

**Pendleton School District #16R  
Umatilla County, Oregon**

Financial Statements  
June 30, 2015

Cockburn & McClintock, LLC  
Certified Public Accountants  
116 S.E Second St.  
P.O. Box 1579  
Pendleton, OR 97801

**Pendleton School District #16R  
Umatilla County, Oregon**

**District Officials  
June 30, 2015**

<b><u>Elected Officials:</u></b>	<b><u>Address</u></b>	<b><u>Term Expires</u></b>
Steve Umbarger <i>Chairperson</i>	557 SW 21st Street Pendleton, OR 97801	June 30, 2017
Michelle Monkman <i>Vice-Chairperson</i>	720 N.W. 12th Pendleton, OR 97801	June 30, 2015
Greg Galloway <i>Director</i>	4607 SW Perkins Avenue Pendleton, OR 97801	June 30, 2015
Lynn Lieuallen <i>Director</i>	14 NW 9th Street Pendleton, OR 97801	June 30, 2015
Dave Krumbein <i>Director</i>	309 N.W. 5th Pendleton, OR 97801	June 30, 2015
Debbie McBee <i>Director</i>	1062 N.W. Skyline Dr. Pendleton, OR 97801	June 30, 2017
Bob Rosselle <i>Director</i>	47639 Highway 11 Pendleton, OR 97801	June 30, 2017

**Appointed Officials:**

Jon Peterson <i>Superintendent and Clerk</i>	Michelle Jones <i>Director of Business Services and Deputy Clerk</i>
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**District Contact Information:**

1100 Southgate, Suite #8  
Pendleton, OR 97801  
(541) 276-6711  
<http://www.pendleton.k12.or.us/>

**Pendleton School District #16R  
Umatilla County, Oregon**

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**Pendleton School District #16R  
Umatilla County, Oregon**

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**FINANCIAL SECTION**

# *Cockburn & McClintock, LLC*

CERTIFIED PUBLIC ACCOUNTANTS

CHRISTOPHER J. COCKBURN, CPA  
KYLIE M. McCLINTOCK, CPA

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DARLENE R. WILSON, CPA  
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MEMBERSHIPS

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OREGON SOCIETY OF CPA'S  
AICPA - PRIVATE COMPANIES PRACTICE SECTION

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Education and Management  
Pendleton School District #16R  
Pendleton, Oregon 97801

### **Report on the Financial Statements**

We have audited the accompanying modified cash basis financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Pendleton School District #16R (the District), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's 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 financial statements in accordance with the modified cash basis of accounting described in Note 1D; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 entity's 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 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 financial statements referred to above present fairly, in all material respects, the respective financial position—modified cash basis of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Pendleton School District #16R as of June 30, 2015, and the respective changes in financial position—modified cash basis and the related budgetary comparison for the General Fund, thereof for the fiscal year then ended in accordance with the basis of accounting described in Note 1D.

### ***Basis of Accounting***

We draw attention to Note 1D of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to that matter.

### ***Other Matters***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The management's discussion and analysis, combining nonmajor fund financial statements, budgetary comparison schedules, and other financial schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

### ***Report on Supplementary Information***

The combining nonmajor fund financial statements, budgetary comparison schedules, other financial schedules, 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 combining nonmajor fund financial statements, budgetary comparison schedules, other financial schedules, 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.

### ***Report on Other Information***

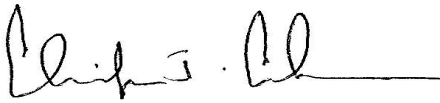
The management's discussion and analysis has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

## Reports on Other Legal and Regulatory Requirements

In accordance with *Minimum Standards for Audits of Oregon Municipal Corporations*, we have also issued our report dated November 4, 2015 on our consideration of the District's internal control over financial reporting and on tests of its compliance with the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-000 to 162-10-320. 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2015, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

**Cockburn & McClintock, LLC**



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Christopher J. Cockburn, CPA  
Licensed Municipal Auditor

Pendleton, Oregon  
November 4, 2015



*Other Information:*  
**Management's Discussion and Analysis**

**PENDLETON SCHOOL DISTRICT 16R**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Fiscal Year Ended June 30, 2015**

As management of Pendleton School District 16R (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information we have furnished in the District's financial statements, which follow this narrative. The discussion focuses on the District's primary government and, unless otherwise noted, component units reported separately from the primary government are not included.

**FINANCIAL HIGHLIGHTS**

The financial statements are prepared on a modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United State of America. This basis of accounting recognizes assets, liabilities, net position/fund equity, revenues and expenditures resulting from cash transactions with the following modifications: property and equipment purchased for cash is capitalized in the Statement of Net Positions and depreciation expenditures are recorded as an allocated expenditure in the Statement of Activities; and long-term debt obligations of the District are recorded as a liability in the Statement of Net Positions and annual payments of principal on these obligations reduces the liability.

