12,950,604)



## Statement of Activities

Statement of Activities is the operating statement for the District as a whole. This financial statement reports the revenues and expenses and the changes in the amounts of each during the period shown.

### Total Activities



### Detail of Activities: Assets/Outflows & Liabilities/Inflows

Statement of Activities	June 30, 2019	June 30, 2018
Revenue	129,386,455	125,551,813
Expenses	(142,337,059)	(129,821,230)
Change in Net Position	(12,950,604)	(4,269,417)
Beginning of year	5,035,835	9,305,252
End of year	(7,914,769)	5,035,835



# WEST LINN WILSONVILLE SCHOOL DISTRICT FUNDING SOURCES

The District maintains four individual governmental funds:

1. General Fund
2. Special Revenue Fund
3. Debt Service Fund
4. Capital Projects Fund

## General Fund

The General Fund accounts for the majority of all educational & support functions of the District, such as: a) day-to-day activities, and b) administrative & operating expenses.

## Special Revenue Fund

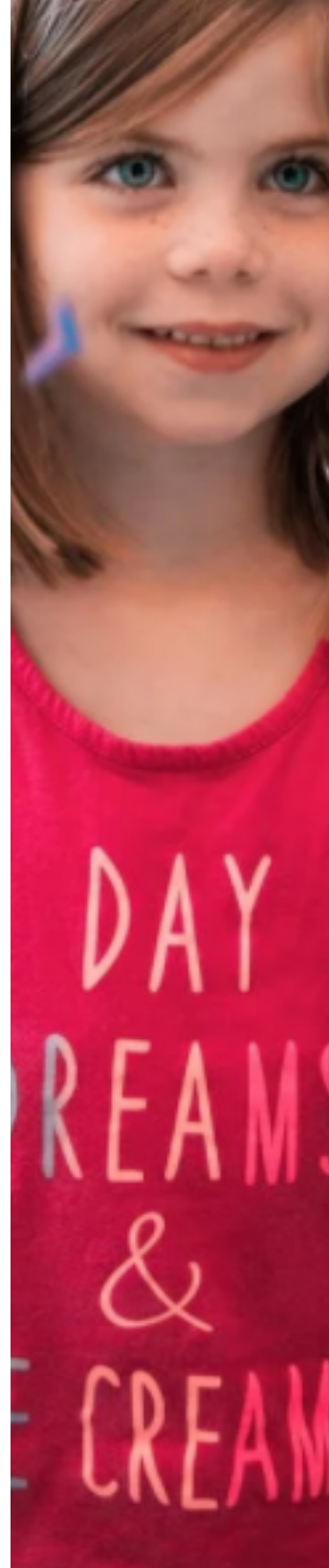
A special revenue fund is an account established to collect funding that must be used for a specific purpose. Special revenue funds require an extra level of accountability and transparency to taxpayers to show that their tax dollars went toward the intended purpose. These funding sources come from federal, state, and local agencies. These awards of financial assistance to our school district helps carry out purpose-driven supports as voted by the public.

## Debt Service Fund

A debt service fund is a cash reserve that is used to pay for the principal and interest payments on certain types of debt. These funds account for the accumulation of resources and the payment of general, long-term debt, such as payment of principal and interest on General Obligation (GO) Debt & Pension Bonds (PERS UAL).

## Capital Projects Fund

These funds account for the financial resources used to acquire or construct major capital facilities or projects.



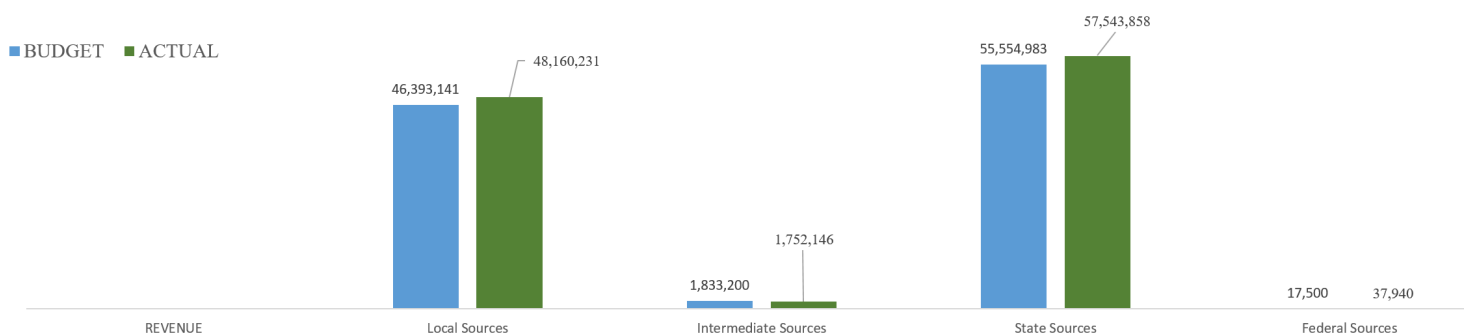


# GENERAL FUND

General Fund Revenues come from Local, Intermediate, and State Resources.

