

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



Comprehensive Annual Financial Report

For The Fiscal Year Ended June 30, 2016

WEST LINN-WILSONVILLE SCHOOL DISTRICT 3JT

CLACKAMAS COUNTY, OREGON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2016

Prepared by
Business Office:
Doug Middlestetter, Business Manager

Tresa Davis, Senior Accountant

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

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Tualatin, Oregon 97062

Dr. William B. Rhoades
Dr. Kathy Ludwig
Dr. Aaron Downs
Doug Middlestetter

Superintendent
Deputy Superintendent
Assistant Superintendent
Business Manager

BOARD OF DIRECTORS AS OF JUNE 30, 2016

	<u>Term Expires</u>
Rob Fernandez, Chair	June 30, 2017
Keith Steele, Vice-Chair	June 30, 2017
Chelsea Martin	June 30, 2019
Betty Reynolds	June 30, 2019
Regan Molatore	June 30, 2017

All board members receive mail at the address above.

Legal and Bond Counsel

Mersereau Shannon LLP
One SW Columbia St., Suite 1600
Portland, Oregon 97258

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

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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 19, 2016

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, 2016.

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, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2016, 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 49,222 in 2016. District student membership as of June 30, 2016 was 9,479, 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 "over 9.3" 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 2016 now exceeding 8.9 billion.

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

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

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

Easy access to the freeway system has also benefited those areas along Interstate Highway 205, which bisects the County and the District. This bypass link of I-5 runs between Wilsonville in the

south and Clark County, Washington in the north. I-205 also connects Clackamas County to Portland International Airport. Most of the segments through Clackamas County were completed during the mid-1970s. At that time major retail and commercial developments occurred in the areas bordering the freeway. Significant smaller infill growth lends a positive impact as well.

ECONOMIC CONDITION

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

Legislation passed, subsequent to Measure 50, allowing school districts to refer to voters a "local option" tax. This tax can be levied for up to five years for operation purposes. The tax cannot collect more than the \$5.00 per-thousand of real market value allowed under measure 5 from any property in the school district. On May 16, 2000, district voters approved a Local Option Tax Levy at the rate of \$1.50 per thousand assessed value. Voters passed identical levies in 2004, 2008 and 2014 authorizing additional five year local option tax levies at \$1.50 per thousand assessed value that will extend through the 2019-20 fiscal year. The average "Local Option" taxpayer burden during 2015-16 was approximately \$.72 per-thousand of assessed value. Revenues from this tax fall when there is a decrease in real market value. However, with recent economic recoveries, Local Option Tax collections are continuing to show significant increases from a low of \$2,817,057 in 2012-13 to \$5,087,515 in 2015-16.

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 5.2 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 over many years. There is concern that the taxation base is not broad enough to raise the revenues needed for public education and other needed services the state must provide. Recent ballot measures that attempted to fix this situation were not approved by the voters. However, as the local economy responds to recovery and growth, improvements continue to be seen in funding for the needs of education.

BUDGET PROCESS

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

MAJOR PROGRAMS

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

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

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

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

The general obligation bond passed by voters November 2, 2014 and sold in March, 2015 is now in the construction phase, 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 continuing in Oregon, our district is benefiting from relative stability of state funding as compared to recent years.

Awards

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

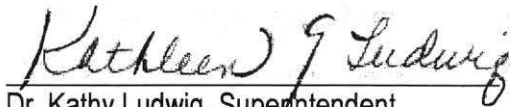
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the West Linn-Wilsonville School District for its comprehensive annual financial report for the fiscal year ended June 30, 2015. This was the 23rd 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.

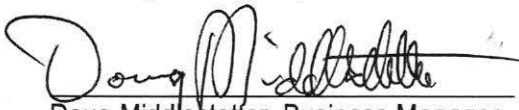
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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,


Dr. Kathy Ludwig, Superintendent


Doug Middlestetter, Business Manager



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December 19, 2016

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, 2016, 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

The District adopted the provisions of GASB Statement No. 72, Fair Value Measurement and Application during the year ended June 30, 2016. 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, 2016, 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 and the Schedule of Proportionate Share of the Net Pension Liability, 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 and the Schedule of Proportionate Share of the Net Pension Liability 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 Title 2 U.S. Code of Federal Regulations (CRF) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements. The supplementary information and 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, and the compliance and other reports sections, as listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Reports on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our reports dated December 19, 2016 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 19, 2016, 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, 2016**

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, 2016.

FINANCIAL HIGHLIGHTS

- In the government-wide statements, the assets of the District exceeded its liabilities at June 30, 2016 by \$21,661,752.
- The District's governmental funds report combined ending fund balance of \$91,683,378.
- The District's net position decreased by \$12,370,295

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

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 \$21,661,873 at June 30, 2016.

Capital assets, which consist of the District's land, buildings, building improvements, vehicles, and equipment, represent about 67.5 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 17.9 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, 201	June 30, 2015	Change
Current and Other Assets	\$ 110,924,720	\$ 130,242,203	\$ (19,317,483)
Capital Assets	230,189,932	216,012,650	14,177,282
Total Assets	\$ 341,114,652	\$ 346,254,853	\$ (5,140,201)
Deferred Outflows Of Resources			
Loss on Bond Refunding Expense	10,732,511	331,404	10,401,107
Current Liabilities	\$ 58,209,940	\$ 23,577,402	\$ 34,632,538
Long-Term Liabilities	265,649,341	274,999,064	(9,349,723)
Total Liabilities	323,859,281	298,576,466	25,282,815
Deferred Inflows Of Resources			
Pension Related Deferrals	6,326,130	13,912,280	6,326,130
Net Position:			
Invested in Capital Assets, net of related debt	81,383,510	71,289,067	10,094,443
Restricted	85,444,578	1,991,102	83,453,597
Unrestricted	(145,166,336)	(39,182,658)	(105,983,678)
Total Net Position	\$ 21,661,752	\$ 34,097,511	\$ (12,435,638)

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 2015-16, the District's net position decreased by \$12,370,174. This year showed a sizeable increase in funding from State sources of over \$4.5 million, thanks to continuing State improved economic conditions, reasonable legislative prioritization, and increased student counts -which directly drive the funding formula. Additionally, receipts from local option taxes increased by \$1.2 million over what was received during the 2014-15 year. Expenses for the year increased in the area of instruction as the District placed as much of its resources as possible into its classrooms. During the year, over \$11.2 million was used to pay bonded debt down. This year being early in the bond program life-cycle, only a small amount of capital assets were added as a result of the District's bond program completing and placing projects in service this year. Much more construction will be seen in the coming year. Currently, the offset from depreciation on total assets was greater than the addition of new construction, so that the District's total net position decreased by almost \$3.8 million in this area.

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

	June 30, 2016	June 30, 2015	Change
REVENUES			
Program Revenues			
Charges for Services	\$ 1,525,406	\$ 3,250,887	\$ (1,725,481)
Operating Grants and Contributions	4,002,229	3,864,011	138,218
General Revenues			
Property Taxes	51,133,867	45,830,813	5,303,054
Local Option	5,087,515	3,884,793	1,202,722
State School Fund - General Support	48,614,895	44,111,818	4,503,077
Earnings on Investments	724,913	2,236,723	(1,511,810)
Gain on Sale of Asset	665,084	-	665,084
Other Federal, State and Local Sources	8,276,705	9,285,484	(1,008,658)
Total Revenues	120,030,614	112,464,529	7,566,206
EXPENSES			
Instruction	77,474,978	48,087,074	29,387,904
Support Services	40,427,152	26,437,672	13,989,480
Enterprise and Community Services	2,074,007	2,038,325	35,682
Interest on Long-Term Debt	12,424,772	22,107,917	(9,683,145)
Total Expenses	132,400,909	98,670,988	33,729,921
Change in Net Position	(12,370,295)	13,793,541	(26,163,715)
Beginning Net Position	34,032,047	20,238,506	13,793,541
Ending Net Position	\$ 21,661,752	\$ 34,032,047	\$ (12,370,174)

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, 2016 the District's governmental funds reported combined ending fund balances of \$91,683,499, a decrease of \$13.7 million when compared with the prior year. This decrease was primarily due to bond construction activity. The bond funds were received and recognized in the prior year, and construction spending is shown in the 2015-16 year as construction activities ramp up. This trend will be even more pronounced in the 2016-17 year.

General Fund. The General Fund is the chief operating fund of the District. As of June 30, 2015, unassigned fund balance was \$6,153,770 and the non-spendable balance was \$43,137 for a total ending fund balance of \$6,196,907. 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 7.1 percent of total General Fund expenditures. The fund balance increased by \$879,603 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, 2016 the ending fund balance was \$1,117,589, a decrease of \$550,978 when compared to the prior year. This decrease is due to a slight adjustment of the tax collection rate to better match the debt service needs with the amounts collected for those payments.

Capital Projects Fund. The Capital Projects Fund has a total fund balance of \$82,903,599, which is designated for the capital needs specified in the general obligation bond approved on November 4, 2014, which will be spent out over the next year-and-one-half. The two major projects from that bond consisted of a replacement primary school (Sunset Primary School) as well as a new middle school (Meridian Creek Primary School) that will be built on the Advance Road property. These two schools are currently under construction and will be completed and opened in the fall of 2017

GENERAL FUND BUDGETARY HIGHLIGHTS

The 2015-16 Budget again benefited from some significant revenue increases from the previous year due to continued economic growth and a sustained commitment to maintaining funding levels set by the State's Legislature. Although significant State funding increases were not anticipated in the budget, revenue increases from the State of approximately \$4.2 million were received above the previous year's budget. The District also benefited from significant increase in property tax receipts. Property taxes were budgeted to come in at \$30.2 million. Actual receipts were \$30.9 million. The Budget anticipated another sizable increase in receipts from the Local Option Tax over the previous year, as the local property tax values continued to recover from earlier recessionary losses. Those funds were realized and actual receipts were \$187,515 greater than the budgeted amount. The overall net projected ending fund balance increased by \$5,160,807 over what was budgeted for 2015-16.

On the expenditure side, wage increases were budgeted based on the first year of contracts negotiated for the biennium starting in 2015-16. These costs, plus significant staffing level additions allowed by a growing student count amounted to approximately \$3.1 million in 2015-16 budget increases over the previous budget. Health insurance premiums and PERS costs were budgeted to increase an additional \$1.0 million in the 2015-16 year, and came in just slightly under 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 \$7.4 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 \$1,126,903 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, 2016, the District had invested \$230,189,932 in capital assets, net of depreciation.

Additional information on the District's capital assets can be found on page 29 in the notes to the financial statements.

Long-term debt. As of June 30, 2016, the District had total debt outstanding of \$272,021,133. Please refer to the notes to page 30 in the financial statements for more information.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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

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

With the 2015-16 year being the first year of the biennium, the coming 2016-17 year's budget had a number of elements that were already defined to some extent, and thus, helped simplify the planning process. The 2016-17 Budget was based on a K-12 state funding level of \$7.4 billion, which was an increase over the prior biennium funding level. Even with that added help, changes in statute and priority considerations and head-line expense issues dominated the budget process. While the State continued to experience positive, steady economic growth, the legislators continued to increase funding for education in an ongoing attempt to help stabilize the important educational elements that were decreased in earlier recessionary years. 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, and with bonds passed in November of 2014, the District is moving forward with growth, and has begun construction making additional improvements for safety, adding facilities upgrades at both of our high schools and other buildings, and has now begun to build a new middle school as well as

replace Sunset Primary School, our oldest primary school building. In addition to these capital improvements, the local option levy continues to increase substantially each year. All these factors, and more, help position the District for a very favorable environment for success of our educational programs as we move into the 2016-17 school year and beyond.

REQUESTS FOR INFORMATION

This financial report is designed to present the user (citizens, taxpayers, investors, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District's 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, 2016

	Governmental Activities
ASSETS:	
Cash and Investments	\$ 103,872,959
Property Taxes Receivable	3,249,662
Other Receivables	3,424,871
Supply Inventory	41,893
Prepaid Expenses	43,137
Net OPEB Asset	292,198
Non-Depreciable Capital Assets	29,994,425
Capital Assets, Net of Depreciation	200,195,507
TOTAL ASSETS	341,114,652
DEFERRED OUTFLOWS OF RESOURCES	
Pension Related Deferrals	10,401,107
Loss on Bond Refunding Expense	331,404
LIABILITIES:	
Accounts Payable	3,985,113
Accrued Salaries and Benefits	11,695,515
Retainage Payable	162,214
Unearned Revenue	8,307
Accrued Interest	1,965,823
Accrued Compensated Absences	378,563
Proportionate Share of Net Pension Liability (PERS)	28,137,018
Long-Term Liabilities:	
Other Post-Employment Benefits	5,505,595
Portion Due or Payable Within One Year	11,877,387
Portion Due or Payable After One Year	260,143,746
TOTAL LIABILITIES	323,859,281
DEFERRED INFLOWS OF RESOURCES	
Pension Related Deferrals	6,326,130
NET POSITIONS:	
Net Invested in Capital Assets	81,383,510
Restricted for:	
Grants and other purposes	1,423,511
Debt service	1,117,468
Future Capital Projects	82,903,599
Unrestricted	(145,166,336)
TOTAL NET POSITIONS	\$ 21,661,752

See notes to basic financial statements.

