

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT



For the Year Ended June 30, 2009

WEST LINN-WILSONVILLE SCHOOL DISTRICT 3J

CLACKAMAS COUNTY, OREGON

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended June 30, 2009

Prepared by:
Business Office:
Bill Knowles, Business Manager

This Page Intentionally Left Blank

West Linn-Wilsonville School District 3J

Clackamas County, Oregon

Administration Building
PO Box 35
West Linn, Oregon 97068

Dr. Roger L. Woehl
Dr. Jane M. Stickney
Dr. Thayne E. Balzer
R. William Knowles

Superintendent
Assistant Superintendent
Assistant Superintendent
Business Manager

BOARD OF DIRECTORS AS OF JUNE 30, 2009

	<u>Term Expires</u>
Dale Hoogestraat, Chair	June 30, 2009
David Goode, Vice Chair	June 30, 2009
Tom Bruggere	June 30, 2009
Mary Furrow	June 30, 2011
Jeff Hallin	June 30, 2011

All board members receive mail at the address above.

Legal and Bond Counsel

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

This Page Intentionally Left Blank

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

TABLE OF CONTENTS

PAGE
NUMBER

INTRODUCTORY SECTION:

TRANSMITTAL LETTER	i
INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	3

FINANCIAL SECTION:

Basic Financial Statements:

Government-Wide Financial Statements:

Statement of Net Assets	9
Statement of Activities	10

Fund Financial Statements:

Balance Sheet – Governmental Funds	11
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Assets	12
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities	14
Statement of Fiduciary Net Assets	15
Statement of Changes in Fiduciary Net Assets	16

Notes to Basic Financial Statements	17
-------------------------------------	----

REQUIRED SUPPLEMENTARY DATA:

Schedule of Funding Progress and Employer Contributions	33
General Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget	34
Special Revenue Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget	35

SUPPLEMENTARY DATA:

Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget	36
Capital Projects Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget	37
Combining Balance Sheet – Special Revenue Funds	38
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance – Special Revenue Funds	39

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

TABLE OF CONTENTS

PAGE
NUMBER

SUPPLEMENTARY DATA (Continued):

Fiduciary Funds:

Schedule of Changes in Assets and Liabilities – Student Activity Fund	40
---	----

Other Financial Schedules:

Schedule of Property Tax Transactions and Balances of Taxes Uncollected - General Fund	41
Schedule of Property Tax Transactions and Balances of Taxes Uncollected - Debt Service Fund	42
Schedule of Bond and Interest Transactions and Balances	43
Schedule of Bond Redemption and Interest Requirements	44
Schedule of Revenues by Function – All Funds	45
Schedule of Expenditures by Function/Object – General Fund	46
Special Revenue Funds	47
Debt Service Funds	48
Capital Projects Funds	49
Supplemental Information – As Required by the Oregon Department of Education	50

STATISTICAL SECTION:

Statistical Section Contents	51
Condensed Statement of Net Assets – Last Seven Fiscal Years	52
Changes in Net Assets – Last Seven Fiscal Years	53
Fund Balances of Governmental Funds – Last Ten Fiscal Years	54
Changes in Fund Balances of All Governmental Funds – Last Seven Fiscal Years	55
Assessed Values of Taxable Property within School District No. 3JT Boundaries – Last Ten Fiscal Years	56
Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years	57
Principal Property Tax Payers for West Linn Wilsonville School District – Current Year and Ten Years Ago	58
Property Tax Levies and Collections – Last Ten Fiscal Years	59
Outstanding Debt by Type – Last Eight Fiscal Years	60
Direct and Overlapping Governmental Activities Debt	61
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	62
Legal Debt Margin Information – Last Ten Fiscal Years	63
Demographic and Economic Statistics – Last Ten Calendar Years	64
Full-time Equivalent District Employees by Type – Last Three Fiscal Years	65
Operating Statistics – Last Seven Fiscal Years	66
Principal Employers for the West Linn-Wilsonville School District Area (1) – Current Year and Nine Years Ago	67
Capital Asset Information – Last Seven Fiscal Years	68
Full-time Equivalent District Employees by Assignment/Function – Last Four Fiscal Years	69

AUDITORS' COMMENTS AND DISCLOSURES

70

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

TABLE OF CONTENTS

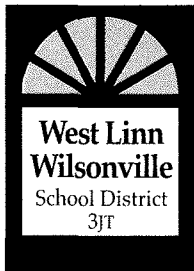
**PAGE
NUMBER**

SINGLE AUDIT SECTION:

Schedule of Expenditures of Federal Awards	74
Report on Internal Control Structure over Financial Reporting	75
Report on Compliance with Requirements Applicable to each Major Program	77
Schedule of Findings and Questioned Costs	79

This Page Intentionally Left Blank

INTRODUCTORY SECTION



West Linn-Wilsonville School District 3J

ADMINISTRATION BUILDING

P.O. Box 35 · West Linn, Oregon 97068 · 503-673-7000 or Fax 503-673-7001

December 14, 2009

Board of Directors
West Linn-Wilsonville School District 3J
PO Box 35
West Linn, OR 97068

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 3J, Clackamas and Washington counties, Oregon for the year ended June 30, 2009.

This report was prepared by the Business Office of West Linn-Wilsonville School District 3J. 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, 2009, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the District's financial statements for the fiscal year ended June 30, 2009, 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.

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 West Linn-Wilsonville School District No. 3J (the primary government) and any component units. Component units, as established by GASB statement 14, 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. Three Rivers Charter School is a component unit of the West Linn-Wilsonville School District.

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 constant growth over the past 2-1/2 decades. The estimated population of the District has grown from 16,876 in 1980 to 42,400 in 2009. District student membership as of June 30, 2009 was 8,047, 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.

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

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

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

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

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 allows 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, voters of the West Linn-Wilsonville School District passed a local option tax. This five-year taxing authority commenced during the 2000-01 fiscal year and ended June 30, 2005. On November 2, 2004 57% of district voters approved another Local Option Tax Levy at the same \$1.50 per thousand assessed value rate that passed May 16, 2000. This taxing authority runs through fiscal 2009-10. On November 4, 2008 voters authorized another five year local option taxing authority at \$1.50 per thousand assessed value that extends through the 2014-15 fiscal year. The average "Local Option" taxpayer burden during 2008-09 was \$1.33 per thousand assessed value.

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 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 exceeds the national average with the most recent rate of 10.4 percent published September 2009.

Oregon's current personal income tax reliant revenue base will continue to have the stability and adequacy shortcomings it has experienced. 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.

MAJOR PROGRAMS

The mission of the West Linn-Wilsonville School District is constantly to improve the learning environment in order to develop and nurture each student's potential for life-long intellectual and cultural growth. The district measures its success almost exclusively by the level of student learning and achievement.

Launching a new superintendency, and in response to local, state and national mandates for school improvement, including the Oregon Educational Act for the 21st Century, the school district held two Futures Conferences in the spring of 1994. These major events, preceded by a year of planning, were a part of our strategic planning to move West Linn-Wilsonville Schools into the 21st century. The Futures Conferences sought common ground through dialogue using the Marvin Weisborg conference model. Participants painted broad strokes of consensus about the qualities this community would like its school district to exemplify 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.

The six vision themes from these Futures Conferences presented the community and schools with an inviting picture of possibility and launched the district on a challenging and rewarding journey. These themes arch over and create lines through every dimension of the work of this school district. These vision themes 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 work of this school district is to enliven and make real these vision themes:

Personal and Academic Excellence, Personalized Education, Circle of Support, Community Partnerships, Educating the Whole Child, Integrating Technologies in Daily Learning.

Staff development and in-service training continue to be a major focus and emphasis in the district. We are committed to the strategy of improving the skills and training of our staff in order to deliver more effective services to students and parents. The district continues to provide staff training and development.

The general obligation bond passed by voters November 4, 2008 and sold in February 2009 is currently being used to construct two new primary schools and substantial upgrades in many of schools in the district.

The school board has continued 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.

We see no significant impact on funding in 2009-10 fiscal year as a result of district policy.

Awards

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, 2008. This was the sixteenth 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

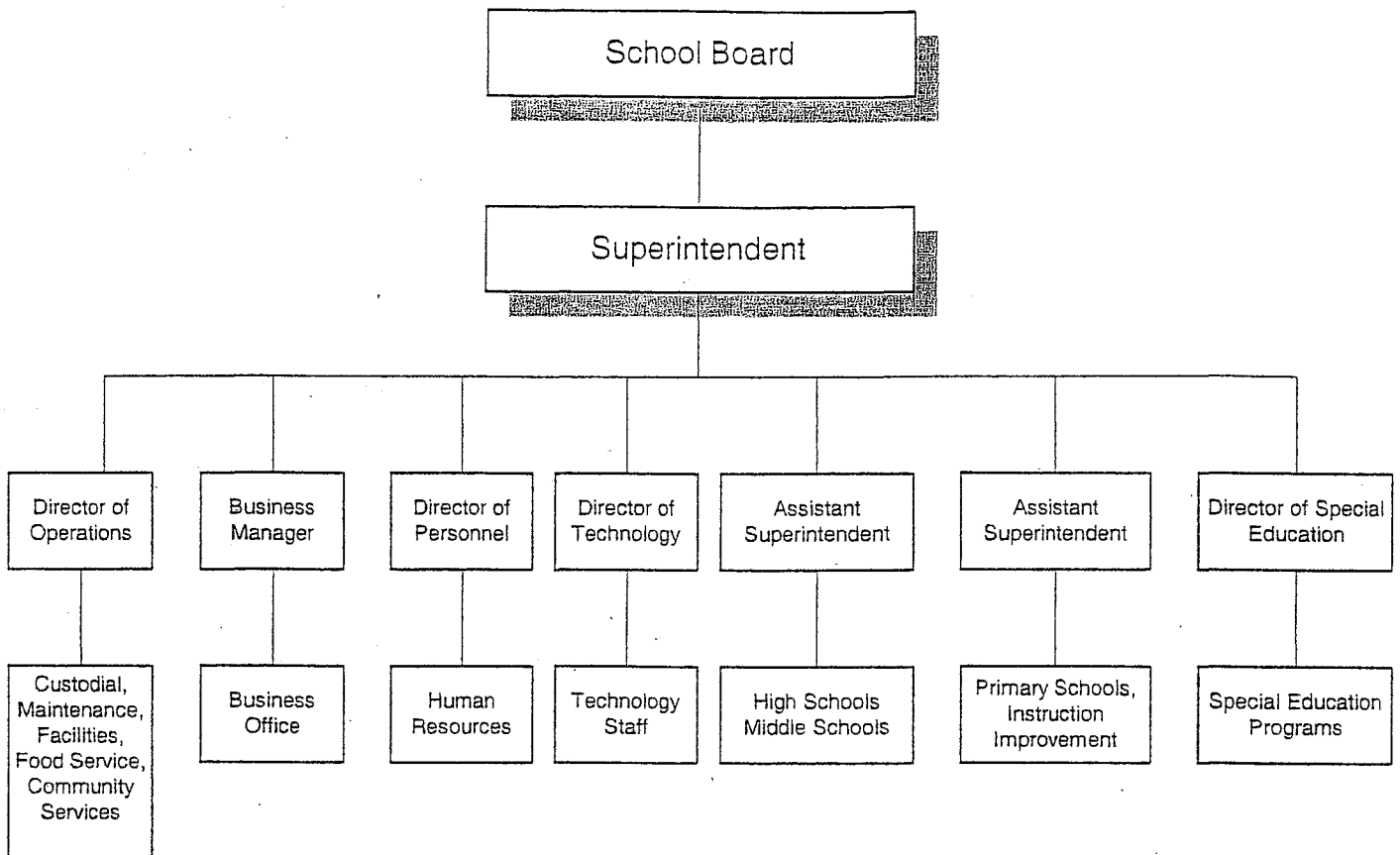
We wish to express our appreciation to the staff of the Business Office and members of other District departments who assisted in the preparation of this Comprehensive Annual Financial Report. We also wish to extend our appreciation to the members of the Board of Education, administrators, employees, 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,

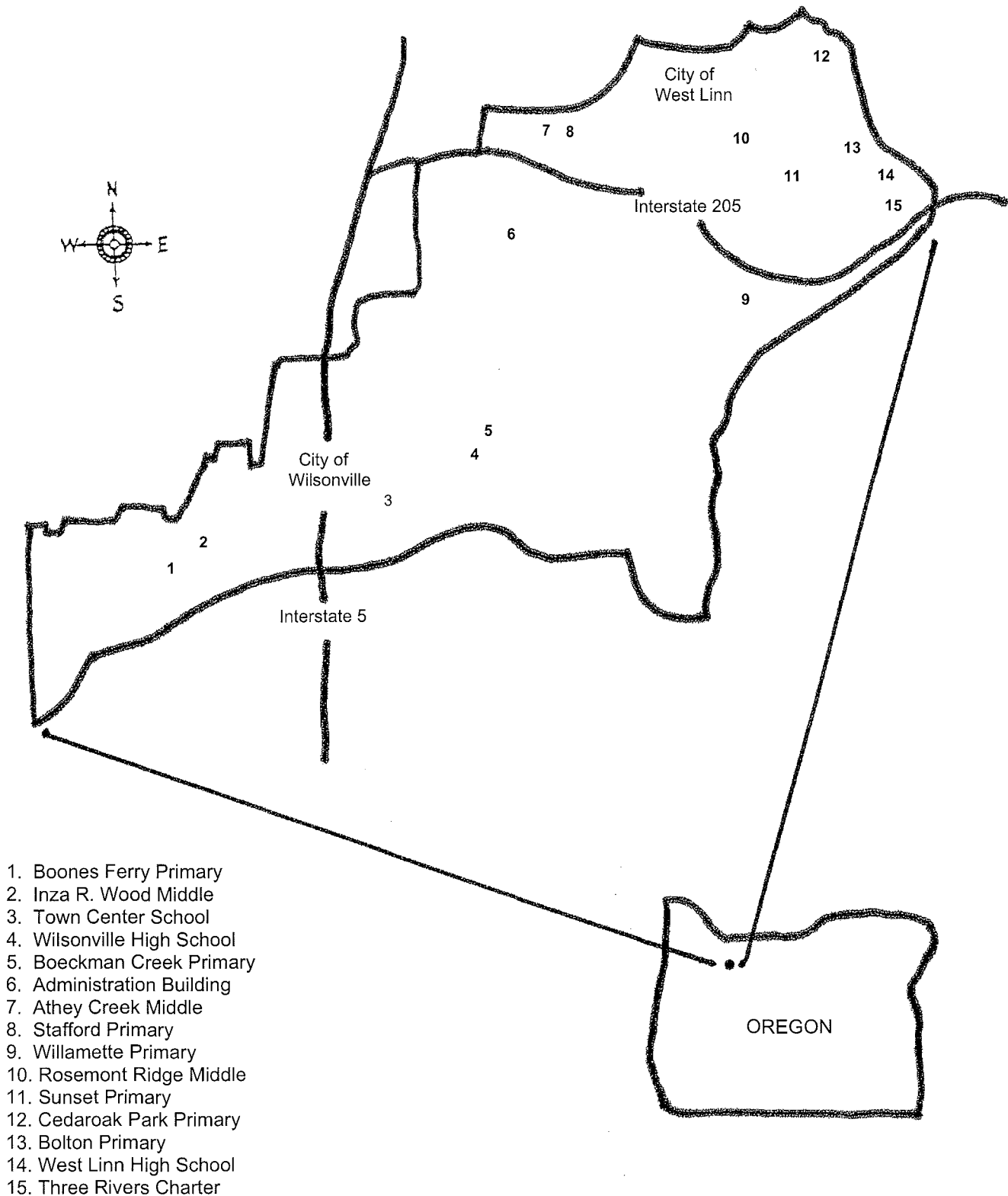

Roger L. Woehl, Superintendent


R. William Knowles, Business Manager

West Linn-Wilsonville School District 3JT
Organization Chart



WEST LINN - WILSONVILLE SCHOOL DISTRICT No. 3J



Certificate of Achievement for Excellence in Financial Reporting

Presented to

West Linn-Wilsonville
School District No. 3J
Oregon

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

This Page Intentionally Left Blank



PAULY, ROGERS AND CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

-
- 12700 SW 72ND AVENUE • TIGARD, OREGON 97223
 - (503) 620-2632 • FAX (503) 684-7523

December 11, 2009

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

INDEPENDENT AUDITORS' REPORT

We have audited the financial statements of the governmental activities and each major fund of the West Linn-Wilsonville School District 3J, Clackamas County, Oregon, as of and for the year ended June 30, 2009 which collectively comprise the District's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Three Rivers Charter School, a discretely presented component unit, representing all assets, liabilities, equity, and operations of that component unit. These financial statements were audited by other auditors whose report thereon was furnished to us, and our opinion, insofar as it relates to the amounts included for Three Rivers Charter School, is based on the report of the other auditors.

