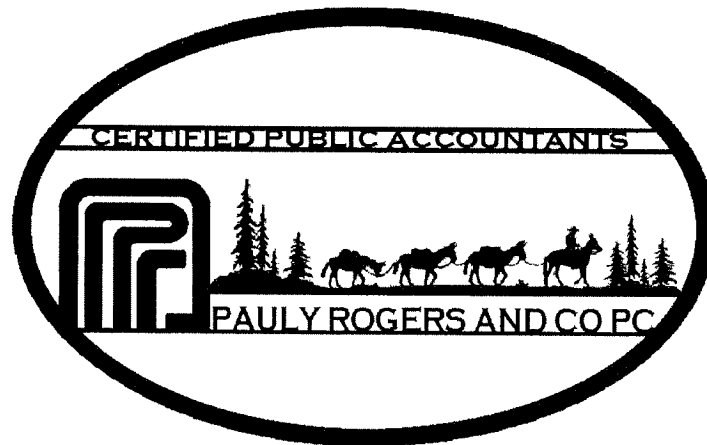


WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2019



12700 SW 72nd Ave.
Tigard, OR 97223

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2019

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WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

BOARD OF DIRECTORS 2018-19

Linda Johnston, Chair	June 30, 2019
Anthony Medina, Vice Chair	June 30, 2021
Noemi Legaspi	June 30, 2019
Linda Reeves	June 30, 2019
Laura Isiordia	June 30, 2021

Board members receive mail at the District address listed below.

ADMINISTRATION

Dr. William Rhoades
Superintendent

Sarah Bishop
Director of Business

1390 Meridian Drive,
Woodburn, OR 97071

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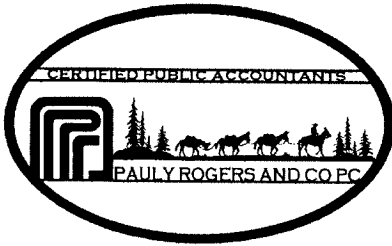
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PAULY, ROGERS, AND Co., P.C.
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(503) 620-2632 (503) 684-7523 FAX
www.paulyrogersandcocpas.com

December 16, 2019

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, 2019, 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, 2019, 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.

Emphasis of Matter

The District adopted provision of GASB Statement No. 88 *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* and GASB Statement No. 83 *Certain Asset Retirement Obligations*. Our opinions are not modified with respect to this matter.

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, 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.

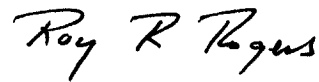
Other Information

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, 2019 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, 2019, 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, 2019

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, 2018. 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, 2019 by \$8,902,568. Of this amount (\$6,052,091) represents the District's net investment in capital assets. The District has \$56,253,153 of restricted net position. The District's unrestricted net position is (\$71,207,812).
- The District's governmental funds report combined ending fund balance is \$70,213,407 for an increase of \$854,551 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, and 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 11-36 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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 \$8,902,568 at June 30, 2019.

Capital assets, which consist of the District's land, buildings, building improvements, construction in progress, vehicles, and equipment, represent about 38 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 \$61,969,858. Long-term debt outstanding, representing about 46 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 Net Position

Total School District Governmental Activities

	2019	2018
Assets		
Current and other assets	\$ 82,184,076	\$ 85,838,188
Net capital assets	<u>50,825,165</u>	<u>36,193,774</u>
Total Assets	<u>133,009,241</u>	<u>122,031,962</u>
Pension Rated Deferrals	27,516,934	24,016,006
Liabilities		
Long-term debt outstanding	73,063,567	67,515,403
Other liabilities	<u>86,445,810</u>	<u>81,055,202</u>
Total Liabilities	<u>159,509,377</u>	<u>148,570,605</u>
Pension Rated Deferrals	9,919,366	5,731,612
Net Position		
Net investment in capital assets	(6,052,091)	(31,163,171)
Restricted	56,253,153	52,231,690
Unrestricted	<u>(71,207,812)</u>	<u>(29,322,768)</u>
Total Net Position	<u>\$ (8,902,568)</u>	<u>\$ (8,254,249)</u>

Condensed Statement of Activities

Total School District Governmental Activities

	2019	2018
Revenues		
Program Revenues		
Charges for services	\$ 95,553	\$ 64,537
Operating Grants & Contributions	<u>10,606,961</u>	<u>10,045,121</u>
Total Program Revenues	<u>10,702,514</u>	<u>10,109,658</u>
General Revenues		
Property taxes	12,311,201	12,344,529
State school fund	55,700,388	54,264,094
Other state and local sources	7,379,131	2,340,456
Other intermediate sources	842,363	927,955
Fair market value adjustment	(1,682,959)	(385,836)
Investment earnings	579,455	658,036
Other	<u>26,548</u>	<u>700</u>
Total General Revenues	<u>75,156,127</u>	<u>70,149,934</u>
Total Revenues	<u>85,858,641</u>	<u>80,259,592</u>
Expenses		
Instruction	46,555,319	51,827,192
Support Services	35,359,036	33,852,593
Community Services	3,639,940	4,144,614
Interest on long-term debt	<u>952,665</u>	<u>2,535,274</u>
Total Expenses	<u>86,506,960</u>	<u>92,359,673</u>
Increase (decrease) in net assets	(648,319)	(12,100,080)
Net assets - beginning	<u>(8,254,249)</u>	<u>3,845,831</u>
Net assets - ending	<u>\$ (8,902,568)</u>	<u>\$ (8,254,249)</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 88% of the funding required for governmental programs. Property taxes and state school fund combined account for 85% of general revenues and 75% of total revenues.

Operating grants and contributions account for 12% of total revenues. Included in this category is \$3,288,522 for federal reimbursement under the national school lunch program. Federal and state grants for designated programs totaled \$10,606,961

Expenses. Expenses related to governmental activities are presented in four broad functional categories. Costs of direct classroom instruction activities account for 54% of the total expenses of \$86,506,960. 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, 2019, the District's total governmental funds reported combined ending fund balances of \$70,213,407; an increase of \$854,551 in comparison with the prior year. About \$13,731,671 (20 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, \$53,822,960 is designated for Capital Projects.

General Fund: The General Fund is the chief operating fund of the District. As of June 30, 2019, there is \$228,583 of non-spendable fund balance and unassigned fund balance was \$13,731,671. As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Fund balance represents 22 percent of total General Fund expenditures. The fund balance decreased by \$3,166,912 during the current fiscal year.

Special Revenue Fund: The Special Revenue Fund has a total fund balance of (\$1,799,060). The net decrease in fund balance during the current year was \$1,205,669.

Debt Service Funds: The Debt Service Fund has a total fund balance of \$362,857. The net increase in fund balance during the current year was \$163,580.

Facilities Acquisition & Construction Fund/Construction Excise Tax: The Facilities Acquisition & Construction Funds and Construction Excise Tax Fund have a total fund balance of \$52,824,372. The fund balance increased by \$4,515,524 during the current fiscal year due to the proceeds from issuance of a Full, Faith and Credit obligation related to the High School campus.

Construction Excise Tax Fund: The Construction Excise Tax Fund has a total fund balance of \$998,588. The fund balance increased by \$243,802 during the current fiscal year.

Food Service Fund: The Food Service Fund has a total fund balance of \$3,866,396. The fund balance increased by \$304,226 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. 2018-19 was the second year of the 17-19 biennium, which saw an increase for K-12 funding of 11% over the 15-17 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, 2019, the District had invested \$50,825,165 in capital assets, net of depreciation.

During the year, the District's investment in capital assets, net of depreciation, increased by \$14,631,391. The major capital asset events for the year included the start and completion of several 2015 Bond projects including Success High School, and Washington Elementary.

Long-term Debt: At the end of the current fiscal year, the District had total bonded debt outstanding of \$73,063,567, including \$60,150,000 of general obligation debt. The District had \$12,780,000 of full faith and credit obligation and notes outstanding. The District also had \$133,567 of a taxable note 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, 2019, the State School Fund - General Support provided 83 percent of the District's General resources. For the 2017-19 biennium, the Legislature appropriated a total of \$8.2 billion for the State School Fund Grant, an increase of approximately \$826 million for education.

