

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2020



12700 SW 72nd Ave.
Tigard, OR 97223

ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2020

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WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

BOARD OF DIRECTORS 2019-20

Eric Swenson, Chair	June 30, 2023
Anthony Medina, Vice Chair	June 30, 2021
Noemi Legaspi	June 30, 2021
Linda Reeves	June 30, 2023
Laura Isiordia	June 30, 2021

Board members receive mail at the District address listed below.

ADMINISTRATION

Oscar Gilson
Superintendent

Sarah Bishop
Director of Business

1390 Meridian Drive,
Woodburn, OR 97071

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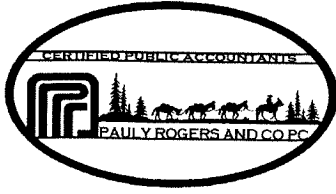
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December 16, 2020

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Woodburn School District No. 103
Marion County, Oregon

Report on the Financial Statements

We have audited the accompanying basic financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Woodburn School District No. 103 (the District) as of and for the year ended June 30, 2020, and the related notes to the basic financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these basic financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the basic financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the basic financial statements.

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

Opinions

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Woodburn School District No. 103 as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplemental information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the schedules of net pension liability or contributions for PERS, schedules of net OPEB asset or contributions for RHIA, changes in total OPEB and related ratios for health insurance, or management's discussion and analysis because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance on them.

The budgetary comparison schedules presented as Required Supplementary Information, as listed in the table of contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CRF) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is not a required part of the basic financial statements. The supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

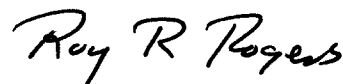
Other Information

The listing of board members containing their term expiration dates, located before the table of contents, and the other information, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Reports on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our reports dated December 16, 2020 on our consideration of the internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of these reports is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. The reports are an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 16, 2020, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



ROY R. ROGERS, CPA
PAULY, ROGERS, AND CO., P.C.

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WOODBURN SCHOOL DISTRICT NO. 103

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2020

As management of Woodburn School District (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, 2020. We encourage readers to consider the information presented here in conjunction with the District's Financial Statements and Notes to Financial Statements, which follow this MD&A.

FINANCIAL HIGHLIGHTS

- In the government-wide statements, the liabilities of the District exceeded its assets at June 30, 2020 by \$15,455,878. Of this amount \$6,293,256 represents the District's net investment in capital assets. The District has \$38,185,131 of restricted net position. The District's unrestricted net position is (\$59,934,265).
- The District's governmental funds report combined ending fund balance is \$50,010,951 for a decrease of \$20,202,456 in comparison with the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are 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 the reader with a broad overview of the District's finances, in a manner similar to a private-sector business. One of the most important questions asked about the District is; "Is the District as a whole better off or worse off financially as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information on the District as a whole and its activities in a way that helps answer this question.

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

The Statement of Activities. The statement of activities presents information showing how the net position of the District changed over the year by tracking revenues, expenses and other transactions that increase or reduce net position.

All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal period (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; proceeds from the sale of long-term general obligation bonds; 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 Woodburn 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 maintained by the District are governmental 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 decision. Both the governmental fund Balance Sheet and Statement of Revenue, Expenditures and Changes in Fund Balances are reconciled to the government-wide Statements of Net Position and Activities.

The District maintains seven individual governmental funds, four of which have been reported as major 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 Fund, Special Revenue Fund, Debt Service Fund, and Facilities and Construction Fund.

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. The notes to the basic financial statements can be found on pages 11 to 40 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Condensed Statement of Net Position

Total School District Governmental Activities

	2020	2019
Assets		
Current and other assets	\$ 62,403,790	\$ 82,184,076
Net capital assets	<u>67,916,851</u>	<u>50,825,165</u>
Total Assets	<u>130,320,641</u>	<u>133,009,241</u>
Pension Rated Deferrals	26,310,269	27,516,934
Liabilities		
Long-term debt outstanding	70,415,000	73,063,567
Other liabilities	<u>94,203,173</u>	<u>86,445,810</u>
Total Liabilities	<u>164,618,173</u>	<u>159,509,377</u>
Pension Rated Deferrals	7,468,615	9,919,366
Net Position		
Net investment in capital assets	6,293,256	(14,654,019)
Restricted	38,185,131	56,253,153
Unrestricted	<u>(59,934,265)</u>	<u>(50,501,702)</u>
Total Net Position	<u>\$ (15,455,878)</u>	<u>\$ (8,902,568)</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities exceeded assets by \$15,455,878 at June 30, 2020.

Capital assets, which consist of the District's land, buildings, building improvements, construction in progress, vehicles, and equipment, represent about 52 percent of total assets. The remaining assets consist mainly of cash & investments, grants receivable, and pension related deferrals.

The District's largest liability is for the Other Liabilities, which includes the Proportionate Share of Net Pension Liabilities (PERS) of \$70,000,722. Long-term debt outstanding, representing about 3 percent of the District's total liabilities, consists mostly of Bond payments due in more than one year.

The District's net position is largely invested in capital projects related to the 2015 Bond, less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students and other District residents; consequently these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources (generally property taxes), since the capital assets themselves cannot be used to liquidate these liabilities.

Condensed Statement of Activities

Total School District Governmental Activities

	2020	2019
Revenues		
Program Revenues		
Charges for services	\$ 43,965	\$ 95,553
Operating Grants & Contributions	<u>11,969,192</u>	<u>10,606,961</u>
Total Program Revenues	<u>12,013,157</u>	<u>10,702,514</u>
General Revenues		
Property taxes	13,189,539	12,311,201
State school fund	56,987,860	51,735,061
Other state and local sources	3,349,551	11,344,458
Other intermediate sources	157,598	842,363
Fair market value adjustment	62,602	(1,682,959)
Investment earnings	1,432,924	579,455
Other	-	26,548
Total General Revenues	<u>75,180,074</u>	<u>75,156,127</u>
Total Revenues	<u>87,193,231</u>	<u>85,858,641</u>
Expenses		
Instruction	52,127,071	46,555,319
Support Services	34,822,581	35,359,036
Community Services	4,119,583	3,639,940
Interest on long-term debt	<u>2,918,386</u>	<u>952,665</u>
Total Expenses	<u>93,987,621</u>	<u>86,506,960</u>
Increase (decrease) in net position	(6,794,391)	(648,319)
Net position - beginning	<u>(8,661,487)</u>	<u>(8,254,249)</u>
Net position - ending	<u>\$ (15,455,878)</u>	<u>\$ (8,902,568)</u>

Revenues. Since the District's mission is to provide a free and appropriate public education for K-12 students within its boundaries, the District may not charge for its core services. As expected, therefore, general revenues provide 86% of the funding required for governmental programs. Property taxes and state school fund combined account for 93% of general revenues and 80% of total revenues.

Operating grants and contributions account for 14% of total revenues. Included in this category is \$3,237,779 for federal reimbursement under the national school lunch program. Federal and state grants for designated programs totaled \$11,910,027.

Expenses. Expenses related to governmental activities are presented in four broad functional categories. Costs of direct classroom instruction activities account for 55% of the total expenses of \$93,987,622. In addition, approximately half of the costs in supporting services relate to students, instructional staff and school administration.

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 resources available for spending at the end of a fiscal year.

At June 30, 2020, the District's total governmental funds reported combined ending fund balances of \$50,010,951; a decrease of \$20,202,456 in comparison with the prior year. About \$12,162,902 (24 percent) of the ending fund balance constitutes unassigned ending fund balance, which is available for spending at the direction of the Board of Directors. Additionally, \$33,422,032 is designated for Capital Projects.

General Fund: The General Fund is the chief operating fund of the District. As of June 30, 2020, there is \$258,811 of non-spendable fund balance and unassigned fund balance was \$12,162,902. As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Fund balance represents 19 percent of total General Fund expenditures. The fund balance decreased by \$1,538,541 during the current fiscal year.

Special Revenue Fund: The Special Revenue Fund has a total fund balance of \$154,905. The net increase in fund balance during the current year was \$1,953,965.

Debt Service Funds: The Debt Service Fund has a total fund balance of \$14,335. The net decrease in fund balance during the current year was \$348,522.

Facilities Acquisition & Construction Fund: The Facilities Acquisition & Construction Funds have a total fund balance of \$32,365,594. The fund balance decreased by \$20,458,778 during the current fiscal year due to ongoing capital construction projects.

Construction Excise Tax Fund: The Construction Excise Tax Fund has a total fund balance of \$1,056,438. The fund balance increased by \$57,850 during the current fiscal year.

Food Service Fund: The Food Service Fund has a total fund balance of \$3,997,966. The fund balance increased by \$131,570 and is designated for ongoing food service operations and equipment repairs and replacements.

GENERAL FUND BUDGETARY HIGHLIGHTS

The State School Fund (made up of local and state funding sources) accounts for over 83% of the General Fund revenue. 2019-20 was the second year of the 2017-19 biennium, which saw an increase for K-12 funding of 11% over the 2015-17 biennium.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: The District's investment in capital assets includes land, buildings and improvements, vehicles and equipment, and construction in progress. As of June 30, 2020, the District had invested \$67,916,851 in capital assets, net of depreciation.

During the year, the District's investment in capital assets, net of depreciation, increased by \$17,091,686. The major capital asset events for the year included the start and completion of several 2015 Bond projects including Nellie Muir Elementary, Lincoln Elementary and Valor Middle School.

Long-term Debt: At the end of the current fiscal year, the District had total bonded debt outstanding of \$58,180,000, consisting of general obligation debt, net of unamortized premium/discount. The District had \$12,235,000 of full faith and credit obligation and notes outstanding.

Additional information on the District's long-term debt can be found in Note 6 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The most significant economic factor for the District is the State of Oregon's State School Fund. For the year ended June 30, 2020, the State School Fund - General Support provided 92 percent of the District's General resources. For the 2019-21 biennium, the Legislature appropriated a total of \$9.0 billion for the State School Fund Grant, an increase of approximately \$8.0 million for education.

Salaries and benefits costs will increase in 2020-21 due to negotiated increases in both the Licensed and Classified Bargaining Agreements.

The recent passage of the Student Success Act will also have a positive impact on the District's finances.

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 Director of Business at 1390 Meridian Drive, Woodburn, OR 97071.

Sarah Bishop
Director of Business

GOVERNMENT WIDE FINANCIAL STATEMENTS

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WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

STATEMENT OF NET POSITION
June 30, 2020

	Governmental Activities
ASSETS:	
Cash and Investments	\$ 56,092,945
Prepaid Expenses	258,811
Receivables:	
Accounts and Grants	4,951,971
Property Taxes	504,170
OPEB RHIA Asset	595,893
Capital Assets Not Being Depreciated	22,535,788
Capital Assets Being Depreciated, Net of Depreciation	45,381,063
	130,320,641
DEFERRED OUTFLOWS OF RESOURCES:	
Pension Related Deferrals - PERS	26,285,689
OPEB Related Deferrals - Health Insurance	24,580
Total Deferred Outflows of Resources	26,310,269
TOTAL ASSETS AND PENSION RELATED DEFERRALS	156,630,910
LIABILITIES:	
Accounts Payable	3,422,177
Accrued Salaries and Benefits	7,905,077
Accrued Vacation Payable	244,187
Debt Premium	
Due within one year	561,343
Due in more than one year	7,807,504
Interest Payable	154,499
Net Pension Liability -PERS	70,000,722
OPEB Liability - Health Insurance	4,038,783
Other Liabilities	68,881
Long-term Liabilities	
Due within one year	2,805,000
Due in more than one year	67,610,000
	164,618,173
DEFERRED INFLOWS OF RESOURCES:	
Pension Related Deferrals - PERS	7,181,869
OPEB Related Deferrals - RHIA	121,055
OPEB Related Deferrals - Health Insurance	165,691
Total Deferred Inflows of Resources	7,468,615
TOTAL LIABILITIES AND PENSION RELATED DEFERRALS	172,086,788
NET POSITION:	
Net Investment in Capital Assets	6,293,256
Restricted for:	
Grants	154,905
Debt Service	14,335
Food Service	3,997,966
Capital Projects	33,422,032
OPEB RHIA Asset	595,893
Unrestricted	(59,934,265)
	(15,455,878)
Total Net Position	\$ (15,455,878)

See accompanying notes to the basic financial statements.

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2020

<u>Functions/Programs</u>	<u>Expense</u>	<u>PROGRAM REVENUES</u>		<u>Net (Expense)</u> <u>Revenue and</u> <u>Changes in Net</u> <u>Position</u>
		<u>Charges for</u> <u>Services</u>	<u>Operating Grants</u> <u>and Contributions</u>	<u>Governmental</u> <u>Activities</u>
Governmental Activities:				
Instruction	\$ 52,127,071	\$ -	\$ 4,082,594	\$ (48,044,477)
Support Services	34,822,581	20,458	4,277,392	(30,524,731)
Community Services	4,119,583	23,507	3,609,205	(486,871)
Interest on Long-Term Debt	2,918,386	-	-	(2,918,386)
Total Governmental Activities	<u>\$ 93,987,622</u>	<u>\$ 43,965</u>	<u>\$ 11,969,192</u>	<u>(81,974,465)</u>
GENERAL REVENUES:				
				8,486,645
				4,702,894
				56,987,860
				3,349,551
				157,598
				62,602
				1,432,924
				<u>75,180,074</u>
				(6,794,391)
				<u>(8,661,487)</u>
				<u>\$ (15,455,878)</u>

See accompanying notes to the basic financial statements.