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

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Instruction	\$ 77,474,978	\$ 754,580	\$ 2,052,698	\$ (74,667,700)
Support	40,427,152	-	894,928	(39,532,224)
Enterprise and Community Services	2,074,007	770,826	1,054,603	(248,578)
Interest on Long-Term Debt	12,424,772	-	-	(12,424,772)
Total Governmental Activities	<u>\$ 132,400,909</u>	<u>\$ 1,525,406</u>	<u>\$ 4,002,229</u>	<u>(126,873,274)</u>
General revenues:				
Property Tax Revenue				51,133,867
Local Option Tax				5,087,515
Unrestricted State Revenue				48,614,895
Unrestricted Intermediate Revenue				1,478,712
Miscellaneous Revenue				6,797,993
Gain (loss) on Sale of Asset				665,084
Earnings on Investments				<u>724,913</u>
Total general revenues				<u>114,502,979</u>
CHANGE IN NET POSITION				(12,370,295)
Net Position - July 1, 2015				<u>34,032,047</u>
Net Position - June 30, 2016				<u>\$ 21,661,752</u>

See notes to basic financial statements.

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

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	General Fund	Debt Service Fund	Capital Projects Fund	Special Revenue Funds	Total
ASSETS					
Cash and Investments	\$ 17,459,541	\$ 588,707	\$ 85,824,711	\$ -	\$ 103,872,959
Due From Other Funds	-	408,240	352,079	320,757	1,081,076
Property Taxes Receivable	2,059,565	1,190,097	-	-	3,249,662
Other Receivables	1,952,495	65,680	270,344	1,136,352	3,424,871
Supply Inventory	-	-	-	41,893	41,893
Prepaid Expenditures	43,137	-	-	-	43,137
TOTAL ASSETS	\$ 21,514,738	\$ 2,252,724	\$ 86,447,134	\$ 1,499,002	\$ 111,713,598
LIABILITIES					
Accounts Payable	\$ 601,592	\$ -	\$ 3,381,321	\$ 2,200	\$ 3,985,113
Accrued Salaries and Benefits	11,672,424	-	-	23,091	11,695,515
Due To Other Funds	1,081,076	-	-	-	1,081,076
Retainage Payable	-	-	162,214	-	162,214
Unearned Revenue - Other	-	-	-	8,307	8,307
TOTAL LIABILITIES	13,355,092	-	3,543,535	33,598	16,932,225
DEFERRED INFLOWS					
Unavailable Revenue - Property Taxes	1,962,739	1,135,256	-	-	3,097,995
FUND BALANCES					
Nonspendable	43,137	-	-	41,893	85,030
Restricted for:					
Grants and other purposes	-	-	-	1,423,511	1,423,511
Debt service	-	1,117,468	-	-	1,117,468
Future capital projects	-	-	82,903,599	-	82,903,599
Unassigned	6,153,770	-	-	-	6,153,770
TOTAL FUND BALANCES	6,196,907	1,117,468	82,903,599	1,465,404	91,683,378
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 21,514,738	\$ 2,252,724	\$ 86,447,134	\$ 1,499,002	\$ 111,713,598

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, 2016

TOTAL FUND BALANCES \$ 91,683,378

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

Cost	\$ 304,396,923	
Accumulated depreciation	<u>(74,206,991)</u>	230,189,932

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

3,097,995

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.

(28,137,018)

Net OPEB Asset

292,198

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.

4,074,977

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	(378,563)	
Net Other Post Employment Benefits	(5,505,595)	
Bonds payable	(269,489,227)	
Premium on Bonds Payable	(2,531,906)	
Accrued Interest Payable	<u>(1,965,823)</u>	<u>(279,871,114)</u>

TOTAL NET POSITION \$ 21,661,752

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, 2016

	General Fund	Debt Service Fund	Capital Projects Fund	Special Revenue Funds	Total
REVENUES:					
Local Sources	\$ 38,547,818	\$ 23,212,426	\$ 2,077,698	\$ 1,204,526	\$ 65,042,468
Intermediate Sources	1,424,771	-	-	620,873	2,045,644
State Sources	48,549,535	-	-	82,360	48,631,895
Federal Sources	85,729	-	-	3,332,568	3,418,297
TOTAL REVENUES	88,607,853	23,212,426	2,077,698	5,240,327	119,138,304
EXPENDITURES:					
Current:					
Instruction	57,592,743	-	-	2,229,610	59,822,353
Support Services	29,888,207	-	-	883,136	30,771,343
Enterprise and Community Services	-	-	-	1,953,835	1,953,835
Facilities Acquisition and Construction	-	-	12,130,084	-	12,130,084
Debt Service	-	23,763,525	-	-	23,763,525
Capital Outlay	-	-	5,054,371	-	5,054,371
TOTAL EXPENDITURES	87,480,950	23,763,525	17,184,455	5,066,581	133,495,511
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,126,903	(551,099)	(15,106,757)	173,746	(14,357,207)
OTHER FINANCING SOURCES, (USES):					
Transfers In	-	-	-	250,000	250,000
Transfers Out	(250,000)	-	-	-	(250,000)
Sale of Capital Assets	2,700	-	-	662,384	665,084
TOTAL OTHER FINANCING SOURCES	(247,300)	-	-	912,384	665,084
NET CHANGE IN FUND BALANCE	879,603	(551,099)	(15,106,757)	1,086,130	(13,692,123)
FUND BALANCE, July 1, 2015	5,317,304	1,668,567	98,010,356	398,099	105,394,326
Adjustment for Inventories reported under the purchase method	-	-	-	(18,825)	(18,825)
FUND BALANCE, June 30, 2016	\$ 6,196,907	\$ 1,117,468	\$ 82,903,599	\$ 1,465,404	\$ 91,683,378

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, 2016

NET CHANGE IN FUND BALANCE	\$ (13,692,123)
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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	\$ 20,338,370	
Gain/Loss on sale of assets	(80,900)	
Less current year depreciation	<u>(6,080,186)</u>	14,177,284

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 premium Amortization	218,643	
Prior Year Bond Adjustment	(2,290,000)	
Debt principal repaid	<u>11,221,288</u>	9,149,931

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.	117,465
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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.	227,227
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Adjustment for Inventory	<u>(18,825)</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	(219,452)	
Other Post-Employment Benefits	<u>(456,298)</u>	(675,750)

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>(21,655,503)</u>
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CHANGE IN NET POSITION	<u>\$ (12,370,294)</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, 2016

GENERAL FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Local Sources	\$ 36,949,195	\$ 36,949,195	\$ 38,547,818	\$ 1,598,623
Intermediate Sources	1,343,667	1,343,667	1,424,771	81,104
State Sources	45,658,637	45,658,637	48,549,535	2,890,898
Federal Sources	-	-	85,729	85,729
Total Revenues	83,951,499	83,951,499	88,607,853	4,656,354
EXPENDITURES:				
Instruction	55,721,553	56,821,553 (1)	57,592,743	(771,190)
Support Services	30,130,522	30,130,522 (1)	29,888,207	242,315
Debt Service	-	- (1)	-	-
Contingency	1,706,769	606,769 (1)	-	606,769
Total Expenditures	87,558,844	87,558,844	87,480,950	77,894
Excess of Revenues Over (Under) Expenditures	(3,607,345)	(3,607,345)	1,126,903	4,734,248
OTHER FINANCING SOURCES (USES)				
Proceeds From Sale of Capital Assets	-	-	2,700	2,700
Transfers Out	(300,000)	(300,000) (1)	(250,000)	50,000
Total Other Financing Sources (Uses)	(300,000)	(300,000)	(244,600)	55,400
Net Change in Fund Balance	(3,907,345)	(3,907,345)	882,303	4,789,648
Beginning Fund Balance (Budgetary Basis)	4,946,145	4,946,145	5,317,304	371,159
Ending Fund Balance	\$ 1,038,800	\$ 1,038,800	\$ 6,199,607	\$ 5,160,807

(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, 2016

SPECIAL REVENUE FUND

	Budget (2)			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
REVENUES:				
Local Sources	\$ 407,135	\$ 407,135	\$ \$ 1,204,526	\$ 797,391
Intermediate Sources	623,059	623,059	620,873	(2,186)
State Sources	1,762,920	1,762,920	82,360	(1,680,560)
Federal Sources	2,577,996	2,577,996	3,332,568	754,572
Total Revenues	5,371,110	5,371,110	5,240,327	(130,783)
EXPENDITURES:				
Instruction	2,298,896	2,513,896	(1) 2,229,610	284,286
Support Services	940,849	965,849	(1) 883,136	82,713
Enterprise and Community Services	1,971,008	1,871,008	(1) 1,953,835	(82,827)
Debt Service	12,600	12,600	(1) -	12,600
Contingency	147,757	7,757	(1) -	7,757
Total Expenditures	5,371,110	5,371,110	5,066,581	304,529
Excess of Revenues Over (Under) Expenditures	-	-	173,746	173,746
OTHER FINANCING SOURCES:				
Transfers In	-	-	250,000	250,000
Transfers Out	(12,600)	(12,600)	(1) -	12,600
Sale of Capital Assets	-	-	662,384	662,384
Total Other Financing Sources (Uses)	(12,600)	(12,600)	912,384	924,984
Net Change in Fund Balance	(12,600)	(12,600)	1,086,130	1,098,730
Beginning Fund Balance	347,327	347,327	337,421	(9,906)
Ending Fund Balance	\$ 334,727	\$ 334,727	1,423,551	\$ 1,088,824

(1) Appropriation level

Reconciliation to GAAP Basis Ending Fund Balance

Supply Inventory	41,853
GAAP Basis Ending Fund Balance	<u>\$ 1,465,404</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, 2016

	PRIVATE PURPOSE TRUST SCHOLARSHIP FUND	AGENCY FUNDS
ASSETS:		
Cash and Investments	\$ 242,934	\$ 1,000,472
Due From Governmental Funds	360	-
Total Assets	<u>\$ 243,294</u>	<u>\$ 1,000,472</u>
LIABILITIES AND NET POSITION:		
Liabilities:		
Due to Student Organizations	\$ -	\$ 1,000,472
Total Liabilities	<u>-</u>	<u>1,000,472</u>
Net Position:	<u>243,294</u>	<u>-</u>
Total Liabilities and Net Position	<u>\$ 243,294</u>	<u>\$ 1,000,472</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, 2016

	PRIVATE PURPOSE TRUST SCHOLARSHIP FUND
ADDITIONS:	
Gains/ Losses on Investments	\$ 1,569
Total Additions	1,569
REDUCTIONS:	
Total Reductions	-
Change in Net Position	1,569
Beginning Net Position	241,725
Ending Net Position	\$ 243,294

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.

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

The cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Fair Value Inputs and Methodologies and Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based up on the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

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

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

Level 3 – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund's own assumptions used in determining the fair value of investments)

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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. \$378,563 of the compensated absences liability is due within one year.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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, appropriation transfers were made in the general fund and the special revenue fund. Appropriations lapse at the end of each fiscal year. Expenditures of the various funds were within authorized appropriations, except for an overexpenditure in the General Fund Instruction expenditures of \$771,190 and an overexpenditure in the Special Revenue Fund Enterprise and Community Services expenditures of \$82,827.

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 two items 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, 2016.

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)

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 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 \$3,051,153, of which \$649,908 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.

Investments

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund appears to be in compliance with all portfolio guidelines at June 30, 2016. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it approximates fair value. The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. As of June 30, 2016, the fair value of the position in the LGIP is 100.6% of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. The funds listed as bonds and investments in Piper Jaffrey are also considered to be level 2.

WEST LINN-WILSONVILLE SCHOOL DISTRICT 3JT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

2. Cash and Investments (Continued)

Cash and Investments at June 30, 2016, (recorded at fair value) consisted of:

Deposits with Financial Institutions:	2016	Reported In:	2016
Demand Deposits:			
Checking	1,880,886	Governmental Activities	\$ 103,872,959
Investments	\$ 103,235,479	Fiduciary Funds	1,243,406
Total	\$ 105,116,365	Total	\$ 105,116,365

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	\$ 96,665,905	\$ 96,665,905	\$ -	\$ -
Construction Bond	53,964		53,964	-
Piper Jaffray	6,515,610	-	6,515,610	-
Total	\$ 103,235,479	\$ 96,665,905	\$ 6,569,574	\$ -

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, 2016, 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 Piper Jaffray.

Concentration of Credit Risk

At June 30, 2016, 93.7% of total investments were in the State Treasurer's Investment Pool and 6.3% 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, 2016, there was compliance with all percentage restrictions.

