

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT



For the Year Ended June 30, 2012

WEST LINN-WILSONVILLE SCHOOL DISTRICT 3J

CLACKAMAS COUNTY, OREGON

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended June 30, 2012

Prepared by
Business Office:
Doug Middlestetter, Business Manager

Jolene May, Senior Accountant

This Page Intentionally Left Blank

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

Administration Building
22210 SW Stafford Rd
Tualatin, Oregon 97062

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

Superintendent
Deputy Superintendent
Assistant Superintendent
Business Manager

BOARD OF DIRECTORS AS OF JUNE 30, 2012

	<u>Term Expires</u>
Dale Hoogestraat, Chair	June 30, 2013
Keith Steele, Vice-Chair	June 30, 2013
Kristen Keswick	June 30, 2015
Betty Reynolds	June 30, 2015
Cheri Zimmerman	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

This Page Intentionally Left Blank

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

TABLE OF CONTENTS

PAGE
NUMBER

INTRODUCTORY SECTION:

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

FINANCIAL SECTION:

Basic Financial Statements:

Government-Wide Financial Statements:

Statement of Net Assets	9
Statement of Activities	10

Fund Financial Statements:

Balance Sheet – Governmental Funds	11
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Assets	12
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities	14
General Fund:	
Statement of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget	15
Special Revenue Fund:	
Statement of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget	16
Statement of Fiduciary Net Assets	17
Statement of Changes in Fiduciary Net Assets	18

Notes to Basic Financial Statements	19
-------------------------------------	----

REQUIRED SUPPLEMENTARY INFORMATION:

Schedule of Funding Progress and Employer Contributions	37
---	----

SUPPLEMENTARY INFORMATION:

Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget	38
Capital Projects Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget	39
Combining Balance Sheet – Special Revenue Funds	40
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance – Special Revenue Funds	41

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

TABLE OF CONTENTS

**PAGE
NUMBER**

SUPPLEMENTARY INFORMATION (Continued):

Fiduciary Funds:

Statement of Changes in Assets and Liabilities – Student Activity Fund	42
--	----

Other Financial Schedules:

Schedule of Property Tax Transactions and Balances of Taxes Uncollected - General Fund	43
---	----

Schedule of Property Tax Transactions and Balances of Taxes Uncollected - Debt Service Fund	44
--	----

Schedule of Bond and Interest Transactions and Balances	45
---	----

Schedule of Bond Redemption and Interest Requirements	46
---	----

OTHER INFORMATION – OREGON DEPARTMENT OF EDUCATION SCHEDULES:

Schedule of Revenues by Function – All Funds	47
--	----

Schedule of Expenditures by Function/Object – General Fund	48
---	----

Special Revenue Funds	49
-----------------------	----

Debt Service Funds	50
--------------------	----

Capital Projects Funds	51
------------------------	----

Supplemental Information – As Required by the Oregon Department of Education	52
--	----

STATISTICAL SECTION:

Statistical Section Contents	53
------------------------------	----

Condensed Statement of Net Assets – Last Nine Fiscal Years	54
--	----

Changes in Net Assets – Last Nine Fiscal Years	55
--	----

Fund Balances of Governmental Funds – Last Ten Fiscal Years	56
---	----

Changes in Fund Balances of All Governmental Funds – Last Nine Fiscal Years	57
---	----

Assessed Values of Taxable Property within School District No. 3JT Boundaries – Last Ten Fiscal Years	58
--	----

Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years	59
---	----

Principal Property Tax Payers for West Linn Wilsonville School District – Current Year and Ten Years Ago	60
---	----

Property Tax Levies and Collections – Last Ten Fiscal Years	61
---	----

Outstanding Debt by Type – Last Ten Fiscal Years	62
--	----

Direct and Overlapping Governmental Activities Debt	63
---	----

Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	64
--	----

Legal Debt Margin Information – Last Ten Fiscal Years	65
---	----

Demographic and Economic Statistics – Last Ten Calendar Years	66
---	----

Full-time Equivalent District Employees by Type – Last Six Fiscal Years	67
---	----

Operating Statistics – Last Nine Fiscal Years	68
---	----

Principal Employers for the West Linn-Wilsonville School District Area (1) – Current Year and Ten Years Ago	69
--	----

Capital Asset Information – Last Nine Fiscal Years	70
--	----

Full-time Equivalent District Employees by Assignment/Function – Last Six Fiscal Years	71
--	----

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

TABLE OF CONTENTS

	<u>PAGE NUMBER</u>
INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS	72
GRANT COMPLIANCE REVIEW:	
Schedule of Expenditures of Federal Awards (Supplementary Information)	74
Report on Internal Control Structure over Financial Reporting	75
Report on Compliance with Requirements Applicable to each Major Programs And Internal Control Structure	77
Schedule of Findings and Questioned Costs	79

This Page Intentionally Left Blank

Introductory Section



West Linn-Wilsonville School District 3Jt

ADMINISTRATION BUILDING

22210 SW Stafford Rd – Tualatin, Oregon 97062
503-673-7000 or Fax 503-673-7001

December 20, 2012

Citizens & Board of Directors
West Linn-Wilsonville School District 3J
22210 SW Stafford Rd
Tualatin, OR 97062

In accordance with the provisions of Oregon Revised Statutes Sections 297.405 through 297.555, known as Municipal Audit Law, submitted herewith is the Comprehensive Annual Financial Report (CAFR) of West Linn-Wilsonville School District 3J, Clackamas and Washington counties, Oregon for the year ended June 30, 2012.

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, 2012, 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, 2012, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

control and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are presented in the Single Audit Section of this report.

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

THE DISTRICT

The District is a municipal corporation governed by an elected five-member board. As required by generally accepted accounting principles, these financial statements present 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 three decades. The estimated population of the District has grown from 16,876 in 1980 to 45,107 in 2012. District student membership as of June 30, 2012 was 8,175, which compares to 3,277 in fiscal year 1980. The real market value of property located in the district has grown from just under \$285 million to "nearly 9.4" billion in the same period. However, recent economic declines have brought the values back down to less than 7.1 billion.

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

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

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

Easy access to the freeway system has also benefited those areas along Interstate Highway 205, which bisects the County and the District. This bypass link of I-5 runs between Wilsonville in the south and Clark County, Washington 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 ran 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 2011-12 was \$.52 per thousand assessed value. Revenues from this tax, falls when there is a decrease in real market value. During 2011-12 Local Option tax collections decreased \$1,696,511 from \$4,861,280 in 2010-11 to \$3,164,769.

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 is under the national average with the most recent rate of 7.7 percent published November 2012.

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

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.

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 vision that evolved from these meetings is embedded in the question: *How do we create learning communities for the greatest thinkers and most thoughtful people...for the world?* The six vision themes 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 nearing successful completion towards opening two new primary schools and making substantial upgrades in many of the schools in the district. A major emphasis has gone into expanding our libraries and our technology, realizing that these areas are key to preparing our students for a successful future.

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

Although every district in Oregon is struggling with levels of state funding, we see no significant impact on funding in 2011-12 fiscal year as a result of district policy. However, future funding in Oregon is likely to be slow to recover. This may mean that the District has to tailor its programs to

operate with less revenue. "Sustainability" planning continues to be emphasized as a key to survival as we move into the future and have only minimal state funding increases to help us out.

Awards

The West Linn-Wilsonville School District takes pride in promoting excellence in every aspect of education. One example is that the District was one of only three schools in the state to be placed on the College Board's "Annual AP Honor Roll" for outstanding student testing performance. The District has also had a High School singing group called "Soul'd Out" appear on national television, and our transportation service recently won an award for being the "number one safest in school bus transportation of a small city."

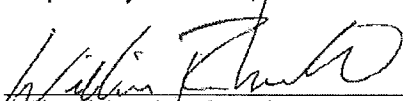
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the West Linn-Wilsonville School District for its comprehensive annual financial report for the fiscal year ended June 30, 2011. This was the 18th consecutive year that the district has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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