Salaries and benefits costs will increase in 2019-20 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, 2019

	Governmental Activities
ASSETS:	
Cash and Investments	\$ 77,631,273
Prepaid Expenses	228,583
Receivables:	
Accounts and Grants	3,838,708
Property Taxes	485,512
Capital Assets Not Being Depreciated	10,851,337
Capital Assets Being Depreciated, Net of Depreciation	39,973,828
Total Assets	133,009,241
DEFERRED OUTFLOWS OF RESOURCES:	
Pension Related Deferrals - PERS	27,488,843
OPEB Related Deferrals - Health Insurance	28,091
Total Deferred Outflows of Resources	27,516,934
TOTAL ASSETS AND PENSION RELATED DEFERRALS	160,526,175
LIABILITIES:	
Accounts Payable	4,160,191
Accrued Salaries and Benefits	7,404,678
Proportionate Share of Net Pension Liability -PERS	61,969,858
Unearned Revenue	1,316
Accrued Vacation Payable	112,529
Debt Premium	8,930,190
Interest Payable	160,168
Other Postemployment Benefit Obligation - Health Insurance	3,706,880
Long-term Liabilities	
Due within one year	3,209,909
Due in more than one year	69,853,658
Total Liabilities	159,509,377
DEFERRED INFLOWS OF RESOURCES:	
Pension Related Deferrals - PERS	9,730,005
OPEB Related Deferrals - Health Insurance	189,361
Total Deferred Inflows of Resources	9,919,366
TOTAL LIABILITIES AND PENSION RELATED DEFERRALS	169,428,743
NET POSITION:	
Net Investment in Capital Assets	6,052,091
Restricted for:	
Grants	(1,799,060)
Debt Service	362,857
Food Service	3,866,396
Capital Projects	53,822,960
Unrestricted	(71,207,812)
Total Net Position	\$ (8,902,568)

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, 2019**

Functions/Programs	Expense	PROGRAM REVENUES		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
Instruction	\$ 46,555,319	\$ -	\$ 3,453,836	\$ (43,101,483)
Support Services	35,359,036	63,595	3,864,603	(31,430,838)
Community Services	3,639,940	31,958	3,288,522	(319,459)
Interest on Long-Term Debt	952,665	-	-	(952,665)
Total Governmental Activities	\$ 86,506,960	\$ 95,553	\$ 10,606,961	(75,804,446)
GENERAL REVENUES:				
				7,909,002
				4,402,199
				55,700,388
				7,379,131
				842,363
				(1,682,959)
				26,548
				579,455
				<u>75,156,127</u>
				(648,319)
				<u>(8,254,249)</u>
				<u>\$ (8,902,568)</u>

See accompanying notes to the basic financial statements.

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

**BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2019**

	<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	\$ 17,988,634	\$ -	\$ 196,054	\$ 54,579,687	\$ 4,866,898	\$ 77,631,273
Prepaid Expenses	228,583	-	-	-	-	228,583
Receivables:						
Accounts and Grants	287,563	3,466,824	17,059	-	67,262	3,838,708
Interfund Receivable	4,803,478	-	121,491	-	-	4,924,969
Property Taxes	314,564	-	170,948	-	-	485,512
Total Assets	<u>\$ 23,622,822</u>	<u>\$ 3,466,824</u>	<u>\$ 505,552</u>	<u>\$ 54,579,687</u>	<u>\$ 4,934,160</u>	<u>\$ 87,109,045</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:						
Liabilities:						
Accounts Payable	\$ 1,996,101	\$ 339,599	\$ -	\$ 1,755,315	\$ 69,176	\$ 4,160,191
Interfund Payable	-	4,924,969	-	-	-	4,924,969
Accrued Salaries and Benefits	7,404,678	-	-	-	-	7,404,678
Unearned Revenue	-	1,316	-	-	-	1,316
Total Liabilities	<u>9,400,779</u>	<u>5,265,884</u>	<u>-</u>	<u>1,755,315</u>	<u>69,176</u>	<u>16,491,154</u>
Deferred Inflows of Resources:						
Unavailable Revenue-Property Taxes	261,789	-	142,695	-	-	404,484
Fund Balances:						
Nonspendable	228,583	-	-	-	-	228,583
Restricted for:						
Grants	-	(1,799,060)	-	-	-	(1,799,060)
Debt Service	-	-	362,857	-	-	362,857
Food Service	-	-	-	-	3,866,396	3,866,396
Capital Projects	-	-	-	52,824,372	998,588	53,822,960
Unassigned	13,731,671	-	-	-	-	13,731,671
Total Fund Balances	<u>13,960,254</u>	<u>(1,799,060)</u>	<u>362,857</u>	<u>52,824,372</u>	<u>4,864,984</u>	<u>70,213,407</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 23,622,822</u>	<u>\$ 3,466,824</u>	<u>\$ 505,552</u>	<u>\$ 54,579,687</u>	<u>\$ 4,934,160</u>	<u>\$ 87,109,045</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, 2019

TOTAL FUND BALANCES-GOVERNMENTAL FUNDS		\$	70,213,407
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.			(61,969,858)
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			27,488,843
Deferred Inflows - PERS			(9,730,005)
Deferred Outflows - OPEB Health Insurance			28,091
Deferred Outflows - OPEB Health Insurance			(189,361)
Capital assets are not financial resources and therefore are not reported in the governmental funds.			
Cost	\$	80,368,341	
Accumulated Depreciation		<u>(29,543,176)</u>	50,825,165
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.			404,484
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.			
Long-Term Liabilities:			
Accrued Vacation Payable		(112,529)	
Bond Interest Payable		(160,168)	
Other Postemployment Benefit Obligation - Health Insurance		(3,706,880)	
Premium on Debt		(8,930,190)	
Bonds and Notes Payable		<u>(73,063,567)</u>	<u>(85,973,334)</u>
TOTAL NET POSITION		\$	<u><u>(8,902,568)</u></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, 2019**

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	FACILITIES & CONSTRUCTION FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:						
Local Sources	\$ 9,042,387	\$ 782,457	\$ 4,598,212	\$ 4,029,816	\$ 510,979	\$ 18,963,851
Intermediate Sources	841,163	26,816	-	-	-	867,979
State Sources	52,359,736	3,305,545	-	-	35,107	55,700,388
Federal Sources	38,136	7,598,275	-	-	2,944,934	10,581,345
Total Revenues	62,281,422	11,713,093	4,598,212	4,029,816	3,491,020	86,113,563
EXPENDITURES:						
Instruction	38,851,800	4,118,989	-	-	-	42,970,789
Support Services	23,894,157	4,631,516	-	218,366	-	28,744,039
Community Services	2,261	414,430	-	-	2,942,992	3,359,683
Acquisition and Construction	2,449,264	3,669,475	-	11,745,481	-	17,864,220
Debt Service	-	-	4,774,184	-	-	4,774,184
Total Expenditures	65,197,482	12,834,410	4,774,184	11,963,847	2,942,992	97,712,915
Excess of Revenues Over (Under) Expenditures	(2,916,060)	(1,121,317)	(175,972)	(7,934,031)	548,028	(11,599,352)
OTHER FINANCING SOURCES, (USES):						
Bond Proceeds	-	-	-	12,427,355	-	12,427,355
Insurance Proceeds	26,548	-	-	-	-	26,548
Transfer In	2,292,060	329,530	339,552	1,000,000	-	3,961,142
Transfer Out	(2,569,460)	(413,882)	-	(977,800)	-	(3,961,142)
Total Other Financing Sources, (Uses)	(250,852)	(84,352)	339,552	12,449,555	-	12,453,903
Net Change in Fund Balance	(3,166,912)	(1,205,669)	163,580	4,515,524	548,028	854,551
Beginning Fund Balance	17,127,166	(593,391)	199,277	48,308,848	4,316,956	69,358,856
Ending Fund Balance	\$ 13,960,254	\$ (1,799,060)	\$ 362,857	\$ 52,824,372	\$ 4,864,984	\$ 70,213,407

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, 2019

TOTAL NET CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS **\$ 854,551**

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.

PERS	\$ (2,765,091)	
OPEB Health Insurance	<u>(252,266)</u>	(3,017,357)

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:

Expenditures for Capital Assets, net of adjustments	14,782,464	
Less Current Year Depreciation, net of adjustments	<u>(151,073)</u>	14,631,391

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:

Debt Principal Repaid	3,280,419	
Amortization of Debt Premiums	576,233	
Debt Premium Issuance	(1,284,587)	
Debt Principal Issuance	<u>(15,360,000)</u>	(12,787,935)

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.

(35,133)

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.

(281,470)

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.

(12,366)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ (648,319)**

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

I. 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

I. 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, 2019 there were deferred outflows of \$27,488,843 representing PERS pension related deferrals and deferred outflows of \$28,091 representing 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 in the amount of \$404,484 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, 2019 there were also deferred inflows of \$9,730,005 representing PERS pension related deferrals and deferred inflows of \$189,361 representing OPEB related deferrals for 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, 2019.