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 audits to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the discretely presented component unit, each major fund and the remaining fund information of the West Linn-Wilsonville School District 3J, Clackamas County, Oregon, at June 30, 2009 and the respective changes in financial position, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our reports dated December 11, 2009, on our consideration of West Linn-Wilsonville School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Those reports are an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis on page 3 and Required Supplementary Information on page 33, as listed on the table of contents, is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the West Linn-Wilsonville School District's basic financial statements. The Supplementary Information, on pages 34 through 44, is presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards, as listed in the table of contents, is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. The Supplementary Information and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole, except as noted below.

The Schedule of Revenues by Function, Schedules of Expenditures by Function/Object and Supplemental Information, on pages 45 through 50, are presented for purposes of additional analysis as required by Oregon Department of Education, however, we did not audit the information and express no opinion on it.

The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Pauly, Rogers and Co. P.C.
PAULY, ROGERS AND CO., P.C.

**WEST LINN-WILSONVILLE SCHOOL DISTRICT 3J
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009**

As management of West Linn-Wilsonville School District 3J (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, 2009.

FINANCIAL HIGHLIGHTS

- In the government-wide statements, the assets of the District exceeded its liabilities at June 30, 2009 by \$48,140,926.
- The District's governmental funds report combined ending fund balance of \$101,009,807.
- The District's net assets increased by \$3,371,129.

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 Assets. The *statement of net assets* presents information on all of the assets and liabilities of the District at year end. Net assets are what remain after the liabilities have been paid or otherwise satisfied. Over time, increases or decreases in net assets 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 assets of the District changed over the year by tracking revenues, expenses and other transactions that increase or reduce net assets. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

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

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are reconciled to the government-wide Statements of Net Assets 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 nonmajor 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 assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$48,140,926 at June 30, 2009.

Capital assets, which consist of the District's land, buildings, building improvements, vehicles, and equipment, represent about 52 percent of total assets. The remaining assets consist mainly of investments and cash, grants, and property taxes receivable.

The District's largest liability is for the repayment of general obligation bonds. Current liabilities, representing about 9.7 percent of the District's total liabilities, consist almost entirely of payables on accounts, payroll withholdings, and the current portion of long-term debt.

Net Assets of the District were comprised of the following:

	June 30, 2009	June 30, 2008	Change
Current and Other Assets	\$ 148,627,204	\$ 52,575,726	\$ 96,051,478
Capital Assets	<u>162,711,325</u>	<u>162,366,848</u>	<u>344,477</u>
Total Assets	<u>\$ 311,338,529</u>	<u>\$ 214,942,574</u>	<u>\$ 96,395,955</u>
Current Liabilities	\$ 24,533,216	\$ 22,473,361	\$ 2,059,855
Long-Term Liabilities	<u>238,664,387</u>	<u>147,699,416</u>	<u>90,964,971</u>
Total Liabilities	<u>263,197,603</u>	<u>170,172,777</u>	<u>93,024,826</u>
Net Assets:			
Invested in Capital Assets, net of related debt	59,549,087	45,633,075	13,916,012
Restricted for Debt Service	2,305,898	3,391,956	(1,086,058)
Unrestricted	<u>(13,714,059)</u>	<u>(4,255,234)</u>	<u>(9,458,825)</u>
Total Net Assets	<u>\$ 48,140,926</u>	<u>\$ 44,769,797</u>	<u>\$ 3,371,129</u>

Governmental activities. A comparative analysis discussing and analyzing significant differences from the prior year to the current year is provided below. During the current fiscal year, the District's net assets increased by \$3,371,129.

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

	June 30, 2009	June 30, 2008	Change
REVENUES			
Program Revenues			
Charges for Services	\$ 3,814,949	\$ 3,580,538	\$ 234,411
Operating Grants and Contributions	4,939,831	3,222,087	1,717,744
General Revenues			
Property Taxes	38,002,939	37,157,757	845,182
Local Option	7,420,022	7,022,392	397,630
State School Fund - General Support	34,928,350	36,829,154	(1,900,804)
Earnings on Investments	557,637	988,810	(431,173)
Other Federal, State and Local Sources	449,631	1,530,479	(1,080,848)
Total Revenues	<u>90,113,359</u>	<u>90,331,217</u>	<u>(217,858)</u>
EXPENSES			
Instruction	47,661,417	46,835,827	825,590
Support Services	27,434,864	27,029,360	405,504
Enterprise and Community Services	2,439,278	2,513,565	(74,287)
Facilities Acquisition and Construction	389,427	590,175	(200,748)
Interest on Long-Term Debt	9,625,281	8,165,996	1,459,285
Total Expenses	<u>87,550,267</u>	<u>85,134,923</u>	<u>2,415,344</u>
Change in Net Assets	2,563,092	5,196,294	(2,633,202)
Beginning Net Assets	44,769,797	39,573,503	5,196,294
Restatement - Change in Accounting Principles	808,037	-	808,037
Ending Net Assets	<u>\$ 48,140,926</u>	<u>\$ 44,769,797</u>	<u>\$ 3,371,129</u>

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, *unreserved 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, 2009, the District's governmental funds reported combined ending fund balances of \$101,009,807, an increase of \$94,139,770 in comparison with the prior year.

General Fund. The General Fund is the chief operating fund of the District. As of June 30, 2009, unreserved fund balance was \$1,562,018. As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Fund balance represents about 2.3 percent of total General Fund expenditures.

The fund balance decreased by \$978,593 during the current fiscal year. This decrease was attributable to lower than anticipated revenues from the state school support fund.

Debt Service Fund. As of June 30, 2009 the ending fund balance is \$2,305,898, a decrease of \$1,086,058 as compared to the prior year. This balance is consistent with what is required to service general obligation debt between July 1, 2009 and late November 2009 when taxes are received from the treasurers of both Clackamas and Washington Counties.

Capital Projects Fund. The Capital Projects Fund has a total fund balance \$96,932,803, which is designated for capital needs specified in the general obligation bond approved by voters on November 4, 2008. The fund balance increase of \$96,352,701 was due to proceeds from the sale of bonds in February 2009.

GENERAL FUND BUDGETARY HIGHLIGHTS

The budget was impacted by four major developments in 2008-09. Revenues from local option taxes were \$500,000 higher than anticipated. This positive news was more than offset by the reduction from the Oregon State School Fund (SSF) in the amount of \$3.7 million. This SSF shortfall was softened a bit by federal stimulus funding in the form of the State Fiscal Stability Fund (SFSF) grant of \$1.54 million. The State of Oregon also passed along another grant referred to as the School Day Restoration Fund. This amount totaled \$677,000 for the district. The net of these funding adjustments was a loss of just under \$1.0 million.

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, 2009, the District had invested \$162,711,325 in capital assets, net of depreciation.

Additional information on the District's capital assets can be found on page 25 in the notes to the financial statements.

Long-term debt. As of June 30, 2009, the District had total debt outstanding of \$248,505,940. Please refer to the notes to page 26 in the financial statements for more information.

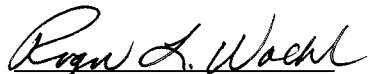
ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The 2009-10 budget was built on state revenue assumptions that have come under pressure from a November 2008 state revenue forecast. Additional forecasts in early 2009 confirmed the trend of reduced state funding. Most of the funding pressure that came as a result of the sharp economic downturn in late 2008 will be felt in fiscal years beginning with 2009-10.

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, West Linn, Oregon 97068.

Signature: 
Title: Business Manager

Signature: 
Title: Superintendent

FINANCIAL SECTION

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

STATEMENT OF NET ASSETS
JUNE 30, 2009

	<u>Component Unit</u>	
	<u>Governmental Activities</u>	<u>Three Rivers Charter School</u>
ASSETS:		
Cash and Investments	\$ 111,184,299	\$ 185,582
Property Taxes Receivable	2,926,692	-
Other Receivables	1,846,823	-
Supply Inventory	114,295	-
Prepaid Expenses	89,073	18,688
Prepaid Pension Asset	30,728,898	-
Bond Issue Costs	1,737,124	-
Non-Depreciable Capital Assets	11,846,533	-
Capital Assets, Net of Depreciation:	<u>150,864,792</u>	<u>61,510</u>
TOTAL ASSETS	<u>311,338,529</u>	<u>265,780</u>
LIABILITIES:		
Accounts Payable	2,623,548	10,916
Accrued Salaries and Benefits	6,016,250	14,350
Unearned Revenue	55,588	-
Accrued Interest	2,296,277	-
Tax Anticipation Note Payable	3,700,000	-
Long-Term Liabilities:		
Portion Due or Payable Within One Year:	9,841,553	-
Portion Due or Payable After One Year:	<u>238,664,387</u>	<u>-</u>
TOTAL LIABILITIES	<u>263,197,603</u>	<u>25,266</u>
NET ASSETS:		
Invested in Capital Assets, Net of Related Debt	59,549,087	61,510
Restricted for:		
Debt Service	2,305,898	-
Unrestricted	<u>(13,714,059)</u>	<u>179,004</u>
TOTAL NET ASSETS	<u>\$ 48,140,926</u>	<u>\$ 240,514</u>

See notes to basic financial statements.

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

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2009

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Assets	Component Unit Three Rivers Charter School
		Charges for Services	Operating Grants and Contributions		
Governmental Activities:					
Instruction	\$ 47,661,417	\$ 2,577,708	\$ 2,873,346	\$ (42,210,363)	\$ 670,943
Support	27,434,864	-	1,212,948	(26,221,916)	330,724
Enterprise and Community Services	2,439,278	1,237,241	853,537	(348,500)	-
Facilities Acquisition	389,427	-	-	-	-
Interest on Long-Term Debt	9,625,281	-	-	(9,625,281)	-
Total Governmental Activities	<u>\$ 87,550,267</u>	<u>\$ 3,814,949</u>	<u>\$ 4,939,831</u>	<u>(78,795,487)</u>	<u>1,001,667</u>
Component Unit					
Three Rivers Charter School	<u>\$ 1,025,972</u>	<u>\$ 24,305</u>	<u>\$ -</u>		<u>(1,001,667)</u>

General revenues:		
Property Taxes	38,002,939	-
Local Option Tax	7,420,022	93,592
State School Fund - General Support	34,928,350	480,687
Unrestricted	449,631	300,578
Earnings on Investments	557,637	2,285
Total general revenues	<u>81,358,579</u>	<u>877,142</u>
CHANGE IN NET ASSETS	2,563,092	(124,525)
Net Assets - July 1, 2008	44,769,797	365,039
Restatement - Change In Accounting Principles	808,037	-
Net Assets - June 30, 2009	<u>\$ 48,140,926</u>	<u>\$ 240,514</u>

See notes to basic financial statements.

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

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009

	General Fund	Debt Service Fund	Capital Projects Fund	Special Revenue Funds	Total
ASSETS					
Cash and Investments	\$ 11,831,915	\$ 1,438,478	\$ 97,913,906	\$ -	\$ 111,184,299
Due From Other Funds	-	786,209	51,893	129,069	967,171
Property Taxes Receivable	1,991,343	935,349	-	-	2,926,692
Other Receivables	663,357	-	135,009	1,048,457	1,846,823
Supply Inventory	59,752	-	-	54,543	114,295
Prepaid Expenditures	89,073	-	-	-	89,073
TOTAL ASSETS	<u>\$ 14,635,440</u>	<u>\$ 3,160,036</u>	<u>\$ 98,100,808</u>	<u>\$ 1,232,069</u>	<u>\$ 117,128,353</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 1,399,663	\$ -	\$ 1,168,005	\$ 55,880	\$ 2,623,548
Accrued Salaries and Benefits	5,687,590	-	-	328,660	6,016,250
Due To Other Funds	239,657	-	-	727,514	967,171
Tax Anticipation Note Payable	3,700,000	-	-	-	3,700,000
Accrued Interest	92,307	-	-	-	92,307
Deferred Taxes	1,809,544	854,138	-	-	2,663,682
Other Deferred Revenue	55,588	-	-	-	55,588
TOTAL LIABILITIES	<u>12,984,349</u>	<u>854,138</u>	<u>1,168,005</u>	<u>1,112,054</u>	<u>16,118,546</u>
Fund Balances:					
Reserved for:					
Debt Service Fund	-	2,305,898	-	-	2,305,898
Prepaid Expenditures	89,073	-	-	-	89,073
Unreserved, designated for, reported in:					
Capital Projects Fund	-	-	96,932,803	-	96,932,803
Unreserved, undesignated reported in:					
General Fund	1,562,018	-	-	-	1,562,018
Special Revenue Funds	-	-	-	120,015	120,015
TOTAL FUND BALANCES	<u>1,651,091</u>	<u>2,305,898</u>	<u>96,932,803</u>	<u>120,015</u>	<u>101,009,807</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 14,635,440</u>	<u>\$ 3,160,036</u>	<u>\$ 98,100,808</u>	<u>\$ 1,232,069</u>	<u>\$ 117,128,353</u>

See notes to basic financial statements.

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

RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET ASSETS
JUNE 30, 2009

TOTAL FUND BALANCES		\$	101,009,807
----------------------------	--	----	-------------

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

Cost	\$	201,622,570	
Accumulated depreciation		<u>(38,911,245)</u>	162,711,325

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

2,663,682

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	(136,553)	
Net Other Post Employment Benefits	(984,516)	
Bonds payable	(243,297,238)	
Premium on Bonds Payable	(4,087,633)	
Accrued interest payable	<u>(2,203,970)</u>	(250,709,910)

The unamortized portion of prepaid pension costs and bond issuance costs is not available to pay for current period expenditures, and therefore is not reported in the governmental funds.

Prepaid Pension Asset	30,728,898	
Bond Issue Costs	<u>1,737,124</u>	<u>32,466,022</u>

TOTAL NET ASSETS		\$	<u><u>48,140,926</u></u>
-------------------------	--	----	--------------------------

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, 2009

	General Fund	Debt Service Fund	Capital Projects Fund	Special Revenue Funds	Total
REVENUES:					
Local Sources:	\$ 33,970,491	\$ 15,897,455	\$ 449,228	\$ 1,486,696	\$ 51,803,870
Intermediate Sources	7,060	-	-	685,937	692,997
State Sources	34,928,350	-	-	21,659	34,950,009
Federal Sources	1,727,791	-	-	2,557,330	4,285,121
TOTAL REVENUES	70,633,692	15,897,455	449,228	4,751,622	91,731,997
EXPENDITURES:					
Current:					
Instruction	43,253,419	-	-	1,770,128	45,023,547
Support Services	25,904,660	-	-	886,539	26,791,199
Enterprise and Community Services	-	-	-	2,260,424	2,260,424
Facilities Acquisition and Construction	-	-	3,335,222	-	3,335,222
Debt Service	2,256,503	16,983,513	-	139,044	19,379,060
Capital Outlay	41,470	-	1,117,042	-	1,158,512
TOTAL EXPENDITURES	71,456,052	16,983,513	4,452,264	5,056,135	97,947,964
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(822,360)	(1,086,058)	(4,003,036)	(304,513)	(6,215,967)
OTHER FINANCING SOURCES, (USES):					
Bond proceeds	-	-	100,355,737	-	100,355,737
Transfers In	-	-	-	175,000	175,000
Transfers Out	(175,000)	-	-	-	(175,000)
TOTAL OTHER FINANCING SOURCES	(175,000)	-	100,355,737	175,000	100,355,737
NET CHANGE IN FUND BALANCE	(997,360)	(1,086,058)	96,352,701	(129,513)	94,139,770
FUND BALANCE, July 1, 2008	2,629,684	3,391,956	580,102	262,444	6,864,186
Adjustment for Inventories reported under the purchase method	18,767	-	-	(12,916)	5,851
FUND BALANCE, June 30, 2009	\$ 1,651,091	\$ 2,305,898	\$ 96,932,803	\$ 120,015	\$ 101,009,807

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, 2009

NET CHANGE IN FUND BALANCE \$ 94,139,770

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	\$ 4,104,307	
Less current year depreciation	<u>(3,759,830)</u>	344,477

Long-term debt proceeds are reported as other financing sources in governmental funds. In the Statement of Net Assets, 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 Assets. 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.

