

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT



For the Year Ended June 30, 2010

WEST LINN-WILSONVILLE SCHOOL DISTRICT 3J

CLACKAMAS COUNTY, OREGON

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended June 30, 2010

Prepared by
Business Office:
R. William Knowles, Business Manager

Jolene May, Accounting Supervisor

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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
Deputy Superintendent
Assistant Superintendent
Business Manager

BOARD OF DIRECTORS AS OF JUNE 30, 2010

	<u>Term Expires</u>
Jeff Hallin, Chair	June 30, 2011
Mary Furrow, Vice Chair	June 30, 2011
Lori Beight	June 30, 2013
Dale Hoogestraat	June 30, 2013
Keith Steele	June 30, 2013

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

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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
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REQUIRED SUPPLEMENTARY INFORMATION:

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 INFORMATION:

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 INFORMATION (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 Eight Fiscal Years	52
Changes in Net Assets – Last Eight Fiscal Years	53
Fund Balances of Governmental Funds – Last Ten Fiscal Years	54
Changes in Fund Balances of All Governmental Funds – Last Eight 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 Nine 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 Five Fiscal Years	65
Operating Statistics – Last Eight 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 Eight Fiscal Years	68
Full-time Equivalent District Employees by Assignment/Function – Last Five Fiscal Years	69

INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS	70
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WEST LINN-WILSONVILLE SCHOOL DISTRICT 3J
CLACKAMAS COUNTY, OREGON

TABLE OF CONTENTS

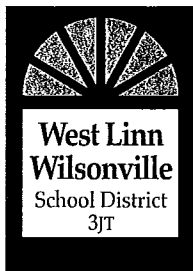
**PAGE
NUMBER**

GRANT COMPLIANCE REVIEW:

Schedule of Expenditures of Federal Awards	72
Report on Internal Control Structure over Financial Reporting	73
Report on Compliance with Requirements Applicable to each Major Programs And Internal Control Structure	75
Schedule of Findings and Questioned Costs	77

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Introductory Section



West Linn-Wilsonville School District 3JT

ADMINISTRATION BUILDING

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

December 9, 2010

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, 2010.

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, 2010, 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, 2010, 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 43,276 in 2010. District student membership as of June 30, 2010 was 8,065, 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 \$8.5 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 November 2, 2004 57% of district voters approved a 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 2009-10 was \$1.18 per thousand assessed value. Revenues from this tax falls when there is a decrease in real market value. During 2009-10 Local Option tax collections decreased \$682,799 from \$7,420,022 in 2008-09 to \$6,737,223.

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 10.1 percent published September 2010.

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 2010-11 fiscal year as a result of district policy.

Awards

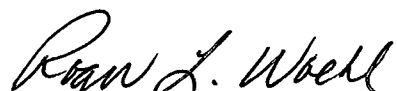
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the West Linn-Wilsonville School District for its comprehensive annual financial report for the fiscal year ended June 30, 2009. This was the 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.

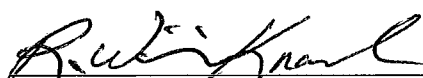
ACKNOWLEDGMENTS

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,

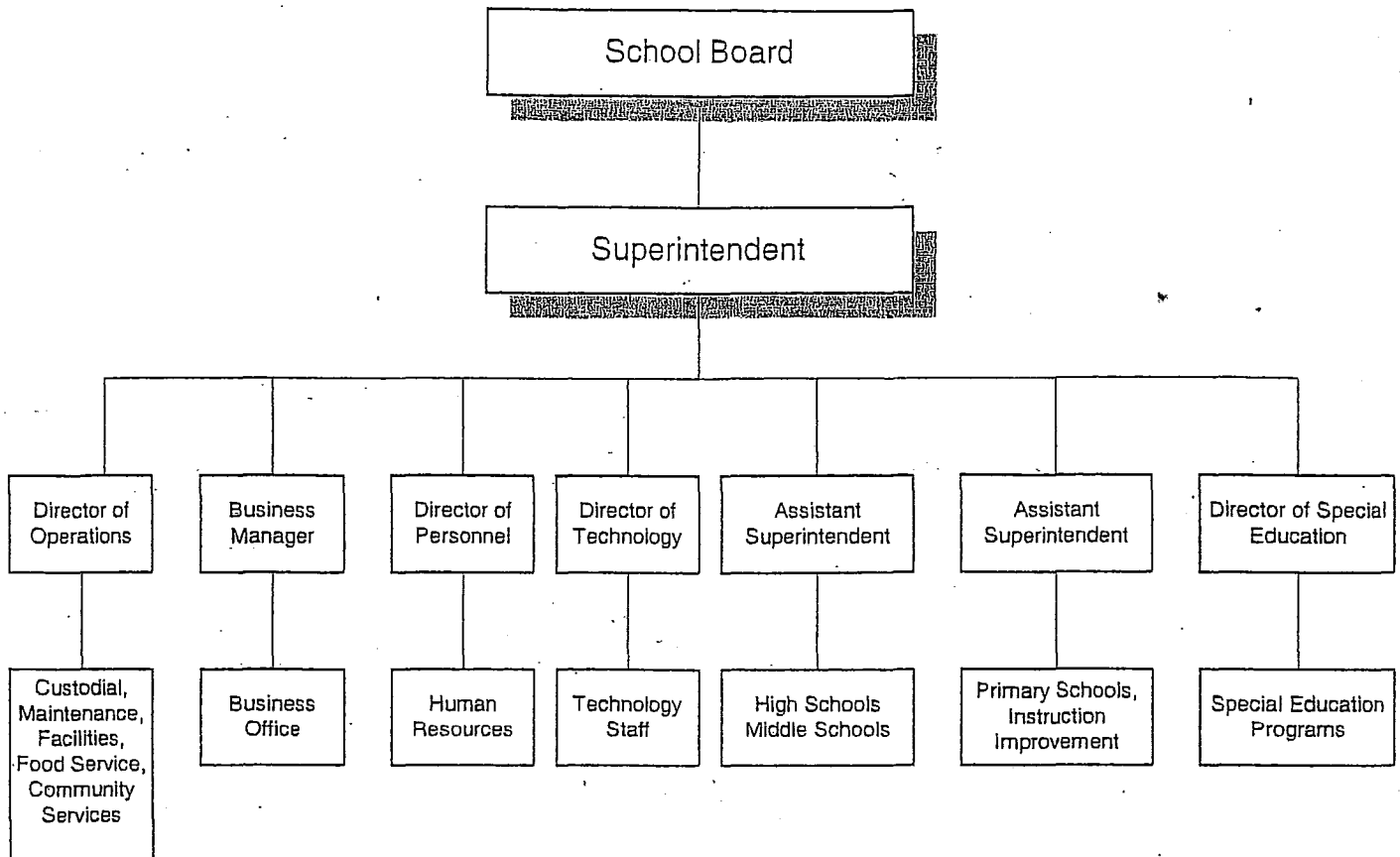


Roger L. Woehl, Superintendent



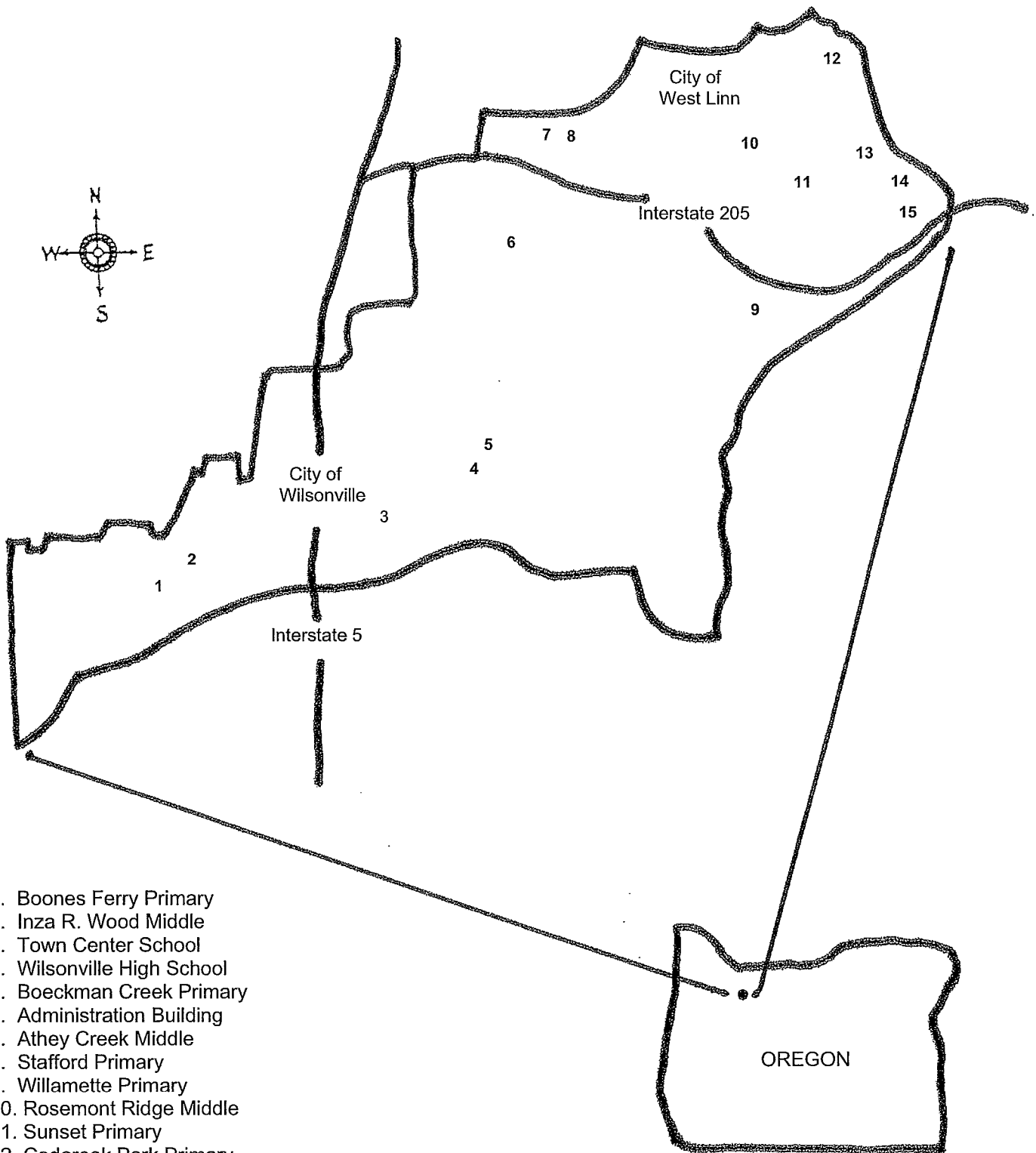
R. William Knowles, Business Manager

West Linn-Wilsonville School District 3JT
Organization Chart



WEST LINN - WILSONVILLE SCHOOL DISTRICT No. 3J

3J



1. Boones Ferry Primary
2. Inza R. Wood Middle
3. Town Center School
4. Wilsonville High School
5. Boeckman Creek Primary
6. Administration Building
7. Athey Creek Middle
8. Stafford Primary
9. Willamette Primary
10. Rosemont Ridge Middle
11. Sunset Primary
12. Cedaroak Park Primary
13. Bolton Primary
14. West Linn High School
15. Three Rivers Charter

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, 2009

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.



A stylized, handwritten signature in black ink.

President

A handwritten signature in black ink that reads "Jeffrey R. Emer".

Executive Director

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PAULY, ROGERS AND CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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

December 6, 2010

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, each major fund, and the remaining fund information of the West Linn-Wilsonville School District 3J, Clackamas County, Oregon, as of and for the year ended June 30, 2010 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 6, 2010, 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 as listed in the table of contents 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, including the budgetary comparison schedules for the general fund and special revenue fund (which are required supplementary information) 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 (including required supplementary information on pages 34-35) 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.

**WEST LINN-WILSONVILLE SCHOOL DISTRICT 3J
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010**

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, 2010.

FINANCIAL HIGHLIGHTS

- In the government-wide statements, the assets of the District exceeded its liabilities at June 30, 2010 by \$51,507,037.
- The District's governmental funds report combined ending fund balance of \$81,747,367.
- The District's net assets increased by \$3,366,111.

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 \$51,507,037 at June 30, 2010.

Capital assets, which consist of the District's land, buildings, building improvements, vehicles, and equipment, represent about 50.6 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 9.1 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, 2010	June 30, 2009	Change
Current and Other Assets	\$ 125,922,160	\$ 148,627,204	\$ (22,705,044)
Capital Assets	177,196,765	162,711,325	14,485,440
Total Assets	<u>\$ 303,118,925</u>	<u>\$ 311,338,529</u>	<u>\$ (8,219,604)</u>
Current Liabilities	\$ 22,939,477	\$ 24,533,216	\$ (1,593,739)
Long-Term Liabilities	228,672,411	238,664,387	(9,991,976)
Total Liabilities	<u>251,611,888</u>	<u>263,197,603</u>	<u>(11,585,715)</u>
Net Assets:			
Invested in Capital Assets, net of related debt	62,777,910	59,549,087	3,228,823
Restricted for Debt Service	82,853	2,305,898	(2,223,045)
Unrestricted	(11,353,726)	(13,714,059)	2,360,333
Total Net Assets	<u>\$ 51,507,037</u>	<u>\$ 48,140,926</u>	<u>\$ 3,366,111</u>

Governmental activities. A comparative analysis discussing and analyzing significant differences from the prior year to the current year is provided on the following page. During fiscal 2009-10, the District's net assets increased by \$3,366,111.