ACKNOWLEDGMENTS

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

Respectfully submitted,

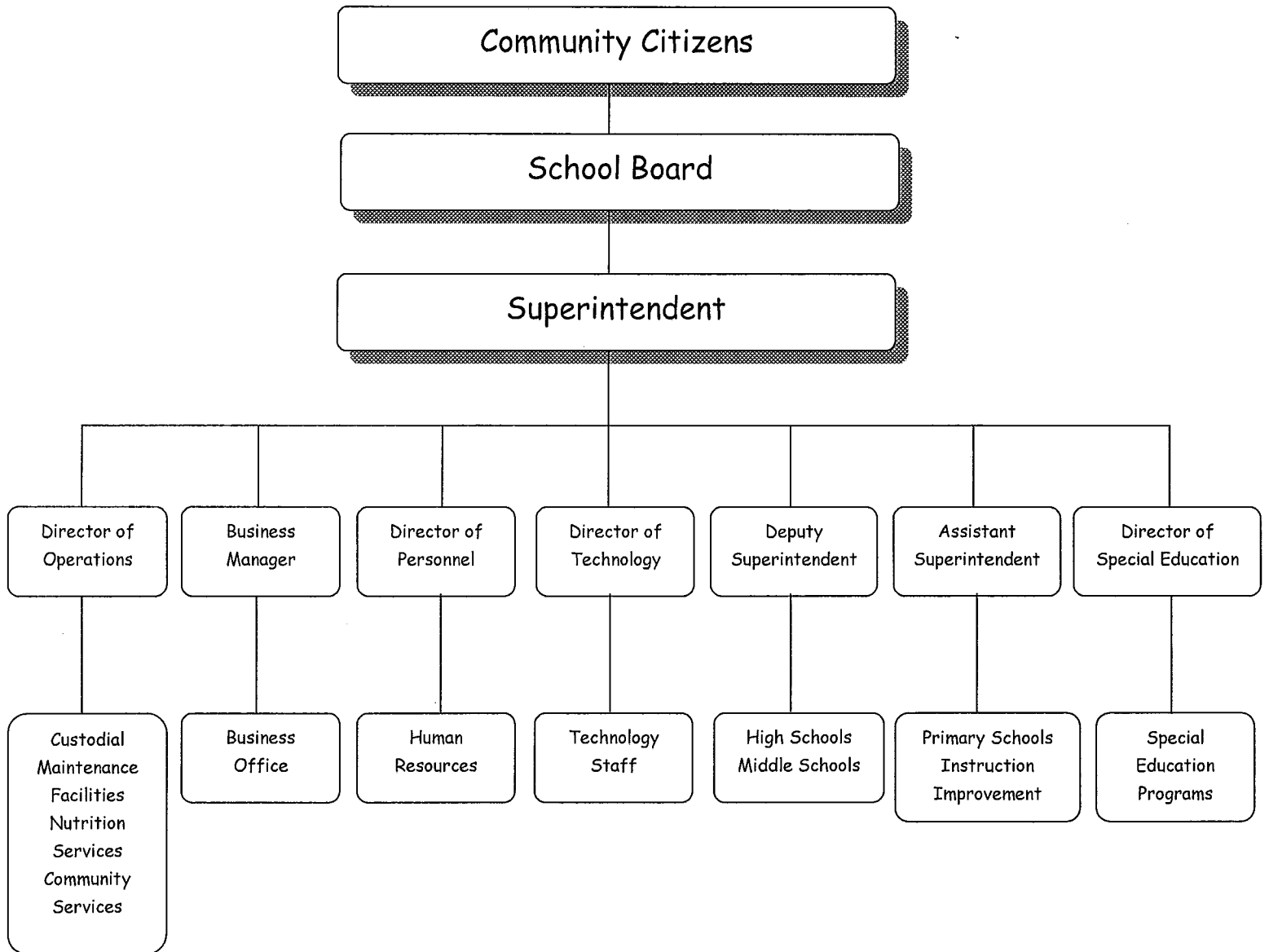


William Rhoades, Superintendent

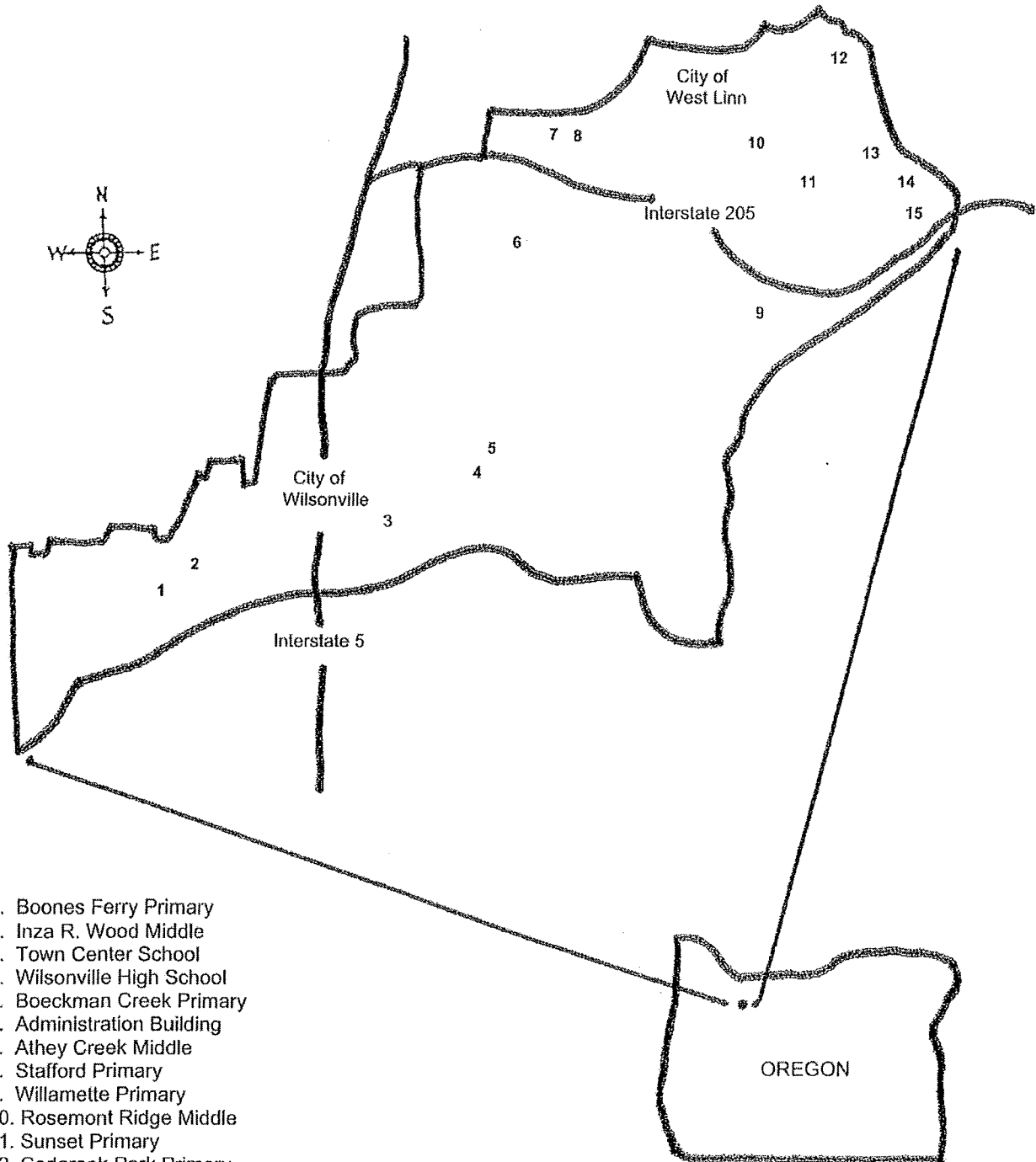

Doug Middlestetter, Business Manager

West Linn - Wilsonville School District 3JT

Organizational Chart



WEST LINN - WILSONVILLE SCHOOL DISTRICT No. 3J



Certificate of Achievement for Excellence in Financial Reporting

Presented to
West Linn-Wilsonville School
District No. 3J, Oregon

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

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.



Christopher P. Morrell

President

Jeffrey R. Enen

Executive Director



PAULY, ROGERS AND CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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

December 5, 2012

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

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of West Linn-Wilsonville School District 3J as of and for the year ended June 30, 2012, which collectively comprise the basic financial statements as listed in the table of contents. These financial statements are the responsibility of 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of Three Rivers Charter School were not audited in accordance with *Government Auditing Standards*. 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 internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of West Linn-Wilsonville School District 3J, as of June 30, 2012, and the respective changes in financial position and the respective budgetary comparisons for the General Fund and the Special Revenue Fund thereof 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 5, 2012 on our consideration of internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of the reports is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and do not provide an opinion on the internal control over financial reporting or on

compliance. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Funding Progress, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the West Linn-Wilsonville School District 3J's financial statements. The supplementary information, as listed in the table of contents, and the Schedule of Expenditures of Federal Awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for the purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the West Linn-Wilsonville School District 3J's financial statements. The introductory section, other information – Oregon Department of Education Schedules, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

**WEST LINN-WILSONVILLE SCHOOL DISTRICT 3J
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2012**

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, 2012.

FINANCIAL HIGHLIGHTS

- In the government-wide statements, the assets of the District exceeded its liabilities at June 30, 2012 by \$49,126,083.
- The District's governmental funds report combined ending fund balance of \$28,880,142.
- The District's net assets increased by \$4,425,326.

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, liabilities exceeded assets by \$49,126,083 at June 30, 2012.

Capital assets, which consist of the District's land, buildings, building improvements, vehicles, and equipment, represent about 74.8 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 11.3 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, 2012	June 30, 2011	Change
Current and Other Assets	\$ 70,703,125	\$ 103,352,868	\$ (32,649,743)
Capital Assets	209,736,544	180,140,259	29,596,285
Total Assets	<u>\$ 280,439,669</u>	<u>\$ 283,493,127</u>	<u>\$ (3,053,458)</u>
Current Liabilities	\$ 26,183,735	\$ 21,001,199	\$ 5,182,536
Long-Term Liabilities	205,129,851	217,791,171	(12,661,320)
Total Liabilities	<u>231,313,586</u>	<u>238,792,370</u>	<u>(7,478,784)</u>
Net Assets:			
Invested in Capital Assets, net of related debt	68,047,630	59,613,789	8,433,841
Restricted	2,244,765	627,052	1,617,713
Unrestricted	<u>(21,166,312)</u>	<u>(15,540,084)</u>	<u>(5,626,228)</u>
Total Net Assets	<u>\$ 49,126,083</u>	<u>\$ 44,700,757</u>	<u>\$ 4,425,326</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 2011-12, the District's net assets increased by \$4,425,326.

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

	June 30, 2012	June 30, 2011	Change
REVENUES			
Program Revenues			
Charges for Services	\$ 3,918,688	\$ 3,364,167	\$ 554,521
Operating Grants and Contributions	3,721,870	6,371,222	(2,649,352)
General Revenues			
Property Taxes	43,922,204	42,840,890	1,081,314
Local Option	3,164,769	4,861,280	(1,696,511)
State School Fund - General Support	33,928,944	29,912,976	4,015,968
Earnings on Investments	299,687	659,793	(360,106)
Other Federal, State and Local Sources	468,559	1,961,267	(1,492,708)
Total Revenues	89,424,721	89,971,595	(546,874)
EXPENSES			
Instruction	46,530,573	52,769,920	(6,239,347)
Support Services	25,248,894	29,987,705	(4,738,811)
Enterprise and Community Services	2,137,665	2,625,723	(488,058)
Interest on Long-Term Debt	11,082,263	11,394,527	(312,264)
Total Expenses	84,999,395	96,777,875	(11,778,480)
Change in Net Assets	4,425,326	(6,806,280)	11,231,606
Beginning Net Assets	44,700,757	51,507,037	(6,806,280)
Ending Net Assets	\$ 49,126,083	\$ 44,700,757	\$ 4,425,326

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, 2012 the District's governmental funds reported combined ending fund balances of \$28,880,142, a decrease of \$35,358,863 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, 2012, unreserved fund balance was \$3,255,981 and the non-spendable balance was \$92,515 for a total ending fund balance of \$3,348,496. 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 5.0 percent of total General Fund expenditures.

The fund balance decreased by \$1,394,736 during the current fiscal year. This decrease was attributable mostly to restoration of furlough day cuts, which increased instructional expenditures.

Debt Service Fund. As of June 30, 2012 the ending fund balance was \$652,473, an increase of \$158,728 when compared to the prior year. This increase is due to an upward adjustment of the tax collection rate raising the ending fund balance to a higher level. Assessed valuations increased at a slightly higher rate than anticipated.

Capital Projects Fund. The Capital Projects Fund has a total fund balance of \$23,223,469, 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 were successfully opened in the fall of 2012.

GENERAL FUND BUDGETARY HIGHLIGHTS

The 2011-12 Budget was impacted by decreases of \$2,631,811 in Federal revenue from expiring stimulus funding. However, increases in State School Fund resources of \$3,961,363 contributed to fill part of the gap for this year. In addition to that, property tax receipts were up by \$70,077 and local option tax receipts were down by \$1,273,489. The overall net revenue increased by \$112,149. On the expenditure side, approximately 20 staff layoffs were budgeted for the 2011-12 year. Licensed, classified and administrative wage rates were held flat from the previous year's levels. The cuts and wage freezes helped the District to restore 15 furlough days implemented in 2010-11. These restored days, plus a PERS rate increase of 7.63% and other miscellaneous expenses changed operating costs for a total increase of \$3,918,417 over the previous year. Additional cash reserves were used to balance the budget again this year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The District's investment in capital assets includes land, buildings and improvements, vehicles and equipment. As of June 30, 2012, the District had invested \$168,648,548 in capital assets, net of depreciation.

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

Long-term debt. As of June 30, 2012, the District had total debt outstanding of \$211,427,238. Please refer to the notes to page 29 in the financial statements for more information.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

As Oregon and our Nation move farther away from the economic troubles of 2008 and after, the 2012-13 budget year shows relative stability, as is often the case for the second year of a biennium. However, in the absence of Federal ARRA and other stimulus programs that were present in 2010-11, and to a lesser extent in 2011-12, and with continued significant declines in the local option tax, certain one-time monies were needed to help balance the 2012-13 year. The budget projection of flat student growth was exceeded, and attendance appears to be up by nearly 200 students overall for the 2012-13 school year. The District's plan to open two new primary schools in 2012-13 year will help to accommodate these growing attendance numbers. Such needs can only be met thanks to careful level-spending, delayed staff wage increases and a strong showing of commitment from the community to support the continued investments in educational excellence.

REQUESTS FOR INFORMATION

This financial report is designed to present the user (citizens, taxpayers, investors, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District's Finance Officer at 22210 SW Stafford Road, Tualatin, Oregon 97062.

Financial Section

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

BASIC FINANCIAL STATEMENTS

This Page Intentionally Left Blank

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

STATEMENT OF NET ASSETS
JUNE 30, 2012

	Component Unit	
	Governmental Activities	Three Rivers Charter School
ASSETS:		
Cash and Investments	\$ 36,957,430	\$ 187,605
Property Taxes Receivable	3,214,268	-
Other Receivables	2,924,430	42,858
Supply Inventory	99,917	-
Prepaid Expenses	56,010	26,226
Prepaid Pension Asset	25,876,966	-
Net Pension Asset	199,464	-
Bond Issue Costs	1,374,640	-
Non-Depreciable Capital Assets	41,087,996	-
Capital Assets, Net of Depreciation:	168,648,548	44,174
TOTAL ASSETS	280,439,669	300,863
LIABILITIES:		
Accounts Payable	5,730,691	-
Accrued Salaries and Benefits	5,574,742	14,354
Due to Other Funds	120	-
Unearned Revenue	101,182	11,950
Accrued Interest	1,580,274	-
Long-Term Liabilities:		
Other Post-Employment Benefits	3,356,135	-
Portion Due or Payable Within One Year	13,196,726	-
Portion Due or Payable After One Year	201,773,716	-
TOTAL LIABILITIES	231,313,586	26,304
NET ASSETS:		
Invested in Capital Assets, Net of Related Debt	68,047,630	44,174
Restricted for:		
Grants and other purposes	1,592,292	-
Debt service	652,473	-
Instruction	-	-
Unrestricted	(21,166,312)	230,385
TOTAL NET ASSETS	\$ 49,126,083	\$ 274,559

See notes to basic financial statements.

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

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2012

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Assets	Component Unit Three Rivers Charter School
		Charges for Services	Operating Grants and Contributions		
Governmental Activities:					
Instruction	\$ 46,530,573	\$ 3,318,353	\$ 2,002,655	\$ (41,209,565)	\$ (679,071)
Support	25,248,894	-	890,223	(24,358,671)	(298,601)
Enterprise and Community Services	2,137,665	600,335	828,992	(708,338)	-
Interest on Long-Term Debt	11,082,263	-	-	(11,082,263)	-
Total Governmental Activities	<u>\$ 84,999,395</u>	<u>\$ 3,918,688</u>	<u>\$ 3,721,870</u>	<u>(77,358,837)</u>	<u>* (977,672)</u>
Component Unit					
Three Rivers Charter School	<u>\$ 1,046,526</u>	<u>\$ 20,433</u>	<u>\$ 48,421</u>		<u>(977,672)</u>
General revenues:					
Property Taxes				43,922,204	-
Local Option Tax				3,164,769	37,876
Unrestricted State Revenue				33,928,944	552,646
Unrestricted Intermediate Revenue				109,642	-
Miscellaneous Revenue				297,491	379,490
Earnings on Investments				299,687	202
Gain (Loss) on Disposal of Capital Assets				61,426	-
Total general revenues				<u>81,784,163</u>	<u>970,214</u>
CHANGE IN NET ASSETS				4,425,326	(7,458)
Net Assets - July 1, 2011				<u>44,700,757</u>	<u>282,017</u>
Net Assets - June 30, 2012				<u>\$ 49,126,083</u>	<u>\$ 274,559</u>

See notes to basic financial statements.