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, 2019, 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.

Excess of Expenditures Over Appropriations

Expenditures of the various funds were within authorized appropriations, except in the Special Revenue Fund, where Enterprise and Community Service expense was over-expended by \$25,023, the Debt Service Fund where Debt Service was over-expended by \$122,433, and Facilities Acquisition & Construction Fund where Support Services was over expended by \$36,366.

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	\$ 17,446,374
Investments	<u>60,184,899</u>
	<u>\$ 77,631,273</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, 2019 was \$18,941,932 of which \$558,407 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>	
Foreign Issues	\$ 3,995,620	\$ 1,997,600	\$ 1,998,020	\$ -
US Government Securities	19,124,077	9,982,570	9,141,507	-
State Treasurer's Investment Pool	<u>37,065,202</u>	<u>37,065,202</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 60,184,899</u>	<u>\$ 49,045,372</u>	<u>\$ 11,139,527</u>	<u>\$ -</u>

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
FNMAMTN	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, 2019, 62% 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, 2019 was as follows:

	Balance July 1, 2017	Adjustments	Additions	Deletions	Balance June 30, 2018
Governmental Activities:					
Capital Assets Not Being Depreciated:					
Land	\$ 1,927,088	\$ -	\$ 183,792	\$ -	\$ 2,110,880
Construction In Process	12,712,069	(20,332,225)	16,360,613	-	8,740,457
Total Capital Assets Not Being Depreciated	<u>14,639,157</u>	<u>(20,332,225)</u>	<u>16,544,405</u>	<u>-</u>	<u>10,851,337</u>
Capital Assets Being Depreciated:					
Buildings and Improvements	46,536,703	\$ 19,925,968	-	-	66,462,671
Vehicles and Equipment	4,410,017	(1,627,601)	271,917	-	3,054,333
Total Capital Assets Being Depreciated	<u>50,946,720</u>	<u>18,298,367</u>	<u>271,917</u>	<u>-</u>	<u>69,517,004</u>
Accumulated Depreciation:					
Buildings and Improvements	(27,723,004)	926,380	(1,029,687)	-	(27,826,311)
Vehicles and Equipment	(1,669,099)	90,312	(138,078)	-	(1,716,865)
Total Accumulated Depreciation	<u>(29,392,103)</u>	<u>1,016,692</u>	<u>(1,167,765)</u>	<u>-</u>	<u>(29,543,176)</u>
Total Capital Assets Being Depreciated, Net	<u>21,554,617</u>				<u>39,973,828</u>
Governmental Activities					
Capital Assets, Net	<u>\$ 36,193,774</u>				<u>\$ 50,825,165</u>

During 2018-19 a significant amount of bond construction was completed. The District also performed a comprehensive review of their capital assets register and made adjustments to reflect actual capital asset balances.

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
Instruction	\$ 668,400
Support Services	447,106
Community Services	<u>52,259</u>
Total Depreciation Expense-	
Governmental Activities	<u>\$ 1,167,765</u>

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. LONG-TERM OBLIGATIONS

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% and 5% 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% and 5% 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, 2018</u>	<u>Issued</u>	<u>Matured And Redeemed</u>	<u>Outstanding June 30, 2019</u>
August 6, 2015	2-5%	\$62,605,000	\$ 59,150,000	\$ -	\$ 1,395,000	\$ 57,755,000
2019 GO Bond	4-5%	2,395,000	-	2,395,000	-	2,395,000
Total Bonds Payable			<u>\$ 59,150,000</u>	<u>\$ 2,395,000</u>	<u>\$ 1,395,000</u>	<u>\$ 60,150,000</u>

Future maturities of bonds are payable as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2020	1,970,000	2,949,778
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
2025-2029	16,290,000	10,426,250
2030-2034	25,065,000	5,542,750
2035-2039	6,320,000	316,000
Total	<u>\$60,150,000</u>	<u>\$ 29,867,878</u>

Full Faith and Credit Obligations

In June 2006, \$3,135,000 of Full Faith and Credit Obligations were issued with interest at 4.25% - 4.30%. The proceeds were placed in the Major Maintenance Reserve Fund, a component of the Facilities Acquisition & Construction Fund, and are used for maintenance projects. In December 2007, \$653,311 of Full Faith and Credit Obligations were issued with interest at 4.05%. 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 which paid off the 2006 obligation. The interest varies between 3% and 4% and payments continue through June 2039.

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. LONG-TERM OBLIGATIONS (CONTINUED)

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

Fiscal Year Ending June 30,	Principal	Interest
2020	545,000	529,600
2021	565,000	507,800
2022	595,000	485,200
2023	610,000	461,400
2024	635,000	437,000
2025-2029	2,900,000	1,810,250
2030-2034	3,130,000	1,138,050
2035-2039	3,800,000	468,000
Total	<u>\$ 12,780,000</u>	<u>\$ 5,837,300</u>

Taxable Note

In June 2011, a \$950,000 taxable financing note was issued with interest at 6.38%. The proceeds were placed in the Major Maintenance Reserve Fund, a component of the Facilities Acquisition & Construction Fund, and will be used for energy projects.

Future maturities of loans payable are as follows:

Fiscal Year Ending June 30,	Principal	Interest
2020	133,567	6,548
Total	<u>\$ 133,567</u>	<u>\$ 6,548</u>

In the event of Default, the lender of the taxable note holder may charge the District a default rate equal to the interest rate plus two percent (2.00%). No other significant default or termination clauses are included in the agreement for this obligation or any of the other obligations listed above for the District.

Total long-term liability activity for the year ended June 30, 2019 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable:					
2015 GO Bond	\$ 59,150,000	\$ -	\$ 1,395,000	\$ 57,755,000	\$ 1,590,000
2019 GO Bond	-	2,395,000	-	2,395,000	380,000
Direct Borrowing					
Full Faith & Credit Obligation	1,575,000	12,965,000	1,760,000	12,780,000	545,000
Taxable Note	258,986	-	125,419	133,567	133,567
Total Debt	60,983,986	15,360,000	3,280,419	73,063,567	2,648,567
Premiums Related to Bonds:					
Bond Premium	8,206,945	95,679	501,897	7,800,727	501,897
FF&C Premium	14,891	1,188,908	74,336	1,129,463	59,445
Total Premiums	8,221,836	1,284,587	576,233	8,930,190	561,342
Total Long-term Liabilities	<u>\$ 69,205,822</u>	<u>\$ 16,644,587</u>	<u>\$ 3,856,652</u>	<u>\$ 81,993,757</u>	<u>\$ 3,209,909</u>

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Post Employment Health Insurance

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 38.

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 3.5%. 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.

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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

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, 2019:

Discount Rate Sensitivity

	1% Decrease	Current Discount Rate	1% Increase
	<u>2.50%</u>	<u>3.50%</u>	<u>4.50%</u>
Total OPEB Liability	\$ 4,049,675	\$ 3,706,880	\$ 3,390,632

Trend Rate Sensitivity

	1% Decrease	Current Trend Rate	1% Increase
	<u>6.00% Graded Down to 4.00%</u>	<u>7.00% Graded Down to 5.00%</u>	<u>8.00% Graded Down to 6.00%</u>
Total OPEB Liability	\$ 3,220,267	\$ 3,706,880	\$ 4,294,098

For the year ended June 30, 2019, the District recognized OPEB expense for Health Insurance of \$252,266. At June 30, 2019, the District reported deferred outflows and deferred inflows of resources related to OPEB for Health Insurance from the following sources:

	Deferred Inflows	Deferred Outflows
Differences between expected and actual experienced	\$ (189,361)	\$ -
Change of assumptions	-	28,091
<i>Subtotal- Amortized Deferrals (Below)</i>	(189,361)	28,091
Benefit Payments	-	-
Total as of June 30, 2019	<u>\$ (189,361)</u>	<u>\$ 28,091</u>

Subtotal amounts related to OPEB as deferred outflows of resources, \$28,091, and deferred inflows of resources, (\$189,361), net to (\$161,270) and will be recognized in OPEB expense as follows:

Year ended June 30:	Annual Recognition
2020	\$ (20,159)
2021	(20,159)
2022	(20,159)
2023	(20,159)
2024	(20,159)
Therafter	<u>(60,475)</u>
Total	<u>\$ (161,270)</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 38.

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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

Program membership consisted of the following at July 1, 2018:

Participant Counts:

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

8. 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/2018-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 on 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.