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

	June 30, 2010	June 30, 2009	Change
REVENUES			
Program Revenues			
Charges for Services	\$ 3,554,281	\$ 3,814,949	\$ (260,668)
Operating Grants and Contributions	6,358,624	4,939,831	1,418,793
General Revenues			
Property Taxes	40,965,816	38,002,939	2,962,877
Local Option	6,736,010	7,420,022	(684,012)
State School Fund - General Support	30,936,476	34,928,350	(3,991,874)
Earnings on Investments	871,427	557,637	313,790
Other Federal, State and Local Sources	416,950	449,631	(32,681)
Total Revenues	89,839,584	90,113,359	(273,775)
EXPENSES			
Instruction	46,110,257	47,661,417	(1,551,160)
Support Services	25,388,997	27,434,864	(2,045,867)
Enterprise and Community Services	2,451,763	2,439,278	12,485
Facilities Acquisition and Construction	-	389,427	(389,427)
Interest on Long-Term Debt	12,522,456	9,625,281	2,897,175
Total Expenses	86,473,473	87,550,267	(1,076,794)
Change in Net Assets	3,366,111	2,563,092	803,019
Beginning Net Assets	48,140,926	44,769,797	3,371,129
Restatement - Change in Accounting Principles	-	808,037	(808,037)
Ending Net Assets	\$ 51,507,037	\$ 48,140,926	\$ 3,366,111

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, 2010 the District's governmental funds reported combined ending fund balances of \$81,747,367, a decrease of \$19,262,440 when compared with the prior year. This decrease was primarily due to expenditures related to capital construction.

General Fund. The General Fund is the chief operating fund of the District. As of June 30, 2010, unreserved fund balance was \$2,511,742. 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 3.7 percent of total General Fund expenditures.

The fund balance increased by \$860,651 during the current fiscal year. This increase was attributable to lower than anticipated expenditures.

Debt Service Fund. As of June 30, 2010 the ending fund balance was \$82,853, a decrease of \$2,223,045 when compared to the prior year. This decrease is attributed to the maturity of a debt issue where payment was due on October first of each year. October is prior to collection of property tax receipts in November. This condition required an ending fund balance at June 30th of each year prior to 2009-10.

Capital Projects Fund. The Capital Projects Fund has a total fund balance \$78,851,796, which is designated for capital needs specified in the general obligation bond approved by voters on November 4, 2008. The two major projects consist of a new primary school in both West Linn and Wilsonville. These two schools are scheduled to open in the fall of 2012.

GENERAL FUND BUDGETARY HIGHLIGHTS

The budget was impacted by a few major developments in 2009-10. Revenues from local option taxes were almost \$700,000 lower than anticipated. A shortfall in the Oregon State School Fund was softened a bit by ARRA federal stimulus funding in the form of the State Fiscal Stability Fund (SFSF) grant totaling \$2.15 million. IDEA (special education) and Title I expenditures were augmented by additional ARRA federal stimulus funds. There was \$725,388 spent from IDEA ARRA and \$264,864 spent from Title I ARRA funding sources during the year. These expenditure were made from the special revenue fund.

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, 2010, the District had invested \$177,196,765 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, 2010, the District had total debt outstanding of \$239,269,721. Please refer to the notes to page 26 in the financial statements for more information.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The 2010-11 budget was built on state revenue assumptions that were reduced by \$3.3 million as a result of the May 2010 State Revenue Forecast. Since this large decrease was received late in the 2009-10 fiscal year, the district sought and received permission from all employee groups for 15 furlough days. The reduced payroll related expenditures from these days are being used to rebalance the 2010-11 general fund budget.

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.

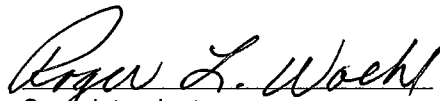
Signature:

Title:


Business Manager

Signature:

Title


Superintendent

Financial Section

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

BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET ASSETS
JUNE 30, 2010

		Component Unit
	Governmental Activities	Three Rivers Charter School
ASSETS:		
Cash and Investments	\$ 89,032,723	\$ 158,151
Property Taxes Receivable	3,082,238	-
Other Receivables	2,895,523	3,928
Supply Inventory	111,786	-
Prepaid Expenses	72,007	20,893
Prepaid Pension Asset	29,111,587	-
Bond Issue Costs	1,616,296	-
Non-Depreciable Capital Assets	23,750,866	-
Capital Assets, Net of Depreciation:	153,445,899	50,871
TOTAL ASSETS	303,118,925	233,843
LIABILITIES:		
Accounts Payable	3,934,888	7,726
Accrued Salaries and Benefits	6,504,213	13,500
Retainage Payable	152,371	-
Unearned Revenue	60,478	9,509
Accrued Interest	1,690,217	-
Long-Term Liabilities:		
Portion Due or Payable Within One Year:	10,597,310	-
Portion Due or Payable After One Year:	228,672,411	-
TOTAL LIABILITIES	251,611,888	30,735
NET ASSETS:		
Invested in Capital Assets, Net of Related Debt	62,777,910	50,871
Restricted for:		
Debt Service	82,853	-
Unrestricted	(11,353,726)	152,237
TOTAL NET ASSETS	\$ 51,507,037	\$ 203,108

See notes to basic financial statements.

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

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2010

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Assets	Component Unit
		Charges for Services	Operating Grants and Contributions		Three Rivers Charter School
Governmental Activities:					
Instruction	\$ 46,110,257	\$ 2,539,992	\$ 3,650,027	\$ (39,920,238)	\$ 730,014
Support	25,388,997	-	1,738,883	(23,650,114)	308,775
Enterprise and Community Services	2,451,763	1,014,289	969,714	(467,760)	-
Interest on Long-Term Debt	12,522,456	-	-	(12,522,456)	-
Total Governmental Activities	<u>\$ 86,473,473</u>	<u>\$ 3,554,281</u>	<u>\$ 6,358,624</u>	<u>(76,560,568)</u>	<u>1,038,789</u>
Component Unit					
Three Rivers Charter School	<u>\$ 1,110,884</u>	<u>\$ 21,604</u>	<u>\$ 50,491</u>		<u>(1,038,789)</u>
General revenues:					
Property Taxes				40,965,816	-
Local Option Tax				6,736,010	83,191
Unrestricted State Revenue				30,936,476	557,988
Unrestricted Intermediate Revenue				35,536	-
Miscellaneous Revenue				381,414	359,714
Earnings on Investments				871,427	490
Total general revenues				<u>79,926,679</u>	<u>1,001,383</u>
CHANGE IN NET ASSETS				3,366,111	(37,406)
Net Assets - July 1, 2009				<u>48,140,926</u>	<u>240,514</u>
Net Assets - June 30, 2010				<u>\$ 51,507,037</u>	<u>\$ 203,108</u>

See notes to basic financial statements.

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

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

	General Fund	Debt Service Fund	Capital Projects Fund	Special Revenue Funds	Total
ASSETS					
Cash and Investments	\$ 7,925,037	\$ -	\$ 81,062,147	\$ 45,539	\$ 89,032,723
Due From Other Funds	711,598	175,849	119,724	-	1,007,171
Property Taxes Receivable	2,076,941	1,005,297	-	-	3,082,238
Other Receivables	1,412,394	101,496	71,080	1,310,553	2,895,523
Supply Inventory	41,747	-	-	70,039	111,786
Prepaid Expenditures	72,007	-	-	-	72,007
TOTAL ASSETS	<u>\$ 12,239,724</u>	<u>\$ 1,282,642</u>	<u>\$ 81,252,951</u>	<u>\$ 1,426,131</u>	<u>\$ 96,201,448</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 1,686,104	\$ -	\$ 2,248,784	\$ -	\$ 3,934,888
Retainage Payable	-	-	152,371	-	152,371
Accrued Salaries and Benefits	6,113,754	-	-	390,459	6,504,213
Due To Other Funds	-	280,675	-	726,496	1,007,171
Deferred Taxes	1,875,846	919,114	-	-	2,794,960
Other Deferred Revenue	52,278	-	-	8,200	60,478
TOTAL LIABILITIES	<u>9,727,982</u>	<u>1,199,789</u>	<u>2,401,155</u>	<u>1,125,155</u>	<u>14,454,081</u>
Fund Balances:					
Reserved for:					
Debt Service Fund	-	82,853	-	-	82,853
Prepaid Items	72,007	-	-	-	72,007
Unreserved, designated for, reported in:					
Capital Projects Fund	-	-	78,851,796	-	78,851,796
Unreserved, undesignated reported in:					
General Fund	2,439,735	-	-	-	2,439,735
Special Revenue Funds	-	-	-	300,976	300,976
TOTAL FUND BALANCES	<u>2,511,742</u>	<u>82,853</u>	<u>78,851,796</u>	<u>300,976</u>	<u>81,747,367</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 12,239,724</u>	<u>\$ 1,282,642</u>	<u>\$ 81,252,951</u>	<u>\$ 1,426,131</u>	<u>\$ 96,201,448</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, 2010

TOTAL FUND BALANCES		\$	81,747,367
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Capital assets are not financial resources and therefore are not reported in the governmental funds:

Cost	\$	219,314,448	
Accumulated depreciation		<u>(42,117,683)</u>	177,196,765

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.

2,794,960

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	(132,310)	
Net Other Post Employment Benefits	(1,701,409)	
Bonds payable	(233,592,238)	
Premium on Bonds Payable	(3,843,764)	
Accrued interest payable	<u>(1,690,217)</u>	(240,959,938)

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	29,111,587	
Bond Issue Costs	<u>1,616,296</u>	<u>30,727,883</u>

TOTAL NET ASSETS		\$	<u>51,507,037</u>
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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, 2010

	General Fund	Debt Service Fund	Capital Projects Fund	Special Revenue Funds	Total
REVENUES:					
Local Sources:	\$ 34,409,810	\$ 18,048,676	\$ 1,093,178	\$ 1,260,337	\$ 54,812,001
Intermediate Sources	1,436	-	-	642,563	643,999
State Sources	30,936,855	-	-	21,288	30,958,143
Federal Sources	2,318,941	-	-	3,409,553	5,728,494
TOTAL REVENUES	67,667,042	18,048,676	1,093,178	5,333,741	92,142,637
EXPENDITURES:					
Current:					
Instruction	41,038,817	-	-	1,745,455	42,784,272
Support Services	23,247,402	-	122	1,216,387	24,463,911
Enterprise and Community Services	-	-	-	2,232,378	2,232,378
Facilities Acquisition and Construction	-	-	9,823,777	-	9,823,777
Debt Service	2,285,433	20,271,721	-	184,055	22,741,209
Capital Outlay	6,733	-	9,350,286	-	9,357,019
TOTAL EXPENDITURES	66,578,385	20,271,721	19,174,185	5,378,275	111,402,566
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,088,657	(2,223,045)	(18,081,007)	(44,534)	(19,259,929)
OTHER FINANCING SOURCES, (USES):					
Transfers In	-	-	-	210,000	210,000
Transfers Out	(210,000)	-	-	-	(210,000)
TOTAL OTHER FINANCING SOURCES	(210,000)	-	-	210,000	-
NET CHANGE IN FUND BALANCE	878,657	(2,223,045)	(18,081,007)	165,466	(19,259,929)
FUND BALANCE, July 1, 2009	1,651,091	2,305,898	96,932,803	120,015	101,009,807
Adjustment for Inventories reported under the purchase method	(18,006)	-	-	15,495	(2,511)
FUND BALANCE, June 30, 2010	\$ 2,511,742	\$ 82,853	\$ 78,851,796	\$ 300,976	\$ 81,747,367

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, 2010

NET CHANGE IN FUND BALANCE	\$ (19,259,929)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Expenditures for capital assets	\$ 18,802,929	
Capital asset deletions	(1,111,051)	
Less current year depreciation, net	<u>(3,206,438)</u>	14,485,440

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	243,869	
Bond issue cost amortization	(120,828)	
Debt principal repaid	<u>9,705,000</u>	8,210,730

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.	(2,511)
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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.	513,753
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Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the Statement of Activities property taxes are recognized as revenue when levied.	131,278
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Compensated absences and early retirement obligations are recognized as an expenditure in the governmental funds when they are paid. In the Statement of Activities compensated absences and early retirement obligations are recognized as an expenditure when earned.

Compensated absences	4,243	
Early retirement obligations	<u>(716,893)</u>	<u>(712,650)</u>

CHANGE IN NET ASSETS	\$ <u>3,366,111</u>
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See notes to basic financial statements.

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

STATEMENT OF FIDUCIARY NET ASSETS
June 30, 2010

	PRIVATE PURPOSE TRUST SCHOLARSHIP FUND	AGENCY FUNDS
ASSETS:		
Cash and Investments	\$ 235,698	\$ 1,276,515
Total Assets	<u>\$ 235,698</u>	<u>\$ 1,276,515</u>
LIABILITIES AND NET ASSETS:		
Liabilities:		
Due to Student Organizations	\$ -	\$ 1,276,515
Total Liabilities	<u>-</u>	<u>1,276,515</u>
Net Assets:	<u>235,698</u>	<u>-</u>
Total Liabilities and Net Assets	<u>\$ 235,698</u>	<u>\$ 1,276,515</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, 2010

	PRIVATE PURPOSE TRUST SCHOLARSHIP FUND
ADDITIONS:	
Gains/ Losses on Investments	\$ 13,437
Total Additions	13,437
REDUCTIONS:	
Total Reductions	10
Change in Net Assets	13,427
Begininng Net Assets	222,271
Ending Net Assets	\$ 235,698

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, 2010 the fair position in the LGIP is 99.56% 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, property taxes not received within 60 days of year end are deferred, depreciation and amortization are not recorded in the funds, principal payments on debt and OPEB obligations are expended as they are paid rather than when they are incurred, and prepaid items are expended when paid rather than when used. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations.