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2020

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>	<u>DEBT SERVICE FUND</u>	<u>FACILITIES & CONSTRUCTION FUND</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS:						
Cash and Investments	\$ 17,031,054	\$ -	\$ -	\$ 34,809,273	\$ 4,252,618	\$ 56,092,945
Prepaid Expenses	258,811	-	-	-	-	258,811
Receivables:						
Accounts and Grants	136,339	4,007,317	6,154	-	802,161	4,951,971
Property Taxes	324,417	-	179,753	-	-	504,170
Interfund Receivable (Due From)	3,636,952	-	-	-	-	3,636,952
Total Assets	<u>\$ 21,387,573</u>	<u>\$ 4,007,317</u>	<u>\$ 185,907</u>	<u>\$ 34,809,273</u>	<u>\$ 5,054,779</u>	<u>\$ 65,444,849</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:						
Liabilities:						
Accounts Payable	\$ 803,180	\$ 174,943	\$ -	\$ 2,443,679	\$ 375	\$ 3,422,177
Interfund Payable (Due To)	-	3,608,588	28,364	-	-	3,636,952
Other Liabilities	-	68,881	-	-	-	68,881
Accrued Salaries and Benefits	7,905,077	-	-	-	-	7,905,077
Total Liabilities	<u>8,708,257</u>	<u>3,852,412</u>	<u>28,364</u>	<u>2,443,679</u>	<u>375</u>	<u>15,033,087</u>
Deferred Inflows of Resources:						
Unavailable Revenue-Property Taxes	257,603	-	143,208	-	-	400,811
Fund Balances:						
Nonspendable	258,811	-	-	-	-	258,811
Restricted for:						
Grants	-	154,905	-	-	-	154,905
Debt Service	-	-	14,335	-	-	14,335
Food Service	-	-	-	-	3,997,966	3,997,966
Capital Projects	-	-	-	32,365,594	1,056,438	33,422,032
Unassigned	12,162,902	-	-	-	-	12,162,902
Total Fund Balances	<u>12,421,713</u>	<u>154,905</u>	<u>14,335</u>	<u>32,365,594</u>	<u>5,054,404</u>	<u>50,010,951</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 21,387,573</u>	<u>\$ 4,007,317</u>	<u>\$ 185,907</u>	<u>\$ 34,809,273</u>	<u>\$ 5,054,779</u>	<u>\$ 65,444,849</u>

Note: The Athletics Reserve Funds' Governmental Balance Sheet has been combined with the General Fund Governmental Balance Sheet in accordance with GASB 54

See accompanying notes to the basic financial statements.

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2020

TOTAL FUND BALANCES-GOVERNMENTAL FUNDS		\$ 50,010,951
The PERS net pension asset (liability) is the difference between the total pension liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries.		(70,000,722)
The Net RHIA Asset is the difference between the total OPEB liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries.		595,893
Deferred inflows and outflows of resources related to the pension plan include differences between expected and actual experience, changes of assumptions, differences between projects and actual earning, and contributions subsequent to the measurement date.		
Deferred Outflows - PERS		26,285,689
Deferred Inflows - PERS		(7,181,869)
Deferred Inflows - OPEB RHIA		(121,055)
Deferred Outflows - OPEB Health Insurance		24,580
Deferred Inflows - OPEB Health Insurance		(165,691)
Capital assets are not financial resources and therefore are not reported in the governmental funds.		
Cost	\$ 99,121,351	
Accumulated Depreciation	<u>(31,204,500)</u>	67,916,851
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.		
Unavailable Revenue Related to Property Taxes.		400,811
Short and long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on short and long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due.		
Short-Term Loan Payable		
Long-Term Liabilities:		
Accrued Vacation Payable	(244,187)	
Bond Interest Payable	(154,499)	
Other Postemployment Benefit Obligation - Health Insurance	(4,038,783)	
Premium on Debt	(8,368,847)	
Bonds and Notes Payable	<u>(70,415,000)</u>	<u>(83,221,316)</u>
TOTAL NET POSITION		<u>\$ (15,455,878)</u>

See accompanying notes to the basic financial statements.

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2020

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	FACILITIES & CONSTRUCTION FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:						
Local Sources	\$ 9,752,319	\$ 2,535,542	\$ 4,710,843	\$ 886,985	\$ 196,564	\$ 18,082,253
Intermediate Sources	154,795	61,968	-	-	-	216,763
State Sources	56,884,895	67,223	-	-	35,742	56,987,860
Federal Sources	12,860	8,659,388	-	-	3,237,779	11,910,027
Total Revenues	66,804,869	11,324,121	4,710,843	886,985	3,470,085	87,196,903
EXPENDITURES:						
Instruction	40,943,222	4,099,477	-	-	-	45,042,699
Support Services	25,750,082	4,312,101	-	27,807	-	30,089,990
Community Services	6,326	376,965	-	-	3,176,417	3,559,708
Acquisition and Construction	242,480	158,313	-	22,067,956	104,248	22,572,997
Debt Service	-	-	6,133,965	-	-	6,133,965
Total Expenditures	66,942,110	8,946,856	6,133,965	22,095,763	3,280,665	107,399,359
Excess of Revenues Over (Under) Expenditures	(137,241)	2,377,265	(1,423,122)	(21,208,778)	189,420	(20,202,456)
OTHER FINANCING SOURCES, (USES):						
Transfer In	-	5,200	1,074,600	750,000	-	1,829,800
Transfer Out	(1,401,300)	(428,500)	-	-	-	(1,829,800)
Total Other Financing Sources, (Uses)	(1,401,300)	(423,300)	1,074,600	750,000	-	-
Net Change in Fund Balance	(1,538,541)	1,953,965	(348,522)	(20,458,778)	189,420	(20,202,456)
Beginning Fund Balance	13,960,254	(1,799,060)	362,857	52,824,372	4,864,984	70,213,407
Ending Fund Balance	\$ 12,421,713	\$ 154,905	\$ 14,335	\$ 32,365,594	\$ 5,054,404	\$ 50,010,951

Note: The Athletic Reserve Fund's activities have been combined with the General Fund activities in accordance with GASB 54.

See accompanying notes to the basic financial statements.

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2020

TOTAL NET CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS		\$ (20,202,456)
<p>The expense represents the changes in net asset (liability) from year to year due to changes in total liability and the fair value of plan net position available to pay benefits.</p>		
PERS	\$ (6,685,882)	
OPEB Health Insurance	<u>(311,744)</u>	(6,997,626)
<p>OPEB - RHIA income represents the net change in total OPEB liability from year to year related to the medical benefit OPEB and is not included in the governmental funds</p>		
		233,757
<p>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 capital outlays exceeded depreciation expense in the current period:</p>		
Expenditures for Capital Assets, net of adjustments	18,753,009	
Less Current Year Depreciation, net of adjustments	<u>(1,661,324)</u>	17,091,685
<p>Short and long-term debt proceeds are reported as other financing sources in governmental funds. In the Statement of Net Position, however, issuing short and long-term debt increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Position. This is the amount by which proceeds exceeded repayments:</p>		
Debt Principal Repaid	2,648,567	
Amortization of Debt Premiums	<u>561,343</u>	3,209,910
<p>Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.</p>		
		5,669
<p>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.</p>		
		(3,673)
<p>Compensated absences are recognized as expenditure in the governmental funds when they are paid. In the Statement of Activities these liabilities are recognized as an expenditure when earned.</p>		
		(131,658)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		<u><u>\$ (6,794,391)</u></u>

See accompanying notes to the basic financial statements.

NOTES TO THE BASIC FINANCIAL STATEMENTS

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WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of American (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the accounting policies are described below.

A. The Financial Reporting Entity

Woodburn School District No. 103 (the District) is a municipal corporation governed by an elected Board of Directors. Administrative officials are approved by the Board. The daily functioning is under the supervision of the Superintendent-Clerk. As required by generally accepted accounting principles, all activities have been included in these basic financial statements.

The District qualifies as a primary government since it has a separately elected governing body, is a legally separate entity, and is fiscally independent. There are various governmental agencies and special service districts which provide services within the District boundaries. However, the District is not financially accountable for any of these entities, and therefore, none of them are considered component units or included in these basic financial statements, in accordance with GASB 61.

B. Government-wide and Fund Financial Statements

The Statement of Net Position and Statement of Activities display information about the District as a whole.

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

Program Revenues included in the Statement of Activities derive directly from the program itself or from outside parties, program revenues reduce the cost of the function to be financed from the general revenues.

All direct expenses are reported by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities. In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities.

The accounts are organized and operated on the basis of funds. A fund is an independent self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions.

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GOVERNMENTAL FUND TYPES

Governmental funds are used to account for general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period, which is 60 days. Property tax revenue and proceeds from sale of property are not considered available and, therefore, are not recognized until received. Expenditures are recorded when the liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, interfund transactions, OPEB expenses, pension costs, and certain compensated absences and claims and judgments which are not recognized as expenditures because they will be liquidated with future expendable financial resources. 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.

Revenues susceptible to accrual are interest, state, county and local shared revenue and federal and state grants. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Financial operations are accounted for in the following major funds:

General Fund

This fund accounts for all financial resources and expenditures, except those required to be accounted for in another fund. The principal revenue sources are property taxes and an apportionment from the State of Oregon School Support Fund.

Special Revenue Fund

The Special Revenue Fund accounts for revenues and expenditures restricted for specific educational projects or programs. Programs included are the federal and state and local grants funds, and the student activities fund. The grants funds account for revenue and expenses from federal, state and local grants. The student activities fund accounts for revenue and expenses from student activities.

Debt Service Fund

The Debt Service Fund accounts for the payment of principal and interest of the general obligation bonds. The principal resource is property taxes.

Facilities Acquisition & Construction Fund

This fund accounts for the proceeds of bonds and capital improvements that are funded by the bonds.

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Governmental funds are accounted for on a spending measurement focus. Only current assets and current liabilities are generally included in their balance sheet. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current position.

The government-wide 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 when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are considered to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pensions and OPEB costs are recorded only when payment is due.

Property taxes associated with the current fiscal period, are considered to be susceptible to accrual, if received in cash by the District or a County collecting such taxes within 60 days after year-end. All other revenue items are recognized in the accounting period when they become both measurable and available.

D. Assets, Liabilities, and Net Position or Balance

Cash and Investments

Investments with a remaining maturity of more than one year at the time of purchase are stated at fair value. Other investments are stated at amortized cost, which approximates fair value.

Cash and Cash Equivalents

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

Property Taxes

Uncollected real and personal property taxes are reflected on the statement of net position and the balance sheet as receivable. Uncollected taxes are deemed by management 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.

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic distributions of collections to entities levying taxes. Property taxes become a lien against the property when levied on July 1 of each year and are payable in three installments due on November 15, February 15 and May 15. Property tax collections are distributed monthly except for November, when such distributions are made weekly.

Supply Inventories

Inventory is accounted for based on the purchase method for the budgetary statements, and on the consumption method and charged to expense when used, for the government-wide financial statements. Donated commodities consumed during the year are reported as revenues and expenditures. The amount of unused donated commodities at balance sheet date is considered immaterial by management for reporting purposes. There are no material inventories reported at year end by management.

Prepaid Expenses

Prepaid expenses are reported for purchases of goods or services paid for during the year but not used until next year. They will be recognized as expenditures when their benefits are realized.

Accounts and Other Receivables

Accounts and other receivables are comprised primarily of claims for reimbursement of costs under various federal, state and local grants. No allowance for uncollectible accounts has been recorded because management believes all receivables are collectible.

Grant Accounting

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. Cash received from grantor agencies in excess of related grant expenditures are recorded as unearned revenue on the statement of net position and the balance sheet.

Capital Assets

Capital assets are recorded at original cost or estimated original cost. Donated capital assets are recorded at their estimated fair market value on the date donated. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Interest incurred during construction is not capitalized. The cost of routine maintenance and repairs that do not add to the value of the assets or materially extend asset lives are charged to expenditures as incurred and not capitalized. Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and Improvements	10 to 50 years
Vehicles and Equipment	5 to 30 years

Compensated Absences

It is 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 an employee separates from service. All vacation pay is accrued when incurred in the government-wide basic financial statements.

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long Term Obligations

In the government-wide financial statements long-term debt is reported as a liability in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the bonds outstanding method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

Retirement Plans

Substantially all of the District's employees are participants in the State of Oregon Public Employees Retirement System (PERS). For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of PERS and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

Net Position comprises the various net earnings from operations, nonoperating revenues, expenses and contributions of capital. Net Position is classified in the following three categories:

Net investment in capital assets – consists of all capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – consists of external constraints placed on net position use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. There is net position restricted for debt service, special revenue, and other governmental funds.

Unrestricted – consists of all other amounts that are not included in the other categories previously mentioned.

