

# West Linn~Wilsonville School District 3J Clackamas County, Oregon



## Comprehensive Annual Financial Report

For The Fiscal Year Ended June 30, 2015

WEST LINN-WILSONVILLE SCHOOL DISTRICT 3JT

CLACKAMAS COUNTY, OREGON

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2015

Prepared by  
Business Office:  
Doug Middlestetter, Business Manager

Jolene May, Senior Accountant

**West Linn-Wilsonville School District 3JT**  
**Clackamas County, Oregon**

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Tualatin, Oregon 97062

Dr. William B. Rhoades  
Dr. Jane M. Stickney  
Dr. Kathy Ludwig  
Doug Middlestetter

Superintendent  
Deputy Superintendent  
Assistant Superintendent  
Business Manager

BOARD OF DIRECTORS AS OF JUNE 30, 2015

	<u>Term Expires</u>
Keith Steele, Chair	June 30, 2017
Kristen Keswick, Vice-Chair	June 30, 2015
Rob Fernandez	June 30, 2017
Betty Reynolds	June 30, 2015
Regan Molatore	June 30, 2017

All board members receive mail at the address above.

Legal and Bond Counsel

Mersereau & Shannon  
1600 Benjamin Franklin Plaza  
One S.W. Columbia Street  
Portland, Oregon 97258

WEST LINN-WILSONVILLE SCHOOL DISTRICT 3JT  
CLACKAMAS COUNTY, OREGON

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**CLACKAMAS COUNTY, OREGON**

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## **West Linn-Wilsonville School District 3Jt**

ADMINISTRATION BUILDING

22210 SW Stafford Rd – Tualatin, Oregon 97062

503-673-7000 or Fax 503-673-7001

December 23, 2015

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, 2015.

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

The District's financial statements have been audited by Pauly, Rogers and Co., P.C. 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, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the District's financial statements for the fiscal year ended June 30, 2015, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

legal requirements involving the administration of federal awards. These reports are presented in the Single Audit Section of this report.

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

## **THE DISTRICT**

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

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

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

The District and surrounding communities have experienced steady growth over the past three decades. The estimated population of the District has grown from 16,876 in 1980 to 48,315 in 2015. District student membership as of June 30, 2015 was 8,905, which compares to 3,277 in fiscal year 1980. The real market value of property located in the district has grown from just under \$285 million to "nearly 9.4" billion in the same period. However, recent economic declines have brought the values down to a low of less than 7.0 billion in 2013. Recovery and growth continue to bring values back up, with total market valuation in 2015 now exceeding 8.1 billion.

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

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

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



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

## **ECONOMIC CONDITION**

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

Legislation passed, subsequent to Measure 50, allowing school districts to refer to voters a "local option" tax. This tax can be levied for up to five years for operation purposes. The tax cannot collect more than the \$5.00 per thousand of real market value allowed under measure 5 from any property in the school district. On May 16, 2000, district voters approved a Local Option Tax Levy at the rate of \$1.50 per thousand assessed value. Voters passed identical levies in 2004, 2008 and 2014 authorizing additional five year local option tax levies at \$1.50 per thousand assessed value that will extend through the 2019-20 fiscal year. The average "Local Option" taxpayer burden during 2014-15 was approximately \$.65 per thousand of assessed value. Revenues from this tax fall when there is a decrease in real market value. However, with recent economic recoveries, Local Option Tax collections are no longer in decline, showing a significant increase from a low of \$2,817,057 in 2012-13 to \$3,996,628 in 2014-15.

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

Clackamas County unemployment rate is under the national average with the most recent rate of 4.8 percent published in December 2015.

Oregon's current personal income-tax-reliant revenue base continues to have the stability and adequacy shortcomings it has experienced in previous years. There is concern that the taxation base is not broad enough to raise the revenues needed for public education and other needed services the state must provide. However, as the local economy responds to recovery and growth, improvements are being seen.

## BUDGET PROCESS

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

## MAJOR PROGRAMS

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

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

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

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

The general obligation bond passed by voters November 2, 2014 and sold in March, 2015 is just getting started, which will include the opening of a new middle school, the replacement of Sunset Primary School and will include substantial upgrades in many of the schools in the district. A major emphasis will go into expanding our district security and our technology, realizing that these areas are key to student safety and to preparing our students for a successful future.

The school board has continued to use the services of the long range planning committee which has been in existence since the early 1990's. Long range planning for facilities and associated financial capacity is captured in a long range plan that is updated on a continual basis. Predetermined trigger points are used to activate the plan to seek additional educational capacity.

With promising economic recovery taking place in Oregon, our district is benefiting from relative stability of state funding as compared to recent years.

## **Awards**

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

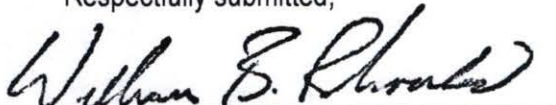
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the West Linn-Wilsonville School District for its comprehensive annual financial report for the fiscal year ended June 30, 2014. This was the 22nd consecutive year that the district has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

## **ACKNOWLEDGMENTS**

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

Respectfully submitted,

  
William Rhoades, Superintendent

  
Doug Middlestetter, Business Manager



Government Finance Officers Association

**Certificate of  
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Presented to

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

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO





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

December 22, 2015

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
West Linn-Wilsonville School District 3JT  
Clackamas County, Oregon

### 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 3JT, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the 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 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 internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Emphasis of Matter

West Linn-Wilsonville School District adopted the provisions of GASB Statement No. 68, Accounting and Reporting for Pensions, as well as the provisions of GASB Statement No. 71, Pensions Transition for Contributions Made Subsequent to the Measurement Date, for the year ended June 30, 2015. Our opinion is not modified with respect to this matter.

### 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 West Linn-Wilsonville School District 3JT, as of June 30, 2015, and the respective changes in financial position and budgetary comparisons for the general fund and major special revenue fund, thereof for the year then ended in accordance 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 and the Schedule of Funding Progress and Employer Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the Management Discussion and Analysis and Schedule of Findings and Questioned Costs because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary and other information, as listed in the table of contents is presented for purposes of additional analysis and is 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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

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

The introductory, statistical sections and the other information, 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.

### Reports on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our reports dated December 22, 2015 on our consideration of the internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of those reports 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. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 22, 2015, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



Matthew Graves, CPA  
PAULY, ROGERS AND CO., P.C.



**WEST LINN-WILSONVILLE SCHOOL DISTRICT 3JT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2015**

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, 2015.

**FINANCIAL HIGHLIGHTS**

- In the government-wide statements, the assets of the District exceeded its liabilities at June 30, 2015 by \$34,097,511.
- The District's governmental funds report combined ending fund balance of \$105,372,418.
- The District's net position increased by \$13,793,541.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

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

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

- *Governmental activities.* Most of the District's basic functions are shown here, such as regular and special education, child nutrition services, transportation, administration, and facilities acquisition and construction. These activities are primarily financed through property taxes, 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

A comparative analysis discussing and analyzing significant differences is provided below.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$34,097,511 at June 30, 2015.

Capital assets, which consist of the District's land, buildings, building improvements, vehicles, and equipment, represent about 62.3 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 4.1 percent of the District's total liabilities, consist almost entirely of payables on accounts, payroll withholdings, accrued interest payable and the current portion of long-term debt.

Net position of the District were comprised of the following:

	June 30, 2015	June 30, 2014	Change
Current and Other Assets	\$ 130,242,203	\$ 50,202,173	\$ 80,040,030
Capital Assets	216,012,650	216,565,751	(553,101)
Total Assets	<u>\$ 346,254,853</u>	<u>\$ 266,767,924</u>	<u>\$ 79,486,929</u>
Deferred Outflows Of Resources			
Loss on Bond Refunding Expense	331,404	662,808	(331,404)
Current Liabilities	\$ 12,356,105	\$ 11,676,943	\$ 679,162
Long-Term Liabilities	286,220,361	194,571,517	91,648,844
Total Liabilities	<u>298,576,466</u>	<u>206,248,460</u>	<u>92,328,006</u>
Deferred Outflows Of Resources			
Loss on Bond Refunding Expense	13,912,280	-	13,912,280
Net Position:			
Invested in Capital Assets, net of related debt	71,289,067	58,703,511	12,585,556
Restricted	1,991,102	1,637,335	353,767
Unrestricted	(39,182,658)	841,426	(40,024,084)
Total Net Position	<u>\$ 34,097,511</u>	<u>\$ 61,182,272</u>	<u>\$ (27,084,761)</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 2014-15, the District's net position increased by \$13,793,541. This year showed a sizeable increase in funding from State sources of over \$2.5 million, thanks to the State's improved economic conditions, favorable legislative prioritization, and increased student counts -which directly drive the funding formula. Additionally, receipts from local option taxes increased by over \$1 million. Expenses for the year increased in the area of instruction as the District placed as much of its resources as possible into its classrooms. However, due to the implementation of GASB Statements 68 and 71, beginning net position was restated as of July 1, 2014 to account for the net pension liability and pension related deferred inflows and outflows as of the beginning of the year based on the actuarial data provided by OPERS and Milliman for the prior measurement date. Because the prior measurement valuation only provides data for restatement of the beginning of the current fiscal year (2014-15), and no prior measurement data was provided by the actuaries related to the fiscal year ended June 30, 2013, there is no way to restate the prior year (2013-14) data for the purposes of the comparison in the MD&A. Therefore, the 2013-14 information has been presented in the same manner as it was in last year's report. Pension expense was allocated to the functions in 2014-15, which created significant unusual variances. Therefore, data will be provided in the MD&A in future years that will be more consistent and meaningful for comparative purposes. During the year, over \$97.5 million was used to pay bonded debt down -mostly a result of the refunding of the 2004 bond. Also, over \$5.3 million in capital assets were added as a result of the District's bond program completing and placing additional projects in service this year. However, the offset from current year depreciation on total assets was greater than that addition, so that total net position decreased by just over \$550,000.

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

	June 30, 2015	June 30, 2014	Change
<b>REVENUES</b>			
Program Revenues			
Charges for Services	\$ 3,250,887	\$ 3,938,788	\$ (687,901)
Operating Grants and Contributions	3,864,011	4,026,129	(162,118)
General Revenues			
Property Taxes	45,830,813	45,580,819	249,994
Local Option	3,884,793	2,801,069	1,083,724
State School Fund - General Support	44,111,818	41,541,170	2,570,648
Earnings on Investments	2,236,723	194,772	2,041,951
Other Federal, State and Local Sources	9,285,484	1,593,180	7,692,304
Total Revenues	112,464,529	99,675,927	12,788,602
<b>EXPENSES</b>			
Instruction	48,087,074	52,933,695	(4,846,621)
Support Services	26,437,672	29,167,674	(2,730,002)
Enterprise and Community Services	2,038,325	1,963,207	75,118
Interest on Long-Term Debt	22,107,917	8,842,269	13,265,648
Total Expenses	98,670,988	92,906,845	5,764,143
Change in Net Position	13,793,541	6,769,082	7,024,459
Beginning Net Position (Restated, Note 15)	20,303,970	54,413,190	(34,109,220)
Ending Net Position	\$ 34,097,511	\$ 61,182,272	\$ (27,084,761)

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

At June 30, 2015 the District's governmental funds reported combined ending fund balances of \$105,372,418, an increase of \$91,073,561 when compared with the prior year. This increase was primarily due to bond sales for future construction projects, where expenditures will be recorded in the year they are expended, and the associated bond revenue was recorded in the current 2014-15 year, when the bonds were sold –creating a larger asset in this year.

*General Fund.* The General Fund is the chief operating fund of the District. As of June 30, 2015, unassigned fund balance was \$5,161,253 and the non-spendable balance was \$149,028 for a total ending fund balance of \$5,310,281. As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. This year's fund balance represents about 6.5 percent of total General Fund expenditures. The fund balance increased by \$863,451 during the current fiscal year. This increase was attributable mostly to increased State funding and increased student count as stated above.

*Debt Service Fund.* As of June 30, 2015 the ending fund balance was \$1,668,258, an increase of \$466,963 when compared to the prior year. This increase is due to a slight adjustment of the tax collection rate and due to assessed valuations increasing at a slightly higher rate than anticipated.

*Capital Projects Fund.* The Capital Projects Fund has a total fund balance of \$98,010,357, which is designated for the newly voted capital needs specified in the general obligation bond approved on November 4, 2014, which will be spent out over the next few years. The two major projects from that bond consisted of a replacement primary school Sunset Primary School as well as a new middle school that will be built on the Advance Road property. These two schools are still in the planning stages and will be opened in the fall of 2017

## GENERAL FUND BUDGETARY HIGHLIGHTS

The 2014-15 Budget anticipated some significant revenue increases from the previous year due to continued state economic growth and the subsequent higher projected funding levels. The Budget anticipated a slight increase in receipts from the Local Option Tax which was being held back by complexities with valuation and compression. However, it came in at more than a \$1 million stronger than what was budgeted for the year. In addition, nearly \$1 million of support came from a reconfiguration of services and funds administered by Clackamas Education Service District. Revenue increases from State funding of almost \$7.5 million were anticipated above the previous year's budget. Actual receipts came in almost \$1.5 million less than that projection for a total of \$44,009,918. However, that reduction was more than offset by a significant increase in property tax receipts. Property taxes were budgeted to come in at \$26.3 million. Actual receipts were \$29.4 million. The overall net projected ending fund balance increased by \$3,790,643 over what was budgeted for 2014-15.

On the expenditure side, wage increases were budgeted based on the second year of contracts negotiated for the biennium starting in 2013-14. These costs, plus significant staffing level additions necessitated by a growing student count amounted to approximately \$3.3 million in 2014-15 budget increases over the previous budget. Health insurance premiums and PERS costs were budgeted to increase an additional \$1.8 million in the 2014-15 year came in very close to budget. Purchased services for staff training and for repairs, supplies and contingency for unanticipated repairs were all budgeted higher than the previous year. These increases and other miscellaneous budgeted expenses increased operating cost estimates for the year by \$7.5 million over the previous year's budget. Although the budget anticipated the use of cash reserves to complete the year, increases in revenue mentioned above, and savings from not tapping into the contingency reserve helped the District's inflows to exceed its expenditures by \$863,451 for the year.

#### **CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital assets.** The District's investment in capital assets includes land, buildings and improvements, vehicles and equipment. As of June 30, 2015, the District had invested \$216,012,650 in capital assets, net of depreciation.

Additional information on the District's capital assets can be found on page 28 in the notes to the financial statements.

**Long-term debt.** As of June 30, 2015, the District had total debt outstanding of \$281,171,064. Please refer to the notes to page 29 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. The largest segment is determined by the State School Fund formula. The majority of funding provided by the State to the District is based on the District's average daily membership of students.

The economic stability and growth that is so welcome in Oregon and the Nation is reflected in the progress the District is making in achieving a much more predictable and stable funding environment. Progress in funding is evident as it is helping to support the District's commitment to investing its resources directly into the classroom by supporting a calendar without cuts in educational days, full-day kindergarten, emphasis on a rigorous program of staff training, and by promoting quality of educational excellence whenever and wherever possible.

With the 2014-15 year being the last year of the biennium, the 2015-16 year's budget was a challenge to work through. The budget was based on a K-12 state funding level of \$7.255 billion, which was an increase over the prior budget. Even with that, changes in statute and priority considerations dominated the budget process. Because the State was experiencing even, steady economic growth, the Legislators were finally able to increase funding for education in an attempt to help restore some of the important educational elements that were decreased in earlier recent years. Consequently, this new budget allowed for stable funding and staffing that could help avoid class size increases. With increased funding now in place, the District is moving forward with renewed focus to further develop its educational excellence.



With a growing community, the District is moving forward with growth, and has passed bonds in November of 2014 to make additional improvements for safety, do facilities upgrades and build a new middle school as well as replace Sunset Primary School, our oldest primary school. In addition to that, the local option levy was passed for an additional five years. All this makes for a very favorable environment for success of the District's educational programs as we move into the future.

#### **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 Finance Officer at 22210 SW Stafford Road, Tualatin, Oregon 97062.

WEST LINN-WILSONVILLE SCHOOL DISTRICT 3JT  
CLACKAMAS COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET POSITION  
JUNE 30, 2015

	Governmental Activities
<b>ASSETS:</b>	
Cash and Investments	\$ 112,238,620
Property Taxes Receivable	3,045,581
Other Receivables	2,862,985
Supply Inventory	60,678
Prepaid Expenses	149,028
Net OPEB Asset	379,569
Proportionate Share of Net Pension Liability (PERS)	11,505,742
Non-Depreciable Capital Assets	14,967,511
Capital Assets, Net of Depreciation	<u>201,045,139</u>
<b>TOTAL ASSETS</b>	<u>346,254,853</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Loss on Bond Refunding Expense	<u>331,404</u>
<b>LIABILITIES:</b>	
Accounts Payable	1,606,171
Accrued Salaries and Benefits	8,490,201
Due to Fiduciary Fund	241
Retainage Payable	-
Unearned Revenue	17,093
Accrued Interest	2,083,288
Accrued Compensated Absences	159,111
Long-Term Liabilities:	
Other Post-Employment Benefits	5,049,297
Portion Due or Payable Within One Year	11,221,288
Portion Due or Payable After One Year	<u>269,949,776</u>
<b>TOTAL LIABILITIES</b>	<u>298,576,466</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Net Pension Related Deferrals	<u>13,912,280</u>
<b>NET POSITIONS:</b>	
Net Invested in Capital Assets	71,289,067
Restricted for:	
Grants and other purposes	322,844
Debt service	1,668,258
Instruction	
Unrestricted	<u>(39,182,658)</u>
<b>TOTAL NET POSITIONS</b>	<u><u>\$ 34,097,511</u></u>

See notes to basic financial statements.