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

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

	General Fund	Debt Service Fund	Capital Projects Fund	Special Revenue Funds	Total
ASSETS					
Cash and Investments	\$ 7,094,341	\$ 262,417	\$ 28,368,533	\$ 1,232,139	\$ 36,957,430
Due From Other Funds	1,563,266	207,705	-	-	1,770,971
Property Taxes Receivable	2,006,495	1,207,773	-	-	3,214,268
Other Receivables	855,374	90,086	214,791	1,764,179	2,924,430
Supply Inventory	36,505	-	-	63,412	99,917
Prepaid Expenditures	56,010	-	-	-	56,010
TOTAL ASSETS	<u>\$ 11,611,991</u>	<u>\$ 1,767,981</u>	<u>\$ 28,583,324</u>	<u>\$ 3,059,730</u>	<u>\$ 45,023,026</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 748,538	\$ -	\$ 4,944,763	\$ 37,390	\$ 5,730,691
Accrued Salaries and Benefits	5,574,742	-	-	-	5,574,742
Due To Other Funds	-	-	415,092	1,355,999	1,771,091
Deferred Taxes	1,849,670	1,115,508	-	-	2,965,178
Other Deferred Revenue	90,545	-	-	10,637	101,182
TOTAL LIABILITIES	<u>8,263,495</u>	<u>1,115,508</u>	<u>5,359,855</u>	<u>1,404,026</u>	<u>16,142,884</u>
Fund Balances:					
Nonspendable	92,515	-	-	63,412	155,927
Restricted for:					
Grants and other purposes	-	-	-	1,592,292	1,592,292
Debt service	-	652,473	-	-	652,473
Future capital projects	-	-	23,223,469	-	23,223,469
Committed to future operations	-	-	-	-	-
Unassigned	3,255,981	-	-	-	3,255,981
TOTAL FUND BALANCES	<u>3,348,496</u>	<u>652,473</u>	<u>23,223,469</u>	<u>1,655,704</u>	<u>28,880,142</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 11,611,991</u>	<u>\$ 1,767,981</u>	<u>\$ 28,583,324</u>	<u>\$ 3,059,730</u>	<u>\$ 45,023,026</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, 2012

TOTAL FUND BALANCES		\$	28,880,142
----------------------------	--	----	------------

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

Cost	\$	261,092,622	
Accumulated depreciation		<u>(51,356,078)</u>	209,736,544

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.

2,965,178

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

Accrued Compensated Absences	(136,726)	
Net Other Post Employment Benefits	(3,356,135)	
Bonds payable	(211,427,238)	
Premium on Bonds Payable	(3,406,478)	
Accrued interest payable	<u>(1,580,274)</u>	(219,906,851)

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	25,876,966	
Net Pension Asset	199,464	
Bond Issue Costs	<u>1,374,640</u>	<u>27,451,070</u>

TOTAL NET ASSETS		\$	<u><u>49,126,083</u></u>
-------------------------	--	----	--------------------------

See notes to basic financial statements.

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2012

	General Fund	Debt Service Fund	Capital Projects Fund	Special Revenue Funds	Total
REVENUES:					
Local Sources	\$ 31,725,313	\$ 20,244,060	\$ 895,263	\$ 1,069,043	\$ 53,933,679
Intermediate Sources	100,691	-	-	584,760	685,451
State Sources	33,894,347	-	-	50,147	33,944,494
Federal Sources	86,310	-	-	3,044,201	3,130,511
TOTAL REVENUES	65,806,661	20,244,060	895,263	4,748,151	91,694,135
EXPENDITURES:					
Current:					
Instruction	41,093,683	-	-	1,774,055	42,867,738
Support Services	23,463,700	-	122	783,511	24,247,333
Enterprise and Community Services	-	-	-	1,895,339	1,895,339
Facilities Acquisition and Construction	-	-	35,220,168	-	35,220,168
Debt Service	2,565,925	20,085,332	-	131,006	22,782,263
TOTAL EXPENDITURES	67,123,308	20,085,332	35,220,290	4,583,911	127,012,841
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,316,647)	158,728	(34,325,027)	164,240	(35,318,706)
OTHER FINANCING SOURCES, (USES):					
Transfers In	-	-	-	70,000	70,000
Transfers Out	(70,000)	-	-	-	(70,000)
TOTAL OTHER FINANCING SOURCES	(70,000)	-	-	70,000	-
NET CHANGE IN FUND BALANCE	(1,386,647)	158,728	(34,325,027)	234,240	(35,318,706)
FUND BALANCE, July 1, 2011	4,743,232	493,745	57,548,496	1,453,532	64,239,005
Adjustment for Inventories reported under the purchase method	(8,089)	-	-	(32,068)	(40,157)
FUND BALANCE, June 30, 2012	\$ 3,348,496	\$ 652,473	\$ 23,223,469	\$ 1,655,704	\$ 28,880,142

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, 2012

NET CHANGE IN FUND BALANCE **\$ (35,318,706)**

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	\$ 34,369,436	
Less current year depreciation	<u>(4,773,151)</u>	29,596,285

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)	
Net Pension asset	169,492	
Bond premium amortization	218,643	
Bond issue cost amortization	(120,828)	
Debt principal repaid	<u>11,700,000</u>	10,349,996

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.	(40,157)
---	----------

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.	61,426
---	--------

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.	399,049
---	---------

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	(5,244)	
Early retirement obligations	<u>(617,323)</u>	<u>(622,567)</u>

CHANGE IN NET ASSETS		\$ <u>4,425,326</u>
-----------------------------	--	----------------------------

See notes to basic financial statements.

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, 2012

GENERAL FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Local Sources	\$ 32,679,957	\$ 32,679,957	\$ 31,725,313	\$ (954,644)
Intermediate Sources	14,546	14,546	100,691	86,145
State Sources	32,395,077	32,395,077	33,894,347	1,499,270
Federal Sources	185,936	185,936	86,310	(99,626)
Total Revenues	<u>65,275,516</u>	<u>65,275,516</u>	<u>65,806,661</u>	<u>531,145</u>
EXPENDITURES:				
Instruction	41,093,941	41,093,941 (1)	41,093,683	258
Support Services	23,865,436	23,865,436 (1)	23,463,700	401,736
Debt Service	2,630,000	2,630,000 (1)	2,565,925	64,075
Contingency	700,000	700,000 (1)	-	700,000
Total Expenditures	<u>68,289,377</u>	<u>68,289,377</u>	<u>67,123,308</u>	<u>466,069</u>
Excess of Revenues Over (Under) Expenditures	<u>(3,013,861)</u>	<u>(3,013,861)</u>	<u>(1,316,647)</u>	<u>1,697,214</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(70,000)</u>	<u>(70,000) (1)</u>	<u>(70,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(70,000)</u>	<u>(70,000)</u>	<u>(70,000)</u>	<u>-</u>
Net Change in Fund Balance	<u>(3,083,861)</u>	<u>(3,083,861)</u>	<u>(1,386,647)</u>	<u>1,697,214</u>
Beginning Fund Balance (Budgetary Basis)	<u>3,083,861</u>	<u>3,083,861</u>	<u>4,698,638</u>	<u>1,614,777</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,311,991</u>	<u>\$ 3,311,991</u>
Reconciliation to GAAP:				
Inventory			<u>36,505</u>	
Fund Balance (GAAP Basis)			<u>\$ 3,348,496</u>	

(1) Appropriation level

See notes to basic financial statements.

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, 2012

SPECIAL REVENUE FUND

	Budget (2)			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
REVENUES:				
Local Sources	\$ 1,730,986	\$ 1,730,986	\$ 1,069,043	\$ (661,943)
Intermediate Sources	615,000	615,000	584,760	(30,240)
State Sources	19,423	19,423	50,147	30,724
Federal Sources	2,800,471	2,800,471	3,044,201	243,730
Total Revenues	5,165,880	5,165,880	4,748,151	(417,729)
EXPENDITURES:				
Instruction	2,101,432	2,101,432 (1)	1,774,055	327,377
Support Services	543,730	543,730 (1)	783,511	(239,781)
Enterprise and Community Services	2,596,970	2,596,970 (1)	1,895,339	701,631
Other Objects	155,653	155,653 (1)	131,006	24,647
Total Expenditures	5,397,785	5,397,785	4,583,911	813,874
Excess of Revenues Over (Under) Expenditures	(231,905)	(231,905)	164,240	396,145
OTHER FINANCING SOURCES:				
Transfers In	226,905	226,905	70,000	(156,905)
Total Other Financing Sources (Uses)	226,905	226,905	70,000	(156,905)
Net Change in Fund Balance	(5,000)	(5,000)	234,240	239,240
Beginning Fund Balance	1,229,747	1,229,747	1,358,052	128,305
Ending Fund Balance	\$ 1,224,747	\$ 1,224,747	1,592,292	\$ 367,545

(1) Appropriation level

Reconciliation to GAAP Basis Ending Fund Balance

Supply Inventory	63,412
GAAP Basis Ending Fund Balance	<u>\$ 1,655,704</u>

(1) Appropriation Level

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

See notes to basic financial statements.

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

STATEMENT OF FIDUCIARY NET ASSETS
June 30, 2012

	PRIVATE PURPOSE TRUST SCHOLARSHIP FUND	AGENCY FUNDS
ASSETS:		
Cash and Investments	\$ 237,931	\$ 1,098,847
Due From Governmental Funds	120	-
Total Assets	<u>\$ 238,051</u>	<u>\$ 1,098,847</u>
LIABILITIES AND NET ASSETS:		
Liabilities:		
Due to Student Organizations	\$ -	\$ 1,098,847
Total Liabilities	<u>-</u>	<u>1,098,847</u>
Net Assets:	<u>238,051</u>	<u>-</u>
Total Liabilities and Net Assets	<u>\$ 238,051</u>	<u>\$ 1,098,847</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, 2012

	PRIVATE PURPOSE TRUST SCHOLARSHIP FUND
ADDITIONS:	
Gains/ Losses on Investments	\$ 1,254
Total Additions	1,254
REDUCTIONS:	
Total Reductions	-
Change in Net Assets	1,254
Beginning Net Assets	236,797
Ending Net Assets	\$ 238,051

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.

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

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

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

Additionally, the following other fund types are reported:

Fiduciary Funds

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

Measurement Focus and Basis of Accounting

Government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District receives value without giving equal value in exchange, include property taxes, grants, entitlements and donations. On the accrual basis of accounting, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Under terms of grant agreements, certain programs are funded by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net 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, 2012 the fair position in the LGIP approximates the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements.

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

Accounts and Other Receivables

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes Receivable

Property taxes are levied and become a lien on July 1. Collection dates are November 15, February 15, and May 15 following the lien date. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent. Uncollected property taxes are recorded on the statement of net 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 because all absences are usable within the current year, and it is not possible to determine accurately which amounts will be used within the year versus which amounts will be held over and used later.

Long-term Debt

In the government-wide financial statements long-term debt is reported as a liability in the Statement of Net 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.

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.

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 for an overexpenditure in the Special Revenue Fund Support Services expenditures of \$239,781, an overexpenditure in the Debt Service Fund Debt Service expenditures of \$5,623, and an overexpenditure in the Capital Projects Fund Support Services expenditures of \$122.

Fund Equity

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity (Continued)

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

The governing body has approved the following order of spending regarding fund balance categories: Restricted resources are spent first when both restricted and unrestricted (committed, assigned or unassigned) resources are available for expenditures. When unrestricted resources are spent, the order of spending is committed (if applicable), assigned (if applicable) and unassigned.

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

2. CASH AND INVESTMENTS

Deposits

Deposits with financial institutions are comprised of bank demand deposits and certificates of deposit. The total bank balance per the bank statements was \$15,001,515, of which \$1,517,514 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.

2. CASH AND INVESTMENTS (CONTINUED)

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, 2012.

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, 2012, (recorded at fair value) consisted of:

Deposits With Financial Institutions:	2012	Reported in:	2012
Demand Deposits:		Governmental Activities	\$ 36,957,430
Checking	\$ 13,925,151	Fiduciary Funds	1,336,778
Cash with Fiscal Agents	5,753		
Investments	24,363,304	Total	\$ 38,294,208
Total	\$ 38,294,208		

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	\$ 19,283,329	\$ 19,283,329	\$ -	\$ -
Government Securities	5,079,975	5,079,975	-	-
Total	\$ 24,363,304	\$ 24,363,304	\$ -	\$ -

Interest Rate Risk

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

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the deposits may not be returned. There is no deposit policy for custodial credit risk. As of June 30, 2012, all bank balances were deposited at an approved depository as identified by the treasury and therefore insured.