Deferred Outflows/Inflows of Resources

In addition to assets, the basic financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will *not* be recognized as an outflow of resources (expenditure) until then. At June 30, 2020 there were deferred outflows representing PERS pension related deferrals and OPEB related deferrals for health insurance reported in the Statement of Net Position.

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In addition to liabilities, the basic financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has two types of items which qualify for reporting in this category. The first, unavailable revenue for property taxes is reported only in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. At June 30, 2020 there were also deferred inflows representing PERS pension related deferrals and deferred inflows representing OPEB related deferrals for RHIA and health insurance reported in the Statement of Net Position.

Fund Balance

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*, is followed. 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 are – nonspendable, restricted, committed, assigned, and unassigned.

- Nonspendable fund balance represents amounts that are not in a spendable form.
- 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.
- 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. Authority to classify portions of ending fund balance is granted to the Superintendent and the Director of Business.
- 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.

There were no committed or assigned fund balances as of June 30, 2020.

There is a fund balance policy that directs the Superintendent to manage the currently adopted budget in such a way to ensure an ending fund cash balance of between 5 and 10 percent of the total adopted general fund revenues.

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

E. Fair Value Inputs and Methodologies and Hierarchy

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

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

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

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

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

The investments, as of June 30, 2020, were all classified as Level 1. For more information, see Note 4.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

A budget is prepared and legally adopted for all funds on the modified accrual basis of accounting in the main program categories required by the Oregon Local Budget Law.

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Expenditure budgets are appropriated at the following levels for each fund:

LEVEL OF CONTROL

Instruction
Support Services
Enterprise and Community Services
Facilities Acquisition and Construction
Debt Service
Operating Contingency
Other Uses of Funds: Interfund Transactions

Expenditures cannot legally exceed the above appropriation levels except in the case of grants which could not be estimated at the time of budget adoption. Appropriations lapse at the fiscal year end. Management may amend line items in the budget without Board approval as long as appropriation levels (the legal level of control) are not changed. Supplemental appropriations may occur if the Board approves them due to a need which exists which was not determined at the time the budget was adopted.

Budget amounts shown in the budgetary financial statements reflect the final budget and one supplemental budget.

Expenditures of the various funds were within authorized appropriations for the year ended June 30, 2020.

3. BUDGETARY BASIS OF ACCOUNTING

The budgetary basis of accounting differs from generally accepted accounting principles. The budgetary statements provided as part of supplementary information elsewhere in this report are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The budgetary basis of accounting is substantially the same as generally accepted accounting principles in the United States of America with the exception that capital outlay expenditures are expensed when purchased, depreciation is not calculated, inventories of supplies are budgeted as expenditures when purchased, property taxes are recorded as revenue when received instead of when levied, compensated absences, pension expenses, and post-employment benefits are expensed when paid rather than when incurred, and principal payments and proceeds on long term debt are recorded as revenues when received and expenditures when paid.

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

4. CASH AND INVESTMENTS

Cash management policies are governed by state statutes. Statutes authorize investing in banker's acceptances, time certificates of deposit, commercial paper, repurchase agreements, obligations of the United States and its agencies and instrumentalities, and the Oregon State Treasurer's Local Government Investment Pool.

A cash pool is maintained that is available for use by all funds. Each fund type's portion of this pool is reported on the combined balance sheet as Cash and Investments or amounts Due To Other Funds.

In addition, cash is separately held by some of the funds.

Cash and Investments (recorded at cost) consisted of:

Deposits with Financial Institutions:	
Demand Deposits	\$ 6,227,695
Investments	<u>49,865,250</u>
	<u>\$ 56,092,945</u>

Deposits

Deposits with financial institutions include bank demand deposits. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury. The total bank balance per the bank statements as of June 30, 2020 was \$6,620,989 of which \$500,000 was covered by federal depository insurance and the remainder was collateralized by the Oregon Public Funds Collateralization Program (PFCP).

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. All deposits were either FDIC insured or collateralized.

Investments

Since the LGIP is not a private investment pool, it is not subject to U.S. Securities and Exchange Commission Rule 2a-7, and instead is valued under the simplified method below:

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund's compliance with all portfolio guidelines can be found in their annual report when issued.

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

4. CASH AND INVESTMENTS (CONTINUED)

The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it approximates fair value. The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. The audited financial reports of the Oregon Short Term Fund can be found here:

[http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-\(OSTF\).aspx](http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-(OSTF).aspx)

If the link has expired please contact the Oregon Short Term Fund directly.

The Board has established investment policies to approve only certain depositories and investment instruments and has limited investments to those with maturities of no more than 36 months. The District holds investments in Corporate Securities, US Government Securities and US Cash Equivalents through an investment account with a depository approved by the Board. The fair value of these securities is determined based on a level 1 classification due to their availability on open markets. At June 30, 2019, the District appeared to be in compliance with all policies regarding depositories, instruments and maturities.

At year-end, investment balances were as follows:

<u>Investment Type</u>		<u>Investment Maturities (in months)</u>		
		<u>Less than 3</u>	<u>3-18</u>	<u>18-59</u>
Corporate Securities	\$ 5,055,410	\$ -	\$ 5,055,410	
Foreign Issues	3,066,900	-	3,066,900	-
US Government Securities	7,065,530	3,007,410	4,058,120	-
State Treasurer's Investment Pool	34,677,410	34,677,410	-	-
Total	\$ 49,865,250	\$ 37,684,820	\$ 12,180,430	\$ -

Investments in the State Treasurer's Local Government Investment Pool cannot be classified as to credit risk because they are not evidenced by securities that exist in physical or book entry form.

Amounts in the State Treasurer's Local Government Investment Pool are not required by law to be collateralized.

Interest Rate Risk - Investments

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 beyond 36 months, within the time frame of the anticipated use of funds.

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

4. CASH AND INVESTMENTS (CONTINUED)

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. Other investments are classified by credit risk as follows:

<u>Investment</u>	<u>S&P Rating</u>	<u>Moodys Rating</u>
US Government Securities:		
Federal Home Loan Bks	AA+	AAA
FNMA	AA+	AAA
FNAMMTN	AA+	AAA
FHLMCMTN	AA+	AAA
Federal Farm Credit Bks	AA+	AAA
Foreign Issues:		
Westpac Banking Corp	AA-	AA3
Royal Bank of Canada	AA-	AA3

Concentration of Credit Risk - Investments

At June 30, 2020, 70 percent of total investments were in the State Treasurer's Investment Pool. State statutes do not limit the percentage of investments in this instrument.

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 was as follows:

	Balance <u>July 1, 2019</u>	<u>Adjustments</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2020</u>
Governmental Activities:					
Capital Assets Not Being Depreciated:					
Land	\$ 2,110,880	\$ -	\$ -	\$ -	\$ 2,110,880
Construction In Process	8,740,458	(6,012,804)	17,697,254	-	20,424,908
Total Capital Assets Not Being Depreciated	<u>10,851,338</u>	<u>(6,012,804)</u>	<u>17,697,254</u>	<u>-</u>	<u>22,535,788</u>
Capital Assets Being Depreciated:					
Buildings and Improvements	66,462,671	6,012,804	970,412	-	73,445,887
Vehicles and Equipment	3,054,333	-	85,343	-	3,139,676
Total Capital Assets Being Depreciated	<u>69,517,004</u>	<u>6,012,804</u>	<u>1,055,755</u>	<u>-</u>	<u>76,585,563</u>
Accumulated Depreciation:					
Buildings and Improvements	(27,826,311)	-	(1,509,000)	-	(29,335,311)
Vehicles and Equipment	(1,716,865)	-	(152,324)	-	(1,869,189)
Total Accumulated Depreciation	<u>(29,543,176)</u>	<u>-</u>	<u>(1,661,324)</u>	<u>-</u>	<u>(31,204,500)</u>
Total Capital Assets Being Depreciated, Net	<u>39,973,828</u>				<u>45,381,063</u>
Capital Assets, Net	<u>\$ 50,825,165</u>				<u>\$ 67,916,851</u>

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
Instruction	\$ 950,924
Support Services	635,248
Community Services	<u>75,151</u>
Total Depreciation Expense-	
Governmental Activities	<u>\$ 1,661,324</u>

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. LONG-TERM OBLIGATIONS

Total long-term liability activity for the year ended June 30, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds Payable:				
2015 GO Bond	\$ 57,755,000	\$ 1,590,000	\$ 56,165,000	\$ 1,795,000
2019 GO Bond	2,395,000	380,000	2,015,000	445,000
Direct Borrowing				
Full Faith & Credit Obligation	12,780,000	545,000	12,235,000	565,000
Taxable Note	<u>133,567</u>	<u>133,567</u>	-	-
Total Debt	<u>73,063,567</u>	<u>2,648,567</u>	<u>70,415,000</u>	<u>2,805,000</u>
Premiums Related to Bonds:				
Bond Premium	7,800,727	501,898	7,298,829	501,898
FF&C Premium	<u>1,129,463</u>	<u>59,445</u>	<u>1,070,018</u>	<u>59,445</u>
Total Premiums	<u>8,930,190</u>	<u>561,343</u>	<u>8,368,847</u>	<u>561,343</u>
Total Long-term Liabilities	<u>\$ 81,993,757</u>	<u>\$ 3,209,909</u>	<u>\$ 78,783,848</u>	<u>\$ 3,366,342</u>

There are no significant default remedy clauses noted in the agreements for any of the obligations listed above for the District.

General Obligation Bonds

In August 2015 the District issued a general obligation bond for construction, repairs, renovations and improvements at various school and District facilities in the amount of \$62,605,000. The interest varies between 2 percent and 5 percent, and payments continue through June 16, 2035. In February 2019, the District issued a general obligation bond in the amount of \$2,395,000. The interest varies between 4 percent and 5 percent, and payments continue through June 2024.

Changes in bonds outstanding are as follows:

<u>Issue Date</u>	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Outstanding July 1, 2019</u>	<u>Matured And Redeemed</u>	<u>Outstanding June 30, 2020</u>
2015 GO Bond	2-5%	\$62,605,000	\$ 57,755,000	\$ 1,590,000	\$ 56,165,000
2019 GO Bond	4-5%	2,395,000	<u>2,395,000</u>	<u>380,000</u>	<u>2,015,000</u>
Total Bonds Payable			<u>\$ 60,150,000</u>	<u>\$ 1,970,000</u>	<u>\$ 58,180,000</u>

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Bonds (Continued)

Future maturities of bonds are payable as follows:

Fiscal Year Ending June 30,	Principal	Interest
2021	2,240,000	2,824,475
2022	2,490,000	2,716,925
2023	2,760,000	2,597,225
2024	3,015,000	2,494,475
2025	2,685,000	2,371,250
2026-2030	17,830,000	9,624,250
2031-2035	27,160,000	4,289,500
Total	<u>\$ 58,180,000</u>	<u>\$ 26,918,100</u>

Full Faith and Credit Obligations

In December 2007, \$653,311 of Full Faith and Credit Obligations were issued with interest at 4.05 percent. The proceeds were placed in the Facilities Acquisition & Construction Fund and will be used for maintenance projects. In February 2019, the District issued a Full Faith and Credit Bond in the amount of \$12,965,000 that paid off a 2006 Full Faith and Credit Obligations issued for maintenance projects. The 2019 bond has variable interest rate between 3 percent and 4 percent, and payments continue through June 2039.

Future maturities of full faith and credit obligations are as follows:

Fiscal Year Ending June 30,	Principal	Interest
2021	565,000	507,800
2022	595,000	485,200
2023	610,000	461,400
2024	635,000	437,000
2025	660,000	411,600
2026-2030	2,810,000	1,683,700
2031-2035	3,260,000	1,005,000
2036-2039	3,100,000	316,000
Total	<u>\$ 12,235,000</u>	<u>\$ 5,307,700</u>

Taxable Note

In June 2011, a \$950,000 taxable financing note was issued with interest at 6.38 percent. The proceeds were placed in the Major Maintenance Reserve Fund, a component of the Facilities Acquisition & Construction Fund, and was used for energy projects. The Note was paid off during the year that ended June 30, 2020.

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. Defined Benefit Pension Plan

Plan Description – The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Comprehensive Annual Financial Report which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2019-CAFR.pdf>

If the link is expired please contact Oregon PERS for this information.

- a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
 - i. **Pension Benefits.** The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.
 - ii. **Death Benefits.** Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following contributions are met:
 - member was employed by PERS employer at the time of death,
 - member died within 120 days after termination of PERS covered employment,
 - member died as a result of injury sustained while employed in a PERS-covered job, or
 - member was on an official leave of absence from a PERS-covered job at the time of death.
 - iii. **Disability Benefits.** A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
 - iv. **Benefit Changes After Retirement.** Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. Defined Benefit Pension Plan (continued)

- b. **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
- i. **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:
- Police and fire:* 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.
- General service:* 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.
- A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.
- ii. **Death Benefits.** Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.
- iii. **Disability Benefits.** A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2017 actuarial valuation, which became effective July 1, 2019. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2020 were \$10,163,329, excluding amounts to fund employer specific liabilities. In addition, approximately \$2,122,771 in employee contributions were paid or picked up by the District in 2019-2020.