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

STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2015

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Change in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental Activities:				
Instruction	\$ 48,087,074	\$ 2,547,030	\$ 2,076,003	\$ (43,464,041)
Support	26,437,672	-	958,421	(25,479,251)
Enterprise and Community Services	2,038,325	703,857	829,587	(504,881)
Interest on Long-Term Debt	22,107,917	-	-	(22,107,917)
Total Governmental Activities	<u>\$ 98,670,988</u>	<u>\$ 3,250,887</u>	<u>\$ 3,864,011</u>	<u>(91,556,090)</u>

General revenues:

Property Tax Revenue	45,830,813
Local Option Tax	3,884,793
Unrestricted State Revenue	44,111,818
Unrestricted Intermediate Revenue	1,355,636
Miscellaneous Revenue	7,929,849
Earnings on Investments	<u>2,236,722</u>
Total general revenues	<u>105,349,631</u>

**CHANGE IN NET POSITION**

	13,793,541
Net Position - July 1, 2014 (Restated)	<u>20,303,970</u>
Net Position - June 30, 2015	<u>\$ 34,097,511</u>

See notes to basic financial statements.

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

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015

	General Fund	Debt Service Fund	Capital Projects Fund	Special Revenue Funds	Total
<b>ASSETS</b>					
Cash and Investments	\$ 13,425,843	\$ 1,005,296	\$ 97,807,481	\$ -	\$ 112,238,620
Due From Other Funds	123,624	506,425	178,105	-	808,154
Property Taxes Receivable	1,914,539	1,131,042	-	-	3,045,581
Other Receivables	1,175,534	81,528	438,860	1,167,063	2,862,985
Supply Inventory	-	-	-	60,678	60,678
Prepaid Expenditures	149,028	-	-	-	149,028
<b>TOTAL ASSETS</b>	<u>\$ 16,788,568</u>	<u>\$ 2,724,291</u>	<u>\$ 98,424,446</u>	<u>\$ 1,227,741</u>	<u>\$ 119,165,046</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ 1,188,836	\$ -	\$ 414,089	\$ 3,246	\$ 1,606,171
Accrued Salaries and Benefits	8,474,716	-	-	15,485	8,490,201
Due To Other Funds	-	-	-	808,395	808,395
Retainage Payable	-	-	-	-	-
Unearned Revenue - Other	-	-	-	17,093	17,093
<b>TOTAL LIABILITIES</b>	<u>9,663,552</u>	<u>-</u>	<u>414,089</u>	<u>844,219</u>	<u>10,921,860</u>
<b>DEFERRED INFLOWS</b>					
Unavailable Revenue - Property Taxes	<u>1,814,735</u>	<u>1,056,033</u>	<u>-</u>	<u>-</u>	<u>2,870,768</u>
<b>FUND BALANCES</b>					
Nonspendable	149,028	-	-	60,678	209,706
Restricted for:					
Grants and other purposes	-	-	-	322,844	322,844
Debt service	-	1,668,258	-	-	1,668,258
Future capital projects	-	-	98,010,357	-	98,010,357
Committed to future operations	-	-	-	-	-
Unassigned	<u>5,161,253</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,161,253</u>
<b>TOTAL FUND BALANCES</b>	<u>5,310,281</u>	<u>1,668,258</u>	<u>98,010,357</u>	<u>383,522</u>	<u>105,372,418</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>	<u>\$ 16,788,568</u>	<u>\$ 2,724,291</u>	<u>\$ 98,424,446</u>	<u>\$ 1,227,741</u>	<u>\$ 119,165,046</u>

See notes to basic financial statements.

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

RECONCILIATION OF GOVERNMENTAL FUNDS  
BALANCE SHEET TO STATEMENT OF NET POSITION  
JUNE 30, 2015

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**TOTAL FUND BALANCES** \$ 105,372,418

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

Cost	\$ 284,139,454	
Accumulated depreciation	<u>(68,126,804)</u>	216,012,650

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. 2,870,768

The Net Pension Asset (Liability) is the difference between the total pension liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries. 11,505,742

Net OPEB Asset 379,569

When a government refunded existing debt the difference between the reacquisition price and the carrying amount of the refunded debt results in a loss on refunding. The loss does not represent an asset as there is no resource the entity can use in the future. In addition, the loss does not represent a liability as there is no future obligation of resources. Because this loss is the result of a use of resources in the current period which benefits future periods through adjustments to interest rates or prepayment terms the loss should be classified as a deferred outflow of resources, rather than as a contra-liability as it has been shown. 331,404

Deferred Inflows and Outflows of resources related to the pension plan include differences between expected and actual experience, changes of assumptions, differences between projects and actual earning, and contributions subsequent to the measurement date. (13,912,280)

Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest in long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due. These liabilities consist of:

Accrued Compensated Absences	(159,111)	
Net Other Post Employment Benefits	(5,049,297)	
Bonds payable	(278,420,515)	
Premium on Bonds Payable	(2,750,549)	
Accrued Interest Payable	<u>(2,083,288)</u>	<u>(288,462,760)</u>

**TOTAL NET POSITION** \$ 34,097,511

See notes to basic financial statements.



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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2015

	General Fund	Debt Service Fund	Capital Projects Fund	Special Revenue Funds	Total
<b>REVENUES:</b>					
Local Sources	\$ 36,605,684	\$ 24,225,025	\$ 1,176,370	\$ 1,048,800	\$ 63,055,879
Intermediate Sources	1,287,203	-	-	614,736	1,901,939
State Sources	44,009,918	-	-	101,900	44,111,818
Federal Sources	10,874	-	-	3,306,833	3,317,707
<b>TOTAL REVENUES</b>	<b>81,913,679</b>	<b>24,225,025</b>	<b>1,176,370</b>	<b>5,072,269</b>	<b>112,387,343</b>
<b>EXPENDITURES:</b>					
Current:					
Instruction	52,055,533	-	-	2,374,182	54,429,715
Support Services	28,894,695	-	21	1,008,444	29,903,160
Enterprise and Community Services	-	-	-	1,902,839	1,902,839
Facilities Acquisition and Construction	-	-	-	-	-
Debt Service	-	23,758,062	95,332,872	-	119,090,934
Capital Outlay	-	-	5,320,908	-	5,320,908
<b>TOTAL EXPENDITURES</b>	<b>80,950,228</b>	<b>23,758,062</b>	<b>100,653,801</b>	<b>5,285,465</b>	<b>210,647,556</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>963,451</b>	<b>466,963</b>	<b>(99,477,431)</b>	<b>(213,196)</b>	<b>(98,260,213)</b>
<b>OTHER FINANCING SOURCES, (USES):</b>					
Bond Proceeds	-	-	189,333,774	-	189,333,774
Transfers In	-	-	-	100,000	100,000
Transfers Out	(100,000)	-	-	-	(100,000)
Sale of Capital Assets	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>(100,000)</b>	<b>-</b>	<b>189,333,774</b>	<b>100,000</b>	<b>189,333,774</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>863,451</b>	<b>466,963</b>	<b>89,856,343</b>	<b>(113,196)</b>	<b>91,073,561</b>
<b>FUND BALANCE, July 1, 2014</b>	<b>4,446,830</b>	<b>1,201,295</b>	<b>8,154,014</b>	<b>470,995</b>	<b>14,273,134</b>
<b>Adjustment for Inventories reported under the purchase method</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,723</b>	<b>25,723</b>
<b>FUND BALANCE, June 30, 2015</b>	<b>\$ 5,310,281</b>	<b>\$ 1,668,258</b>	<b>\$ 98,010,357</b>	<b>\$ 383,522</b>	<b>\$ 105,372,418</b>

See notes to basic financial statements.

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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2015

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<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 91,073,561</b>
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*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 outlays in the current period.

Expenditures for capital assets	\$ 5,322,836	
Gain/Loss on sale of assets	(16,606)	
Less current year depreciation	<u>(5,859,331)</u>	(553,101)

Long-term debt proceeds are reported as other financing sources in governmental funds. In the Statement of Net Position, however, issuing long-term debt increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items 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 in the treatment of long-term debt and related items.

Bond refunding loss amortization	(331,404)	
Bond premium Amortization	218,643	
Bond Proceeds	(189,333,774)	
Debt principal repaid	<u>97,502,904</u>	(91,943,631)

In the Statement of Activities interest is accrued on long-term debt, whereas in the governmental funds it is recorded as an interest expense when due.	(519,887)
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Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the Statement of Activities property taxes are recognized as revenue when levied.	77,187
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Adjustment for Inventory	<u>25,722</u>
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Compensated absences and early retirement obligations are recognized as an expenditure in the governmental funds when they are paid. In the Statement of Activities compensated absences and early retirement obligations are recognized as an expenditure when earned.

Compensated absences	40,319	
Other Post-Employment Benefits	<u>(236,047)</u>	(195,728)

The Pension Expense represents the changes in Net Pension Asset (Liability) from year to year due to changes in total pension liability and the fair value of pension plan net position available to pay pension benefits.

<u>15,829,418</u>
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**CHANGE IN NET POSITION**

<u><u>\$ 13,793,541</u></u>
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See notes to basic financial statements.

WEST LINN WILSONVILLE SCHOOL DISTRICT  
CLACKAMAS COUNTY OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 ACTUAL AND BUDGET  
 For the Year Ended June 30, 2015

GENERAL FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
<b>REVENUES:</b>				
Local Sources	\$ 31,702,456	\$ 31,702,456	\$ 36,605,684	\$ 4,903,228
Intermediate Sources	1,008,022	1,008,022	1,287,203	279,181
State Sources	45,457,000	45,457,000	44,009,918	(1,447,082)
Federal Sources	44,500	44,500	10,874	(33,626)
<b>Total Revenues</b>	<b>78,211,978</b>	<b>78,211,978</b>	<b>81,913,679</b>	<b>3,701,701</b>
<b>EXPENDITURES:</b>				
Instruction	51,169,861	51,169,861 (1)	52,055,533	(885,672)
Support Services	28,669,881	28,669,881 (1)	28,894,695	(224,814)
Debt Service	-	- (1)	-	-
Contingency	1,519,638	1,519,638 (1)	-	1,519,638
<b>Total Expenditures</b>	<b>81,359,380</b>	<b>81,359,380</b>	<b>80,950,228</b>	<b>409,152</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(3,147,402)</b>	<b>(3,147,402)</b>	<b>963,451</b>	<b>4,110,853</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(100,000)	(100,000) (1)	(100,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(100,000)</b>	<b>(100,000)</b>	<b>(100,000)</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>(3,247,402)</b>	<b>(3,247,402)</b>	<b>863,451</b>	<b>4,110,853</b>
<b>Beginning Fund Balance (Budgetary Basis)</b>	<b>3,247,402</b>	<b>3,247,402</b>	<b>4,446,830</b>	<b>1,199,428</b>
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,310,281</b>	<b>\$ 5,310,281</b>

(1) Appropriation level

See notes to basic financial statements.

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (NON-GAAP BASIS) AND ACTUAL  
YEAR ENDED JUNE 30, 2015

**SPECIAL REVENUE FUND**

	Budget (2)			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
<b>REVENUES:</b>				
Local Sources	\$ 1,053,696	\$ 1,053,696	\$ 1,048,800	\$ (4,896)
Intermediate Sources	563,955	563,955	614,736	50,781
State Sources	84,350	84,350	101,900	17,550
Federal Sources	2,802,498	2,802,498	3,306,833	504,335
<b>Total Revenues</b>	<b>4,504,499</b>	<b>4,504,499</b>	<b>5,072,269</b>	<b>567,770</b>
<b>EXPENDITURES:</b>				
Instruction	2,144,854	2,369,854 (1)	2,374,182	(4,328)
Support Services	1,018,297	1,018,297 (1)	1,008,444	9,853
Enterprise and Community Services	1,692,581	1,752,581 (1)	1,902,839	(150,258)
Debt Service	-	- (1)	-	-
Contingency	-	(285,000)	-	(285,000)
<b>Total Expenditures</b>	<b>4,855,732</b>	<b>4,855,732</b>	<b>5,285,465</b>	<b>(429,733)</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(351,233)</b>	<b>(351,233)</b>	<b>(213,196)</b>	<b>138,037</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers In	100,000	100,000	100,000	-
<b>Total Other Financing Sources (Uses)</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>(251,233)</b>	<b>(251,233)</b>	<b>(113,196)</b>	<b>138,037</b>
<b>Beginning Fund Balance</b>	<b>545,827</b>	<b>545,827</b>	<b>436,040</b>	<b>(109,787)</b>
<b>Ending Fund Balance</b>	<b>\$ 294,594</b>	<b>\$ 294,594</b>	<b>322,844</b>	<b>\$ 28,250</b>

(1) Appropriation level

Reconciliation to GAAP Basis Ending Fund Balance

Supply Inventory	60,678
GAAP Basis Ending Fund Balance	<u>\$ 383,522</u>

(1) Appropriation Level

(2) The District appropriates one special revenue fund. The combining schedules on pages 40-41 show the details of the special revenue subfunds.

See notes to basic financial statements.

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

STATEMENT OF FIDUCIARY NET POSITION  
June 30, 2015

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	PRIVATE PURPOSE TRUST SCHOLARSHIP FUND	AGENCY FUNDS
ASSETS:		
Cash and Investments	\$ 241,485	\$ 947,876
Due From Governmental Funds	240	-
Total Assets	<u>\$ 241,725</u>	<u>\$ 947,876</u>
LIABILITIES AND NET POSITION:		
Liabilities:		
Due to Student Organizations	\$ -	\$ 947,876
Total Liabilities	<u>-</u>	<u>947,876</u>
Net Position:	<u>241,725</u>	<u>-</u>
Total Liabilities and Net Position	<u>\$ 241,725</u>	<u>\$ 947,876</u>

See notes to basic financial statements.

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2015

	PRIVATE PURPOSE TRUST SCHOLARSHIP FUND
ADDITIONS:	
Gains/ Losses on Investments	\$ 1,248
Total Additions	1,248
REDUCTIONS:	
Total Reductions	120
Change in Net Position	1,128
Beginning Net Position	240,597
Ending Net Position	\$ 241,725

See notes to basic financial statements.



1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

West Linn-Wilsonville School District No. 3JT is a municipal corporation governed by an elected five member board. As required by generally accepted accounting principles, these financial statements present West Linn-Wilsonville School District No. 3JT (the primary government) and any component units. Component units, as established by the Government Accounting Standards Board (GASB) Statements 14, 39, and 61 are separate organizations that are included in the District's reporting entity because of the significance of their operational or financial relationships with the District. West Linn-Wilsonville School District No. 3JT has no component units. The Three Rivers Charter School is the District's only charter school, however it does not qualify for reporting as a component unit. Detailed information about the Charter School's budgetary compliance and compliance with laws and regulations is contained in the Component Unit Financial Report of Three Rivers Charter School which is issued separately.

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. Eliminations have been made to minimize the double counting of internal 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. Eliminations have been made to minimize the double counting of internal activities in the Statement of Activities, however interfund services provided and used are not eliminated in the process of consolidation. 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 that are not classified as program revenues, including property taxes and state support, are presented as general revenues.

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

**Fund Financial Statements**

The fund financial statements provide information about the 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.

There are the following major governmental funds:

General Fund - This is the primary operating fund and accounts for all revenues and expenditures except those required to be accounted for in another fund.

Special Revenue Fund – This fund accounts for revenues and expenditures designated for specific programs. The principal revenue sources are grants and contributions.

Debt Service Fund – This fund accounts for the payment of principal and interest on the General Obligation Bond and PERS Bond issues. The principal sources of revenue are property taxes and charges to other funds.

Capital Projects Fund - This fund accounts for activities related to the acquisition, construction, equipping and furnishing of facilities. Principal revenue sources are proceeds from the sale of bonds and interest earnings.

Additionally, the following other fund types are reported:

Fiduciary Funds

The Agency fund accounts for the transactions of the student body activity accounts. The private-purpose trust scholarship fund accounts for private contributions used for scholarships.

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 the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Under terms of grant agreements, certain programs are funded 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 policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

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. All revenues reported in the governmental funds are considered 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.

Agency fund financial statements report only assets and liabilities and therefore, have no measurement focus. However the accrual basis of accounting is used to recognize receivables and payables.

Cash, Cash Equivalents and Investments

The cash and cash equivalents consist of cash on hand, demand deposits, saving deposits, money market deposits, investments in the State of Oregon Treasurer's Local Government Investment Pool (LGIP) and cash with county treasurers.

The investments consist of time certificates of deposit, banker's acceptances, commercial paper and U.S. Government Agency securities. Time certificates of deposits are stated at cost which approximates fair value. Investments, other than time certificates of deposit, that have a remaining maturity at the time of purchase of one year or less are state at amortized cost. All other investments are state at fair value, or estimated fair value. As of June 30, 2015 the fair position in the LGIP approximates the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements.

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 the 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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes Receivable

Property taxes are levied and become a lien on July 1. Collection 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.

Grants

Unreimbursed 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.

Supply Inventories and Prepaid Items

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

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

Capital Assets

Capital assets are recorded at original or estimated original cost. Donated capital assets are recorded at their estimated fair market value on the date donated. Capital assets with an initial cost of more than \$5,000 and an estimated life in excess of three years are capitalized. 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
Equipment	5 to 20 years

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Retirement Plans

Substantially all of the District's employees are participants in the State of Oregon Public Employees Retirement System (PERS). 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. GASB Statements 68 and 71 have been implemented as of July 1, 2014.

There is a deferred compensation plan available to 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 IRC Section 457 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 administrator for the sole benefit of the plan participants and are not considered assets and liabilities of the District.

Compensated Absences

It is the policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since there is no policy to pay any amounts when employees separate from service. All unused vacation pay is accrued when earned in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignation and retirements. The entire amount of accrued compensated absences is considered current because all absences are usable within the current year, and it is not possible to determine accurately which amounts will be used within the year versus which amounts will be held over and used later.

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, as well as issuance costs, 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 the applicable bond premium or discount. In the fund financial statements bond premiums and discounts, as well as bond issuance costs, are recognized when incurred and 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.

Use of Estimates

The preparation of basic financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

basic financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Budget

A budget is prepared and legally adopted for each governmental fund type and pension trust fund on the modified accrual basis of accounting. The agency fund is not required to be budgeted. The budgetary basis of accounting is substantially the same as accounting principles generally accepted in the United States of America basis, except capital outlay expenditures, including items below the capitalization level, are budgeted by major function in governmental fund types and inventories are budgeted as expenditures when purchased, property taxes not received within 60 days of year end are deferred, depreciation and amortization are not recorded in the funds, principal payments on debt and OPEB obligations are expended as they are paid rather than when they are incurred, and prepaid items are expended when paid rather than when used. 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, 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 a supplemental budget and appropriation resolution.