Credit Risk – Investments

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

Concentration of Credit Risk

At June 30, 2012, 79% of total investments were in the State Treasurer's Investment Pool and 21% 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, 2012, there was compliance with all percentage restrictions.

3. RECEIVABLES

Receivables are comprised of the following as of June 30, 2012:

Property taxes	\$ 3,214,268
Other receivables	<u>2,924,430</u>
Total	<u>\$ 6,138,698</u>

WEST LINN-WILSONVILLE SCHOOL DISTRICT 3J
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

4. CAPITAL ASSETS

Capital assets activity for the year was as follows:

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 8,371,880	\$ -	\$ -	\$ 8,371,880
Construction in Progress	18,120,739	33,854,807	19,259,430	32,716,116
Total Capital Assets Not Being Depreciated	26,492,619	33,854,807	19,259,430	41,087,996
Capital Assets Being Depreciated:				
Buildings and Improvements	187,070,614	16,550,778	-	198,257,256
Site Improvements	8,828,839	2,674,392	-	16,090,083
Machinery and Equipment	4,331,114	548,889	-	5,657,287
Total Capital Assets Being Depreciated	200,230,567	19,774,059	-	220,004,626
Accumulated Depreciation				
Buildings and Improvements	42,805,272	4,001,475	-	46,806,747
Site Improvements	1,767,571	457,434	-	2,225,005
Machinery and Equipment	2,010,084	314,242	-	2,324,326
Total Accumulated Depreciation	46,582,927	4,773,151	-	51,356,078
Total Capital Assets Being Depreciated, Net	153,647,640	15,000,908	-	168,648,548
Governmental Activities				
Capital Assets, Net	\$ 180,140,259	\$ 48,855,715	\$ 19,259,430	\$ 209,736,544

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
Instruction	\$ 3,579,863
Support Services	954,630
Community Services	238,658
Total Depreciation Expense- Governmental Activities	\$ 4,773,151

5. SHORT-TERM OBLIGATIONS

The following changes occurred in short term obligations for the fiscal year ending June 30, 2012:

	Interest Rates	Original Issue	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Tax Anticipation Note	1.20%	July 25, 2011	\$ -	\$ 3,955,000	\$ 3,955,000	\$ -	\$ -
Total Short-term Liabilities			\$ -	\$ 3,955,000	\$ 3,955,000	\$ -	\$ -

The \$4 million in Tax and Revenue Anticipation notes were repaid out of the General Fund. \$4 million in Tax and Revenue Anticipation notes were issued to meet cash flow requirements in the 2011-2012 fiscal year and was repaid in November 2011. There are no outstanding short-term obligations due at June 30, 2012.

WEST LINN-WILSONVILLE SCHOOL DISTRICT 3J
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

6. LONG-TERM DEBT

The following changes occurred in Long-Term debt during the fiscal year ending June 30, 2012:

Issue Date	Interest Rates	Original Issue	Outstanding July 1, 2011	Issued	Matured And Redeemed	Outstanding June 30, 2012	Due Within One Year
May 2003	2.0-4.78%	\$ 74,997,238	\$ 62,462,238	\$ -	\$ 5,190,000	\$ 57,272,238	\$ 5,675,000
March 2004	2.0-4.78%	42,180,000	41,635,000	-	480,000	41,155,000	650,000
November 2004	2.0-4.78%	27,815,000	24,695,000	-	3,050,000	21,645,000	3,435,000
February 1, 2009	2.25%	98,000,000	94,335,000	-	2,980,000	91,355,000	3,300,000
			223,127,238	-	11,700,000	211,427,238	13,060,000
Unamortized Premium/(Discount)			3,625,121	-	218,643	3,406,478	-
Accrued Compensated Absences			131,482	136,726	131,482	136,726	136,726
Net Other Post Employment Benefits			2,738,812	617,323	-	3,356,135	-
Total Long-Term Debt			<u>\$ 229,622,653</u>	<u>\$ 754,049</u>	<u>\$ 12,050,125</u>	<u>\$ 218,326,577</u>	<u>\$ 13,196,726</u>

Bonds Payable

Future maturities of bonds payable are as follows:

Fiscal Year Ending June 30,	Principal	Interest
2013	13,060,000	7,840,424
2014	12,187,593	9,393,081
2015	9,302,904	9,384,363
2016	9,946,288	9,430,063
2017	10,637,387	9,470,852
2017-2022	47,639,171	54,587,023
2022-2027	47,583,895	26,866,235
2027-2032	40,720,000	11,061,862
2032-2034	20,350,000	1,539,250
Total	<u>\$ 211,427,238</u>	<u>\$ 139,573,153</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, 2012, \$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, 2012 and transfers in and out for the year then ended are as follows:

	Due From Other Funds	Due to Other Funds	Transfers In	Transfers Out
General Fund	\$ 1,613,887	\$ 50,621	\$ -	\$ 70,000
Debt Service Fund	207,705	-	-	-
Capital Projects Fund	10	415,102	-	-
Special Revenue Fund	382,122	1,738,121	70,000	-
Scholarship Fund	120	-	-	-
	<u>\$ 2,203,844</u>	<u>\$ 2,203,844</u>	<u>\$ 70,000</u>	<u>\$ 70,000</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.

WEST LINN-WILSONVILLE SCHOOL DISTRICT 3J**NOTES TO BASIC FINANCIAL STATEMENTS****JUNE 30, 2012****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.

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

Contributions and Funding Policy - The benefits from this program are fully paid and, consequently, no contributions by employees are required. There is no obligation to fund these benefits in advance. The only obligation is to make current benefit payments due each fiscal year. It has not been found necessary to establish a pension trust fund. Benefit payments are paid on a pay-as-you-go basis each year out of the General Fund. An estimate of this liability for current retirees is done annually. There is no separately issued financial report for the plan. The annual expenditures recognized on a budgetary basis were approximately \$423,000.

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

	2012	2011
Annual Required Contribution	\$ 356,219	\$ 356,219
Interest on Net Pension Obligation	(899)	(1,712)
Adjustment to Annual Required Contribution	2,736	5,211
Annual Pension Cost	358,056	359,718
Contributions Made/Expected	(527,548)	(332,611)
Increase in Net Pension Obligation	(169,492)	27,107
NPO (Asset) at beginning of year	(29,972)	(57,079)
NPO (Asset) at end of year	\$ (199,464)	\$ (29,972)
Percentage of Annual Pension Cost Contributed	147.3%	92.5%

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, 2012 actuarial valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about mortality, investment rate of return of 3.5%, retiree trend rates which range from 50 to 64 as a percentage of otherwise eligible employees. Amounts determined regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to actuarial accrued liabilities for benefits.

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

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

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

Funding Status and Funding Progress - As of June 30, 2012, the actuarial accrued liability for stipend benefits was \$2,765,399, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,765,399. The covered payroll is \$23,599,226. Using a 15-year closed amortization period, the Annual Required Contribution (ARC) for 2012 has been actuarially determined to be \$356,219 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.

There is no explicit assumption regarding the inflation rate, the plan has an investment return of 3% which is actually the discount rate since the plans are unfunded by GASB standards, there are no projected salary increases or post-retirement benefit increases, and the healthcare cost trend rate for 2012 is 5% for Kaiser medical and 10% for non-Kaiser medical. This plan uses the level dollar amortization method.

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

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

	2012	2011
Annual Required Contribution (Explicit Benefits)	\$ 1,474,616	\$ 1,474,616
Annual Required Contribution (Implicit Benefits)	1,022,070	1,022,070
Interest on Net OPEB Obligation	82,164	52,755
Adjustment to Annual Required Contribution	(135,662)	(87,104)
Annual OPEB Cost	2,443,188	2,462,337
Contributions Made / Expected (Explicit Benefits)	(1,302,295)	(982,196)
Contributions Made / Expected (Implicit Benefits)	(523,570)	(499,817)
Increase in Net Pension Obligation	617,323	980,324
Net OPEB Obligation (Asset) at beginning of year	2,738,812	1,758,488
Net OPEB Obligation (Asset) at end of year	\$ 3,356,135	\$ 2,738,812
Percentage of APC contributed	74.73%	60.19%

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, 2012 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, 2012, the plan was 0% funded. The actuarial accrued liability for benefits was \$22,397,230, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$22,397,230. The covered payroll was \$38,582,102, and the unfunded actuarial accrued liability as a percentage of active covered payroll was not applicable. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits. The annual expenditures recognized on a budgetary basis were approximately \$1,196,000.

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.

WEST LINN-WILSONVILLE SCHOOL DISTRICT 3J**NOTES TO BASIC FINANCIAL STATEMENTS****JUNE 30, 2012****10. PENSION PLAN (CONTINUED)**

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, 2011 is 12.35% of salary covered under the plan for Tier 1 and Tier 2 employees and 10.84% 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, 2012, 2011, and 2010 were \$6,684,975, \$3,775,892, and \$4,056,452, 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. FUND BALANCE CONSTRAINTS

The specific purposes for each of the categories of fund balance as of June 30, 2012 are as follows:

Fund Balances:	General Fund	Debt Service Fund	Capital Projects Fund	Special Revenue Fund	Total
<u>Nonspendable:</u>					
Prepaid & Inventory	\$ 92,515	\$ -	\$ -	\$ 63,412	\$ 155,927
<u>Restricted:</u>					
Grants and other purposes	-	-	-	1,592,292	1,592,292
Debt service	-	652,473	-	-	652,473
Future capital projects	-	-	23,223,469	-	23,223,469
	-	652,473	23,223,469	1,592,292	25,468,234
<u>Committed to:</u>					
Future Operations	-	-	-	-	-
	-	-	-	-	-
Unassigned:	3,255,981	-	-	-	3,255,981
Total Fund Balances	\$ 3,348,496	\$ 652,473	\$ 23,223,469	\$ 1,655,704	\$ 28,880,142

12. 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, 2012 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.

As of June 30, 2012, approximately \$1,287,258 was held in retainage.

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

This Page Intentionally Left Blank

WEST LINN WILSONVILLE SCHOOL DISTRICT
CLACKAMAS COUNTY OREGON

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS
 For the Year Ended June 30, 2012

EARLY RETIREMENT STIPENDS

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b)-(a) AAL (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	((b-a)/c) UAAL as a Percentage of Covered Payroll
2010	\$ -	\$ 2,036,188	\$ 2,036,188	- %	\$ N/A	N/A
2011	\$ -	\$ 2,765,399	\$ 2,765,399	- %	\$ 23,599,226	N/A
2012	\$ -	\$ 2,765,399	\$ 2,765,399	- %	\$ 23,599,226	N/A

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30,	Annual Pension Costs	Percentage Contributed
2010	\$ 293,444	124.6 %
2011	\$ 359,718	92.5 %
2012	\$ 358,056	147.3 %

OTHER POSTEMPLOYMENT HEALTH BENEFITS

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b)-(a) AAL (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	((b-a)/c) UAAL as a Percentage of Covered Payroll
2010	\$ -	\$ 18,613,012	\$ 18,613,012	- %	\$ N/A	N/A
2011	\$ -	\$ 22,397,230	\$ 22,397,230	- %	\$ 38,582,102	N/A
2012	\$ -	\$ 22,397,230	\$ 22,397,230	- %	\$ 38,582,102	N/A

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30,	Annual OPEB Costs	Percentage Contributed
2010	\$ 2,195,170	64.1 %
2011	\$ 2,462,337	60.2 %
2012	\$ 2,443,188	74.7 %

This Page Intentionally Left Blank

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

SUPPLEMENTARY INFORMATION

This Page Intentionally Left Blank

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
ACTUAL AND BUDGET
YEAR ENDED JUNE 30, 2012

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	\$ 17,152,044	\$ 17,152,044	\$ 17,475,316	\$ -	\$ 17,475,316	\$ 323,272
Earnings on Investments	46,000	46,000	48	1,507	1,555	(44,445)
Services Provided Other Funds	2,714,890	2,714,890	37,300	2,729,889	2,767,189	52,299
Total Revenues	19,912,934	19,912,934	17,512,664	2,731,396	20,244,060	331,126
EXPENDITURES:						
Debt service	20,079,709	20,079,709 (1)	17,349,691	2,735,641	20,085,332	(5,623)
Total Expenditures	20,079,709	20,079,709	17,349,691	2,735,641	20,085,332	(5,623)
Net Change in Fund Balance	(166,775)	(166,775)	162,973	(4,245)	158,728	325,503
Beginning Fund Balance	166,775	166,775	299,437	194,308	493,745	326,970
Ending Fund Balance	\$ -	\$ -	\$ 462,410	\$ 190,063	\$ 652,473	\$ 652,473