Pension Asset or Liability – At June 30, 2020, the District reported a net pension liability of \$70,000,722 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2017. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement dates of June 30, 2019 and 2018, the District's proportion was .405 percent and .409 percent, respectively. Pension expense for the year ended June 30, 2020 was \$6,685,882.

The rates in effect for the year ended June 30, 2020 were:

- (1) Tier 1/Tier 2 – 32.03%
- (2) OPSRP general services – 26.58%

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. Defined Benefit Pension Plan (continued)

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$ 3,860,333	\$ -
Changes in assumptions	9,496,397	-
Net difference between projected and actual earnings on pension plan investments	-	1,984,449
Net changes in proportionate share	-	5,197,420
Differences between District contributions and proportionate share of contributions	<u>2,765,630</u>	-
Subtotal - Amortized Deferrals (below)	16,122,360	7,181,869
District contributions subsequent to measuring date	<u>10,163,329</u>	-
Deferred outflow (inflow) of resources	<u>\$ 26,285,689</u>	<u>\$ 7,181,869</u>

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2021.

Subtotal amounts related to pension as deferred outflows of resources, \$16,122,360, and deferred inflows of resources, (\$7,181,869), net to \$8,940,491 and will be recognized in pension expense as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2021	\$ 5,576,370
2022	(161,129)
2023	1,670,692
2024	1,711,058
2025	143,500
Thereafter	-
Total	<u>\$ 8,940,491</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated March 4, 2020. Oregon PERS produces an independently audited CAFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2019-CAFR.pdf>

Actuarial Valuations – The employer contribution rates effective July 1, 2019 through June 30, 2021, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. Defined Benefit Pension Plan (continued)

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

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2017 rolled forward to June 30, 2019
Experience Study Report	2016, Published July 26, 2017
Actuarial cost method	Entry Age Normal
Amortization method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years
Asset valuation method	Market value of assets
Inflation rate	2.50 percent
Investment rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increase	3.50 percent
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision, blend based on service
Mortality	Healthy retirees and beneficiaries: RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Active members: RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Disabled retirees: RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2016 Experience Study which is reviewed for the four-year period ending December 31, 2016.

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. Defined Benefit Pension Plan (continued)

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Debt Securities	15.0%	25.0%	20.0%
Public Equity	32.5%	42.5%	37.5%
Real Estate	9.5%	15.5%	12.5%
Private Equity	14.0%	21.5%	17.5%
Alternative Equity	0.0%	12.5%	12.5%
Opportunity Portfolio	0.0%	3.0%	0.0%
Total			100.0%

(Source: June 30, 2019 PERS CAFR; p. 100)

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2017 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00%	3.38%
Bank/Leveraged Loans	3.00%	5.09%
High Yield Bonds	1.00%	6.45%
Large/Mid Cap US Equities	15.75%	6.30%
Small Cap US Equities	1.31%	6.69%
Micro Cap US Equities	1.31%	6.80%
Developed Foreign Equities	13.13%	6.71%
Emerging Market Equities	4.13%	7.45%
Non-US Small Cap Equities	1.88%	7.01%
Private Equity	17.50%	7.82%
Real Estate (Property)	10.00%	5.51%
Real Estate (REITS)	2.50%	6.37%
Hedge Fund of Funds - Diversified	2.50%	4.09%
Hedge Fund - Event-driven	0.63%	5.86%
Timber	1.88%	5.62%
Farmland	1.88%	6.15%
Infrastructure	3.75%	6.60%
Commodities	1.88%	3.84%
<i>Assumed Inflation - Mean</i>		2.50%

(Source: June 30, 2019 PERS CAFR; p. 74)

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. Defined Benefit Pension Plan (continued)

Discount Rate – The discount rate used to measure the total pension liability as of the measurement dates of June 30, 2019 and 2018 was 7.20 percent for both years, for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate – The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate.

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
District’s proportionate share of the net pension liability	\$112,099,945	\$ 70,000,722	\$ 34,769,472

Changes Subsequent to the Measurement Date

As described above, GASB 67 and GASB 68 require the Total Pension Liability to be determined based on the benefit terms in effect at the Measurement Date. Any changes to benefit terms that occurs after that date are reflected in amounts reported for the subsequent Measurement Date. However, Paragraph 80f of GASB 68 requires employers to briefly describe any changes between the Measurement Date and the employer’s reporting date that are expected to have a significant effect on the employer’s share of the collective Net Pension Liability, along with an estimate of the resulting change, if available.

There are no changes subsequent to the June 30, 2019 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

OPSRP Individual Account Program (OPSRP IAP)

Plan Description:

Employees of the District are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003. Chapter 238A created the Oregon Public Service Retirement Plan (OPSRP), which consists of the Defined Benefit Pension Program and the Individual Account Program (IAP). Membership includes public employees hired on or after August 29, 2003. PERS members retain their existing defined benefit plan accounts, but member contributions are deposited into the member’s IAP account. OPSRP is part of OPERS, and is administered by the OPERS Board.

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. Defined Benefit Pension Plan (continued)

Pension Benefits:

Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. Upon retirement, a member of the OPSRP IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

Death Benefits:

Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Contributions:

Employees of the District pay six (6) percent of their covered payroll. The District did not make any optional contributions to member IAP accounts for the year ended June 30, 2020.

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

<http://www.oregon.gov/pers/EMP/Pages/GASB.aspx>

WOODBURN SCHOOL DISTRICT NO.103
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NOTES TO BASIC FINANCIAL STATEMENTS

8. Other Post-Employment Benefit Plan - (RHIA)

Plan Description:

As a member of Oregon Public Employees Retirement System (OPERS) the District contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

Funding Policy:

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 dollars or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 dollars shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in an OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the District currently contributes 0.06% of annual covered OPERF payroll and 0.00% of OPSRP payroll under a contractual requirement in effect until June 30, 2021. Consistent with GASB Statement 75, the OPERS Board of Trustees sets the employer contribution rates as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. The basis for the employer's portion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the plan with the total actual contributions made in the fiscal year of all employers. The District's contributions to RHIA are included in PERS contributions for all reporting years and equaled the required contributions each year.

At June 30, 2020, the District reported a net OPEB asset of \$595,893 for its proportionate share of the net OPEB asset. The OPEB asset was measured as of June 30, 2019, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2017. Consistent with GASB Statement No. 75, paragraph 59(a), the District's proportion of the net OPEB asset is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement dates of June 30, 2019 and 2018, the District's proportion was .308 percent and .301 percent, respectively. OPEB income for the year ended June 30, 2020 was \$233,757.

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. Other Post-Employment Benefit Plan - (RHIA) (Continued)

Components of OPEB Expense/ (Income):

Employer's proportionate share of collective system OPEB Expense/(Income)	\$ (77,498)
Net amortization of employer-specific deferred amounts from:	
- Changes in proportionate share (per paragraph 64 of GASB 75)	(3,257)
- Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)	-
Employer's TOTAL OPEB Expense/(Income)	\$ (80,755)

Components of Deferred Outflows/Inflows of Resources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ 78,580
Changes in assumptions	-	617
Net difference between projected and actual earnings on investments	-	36,781
Changes in proportionate share	-	5,077
Differences between District contributions and proportionate share of contributions	-	-
Subtotal - Amortized Deferrals (below)	-	121,055
District contributions subsequent to measuring date	-	-
Deferred outflow (inflow) of resources	\$ -	\$ 121,055

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB liability/ (asset) in the fiscal year ended June 30, 2021.

Subtotal amounts related to OPEB as deferred outflows of resources, \$0, and deferred inflows of resources, (\$121,055), net to (\$121,055) and will be recognized in OPEB expense as follows:

Year ending June 30,	Amount
2021	\$ (62,502)
2022	(55,339)
2023	(7,004)
2024	3,789
2025	-
Thereafter	-
Total	\$ (121,055)

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. Other Post-Employment Benefit Plan - (RHIA) (Continued)

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost-Sharing Multiple-Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2019. That independently audited report was dated March 4, 2020 and can be found at:

<https://www.oregon.gov/pers/EMP/Documents/GASB/2019/PERS%20GASB%2075%20RHIA%20Report%20FY%206.30.19.pdf>

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2017 rolled forward to June 30, 2019
Experience Study Report	2016, Published July 26, 2017
Actuarial cost method	Entry Age Normal
Inflation rate	2.50 percent
Investment rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increase	3.50 percent
Retiree healthcare participation	Healthy retirees: 35%; Disabled retirees: 20%
Mortality	Healthy retirees and beneficiaries: RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Active members: RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Disabled retirees: RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2016 Experience Study which is reviewed for the four-year period ending December 31, 2016.

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. Other Post-Employment Benefit Plan - (RHIA) (Continued)

Discount Rate:

The discount rate used to measure the total OPEB liability as of the measurement dates of June 30, 2019 and 2018 was 7.20 and 7.20 percent, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2017 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00%	3.38%
Bank/Leveraged Loans	3.00%	5.09%
High Yield Bonds	1.00%	6.45%
Large/Mid Cap US Equities	15.75%	6.30%
Small Cap US Equities	1.31%	6.69%
Micro Cap US Equities	1.31%	6.80%
Developed Foreign Equities	13.13%	6.71%
Emerging Market Equities	4.13%	7.45%
Non-US Small Cap Equities	1.88%	7.01%
Private Equity	17.50%	7.82%
Real Estate (Property)	10.00%	5.51%
Real Estate (REITS)	2.50%	6.37%
Hedge Fund of Funds - Diversified	2.50%	4.09%
Hedge Fund - Event-driven	0.63%	5.86%
Timber	1.88%	5.62%
Farmland	1.88%	6.15%
Infrastructure	3.75%	6.60%
Commodities	1.88%	3.84%
<i>Assumed Inflation - Mean</i>		2.50%

(Source: June 30, 2019 PERS CAFR; p. 74)

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. Other Post-Employment Benefit Plan - (RHIA) (Continued)

Sensitivity of the District's proportionate share of the net OPEB liability/(asset) to changes in the discount rate – The following presents the District's proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 7.20 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate.

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
District's proportionate share of the net OPEB liability/(asset)	\$ (461,971)	\$ (595,893)	\$ (710,004)

Changes Subsequent to the Measurement Date

There are no changes subsequent to the June 30, 2019 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

9. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description – A single-employer retiree benefit plan is operated that provides postemployment health, dental vision and life insurance benefits to eligible employees and their spouses. The District provides retiree benefits through the Oregon Educator Benefit Board (OEBB). Retirees may choose health plans through MODA or Kaiser, and dental plans through ODS. There are active and retired members in the plan. Benefits and eligibility for members are established through the collective bargaining agreements.

The post-retirement healthcare plan was 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) was not established to account for the plan.

Funding Policy – The benefits from this program are paid by the retired employees on a self-pay basis and the required contribution is based on projected pay-as-you go financing requirements. There is no obligation on the part of the District to fund these benefits in advance.

Annual OPEB Cost and Total OPEB Liability - The annual other postemployment benefit (OPEB) cost is calculated based on the Total OPEB Liability, an amount actuarially determined in accordance with the parameters of GASB Statement 75. For detailed information and a table showing the components of the District's annual OPEB costs and liabilities, see page 43.

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Actuarial Methods and Assumptions – The Total OPEB Liability for the current year was determined as part of the July 1, 2018 actuarial valuation using the entry age normal method. 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, claim cost and the healthcare cost trend. The actuarial assumptions included; (a) a rate of return on investment of present and future assets of 3.50% compounded annually; (b) no future increase in benefit payable from this program; and (c) no post-retirement benefit increases and a payroll increase of 3.50%. 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 following tables show sensitivity of the Total OPEB Liability to changes in discount and trend rates, as determined by the July 1, 2018 actuarial valuation and rolled forward to June 30, 2020:

Discount Rate Sensitivity

	1% Decrease	Current Discount Rate	1% Increase
	2.50%	3.50%	4.50%
Total OPEB Liability	\$ 4,408,704	\$ 4,038,783	\$ 3,697,726

Trend Rate Sensitivity

	1% Decrease	Current Trend Rate	1% Increase
	6.00% Graded Down to 4.00%	7.00% Graded Down to 5.00%	8.00% Graded Down to 6.00%
Total OPEB Liability	\$ 3,482,421	\$ 4,038,783	\$ 4,714,770

For the year ended June 30, 2020, the District recognized OPEB expense for Health Insurance of \$311,744. At June 30, 2020, the District reported deferred outflows and deferred inflows of resources related to OPEB for Health Insurance from the following sources:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experienced	\$ 24,580	\$ -
Change of assumptions	-	(165,691)
<i>Subtotal- Amortized Deferrals (Below)</i>	24,580	(165,691)
Benefit Payments	-	-
Total as of June 30, 2020	<u>\$ 24,580</u>	<u>\$ (165,691)</u>

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Subtotal amounts related to OPEB as deferred outflows of resources, \$24,580, and deferred inflows of resources, (\$165,691), net to (\$141,111) and will be recognized in OPEB expense as follows:

Year ended June 30:	Annual Recognition	
2021	\$	(20,159)
2022		(20,159)
2023		(20,159)
2024		(20,159)
Thereafter		(60,475)
Total	\$	<u>(141,111)</u>

Funding Status and Funding Progress – As of July 1, 2018, the plan was 0% funded. For detailed information and a table showing the components of the District’s annual OPEB costs and liabilities, see page 43.