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. PENSION PLAN (CONTINUED)

- iii. **Disability Benefits.** A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
 - iv. **Benefit Changes After Retirement.** Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.
- b. **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
- i. **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:
Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.
General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.
A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.
 - ii. **Death Benefits.** Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.
 - iii. **Disability Benefits.** A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.
 - iv. **Benefit Changes After Retirement.** Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

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, 2015 actuarial valuation, which became effective July 1, 2017. 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, 2019 were \$8,173,520, excluding amounts to fund employer specific liabilities. In addition, approximately \$2,039,565 in employee contributions were paid or picked up by the District in 2018-2019.

WOODBURN SCHOOL DISTRICT NO.103
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NOTES TO BASIC FINANCIAL STATEMENTS

8. PENSION PLAN (CONTINUED)

Pension Asset or Liability

At June 30, 2019, the District reported a net pension liability of \$61,969,858 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. 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, 2018 and 2017, the District's proportion was .409 and .443 percent, respectively. Pension expense for the year ended June 30, 2019 was \$2,765,091.

The rates in effect for the year ended June 30, 2019 were:

- (1) Tier 1/Tier 2 – 27.20%
- (2) OPSRP general services – 21.87%

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 2,108,029	\$ -
Changes in assumptions	14,407,874	-
Net difference between projected and actual earnings on pension plan investments	-	2,751,812
Net changes in proportionate share	-	6,924,281
Differences between District contributions and proportionate share of contributions	2,799,420	53,912
Subtotal - Amortized Deferrals (below)	19,315,323	9,730,005
District contributions subsequent to measuring date	8,173,520	-
Deferred outflow (inflow) of resources	\$ 27,488,843	\$ 9,730,005

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, 2020.

Subtotal amounts related to pension as deferred outflows of resources, \$19,315,323, and deferred inflows of resources, (\$9,730,005), net to \$9,585,318 and will be recognized in pension expense as follows:

Year ending June 30,	Amount
2020	\$ 6,412,752
2021	4,213,013
2022	(1,589,946)
2023	256,716
2024	292,783
Thereafter	-
Total	\$ 9,585,318

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. PENSION PLAN (CONTINUED)

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated March 4, 2019. Oregon PERS produces an independently audited CAFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2018-CAFR.pdf>

Actuarial Valuations – The employer contribution rates effective July 1, 2017 through June 30, 2019, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

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

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2016 rolled forward to June 30, 2018
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 (changed from 7.50 percent)
Projected salary increase	3.50 percent overall payroll growth
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/1.15%) in accordance with Moro 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.

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. PENSION PLAN (CONTINUED)

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

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Cash	0.0%	3.0%	0.0%
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	13.5%	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, 2018 PERS CAFR; p. 98

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 2015, revised as of June 7, 2017, the PERS Board reviewed its 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.

WOODBURN SCHOOL DISTRICT NO.103
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NOTES TO BASIC FINANCIAL STATEMENTS

8. PENSION PLAN (CONTINUED)

Asset Class	Target	Annual Return (Geometric)
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>		<i>2.50%</i>

Source: June 30, 2018 PERS CAFR; p. 72

Discount Rate – The discount rate used to measure the total pension liability, as of the measurement dates June 30, 2018 and 2017 was 7.20 and 7.50, respectively, 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	\$103,563,339	\$ 61,969,858	\$ 27,637,842

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. PENSION PLAN (CONTINUED)

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, 2018 Measurement Date that meet this requirement and 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.

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, 2019.

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.
<https://www.oregon.gov/pers/emp/pages/GASB.aspx>

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. OTHER POST EMPLOYMENT BENEFIT PLANS – (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 Districts 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 0.53% of annual covered OPERF payroll and 0.45% of OPSRP payroll under a contractual requirement in effect until June 30, 2019. The OPERS Board of Trustees sets the employer contribution rates based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The District's contributions to RHIA for the year ended June 30, 2019 were considered by management to be immaterial to the basic financial statements.

At June 30, 2019, the District's net OPEB liability/(asset) and deferred inflows and outflows for RHIA were not considered material to the basic financial statements by management and were not accrued in the government wide statements.

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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.

11. OPERATING LEASES

There are leases for equipment, primarily copiers, and a parking area and facility under non-cancelable lease agreements. During the 2018-2019 fiscal year, the District entered into new lease agreements including a lease for a facility located at 1274 North 5th Street in Woodburn with a monthly payment of \$7,824 effective through September 30, 2023. Payments of \$71,518 for equipment and \$80,441 for facilities were made for the year ended June 30, 2019.

Future payments associated with operating leases are due as follows:

Fiscal Year <u>Ending June 30,</u>	<u>Equipment</u>	<u>Facility/Parking Area</u>	<u>Total</u>
2020	\$ 63,480	\$ 96,290	\$ 159,770
2021	55,994	96,290	152,284
2022	47,354	96,290	143,644
2023	21,776	96,290	118,066
2024	10,053	15,848	25,901
	<u>\$ 198,657</u>	<u>\$ 401,007</u>	<u>\$ 599,664</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.

WOODBURN SCHOOL DISTRICT NO.103
MARION COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

13. 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.

14. INTERFUND RECEIVABLE/PAYABLE AND INTERFUND TRANSFERS

Amounts were comprised of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 2,292,060	\$ 2,569,460	\$ 4,803,478	\$ -
Special Revenue Fund	329,530	413,882	-	4,924,969
Debt Service Fund	339,552	-	121,491	-
Facilities & Construction Fund	<u>1,000,000</u>	<u>977,800</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,961,142</u>	<u>\$ 3,961,142</u>	<u>\$ 4,924,969</u>	<u>\$ 4,924,969</u>

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

15. TAX ABATEMENTS

As of June 30, 2019, 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, 2019 is deemed immaterial.

16. DEFICIT FUND BALANCE

At fiscal year end, the Special Revenue Fund had a deficit fund balance of \$1,799,060. The District expects fund balances to become positive in the future due to grant reimbursements.

REQUIRED SUPPLEMENTARY INFORMATION

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WOODBURN SCHOOL DISTRICT
MARION COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION
At June 30, 2019

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
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
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 NO. 103
MARION COUNTY, OREGON**

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POST-EMPLOYMENT BENEFITS
June 30, 2019**

**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
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%

The above table presents the most recent actuarial valuations for the District's post-retirement benefit for health insurance.

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, 2019**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Local Sources	\$ 8,183,262	\$ 8,183,262	\$ 9,042,387	\$ 859,125
Intermediate Sources	630,000	630,000	841,163	211,163
State Sources	53,559,193	53,559,193	52,359,736	(1,199,457)
Federal Sources	37,000	37,000	38,136	1,136
Total Revenues	<u>62,409,455</u>	<u>62,409,455</u>	<u>62,281,422</u>	<u>(128,033)</u>
EXPENDITURES:				
Instruction	39,384,617	39,359,617 (1)	38,799,742	559,875
Support Services	25,151,669	25,012,409 (1)	23,894,157	1,118,252
Enterprise and Community Services	9,533	9,533 (1)	2,261	7,272
Contingency	750,000	- (1)	-	-
Total Expenditures	<u>65,295,819</u>	<u>64,381,559</u>	<u>62,696,160</u>	<u>1,685,399</u>
Excess of Revenues Over Expenditures	(2,886,364)	(1,972,104)	(414,738)	1,557,366
OTHER FINANCING SOURCES, (USES):				
Insurance Proceeds	2,000	2,000	26,548	24,548
Transfer Out	(1,655,200)	(2,569,460) (1)	(2,569,460)	-
Total Other Financing Sources, (Uses)	<u>(1,653,200)</u>	<u>(2,567,460)</u>	<u>(2,542,912)</u>	<u>24,548</u>
Net Change in Fund Balance	(4,539,564)	(4,539,564)	(2,957,650)	1,581,914
Beginning Fund Balance	<u>11,739,564</u>	<u>11,739,564</u>	<u>16,673,590</u>	<u>4,934,026</u>
Ending Fund Balance	<u>\$ 7,200,000</u>	<u>\$ 7,200,000</u>	<u>\$ 13,715,940</u>	<u>\$ 6,515,940</u>

(1) Appropriation Level

Reconciliation to Governmental Fund Balance as required by GASB #54

Ending Fund Balance:

Athletics Reserve Fund

244,314
<u>\$ 13,960,254</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, 2019