- **Local Sources:** Local Sources continue to be an important revenue source of school funding. Local Sources make up nearly as much revenue as State Sources. Local Sources includes current and prior year's property taxes, current and prior year's local option taxes, student activities and tuition, and interest on investments.
- **Intermediate Sources:** The Clackamas Education Service District (CESD) supports its component school districts by providing services for school districts which may be too small to administer services efficiently, such as special education.
- **State Sources:** The State School Fund is the major source of funding for the general operations of the school district.

## General Fund Revenue Budget vs. Actual

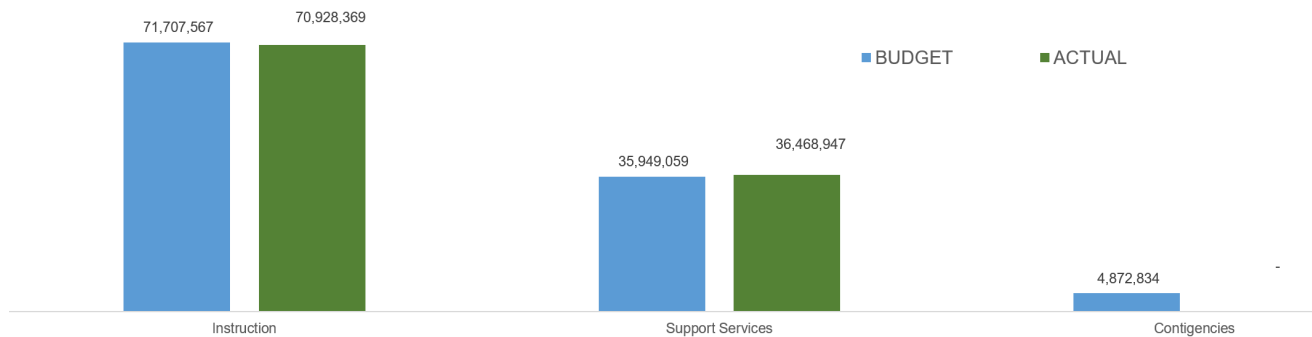


# GENERAL FUND BUDGET & ACTUAL

## General Fund Expenditures

General Fund Expenditures cover instruction, support services, and contingency requirements. Each year, the WLWV School District sets aside \$1,000,000 to cover unforeseen expenses. The role of this contingency fund is to improve financial stability by developing a safety net that our district can use for emergency needs.

## General Fund Expenditures: Budget vs. Actual



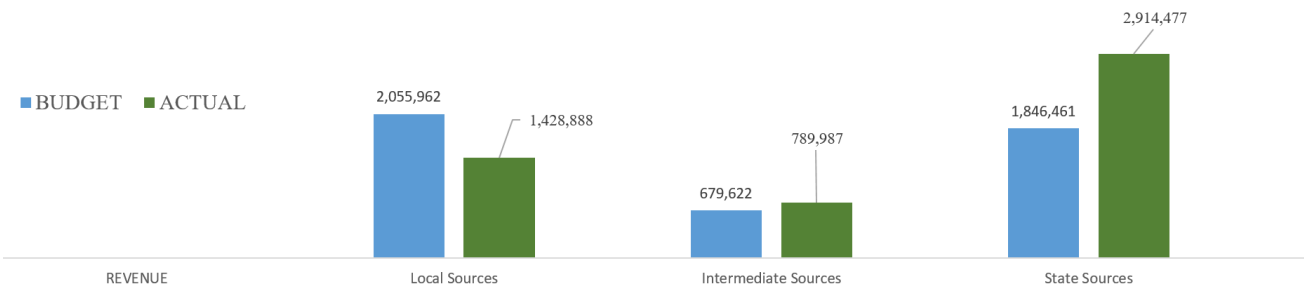
## General Fund: Revenue & Expenditures / Budget vs. Actual