- The assets of the District exceed its liabilities at the close of the fiscal year by \$1.5 million.
- The District's total net position increased by \$890,000 primarily due to principal payments on existing debt during 2014-15 fiscal year.
- The District's General Fund Net Position is impacted by the issuance in the 2002-2003 fiscal year of two Limited Tax Pension Bonds to pay the District's Unfunded Actuarial Liability (UAL) for pension obligations in PERS (Public Employee Retirement System). The debt incurred was \$25.6 million, which reduces the net position by that amount. The net position is reduced because the UAL is not considered debt although it is an obligation of the District to pay the UAL of its retirees.
- This method of incurring debt obligations to pay the PERS Unfunded Actuarial Liability obligation results in the District reporting a Total Unrestricted Deficit of \$14.9 million due to the PERS bond obligation of \$20 million. The District's Net Position was reduced once this debt was issued and recognized in its Government-Wide Statement of Net Position. If the bonds had not been issued the District would report an Unrestricted Net Position of \$5.1 million at June 30, 2015.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balance of \$47.2 million, a decrease of \$18.9 million from the previous year. This decrease was due to \$17.2 million of Capital Projects Fund expenditures from the General Obligation Bond proceeds.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$2.5 million, or 9% of total general fund expenditures for the year.
- The District's total debt obligations decreased by \$3.2 million during the current fiscal year.

**PENDLETON SCHOOL DISTRICT 16R**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Fiscal Year Ended June 30, 2015**

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This management discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components: 1) District-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the District through the use of District-wide statements and fund financial statements. In addition to the basic financial statements, this report also contains supplementary information that will enhance the reader's understanding of the financial condition of the District.

The first two statements (Exhibits 1 and 2) in the basic financial statements are the District-wide Financial Statements. They provide both short and long-term information about the District's financial status. The next statements (Exhibits 3 through 6) are Fund Financial Statements. These statements focus on the activities of the individual parts of the District. These statements provide more detail than the District-wide statements. There are two parts to the Fund Financial Statements: the governmental funds statements and the budgetary comparison statements.

The next section of the basic financial statements is the notes. The notes to the financial statements explain in detail some of the data contained in those statements. In addition to the basic financial statements and accompanying notes, supplementary information is provided to show details about the District's individual funds. Budgetary information required by the Oregon Revised Statutes also can be found in this part of the statements.

**DISTRICT-WIDE FINANCIAL STATEMENTS.** The District-wide financial statements are designed to provide readers with a broad overview of the District's finances, similar in format to financial statements of a private-sector business. The District-wide statements provide short and long-term information about the District's financial status as a whole. These statements include:

- **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 Net Position reflects the classification of restricted net position as clarified by the implementation of GASB 54 (Fund Balance Reporting and Governmental Fund Type Definitions).
- **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, expenditures and other transactions that increase or decrease net position. All changes in net position are reported as soon as the underlying event giving rise to the change occurs.

The District's financial reporting includes the funds of the District (primary government) and an organization which must be included as component unit. The component unit, Nixyáawii Community School, is a Charter School governed by its own Board of Education and operates independently for services provided to its students except for Special Education services which are contracted with the District. Thus, this Charter School is reported as a discretely presented component unit of the District, separate from the primary government, though included in the District's overall reporting entity.

The District-wide financial statements can be found on pages 12-13 of this report.

**PENDLETON SCHOOL DISTRICT 16R**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Fiscal Year Ended June 30, 2015**

**FUND FINANCIAL STATEMENTS.** The Fund Financial Statements provide a more detailed look at the District's most significant activities. 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 District, like other governmental entities in the State of Oregon, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the Oregon Revised Statutes.

**Governmental Funds.** The governmental funds are used to account for those functions reported as governmental activities in the District-wide financial statements. All of the District's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next fiscal year. Governmental funds are reported using an accounting method called *cash accounting* which provides a short-term spending focus. As a result, the governmental fund financial statements give the readers a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the District's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is part of the Fund Financial Statements.

The District adopts an annual budget for its funds, as required by the Oregon Revised Statutes. The budget is a legally adopted document that incorporates input from the citizens of the District, the management of the District, and the School Board about which services to provide and how to pay for them. It also authorizes the District to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the District complied with Oregon Local Budget Law and whether or not the District succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the Statement of Revenues, Expenditures, and Changes in Fund Balances. The statement shows four columns: 1) the original budget as adopted by the School Board; 2) the final budget as amended by the School Board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges

The District maintains forty-two individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and Revenues, Expenditures and Changes in Fund Balances – Cash Basis for the General Fund and Capital Projects Fund which are considered “major” funds under the GASB 34 “major” fund focus. The other forty governmental funds are reported separately in the Governmental Funds Financial Statements under the heading “Nonmajor Governmental Funds.” Individual fund financial data for each of the nonmajor governmental funds is provided as Supplementary Information.

The governmental fund financial statements can be found on pages 14 through 17 of this report.

**Proprietary Funds.** The District does not have a proprietary fund for the 2014-2015 school year.

**Fiduciary Funds.** The District does not have a fiduciary fund for the 2014-2015 school year.

**PENDLETON SCHOOL DISTRICT 16R**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Fiscal Year Ended June 30, 2015**

**NOTES TO THE BASIC FINANCIAL STATEMENTS.** The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and Fund Financial Statements. The notes to the financial statements can be found on pages 19-42 of this report.

**SUPPLEMENTARY INFORMATION.** The combining nonmajor fund financial statements referred to earlier in connection with non-major governmental funds are presented as Supplementary Information on pages 43-49 of this report.

Additional Supplementary Information on pages 50-90 reflects budgetary comparison schedules, individually, of all District Non-Major Funds for the fiscal year ending June 30, 2015.

**DISTRICT-WIDE FINANCIAL ANALYSIS**

The following reflects condensed information on the District's net position.