SPECIAL REVENUE FUND

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Local Sources	\$ 858,751	\$ 858,751	\$ 782,457	\$ (76,294)
Intermediate Sources	100,000	100,000	26,816	(73,184)
State Sources	1,989,642	4,489,642	3,305,545	(1,184,097)
Federal Sources	7,459,721	7,459,721	7,598,275	138,554
Total Revenues	<u>10,408,114</u>	<u>12,908,114</u>	<u>11,713,093</u>	<u>(1,195,021)</u>
EXPENDITURES:				
Instruction	6,349,371	5,849,371 (1)	4,118,989	1,730,382
Support Services	5,248,191	5,248,191 (1)	4,631,516	616,675
Enterprise and Community Services	389,407	389,407 (1)	414,430	(25,023)
Facilities Acquisition and Construction	1,000,000	4,000,000 (1)	3,669,475	330,525
Total Expenditures	<u>12,986,969</u>	<u>15,486,969</u>	<u>12,834,410</u>	<u>2,677,582</u>
Excess of Revenues Over Expenditures	(2,578,855)	(2,578,855)	(1,121,317)	1,457,538
OTHER FINANCING SOURCES (USES):				
Transfers Out	-	-	(413,882)	(413,882)
Transfers In	5,200	5,200	329,530	324,330
Total Other Financing Sources (Uses)	<u>5,200</u>	<u>5,200</u>	<u>(84,352)</u>	<u>(89,552)</u>
Net Change in Fund Balance	(2,573,655)	(2,573,655)	(1,205,669)	1,367,986
Beginning Fund Balance	<u>3,283,655</u>	<u>3,283,655</u>	<u>(593,391)</u>	<u>(3,877,046)</u>
Ending Fund Balance	<u>\$ 710,000</u>	<u>\$ 710,000</u>	<u>\$ (1,799,060)</u>	<u>\$ (2,509,060)</u>

(1) Appropriation Level

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, 2019**

	<u>DEBT SERVICE FUND</u>			VARIANCE TO FINAL BUDGET
	<u>BUDGET</u>		<u>ACTUAL</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Local Sources	\$ 4,462,578	\$ 4,462,578	\$ 4,598,214	\$ 135,636
Total Revenue	<u>4,462,578</u>	<u>4,462,578</u>	<u>4,598,214</u>	<u>135,636</u>
EXPENDITURES:				
Debt Service	<u>4,651,753</u>	<u>4,651,753 (1)</u>	<u>4,774,186</u>	<u>(122,433)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>250,000</u>	<u>250,000</u>	<u>339,552</u>	<u>89,552</u>
Total Other Financing Sources (Uses)	<u>250,000</u>	<u>250,000</u>	<u>339,552</u>	<u>89,552</u>
Net Change in Fund Balance	60,825	60,825	163,580	102,755
Beginning Fund Balance	<u>50,000</u>	<u>50,000</u>	<u>199,277</u>	<u>149,277</u>
Ending Fund Balance	<u>\$ 110,825</u>	<u>\$ 110,825</u>	<u>\$ 362,857</u>	<u>\$ 252,032</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, 2019**

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	\$ 4,029,816	\$ 3,389,816
Total Revenues	<u>640,000</u>	<u>640,000</u>	<u>4,029,816</u>	<u>3,389,816</u>
EXPENDITURES:				
Support Services	257,000	182,000 (1)	218,366	(36,366)
Facilities Acquisition and Construction	29,630,000	28,727,200 (1)	11,745,481	16,981,719
Total Expenditures	<u>29,887,000</u>	<u>28,909,200</u>	<u>11,963,847</u>	<u>16,945,353</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from Issuance of Debt	-	-	12,427,355	12,427,355
Transfers Out	-	(977,800)	(977,800)	-
Transfers In	1,000,000	1,000,000	1,000,000	-
Total Other Financing Sources	<u>1,000,000</u>	<u>22,200</u>	<u>12,449,555</u>	<u>12,427,355</u>
Net Change in Fund Balance	(28,247,000)	(28,247,000)	4,515,524	32,762,524
Beginning Fund Balance	<u>41,500,000</u>	<u>41,500,000</u>	<u>48,308,848</u>	<u>6,808,848</u>
Ending Fund Balance	<u>\$ 13,253,000</u>	<u>\$ 13,253,000</u>	<u>\$ 52,824,372</u>	<u>\$ 39,571,372</u>

(1) Appropriation Level

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2019

	<u>FOOD SERVICE</u>	<u>CONSTRUCTION EXCISE TAX</u>	<u>TOTAL OTHER GOVERNMENTAL</u>
ASSETS:			
Cash and Investments	\$ 3,868,310	\$ 998,588	\$ 4,866,898
Receivables:			
Accounts and Grants	<u>67,262</u>	<u>-</u>	<u>67,262</u>
Total Assets	<u><u>\$ 3,935,572</u></u>	<u><u>\$ 998,588</u></u>	<u><u>\$ 4,934,160</u></u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts Payable	<u>69,176</u>	<u>-</u>	<u>69,176</u>
Total Liabilities	<u>69,176</u>	<u>-</u>	<u>69,176</u>
Fund Balances:			
Restricted	<u>3,866,396</u>	<u>998,588</u>	<u>4,864,984</u>
Total Liabilities and Fund Balances	<u><u>\$ 3,935,572</u></u>	<u><u>\$ 998,588</u></u>	<u><u>\$ 4,934,160</u></u>

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, 2019

	<u>FOOD SERVICE</u>	<u>CONSTRUCTION EXCISE TAX</u>	<u>TOTAL OTHER GOVERNMENTAL</u>
REVENUES:			
Local Sources	\$ 267,177	\$ 243,802	\$ 510,979
State Sources	35,107	-	35,107
Federal Sources	2,944,934	-	2,944,934
Total Revenues	<u>3,247,218</u>	<u>243,802</u>	<u>3,491,020</u>
EXPENDITURES:			
Enterprise and Community Services	2,942,992	-	2,942,992
Total Expenditures	<u>2,942,992</u>	<u>-</u>	<u>2,942,992</u>
Net Change in Fund Balance	304,226	243,802	548,028
Beginning Fund Balance	<u>3,562,170</u>	<u>754,786</u>	<u>4,316,956</u>
Ending Fund Balance	<u>\$ 3,866,396</u>	<u>\$ 998,588</u>	<u>\$ 4,864,984</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, 2019**

	<u>FOOD SERVICE FUND</u>			VARIANCE TO FINAL BUDGET
	<u>BUDGET</u>		<u>ACTUAL</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Local Sources	\$ 53,600	\$ 53,600	\$ 267,177	\$ 213,577
State Sources	35,000	35,000	35,107 (2)	107
Federal Sources	3,704,424	3,704,424	2,944,934	(759,490)
Total Revenue	<u>3,793,024</u>	<u>3,793,024</u>	<u>3,247,218</u>	<u>(545,806)</u>
EXPENDITURES:				
Enterprise and Community Services	4,086,193	4,086,193 (1)	2,942,992	1,143,201
Total Expenditures	<u>4,086,193</u>	<u>4,086,193</u>	<u>2,942,992</u>	<u>1,143,201</u>
Net Change in Fund Balance	(293,169)	(293,169)	304,226	597,395
Beginning Fund Balance	<u>482,820</u>	<u>482,820</u>	<u>3,562,170</u>	<u>3,079,350</u>
Ending Fund Balance	<u>\$ 189,651</u>	<u>\$ 189,651</u>	<u>\$ 3,866,396</u>	<u>\$ 3,676,745</u>

(1) Appropriation Level

(2) This amount includes the state revenue match of \$35,107 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, 2019**

CONSTRUCTION EXCISE TAX FUND

	BUDGET		ACTUAL	VARIANCE TO FINAL BUDGET
	ORIGINAL	FINAL		
REVENUES:				
Local Sources	\$ 145,000	\$ 145,000	\$ 243,802	\$ 98,802
EXPENDITURES:				
Facilities Acquisition and Construction	750,000	750,000 (1)	-	750,000
Net Change in Fund Balance	(605,000)	(605,000)	243,802	848,802
Beginning Fund Balance	725,000	725,000	754,786	29,786
Ending Fund Balance	\$ 120,000	\$ 120,000	\$ 998,588	\$ 878,588