Prepaid Pension asset amortization	(1,617,311)	
Bond premium amortization	149,639	
Bond issue cost amortization	(97,093)	
Bond premium	(2,355,737)	
Bond Issuance Costs	593,425	
Bond Proceeds	(98,000,000)	
Debt principal repaid	<u>11,735,000</u>	(89,592,077)

The statement of revenues, expenses and changes in fund balance contains an adjustment for inventory, which is allocated to the functions on the statement of activities.	5,851
---	-------

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.	(1,981,221)
---	-------------

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.	633,283
---	---------

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	(2,475)	
Early retirement obligations	<u>(984,516)</u>	<u>(986,991)</u>

CHANGE IN NET ASSETS \$ 2,563,092

See notes to basic financial statements.

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

STATEMENT OF FIDUCIARY NET ASSETS

June 30, 2009

	PRIVATE PURPOSE TRUST SCHOLARSHIP FUND	AGENCY FUNDS
ASSETS:		
Cash and Investments	\$ 222,271	\$ 1,614,950
Total Assets	<u>\$ 222,271</u>	<u>\$ 1,614,950</u>
LIABILITIES AND NET ASSETS:		
Liabilities:		
Due to Student Organizations	\$ -	\$ 1,614,950
Total Liabilities	<u>-</u>	<u>1,614,950</u>
Net Assets:	<u>222,271</u>	<u>-</u>
Total Liabilities and Net Assets	<u>\$ 222,271</u>	<u>\$ 1,614,950</u>

See notes to basic financial statements.

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

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009

	PRIVATE PURPOSE TRUST SCHOLARSHIP FUND
ADDITIONS:	
Gains/ Losses on Investments	\$ (27,282)
Total Additions	(27,282)
REDUCTIONS:	
Total Reductions	7,500
Change in Net Assets	(34,782)
Begininng Net Assets	-
Prior Period Adjustment	257,053
Ending Net Assets	\$ 222,271

See notes to basic financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

West Linn-Wilsonville School District No. 3J 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. 3J (the primary government) and any component units. Component units, as established by the Government Accounting Standards Board (GASB) Statement 39, 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. 3J has one component unit, the Three Rivers Charter School. The Three Rivers Charter School is included in the School District's reporting entity because the Board of Directors of the District has consent over the charter of the Three Rivers Charter School, and its exclusion from the District's financial statements would cause the District's financial statements to be misleading or incomplete. The component unit is discretely presented in the Statement of Net Assets and the Statement of Activities, pages 9 and 10 respectively. Detailed information about the Charter School's budgetary compliance and compliance with laws and regulations is contained in the Component Unit Financial Report of Three Rivers Charter School which is issued separately.

Basis of Presentation

Government-wide Financial Statements

The Statement of Net Assets 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 assets are 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.

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.

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

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 assets available to finance the program. It is the policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

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

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

Cash, Cash Equivalents and Investments

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

The investments consist of time certificates of deposit, banker's acceptances, commercial paper and U.S. Government Agency securities. Time certificates of deposits are stated at cost which approximates fair value. Investments, other than time certificates of deposit, that have a remaining maturity at the time of purchase of one year or less are state at amortized cost. All other investments are state at fair value, or estimated fair value. As of June 30, 2009 the fair position in the LGIP is 99.11% of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements.

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

Accounts and Other Receivables

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes Receivable

Property taxes are levied and become a lien on July 1. Collection dates are November 15, February 15, and May 15 following the lien date. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent. Uncollected property taxes are recorded on the statement of net assets. 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 employees are participants in the State of Oregon Public Employees Retirement System (PERS). Contributions to PERS are made on a current basis as required by the plan and are charged as expenditures.

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.

Long-term Debt

In the government-wide financial statements long-term debt is reported as a liability in the Statement of Net Assets. 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)**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. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations.

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

Supplemental budgets less than 10% of a fund's original budget may be adopted by the Board at a regular meeting. A supplemental budget greater than 10% of a fund's original budget requires hearings before the public, publication in newspapers and approval by the Board. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control (major function levels) with Board approval. During the year, no appropriation transfers were made. Appropriations lapse at the end of each fiscal year. Expenditures of the various funds were within authorized appropriations, except as noted below:

<u>Fund</u>	<u>Expenditure</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Unappropriated Expenditure</u>
General Fund	Support Services	25,768,417	25,904,660	(136,243)
General Fund	Transfers Out	-	175,000	(175,000)
Special Revenue Fund	Support Services	666,117	886,539	(220,422)
Debt Service Fund	Debt Service	14,679,913	16,983,513	(2,303,600)
Capital Projects Fund	Facilities Acquisition & Construction	2,850,000	4,452,264	(1,602,264)

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.

WEST LINN-WILSONVILLE SCHOOL DISTRICT 3J**NOTES TO BASIC FINANCIAL STATEMENTS****JUNE 30, 2009****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 \$7,230,833, of which \$7,123,129 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. State statutes govern the cash management policies, because there is not an official investment policy.

Investments

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

The State Treasurer's Local Government Investment Pool is not registered with the U.S. Securities and Exchange Commission as an investment company. The Oregon Revised Statutes and the Oregon Investment Council govern the State's investment policies. The State Treasurer is the investment officer for the Council and is responsible for all funds in the State Treasury. These funds must be invested, and the investments managed, as a prudent investor would, exercising reasonable care, skill and caution. Investments in the Fund are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund was in compliance with all portfolio guidelines at June 30, 2009.

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

Cash and Investments at June 30, 2009, (recorded at fair value) consisted of:

Deposits With Financial Institutions:	2009	Reported in:	2009
Demand Deposits:		Governmental Activities	\$ 111,184,299
Checking	\$ 5,895,212	Fiduciary Funds	1,837,221
Cash with Fiscal Agents	357,420		
Investments	106,768,888	Total	\$ 113,021,520
Total	\$ 113,021,520		

WEST LINN-WILSONVILLE SCHOOL DISTRICT 3J**NOTES TO BASIC FINANCIAL STATEMENTS****JUNE 30, 2009****2. CASH AND INVESTMENTS (CONTINUED)**

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	\$ 22,565,013	\$ 22,565,013	\$ -	\$ -
Government Securities	84,203,875	8,853,328	75,350,547	-
Total	\$ 106,768,888	\$ 31,418,341	\$ 75,350,547	\$ -

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.

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, 2009, 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.

Concentration of Credit Risk

At June 30, 2009, 21% of total investments were in the State Treasurer's Investment Pool and 79% 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, 2009, there was compliance with all percentage restrictions.

3. RECEIVABLES

Receivables are comprised of the following as of June 30, 2009:

Property taxes	\$ 2,926,692
Other Receivables	1,846,823
Total	\$ 4,773,515

WEST LINN-WILSONVILLE SCHOOL DISTRICT 3J
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

4. CAPITAL ASSETS

Capital assets activity for the year was as follows:

	Balance June 30, 2008	Additions	Reclassification and Deletions	Balance June 30, 2009
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 8,371,880	\$ -	\$ -	\$ 8,371,880
Construction in Progress	-	3,474,653	-	3,474,653
Total Capital Assets Not Being Depreciated	8,371,880	3,474,653	-	11,846,533
Capital Assets Being Depreciated:				
Buildings and Improvements	186,783,749	-	-	186,783,749
Machinery and Equipment	2,362,634	629,654	-	2,992,288
Total Capital Assets Being Depreciated	189,146,383	629,654	-	189,776,037
Accumulated Depreciation				
Buildings and Improvements	32,978,592	3,718,766	-	36,697,358
Machinery and Equipment	2,172,823	41,064	-	2,213,887
Total Accumulated Depreciation	35,151,415	3,759,830	-	38,911,245
Total Capital Assets Being Depreciated, Net	153,994,968	(3,130,176)	-	150,864,792
Governmental Activities				
Capital Assets, Net	\$ 162,366,848	\$ 344,477	\$ -	\$ 162,711,325

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
Instruction	\$ 2,819,872
Support Services	751,966
Community Services	187,992
Total Depreciation Expense- Governmental Activities	\$ 3,759,830

5. SHORT-TERM OBLIGATIONS

The following changes occurred in short term obligations for the fiscal year ending June 30, 2009:

	Interest Rates	Original Issue	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Tax Anticipation Note	4.30%	August 20, 2007	3,500,000	-	3,500,000	-	-
Tax Anticipation Note	2.90%	August 20, 2008	-	3,700,000	-	3,700,000	3,700,000
Total Short-term Liabilities			3,500,000	3,700,000	3,500,000	3,700,000	3,700,000

The \$3.5 million in Tax and Revenue Anticipation notes were repaid out of the General Fund. \$3.7 million in Tax and Revenue Anticipation notes were issued to meet cash flow requirements in October 2008 and June 2009. The repayment date is July 31, 2009.

WEST LINN-WILSONVILLE SCHOOL DISTRICT 3J
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

6. LONG-TERM DEBT

The following changes occurred in Long-Term debt during the fiscal year ending June 30, 2009:

Issue Date	Interest Rates	Original Issue	Outstanding July 1, 2008	Restatement	Issued	Matured And Redeemed	Outstanding June 30, 2009	Due Within One Year
September 1997	4.45-5.75%	\$ 76,440,000	\$ 11,620,000	\$ -	\$ -	\$ 9,210,000	\$ 2,410,000	\$ 2,410,000
July 2002	2.5-4.5%	12,995,000	3,710,000	-	-	1,980,000	1,730,000	1,730,000
May 2003	2.0-4.78%	74,997,238	72,107,238	-	-	500,000	71,607,238	4,400,000
March 2004	2.0-4.78%	42,180,000	42,180,000	-	-	45,000	42,135,000	180,000
November 2004	2.0-4.78%	27,815,000	27,415,000	-	-	-	27,415,000	-
February 1, 2009	2.25%	98,000,000	-	-	98,000,000	-	98,000,000	985,000
			157,032,238	-	98,000,000	11,735,000	243,297,238	9,705,000
Early Retirement Obligation			808,037	(808,037)	-	-	-	-
Accrued Compensated Absences			134,078	-	2,475	-	136,553	136,553
Unamortized Premium/(Discount)			1,881,535	-	2,355,737	149,639	4,087,633	-
Net Other Post Employment Benefits			-	-	984,516	-	984,516	-
Total Long-Term Debt			<u>\$ 159,721,810</u>	<u>\$ (808,037)</u>	<u>\$ 101,342,728</u>	<u>\$ 11,884,639</u>	<u>\$ 248,505,940</u>	<u>\$ 9,841,553</u>

Bonds Payable

Future maturities of bonds payable are as follows:

Fiscal Year Ending June 30,	Principal	Interest
2010	9,705,000	10,566,720
2011	10,465,000	8,835,988
2012	11,700,000	8,379,708
2013	13,060,000	7,840,424
2014	12,187,593	9,393,081
2015-2019	48,744,536	52,319,192
2020-2024	46,005,109	58,329,424
2025-2029	46,205,000	17,996,770
2030-2034	45,225,000	7,112,586
Total	<u>\$ 243,297,238</u>	<u>\$ 180,773,893</u>

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

6. LONG-TERM DEBT (CONTINUED)

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 \$290,247,238.

Advance Refunding Bonds

In July of 2002 general obligation refunding bonds were issued. The proceeds of the new bonds were placed in an irrevocable trust to provide for future debt service payments on the 1992 bonds. Accordingly, 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, 2009, \$31,870,960 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.

7. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Due to/from other funds at June 30, 2009 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	\$ -	\$ 239,657	\$ -	\$ 175,000
Debt Service Fund	786,209	-	-	-
Capital Projects Fund	51,893	-	-	-
Special Revenue Fund	129,069	727,514	175,000	-
	<u>\$ 967,171</u>	<u>\$ 967,171</u>	<u>\$ 175,000</u>	<u>\$ 175,000</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 Fund to Food Service fund for operations.

8. 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.

9. 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 7 years of full-time service and be eligible for PERS retirement (age 55 or 30 years of PERS Service). 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.

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 \$306,983.

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:

	2009
Annual Required Contribution	\$ 292,913
Interest on Net Pension Obligation	-
Adjustment to Annual Required Contribution	-
Annual Pension Cost	292,913
Contributions Made / Expected	(277,730)
Increase in Net Pension Obligation	15,183
NPO (Asset) at beginning of year	-
NPO (Asset) at end of year	\$ 15,183
Percentage of Annual Pension Cost Contributed	94.82%

9. 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, 2009 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, 2009, the actuarial accrued liability for stipend benefits was \$2,220,190, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,220,190. The covered payroll is \$0, as no current active employees are eligible for this plan. Using a 15-year closed amortization period, the Annual Required Contribution (ARC) for 2010 has been actuarially determined to be \$292,913 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 7 years of full-time service and be eligible for PERS retirement (age 55 or 30 years of PERS Service). The optional post employment health care benefits provide eligible employees with the following:

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

9. 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.

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 Pension 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:

	2009
Annual Required Contribution (Explicit Benefits)	\$ 1,229,116
Annual Required Contribution (Implicit Benefits)	932,127
Interest on Net Pension Obligation	-
Adjustment to Annual Required Contribution	-
Annual Pension Cost	2,161,243
Contributions Made / Expected (Explicit Benefits)	(830,717)
Contributions Made / Expected (Implicit Benefits)	(361,193)
Increase in Net Pension Obligation	969,333
NPO (Asset) at beginning of year	-
NPO (Asset) at end of year	\$ 969,333
Percentage of APC contributed	55.15%

9. 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, 2009 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, 2009, the plan was 0% funded. The actuarial accrued liability for benefits was \$18,158,500, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$18,158,500. 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 \$846,900.

10. PENSION PLAN

Contributes are made to the Oregon Public Employees Retirement Fund (OPERF), a cost-sharing multiple-employer defined benefit pension plan administered by the Oregon Public Employees Retirement System (PERS). PERS provides retirement and disability benefits, post employment health care benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries.

PERS is administered under Oregon Revised Statute (ORS) Chapter 238. ORS 238.620 establishes the Public Employees Retirement Board as the governing body of PERS. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report can be obtained by writing to PERS, P.O. Box 23700, Tigard, OR 97281-3700 or by calling 1-503-598-7377.

Members of PERS are required to contribute 6% of their salary covered under the plan. The District is required by ORS 238.225 to contribute at an actuarially determined rate. The rate effective July 1, 2007 is 7.77% of salary covered under the plan for Tier 1 and Tier 2 employees and 10.04% for employees covered under the Oregon Public Services Retirement Plan (OPSRP). On March 1, 2004 the District participated in the Oregon School Boards Association limited tax pension obligation bond issues to finance a portion of the estimated unfunded PERS actuarial liability (the "UAL"). \$42,180,000 was borrowed, reducing the rate paid to PERS to 2.78%, on Tier 1 and Tier 2 employees, effective March 1, 2004. Contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature. The contribution to the plan for the years ending June 30, 2009, 2008, and 2007 were \$5,612,980, \$5,106,261, and \$3,956,717, respectively, and were equal to the required contributions for each year. The employee's 6% required contribution is paid in accordance with bargaining agreements.