(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, 2012

CAPITAL PROJECTS FUND

	Budget			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
REVENUES:				
Local Sources:				
Construction Excise Tax	\$ -	\$ -	\$ 895,263	\$ 895,263
Earnings on Investments	214,000	214,000	-	(214,000)
Intermediate Sources	330,000	330,000	-	(330,000)
Total Revenues	544,000	544,000	895,263	351,263
EXPENDITURES:				
Support Services	-	- (1)	122	(122)
Facilities Acquisition and Construction:	61,067,000	61,067,000 (1)	35,220,168	25,846,832
Total Expenditures	61,067,000	61,067,000	35,220,290	25,846,710
Net Change in Fund Balance	(60,523,000)	(60,523,000)	(34,325,027)	26,197,973
Beginning Fund Balance	60,523,000	60,523,000	57,548,496	(2,974,504)
Ending Fund Balance	\$ -	\$ -	\$ 23,223,469	\$ 23,223,469

(1) Appropriation level

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

COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
JUNE 30, 2012

	Columbia Regional Autism Fund	ASPIRE Grant Fund	SOAR Fund	Mentoring Teacher Grant Fund	M Lamfrom Greenhouse Grant Fund	Farm to School Fund	OCF Garden Grant Fund
ASSETS							
Due from Other Funds	\$ -	\$ 1,682	\$ 8,955	\$ -	\$ -	\$ -	\$ 3,846
Cash	-	-	-	-	-	-	-
Supply Inventory	-	-	-	-	-	-	-
Accounts Receivable	41,250	-	-	31,869	-	-	-
TOTAL ASSETS	<u>\$ 41,250</u>	<u>\$ 1,682</u>	<u>\$ 8,955</u>	<u>\$ 31,869</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,846</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Deferred Revenue	\$ -	\$ 1,682	\$ 8,955	\$ -	\$ -	\$ -	\$ -
Accounts Payable	-	-	-	-	-	-	-
Due to Other Funds	41,250	-	-	31,869	-	-	-
TOTAL LIABILITIES	41,250	1,682	8,955	31,869	-	-	-
Fund Balances:							
Adjustments for Inventories reported under the purchase method	-	-	-	-	-	-	-
Nonspendable							
Restricted	-	-	-	-	-	-	3,846
Committed	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 41,250</u>	<u>\$ 1,682</u>	<u>\$ 8,955</u>	<u>\$ 31,869</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,846</u>

PPC Grant Fund	C-Tec Youth Services Fund	Vocational Education Fund	Title IA/D Fund	Title I Fund	IDEA Enhancement Fund	IDEA Fund	Title IIA Fund
\$ 142,782	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	16,170	14,490	377,091	730,887	203	101,591
<u>\$ 142,782</u>	<u>\$ -</u>	<u>\$ 16,170</u>	<u>\$ 14,490</u>	<u>\$ 377,091</u>	<u>\$ 730,887</u>	<u>\$ 203</u>	<u>\$ 101,591</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	16,170	14,490	377,091	730,887	203	101,591
-	-	16,170	14,490	377,091	730,887	203	101,591
-	-	-	-	-	-	-	-
142,782	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 142,782</u>	<u>\$ -</u>	<u>\$ 16,170</u>	<u>\$ 14,490</u>	<u>\$ 377,091</u>	<u>\$ 730,887</u>	<u>\$ 203</u>	<u>\$ 101,591</u>

Youth Transition Program Fund	Title III Fund	Disabled Child Fund	Land Proceeds Fund	Food Service Fund	Community Education Fund	Total
\$ -	\$ -	\$ 129,009	\$ -	\$ -	\$ 95,848	\$ 382,122
-	-	-	1,232,139	-	-	1,232,139
-	-	-	-	63,412	-	63,412
35,646	-	287,905	-	111,786	15,291	1,764,179
<u>\$ 35,646</u>	<u>\$ -</u>	<u>\$ 416,914</u>	<u>\$ 1,232,139</u>	<u>\$ 175,198</u>	<u>\$ 111,139</u>	<u>\$ 3,441,852</u>

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,637
-	-	-	-	-	37,390	37,390
35,646	-	-	-	388,924	-	1,738,121
35,646	-	-	-	388,924	37,390	1,786,148
-	-	-	-	63,412	-	63,412
-	-	416,914	1,232,139	(277,138)	73,749	1,592,292
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 35,646</u>	<u>\$ -</u>	<u>\$ 416,914</u>	<u>\$ 1,232,139</u>	<u>\$ 175,198</u>	<u>\$ 111,139</u>	<u>\$ 3,441,852</u>

Reconciliation of Due to and Due From

Due From Other Funds	\$ 382,122
Due To Other Funds	<u>(1,738,121)</u>

Total Due To Other Funds \$ (1,355,999)

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, 2012

	Columbia Regional Autism Fund	ASPIRE Grant Fund	SOAR Fund	Mentoring Teachers Grant Fund	M Lamfrom Greenhouse Grant Fund	Farm to School Fund	OCF Garden Grant Fund	PPC Grant Fund
REVENUES:								
Local Sources	\$ -	\$ 318	\$ 10,879	\$ 3,716	\$ 21,789	\$ 7,652	\$ 9,991	\$ 142,782
Intermediate Sources	-	-	-	-	-	-	-	-
State Sources	-	-	-	34,597	-	-	-	-
Federal Sources	110,565	-	-	16,137	-	-	-	-
Total Revenues	<u>110,565</u>	<u>318</u>	<u>10,879</u>	<u>54,450</u>	<u>21,789</u>	<u>7,652</u>	<u>9,991</u>	<u>142,782</u>
EXPENDITURES:								
Instruction	110,565	318	12,223	-	21,789	7,652	14,199	-
Support Services	-	-	-	52,363	-	-	-	-
Enterprise and Community Services	-	-	-	-	-	-	-	-
Other Objects	-	-	769	2,087	-	-	701	-
Total Expenditures	<u>110,565</u>	<u>318</u>	<u>12,992</u>	<u>54,450</u>	<u>21,789</u>	<u>7,652</u>	<u>14,900</u>	<u>-</u>
Excess of Revenues Over (Under)								
Expenditures	-	-	(2,113)	-	-	-	(4,909)	142,782
OTHER FINANCING SOURCES:								
Transfers In	-	-	-	-	-	-	-	-
Total Other Financing Sources								
(Uses)	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	(2,113)	-	-	-	(4,909)	142,782
FUND BALANCE, July 1, 2011	-	-	2,113	-	-	-	8,755	-
FUND BALANCE, June 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,846</u>	<u>\$ 142,782</u>

(1) Appropriation level

C-Tec Youth Services Fund	Vocational Education Fund	Title IA/D Fund	Title I Fund	IDEA Enhancement Fund	IDEA Fund	Title IIA Fund	Youth Transition Program Fund	Title III Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8,950	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	16,170	48,266	495,358	1,342,467	1,788	126,989	83,154	38,166
8,950	16,170	48,266	495,358	1,342,467	1,788	126,989	83,154	38,166
8,950	16,170	48,155	475,982	781,999	1,585	124,764	80,152	31,338
-	-	-	-	516,798	203	-	-	6,828
-	-	-	-	-	-	-	-	-
-	-	111	19,376	43,670	-	2,225	3,002	-
8,950	16,170	48,266	495,358	1,342,467	1,788	126,989	83,154	38,166
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Disabled Child Fund	Land Proceeds Fund	Food Service Fund	Community Education Fund	Total	Budget		Variance with Final Budget Positive (Negative)
					Adopted	Final	
\$ -	\$ 6,491	\$ 629,317	\$ 236,108	\$ 1,069,043	\$ 1,730,986	\$ 1,730,986	\$ (661,943)
575,810	-	-	-	584,760	615,000	615,000	(30,240)
-	-	15,550	-	50,147	19,423	19,423	30,724
-	-	765,141	-	3,044,201	2,800,471	2,800,471	243,730
575,810	6,491	1,410,008	236,108	4,748,151	5,165,880	5,165,880	(417,729)
38,214	-	-	-	1,774,055	2,101,432	2,101,432	(1) 327,377
207,222	97	-	-	783,511	543,730	543,730	(1) (239,781)
-	-	1,724,628	170,711	1,895,339	2,596,970	2,596,970	(1) 701,631
13,826	-	39,052	6,187	131,006	155,653	155,653	(1) 24,647
259,262	97	1,763,680	176,898	4,583,911	5,397,785	5,397,785	813,874
316,548	6,394	(353,672)	59,210	164,240	(231,905)	(231,905)	396,145
-	-	70,000	-	70,000	226,905	226,905	(156,905)
-	-	70,000	-	70,000	226,905	226,905	(156,905)
316,548	6,394	(283,672)	59,210	234,240	(5,000)	(5,000)	239,240
100,366	1,225,745	6,534	14,539	1,358,052	1,229,747	1,229,747	128,305
\$ 416,914	\$ 1,232,139	\$ (277,138)	\$ 73,749	\$ 1,592,292	\$ 1,224,747	\$ 1,224,747	\$ 367,545

Reconciliation to GAAP Basis Ending Fund Balance

Budgetary Basis Ending Fund Balance	\$ 1,592,292
Supply Inventory	63,412
GAAP Basis Ending Fund Balance	<u>\$ 1,655,704</u>

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

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Year Ended June 30, 2012

	<u>BALANCE AT 7/1/11</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE AT 6/30/12</u>
STUDENT ACTIVITY FUNDS:				
ASSETS:				
Cash and Investments	\$ 1,175,802	\$ 2,195,796	\$ 2,272,751	\$ 1,098,847
Total Assets	<u>\$ 1,175,802</u>	<u>\$ 2,195,796</u>	<u>\$ 2,272,751</u>	<u>\$ 1,098,847</u>
LIABILITIES:				
Due to Student Organizations	\$ 1,175,802	\$ 2,195,796	\$ 2,272,751	\$ 1,098,847
Total Liabilities	<u>\$ 1,175,802</u>	<u>\$ 2,195,796</u>	<u>\$ 2,272,751</u>	<u>\$ 1,098,847</u>

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

SCHEDULE OF PROPERTY TAX TRANSACTIONS
YEAR ENDED JUNE 30, 2012

GENERAL FUND

Tax Year	Original Levy or Balance Uncollected 7/1/11	Deduct Discounts	Adjustments To Rolls	Add Interest	Cash Collections By County Treasurer	Balance Uncollected Or Unsegregated 6/30/2012
Current:						
2011-12	\$ 30,051,043	\$ (737,449)	\$ (96,237)	\$ 121	\$ 28,237,726	\$ 979,752
Prior Years:						
2010-11	1,012,042	3,770	226,837	522	721,412	521,759
2009-10	456,746	3,466	(23,493)	425	89,721	347,423
2008-09	239,126	16	(11,201)	459	123,926	104,474
2007-08	69,919	7	(3,804)	152	46,356	19,918
2006-07 & Prior	49,427	3	(3,724)	31	12,568	33,169
Total Prior	1,827,260	7,262	184,615	1,589	993,983	1,026,743
Total General Fund	<u>\$ 31,878,303</u>	<u>\$ (730,187)</u>	<u>\$ 88,378</u>	<u>\$ 1,710</u>	<u>\$ 29,231,709</u>	<u>\$ 2,006,495</u>

RECONCILIATION TO REVENUE:

Cash Collections by County Treasurers Above	\$ 29,231,709
Accrual of Receivables:	
Other Taxes	68
June 30, 2011	(176,994)
June 30, 2012	156,825
Total Revenue (including penalties and interest on taxes)	<u>\$ 29,211,608</u>

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

SCHEDULE OF PROPERTY TAX TRANSACTIONS
YEAR ENDED JUNE 30, 2012

DEBT SERVICE FUND

Tax Year	Original Levy or Balance Uncollected 7/1/11	Deduct Discounts	Adjustments To Rolls	Add Interest	Cash Collections By County Treasurer	Balance Uncollected Or Unsegregated 6/30/2012
Current:						
2011-12	\$ 18,088,674	\$ (443,894)	\$ (57,928)	\$ 73	\$ 16,997,181	\$ 589,744
Prior Years:						
2010-11	561,662	2,270	69,846	314	320,028	314,064
2009-10	253,484	2,086	7,305	256	54,006	209,125
2008-09	132,710	10	4,485	276	74,595	62,886
2007-08	38,804	4	993	91	27,903	11,989
2006-07 & Prior	27,431	2	79	19	7,566	19,965
Total Prior	1,014,091	4,372	82,708	956	484,098	618,029
Total Debt Service Fund	\$ 19,102,765	\$ (439,522)	\$ 24,780	\$ 1,029	\$ 17,481,279	\$ 1,207,773

RECONCILIATION TO REVENUE:

Cash Collections by County Treasurers Above	\$ 17,481,279
Accrual of Receivables:	
Other Taxes	-
June 30, 2011	(98,228)
June 30, 2012	92,265
Total Revenue (including penalties and interest on taxes)	\$ 17,475,316