WEST LINN-WILSONVILLE SCHOOL DISTRICT 3JT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

3. RECEIVABLES

Receivables are comprised of the following as of June 30, 2016:

Property taxes	\$	3,249,662
Other receivables		<u>2,661,490</u>
Total	\$	<u>5,911,152</u>

4. CAPITAL ASSETS

Capital assets activity for the year was as follows:

Governmental Activities:	July 1, 2015	Additions	Deletions	June 30, 2016
Capital Assets Not Being Depreciated:				
Land	\$ 8,471,880	\$ -	\$ 75,400	\$ 8,396,480
Construction in Progress	<u>3,560,648</u>	<u>19,676,516</u>	<u>1,639,220</u>	<u>21,597,944</u>
Total Capital Assets Not Being Depreciated	<u>12,032,528</u>	<u>19,676,516</u>	<u>1,714,620</u>	<u>29,994,424</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	251,373,201	1,705,448	-	253,078,649
Site Improvements	15,215,731	-	-	15,215,731
Machinery and Equipment	<u>5,517,992</u>	<u>595,626</u>	<u>(5,500)</u>	<u>6,108,118</u>
Total Capital Assets Being Depreciated	<u>272,106,924</u>	<u>2,301,074</u>	<u>(5,500)</u>	<u>274,402,498</u>
Accumulated Depreciation				
Buildings and Improvements	61,316,453	5,103,068	-	66,419,521
Site Improvements	3,153,338	376,793	-	3,530,131
Machinery and Equipment	<u>3,657,014</u>	<u>600,325</u>	<u>-</u>	<u>4,257,339</u>
Total Accumulated Depreciation	<u>68,126,805</u>	<u>6,080,186</u>	<u>-</u>	<u>74,206,991</u>
Total Capital Assets Being Depreciated, Net	<u>203,980,119</u>	<u>(3,779,112)</u>	<u>(5,500)</u>	<u>200,195,507</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 216,012,647</u>	<u>\$ 15,897,404</u>	<u>\$ 1,709,120</u>	<u>\$ 230,189,932</u>

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
Instruction	\$ 3,930,208
Support Services	2,021,615
Community Services	<u>128,363</u>
Total Depreciation Expense- Governmental Activities	<u>\$ 6,080,186</u>

WEST LINN-WILSONVILLE SCHOOL DISTRICT 3JT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

5. LONG-TERM DEBT

The following changes occurred in Long-Term debt during the fiscal year ending June 30, 2016:

Issue Date	Interest Rates	Original Issue	July 1, 2015	Issued	Amount Redeemed	June 30, 2016	Due Within One Year
May 2003	2.0-4.78%	\$ 74,997,238	\$ 43,561,741	\$ -	3,911,288	\$ 39,650,453	3,852,387
March 2004	2.0-4.78%	42,180,000	38,640,000	-	1,250,000	37,390,000	1,490,000
July 10, 2013	.394-1.449%	98,000,000	6,885,000	-	3,380,000	3,505,000	3,505,000
Remaining 2009 Bonds	3.0-4.25%	2,655,172	2,495,000	-	-	2,495,000	-
March 15, 2015	2-5%	161,390,000	161,185,000	-	2,680,000	158,505,000	3,030,000
Total			252,766,741	-	11,221,288	241,545,453	11,877,387
Unamortized Premium/(Discount)			30,694,323	-	218,643	30,475,680	-
Total Long-Term Debt			\$ 283,461,064	\$ -	\$ 11,439,931	\$ 272,021,133	\$ 11,877,387
Accrued Compensated Absences			159,111	219,452	-	378,563	378,563
Net Other Post Employment Benefits			5,049,297	456,298	-	5,505,595	-
Refunding(Asset)			\$ 331,404		\$ 331,404	\$ -	\$ -

Bonds Payable

Future maturities of bonds payable at June 30, 2016 are as follows:

Year	Principal	Interest
2017	\$ 11,877,387	\$ 12,726,695
2018	10,701,204	15,186,708
2019	11,146,753	15,610,730
2020	11,583,221	16,047,094
2021-2025	60,961,888	62,810,155
2026-2030	96,645,000	24,433,634
2031-2034	38,630,000	2,162,000
Total	<u>\$ 241,545,453</u>	<u>\$ 148,977,017</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.

5. LONG-TERM DEBT (CONTINUED)**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, 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, 2016, \$82,100,000 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, 2016 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	\$ -	\$ 1,081,076	\$ -	\$ 250,000
Debt Service Fund	408,240	-	-	-
Capital Projects Fund	352,079	-	-	-
Special Revenue Fund	320,757	-	250,000	-
Scholarship Fund	-	-	-	-
	<u>\$ 1,081,076</u>	<u>\$ 1,081,076</u>	<u>\$ 250,000</u>	<u>\$ 250,000</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.

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 \$577,000.

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:

	2016	2015	2014
Annual Required Contribution	\$ 415,205	\$ 402,822	\$ 376,233
Interest on Net Pension Obligation	(12,543)	(11,387)	(7,171)
Adjustment to Annual Required Contribution	59,559	48,750	25,081
Annual Pension Cost	462,221	440,185	394,143
Contributions Made/Expected	(336,335)	(478,700)	(534,687)
Increase in Net Pension Obligation	125,886	(38,515)	(140,544)
NPO (Asset) at beginning of year	(418,084)	(379,569)	(239,025)
NPO (Asset) at end of year	\$ (292,198)	\$ (418,084)	\$ (379,569)
Percentage of Annual Pension Cost Contributed	72.8%	108.7%	135.7%

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, 2016, 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 2016 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 for seven years or until 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.

8. 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:

	2016	2015	2014
Annual Required Contribution (Explicit Benefits)	\$ 1,202,104	\$ 1,179,510	\$ 1,404,959
Annual Required Contribution (Implicit Benefits)	690,774	675,418	793,737
Interest on Net OPEB Obligation	151,479	144,398	126,826
Adjustment to Annual Required Contribution	(257,611)	(245,568)	(209,403)
Annual OPEB Cost	1,786,746	1,753,758	2,116,119
Contributions Made / Expected (Explicit Benefits)	(854,798)	(1,047,565)	(1,046,443)
Contributions Made / Expected (Implicit Benefits)	(475,650)	(470,146)	(483,949)
Increase in Net Pension Obligation	456,298	236,047	585,727
Net OPEB Obligation (Asset) at beginning of year	5,049,297	4,813,250	3,610,200
Net OPEB Obligation (Asset) at end of year	\$ 5,505,595	\$ 5,049,297	\$ 4,195,927
Percentage of APC contributed	74.46%	86.54%	72.32%

8. 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, 2016 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, 2015, the time of the last actuarial report, the plan was 0% funded. The actuarial accrued liability for benefits was \$19,966,954, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$19,966,954. The covered payroll was \$41,428,101, 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 \$1,131,531.

9. Pension Plan

Plan Description - The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer 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.

- 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:

9. 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 disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (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.

9. 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, 2013 actuarial valuation, which became effective July 1, 2015. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2016 were \$8,781,366, excluding amounts to fund employer specific liabilities..

At June 30, 2016, the District reported a net pension liability of \$28,137,018 for its proportionate share of the net pension asset. The pension asset was measured as of December 31, 2013, 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, 2013, the District's proportion was .49 percent.

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 1,517,290	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	5,898,157
Changes in proportion and differences between District contributions and proportionate share of contributions	102,451	427,973
Subtotal - Amortized Deferrals (below)	1,619,741	6,326,130
District contributions subsequent to measurement date	8,781,366	-
Net deferred outflow (inflow) of resources		\$ 4,074,977

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
2017	\$ (2,538,181)
2018	\$ (2,538,181)
2019	\$ (2,538,181)
2020	\$ 2,809,128
2021	\$ 99,026
Thereafter	-
Total	\$ (4,706,389)

9. 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 May 23, 2016. Oregon PERS produces an independently audited CAFR which can be found at:

http://www.oregon.gov/pers/Pages/section/financial_reports/financial.aspx.

Actuarial Valuations – The employer contribution rates effective July 1, 2015 through June 30, 2017, 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, 2013 rolled forward to June 30, 2015
Experience Study Report	2014, Published September 18, 2015
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. For COLA, a blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision, blend 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.

9. 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 2014 Experience Study which is reviewed for the four-year period ending December 31, 2013.

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	\$ 67,907,645	\$ 28,137,018	\$ (5,379,173)

Since the December 31, 2013 actuarial valuation, the system-wide actuarial accrued liability has increased primarily due to the Moro decision and assumption changes, along with interest on the liability as current active members get closer to retirement. The Oregon Supreme Court decision in *Moro v. State of Oregon*, issued on April 30, 2015, reversed a significant portion of the reductions the 2013 Oregon Legislature made to future system Cost of Living Adjustments (COLA) through Senate Bills 822 and 861. This reversal increased the benefits projected to be paid by Employers compared to those developed in the prior actuarial valuation, and consequently increased plan liabilities. The employers' projected long-term contribution effort has been adjusted for the estimated impact of the Moro Decision. In accordance with statute, a biennial review of actuarial methods and assumptions was completed in 2015 to be used for the December 31, 2014 actuarial valuation. After completion of this review and subsequent to the measurement date, the PERS Board adopted several assumption changes, including lowering the investment return assumption to 7.50%, which will be effective January 1, 2016 and will be included in the next update.

A deferred compensation plan is available to 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

9. Pension Plan(Continued)

assets of the plan are held by the administrator for the sole benefit of the plan participants and are not considered assets or liabilities of the District.

Individual Account Program - In the 2003 legislative session, the Oregon Legislative Assembly created a successor plan for OPERS. The Oregon Public Service Retirement Plan (OPSRP) is effective for all new employees hired on or after August 29, 2003, and applies to any inactive OPERS members who return to employment following a six month or greater break in service. The new plan consists of the defined benefit pension plans and a defined contribution pension plan (the Individual Account Program or IAP). Beginning January 1, 2004, all OPERS member contributions go into the IAP portion of OPSRP. OPERS' members retain their existing OPERS accounts, but any future member contributions are deposited into the member's IAP, not the member's OPERS account. Those employees who had established an OPERS membership prior to the creation of OPSRP will be members of both the OPERS and OPSRP system as long as they remain in covered employment. Members of OPERS and OPSRP are required to contribute six percent of their salary covered under the plan which is invested in the IAP. The District makes this contribution on behalf of its employees. The District contributed approximately \$1,534 for the year ended June 30, 2016.

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

10. FUND BALANCE CONSTRAINTS

The specific purposes for each of the categories of fund balance as of June 30, 2016 are as follows:

Fund Balances:	General Fund	Debt Service Fund	Capital Projects Fund	Special Revenue Fund	Total
<u>Nonspendable:</u>					
Prepaid & Inventory	\$ 43,137	\$ -	\$ -	\$ 41,893	\$ 85,030
<u>Restricted:</u>					
Grants and other purposes	-	-	-	1,423,511	1,423,511
Debt service	-	1,117,589	-	-	1,117,589
Future capital projects	-	-	82,903,599	-	82,903,599
	-	1,117,589	82,903,599	1,423,511	85,444,699
<u>Committed to:</u>					
Future Operations	-	-	-	-	-
	-	-	-	-	-
Unassigned:	6,153,770	-	-	-	6,153,770
Total Fund Balances	\$ 6,196,907	\$ 1,117,589	\$ 82,903,599	\$ 1,465,404	\$ 91,683,499

11. 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, 2016 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.

12. 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 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, 2016

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
2012	\$ 356,219	148.1%
2013	\$ 376,233	114.5%
2014	\$ 376,233	142.1%
2015	\$ 402,822	108.7%
2016	\$ 336,335	72.8%

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
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
2012	\$ 2,443,188	74.7 %
2013	\$ 2,133,140	59.1 %
2014	\$ 2,116,119	72.3 %
2015	\$ 1,753,758	86.5 %
2016	\$ 1,786,746	74.5 %

WEST LINN WILSONVILLE SCHOOL DISTRICT
CLACKAMAS COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

For the fiscal year ended June 30, 2016

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPA)	(b) Employer's proportionate share of the net pension liability (NPA)	(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
2016	0.49 %	\$ 28,137,018	\$ 52,612,703	53.5 %	91.9 %
2015	0.51	(11,505,742)	41,485,063	(27.7)	103.6
2014	0.51	25,903,343	49,970,018	51.8	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
2016	\$ 8,781,366	\$ 8,781,366	\$ -	\$ 59,135,440	14.8 %
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, 2016

DEBT SERVICE FUND

	Budget		Debt Service	PERS Debt		Variance with
	Adopted	Final	Fund	Service Fund	Total	Final Budget Positive (Negative)
REVENUES:						
Local Sources						
Property Taxes	\$ 20,005,885	\$ 20,005,885	\$ 19,941,424	\$ -	\$ 19,941,424	\$ (64,461)
Earnings on Investments	1,255	1,255	-	10,623	10,623	9,368
Services Provided Other Funds	3,412,618	3,412,618	-	3,260,500	3,260,500	(152,118)
Total Revenues	23,419,758	23,419,758	19,941,424	3,271,123	23,212,547	(207,211)
EXPENDITURES:						
Debt service	23,812,033	23,812,033 (1)	20,407,420	3,356,105	23,763,525	48,508
Total Expenditures	23,812,033	23,812,033	20,407,420	3,356,105	23,763,525	48,508
REVENUES OVER EXPENDITURES	(392,275)	(392,275)	(465,996)	(84,982)	(550,978)	(158,703)
Net Change in Fund Balance	(392,275)	(392,275)	(465,996)	(84,982)	(550,978)	(158,703)
Beginning Fund Balance	1,826,822	1,826,822	1,224,163	444,404	1,668,567	(158,255)
Ending Fund Balance	\$ 1,434,547	\$ 1,434,547	\$ 758,167	\$ 359,422	\$ 1,117,589	\$ (316,958)