	<b>Net Position</b>		Increase/ (Decrease)
	<u>June 30, 2014</u>	<u>June 30, 2015</u>	
<b><u>Assets:</u></b>			
Cash and Cash Equivalents	\$ 38,780,902	\$ 21,255,665	\$ (17,525,237)
Taxes Receivable	527,284	-	(527,284)
Investments	25,945,823	25,945,823	-
Restricted Investments	1,339,794	-	(1,339,794)
Capital Assets, Net:			
Land	84,928	84,928	-
Construction In Progress	1,048,579	18,040,445	16,991,866
District Buildings	16,250,849	15,730,654	(520,195)
Furniture and Equipment	233,388	211,628	(21,760)
<b>Total Assets</b>	<b>84,211,547</b>	<b>81,269,143</b>	<b>(2,942,404)</b>
<b><u>Liabilities:</u></b>			
Current Portion of Debt	3,156,248	1,413,721	(1,742,527)
Long-Term Debt	76,481,376	75,067,655	(1,413,721)
<b>Total Liabilities</b>	<b>79,637,624</b>	<b>76,481,376</b>	<b>(3,156,248)</b>
<b><u>Deferred Inflows of Resources:</u></b>			
Deferred Premium on Refunding	3,439,020	3,289,497	(149,523)
<b>Total Deferred Inflows of Resources</b>	<b>3,439,020</b>	<b>3,289,497</b>	<b>(149,523)</b>
<b><u>Net Position:</u></b>			
Net Investment in Capital Assets	11,863,388	13,991,737	2,128,349
Restricted for Debt Service	4,324,102	604,177	(3,719,925)
Restricted for Other Purposes	317,425	1,786,051	1,468,626
Unrestricted (Deficit)	(15,897,296)	(14,883,695)	1,013,601
<b>Total Net Position</b>	<b>\$ 607,619</b>	<b>\$ 1,498,270</b>	<b>\$ 890,651</b>

**PENDLETON SCHOOL DISTRICT 16R**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Fiscal Year Ended June 30, 2015**

**DISTRICT-WIDE FINANCIAL ANALYSIS CONTINUED**

As noted earlier, net position may serve over time as one useful indicator of a District's financial condition. The assets exceeded liabilities by \$1.5 million as of June 30, 2015. The District's net position increased by \$890,000 for the fiscal year ended June 30, 2015. Of the total assets, \$34.1 million reflect the District's investment in capital assets (e.g. land, Construction in Progress, District buildings, furniture and equipment), less any related debt still outstanding that was issued to acquire those items. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities.

<b>Change in Net Position</b>			
	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>Increase/ (Decrease)</u>
<u>Revenues:</u>			
Program Revenues:			
Charges for Service	\$ 1,106,194	\$ 892,785	\$ (213,409)
Operating Grants & Contributions	3,448,778	2,962,279	(486,499)
Capital Grants & Contributions	-	28,000	28,000
General Revenues:			
Property Taxes	8,093,489	8,449,190	355,701
State School Fund - General Support	20,328,684	21,585,028	1,256,344
County/Common School Aid	348,983	357,621	8,638
Unrestricted Federal Funds	261,970	373,191	111,221
Interest on Investments	188,845	399,374	210,529
Miscellaneous	179,668	254,711	75,043
Total Revenues	<u>33,956,611</u>	<u>35,302,179</u>	<u>1,345,568</u>
<u>Expenditures:</u>			
Instruction	17,789,122	19,031,995	1,242,873
Support Services	10,202,684	10,047,942	(154,742)
Enterprise and Community Services	1,262,591	1,125,166	(137,425)
Facilities Acquisition and Construction	362,481	119,270	(243,211)
Debt Service - Interest	1,567,909	4,087,155	2,519,246
Total Expenditures	<u>31,184,787</u>	<u>34,411,528</u>	<u>3,226,741</u>
Increase/(Decrease) in Net Position	2,771,824	890,651	(1,881,173)
Beginning Net Position, As Restated	<u>(2,164,205)</u>	<u>607,619</u>	<u>2,771,824</u>
Ending Net Position	<u>\$ 607,619</u>	<u>\$ 1,498,270</u>	<u>\$ 890,651</u>

**PENDLETON SCHOOL DISTRICT 16R**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Fiscal Year Ended June 30, 2015**

**DISTRICT-WIDE FINANCIAL ANALYSIS CONTINUED**

An additional portion of the District's net position, \$2.4 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$(14.9 million) is unrestricted

Governmental Activities – Governmental activities increased the District's net position by \$890,000, thereby accounting for 100% of the total growth in the net position of the District.

Several aspects of the District's financial operations influenced the positive change in total governmental net position:

- Basic school support increased due to a reinvestment in education by the State of Oregon in the 2013-2015 biennium. This reinvestment increased funding by \$820 million as well as an additional \$100 million in the second year of the biennium resulting in a \$1.3 million increase in basic school support revenue for the District.
- Property Tax Revenues for the General Fund and Bond Fund increased \$356 thousand.
- Interest on Investments for all funds increased \$211,000.

**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 near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the District's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of a fiscal year.

At June 30, 2015, the District's governmental funds reported combined ending fund balances of \$47.2 million, a decrease of \$18.9 million in comparison with the prior year.

The General Fund, which is the chief operating fund of the District and is always considered a major fund, had a fund balance of \$5.4 million which is an increase of \$370,000. This increase is mainly related to an increase in basic school support funding. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$2.5 million. As a measure of the funds liquidity, it may be useful to compare total fund balance to total fund expenditures. The fund balance represents 19.4 percent of total General Fund expenditures.