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

SCHEDULE OF BOND AND INTEREST TRANSACTIONS AND BALANCES
For The Year Ended June 30, 2012

DATE OF ISSUE	MATURED BONDS & COUPONS OUTSTANDING AT 7/1/11	BONDS & COUPONS MATURING DURING THE YEAR	BONDS REDEEMED AND COUPONS PAID DURING THE YEAR	MATURED BONDS & COUPONS OUTSTANDING AT 6/30/12
11/30/2004	\$ -	\$ 4,225,375	\$ 4,225,375	\$ -
3/1/2004	-	2,729,889	2,729,889	-
05/28/03	-	5,733,250	5,733,250	-
2/24/2009	-	7,391,194	7,391,194	-
TOTALS:	\$ -	\$ 20,079,708	\$ 20,079,708	\$ -

This Page Intentionally Left Blank

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

SCHEDULE OF BOND REDEMPTION AND INTEREST REQUIREMENTS

June 30, 2012

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
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	\$ 57,272,238	\$ 54,051,513	\$ 41,155,000	\$ 24,149,520	\$ 21,645,000	\$ 3,261,313

ISSUE OF 2/24/09		TOTAL REQUIREMENTS	
PRINCIPAL	INTEREST	ALL ISSUES	
Due 6/15	Due 12/15 & 6/15	PRINCIPAL	INTEREST
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>\$ 91,355,000</u>	<u>\$ 71,529,131</u>	<u>\$ 211,427,238</u>	<u>\$ 152,991,477</u>

This Page Intentionally Left Blank

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

OTHER INFORMATION –
OREGON DEPARTMENT OF EDUCATION SCHEDULES

This Page Intentionally Left Blank

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

Revenue from Local Sources

	FUND 100	FUND 200	FUND 300	FUND 400	FUND 700
1110 Ad Valorem Taxes Levied by District	\$ 26,047,839		\$ 17,475,316		
1120 Local Option Ad Valorem Taxes Levied by	3,163,769				
1130 Construction Excise Tax				738,895	
1190 Penalties and Interest on Taxes	471		316		
1310 Regular Day School Tuition	885,698				
1320 Adult/Continuing Education Tuition					
1330 Summer School Tuition	27,975				
1500 Earnings on Investments	134,019	6,491	1,555	156,369	1,254
1600 Food Service		622,167			
1700 Extracurricular Activities	912,713				2,195,796
1910 Rentals	98,051	243,244			
1920 Contributions and Donations From Private	150,653	10,879			
1970 Services Provided Other Funds			2,729,889		
1990 Miscellaneous	304,126	186,263	36,984		
Total Revenue from Local Sources	\$ 31,725,313	\$ 1,069,044	\$ 20,244,060	\$ 895,264	\$ 2,197,050

Revenue from Intermediate Sources

	FUND 100	FUND 200	FUND 300	FUND 400	FUND 700
2101 County School Funds	\$ 100,691				
2199 Other Intermediate Sources		584,759			
Total Revenue from Intermediate Sources	\$ 100,691	\$ 584,759	\$ -	\$ -	\$ -

Revenue from State Sources

	FUND 100	FUND 200	FUND 300	FUND 400	FUND 700
3101 State School Fund - General Support	\$ 31,297,057				
3102 State School Fund - School Lunch Match		15,550			
3103 Common School Fund	683,902				
3199 Other Unrestricted Grants-in-Aid	147,108				
3299 Other Restricted Grants-in-Aid	1,766,280	34,597			
Total Revenue from State Sources	\$ 33,894,347	\$ 50,147	\$ -	\$ -	\$ -

Revenue from Federal Sources

	FUND 100	FUND 200	FUND 300	FUND 400	FUND 700
4100 Unrestricted Rev. Dir. Federal Government					
4500 Restricted Rev. Federal Gov. Through State	38,009	2,826,623			
4700 Grants-In-Aid Fed. Gov. Thru Interim. Agencies		83,154			
4801 Federal Forest Fees	48,301				
4900 Revenue for/on Behalf of the District		134,424			
Total Revenue from Federal Sources	\$ 86,310	\$ 3,044,201	\$ -	\$ -	\$ -

Revenue from Other Sources

	FUND 100	FUND 200	FUND 300	FUND 400	FUND 700
5100 Long Term Debt Financing Sources					
5200 Interfund Transfers		70,000			
5300 Sale (Loss) from Fixed Asset Disposal					
5400 Resources - Beginning Fund Balance	4,743,232	1,453,532	493,745	57,548,496	1,412,599
Total Revenue from Other Sources	4,743,232	1,523,532	493,745	57,548,496	1,412,599

Grand Totals

\$ 70,549,894	\$ 6,271,684	\$ 20,737,805	\$ 58,443,760	\$ 3,609,649
----------------------	---------------------	----------------------	----------------------	---------------------

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

General Fund

Instruction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Primary, K-3	\$ 15,876,911	\$ 10,395,821	\$ 5,164,573	\$ 51,000	\$ 265,236	\$ -	\$ 281	\$ -
1112 Intermediate Programs	702	560	142	-	-	-	-	-
1121 Middle/Junior High Programs	7,575,625	4,904,852	2,494,083	97,889	78,427	-	374	-
1122 Middle/Junior High School Extracurricular	199,075	93,929	25,247	16,604	61,250	-	2,045	-
1131 High School Programs	9,553,456	6,113,215	3,057,260	147,928	233,478	-	1,574	-
1132 High School Extracurricular	1,477,470	1,006,127	224,359	125,186	89,928	-	31,870	-
1140 Pre-Kindergarten Programs	364,434	261,269	98,912	-	4,253	-	-	-
1210 Programs for the Talented and Gifted	336,882	84,508	75,714	162,760	13,561	-	340	-
1220 Restrictive Programs for Students with Disabilities	1,685,434	1,013,649	570,195	93,299	8,291	-	-	-
1250 Less Restrictive Programs for	2,235,809	1,468,641	718,948	35,151	13,069	-	-	-
1280 Alternative Education	1,072,483	327,068	130,028	609,114	5,703	-	570	-
1291 English Second Language Programs	326,151	221,063	104,828	-	260	-	-	-
1299 Other Programs	300,854	178,667	83,495	23,656	15,016	-	20	-
1400 Summer School Programs	88,399	58,904	14,632	13,921	941	-	-	-

Total Instruction Expenditures \$ 41,093,684 \$ 26,128,273 \$ 12,762,415 \$ 1,376,509 \$ 789,412 \$ - \$ 37,075 \$ -

Support Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2120 Guidance Services	\$ 1,387,355	\$ 910,666	\$ 469,523	\$ 50	\$ 3,374	\$ -	\$ 3,742	\$ -
2130 Health Services	244,759	149,071	79,968	8,384	7,017	-	319	-
2140 Psychological Services	33,715	137	2,936	29,729	912	-	-	-
2150 Speech Pathology and Audiology Services	566,219	362,163	176,196	24,016	3,844	-	-	-
2190 Service Direction, Student Support Services	383,864	177,734	77,682	119,927	8,432	-	89	-
2210 Improvement of Instruction Services	446,987	217,393	93,677	110,002	25,825	-	90	-
2220 Educational Media Services	1,031,655	620,305	299,430	10,505	101,275	140	-	-
2240 Instructional Staff Development	237,767	-	237,767	-	-	-	-	-
2310 Board of Education Services	95,052	-	-	81,540	4,854	-	8,658	-
2320 Executive Administration Services	469,392	280,575	123,116	38,508	17,539	-	9,653	-
2410 Office of the Principal Services	4,393,719	2,694,291	1,447,355	217,500	33,749	-	823	-
2510 Direction of Business Support Services	491,029	93,018	43,988	20,421	1,403	-	332,200	-
2520 Fiscal Services	433,547	245,031	140,982	40,731	6,443	-	360	-
2540 Operation and Maintenance of Plant Services	6,286,456	2,274,219	1,379,381	2,262,182	370,573	-	100	-
2550 Student Transportation Services	3,935,882	-	-	3,935,882	-	-	-	-
2570 Internal Services	152,801	64,367	37,314	50,724	397	-	-	-
2640 Staff Services	349,222	196,129	85,539	63,398	3,981	-	175	-
2660 Technology Services	871,054	367,437	214,502	31,351	257,764	-	-	-
2700 Supplemental Retirement Program	1,653,226	423,441	1,229,785	-	-	-	-	-

Total Support Services Expenditures \$ 23,463,700 \$ 9,075,978 \$ 6,139,140 \$ 7,044,850 \$ 847,383 \$ 140 \$ 356,210 \$ -

Other Uses Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	\$ 2,565,925			\$ 1,250			\$ 2,564,675	
5200 Transfers of Funds	-							
5400 PERS UAL Bond Lump Sum								70,000

Total Other Uses Expenditures \$ 2,635,925 \$ - \$ - \$ 1,250 \$ - \$ - \$ 2,564,675 \$ 70,000

Grand Total \$ 67,193,310 \$ 35,204,251 \$ 18,901,555 \$ 8,422,609 \$ 1,636,795 \$ 140 \$ 2,957,960 \$ 70,000

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

Special Revenue Fund

Instruction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
1111 Primary, K-3	\$ 156,102	\$ 109,119	\$ 46,203	\$ 780			
1112 Intermediate Programs	-						
1131 High School Programs	16,170				16,170		
1140 Pre-Kindergarten Programs	-						
1220 Restrictive Programs for Students with Disabilities	817,761	524,344	267,394	7,880	18,143		
1250 Less Restrictive Programs for	194,754	128,538	63,029	3,187			
1272 Title I	524,137	372,105	150,656	-	1,376		
1291 English Second Language Programs	-						
1293 Migrant Education	-						
1299 Other Programs	52,908	17,914	4,007	1,543	29,445		
1400 Summer School Programs	12,223	9,684	2,032		506		

Total Instruction Expenditures \$ 1,774,056 \$ 1,161,705 \$ 533,321 \$ 13,389 \$ 65,641 \$ - \$ -

Support Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
2140 Psychological Services	\$ 203,042	\$ 136,473	\$ 66,569				
2150 Speech Pathology and Audiology Services	\$ 8,650			\$ 8,650			
2160 Other Student Treatment Services	\$ 239,355	\$ 98,151	\$ 73,305	\$ 65,507	\$ 2,391		
2190 Service Direction, Student Support Services	273,176	128,140	71,517	71,592	1,333	-	595
2210 Improvement of Instruction Services	59,192	47,745	7,024	4,322	101		
2520 Fiscal Services				97			
2660 Technology Services	-						

Total Support Services Expenditures \$ 783,511 \$ 410,509 \$ 218,415 \$ 150,168 \$ 3,824 \$ - \$ 595

Enterprise and Community Services	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
3100 Food Services	\$ 1,724,628	\$ 668,596	\$ 408,362	\$ 16,413	\$ 630,094	\$ -	\$ 1,163
3300 Community Services	170,711.69	98,097	60,010	11,926	679		

Total Enterprise and Community Services Expenditures \$ 1,895,339 \$ 766,693 \$ 468,371 \$ 28,339 \$ 630,773 \$ - \$ 1,163

Other Uses Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600
5400 PERS UAL Bond Lump Sum	\$ 131,006						\$ 131,006

Total Other Uses Expenditures \$ 131,006 \$ - \$ - \$ - \$ - \$ - \$ 131,006

Grand Total \$ 4,583,913 \$ 2,338,907 \$ 1,220,108 \$ 191,896 \$ 700,238 \$ - \$ 132,764

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

Debt Service Fund

Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	\$ 20,085,333						\$ 20,085,333	
5200	Transfers of Funds	-							
5300	Apportionment of Funds by ESD	-							
5400	PERS UAL Bond Lump Sum	-							
Total Other Uses									
Expenditures		\$ 20,085,333	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,085,333	\$ -
Grand Total		\$ 20,085,333	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,085,333	\$ -

Capital Projects Fund

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110	\$ 1,125,263	\$ 718,590	\$ 400,851	\$ 5,822				
4120 Site Acquisition and Development Services	-							
4150 Building Acquisition, Construction, and Improvement Services	34,095,027	80,172	42,017	2,370,003	716,756	30,886,078		
4190 Other Facilities Construction Services	-							

Total Facilities Acquisition and Construction Expenditures

	\$ 35,220,290	\$ 798,762	\$ 442,868	\$ 2,375,825	\$ 716,756	\$ 30,886,078	\$ -	\$ -
Grand Total	\$ 35,220,290	\$ 798,762	\$ 442,868	\$ 2,375,825	\$ 716,756	\$ 30,886,078	\$ -	\$ -

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, 2012

A. Energy bills for heating - all funds:		<u>Objects 325 and 326</u>
	Function 2540	\$ 1,317,776
	Function 2550	-

B. Replacement of equipment - General Fund:				<u>Amount</u>
Include all General Fund expenditures in Object 542, except for the following exclusions:				
Exclude these functions:				
1113, 1122 & 1132	Co-curricular activities	4150	Construction	\$ 140
1140	Pre-kindergarten	2550	Pupil transportation	
1300	Continuing education	3100	Food service	
1400	Summer school	3300	Community services	

Statistical Section

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

STATISTICAL SECTION

Statistical Section

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

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.