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

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

<u>Fund</u>	<u>Expenditure</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Unappropriated Expenditure</u>
Special Revenue Fund	Other Objects	115,924	184,055	(68,131)
Capital Projects Fund	Support Services	-	122	(122)

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.

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 \$10,274,712, of which \$5,410,334 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, 2010.

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, 2010, (recorded at fair value) consisted of:

Deposits With Financial Institutions:	2010	Reported in:	2010
Demand Deposits:		Governmental Activities	\$ 89,032,723
Checking	\$ 9,919,219	Fiduciary Funds	1,512,213
Cash with Fiscal Agents	6,376		
Investments	80,619,341	Total	\$ 90,544,936
Total	\$ 90,544,936		

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	\$ 27,176,013	\$ 27,176,013	\$ -	\$ -
Government Securities	53,443,328	36,031	53,407,297	-
Total	\$ 80,619,341	\$ 27,212,044	\$ 53,407,297	\$ -

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, 2010, 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, 2010, 34% of total investments were in the State Treasurer's Investment Pool and 66% 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, 2010, there was compliance with all percentage restrictions.

3. RECEIVABLES

Receivables are comprised of the following as of June 30, 2010:

Property taxes	\$ 3,082,238
Other Receivables	2,895,523
Total	<u>\$ 5,977,761</u>

WEST LINN-WILSONVILLE SCHOOL DISTRICT 3J
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

4. CAPITAL ASSETS

Capital assets activity for the year was as follows:

	Balance June 30, 2009	Additions	Reclassification and Deletions	Balance June 30, 2010
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 8,371,880	\$ -	\$ -	\$ 8,371,880
Construction in Progress	3,474,653	18,951,070	7,046,737	15,378,986
Total Capital Assets Not Being Depreciated	11,846,533	18,951,070	7,046,737	23,750,866
Capital Assets Being Depreciated:				
Buildings and Improvements	186,783,749	2,914,107	171,065	189,526,791
Site Improvements	-	3,438,284	-	3,438,284
Machinery and Equipment	2,992,288	546,205	939,986	2,598,507
Total Capital Assets Being Depreciated	189,776,037	6,898,596	1,111,051	195,563,582
Accumulated Depreciation				
Total Accumulated Depreciation	38,911,245	4,251,036	1,044,598	42,117,683
Total Capital Assets Being Depreciated, Net	150,864,792	2,647,560	66,453	153,445,899
Governmental Activities				
Capital Assets, Net	\$ 162,711,325	\$ 21,598,630	\$ 7,113,190	\$ 177,196,765

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
Instruction	\$ 3,188,277
Support Services	850,207
Community Services	212,552
Total Depreciation Expense- Governmental Activities	\$ 4,251,036

5. SHORT-TERM OBLIGATIONS

The following changes occurred in short term obligations for the fiscal year ending June 30, 2010:

	Interest Rates	Original Issue	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Tax Anticipation Note	2.90%	August 20, 2008	\$ 3,700,000	\$ -	\$ 3,700,000	\$ -	\$ -
Tax Anticipation Note	1.90%	August 25, 2009	-	4,400,000	4,400,000	-	-
Total Short-term Liabilities			\$ 3,700,000	\$ 4,400,000	\$ 8,100,000	\$ -	\$ -

The \$3.7 million in Tax and Revenue Anticipation notes were repaid out of the General Fund. \$4.4 million in Tax and Revenue Anticipation notes were issued to meet cash flow requirements in the 2009-2010 fiscal year and was repaid in December 2009. There are no outstanding short-term obligations due at June 30, 2010.

WEST LINN-WILSONVILLE SCHOOL DISTRICT 3J
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2010

6. LONG-TERM DEBT

The following changes occurred in Long-Term debt during the fiscal year ending June 30, 2010:

Issue Date	Interest Rates	Original Issue	Outstanding July 1, 2009	Issued	Matured And Redeemed	Outstanding June 30, 2010	Due Within One Year
September 1997	4.45-5.75%	\$ 76,440,000	\$ 2,410,000	\$ -	\$ 2,410,000	\$ -	\$ -
July 2002	2.5-4.5%	12,995,000	1,730,000	-	1,730,000	-	-
May 2003	2.0-4.78%	74,997,238	71,607,238	-	4,400,000	67,207,238	4,745,000
March 2004	2.0-4.78%	42,180,000	42,135,000	-	180,000	41,955,000	320,000
November 2004	2.0-4.78%	27,815,000	27,415,000	-	-	27,415,000	2,720,000
February 1, 2009	2.25%	98,000,000	98,000,000	-	985,000	97,015,000	2,680,000
			243,297,238	-	9,705,000	233,592,238	10,465,000
Unamortized Premium/(Discount)			4,087,633	-	243,869	3,843,764	-
Accrued Compensated Absences			136,553	-	4,243	132,310	132,310
Net Other Post Employment Benefits			984,516	716,893	-	1,701,409	-
Total Long-Term Debt			<u>\$ 248,505,940</u>	<u>\$ 716,893</u>	<u>\$ 9,953,112</u>	<u>\$ 239,269,721</u>	<u>\$ 10,597,310</u>

Bonds Payable

Future maturities of bonds payable are as follows:

Fiscal Year Ending June 30,	Principal	Interest
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	9,302,904	9,384,363
2016-2020	49,259,853	55,678,416
2021-2025	45,321,888	50,177,673
2026-2030	44,680,000	15,654,046
2031-2034	37,615,000	4,863,474
Total	<u>\$ 233,592,238</u>	<u>\$ 170,207,173</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, 2010, \$25,080,000 of bonds outstanding are considered defeased.

Pension Obligation Bonds

On March 1, 2004, limited tax pension obligation bonds totaling \$42,180,000, were issued to finance the unfunded actuarially accrued liability (UAL) with the State of Oregon Public Employees Retirement System (PERS). The issuance of the bonds was considered an advance refunding of the District's UAL. The actual savings realized over the life of the bonds is uncertain because of the various legislative changes and legal issues pending with the PERS system which could impact the future required contribution rate.

7. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Due to/from other funds at June 30, 2010 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	\$ 711,598	\$ -	\$ -	\$ 210,000
Debt Service Fund	175,849	280,675	-	-
Capital Projects Fund	119,724	-	-	-
Special Revenue Fund	-	726,496	210,000	-
	<u>\$ 1,007,171</u>	<u>\$ 1,007,171</u>	<u>\$ 210,000</u>	<u>\$ 210,000</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). No separate audited GAAP basis postemployment benefit plan report is available for the defined benefit plan. The optional early retirement program provides eligible employees with the following:

- For Teachers, \$500 per month for the earlier of 48 months, aged 62, or death.
- For CSA employees, \$500 per month for 48 months, or to the date of death, whichever occurs first.

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 \$300,000.

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

	2010	2009
Annual Required Contribution	\$ 292,913	\$ 292,913
Interest on Net Pension Obligation	531	-
Adjustment to Annual Required Contribution	-	-
Annual Pension Cost	293,444	292,913
Contributions Made / Expected	(365,706)	(277,730)
Increase in Net Pension Obligation	(72,262)	15,183
NPO (Asset) at beginning of year	15,183	-
NPO (Asset) at end of year	\$ (57,079)	\$ 15,183
Percentage of Annual Pension Cost Contributed	124.63%	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 ration 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 OPEB Obligation - The annual other postemployment benefit cost is calculated based on the annual required contribution of the employer (ARC), and amount actuarially determined in accordance within the parameter of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the OPEB obligation at the end of the year:

	2010	2009
Annual Required Contribution (Explicit Benefits)	\$ 1,229,116	\$ 1,229,116
Annual Required Contribution (Implicit Benefits)	932,127	932,127
Interest on Net OPEB Obligation	33,927	-
Adjustment to Annual Required Contribution	-	-
Annual OPEB Cost	2,195,170	2,161,243
Contributions Made / Expected (Explicit Benefits)	(951,659)	(830,717)
Contributions Made / Expected (Implicit Benefits)	(454,356)	(361,193)
Increase in Net Pension Obligation	789,155	969,333
Net OPEB Obligation (Asset) at beginning of year	969,333	-
Net OPEB Obligation (Asset) at end of year	\$ 1,758,488	\$ 969,333
Percentage of APC contributed	64.05%	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, 2009 is 4.13% of salary covered under the plan for Tier 1 and Tier 2 employees and 4.65% 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, 2010, 2009, and 2008 were \$4,056,452, \$5,612,980, and \$5,106,261, 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.

There is participation in a number of federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The federal audits for these programs for the year ended June 30, 2010 have not been conducted. Accordingly, compliance with grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although such amounts are expected by management to be immaterial.

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, \$5 million has been paid to contractors and \$152,371 has been held in retainage.

12. SUBSEQUENT EVENTS

In August 2010, \$4.335 million in Tax and Revenue Anticipation Notes, with a stated rate of 1.25% 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, 2010.

13. PROPERTY TAX LIMITATIONS

The State of Oregon imposes a constitutional limit on property taxes for schools and nonschool government operations. School operations include community colleges, local school districts, and education service districts. The limitation provides that property taxes for school operations are limited to \$5.00 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt. The result of this requirement has been that school districts have become more dependent upon state funding and less dependent upon property tax revenues as their major source of operating revenue.

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

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

REQUIRED SUPPLEMENTARY INFORMATION

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WEST LINN WILSONVILLE SCHOOL DISTRICT
CLACKAMAS COUNTY OREGON

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS
 JUNE 30, 2010

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
2010	\$ -	\$ 2,036,188	\$ 2,036,188	- %	\$ N/A	N/A

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30,	Annual Pension Costs	Percentage Contributed
2009	\$ 292,913	94.82 %
2010	\$ 293,444	124.63 %

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
2010	\$ -	\$ 18,613,012	\$ 18,613,012	- %	\$ N/A	N/A

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30,	Annual OPEB Costs	Percentage Contributed
2009	\$ 2,161,243	55.15 %
2010	\$ 2,195,170	64.05 %

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, 2010

GENERAL FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Local Sources	\$ 34,442,484	\$ 34,442,484	\$ 34,409,810	\$ (32,674)
Intermediate Sources	14,546	14,546	1,436	(13,110)
State Sources	32,390,793	32,390,793	30,936,855	(1,453,938)
Federal Sources	185,936	185,936	2,318,941	2,133,005
Total Revenues	<u>67,033,759</u>	<u>67,033,759</u>	<u>67,667,042</u>	<u>633,283</u>
EXPENDITURES:				
Instruction	41,804,926	41,804,926 (1)	41,045,550	759,376
Support Services	23,658,833	23,658,833 (1)	23,247,402	411,431
Debt Service	2,560,000	2,560,000 (1)	2,285,433	274,567
Contingency	300,000	300,000 (1)	-	300,000
Total Expenditures	<u>68,323,759</u>	<u>68,323,759</u>	<u>66,578,385</u>	<u>1,445,374</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,290,000)</u>	<u>(1,290,000)</u>	<u>1,088,657</u>	<u>(812,091)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(210,000)</u>	<u>(210,000) (1)</u>	<u>(210,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(210,000)</u>	<u>(210,000)</u>	<u>(210,000)</u>	<u>-</u>
Net Change in Fund Balance	<u>(1,500,000)</u>	<u>(1,500,000)</u>	<u>878,657</u>	<u>2,378,657</u>
Beginning Fund Balance (Budgetary Basis)	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,591,338</u>	<u>91,338</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,469,995</u>	<u>\$ 2,469,995</u>
Reconciliation to GAAP:				
Inventory			<u>41,747</u>	
Fund Balance (GAAP Basis)			<u>\$ 2,511,742</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, 2010

SPECIAL REVENUE FUND

	Budget (2)			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
REVENUES:				
Local Sources	\$ 1,730,986	\$ 1,730,986	\$ 1,260,337	\$ (470,649)
Intermediate Sources	615,000	615,000	642,563	27,563
State Sources	19,423	19,423	21,288	1,865
Federal Sources	3,963,534	3,963,534	3,409,553	(553,981)
Total Revenues	6,328,943	6,328,943	5,333,741	(995,202)
EXPENDITURES:				
Instruction	2,418,529	2,418,529 (1)	1,745,455	673,074
Support Services	1,415,339	1,415,339 (1)	1,216,387	198,952
Enterprise and Community Services	2,654,151	2,654,151 (1)	2,232,378	421,773
Other Objects	115,924	115,924 (1)	184,055	(68,131)
Total Expenditures	6,603,943	6,603,943	5,378,275	1,225,668
Excess of Revenues Over (Under) Expenditures	(275,000)	(275,000)	(44,534)	230,466
OTHER FINANCING SOURCES:				
Transfers In	270,000	270,000	210,000	(60,000)
Total Other Financing Sources (Uses)	270,000	270,000	210,000	(60,000)
Net Change in Fund Balance	(5,000)	(5,000)	165,466	170,466
Beginning Fund Balance	5,000	5,000	65,471	60,471
Ending Fund Balance	\$ -	\$ -	230,937	\$ 230,937

(1) Appropriation level

Reconciliation to GAAP Basis Ending Fund Balance

Supply Inventory	70,039
GAAP Basis Ending Fund Balance	<u>\$ 300,976</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.