REVENUE	BUDGET	ACTUAL	VARIANCE
Local Sources	46,393,141	48,160,231	1,767,090
Intermediate Sources	1,833,200	1,752,146	(81,054)
State Sources	55,554,983	57,543,858	1,988,875
Federal Sources	17,500	37,940	20,440
<b>Total Revenue</b>	<b>\$103,798,824</b>	<b>\$107,494,175</b>	<b>\$7,370,262</b>
EXPENDITURES			
Instruction	71,707,567	70,928,369	779,198
Support Services	35,949,059	36,468,947	(519,888)
Contingencies	4,872,834	-	4,872,834
<b>Total Expenditures</b>	<b>112,529,460</b>	<b>107,397,316</b>	<b>5,132,144</b>
Revenues Over Expenditures	(8,730,636)	96,859	8,827,495
Beginning of Year	8,755,436	9,569,813	814,377
<b>END OF YEAR</b>	<b>-</b>	<b>\$9,666,672</b>	<b>\$9,666,672</b>

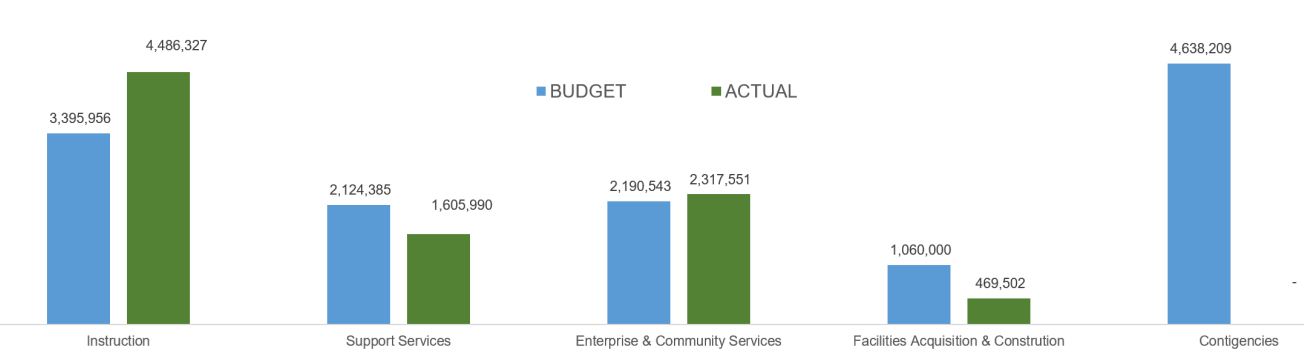
# SPECIAL REVENUE FUND

The District receives and collects special revenues from a variety of sources such as local, intermediate, state and federal. In fiscal year 2019, the district received and collected a total of \$8,328,362 in revenue (actual), and spent \$8,879,370 (actual), which gave us a deficit of \$551,008 (revenue minus expenditures). With the addition of the other financing sources of \$339,145, and beginning fund balance of \$1,823,536, the district had an ending fund balance of \$1,611,673.

## Special Revenue Budget vs. Actual



## Special Revenue Fund Expenditures Budget vs. Actual





## Special Revenue Fund: Revenue & Expenditures/Budget vs. Actual

REVENUE	BUDGET	ACTUAL	VARIANCE
Local Sources	2,055,962	1,428,888	( 627,074)
Intermediate Sources	679,622	789,987	110,365
State Sources	1,846,461	2,914,477	1,068,016
Federal Sources	3,915,562	3,195,010	( 720,552)
<b>Total Revenue</b>	<b>\$ 8,497,607</b>	<b>\$ 8,328,362</b>	<b>\$ ( 169,245)</b>
<b>EXPENDITURES</b>			
Instruction	3,395,956	4,486,327	(1,090,371)
Support Services	2,124,385	1,605,990	518,395
Enterprise and Community Services	2,190,543	2,317,551	( 127,008)
Facilities Acquisition and Construction	1,060,000	469,502	590,498
Contingencies	4,638,209	-	4,638,209
<b>Total Expenditures</b>	<b>13,409,093</b>	<b>8,879,370</b>	<b>4,529,723</b>
Revenues Over Expenditures	(4,911,486)	(551,008)	4,360,478
Other Financing Sources	24,700	339,145	314,445
Net Change in Fund Balance	(4,886,786)	(211,863)	4,674,923
Beginning of Year	4,886,786	1,823,536	(3,063,250)
<b>END OF YEAR</b>	<b>-</b>	<b>\$ 1,611,673</b>	<b>\$ 1,611,673</b>