54

Revenue Capacity

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

58

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.

62

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.

66

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.

68

Sources:

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The District implemented GASB Statement 34 in 2002-03; schedules presenting government-wide information include information beginning in that year.

This Page Intentionally Left Blank

Condensed Statement of Net Assets
Last Ten 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	<u>100,620,543</u>	<u>113,695,823</u>	<u>147,835,489</u>	<u>171,507,759</u>	<u>167,796,816</u>	<u>162,366,848</u>
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	<u>6,491,152</u>	<u>8,176,562</u>	<u>9,740,146</u>	<u>6,935,527</u>	<u>12,122,461</u>	<u>10,450,967</u>
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
Restricted for Grants and Other Purposes						
Unrestricted	<u>1,761,244</u>	<u>658,198</u>	<u>(7,775,544)</u>	<u>(33,659,804)</u>	<u>(3,974,199)</u>	<u>(4,255,234)</u>
Total Net Assets	<u>\$ 16,417,756</u>	<u>\$ 21,024,610</u>	<u>\$ 24,255,714</u>	<u>\$ 34,461,348</u>	<u>\$ 39,573,503</u>	<u>\$ 44,769,797</u>

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 117,898,306	\$ 96,810,573	\$ 75,828,619	\$ 44,826,159
30,728,898	29,111,587	27,494,277	25,876,966
162,711,325	177,196,765	180,140,259	209,736,544
311,338,529	303,118,925	\$ 283,463,155	\$ 280,439,669
247,384,871	239,269,721	\$ 229,592,681	\$ 218,326,577
-	-	-	-
15,812,732	12,342,167	9,169,717	12,987,009
263,197,603	251,611,888	238,762,398	231,313,586
59,549,087	62,777,910	59,613,789	68,047,630
2,305,898	82,853	493,745	652,473
	72,007	133,307	1,592,292
(13,714,059)	(11,425,733)	(15,540,084)	(21,166,312)
\$ 48,140,926	\$ 51,507,037	\$ 44,700,757	\$ 49,126,083

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

Governmental Activities

	Fiscal year					
	2003	2004	2005	2006	2007	2008
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>

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$	47,661,417	46,110,257	52,769,920	46,530,573
	27,434,864	25,388,997	29,987,705	25,248,894
	2,439,278	2,451,763	2,625,723	2,137,665
	389,427	-	-	-
	9,625,281	12,522,456	11,394,527	11,082,263
	87,550,267	86,473,473	96,777,875	84,999,395
	3,814,949	3,554,281	3,364,167	3,918,688
	-	-	-	-
	-	-	-	-
	-	-	-	-
	4,939,831	6,358,624	6,371,222	3,721,870
	-	-	-	-
	-	-	-	-
	-	-	-	-
	8,754,780	9,912,905	9,735,389	7,640,558
	(78,795,487)	(76,560,568)	(87,042,486)	(77,358,837)
	38,002,939	40,965,816	42,840,890	43,922,204
	7,420,022	6,736,010	4,861,280	3,164,769
	34,928,350	30,936,476	29,912,976	33,928,944
	557,637	871,427	659,793	299,687
	449,631	416,950	383,063	407,133
	-	-	1,578,204	61,426
	81,358,579	79,926,679	80,236,206	81,784,163
\$	2,563,092	3,366,111	(6,806,280)	4,425,326

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

	Fiscal years 2003-2007				
	2003	2004	2005	2006	2007
Fund Balances (Deficit)					
Nonspendable	\$ -	\$ -	\$ -		\$ -
Restricted for:					
General Fund	\$ -	\$ -	\$ -	\$ -	-
Debt service funds	2,540,585	3,943,605	3,141,291	2,954,391	-
Future Capital Projects					
Committed					
Unassigned					
Reserved, reported in					
General Fund					66,402
Debt service funds					3,324,655
Unreserved, reported in					
General Fund	1,470,692	2,717,453	1,020,304	790,382	1,743,775
Special revenue funds	70,504	51,653	65,772	196,097	(79,268)
Capital projects funds	70,612,018	55,964,637	21,402,101	1,155,172	679,273
Total fund balances	<u>\$ 74,693,799</u>	<u>\$ 62,677,348</u>	<u>\$ 25,629,468</u>	<u>\$ 5,096,042</u>	<u>\$ 5,734,837</u>

	Fiscal years 2008-2012				
	2008	2009	2010	2011	2012
Fund Balances (Deficit)					
Nonspendable	\$ -	\$ -	\$ -	\$ 178,973	\$ 155,927
Restricted for:					
Grants and Other	-	-	-	133,307	1,592,292
Debt Service	-	-	-	493,745	652,473
Future Capital Projects				57,548,496	23,223,469
Committed				1,224,746	-
Unassigned				4,659,738	3,255,981
Reserved, reported in					
General Fund	119,842	89,073	72,007	-	-
Debt service funds	3,391,956	2,305,898	82,853	-	-
Unreserved, reported in					
General Fund	2,509,842	1,562,018	2,439,735	-	-
Special revenue funds	262,444	120,015	300,976	-	-
Capital projects funds	580,102	96,932,803	78,851,796	-	-
Total fund balances	<u>\$ 6,864,186</u>	<u>\$ 101,009,807</u>	<u>\$ 81,747,367</u>	<u>\$ 64,239,005</u>	<u>\$ 28,880,142</u>

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

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

	Fiscal year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	\$ 54,921,063	\$ 53,933,679
Intermediate Sources:	596,173	587,001	614,729	599,640	633,717	613,328	692,997	643,999	556,127	685,451
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	29,932,984	33,944,494
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	5,806,422	3,130,511
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	91,216,596	91,694,135
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	40,239,385	42,867,738
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	23,689,350	24,247,333
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	1,956,123	1,895,339
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	22,538,547	35,220,168
Debt Service										
Principal	4,105,000	6,465,000	7,430,000	8,500,000	9,560,000	10,560,000	11,770,000	9,883,000	10,785,000	10,305,375
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	11,074,527	12,476,888
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	110,282,932	127,012,841
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)	(19,066,336)	35,318,706
OTHER FINANCING SOURCES, (USES):										
Sale of Fixed Assets	2,794,225	1,610			750,000	350,000	-	-	1,529,687	-
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	270,000	70,000
Transfers Out		(82,824)	(75,000)	(35,000)	(71,225)	(630,000)	(175,000)	(210,000)	(270,000)	(70,000)
TOTAL OTHER FINANCING SOURCES	80,281,219	42,181,610	71,100	-	750,000	350,000	100,355,737	-	1,529,687	-
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)	(17,536,649)	(35,318,706)
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	81,747,367	64,239,005
Adjustment for Inventories reported under the purchase method	35,083	5,297	40,617	151	14,291	108,443	5,851	(2,511)	28,287	(40,157)
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	\$ 64,239,005	\$ 28,880,142
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	0.249	0.219

**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		
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
2011	5,855,503,933	144,297,381	5,999,801,314	8.63	7,450,639,449	144,297,381	7,594,936,830	79.0
2012	6,013,239,941	130,267,169	6,143,507,110	9.36	6,978,592,430	130,267,169	7,108,859,599	86.4

Source:

Assessors office of both Clackamas and Washington Counties.

* Per \$1,000 of Assessed Value

This Page Intentionally Left Blank

**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
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
2011	4.84	0.82	-	2.97	8.63
2012	4.87	0.52	-	2.99	8.38

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
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
2011	2.45	2.20	0.70	3.13	0.36	1.88	0.40
2012	2.42	2.20	0.68	3.31	0.36	1.93	0.31

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 2011-12 is \$.52. 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	0.12	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
0.07	0.09	2.53	2.98	5.18
0.07	0.06	2.56	2.97	5.18

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

Employer	Type of Business	2011-12	
		Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Portland General Electric	Electric	555,237,000	24.87%
Shorenstein Properties	Real Estate	260,620,401	11.67%
General Growth Properties	Real Estate Investment Trust	205,653,826	9.21%
Northwest Natural Gas Co	Natural Gas	194,463,600	8.71%
Clackamas Baking Plant	Bakery	181,846,215	8.14%
Comcast Corporation	Television and Internet	149,777,000	6.71%
Xerox Corporation	Document Imaging	85,169,272	3.81%
PCC Structurals Inc	Manufacturing	81,109,421	3.63%
Blount Inc	Manufacturing	68,429,283	3.06%
Thomson Reuters PTS Inc	Post Trade Services	65,753,150	2.94%
ALL OTHER TAXPAYERS		384,871,304	17.24%
TOTAL		2,232,930,472	100.00%

Employer	Type of Business	2000-01	
		Value	Total Taxable
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%
Deloitte & 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
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
2011	49,197,378	46,235,456	93.98	1,695,545	47,931,001	97.43
2012	48,139,714	45,362,760	94.23	1,324,095	46,686,855	96.98

Note:

Net taxes levied are combined for Clackamas and Washington counties. Responsibility for the collection of all property taxes rests within the County's Department of Assessment and Taxation. Current taxes are assessed as of July, become due as of November 15 and become delinquent as of May 15. Assessed taxes become a lien upon real property in the fourth year of delinquency. Proceeds of tax sales are applied to delinquent taxes, interest and other costs attributable to the property sold.

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

Fiscal Year	Governmental Activities			Outstanding Debt Per Capita	Outstanding Debt as a Percentage of Personal Income (1)
	General Obligation Bonds	Pension Obligation Bonds	Total Primary Government		
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	1.77
2010	191,637	41,955	233,592	5,398	1.68
2011	181,492	41,635	223,127	5,107	1.50
2012	170,272	41,155	211,427	4,687	1.17

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

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

Direct and Overlapping Governmental Activities Debt
As of June 30, 2012

Overlapping Issuer	Net Property-tax Backed Debt ¹	Percent Overlapping	Net Overlapping Debt
Clackamas Community College	30,100,000	20.93%	6,299,930
City of West Linn	20,660,000	99.00%	20,453,400
METRO	273,485,000	3.55%	9,708,718
Clackamas County	72,910,000	15.15%	11,045,865
Washington County	14,325,000	0.15%	21,488
Portland Community College	191,375,000	0.06%	114,825
Tri-Met	9,800,000	2.60%	254,800
City of Tualatin	9,010,000	1.75%	157,675
Tualatin Valley Fire & Rescue Dist.	47,470,000	12.75%	6,052,425
City of Lake Oswego	35,266,913	0.00%	-
Subtotal, overlapping debt	\$ 704,401,913		54,109,126
Direct District net property-tax backed debt	\$ 211,427,238	100%	211,427,238
Total direct and overlapping debt	\$ 915,829,151		\$ 265,536,364

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

Source:

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

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

Fiscal Year	General Bonded Debt			Percentage of Actual Taxable Value of Property (1)	Net G.O. Debt per Student Average Daily Membership (2)		
	General Obligation Bonds	Less Amount Available for Repayment	Net General Obligation Bonds Outstanding				
2003	157,772,238		157,772,238	4.48%	20,872		
2004	151,307,238		151,307,238	4.04%	19,833		
2005	143,472,238		143,472,238	3.61%	18,698		
2006	134,972,238	-	134,972,238	3.21%	17,278		
2007	125,412,238	-	125,412,238	2.67%	15,696		
2008	114,852,238		114,852,238	2.34%	14,251		
2009	201,162,238		201,162,238	3.83%	24,998		
2010	191,637,238		191,637,238	3.44%	23,762		
2011	181,492,238		181,492,238	3.02%	22,357		
2012	170,272,238		170,272,238	2.77%	20,828		

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			
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
2011			41,635,000		223,127,238	27,485	5,107
2012			41,135,000		211,428,238	25,863	4,687

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 45,107 for 2011-12

Fiscal Year	ADM	Population
2003	7,559	38,747
2004	7,629	39,970
2005	7,673	40,329
2006	7,812	40,566
2007	7,990	41,065
2008	8,059	41,373
2009	8,047	42,400
2010	8,065	43,276
2011	8,118	43,687
2012	8,175	45,107