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

SUPPLEMENATARY INFORMATION

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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, 2010

DEBT SERVICE FUND

	Budget		Debt Service	PERS Debt		Variance with
	Adopted	Final	Fund	Service Fund	Total	Final Budget Positive (Negative)
REVENUES:						
Local Sources						
Property Taxes	\$ 15,652,546	\$ 15,652,546	\$ 15,568,528	\$ -	\$ 15,568,528	\$ (84,018)
Earnings on Investments	150,800	150,800	33,431	12,386	45,817	(104,983)
Services Provided Other Funds	2,421,398	2,421,398	-	2,434,331	2,434,331	12,933
Total Revenues	18,224,744	18,224,744	15,601,959	2,446,717	18,048,676	(176,068)
EXPENDITURES:						
Debt service	20,271,721	20,271,721 (1)	17,820,323	2,451,398	20,271,721	-
Total Expenditures	20,271,721	20,271,721	17,820,323	2,451,398	20,271,721	-
Net Change in Fund Balance	(2,046,977)	(2,046,977)	(2,218,364)	(4,681)	(2,223,045)	(176,068)
Beginning Fund Balance	2,046,977	2,046,977	2,112,051	193,847	2,305,898	258,921
Ending Fund Balance	\$ -	\$ -	\$ (106,313)	\$ 189,166	\$ 82,853	\$ 82,853

(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, 2010

CAPITAL PROJECTS FUND

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
REVENUES:				
Local Sources:				
Construction Excise Tax	\$ 268,000	\$ 268,000	\$ 363,200	\$ 95,200
Earnings on Investments	1,000,000	1,000,000	729,978	(270,022)
Total Revenues	<u>1,268,000</u>	<u>1,268,000</u>	<u>1,093,178</u>	<u>(174,822)</u>
EXPENDITURES:				
Support Services	-	- (1)	122	(122)
Facilities Acquisition and Construction:	48,715,000	48,715,000 (1)	19,174,063	29,540,937
Total Expenditures	<u>48,715,000</u>	<u>48,715,000</u>	<u>19,174,185</u>	<u>29,540,815</u>
Excess of Revenues Over (Under) Expenditures	<u>(47,447,000)</u>	<u>(47,447,000)</u>	<u>(18,081,007)</u>	<u>29,365,993</u>
Beginning Fund Balance	<u>97,432,000</u>	<u>97,432,000</u>	<u>96,932,803</u>	<u>(499,197)</u>
Ending Fund Balance	<u>\$ 49,985,000</u>	<u>\$ 49,985,000</u>	<u>\$ 78,851,796</u>	<u>\$ 28,866,796</u>

(1) Appropriation level

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

COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
JUNE 30, 2010

	SOAR Fund	Mentoring Teacher Grant Fund	OCF Garden Grant Fund	Title IC Migrant Ed Fund	Vocational Education Fund	Title I/A/D Fund	Title I/A/D Fund
ASSETS							
Due from Other Funds	\$ 13,237	\$ -	\$ 8,755	\$ -	\$ -	\$ -	\$ -
Cash	-	-	-	-	-	-	-
Supply Inventory	-	-	-	-	-	-	-
Accounts Receivable	-	-	-	3,836	12,750	175,097	-
TOTAL ASSETS	<u>\$ 13,237</u>	<u>\$ -</u>	<u>\$ 8,755</u>	<u>\$ 3,836</u>	<u>\$ 12,750</u>	<u>\$ 175,097</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accrued Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,979	\$ -
Deferred Revenue	8,200	-	-	-	-	-	-
Due to Other Funds	-	-	-	3,836	12,750	147,118	-
TOTAL LIABILITIES	8,200	-	-	3,836	12,750	175,097	-
Fund Balances:							
Adjustements for Inventories reported under the purchase method	-	-	-	-	-	-	-
Unreserved, Undesignated	5,037	-	8,755	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 13,237</u>	<u>\$ -</u>	<u>\$ 8,755</u>	<u>\$ 3,836</u>	<u>\$ 12,750</u>	<u>\$ 175,097</u>	<u>\$ -</u>

IDEA Fund	Title IIA Fund	IDEA - ARRA Fund	Youth Transition Program Fund	Title III Fund	Title I ARRA Fund	McKinney Homeless ARRA Fund	Title IID Fund	Oregon Ready to Learn Fund	Title IV-A Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
179,585	61,824	317,055	29,140	36,084	113,614	-	3,618	-	-
<u>\$ 179,585</u>	<u>\$ 61,824</u>	<u>\$ 317,055</u>	<u>\$ 29,140</u>	<u>\$ 36,084</u>	<u>\$ 113,614</u>	<u>\$ -</u>	<u>\$ 3,618</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 80,023	\$ 12,835	\$ 52,427	\$ 6,237	\$ -	\$ 30,775	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-	-
99,562	48,989	264,628	22,903	36,084	82,839	-	3,618	-	-
179,585	61,824	317,055	29,140	36,084	113,614	-	3,618	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
<u>\$ 179,585</u>	<u>\$ 61,824</u>	<u>\$ 317,055</u>	<u>\$ 29,140</u>	<u>\$ 36,084</u>	<u>\$ 113,614</u>	<u>\$ -</u>	<u>\$ 3,618</u>	<u>\$ -</u>	<u>\$ -</u>

Disabled Child Fund	Food Service Fund	Community Education Fund	Total
\$ -	\$ 59,788	\$ -	\$ 81,780
45,539	-	-	45,539
-	70,039	-	70,039
304,233	48,917	24,800	1,310,553
<u>\$ 349,772</u>	<u>\$ 178,744</u>	<u>\$ 24,800</u>	<u>\$ 1,507,911</u>

\$ 69,469	\$ 103,506	\$ 7,208	\$ 390,459
-	-	-	8,200
79,984	-	5,965	808,276
149,453	103,506	13,173	1,206,935
-	70,039	-	70,039
200,319	5,199	11,627	230,937
<u>\$ 349,772</u>	<u>\$ 178,744</u>	<u>\$ 24,800</u>	<u>\$ 1,507,911</u>

Reconciliation of Due to and Due From

Due From Other Funds	\$ 81,780
Due To Other Funds	<u>(808,276)</u>
Total Due To Other Funds	<u>\$ (726,496)</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, 2010

	SOAR Fund	Mentoring Teacher Grant Fund	OCF Garden Grant Fund	Title IC Migrant Ed Fund	Vocational Education Fund	Title IA/D Fund	Title IA/D Fund
REVENUES:							
Local Sources	\$ 230	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ -
Intermediate Sources	-	34,100	-	-	-	-	-
State Sources	-	-	-	-	-	-	-
Federal Sources	-	-	-	3,836	17,000	435,152	20,489
Total Revenues	230	34,100	10,000	3,836	17,000	435,152	20,489
EXPENDITURES:							
Instruction	11,608	-	1,245	3,836	17,000	416,536	20,489
Support Services	-	34,100	-	-	-	-	-
Enterprise and Community Services	-	-	-	-	-	-	-
Other Objects	653	-	-	-	-	18,616	-
Total Expenditures	12,261	34,100	1,245	3,836	17,000	435,152	20,489
Excess of Revenues Over (Under)							
Expenditures	(12,031)	-	8,755	-	-	-	-
OTHER FINANCING SOURCES:							
Transfers In	-	-	-	-	-	-	-
Total Other Financing Sources							
(Uses)	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	(12,031)	-	8,755	-	-	-	-
FUND BALANCE, July 1, 2009	17,068	-	-	-	-	-	-
FUND BALANCE, June 30, 2010	\$ 5,037	\$ -	\$ 8,755	\$ -	\$ -	\$ -	\$ -

(1) Appropriation level

IDEA Fund	Title IIA Fund	IDEA - ARRA Fund	Youth Transition Program Fund	Title III Fund	Title I ARRA Fund	McKinney Homeless ARRA Fund	Title IID Fund	Oregon Ready to Learn Fund	Title IV-A Fund
\$ -	\$ -	\$ -	\$ 505	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
866,886	161,947	725,388	74,153	39,207	264,864	1,925	4,122	-	16,439
866,886	161,947	725,388	74,658	39,207	264,864	1,925	4,122	-	16,439
394,654	154,835	-	72,002	5,241	254,997	-	-	1,995	-
430,756	-	695,145	-	33,900	-	1,925	4,122	-	16,439
-	-	-	-	-	-	-	-	-	-
41,476	7,112	30,243	2,656	66	9,867	-	-	-	-
866,886	161,947	725,388	74,658	39,207	264,864	1,925	4,122	1,995	16,439
-	-	-	-	-	-	-	-	(1,995)	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	(1,995)	-
-	-	-	-	-	-	-	-	1,995	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Disabled Child Fund	Food Service Fund	Community Education Fund	Total	Budget		Variance with Final Budget Positive (Negative)
				Adopted	Final	
\$ -	\$ 1,039,794	\$ 209,808	\$ 1,260,337	\$ 1,730,986	\$ 1,730,986	\$ (470,649)
608,463	-	-	642,563	615,000	615,000	27,563
-	21,288	-	21,288	19,423	19,423	1,865
-	778,145	-	3,409,553	3,963,534	3,963,534	(553,981)
608,463	1,839,227	209,808	5,333,741	6,328,943	6,328,943	(995,202)
391,017	-	-	1,745,455	2,418,529	2,418,529	(1) 673,074
-	-	-	1,216,387	1,415,339	1,415,339	(1) 198,952
-	2,023,438	208,940	2,232,378	2,654,151	2,654,151	(1) 421,773
19,025	45,988	8,353	184,055	115,924	115,924	(1) (68,131)
410,042	2,069,426	217,293	5,378,275	6,603,943	6,603,943	1,225,668
198,421	(230,199)	(7,485)	(44,534)	(275,000)	(275,000)	230,466
-	210,000	-	210,000	270,000	270,000	(60,000)
-	210,000	-	210,000	270,000	270,000	(60,000)
198,421	(20,199)	(7,485)	165,466	(5,000)	(5,000)	170,466
1,898	25,398	19,112	65,471	5,000	5,000	60,471
\$ 200,319	\$ 5,199	\$ 11,627	\$ 230,937	\$ -	\$ -	\$ 230,937

Reconciliation to GAAP Basis Ending Fund Balance

Budgetary Basis Ending Fund Balance	\$ 230,937
Supply Inventory	70,039
GAAP Basis Ending Fund Balance	<u>\$ 300,976</u>

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

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
For the Year Ended June 30, 2010

	BALANCE AT 7/1/09	ADDITIONS	DEDUCTIONS	BALANCE AT 6/30/10
STUDENT ACTIVITY FUNDS:				
ASSETS:				
Cash and Investments	\$ 1,614,950	\$ 2,550,773	\$ 2,889,208	\$ 1,276,515
Total Assets	<u>\$ 1,614,950</u>	<u>\$ 2,550,773</u>	<u>\$ 2,889,208</u>	<u>\$ 1,276,515</u>
LIABILITIES:				
Due to Student Organizations	\$ 1,614,950	\$ 2,550,773	\$ 2,889,208	\$ 1,276,515
Total Liabilities	<u>\$ 1,614,950</u>	<u>\$ 2,550,773</u>	<u>\$ 2,889,208</u>	<u>\$ 1,276,515</u>

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

SCHEDULE OF PROPERTY TAX TRANSACTIONS
YEAR ENDED JUNE 30, 2010

GENERAL FUND

Tax Year	Original Levy or Balance Uncollected 7/1/09	Deduct Discounts	Adjustments To Rolls	Add Interest	Cash Collections By County Treasurer	Balance Uncollected Or Unsegregated 6/30/2010
Current:						
2009-10	\$ 32,890,969	\$ (791,690)	\$ 74,175	\$ 19,677	\$ 30,827,840	\$ 1,216,941
Prior Years:						
2008-09	1,391,250	520	72,293	51,002	836,850	533,629
2007-08	387,035	181	(23,323)	31,540	234,705	207,374
2006-07	131,166	101	(7,334)	22,687	95,271	66,017
2005-06	40,619	83	1,994	7,208	32,164	13,752
2004-05 & Prior	41,273	90	(613)	2,855	5,603	39,228
Total Prior	1,991,343	975	43,017	115,292	1,204,593	860,000
Total General Fund	\$ 34,882,312	\$ (790,715)	\$ 117,192	\$ 134,969	\$ 32,032,433	\$ 2,076,941

RECONCILIATION TO REVENUE:

Cash Collections by County Treasurers Above	\$ 32,032,433
Accrual of Receivables:	
Other Taxes	(48,496)
June 30, 2009	(181,799)
June 30, 2010	201,095
Total Revenue (including penalties and interest on taxes)	\$ 32,003,233