(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, 2016

CAPITAL PROJECTS FUND

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
REVENUES:				
Local Sources:				
Construction Excise Tax	\$ 3,717,675	\$ 3,717,675	\$ 2,077,698	\$ (1,639,977)
Earnings on Investments	-	-	-	-
Intermediate Sources	315,150	315,150	-	(315,150)
Total Revenues	4,032,825	4,032,825	2,077,698	(1,955,127)
EXPENDITURES:				
Facilities Acquisition and Construction:	27,163,808	27,163,808 (1)	17,184,455	9,979,353
Contingency	71,432,548	71,432,548	-	-
Total Expenditures	98,596,356	98,596,356	17,184,455	9,979,353
Excess of Revenues Over (Under) Expenditures	(94,563,531)	(94,563,531)	(15,106,757)	79,456,774
OTHER FINANCING SOURCES (USES)				
Bond Proceeds	94,563,631	94,563,631	-	(94,563,631)
Transfer Out	(100)	(100) (1)	-	100
Total Other Financing Sources (Uses)	94,563,531	94,563,531	-	(94,563,531)
Net Change in Fund Balance	-	-	(15,106,757)	(15,106,757)
Beginning Fund Balance	-	-	98,010,356	98,010,356
Ending Fund Balance	\$ -	\$ -	\$ 82,903,599	\$ 82,903,599

(1) Appropriation level

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

COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
JUNE 30, 2016

	201 Columbia Regional Autism Fund	202 ASPIRE Fund	203 Nomad Coffee Chart Fund	208 SOAR Fund	219 Mentoring Teacher Grant Fund	209 School MAP Donations Fund	232 MSM & PS Strings Fund	230 Medicaid Administration Fund	235 Grey Family Foundation	241 Title IC Summer Fund	242 PPC Grant Fund
ASSETS											
Due from Other Funds	\$ 8,901	\$ 3,469	\$ 3,239	\$ 10,264	\$ -	\$ 21,789	\$ -	\$ 62,967	\$ 14,000	\$ -	\$ 285,704
Accounts Receivable	-	-	-	-	-	250	-	114,420	-	285	-
TOTAL ASSETS	\$ 8,901	\$ 3,469	\$ 3,239	\$ 10,264	\$ -	\$ 22,039	\$ -	\$ 177,387	\$ 14,000	\$ 285	\$ 285,704
LIABILITIES AND FUND BALANCES											
Liabilities:											
Unearned Revenue	\$ -	\$ -	\$ -	\$ 7,022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable	8,901	-	-	-	-	-	40	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	4,944	-	-	285	-
TOTAL LIABILITIES	8,901	-	-	7,022	-	-	4,984	-	-	285	-
Fund Balances:											
Restricted	-	3,469	3,239	3,242	-	22,039	-	177,387	14,000	-	285,704
Unassigned	-	-	-	-	-	-	(4,984)	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 8,901	\$ 3,469	\$ 3,239	\$ 10,264	\$ -	\$ 22,039	\$ -	\$ 177,387	\$ 14,000	\$ 285	\$ 285,704

247 C-Tec Youth Services Fund	251 Carl Perkins Fund	252 Title IA/D Fund	253 Title I Fund	254 IDEA Enhancement Fund	263 Title IIA Fund	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
\$ -	\$ -	\$ 1,246	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 675,459	\$ 49,466	\$ 145,753	\$ 1,282,257
12,556	-	-	135,779	451,147	20,905	53,366	13,313	290,549	-	17,542	26,241	1,136,353
<u>\$ 12,556</u>	<u>\$ -</u>	<u>\$ 1,246</u>	<u>\$ 135,779</u>	<u>\$ 451,147</u>	<u>\$ 20,905</u>	<u>\$ 53,366</u>	<u>\$ 13,313</u>	<u>\$ 290,549</u>	<u>\$ 675,459</u>	<u>\$ 67,008</u>	<u>\$ 171,994</u>	<u>\$ 2,418,610</u>

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,285	\$ 8,307
277	(3,326)	-	(543)	13,926	-	-	-	(1,723)	-	5,902	1,797	25,251
12,001	3,326	-	123,000	437,221	20,905	53,366	13,313	292,272	867	-	-	961,500
12,278	-	-	122,457	451,147	20,905	53,366	13,313	290,549	867	5,902	3,082	995,058
278	-	1,246	13,322	-	-	-	-	-	674,592	61,106	168,912	1,428,536
-	-	-	-	-	-	-	-	-	-	-	-	(4,984)
<u>\$ 12,556</u>	<u>\$ -</u>	<u>\$ 1,246</u>	<u>\$ 135,779</u>	<u>\$ 451,147</u>	<u>\$ 20,905</u>	<u>\$ 53,366</u>	<u>\$ 13,313</u>	<u>\$ 290,549</u>	<u>\$ 675,459</u>	<u>\$ 67,008</u>	<u>\$ 171,994</u>	<u>\$ 2,418,610</u>

Reconciliation of Due to and Due From

Due From Other Funds	\$ 1,282,257
Due To Other Funds	(961,500)
Total Due To Other Funds	<u>\$ 320,757</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, 2016

	201 Columbia Regional Autism Fund	202 ASPIRE Fund	208 SOAR Fund	203 Nomad Coffee Chart Fund	209 School MAP Donations Fund	219 Mentor In-House Program Fund	232 MSM & PS Strings Fund	230 Medicaid Administration Fund	241 Title 1C Summer Fund
REVENUES:									
Local Sources	\$ -	\$ 1,500	\$ 15,675	\$ -	\$ 17,266	\$ -	\$ 51,140	\$ -	\$ -
Intermediate Sources	-	-	-	4,027	-	-	-	-	-
State Sources	-	-	-	-	-	48,500	-	-	-
Federal Sources	73,200	-	-	-	-	-	-	235,582	1,919
Total Revenues	73,200	1,500	15,675	4,027	17,266	48,500	51,140	235,582	1,919
EXPENDITURES:									
Instruction	73,200	591	12,124	788	3,270	-	56,124	-	1,919
Support Services	-	-	-	-	-	48,500	-	156,199	-
Enterprise and Community Services	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Contingency	-	-	-	-	-	-	-	-	-
Total Expenditures	73,200	591	12,124	788	3,270	48,500	56,124	156,199	1,919
Excess of Revenues Over (Under) Expenditures	-	909	3,551	3,239	13,996	-	(4,984)	79,383	-
OTHER FINANCING SOURCES:									
Transfers In (Out)	-	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	-	909	3,551	3,239	13,996	-	(4,984)	79,383	-
FUND BALANCE, July 1, 2015	-	2,560	(310)	-	8,043	-	-	98,003	-
FUND BALANCE, June 30, 2016	\$ -	\$ 3,469	\$ 3,241	\$ 3,239	\$ 22,039	\$ -	\$ (4,984)	\$ 177,386	\$ -

(1) Appropriation level

242	247	251	252	253	254	235	263	266
PPC Grant	C-Tec Youth	Carl	Title IA/D	Title I	IDEA	Grey	Title IIA	Transition
Fund	Services	Perkins	Fund	Fund	Enhancement	Family	Fund	Program
Fund	Fund	Fund	Fund	Fund	Fund	Foundation	Fund	Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,000	\$ -	\$ -
-	49,914	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	24,156	-	508,705	1,257,317	-	115,308	128,763
-	49,914	24,156	-	508,705	1,257,317	14,000	115,308	128,763
-	49,914	24,156	-	508,705	798,046	-	115,308	128,763
-	-	-	-	-	459,271	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	49,914	24,156	-	508,705	1,257,317	-	115,308	128,763
-	-	-	-	-	-	14,000	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	14,000	-	-
285,704	278	-	1,246	13,322	-	-	-	-
\$ 285,704	\$ 278	\$ -	\$ 1,246	\$ 13,322	\$ -	\$ 14,000	\$ -	\$ -

267	291	294	297	298		Budget		
Title III	Disabled	Land	Food	Community				
Fund	Child	Proceeds	Service	Education	Total	Adopted	Actual	
\$ -	\$ -	\$ -	\$ 783,762	\$ 259,108	\$ 1,142,451	\$ 407,135	\$ 407,135	\$ 735,316
-	566,932	-	-	-	620,873	623,059	623,059	(2,186)
-	-	-	33,860	-	82,360	1,762,920	1,762,920	(1,680,560)
35,745	-	-	951,874	-	3,332,569	2,577,996	2,577,996	754,573
35,745	566,932	-	1,769,496	259,108	5,178,253	5,371,110	5,371,110	(192,857)
-	456,703	-	-	-	2,229,611	2,298,896	2,298,896	(1) 69,285
35,745	183,422	-	-	-	883,137	940,849	940,849	(1) 57,712
-	-	-	1,672,202	281,633	1,953,835	1,971,008	1,971,008	(1) 17,173
-	-	-	-	-	-	12,600	12,600	(1) 12,600
-	-	-	-	-	-	147,757	147,757	(1) 147,757
35,745	640,125	-	1,672,202	281,633	5,066,583	5,371,110	5,371,110	(304,527)
-	(73,193)	-	97,294	(22,525)	111,670	-	-	111,670
-	-	-	250,000	-	250,000	300,000	300,000	(50,000)
-	-	662,384	-	-	662,384	-	-	662,384
-	-	662,384	250,000	-	912,384	300,000	300,000	612,384
-	(73,193)	662,384	347,294	(22,525)	1,024,054	300,000	300,000	724,054
-	53,731	12,209	(328,810)	191,438	337,414	347,327	347,327	(9,913)
\$ -	\$ (19,462)	\$ 674,593	\$ 18,484	\$ 168,913	\$ 1,361,468	\$ 647,327	\$ 647,327	\$ 714,141

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, 2016

	BALANCE AT 7/1/15	ADDITIONS	DEDUCTIONS	BALANCE AT 6/30/16
STUDENT ACTIVITY FUNDS:				
ASSETS:				
Cash and Investments	\$ 947,876	\$ 2,727,322	\$ 2,674,726	\$ 1,000,472
Total Assets	<u>\$ 947,876</u>	<u>\$ 2,727,322</u>	<u>\$ 2,674,726</u>	<u>\$ 1,000,472</u>
LIABILITIES:				
Due to Student Organizations	\$ 947,876	\$ 2,727,322	\$ 2,674,726	\$ 1,000,472
Total Liabilities	<u>\$ 947,876</u>	<u>\$ 2,727,322</u>	<u>\$ 2,674,726</u>	<u>\$ 1,000,472</u>

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

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES OF TAXES UNCOLLECTED
YEAR ENDED JUNE 30, 2016

GENERAL FUND

Tax Year	Original Levy or Balance Uncollected 7/1/15	Deduct Discounts	Adjustments To Rolls	Add Interest	Cash Collections By County Treasurer	Balance Uncollected Or Unsegregated 6/30/2016
Current:						
2015-16	\$ 37,151,906	\$ (954,927)	\$ (52,958)	\$ 15,836	\$ 35,332,872	\$ 811,149
Prior Years:						
2014-15	794,629	(198)	(13,645)	30,653	358,714	422,072
2013-14	380,675	(41)	(2,184)	25,608	117,785	260,665
2012-13	269,859	(33)	(1,523)	34,425	100,538	167,765
2011-12	197,561	(6)	(711)	22,219	53,243	143,601
2010-11 & Prior	271,906	(5)	(1,185)	9,308	16,403	254,313
Total Prior	1,914,630	(283)	(19,248)	122,213	646,683	1,248,416
Total General Fund	\$ 39,066,536	\$ (955,210)	\$ (72,206)	\$ 138,049	\$ 35,979,555	\$ 2,059,565

RECONCILIATION TO REVENUE:

Cash Collections by County Treasurers Above	\$ 35,979,555
Accrual of Receivables:	
June 30, 2015	(132,432)
June 30, 2016	96,826
Taxes in Lieu	82,344
Total Revenue (including penalties and interest on taxes)	\$ 36,026,293

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

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES OF TAXES UNCOLLECTED
YEAR ENDED JUNE 30, 2016

DEBT SERVICE FUND

Tax Year	Original Levy or Balance Uncollected 7/1/15	Deduct Discounts	Adjustments To Rolls	Add Interest	Cash Collections By County Treasurer	Balance Uncollected Or Unsegregated 6/30/2016
Current:						
2015-16	\$ 20,569,992	\$ (528,717)	\$ (29,320)	\$ 8,768	\$ 19,562,845	\$ 449,110
Prior Years:						
2014-15	452,984	(113)	(7,778)	17,476	204,482	240,611
2013-14	242,626	(26)	(1,396)	16,284	75,013	166,191
2012-13	171,323	(21)	(966)	21,860	63,827	106,509
2011-12	92,439	(3)	(332)	10,388	24,906	67,198
2010-11 & Prior	171,579	(3)	(749)	5,875	10,348	160,479
Total Prior	1,130,951	(166)	(11,221)	71,883	378,576	740,988
Total Debt Service Fund	<u>\$ 21,700,943</u>	<u>\$ (528,883)</u>	<u>\$ (40,541)</u>	<u>\$ 80,651</u>	<u>\$ 19,941,421</u>	<u>\$ 1,190,098</u>

RECONCILIATION TO REVENUE:

Cash Collections by County Treasurers Above	\$ 19,941,421
Accrual of Receivables:	
June 30, 2015	(75,009)
June 30, 2016	54,841
Taxes in Lieu	49,685
Total Revenue (including penalties and interest on taxes)	<u>\$ 19,970,938</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, 2016

DATE OF ISSUE	MATURED BONDS & COUPONS OUTSTANDING AT 7/1/15	BONDS & COUPONS MATURING DURING THE YEAR	BONDS REDEEMED AND COUPONS PAID DURING THE YEAR	MATURED BONDS & COUPONS OUTSTANDING AT 6/30/16
11/30/2004	\$ -	\$ 3,422,428	\$ 3,422,428	\$ -
3/1/2004	-	3,356,107	3,356,107	-
05/28/03	-	6,670,000	6,670,000	-
Remaining 2009	-	92,626	92,626	-
2015 Refund	-	10,199,449	10,199,449	-
TOTALS:	<u>\$ -</u>	<u>\$ 23,740,610</u>	<u>\$ 23,740,610</u>	<u>\$ \$ -</u>