Supplemental budgets less than 10% of a fund's original budget may be adopted by the Board at a regular meeting. A supplemental budget greater than 10% of a fund's original budget requires hearings before the public, publication in newspapers and approval by the Board. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control (major function levels) with Board approval. During the year, no appropriation transfers were made. Appropriations lapse at the end of each fiscal year. Expenditures of the various funds were within authorized appropriations, except for an overexpenditure in the Support Services expenditures of \$224,814, an overexpenditure in the General Fund Instruction expenditures of \$885,672, an overexpenditure in the Special Revenue Fund Instruction expenditures of \$4,328 and an overexpenditure of \$150,258 in Enterprise and Community Services, an overexpenditure in the Debt Service Fund debt service expense of \$827,582, and an overexpenditure in the Capital Projects fund in Support Services of \$21, an overexpenditure in Facilities Acquisition and Construction expense of \$701,829.

Deferred outflows/inflows of resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Deferred outflows/inflows of resources (Continued)**

position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item, which arises only under the modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues for property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Additionally, Deferred Inflows of resources related to the pension plan include differences between expected and actual experience, changes of assumptions, differences between projects and actual earning, and contributions subsequent to the measurement date.

**Fund Equity**

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

- Nonspendable fund balance represents amounts that are not in a spendable form. The nonspendable fund balance represents inventories and prepaid items.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).
- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution. To modify or rescind a fund balance commitment, the governing body would approve a resolution.
- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body. The Board of Directors has granted the Superintendent and the Deputy Clerk/Business Manager the authority to classify portions of ending fund balances as assigned.
- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

There are no assigned fund balances as of June 30, 2015.

The governing body has approved the following order of spending regarding fund balance categories: Restricted resources are spent first when both restricted and unrestricted (committed, assigned or

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity (Continued)

unassigned) resources are available for expenditures. When unrestricted resources are spent, the order of spending is committed (if applicable), assigned (if applicable) and unassigned.

To preserve a sound financial system and to provide a stable financial base, the governing body has adopted a minimum fund balance policy.

2. CASH AND INVESTMENTS

Deposits

Deposits with financial institutions are comprised of bank demand deposits and certificates of deposit. The total bank balance per the bank statements was \$2,691,079, of which \$583,911 was covered by federal depository insurance and the remainder is collateralized by the Oregon Public Funds Collateralization Program (PFCP). Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury. The District has an investment policy in accordance with state law, it is policy DFA on the District's website at [www.wlww.k12.or.us](http://www.wlww.k12.or.us).

Investments

Statutes authorize investing in banker's acceptances, time certificates of deposit, repurchase agreements, obligations of the United States and its agencies and instrumentalities, and the Oregon State Treasurer's Local Government Investment Pool.

The State Treasurer's Local Government Investment Pool is not registered with the U.S. Securities and Exchange Commission as an investment company. The Oregon Revised Statutes and the Oregon Investment Council govern the State's investment policies. The State Treasurer is the investment officer for the Council and is responsible for all funds in the State Treasury. These funds must be invested, and the investments managed, as a prudent investor would, exercising reasonable care, skill and caution. Investments in the Fund are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund was in compliance with all portfolio guidelines at June 30, 2015.

Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. There were no known violations of legal or contractual provisions for deposits and investments during the fiscal year, except one instance where the District exceeded the LGIP limitation. ORS 294.810 restricts the amount of surplus funds that may be placed in the LGIP.



**WEST LINN-WILSONVILLE SCHOOL DISTRICT 3JT****NOTES TO BASIC FINANCIAL STATEMENTS***JUNE 30, 2015***2. Cash and Investments (Continued)**

Cash and Investments at June 30, 2015, (recorded at fair value) consisted of:

Deposits with Financial Institutions:	2015	Reported In:	2015
Demand Deposits:			
Checking	796,202	Governmental Activities	\$ 112,238,620
Investments	\$ 112,631,779	Fiduciary Funds	1,189,361
Total	\$ 113,427,981	Total	\$ 113,427,981

There were the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in months)		
		Less than 3	3-18	18-59
State Treasurer's Investment Pool	\$ 27,631,779	\$ 8,285,670	\$ 19,346,109	\$ -
Total	\$ 27,631,779	\$ 8,285,670	\$ 19,346,109	\$ -

**Interest Rate Risk**

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. There are no investments that have a maturity date greater than eighteen months.

**Custodial Credit Risk - Deposits**

In the case of deposits, this is the risk that in the event of a bank failure, the deposits may not be returned. There is no deposit policy for custodial credit risk. As of June 30, 2015, all bank balances were deposited at an approved depository as identified by the treasury and therefore insured.

**Credit Risk – Investments**

Oregon Revised Statutes does not limit investments as to credit rating for securities purchased from US Government Agencies or USGSE. The State Investment Pool is not rated. The US Government investments held by the District were invested in a cash account with Davidson Fixed Income Management and Citigroup Funding, Inc.

**Concentration of Credit Risk**

At June 30, 2015, 100% of total investments were in the State Treasurer's Investment Pool and 0% in Government Securities (Bonds). State statutes do not limit the percentage of investments in either of these instruments. Oregon Revised Statutes require no more than 25 percent of the moneys of local government to be invested in bankers' acceptances of any qualified financial institution. At June 30, 2015, there was compliance with all percentage restrictions.

**WEST LINN-WILSONVILLE SCHOOL DISTRICT 3JT**

**NOTES TO BASIC FINANCIAL STATEMENTS**

*JUNE 30, 2015*

**3. RECEIVABLES**

Receivables are comprised of the following as of June 30, 2015:

Property taxes	\$	3,045,581
Other receivables		<u>2,862,985</u>
Total	\$	<u>5,908,566</u>

**4. CAPITAL ASSETS**

Capital assets activity for the year was as follows:

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 8,371,880	\$ 100,000	\$ -	\$ 8,471,880
Construction in Progress	2,038,003	4,207,812	2,685,167	3,560,648
Total Capital Assets Not Being Depreciated	<u>10,409,883</u>	<u>4,307,812</u>	<u>2,685,167</u>	<u>12,032,528</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	250,904,308	468,894	-	246,009,066
Site Improvements	12,530,564	2,685,167	-	19,802,583
Machinery and Equipment	4,988,469	546,130	16,606	6,295,277
Total Capital Assets Being Depreciated	<u>268,423,341</u>	<u>3,700,191</u>	<u>16,606</u>	<u>272,106,926</u>
Accumulated Depreciation				
Buildings and Improvements	56,242,171	5,074,282	-	61,316,453
Site Improvements	2,880,025	273,313	-	3,153,338
Machinery and Equipment	3,145,278	511,736	-	3,657,014
Total Accumulated Depreciation	<u>62,267,474</u>	<u>5,859,331</u>	<u>-</u>	<u>68,126,805</u>
Total Capital Assets Being Depreciated, Net	<u>206,155,867</u>	<u>(2,159,140)</u>	<u>16,606</u>	<u>203,980,121</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 216,565,750</u>	<u>\$ 2,148,672</u>	<u>\$ 2,701,773</u>	<u>\$ 216,012,650</u>

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
Instruction	\$ 3,698,256
Support Services	2,031,786
Community Services	<u>129,289</u>
Total Depreciation Expense- Governmental Activities	<u>\$ 5,859,331</u>

**WEST LINN-WILSONVILLE SCHOOL DISTRICT 3JT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**5. LONG-TERM DEBT**

The following changes occurred in Long-Term debt during the fiscal year ending June 30, 2015:

Issue Date	Interest Rates	Original Issue	Outstanding July 1, 2014	Issued	Matured And Redeemed	Outstanding June 30, 2015	Due Within One Year
May 2003	2.0-4.78%	\$ 74,997,238	\$ 47,544,645	\$ -	3,982,904	\$ 43,561,741	3,911,288
March 2004	2.0-4.78%	42,180,000	39,675,000	-	1,035,000	38,640,000	1,250,000
February 1, 2009	2.25%	98,000,000	84,595,000	-	84,595,000	-	-
July 10, 2013	.394-1.449%	98,000,000	14,775,000		7,890,000	6,885,000	3,380,000
March 15, 2015	2-5%	161,390,000	0	161,390,000	0	161,390,000	2,680,000
Total			186,589,645	161,390,000	97,502,904	250,476,741	11,221,288
Unamortized Premium/(Discount)			2,969,192	27,943,774	218,643	30,694,323	-
Total Long-Term Debt			\$ 189,558,837	\$ 189,333,774	\$ 97,721,547	\$ 281,171,064	\$ 11,221,288

**Bonds Payable**

Future maturities of bonds payable at June 30, 2015 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2016	11,426,288	10,363,020
2017	11,877,387	10,590,750
2018	9,476,204	13,127,096
2019	9,876,753	13,688,572
2020	11,583,221	14,279,305
2021-2025	60,961,888	59,257,837
2026-2030	96,645,000	21,438,634
2031-2034	38,630,000	2,162,000
Total	<u>250,476,741</u>	<u>144,907,214</u>

All long-term debt obligations are payable from the general and debt service funds.

**General Obligation Bonds**

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

**Advance Refunding Bonds**

In July of 2002 general obligation refunding bonds were issued. The proceeds of the new bonds were placed in an irrevocable trust to provide for future debt service payments on the 1992 bonds. Accordingly,

5. LONG-TERM DEBT(CONTINUED)  
Advance Refunding Bonds (Continued)

the trust account assets and liability for the defeased bonds are not included in the basic financial statements.

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

On June 30, 2015, \$21,985,000 of bonds outstanding are considered defeased.

Pension Obligation Bonds

On March 1, 2004, limited tax pension obligation bonds totaling \$42,180,000, were issued to finance the unfunded actuarially accrued liability (UAL) with the State of Oregon Public Employees Retirement System (PERS). The issuance of the bonds was considered an advance refunding of the District's UAL. 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.

6. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Due to/from other funds at June 30, 2015 and transfers in and out for the year then ended are as follows:

	Due From Other Funds	Due to Other Funds	Transfers In	Transfers Out
General Fund	\$ 122,757	\$ -	\$ -	\$ 100,000
Debt Service Fund	506,425	-	-	-
Capital Projects Fund	178,105	-	-	-
Special Revenue Fund	-	807,528	100,000	-
Scholarship Fund	-	-	-	-
	<u>\$ 807,287</u>	<u>\$ 807,528</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>

Interfund balances represent amounts owed to or from the general fund for pooled cash and investments. The interfund transfers represent a subsidy from the General to the Food Service fund for operations.

7. RISK MANAGEMENT

There is exposure to various risks of loss related to torts; theft or damage to and destruction of assets; errors and omissions; and natural disasters. Commercial insurance is purchased to minimize exposure to these risks. The amount of settlements did not exceed insurance coverage limits in any of the past three years.

## 8. OTHER POST EMPLOYMENT BENEFITS

### Early Retirement Stipends

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 actually 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 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.

An estimate of this liability for current retirees is done annually. There is no separately issued financial report for the plan. The annual expenditures recognized on a budgetary basis were approximately \$423,000.

Annual Pension Cost and Net Pension Obligation - The annual pension cost and net pension obligation (NPO) to the Early Retirement Stipend for the current year were as follows:

	2015	2014	2013
Annual Required Contribution	\$ 402,822	\$ 376,233	\$ 376,233
Interest on Net Pension Obligation	(11,387)	(7,171)	(5,984)
Adjustment to Annual Required Contribution	48,750	25,081	20,930
Annual Pension Cost	440,185	394,143	391,179
Contributions Made/Expected	(478,700)	(534,687)	(430,740)
Increase in Net Pension Obligation	(38,515)	(140,544)	(39,561)
NPO (Asset) at beginning of year	(379,569)	(239,025)	(199,464)
NPO (Asset) at end of year	\$ (418,084)	\$ (379,569)	\$ (239,025)
Percentage of Annual Pension Cost Contributed	108.7%	135.7%	110.1%

## 8. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Actuarial methods and assumptions – The annual required contribution (ARC) for the current year was determined as part of the June 30, 2015 actuarial valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about mortality, investment rate of return of 3.5%, retiree trend rates which range from 50 to 64 as a percentage of otherwise eligible employees. Amounts determined regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to actuarial accrued liabilities for benefits.

For the initial valuation, the Projected Unit Credit Method was the valuation method used to determine the Actuarial Accrued Liability.

Under this method, the Plan's benefit obligations for participants for past service are computed on a present value basis using projected benefits (including future accruals). The accrued liability is equal to a pro-rata portion of the total present value of benefits based on the ratio of services as of the valuation date to the projected service at assumed retirement (or other decrement).

The excess of the Actuarial Accrued Liability over Plan Assets is the Unfunded Actuarial Accrued Liability. The Unfunded Actuarial Accrued Liability for the Stipend Plan is amortized over a closed 15 year period.

Funding Status and Funding Progress - As of June 30, 2015, the actuarial accrued liability for stipend benefits was \$2,509,114, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,509,114. The covered payroll is \$26,244,046. Using a 15-year closed amortization period, the Annual Required Contribution (ARC) for 2015 has been actuarially determined to be \$402,822 for contributions.

### Post Employment Health Care Benefits

Plan Description - As a result of collective bargaining agreements and administrative policies, Teachers and CSA employees, are offered explicit post-employment medical benefits under a single-employer, defined benefit plan. Eligible teachers must have 15 years of full-time service, 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). The optional post employment health care benefits provide eligible employees with the following:

- For Teachers, full family medical, dental, vision insurance benefits are provided (benefits pro-rated for employees working on a less than full-time equivalent basis). Benefits are payable to the earlier of age 62, or the retiree's date of death.
- For CSA employees, full family medical, dental, vision insurance benefits are provided (benefits pro-rated for employees working on less than a full-time equivalent basis). Benefits are payable until the retiree is medicare eligible or retiree's date of death. Administrative employees also receive life insurance coverage of \$200,000 until age 60 and coverage of \$50,000 until age 65.

**10. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**  
**POST EMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)**

Implicit medical benefits are offered to employee's enrolled in a health plan for 24 consecutive months immediately prior to retirement and eligible for retirement under PERS, or the surviving spouse of an employee

who would have been eligible. The younger spouse of a retiree who is Medicare-eligible is also eligible for implicit medical benefits through the District until the spouse is Medicare-eligible. No implicit benefits will be provided if an employee terminates employment prior to eligibility, regardless of death, disability, or any other reason. Implicit medical benefits include:

- Health Insurance coverage for retirees and their dependents on a self-pay basis.
- Coverage for the retiree ends the first day of the month that the retiree is eligible for Medicare.
- Coverage for the spouse ends the first day of the month that the spouse is eligible for Medicare.
- Unmarried children are covered until such time as they are no longer eligible.

The post-retirement healthcare plan is established in accordance with Oregon Revised Statutes (ORS) 243.303. ORS stipulated that for the purpose of establishing healthcare premiums, the rate must be based on all plan members, including both active employees and retirees. The difference between retiree claims cost, which because of the effect of age is generally higher in comparison to all plan members, and the amount of retiree healthcare premiums represents the implicit employer contribution.

An irrevocable trust (or equivalent arrangement) has not been established to account for the plan.

There is no explicit assumption regarding the inflation rate, the plan has an investment return of 3% which is actually the discount rate since the plans are unfunded by GASB standards, there are no projected salary increases or post-retirement benefit increases, and the healthcare cost trend rate for 2015 is 5% for Kaiser medical and 10% for non-Kaiser medical. This plan uses the level dollar amortization method.

Funding Policy - The benefits from the explicit program are fully paid for full time employees. Contributions are required on a pro-rated basis for employees working on less than a full-time equivalent basis. There is no obligation to fund these benefits in advance. Implicit benefits are paid by the participants on a self pay basis.

Annual Pension Cost and Net OPEB Obligation - The annual other postemployment benefit cost is calculated based on the annual required contribution of the employer (ARC), and amount actuarially determined in accordance within the parameter of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the OPEB obligation at the end of the year:

	2015	2014	2013
Annual Required Contribution (Explicit Benefits)	\$ 1,179,510	\$ 1,404,959	\$ 1,404,959
Annual Required Contribution (Implicit Benefits)	675,418	793,737	793,737
Interest on Net OPEB Obligation	144,398	126,826	100,684
Adjustment to Annual Required Contribution	(245,568)	(209,403)	(166,240)
Annual OPEB Cost	1,753,758	2,116,119	2,133,140
Contributions Made / Expected (Explicit Benefits)	(1,047,565)	(1,046,443)	(825,117)
Contributions Made / Expected (Implicit Benefits)	(470,146)	(483,949)	(523,570)
Increase in Net Pension Obligation	236,047	585,727	871,388
Net OPEB Obligation (Asset) at beginning of year	4,195,927	3,610,200	2,738,812
Net OPEB Obligation (Asset) at end of year	\$ 4,431,974	\$ 4,195,927	\$ 3,610,200
Percentage of APC contributed	86.54%	72.32%	63.23%

## 10. Other Post Employment Benefits (CONTINUED)

### POST EMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

Actuarial Methods and Assumptions - The annual required contribution (ARC) for the current year was determined as part of the June 30, 2015 actuarial valuation using the projected unit credit method. The objective of this method is to fund each participant's benefits under the plans as they accrue. The unfunded accrued liability is amortized over an open period of 30 years as a percentage of payroll. The actuarial assumptions included (a) a rate of return on investment of present and future assets of 3.5% compounded annually; (b) 60% of future retirees are assumed to cover a spouse under the health plan, and 10% of future retirees will elect to cover a child or children; (c) Medical claims for future retirees are blended rates, which range from 15-20% for paid participants and range from 20-80% for self paid participants, while dental claims are expected to be 15% greater for all dental premiums for all participants; (d) Medical premiums are expected to increase annually between 5-10% over the next ten years, while dental premiums are expected to increase between 3-5% annually over the next ten years; (e) retirement rates range from 0-30% between the ages of 50 and 65.

Funding Status and Funding Progress - As of June 30, 2013, the time of the last actuarial report, the plan was 0% funded. The actuarial accrued liability for benefits was \$21,675,468, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$21,675,468. The covered payroll was \$39,107,456, and the unfunded actuarial accrued liability as a percentage of active covered payroll was not applicable. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits. The annual expenditures recognized on a budgetary basis were approximately \$1,196,000.