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.

The District participates 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, 2009 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 to be immaterial.

Since June 30, 2009, approximately \$5.1 million in construction contracts have been awarded in connection with the 2009 Capital Projects General Obligation Bond. Of the \$5.1 million in construction contract awards, \$4.4 million has been paid to contractors and \$200,000 has been held in retainage.

12. SUBSEQUENT EVENTS

In August 2009, \$4.4 million in Tax and Revenue Anticipation Notes, with a state rate of 1.9% per annum, were issued. This financing was done to provide necessary cash to be used for cash flow purposes for current expenses. The notes will mature December 15, 2009.

13. RESTATEMENT – CHANGE IN ACCOUNTING PRINCIPLES

GASB 45, effective June 30, 2009 requires an actuarial valuation to correctly report other post employment benefits (OPEB). In addition, GASB 27 was implemented, which requires an actuarial valuation for the early retirement program. As a direct result of these new GASB's, there is a restatement in the Statement of Activities for \$808,037 to remove the Early Retirement liability balance as of June 30, 2008. The actuarial valuation amortizes these other post employment benefit liabilities over multiple future years.

14. PRIOR PERIOD ADJUSTMENT – STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

A prior period adjustment of \$257,053 in cash and investments was recognized in the Statement of Net Assets for a Private Purpose Trust Scholarship that was previously unrecorded.

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

REQUIRED SUPPLEMENTARY DATA

This Page Intentionally Left Blank

WEST LINN WILSONVILLE SCHOOL DISTRICT
CLACKAMAS COUNTY OREGON

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS

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
2009	\$ -	\$ 2,220,190	\$ 2,220,190	- %	\$ N/A	N/A

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2009	\$ 292,913	94.82 %

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
2009	\$ -	\$ 18,158,500	\$ 18,158,500	- %	\$ N/A	N/A

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2009	\$ 2,161,243	55.15 %

WEST LINN WILSONVILLE SCHOOL DISTRICT
CLACKAMAS COUNTY OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
ACTUAL AND BUDGET
For the Year Ended June 30, 2009

GENERAL FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Local Sources	\$ 34,246,558	\$ 34,246,558	\$ 33,970,491	\$ (276,067)
Intermediate Sources	14,546	14,546	7,060	(7,486)
State Sources	36,648,355	36,648,355	34,928,350	(1,720,005)
Federal Sources	-	-	1,727,791	1,727,791
Total Revenues	<u>70,909,459</u>	<u>70,909,459</u>	<u>70,633,692</u>	<u>(275,767)</u>
EXPENDITURES:				
Instruction	44,002,522	44,002,522 (1)	43,294,889	707,633
Support Services	25,768,417	25,768,417 (1)	25,904,660	(136,243)
Debt Service	2,649,000	2,649,000 (1)	2,256,503	392,497
Contingency	500,000	500,000 (1)	-	500,000
Total Expenditures	<u>72,919,939</u>	<u>72,919,939</u>	<u>71,456,052</u>	<u>963,887</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,010,480)</u>	<u>(2,010,480)</u>	<u>(822,360)</u>	<u>(1,239,654)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	- (1)	(175,000)	(175,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(175,000)</u>	<u>(175,000)</u>
Net Change in Fund Balance	<u>(2,010,480)</u>	<u>(2,010,480)</u>	<u>(997,360)</u>	<u>1,013,120</u>
Beginning Fund Balance (Budgetary Basis)	<u>2,010,480</u>	<u>2,010,480</u>	<u>2,588,700</u>	<u>578,220</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,591,340</u>	<u>\$ 1,591,340</u>
Reconciliation to GAAP:				
Inventory			59,751	
Fund Balance (GAAP Basis)			<u>\$ 1,651,091</u>	

(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, 2009

SPECIAL REVENUE FUND

	Budget (2)			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
REVENUES:				
Local Sources	\$ 1,734,100	\$ 1,734,100	\$ 1,486,696	\$ (247,404)
Intermediate Sources	615,000	615,000	685,937	70,937
State Sources	20,600	20,600	21,659	1,059
Federal Sources	2,695,000	2,695,000	2,557,330	(137,670)
Total Revenues	<u>5,064,700</u>	<u>5,064,700</u>	<u>4,751,622</u>	<u>(313,078)</u>
EXPENDITURES:				
Instruction	2,089,765	2,089,765 (1)	1,770,128	319,637
Support Services	666,117	666,117 (1)	886,539	(220,422)
Enterprise and Community Services	2,455,906	2,455,906 (1)	2,260,424	195,482
Other Objects	148,212	148,212 (1)	139,044	9,168
Total Expenditures	<u>5,360,000</u>	<u>5,360,000</u>	<u>5,056,135</u>	<u>303,865</u>
Excess of Revenues Over (Under) Expenditures	(295,300)	(295,300)	(304,513)	(9,213)
OTHER FINANCING SOURCES:				
Transfers In	270,000	270,000	175,000	(95,000)
Total Other Financing Sources (Uses)	<u>270,000</u>	<u>270,000</u>	<u>175,000</u>	<u>(95,000)</u>
Net Change in Fund Balance	(25,300)	(25,300)	(129,513)	(104,213)
Beginning Fund Balance	<u>25,300</u>	<u>25,300</u>	<u>194,985</u>	<u>169,685</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,472</u>	<u>\$ 65,472</u>

(1) Appropriation level

Reconciliation to GAAP Basis Ending Fund Balance

Budgetary Basis Ending Fund Balance	\$ 65,472
Supply Inventory	<u>54,543</u>
GAAP Basis Ending Fund Balance	<u>\$ 120,015</u>

(1) Appropriation Level

(2) The District appropriates one special revenue fund. The combining schedules on pages 38-39 show the details of the special revenue subfunds.

This Page Intentionally Left Blank

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

SUPPLEMENATARY DATA

This Page Intentionally Left Blank

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, 2009

DEBT SERVICE FUND

	Budget		Debt Service Fund	PERS Debt Service Fund	Total	Variance with Final Budget Positive (Negative)
	Adopted	Final				
REVENUES:						
Local Sources						
Property Taxes	\$ 13,270,141	\$ 13,270,141	\$ 13,450,628	\$ -	\$ 13,450,628	\$ 180,487
Earnings on Investments	210,000	210,000	106,889	33,662	140,551	(69,449)
Services Provided Other Funds	2,288,100	2,288,100	-	2,251,921	2,251,921	(36,179)
Miscellaneous	-	-	54,355	-	54,355	54,355
Total Revenues	<u>15,768,241</u>	<u>15,768,241</u>	<u>13,611,872</u>	<u>2,285,583</u>	<u>15,897,455</u>	<u>129,214</u>
EXPENDITURES:						
Debt service	<u>14,679,913</u>	<u>14,679,913</u>	(1) 14,679,913	2,303,600	16,983,513	(2,303,600)
Total Expenditures	<u>14,679,913</u>	<u>14,679,913</u>	<u>14,679,913</u>	<u>2,303,600</u>	<u>16,983,513</u>	<u>(2,303,600)</u>
Net Change in Fund Balance	1,088,328	1,088,328	(1,068,041)	(18,017)	(1,086,058)	(2,174,386)
Beginning Fund Balance	<u>2,991,389</u>	<u>2,991,389</u>	<u>3,180,091</u>	<u>211,865</u>	<u>3,391,956</u>	<u>400,567</u>
Ending Fund Balance	<u>\$ 4,079,717</u>	<u>\$ 4,079,717</u>	<u>\$ 2,112,050</u>	<u>\$ 193,848</u>	<u>\$ 2,305,898</u>	<u>\$ (1,773,819)</u>

(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, 2009

CAPITAL PROJECTS FUND

	Budget			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
REVENUES:				
Local Sources:				
Construction Excise Tax	\$ 250,000	\$ 250,000	\$ 316,328	\$ 66,328
Earnings on Investments	-	-	132,900	132,900
Total Revenues	<u>250,000</u>	<u>250,000</u>	<u>449,228</u>	<u>199,228</u>
EXPENDITURES:				
Facilities Acquisition and Construction:	<u>2,850,000</u>	<u>2,850,000</u> (1)	<u>4,452,264</u>	<u>(1,602,264)</u>
Total Expenditures	<u>2,850,000</u>	<u>2,850,000</u>	<u>4,452,264</u>	<u>(1,602,264)</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,600,000)</u>	<u>(2,600,000)</u>	<u>(4,003,036)</u>	<u>1,801,492</u>
OTHER FINANCING SOURCES (USES)				
Bond Proceeds	-	-	100,355,737	100,355,737
Sale of Capital Assets	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>	<u>(2,000,000)</u>
Total Other Financing Sources (Uses)	<u>2,000,000</u>	<u>2,000,000</u>	<u>100,355,737</u>	<u>98,355,737</u>
Net Change in Fund Balance	<u>(600,000)</u>	<u>(600,000)</u>	<u>96,352,701</u>	<u>96,952,701</u>
Beginning Fund Balance	<u>600,000</u>	<u>600,000</u>	<u>580,102</u>	<u>(19,898)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,932,803</u>	<u>\$ 96,932,803</u>

(1) Appropriation level

This Page Intentionally Left Blank

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

COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
JUNE 30, 2009

	SOAR Fund	Vocational Education Fund	Title IA/D Fund	IDEA Fund	Title IIA Fund	Youth Transition Program Fund	Title III Fund
ASSETS							
Due from Other Funds	\$ 17,068	\$ -	\$ -	\$ -	\$ 13,330	\$ -	\$ -
Cash	-	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-
Accounts Receivable	-	12,750	222,888	344,354	9,458	40,994	19,857
TOTAL ASSETS	<u>\$ 17,068</u>	<u>\$ 12,750</u>	<u>\$ 222,888</u>	<u>\$ 344,354</u>	<u>\$ 22,788</u>	<u>\$ 40,994</u>	<u>\$ 19,857</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Payroll	-	-	25,450	94,705	22,788	7,762	-
Deferred Revenue	-	-	-	-	-	-	-
Due to Other Funds	-	12,750	197,438	249,649	-	33,232	19,857
TOTAL LIABILITIES	-	12,750	222,888	344,354	22,788	40,994	19,857
Fund Balances:							
Unreserved, Undesignated	17,068	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 17,068</u>	<u>\$ 12,750</u>	<u>\$ 222,888</u>	<u>\$ 344,354</u>	<u>\$ 22,788</u>	<u>\$ 40,994</u>	<u>\$ 19,857</u>

Title IID Fund	Mentoring Teacher Grant Fund	Title IC Migrant Ed Fund	Oregon Ready to Learn Fund	Title IV-A Fund	Disabled Child Fund	Food Service Fund	Community Education Fund	Total
\$ -	\$ -	\$ -	\$ 1,995	\$ -	\$ -	\$ 96,676	\$ -	\$ 129,069
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1,992	19,231	748	-	-	316,526	32,854	26,805	1,048,457
<u>\$ 1,992</u>	<u>\$ 19,231</u>	<u>\$ 748</u>	<u>\$ 1,995</u>	<u>\$ -</u>	<u>\$ 316,526</u>	<u>\$ 129,530</u>	<u>\$ 26,805</u>	<u>\$ 1,177,526</u>

\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,880	\$ -	\$ -	\$ 55,880
-	-	-	-	-	70,750	104,131	3,074	328,660
-	-	-	-	-	-	-	-	-
1,992	19,231	748	-	-	187,998	-	4,619	727,514
1,992	19,231	748	-	-	314,628	104,131	7,693	1,112,054
-	-	-	1,995	-	1,898	25,399	19,112	65,472
<u>\$ 1,992</u>	<u>\$ 19,231</u>	<u>\$ 748</u>	<u>\$ 1,995</u>	<u>\$ -</u>	<u>\$ 316,526</u>	<u>\$ 129,530</u>	<u>\$ 26,805</u>	<u>\$ 1,177,526</u>

Reconciliation to GAAP Basis Ending Fund Balance

Budgetary Basis Ending Fund Balance	\$ 65,472
Supply Inventory	<u>54,543</u>
GAAP Basis Ending Fund Balance	<u>\$ 120,015</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, 2009

	SOAR Fund	Vocational Education Fund	Title IA/D Fund	IDEA Fund	Title IIA Fund	Youth Transition Program Fund	Title III Fund	Title IID Fund
REVENUES:								
Local Sources	\$ 8,157	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate Sources	-	-	-	-	-	-	-	-
State Sources	-	-	-	-	-	-	-	-
Federal Sources	-	17,000	409,431	1,166,145	149,256	96,527	35,143	4,044
Total Revenues	<u>8,157</u>	<u>17,000</u>	<u>409,431</u>	<u>1,166,145</u>	<u>149,256</u>	<u>96,527</u>	<u>35,143</u>	<u>4,044</u>
EXPENDITURES:								
Instruction	9,896	17,000	394,607	343,208	140,579	93,178	-	-
Support Services	-	-	-	778,762	-	-	35,143	4,044
Enterprise and Community Services	-	-	-	-	-	-	-	-
Other Objects	609	-	14,824	44,175	8,677	3,349	-	-
Total Expenditures	<u>10,505</u>	<u>17,000</u>	<u>409,431</u>	<u>1,166,145</u>	<u>149,256</u>	<u>96,527</u>	<u>35,143</u>	<u>4,044</u>
Excess of Revenues Over (Under) Expenditures	(2,348)	-	-	-	-	-	-	-
OTHER FINANCING SOURCES:								
Transfers In	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(2,348)	-	-	-	-	-	-	-
FUND BALANCE, July 1, 2008	<u>19,416</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, June 30, 2009	<u>\$ 17,068</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(1) Appropriation level

Oregon										Variance with
Mentoring	Title IC	Ready to		Disabled	Food	Community		Budget		Final Budget
Teacher	Migrant Ed	Learn	Title IV-A	Child	Service	Education				Positive
Grant Fund	Fund	Fund	Fund	Fund	Fund	Fund	Total	Adopted	Final	(Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,274,528	\$ 204,011	\$ 1,486,696	\$ 1,734,100	\$ 1,734,100	\$ (247,404)
52,886	-	-	-	633,051	-	-	685,937	615,000	615,000	70,937
-	-	-	-	-	21,659	-	21,659	20,600	20,600	1,059
-	20,491	-	15,704	-	643,589	-	2,557,330	2,695,000	2,695,000	(137,670)
52,886	20,491	-	15,704	633,051	1,939,776	204,011	4,751,622	5,064,700	5,064,700	(313,078)
-	20,491	9,758	-	741,411	-	-	1,770,128	2,089,765	2,089,765	(1) 319,637
52,886	-	-	15,704	-	-	-	886,539	666,117	666,117	(1) (220,422)
-	-	-	-	-	2,071,006	189,418	2,260,424	2,455,906	2,455,906	(1) 195,482
-	-	-	-	18,985	41,943	6,482	139,044	148,212	148,212	(1) 9,168
52,886	20,491	9,758	15,704	760,396	2,112,949	195,900	5,056,135	5,360,000	5,360,000	303,865
-	-	(9,758)	-	(127,345)	(173,173)	8,111	(304,513)	(295,300)	(295,300)	(9,213)
-	-	-	-	-	175,000	-	175,000	270,000	270,000	(95,000)
-	-	-	-	-	175,000	-	175,000	270,000	270,000	(95,000)
-	-	(9,758)	-	(127,345)	1,827	8,111	(129,513)	(25,300)	(25,300)	(104,213)
-	-	11,753	-	129,243	23,572	11,001	194,985	25,300	25,300	169,685
\$ -	\$ -	\$ 1,995	\$ -	\$ 1,898	\$ 25,399	\$ 19,112	\$ 65,472	\$ -	\$ -	\$ 65,472