Program membership consisted of the following as of the July 1, 2018 actuarial valuation date:

Participant Counts:

Active	653
Inactive	<u>36</u>
Total	<u>689</u>

10. PROPERTY TAX LIMITATION

The voters of the State of Oregon approved ballot measure 5, a constitutional limit on property taxes for schools and non-school government operations, in November, 1990. 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 initiative 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 voters of the State of Oregon passed ballot measure 50 in May 1997 to further reduce property taxes by replacing the previous constitutional limits on tax bases with a rate and value limit. Measure 50 reduced the amount of operating property tax revenues available for the 1998-99 fiscal year, and thereafter. 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 property tax limitations. The measure also sets restrictive voter approval requirements for most tax and many fee increases and new bond issues, and requires the State of Oregon to minimize the impact of the tax cuts to the school districts. The ultimate impact to the District as a result of the measure has been greater reliance on state funding and less reliance on local funding.

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

11. OPERATING LEASES

There are leases for equipment, primarily copiers, and a parking area and facility under non-cancelable lease agreements. The facility being leased is located at 1274 North 5th Street in Woodburn with a monthly payment of \$7,824 effective through September 30, 2023. Total operating leases payments of \$158,220 were made for the year ended June 30, 2020.

Future payments associated with operating leases are due as follows:

Fiscal Year Ending June 30,	Equipment	Facility/Parking Area	Total
2021	\$ 55,994	\$ 96,290	\$ 152,284
2022	47,354	96,290	143,644
2023	21,776	96,290	118,066
2024	10,053	24,672	34,725
	<u>\$ 135,177</u>	<u>\$ 313,541</u>	<u>\$ 448,718</u>

12. RISK MANAGEMENT

There is exposure to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which commercial insurance is purchased. There were no significant reductions in insurance coverage from coverage in prior years in any of the major categories of risk. Also, the amounts of any settlements have not exceeded insurance coverage for any of the past three fiscal years.

13. INTERFUND RECEIVABLE/PAYABLE AND INTERFUND TRANSFERS

Amounts were comprised of the following:

	Transfers In	Transfers Out	Interfund Receivable	Interfund Payable
General Fund	\$ -	\$ 1,401,300	\$ 3,636,952	\$ -
Special Revenue Fund	5,200	428,500	-	3,608,588
Debt Service Fund	1,074,600	-	-	28,364
Facilities & Construction Fund	750,000	-	-	-
	<u>\$ 1,829,800</u>	<u>\$ 1,829,800</u>	<u>\$ 3,636,952</u>	<u>\$ 3,636,952</u>

Transfers were made to fund operations, and the internal receivables/payables are used as a pooling of cash between various funds.

14. TAX ABATEMENTS

As of June 30, 2020, the District potentially had tax abatements through various state allowed programs that impacted levied taxes. Based on the information available from the county as of the date of issuance of these basic financial statements, the amount of abatements for the year ended June 30, 2020 is deemed immaterial.

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

15. COMMITMENTS AND CONTINGENCIES

Substantially all amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the management expects such amounts, if any, to be immaterial.

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 the operations cannot be determined.

The District in the course of normal operations is subject to litigation. As of the financial statement issuance date there is no material pending or threatened litigation that would have an adverse effect on the financial condition of the District.

The COVID-19 outbreak in the United States has caused substantial disruption to business and local governments due to mandated and voluntary suspension of operations and stay at home orders. There is considerable uncertainty around the duration of the outbreak and the long-term impact to the overall economy. However, the District expects the reduction of economic activity to negatively impact funds received.

16. RESTATEMENT OF NET POSITION

Due to the current actuarial valuation of the District's RHIA benefits for GASB Statement No. 75, a restatement of the prior year net position was required to correctly record the RHIA asset at the prior measurement date.

Net position - Beginning as previously reported	\$ (8,902,568)
Change in June 30, 2019 RHIA asset	<u>241,081</u>
Net Position - Beginning as restated	<u>\$ (8,661,487)</u>

REQUIRED SUPPLEMENTARY INFORMATION

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WOODBURN SCHOOL DISTRICT
MARION COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION
At June 30, 2020

PERS

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) Employer's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2020	0.40 %	\$ 70,000,722	\$ 34,831,684	201.0 %	80.2 %
2019	0.41	61,969,858	32,336,003	191.6	82.1
2018	0.44	59,730,323	30,908,102	193.3	83.1
2017	0.49	74,095,772	29,616,200	250.2	80.5
2016	0.54	31,071,357	28,514,135	109.0	91.9
2015	0.56	(12,758,178)	26,283,877	(48.5)	103.6
2014	0.56	28,723,003	27,586,859	104.1	92.0

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

SCHEDULE OF CONTRIBUTIONS

Year	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2020	\$ 10,163,329	\$ 10,163,329	\$ -	\$ 35,556,808	28.6 %
2019	8,173,520	8,173,520	-	34,831,684	23.5
2018	7,613,081	7,613,081	-	32,336,003	23.5
2017	6,635,246	6,635,246	-	30,908,102	21.5
2016	6,461,853	6,461,853	-	29,616,200	21.8
2015	7,473,388	7,473,388	-	28,514,135	26.2
2014	7,267,509	7,267,509	-	26,283,877	27.7

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

WOODBURN SCHOOL DISTRICT
MARION COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION
At June 30, 2020

OPEB - RHIA

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB - RHIA ASSET/(LIABILITY)

Year Ended June 30,	(a) Employer's proportion of the net OPEB asset/(liability) (NOA/(L))	(b) Employer's proportionate share of the net OPEB asset/(liability) (NOA/(L))	(c) Employer's covered payroll	(b/c) NOA/(L) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2020	0.308 %	\$ 595,893	\$ 34,831,684	1.7 %	144.4 %
2019	0.301	335,764	32,336,003	1.0	124.0
2018	0.300	125,266	30,908,102	0.4	108.9
2017	0.317	(86,080)	29,616,200	(0.3)	90.0

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

Amounts for covered payroll ("c") use the prior year's data to match the measurement date used by the OPEB plan for each year.

SCHEDULE OF CONTRIBUTIONS

Year	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2020	\$ N/A	\$ N/A	\$ N/A	\$ 35,556,808	N/A %
2019	N/A	N/A	N/A	34,831,684	N/A
2018	N/A	N/A	N/A	32,336,003	N/A
2017	N/A	N/A	N/A	30,908,102	N/A

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

All statutorily required contributions were made and are include within PERS contributions (see p. 41)

**WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON**

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POST-EMPLOYMENT BENEFITS
June 30, 2020**

OPEB (HEALTH INSURANCE)

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

Year Ended June 30,	Total OPEB Liability - Beginning	Service Cost	Interest	Changes of Benefit Terms	Changes of Assumptions	Benefit Payments	Total OPEB Liability - End of Year	Estimated Covered Payroll	Total OPEB Liability as a % of Covered Payroll
2020	\$ 3,706,880	\$ 288,469	\$ 138,179	\$ -	\$ -	\$ (94,745)	\$ 4,038,783	\$ 38,474,482	10.50%
2019	3,615,884	222,266	142,205	-	(181,429)	(92,046)	3,706,880	37,173,413	9.97%
2018	3,384,344	216,845	128,839	-	-	(114,144)	3,615,884	33,602,647	10.76%
2017	3,141,416	216,845	120,106	-	-	(94,023)	3,384,344	32,623,929	10.37%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30,	(a) Actuarially Determined Contribution	(b) Contributions During Year	(b) - (a) Difference	(c) Covered Payroll	(b/c) Contributions as a Percentage of Payroll
2020	\$ 94,745	\$ -	\$ (94,745)	\$ 38,474,482	0.00%
2019	92,046	-	(92,046)	37,173,413	0.00%
2018	114,144	-	(114,144)	33,602,647	0.00%
2017	N/A	-	N/A	32,623,929	0.00%

The above table presents the most recent actuarial valuations for the District's post-retirement benefit for health insurance and it provides information that approximates the funding progress of the plan.

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - ACTUAL AND BUDGET - BUDGETARY BASIS**
For the Year Ended June 30, 2020

GENERAL FUND

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Local Sources	\$ 8,924,500	\$ 8,924,500	\$ 9,692,319	\$ 767,819
Intermediate Sources	20,000	20,000	154,795	134,795
State Sources	55,690,835	55,690,835	56,884,895	1,194,060
Federal Sources	-	-	12,860	12,860
Total Revenues	<u>64,635,335</u>	<u>64,635,335</u>	<u>66,744,869</u>	<u>2,109,534</u>
EXPENDITURES:				
Instruction	42,405,578	42,405,578 (1)	40,926,742	1,478,836
Support Services	26,947,639	26,947,639 (1)	25,750,082	1,197,557
Enterprise and Community Services	8,340	8,340 (1)	6,326	2,014
Contingency	750,000	750,000 (1)	-	750,000
Total Expenditures	<u>70,111,557</u>	<u>70,111,557</u>	<u>66,683,150</u>	<u>3,428,407</u>
Excess of Revenues Over Expenditures	(5,476,222)	(5,476,222)	61,719	5,537,941
OTHER FINANCING SOURCES, (USES):				
Proceeds from Sale of Capital Assets	-	-	-	-
Transfer Out	(1,421,368)	(1,421,368) (1)	(1,401,300)	20,068
Total Other Financing Sources, (Uses)	<u>(1,421,368)</u>	<u>(1,421,368)</u>	<u>(1,401,300)</u>	<u>20,068</u>
Net Change in Fund Balance	(6,897,590)	(6,897,590)	(1,339,581)	5,558,009
Beginning Fund Balance	<u>13,400,000</u>	<u>13,400,000</u>	<u>13,715,940</u>	<u>315,940</u>
Ending Fund Balance	<u>\$ 6,502,410</u>	<u>\$ 6,502,410</u>	<u>\$ 12,376,359</u>	<u>\$ 5,873,949</u>

(1) Appropriation Level

Reconciliation to Governmental Fund Balance as required by GASB #54

Ending Fund Balance:

Athletics Reserve Fund

45,354
\$ 12,421,713

**WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2020**

SPECIAL REVENUE FUND

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Local Sources	\$ 1,026,000	\$ 1,026,000	\$ 2,535,542	\$ 1,509,542
Intermediate Sources	300,000	300,000	61,968	(238,032)
State Sources	6,000,000	6,000,000	67,223	(5,932,777)
Federal Sources	8,750,544	8,750,544	8,659,388	(91,156)
Total Revenues	<u>16,076,544</u>	<u>16,076,544</u>	<u>11,324,121</u>	<u>(4,752,423)</u>
EXPENDITURES:				
Instruction	9,459,949	9,459,949 (1)	4,099,477	5,360,472
Support Services	7,704,039	7,704,039 (1)	4,312,101	3,391,938
Enterprise and Community Services	467,385	467,385 (1)	376,965	90,420
Facilities Acquisition and Construction	671,500	671,500 (1)	158,313	513,187
Total Expenditures	<u>18,302,873</u>	<u>18,302,873</u>	<u>8,946,856</u>	<u>9,265,597</u>
Excess of Revenues Over Expenditures	(2,226,329)	(2,226,329)	2,377,265	4,603,594
OTHER FINANCING SOURCES (USES):				
Transfers Out	(428,500)	(428,500) (1)	(428,500)	-
Transfers In	5,200	5,200	5,200	-
Total Other Financing Sources (Uses)	<u>(423,300)</u>	<u>(423,300)</u>	<u>(423,300)</u>	<u>-</u>
Net Change in Fund Balance	(2,649,629)	(2,649,629)	1,953,965	4,603,594
Beginning Fund Balance	<u>2,748,629</u>	<u>2,748,629</u>	<u>(1,799,060)</u>	<u>(4,547,689)</u>
Ending Fund Balance	<u>\$ 99,000</u>	<u>\$ 99,000</u>	<u>\$ 154,905</u>	<u>\$ 55,905</u>

(1) Appropriation Level

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SUPPLEMENTARY INFORMATION

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WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - ACTUAL AND BUDGET - BUDGETARY BASIS**
For the Year Ended June 30, 2020

	<u>DEBT SERVICE FUND</u>			VARIANCE TO FINAL BUDGET
	<u>BUDGET</u>		<u>ACTUAL</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Local Sources	\$ 4,923,955	\$ 4,923,955	\$ 4,710,843	\$ (213,112)
Total Revenue	<u>4,923,955</u>	<u>4,923,955</u>	<u>4,710,843</u>	<u>(213,112)</u>
EXPENDITURES:				
Debt Service	6,134,648	6,134,648 (1)	6,133,965	683
OTHER FINANCING SOURCES (USES):				
Transfers In	1,099,868	1,099,868	1,074,600	(25,268)
Total Other Financing Sources (Uses)	<u>1,099,868</u>	<u>1,099,868</u>	<u>1,074,600</u>	<u>(25,268)</u>
Net Change in Fund Balance	(110,825)	(110,825)	(348,522)	(237,697)
Beginning Fund Balance	<u>110,825</u>	<u>110,825</u>	<u>362,857</u>	<u>252,032</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,335</u>	<u>\$ 14,335</u>