## 11. Pension Plan

Plan Description - The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employee defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Comprehensive Annual Financial Report which can be found at: [http://www.oregon.gov/pers/Pages/section/financial\\_reports/financials.aspx](http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx).

- a. PERS Pension (Chapter 238). The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
  - i) Pension Benefits. The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 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 benefits results.
  - ii) 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 on or more of the following contributions are met:



**11. Pension Plan(Continued)**

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

iii)

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

iv)

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 equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

b)

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

i)

Pension Benefits. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

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

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

ii) 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.

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

## 11. Pension Plan(Continued)

- iv. Benefit Changes After Retirement. Under ORS 238A.210 monthly benefits are adjusted annually through cost of-living changes. The cap on the COLA will vary based on the amount of the annual benefits.

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. The 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, 2011 actuarial valuation, which became effective July 1, 2013.

At June 30, 2015, the District reported a net pension asset of \$11,505,742 for its proportionate share of the net pension asset. The pension asset was measured as of December 31, 2012, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2012, the District's proportion was .51 percent.

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	22,201,422
Changes in proportion and differences between District contributions and proportionate share of contributions	130,909	-
Subtotal - Amortized Deferrals (below)	-	22,201,422
District contributions subsequent to measurement date	8,158,233	-
Net deferred outflow (inflow) of resources		<u><u>\$ (13,912,280)</u></u>

Amounts reported as deferred outflows or inflow of resources related to pension will be recognized in pension expense as follows:

Year ending June 30,	Amount
2016	\$ (5,521,897)
2017	\$ (5,521,897)
2018	\$ (5,521,897)
2019	\$ (5,521,897)
2020	\$ 17,077
Thereafter	-
Total	<u><u>\$ (22,070,513)</u></u>

**11. Pension Plan(Continued)**

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated July 29, 2015. Oregon PERS produces an independently audited CAFR which can be found at:

[http://www.oregon.gov/pers/Pages/section/financial\\_reports/financial.aspx](http://www.oregon.gov/pers/Pages/section/financial_reports/financial.aspx).

Actuarial Valuations – The employer contribution rates effective July 1, 2013 through June 30, 2015, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

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

## Actuarial Methods and Assumptions:

Valuation date	December 31, 2012 rolled forward to June 30, 2014
Experience Study Report	2012, Published September 18, 2013
Actuarial cost method	Entry Age Normal
Amortization method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years
Asset valuation method	Market value of assets
Inflation rate	2.75 percent
Investment rate of return	7.75 percent
Projected salary increase	3.75 percent overall payroll growth; salaries for individuals are assumed to grow at 3.75 percent plus assumed rates of merit/longevity increases based on service
Mortality	Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-backs as described in the valuation. Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (65% for males and 90% for females) of the RP-2000 static combined disabled mortality sex-distinct table.

# 11. Pension Plan(Continued)

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts 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 method and assumptions shown are based on the 2012 Experience Study which is reviewed for the four-year period ending December 31, 2012.

Discount Rate – The discount rate used to measure the total pension liability was 7.75 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the 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.

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 7.75 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 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent than the current rate.

	1%	Discount	1%
	Decrease	Rate	Increase
	(6.75%)	(7.75%)	(8.75%)
District's proportionate share of the net pension liability	\$ 24,365,006	\$ (11,505,742)	\$ (41,843,981)

Changes in Plan Provisions Subsequent to Measurement Date: The Oregon Supreme Court on April 30, 2015, ruled in the Moro decision, that the provisions of Senate Bill 861, signed into law in October 2013, that limited the post-retirement COLA on benefits accrued prior to the signing of the law were unconstitutional. Benefits could be modified prospectively, but not retrospectively. As a result, those who retired before the bills were passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a 2% increase annually. PERS will make restoration payments to those benefit recipients. PERS members who have accrued benefits before and after the effective dates of the 2013 legislation will have a blended COLA rate when they retire. Oregon Public Employees Retirement System Notes to the Schedules of Employer Allocations and Pension Amounts by Employer As of and for the Fiscal Year Ended June 30, 2014. This is a change in benefit terms subsequent to the measurement date of June 30, 2014, which will be reflected in the next year's actuarial valuations. The impact of the Moro decision on the total pension liability and employer's net pension liability (asset) has not been fully determined. However, PERS' third-party actuaries have estimated the impact of the Moro decision under one possible methodology, which is summarized below (dollars in millions). Estimates have been rounded to the nearest \$10 million.

# **11. Pension Plan(Continued)**

June 30, 2014 Measurement Date for all PERS Employers (in millions)		
	Pre- Moro	Post- Moro
Net pension liability		
Total pension liability	\$ 63,135	\$ 68,050
Fiduciary net position	65,402	65,400
Net pension liability (asset)	<u>-2,267</u>	<u>2,650</u>

Additional disclosures related to Oregon PERS not applicable to specific employers are available online at the below website, or by contacting PERS at the following address: PO BOX 23700 Tigard, OR 97281-3700,

[http://www.oregon.gov/pers/EMP/docs/er\\_general\\_information/opers\\_gasb\\_68\\_disclosure\\_information\\_revised.pdf](http://www.oregon.gov/pers/EMP/docs/er_general_information/opers_gasb_68_disclosure_information_revised.pdf)

# **12. RESTATEMENT OF PRIOR YEAR NET POSITION**

Due to the implementation of GASB Statements 68 and 71, a restatement of the prior year net position was required to record the net pension liability at the prior measurement date and reclassify prior year pension contributions from expenses to deferred outflows:

Net position-Beginning as previously reported	\$ 61,182,272
Pension asset for prepaid as of 6/30/14	(22,642,346)
Proportionate share of net pension liability at prior measurement date	(25,903,343)
Net outflow/(inflows) of resources (prior year employer contributions)	7,667,387
Net position-Beginning as restated	<u>\$ 20,303,970</u>

### 13. FUND BALANCE CONSTRAINTS

The specific purposes for each of the categories of fund balance as of June 30, 2015 are as follows:

Fund Balances:	General Fund	Debt Service Fund	Capital Projects Fund	Special Revenue Fund	Total
<u>Nonspendable:</u>					
Prepaid & Inventory	\$ 149,028	\$ -	\$ -	\$ 60,678	\$ 209,706
<u>Restricted:</u>					
Grants and other purposes	-	-	-	322,844	322,844
Debt service	-	1,668,258	-	-	1,668,258
Future capital projects	-	-	98,010,357	-	98,010,357
	-	1,668,258	98,010,357	322,844	100,001,459
<u>Committed to:</u>					
Future Operations	-	-	-	-	-
	-	-	-	-	-
Unassigned:	5,161,253	-	-	-	5,161,253
Total Fund Balances	\$ 5,310,281	\$ 1,668,258	\$ 98,010,357	\$ 383,522	\$ 105,372,418

### 14. COMMITMENTS AND CONTINGENCIES

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

There is participation in a number of federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The federal audits for these programs for the year ended June 30, 2015 have not been conducted. Accordingly, compliance with grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although such amounts are expected by management to be immaterial.

### 15. PROPERTY TAX LIMITATIONS

The State of Oregon imposes a constitutional limit on property taxes for schools and nonschool government operations. School operations include community colleges, local school districts, and education service districts. The limitation provides that property taxes for school operations are limited to \$5.00 for each \$1,000 of property

15. PROPERTY TAX LIMITATIONS(CONTINUED)

market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt. The result of this requirement has been that school districts have become more dependent upon state funding and less dependent upon property tax revenues as their major source of operating revenue.

The State further reduced property taxes by replacing the previous constitutional limits on tax bases with a rate and value limit in 1997. This reduction is accomplished by rolling property values back to their 1995-96 values less 10% and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions. The State Constitution sets restrictive voter approval requirements for most tax and many fee increases and new bond issues, and requires the State to minimize the impact to school districts from the impact of the tax cuts.

WEST LINN-WILSONVILLE SCHOOL DISTRICT 3JT  
CLACKAMAS COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION



WEST LINN WILSONVILLE SCHOOL DISTRICT  
CLACKAMAS COUNTY OREGON

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS  
For the Year Ended June 30, 2015

EARLY RETIREMENT STIPENDS

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b)-(a) AAL (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	((b-a)/c) UAAL as a Percentage of Covered Payroll
2010	\$ -	\$ 2,036,188	\$ 2,036,188	- %	\$ N/A	N/A
2011	\$ -	\$ 2,765,399	\$ 2,765,399	- %	\$ 23,599,226	N/A
2012	\$ -	\$ 2,765,399	\$ 2,765,399	- %	\$ 23,599,226	N/A
2013	\$ -	\$ 2,695,306	\$ 2,695,306	- %	\$ 24,362,822	N/A
2015	\$ -	\$ 2,509,114	\$ 2,509,114	- %	\$ 26,244,046	N/A

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30,	Annual Required Contribution	Expected Percentage Contributed
2011	\$ 356,219	93.4%
2012	\$ 356,219	148.1%
2013	\$ 376,233	114.5%
2014	\$ 376,233	142.1%
2015	\$ 402,822	108.7%

OTHER POSTEMPLOYMENT HEALTH BENEFITS

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b)-(a) AAL (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	((b-a)/c) UAAL as a Percentage of Covered Payroll
2010	\$ -	\$ 18,613,012	\$ 18,613,012	- %	\$ N/A	N/A
2011	\$ -	\$ 22,397,230	\$ 22,397,230	- %	\$ 38,582,102	N/A
2012	\$ -	\$ 22,397,230	\$ 22,397,230	- %	\$ 38,582,102	N/A
2013	\$ -	\$ 21,675,468	\$ 21,675,468	- %	\$ 39,107,456	N/A
2015	\$ -	\$ 19,966,954	\$ 19,966,954	- %	\$ 41,428,101	N/A

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30,	Annual OPEB Costs	Percentage Contributed
2011	\$ 2,462,337	60.2 %
2012	\$ 2,443,188	74.7 %
2013	\$ 2,133,140	59.1 %
2014	\$ 2,116,119	72.3 %
2015	\$ 1,753,758	86.5 %

WEST LINN WILSONVILLE SCHOOL DISTRICT  
CLACKAMAS COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

For the fiscal year ended June 30, 2015

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer'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
2015	0.51 %	\$ (11,505,742)	\$ 52,612,703	(21.9) %	103.6 %
2014	0.51	25,903,343	41,485,063	62.4	92.0

The amounts presented for each fiscal year were actuarial determined at 12/31 and rolled forward to the measurement date.

These schedules are 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 the years for which the required supplementary information is available.

**SCHEDULE OF CONTRIBUTIONS**

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2015	\$ 8,158,233	\$ 8,158,233	\$ -	\$ 52,612,703	15.5 %
2014	7,667,387	7,667,387	-	41,485,063	18.5

The amounts presented for each fiscal year were actuarial determined at 12/31 and rolled forward to the measurement date.

These schedules are 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 the years for which the required supplementary information is available.

WEST LINN-WILSONVILLE SCHOOL DISTRICT 3JT  
CLACKAMAS COUNTY, OREGON

SUPPLEMENTARY INFORMATION

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
ACTUAL AND BUDGET  
YEAR ENDED JUNE 30, 2015

DEBT SERVICE FUND

	Budget		Debt Service	PERS Debt		Variance with
	Adopted	Final	Fund	Service Fund	Total	Final Budget Positive (Negative)
<b>REVENUES:</b>						
Local Sources						
Property Taxes	\$ 18,976,977	\$ 18,976,977	\$ 19,023,394	\$ -	\$ 19,023,394	\$ 46,417
Earnings on Investments	1,236	1,236	2,009,510	-	2,009,510	2,008,274
Miscellaneous	-	-	61	-	61	61
Services Provided Other Funds	3,400,000	3,400,000	-	3,192,060	3,192,060	(207,940)
<b>Total Revenues</b>	<b>22,378,213</b>	<b>22,378,213</b>	<b>21,032,965</b>	<b>3,192,060</b>	<b>24,225,025</b>	<b>1,846,812</b>
<b>EXPENDITURES:</b>						
Debt service	22,930,480	22,930,480 (1)	20,566,002	3,192,060	23,758,062	(827,582)
<b>Total Expenditures</b>	<b>22,930,480</b>	<b>22,930,480</b>	<b>20,566,002</b>	<b>3,192,060</b>	<b>23,758,062</b>	<b>(827,582)</b>
<b>REVENUES OVER EXPENDITURES</b>	<b>(552,267)</b>	<b>(552,267)</b>	<b>466,963</b>	<b>-</b>	<b>466,963</b>	<b>1,019,230</b>
<b>Net Change in Fund Balance</b>	<b>(552,267)</b>	<b>(552,267)</b>	<b>466,963</b>	<b>-</b>	<b>466,963</b>	<b>1,019,230</b>
Prior Period Adjustment	-	-	-	-	-	-
<b>Beginning Fund Balance</b>	<b>552,267</b>	<b>552,267</b>	<b>756,891</b>	<b>444,404</b>	<b>1,201,295</b>	<b>649,028</b>
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,223,854</b>	<b>\$ 444,404</b>	<b>\$ 1,668,258</b>	<b>\$ 1,668,258</b>

(1) Appropriation level

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (NON-GAAP BASIS) AND ACTUAL  
YEAR ENDED JUNE 30, 2015

**CAPITAL PROJECTS FUND**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Local Sources:				
Construction Excise Tax	\$ 420,200	\$ 420,200	\$ 1,176,370	\$ 756,170
Earnings on Investments	22,475	22,475	-	(22,475)
Intermediate Sources	-	-	-	-
<b>Total Revenues</b>	<b>442,675</b>	<b>442,675</b>	<b>1,176,370</b>	<b>733,695</b>
<b>EXPENDITURES:</b>				
Support Services	-	- (1)	21	(21)
Facilities Acquisition and Construction:	4,069,079	4,619,079 (1)	5,320,908	(701,829)
Contingency	2,056,584	1,506,584	-	-
<b>Total Expenditures</b>	<b>6,125,663</b>	<b>6,125,663</b>	<b>5,320,929</b>	<b>(701,850)</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(5,682,988)</b>	<b>(5,682,988)</b>	<b>(4,144,559)</b>	<b>1,538,429</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Payment to Escrow Agent	-	-	(95,332,872)	(95,332,872)
Bond Proceeds	-	-	189,333,774	189,333,774
Transfer Out	-	- (1)	-	-
Transfers In	575,000	575,000	-	(575,000)
<b>Total Other Financing Sources (Uses)</b>	<b>575,000</b>	<b>575,000</b>	<b>94,000,902</b>	<b>93,425,902</b>
<b>Net Change in Fund Balance</b>	<b>(5,107,988)</b>	<b>(5,107,988)</b>	<b>89,856,343</b>	<b>94,964,331</b>
<b>Beginning Fund Balance</b>	<b>5,107,988</b>	<b>5,107,988</b>	<b>8,154,014</b>	<b>3,046,026</b>
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 98,010,357</b>	<b>\$ 98,010,357</b>

(1) Appropriation level

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

COMBINING BALANCE SHEET  
SPECIAL REVENUE FUNDS  
JUNE 30, 2015

	201 Columbia Regional Autism Fund	202 ASPIRE Fund	208 SOAR Fund	220 Mentoring Teacher Grant Fund	209 School MAP Donations Fund	219 Mentor In-House Program Fund	223 Farm Educator Grant Fund	230 Medicaid Administration Fund	241 Title 1C Summer Fund
<b>ASSETS</b>									
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from Other Funds	-	-	-	-	-	-	-	-	-
Supply Inventory	-	-	-	-	-	-	-	-	-
Prepaid Expenditures	-	-	-	-	-	-	-	-	-
Accounts Receivable	24,625	-	-	1,113	-	-	-	-	2,880
<b>TOTAL ASSETS</b>	<b>\$ 24,625</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,113</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,880</b>
<b>LIABILITIES AND FUND BALANCES</b>									
Liabilities:									
Unearned Revenue	\$ -	\$ -	\$ 15,675	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable	-	-	15	-	-	-	-	-	-
Due to Other Funds	24,625	(2,560)	(15,380)	1,113	(8,043)	-	-	(98,003)	2,880
<b>TOTAL LIABILITIES</b>	<b>24,625</b>	<b>(2,560)</b>	<b>310</b>	<b>1,113</b>	<b>(8,043)</b>	<b>-</b>	<b>-</b>	<b>(98,003)</b>	<b>2,880</b>
Fund Balances:									
Adjustments for Inventories reported under the purchase method	-	-	-	-	-	-	-	-	-
Nonspendable	-	-	(309)	-	-	-	-	-	-
Restricted	-	2,560	-	-	8,043	-	-	98,003	-
Committed	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 24,625</b>	<b>\$ -</b>	<b>\$ 1</b>	<b>\$ 1,113</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,880</b>

242	247	251	252	253	254	263
PPC Grant	C-Tec Youth	Carl	Title IA/D	Title I	IDEA	Title IIA
Fund	Services	Perkins	Fund	Fund	Enhancement	Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	19,194	3,984	37,563	252,158	377,325	26,891
\$ -	\$ 19,194	\$ 3,984	\$ 37,563	\$ 252,158	\$ 377,325	\$ 26,891

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	278	(3,326)	-	2,051	7,049	-
(285,704)	17,639	7,310	37,563	250,170	370,276	26,891
(285,704)	17,917	3,984	37,563	252,221	377,325	26,891

-	-	-	-	-	-	-
285,704	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-

\$ -	\$ 17,917	\$ 3,984	\$ 37,563	\$ 252,221	\$ 377,325	\$ 26,891
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266 Y. Transition Program Fund	267 Title III Fund	291 Disabled Child Fund	294 Land Proceeds Fund	297 Food Service Fund	298 Community Education Fund	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
48,862	21,062	291,890	-	33,049	27,467	1,168,063
<u>\$ 48,862</u>	<u>\$ 21,062</u>	<u>\$ 291,890</u>	<u>\$ -</u>	<u>\$ 33,049</u>	<u>\$ 27,467</u>	<u>\$ 1,168,063</u>