Reconciliation to GAAP Basis Ending Fund Balance

Budgetary Basis Ending Fund Balance	\$ 65,472
Supply Inventory	54,543
GAAP Basis Ending Fund Balance	<u>\$ 120,015</u>

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

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
For the Year Ended June 30, 2009

	BALANCE AT 7/1/08	ADDITIONS	DEDUCTIONS	BALANCE AT 6/30/09
STUDENT ACTIVITY FUNDS:				
ASSETS:				
Cash and Investments	\$ 1,449,206	\$ 4,762,319	\$ 4,596,575	\$ 1,614,950
Total Assets	<u>\$ 1,449,206</u>	<u>\$ 4,762,319</u>	<u>\$ 4,596,575</u>	<u>\$ 1,614,950</u>
LIABILITIES:				
Due to Student Organizations	\$ 1,449,206	\$ 4,762,319	\$ 4,596,575	\$ 1,614,950
Total Liabilities	<u>\$ 1,449,206</u>	<u>\$ 4,762,319</u>	<u>\$ 4,596,575</u>	<u>\$ 1,614,950</u>

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

SCHEDULE OF PROPERTY TAX TRANSACTIONS
YEAR ENDED JUNE 30, 2009

GENERAL FUND

Tax Year	Original Levy or Balance Uncollected 7/1/08	Deduct Discounts	Adjustments To Rolls	Add Interest	Cash Collections By County Treasurer	Balance Uncollected Or Unsegregated 6/30/2009
Current:						
2008-09	\$ 32,547,712	\$ 772,094	\$ (77,207)	\$ 19,319	\$ 30,326,480	\$ 1,391,250
Prior Years:						
2007-08	1,058,475	(474)	(24,992)	49,751	696,673	387,035
2006-07	257,086	(118)	(4,506)	23,345	144,877	131,166
2005-06	104,498	(71)	(3,669)	19,162	79,443	40,619
2004-05	33,623	(2)	(1,183)	7,938	29,324	11,056
2003-04 & Prior	36,978	(3)	(1,397)	(2,082)	3,285	30,217
Total Prior	1,490,660	(668)	(35,747)	98,114	953,602	600,093
Total General Fund	<u>\$ 34,038,372</u>	<u>\$ 771,426</u>	<u>\$ (112,954)</u>	<u>\$ 117,433</u>	<u>\$ 31,280,082</u>	<u>\$ 1,991,343</u>

RECONCILIATION TO REVENUE:

Cash Collections by County Treasurers Above	\$ 31,280,082
Accrual of Receivables:	
June 30, 2008	(122,831)
June 30, 2009	<u>181,799</u>
Total Revenue (including penalties and interest on taxes)	<u>\$ 31,339,050</u>

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

SCHEDULE OF PROPERTY TAX TRANSACTIONS
YEAR ENDED JUNE 30, 2009

DEBT SERVICE FUND

Tax Year	Original Levy or Balance Uncollected 7/1/08	Deduct Discounts	Adjustments To Rolls	Add Interest	Cash Collections By County Treasurer	Balance Uncollected Or Unsegregated 6/30/2009
Current:						
2008-09	\$ 13,971,417	\$ 331,429	\$ (33,143)	\$ 8,293	\$ 13,017,931	\$ 597,207
Prior Years:						
2007-08	490,922	(204)	(10,726)	21,356	299,054	202,702
2006-07	135,410	(50)	(1,934)	10,021	62,190	81,357
2005-06	51,409	(30)	(1,575)	8,226	34,102	23,988
2004-05	18,693	(1)	(508)	3,407	12,588	9,005
2003-04 & Prior	23,992	(1)	(601)	(894)	1,408	21,090
Total Prior	720,426	(286)	(15,344)	42,116	409,342	338,142
Total Debt Service Fund	\$ 14,691,843	\$ 331,143	\$ (48,487)	\$ 50,409	\$ 13,427,273	\$ 935,349

RECONCILIATION TO REVENUE:

Cash Collections by County Treasurers Above	\$ 13,427,273
Accrual of Receivables:	
Other Taxes	
June 30, 2008	(57,856)
June 30, 2009	81,211
Total Revenue (including penalties and interest on taxes)	\$ 13,450,628

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

SCHEDULE OF BOND AND INTEREST TRANSACTIONS AND BALANCES
For The Year Ended June 30, 2009

DATE OF ISSUE	MATURED BONDS & COUPONS OUTSTANDING AT 7/1/08	BONDS & COUPONS MATURING DURING THE YEAR	BONDS REDEEMED AND COUPONS PAID DURING THE YEAR	MATURED BONDS & COUPONS OUTSTANDING AT 6/30/09
11/30/04	\$ -	\$ 1,296,975	\$ 1,296,975	\$ -
03/01/04	-	2,303,600	2,303,600	-
05/28/03	-	1,431,750	1,431,750	-
Series 2002 Refunding	-	2,073,038	2,073,038	-
09/01/97	-	9,878,150	9,878,150	-
2/24/2009	-	-	-	-
TOTALS:	\$ 0	\$ 16,983,513	\$ 16,983,513	\$ 0

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

SCHEDULE OF BOND REDEMPTION AND INTEREST REQUIREMENTS

June 30, 2009

FISCAL YEAR	ISSUE OF 5/28/03		SERIES 2002 REFUNDING		ISSUE OF 9/1/97	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
	Due 6/15	Due 12/15 & 6/15	Due 10/1	Due 10/1 & 4/1	Due 6/1	Due 12/1 & 6/1
2009-10	4,400,000	918,000	1,730,000	29,194	2,410,000	138,574
2010-11	4,745,000	780,500	-	-	-	-
2011-12	5,190,000	543,250	-	-	-	-
2012-13	5,675,000	283,750	-	-	-	-
2013-14	4,052,593	2,137,407	-	-	-	-
2014-15	3,982,904	2,437,096	-	-	-	-
2015-16	3,911,288	2,758,712	-	-	-	-
2016-17	3,852,387	3,077,613	-	-	-	-
2017-18	6,356,204	5,708,796	-	-	-	-
2018-19	6,231,753	6,308,247	-	-	-	-
2019-20	6,078,221	6,956,780	-	-	-	-
2020-21	5,826,065	7,473,935	-	-	-	-
2021-22	5,711,928	8,118,072	-	-	-	-
2022-23	5,593,895	8,791,105	-	-	-	-
2023-24	-	-	-	-	-	-
2024-25	-	-	-	-	-	-
2025-26	-	-	-	-	-	-
2026-27	-	-	-	-	-	-
2027-28	-	-	-	-	-	-
2028-29	-	-	-	-	-	-
2029-30	-	-	-	-	-	-
2030-31	-	-	-	-	-	-
2031-32	-	-	-	-	-	-
2032-33	-	-	-	-	-	-
2033-34	-	-	-	-	-	-
TOTALS	\$ 71,607,238	\$ 56,293,263	\$ 1,730,000	\$ 29,194	\$ 2,410,000	\$ 138,574

PENSION BOND ISSUE OF 3/1/04		SERIES 2004 REFUNDING		ISSUE OF 2/24/09		TOTAL REQUIREMENTS	
PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	ALL ISSUES	
Due 6/30	Due 12/30 & 6/30	Due 6/30	Due 12/30 & 6/30	Due 6/15	Due 12/15 & 6/15	PRINCIPAL	INTEREST
180,000	2,271,398	-	1,296,975	985,000	5,912,579	9,705,000	10,566,720
320,000	2,263,969	2,720,000	1,296,975	2,680,000	4,494,544	10,465,000	8,835,988
480,000	2,249,889	3,050,000	1,175,375	2,980,000	4,411,194	11,700,000	8,379,708
650,000	2,227,867	3,435,000	1,030,063	3,300,000	4,298,744	13,060,000	7,840,424
830,000	2,196,842	3,845,000	860,812	3,460,000	4,198,020	12,187,593	9,393,081
1,035,000	2,157,060	4,285,000	678,563	-	4,111,644	9,302,904	9,384,363
1,250,000	2,106,107	4,785,000	453,600	-	4,111,644	9,946,288	9,430,063
1,490,000	2,043,320	5,295,000	238,275	-	4,111,644	10,637,387	9,470,852
1,745,000	1,966,987	-	-	1,225,000	4,111,644	9,326,204	11,787,427
2,030,000	1,875,846	-	-	1,270,000	4,062,394	9,531,753	12,246,487
2,335,000	1,767,789	-	-	1,405,000	4,019,018	9,818,221	12,743,587
2,665,000	1,642,329	-	-	1,735,000	3,948,768	10,226,065	13,065,032
3,025,000	1,497,806	-	-	-	3,879,369	8,736,928	13,495,247
3,415,000	1,332,248	-	-	-	3,879,369	9,008,895	14,002,722
3,835,000	1,143,467	-	-	4,380,000	3,879,369	8,215,000	5,022,836
4,290,000	931,468	-	-	4,845,000	3,660,368	9,135,000	4,591,836
4,785,000	694,317	-	-	5,300,000	3,460,512	10,085,000	4,154,829
5,310,000	429,802	-	-	5,830,000	3,195,512	11,140,000	3,625,314
2,465,000	136,265	-	-	6,390,000	2,904,012	8,855,000	3,040,277
-	-	-	-	6,990,000	2,584,514	6,990,000	2,584,514
-	-	-	-	7,610,000	2,249,112	7,610,000	2,249,112
-	-	-	-	8,260,000	1,868,612	8,260,000	1,868,612
-	-	-	-	9,005,000	1,455,612	9,005,000	1,455,612
-	-	-	-	9,780,000	1,014,125	9,780,000	1,014,125
-	-	-	-	10,570,000	525,125	10,570,000	525,125
<u>\$ 42,135,000</u>	<u>\$ 30,934,776</u>	<u>\$ 27,415,000</u>	<u>\$ 7,030,638</u>	<u>\$ 98,000,000</u>	<u>\$ 86,347,448</u>	<u>\$ 243,297,238</u>	<u>\$ 180,773,893</u>

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

Revenue from Local Sources

1110 Ad Valorem Taxes Levied by District
1120 Local Option Ad Valorem Taxes Levied by District
1130 Construction Excise Tax
1190 Penalties and Interest on Taxes
1310 Regular Day School Tuition
1320 Adult/Continuing Education Tuition
1330 Summer School Tuition
1500 Earnings on Investments
1600 Food Service
1700 Extracurricular Activities
1910 Rentals
1920 Contributions and Donations From Private Sources
1970 Services Provided Other Funds
1990 Miscellaneous

FUND 100	FUND 200	FUND 300	FUND 400
\$ 23,903,948	\$ -	\$ 13,442,228	\$ -
7,420,022	-	-	-
-	-	-	316,328
15,080	-	8,400	-
995,497	-	-	-
-	1,733	-	-
680	-	-	-
284,186	-	140,551	132,900
-	1,263,750	-	-
869,070	-	-	-
147,831	209,768	-	-
18,057	8,157	-	-
-	-	2,251,921	-
316,120	3,288	54,355	-
Total Revenue from Local Sources	\$ 33,970,491	\$ 1,486,696	\$ 15,897,455
			\$ 449,228

Revenue from Intermediate Sources

2101 County School Funds
2199 Other Intermediate Sources

FUND 100	FUND 200	FUND 300	FUND 400
\$ 7,060	\$ -	\$ -	\$ -
-	685,937.00	-	-
Total Revenue from Intermediate Sources	\$ 7,060	\$ 685,937	\$ -

Revenue from State Sources

3101 State School Fund - General Support
3102 State School Fund - School Lunch Match
3103 Common School Fund
3199 Other Unrestricted Grants-in-Aid
3299 Other Restricted Grants-in-Aid

FUND 100	FUND 200	FUND 300	FUND 400
\$ 32,454,355	\$ -	\$ -	\$ -
-	21,659	-	-
674,475	-	-	-
38,081	-	-	-
1,761,439	-	-	-
Total Revenue from State Sources	\$ 34,928,350	\$ 21,659	\$ -

Revenue from Federal Sources

4100 Unrestricted Rev. Dir. Federal Government
4500 Restricted Rev. Federal Gov. Through State
4700 Grants-In-Aid Fed. Gov. Thru Interim. Agencies
4801 Federal Forest Fees
4900 Revenue for/on Behalf of the District

FUND 100	FUND 200	FUND 300	FUND 400
\$ -	\$ -	\$ -	\$ -
1,539,503	2,367,660	-	-
-	117,018	-	-
188,288	-	-	-
-	72,652	-	-
Total Revenue from Federal Sources	\$ 1,727,791	\$ 2,557,330	\$ -

Revenue from Other Sources

5100 Long Term Debt Financing Sources
5200 Interfund Transfers
5300 Sale (Loss) from Fixed Asset Disposal
5400 Resources - Beginning Fund Balance

FUND 100	FUND 200	FUND 300	FUND 400
\$ -	\$ -	\$ -	\$ 100,355,737
-	175,000	-	-
-	-	-	-
2,588,700	194,985	3,391,956	580,102
Total Revenue from Other Sources	2,588,700	369,985	3,391,956
			100,935,839

Grand Totals

\$ 73,222,392	\$ 5,121,607	\$ 19,289,411	\$ 101,385,067
----------------------	---------------------	----------------------	-----------------------

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

General Fund

Instruction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Primary, K-3	\$ 10,305,711	\$ 6,931,526	\$ 3,118,085	\$ 44,836	\$ 211,264	\$ -	\$ -	\$ -
1112 Intermediate Programs	5,335,477	3,543,662	1,616,364	38,192	137,259	-	-	-
1121 Middle/Junior High Programs	8,489,760	5,627,698	2,563,981	137,728	160,353	-	-	-
1122 Middle/Junior High School Extracurricular	540,005	417,243	88,129	24,314	10,319	-	-	-
1131 High School Programs	9,800,691	6,375,827	2,860,124	209,358	353,820	-	1,562	-
1132 High School Extracurricular	1,503,229	1,069,935	212,181	109,405	80,866	-	30,842	-
1140 Pre-Kindergarten Programs	431,994	294,563	122,654	9,224	5,553	-	-	-
1210 Programs for the Talented and Gifted	399,365	129,269	90,196	170,001	9,899	-	-	-
1220 Restrictive Programs for Students with Disabilities	2,142,012	1,397,832	677,948	62,616	3,616	-	-	-
1250 Less Restrictive Programs for	2,453,426	1,647,825	733,220	51,381	21,000	-	-	-
1280 Alternative Education	1,018,838	303,779	133,311	574,566	7,182	-	-	-
1291 English Second Language Programs	557,578	377,579	179,999	-	-	-	-	-
1299 Other Programs	269,028	170,696	56,564	24,485	16,415	-	868	-
1400 Summer School Programs	47,775	38,853	8,065	240	617	-	-	-

Total Instruction Expenditures \$ 43,294,889 \$ 28,326,287 \$ 12,460,821 \$ 1,456,346 \$ 1,018,163 \$ - \$ 33,272 \$ -