(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, 2019**

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>60,000</u>	<u>-</u>	<u>(60,000)</u>
EXPENDITURES:				
Instruction	75,000	52,060 (1)	52,058	2
Facilities Acquisition and Construction	480,000	2,455,000 (1)	2,449,264	5,736
Total Expenditures	<u>555,000</u>	<u>2,507,060</u>	<u>2,501,322</u>	<u>5,738</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	400,000	2,292,060	2,292,060	-
Net Change in Fund Balance	(155,000)	(155,000)	(209,262)	(54,262)
Beginning Fund Balance	<u>500,000</u>	<u>500,000</u>	<u>453,576</u>	<u>(46,424)</u>
Ending Fund Balance	<u>\$ 345,000</u>	<u>\$ 345,000</u>	<u>\$ 244,314</u>	<u>\$ (100,686)</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, 2019**

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED AT 7/1/18	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/19
<u>GENERAL FUND:</u>						
Current:						
2018-19	\$ 8,254,333	\$ 220,311	\$ (17,824)	\$ 2,429	\$ 7,852,509	\$ 166,118
Prior Years:						
2017-18	173,621	227	(12,314)	6,225	100,081	67,224
2016-17	79,062	208	(6,387)	5,655	38,363	39,759
2015-16	53,175	377	(7,591)	7,161	36,896	15,472
2014-15	43,161	796	(4,142)	3,917	36,890	5,250
2013-14 & Prior	138,923	3,412	(4,044)	3,021	113,747	20,741
Total Prior	487,942	5,020	(34,478)	25,979	325,977	148,446
Total General Fund	<u>\$ 8,742,275</u>	<u>\$ 225,331</u>	<u>\$ (52,302)</u>	<u>\$ 28,408</u>	<u>\$ 8,178,486</u>	<u>\$ 314,564</u>
RECONCILIATION TO REVENUE:						<u>GENERAL FUND</u>
Cash Collections by County Treasurer Above						\$ 8,178,486
Accrued at June 30, 2018						(40,789)
Accrued at June 30, 2019						52,775
Change from Prior Years Unavailable Revenue, see page 10						<u>(281,470)</u>
Total Receipts						<u>\$ 7,909,002</u>

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES OF TAXES UNCOLLECTED
For the Year Ended June 30, 2019

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED AT 7/1/18	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/19
<u>DEBT SERVICE FUND:</u>						
Current:						
2018-19	\$ 4,503,891	\$ 120,211	\$ (9,726)	\$ 1,325	\$ 4,284,639	\$ 90,640
Prior Years:						
2017-18	95,428	125	(6,768)	3,422	55,008	36,949
2016-17	43,551	114	(3,517)	3,115	21,133	21,902
2015-16	27,670	196	(3,950)	3,726	19,199	8,051
2014-15	19,412	358	(1,863)	1,762	16,592	2,361
2013-14 & Prior	73,242	1,817	(1,417)	1,609	60,572	11,045
Total Prior	259,303	2,610	(17,515)	13,634	172,504	80,308
Total Debt Service Fund	\$ 4,763,194	\$ 122,821	\$ (27,241)	\$ 14,959	\$ 4,457,143	\$ 170,948

RECONCILIATION TO REVENUE:	DEBT SERVICE FUND
Cash Collections by County Treasurer Above	\$ 4,457,143
Accrued at June 30, 2018	(20,502)
Accrued at June 30, 2019	28,253
Taxes in Lieu	(62,695)
Total Revenue	\$ 4,402,199

WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON

SCHEDULE OF FUTURE BOND REDEMPTION AND INTEREST REQUIREMENTS
2015 GO Bond
June 30, 2019

YEAR	August 6, 2015 Issue	
	PRINCIPAL	INTEREST
	Due 6/15	Due 12/15 & 6/15
2019-20	\$ 1,590,000	\$ 2,823,375
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
	\$ 57,755,000	\$ 29,531,875

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, 2019**

A.	Energy bills for heating - all funds:		Objects 325, 326, and 327
	Function 2540	\$	905,411
	Function 2550		-
B.	Replacement of equipment - General Fund: Include all General Fund expenditures in Object 542, except for the following exclusions: Exclude these functions:		Amount
	1113, 1122 & 1132 Co-curricular activities	Construction	\$ 23,805
	1140 Pre-kindergarten	Pupil transportation	
	1300 Continuing education	Food service	
	1400 Summer school	Community services	

AUDIT REVENUE SUMMARY
Woodburn School District

Revenue from Local Sources	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
1110 Ad Valorem Taxes Levied by District	8,190,472		4,402,199				
1120 Local Option Ad Valorem Taxes Levied by District							
1130 Construction Excise Tax				224,496			
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	64,488						
1313 Regular Day School Tuition - Other Districts Outside							
1320 Adult/Continuing Education Tuition	40,645						
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	361,997	16	14,443	3,982,156			
1600 Food Service		249,070					
1700 Extracurricular Activities		218,105					
1800 Community Services Activities							
1910 Rentals	63,595						
1920 Contributions and Donations From Private Sources		6					
1930 Rental or Lease Payments From Private Contractors							
1940 Services Provided Other Local Education Agencies							
1950 Textbook Sales and Rentals							
1960 Recovery of Prior Years' Expenditure							
1970 Services Provided Other Funds							
1980 Fees Charged to Grants	253,297						
1990 Miscellaneous	67,894						
Total Revenue from Local Sources	\$9,042,388	\$1,049,634	\$4,598,212	\$4,273,618	\$0	\$0	\$0

Revenue from Intermediate Sources	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
2101 County School Funds	\$133,351						
2102 General ESD Revenue	\$707,812						
2103 Excess ESD Local Revenue							
2105 Natural Gas, Oil, and Mineral Receipts							
2110 Intermediate "I" Tax							
2199 Other Intermediate Sources							
2200 Restricted Revenue		\$26,816					
2800 Revenue in Lieu of Taxes							
2900 Revenue for/on Behalf of the District							
Total Revenue from Intermediate Sources	\$841,163	\$26,816	\$0	\$0	\$0	\$0	\$0

Revenue from State Sources	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
3101 State School Fund - General Support	\$51,735,061						
3102 State School Fund - School Lunch Match							
3103 Common School Fund	\$582,586						
3104 State Managed County Timber							
3106 State School Fund - Accrual							
3199 Other Unrestricted Grants-in-Aid	\$2,624						
3204 Driver Education							
3222 State School Fund (SSF) Transportation Equipment							
3299 Other Restricted Grants-in-Aid	\$39,465	\$3,305,545					
3800 Revenue in Lieu of Taxes							
3900 Revenue for/on Behalf of the District							
Total Revenue from State Sources	\$52,359,736	\$3,305,545	\$0	\$0	\$0	\$0	\$0

Revenue from Federal Sources	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
4100 Unrestricted Revenue Direct From the Federal Government							
4200 Unrestricted Revenue From the Federal Government Through the State							
4300 Restricted Revenue From the Federal Government							
4500 Restricted Revenue From the Federal Government Through the State	\$35,434	\$10,543,208					
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	\$2,702						
Total Revenue from Federal Sources	\$38,136	\$10,543,208	\$0	\$0	\$0	\$0	\$0

Revenue from Other Sources	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
5100 Long Term Debt Financing Sources				\$12,427,355			
5200 Interfund Transfers	\$2,292,060	\$329,530	\$339,552	\$1,000,000			
5300 Sale of or Compensation for Loss of Fixed Assets	\$26,548						
5400 Resources - Beginning Fund Balance	\$17,127,167	\$2,968,779	\$199,277	\$49,063,635			
Total Revenue from Other Sources	\$19,445,775	\$3,298,309	\$538,829	\$62,490,990	\$0	\$0	\$0

Grand Total | **\$81,727,198** | **\$18,223,512** | **\$5,137,041** | **\$66,764,608** | **\$0** | **\$0** | **\$0**