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

SCHEDULE OF BOND REDEMPTION AND INTEREST REQUIREMENTS

June 30, 2016

FISCAL YEAR	ISSUE OF 5/28/03		PENSION BOND ISSUE OF 3/1/04		2013 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
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	<u>\$ 39,650,453</u>	<u>\$ 46,434,548</u>	<u>\$ 37,390,000</u>	<u>\$ 15,461,644</u>	<u>\$ 3,505,000</u>	<u>\$ 50,787</u>

2015 REFUNDING		REMAINING 2009 BONDS		TOTAL REQUIREMENTS	
PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	ALL ISSUES	
Due 6/15	Due 12/15 & 6/15	Due 6/15	Due 12/15 & 6/15	PRINCIPAL	INTEREST
\$ 3,030,000	\$ 7,462,350	\$ -	\$ 92,625	\$ 11,877,387	\$ 12,726,695
1,375,000	7,418,300	1,225,000	92,625	10,701,204	15,186,708
1,615,000	7,380,325	1,270,000	46,312	11,146,753	15,610,730
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>\$ 158,505,000</u>	<u>\$ 86,798,475</u>	<u>\$ 2,495,000</u>	<u>\$ 231,563</u>	<u>\$ 241,545,453</u>	<u>\$ 148,977,017</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	\$ 30,935,702		\$ 19,970,938		
1120 Local Option Ad Valorem Taxes Levied by	5,090,591				
1130 Construction Excise Tax				1,088,115	
1190 Penalties and Interest on Taxes	20,124		12,666		
1310 Regular Day School Tuition	400,407				
1320 Adult/Continuing Education Tuition					
1330 Summer School Tuition	12,749				
1500 Earnings on Investments	217,706		(35,810)	541,448	1,570
1600 Food Service		783,762			
1700 Extracurricular Activities	889,438	51,141			5,227,255
1910 Rentals	136,789	259,108			
1920 Contributions and Donations From Private	253,658	29,675			
1960 Recovery of Prior Years' Expenditure				100,595	
1970 Services Provided Other Funds			3,260,500	347,541	
1990 Miscellaneous	590,654	61,378	4,132		
Total Revenue from Local Sources	\$ 38,547,818	\$ 1,185,064	\$ 23,212,426	\$ 2,077,698	\$ 5,228,825
Revenue from Intermediate Sources					
	FUND 100	FUND 200	FUND 300	FUND 400	FUND 700
2101 County School Funds	\$ 764,637				
2102 General Education Service District	660,133				
2190		586,394.23			
2199 Other Intermediate Sources					
2200 Restricted Revenue		53,941			
Total Revenue from Intermediate Sources	\$ 1,424,771	\$ 640,335	\$ -	\$ -	\$ -
Revenue from State Sources					
	FUND 100	FUND 200	FUND 300	FUND 400	FUND 700
3101 State School Fund - General Support	\$ 47,255,324	\$ 17,000			
3102 State School Fund - School Lunch Match					
3103 Common School Fund	1,054,922				
3199 Other Unrestricted Grants-in-Aid	238,617				
3299 Other Restricted Grants-in-Aid	672	65,360			
Total Revenue from State Sources	\$ 48,549,535	\$ 82,360	\$ -	\$ -	\$ -
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		3,048,780			
4700 Grants-In-Aid Fed. Gov. Thru Interim. Agencies		130,682			
4801 Federal Forest Fees	85,729				
4900 Revenue for/on Behalf of the District		153,106			
Total Revenue from Federal Sources	\$ 85,729	\$ 3,332,568	\$ -	\$ -	\$ -
Revenue from Other Sources					
	FUND 100	FUND 200	FUND 300	FUND 400	FUND 700
5100 Long Term Debt Financing Sources					
5200 Interfund Transfers		250,000			
5300 Sale (Loss) from Fixed Asset Disposal	2,700	662,384			
5400 Resources - Beginning Fund Balance					
Total Revenue from Other Sources	2,700	912,384	-	-	-
Grand Totals	\$ 88,610,553	\$ 6,152,711	\$ 23,212,426	\$ 2,077,698	\$ 5,228,825

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 Elementary, K-5	\$ 22,035,135	\$ 13,444,199	\$ 8,078,072	\$ 31,459	\$ 481,406			
1113 Elementary Extracurricular	-							
1121 Middle/Junior High Programs	10,513,084	6,366,349	3,867,508	132,149	146,829		250	
1122 Middle/Junior High School Extracurricular	252,925	182,912	63,015	318	4,201		2,478	
1131 High School Programs	12,741,900	7,708,830	4,666,988	63,523	291,853		10,706	
1132 High School Extracurricular	1,931,858	1,218,490	371,472	190,785	119,990		31,122	
1140 Pre-Kindergarten Programs	426,043	276,790	146,375		2,878			
1210 Programs for the Talented and Gifted	443,476	298,694	108,160	9,228	27,394			
1220 Restrictive Programs for Students with Disabilities	2,327,154	1,203,979	704,126	367,073	51,977			
1250 Less Restrictive Programs for	3,628,041	2,199,088	1,276,198	46,415	6,067		100,272	
1260 Treatment and Habilitation	290,282	175,598	113,249	1,435				
1272 Instructional Activities	115,414	77,151	38,263					
1280 Alternative Education	1,716,501	489,740	280,537	922,706	22,643		875	
1291 English Second Language Programs	672,128	414,657	256,853	131	487			
1292 Teen Parent Program	11,156			11,156				
1299 Other Programs	354,036	223,463	92,747	16,293	21,534			
1400 Summer School Programs	133,609	79,510	27,142	25,416	1,540			
Total Instruction Expenditures	\$ 57,592,743	\$ 34,359,450	\$ 20,090,704	\$ 1,818,086	\$ 1,178,800	\$ -	\$ 145,703	\$ -

Support Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2120 Guidance Services	\$ 2,026,060	\$ 1,245,321	\$ 775,864	\$ 80	\$ 4,695		\$ 100	
2130 Health Services	296,388	167,022	113,598	6,371	9,257		140	
2140 Psychological Services	496,838	303,437	183,514	1,423	8,464			
2150 Speech Pathology and Audiology Services	806,044	483,082	314,355	82	8,526			
2160 Other Student Treatment Services	3,962			2,209	1,753			
2190 Service Direction, Student Support Services	429,510	205,762	121,851	84,411	16,825		662	
2210 Improvement of Instruction Services	1,285,213	551,984	303,526	220,165	209,131		406	
2220 Educational Media Services	1,313,971	770,099	458,279	4,558	80,864		170	
2230 Assessment & Testing	94,063				94,063			
2240 Instructional Staff Development	314,730		314,730					
2310 Board of Education Services	149,069			121,114	12,459		15,496	
2320 Executive Administration Services	552,617	254,817	143,076	76,293	38,277		40,153	
2410 Office of the Principal Services	5,458,780	3,210,513	1,959,892	215,114	69,748		3,513	
2510 Direction of Business Support Services	622,636	116,746	65,649	14,111	550		425,580	
2520 Fiscal Services	588,257	274,431	201,199	107,723	3,789		1,115	
2540 Operation and Maintenance of Plant Services	8,061,966	2,793,469	1,791,600	2,835,964	616,926	23,818	190	
2550 Student Transportation Services	4,183,014			4,183,014				
2570 Internal Services	190,154	81,158	53,762	53,979	1,255			
2640 Staff Services	404,279	222,430	117,000	53,980	10,869			
2660 Technology Services	1,577,295	531,086	335,713	313,846	396,650			
2700 Supplemental Retirement Program	1,033,362	275,070	758,292					
Total Support Services Expenditures	\$ 29,888,207	\$ 11,486,425	\$ 8,011,900	\$ 8,294,438	\$ 1,584,101	\$ 23,818	\$ 487,525	\$ -

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	250,000							250,000
5400 PERS UAL Bond Lump Sum	-							
Total Other Uses Expenditures	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,000

Grand Total	\$ 87,730,950	\$ 45,845,875	\$ 28,102,604	\$ 10,112,524	\$ 2,762,901	\$ 23,818	\$ 633,228	\$ 250,000
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WEST LINN-WILSONVILLE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES BY FUNCTION/OBJECT - SPECIAL REVENUE FUND

Special Revenue Fund

Instruction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Elementary, K-5	\$ 117,237	\$ 73,357	\$ 41,951		\$ 1,929			\$ -
1113 Elementary Extracurricular	15,645	12,490	2,696		460			
1121 Middle School Programs	1,451				1,451			
1122 Middle School Extracurricular	40,479	14,400	4,651	13,172	8,257			
1131 High School Programs	24,156				24,156			-
1132 High School Extracurricular	788	150	55		583			
1140 Pre-Kindergarten Programs	-							-
1220 Restrictive Programs for Students with Disabilities	1,229,409	730,892	494,617	3,900	-			-
1250 Less Restrictive Programs for	227,303	135,306	79,766	11,929	302			-
1272 Title I	508,705	337,146	171,558		-			-
1280 Alternative Education	50,394	36,419	12,189	265	1,520			
1291 English Second Language Programs	-							-
1293 Migrant Education	1,919				1,919			-
1299 Other Programs	-	-	-					
1400 Summer School Programs	12,124	8,780	2,520	59	765			-

Total Instruction Expenditures \$ 2,229,610 \$ 1,348,940 \$ 810,002 \$ 29,325 \$ 41,342 \$ - \$ - \$ -

Support Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2130 Health Services	\$ 82,819	\$ 50,870	\$ 31,950					
2140 Psychological Services	\$ 145,556	\$ 89,447	\$ 56,109					
2150 Speech Pathology and Audiology Services	\$ -							
2160 Other Student Treatment Services	\$ 366,082	\$ 244,419	\$ 121,463	\$ -	\$ 200			-
2190 Service Direction, Student Support Services	204,435	124,638	70,345	6,058	3,394			-
2210 Improvement of Instruction Services	84,245	41,628	6,666	35,951				-
2520 Fiscal Services	-							
2660 Technology Services	-							-

Total Support Services Expenditures \$ 883,136 \$ 551,002 \$ 286,531 \$ 42,009 \$ 3,594 \$ - \$ - \$ -

Enterprise and Community Services	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	\$ 1,672,202	\$ 603,298	\$ 371,046	\$ 16,627	\$ 679,690		\$ 1,541	\$ -
3300 Community Services	\$ 281,633	145,673	101,227	27,292	7,441			-

Total Enterprise and Community Services Expenditures \$ 1,953,835 \$ 748,971 \$ 472,273 \$ 43,919 \$ 687,131 \$ - \$ 1,541 \$ -

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	\$ -							
5400 PERS UAL Bond Lump Sum	\$ -							-

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

Grand Total \$ 5,066,581 \$ 2,648,913 \$ 1,568,806 \$ 115,253 \$ 732,067 \$ - \$ 1,541 \$ -

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	\$ 23,763,526						\$ 23,763,526	
5200 Transfers of Funds	-							
5300 Apportionment of Funds by ESD	-							
5400 PERS UAL Bond Lump Sum	-							
Total Other Uses Expenditures	\$ 23,763,526	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,763,526	\$ -
Grand Total	\$ 23,763,526	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,763,526	\$ -

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

Capital Projects Fund

Facilities Acquisition and Construction	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction	\$ 592,299	\$ 367,378	\$ 224,020	\$ 900				
4120 Site Acquisition and Development Services	-							
4150 Building Acquisition, Construction, and Improvement Services	12,462,375	26,826	14,010	6,473,728	374,778	5,573,033		
4180 Other Capital Items	4,129,782			612,019	3,154,837	362,926		
4190 Other Facilities Construction Services	-							
5100 Debt Service	-							
Total Facilities Acquisition and Construction Expenditures	\$ 17,184,455	\$ 394,204	\$ 238,030	\$ 7,086,647	\$ 3,529,615	\$ 5,935,959	\$ -	\$ -
Grand Total	\$ 17,184,455	\$ 394,204	\$ 238,030	\$ 7,086,647	\$ 3,529,615	\$ 5,935,959	\$ -	\$ -

SUPPLEMENTAL INFORMATION
As Required by the Oregon Department of Education
For The Year Ended June 30, 2016

A. Energy bills for heating - all funds:				<u>Objects 325 and 326</u>	
			Function 2540	\$	1,489,781
			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

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

<u>Contents</u>	<u>Page</u>
<i>Financial Trends</i>	
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	54
<i>Revenue Capacity</i>	
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	58
<i>Debt Capacity</i>	
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.	62
<i>Demographic and Economic Information</i>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	66
<i>Operating Information</i>	
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.	68

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)