Support Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2120 Guidance Services	\$ 1,254,556	\$ 843,146	\$ 404,140	\$ -	\$ 4,360	\$ -	\$ 2,910	\$ -
2130 Health Services	250,389	166,737	71,153	6,395	5,835	-	269	-
2140 Psychological Services	481,909	321,391	152,347	6,842	1,329	-	-	-
2150 Speech Pathology and Audiology Services	827,107	566,758	218,375	35,896	6,078	-	-	-
2190 Service Direction, Student Support Services	357,687	200,880	95,046	35,929	25,613	-	219	-
2210 Improvement of Instruction Services	721,979	341,120	94,874	226,241	57,759	-	1,985	-
2220 Educational Media Services	1,487,641	948,378	422,760	6,601	109,827	-	75	-
2240 Instructional Staff Development	651,919	-	651,919	-	-	-	-	-
2310 Board of Education Services	99,032	-	-	95,867	3,165	-	-	-
2320 Executive Administration Services	466,443	207,218	76,370	142,812	26,252	-	13,791	-
2410 Office of the Principal Services	4,346,692	2,827,763	1,239,409	208,964	68,645	-	1,911	-
2510 Direction of Business Support Services	455,733	90,561	33,301	33,638	1,381	-	296,852	-
2520 Fiscal Services	435,530	277,390	134,013	9,588	14,389	-	150	-
2540 Operation and Maintenance of Plant Services	7,151,180	2,391,757	1,244,514	2,837,257	635,449	41,470	733	-
2550 Student Transportation Services	4,283,748	-	-	4,283,748	-	-	-	-
2570 Internal Services	246,684	108,718	61,674	76,292	-	-	-	-
2640 Staff Services	330,497	186,357	70,935	60,655	12,400	-	150	-
2660 Technology Services	902,052	394,815	195,693	18,290	293,175	-	79	-
2700 Supplemental Retirement Program	1,153,882	285,229	868,653	-	-	-	-	-

Total Support Services Expenditures \$ 25,904,660 \$ 10,158,218 \$ 6,035,176 \$ 8,085,015 \$ 1,265,657 \$ 41,470 \$ 319,124 \$ -

Other Uses Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	\$ 91,948	\$ -	\$ -	\$ 1,250	\$ -	\$ -	\$ 90,698	\$ -
5200 Transfers of Funds	175,000	-	-	-	-	-	-	175,000
5400 PERS UAL Bond Lump Sum	2,164,555	-	-	-	-	-	-	2,164,555

Total Other Uses Expenditures \$ 2,431,503 \$ - \$ - \$ 1,250 \$ - \$ - \$ 90,698 \$ 2,339,555

Grand Total \$ 71,631,052 \$ 38,484,505 \$ 18,495,997 \$ 9,542,611 \$ 2,283,820 \$ 41,470 \$ 443,094 \$ 2,339,555

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

Special Revenue Fund

		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
Instruction Expenditures								
1111 Primary, K-3		\$ 70,521	\$ 47,922	\$ 22,599	\$ -	\$ -	\$ -	\$ -
1112 Intermediate Programs		70,058	47,537	22,521	-	-	-	-
1131 High School Programs		17,000	-	-	-	9,751	7,249	-
1140 Pre-Kindergarten Programs		9,759	-	-	-	9,759	-	-
1220 Restrictive Programs for Students with Disabilities		758,163	457,312	217,721	74,952	8,178	-	-
1250 Less Restrictive Programs for		419,260	269,647	109,061	39,796	756	-	-
1272 Title I		394,606	278,525	109,914	-	6,167	-	-
1291 English Second Language Programs		374	300	74	-	-	-	-
1293 Migrant Education		20,492	7,703	2,337	8,456	1,996	-	-
1400 Summer School Programs		9,895	8,190	1,550	-	155	-	-
Total Instruction Expenditures		\$ 1,770,128	\$ 1,117,136	\$ 485,777	\$ 123,204	\$ 36,762	\$ 7,249	\$ -
Support Services Expenditures								
2160 Other Student Treatment Services		\$ 367,863	\$ 192,611	\$ 105,169	\$ 66,987	\$ 3,096	\$ -	\$ -
2190 Service Direction, Student Support Services		410,900	264,840	106,865	35,638	3,557	-	-
2210 Improvement of Instruction Services		103,733	48,920	3,966	43,662	7,185	-	-
2660 Technology Services		4,043	-	-	3,947	96	-	-
Total Support Services Expenditures		\$ 886,539	\$ 506,371	\$ 216,000	\$ 150,234	\$ 13,934	\$ -	\$ -
Enterprise and Community Services								
3100 Food Services		\$ 2,071,005	\$ 746,627	\$ 407,894	\$ 27,022	\$ 881,596	\$ -	\$ 7,866
3300 Community Services		189,419.00	109,477	61,195	7,945	10,802	-	-
Total Enterprise and Community Services Expenditures		\$ 2,260,424	\$ 856,104	\$ 469,089	\$ 34,967	\$ 892,398	\$ -	\$ 7,866
Other Uses Expenditures								
5400 PERS UAL Bond Lump Sum		\$ 139,044	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 139,044
Total Other Uses Expenditures		\$ 139,044	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 139,044
Grand Total		\$ 5,056,135	\$ 2,479,611	\$ 1,170,866	\$ 308,405	\$ 943,094	\$ 7,249	\$ 146,910

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	\$ 14,679,913	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,679,913	\$ -
5200	Transfers of Funds	-	-	-	-	-	-	-	-
5300	Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400	PERS UAL Bond Lump Sum	2,303,600	-	-	-	-	-	2,303,600	-
Total Other Uses Expenditures		\$ 16,983,513	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,983,513	\$ -
Grand Total		\$ 16,983,513	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,983,513	\$ -

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	\$ 425,153	\$ 276,521	\$ 148,632	\$ -	\$ -	\$ -	\$ -	\$ -
4120	Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150	Building Acquisition, Construction, and Improvement Services	4,027,111	40,651	22,272	1,932,461	912,585	1,117,042	2,100	-
4190	Other Facilities Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures		\$ 4,452,264	\$ 317,172	\$ 170,904	\$ 1,932,461	\$ 912,585	\$ 1,117,042	\$ 2,100	\$ -
Grand Total		\$ 4,452,264	\$ 317,172	\$ 170,904	\$ 1,932,461	\$ 912,585	\$ 1,117,042	\$ 2,100	\$ -

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

SUPPLEMENTAL INFORMATION
As Required by The Oregon Deptment of Education
For The Year Ended June 30, 2009

A. Energy bills for heating - all funds:				<u>Objects 325 and 326</u>	
			Function 2540	\$	1,502,645
			Function 2550		0
B. Replacement of equipment - General Fund:					
Include all General Fund expenditures in Object 542, except for the following exclusions:				<u>Amount</u>	
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		

This Page Intentionally Left Blank

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.

Contents

Page

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

52

Revenue Capacity

These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.

55

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

60

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

64

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

66

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.

This Page Intentionally Left Blank

Condensed Statement of Net Assets
Last Seven Fiscal Years
(accrual basis of accounting)

Governmental Activities

Fiscal year

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Assets							
Current and other assets	\$ 82,608,379	\$ 73,457,665	\$ 37,865,300	\$ 14,416,062	\$ 20,057,195	\$ 20,229,517	\$ 117,898,306
Prepaid PERS unfunded actuarial liability	-	38,815,450	37,198,140	35,580,830	33,963,519	32,346,209	30,728,898
Net capital assets	100,620,543	113,695,823	147,835,489	171,507,759	167,796,816	162,366,848	162,711,325
Total assets	<u>183,228,922</u>	<u>225,968,938</u>	<u>222,898,929</u>	<u>221,504,651</u>	<u>221,817,530</u>	<u>214,942,574</u>	<u>311,338,529</u>
Liabilities							
Long-term debt outstanding	157,772,237	196,767,766	188,903,069	180,107,776	170,434,985	159,721,810	248,505,940
Prepaid PERS unfunded actuarial liability outstanding	-	-	-	-	-	-	-
Other liabilities	6,491,152	8,176,562	9,740,146	6,935,527	12,122,461	10,450,967	14,691,663
Total liabilities	<u>164,263,389</u>	<u>204,944,328</u>	<u>198,643,215</u>	<u>187,043,303</u>	<u>182,557,446</u>	<u>170,172,777</u>	<u>263,197,603</u>
Net Assets							
Invested in capital assets, net of related debt	14,656,512	20,366,412	28,889,967	65,166,761	40,223,047	45,633,075	59,549,087
Restricted for: Debt Service	-	-	3,141,291	2,954,391	3,324,655	3,391,956	2,305,898
Unrestricted	1,761,244	658,198	(7,775,544)	(33,659,804)	(3,974,199)	(4,255,234)	(13,714,059)
Total Net Assets	<u>\$ 16,417,756</u>	<u>\$ 21,024,610</u>	<u>\$ 24,255,714</u>	<u>\$ 34,461,348</u>	<u>\$ 39,573,503</u>	<u>\$ 44,769,797</u>	<u>\$ 48,140,926</u>

Note:

The District implemented GASB 34 beginning in 2002-03. As a result, ten years data is not available. Over time, ten fiscal years will be presented.

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

Governmental Activities	Fiscal year						
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Expenses							
Instruction	\$ 33,905,376	\$ 35,492,665	\$ 38,656,948	\$ 38,347,498	\$ 44,209,456	\$ 46,835,827	\$ 47,661,417
Support services	19,179,034	19,800,606	20,811,534	21,962,806	25,283,384	27,029,360	27,434,864
Enterprise and Community Services	1,652,223	1,884,698	1,997,921	2,045,144	2,419,485	2,513,565	2,439,278
Non-capital facilities maintenance & replacement	1,379,436	86,168	-	-	-	590,175	389,427
Interest and fees on long-term debt	5,551,137	4,813,531	6,262,943	8,315,888	8,259,152	8,165,996	9,625,281
Total expenditures	<u>61,667,206</u>	<u>62,077,668</u>	<u>67,729,346</u>	<u>70,671,336</u>	<u>80,171,477</u>	<u>85,134,923</u>	<u>87,550,267</u>
Program Revenues							
Charges for services	2,649,976	2,732,738	2,509,632	2,795,934	2,942,968	3,580,538	3,814,949
Instruction	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-
Enterprise and Community Services	-	-	-	-	-	-	-
Operating grants and contributions	2,402,192	2,474,175	2,878,652	3,069,900	3,314,862	3,222,087	4,939,831
Instruction	-	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-
Enterprise and Community Services	-	-	-	-	-	-	-
Total program revenues	<u>5,052,168</u>	<u>5,206,913</u>	<u>5,388,284</u>	<u>5,865,834</u>	<u>6,257,830</u>	<u>6,802,625</u>	<u>8,754,780</u>
Net (Expenses)	(56,615,038)	(56,870,755)	(62,341,062)	(64,805,502)	(73,913,647)	(78,332,298)	(78,795,487)
General Revenues							
Property taxes	28,106,516	30,128,403	31,423,695	33,426,649	35,671,159	37,157,757	38,002,939
Local Option Tax	3,056,874	3,275,369	3,965,513	5,196,068	6,311,507	7,022,392	7,420,022
State School Fund	21,676,035	26,125,868	24,556,149	28,111,908	31,341,677	36,829,154	34,928,350
Investment earnings	334,120	1,006,349	971,582	924,818	1,171,599	988,810	557,637
Other	1,037,546	941,620	4,918,708	4,813,585	4,529,860	2,846,406	449,631
Gain on disposal of capital assets	-	-	-	-	-	(1,315,927)	-
Total general revenues	<u>54,211,091</u>	<u>61,477,609</u>	<u>65,835,647</u>	<u>72,473,028</u>	<u>79,025,802</u>	<u>83,528,592</u>	<u>81,358,579</u>
Change in Net Assets	<u>\$ (2,403,947)</u>	<u>\$ 4,606,854</u>	<u>\$ 3,494,585</u>	<u>\$ 7,667,526</u>	<u>\$ 5,112,155</u>	<u>\$ 5,196,294</u>	<u>\$ 2,563,092</u>

Note:

The District implemented GASB 34 beginning in 2002-03. As a result, ten years data is not available. Over time, ten fiscal years will be presented.

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

	Fiscal years 2000-2004				
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Fund Balances (Deficit)					
Reserved, reported in					
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Debt service funds	3,577,357	3,793,580	3,836,150	2,540,585	3,943,605
Unreserved, reported in					
General Fund	897,131	2,058,946	2,141,630	1,470,692	2,717,453
Special revenue funds	308,406	250,347	46,025	70,504	51,653
Capital projects funds	15,375,186	2,665,898	164,006	70,612,018	55,964,637
Total fund balances	<u><u>\$ 20,158,080</u></u>	<u><u>\$ 8,768,771</u></u>	<u><u>\$ 6,187,811</u></u>	<u><u>\$ 74,693,799</u></u>	<u><u>\$ 62,677,348</u></u>

	Fiscal years 2005-2009				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Fund Balances (Deficit)					
Reserved, reported in					
General Fund	\$ -	\$ -	\$ 66,402	\$ 119,842	\$ 89,073
Debt service funds	3,141,291	2,954,391	3,324,655	3,391,956	2,305,898
Unreserved, reported in					
General Fund	1,020,304	790,382	1,743,775	2,509,842	1,562,018
Special revenue funds	65,772	196,097	(79,268)	262,444	120,015
Capital projects funds	21,402,101	1,155,172	679,273	580,102	96,932,803
Total fund balances	<u><u>\$ 25,629,468</u></u>	<u><u>\$ 5,096,042</u></u>	<u><u>\$ 5,734,837</u></u>	<u><u>\$ 6,864,186</u></u>	<u><u>\$ 101,009,807</u></u>

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

	Fiscal year						
	2003	2004	2005	2006	2007	2008	2009
REVENUES:							
Local Sources:	\$ 34,374,056	\$ 37,731,949	\$ 42,926,775	\$ 45,685,506	\$ 48,639,999	\$ 51,051,894	\$ 51,803,870
Intermediate Sources:	596,173	587,001	614,729	599,640	633,717	613,328	692,997
State Sources:	22,208,398	26,375,409	25,512,843	29,481,446	32,272,703	36,845,078	34,950,009
Federal Sources	1,808,050	2,133,957	2,260,619	2,610,189	2,715,361	2,673,125	4,285,121
TOTAL REVENUES	58,986,677	66,828,316	71,314,966	78,376,781	84,261,780	91,183,425	91,731,997
EXPENDITURES:							
Current:							
Instruction	32,016,112	32,717,657	35,693,149	37,068,616	39,352,423	42,975,316	45,023,547
Support Services	18,112,108	59,188,474	19,762,592	22,077,238	23,613,514	25,687,742	26,791,199
Enterprise and Community Services	1,560,310	1,713,652	1,818,188	1,941,015	2,110,337	2,269,268	2,260,424
Facilities Acquisition and Construction	3,850,609	15,559,358	4,561,140	2,493,913	1,299,427	688,116	3,335,222
Debt Service:							
Principal	4,105,000	6,465,000	7,430,000	8,500,000	9,560,000	10,560,000	11,770,000
Interest	11,043,279	5,387,533	6,929,419	8,501,485	8,450,644	8,220,147	7,609,060
Capital Outlay	85,275	-	32,016,594	18,328,091	22,921	28,222	1,158,512
TOTAL EXPENDITURES	70,772,693	121,031,674	108,211,082	98,910,358	84,409,266	90,428,811	97,947,964
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(11,786,016)	(54,203,358)	(36,896,116)	(20,533,577)	(147,486)	754,614	(6,215,967)
OTHER FINANCING SOURCES, (USES):							
Sale of Fixed Assets	2,794,225	1,610	-	-	750,000	350,000	-
Bond Sale Proceeds	77,486,994	42,180,000	-	-	-	-	100,355,737
Bond Issuance	-	-	27,815,000	-	-	-	-
Premium on Bond Refunding	-	-	2,185,976	-	-	-	-
Payment to Refunding Escrow Agent	-	-	(29,929,876)	-	-	-	-
Transfers In	-	82,824	75,000	35,000	71,225	630,000	175,000
Transfers Out	-	(82,824)	(75,000)	(35,000)	(71,225)	(630,000)	(175,000)
TOTAL OTHER FINANCING SOURCES	80,281,219	42,181,610	71,100	-	750,000	350,000	100,355,737
NET CHANGE IN FUND BALANCE	68,495,203	(12,021,748)	(36,825,016)	(20,533,577)	602,514	1,104,614	94,139,770
BEGINNING FUND BALANCE	6,163,513	74,693,799	62,677,348	25,629,468	5,118,032	5,651,129	6,864,186
Adjustment for Inventories reported under the purchase method	35,083	5,297	40,617	151	14,291	108,443	5,851
Prior Period Adjustment			(263,481)				
ENDING FUND BALANCE	\$ 74,693,799	\$ 62,677,348	\$ 25,629,468	\$ 5,096,042	\$ 5,734,837	\$ 6,864,186	\$ 101,009,807
Ratio of total debt service to total non-capital expenditures	0.227	0.112	0.200	0.218	0.217	0.209	0.207

Note:

The District implemented GASB 34 beginning in 2002-03. As a result, ten years data is not available. Over time, ten fiscal years will be presented.