DISTRICT AUDIT EXPENDITURE SUMMARY
Woodburn School District

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	\$4,932,532	\$2,573,460	\$1,688,481	\$130,041	\$531,691		\$8,859	
1113	Elementary Extracurricular	\$0							
1121	Middle/Junior High Programs	\$5,422,027	\$3,083,800	\$1,893,891	\$104,586	\$339,555		\$195	
1122	Middle/Junior High School Extracurricular	\$173,569	\$108,392	\$33,977	\$7,831	\$19,012		\$4,357	
1131	High School Programs	\$7,900,310	\$4,331,918	\$2,630,084	\$325,144	\$526,966		\$86,198	
1132	High School Extracurricular	\$778,912	\$349,256	\$134,322	\$110,394	\$137,925	\$28,497	\$18,518	
1140	Pre-Kindergarten Programs	\$268,606	\$138,693	\$119,293	\$4,283	\$6,146		\$191	
1210	Programs for the Talented and Gifted	\$392,443	\$233,151	\$152,361	\$2,879	\$4,017		\$35	
1220	Restrictive Programs for Students with Disabilities	\$2,716,074	\$1,421,179	\$1,075,990	\$137,443	\$81,462			
1250	Less Restrictive Programs for Students with Disabilities	\$3,047,734	\$1,752,909	\$1,228,410	\$35,485	\$20,930		\$10,000	
1260	Treatment and Habilitation	\$116				\$116			
1271	Remediation	\$1,224	\$887	\$337					
1272	Title I	\$0							
1280	Alternative Education	\$1,904,450	\$340,053	\$211,055	\$1,314,741	\$7,955	\$29,943	\$703	
1291	English Second Language Programs	\$11,313,244	\$6,675,396	\$4,392,415	\$128,897	\$114,838	\$1,698		
1292	Teen Parent Program	\$0							
1293	Migrant Education	\$0							
1294	Youth Corrections Education	\$0							
1299	Other Programs	\$558	\$395	\$163					
1300	Adult/Continuing Education Programs	\$0							
1400	Summer School Programs	\$0							
Total Instruction Expenditures		\$38,851,799	\$21,009,489	\$13,560,779	\$2,301,724	\$1,790,613	\$60,138	\$129,056	\$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	\$1,136,328	\$483,018	\$375,023	\$265,695	\$12,592			
2120	Guidance Services	\$1,926,034	\$1,139,577	\$735,537	\$17,374	\$30,252		\$3,294	
2130	Health Services	\$165,473	\$107,045	\$40,890	\$1,355	\$10,519		\$5,664	
2140	Psychological Services	\$364,073	\$202,126	\$117,862	\$28,970	\$14,485		\$630	
2150	Speech Pathology and Audiology Services	\$569,658	\$366,813	\$197,586	\$728	\$3,758		\$773	
2160	Other Student Treatment Services	\$28,798						\$28,798	
2190	Service Direction, Student Support Services	\$1,207,103	\$698,881	\$431,756	\$41,363	\$30,545		\$4,558	
2210	Improvement of Instruction Services	\$942,249	\$525,116	\$287,256	\$105,886	\$23,172		\$819	
2220	Educational Media Services	\$973,498	\$544,143	\$349,105	\$1,038	\$77,299		\$1,913	
2230	Assessment & Testing	\$39,847	\$299	\$123	\$17,022	\$22,403			
2240	Instructional Staff Development	\$257,782	\$18,975	\$156,100	\$70,148	\$5,586		\$6,973	
2310	Board of Education Services	\$321,036	\$4,343	\$1,559	\$176,283	\$6,880		\$131,971	
2320	Executive Administration Services	\$379,031	\$226,843	\$126,498	\$13,471	\$4,641		\$7,578	
2410	Office of the Principal Services	\$4,844,727	\$2,765,960	\$1,841,638	\$91,593	\$127,172		\$18,364	
2490	Other Support Services - School Administration	\$0							
2510	Direction of Business Support Services	\$0							
2520	Fiscal Services	\$765,817	\$308,295	\$268,602	\$101,792	\$39,016		\$48,112	
2540	Operation and Maintenance of Plant Services	\$4,982,258	\$1,617,540	\$1,142,281	\$1,640,918	\$305,034	\$74,514	\$201,971	
2550	Student Transportation Services	\$2,895,139	\$26,450	\$18,449	\$2,844,765	\$5,475			
2570	Internal Services	\$35,722	\$7,967	\$3,223	\$23,870	\$662			
2610	Direction of Central Support Services	\$0							
2620	Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$0							
2630	Information Services	\$167,120	\$57,177	\$29,750	\$71,530	\$7,729		\$934	
2640	Staff Services	\$513,957	\$247,043	\$154,319	\$43,847	\$67,479		\$1,269	
2660	Technology Services	\$1,378,507	\$504,869	\$336,774	\$135,467	\$400,797		\$600	
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		\$23,894,157	\$9,852,480	\$6,614,331	\$5,693,115	\$1,195,496	\$74,514	\$464,221	\$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	\$2,261				\$2,261			
3500	Custody and Care of Children Services	\$0							
Total Enterprise and Community Services Expenditures		\$2,261	\$0	\$0	\$0	\$2,261	\$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	\$2,449,265			\$2,729		\$2,446,536		
4180	Other Capital Items	\$0							
4190	Other Facilities Construction Services	\$0							
Total Facilities Acquisition and Construction Expenditures		\$2,449,265	\$0	\$0	\$2,729	\$0	\$2,446,536	\$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	\$2,569,460							\$2,569,460
5300	Apportionment of Funds by ESD	\$0							
5400	PERS UAL Bond Lump Sum	\$0							
Total Other Uses Expenditures		\$2,569,460	\$0	\$0	\$0	\$0	\$0	\$0	\$2,569,460
Grand Total		\$67,766,942	\$30,861,969	\$20,175,110	\$7,997,568	\$2,988,370	\$2,581,188	\$593,277	\$2,569,460

DISTRICT AUDIT EXPENDITURE SUMMARY
Woodburn School District

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	\$32,440	\$11,100		\$11,347	\$9,993			
1113	Elementary Extracurricular	\$267,542	\$51,344	\$30,062	\$9,335	\$166,488	\$515	\$9,798	
1121	Middle/Junior High Programs	\$19,857				\$19,857			
1122	Middle/Junior High School Extracurricular	\$0							
1131	High School Programs	\$477,634	\$105,172	\$59,375	\$23,049	\$284,780		\$5,258	
1132	High School Extracurricular	\$176,770			\$24,722	\$116,452		\$35,596	
1140	Pre-Kindergarten Programs	\$456,518	\$151,103	\$125,366	\$138,069	\$39,778		\$2,202	
1210	Programs for the Talented and Gifted	\$0							
1220	Restrictive Programs for Students with Disabilities	\$124,002	\$39,444	\$30,293	\$4,060	\$50,205			
1250	Less Restrictive Programs for Students with Disabilities	\$99,809	\$41,460	\$9,482	\$31,247	\$17,620			
1260	Treatment and Habilitation	\$0							
1271	Remediation	\$10,960	\$6,753	\$2,675	\$1,532				
1272	Title I	\$1,439,877	\$683,856	\$400,054	\$32,763	\$323,204			
1280	Alternative Education	\$139,497	\$46,976	\$26,686	\$4,932	\$29,871	\$31,032		
1291	English Second Language Programs	\$31,981	\$13,458	\$5,493	\$7	\$13,023			
1292	Teen Parent Program	\$0							
1293	Migrant Education	\$337,360	\$153,170	\$90,514	\$69,298	\$24,378			
1294	Youth Corrections Education	\$0							
1299	Other Programs	\$361,887	\$246,330	\$79,818	\$4,004	\$31,735			
1300	Adult/Continuing Education Programs	\$0							
1400	Summer School Programs	\$142,854	\$107,694	\$22,571	\$4,355	\$8,234			
Total Instruction Expenditures		\$4,118,988	\$1,657,860	\$882,389	\$358,720	\$1,135,618	\$31,547	\$52,854	\$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	\$183,064	\$101,050	\$75,322	\$5,672	\$1,020			
2120	Guidance Services	\$116,287	\$52,982	\$58,500	\$1,552	\$3,253			
2130	Health Services	\$156,263	\$65,321	\$63,631	\$27,311				
2140	Psychological Services	\$239,061	\$140,569	\$91,930	\$29	\$6,533			
2150	Speech Pathology and Audiology Services	\$18,299	\$13,446	\$1,204		\$3,649			
2160	Other Student Treatment Services	\$0							
2190	Service Direction, Student Support Services	\$405,392	\$183,267	\$119,707	\$70,367	\$25,163		\$6,888	
2210	Improvement of Instruction Services	\$487,807	\$209,165	\$133,630	\$121,523	\$23,459		\$30	
2220	Educational Media Services	\$0							
2230	Assessment & Testing	\$0							
2240	Instructional Staff Development	\$2,357,411	\$1,147,698	\$674,174	\$519,002	\$16,087		\$450	
2310	Board of Education Services	\$0							
2320	Executive Administration Services	\$0							
2410	Office of the Principal Services	\$189,153	\$96,389	\$48,878	\$26,370	\$10,531	\$4,945	\$2,040	
2490	Other Support Services - School Administration	\$0							
2510	Direction of Business Support Services	\$0							
2520	Fiscal Services	\$253,368			\$70			\$253,298	
2540	Operation and Maintenance of Plant Services	\$0							
2550	Student Transportation Services	\$225,277			\$28,040		\$197,237		
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	\$134	\$102	\$32					
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		\$4,631,516	\$2,009,989	\$1,267,008	\$799,936	\$89,695	\$202,182	\$262,706	\$0
Enterprise and Community Services Expenditures		Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100	Food Services	\$156,183	\$31,868			\$124,315			
3200	Other Enterprise Services	\$0							
3300	Community Services	\$258,247	\$98,049	\$45,995	\$44,205	\$69,998			
3500	Custody and Care of Children Services	\$0							
Total Enterprise and Community Services Expenditures		\$414,430	\$129,917	\$45,995	\$44,205	\$194,313	\$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	\$3,669,475			\$339,969		\$3,329,506		
4180	Other Capital Items	\$0							
4190	Other Facilities Construction Services	\$0							
Total Facilities Acquisition and Construction Expenditures		\$3,669,475	\$0	\$0	\$339,969	\$0	\$3,329,506	\$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	\$413,882							\$413,882
5300	Apportionment of Funds by ESD	\$0							
5400	PERS UAL Bond Lump Sum	\$0							
Total Other Uses Expenditures		\$413,882	\$0	\$0	\$0	\$0	\$0	\$0	\$413,882
Grand Total		\$13,248,291	\$3,797,766	\$2,195,392	\$1,542,830	\$1,419,626	\$3,563,235	\$315,560	\$413,882