The Capital Projects Fund, another major fund, reported an ending fund balance of \$39.5 million. This is a decrease of \$16.9 million from the prior fiscal year. These funds are used to construct two new elementary schools, renovate one elementary school as well as provide other district-wide facility improvements.

Other Non-Major Government Funds, which represent a summarization of all the other governmental funds, ended the year with total fund balance of \$2.3 million, a decrease of \$2.4 million. The decrease is due to an increase in debt service payments as the District makes the final payment on the 1998 General Obligation Bonds and the first payment on the 2014 General Obligation Bonds.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The PSD Board adopted a budget for the fiscal year ending June 30, 2015 based on state biennial funding of \$6.65 billion. The Governor and legislators made a significant investment in education with this funding level, increasing it from \$5.73 billion in the prior biennium. With the increased level of funding the District was able to continue to offer our students and staff a full school year and honor salary and benefit increases as

**PENDLETON SCHOOL DISTRICT 16R**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Fiscal Year Ended June 30, 2015**

per the collective bargaining agreements. The district also made the following strategic investments; the addition of 1.0 FTE at the elementary level, 3.0 FTE at the secondary level, continued funding for long-term facilities planning, maintained cash reserves at 6% and continued increases for technology and curriculum.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

*Capital Assets*

As shown in the table below, at June 30, 2015, the District had \$34.1 million invested in a broad range of capital assets including land, construction in progress, buildings, furniture and equipment. This amount reflects a net increase of \$16.4 from last year. The increase is primarily due to initial capital construction using proceeds from the general obligation bond issuance in November 2014 and reflected as construction in progress at June 30, 2015. Increase in capital additions were offset by regular depreciation expense. See Note 5 of the Notes to the Financial Statements for more information on capital assets.

Capital Assets, Net of Accumulated Depreciation			
	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>Increase/ (Decrease)</u>
Land	\$ 84,928	\$ 84,928	\$ -
Construction In Progress	1,048,579	18,040,445	16,991,866
District Buildings	16,250,849	15,730,654	(520,195)
Furniture & Equipment	<u>233,388</u>	<u>211,628</u>	<u>(21,760)</u>
<b>Total</b>	<b><u>\$ 17,617,744</u></b>	<b><u>\$ 34,067,655</u></b>	<b><u>\$ 16,449,911</u></b>

*Debt Administration and Capacity*

As shown in the table below, at the end of this year, the District had \$76.5 million in debt outstanding which is comparable to \$79.6 million last year. The District made its annual debt service payments under those obligations that included an overall reduction in the principal balance of \$3.2 million. See Note 7 of the Notes to the Financial Statements for more information on long-term debt obligations.

Outstanding Long-Term Debt Obligations			
	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>Increase/ (Decrease)</u>
GO Refunding Bond, Series 1998	\$ 2,550,000	\$ -	\$ (2,550,000)
2002 Limited Tax Pension Bond	9,110,358	8,889,334	(221,024)
2003 Limited Tax Pension Bond	10,920,926	10,535,702	(385,224)
Qualified Zone Academy Bond	2,000,000	2,000,000	-
2011 Limited Tax Pension Refunding	790,000	790,000	-
GO Bonds, Series 2014	<u>54,266,340</u>	<u>54,266,340</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 79,637,624</u></b>	<b><u>\$ 76,481,376</u></b>	<b><u>\$ (3,156,248)</u></b>

Debt Limitation and Capacity Fiscal Year 2015	
Real Market Value	\$ 1,760,474,069
<b>Debt Capacity</b>	
General Obligation Debt Capacity (7.95% of RMV)	\$ 139,957,688
Less: Outstanding Debt Subject to Limit	(54,266,340)
Remaining General Obligation Debt Capacity	<u>\$ 85,691,348</u>
Percent of Capacity Issued	38.77%



**PENDLETON SCHOOL DISTRICT 16R**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Fiscal Year Ended June 30, 2015**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The most significant financial factor for the District continues to be the instability of the State of Oregon's State School Fund and looming PERS increases. In May 2015, the Oregon Supreme overturned portions of SB 822, which provided PERS savings for district through June 2017. This decision, now referred to as the Moro Decision, will result in substantial PERS increases beginning with the 2017-2019 biennium. The rate increase will be based on the rate of return for the entire PERS system. If rates continue to remain low the District could be impacted by increases as high as 10%.

The District continues to benefit from issuing PERS Bonds. Combined payments to PERS and the bonds for 2014-2015 resulted in an effective rate of 17.85%. Without issuing the bonds the rate would have been 21.75%. The result is a savings to the district of approximately \$563 thousand for the fiscal year.

The District's Budget Committee and Board considered the above factors when preparing the District budget for the 2015-2016 fiscal year. Through conservative budgeting in past years, increased funding from the State and a slight increase in cash reserves the District was able to adopt a budget for 2015-2016 that called for no reductions. The district's primary focus was to maintain current staff to student ratios in the classroom and increase technology in the classroom. The current year budget also reflects an increase in staffing by 20.0 full-time equivalency, which is due to the implementation of full-day kindergarten.

School Board policy mandates that the District budget a General Fund ending fund balance that is a minimum of 4% of its General Fund actual expenditures. The ending fund balance for 2014-2015 fiscal year is 19.4%.