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

SCHEDULE OF PROPERTY TAX TRANSACTIONS
YEAR ENDED JUNE 30, 2010

DEBT SERVICE FUND

Tax Year	Original Levy or Balance Uncollected 7/1/09	Deduct Discounts	Adjustments To Rolls	Add Interest	Cash Collections By County Treasurer	Balance Uncollected Or Unsegregated 6/30/2010
Current:						
2009-10	\$ 15,980,103	\$ (384,643)	\$ 36,038	\$ 9,560	\$ 14,977,730	\$ 591,252
Prior Years:						
2008-09	597,207	251	(37,802)	24,555	402,900	256,915
2007-08	202,702	87	5,135	15,185	112,999	99,840
2006-07	81,357	49	14,677	10,923	45,868	31,784
2005-06	23,988	40	5,392	3,471	15,486	6,621
2004-05 & Prior	30,095	44	9,932	1,375	2,697	18,885
Total Prior	935,349	471	(2,666)	55,509	579,950	414,045
Total Debt Service Fund	\$ 16,915,452	\$ (384,172)	\$ 33,372	\$ 65,069	\$ 15,557,680	\$ 1,005,297

RECONCILIATION TO REVENUE:

Cash Collections by County Treasurers Above	\$ 15,557,680
Accrual of Receivables:	
Other Taxes	5,875
June 30, 2009	(81,211)
June 30, 2010	86,184
Total Revenue (including penalties and interest on taxes)	\$ 15,568,528

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

SCHEDULE OF BOND AND INTEREST TRANSACTIONS AND BALANCES
For The Year Ended June 30, 2010

DATE OF ISSUE	MATURED BONDS & COUPONS OUTSTANDING AT 7/1/09	BONDS & COUPONS MATURING DURING THE YEAR	BONDS REDEEMED AND COUPONS PAID DURING THE YEAR	MATURED BONDS & COUPONS OUTSTANDING AT 6/30/10
11/30/04	\$ -	\$ 1,296,975	\$ 1,296,975	\$ -
03/01/04	-	2,451,398	2,451,398	-
05/28/03	-	5,318,000	5,318,000	-
Series 2002 Refunding	-	1,759,194	1,759,194	-
09/01/97	-	2,548,575	2,548,575	-
2/24/2009	-	6,897,579	6,897,579	-
TOTALS:	\$ 0	\$ 20,271,721	\$ 20,271,721	\$ 0

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

SCHEDULE OF BOND REDEMPTION AND INTEREST REQUIREMENTS
June 30, 2010

FISCAL YEAR	ISSUE OF 5/28/03		PENSION BOND ISSUE OF 3/1/04		SERIES 2004 REFUNDING	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
	Due 6/15	Due 12/15 & 6/15	Due 6/30	Due 12/30 & 6/30	Due 6/30	Due 12/30 & 6/30
2010-11	\$ 4,745,000	\$ 780,500	\$ 320,000	\$ 2,263,969	\$ 2,720,000	\$ 1,296,975
2011-12	5,190,000	543,250	480,000	2,249,889	3,050,000	1,175,375
2012-13	5,675,000	283,750	650,000	2,227,867	3,435,000	1,030,063
2013-14	4,052,593	2,137,407	830,000	2,196,842	3,845,000	860,812
2014-15	3,982,904	2,437,096	1,035,000	2,157,060	4,285,000	678,563
2015-16	3,911,288	2,758,712	1,250,000	2,106,107	4,785,000	453,600
2016-17	3,852,387	3,077,613	1,490,000	2,043,320	5,295,000	238,275
2017-18	6,356,204	5,708,796	1,745,000	1,966,987	-	-
2018-19	6,231,753	6,308,247	2,030,000	1,875,846	-	-
2019-20	6,078,221	6,956,780	2,335,000	1,767,789	-	-
2020-21	5,826,065	7,473,935	2,665,000	1,642,329	-	-
2021-22	5,711,928	8,118,072	3,025,000	1,497,806	-	-
2022-23	5,593,895	8,791,105	3,415,000	1,332,248	-	-
2023-24	-	-	3,835,000	1,143,467	-	-
2024-25	-	-	4,290,000	931,468	-	-
2025-26	-	-	4,785,000	694,317	-	-
2026-27	-	-	5,310,000	429,802	-	-
2027-28	-	-	2,465,000	136,265	-	-
2028-29	-	-	-	-	-	-
2029-30	-	-	-	-	-	-
2030-31	-	-	-	-	-	-
2031-32	-	-	-	-	-	-
2032-33	-	-	-	-	-	-
2033-34	-	-	-	-	-	-
TOTALS	<u>\$ 67,207,238</u>	<u>\$ 55,375,263</u>	<u>\$ 41,955,000</u>	<u>\$ 28,663,378</u>	<u>\$ 27,415,000</u>	<u>\$ 5,733,663</u>

ISSUE OF 2/24/09		TOTAL REQUIREMENTS	
PRINCIPAL	INTEREST	ALL ISSUES	
Due 6/15	Due 12/15 & 6/15	PRINCIPAL	INTEREST
2,680,000	4,494,544	10,465,000	8,835,988
2,980,000	4,411,194	11,700,000	8,379,708
3,300,000	4,298,744	13,060,000	7,840,424
3,460,000	4,198,020	12,187,593	9,393,081
-	4,111,644	9,302,904	9,384,363
-	4,111,644	9,946,288	9,430,063
-	4,111,644	10,637,387	9,470,852
1,225,000	4,111,644	9,326,204	11,787,427
1,270,000	4,062,394	9,531,753	12,246,487
1,405,000	4,019,018	9,818,221	12,743,587
1,735,000	3,948,768	10,226,065	13,065,032
-	3,879,369	8,736,928	13,495,247
-	3,879,369	9,008,895	14,002,722
4,380,000	3,879,369	8,215,000	5,022,836
4,845,000	3,660,368	9,135,000	4,591,836
5,300,000	3,460,512	10,085,000	4,154,829
5,830,000	3,195,512	11,140,000	3,625,314
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>\$ 97,015,000</u>	<u>\$ 80,434,869</u>	<u>\$ 233,592,238</u>	<u>\$ 170,207,173</u>

2009 - 10 DISTRICT AUDIT REVENUE SUMMARY
West Linn-Wilsonville School District 3J

Revenue from Local Sources

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
1110 Ad Valorem Taxes Levied by District	\$ 25,266,010		\$ 15,568,528				
1120 Local Option Ad Valorem Taxes Levied by District	\$ 6,737,223						
1130 Construction Excise Tax				\$ 363,203			
1190 Penalties and Interest on Taxes	\$ 4,645		\$ 2,827				
1200 Rev from Local Gov't Units Other Than Districts							
1310 Regular Day School Tuition	\$ 1,063,405						
1320 Adult/Continuing Education Tuition		\$ 360					
1330 Summer School Tuition	\$ 33,196						
1400 Local & Federal Sources							
1500 Earnings on Investments	\$ 83,647		\$ 42,990	\$ 729,975			\$ 13,298
1600 Food Service		\$ 1,035,756					
1700 Extracurricular Activities	\$ 839,361						
1800 Community Services Activities							
1910 Rentals	\$ 42,953	\$ 211,736					
1920 Contributions and Donations From Private Sources	\$ 17,195	\$ 230					
1930 Rental or Lease Payments From Private Contractors							
1940 Services Provided Other Local Education Agencies							
1950 Textbook Sales and Rentals							
1960 Recovery of Prior Years' Expenditure							
1970 Services Provided Other Funds			\$ 2,434,331				
1980 Fees Charged to Grants							
1990 Miscellaneous	\$ 322,175	\$ 12,255					\$ 138
Total Revenue from Local Sources	\$ 34,409,810	\$ 1,260,337	\$ 18,048,676	\$ 1,093,178	\$	\$	\$ 13,437

Revenue from Intermediate Sources

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
2101 County School Funds	\$ 1,436						
2102 Education Service District Apportionment							
2105 Natural Gas, Oil, and Mineral Receipts							
2199 Other Intermediate Sources		\$ 642,563					
2200 Restricted Revenue							
2800 Revenue in Lieu of Taxes							
2900 Revenue for/on Behalf of the District							
Total Revenue from Intermediate Sources	\$ 1,436	\$ 642,563	\$	\$	\$	\$	\$

Revenue from State Sources

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
3101 State School Fund - General Support	\$ 30,021,013						
3102 State School Fund - School Lunch Match		\$ 21,288					
3103 Common School Fund	\$ 630,140						
3104 State Managed County Timber							
3199 Other Unrestricted Grants-in-Aid	\$ 285,701						
3204 Driver Education							
3222 State School Fund (SSF) Transportation Equipment							
3299 Other Restricted Grants-in-Aid							
3800 Revenue in Lieu of Taxes							
3900 Revenue for/on Behalf of the District							
Total Revenue from State Sources	\$ 30,936,855	\$ 21,288	\$	\$	\$	\$	\$

Revenue from Federal Sources

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
4100 Unrestricted Revenue Direct From the Federal Government							
4200 Unrestricted Revenue From the Federal Government Through the State							
4300 Restricted Revenue From the Federal Government							
4500 Restricted Revenue From the Federal Government Through the State	\$ 2,149,039	\$ 3,229,492					
4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies		\$ 74,153					
4801 Federal Forest Fees	\$ 169,902						
4802 Impact Aid to School Districts for Operation (PL 874)							
4803 Coos Bay Wagon Road Funds							
4899 Other Revenue in Lieu of Taxes							
4900 Revenue for/on Behalf of the District		\$ 105,908					
Total Revenue from Federal Sources	\$ 2,318,941	\$ 3,409,553	\$	\$	\$	\$	\$

Revenue from Other Sources

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
5100 Long Term Debt Financing Sources		\$ 210,000					
5200 Interfund Transfers							
5300 Sale of or Compensation for Loss of Fixed Assets							
5400 Resources - Beginning Fund Balance	\$ 1,651,091	\$ 120,015	\$ 2,305,898	\$ 96,932,803			\$ 222,271
Total Revenue from Other Sources	\$ 1,651,091	\$ 330,015	\$ 2,305,898	\$ 96,932,803	\$	\$	\$ 222,271

Grand Totals

\$ 69,318,132	\$ 5,663,756	\$ 20,354,574	\$ 98,025,981	\$	\$	\$ 235,708
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2009 - 10 DISTRICT AUDIT EXPENDITURE SUMMARY
West Linn-Wilsonville School District 3J

Fund: 100 - General Fund

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Instruction Expenditures								
1111 Primary, K-3	\$ 9,603,085	\$ 6,584,397	\$ 2,766,755	\$ 27,810	\$ 224,123			
1112 Intermediate Programs	\$ 5,033,140	\$ 3,433,256	\$ 1,458,713	\$ 20,005	\$ 121,166			
1113 Elementary Extracurricular	\$							
1121 Middle/Junior High Programs	\$ 7,986,952	\$ 5,445,108	\$ 2,309,830	\$ 130,732	\$ 101,192		\$ 90	
1122 Middle/Junior High School Extracurricular	\$ 448,722	\$ 352,127	\$ 62,102	\$ 22,554	\$ 6,041		\$ 5,898	
1131 Local & Federal Sources	\$ 9,318,248	\$ 6,224,520	\$ 2,579,595	\$ 177,395	\$ 334,276		\$ 2,462	
1132 High School Extracurricular	\$ 1,407,551	\$ 981,613	\$ 165,550	\$ 98,685	\$ 122,776	\$ 6,733	\$ 32,195	
1140 Pre-Kindergarten Programs	\$ 459,998	\$ 328,352	\$ 128,685		\$ 2,960			
1210 Programs for the Talented and Gifted	\$ 367,757	\$ 131,144	\$ 76,820	\$ 143,803	\$ 15,990			
1220 Restrictive Programs for Students with Disabilities	\$ 1,959,873	\$ 1,335,926	\$ 616,466	\$ 928	\$ 6,552			
1250 Less Restrictive Programs for Students with Disabilities	\$ 2,682,507	\$ 1,787,300	\$ 809,984	\$ 68,965	\$ 16,257			
1260 Early Intervention	\$							
1271 Remediation	\$							
1272 Title I	\$							
1280 Alternative Education	\$ 984,928	\$ 238,785	\$ 91,022	\$ 648,464	\$ 6,657			
1291 English Second Language Programs	\$ 509,353	\$ 354,168	\$ 154,563		\$ 623			
1292 Teen Parent Program	\$							
1293 Migrant Education	\$							
1294 Youth Corrections Education	\$							
1299 Other Programs	\$ 225,260	\$ 151,174	\$ 49,651	\$ 11,816	\$ 11,724		\$ 895	
1300 Adult/Continuing Education Programs	\$							
1400 Summer School Programs	\$ 58,176	\$ 44,028	\$ 7,551	\$ 6,276	\$ 321			
Total Instruction Expenditures	\$ 41,045,550	\$ 27,391,900	\$ 11,277,287	\$ 1,357,433	\$ 970,658	\$ 6,733	\$ 41,540	\$
Support Services Expenditures								
2110 Attendance and Social Work Services	\$							
2120 Guidance Services	\$ 1,274,347	\$ 865,058	\$ 399,026	\$ 205	\$ 4,183		\$ 5,875	
2130 Health Services	\$ 257,723	\$ 175,324	\$ 69,271	\$ 6,634	\$ 6,226		\$ 269	
2140 Psychological Services	\$ 71,656	\$ 45,351	\$ 23,148	\$ 1,826	\$ 1,331			
2150 Speech Pathology and Audiology Services	\$ 247,203	\$ 163,182	\$ 57,295	\$ 24,998	\$ 1,728			
2160 Other Student Treatment Services	\$							
2190 Service Direction, Student Support Services	\$ 530,514	\$ 332,850	\$ 143,722	\$ 46,790	\$ 6,968		\$ 184	
2210 Improvement of Instruction Services	\$ 510,205	\$ 271,464	\$ 74,983	\$ 125,298	\$ 38,275		\$ 185	
2220 Educational Media Services	\$ 1,410,318	\$ 895,907	\$ 368,309	\$ 10,250	\$ 135,829		\$ 24	
2230 Assessment & Testing	\$							
2240 Instructional Staff Development	\$ 358,012		\$ 358,012					
2310 Board of Education Services	\$ 117,529			\$ 104,749	\$ 4,122		\$ 8,658	
2320 Executive Administration Services	\$ 369,294	\$ 208,208	\$ 73,578	\$ 56,800	\$ 29,606		\$ 1,105	
2410 Office of the Principal Services	\$ 4,421,300	\$ 2,913,485	\$ 1,231,129	\$ 209,255	\$ 64,458		\$ 2,973	
2490 Other Support Services - School Administration	\$							
2510 Direction of Business Support Services	\$ 454,266	\$ 91,263	\$ 32,236	\$ 15,385	\$ 260		\$ 315,122	
2520 Fiscal Services	\$ 441,923	\$ 278,382	\$ 128,034	\$ 28,891	\$ 6,616			
2540 Operation and Maintenance of Plant Services	\$ 6,279,886	\$ 2,226,831	\$ 1,166,071	\$ 2,499,166	\$ 385,417		\$ 2,402	
2550 Student Transportation Services	\$ 3,938,911			\$ 3,938,911				
2570 Internal Services	\$ 211,121	\$ 106,682	\$ 56,697	\$ 47,742				
2610 Direction of Central Support Services	\$							
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$							
2630 Information Services	\$							
2640 Staff Services	\$ 331,464	\$ 187,933	\$ 65,430	\$ 64,815	\$ 13,285			
2660 Technology Services	\$ 776,621	\$ 352,685	\$ 179,034	\$ 19,938	\$ 224,963			
2670 Records Management Services	\$							
2690 Other Support Services - Central	\$							
2700 Supplemental Retirement Program	\$ 1,245,111	\$ 302,424	\$ 942,686					
Total Support Services Expenditures	\$ 23,247,402	\$ 9,417,025	\$ 5,368,662	\$ 7,201,651	\$ 923,267	\$	\$ 336,797	\$
Enterprise and Community Services Expenditures								
3100 Food Services	\$							
3200 Other Enterprise Services	\$							
3300 Community Services	\$							
3500 Custody and Care of Children Services	\$							
Total Enterprise and Community Services Expenditures	\$	\$	\$	\$	\$	\$	\$	\$
Facilities Acquisition and Construction Expenditures								
4110 Service Area Direction	\$							
4120 Site Acquisition and Development Services	\$							
4150 Building Acquisition, Construction, and Improvement Services	\$							
4190 Other Facilities Construction Services	\$							
Total Facilities Acquisition and Construction Expenditures	\$	\$	\$	\$	\$	\$	\$	\$
Other Uses Expenditures								
5100 Debt Service	\$ 2,285,433			\$ 1,250			\$ 2,284,183	
5200 Transfers of Funds	\$ 210,000							\$ 210,000
5300 Apportionment of Funds by ESD	\$							
5400 PERS UAL Bond Lump Sum	\$							
Total Other Uses Expenditures	\$ 2,495,433	\$	\$	\$ 1,250	\$	\$	\$ 2,284,183	\$ 210,000
Grand Total	\$ 66,788,385	\$ 36,808,925	\$ 16,645,949	\$ 8,560,334	\$ 1,893,925	\$ 6,733	\$ 2,662,520	\$ 210,000