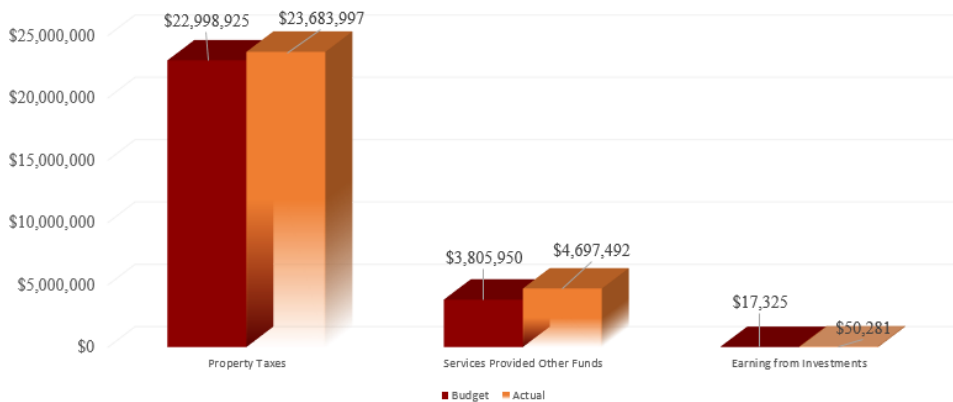
# DEBT SERVICES FUND

The District's outstanding debt and pension liabilities at the end of FY2019 were \$26,777,040. The table below displays the breakdown by the major categories such as principal and interest.

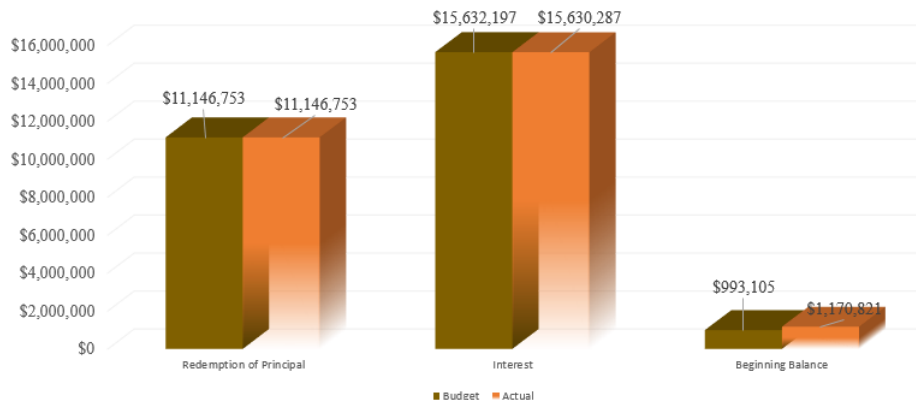
REVENUE	BUDGET	ACTUAL	VARIANCE
Property Taxes	22,998,925	23,683,997	685,072
Services Provided Other Funds	3,805,950	4,697,492	891,542
Earnings from Investments	17,325	50,281	32,956
<b>Total Revenue</b>	<b>\$ 26,822,200</b>	<b>\$ 28,431,770</b>	<b>\$ 1,609,570</b>
EXPENDITURES			
Redemption of Principal*	11,146,753	11,146,753	-
Interest*	15,632,197	15,630,287	1,910
<b>Total Expenditures</b>	<b>\$26,778,950</b>	<b>\$26,777,040</b>	<b>\$1,910</b>
Revenues Over Expenditures	43,250	1,654,730	1,611,480
Other Financing Sources	100	-	(100)
Net Change in Fund Balance	43,350	1,654,730	1,611,380
Beginning of Year	993,105	1,170,821	177,716
<b>END OF YEAR</b>	<b>\$1,036,455</b>	<b>\$ 2,825,551</b>	<b>\$ 1,789,096</b>

\*Legally adopted appropriation level

## Revenue Budget vs. Actual



## Expenditures Budget vs. Actual



# GENERAL OBLIGATION (GO) BOND DEBT SERVICE - FUND 300

The General Obligation (GO) Bond Debt Service fund is used for the accumulation of resources and payment of general obligation fund principal and interest. Primary resources for these funds are property taxes and earnings on investments. For the 2020-2021 Fiscal Year, the total debt of \$30,204,461.00 is comprised of five series:

1. Series 2003A = \$13,300,000.00 (principal)
2. Series 2015 = \$9,393,950.00 (\$2,105,000.00 principal / \$7,288,950.00 interest)
3. Series 2019 GO = 20,000.00 (principal)
4. Series 2020B = \$5,068,928.00 (\$2,195,000.00 principal / \$2,873,928.00 interest)
5. Series 2020C = \$2,421,583.00 (\$1,075,000.00 principal / \$1,346,583.00 interest)

## Future General Obligation Bond Maturities:

Fiscal Year Ending June 30	Principal	Interest	Total
FY2020- 2021	18,695,000	11,509,461	30,204,461
FY2021- 2022	19,260,000	10,972,051	30,232,051
FY2022- 2023	20,385,000	10,701,551	31,086,551
FY2023- 2024	16,125,000	10,406,051	26,531,051
FY2024- 2025	15,320,000	9,790,047	25,110,047
FY2026-2030	133,450,000	36,401,748	169,851,748
FY2031-2035	70,455,000	7,811,459	78,266,459
FY2036-2040	53,030,000	0	53,030,000
FY2041-2045	61,480,000	0	61,480,000
FY2046-2050	71,280,000	0	71,280,000
	<b>\$ 479,480,000</b>	<b>\$ 97,592,367</b>	<b>\$ 577,072,367</b>

*Note: The payment for interest has been rounded up for budgetary purposes. FY: Fiscal Year.  
Source: West Linn-Wilsonville School District 2018-19 Adopted Budget*





# PUBLIC EMPLOYEES RETIREMENT SYSTEM UNFUNDED ACTUARIAL LIABILITY (UAL) FUND 320

In the fiscal year 2004, 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). Payments on these pension obligation bonds are made via the Debt Service Fund from revenue charges to other funds.

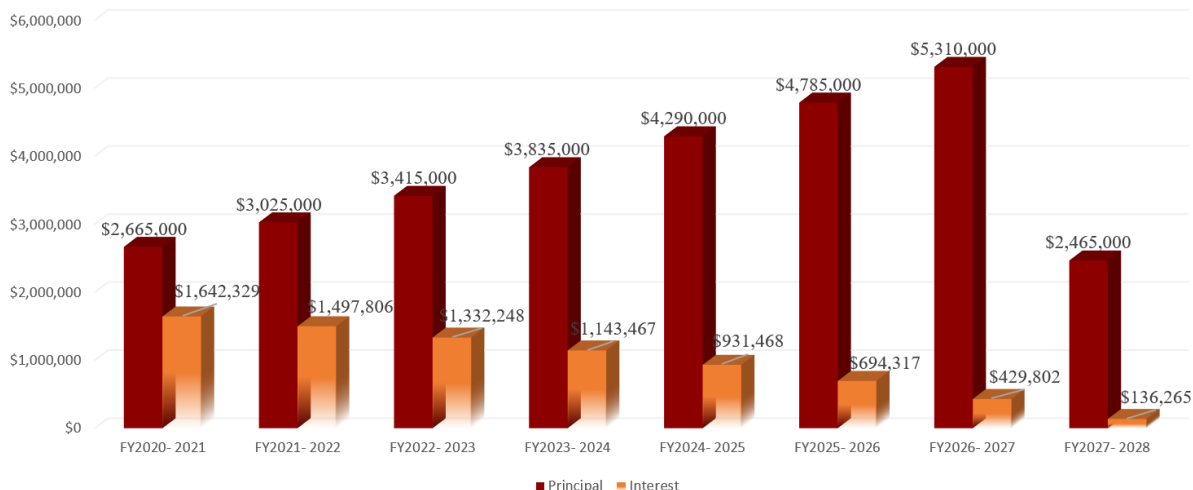
## Future Limited Tax Pension Obligation Bond Maturities:

Fiscal Year Ending June 30	Principal	Interest	Total
FY2020- 2021	2,665,000	1,642,329	4,307,329
FY2021- 2022	3,025,000	1,497,806	4,522,806
FY2022- 2023	3,415,000	1,332,248	4,747,248
FY2023- 2024	3,835,000	1,143,467	4,978,467
FY2024- 2025	4,290,000	931,468	5,221,468
FY2025- 2026	4,785,000	694,317	5,479,317
FY2026- 2027	5,310,000	429,802	5,739,802
FY2027- 2028	2,465,000	136,265	2,601,265
	<b>\$ 29,790,000</b>	<b>\$ 7,807,702</b>	<b>\$ 37,597,702</b>