On November 5, 2013 the District's voters passed a General Obligation Bond. This is a continuation of the bond that renovated the Pendleton High School in the mid-1990's. The district sold bonds in February 2014 yielding net proceeds of \$57.7 million. The bond renovated Hawthorne Elementary School into Pendleton Early Learning Center, is replacing two elementary schools (Washington and Sherwood) as well as provide energy, security and technology upgrades to all other district facilities.

**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 request for additional information should be addressed to the District's Director of Business Services at 1100 Southgate, Suite 8, Pendleton, Oregon 97801.

## ***Basic Financial Statements***

**District-Wide Financial Statements**

**Pendleton School District #16R**  
**Umatilla County, Oregon**

**Statement of Net Position - Modified Cash Basis**  
**June 30, 2015**

	Primary Government	Component Unit
	Governmental Activities	Unit
<u>Assets</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 21,255,657	\$ 152,097
Investments	22,942,543	-
Total Current Assets	44,198,200	152,097
Noncurrent Assets:		
Investments	3,003,280	-
Capital Assets, Net		
Land	84,928	-
Construction In Progress	18,040,445	-
District Buildings and Improvements	15,730,654	-
Equipment and Vehicles	211,628	17,143
Total Noncurrent Assets	37,070,935	17,143
Total Assets	81,269,135	169,240
<u>Liabilities</u>		
Current Liabilities:		
Bonds Payable Due Within One Year	1,413,721	-
Noncurrent Liabilities:		
Bonds Payable Due in More Than One Year	75,067,655	-
Total Liabilities	76,481,376	-
<u>Deferred Inflows of Resources</u>		
Deferred Premium on Refunding, Net	3,289,497	-
<u>Net Position</u>		
Net Investment in Capital Assets	13,991,737	17,143
Restricted for Debt Service	604,177	-
Restricted for Other Purposes	1,786,043	27,709
Unrestricted (Deficit)	(14,883,695)	124,388
Total Net Position	\$ 1,498,262	\$ 169,240

The accompanying notes are an integral part of the financial statements

**Pendleton School District #16R**  
**Umatilla County, Oregon**

**Statement of Activities - Modified Cash Basis**  
**Fiscal Year Ended June 30, 2015**

Functions / Programs:	Expenses	Program Revenues			Net (Expense) / Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary Government:</b>					
Governmental Activities:					
Instruction:					
Regular Programs	\$ 13,546,291	\$ 644,864	\$ 434,718	\$ 28,000	\$ (12,438,709)
Special Programs	5,457,384	-	1,228,194	-	(4,229,190)
Other Instructional Programs	28,328	-	-	-	(28,328)
Total Instruction	19,032,003	644,864	1,662,912	28,000	(16,696,227)
Support Services:					
Student Support Services	1,150,101	-	6,363	-	(1,143,738)
Instructional Staff Support	620,174	-	388,784	-	(231,390)
General Administration	665,203	-	-	-	(665,203)
School Administration	1,945,510	-	-	-	(1,945,510)
Business Support Services	4,770,519	28,536	-	-	(4,741,983)
Central Activities	521,874	-	35,000	-	(486,874)
Supplemental Retirement	374,561	-	-	-	(374,561)
Total Support Services	10,047,942	28,536	430,147	-	(9,589,259)
Facilities Acquisition & Construction	119,270	-	-	-	(119,270)
Enterprise and Community Services	1,125,166	219,385	869,220	-	(36,561)
Debt Service - Interest and Fees	4,087,155	-	-	-	(4,087,155)
Total Primary Government	\$ 34,411,536	\$ 892,785	\$ 2,962,279	\$ 28,000	\$ (30,528,472)
<b>Component Unit:</b>					
Nixyáawii Community School	\$ 725,164	\$ 68,508	\$ 168,909	\$ 20,000	\$ (467,747)
				Primary Government	Component Unit
Changes in Net Position				\$ (30,528,472)	\$ (467,747)
General Revenues:					
Taxes for General Purposes				5,518,258	-
Taxes for Debt Service				2,930,932	-
State School Fund - General Support				20,353,024	375,094
State School Fund - Transportation				1,232,004	-
County / Common School Aid				357,621	-
Unrestricted Federal Funds				373,191	-
Interest on Investments				399,374	347
Miscellaneous				254,711	2,667
Total General Revenues				31,419,115	378,108
Change in Net Position				890,643	(89,639)
Net Position, Beginning				607,619	258,879
Net Position, Ending				\$ 1,498,262	\$ 169,240

The accompanying notes are an integral part of the financial statements

## **Fund Financial Statements**

**Pendleton School District #16R  
Umatilla County, Oregon**

**Balance Sheet - Cash Basis  
Governmental Funds  
June 30, 2015**

	<u>General Fund</u>	<u>Capital Projects Fund #400</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<u>Assets</u>				
Cash and Cash Equivalents	\$ 5,053,517	\$ 13,534,096	\$ 2,668,044	\$ 21,255,657
Investments	-	25,945,823	-	25,945,823
Due From Other Funds	<u>363,994</u>	<u>-</u>	<u>-</u>	<u>363,994</u>
Total Assets	<u>\$ 5,417,511</u>	<u>\$ 39,479,919</u>	<u>\$ 2,668,044</u>	<u>\$ 47,565,474</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Due To Other Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 363,994</u>	<u>\$ 363,994</u>
Fund Balances:				
Spendable:				
Restricted	-	39,479,919	2,390,220	41,870,139
Assigned	2,900,000	-	277,824	3,177,824
Unassigned	<u>2,517,511</u>	<u>-</u>	<u>(363,994)</u>	<u>2,153,517</u>
Total Fund Balances	<u>5,417,511</u>	<u>39,479,919</u>	<u>2,304,050</u>	<u>47,201,480</u>
Total Liabilities and Fund Balances	<u>\$ 5,417,511</u>	<u>\$ 39,479,919</u>	<u>\$ 2,668,044</u>	<u>\$ 47,565,474</u>