2009 - 10 DISTRICT AUDIT EXPENDITURE SUMMARY
West Linn-Wilsonville School District 3J

Fund: 200 - Special Revenue

Instruction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Primary, K-3	\$ 110,248	\$ 75,619	\$ 32,009		\$ 2,620			
1112 Intermediate Programs	\$ 49,828	\$ 34,008	\$ 13,200		\$ 2,620			
1113 Elementary Extracurricular	\$							
1121 Middle/Junior High Programs	\$							
1122 Middle/Junior High School Extracurricular	\$							
1131 Local & Federal Sources	\$ 17,000				\$ 17,000			
1132 High School Extracurricular	\$							
1140 Pre-Kindergarten Programs	\$ 1,995				\$ 1,995			
1210 Programs for the Talented and Gifted	\$							
1220 Restrictive Programs for Students with Disabilities	\$ 678,694	\$ 439,005	\$ 190,832	\$ 42,739	\$ 6,119			
1250 Less Restrictive Programs for Students with Disabilities	\$ 178,979	\$ 120,323	\$ 45,884	\$ 11,273	\$ 1,500			
1260 Early Intervention	\$							
1271 Remediation	\$							
1272 Title I	\$ 692,022	\$ 468,266	\$ 167,173		\$ 56,582			
1280 Alternative Education	\$							
1291 English Second Language Programs	\$							
1292 Teen Parent Program	\$							
1293 Migrant Education	\$							
1294 Youth Corrections Education	\$							
1299 Other Programs	\$ 1,245	\$ 1,151	\$ 94					
1300 Adult/Continuing Education Programs	\$							
1400 Summer School Programs	\$ 15,444	\$ 8,353	\$ 1,419	\$ 2,512	\$ 3,160			
Total Instruction Expenditures	\$ 1,745,455	\$ 1,146,724	\$ 450,610	\$ 56,524	\$ 91,598	\$	\$	\$
Support Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	\$							
2120 Guidance Services	\$ 1,925	\$ 1,279	\$ 646					
2130 Health Services	\$							
2140 Psychological Services	\$ 300,214	\$ 205,016	\$ 95,197					
2150 Speech Pathology and Audiology Services	\$ 394,931	\$ 292,648	\$ 102,283					
2160 Other Student Treatment Services	\$ 252,020	\$ 119,849	\$ 62,966	\$ 67,678	\$ 1,527			
2190 Service Direction, Student Support Services	\$ 178,736	\$ 128,822	\$ 42,225	\$ 4,495	\$ 2,629		\$ 565	
2210 Improvement of Instruction Services	\$ 84,439	\$ 53,566	\$ 8,429	\$ 22,307	\$ 137			
2220 Educational Media Services	\$							
2230 Assessment & Testing	\$							
2240 Instructional Staff Development	\$							
2310 Board of Education Services	\$							
2320 Executive Administration Services	\$							
2410 Office of the Principal Services	\$							
2490 Other Support Services - School Administration	\$							
2510 Direction of Business Support Services	\$							
2520 Fiscal Services	\$							
2540 Operation and Maintenance of Plant Services	\$							
2550 Student Transportation Services	\$							
2570 Internal Services	\$							
2610 Direction of Central Support Services	\$							
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$							
2630 Information Services	\$							
2640 Staff Services	\$							
2660 Technology Services	\$ 4,122	\$ 2,233	\$ 971	\$ 350	\$ 568			
2670 Records Management Services	\$							
2690 Other Support Services - Central	\$							
2700 Supplemental Retirement Program	\$							
Total Support Services Expenditures	\$ 1,216,387	\$ 803,415	\$ 312,717	\$ 94,830	\$ 4,860	\$	\$ 565	\$
Enterprise and Community Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	\$ 2,023,438	\$ 748,011	\$ 384,432	\$ 18,136	\$ 871,820		\$ 1,039	
3200 Other Enterprise Services	\$							
3300 Community Services	\$ 208,940	\$ 130,223	\$ 64,986	\$ 7,323	\$ 6,407			
3500 Custody and Care of Children Services	\$							
Total Enterprise and Community Services Expenditures	\$ 2,232,378	\$ 878,234	\$ 449,418	\$ 25,459	\$ 878,227	\$	\$ 1,039	\$
Facilities Acquisition and Construction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction	\$							
4120 Site Acquisition and Development Services	\$							
4150 Building Acquisition, Construction, and Improvement Services	\$							
4190 Other Facilities Construction Services	\$							
Total Facilities Acquisition and Construction Expenditures	\$	\$	\$	\$	\$	\$	\$	\$
Other Uses Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	\$ 184,055						\$ 184,055	
5200 Transfers of Funds	\$							
5300 Apportionment of Funds by ESD	\$							
5400 PERS UAL Bond Lump Sum	\$							
Total Other Uses Expenditures	\$ 184,055	\$	\$	\$	\$	\$	\$ 184,055	\$
Grand Total	\$ 5,378,276	\$ 2,828,373	\$ 1,212,745	\$ 176,813	\$ 974,685	\$	\$ 185,659	\$

2009 - 10 DISTRICT AUDIT EXPENDITURE SUMMARY
West Linn-Wilsonville School District 3J

Fund: 300 - Debt Service

Instruction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Primary, K-3	\$0							
1112 Intermediate Programs	\$0							
1113 Elementary Extracurricular	\$0							
1121 Middle/Junior High Programs	\$0							
1122 Middle/Junior High School Extracurricular	\$0							
1131 Local & Federal Sources	\$0							
1132 High School Extracurricular	\$0							
1140 Pre-Kindergarten Programs	\$0							
1210 Programs for the Talented and Gifted	\$0							
1220 Restrictive Programs for Students with Disabilities	\$0							
1250 Less Restrictive Programs for Students with Disabilities	\$0							
1260 Early Intervention	\$0							
1271 Remediation	\$0							
1272 Title I	\$0							
1280 Alternative Education	\$0							
1291 English Second Language Programs	\$0							
1292 Teen Parent Program	\$0							
1293 Migrant Education	\$0							
1294 Youth Corrections Education	\$0							
1299 Other Programs	\$0							
1300 Adult/Continuing Education Programs	\$0							
1400 Summer School Programs	\$0							
Total Instruction Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Support Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	\$0							
2120 Guidance Services	\$0							
2130 Health Services	\$0							
2140 Psychological Services	\$0							
2150 Speech Pathology and Audiology Services	\$0							
2160 Other Student Treatment Services	\$0							
2190 Service Direction, Student Support Services	\$0							
2210 Improvement of Instruction Services	\$0							
2220 Educational Media Services	\$0							
2230 Assessment & Testing	\$0							
2240 Instructional Staff Development	\$0							
2310 Board of Education Services	\$0							
2320 Executive Administration Services	\$0							
2410 Office of the Principal Services	\$0							
2490 Other Support Services - School Administration	\$0							
2510 Direction of Business Support Services	\$0							
2520 Fiscal Services	\$0							
2540 Operation and Maintenance of Plant Services	\$0							
2550 Student Transportation Services	\$0							
2570 Internal Services	\$0							
2610 Direction of Central Support Services	\$0							
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$0							
2630 Information Services	\$0							
2640 Staff Services	\$0							
2660 Technology Services	\$0							
2670 Records Management Services	\$0							
2690 Other Support Services - Central	\$0							
2700 Supplemental Retirement Program	\$0							
Total Support Services Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Enterprise and Community Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	\$0							
3200 Other Enterprise Services	\$0							
3300 Community Services	\$0							
3500 Custody and Care of Children Services	\$0							
Total Enterprise and Community Services Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facilities Acquisition and Construction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction	\$0							
4120 Site Acquisition and Development Services	\$0							
4150 Building Acquisition, Construction, and Improvement Services	\$0							
4190 Other Facilities Construction Services	\$0							
Total Facilities Acquisition and Construction Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Uses Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	\$20,271,721						\$20,271,721	
5200 Transfers of Funds	\$0							
5300 Apportionment of Funds by ESD	\$0							
5400 Bond Lump Sum	\$0							
Total Other Uses Expenditures	\$20,271,721	\$0	\$0	\$0	\$0	\$0	\$20,271,721	\$0
Grand Total	\$20,271,721	\$0	\$0	\$0	\$0	\$0	\$20,271,721	\$0

2009 - 10 DISTRICT AUDIT EXPENDITURE SUMMARY
West Linn-Wilsonville School District 3J

Fund: 400 - Capital Projects

Instruction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Primary, K-3	\$0							
1112 Intermediate Programs	\$0							
1113 Elementary Extracurricular	\$0							
1121 Middle/Junior High Programs	\$0							
1122 Middle/Junior High School Extracurricular	\$0							
1131 Local & Federal Sources	\$0							
1132 High School Extracurricular	\$0							
1140 Pre-Kindergarten Programs	\$0							
1210 Programs for the Talented and Gifted	\$0							
1220 Restrictive Programs for Students with Disabilities	\$0							
1250 Less Restrictive Programs for Students with Disabilities	\$0							
1260 Early Intervention	\$0							
1271 Remediation	\$0							
1272 Title I	\$0							
1280 Alternative Education	\$0							
1291 English Second Language Programs	\$0							
1292 Teen Parent Program	\$0							
1293 Migrant Education	\$0							
1294 Youth Corrections Education	\$0							
1299 Other Programs	\$0							
1300 Adult/Continuing Education Programs	\$0							
1400 Summer School Programs	\$0							
Total Instruction Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Support Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	\$0							
2120 Guidance Services	\$0							
2130 Health Services	\$0							
2140 Psychological Services	\$0							
2150 Speech Pathology and Audiology Services	\$0							
2160 Other Student Treatment Services	\$0							
2190 Service Direction, Student Support Services	\$0							
2210 Improvement of Instruction Services	\$0							
2220 Educational Media Services	\$0							
2230 Assessment & Testing	\$0							
2240 Instructional Staff Development	\$0							
2310 Board of Education Services	\$0							
2320 Executive Administration Services	\$0							
2410 Office of the Principal Services	\$0							
2490 Other Support Services - School Administration	\$0							
2510 Direction of Business Support Services	\$0							
2520 Fiscal Services	\$0							
2540 Operation and Maintenance of Plant Services	\$122			\$122				
2550 Student Transportation Services	\$0							
2570 Internal Services	\$0							
2610 Direction of Central Support Services	\$0							
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$0							
2630 Information Services	\$0							
2640 Staff Services	\$0							
2660 Technology Services	\$0							
2670 Records Management Services	\$0							
2690 Other Support Services - Central	\$0							
2700 Supplemental Retirement Program	\$0							
Total Support Services Expenditures	\$122	\$0	\$0	\$122	\$0	\$0	\$0	\$0
Enterprise and Community Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	\$0							
3200 Other Enterprise Services	\$0							
3300 Community Services	\$0							
3500 Custody and Care of Children Services	\$0							
Total Enterprise and Community Services Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facilities Acquisition and Construction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction	\$578,836	\$417,271	\$160,890	\$675				
4120 Site Acquisition and Development Services	\$209,777					\$209,777		
4150 Building Acquisition, Construction, and Improvement Services	\$18,385,451	\$164,912	\$74,213	\$4,988,281	\$4,017,416	\$9,140,509	\$120	
4190 Other Facilities Construction Services	\$0							
Total Facilities Acquisition and Construction Expenditures	\$19,174,063	\$582,183	\$235,103	\$4,988,956	\$4,017,416	\$9,350,286	\$120	\$0
Other Uses Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	\$0							
5200 Transfers of Funds	\$0							
5300 Apportionment of Funds by ESD	\$0							
5400 Bond Lump Sum	\$0							
Total Other Uses Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grand Total	\$19,174,185	\$582,183	\$235,103	\$4,989,078	\$4,017,416	\$9,350,286	\$120	\$0