Governmental Activities	Fiscal year				
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Assets					
Current and other assets	\$ 20,057,195	\$ 20,229,517	\$ 117,898,306	\$ 96,810,573	\$ 75,828,619
Prepaid PERS unfunded actuarial liability	33,963,519	32,346,209	30,728,898	29,111,587	27,494,277
Net capital assets	<u>167,796,816</u>	<u>162,366,848</u>	<u>162,711,325</u>	<u>177,196,765</u>	<u>180,140,259</u>
Total assets	<u>221,817,530</u>	<u>214,942,574</u>	<u>311,338,529</u>	<u>303,118,925</u>	<u>\$ 283,463,155</u>
Deferred Outflows of Resources					
Pension Related Deferrals					
Loss on Bond Refunding Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Outflows					
Liabilities					
Long-term debt outstanding	170,434,985	159,721,810	247,384,871	239,269,721	\$ 229,592,681
Prepaid PERS unfunded actuarial liability outstanding	-	-	-	-	-
Other liabilities	<u>12,122,461</u>	<u>10,450,967</u>	<u>15,812,732</u>	<u>12,342,167</u>	<u>9,169,717</u>
Total liabilities	<u>182,557,446</u>	<u>170,172,777</u>	<u>263,197,603</u>	<u>251,611,888</u>	<u>238,762,398</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	40,223,047	45,633,075	59,549,087	62,777,910	59,613,789
Restricted for: Debt Service	3,324,655	3,391,956	2,305,898	82,853	493,745
Restricted for Grants and Other Purposes				72,007	133,307
Restricted for Instruction					
Unrestricted	<u>(3,974,199)</u>	<u>(4,255,234)</u>	<u>(13,714,059)</u>	<u>(11,425,733)</u>	<u>(15,540,084)</u>
Total Net Assets	<u>\$ 39,573,503</u>	<u>\$ 44,769,797</u>	<u>\$ 48,140,926</u>	<u>\$ 51,507,037</u>	<u>\$ 44,700,757</u>

Fiscal year				
<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$ 44,826,159	\$ 25,605,145	\$ 27,559,827	\$ 118,356,892	\$ 110,924,720
25,876,966	24,259,656	22,642,346	11,885,311	
<u>209,736,544</u>	<u>217,942,689</u>	<u>216,565,751</u>	<u>216,012,650</u>	<u>230,189,932</u>
<u>\$ 280,439,669</u>	<u>\$ 267,807,490</u>	<u>\$ 266,767,924</u>	<u>\$ 346,254,853</u>	<u>\$ 341,114,652</u>
			\$ -	\$ 10,401,107
<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 331,404</u>
			\$ -	\$ 10,732,511
\$ 218,326,577	\$ 193,780,326	\$ 194,571,517	\$ 286,220,361	\$ 277,526,728
-	-	-	-	28,137,018
<u>12,987,009</u>	<u>18,360,162</u>	<u>11,676,943</u>	<u>12,356,105</u>	<u>18,195,535</u>
<u>231,313,586</u>	<u>212,140,488</u>	<u>206,248,460</u>	<u>298,576,466</u>	<u>323,859,281</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 13,912,280</u>	<u>\$ 6,326,130</u>
68,047,630	60,080,449	58,703,511	71,289,067	81,383,510
652,473	699,718	1,201,295	1,668,258	1,117,589
1,592,292	329,419	436,040	322,844	1,423,511
				82,903,599
<u>(21,166,312)</u>	<u>(5,442,584)</u>	<u>841,426</u>	<u>(39,182,658)</u>	<u>(145,166,336)</u>
<u>\$ 49,126,083</u>	<u>\$ 55,667,002</u>	<u>\$ 61,182,272</u>	<u>\$ 34,097,511</u>	<u>\$ 21,661,873</u>

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

<i>Governmental Activities</i>	Fiscal year				
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Expenses					
Instruction	\$ 44,209,456	\$ 46,835,827	\$ 47,661,417	46,110,257	52,769,920
Support services	25,283,384	27,029,360	27,434,864	25,388,997	29,987,705
Enterprise and Community Services	2,419,485	2,513,565	2,439,278	2,451,763	2,625,723
Non-capital facilities maintenance & replacement	-	590,175	389,427	-	-
Interest and fees on long-term debt	8,259,152	8,165,996	9,625,281	12,522,456	11,394,527
Total expenditures	<u>80,171,477</u>	<u>85,134,923</u>	<u>87,550,267</u>	<u>86,473,473</u>	<u>96,777,875</u>
Program Revenues					
Charges for services	2,942,968	3,580,538	3,814,949	3,554,281	3,364,167
Instruction	-	-	-	-	-
Support services	-	-	-	-	-
Enterprise and Community Services	-	-	-	-	-
Operating grants and contributions	3,314,862	3,222,087	4,939,831	6,358,624	6,371,222
Instruction	-	-	-	-	-
Support services	-	-	-	-	-
Enterprise and Community Services	-	-	-	-	-
Total program revenues	<u>6,257,830</u>	<u>6,802,625</u>	<u>8,754,780</u>	<u>9,912,905</u>	<u>9,735,389</u>
Net (Expenses)	(73,913,647)	(78,332,298)	(78,795,487)	(76,560,568)	(87,042,486)
General Revenues					
Property taxes	35,671,159	37,157,757	38,002,939	40,965,816	42,840,890
Local Option Tax	6,311,507	7,022,392	7,420,022	6,736,010	4,861,280
State School Fund	31,341,677	36,829,154	34,928,350	30,936,476	29,912,976
Investment earnings	1,171,599	988,810	557,637	871,427	659,793
Other	4,529,860	2,846,406	449,631	416,950	383,063
Gain on disposal of capital assets	-	(1,315,927)	-	-	1,578,204
Total general revenues	<u>79,025,802</u>	<u>83,528,592</u>	<u>81,358,579</u>	<u>79,926,679</u>	<u>80,236,206</u>
Change in Net Assets	<u>\$ 5,112,155</u>	<u>\$ 5,196,294</u>	<u>\$ 2,563,092</u>	<u>3,366,111</u>	<u>(6,806,280)</u>

Fiscal year				
<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
46,530,573	49,486,455	52,933,695	48,087,074	77,474,978
25,248,894	23,051,308	29,167,674	26,437,672	40,427,152
2,137,665	1,895,933	1,963,207	2,038,325	2,074,007
-	-	-	-	-
11,082,263	10,681,883	8,842,269	22,107,917	12,424,772
84,999,395	85,115,579	92,906,845	98,670,988	132,400,909
3,918,688	3,883,200	3,938,788	3,250,887	1,525,406
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
3,721,870	3,515,930	4,026,129	3,864,011	4,002,229
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
7,640,558	7,399,130	7,964,917	7,114,898	5,527,635
(77,358,837)	(77,716,449)	(84,941,928)	(91,556,090)	(126,873,274)
43,922,204	43,877,179	45,580,819	45,830,813	51,133,867
3,164,769	2,800,796	2,801,069	3,884,793	5,087,515
33,928,944	36,192,101	41,541,170	44,111,818	48,614,895
299,687	162,710	194,772	2,236,722	724,913
407,133	1,223,627	1,655,070	9,285,485	8,276,826
61,426	954	(61,890)	-	665,084
81,784,163	84,257,367	91,711,010	105,349,631	114,503,100
4,425,326	6,540,918	6,769,082	13,793,541	(12,370,174)

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

	Fiscal years 2007-2011				
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Fund Balances (Deficit)					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 178,973
Restricted for:					
General Fund	-	-	-	-	133,307
Debt service funds	-	-	-	-	493,745
Future Capital Projects					57,548,496
Committed					1,224,746
Unassigned					4,659,738
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	1,743,775	2,509,842	1,562,018	2,439,735	-
Special revenue funds	(79,268)	262,444	120,015	300,976	-
Capital projects funds	679,273	580,102	96,932,803	78,851,796	-
Total fund balances	<u>\$ 5,734,837</u>	<u>\$ 6,864,186</u>	<u>\$ 101,009,807</u>	<u>\$ 81,747,367</u>	<u>\$ 64,239,005</u>

	Fiscal years 2012-2016				
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Fund Balances (Deficit)					
Nonspendable	\$ 155,927	\$ 80,103	\$ 85,877	\$ 209,706	\$ 85,030
Restricted for:					
Grants and Other	1,592,292	329,419	436,040	322,844	1,423,511
Debt Service	652,473	699,718	1,201,295	1,668,258	1,117,589
Future Capital Projects	23,223,469	11,148,549	8,154,014	98,010,357	82,903,599
Committed	-	-	-	-	-
Unassigned	3,255,981	4,278,963	4,395,909	5,161,253	6,153,770
Reserved, reported in					
General Fund	-	-	-	-	-
Debt service funds	-	-	-	-	-
Unreserved, reported in					
General Fund	-	-	-	-	-
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Total fund balances	<u>\$ 28,880,142</u>	<u>\$ 16,536,752</u>	<u>\$ 14,273,135</u>	<u>\$ 105,372,418</u>	<u>\$ 91,683,499</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				
	2007	2008	2009	2010	2011
REVENUES:					
Local Sources:	\$ 48,639,999	\$ 51,051,894	\$ 51,803,870	\$ 54,812,001	\$ 54,921,063
Intermediate Sources:	633,717	613,328	692,997	643,999	556,127
State Sources:	32,272,703	36,845,078	34,950,009	30,958,143	29,932,984
Federal Sources	2,715,361	2,673,125	4,285,121	5,728,494	5,806,422
TOTAL REVENUES	84,261,780	91,183,425	91,731,997	92,142,637	91,216,596
EXPENDITURES:					
Current:					
Instruction	39,352,423	42,975,316	45,023,547	42,784,272	40,239,385
Support Services	23,613,514	25,687,742	26,791,199	24,463,911	23,689,350
Enterprise and Community Services	2,110,337	2,269,268	2,260,424	2,232,378	1,956,123
Facilities Acquisition and Construction	1,299,427	688,116	4,452,264	9,823,777	22,538,547
Debt Service					
Principal	9,560,000	10,560,000	11,770,000	9,885,000	10,785,000
Interest	8,450,644	8,220,147	7,609,060	12,856,209	11,074,527
Capital Outlay	22,921	28,222	41,470	9,357,019	-
TOTAL EXPENDITURES	84,409,266	90,428,811	97,947,964	111,402,566	110,282,932
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(147,486)	754,614	(6,215,967)	(19,259,929)	(19,066,336)
OTHER FINANCING SOURCES, (USES):					
Sale of Fixed Assets	750,000	350,000	-	-	1,529,687
Bond Sale Proceeds			100,355,737	-	-
Bond Issuance					
Transfers In	71,225	630,000	175,000	210,000	270,000
Transfers Out	(71,225)	(630,000)	(175,000)	(210,000)	(270,000)
TOTAL OTHER FINANCING SOURCES	750,000	350,000	100,355,737	-	1,529,687
NET CHANGE IN FUND BALANCE	602,514	1,104,614	94,139,770	(19,259,929)	(17,536,649)
BEGINNING FUND BALANCE	5,118,032	5,651,129	6,864,186	101,009,807	81,747,367
Adjustment for Inventories reported under the purchase method	14,291	108,443	5,851	(2,511)	28,287
Prior Period Adjustment					
ENDING FUND BALANCE	\$ 5,734,837	\$ 6,864,186	\$ 101,009,807	\$ 81,747,367	\$ 64,239,005
Ratio of total debt service to total non-capital expenditures	0.217	0.209	0.207	0.246	0.249

	2012	2013	2014	2015	2016
\$	53,933,679	\$ 54,771,375	\$ 72,772,760	\$ 63,055,879	\$ 65,042,589
	685,451	597,987	581,843	1,901,939	2,045,644
	33,944,494	36,206,101	41,541,170	44,111,818	48,631,895
	3,130,511	2,970,799	3,479,826	3,317,707	3,418,297
	91,694,135	94,546,262	118,375,599	112,387,343	119,138,425
	42,867,738	43,533,497	50,021,283	54,429,715	59,822,353
	24,247,333	20,278,358	27,562,868	29,903,160	30,771,343
	1,895,339	1,667,862	1,855,191	1,902,839	1,953,835
	35,220,168	13,153,990	1,531,125	5,320,908	17,184,455
	10,305,375	13,710,000	27,231,781	112,223,602	11,221,288
	12,476,888	10,031,883	9,393,081	6,867,332	12,542,237
	-	4,500,000	3,043,887	-	-
	127,012,841	106,875,590	120,639,216	210,647,556	133,495,511
	35,318,706	(12,329,328)	(2,263,617)	(98,260,213)	(14,357,086)
	-	-	-	-	665,084
	-	-	-	189,333,774	-
	70,000	1,230,255	100,000	100,000	250,000
	(70,000)	(1,230,255)	(100,000)	(100,000)	(250,000)
	-	-	-	189,333,774	665,084
	(35,318,706)	(12,329,328)	(2,263,617)	91,073,561	(13,692,002)
	64,239,005	28,830,847	16,537,030	14,273,134	105,394,326
	(40,157)	35,233	(278)	25,723	(18,825)
\$	28,880,142	\$ 16,536,752	\$ 14,273,135	\$ 105,372,418	\$ 91,683,499
	0.246	0.209	0.315	0.580	0.178

**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		
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	327,631,848	6,561,007,302	8.25	6,899,647,051	145,725,863	7,243,162,431	90.6
2015	6,603,380,740	345,810,350	6,949,191,090	8.34	7,797,024,933	156,718,618	8,156,722,428	85.2
2016	6,922,003,063	380,069,754	7,302,072,817	9.24	8,570,270,178	404,806,749	8,975,076,927	81.4

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
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
2016	4.87	0.07	-	2.87	8.46

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
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
2016	2.54	2.10	0.74	3.19	0.37	2.11	0.37

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 2015-16 is \$.72. 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

Port of Portland	Tri-Met	City of Tualatin	Washington County	City of Lake Oswego
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
0.07	-	2.53	2.82	4.99
0.07	-	2.52	2.84	4.82