(1) Appropriation Level

**WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2020**

FACILITIES ACQUISITION & CONSTRUCTION FUND

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Local Sources	\$ 640,000	\$ 640,000	\$ 886,985	\$ 246,985
Total Revenues	<u>640,000</u>	<u>640,000</u>	<u>886,985</u>	<u>246,985</u>
EXPENDITURES:				
Support Services	407,000	407,000 (1)	27,807	379,193
Facilities Acquisition and Construction	57,268,000	57,268,000 (1)	22,067,956	35,200,044
Total Expenditures	<u>57,675,000</u>	<u>57,675,000</u>	<u>22,095,763</u>	<u>35,579,237</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	750,000	750,000	750,000	-
Total Other Financing Sources	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>	<u>-</u>
Net Change in Fund Balance	(56,285,000)	(56,285,000)	(20,458,778)	35,826,222
Beginning Fund Balance	<u>56,285,000</u>	<u>56,285,000</u>	<u>52,824,372</u>	<u>(3,460,628)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,365,594</u>	<u>\$ 32,365,594</u>

(1) Appropriation Level

**WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON**

**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
June 30, 2020**

	FOOD SERVICE	CONSTRUCTION EXCISE TAX	TOTAL OTHER GOVERNMENTAL
ASSETS:			
Cash and Investments	\$ 3,237,691	\$ 1,014,927	\$ 4,252,618
Receivables:			
General accounts	-	41,886	41,886
Intergovernmental	760,275	-	760,275
Total Assets	\$ 3,997,966	\$ 1,056,813	\$ 5,054,779
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts Payable	\$ -	\$ 375	\$ 375
Total Liabilities	-	375	375
Fund Balances:			
Restricted	3,997,966	1,056,438	5,054,404
Unassigned	-	-	-
Total Fund Balances	3,997,966	1,056,438	5,054,404
Total Liabilities and Fund Balances	\$ 3,997,966	\$ 1,056,813	\$ 5,054,779

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2020**

	<u>FOOD SERVICE</u>	<u>CONSTRUCTION EXCISE TAX</u>	<u>TOTAL OTHER GOVERNMENTAL</u>
REVENUES:			
Local Sources	\$ 34,466	\$ 162,098	\$ 196,564
State Sources	35,742	-	35,742
Federal Sources	3,237,779	-	3,237,779
Total Revenues	<u>3,307,987</u>	<u>162,098</u>	<u>3,470,085</u>
EXPENDITURES:			
Enterprise and Community Services	3,176,417	-	3,176,417
Facilities Acquisition and Construction	-	104,248	104,248
Total Expenditures	<u>3,176,417</u>	<u>104,248</u>	<u>3,280,665</u>
Net Change in Fund Balance	131,570	57,850	189,420
Beginning Fund Balance	<u>3,866,396</u>	<u>998,588</u>	<u>4,864,984</u>
Ending Fund Balance	<u>\$ 3,997,966</u>	<u>\$ 1,056,438</u>	<u>\$ 5,054,404</u>

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - ACTUAL AND BUDGET - BUDGETARY BASIS**
For the Year Ended June 30, 2020

FOOD SERVICE FUND

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Local Sources	\$ 35,600	\$ 35,600	\$ 34,466	\$ (1,134)
State Sources	35,200	35,200	35,742 (2)	542
Federal Sources	3,380,953	3,380,953	3,237,779	(143,174)
Total Revenue	<u>3,451,753</u>	<u>3,451,753</u>	<u>3,307,987</u>	<u>(143,766)</u>
EXPENDITURES:				
Enterprise and Community Services	5,251,753	5,251,753 (1)	3,176,417	2,075,336
Total Expenditures	<u>5,251,753</u>	<u>5,251,753</u>	<u>3,176,417</u>	<u>2,075,336</u>
Net Change in Fund Balance	(1,800,000)	(1,800,000)	131,570	1,931,570
Beginning Fund Balance	<u>2,800,000</u>	<u>2,800,000</u>	<u>3,866,396</u>	<u>1,066,396</u>
Ending Fund Balance	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 3,997,966</u>	<u>\$ 2,997,966</u>

(1) Appropriation Level

(2) This amount includes the state revenue match of \$35,742 for National School Lunch Program support.

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - ACTUAL AND BUDGET - BUDGETARY BASIS**
For the Year Ended June 30, 2020

CONSTRUCTION EXCISE TAX FUND

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Local Sources	\$ 145,000	\$ 145,000	\$ 162,098	\$ 17,098
Total Revenue	<u>145,000</u>	<u>145,000</u>	<u>162,098</u>	<u>17,098</u>
EXPENDITURES:				
Facilities Acquisition and Construction	1,020,000	1,020,000 (1)	104,248	915,752
Total Expenditures	<u>1,020,000</u>	<u>1,020,000</u>	<u>104,248</u>	<u>915,752</u>
Net Change in Fund Balance	(875,000)	(875,000)	57,850	932,850
Beginning Fund Balance	<u>1,000,000</u>	<u>1,000,000</u>	<u>998,588</u>	<u>(1,412)</u>
Ending Fund Balance	<u>\$ 125,000</u>	<u>\$ 125,000</u>	<u>\$ 1,056,438</u>	<u>\$ 931,438</u>

(1) Appropriation Level

**WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2020**

ATHLETICS RESERVE FUND

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Local Sources	\$ -	\$ -	\$ 60,000	\$ 60,000
Total Revenue	<u>-</u>	<u>-</u>	<u>60,000</u>	<u>60,000</u>
EXPENDITURES:				
Instruction	50,000	50,000 (1)	16,480	33,520
Facilities Acquisition and Construction	295,000	295,000 (1)	242,480	52,520
Total Expenditures	<u>345,000</u>	<u>345,000</u>	<u>258,960</u>	<u>86,040</u>
Net Change in Fund Balance	(345,000)	(345,000)	(198,960)	146,040
Beginning Fund Balance	<u>345,000</u>	<u>345,000</u>	<u>244,314</u>	<u>(100,686)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,354</u>	<u>\$ 45,354</u>

(1) Appropriation Level

Note: This fund's activities have been combined with the General Fund activities in accordance with GASB #54.

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES OF TAXES UNCOLLECTED
For the Year Ended June 30, 2020

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED AT 7/1/2019	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/2020
GENERAL FUND:						
Current:						
2019-20	\$ 8,591,242	\$ 231,480	\$ (10,495)	\$ 2,053	\$ 8,176,121	\$ 175,199
Prior Years:						
2018-19	166,118	10	(7,141)	6,109	97,025	68,051
2017-18	67,224	5	(5,340)	4,635	26,445	40,069
2016-17	39,759	2	(7,434)	6,870	24,420	14,773
2015-16	15,472	1	(3,713)	3,321	9,672	5,407
2014-15 & Prior	25,991	3	(4,000)	2,607	3,677	20,918
Total Prior	314,564	21	(27,628)	23,542	161,238	149,219
Total General Fund	\$ 8,905,806	\$ 231,501	\$ (38,123)	\$ 25,595	\$ 8,337,359	\$ 324,417

RECONCILIATION TO REVENUE:

	GENERAL FUND
Cash Collections by County Treasurer Above	\$ 8,337,359
Accrued at June 30, 2019	(52,775)
Accrued at June 30, 2020	66,814
Taxes in Lieu	135,247
Total Receipts	\$ 8,486,645

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES OF TAXES UNCOLLECTED
For the Year Ended June 30, 2020

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED AT 7/1/2019	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/2020
<u>DEBT SERVICE FUND:</u>						
Current:						
2019-20	\$ 4,874,168	\$ 131,328	\$ (5,955)	\$ 1,165	\$ 4,638,653	\$ 99,397
Prior Years:						
2018-19	90,640	6	(3,895)	3,333	52,941	37,131
2017-18	36,949	3	(2,936)	2,548	14,535	22,023
2016-17	21,902	1	(4,095)	3,784	13,452	8,138
2015-16	8,051	-	(1,932)	1,728	5,033	2,814
2014-15 & Prior	13,406	1	(2,631)	1,278	1,802	10,250
Total Prior	170,948	11	(15,489)	12,671	87,762	80,356
Total Debt Service Fund	<u>\$ 5,045,116</u>	<u>\$ 131,339</u>	<u>\$ (21,444)</u>	<u>\$ 13,836</u>	<u>\$ 4,726,415</u>	<u>\$ 179,753</u>

RECONCILIATION TO REVENUE:	DEBT SERVICE FUND
Cash Collections by County Treasurer Above	\$ 4,726,415
Accrued at June 30, 2019	(28,253)
Accrued at June 30, 2020	36,545
Taxes in Lieu	(31,813)
Total Revenue	<u>\$ 4,702,894</u>

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

SCHEDULE OF FUTURE BOND REDEMPTION AND INTEREST REQUIREMENTS
2015 GO Bond
June 30, 2020

YEAR	August 6, 2015 Issue	
	PRINCIPAL	INTEREST
	Due 6/15	Due 12/15 & 6/15
2020-21	1,795,000	2,743,875
2021-22	2,010,000	2,654,125
2022-23	2,235,000	2,553,625
2023-24	2,450,000	2,471,875
2024-25	2,685,000	2,371,250
2025-26	2,945,000	2,249,500
2026-27	3,240,000	2,102,250
2027-28	3,545,000	1,940,250
2028-29	3,875,000	1,763,000
2029-30	4,225,000	1,569,250
2030-31	4,595,000	1,358,000
2031-32	4,990,000	1,128,250
2032-33	5,405,000	878,750
2033-34	5,850,000	608,500
2034-35	6,320,000	316,000
	\$ 56,165,000	\$ 26,708,500

OTHER INFORMATION

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**WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON**

**SUPPLEMENTAL INFORMATION
As Required by The Oregon Department of Education
For the Year Ended June 30, 2020**

A. Energy bills for heating - all funds:

		<u>Objects 325, 326, and 327</u>
Function 2540	\$	782,366
Function 2550		-

B. Replacement of equipment - General Fund:

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

Exclude these functions:

		<u>Amount</u>
1113, 1122 & 1132		
1140		
1300		
1400		
Co-curricular activities		
Pre-kindergarten		
Continuing education		
Summer school		
Construction	\$	12,612
Pupil transportation		
Food service		
Community services		

AUDIT REVENUE SUMMARY
Woodburn School District No. 103

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
Revenue from Local Sources							
1110 Ad Valorem Taxes Levied by District	\$8,347,110		\$4,702,894				
1120 Local Option Ad Valorem Taxes Levied by District							
1130 Construction Excise Tax				\$147,528			
1190 Penalties and Interest on Taxes							
1200 Revenue from Local Governmental Units Other Than Districts							
1311 Regular Day School Tuition - From Individuals							
1312 Regular Day School Tuition - Other Dist Within State	\$94,806						
1313 Regular Day School Tuition - Other Districts Outside							
1320 Adult/Continuing Education Tuition	\$29,412						
1330 Summer School Tuition							
1411 Transportation Fees - From Individuals							
1412 Transportation Fees - Other Dist Within State							
1413 Transportation Fees - Other Districts Outside							
1420 Summer School Transportation Fees							
1500 Earnings on Investments	\$590,481		\$11,679	\$893,366			
1600 Food Service		\$23,506					
1700 Extracurricular Activities		\$213,387					
1800 Community Services Activities							
1910 Rentals	\$20,458						
1920 Contributions and Donations From Private Sources	\$60,000	\$3,273					
1930 Rental or Lease Payments From Private Contractors							
1940 Services Provided Other Local Education Agencies							
1950 Textbook Sales and Rentals							
1960 Recovery of Prior Years' Expenditure	\$26,233	\$490					
1970 Services Provided Other Funds							
1980 Fees Charged to Grants	\$286,695						
1990 Miscellaneous	\$287,699	\$2,329,352	-\$3,730	\$8,188			
Total Revenue from Local Sources	\$9,742,694	\$2,570,008	\$4,710,843	\$1,049,083	\$0	\$0	\$0
Revenue from Intermediate Sources							
2101 County School Funds	\$154,795						
2102 General ESD Revenue							
2103 Excess ESD Local Revenue							
2105 Natural Gas, Oil, and Mineral Receipts							
2110 Intermediate "I" Tax							
2199 Other Intermediate Sources							
2200 Restricted Revenue		\$61,968					
2800 Revenue in Lieu of Taxes							
2900 Revenue for/on Behalf of the District							
Total Revenue from Intermediate Sources	\$154,795	\$61,968	\$0	\$0	\$0	\$0	\$0
Revenue from State Sources							
3101 State School Fund - General Support	\$56,279,503						
3102 State School Fund - School Lunch Match		\$35,742					
3103 Common School Fund	\$571,860						
3104 State Managed County Timber							
3106 State School Fund - Accrual							
3199 Other Unrestricted Grants-in-Aid	\$5,421						
3204 Driver Education							
3222 State School Fund (SSF) Transportation Equipment							
3299 Other Restricted Grants-in-Aid	\$28,111	\$67,223					
3800 Revenue in Lieu of Taxes							
3900 Revenue for/on Behalf of the District							
Total Revenue from State Sources	\$56,884,895	\$102,965	\$0	\$0	\$0	\$0	\$0
Revenue from Federal Sources							
4100 Unrestricted Revenue Direct From the Federal Government							
4200 Unrestricted Revenue From the Federal Government Through the State							
4201 Transportation Fees for Foster Children							
4202 Medicaid Reimbursement for Eligible K-12 Expenses (Ages 5-21)							
4300 Restricted Revenue From the Federal Government							
4500 Restricted Revenue From the Federal Government Through the State	\$11,998	\$11,897,167					
4501 Medicaid Reimbursement for Eligible Early Intervention (EI) Services (Ages Birth to 3)							
4502 Medicaid Reimbursement for Eligible Early Childhood Special Education (ECSE) Services (Ages 3-5)							
4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies							
4801 Federal Forest Fees							
4802 Impact Aid to School Districts for Operation (PL 874)							
4803 Coos Bay Wagon Road Funds							
4899 Other Revenue in Lieu of Taxes							
4900 Revenue for/on Behalf of the District	\$862						
Total Revenue from Federal Sources	\$12,860	\$11,897,167	\$0	\$0	\$0	\$0	\$0
Revenue from Other Sources							
5100 Long Term Debt Financing Sources							
5200 Interfund Transfers		\$5,200	\$1,074,600	\$750,000			
5300 Sale of or Compensation for Loss of Fixed Assets	\$9,425						
5400 Resources - Beginning Fund Balance	\$13,960,254	\$2,067,338	\$362,857	\$53,822,960			
Total Revenue from Other Sources	\$13,969,679	\$2,072,538	\$1,437,457	\$54,572,960	\$0	\$0	\$0
Grand Total	\$80,765,123	\$16,704,644	\$6,148,300	\$55,622,043	\$0	\$0	\$0