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

SUPPLEMENTAL INFORMATION

As Required by the Oregon Department of Education

For The Year Ended June 30, 2010

A. Energy bills for heating - all funds:

	Objects 325 and 326
Function 2540	\$ 1,336,080
Function 2550	-

B. Replacement of equipment - General Fund:

Include all General Fund expenditures in Object 542, except for the following exclusions:

Exclude these functions:

	Amount
1113, 1122 & 1132 Co-curricular activities 4150 Construction	\$ -
1140 Pre-kindergarten 2550 Pupil transportation	
1300 Continuing education 3100 Food service	
1400 Summer school 3300 Community services	

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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.

56

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.

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

<i>Governmental Activities</i>	Fiscal year					
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Assets						
Current and other assets	\$ 82,608,379	\$ 73,457,665	\$ 37,865,300	\$ 14,416,062	\$ 20,057,195	\$ 20,229,517
Prepaid PERS unfunded actuarial liability	-	38,815,450	37,198,140	35,580,830	33,963,519	32,346,209
Net capital assets	100,620,543	113,695,823	147,835,489	171,507,759	167,796,816	162,366,848
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>
Liabilities						
Long-term debt outstanding	157,772,237	196,767,766	188,903,069	180,107,776	170,434,985	159,721,810
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
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>
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
Restricted for: Debt Service	-	-	3,141,291	2,954,391	3,324,655	3,391,956
Prepaid Expenditures						
Unrestricted	1,761,244	658,198	(7,775,544)	(33,659,804)	(3,974,199)	(4,255,234)
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>

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.

<u>2009</u>	<u>2010</u>
\$ 117,898,306	\$ 96,810,573
30,728,898	29,111,587
162,711,325	177,196,765
311,338,529	303,118,925
247,384,871	239,269,721
-	-
15,812,732	12,342,167
263,197,603	251,611,888
59,549,087	62,777,910
2,305,898	82,853
(13,714,059)	(11,353,726)
\$ 48,140,926	\$ 51,507,037

Changes in Net Assets
Last Eight 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>
Expenses						
Instruction	\$ 33,905,376	\$ 35,492,665	\$ 38,656,948	\$ 38,347,498	\$ 44,209,456	\$ 46,835,827
Support services	19,179,034	19,800,606	20,811,534	21,962,806	25,283,384	27,029,360
Enterprise and Community Services	1,652,223	1,884,698	1,997,921	2,045,144	2,419,485	2,513,565
Non-capital facilities maintenance & replacement	1,379,436	86,168	-	-	-	590,175
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
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>
Program Revenues						
Charges for services	2,649,976	2,732,738	2,509,632	2,795,934	2,942,968	3,580,538
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
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>
Net (Expenses)	(56,615,038)	(56,870,755)	(62,341,062)	(64,805,502)	(73,913,647)	(78,332,298)
General Revenues						
Property taxes	28,106,516	30,128,403	31,423,695	33,426,649	35,671,159	37,157,757
Local Option Tax	3,056,874	3,275,369	3,965,513	5,196,068	6,311,507	7,022,392
State School Fund	21,676,035	26,125,868	24,556,149	28,111,908	31,341,677	36,829,154
Investment earnings	334,120	1,006,349	971,582	924,818	1,171,599	988,810
Other	1,037,546	941,620	4,918,708	4,813,585	4,529,860	2,846,406
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>
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>

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.

	<u>2009</u>	<u>2010</u>
\$	47,661,417	46,110,257
	27,434,864	25,388,997
	2,439,278	2,451,763
	389,427	
	9,625,281	12,522,456
	<u>87,550,267</u>	<u>86,473,473</u>
	3,814,949	3,554,281
	-	-
	-	-
	-	-
	4,939,831	6,358,624
	-	-
	-	-
	-	-
	<u>8,754,780</u>	<u>9,912,905</u>
	(78,795,487)	(76,560,568)
	38,002,939	40,965,816
	7,420,022	6,736,010
	34,928,350	30,936,476
	557,637	871,427
	449,631	416,950
	-	-
	<u>81,358,579</u>	<u>79,926,679</u>
\$	<u>2,563,092</u>	<u>3,366,111</u>

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

		Fiscal years 2000-2004				
		<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Fund Balances (Deficit)						
Reserved, reported in						
General Fund	\$	-	\$	-	\$	-
Debt service funds		3,793,580	3,836,150	2,540,585	3,943,605	3,141,291
Unreserved, reported in						
General Fund		2,058,946	2,141,630	1,470,692	2,717,453	1,020,304
Special revenue funds		250,347	46,025	70,504	51,653	65,772
Capital projects funds		2,665,898	164,006	70,612,018	55,964,637	21,402,101
Total fund balances	\$	<u>8,768,771</u>	<u>\$ 6,187,811</u>	<u>\$ 74,693,799</u>	<u>\$ 62,677,348</u>	<u>\$ 25,629,468</u>

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

Changes in Fund Balance of All Governmental Funds

Last Eight Fiscal Years

(modified accrual basis of accounting)

	Fiscal year							
	2003	2004	2005	2006	2007	2008	2009	2010
REVENUES:								
Local Sources:	\$ 34,374,056	\$ 37,731,949	\$ 42,926,775	\$ 45,685,506	\$ 48,639,999	\$ 51,051,894	\$ 51,803,870	\$ 54,812,001
Intermediate Sources:	596,173	587,001	614,729	599,640	633,717	613,328	692,997	643,999
State Sources:	22,208,398	26,375,409	25,512,843	29,481,446	32,272,703	36,845,078	34,950,009	30,958,143
Federal Sources	1,808,050	2,133,957	2,260,619	2,610,189	2,715,361	2,673,125	4,285,121	5,728,494
TOTAL REVENUES	58,986,677	66,828,316	71,314,966	78,376,781	84,261,780	91,183,425	91,731,997	92,142,637
EXPENDITURES:								
Current:								
Instruction	32,016,112	32,717,657	35,693,149	37,068,616	39,352,423	42,975,316	45,023,547	42,784,272
Support Services	18,112,108	59,188,474	19,762,592	22,077,238	23,613,514	25,687,742	26,791,199	24,463,911
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	2,232,378
Facilities Acquisition and Construction	3,850,609	15,559,358	4,561,140	2,493,913	1,299,427	688,116	4,452,264	9,823,777
Debt Service								
Principal	4,105,000	6,465,000	7,430,000	8,500,000	9,560,000	10,560,000	11,770,000	9,885,000
Interest	11,043,279	5,387,533	6,929,419	8,501,485	8,450,644	8,220,147	7,609,060	12,856,209
Capital Outlay	85,275	-	32,016,594	18,328,091	22,921	28,222	41,470	9,357,019
TOTAL EXPENDITURES	70,772,693	121,031,674	108,211,082	98,910,358	84,409,266	90,428,811	97,947,964	111,402,566
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)	(19,259,929)
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	210,000
Transfers Out		(82,824)	(75,000)	(35,000)	(71,225)	(630,000)	(175,000)	(210,000)
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	(19,259,929)
BEGINNING FUND BALANCE	6,163,513	74,693,799	62,677,348	25,629,468	5,118,032	5,651,129	6,864,186	101,009,807
Adjustment for Inventories reported under the purchase method	35,083	5,297	40,617	151	14,291	108,443	5,851	(2,511)
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	\$ 81,747,367
Ratio of total debt service to total non-capital expenditures	0.227	0.112	0.200	0.218	0.217	0.209	0.207	0.246

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		Total Real Market Value	AV as a % of RMV
	Real Property	Personal Property	Total Assessed Value		Real Property	Personal Property		
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
2010	5,690,536,150	148,349,758	5,838,885,908	8.83	8,340,052,650	148,349,758	8,488,402,408	68.8

Source:

Assessors office of both Clackamas and Washington Counties.

* Per \$1,000 of Assessed Value

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**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
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
2010	4.84	1.18	-	2.81	8.83

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
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	2.20	0.74	2.81	0.36	1.84	0.39
2010	2.45	2.17	0.72	3.59	0.36	1.77	0.43

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 2009-10 is \$1.18. Local option taxes are assessed on a property by property basis. Not all properties pay at the highest \$1.50 rate.

Source: Clackamas County Assessors Office

Port of Portland	Tri-Met	City of Tualatin	Washington County	City of Lake Oswego
0.07	0.13	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
0.07	0.08	2.18	2.98	5.21

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

		2009-10	
Employer	Type of Business	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Portland General Electric	Electric	\$ 91,152,000	1.56%
Xerox Corporation	Copiers and printers	87,599,652	1.50%
Mentor Graphics Corporation	CAD software systems	54,692,492	0.94%
Thomson Reuters PTS Inc	Post Trade Services	38,786,647	0.66%
Coca-Cola Bottling Co of OR	Soft Drink Industry	32,483,099	0.56%
Northwest Natural Gas Co	Natural Gas	29,720,300	0.51%
Sysco/Continental Food Service	Warehouse & distribution center	28,105,021	0.48%
Bit Holdings Fifty-Seven Inc	Non-bank Holding Company	27,871,281	0.48%
Ch Realty III/Portland Industrial LLC	Reality Investment	27,570,455	0.47%
Flir Systems Inc	Thermal imaging/infrared equipment	26,638,307	0.46%
ALL OTHER TAXPAYERS		5,394,266,654	92.39%
	TOTAL	5,838,885,908	100.00%

		2000-01	
Employer	Type of Business	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Xerox Corporation	Document Imaging	77,641,641	2.31%
Mentor Graphics Corporation	Computer Software	54,883,570	1.63%
Portland General Electric	Electric	39,418,600	1.17%
Village at Main Street I LLC	Real Estate Invest & Develop	23,513,000	0.70%
Teloitte & Touche LLP	Financial Services	21,670,046	0.64%
RFP Publications	Newspaper Publisher	19,257,950	0.57%
Simpson Housing LTD	Housing	17,953,849	0.53%
Nike USA, Inc.	Athletic Apparel Distribution Center	17,612,396	0.52%
Verizon Northwest Inc	Telephone	16,977,097	0.51%
Capitol Realty Corp	Real Estate Invest & Develop	16,384,999	0.49%
ALL OTHER TAXPAYERS		3,054,591,699	90.91%
	TOTAL	\$ 3,359,904,847	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
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	34,625,338	94.53	910,015	35,535,353	97.02
2006	39,681,166	37,809,744	95.28	875,157	38,684,901	97.49
2007	42,965,992	40,712,129	94.75	1,005,602	41,717,731	97.09
2008	45,222,362	42,540,415	94.07	1,148,280	43,688,695	96.61
2009	46,519,129	43,344,411	93.20	1,362,944	44,707,355	96.10
2010	48,871,072	45,805,570	93.73	1,784,543	47,590,113	97.38

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

Fiscal Year	Governmental Activities			Outstanding Debt Per Capita	Outstanding Debt as a Percentage of Personal Income (1)
	General Obligation Bonds	Pension Obligation Bonds	Total Primary Government		
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
2010	191,637	41,955	233,592	5,398	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, 2010

Overlapping Issuer	Net Property-tax Backed Debt ¹	Percent Overlapping	Overlapping Debt
Clackamas Community College	34,840,000	21.2593%	7,406,740
City of West Linn	11,505,000	98.9657%	11,386,004
METRO	158,533,356	3.8286%	6,069,608
Clackamas County	79,370,000	12.2999%	9,762,431
Washington County	2,715,000	0.2245%	6,095
Portland Community College	224,025,000	0.0934%	209,239
Tri-Met	27,960,000	2.7536%	769,907
City of Tualatin	10,185,000	2.1693%	220,943
Tualatin Valley Fire & Rescue Dist.	27,885,000	13.8358%	3,858,113
City of Lake Oswego	21,020,000	0.0001%	21
Subtotal, overlapping debt	\$ 598,038,356		39,689,101
Direct District net property-tax backed debt	\$ 191,637,238	100%	191,637,238
Total direct and overlapping debt	\$ 789,675,594		\$ 231,326,339