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

Fiscal Year Ending June 30	Assessed Value			Total Direct Tax Rate *	Real Market Value			AV as a % of RMV
	Real Property	Personal Property	Total Assessed Value		Real Property	Personal Property	Total Real Market Value	
2000	\$ 3,006,075,959	\$ 123,238,059	\$ 3,129,314,018	6.74	\$ 4,040,424,676	\$ 165,642,553	\$ 4,206,067,229	74.4
2001	3,256,643,456	103,261,391	3,359,904,847	8.03	4,359,629,791	138,234,794	4,497,864,585	74.7
2002	3,402,833,262	117,529,407	3,520,362,669	8.00	4,531,069,590	156,497,213	4,687,566,803	75.1
2003	3,644,403,999	100,732,613	3,745,136,612	8.47	4,938,216,801	136,494,055	5,074,710,856	73.8
2004	3,868,580,367	103,118,237	3,971,698,604	8.59	5,241,978,817	139,726,609	5,381,705,426	73.8
2005	3,995,380,006	112,018,400	4,200,996,289	8.62	5,655,571,079	154,935,546	5,810,506,625	72.3
2006	4,487,616,707	106,868,396	4,690,368,420	8.91	6,315,491,873	146,999,169	6,462,491,042	72.6
2007	4,760,908,645	148,994,974	4,909,903,619	9.11	7,397,850,604	148,994,974	7,546,845,578	65.1
2008	5,094,620,465	155,796,810	5,250,417,275	9.05	8,837,919,704	155,796,810	8,993,716,514	58.4
2009	5,403,740,204	160,117,445	5,563,857,649	8.85	9,179,539,626	160,117,445	9,339,657,071	59.6

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
2000	4.80			1.94	6.74
2001	4.79	0.59		2.65	8.03
2002	4.80	0.59		2.61	8.00
2003	4.84	0.85		2.78	8.47
2004	4.84	0.84		2.91	8.59
2005	4.84	0.97	-	2.81	8.62
2006	4.84	1.21	-	2.86	8.91
2007	4.84	1.28	-	2.94	9.11
2008	4.84	1.34	-	2.87	9.05
2009	4.84	1.33	-	2.68	8.85

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
2000	2.54	2.68	0.62	2.96	0.37	1.56	0.23
2001	4.07	2.67	0.62	2.97	0.37	1.59	0.34
2002	3.92	2.93	0.86	2.40	0.37	1.83	0.32
2003	3.84	2.52	0.74	2.40	0.36	1.60	0.27
2004	4.28	2.36	0.74	3.15	0.36	1.77	0.27
2005	3.01	2.42	0.78	2.40	0.36	1.59	0.25
2006	3.02	2.37	0.76	2.40	0.36	1.77	0.27
2007	3.26	2.32	0.73	2.40	0.36	1.82	0.27
2008	2.43	2.25	0.71	2.23	0.36	1.87	0.33
2009	2.50	5.59	0.74	2.81	0.36	1.84	0.39

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 2007-08 is \$1.38. 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
0.08	0.14	3.15	2.54	5.38
0.07	0.13	2.90	2.52	5.45
0.07	0.14	2.75	2.96	5.46
0.07	0.12	3.06	2.91	5.40
0.07	0.10	2.01	2.90	6.06
0.06	0.11	2.75	2.87	5.68
0.07	0.11	2.81	2.84	5.62
0.07	0.10	2.13	2.87	5.32
0.07	0.08	2.26	3.03	5.28
0.07	0.08	2.72	2.98	5.28

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

Taxpayer	2009			2000		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Ten Largest Taxpayers						
Shorenstein Properties LLC	\$ 225,387,963	1	4.05%			
General Growth Properties Inc	214,878,097	2	3.86			
Fred Meyer Stores Inc. #651	176,131,042	3	3.17			
PCC Structurals Inc	86,512,010	4	1.55			
Xerox Corporation	71,919,769	5	1.29			
Mentor Graphics Corp	52,779,827	6	0.95	\$ 55,258,160	2	1.76%
Safeway Stores Inc #2696	53,587,984	7	0.96			
Blount Inc	41,760,826	8	0.75			
Warn Industries Inc	47,393,796	9	0.85			
Kaiser Foundation Hosp	44,952,384	10	0.81			
Tektronix, Inc				82,374,360	1	2.63
Capital Reality Corp				26,100,320	3	0.83
Village at Main Street I LLC				24,731,310	4	0.79
Spieker Properties				23,406,300	5	0.75
Nike Inc				20,003,980	6	0.64
RFD Publications Inc				19,301,410	7	0.62
Simpson Housing Ltd				17,168,290	8	0.55
Security Capital IND Trust				15,101,810	9	0.48
AMB Property LP				14,242,510	10	0.45
Subtotal of Ten Largest Taxpayers	1,015,303,698		14.68	297,688,450		9.10
All Other Taxpayers	4,548,553,951		85.32	2,834,396,384		90.90
Total All Taxpayers	\$ 5,563,857,649		100.00%	\$ 3,132,084,834		100.00%

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
2000	\$ 21,205,600	\$ 19,730,833	93.05	\$ 1,049,934	\$ 20,780,767	98.00
2001	27,071,096	25,095,644	92.70	995,748	26,091,392	96.38
2002	28,318,910	26,329,933	92.98	1,172,368	27,502,301	97.12
2003	31,824,472	29,878,169	93.88	1,468,751	31,346,920	98.50
2004	34,286,516	32,323,178	94.27	1,165,200	33,488,378	97.67
2005	36,627,991	35,654,134	97.34	1,120,001	36,774,135	100.40
2006	39,681,166	38,684,902	97.49	875,157	39,560,059	99.69
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

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 Eight Fiscal Years
(dollars in thousands, except per capita)

Governmental Activities					
Fiscal Year	General Obligation Bonds	Pension Obligation Bonds	Total Primary Government	Per Capita	Outstanding Debt as a Percentage of Personal Income (1)
2002	\$ 89,965	\$ -	\$ 89,965	\$ 2,362	0.73
2003	157,772	-	157,772	4,072	1.27
2004	151,307	42,180	193,487	4,841	1.51
2005	143,472	42,180	185,652	4,603	1.37
2006	134,972	42,180	177,152	4,367	1.24
2007	125,412	42,180	167,592	4,081	1.08
2008	114,852	42,180	157,032	3,795	0.95
2009	201,162	42,135	243,297	5,738	N/A

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.

Note:
Ten years data is not currently available. Over time, ten fiscal years will be presented.

Direct and Overlapping Governmental Activities Debt
As of June 30, 2009

Overlapping Issuer	Net Property-tax Backed Debt ¹	Percent Overlapping	Overlapping Debt
Clackamas Community College	37,350,000	21.2279%	7,928,621
City of West Linn	12,140,000	99.0080%	12,019,571
METRO	187,666,896	4.0232%	7,550,215
Clackamas County	47,025,000	15.3034%	7,196,424
Washington County	2,965,000	0.2167%	6,425
Portland Community College	234,345,000	0.0924%	216,535
Tri-Met	36,380,000	2.9661%	1,079,067
City of Tualatin	10,570,000	2.3457%	247,940
Tualatin Valley Fire & Rescue Dist.	29,000,000	14.1823%	4,112,867
City of Lake Oswego	23,380,000	0.0001%	23
Subtotal, overlapping debt	\$ 620,821,896		\$ 40,357,688
Direct District net property-tax backed debt	\$ 201,162,238	100%	\$ 201,162,238
Total direct and overlapping debt	\$ 821,984,134		\$ 241,519,926

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:
Oregon State Treasury, Debt Management Division

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

	General Bonded Debt						
Fiscal Year	General Obligation Bonds	Less Amount Available for Repayment	Net General Obligation Bonds Outstanding	Percentage of Actual Taxable Value of Property (1)	Net G.O. Debt per Student Average Daily Membership (2)		
2000	\$ 97,960,000		\$ 97,960,000	3.13%	\$ 13,676		
2001	94,305,000		94,305,000	2.81%	13,049		
2002	89,965,000		89,965,000	2.56%	12,153		
2003	157,772,238		157,772,238	4.21%	20,872		
2004	151,307,238		151,307,238	3.81%	19,833		
2005	143,472,238		143,472,238	3.42%	18,698		
2006	134,972,238		134,972,238	2.88%	17,278		
2007	125,412,238		125,412,238	2.55%	15,696		
2008	114,852,238		114,852,238	2.19%	14,251		
2009	201,162,238		201,162,238	3.62%	24,998		
	Other Governmental Activities Debt						
Fiscal Year	Limited Tax G.O. Refunding Bonds	Certificates of Participation	Refunding Special Obligations	Small Scale Energy Loan Programs	Total District (3)	Per Student ADM (2)	Per Capita (4)
2000					97,960,000	13,676	2,720
2001					94,305,000	13,049	2,536
2002					89,965,000	12,153	2,362
2003					157,772,238	20,872	4,072
2004			\$ 42,180,000		193,487,238	25,362	4,841
2005			42,180,000		185,652,238	24,196	4,603
2006			42,180,000		177,152,238	22,677	4,367
2007			42,180,000		167,592,238	20,975	4,081
2008			42,180,000		157,032,238	19,485	3,796
2009			42,135,000		243,297,238	30,235	5,738

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 41,373 for 2007-08

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

Legal Debt Margin Calculation for Fiscal Year 2009

Real Market Value	\$ 9,339,657,071
Debt Limit (7.95%) ¹	742,502,737
Amount of Debt Applicable to Debt Limit:	
General Obligation Bonded Debt	201,162,238
Less: Amount Available in Debt Service Funds	-
Amount of Debt Applicable to Debt Limit	<u>201,162,238</u>
Legal Debt margin	<u>\$ 541,340,499</u>

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Debt Limit	\$ 334,382,345	\$ 357,580,234	\$ 372,661,561	\$ 403,439,513	\$ 427,845,581	\$ 461,935,276	\$ 513,768,038	\$ 599,974,223	\$ 715,000,463	\$ 742,502,737
Total net debt applicable to limit	<u>97,960,000</u>	<u>94,305,000</u>	<u>89,965,000</u>	<u>157,772,238</u>	<u>151,307,238</u>	<u>143,472,238</u>	<u>137,926,629</u>	<u>125,412,238</u>	<u>114,852,238</u>	<u>201,162,238</u>
Legal debt margin	<u>\$ 236,422,345</u>	<u>\$ 263,275,234</u>	<u>\$ 282,696,561</u>	<u>\$ 245,667,275</u>	<u>\$ 276,538,343</u>	<u>\$ 318,463,038</u>	<u>\$ 375,841,409</u>	<u>\$ 474,561,985</u>	<u>\$ 600,148,225</u>	<u>\$ 541,340,499</u>
Total net debt applicable to the limit as a percentage of debt limit	29.30%	26.37%	24.14%	39.11%	35.36%	31.06%	26.85%	20.90%	16.06%	27.09%

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 3.00%

Source

Market value per Clackamas and Washington County Assessors Offices.

Allowable Percentage 7.95%

Demographic and Economic Statistics
Last Ten Calendar Years
Clackamas County

Year	District Population (Estimated)	County Personal Income (1) (thousands of dollars)	County Per Capita Personal Income (1)	Clackamas County Unemployment Rate	County Construction Activity (3) (thousands of dollars)
2000	36,018	11,309,126	33,669	4.0	221,002
2001	37,190	12,416,346	36,568	4.3	175,055
2002	38,082	12,300,729	35,658	6.2	185,807
2003	38,747	12,430,074	35,316	7.0	152,934
2004	39,970	12,813,995	35,973	6.8	169,105
2005	40,329	13,599,941	37,631	6.1	267,491
2006	40,570	14,327,255	39,116	5.4	268,316
2007	41,065	15,555,000	41,974	4.4	251,900
2008	41,373	16,492,000	43,965 (4)	6.7	N/A
2009	42,400	N/A	N/A	10.4	N/A

Sources:

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

² Clackamas County Building Department for Clackamas County. District-level data unavailable.

³ State of Oregon Unemployment Rate (county rate not available)

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

Full-time Equivalent Employees as of June 30 (1)				
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<u>Instructional Staff</u>				
Primary, K-3 Instruction	140.32	140.72	133.47	127.24
Intermediate, 4-5 Instruction	71.02	70.32	67.98	64.86
Middle School Instruction	107.42	106.92	98.42	97.81
High School Instruction	117.82	116.12	109.24	105.81
High School Activities	2.20	2.20	1.88	0.00
Pre-Kindergarten Instruction	5.59	5.59	4.94	4.75
Talented & Gifted	2.51	2.51	2.45	2.00
High Needs Students	47.75	47.05	38.69	38.50
Emotionally Disturbed	0	0	0	0
Resource Rooms	45.69	45.49	46.13	44.43
Alternative Education	1.15	1.15	0.67	2.11
Charter Schools	0.00	0.00	1.63	1.63
English - Second Language	11.01	11.01	10.91	13.80
CREST	2.50	2.50	2.50	0.00
Subtotal Instructional Staff	554.98	551.58	518.91	502.94
<u>Support Services Staff</u>				
Counseling	19.70	19.30	19.30	19.30
District Nurse	3.12	3.12	3.00	2.50
Psychological Services	3.50	3.50	5.40	5.40
Speech	9.85	9.55	9.85	9.05
Special Services-Direction	4.00	4.00	4.00	4.00
Curriculum Development	2.31	2.31	1.50	2.39
Curriculum - Direction	0.50	0.50	0.54	0.54
Libraries-Media	20.60	21.40	20.40	21.31
Executive Administration	3.00	3.00	3.00	3.00
Office of the Principal	45.60	45.60	42.60	41.10
Business - Direction	1.00	1.00	1.00	0.00
Fiscal Office	6.00	6.00	6.00	6.00
Operations Direction	0.00	0.00	2.00	2.00
Maintenance - Direction	4.00	4.00	2.00	0.00
Care & Upkeep of Buildings	36.90	39.00	39.00	39.00
Care & Upkeep of Grounds	5.00	5.00	5.00	0.00
Maintenance	9.50	9.50	10.50	10.50
Warehouse & Distribution	3.00	3.00	3.00	2.45
Staff Services - Personnel	3.50	3.50	3.50	0.00
Technology Services	8.00	8.00	8.00	8.00
Subtotal Support Services Staff	189.08	191.28	189.59	176.54
Total	744.06	742.86	708.50	679.48

Source:

District Budget Office

Notes:

(1) General Fund Employees Only. Over time, ten fiscal years will be presented.

**Operating Statistics
Last Seven Fiscal Years**

Fiscal Year Ending June 30	Student Average Daily Membership (1)	Charter Schools		Operating Expenses (2)	Cost Per ADM (1)	Certified Staff FTE (3)	ADM to Certified Ratio (3)	Ave Tchr Salary	Percentage		
		Student Average Daily Membership							Tchr Salary Range-Low	Tchr Salary Range-High	Free & Reduced per ADM
2002-03	7,559	100	\$	52,062,255	\$ 6,887	409	18.2				
2003-04	7,629	100		53,273,191	6,983	413	18.2				
2004-05	7,673	100		57,273,929	7,464	431	17.6				
2005-06	7,812	160		63,042,721	8,070	445	17.2				
2006-07	7,990	180		67,349,626	8,429	454	17.2	\$ 49,969	\$ 31,368	\$ 62,355	14.7
2007-08	8,059	180		70,932,326	8,801	475	16.6	51,919	32,529	64,662	16.2
2008-09	8,047	100		74,075,170	9,205	481	16.7	53,932	33,830	67,248	16.9

(1) Includes students at Charter Schools

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

(3) Excludes charter school students and/or teachers

Source:

District Records

Note:

Ten years data is not currently available. Over time, ten fiscal years will be presented.