DISTRICT AUDIT EXPENDITURE SUMMARY
Woodburn School District No. 103

Fund: 100 General Fund

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111	Elementary, K-5 or K-6	\$4,658,597	\$2,581,239	\$1,852,422	\$81,495	\$134,521		\$8,920	
1113	Elementary Extracurricular	\$0							
1121	Middle/Junior High Programs	\$5,894,057	\$3,181,270	\$2,171,046	\$107,439	\$434,237		\$65	
1122	Middle/Junior High School Extracurricular	\$226,442	\$120,683	\$36,878	\$6,977	\$12,665	\$40,000	\$9,239	
1131	High School Programs	\$8,596,659	\$4,568,273	\$3,027,660	\$386,127	\$548,597		\$66,002	
1132	High School Extracurricular	\$744,252	\$367,792	\$149,395	\$87,239	\$127,361		\$12,465	
1140	Pre-Kindergarten Programs	\$290,682	\$144,521	\$139,498	\$1,357	\$5,306			
1210	Programs for the Talented and Gifted	\$379,810	\$222,092	\$155,399	\$88	\$2,196		\$35	
1220	Restrictive Programs for Students with Disabilities	\$2,514,813	\$1,289,134	\$1,086,080	\$127,389	\$12,210			
1250	Less Restrictive Programs for Students with Disabilities	\$3,631,670	\$2,066,635	\$1,555,569	\$42	\$9,424			
1260	Treatment and Habilitation	\$0							
1271	Remediation	\$0							
1272	Title I	\$0							
1280	Alternative Education	\$1,916,787	\$272,166	\$162,010	\$1,472,687	\$8,464		\$1,460	
1291	English Second Language Programs	\$12,089,453	\$6,998,644	\$4,975,780	\$44,453	\$70,576			
1292	Teen Parent Program	\$0							
1293	Migrant Education	\$0							
1294	Youth Corrections Education	\$0							
1299	Other Programs	\$0							
1300	Adult/Continuing Education Programs	\$0							
1400	Summer School Programs	\$0							
Total Instruction Expenditures		\$40,943,222	\$21,812,449	\$15,311,737	\$2,315,293	\$1,365,557	\$40,000	\$98,186	\$0
Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	\$1,229,485	\$536,443	\$439,161	\$179,804	\$72,693		\$1,384	
2120	Guidance Services	\$2,007,816	\$1,128,336	\$832,834	\$14,000	\$29,482		\$3,164	
2130	Health Services	\$192,946	\$132,428	\$50,695	\$193	\$7,150		\$2,480	
2140	Psychological Services	\$480,817	\$286,272	\$169,463	\$14,923	\$10,159			
2150	Speech Pathology and Audiology Services	\$713,484	\$420,284	\$285,948	\$4,600	\$1,210		\$1,442	
2160	Other Student Treatment Services	\$29,995			\$29,995				
2190	Service Direction, Student Support Services	\$1,384,758	\$719,606	\$476,628	\$164,311	\$24,213			
2210	Improvement of Instruction Services	\$1,116,409	\$563,191	\$425,525	\$112,004	\$14,027		\$1,662	
2220	Educational Media Services	\$1,035,146	\$560,722	\$402,433	\$790	\$68,967		\$2,234	
2230	Assessment & Testing	\$129,416	\$39,051	\$21,929	\$20,567	\$47,869			
2240	Instructional Staff Development	\$344,637	\$93,637	\$157,620	\$79,737	\$12,843		\$900	
2310	Board of Education Services	\$313,221	\$6,078	\$2,430	\$150,148	\$9,105		\$145,460	
2320	Executive Administration Services	\$382,968	\$250,413	\$111,074	\$8,754	\$9,673		\$3,054	
2410	Office of the Principal Services	\$5,090,282	\$2,895,185	\$2,030,635	\$85,571	\$59,985		\$18,906	
2490	Other Support Services - School Administration	\$0							
2510	Direction of Business Support Services	\$0							
2520	Fiscal Services	\$774,752	\$343,689	\$259,458	\$90,972	\$32,523		\$48,110	
2540	Operation and Maintenance of Plant Services	\$5,213,965	\$1,745,417	\$1,350,519	\$1,569,205	\$322,431	\$13,411	\$212,982	
2550	Student Transportation Services	\$3,031,824	\$27,974	\$20,363	\$2,980,515	\$2,972			
2570	Internal Services	\$35,491	\$6,461	\$2,876	\$23,244	\$1,377		\$1,533	
2610	Direction of Central Support Services	\$0							
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical S	\$0							
2630	Information Services	\$132,045	\$58,495	\$36,764	\$34,301	\$2,401		\$84	
2640	Staff Services	\$626,772	\$330,533	\$215,404	\$39,338	\$39,216		\$2,281	
2660	Technology Services	\$1,483,853	\$569,484	\$421,293	\$83,949	\$409,127			
2670	Records Management Services	\$0							
2680	Interpretation and Translation Services	\$0							
2690	Other Support Services - Central	\$0							
2700	Supplemental Retirement Program	\$0							
Total Support Services Expenditures		\$25,750,082	\$10,713,699	\$7,713,052	\$5,686,921	\$1,177,423	\$13,411	\$445,576	\$0
Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	\$0							
3200	Other Enterprise Services	\$0							
3300	Community Services	\$6,326			\$56	\$6,270			
3500	Custody and Care of Children Services	\$0							
Total Enterprise and Community Services Expenditures		\$6,326	\$0	\$0	\$56	\$6,270	\$0	\$0	\$0
Facilities Acquisition and Construction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110	Service Area Direction	\$0							
4120	Site Acquisition and Development Services	\$0							
4150	Building Acquisition, Construction, and Improvement Services	\$242,480					\$242,480		
4180	Other Capital Items	\$0							
4190	Other Facilities Construction Services	\$0							
Total Facilities Acquisition and Construction Expenditures		\$242,480	\$0	\$0	\$0	\$0	\$242,480	\$0	\$0
Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	\$0							
5200	Transfers of Funds	\$1,401,330							\$1,401,330
5300	Apportionment of Funds by ESD	\$0							
5400	PERS UAL Bond Lump Sum	\$0							
Total Other Uses Expenditures		\$1,401,330	\$0	\$0	\$0	\$0	\$0	\$0	\$1,401,330
Grand Total		\$68,343,440	\$32,526,148	\$23,024,789	\$8,002,270	\$2,549,250	\$295,891	\$543,762	\$1,401,330

DISTRICT AUDIT EXPENDITURE SUMMARY
Woodburn School District No. 103

Fund: 200 Special Revenue Funds

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111	Elementary, K-5 or K-6	\$17,662	\$10,200		\$366	\$7,097			
1113	Elementary Extracurricular	\$32,001			\$9,588	\$21,585		\$828	
1121	Middle/Junior High Programs	\$102,420	\$12,587	\$4,522	\$46,184	\$39,126			
1122	Middle/Junior High School Extracurricular	\$21,602			\$12,200	\$9,318			
1131	High School Programs	\$326,609	\$82,987	\$55,615	\$31,174	\$156,833		\$84	
1132	High School Extracurricular	\$212,352			\$5,263	\$189,764		\$17,325	
1140	Pre-Kindergarten Programs	\$432,204	\$158,566	\$139,706	\$116,239	\$17,532		\$161	
1210	Programs for the Talented and Gifted	\$0							
1220	Restrictive Programs for Students with Disabilities	\$74,838	\$15,493	\$6,915	\$34,146	\$18,285			
1250	Less Restrictive Programs for Students with Disabilities	\$86,177	\$21,494	\$7,409	\$19,421	\$37,852			
1260	Treatment and Habilitation	\$0							
1271	Remediation	\$91,135	\$64,920	\$26,215					
1272	Title I	\$1,314,819	\$538,455	\$346,184	\$19,924	\$410,227		\$29	
1280	Alternative Education	\$58,110	\$29,325	\$28,855	-\$70				
1291	English Second Language Programs	\$78,925	\$13,452	\$6,272		\$59,201			
1292	Teen Parent Program	\$0							
1293	Migrant Education	\$516,637	\$240,587	\$144,870	\$98,962	\$32,218			
1294	Youth Corrections Education	\$0							
1299	Other Programs	\$722,001	\$438,431	\$193,442	\$71,011	\$19,116			
1300	Adult/Continuing Education Programs	\$0							
1400	Summer School Programs	\$11,987	\$6,972	\$2,912	\$2,103				
Total Instruction Expenditures		\$4,099,478	\$1,633,470	\$962,916	\$466,510	\$1,018,154	\$0	\$18,427	\$0
Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	\$173,315	\$95,295	\$76,100	\$1,666	\$254			
2120	Guidance Services	\$160,885	\$78,257	\$79,917	\$472	\$2,238			
2130	Health Services	\$173,693	\$66,798	\$70,026	\$36,869				
2140	Psychological Services	\$230,833	\$116,225	\$111,158	\$731	\$2,569		\$150	
2150	Speech Pathology and Audiology Services	\$10,774	\$6,296	\$2,110	\$92	\$2,277			
2160	Other Student Treatment Services	\$7,004			\$7,004				
2190	Service Direction, Student Support Services	\$670,902	\$356,837	\$236,851	\$40,631	\$36,248		\$336	
2210	Improvement of Instruction Services	\$257,511	\$109,546	\$62,504	\$71,076	\$14,386			
2220	Educational Media Services	\$4,326				\$4,326			
2230	Assessment & Testing	\$0							
2240	Instructional Staff Development	\$2,128,255	\$1,071,885	\$689,133	\$325,271	\$34,485		\$7,482	
2310	Board of Education Services	\$0							
2320	Executive Administration Services	\$30,000	\$6,357	\$2,632	\$525	\$2,914		\$17,572	
2410	Office of the Principal Services	\$110,585	\$46,273	\$19,627	\$18,329	\$26,356			
2490	Other Support Services - School Administration	\$2,893			\$2,893				
2510	Direction of Business Support Services	\$0							
2520	Fiscal Services	\$286,695						\$286,695	
2540	Operation and Maintenance of Plant Services	\$19,950						\$19,950	
2550	Student Transportation Services	\$44,481			\$44,373		\$108		
2570	Internal Services	\$0							
2610	Direction of Central Support Services	\$0							
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical S	\$0							
2630	Information Services	\$0							
2640	Staff Services	\$0							
2660	Technology Services	\$0							
2670	Records Management Services	\$0							
2680	Interpretation and Translation Services	\$0							
2690	Other Support Services - Central	\$0							
2700	Supplemental Retirement Program	\$0							
Total Support Services Expenditures		\$4,312,101	\$1,953,768	\$1,350,058	\$549,931	\$126,051	\$108	\$332,185	\$0
Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	\$3,291,199	\$725,117	\$789,980	\$107,413	\$1,519,546	\$123,596	\$25,547	
3200	Other Enterprise Services	\$0							
3300	Community Services	\$262,182	\$94,297	\$43,025	\$56,029	\$68,831			
3500	Custody and Care of Children Services	\$0							
Total Enterprise and Community Services Expenditures		\$3,553,381	\$819,414	\$833,005	\$163,443	\$1,588,377	\$123,596	\$25,547	\$0
Facilities Acquisition and Construction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110	Service Area Direction	\$0							
4120	Site Acquisition and Development Services	\$0							
4150	Building Acquisition, Construction, and Improvement Services	\$158,313					\$158,313		
4180	Other Capital Items	\$0							
4190	Other Facilities Construction Services	\$0							
Total Facilities Acquisition and Construction Expenditures		\$158,313	\$0	\$0	\$0	\$0	\$158,313	\$0	\$0
Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	\$0							
5200	Transfers of Funds	\$428,500							\$428,500
5300	Apportionment of Funds by ESD	\$0							
5400	PERS UAL Bond Lump Sum	\$0							
Total Other Uses Expenditures		\$428,500	\$0	\$0	\$0	\$0	\$0	\$0	\$428,500
Grand Total		\$12,551,773	\$4,406,652	\$3,145,979	\$1,179,884	\$2,732,583	\$282,017	\$376,159	\$428,500