\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,418	\$ 17,093
-	-	3,445	-	327	5,952	15,791
48,862	21,062	234,714	(13,943)	358,591	(171,340)	806,723
48,862	21,062	238,159	(13,943)	358,918	(163,970)	839,607
-	-	-	-	-	-	-
-	-	53,731	12,209	328,810	191,438	980,498
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 48,862</u>	<u>\$ 21,062</u>	<u>\$ 291,890</u>	<u>\$ (1,734)</u>	<u>\$ 687,728</u>	<u>\$ 27,468</u>	<u>\$ 1,819,796</u>

Reconciliation of Due to and Due From

Due From Other Funds	\$ -
Due To Other Funds	<u>(806,723)</u>
Total Due To Other Funds	<u>\$ (806,723)</u>



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

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (NON-GAAP BASIS) AND ACTUAL  
SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2015

	201 Columbia Regional Autism Fund	202 ASPIRE Fund	208 SOAR Fund	220 Mentoring Teacher Grant Fund	209 School MAP Donations Fund	219 Mentor In-House Program Fund	223 Farm Educator Grant Fund	230 Medicaid Administration Fund	241 Title 1C Summer Fund
<b>REVENUES:</b>									
Local Sources	\$ -	\$ 1,500	\$ 155	\$ -	\$ 88,139	\$ -	\$ -	\$ -	\$ -
Intermediate Sources	-	-	-	-	-	-	-	-	-
State Sources	-	-	-	-	-	84,399	-	-	-
Federal Sources	84,000	-	-	9,603	-	-	-	129,045	2,880
<b>Total Revenues</b>	<b>84,000</b>	<b>1,500</b>	<b>155</b>	<b>9,603</b>	<b>88,139</b>	<b>84,399</b>	<b>-</b>	<b>129,045</b>	<b>2,880</b>
<b>EXPENDITURES:</b>									
Instruction	84,000	322	14,472	-	21,501	-	-	-	2,880
Support Services	-	-	-	9,603	58,595	84,399	-	93,709	-
Enterprise and Community Services	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Contingency	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>84,000</b>	<b>322</b>	<b>14,472</b>	<b>9,603</b>	<b>80,096</b>	<b>84,399</b>	<b>-</b>	<b>93,709</b>	<b>2,880</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>-</b>	<b>1,178</b>	<b>(14,317)</b>	<b>-</b>	<b>8,043</b>	<b>-</b>	<b>-</b>	<b>35,336</b>	<b>-</b>
<b>OTHER FINANCING SOURCES:</b>									
Transfers In (Out)	-	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>1,178</b>	<b>(14,317)</b>	<b>-</b>	<b>8,043</b>	<b>-</b>	<b>-</b>	<b>35,336</b>	<b>-</b>
<b>FUND BALANCE, July 1, 2014</b>	<b>-</b>	<b>1,382</b>	<b>14,008</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62,667</b>	<b>-</b>
<b>FUND BALANCE, June 30, 2015</b>	<b>\$ -</b>	<b>\$ 2,560</b>	<b>\$ (309)</b>	<b>\$ -</b>	<b>\$ 8,043</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 98,003</b>	<b>\$ -</b>

(1) Appropriation level

242	247	251	252	253	254	255	263	266
PPC Grant	C-Tec Youth	Carl	Title IA/D	Title I	IDEA	DE	Title IIA	Transition
Fund	Services	Perkins	Fund	Fund	Enhancement	Fund	Fund	Program
Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	47,804	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	24,334	78,794	607,200	1,269,734	-	116,658	118,019
-	47,804	24,334	78,794	607,200	1,269,734	-	116,658	118,019
-	47,804	24,334	78,794	607,200	708,545	-	116,658	118,019
-	-	-	-	-	561,188	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	47,804	24,334	78,794	607,200	1,269,733	-	116,658	118,019
-	-	-	-	-	1	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	1	-	-	-
285,704	-	-	-	-	1	-	-	-
\$ 285,704	\$ -	\$ -	\$ -	\$ -	\$ 2	\$ -	\$ -	\$ -

267	291	294	297	298		Budget		
Title III	Disabled	Land	Food	Community				
Fund	Child	Proceeds	Service	Education	Total	Adopted	Actual	
\$ -	\$ -	\$ 4	\$ 722,972	\$ 236,031	\$ 1,048,799	\$ 1,053,696	\$ 1,053,696	\$ (4,897)
-	566,932	-	-	-	614,737	563,955	563,955	50,782
-	-	-	17,501	-	101,900	84,350	84,350	17,550
36,982	-	-	829,587	-	3,306,836	2,802,498	2,802,498	504,338
36,982	566,932	4	1,570,060	236,031	5,072,272	4,504,499	4,504,499	567,773
-	549,653	-	-	-	2,374,182	2,144,854	2,144,854	(1) (229,328)
36,982	163,968	-	-	-	1,008,444	1,018,297	1,018,297	(1) 9,853
-	-	-	1,654,850	247,989	1,902,839	1,692,581	1,692,581	(1) (210,258)
-	-	-	-	-	-	-	-	(1) -
-	-	-	-	-	-	294,594	294,594	(1) 294,594
36,982	713,621	-	1,654,850	247,989	5,285,465	5,150,326	5,150,326	135,139
-	(146,689)	4	(84,790)	(11,958)	(213,193)	(645,827)	(645,827)	432,634
-	-	-	100,000	-	100,000	100,000	100,000	-
-	-	-	100,000	-	100,000	100,000	100,000	-
-	(146,689)	4	15,210	(11,958)	(113,193)	(545,827)	(545,827)	432,634
-	200,420	12,205	(344,020)	203,396	435,763	545,827	545,827	(110,064)
\$ -	\$ 53,731	\$ 12,209	\$ (328,810)	\$ 191,438	\$ 322,570	\$ -	\$ -	\$ 322,570

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

FIDUCIARY FUND  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
For the Year Ended June 30, 2015

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	BALANCE AT 7/1/14	ADDITIONS	DEDUCTIONS	BALANCE AT 6/30/15
STUDENT ACTIVITY FUNDS:				
ASSETS:				
Cash and Investments	\$ 1,029,716	\$ 2,358,720	\$ 2,435,815	\$ 952,620
Total Assets	<u>\$ 1,029,716</u>	<u>\$ 2,358,720</u>	<u>\$ 2,435,815</u>	<u>\$ 952,620</u>
LIABILITIES:				
Due to Student Organizations	\$ 1,029,716	\$ 2,358,720	\$ 2,435,815	\$ 952,620
Total Liabilities	<u>\$ 1,029,716</u>	<u>\$ 2,358,720</u>	<u>\$ 2,435,815</u>	<u>\$ 952,620</u>

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

SCHEDULE OF PROPERTY TAX TRANSACTIONS  
YEAR ENDED JUNE 30, 2015

GENERAL FUND

Tax Year	Original Levy or Balance Uncollected 7/1/14	Deduct Discounts	Adjustments To Rolls	Add Interest	Cash Collections By County Treasurer	Balance Uncollected Or Unsegregated 6/30/2015
Current:						
2014-15	\$ 34,178,445	\$ (876,687)	\$ (48,583)	\$ 96	\$ 32,458,643	\$ 794,628
Prior Years:						
2013-14	757,354	230	(13,577)	146	363,479	380,674
2012-13	420,294	14	(2,181)	173	148,442	269,858
2011-12	335,620	41	(3,280)	266	135,086	197,561
2010-11	181,513	29	(3,024)	172	54,463	124,227
2009-10 & Prior	182,860	1	(8,307)	126	27,092	147,588
Total Prior	1,877,641	315	(30,369)	883	728,562	1,119,908
Total General Fund	\$ 36,056,086	\$ (876,372)	\$ (78,952)	\$ 979	\$ 33,187,205	\$ 1,914,536

RECONCILIATION TO REVENUE:

Cash Collections by County Treasurers Above	\$ 33,187,205
Accrual of Receivables:	
June 30, 2014	(156,070)
June 30, 2015	177,988
Total Revenue (including penalties and interest on taxes)	\$ 33,209,123

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

SCHEDULE OF PROPERTY TAX TRANSACTIONS  
YEAR ENDED JUNE 30, 2015

DEBT SERVICE FUND

Tax Year	Original Levy or Balance Uncollected 7/1/14	Deduct Discounts	Adjustments To Rolls	Add Interest	Cash Collections By County Treasurer	Balance Uncollected Or Unsegregated 6/30/2015
Current:						
2014-15	\$ 19,480,335	\$ (499,666)	\$ (27,696)	\$ 52	\$ 18,500,041	\$ 452,984
Prior Years:						
2013-14	483,026	139	(8,644)	201	232,096	242,626
2012-13	266,837	9	(1,375)	102	94,250	171,323
2011-12	157,054	19	(1,572)	153	63,214	92,440
2010-11	114,524	19	(1,870)	96	34,385	78,384
2009-10 & Prior	115,580	1	(5,251)	80	17,124	93,286
Total Prior	1,137,021	187	(18,712)	632	441,069	678,059
Total Debt Service Fund	<u>\$ 20,617,356</u>	<u>\$ (499,479)</u>	<u>\$ (46,408)</u>	<u>\$ 684</u>	<u>\$ 18,941,110</u>	<u>\$ 1,131,043</u>

RECONCILIATION TO REVENUE:

Cash Collections by County Treasurers Above	\$ 18,941,110
Accrual of Receivables:	
June 30, 2014	(91,819)
June 30, 2015	104,209
Total Revenue (including penalties and interest on taxes)	<u>\$ 18,953,500</u>

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

SCHEDULE OF BOND AND INTEREST TRANSACTIONS AND BALANCES  
For The Year Ended June 30, 2015

DATE OF ISSUE	MATURED BONDS & COUPONS OUTSTANDING AT 7/1/14	BONDS & COUPONS MATURING DURING THE YEAR	BONDS REDEEMED AND COUPONS PAID DURING THE YEAR	MATURED BONDS & COUPONS OUTSTANDING AT 6/30/15
11/30/2004	\$ -	\$ 4,705,812	\$ 4,705,812	\$ -
3/1/2004	-	-	-	-
05/28/03	-	6,420,000	6,420,000	-
7/1/2013	-	8,025,669	8,025,669	-
2015 Refund	-	5,781,819	5,781,819	-
TOTALS:	<u>\$ -</u>	<u>\$ 19,151,481</u>	<u>\$ 24,933,300</u>	<u>\$ -</u>

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

SCHEDULE OF BOND REDEMPTION AND INTEREST REQUIREMENTS

June 30, 2015

FISCAL YEAR	ISSUE OF 5/28/03		PENSION BOND ISSUE OF 3/1/04		SERIES 2004 REFUNDING	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
	Due 6/15	Due 12/15 & 6/15	Due 6/30	Due 12/30 & 6/30	Due 6/30	Due 12/30 & 6/30
2015-16	3,911,288	2,758,712	1,250,000	2,106,107	3,380,000	84,858
2016-17	3,852,387	3,077,613	1,490,000	2,043,320	3,505,000	50,787
2017-18	6,356,204	5,708,796	1,745,000	1,966,987	-	-
2018-19	6,231,753	6,308,247	2,030,000	1,875,846	-	-
2019-20	6,078,221	6,956,780	2,335,000	1,767,789	-	-
2020-21	5,826,065	7,473,935	2,665,000	1,642,329	-	-
2021-22	5,711,928	8,118,072	3,025,000	1,497,806	-	-
2022-23	5,593,895	8,791,105	3,415,000	1,332,248	-	-
2023-24	-	-	3,835,000	1,143,467	-	-
2024-25	-	-	4,290,000	931,468	-	-
2025-26	-	-	4,785,000	694,317	-	-
2026-27	-	-	5,310,000	429,802	-	-
2027-28	-	-	2,465,000	136,265	-	-
2028-29	-	-	-	-	-	-
2029-30	-	-	-	-	-	-
2030-31	-	-	-	-	-	-
2031-32	-	-	-	-	-	-
2032-33	-	-	-	-	-	-
2033-34	-	-	-	-	-	-
TOTALS	\$ 43,561,741	\$ 49,193,260	\$ 38,640,000	\$ 17,567,751	\$ 6,885,000	\$ 135,645



2015 REFUNDING		TOTAL REQUIREMENTS	
PRINCIPAL	INTEREST	ALL ISSUES	
Due 6/15	Due 12/15 & 6/15	PRINCIPAL	INTEREST
2,680,000	7,519,450	11,221,288	12,469,127
3,030,000	7,462,350	11,877,387	12,634,070
1,375,000	7,418,300	9,476,204	15,094,083
1,615,000	7,380,325	9,876,753	15,564,418
3,170,000	7,322,525	11,583,221	16,047,094
2,105,000	7,246,850	10,596,065	16,363,114
-	7,204,750	8,736,928	16,820,628
-	7,204,750	9,008,895	17,328,103
11,675,000	6,912,875	15,510,000	8,056,342
12,820,000	6,305,500	17,110,000	7,236,968
14,040,000	5,639,000	18,825,000	6,333,317
15,345,000	4,904,375	20,655,000	5,334,177
16,725,000	4,102,625	19,190,000	4,238,890
18,205,000	3,229,375	18,205,000	3,229,375
19,770,000	2,302,875	19,770,000	2,302,875
21,370,000	1,347,250	21,370,000	1,347,250
9,595,000	623,125	9,595,000	623,125
7,665,000	191,625	7,665,000	191,625
-	-	-	-
<u>\$ 161,185,000</u>	<u>\$ 94,317,925</u>	<u>\$ 250,271,741</u>	<u>\$ 161,214,581</u>

WEST LINN-WILSONVILLE SCHOOL DISTRICT 3JT  
CLACKAMAS COUNTY, OREGON

OTHER INFORMATION –  
OREGON DEPARTMENT OF EDUCATION SCHEDULES

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

Revenue from Local Sources					
	FUND 100	FUND 200	FUND 300	FUND 400	FUND 700
1110 Ad Valorem Taxes Levied by District	\$ 29,403,957		\$ 19,023,359		
1120 Local Option Ad Valorem Taxes Levied by	3,884,793				
1130 Construction Excise Tax				1,053,077	
1190 Penalties and Interest on Taxes	2,853		35		
1310 Regular Day School Tuition	1,473,480				
1320 Adult/Continuing Education Tuition					
1330 Summer School Tuition	14,267				
1500 Earnings on Investments	159,380	4	2,009,510	66,579	1,248
1600 Food Service		721,866			
1700 Extracurricular Activities	892,178	50,758			2,499,933
1910 Rentals	134,547	235,935			
1920 Contributions and Donations From Private	237,171	18,029			
1960 Recovery of Prior Years' Expenditure	47,096				
1970 Services Provided Other Funds			3,192,060		
1990 Miscellaneous	355,963	22,209	61	56,713	
<b>Total Revenue from Local Sources</b>	<b>\$ 36,605,685</b>	<b>\$ 1,048,801</b>	<b>\$ 24,225,025</b>	<b>\$ 1,176,370</b>	<b>\$ 2,501,181</b>
Revenue from Intermediate Sources					
	FUND 100	FUND 200	FUND 300	FUND 400	FUND 700
2101 County School Funds	\$ 2,042				
2102 General Education Service District	1,285,160.27				
2190					
2199 Other Intermediate Sources		566,932			
2200 Restricted Revenue		47,804			
<b>Total Revenue from Intermediate Sources</b>	<b>\$ 1,287,203</b>	<b>\$ 614,736</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Revenue from State Sources					
	FUND 100	FUND 200	FUND 300	FUND 400	FUND 700
3101 State School Fund - General Support	\$ 42,975,308				
3102 State School Fund - School Lunch Match		17,501			
3103 Common School Fund	789,091				
3199 Other Unrestricted Grants-in-Aid	203,414				
3299 Other Restricted Grants-in-Aid	42,106	84,399			
<b>Total Revenue from State Sources</b>	<b>\$ 44,009,918</b>	<b>\$ 101,900</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Revenue from Federal Sources					
	FUND 100	FUND 200	FUND 300	FUND 400	FUND 700
4100 Unrestricted Rev. Dir. Federal Government					
4500 Restricted Rev. Federal Gov. Through State		3,048,436			
4700 Grants-In-Aid Fed. Gov. Thru Interim. Agencies		120,899			
4801 Federal Forest Fees	10,874				
4900 Revenue for/on Behalf of the District		137,498			
<b>Total Revenue from Federal Sources</b>	<b>\$ 10,874</b>	<b>\$ 3,306,833</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Revenue from Other Sources					
	FUND 100	FUND 200	FUND 300	FUND 400	FUND 700
5100 Long Term Debt Financing Sources				189,333,774	
5200 Interfund Transfers		100,000			
5300 Sale (Loss) from Fixed Asset Disposal					
5400 Resources - Beginning Fund Balance	4,446,830	470,995	1,201,295	8,154,014	
<b>Total Revenue from Other Sources</b>	<b>4,446,830</b>	<b>570,995</b>	<b>1,201,295</b>	<b>197,487,788</b>	<b>-</b>
<b>Grand Totals</b>	<b>\$ 86,360,511</b>	<b>\$ 5,643,265</b>	<b>\$ 25,426,320</b>	<b>\$ 198,664,157</b>	<b>\$ 2,501,181</b>