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

		2015-16	
Employer	Type of Business	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
PORTLAND GEN ELEC CO	Utilities	693,695,000	9.50%
SHORENSTEIN PROPERTIES LLC	Real Estate	276,494,593	3.79%
GENERAL GROWTH PROPERTIES INC	Real Estate	240,171,889	3.29%
COMCAST CORPORATION	Television and Internet	202,848,600	2.78%
NORTHWEST NATURAL GAS CO	Utilities	189,266,600	2.59%
FRED MEYER STORED, INC.	Retail	183,670,340	2.52%
PCC STRUCTURALS INC.	Document Imaging	128,910,620	1.77%
XEROX CORPORATION	Manufacturing	85,764,760	1.17%
MARVIN F POER & COMPANY		72,296,670	0.99%
BLOUNT INC.		68,966,058	0.94%
ALL OTHER TAXPAYERS		5,159,987,687	70.66%
		7,302,072,817	100.00%
TOTAL			

		2005-06	
Employer	Type of Business	Value	Total Taxable
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
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
2016	52,453,818	49,927,677	95.18	978,962	50,906,639	97.00

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		
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
2016	204,155	37,390	241,545	4,907	1.26

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, 2016

Overlapping Issuer	Net Property-tax Backed Debt ¹	Percent Overlapping	Net Overlapping Debt
Clackamas Community College	62,061,012	20.78%	12,896,278
City of West Linn	17,740,000	99.13%	17,585,662
METRO	199,855,000	3.58%	7,154,809
Clackamas County	101,775,136	15.19%	15,459,643
Washington County	53,679,570	0.17%	91,255
Portland Community College	335,095,000	0.07%	234,567
City of Tualatin	6,892,166	1.80%	124,059
Tualatin Valley Fire & Rescue Dist.	52,000,000	13.18%	6,853,600
City of Lake Oswego	13,550,000	0.00%	-
Subtotal, overlapping debt	\$ 842,647,884		60,399,873
Direct District net property-tax backed debt	\$ 241,545,453	0%	241,545,453
Total direct and overlapping debt	\$ 1,084,193,337		\$ 301,945,326

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

Source:

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

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		
2007	125,412,238	-	125,412,238	3.56%	15,696
2008	114,852,238		114,852,238	3.07%	14,251
2009	201,162,238		201,162,238	5.06%	24,998
2010	191,637,238		191,637,238	4.56%	23,762
2011	181,492,238		181,492,238	3.02%	22,357
2012	170,272,238		170,272,238	2.77%	20,828
2013	157,862,238		157,862,238	2.50%	18,849
2014	146,914,645		146,914,645	2.24%	17,006
2015	214,126,741		214,126,741	3.08%	24,046
2016	204,155,453		204,155,453	2.80%	21,538

Fiscal Year	Other Governmental Activities Debt				Total District ⁽³⁾	Per Student ADM ⁽²⁾	Per Capita ⁽⁴⁾	Fiscal Year	ADM	Population
	Limited Tax G.O. Refunding Bonds	Certificates of Participation	Refunding Special Obligations	Small Scale Energy Loan Programs						
2007			42,180,000		167,592,238	20,975	4,081	2007	7,990	41,065
2008			42,180,000		157,032,238	19,485	3,796	2008	8,059	41,373
2009			42,135,000		243,297,238	30,235	5,738	2009	8,047	42,400
2010			41,955,000		233,592,238	28,964	5,398	2010	8,065	43,276
2011			41,635,000		223,127,238	27,485	5,107	2011	8,118	43,687
2012			41,135,000		211,428,238	25,863	4,687	2012	8,175	45,107
2013			40,505,000		198,367,238	23,686	4,304	2013	8,375	46,089
2014			39,675,000		186,589,645	21,599	3,930	2014	8,639	47,476
2015			38,640,000		252,766,741	28,385	5,232	2015	8,905	48,315
2016			37,390,000		241,545,453	25,482	4,907	2016	9,479	49,222

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

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

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

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

⁴ Per capita is calculated using the estimated District population of 49,222 for 2015-16

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

Legal Debt Margin Calculation for Fiscal Year 2016

Real Market Value	\$ 8,975,076,927
Debt Limit (7.95%) ¹	713,518,616
Amount of Debt Applicable to Debt Limit:	
General Obligation Bonded Debt	204,155,453
Less: Amount Available in Debt Service Funds	-
Amount of Debt Applicable to Debt Limit	<u>204,155,453</u>
Legal Debt margin	<u><u>\$ 509,363,163</u></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>2015</u>	<u>2016</u>
Debt Limit	\$ 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	713,518,616
Total net debt applicable to limit	<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>	<u>204,155,453</u>
Legal debt margin	<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>	<u>\$ 509,363,163</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%	28.61%

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

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

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

Allowable Percentage of Real Market Value:

^A Kindergarten through eighth grade, 9 x .0055	4.95%
^B Ninth through twelfth, 4 x .0075	<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

Year	District Population <i>(Estimated)</i>	County Personal Income (1) <i>(thousands of</i> <i>dollars)</i>	County Per Capita Personal Income (3)	Clackamas County Unemployment Rate (2)
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	44,480	8.9%
2012	45,107	18,813,208	47,110	8.0%
2013	46,089	19,200,727	47,053	7.1%
2014	47,476	19,240,407	48,713	6.2%
2015	48,315	N/A	N/A	5.2%
2016	49,222	N/A	N/A	N/A

Sources:

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

² State of Oregon Unemployment Rate for Clackamas County

³ For constituents residing in Clackamas County

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

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>Instructional Staff</u>										
Primary, K-5 Instruction	239.27	229.55	202.00	199.42	193.11	137.00	129.16	140.32	140.72	133.47
Intermediate, 4-5 Instruction (2)	0.00	0.00	0.00	0.00	0.00	70.23	68.30	71.02	70.32	67.98
Middle School Instruction	106.16	94.95	92.52	86.16	85.19	101.46	99.51	107.42	106.92	98.42
High School Instruction	123.70	116.50	104.10	102.02	100.53	110.60	108.56	117.82	116.12	109.24
High School Activities	2.00	2.00	2.00	2.20	2.60	2.20	2.20	2.20	2.20	1.88
Pre-Kindergarten Instruction	6.55	5.61	4.41	5.88	5.52	7.28	6.48	5.59	5.59	4.94
Talented & Gifted	1.71	3.06	2.81	1.76	1.76	2.61	2.61	2.51	2.51	2.45
High Needs Students	30.88	26.75	22.25	31.54	30.89	39.53	37.90	47.75	47.05	38.69
Resource Rooms	41.22	40.95	34.58	30.00	28.82	36.73	41.53	45.69	45.49	46.13
Alternative Education	10.64	9.14	5.45	6.18	6.19	4.90	5.90	1.15	1.15	0.67
Charter Schools	0.00	0.00	0.00	0.00	0.00	0.00	1.25	0.00	0.00	1.63
English - Second Language	5.20	5.00	5.00	4.38	3.70	7.31	6.50	11.01	11.01	10.91
CREST	3.00	3.00	2.00	3.00	3.00	2.75	2.75	2.50	2.50	2.50
Subtotal Instructional Staff	570.33	536.51	477.12	472.54	461.31	522.60	512.65	554.98	551.58	518.91
<u>Support Services Staff</u>										
Counseling	18.90	19.00	15.00	18.50	18.50	18.25	17.50	19.70	19.30	19.30
District Nurse	3.00	3.00	3.00	3.00	3.00	3.15	3.37	3.12	3.12	3.00
Psychological Services	4.50	2.00	0.50	0.00	0.00	0.60	0.00	3.50	3.50	5.40
Speech	7.40	8.80	5.80	5.00	5.00	2.55	3.05	9.85	9.55	9.85
Special Services-Direction	3.00	4.00	3.00	3.00	2.00	3.21	3.00	4.00	4.00	4.00
Curriculum Development	3.50	2.00	2.00	2.00	2.00	2.00	2.50	2.31	2.31	1.50
Curriculum - Direction	0.00	1.00	1.00	1.00	1.00	1.50	1.50	0.50	0.50	0.54
Libraries-Media	13.14	11.50	10.22	14.96	14.84	19.70	18.40	20.60	21.40	20.40
Executive Administration	3.00	2.50	2.50	2.50	1.50	2.00	2.00	3.00	3.00	3.00
Office of the Principal	44.70	44.70	42.50	43.10	36.50	45.10	43.60	45.60	45.60	42.60
Business - Direction	1.00	1.00	0.89	0.89	0.89	1.88	0.83	1.00	1.00	1.00
Fiscal Office	5.00	5.00	4.72	4.61	4.61	5.63	5.41	6.00	6.00	6.00
Operations Direction	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00
Maintenance - Direction	3.20	4.00	1.88	2.88	2.88	2.69	2.53	4.00	4.00	2.00
Care & Upkeep of Buildings	40.00	42.00	40.00	41.50	39.50	39.50	39.50	36.90	39.00	39.00
Care & Upkeep of Grounds	0.00	0.00	0.00	0.00	0.00	14.96	0.00	5.00	5.00	5.00
Maintenance	16.00	15.00	15.00	15.15	15.10	0.00	8.00	9.50	9.50	10.50
Warehouse & Distribution	2.00	2.00	2.00	1.95	0.99	2.91	3.00	3.00	3.00	3.00
Staff Services - Personnel	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.50	3.50	3.50
Technology Services	11.50	11.00	7.73	8.23	8.48	9.98	7.03	8.00	8.00	8.00
Subtotal Support Services Staff	182.84	181.50	160.74	171.27	159.79	178.61	164.22	189.08	191.28	189.59
Total	753.17	718.01	637.86	643.81	621.10	701.21	676.87	744.06	742.86	708.50

Source:

District Budget Office

Notes:

(1) General Fund Employees Only.

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

Operating Statistics Last Ten Fiscal Years

Fiscal Year Ending June 30	Student Average Daily Membership (1)	Charter Schools			Certified			Percentage		
		Student Average	Operating Expenses	Cost Per ADM	Staff FTE	ADM to Certified	Tchr Salary Range-Low	Tchr Salary Range-High	Free &	
		Daily Membership	(2)	(1)	(3)	Ratio (3)			Reduced per	
							Ave Tchr Salary		ADM	
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	32,270	65,940	16.9
2009-10	8,065	100	69,480,561	8,615	445	18.1	54,902	33,830	67,248	19.6
2010-11	8,118	100	66,319,321	8,169	451	18.0	50,561	34,425	68,732	21.3
2011-12	8,175	100	69,081,540	8,450	430	19.0	53,119	35,183	69,938	23.3
2012-13	8,375	100	72,466,034	8,653	444	18.9	57,121	35,610	70,997	21.8
2013-14	8,639	105	79,439,342	9,195	447	19.3	57,121	35,877	71,336	23.6
2014-15	8,905	110	86,322,425	9,694	537	16.6	57,326	36,057	71,693	22.7
2015-16	9,479	110	92,547,531	9,763	553	17.1	59,663	38,892	74,541	21.7

(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

		2015-16	
Employer	Type of Business	Number of Employees	Percentage of Total City Employment*
Mentor Graphics Corporation	CAD Software Systems	997	5.8%
Stream International Inc	Facilities Support Services	798	4.7%
Xerox Corporation	Copiers and Printers	706	4.1%
Sysco Portland Inc	Warehouse & Distribution	557	3.3%
Rockwell Collins Head-Up Guidance Systems	Aviation Guidance Systems	488	2.9%
Precision Interconnect	Manufacturing	329	1.9%
Costco Wholesale #766	Warehouse	305	1.8%
Southern Wine & Spirits	Beverage distribution	300	1.8%
BCI Coca Cola Bottling Co of Los Angeles	Warehouse & Distribution	272	1.6%
Flir Systems Inc	Manufacturing	249	1.5%
		5,001	29.4%

		2005-06	
Employer	Type of Business	Number of Employees	Percentage of Total City Employment**
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%
Adecco 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%
		6,092	40.0%