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

Legal Debt Margin Calculation for Fiscal Year 2010

Real Market Value	\$ 7,108,859,599
Debt Limit (7.95%) ¹	565,154,338
Amount of Debt Applicable to Debt Limit:	
General Obligation Bonded Debt	170,272,238
Less: Amount Available in Debt Service Funds	-
Amount of Debt Applicable to Debt Limit	<u>170,272,238</u>
Legal Debt margin	<u>\$ 394,882,100</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>	<u>2011</u>	<u>2012</u>
Debt Limit	\$ 403,439,513	\$ 427,845,581	\$ 461,935,276	\$ 513,768,038	599,974,223	715,000,463	742,502,737	674,827,991	603,797,478	565,154,338
Total net debt applicable to limit	<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>	<u>181,492,238</u>	<u>170,272,238</u>
Legal debt margin	<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>	<u>\$ 422,305,240</u>	<u>\$ 394,882,100</u>
Total net debt applicable to the limit as a percentage of debt limit	39.11%	35.36%	31.06%	26.85%	20.90%	16.06%	27.09%	28.40%	30.06%	30.13%

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
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	16,853,655	43,646	10.4%
2010	43,276	16,945,867	44,954	10.1%
2011	43,687	N/A	N/A	8.6%
2012	45,107	N/A	N/A	7.7%

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)

⁴ For constituents residing in Clackamas County

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

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<u>Instructional Staff</u>							
Primary, K-5 Instruction	193.11	137.00	129.16	140.32	140.72	133.47	127.24
Intermediate, 4-5 Instruction (2)		70.23	68.30	71.02	70.32	67.98	64.86
Middle School Instruction	85.19	101.46	99.51	107.42	106.92	98.42	97.81
High School Instruction	100.53	110.60	108.56	117.82	116.12	109.24	105.81
High School Activities	2.60	2.20	2.20	2.20	2.20	1.88	0.00
Pre-Kindergarten Instruction	5.52	7.28	6.48	5.59	5.59	4.94	4.75
Talented & Gifted	1.76	2.61	2.61	2.51	2.51	2.45	2.00
High Needs Students	30.89	39.53	37.90	47.75	47.05	38.69	38.50
Emotionally Disturbed		0	0	0	0	0	0
Resource Rooms	28.82	36.73	41.53	45.69	45.49	46.13	44.43
Alternative Education	6.19	4.90	5.90	1.15	1.15	0.67	2.11
Charter Schools		0.00	1.25	0.00	0.00	1.63	1.63
English - Second Language	3.70	7.31	6.50	11.01	11.01	10.91	13.80
CREST	3.00	2.75	2.75	2.50	2.50	2.50	0.00
Subtotal Instructional Staff	461.31	522.60	512.65	554.98	551.58	518.91	502.94
<u>Support Services Staff</u>							
Counseling	18.50	18.25	17.50	19.70	19.30	19.30	19.30
District Nurse	3.00	3.15	3.37	3.12	3.12	3.00	2.50
Psychological Services		0.60	0.00	3.50	3.50	5.40	5.40
Speech	5.00	2.55	3.05	9.85	9.55	9.85	9.05
Special Services-Direction	2.00	3.21	3.00	4.00	4.00	4.00	4.00
Curriculum Development	2.00	2.00	2.50	2.31	2.31	1.50	2.39
Curriculum - Direction	1.00	1.50	1.50	0.50	0.50	0.54	0.54
Libraries-Media	14.84	19.70	18.40	20.60	21.40	20.40	21.31
Executive Administration	1.50	2.00	2.00	3.00	3.00	3.00	3.00
Office of the Principal	36.50	45.10	43.60	45.60	45.60	42.60	41.10
Business - Direction	0.89	1.88	0.83	1.00	1.00	1.00	0.00
Fiscal Office	4.61	5.63	5.41	6.00	6.00	6.00	6.00
Operations Direction		0.00	0.00	0.00	0.00	2.00	2.00
Maintenance - Direction	2.88	2.69	2.53	4.00	4.00	2.00	0.00
Care & Upkeep of Buildings	39.50	39.50	39.50	36.90	39.00	39.00	39.00
Care & Upkeep of Grounds		14.96	0.00	5.00	5.00	5.00	0.00
Maintenance	15.10	0.00	8.00	9.50	9.50	10.50	10.50
Warehouse & Distribution	0.99	2.91	3.00	3.00	3.00	3.00	2.45
Staff Services - Personnel	3.00	3.00	3.00	3.50	3.50	3.50	0.00
Technology Services	8.48	9.98	7.03	8.00	8.00	8.00	8.00
Subtotal Support Services Staff	159.79	178.61	164.22	189.08	191.28	189.59	176.54
Total	621.10	701.21	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.

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

**Operating Statistics
Last Ten Fiscal Years**

Fiscal Year Ending June 30	Student Average Daily Membership (1)	Charter Schools		Cost Per ADM (1)	Certified		Ave Tchr Salary	Tchr Salary Range-Low	Tchr Salary Range-High	Percentage Free & Reduced per ADM
		Student Average Daily Membership	Operating Expenses (2)		Staff FTE (3)	ADM to Certified Ratio (3)				
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
2010-11	8,118	100	66,319,321	8,169	451	18.0	50,561	35,183	69,938	21.3
2011-12	8,175	100	69,081,540	8,450	430	19.0	53,119	35,183	69,938	23.3

(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 Ten Years Ago

		2011-12	
Employer	Type of Business	Number of Employees	Percentage of Total City Employment*
Xerox Corporation	Copiers and Printers	1,351	9.3%
Mentor Graphics Corporation	CAD Software Systems	1,019	7.1%
Precision Interconnect	Electronic Machinery	568	3.9%
Rockwell Collins	Aerospace and Electronics	491	3.4%
Sysco/Continental Food Service	Warehouse & Distribution Center	483	3.3%
Flir Systems Inc	Infrared Technology	375	2.6%
Fry's Electronics	Retail	233	1.6%
Fred Meyer	Retail	230	1.6%
Rite Aid Distribution Center	Warehouse & Distribution Center	219	1.5%
Kinetics Climax Inc	Manufacturing	170	1.2%
Coca Cola	Beverage Manufacturing	166	1.1%
		5,305	36.6%

		2001-02	
Employer	Type of Business	Number of Employees	Percentage of Total City Employment**
Xerox Corporation	Copiers and Printers	1,456	10.0%
Mentor Graphics Corporation	CAD Software Systems	1,002	6.9%
Precision Interconnect	Electronic Machinery	875	6.0%
Hollywood Entertainment Corporation	Headquarters, warehouse, retail	848	5.8%
Infocus Corporation	Projectors & Display Systems	630	4.3%
Sysco/Continental Food Service	Warehouse & Distribution Center	559	3.9%
Nike USA, Inc.	Athletic Apparel Distribution Center	300	2.1%
Adecco North America	Employment Services	296	2.0%
Rite Aid Distribution Center	Warehouse & Distribution Center	291	2.0%
Fry's Electronics	Retail	282	1.9%
		6,539	44.9%

*Total city employment for 2011-12 14,450

**Total city employment for 2001-03 14,500

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

Source:
 City of Wilsonville Business License Database

Capital Asset Information
Last Ten Fiscal Years

	Fiscal Year										Average Age of Buildings
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	(in years)
<u>Schools</u>											
Primary											
Buildings	7	7	7	7	7	7	7	7	7	7	51
Square Feet	422,119	422,119	446,982	446,982	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	3,382	3,382	
Membership (ADM)	3,483	3,554	3,560	3,482	3,375	3,375	3,375	3,375	3,375	3,516	
Percent Used	101%	103%	96%	103%	100%	100%	100%	100%	100%	104%	
Middle											
Buildings	3	3	3	3	3	3	3	3	3	3	22
Square Feet	268,850	268,850	282,519	282,519	282,519	282,519	282,519	282,519	282,519	284,519	
Capacity	2,241	2,241	2,241	2,082	2,082	2,082	2,082	2,082	2,082	1,932	
Membership (ADM)	1,967	1,941	1,940	1,909	1,899	1,899	1,899	1,899	1,899	1,985	
Percent Used	88%	87%	87%	92%	91%	91%	91%	91%	91%	103%	
High											
Buildings	2	2	2	2	2	2	2	2	2	2	41
Square Feet	400,206	400,206	400,206	500,631	500,631	500,631	500,631	500,631	500,631	499,943	
Capacity	2,717	2,717	2,717	3,291	3,291	3,291	3,291	3,291	3,291	3,220	
Membership (ADM)	2,445	2,521	2,446	2,638	2,508	2,508	2,508	2,508	2,508	2,674	
Percent Used	90%	93%	90%	80%	76%	76%	76%	76%	76%	83%	
Other											
Buildings	2	2	3	3	3	3	3	3	3	3	10
Square Feet	4,802	4,802	7,442	7,442	7,442	7,442	7,442	7,442	7,442	46,266	
Administration											
Buildings	1	1	1	1	1	1	1	1	1	1	80
Square Feet	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	17,439	
Maintenance											
Buildings	3	5	5	5	5	5	5	5	5	5	17
Square Feet	23,220	40,020	40,020	40,020	40,020	40,020	40,020	40,020	40,020	54,900	

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

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

<u>Assignment/Function</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Instructional Staff							
Prekindergarten teachers	3.30	4.81	4.50	3.00	3.00	3.00	3.00
Elementary teachers K-5	156.25	166.70	162.90	165.60	164.50	159.70	158.35
Secondary teachers	177.73	200.20	198.46	212.97	210.17	196.66	193.27
Teachers of ungraded classes	39.65	49.50	52.50	57.90	57.00	53.08	50.32
Educational assistants	84.38	101.39	94.29	115.51	116.91	105.47	100.38
Instructional coordinators and supervisors	-	-	-	-	-	1.00	1.50
Subtotal Instructional Staff	461.31	522.60	512.65	554.98	551.58	518.91	506.82
Support Services Staff							
Guidance K-12	18.50	18.25	17.50	19.70	19.30	19.30	19.30
Librarians/media specialists	6.46	11.40	10.40	10.40	10.40	9.40	9.50
Library and media support staff	8.38	8.30	8.00	10.20	11.00	11.00	11.81
District administrators	3.50	3.50	4.00	4.00	4.00	3.54	3.54
District support staff	77.45	83.55	72.30	79.71	81.81	82.50	82.84
School administrators	17.00	23.00	22.00	22.00	22.00	21.00	21.60
School administrative support staff	19.50	22.10	21.60	23.60	23.60	21.60	19.50
Student services support staff	9.00	8.51	8.42	19.47	19.17	21.25	19.95
Subtotal Support Services Staff	159.79	178.61	164.22	189.08	191.28	189.59	188.04
Total FTE	621.10	701.21	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

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

INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS

This Page Intentionally Left Blank



PAULY, ROGERS AND CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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

December 5, 2012

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, 2012, and have issued our report thereon dated December 5, 2012. 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 on page 24 of this report.

OAR 162-10-0230 Internal Control

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

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 3J
CLACKAMAS COUNTY, OREGON

GRANT COMPLIANCE REVIEW

This Page Intentionally Left Blank

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, 2012

Federal Grantor/Pass Through Grantor/ Program Title	Grant Fund	Federal CFDA Number	Grant Period	Expenditures
US. DEPARTMENT OF EDUCATION				
<i>Passed through Oregon Department of Education:</i>				
Title I	252, 253	84.010	2010-11/2011-12	\$ 543,624
Title III- Enhancing Education	267	84.365	2010-11/2011-12	38,166
Title IIA- Teacher Quality	263	84.367	2011-12	126,989 *
IDEA	254,255	84.027	2010-11/2011-12	1,344,255
<i>Passed through Clackamas County ESD:</i>				
Vocational Education	251	84.048A	2011-2012	16,170
Youth Transition Program	266	84.126A	2011-12/2012-13	83,154
Improving Teacher Quality	220	84.367	2011-12	16,137
Regional Autism	201	84.xxx	2011-12	110,566
Education Jobs Fund ARRA	100	84.410	2011-12	38,008
Total U.S. Department of Education				2,317,069
U.S. DEPARTMENT OF AGRICULTURE				
Federal Forest Fees	100	10.665	2011-12	48,301
<i>Passed Through Oregon Department of Education:</i>				
Food Donation	297	10.555	2011-12	134,424 *
National School Lunch Program Breakfast	297	10.553	2011-12	35,873 *
National School Lunch Program	297	10.555	2011-12	593,869 *
Summer Food	297	10.559	2011-12	975 *
Total U.S. Department of Agriculture				813,442
*major program				
TOTALS				\$ 3,130,511

This Page Intentionally Left Blank



PAULY, ROGERS AND CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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

December 5, 2012

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, 2012, and have issued our report thereon dated December 5, 2012. 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. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

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

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

December 5, 2012

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, 2012. 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, 2012.

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.

Pauly, Rogers and Co. P.C.
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, 2012

Section I – Summary of Auditors' Results

Financial Statements

Type of Auditors' 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

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

_____ Yes X No

Federal Awards

Internal control over major programs:

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

_____ Yes X No

_____ Yes X None reported

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

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:

84.367
10.553, 10.555 &
10.559

Title II, Part A
National School Lunch Program Cluster

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, 2012**

Section II – Financial Statement Findings

None Reported.

Section III – Federal Award Findings and Question Costs

None Reported.