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)

Fiscal Year	General Bonded Debt			Percentage of Actual Taxable Value of Property (1)	Net G.O. Debt per Student Average Daily Membership (2)		
	General Obligation Bonds	Less Amount Available for Repayment	Net General Obligation Bonds Outstanding				
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		
2010	191,637,238		191,637,238	3.28%	23,762		

Fiscal Year	Other Governmental Activities Debt				Total District ⁽³⁾	Per Student ADM ⁽²⁾	Per Capita ⁽⁴⁾
	Limited Tax G.O. Refunding Bonds	Certificates of Participation	Refunding Special Obligations	Small Scale Energy Loan Programs			
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
2010			41,955,000		233,592,238	28,964	5,398

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 43,276 for 2009-10

Total Net Assessed Value
3,359,904,847
3,520,362,669
3,745,136,612
3,971,698,604
4,200,996,289
4,690,368,420
4,909,903,619
5,250,417,275
5,563,857,649
5,838,885,908

ADM	Population
7,227	37,190
7,403	38,082
7,559	38,747
7,629	39,970
7,673	40,329
7,812	40,566
7,990	41,065
8,059	41,373
8,047	42,400
8,065	43,276

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

Legal Debt Margin Calculation for Fiscal Year 2010

Real Market Value	\$ 8,488,402,408
Debt Limit (7.95%) ¹	674,827,991
Amount of Debt Applicable to Debt Limit:	
General Obligation Bonded Debt	191,637,238
Less: Amount Available in Debt Service Funds	-
Amount of Debt Applicable to Debt Limit	<u>191,637,238</u>
Legal Debt margin	<u>\$ 483,190,753</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>	<u>2010</u>
Debt Limit	\$ 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	674,827,991
Total net debt applicable to limit	<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>	<u>191,637,238</u>
Legal debt margin	<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>	<u>\$ 483,190,753</u>
Total net debt applicable to the limit as a percentage of debt limit	26.37%	24.14%	39.11%	35.36%	31.06%	26.85%	20.90%	16.06%	27.09%	28.40%

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

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

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

Allowable Percentage of Real Market Value:

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

Source

Market value per Clackamas and Washington County Assessors Offices.

Demographic and Economic Statistics
Last Ten Calendar Years
Clackamas County

Year	District Population <i>(Estimated)</i>	County Personal Income (1) <i>(thousands of</i> <i>dollars)</i>	County Per Capita Personal Income (1)	Clackamas County Unemployment Rate
2001	37,190	12,416,346	36,568	4.3
2002	38,082	12,300,729	35,658	6.2
2003	38,747	12,430,074	35,316	7.0
2004	39,970	12,813,995	35,973	6.8
2005	40,329	13,599,941	37,631	6.1
2006	40,570	14,327,255	39,116	5.4
2007	41,065	15,555,000	41,974	4.4
2008	41,373	16,492,000	43,965 (4)	6.7
2009	42,400	N/A	N/A	10.4
2010	43,276	N/A	N/A	10.1

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 Five Fiscal Years**

	<u>Full-time Equivalent Employees as of June 30 (1)</u>				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<u>Instructional Staff</u>					
Primary, K-3 Instruction	129.16	140.32	140.72	133.47	127.24
Intermediate, 4-5 Instruction	68.30	71.02	70.32	67.98	64.86
Middle School Instruction	99.51	107.42	106.92	98.42	97.81
High School Instruction	108.56	117.82	116.12	109.24	105.81
High School Activities	2.20	2.20	2.20	1.88	0.00
Pre-Kindergarten Instruction	6.48	5.59	5.59	4.94	4.75
Talented & Gifted	2.61	2.51	2.51	2.45	2.00
High Needs Students	37.90	47.75	47.05	38.69	38.50
Emotionally Disturbed	0	0	0	0	0
Resource Rooms	41.53	45.69	45.49	46.13	44.43
Alternative Education	5.90	1.15	1.15	0.67	2.11
Charter Schools	1.25	0.00	0.00	1.63	1.63
English - Second Language	6.50	11.01	11.01	10.91	13.80
CREST	2.75	2.50	2.50	2.50	0.00
Subtotal Instructional Staff	512.65	554.98	551.58	518.91	502.94
<u>Support Services Staff</u>					
Counseling	17.50	19.70	19.30	19.30	19.30
District Nurse	3.37	3.12	3.12	3.00	2.50
Psychological Services	0.00	3.50	3.50	5.40	5.40
Speech	3.05	9.85	9.55	9.85	9.05
Special Services-Direction	3.00	4.00	4.00	4.00	4.00
Curriculum Development	2.50	2.31	2.31	1.50	2.39
Curriculum - Direction	1.50	0.50	0.50	0.54	0.54
Libraries-Media	18.40	20.60	21.40	20.40	21.31
Executive Administration	2.00	3.00	3.00	3.00	3.00
Office of the Principal	43.60	45.60	45.60	42.60	41.10
Business - Direction	0.83	1.00	1.00	1.00	0.00
Fiscal Office	5.41	6.00	6.00	6.00	6.00
Operations Direction	0.00	0.00	0.00	2.00	2.00
Maintenance - Direction	2.53	4.00	4.00	2.00	0.00
Care & Upkeep of Buildings	39.50	36.90	39.00	39.00	39.00
Care & Upkeep of Grounds	0.00	5.00	5.00	5.00	0.00
Maintenance	8.00	9.50	9.50	10.50	10.50
Warehouse & Distribution	3.00	3.00	3.00	3.00	2.45
Staff Services - Personnel	3.00	3.50	3.50	3.50	0.00
Technology Services	7.03	8.00	8.00	8.00	8.00
Subtotal Support Services Staff	164.22	189.08	191.28	189.59	176.54
Total	676.87	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 Eight Fiscal Years**

Fiscal Year Ending June 30	Student Average Daily Membership (1)	Charter Schools		Cost Per ADM (1)	Certified		Ave Tchr Salary	Tchr Salary Range-Low	Tchr Salary Range-High	Percentage
		Student Average Daily Membership	Operating Expenses (2)		Staff FTE (3)	ADM to Certified Ratio (3)				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
2009-10	8,065	100	69,480,561	8,615	445	18.1	54,902	33,830	67,248	19.6

(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

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

		2000-01	
Employer	Type of Business	Number of Employees	Percentage of Total City Employment**
Xerox Corporation	Copiers and printers	1,343	9.6%
Mentor Graphics Corporation	CAD software systems	946	6.8%
Hollywood Entertainment Corporation	Video rental distribution	852	6.1%
Infocus Corporation	Projectors & display systems	562	4.0%
Sysco/Continental Food Service	Warehouse & distribution center	440	3.1%
Nike USA, Inc.	Athletic apparel distribution center	400	2.9%
Fry's Electronics	Retail	300	2.1%
Rite Aid Distribution Center	Warehouse & distribution center	280	2.0%
Milgrad Manufacturing Inc.	Window Manufacturer	250	1.8%
GI Joes Inc.	Headquarters	182	1.3%
		5,555	39.7%

*Total city employment for 2009-10 13,809

**Total city employment for 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)

Source:
City of Wilsonville Business License Database

**Capital Asset Information
Last Eight Fiscal Years**

Fiscal Year									Average Age of Buildings
									(in years)
Schools									
Primary									
Buildings	7	7	7	7	7	7	7	7	49
Square Feet	422,119	422,119	446,982	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	3,382	
Membership (ADM)	3,483	3,554	3,560	3,482	3,375	3,375	3,375	3,375	
Percent Used	101%	103%	96%	103%	100%	100%	100%	100%	
Middle									
Buildings	3	3	3	3	3	3	3	3	21
Square Feet	268,850	268,850	282,519	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	2,082	
Membership (ADM)	1,967	1,941	1,940	1,909	1,899	1,899	1,899	1,899	
Percent Used	88%	87%	87%	92%	91%	91%	91%	91%	
High									
Buildings	2	2	2	2	2	2	2	2	40
Square Feet	400,206	400,206	400,206	500,631	500,631	500,631	500,631	500,631	
Capacity	2,717	2,717	2,717	3,291	3,291	3,291	3,291	3,291	
Membership (ADM)	2,445	2,521	2,446	2,638	2,508	2,508	2,508	2,508	
Percent Used	90%	93%	90%	80%	76%	76%	76%	76%	
Other									
Buildings	2	2	3	3	3	3	3	3	9
Square Feet	4,802	4,802	7,442	7,442	7,442	7,442	7,442	7,442	
Administration									
Buildings	1	1	1	1	1	1	1	1	79
Square Feet	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	
Maintenance									
Buildings	3	5	5	5	5	5	5	5	16
Square Feet	23,220	40,020	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 Five Fiscal Years**

<u>Assignment/Function</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Instructional Staff					
Prekindergarten teachers	4.50	3.00	3.00	3.00	3.00
Elementary teachers K-5	162.90	165.60	164.50	159.70	158.35
Secondary teachers	198.46	212.97	210.17	196.66	193.27
Teachers of ungraded classes	52.50	57.90	57.00	53.08	50.32
Educational assistants	94.29	115.51	116.91	105.47	100.38
Instructional coordinators and supervisors	-	-	-	1.00	1.50
Subtotal Instructional Staff	512.65	554.98	551.58	518.91	506.82
Support Services Staff					
Guidance K-12	17.50	19.70	19.30	19.30	19.30
Librarians/media specialists	10.40	10.40	10.40	9.40	9.50
Library and media support staff	8.00	10.20	11.00	11.00	11.81
District administrators	4.00	4.00	4.00	3.54	3.54
District support staff	72.30	79.71	81.81	82.50	82.84
School administrators	22.00	22.00	22.00	21.00	21.60
School administrative support staff	21.60	23.60	23.60	21.60	19.50
Student services support staff	8.42	19.47	19.17	21.25	19.95
Subtotal Support Services Staff	164.22	189.08	191.28	189.59	188.04
Total FTE	676.87	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

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.

December 6, 2010

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of West Linn-Wilsonville School District 3J as of and for the year ended June 30, 2010, and have issued our report thereon dated December 6, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

Compliance

As part of obtaining reasonable assurance about whether the West Linn-Wilsonville School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- **Deposit of public funds with financial institutions (ORS Chapter 295)**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**
- **State school fund factors and calculation.**

In connection with our testing nothing came to our attention that caused us to believe the West Linn-Wilsonville School District 3J was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except as noted below.

1. Expenditures exceeded appropriations as noted on page 22.

OAR 162-10-0230 Internal Control

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

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

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, 2010

Federal Grantor/Pass Through Grantor/ Program Title	Grant Fund	Federal CFDA Number	Grant Period	Expenditures
US. DEPARTMENT OF EDUCATION				
Title I	252-253	84.010	2008-09/2009-10	\$ 473,641 *
Title IA ARRA	268	84.389	2009-10	264,864 *
Title III- Enhancing Education	267	84.365	2008-09/2009-10	39,207
Title IV- A Safe & Drug Free	289,299	84.186	2008-09/2009-10	16,439
Title IIA- Teacher Quality	263	84.367	2008-09/2009-10	161,947
Title IID	273	84.318	2008-09/2009-10	4,122
IDEA	254,255	84.027	2008-09/2009-10	866,886 *
IDEA ARRA	265	84.391	2009-10	725,388 *
McKinney Homeless ARRA	271	84.387	2009-10	1,925
SFSF	100	84.394	2009-10	2,149,039 *
Passed through Clackamas County ESD:				
Vocational Education	251	84.048A	2008-09/2009-10	17,000
Youth Transition Program	266	84.126A	2008-09/2009-10	74,657
Title IC - Migrant Ed	241	84.011	2009-10	3,836
Total U.S. Department of Education				4,798,951
U.S. DEPARTMENT OF AGRICULTURE				
Federal Forest Fees	100	10.665	2009-10	169,902
Passed Through Oregon Department of Education:				
National School Lunch Program Breakfast	297	10.553	2009-10	72,089
National School Lunch Program	297	10.555	2009-10	672,726
Summer Food	297	10.559	2009-10	14,826
Total U.S. Department of Agriculture				929,543
*major program				
TOTALS				\$ 5,728,494

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PAULY, ROGERS AND CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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

December 6, 2010

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, 2010, and have issued our report thereon dated December 6, 2010. 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 internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal controls over financial reporting. Accordingly, we do not express an opinion on the effectiveness of internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

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

This report is intended solely for the information and use of management, the governing body, and 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.
PAULY, ROGERS AND CO., P.C.



PAULY, ROGERS AND CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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December 6, 2010

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, 2010. West Linn-Wilsonville School District 3J's major federal programs are identified in the 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 management. Our responsibility is to express an opinion on 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 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 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, 2010.

Internal Control Over Compliance

Management 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 internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis.

A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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 governing body, and 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.

A handwritten signature in black ink that reads "Pauly, Rogers and Co. P.C." in a cursive, flowing script.

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, 2010**

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

_____ Yes X 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:

84.010 & 84.389
84.027 & 84.391
84.394

Title I Cluster
Special Education 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

NOTES TO THE SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS

The accompanying schedule of expenditures of federal awards includes the federal grant activity of West Linn-Wilsonville School District 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.

**WEST LINN-WILSONVILLE SCHOOL DISTRICT 3
CLACKAMAS COUNTY, OREGON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010**

Section II – Financial Statement Findings

None Reported.

Section III – Federal Award Findings and Question Costs

None Reported.