*Note: The payment for interest has been rounded up for budgetary purposes. FY: Fiscal Year.*

*Source: West Linn-Wilsonville School District 2018-19 Adopted Budget*

## Principal vs. Interest



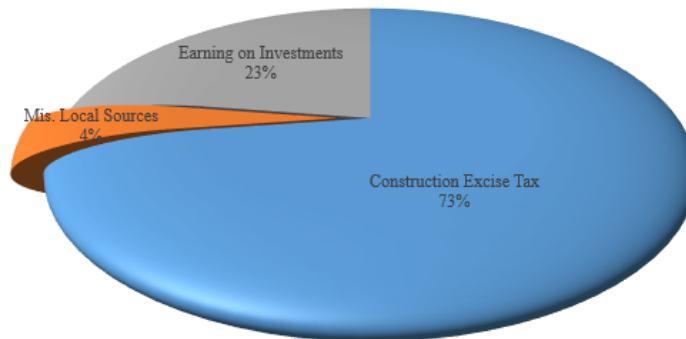
# CAPITAL PROJECTS

Capital Projects Funds are used to account for financial resources used for the acquisition or construction of capital facilities. These include land, improvements to land, buildings and building improvements, and infrastructure.

## Capital Projects Fund: Revenue & Expenditures / Budget vs. Actual

REVENUE	BUDGET	ACTUAL	VARIANCE
Construction Excise Tax	290,115	632,076	341,961
Miscellaneous Local Sources	-	40,002	40,002
Earnings on Investments	353,535	196,562	(156,973)
<b>Total Revenue</b>	<b>\$643,650</b>	<b>\$ 868,640</b>	<b>\$ 224,990</b>
<b>EXPENDITURES</b>			
Facilities Acquisition and Construction	18,510,200	11,562,043	6,948,157
Revenues Over Expenditures	(17,866,550)	(10,693,403)	7,173,147
Beginning of Year	16,267,890	16,163,671	(104,219)
<b>END OF YEAR</b>	<b>\$2,901,340</b>	<b>\$ 5,470,268</b>	<b>\$ 2,568,928</b>

## Capital Projects Fund - Actual Revenue



# CAPITAL ASSETS- LAST TEN FISCAL YEARS

<u>Schools</u>	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)
<b>Primary</b>											
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	4,401	4,401	4,401	
Membership (ADM)	3,375	3,785	4,025	4,096	4,153	4,265	4,309	4,292	4,278	4,278	
Percent Used	100%	112%	91%	93%	94%	97%	98%	98%	97%	97%	
<b>Middle</b>											
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	2,332	2,332	2,332	
Membership (ADM)	1,899	2,026	2,065	2,120	2,210	2,307	2,313	2,323	2,429	2,429	
Percent Used	91%	105%	107%	110%	114%	119%	120%	100%	104%	104%	
<b>High</b>											
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	3,220	3,220	3,220	
Membership (ADM)	2,508	2,773	2,866	2,896	3,042	3,082	3,161	3,077	3,101	3,101	
Percent Used	76%	86%	89%	90%	94%	96%	98%	96%	96%	96%	
<b>Other</b>											
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	
<b>Administration</b>											
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	
<b>Maintenance</b>					p						
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	



# GLOSSARY



ADM - Average Daily Membership is the head-count of full-time students enrolled on any given day during the school year.

Assets - what the District owns.

Bond - a written promise to pay a specified sum of money at a specified future date or dates together with periodic interest at specified rates. Bonds are typically used for long-term debt.

Capital Assets - land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art or historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and have an initial useful life extending beyond a single reporting period.

Deferred Inflows of Resources - acquisition of net position that is applicable to a future reporting period.

Deferred Outflows of Resources - consumption of net position that is applicable to a future reporting period.

Expenditures - the cost of goods and services

Expense - the term for a cost incurred in the process of producing or offering a primary business operation.

Fund Balance - net position of a governmental fund (difference between assets, liabilities, deferred outflows of resources, and deferred inflows of resources).

Governmental Funds - funds generally used to account for tax-supported activities. There are five types of governmental funds: the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds.

Liabilities - what the District owes.

Net Position - the residual of all other elements presented in a statement of financial position. The difference between assets + deferred outflows of resources and liabilities + deferred inflows of resources.

Revenue - the term used to describe income received/earned through the provision of a business' primary goods or services.