The accompanying notes are an integral part of the financial statements

**Pendleton School District #16R  
Umatilla County, Oregon**

**Reconciliation of the Governmental Funds Balance Sheet (Cash Basis)  
to the Statement of Net Position (Modified Cash Basis)  
Fiscal Year Ended June 30, 2015**

Total Fund Balances - Governmental Funds	\$	47,201,480
<p>Capital Assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund financial statements. Amounts reported for governmental activities in the Statement of Net Position:</p>		
Governmental Capital Assets	\$	51,301,758
Governmental Accumulated Depreciation		<u>(17,234,103)</u> 34,067,655
<p>Premiums received on issuance of bonds are amortized over the life of the bonds in the Statement of Net Position, and are not reported in the governmental fund financial statements</p>		
		(3,289,497)
<p>Certain liabilities not due in the current year are not reported as governmental fund liabilities. These liabilities consist of:</p>		
Qualified Zone Academy Bonds		(2,000,000)
OPERS UAL Bonds		(20,215,036)
General Obligation Bonds		<u>(54,266,340)</u> (76,481,376)
Total Net Position - Governmental Activities	\$	<u>1,498,262</u>



**Pendleton School District #16R  
Umatilla County, Oregon**

**Statement of Revenues, Expenditures, and Changes in Fund Balances - Cash Basis  
Governmental Funds  
Fiscal Year Ended June 30, 2015**

	General Fund	Capital Projects Fund #400	Nonmajor Governmental Funds	Total Governmental Funds
<b><u>Revenues</u></b>				
Taxes	\$ 5,518,258	\$ -	\$ 2,930,932	\$ 8,449,190
Intergovernmental	22,490,580	1,651	2,544,018	25,036,249
Food Service Sales	-	-	219,385	219,385
Charges for Services	47,358	-	626,042	673,400
Contributions and Donations	10,440	-	261,081	271,521
Investment Earnings	30,654	-	50,131	80,785
Other	166,158	318,588	2,155,735	2,640,481
	<u>28,263,448</u>	<u>320,239</u>	<u>8,787,324</u>	<u>37,371,011</u>
<b><u>Expenditures</u></b>				
Current:				
Instruction:				
Regular Programs	13,639,715	-	770,231	14,409,946
Special Programs	4,361,663	-	1,404,597	5,766,260
Other Instruction Programs	27,814	-	-	27,814
	<u>18,029,192</u>	<u>-</u>	<u>2,174,828</u>	<u>20,204,020</u>
Support Services:				
Student Support Services	1,226,224	-	4,062	1,230,286
Instructional Staff Support	297,546	-	351,270	648,816
General Administration	698,058	-	-	698,058
School Administration	2,069,662	-	-	2,069,662
Business Support Services	4,731,845	86,897	1,500	4,820,242
Central Activities	455,895	-	46,533	502,428
Supplemental Retirement	374,561	-	-	374,561
	<u>9,853,791</u>	<u>86,897</u>	<u>403,365</u>	<u>10,344,053</u>
Enterprise and Community Services	-	-	1,099,926	1,099,926
Facilities Acquisition and Construction	-	119,270	-	119,270
Capital Outlay	55,990	16,991,865	28,000	17,075,855
Debt Service:				
Principal	-	-	3,156,248	3,156,248
Interest	5,700	-	4,230,978	4,236,678
	<u>5,700</u>	<u>-</u>	<u>7,387,226</u>	<u>7,392,926</u>
	<u>27,944,673</u>	<u>17,198,032</u>	<u>11,093,345</u>	<u>56,236,050</u>
Change in Fund Balances Before				
Other Financing Sources / (Uses)	318,775	(16,877,793)	(2,306,021)	(18,865,039)
Other Financial Sources / (Uses):				
Transfer (to) / from Other Funds	50,927	-	(50,927)	-
Net Change in Fund Balances	369,702	(16,877,793)	(2,356,948)	(18,865,039)
Fund Balances, Beginning	5,047,809	56,357,712	4,660,998	66,066,519
Fund Balances, Ending	<u>\$ 5,417,511</u>	<u>\$ 39,479,919</u>	<u>\$ 2,304,050</u>	<u>\$ 47,201,480</u>

The accompanying notes are an integral part of the financial statements

**Pendleton School District #16R  
Umatilla County, Oregon**

**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes  
in Fund Balances (Cash Basis) to the Statement of Activities (Modified Cash Basis)  
Fiscal Year Ended June 30, 2015**