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

General Fund

Instruction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Primary, K-3	\$ 20,491,792	\$ 12,461,277	\$ 7,506,637	\$ 68,419	\$ 455,460			
1112 Intermediate Programs	-							
1113 Elementary Extracurricular	31,598				31,598			
1121 Middle/Junior High Programs	9,615,457	5,825,949	3,466,855	139,322	183,330		-	
1122 Middle/Junior High School Extracurricular	202,174	143,273	50,127	1,203	6,148		1,424	
1131 High School Programs	11,572,169	7,016,269	4,134,421	72,009	344,222		5,248	
1132 High School Extracurricular	1,648,568	1,047,394	320,640	143,026	107,517		29,991	
1140 Pre-Kindergarten Programs	476,861	305,824	163,765		7,272			
1210 Programs for the Talented and Gifted	444,380	257,542	107,580	36,953	41,181		1,125	
1220 Restrictive Programs for Students with Disabilities	1,842,028	942,704	537,238	321,679	40,406			
1250 Less Restrictive Programs for	2,912,218	1,835,942	1,029,595	40,783	5,898			
1260 Treatment and Habilitation	272,511	166,054	104,361	2,096				
1280 Alternative Education	1,477,611	427,043	248,797	777,124	23,833		814	
1291 English Second Language Programs	557,757	342,557	214,262	-	938			
1292 Teen Parent Program	9,025	-	-	9,025				
1299 Other Programs	371,850	211,028	93,657	37,479	29,159		528	
1400 Summer School Programs	129,533	77,852	25,867	24,624	1,189			
<b>Total Instruction Expenditures</b>	<b>\$ 52,055,533</b>	<b>\$ 31,060,708</b>	<b>\$ 18,003,803</b>	<b>\$ 1,673,742</b>	<b>\$ 1,278,151</b>	<b>\$ -</b>	<b>\$ 39,129</b>	<b>\$ -</b>
Support Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2120 Guidance Services	\$ 1,657,875	\$ 1,017,481	\$ 627,271		\$ 10,022		\$ 3,100	
2130 Health Services	277,228	155,317	107,606	7,500	6,806			
2140 Psychological Services	536,658	354,331	170,238	1,918	10,170			
2150 Speech Pathology and Audiology Services	715,212	445,710	260,528	1,624	7,351			
2160 Other Student Treatment Services	3,499	-	-	1,258	2,241			
2190 Service Direction, Student Support Services	400,114	204,237	119,106	62,863	12,991		918	
2210 Improvement of Instruction Services	1,192,969	444,934	251,789	193,966	301,808		472	
2220 Educational Media Services	1,009,182	555,647	342,143	3,840	107,477		75	
2230 Assessment & Testing	93,750				93,750			
2240 Instructional Staff Development	311,465		311,465					
2310 Board of Education Services	158,368			122,178	1,134		35,056	
2320 Executive Administration Services	574,834	302,865	161,754	80,133	27,469		2,613	
2410 Office of the Principal Services	5,338,830	3,071,894	1,964,977	221,082	77,130		3,748	
2510 Direction of Business Support Services	621,168	111,700	64,947	17,121	2,225		425,176	
2520 Fiscal Services	595,434	276,028	219,391	93,732	5,743		540	
2540 Operation and Maintenance of Plant Services	7,534,068	2,651,285	1,735,688	2,613,493	533,216		385	
2550 Student Transportation Services	4,115,876			4,115,876				
2570 Internal Services	192,549	77,209	67,600	46,534	1,207			
2640 Staff Services	403,235	210,033	114,450	69,401	9,101		250	
2660 Technology Services	1,599,470	567,893	368,862	321,257	341,458		-	
2700 Supplemental Retirement Program	1,562,910	478,700	1,084,210					
<b>Total Support Services Expenditures</b>	<b>\$ 28,894,695</b>	<b>\$ 10,925,266</b>	<b>\$ 7,972,023</b>	<b>\$ 7,973,776</b>	<b>\$ 1,551,298</b>	<b>\$ -</b>	<b>\$ 472,332</b>	<b>\$ -</b>
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	100,000							100,000
5400 PERS UAL Bond Lump Sum	-							
<b>Total Other Uses Expenditures</b>	<b>\$ 100,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 100,000</b>
<b>Grand Total</b>	<b>\$ 81,050,228</b>	<b>\$ 41,985,974</b>	<b>\$ 25,975,826</b>	<b>\$ 9,647,518</b>	<b>\$ 2,829,449</b>	<b>\$ -</b>	<b>\$ 511,461</b>	<b>\$ 100,000</b>

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

**Special Revenue Fund**

<b>Instruction Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>
1111 Primary, K-3	\$ 138,159	\$ 68,682	\$ 47,976		\$ 21,501		
1112 Intermediate Programs	-						
1131 High School Programs	24,334				24,334		
1140 Pre-Kindergarten Programs	-						
1220 Restrictive Programs for Students with Disabilities	1,246,542	755,178	490,649	715	-		
1250 Less Restrictive Programs for	213,676	116,491	84,473	12,257	455		
1272 Title I	685,994	449,185	236,808		-		
1280 Alternative Education	46,175	34,800	8,588	1,149	1,638		
1291 English Second Language Programs	-						
1293 Migrant Education	2,880				2,880		
1299 Other Programs	-	-	-				
1400 Summer School Programs	16,424	11,778	3,413		1,233		

**Total Instruction Expenditures** \$ 2,374,182 \$ 1,436,114 \$ 871,907 \$ 14,121 \$ 52,041 \$ - \$ -

<b>Support Services Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>
2130 Health Services	\$ 93,709	\$ 39,792	\$ 32,253		\$ 21,665		
2140 Psychological Services	\$ 128,977	\$ 43,660	\$ 85,316				
2150 Speech Pathology and Audiology Services	\$ -						
2160 Other Student Treatment Services	\$ 278,377	\$ 187,362	\$ 91,015	\$ -	\$ -		
2190 Service Direction, Student Support Services	317,803	191,993	110,087	5,105	10,618		
2210 Improvement of Instruction Services	189,579	104,989	22,472	47,883	14,235		
2520 Fiscal Services	0			0			
2660 Technology Services	-						

**Total Support Services Expenditures** \$ 1,008,445 \$ 567,797 \$ 341,142 \$ 52,988 \$ 46,518 \$ - \$ -

<b>Enterprise and Community Services</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>
3100 Food Services	\$ 1,654,850	\$ 607,426	\$ 412,433	\$ 15,430	\$ 618,041		\$ 1,519
3300 Community Services	\$ 247,989	137,637	90,342	12,685	7,326		

**Total Enterprise and Community Services Expenditures** \$ 1,902,839 \$ 745,063 \$ 502,775 \$ 28,114 \$ 625,367 \$ - \$ 1,519

<b>Other Uses Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>
5100 Debt Service	\$ -						
5200 Transfers of Funds	\$ -						
5400 PERS UAL Bond Lump Sum	\$ -						

**Total Other Uses Expenditures** \$ - \$ - \$ - \$ - \$ - \$ - \$ -

**Grand Total** \$ 5,285,466 \$ 2,748,974 \$ 1,715,824 \$ 95,224 \$ 723,925 \$ - \$ 1,519

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

Debt Service Fund
-------------------

Other Uses Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	\$ 23,758,062						\$ 23,758,062	
5200 Transfers of Funds	-							
5300 Apportionment of Funds by ESD	-							
5400 PERS UAL Bond Lump Sum	-							
<div> <div>Total Other Uses Expenditures</div> <div>\$ 23,758,062</div> <div>\$ -</div> <div>\$ -</div> <div>\$ -</div> <div>\$ -</div> <div>\$ -</div> <div>\$ 23,758,062</div> <div>\$ -</div> </div>								
Grand Total	\$ 23,758,062	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,758,062	\$ -

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

**Capital Projects Fund**

		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
Facilities Acquisition and Construction								
4110	Service Area Direction	\$ 206,053	\$ 119,838	\$ 81,315	\$ 900			\$ 4,000
4120	Site Acquisition and Development Services	490,608					490,608	
4150	Building Acquisition, Construction, and Improvement Services	4,021,159	29,980	17,434	1,091,979	1,418,349	1,463,418	
4180	Other Capital Items	603,109			1,451	85,295	516,364	
4190	Other Facilities Construction Services	-						
5100	Debt Service	95,332,872						95,332,872
Total Facilities Acquisition and Construction Expenditures		\$ 100,653,802	\$ 149,818	\$ 98,749	\$ 1,094,330	\$ 1,503,644	\$ 2,470,389	\$ 95,336,872
Grand Total		\$ 100,653,802	\$ 149,818	\$ 98,749	\$ 1,094,330	\$ 1,503,644	\$ 2,470,389	\$ 95,336,872

SUPPLEMENTAL INFORMATION  
As Required by the Oregon Department of Education  
For The Year Ended June 30, 2013

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A. Energy bills for heating - all funds:				<u>Objects 325 and 326</u>	
			Function 2540	\$	1,533,461
			Function 2550		
B. Replacement of equipment - General Fund:				<u>Amount</u>	
Include all General Fund expenditures in Object 542, except for the following exclusions:					
Exclude these functions:					
1113, 1122 & 1132	Co-curricular activities	4150	Construction	\$	0
1140	Pre-kindergarten	2550	Pupil transportation		
1300	Continuing education	3100	Food service		
1400	Summer school	3300	Community services		



WEST LINN-WILSONVILLE SCHOOL DISTRICT 3JT  
CLACKAMAS COUNTY, OREGON

STATISTICAL SECTION

## Statistical Section

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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.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b><i>Financial Trends</i></b>	
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	58
<b><i>Revenue Capacity</i></b>	
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	62
<b><i>Debt Capacity</i></b>	
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.	64
<b><i>Demographic and Economic Information</i></b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	68
<b><i>Operating Information</i></b>	
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.	72

### 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.

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**Condensed Statement of Net Position**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

<b>Governmental Activities</b>	Fiscal year				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Assets					
Current and other assets	\$ 14,416,062	\$ 20,057,195	\$ 20,229,517	\$ 117,898,306	\$ 96,810,573
Prepaid PERS unfunded actuarial liability	35,580,830	33,963,519	32,346,209	30,728,898	29,111,587
Net capital assets	<u>171,507,759</u>	<u>167,796,816</u>	<u>162,366,848</u>	<u>162,711,325</u>	<u>177,196,765</u>
Total assets	<u>221,504,651</u>	<u>221,817,530</u>	<u>214,942,574</u>	<u>311,338,529</u>	<u>303,118,925</u>
Deferred Outflows of Resources					
Loss on Bond Refunding Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities					
Long-term debt outstanding	180,107,776	170,434,985	159,721,810	247,384,871	239,269,721
Prepaid PERS unfunded actuarial liability outstanding	-	-	-	-	-
Other liabilities	<u>6,935,527</u>	<u>12,122,461</u>	<u>10,450,967</u>	<u>15,812,732</u>	<u>12,342,167</u>
Total liabilities	<u>187,043,303</u>	<u>182,557,446</u>	<u>170,172,777</u>	<u>263,197,603</u>	<u>251,611,888</u>
Deferred Inflows of Resources					
Net Pension Related Deferrals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Positions					
Invested in capital assets, net of related debt	65,166,761	40,223,047	45,633,075	59,549,087	62,777,910
Restricted for: Debt Service	2,954,391	3,324,655	3,391,956	2,305,898	82,853
Restricted for Grants and Other Purposes					72,007
Unrestricted	<u>(33,659,804)</u>	<u>(3,974,199)</u>	<u>(4,255,234)</u>	<u>(13,714,059)</u>	<u>(11,425,733)</u>
Total Net Assets	<u>\$ 34,461,348</u>	<u>\$ 39,573,503</u>	<u>\$ 44,769,797</u>	<u>\$ 48,140,926</u>	<u>\$ 51,507,037</u>

Fiscal year				
<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 75,828,619	\$ 44,826,159	\$ 25,605,145	\$ 27,559,827	\$ 118,356,892
27,494,277	25,876,966	24,259,656	22,642,346	11,885,311
180,140,259	209,736,544	217,942,689	216,565,751	216,012,650
<u>\$ 283,463,155</u>	<u>\$ 280,439,669</u>	<u>\$ 267,807,490</u>	<u>\$ 266,767,924</u>	<u>\$ 346,254,853</u>
-	-	-	-	\$ 331,404
\$ 229,592,681	\$ 218,326,577	\$ 193,780,326	\$ 194,571,517	\$ 286,220,361
-	-	-	-	-
9,169,717	12,987,009	18,360,162	11,676,943	12,356,105
<u>238,762,398</u>	<u>231,313,586</u>	<u>212,140,488</u>	<u>206,248,460</u>	<u>298,576,466</u>
-	-	-	-	\$ 13,912,280
59,613,789	68,047,630	60,080,449	58,703,511	71,289,067
493,745	652,473	699,718	1,201,295	1,668,258
133,307	1,592,292	329,419	436,040	322,844
(15,540,084)	(21,166,312)	(5,442,584)	841,426	(39,182,658)
<u>\$ 44,700,757</u>	<u>\$ 49,126,083</u>	<u>\$ 55,667,002</u>	<u>\$ 61,182,272</u>	<u>\$ 34,097,511</u>

**Changes in Net Assets**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

<b>Governmental Activities</b>	Fiscal year				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Expenses</b>					
Instruction	\$ 38,347,498	\$ 44,209,456	\$ 46,835,827	\$ 47,661,417	46,110,257
Support services	21,962,806	25,283,384	27,029,360	27,434,864	25,388,997
Enterprise and Community Services	2,045,144	2,419,485	2,513,565	2,439,278	2,451,763
Non-capital facilities maintenance & replacement	-	-	590,175	389,427	-
Interest and fees on long-term debt	8,315,888	8,259,152	8,165,996	9,625,281	12,522,456
Total expenditures	<u>70,671,336</u>	<u>80,171,477</u>	<u>85,134,923</u>	<u>87,550,267</u>	<u>86,473,473</u>
<b>Program Revenues</b>					
Charges for services	2,795,934	2,942,968	3,580,538	3,814,949	3,554,281
Instruction	-	-	-	-	-
Support services	-	-	-	-	-
Enterprise and Community Services	-	-	-	-	-
Operating grants and contributions	3,069,900	3,314,862	3,222,087	4,939,831	6,358,624
Instruction	-	-	-	-	-
Support services	-	-	-	-	-
Enterprise and Community Services	-	-	-	-	-
Total program revenues	<u>5,865,834</u>	<u>6,257,830</u>	<u>6,802,625</u>	<u>8,754,780</u>	<u>9,912,905</u>
<b>Net (Expenses)</b>	(64,805,502)	(73,913,647)	(78,332,298)	(78,795,487)	(76,560,568)
<b>General Revenues</b>					
Property taxes	33,426,649	35,671,159	37,157,757	38,002,939	40,965,816
Local Option Tax	5,196,068	6,311,507	7,022,392	7,420,022	6,736,010
State School Fund	28,111,908	31,341,677	36,829,154	34,928,350	30,936,476
Investment earnings	924,818	1,171,599	988,810	557,637	871,427
Other	4,813,585	4,529,860	2,846,406	449,631	416,950
Gain on disposal of capital assets	-	-	(1,315,927)	-	-
Total general revenues	<u>72,473,028</u>	<u>79,025,802</u>	<u>83,528,592</u>	<u>81,358,579</u>	<u>79,926,679</u>
<b>Change in Net Assets</b>	<u>\$ 7,667,526</u>	<u>\$ 5,112,155</u>	<u>\$ 5,196,294</u>	<u>\$ 2,563,092</u>	<u>3,366,111</u>

Fiscal year				
<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
52,769,920	46,530,573	49,486,455	52,933,695	48,087,074
29,987,705	25,248,894	23,051,308	29,167,674	26,437,672
2,625,723	2,137,665	1,895,933	1,963,207	2,038,325
-	-	-	-	-
11,394,527	11,082,263	10,681,883	8,842,269	22,107,917
96,777,875	84,999,395	85,115,579	92,906,845	98,670,988
3,364,167	3,918,688	3,883,200	3,938,788	3,250,887
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
6,371,222	3,721,870	3,515,930	4,026,129	3,864,011
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
9,735,389	7,640,558	7,399,130	7,964,917	7,114,898
(87,042,486)	(77,358,837)	(77,716,449)	(84,941,928)	(91,556,090)
42,840,890	43,922,204	43,877,179	45,580,819	45,830,813
4,861,280	3,164,769	2,800,796	2,801,069	3,884,793
29,912,976	33,928,944	36,192,101	41,541,170	44,111,818
659,793	299,687	162,710	194,772	2,236,722
383,063	407,133	1,223,627	1,655,070	9,285,485
1,578,204	61,426	954	(61,890)	-
80,236,206	81,784,163	84,257,367	91,711,010	105,349,631
(6,806,280)	4,425,326	6,540,918	6,769,082	13,793,541

**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	Fiscal years 2005-2009				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Fund Balances (Deficit)</b>					
Nonspendable	-	\$ -	\$ -	\$ -	\$ -
Restricted for:					
General Fund	\$ -	-	-	-	-
Debt service funds	2,954,391	-	-	-	-
Future Capital Projects					
Committed					
Unassigned					
Reserved, reported in					
General Fund		66,402	119,842	89,073	72,007
Debt service funds		3,324,655	3,391,956	2,305,898	82,853
Unreserved, reported in					-
General Fund	790,382	1,743,775	2,509,842	1,562,018	2,439,735
Special revenue funds	196,097	(79,268)	262,444	120,015	300,976
Capital projects funds	1,155,172	679,273	580,102	96,932,803	78,851,796
Total fund balances	<u>\$ 5,096,042</u>	<u>\$ 5,734,837</u>	<u>\$ 6,864,186</u>	<u>\$ 101,009,807</u>	<u>\$ 81,747,367</u>

	Fiscal years 2010-2014				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Fund Balances (Deficit)</b>					
Nonspendable	\$ 178,973	\$ 155,927	\$ 80,103	\$ 85,877	\$ 209,706
Restricted for:					
Grants and Other	133,307	1,592,292	329,419	436,040	322,844
Debt Service	493,745	652,473	699,718	1,201,295	1,668,258
Future Capital Projects	57,548,496	23,223,469	11,148,549	8,154,014	98,010,357
Committed	1,224,746	-	-	-	-
Unassigned	4,659,738	3,255,981	4,278,963	4,395,909	5,161,253
Reserved, reported in					
General Fund	-	-	-	-	-
Debt service funds	-	-	-	-	-
Unreserved, reported in					
General Fund	-	-	-	-	-
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Total fund balances	<u>\$ 64,239,005</u>	<u>\$ 28,880,142</u>	<u>\$ 16,536,752</u>	<u>\$ 14,273,135</u>	<u>\$ 105,372,418</u>