*Total city employment for 2015-16 17,054

**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

Fiscal Year											Average Age of Buildings
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	(in years)
<u>Schools</u>											
Primary											
Buildings	7	7	7	7	7	7	9	9	9	9	52
Square Feet	446,982	446,982	446,982	446,982	446,982	446,982	581,626	581,626	581,626	581,626	
Capacity	3,382	3,382	3,382	3,382	3,382	3,382	4,401	4,401	4,401	4,401	
Membership (ADM)	3,375	3,375	3,375	3,375	3,375	3,516	3,716	3,716	3,716	3,716	
Percent Used	100%	100%	100%	100%	100%	104%	84%	84%	84%	84%	
Middle											
Buildings	3	3	3	3	3	3	3	3	3	3	23
Square Feet	282,519	282,519	282,519	282,519	282,519	284,519	284,519	284,519	284,519	284,519	
Capacity	2,082	2,082	2,082	2,082	2,082	1,932	1,932	1,932	1,932	1,932	
Membership (ADM)	1,899	1,899	1,899	1,899	1,899	1,985	1,985	1,985	1,985	1,985	
Percent Used	91%	91%	91%	91%	91%	103%	103%	103%	103%	103%	
High											
Buildings	2	2	2	2	2	2	2	2	2	2	42
Square Feet	500,631	500,631	500,631	500,631	500,631	499,943	499,943	499,943	499,943	499,943	
Capacity	3,291	3,291	3,291	3,291	3,291	3,220	3,220	3,220	3,220	3,220	
Membership (ADM)	2,508	2,508	2,508	2,508	2,508	2,674	2,674	2,674	2,674	2,674	
Percent Used	76%	76%	76%	76%	76%	83%	83%	83%	83%	83%	
Other											
Buildings	3	3	3	3	3	3	3	3	3	3	11
Square Feet	7,442	7,442	7,442	7,442	7,442	46,266	46,266	46,266	46,266	46,266	
Administration											
Buildings	1	1	1	1	1	1	1	1	1	1	81
Square Feet	21,000	21,000	21,000	21,000	21,000	17,439	17,439	17,439	17,439	17,439	
Maintenance											
Buildings	5	5	5	5	5	5	5	5	5	5	18
Square Feet	40,020	40,020	40,020	40,020	40,020	54,900	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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Instructional Staff										
Prekindergarten teachers	4.00	3.50	3.50	3.30	3.30	4.81	4.50	3.00	3.00	3.00
Elementary teachers K-5	192.00	183.70	163.95	159.00	156.25	166.70	162.90	165.60	164.50	159.70
Secondary teachers	221.30	202.89	188.76	179.53	177.73	200.20	198.46	212.97	210.17	196.66
Teachers of ungraded classes	49.25	48.45	42.95	40.15	39.65	49.50	52.50	57.90	57.00	53.08
Educational assistants	103.78	97.97	77.96	90.56	84.38	101.39	94.29	115.51	116.91	105.47
Instructional coordinators and supervisor	-	-	-	-	-	-	-	-	-	1.00
Subtotal Instructional Staff	570.33	536.51	477.12	472.54	461.31	522.60	512.65	554.98	551.58	518.91
Support Services Staff										
Guidance K-12	18.90	19.00	15.00	18.50	18.50	18.25	17.50	19.70	19.30	19.30
Librarians/media specialists	5.70	5.75	5.15	6.66	6.46	11.40	10.40	10.40	10.40	9.40
Library and media support staff	7.44	5.75	5.07	8.30	8.38	8.30	8.00	10.20	11.00	11.00
District administrators	4.50	3.50	3.50	3.50	3.50	3.50	4.00	4.00	4.00	3.54
District support staff	82.70	84.00	78.22	79.18	77.45	83.55	72.30	79.71	81.81	82.50
School administrators	23.00	23.00	20.50	22.00	17.00	23.00	22.00	22.00	22.00	21.00
School administrative support staff	21.70	21.70	22.00	21.10	19.50	22.10	21.60	23.60	23.60	21.60
Student services support staff	18.90	18.80	11.30	12.00	9.00	8.51	8.42	19.47	19.17	21.25
Subtotal Support Services Staff	182.84	181.50	160.74	171.24	159.79	178.61	164.22	189.08	191.28	189.59
Total FTE	753.17	718.01	637.86	643.78	621.10	701.21	676.87	744.06	742.86	708.50
Source:										
District Budget Office										

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

<u>Assignment/Function</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Instructional Staff										
Prekindergarten teachers	4.00	3.50	3.50	3.30	3.30	4.81	4.50	3.00	3.00	3.00
Elementary teachers K-5	192.00	183.70	163.95	159.00	156.25	166.70	162.90	165.60	164.50	159.70
Secondary teachers	221.30	202.89	188.76	179.53	177.73	200.20	198.46	212.97	210.17	196.66
Teachers of ungraded classes	49.25	48.45	42.95	40.15	39.65	49.50	52.50	57.90	57.00	53.08
Educational assistants	103.78	97.97	77.96	90.56	84.38	101.39	94.29	115.51	116.91	105.47
Instructional coordinators and supervisor	-	-	-	-	-	-	-	-	-	1.00
Subtotal Instructional Staff	570.33	536.51	477.12	472.54	461.31	522.60	512.65	554.98	551.58	518.91
Support Services Staff										
Guidance K-12	18.90	19.00	15.00	18.50	18.50	18.25	17.50	19.70	19.30	19.30
Librarians/media specialists	5.70	5.75	5.15	6.66	6.46	11.40	10.40	10.40	10.40	9.40
Library and media support staff	7.44	5.75	5.07	8.30	8.38	8.30	8.00	10.20	11.00	11.00
District administrators	4.50	3.50	3.50	3.50	3.50	3.50	4.00	4.00	4.00	3.54
District support staff	82.70	84.00	78.22	79.18	77.45	83.55	72.30	79.71	81.81	82.50
School administrators	23.00	23.00	20.50	22.00	17.00	23.00	22.00	22.00	22.00	21.00
School administrative support staff	21.70	21.70	22.00	21.10	19.50	22.10	21.60	23.60	23.60	21.60
Student services support staff	18.90	18.80	11.30	12.00	9.00	8.51	8.42	19.47	19.17	21.25
Subtotal Support Services Staff	182.84	181.50	160.74	171.24	159.79	178.61	164.22	189.08	191.28	189.59
Total FTE	753.17	718.01	637.86	643.78	621.10	701.21	676.87	744.06	742.86	708.50
Source:										
District Budget Office										

Capital Asset Information
Last Ten Fiscal Years

Fiscal Year											Average Age of Buildings
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	(in years)
<u>Schools</u>											
Primary											
Buildings	7	7	7	7	7	7	9	9	9	9	52
Square Feet	446,982	446,982	446,982	446,982	446,982	446,982	581,626	581,626	581,626	581,626	
Capacity	3,382	3,382	3,382	3,382	3,382	3,382	4,401	4,401	4,401	4,401	
Membership (ADM)	3,375	3,375	3,375	3,375	3,375	3,516	3,716	3,716	3,716	3,716	
Percent Used	100%	100%	100%	100%	100%	104%	84%	84%	84%	84%	
Middle											
Buildings	3	3	3	3	3	3	3	3	3	3	23
Square Feet	282,519	282,519	282,519	282,519	282,519	284,519	284,519	284,519	284,519	284,519	
Capacity	2,082	2,082	2,082	2,082	2,082	1,932	1,932	1,932	1,932	1,932	
Membership (ADM)	1,899	1,899	1,899	1,899	1,899	1,985	1,985	1,985	1,985	1,985	
Percent Used	91%	91%	91%	91%	91%	103%	103%	103%	103%	103%	
High											
Buildings	2	2	2	2	2	2	2	2	2	2	42
Square Feet	500,631	500,631	500,631	500,631	500,631	499,943	499,943	499,943	499,943	499,943	
Capacity	3,291	3,291	3,291	3,291	3,291	3,220	3,220	3,220	3,220	3,220	
Membership (ADM)	2,508	2,508	2,508	2,508	2,508	2,674	2,674	2,674	2,674	2,674	
Percent Used	76%	76%	76%	76%	76%	83%	83%	83%	83%	83%	
Other											
Buildings	3	3	3	3	3	3	3	3	3	3	11
Square Feet	7,442	7,442	7,442	7,442	7,442	46,266	46,266	46,266	46,266	46,266	
Administration											
Buildings	1	1	1	1	1	1	1	1	1	1	81
Square Feet	21,000	21,000	21,000	21,000	21,000	17,439	17,439	17,439	17,439	17,439	
Maintenance											
Buildings	5	5	5	5	5	5	5	5	5	5	18
Square Feet	40,020	40,020	40,020	40,020	40,020	54,900	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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
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Educational assistants	103.78	97.97	77.96	90.56	84.38	101.39	94.29	115.51	116.91	105.47
Instructional coordinators and supervisor	-	-	-	-	-	-	-	-	-	1.00
Subtotal Instructional Staff	570.33	536.51	477.12	472.54	461.31	522.60	512.65	554.98	551.58	518.91
Support Services Staff										
Guidance K-12	18.90	19.00	15.00	18.50	18.50	18.25	17.50	19.70	19.30	19.30
Librarians/media specialists	5.70	5.75	5.15	6.66	6.46	11.40	10.40	10.40	10.40	9.40
Library and media support staff	7.44	5.75	5.07	8.30	8.38	8.30	8.00	10.20	11.00	11.00
District administrators	4.50	3.50	3.50	3.50	3.50	3.50	4.00	4.00	4.00	3.54
District support staff	82.70	84.00	78.22	79.18	77.45	83.55	72.30	79.71	81.81	82.50
School administrators	23.00	23.00	20.50	22.00	17.00	23.00	22.00	22.00	22.00	21.00
School administrative support staff	21.70	21.70	22.00	21.10	19.50	22.10	21.60	23.60	23.60	21.60
Student services support staff	18.90	18.80	11.30	12.00	9.00	8.51	8.42	19.47	19.17	21.25
Subtotal Support Services Staff	182.84	181.50	160.74	171.24	159.79	178.61	164.22	189.08	191.28	189.59
Total FTE	753.17	718.01	637.86	643.78	621.10	701.21	676.87	744.06	742.86	708.50

Source:

District Budget Office

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 19, 2016

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, 2016, and have issued our report thereon dated December 19, 2016. 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 25 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 84.

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 that reads "Matthew Graves". The script is fluid and cursive, with the first name and last name clearly distinguishable.

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, 2016

Federal Grantor/Pass Through Grantor/ Program Title	Pass Through Organization	Federal CFDA Number	Pass Through Entity Number	Period Covered	Expenditures	Passed Through
US DEPARTMENT OF EDUCATION						
Title 1 Grants to Local Education Agencies	Oregon Department of Education	84.010	36102	7/1/15 - 9/30/16	493,822	0
Supporting Effective Educator Development Grant Program	Oregon Department of Education	84.367	36299	7/1/15 - 9/30/16	115,308	0
English Language Acquisition State Grants	Oregon Department of Education	84.365	36368	7/1/15 - 9/30/16	34,061	0
Special Education--Grants to States	Oregon Department of Education	84.027	36988	7/1/15 - 9/30/17	1,238,431 *	0
Special Education--Grants to States	Oregon Department of Education	84.173	33555	7/1/14 - 9/30/16	101	0
Special Education--Grants to States	Oregon Department of Education	84.173	37272	7/1/15 - 9/30/17	4,139	0
Special Education--Grants to States	Oregon Department of Education	84.027	38023	8/1/15 - 6/30/15	4,261	0
Special Education--Grants to States	Oregon Department of Education	84.027	38459	10/1/15 - 9/30/16	12,731	0
Special Education--Grants to States	Oregon Department of Education	84.027	35813	7/1/15 - 6/30/16	1,793	0
<i>Total IDEA</i>					<u>1,261,455</u>	
ELL Outcome Advisory Group	Oregon Department of Education	NA	38164	7/1/15 - 6/30/17	672	0
Program Grants	Oregon Department of Education	NA	39299	12/1/15 - 6/30/16	2,000	0
Farm to School Base	Oregon Department of Education	NA	38948	7/1/15 - 6/30/17	16,860	0
Total U.S. Department of Education					1,924,179	-
Carl Perkins	Clackamas County ESD	84.048	36400	7/1/15 - 6/30/2016	24,156	0
C-TEC	Clackamas County ESD	17.259	NA	7/1/15 - 6/30/2016	49,914	0
Mentor Project	Clackamas County ESD	NA	NA	7/1/15 - 6/30/2016	48,500	0
Migrant Education--Basic State Formula Grants	Clackamas County ESD	84.011	37712	7/1/15 - 6/30/2016	1,634	0
Total Clackamas ESD					124,204	-
Youth Transition Program	Department of Human Services	84.126A	143295	7/1/15 - 6/30/16	128,763	0
Total Department of Human Services					128,763	-
Medicaid	Multnomah ESD	NA	NA	7/1/15 - 6/30/16	156,199	0
Total Multnomah ESD					156,199	-
Columbia Regional Program Autism Services	Portland Public Schools	NA	NA	7/1/15 - 6/30/16	73,200	0
Total Portland Public Schools					73,200	-
Food Donation	Oregon Department of Education	10.555	NA		153,106 *	0
National School Lunch Program Breakfast	Oregon Department of Education	10.553	NA		95,809 *	0
National School Lunch Program	Oregon Department of Education	10.555	NA		702,958 *	0
Federal Forest Fees	US Department of Agriculture	10.665	NA		85,729	0
Total U.S. Department of Agriculture					1,037,602	-

*major program

TOTALS \$ 3,444,147



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December 19, 2016

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, 2016, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated December 19, 2016.

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 fluid and cursive, with the first name "Matthew" being more prominent than the last name "Graves".

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



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December 19, 2016

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 the Uniform Guidance

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 Compliance Supplement* that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2016. 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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, 2016.

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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 the Uniform Guidance. 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, 2016

SECTION I – SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

☐ yes ☒ no

Significant deficiency(s) identified that are not considered
to be material weaknesses?

☐ yes ☒ none reported

Noncompliance material to financial statements noted?

☐ yes ☒ no

Any GAGAS audit findings disclosed that are required to be reported in
accordance with section 515(d)(2) of the Uniform Guidance?

☐ yes ☒ no

FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified?

☐ yes ☒ no

Significant deficiency(s) identified that are not considered
to be material weaknesses?

☐ yes ☒ 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 200.516(a) of the Uniform Guidance?

☐ yes ☒ no

IDENTIFICATION OF MAJOR PROGRAMS

10.553, 10.555 **National School Lunch Program**

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

Auditee qualified as low-risk auditee?

☒ yes ☐ no

WEST LINN-WILSONVILLE SCHOOL DISTRICT 3
CLACKAMAS COUNTY, OREGON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

SECTION II – FINANCIAL STATEMENT FINDINGS

None Reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None Reported.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL EXPENDITURES

1. **BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes federal grant activity under programs of the federal government. The information in this schedule is presented in accordance with U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations, it is not intended to and does not present the net position, changes in net position, or cash flows of the entity.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.