DISTRICT AUDIT EXPENDITURE SUMMARY
Woodburn School District

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	\$4,774,184						\$4,774,184	
5200	Transfers of Funds	\$0							
5300	Apportionment of Funds by ESD	\$0							
5400	PERS UAL Bond Lump Sum	\$0							
Total Other Uses Expenditures		\$4,774,184	\$0	\$0	\$0	\$0	\$0	\$4,774,184	\$0
Grand Total		\$4,774,184	\$0	\$0	\$0	\$0	\$0	\$4,774,184	\$0

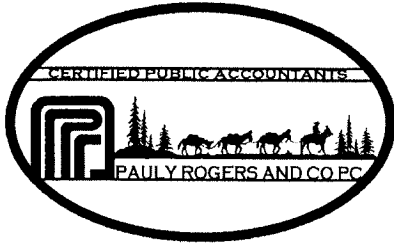
DISTRICT AUDIT EXPENDITURE SUMMARY
Woodburn School District

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	\$52,058			\$5,197	\$31,276	\$15,585		
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		\$52,058	\$0	\$0	\$5,197	\$31,276	\$15,585	\$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	\$43,498			\$831	\$2,236		\$40,431	
2540	Operation and Maintenance of Plant Services	\$173,439			\$173,439				
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	\$1,429			\$1,429				
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		\$218,366	\$0	\$0	\$175,699	\$2,236	\$0	\$40,431	\$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	\$14,194,745			\$4,059,337		\$9,974,839	\$160,569	
4180	Other Capital Items	\$0							
4190	Other Facilities Construction Services	\$0							
Total Facilities Acquisition and Construction Expenditures		\$14,194,745	\$0	\$0	\$4,059,337	\$0	\$9,974,839	\$160,569	\$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	\$977,800							\$977,800
5300	Apportionment of Funds by ESD	\$0							
5400	PERS UAL Bond Lump Sum	\$0							
Total Other Uses Expenditures		\$977,800	\$0	\$0	\$0	\$0	\$0	\$0	\$977,800
Grand Total		\$15,442,969	\$0	\$0	\$4,240,233	\$33,512	\$9,990,424	\$201,000	\$977,800

Independent Auditors' Report Required by Oregon State Regulations

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December 16, 2019

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, 2019, and have issued our report thereon dated December 16, 2019. 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, except as follows:

- 1) Expenditures were within authorized appropriation levels except as noted on page 18 of this report.

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.

A handwritten signature in black ink that reads "Roy R. Rogers". The signature is written in a cursive style with a large, prominent "R" at the beginning.

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

GRANT COMPLIANCE REVIEW

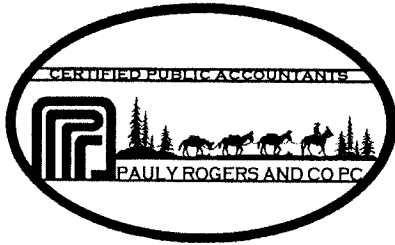
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**WOODBURN SCHOOL DISTRICT NO. 103
MARION COUNTY, OREGON**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
As required by the Oregon Department of Education
For the Year Ended June 30, 2019**

Federal Grantor/Pass Through Grantor/ Program Title	Grant Fund	Pass-Through Agency Grant #	Federal CFDA Number	Grant Period	Expenditures
US. DEPARTMENT OF EDUCATION					
Passed through Oregon Department of Education					
Preschool Promise	200		93.708	2019	374,520
Title I-A	201	36105	84.010	2018	302,930
Title I-A	201	41189	84.010	2019	3,339,686
Title I-A: Priority/Focus Schools	202	41864, 41868, 41869, 41873	84.010	2017	205
Title I-A: ESSA	224	51442	84.010	2019	5,275
Total Title I Cluster					<u>3,648,096</u>
Title III	214	36369	84.365	2018	11,155
Title III	214	41805	84.365	2017	218,678
Title IIA- Teacher Quality	215	36302	84.367	2018	307,462
Title IIA- Teacher Quality	215	41444	84.367	2017	185,733
OMP New Facilitators Professional Learning	216	35548	84.367	2015	174,330
Title IC Pre-School	279		84.011	2019	84,792
Kindergarten Readiness	253		93.708	2018	160,508
SPR&I	207	40988	84.027	2019	1,606
IDEA	231	36991	84.027	2018	640,050
IDEA Part B, Flow-Through	232	33558	84.173	2018	1,931
IDEA Enhancement	242	38463	84.027	2018	7,957
Total IDEA Cluster					<u>651,544</u>
Title IC	249	41230	84.011	2018	43,138
Title IC	249	41230	84.011	2019	479,258
Title IC Summer	257	40025	84.011	2018	133,180
Title IC Summer	257	43692	84.011	2017	16,706
21st Century Learning	264	32285	84.287	2015	282,776
21st Century Community Learning Centers	264	36397	84.287	2018	31,696
Title I-C Preschool	279	41249	84.011	2018	84,792
YTP	295	149091	84.126A	2017	56,945
Total U.S. Department of Education					<u><u>6,945,309</u></u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Passed through State Department of Education:					
Foster Student Transportation	100	47566	93.658	2018	2,702
Child Care Reimbursement	100	CCD 9820	93.575	2017	35,434
Total U.S. Department of Health and Human Services					<u><u>38,136</u></u>
Passed Through Oregon Department of Education:					
NSL- Breakfast	205		10.553	2018	635,077
NSL- Lunch	205		10.555	2018	1,938,090
Summer Food	205		10.559	2018	85,122
Total Child Nutrition Cluster					<u>2,658,289</u>
Department of Education	205		10.560	2018	1,264
Child Care- Food	205		10.558	2018	15,527
After School Program	205		10.558	2018	270,524
Fresh Fruit and Vegetable Program	222,260,261,270,271		10.582	2017	115,388
Fresh Fruit and Vegetable Program	222,260,261,270,271		10.582	2018	11,119
Total U.S. Department of Agriculture					<u><u>3,072,111</u></u>
					<u><u>10,055,556</u></u>
Passed Through Chemeketa Community College					
Carl Perkins	272		84.048	2018	5,562
TOTALS					<u><u>10,061,118</u></u>
RECONCILIATION TO REVENUE:					
Federal Revenue Recognized			10,061,118		
Accruals / Deferrals			<u>520,227</u>		
Federal Revenue Recognized			<u><u>10,581,345</u></u>		

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December 16, 2019

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, 2019, 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, 2019.

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

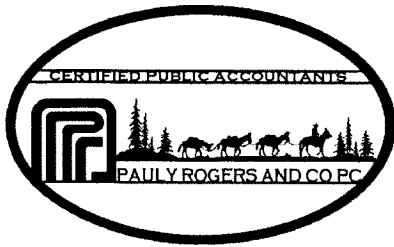
As part of obtaining reasonable assurance about whether the basic financial statements are free from material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect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



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December 16, 2019

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, 2019. 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, 2019.

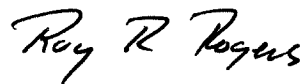
Report on Internal Control Over Compliance

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, 2019

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) indentified 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) indentified 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>
84.010	Title IA

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, 2019

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 court 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.