Net Change in Fund Balances - Total Government Funds	\$	(18,865,039)
<p>The acquisition of capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities.</p>		
Capital outlay reported in governmental fund financial statements	17,075,855	
Depreciation expense reported in the Statement of Activities	<u>(625,944)</u>	
Amount by which capital outlays are greater / (less) than depreciation in the current period.		16,449,911
<p>Premiums reflecting bond issuance proceeds received over the par amount of bonds are deferred and amortized to interest expense over the bond repayment period in the Statement of Activities and are recognized as other financing sources in governmental funds when received</p>		
		149,523
<p>Principal payment on long-term debt is reported as an expenditure in the governmental funds, however in the Statement of Net Position, principal payments on long-term debt are reflected as a reduction of liabilities.</p>		
Debt principal repaid		<u>3,156,248</u>
Change in Net Position - Governmental Activities	\$	<u><u>890,643</u></u>

The accompanying notes are an integral part of the financial statements

**Pendleton School District #16R  
Umatilla County, Oregon**

**Budgetary Comparison Statement  
General Fund  
Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Revenues</u>				
Taxes	\$ 5,471,000	\$ 5,471,000	\$ 5,518,258	\$ 47,258
Intergovernmental	22,294,000	22,294,000	22,490,580	196,580
Charges for Services	125,000	125,000	47,358	(77,642)
Contributions and Donations	5,000	5,000	10,440	5,440
Investment Earnings	35,000	35,000	30,654	(4,346)
Other	100,000	100,000	166,158	66,158
Total Revenues	<u>28,030,000</u>	<u>28,030,000</u>	<u>28,263,448</u>	<u>233,448</u>
<u>Expenditures</u>				
Instruction	19,271,917	19,271,917	18,029,192	1,242,725
Support Services	11,324,083	11,324,083	9,909,781	1,414,302
Other Uses	7,000	7,000	5,700	1,300
Contingencies	1,750,000	1,750,000	-	1,750,000
Total Expenditures	<u>32,353,000</u>	<u>32,353,000</u>	<u>27,944,673</u>	<u>4,408,327</u>
Change in Fund Balance Before Other Financing Sources / (Uses)	(4,323,000)	(4,323,000)	318,775	4,641,775
Other Financial Sources / (Uses):				
Transfers from Other Funds	-	-	87,417	87,417
Transfers to Other Funds	(77,000)	(77,000)	(36,490)	40,510
Net Other Financial Sources / (Uses)	<u>(77,000)</u>	<u>(77,000)</u>	<u>50,927</u>	<u>127,927</u>
Net Change in Fund Balance	(4,400,000)	(4,400,000)	369,702	4,769,702
Fund Balance, Beginning	4,400,000	4,400,000	5,047,809	647,809
Fund Balance, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,417,511</u>	<u>\$ 5,417,511</u>

The accompanying notes are an integral part of the financial statements

## **Notes to the Financial Statements**

**Pendleton School District #16R**  
**Umatilla County, Oregon**

**Notes to the Financial Statements**  
**June 30, 2015**

**Note 1 – Summary of Significant Accounting Policies**

The accounting policies of Pendleton School District #16R (the District), have been established in conformity with the modified cash basis of accounting, as discussed in Note 1D below, which is a basis of accounting other than accounting principles generally accepted in the United States of America (U.S. GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing U.S. GAAP for state and local governments through its pronouncements (Statements and Interpretations). These modified cash basis financial statements generally meet the presentation and disclosure requirements applicable to U.S. GAAP, in substance, but are limited to the elements presented in the financial statements and the constraints of the measurements and recognition criteria of the modified cash basis of accounting. The following is a summary of the most significant accounting policies:

**A. Reporting Entity**

School districts in the State of Oregon are created by legislative action. Pendleton School District #16R, Umatilla County, Oregon, operates under a School Board-Superintendent form of government and provides education for grades K-12. The District consists of eight separate school sites with financial information from the sites consolidated into one financial report.

A seven-member board exercises governance responsibilities over all activities related to public elementary and secondary school education within the jurisdiction set by the State of Oregon. The board receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. Board members are elected by the public and have decision-making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters. As required by the modified cash basis of accounting, all significant activities and organizations have been included in the basic financial statements. Component units, as established by GASB Statement No. 61, are separate organizations that would be included in the District's reporting entity because of the significance of their operational or financial relationships with the District. Based on these criteria, there is one component unit.

**Discretely Presented Component Unit**

Oregon State Statute Chapter 338 authorized the establishment of Charter Schools as part of the State's education program. Charter Schools are public schools operating under a performance contract with the local school district and are financially dependent on the District for a majority of their funding. Revenues such as the Oregon State School Fund and other State and Federal revenue sources are received by the District on behalf of the Charter School and then remitted to them. As such, Charter Schools are funded on the same basis and are subject to the same financial reporting requirements as the District. Additionally, all students enrolled in Charter Schools are included in the District's total enrollment. At fiscal year end, there was one Charter School operating within Pendleton School District #16R meeting the criteria for presentation as a discretely presented component unit: Nixyáawii Community School. Complete financial statements of Nixyáawii Community School can be obtained at the InterMountain Education Service District's Business Office at 2001 SW Nye, Pendleton, Oregon, 97801.

Since the District is independent of and is not financially accountable for other governmental units or civic entities, these financial statements represent the operations of the District as well as all of the funds of the District as a governmental unit.

**Pendleton School District #16R**  
**Umatilla County, Oregon**

**Notes to the Financial Statements**  
**June 30, 2015**

**Note 1 – Summary of Significant Accounting Policies (Continued)**

***B. Basic Financial Statements – District-Wide Statements***

The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the primary government and are reported on a modified cash, economic resource basis, which recognizes all long-term assets as well as long-term debt.