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



**Changes in Fund Balance of All Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	Fiscal year				
	2006	2007	2008	2009	2010
<b>REVENUES:</b>					
Local Sources:	\$ 45,685,506	\$ 48,639,999	\$ 51,051,894	\$ 51,803,870	\$ 54,812,001
Intermediate Sources:	599,640	633,717	613,328	692,997	643,999
State Sources:	29,481,446	32,272,703	36,845,078	34,950,009	30,958,143
Federal Sources	2,610,189	2,715,361	2,673,125	4,285,121	5,728,494
<b>TOTAL REVENUES</b>	<b>78,376,781</b>	<b>84,261,780</b>	<b>91,183,425</b>	<b>91,731,997</b>	<b>92,142,637</b>
<b>EXPENDITURES:</b>					
Current:					
Instruction	37,068,616	39,352,423	42,975,316	45,023,547	42,784,272
Support Services	22,077,238	23,613,514	25,687,742	26,791,199	24,463,911
Enterprise and Community Services	1,941,015	2,110,337	2,269,268	2,260,424	2,232,378
Facilities Acquisition and Construction	2,493,913	1,299,427	688,116	4,452,264	9,823,777
Debt Service					
Principal	8,500,000	9,560,000	10,560,000	11,770,000	9,885,000
Interest	8,501,485	8,450,644	8,220,147	7,609,060	12,856,209
Capital Outlay	18,328,091	22,921	28,222	41,470	9,357,019
<b>TOTAL EXPENDITURES</b>	<b>98,910,358</b>	<b>84,409,266</b>	<b>90,428,811</b>	<b>97,947,964</b>	<b>111,402,566</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(20,533,577)</b>	<b>(147,486)</b>	<b>754,614</b>	<b>(6,215,967)</b>	<b>(19,259,929)</b>
<b>OTHER FINANCING SOURCES, (USES):</b>					
Sale of Fixed Assets		750,000	350,000	-	-
Bond Sale Proceeds				100,355,737	-
Bond Issuance					
Transfers In	35,000	71,225	630,000	175,000	210,000
Transfers Out	(35,000)	(71,225)	(630,000)	(175,000)	(210,000)
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>-</b>	<b>750,000</b>	<b>350,000</b>	<b>100,355,737</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(20,533,577)</b>	<b>602,514</b>	<b>1,104,614</b>	<b>94,139,770</b>	<b>(19,259,929)</b>
<b>BEGINNING FUND BALANCE</b>	<b>25,629,468</b>	<b>5,118,032</b>	<b>5,651,129</b>	<b>6,864,186</b>	<b>101,009,807</b>
<b>Adjustment for Inventories reported under the purchase method</b>	<b>151</b>	<b>14,291</b>	<b>108,443</b>	<b>5,851</b>	<b>(2,511)</b>
Prior Period Adjustment					
<b>ENDING FUND BALANCE</b>	<b>\$ 5,096,042</b>	<b>\$ 5,734,837</b>	<b>\$ 6,864,186</b>	<b>\$ 101,009,807</b>	<b>\$ 81,747,367</b>
Ratio of total debt service to total non-capital expenditures	0.218	0.217	0.209	0.207	0.246

	2011	2012	2013	2014	2015
\$	54,921,063	\$ 53,933,679	\$ 54,771,375	\$ 72,772,760	\$ 63,055,879
	556,127	685,451	597,987	581,843	1,901,939
	29,932,984	33,944,494	36,206,101	41,541,170	44,111,818
	5,806,422	3,130,511	2,970,799	3,479,826	3,317,707
	91,216,596	91,694,135	94,546,262	118,375,599	112,387,343
	40,239,385	42,867,738	43,533,497	50,021,283	54,429,715
	23,689,350	24,247,333	20,278,358	27,562,868	29,903,160
	1,956,123	1,895,339	1,667,862	1,855,191	1,902,839
	22,538,547	35,220,168	13,153,990	1,531,125	5,320,908
	10,785,000	10,305,375	13,710,000	27,231,781	112,223,602
	11,074,527	12,476,888	10,031,883	9,393,081	6,867,332
	-	-	4,500,000	3,043,887	-
	110,282,932	127,012,841	106,875,590	120,639,216	210,647,556
	(19,066,336)	35,318,706	(12,329,328)	(2,263,617)	(98,260,213)
	1,529,687	-	-	-	-
	-	-	-	-	189,333,774
	270,000	70,000	1,230,255	100,000	100,000
	(270,000)	(70,000)	(1,230,255)	(100,000)	(100,000)
	1,529,687	-	-	-	189,333,774
	(17,536,649)	(35,318,706)	(12,329,328)	(2,263,617)	91,073,561
	81,747,367	64,239,005	28,830,847	16,537,030	14,273,134
	28,287	(40,157)	35,233	(278)	25,723
\$	64,239,005	\$ 28,880,142	\$ 16,536,752	\$ 14,273,135	\$ 105,372,418
	0.249	0.246	0.209	0.315	0.580

**Assessed Values of Taxable Property within School District No. 3JT Boundaries  
Last Ten Fiscal Years**

Fiscal Year Ending June 30	Assessed Value			Total Direct Tax Rate *	Real Market Value		Total Real Market Value	AV as a % of RMV
	Real Property	Personal Property	Total Assessed Value		Real Property	Personal Property		
2006	4,487,616,707	106,868,396	4,690,368,420	8.91	6,315,491,873	146,999,169	6,462,491,042	72.6
2007	4,760,908,645	148,994,974	4,909,903,619	9.11	7,397,850,604	148,994,974	7,546,845,578	65.1
2008	5,094,620,465	155,796,810	5,250,417,275	9.05	8,837,919,704	155,796,810	8,993,716,514	58.4
2009	5,403,740,204	160,117,445	5,563,857,649	8.85	9,179,539,626	160,117,445	9,339,657,071	59.6
2010	5,690,536,150	148,349,758	5,838,885,908	8.83	8,340,052,650	148,349,758	8,488,402,408	68.8
2011	5,855,503,933	144,297,381	5,999,801,314	8.63	7,450,639,449	144,297,381	7,594,936,830	79.0
2012	6,013,239,941	130,267,169	6,143,507,110	8.38	6,978,592,430	130,267,169	7,108,859,599	86.4
2013	6,149,698,840	139,170,115	6,288,868,955	8.34	6,788,248,438	139,170,115	6,927,418,553	90.8
2014	6,233,375,454	145,725,863	6,561,007,302	8.25	6,899,647,051	145,725,863	7,243,162,431	90.6
2015	6,603,380,740	156,718,618	6,949,191,090	8.34	7,797,024,933	156,718,618	8,156,722,428	85.2

Source:

Assessors office of both Clackamas and Washington Counties.

\* Per \$1,000 of Assessed Value

**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
2006	4.84	1.21	-	2.86	8.91
2007	4.84	1.28	-	2.94	9.11
2008	4.84	1.34	-	2.87	9.05
2009	4.84	1.33	-	2.68	8.85
2010	4.84	1.18	-	2.81	8.83
2011	4.84	0.82	-	2.97	8.63
2012	4.87	0.52	-	2.99	8.38
2013	4.87	0.45	-	3.02	8.34
2014	4.87	0.43	-	2.95	8.25
2015	4.87	0.58	-	2.89	8.34

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	Metropolitan Service District
2006	3.02	2.37	0.76	2.40	0.36	1.77	0.27
2007	3.26	2.32	0.73	2.40	0.36	1.82	0.27
2008	2.43	2.25	0.71	2.23	0.36	1.87	0.33
2009	2.50	2.20	0.74	2.81	0.36	1.84	0.39
2010	2.45	2.17	0.72	3.59	0.36	1.77	0.43
2011	2.45	2.20	0.70	3.13	0.36	1.88	0.40
2012	2.42	2.20	0.68	3.31	0.36	1.93	0.31
2013	2.56	2.21	0.70	3.32	0.36	1.91	0.40
2014	2.56	2.14	0.71	3.18	0.37	1.91	0.47
2015	2.54	2.13	0.70	3.18	0.36	1.51	0.45

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 2014-15 is \$.58. Local option taxes are assessed on a property by property basis. Not all properties pay at the highest \$1.50 rate.

Source: Clackamas County Assessors Office

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Port of Portland	Tri-Met	City of Tualatin	Washington County	City of Lake Oswego
0.07	0.11	2.81	2.84	5.62
0.07	0.10	2.13	2.87	5.32
0.07	0.08	2.26	3.03	5.28
0.07	0.08	2.72	2.98	5.28
0.07	0.08	2.18	2.98	5.21
0.07	0.09	2.53	2.98	5.18
0.07	0.06	2.56	2.97	5.18
0.07	-	2.56	2.97	5.17
0.07	-	2.55	2.97	5.14
0.06	-	2.53	2.82	4.99

**Principal Property Tax Payers for the West Linn-Wilsonville School District**  
**Current Year and Nine Years Ago**  
*Taxing District - School District*

		<b>2014-15</b>	
<b>Employer</b>	<b>Type of Business</b>	<b>Taxable Assessed Value</b>	<b>Percentage of Total Taxable Assessed Value</b>
PORTLAND GEN ELEC CO	Utilities	569,210,000	8.19%
SHORENSTEIN PROPERTIES LLC	Real Estate	262,188,654	3.77%
GENERAL GROWTH PROPERTIES INC	Real Estate	224,899,091	3.24%
COMCAST CORPORATION	Television and Internet	196,940,900	2.83%
NORTHWEST NATURAL GAS CO	Utilities	184,826,000	2.66%
CLACKAMAS BAKING PLANT		181,602,350	2.61%
PCC STRUCTURALS INC	Document Imaging	116,813,491	1.68%
XEROX CORPORATION	Manufacturing	76,045,740	1.09%
BLOUNT INC		72,338,200	1.04%
MENTOR GRAPHICS CORP		64,886,837	0.93%
ALL OTHER TAXPAYERS		4,999,439,827	71.94%
		6,949,191,090	100.00%
TOTAL			

		<b>2005-06</b>	
<b>Employer</b>	<b>Type of Business</b>	<b>Value</b>	<b>Total Taxable</b>
XEROX CORPORATION	Document Imaging	70,836,574	1.51%
PORTLAND GEN ELEC CO	Utilities	52,846,000	1.13%
MENTOR GRAPHICS CORPORATION	Document Imaging	46,207,296	0.99%
GOODMAN FINANCIAL SERVICES INC	Financial/Consulting	29,475,664	0.63%
NIKE USA INC	Apparel Distribution Center	27,352,816	0.58%
BIT HOLDINGS FIFTY-SEVEN, INC	Engineering Services	25,150,644	0.54%
NORTHWEST NATURAL GAS CO	Utilities	24,300,600	0.52%
CH REALTY III/PORTLAND INDUSTRIAL	Real Estate	23,429,076	0.50%
SIMPSON REALTY GROUP	Real Estate	20,928,731	0.45%
SPECHT WILSONVILLE	Real Estate Industry	19,718,078	0.42%
ALL OTHER TAXPAYERS		4,350,122,941	92.75%
		\$ 4,690,368,420	100.00%
TOTAL			

Source:  
Clackamas County, Division of Assessment and Taxation

**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
2006	39,681,166	37,809,744	95.28	875,157	38,684,901	97.49
2007	42,965,992	40,712,129	94.75	1,005,602	41,717,731	97.09
2008	45,222,362	42,540,415	94.07	1,148,280	43,688,695	96.61
2009	46,519,129	43,344,411	93.20	1,362,944	44,707,355	96.10
2010	48,871,072	45,805,570	93.73	1,784,543	47,590,113	97.38
2011	49,197,378	46,235,456	93.98	1,695,545	47,931,001	97.43
2012	48,139,714	45,362,760	94.23	1,324,095	46,686,855	96.98
2013	48,123,591	45,345,170	94.23	1,368,641	46,713,810	97.07
2014	49,475,387	47,191,004	95.38	1,363,510	48,554,513	98.14
2015	49,662,152	47,271,135	95.19	1,166,181	48,427,316	97.51

**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.

**Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
*(dollars in thousands, except per capita)*

Fiscal Year	Governmental Activities			Outstanding Debt Per Capita	Outstanding Debt as a Percentage of Personal Income (1)
	General Obligation Bonds	Pension Obligation Bonds	Total Primary Government		
2006	134,972	42,180	177,152	4,367	1.24
2007	125,412	42,180	167,592	4,081	1.08
2008	114,852	42,180	157,032	3,795	0.95
2009	201,162	42,135	243,297	5,738	1.77
2010	191,637	41,955	233,592	5,398	1.68
2011	181,492	41,635	223,127	5,107	1.50
2012	170,272	41,155	211,427	4,687	1.17
2013	157,862	40,505	198,367	4,307	1.15
2014	146,914	39,675	186,589	3,930	1.01
2015	214,126	38,640	252,766	5,232	1.32

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

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



**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2015**

Overlapping Issuer	Net Property-tax Backed Debt <sup>1</sup>	Percent Overlapping	Net Overlapping Debt
Clackamas Community College	66,116,012	20.74%	13,712,461
City of West Linn	16,605,000	99.10%	16,455,555
METRO	193,205,000	3.58%	6,916,739
Clackamas County	98,780,000	15.14%	14,955,292
Washington County	19,890,000	0.17%	33,813
Portland Community College	160,095,000	0.07%	112,067
Tri-Met	-	0.00%	-
City of Tualatin	7,691,763	1.75%	134,606
Tualatin Valley Fire & Rescue Dist.	55,020,000	12.84%	7,064,568
City of Lake Oswego	13,115,000	0.00%	-
Subtotal, overlapping debt	\$ 630,517,775		59,385,101
Direct District net property-tax backed debt	\$ 252,766,741	100%	252,766,741
Total direct and overlapping debt	\$ 883,284,516		\$ 312,151,842

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

**Source:**

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

**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				
2006	134,972,238	-	134,972,238	3.83%	17,278		
2007	125,412,238	-	125,412,238	3.35%	15,696		
2008	114,852,238		114,852,238	2.89%	14,251		
2009	201,162,238		201,162,238	4.79%	24,998		
2010	191,637,238		191,637,238	4.09%	23,762		
2011	181,492,238		181,492,238	3.02%	22,357		
2012	170,272,238		170,272,238	2.77%	20,828		
2013	157,862,238		157,862,238	2.50%	18,849		
2014	146,914,645		146,914,645	2.24%	17,006		
2015	214,126,741		214,126,741	3.08%	24,046		
Fiscal Year	Other Governmental Activities Debt				Total District <sup>(3)</sup>	Per Student	
	Limited Tax G.O. Refunding Bonds	Certificates of Participation	Refunding Special Obligations	Small Scale Energy Loan Programs		ADM <sup>(2)</sup>	Per Capita <sup>(4)</sup>
2006			42,180,000		177,152,238	22,677	4,367
2007			42,180,000		167,592,238	20,975	4,081
2008			42,180,000		157,032,238	19,485	3,796
2009			42,135,000		243,297,238	30,235	5,738
2010			41,955,000		233,592,238	28,964	5,398
2011			41,635,000		223,127,238	27,485	5,107
2012			41,135,000		211,428,238	25,863	4,687
2013			40,505,000		198,367,238	23,686	4,304
2014			39,675,000		186,589,645	21,599	3,930
2015			38,640,000		252,766,741	28,385	5,232

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

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

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

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

<sup>4</sup> Per capita is calculated using the estimated District population of 48,375 for 2014-15

Fiscal Year	ADM	Population
2006	7,812	40,566
2007	7,990	41,065
2008	8,059	41,373
2009	8,047	42,400
2010	8,065	43,276
2011	8,118	43,687
2012	8,175	45,107
2013	8,375	46,089
2014	8,639	47,476
2015	8,905	48,315

**Legal Debt Margin Information  
Last Ten Fiscal Years**

**Legal Debt Margin Calculation for Fiscal Year 2015**

Real Market Value	\$ 8,156,722,428
Debt Limit (7.95%) <sup>1</sup>	648,459,433
Amount of Debt Applicable to Debt Limit:	
General Obligation Bonded Debt	214,126,741
Less: Amount Available in Debt Service Funds	-
Amount of Debt Applicable to Debt Limit	<u>214,126,741</u>
Legal Debt margin	<u>\$ 434,332,692</u>

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2014</u>
Debt Limit	\$ 513,768,038	\$ 599,974,223	\$ 715,000,463	742,502,737	674,827,991	603,797,478	565,154,338	550,729,775	575,831,413	648,459,433
Total net debt applicable to limit	<u>137,926,629</u>	<u>125,412,238</u>	<u>114,852,238</u>	<u>201,162,238</u>	<u>191,637,238</u>	<u>181,492,238</u>	<u>170,272,238</u>	<u>157,862,238</u>	<u>146,914,645</u>	<u>214,126,741</u>
Legal debt margin	<u>\$ 375,841,409</u>	<u>\$ 474,561,985</u>	<u>\$ 600,148,225</u>	<u>\$ 541,340,499</u>	<u>\$ 483,190,753</u>	<u>\$ 422,305,240</u>	<u>\$ 394,882,100</u>	<u>\$ 392,867,537</u>	<u>\$ 428,916,768</u>	<u>\$ 434,332,692</u>
Total net debt applicable to the limit as a percentage of debt limit	26.85%	20.90%	16.06%	27.09%	28.40%	30.06%	30.13%	28.66%	25.51%	33.02%

<sup>1</sup> ORS 328.245 establishes a parameter of bonded indebtedness for school districts. Aggregates are governed by real market values of all taxable properties within the District based on the following:

<sup>A</sup> For each grade from kindergarten to eighth for which the District operates schools, fifty-five one-hundredths of one percent (.0055) of the real market value.

<sup>B</sup> For each grade from ninth to twelfth for which the District operates schools, seventy-five one-hundredths of one percent (.0075) of the real market value.

Allowable Percentage of Real Market Value:

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

Source

Market value per Clackamas and Washington County Assessors Offices.