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

Employer	2008-09			2000-01		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Ten Largest Employers						
Xerox Corporation	1,563	1	10.7%	1,343	1	9.6%
Mentor Graphics	1,110	2	7.6%	946	2	6.8%
Precision Interconnect	654	3	4.5%			
Sysco Food Services of Portland	582	4	4.0%	440	5	3.1%
Hollywood Entertainment	356	5	2.4%	852	3	6.1%
Flir Systems Inc	352	6	2.4%			
Fry's Electronics, Inc.	309	7	2.1%	300	7	2.1%
Infocus Corporation	309	8	2.1%	562	4	4.0%
Rite Aid Distribution Center	275	9	1.9%	280	8	2.0%
Orepac Building Projects	198	10	1.4%			
Nike USA, Inc.				400	6	2.9%
Milgard Manufacturing Inc.				250	9	1.8%
GI Joes Inc.				182	10	1.3%
<hr/>						
Ten Largest Employers	5,708		39.10	5,555		39.70

City of Wilsonville Employment

2008-09	14,612
2007-08	15,200
2000-01	14,000

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

Sources:
City of Wilsonville Business License Database

Capital Asset Information
Last Seven Fiscal Years

	Fiscal Year							Average Age of Buildings
	2003	2004	2005	2006	2007	2008	2009	(in years)
Schools								
Primary								
Buildings	7	7	7	7	7	7	7	48
Square Feet	422,119	422,119	446,982	446,982	446,982	446,982	446,982	
Capacity	3,465	3,465	3,719	3,382	3,382	3,382	3,382	
Membership (ADM)	3,483	3,554	3,560	3,482	3,375	3,375	3,375	
Percent Used	101%	103%	96%	103%	100%	100%	100%	
Middle								
Buildings	3	3	3	3	3	3	3	20
Square Feet	268,850	268,850	282,519	282,519	282,519	282,519	282,519	
Capacity	2,241	2,241	2,241	2,082	2,082	2,082	2,082	
Membership (ADM)	1,967	1,941	1,940	1,909	1,899	1,899	1,899	
Percent Used	88%	87%	87%	92%	91%	91%	91%	
High								
Buildings	2	2	2	2	2	2	2	39
Square Feet	400,206	400,206	400,206	500,631	500,631	500,631	500,631	
Capacity	2,717	2,717	2,717	3,291	3,291	3,291	3,291	
Membership (ADM)	2,445	2,521	2,446	2,638	2,508	2,508	2,508	
Percent Used	90%	93%	90%	80%	76%	76%	76%	
Other								
Buildings	2	2	3	3	3	3	3	8
Square Feet	4,802	4,802	7,442	7,442	7,442	7,442	7,442	
Administration								
Buildings	1	1	1	1	1	1	1	78
Square Feet	21,000	21,000	21,000	21,000	21,000	21,000	21,000	
Maintenance								
Buildings	3	5	5	5	5	5	5	15
Square Feet	23,220	40,020	40,020	40,020	40,020	40,020	40,020	

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

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

<u>Assignment/Function</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Instructional Staff				
Prekindergarten teachers	3.00	3.00	3.00	3.00
Elementary teachers K-5	165.60	164.50	159.70	158.35
Secondary teachers	212.97	210.17	196.66	193.27
Teachers of ungraded classes	57.90	57.00	53.08	50.32
Educational assistants	115.51	116.91	105.47	100.38
Instructional coordinators and supervisors	-	-	1.00	1.50
Subtotal Instructional Staff	554.98	551.58	518.91	506.82
Support Services Staff				
Guidance K-12	19.70	19.30	19.30	19.30
Librarians/media specialists	10.40	10.40	9.40	9.50
Library and media support staff	10.20	11.00	11.00	11.81
District administrators	4.00	4.00	3.54	3.54
District support staff	79.71	81.81	82.50	82.84
School administrators	22.00	22.00	21.00	21.60
School administrative support staff	23.60	23.60	21.60	19.50
Student services support staff	19.47	19.17	21.25	19.95
Subtotal Support Services Staff	189.08	191.28	189.59	188.04
Total FTE	744.06	742.86	708.50	694.86

Note:
Data is for General Fund only. Data for fiscal years prior to 2005-06 not readily available. Over time, ten fiscal years of data will be presented.

Source:
District Budget Office

This Page Intentionally Left Blank

AUDITORS' COMMENTS AND DISCLOSURES



PAULY, ROGERS AND CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

-
- 12700 SW 72ND AVENUE • TIGARD, OREGON 97223
 - (503) 620-2632 • FAX (503) 684-7523

**WEST LINN-WILSONVILLE SCHOOL DISTRICT 3J
CLACKAMAS COUNTY, OREGON
2008-2009 AUDITORS' COMMENTS AND DISCLOSURES**

December 11, 2009

Oregon Administrative Rules 162-10-000 through 162-16-000 (the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy) enumerate the financial statements, schedules, comments and disclosures required in audit reports. The required statements and schedules are set forth in preceding pages of this report. Required comments and disclosures related to our audit of such statements and schedules are set forth as follows.

REPORT ON INTERNAL ACCOUNTING CONTROL

We have audited the basic financial statements of West Linn-Wilsonville School District 3J, Clackamas County, Oregon, as of and for the year ended June 30, 2009, and have issued our report thereon dated December 11, 2009.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

The management of West Linn-Wilsonville School District 3J, Clackamas County, Oregon, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of the basic financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the basic financial statements of West Linn-Wilsonville School District 3J, Clackamas County, Oregon, for the year ended June 30, 2009, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants.

WEST LINN-WILSONVILLE SCHOOL DISTRICT 3J
CLACKAMAS COUNTY, OREGON
2008-2009 AUDITORS' COMMENTS AND DISCLOSURES

REPORT ON INTERNAL ACCOUNTING CONTROL (CONTINUED)

A *control deficiency* 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 misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the financial statements that is more than inconsequential will not be prevented or detected by the internal control.

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

A material weakness is a significant deficiency in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above.

Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records or to all phases of a transaction. Consequently, the possibility exists that unintentional or intentional errors or irregularities could exist and not be promptly detected.

This report is intended solely for the information and use of the board, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

ACCOUNTING RECORDS

The accounting records are adequate to meet the audit requirements.

INDEPENDENT ELECTED OFFICIALS

No elected officials collected or received funds on behalf of the District.

2008-2009 AND 2009-2010 BUDGETS

The budgets adopted for the current and ensuing fiscal years were examined during the audit. Based on our testing it appeared that budget preparation and adoption procedures followed were in compliance with the Oregon Local Budget Law.

BUDGET TRANSACTIONS

Expenditures of the various funds were within authorized appropriations for the year ended June 30, 2009, except as noted on page 22.

WEST LINN-WILSONVILLE SCHOOL DISTRICT 3J
CLACKAMAS COUNTY, OREGON
2008-2009 AUDITORS' COMMENTS AND DISCLOSURES

COLLATERAL SECURING BANK DEPOSITS

Deposits throughout the year appeared to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury based upon our testing. Deposits in the State Local Government Investment Pool are not required to be collateralized.

INVESTMENTS

The investments for the year ending June 30, 2009, were reviewed and appeared to comply with the legal requirements pertaining to the investment of public funds contained in ORS 294.035. However, pursuant to ORS 294.810, the District exceeded the limitation on funds placed in the Local Government Investment Pool during the fiscal year 2008-09.

PUBLIC CONTRACTS AND PURCHASING

The procedures for awarding public contracts were reviewed and based upon our testing we found no instances of non-compliance with ORS Chapter 279 during 2008-2009.

INSURANCE AND FIDELITY BONDS

Details concerning insurance and fidelity bond coverage were reviewed during the audit. The coverage provided appears to meet legal requirements. We do not have the professional expertise to state whether the insurance coverage is adequate.

STATUTORY BONDED DEBT LIMITATION

The bonded debt outstanding appeared to be within the provisions of ORS 552.645.

PROGRAMS FUNDED FROM OUTSIDE SOURCES

We reviewed and tested, to the extent we considered necessary in the circumstances, transactions and reports relative to federal and state grant programs. Our reports concerning grant compliance and a schedule of federal assistance are contained in this report in the single audit section.

WEST LINN-WILSONVILLE SCHOOL DISTRICT 3J
CLACKAMAS COUNTY, OREGON
2008-2009 AUDITORS' COMMENTS AND DISCLOSURES

STATE SCHOOL FUND DISTRIBUTION INFORMATION

We have performed the procedures recommended by the Oregon Secretary of State, Audits Division, regarding with the requirements of ORS 327.013 as further defined by the Oregon State Department of Education pertaining to the calculations and reporting of the factors used to compute the State School Fund distribution for the year ended June 30, 2009.

Based on the work described above, we have found instances of noncompliance with the rules and regulations pertaining to the calculation and reporting of the factors used to compute the State School Fund distribution for the year ended June 30, 2009. We noted a few instances where the teachers experience report was incorrectly reported and a few instances where students were not withdrawn from active rolls after being absent for more than ten consecutive days.

STATE HIGHWAY

There were no programs funded from state highway funds during the year ended June 30, 2009.

Pauly, Rogers and Co. P.C.
PAULY, ROGERS AND CO., P.C.

SINGLE AUDIT SECTION

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, 2009

Federal Grantor/Pass Through Grantor/ Program Title	Federal CFDA Number	Grant Period	Expenditures	Receivable/ (Deferred) Revenue June 30, 2008	Cash Receipts	Receivable/ (Deferred) Revenue June 30, 2009
US. DEPARTMENT OF EDUCATION						
Title I	84.010	2007-08/08-09	409,431	150,829	337,372	222,888
Title III- Enhancing Education	84.365	2007-08/08-09	35,143	34,004	49,289	19,858
Title V- Innovative Education	84.298	2007-08	-	7,448	7,448	-
Title IV- A Safe & Drug Free	84.186	2007-08/08-09	15,704	6,949	22,653	-
Title IIA- Teacher Quality	84.367	2007-08/08-09	149,256	117,814	257,612	9,458
Title IID	84.318	2007-08/08-09	4,044	1,233	3,285	1,992
IDEA	84.027	2007-08/08-09	1,166,145	492,998	1,314,789	344,354
SFSF *	84.394	2008-09	1,539,503	-	1,539,503	-
Passed through Clackamas County ESD:						
Vocational Education	84.048A	2007-08/08-09	17,000	16,247	20,497	12,750
Youth Transition Program	84.126A	2007-08/08-09	96,527	39,958	95,491	40,994
Title IC - Migrant Ed	84.011	2008-09	20,491	-	19,744	747
Total U.S. Department of Education			3,453,244	867,480	3,667,683	653,041
U.S. DEPARTMENT OF AGRICULTURE						
Federal Forest Fees	10.665	2007-2008	188,288	-	188,288	-
Passed Through Oregon Department of Education:						
National School Lunch Program Breakfast *	10.553	2007-2008	65,430	-	65,430	-
National School Lunch Program *	10.555	2007-2008	565,944	19,610	552,700	32,854
Summer Food *	10.559	2007-2008	12,215	-	12,215	-
Total U.S. Department of Agriculture			831,877	19,610	818,633	32,854
*major program						
TOTALS			4,285,121	887,090	4,486,316	685,895
RECONCILIATION TO REVENUE:						
Cash Receipts per Schedule Above			4,486,316			
Grants Receivable/Deferred Revenue Beginning of Year			(887,090)			
Grants Receivable/Deferred Revenue End of Year			685,895			
Federal Revenue Recognized			4,285,121			

This Page Intentionally Left Blank



PAULY, ROGERS AND CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

-
- 12700 SW 72ND AVENUE • TIGARD, OREGON 97223
 - (503) 620-2632 • FAX (503) 684-7523

December 11, 2009

To the Board of Directors
West Linn-Wilsonville School District 3J
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 the financial statements of West Linn-Wilsonville School District 3J as of and for the year ended June 30, 2009, and have issued our report thereon dated December 11, 2009. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered West Linn-Wilsonville School District 3J's 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 the internal controls over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal controls over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A *control deficiency* 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 misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the financial statements that is more than inconsequential will not be prevented or detected by the internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the internal controls.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether West Linn-Wilsonville School District 3J's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of West Linn-Wilsonville School District 3J in the schedule of findings and questioned costs on page 80.

The responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the District's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the Board, the federal award agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.


PAULY, ROGERS AND CO., P.C.



PAULY, ROGERS AND CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

-
- 12700 SW 72ND AVENUE • TIGARD, OREGON 97223
 - (503) 620-2632 • FAX (503) 684-7523

December 11, 2009

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

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

Compliance

We have audited the compliance of West Linn-Wilsonville School District 3J with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. West Linn-Wilsonville School District 3J's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of West Linn-Wilsonville School District 3J's management. Our responsibility is to express an opinion on West Linn-Wilsonville School District 3J's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about West Linn-Wilsonville School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of West Linn-Wilsonville School District 3J's compliance with those requirements.

In our opinion, West Linn-Wilsonville School District 3J complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of West Linn-Wilsonville School District 3J is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the internal controls over compliance.

A *control deficiency* in internal controls over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the internal controls.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the internal controls.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, *the Board*, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.


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, 2009

Section I – Summary of Auditor's Results

Financial Statements

Type of Auditor's report issued:

Unqualified

Internal control over financial reporting:

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

_____ Yes X No

 X Yes _____ None reported

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major programs:

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

_____ Yes X No

_____ Yes X None reported

Type of auditor's report issued on compliance for major programs:

Unqualified

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

_____ Yes X No

Identification of major programs

CFDA Number(s):

Name of Federal Program:

10.553, 10.555 & 10.559
84.394

Child Nutrition Cluster
State Fiscal Stabilization Fund

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

\$ 300,000

Auditee qualified as low-risk auditee?

 X Yes _____ No

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

Section II – Financial Statement Findings

2009-1

Condition: Adequate controls were not in place to ensure student activity fund bank reconciliations were reviewed for completeness and accuracy by someone independent of the person reconciling cash. In most cases, the person receiving and recording cash is also the same person who is reconciling the bank statements. Due to the limited number of available personnel at the activity fund level, it may not be possible to properly segregate duties. Therefore compensating controls should be in place to mitigate risks.

Criteria: Proper controls should be in place and monitored to ensure monthly bank reconciliations are accurate and complete.

Effect: Without adequate controls or procedures in place to ensure the bank reconciliations are reviewed for accuracy and completeness, the likelihood of an intentional error or irregularity occurring and not being detected over time could result in a material misstatement in the financial statements.

Cause: Insufficient resources appeared to be allocated to monitoring the bank reconciliation function at the activity fund level.

Recommendations: We recommend that someone independent of the bank reconciliation, such as the building principal, review the bank reconciliation for accuracy and completeness on a monthly basis and document their approval with a signature and date.

Response: As of January 2010 all administrators will be required to review and sign the monthly reports. Meetings with all building administrators are scheduled in early 2010 to receive specific procedural instructions.

2009-2

Condition: Inadequate documentation of internal controls.

Criteria: In applying SAS 112 the District should adopt formal policies/procedures for all accounting areas.

Effect: Without adequate documentation of policies/procedures it is difficult for the board and management to ensure that District assets are being properly safeguarded.

Cause: The District has yet to adopt and implement a written internal control document.

Recommendations: We recommend that the District develop and implement an internal control document in accordance with SAS 112.

WEST LINN-WILSONVILLE SCHOOL DISTRICT 3
CLACKAMAS COUNTY, OREGON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

Response: The district will continue to develop and complete the process of documenting internal control procedures. These procedures will be adopted via administrative approval during the 2009-10 fiscal year.

Section III – Federal Award Findings and Question Costs

There were no findings or questions costs for the audit ending June 30, 2009.

This Page Intentionally Left Blank