DISTRICT AUDIT EXPENDITURE SUMMARY
Woodburn School District No. 103

Fund: 300 Debt Service Funds

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111	Elementary, K-5 or K-6	\$0							
1113	Elementary Extracurricular	\$0							
1121	Middle/Junior High Programs	\$0							
1122	Middle/Junior High School Extracurricular	\$0							
1131	High School Programs	\$0							
1132	High School Extracurricular	\$0							
1140	Pre-Kindergarten Programs	\$0							
1210	Programs for the Talented and Gifted	\$0							
1220	Restrictive Programs for Students with Disabilities	\$0							
1250	Less Restrictive Programs for Students with Disabilities	\$0							
1260	Treatment and Habilitation	\$0							
1271	Remediation	\$0							
1272	Title I	\$0							
1280	Alternative Education	\$0							
1291	English Second Language Programs	\$0							
1292	Teen Parent Program	\$0							
1293	Migrant Education	\$0							
1294	Youth Corrections Education	\$0							
1299	Other Programs	\$0							
1300	Adult/Continuing Education Programs	\$0							
1400	Summer School Programs	\$0							
Total Instruction Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	\$0							
2120	Guidance Services	\$0							
2130	Health Services	\$0							
2140	Psychological Services	\$0							
2150	Speech Pathology and Audiology Services	\$0							
2160	Other Student Treatment Services	\$0							
2190	Service Direction, Student Support Services	\$0							
2210	Improvement of Instruction Services	\$0							
2220	Educational Media Services	\$0							
2230	Assessment & Testing	\$0							
2240	Instructional Staff Development	\$0							
2310	Board of Education Services	\$0							
2320	Executive Administration Services	\$0							
2410	Office of the Principal Services	\$0							
2490	Other Support Services - School Administration	\$0							
2510	Direction of Business Support Services	\$0							
2520	Fiscal Services	\$0							
2540	Operation and Maintenance of Plant Services	\$0							
2550	Student Transportation Services	\$0							
2570	Internal Services	\$0							
2610	Direction of Central Support Services	\$0							
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical S	\$0							
2630	Information Services	\$0							
2640	Staff Services	\$0							
2660	Technology Services	\$0							
2670	Records Management Services	\$0							
2680	Interpretation and Translation Services	\$0							
2690	Other Support Services - Central	\$0							
2700	Supplemental Retirement Program	\$0							
Total Support Services Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	\$0							
3200	Other Enterprise Services	\$0							
3300	Community Services	\$0							
3500	Custody and Care of Children Services	\$0							
Total Enterprise and Community Services Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facilities Acquisition and Construction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110	Service Area Direction	\$0							
4120	Site Acquisition and Development Services	\$0							
4150	Building Acquisition, Construction, and Improvement Services	\$0							
4180	Other Capital Items	\$0							
4190	Other Facilities Construction Services	\$0							
Total Facilities Acquisition and Construction Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	\$6,133,965						\$6,133,965	
5200	Transfers of Funds	\$0							
5300	Apportionment of Funds by ESD	\$0							
5400	PERS UAL Bond Lump Sum	\$0							
Total Other Uses Expenditures		\$6,133,965	\$0	\$0	\$0	\$0	\$0	\$6,133,965	\$0
Grand Total		\$6,133,965	\$0	\$0	\$0	\$0	\$0	\$6,133,965	\$0

DISTRICT AUDIT EXPENDITURE SUMMARY
Woodburn School District No. 103

Fund: 400 Capital Projects Funds

Instruction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111	Elementary, K-5 or K-6	\$0							
1113	Elementary Extracurricular	\$0							
1121	Middle/Junior High Programs	\$0							
1122	Middle/Junior High School Extracurricular	\$0							
1131	High School Programs	\$0							
1132	High School Extracurricular	\$0							
1140	Pre-Kindergarten Programs	\$0							
1210	Programs for the Talented and Gifted	\$0							
1220	Restrictive Programs for Students with Disabilities	\$0							
1250	Less Restrictive Programs for Students with Disabilities	\$0							
1260	Treatment and Habilitation	\$0							
1271	Remediation	\$0							
1272	Title I	\$0							
1280	Alternative Education	\$0							
1291	English Second Language Programs	\$0							
1292	Teen Parent Program	\$0							
1293	Migrant Education	\$0							
1294	Youth Corrections Education	\$0							
1299	Other Programs	\$0							
1300	Adult/Continuing Education Programs	\$0							
1400	Summer School Programs	\$0							
Total Instruction Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Support Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110	Attendance and Social Work Services	\$0							
2120	Guidance Services	\$0							
2130	Health Services	\$0							
2140	Psychological Services	\$0							
2150	Speech Pathology and Audiology Services	\$0							
2160	Other Student Treatment Services	\$0							
2190	Service Direction, Student Support Services	\$0							
2210	Improvement of Instruction Services	\$0							
2220	Educational Media Services	\$0							
2230	Assessment & Testing	\$0							
2240	Instructional Staff Development	\$0							
2310	Board of Education Services	\$0							
2320	Executive Administration Services	\$0							
2410	Office of the Principal Services	\$0							
2490	Other Support Services - School Administration	\$0							
2510	Direction of Business Support Services	\$0							
2520	Fiscal Services	\$0							
2540	Operation and Maintenance of Plant Services	\$7,285			\$4,258	\$3,026			
2550	Student Transportation Services	\$20,522			\$20,522				
2570	Internal Services	\$0							
2610	Direction of Central Support Services	\$0							
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical	\$0							
2630	Information Services	\$0							
2640	Staff Services	\$0							
2660	Technology Services	\$0							
2670	Records Management Services	\$0							
2680	Interpretation and Translation Services	\$0							
2690	Other Support Services - Central	\$0							
2700	Supplemental Retirement Program	\$0							
Total Support Services Expenditures		\$27,807	\$0	\$0	\$24,781	\$3,026	\$0	\$0	\$0
Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	\$0							
3200	Other Enterprise Services	\$0							
3300	Community Services	\$0							
3500	Custody and Care of Children Services	\$0							
Total Enterprise and Community Services Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facilities Acquisition and Construction Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110	Service Area Direction	\$0							
4120	Site Acquisition and Development Services	\$32,500					\$32,500		
4150	Building Acquisition, Construction, and Improvement Services	\$22,139,705			\$3,492,015	\$134	\$17,625,468	\$1,022,088	
4180	Other Capital Items	\$0							
4190	Other Facilities Construction Services	\$0							
Total Facilities Acquisition and Construction Expenditures		\$22,172,205	\$0	\$0	\$3,492,015	\$134	\$17,657,968	\$1,022,088	\$0
Other Uses Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100	Debt Service	\$0							
5200	Transfers of Funds	\$0							
5300	Apportionment of Funds by ESD	\$0							
5400	PERS UAL Bond Lump Sum	\$0							
Total Other Uses Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grand Total		\$22,200,012	\$0	\$0	\$3,516,796	\$3,160	\$17,657,968	\$1,022,088	\$0

Independent Auditors' Report Required by Oregon State Regulations

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December 16, 2020

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the Woodburn School District No. 103 as of and for the year ended June 30, 2020, and have issued our report thereon dated December 16, 2020. 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 basic 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 basic 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 District 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. Expenditures were within authorized appropriation levels.

OAR 162-10-0230 Internal Control

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

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

ROY R. ROGERS, CPA
PAULY, ROGERS AND CO., P.C.

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GRANT COMPLIANCE REVIEW

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**WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
As required by the Oregon Department of Education
For the Year Ended June 30, 2020**

Federal Grantor/Pass Through Grantor/ Program Title	Grant Fund	Pass-Through Agency Grant #	Federal CFDA Number	Grant Period	Expenditures
U.S. DEPARTMENT OF EDUCATION					
Passed through Oregon Department of Education					
Title I-A	201	41189	84.010	2019	2,853,363
Title I-A: ESSA	229		84.010	2020	258,016
Title I-A: ESSA	224	51442	84.010	2019	4,493
Title I-A: ESSA	225		84.010	2019	19,535
Title I-A: ESSA	226		84.010	2019	166,048
Total Title I Cluster					<u>3,301,455</u>
SPR&I	207	40988	84.027	2019	3,984
IDEA	231		84.027	2019	406,497
IDEA	231	36991	84.027	2018	85,957
IDEA Enhancement	242		84.027	2019	7,957
Total IDEA Cluster					<u>504,395</u>
Title I-C	249		84.011	2020	481,943
Title I-C	249	41230	84.011	2019	129,125
Title I-C Summer	257		84.011	2020	20
Title I-C Summer	257	43692	84.011	2019	259,181
Title I-C Preschool	279		84.011	2020	104,285
Total Title I-C					<u>974,554</u>
Title III	214		84.365	2019	169,787
Title III	214	36369	84.365	2018	9,639
Title II-A- Teacher Quality	215		84.367	2019	311,730
Preschool Promise	200		93.708	2020	382,020
Kindergarten Readiness	253		93.708	2020	114,717
21st Century Learning	264		84.287	2019	761,140
YTP	295		84.126A	2019	66,281
Title IV-A	216		84.424	2019	250,181
Total U.S. Department of Education					<u>6,845,899</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Passed through Oregon Department of Education:					
Foster Student Transportation	100	47566	93.658	2020	862
Child Care Reimbursement	100		93.575	2019	11,998
Total U.S. Department of Health and Human Services					<u>12,860</u>
U.S. DEPARTMENT OF AGRICULTURE					
Passed Through Oregon Department of Education:					
NSL- Breakfast	205		10.553	2019	483,301
COVID-19 CARES NSL - Breakfast	205		10.553	2019	39,909
NSL- Lunch	205		10.555	2019	1,470,028
COVID-19 CARES NSL - Lunch	205		10.555	2019	121,854
Commodities	205		10.555	2019	254,176
Summer Food	205		10.559	2019	283,539
COVID-19 CARES Summer Food	205		10.559	2019	617,874
Total Child Nutrition Cluster					<u>3,270,681</u>
Child Care- Food	205		10.558	2019	11,839
After School Program	205		10.558	2019	209,435
Fresh Fruit and Vegetable Program	222,260,261,270,271		10.582	2020	93,118
Fresh Fruit and Vegetable Program	222,260,261,270,271		10.582	2019	9,972
Total U.S. Department of Agriculture					<u>3,595,045</u>
Passed Through Chemeketa Community College					
Carl Perkins	272		84.048	2020	6,835
TOTALS					<u><u>10,460,639</u></u>
RECONCILIATION TO REVENUE:					
Federal Expenditures Recognized			10,460,639		
Accruals / Deferrals			<u>1,449,388</u>		
Federal Revenue Recognized			<u><u>11,910,027</u></u>		



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December 16, 2020

To the Board of Directors
Woodburn School District No. 103
Marion County, Oregon

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Woodburn School District No. 103 as of and for the year ended June 30, 2020, and the related notes to the basic financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated December 16, 2020.

Internal Control Over Financial Reporting

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

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

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

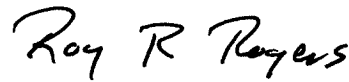
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the basic financial statements are free from material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



ROY R. ROGERS, CPA
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December 16, 2020

To the Board of Directors
Woodburn School District No. 103
Marion County, Oregon

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Report on Compliance for Each Major Federal Program

We have audited Woodburn School District No. 103's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2020. The major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of compliance.

Opinion on Each Major Federal Program

In our opinion, Woodburn School District No. 103 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of internal control over compliance.

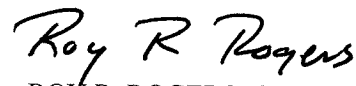
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



ROY R. ROGERS, CPA
PAULY, ROGERS AND CO., P.C.

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2020

SECTION I – SUMMARY OF AUDITORS’ RESULTS

FINANCIAL STATEMENTS

Type of auditors’ report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes no

Significant deficiency(s) identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Any GAGAS audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? yes no

FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified? yes no

Significant deficiency(s) identified that are not considered to be material weaknesses? yes none reported

Type of auditors’ report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? yes no

IDENTIFICATION OF MAJOR PROGRAMS

<u>CFDA NUMBER</u>	<u>NAME OF FEDERAL PROGRAM CLUSTER</u>
10.553, 10.555, 10.559	Child Nutrition Cluster
84.011	Migrant Education – State Grant Program (Title I, Part C of ESEA)

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

Auditee qualified as low-risk auditee? yes no

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2020

SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

NOTES TO SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS

1. BASIS OF PRESENTATION

The schedule of expenditures of federal awards as listed in the table of contents, includes the federal grant activity and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule of expenditure of federal awards are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The District elected not to use the ten percent de minimis indirect cost rate as allowed under Uniform Guidance, since they already have a negotiated indirect cost rate with Oregon Department of Education, and therefore are not allowed to use the de minimis rate.