**Demographic and Economic Statistics**  
**Last Ten Calendar Years**  
*Clackamas County*

<b>Year</b>	<b>District Population</b> <i>(Estimated)</i>	<b>County Personal</b> <b>Income (1)</b> <i>(thousands of dollars)</i>	<b>County Per</b> <b>Capita Personal</b> <b>Income (3)</b>	<b>Clackamas</b> <b>County</b> <b>Unemployment</b> <b>Rate (2)</b>
2006	40,570	14,327,255	39,116	5.4%
2007	41,065	15,555,000	41,974	4.4%
2008	41,373	16,492,000	43,965	6.7%
2009	42,400	16,853,655	43,646	10.4%
2010	43,276	16,945,867	44,954	10.1%
2011	43,687	17,457,115	45,915	8.9%
2012	45,107	18,813,208	49,040	8.0%
2013	46,089	19,200,727	49,453	7.1%
2014	47,476	N/A	N/A	6.3%
2015	48,315	N/A	N/A	4.8%

Sources:

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

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

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

**Full-time Equivalent District Employees by Type  
Last Ten Fiscal Years**

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<b><u>Instructional Staff</u></b>							
Primary, K-5 Instruction	229.55	202.00	199.42	193.11	137.00	129.16	140.32
Intermediate, 4-5 Instruction (2)	0.00	0.00	0.00	0.00	70.23	68.30	71.02
Middle School Instruction	94.95	92.52	86.16	85.19	101.46	99.51	107.42
High School Instruction	116.50	104.10	102.02	100.53	110.60	108.56	117.82
High School Activities	2.00	2.00	2.20	2.60	2.20	2.20	2.20
Pre-Kindergarten Instruction	5.61	4.41	5.88	5.52	7.28	6.48	5.59
Talented & Gifted	3.06	2.81	1.76	1.76	2.61	2.61	2.51
High Needs Students	26.75	22.25	31.54	30.89	39.53	37.90	47.75
Resource Rooms	40.95	34.58	30.00	28.82	36.73	41.53	45.69
Alternative Education	9.14	5.45	6.18	6.19	4.90	5.90	1.15
Charter Schools	0.00	0.00	0.00	0.00	0.00	1.25	0.00
English - Second Language	5.00	5.00	4.38	3.70	7.31	6.50	11.01
CREST	3.00	2.00	3.00	3.00	2.75	2.75	2.50
Subtotal Instructional Staff	536.51	477.12	472.54	461.31	522.60	512.65	554.98
<b><u>Support Services Staff</u></b>							
Counseling	19.00	15.00	18.50	18.50	18.25	17.50	19.70
District Nurse	3.00	3.00	3.00	3.00	3.15	3.37	3.12
Psychological Services	2.00	0.50	0.00	0.00	0.60	0.00	3.50
Speech	8.80	5.80	5.00	5.00	2.55	3.05	9.85
Special Services-Direction	4.00	3.00	3.00	2.00	3.21	3.00	4.00
Curriculum Development	2.00	2.00	2.00	2.00	2.00	2.50	2.31
Curriculum - Direction	1.00	1.00	1.00	1.00	1.50	1.50	0.50
Libraries-Media	11.50	10.22	14.96	14.84	19.70	18.40	20.60
Executive Administration	2.50	2.50	2.50	1.50	2.00	2.00	3.00
Office of the Principal	44.70	42.50	43.10	36.50	45.10	43.60	45.60
Business - Direction	1.00	0.89	0.89	0.89	1.88	0.83	1.00
Fiscal Office	5.00	4.72	4.61	4.61	5.63	5.41	6.00
Operations Direction	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Maintenance - Direction	4.00	1.88	2.88	2.88	2.69	2.53	4.00
Care & Upkeep of Buildings	42.00	40.00	41.50	39.50	39.50	39.50	36.90
Care & Upkeep of Grounds	0.00	0.00	0.00	0.00	14.96	0.00	5.00
Maintenance	15.00	15.00	15.15	15.10	0.00	8.00	9.50
Warehouse & Distribution	2.00	2.00	1.95	0.99	2.91	3.00	3.00
Staff Services - Personnel	3.00	3.00	3.00	3.00	3.00	3.00	3.50
Technology Services	11.00	7.73	8.23	8.48	9.98	7.03	8.00
Subtotal Support Services Staff	181.50	160.74	171.27	159.79	178.61	164.22	189.08
<b>Total</b>	<b>718.01</b>	<b>637.86</b>	<b>643.81</b>	<b>621.10</b>	<b>701.21</b>	<b>676.87</b>	<b>744.06</b>

**Source:**

District Budget Office

**Notes:**

(1) General Fund Employees Only.

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

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

<u>2008</u>	<u>2007</u>	<u>2006</u>
140.72	133.47	127.24
70.32	67.98	64.86
106.92	98.42	97.81
116.12	109.24	105.81
2.20	1.88	0.00
5.59	4.94	4.75
2.51	2.45	2.00
47.05	38.69	38.50
45.49	46.13	44.43
1.15	0.67	2.11
0.00	1.63	1.63
11.01	10.91	13.80
2.50	2.50	0.00
551.58	518.91	502.94
19.30	19.30	19.30
3.12	3.00	2.50
3.50	5.40	5.40
9.55	9.85	9.05
4.00	4.00	4.00
2.31	1.50	2.39
0.50	0.54	0.54
21.40	20.40	21.31
3.00	3.00	3.00
45.60	42.60	41.10
1.00	1.00	0.00
6.00	6.00	6.00
0.00	2.00	2.00
4.00	2.00	0.00
39.00	39.00	39.00
5.00	5.00	0.00
9.50	10.50	10.50
3.00	3.00	2.45
3.50	3.50	0.00
8.00	8.00	8.00
191.28	189.59	176.54
<b>742.86</b>	<b>708.50</b>	<b>679.48</b>

## Operating Statistics Last Ten Fiscal Years

										Percentage
Fiscal Year	Student Average	Charter Schools			Certified	Free &				
Ending	Daily	Student Average	Operating Expenses	Cost Per ADM	Staff FTE	ADM to Certified	Tchr Salary		Tchr Salary	Reduced per
June 30	Membership (1)	Daily Membership	(2)	(1)	(3)	Ratio (3)	Ave Tchr Salary	Range-Low	Range-High	ADM
2005-06	7,812	160	63,042,721	8,070	445	17.2				
2006-07	7,990	180	67,349,626	8,429	454	17.2	\$ 49,969	\$ 31,368	\$ 62,355	14.7
2007-08	8,059	180	70,932,326	8,801	475	16.6	51,919	32,529	64,662	16.2
2008-09	8,047	100	74,075,170	9,205	481	16.7	53,932	33,830	67,248	16.9
2009-10	8,065	100	69,480,561	8,615	445	18.1	54,902	33,830	67,248	19.6
2010-11	8,118	100	66,319,321	8,169	451	18.0	50,561	35,183	69,938	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	35,887	71,336	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

(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



**Principal Employers for the West Linn-Wilsonville School District Area (1)**  
**Current Year and Ten Years Ago**

		<b>2014-15</b>	
<b>Employer</b>	<b>Type of Business</b>	<b>Number of Employees</b>	<b>Percentage of Total City Employment*</b>
Stream International Inc	Facilities Support Services	1,153	6.9%
Mentor Graphics Corporation	CAD Software Systems	964	5.8%
Xerox Corporation	Copiers and Printers	706	4.2%
Rockwell Collins Head-Up Guidance Systems	Aviation Guidance Systems	584	3.5%
Sysco Portland Inc	Warehouse & Distribution	475	2.8%
Precision Interconnect	Manufacturing	355	2.1%
Flir Systems Inc	Manufacturing	331	2.0%
BCI Coca Cola Bottling Co of Los Angeles	Warehouse & Distribution	285	1.7%
Fred Meyer #516	Retail	275	1.6%
Costco Wholesale #766	Warehouse	240	1.4%
		<b>5,368</b>	<b>32.0%</b>

		<b>2005-06</b>	
<b>Employer</b>	<b>Type of Business</b>	<b>Number of Employees</b>	<b>Percentage of Total City Employment**</b>
Xerox Corporation	Copiers and Printers	1,594	10.5%
Mentor Graphics Corporation	CAD Software Systems	1,100	7.2%
Hollywood Entertainment Corporation	Headquarters, warehouse, retail	811	5.3%
Precision Interconnect	Electronic Machinery	653	4.3%
Sysco/Continental Food Service	Warehouse & Distribution Center	439	2.9%
Infocus Corporation	Projectors & Display Systems	375	2.5%
Fry's Electronics	Retail	316	2.1%
Adeccp North America	Employment Services	305	2.0%
Rite Aid Distribution Center	Warehouse & Distribution Center	264	1.7%
Oregon Glass Company	Glass Products manufacture	235	1.5%
		<b>6,092</b>	<b>40.0%</b>

\*Total city employment for 2014-15 16,755

\*\*Total city employment for 2005-06 15,176

(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

**Capital Asset Information  
Last Ten Fiscal Years**

											Average Age of Buildings
Fiscal Year											
											(in years)
<b>Schools</b>											
<b>Primary</b>											
Buildings	7	7	7	7	7	7	7	9	9	9	52
Square Feet	446,982	446,982	446,982	446,982	446,982	446,982	446,982	581,626	581,626	581,626	
Capacity	3,382	3,382	3,382	3,382	3,382	3,382	3,382	4,401	4,401	4,401	
Membership (ADM)	3,482	3,375	3,375	3,375	3,375	3,375	3,516	3,716	3,716	3,716	
Percent Used	103%	100%	100%	100%	100%	100%	104%	84%	84%	84%	
<b>Middle</b>											
Buildings	3	3	3	3	3	3	3	3	3	3	23
Square Feet	282,519	282,519	282,519	282,519	282,519	282,519	284,519	284,519	284,519	284,519	
Capacity	2,082	2,082	2,082	2,082	2,082	2,082	1,932	1,932	1,932	1,932	
Membership (ADM)	1,909	1,899	1,899	1,899	1,899	1,899	1,985	1,985	1,985	1,985	
Percent Used	92%	91%	91%	91%	91%	91%	103%	103%	103%	103%	
<b>High</b>											
Buildings	2	2	2	2	2	2	2	2	2	2	42
Square Feet	500,631	500,631	500,631	500,631	500,631	500,631	499,943	499,943	499,943	499,943	
Capacity	3,291	3,291	3,291	3,291	3,291	3,291	3,220	3,220	3,220	3,220	
Membership (ADM)	2,638	2,508	2,508	2,508	2,508	2,508	2,674	2,674	2,674	2,674	
Percent Used	80%	76%	76%	76%	76%	76%	83%	83%	83%	83%	
<b>Other</b>											
Buildings	3	3	3	3	3	3	3	3	3	3	11
Square Feet	7,442	7,442	7,442	7,442	7,442	7,442	46,266	46,266	46,266	46,266	
<b>Administration</b>											
Buildings	1	1	1	1	1	1	1	1	1	1	81
Square Feet	21,000	21,000	21,000	21,000	21,000	21,000	17,439	17,439	17,439	17,439	
<b>Maintenance</b>											
Buildings	5	5	5	5	5	5	5	5	5	5	18
Square Feet	40,020	40,020	40,020	40,020	40,020	40,020	54,900	54,900	54,900	54,900	

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

**Full-time Equivalent District Employees by Assignment/Function  
Last Ten Fiscal Years**

<u>Assignment/Function</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Instructional Staff							
Prekindergarten teachers	3.50	3.50	3.30	3.30	4.81	4.50	3.00
Elementary teachers K-5	183.70	163.95	159.00	156.25	166.70	162.90	165.60
Secondary teachers	202.89	188.76	179.53	177.73	200.20	198.46	212.97
Teachers of ungraded classes	48.45	42.95	40.15	39.65	49.50	52.50	57.90
Educational assistants	97.97	77.96	90.56	84.38	101.39	94.29	115.51
Instructional coordinators and supervisors	-	-	-	-	-	-	-
Subtotal Instructional Staff	536.51	477.12	472.54	461.31	522.60	512.65	554.98
Support Services Staff							
Guidance K-12	19.00	15.00	18.50	18.50	18.25	17.50	19.70
Librarians/media specialists	5.75	5.15	6.66	6.46	11.40	10.40	10.40
Library and media support staff	5.75	5.07	8.30	8.38	8.30	8.00	10.20
District administrators	3.50	3.50	3.50	3.50	3.50	4.00	4.00
District support staff	84.00	78.22	79.18	77.45	83.55	72.30	79.71
School administrators	23.00	20.50	22.00	17.00	23.00	22.00	22.00
School administrative support staff	21.70	22.00	21.10	19.50	22.10	21.60	23.60
Student services support staff	18.80	11.30	12.00	9.00	8.51	8.42	19.47
Subtotal Support Services Staff	181.50	160.74	171.24	159.79	178.61	164.22	189.08
Total FTE	718.01	637.86	643.78	621.10	701.21	676.87	744.06

Source:  
District Budget Office

<u>2008</u>	<u>2007</u>	<u>2006</u>
3.00	3.00	3.00
164.50	159.70	158.35
210.17	196.66	193.27
57.00	53.08	50.32
116.91	105.47	100.38
-	1.00	1.50
<u>551.58</u>	<u>518.91</u>	<u>506.82</u>

19.30	19.30	19.30
10.40	9.40	9.50
11.00	11.00	11.81
4.00	3.54	3.54
81.81	82.50	82.84
22.00	21.00	21.60
23.60	21.60	19.50
19.17	21.25	19.95
<u>191.28</u>	<u>189.59</u>	<u>188.04</u>
<u>742.86</u>	<u>708.50</u>	<u>694.86</u>

WEST LINN-WILSONVILLE SCHOOL DISTRICT 3JT  
CLACKAMAS COUNTY, OREGON

INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS



**PAULY, ROGERS, AND CO., P.C.**  
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December 22, 2015

### Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of West Linn-Wilsonville School District 3JT as of and for the year ended June 30, 2015, and have issued our report thereon dated December 22, 2015. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

#### Compliance

As part of obtaining reasonable assurance about whether the West Linn-Wilsonville School 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 West Linn-Wilsonville School District 3JT 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 as noted on page 24 of this report.

#### OAR 162-10-0230 Internal Control

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

We noted matters involving the internal control structure and its operation that we consider to be significant deficiencies under standards established by the American Institute of Certified Public Accountants, which are noted in the schedule of findings and questioned costs on page 80.

This report is intended solely for the information and use of the Board of Directors, Management and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

A handwritten signature in black ink, appearing to read "Matthew Graves".

Matthew Graves, CPA  
PAULY, ROGERS AND CO., P.C.

WEST LINN-WILSONVILLE SCHOOL DISTRICT 3JT  
CLACKAMAS COUNTY, OREGON

GRANT COMPLIANCE REVIEW



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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AS REQUIRED BY THE OREGON DEPARTMENT OF EDUCATION  
YEAR ENDED JUNE 30, 2014

Federal Grantor/Pass Through Grantor/ Program Title	Grant Fund	Federal CFDA Number	Grant Period	Expenditures
<b>US. DEPARTMENT OF EDUCATION</b>				
<i>Passed through Oregon Department of Education:</i>				
Title I	252, 253	84.010	2014-15	685,994
Title III- Enhancing Education	267	84.365	2014-15	36,982
Title IIA- Teacher Quality	263	84.367	2014-15	116,658
IDEA	254	84.027	2014-15	1,263,071 *
IDEA -PreSchool	254	84.173	2014-15	6,663 *
<i>Passed through Clackamas County ESD:</i>				
Vocational Education	251	84.048	2014-15	24,334
Autism	201	84.xxx	2014-15	84,000
Medicaid	230	84.xxx	2014-15	129,045
Title IC Migrant Ed	241	84.013	2014-15	2,880
Youth Transition Program	266	84.126A	2014-15	118,019
Improving Teacher Quality	220	84.367	2014-15	9,603
Total U.S. Department of Education				2,477,249
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
Federal Forest Fees	100	10.665	2014-15	10,874
<i>Passed Through Oregon Department of Education:</i>				
Food Donation	297	10.555	2014-15	137,498
National School Lunch Program Breakfast	297	10.553	2014-15	82,705
National School Lunch Program	297	10.555	2014-15	609,384
Summer Food	297	10.559	2014-15	-
Total U.S. Department of Agriculture				840,461
*major program				
<b>TOTALS</b>				<b>\$ 3,317,710</b>



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December 22, 2015

To the Board of Directors  
West Linn-Wilsonville School District 3JT  
22210 SW Stafford Road  
Tualatin, Oregon 97062

**Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards***

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 3JT as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated December 22, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we do not express an opinion on the effectiveness of 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 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 financial statements are free from material misstatement, we performed tests of 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*.

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 internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, reading "Matthew Graves". The signature is written in a cursive, flowing style.

Matthew Graves, CPA  
PAULY, ROGERS AND CO., P.C.



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December 22, 2015

To the Board of Directors  
West Linn-Wilsonville School District 3JT  
22210 SW Stafford Road  
Tualatin, Oregon 97062

**Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133**

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

We have audited West Linn-Wilsonville School District 3JT's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2015. The 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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 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 compliance.

**Opinion on Each Major Federal Program**

In our opinion, West Linn-Wilsonville School District 3JT, 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, 2015.

**Report on Internal Control Over Compliance**

Management 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 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 OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Matthew Graves".

Matthew Graves, CPA  
PAULY, ROGERS AND CO., P.C.

WEST LINN-WILSONVILLE SCHOOL DISTRICT 3  
CLACKAMAS COUNTY, OREGON  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2015

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**Section I – Summary of Auditors' Results**

***Financial Statements***

Type of Auditors' report issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(ies) identified that are not considered to be material weaknesses

\_\_\_\_\_ Yes      X   No

\_\_\_\_\_ Yes      X   None reported

Noncompliance material to financial statements noted?

\_\_\_\_\_ Yes      X   No

Any GAGAS audit findings disclosed that are required to be reported in accordance with section 505(d)(2) of OMB Circular A-133?

\_\_\_\_\_ Yes      X   No

***Federal Awards***

Internal control over major programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified that are not considered to be material weaknesses

\_\_\_\_\_ Yes      X   No

\_\_\_\_\_ Yes      X   None reported

Type of auditors' report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?

\_\_\_\_\_ Yes      X   No

Identification of major programs

CFDA Number(s):

Name of Federal Program:

10.555

National School Lunch Program

84.010

Title I Grants to Local Educational Agencies

Dollar threshold used to distinguish between type A and type B programs:

\$ 300,000

Auditee qualified as low-risk auditee?

  X   Yes    \_\_\_\_\_ No

**NOTES TO THE SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of West Linn-Wilsonville School District 3JT and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

WEST LINN-WILSONVILLE SCHOOL DISTRICT 3  
CLACKAMAS COUNTY, OREGON  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2015

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**Section II – Current Year Financial Statement Findings**

None Reported.

**Section III – Prior Year Financial Statement Findings**

None Reported.

**Section IV – Federal Award Findings and Question Costs**

None Reported.