The Statement of Net Position presents the financial condition of the governmental activities of the District at year-end. The Statement of Activities demonstrates the degree to which the direct expenditures of a given function or segment are offset by program revenues. Direct expenditures are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contribution that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

This District-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

***C. Basic Financial Statements – Fund Financial Statements***

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures.

The emphasis in fund financial statements is on the major funds. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures of either fund category or the governmental combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

The funds of the financial reporting entity are described below:

**Governmental Funds**

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The District reports these major governmental funds and fund types:

*General Fund*

The General Fund is the primary operating fund of the District and always classified as a major fund. It accounts for all financial resources of the District except those required to be accounted for in another fund. The primary revenue sources are taxes and state aid.

**Pendleton School District #16R  
Umatilla County, Oregon**

**Notes to the Financial Statements  
June 30, 2015**

**Note 1 – Summary of Significant Accounting Policies (Continued)**

***C. Basic Financial Statements – Fund Financial Statements (Continued)***

*Special Revenue Funds*

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes. The District has thirty-seven special revenue funds.

*Debt Service Funds*

Debt service funds account for the accumulation of financial resources for the payment of interest and principal on the general long-term debt of the District. Ad valorem taxes are used for the payment of principal and interest on the District's outstanding general obligation bonds. The District has three debt service funds.

*Capital Project Funds*

Capital project funds are used to account for resources reserved for facilities acquisition and construction. Principal revenue sources are proceeds from issuance of general obligation bonds and earnings on investments. The District has one capital project fund.

The activities reported in these funds are reported as governmental activities in the District-wide financial statements

**Major and Nonmajor Funds**

The funds are further classified as major or nonmajor as follows:

<u>Major Fund</u>	<u>Brief Description</u>
General Fund	As discussed above, the general fund will always be classified as major.
<u>Capital Project Funds:</u>	
Capital Project Fund #400	Accounts for resources reserved for facilities acquisition and construction. Principal revenue sources are proceeds from issuance of general obligation bonds and earnings on investments.

The remainder of the District's funds are classified as nonmajor funds.

**Pendleton School District #16R**  
**Umatilla County, Oregon**

**Notes to the Financial Statements**  
**June 30, 2015**

**Note 1 – Summary of Significant Accounting Policies (Continued)**

***D. Measurement Focus and Basis of Accounting***

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

**Measurement Focus**

In the District-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting, as defined below. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus, as applied to the modified cash basis of accounting, is used as appropriate:

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

**Basis of Accounting**

In the District-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the modified cash basis of accounting, which is a basis of accounting other than U.S. GAAP as established by GASB. This basis of accounting recognizes assets, liabilities, net position/fund equity, revenues, and expenditures resulting from cash transactions, with the following modifications:

- Property and equipment purchased for cash is capitalized in the Statement of Net Position and depreciation expenditure is recorded as an allocated expenditure in the Statement of Activities.
- Long-term debt obligations of the District are recorded as a liability in the Statement of Net Position and annual payments of principal on these obligations reduces the liability.

As a result of the use of this basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue billed for or provided services not yet collected) and certain liabilities and their related expenditures (such as accounts payable and expenditures for goods and services received but not yet paid, and accrued expenditures and liabilities) are not recorded in these financial statements. In addition, other economic assets, deferred outflows, liabilities, and deferred inflows that do not arise from a cash transaction or event are not reported, and the measurement of reported assets and liabilities does not involve adjustment to fair value.

If the District utilized the financial reporting framework recognized as U.S. GAAP, the fund financial statements for governmental funds would use the modified accrual basis of accounting. All District-wide financials would be presented on the accrual basis of accounting.



**Pendleton School District #16R**  
**Umatilla County, Oregon**

**Notes to the Financial Statements**  
**June 30, 2015**

**Note 1 – Summary of Significant Accounting Policies (Continued)**

*E. Financial Statement Amounts*

**Cash, Cash Equivalents, and Investments**

For the purpose of the Statement of Net Position and the Balance Sheets, the District’s “cash and cash equivalents” includes all cash on hand, demand deposits, and short-term investments with an original maturity of three months or less from the date of acquisition. All short-term cash surpluses are maintained in a cash and investment pool and allocated to each fund based on month end deposit and investment balances. Short-term investments are reported at cost which approximates fair value. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

The District maintains a cash and investment pool that is available for use by all funds. In general, interest earning from pooled cash investments is allocated to each fund based on average earnings rate and average cash balance held by each fund.

State statutes authorize the District to invest primarily in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers’ acceptances, high-grade commercial paper, and the State Treasurer’s Local Government Investment Pool.

**Property Taxes**

The District is responsible for levying property taxes, but the taxes are collected by the County. Taxes are levied on September 1 based on assessed values at July 1. Property tax payments are due in three installments—November 15, February 15, and May 15. Taxes are considered delinquent 60 days after their due date and become a lien on the property at that time.

**Interfund Activity**

The District maintains a cash pool that is available for use by all funds. The cash pool account is maintained in the General Fund, while activity between funds utilizing this cash account is referred to as “Due To / From Other Funds” in each fund at the end of each fiscal year in the fund financial statements. All interfund loan balances are considered current and are eliminated in the District-wide financial statements.

**Inventories**

Supplies inventory is valued at cost using first-in, first-out (FIFO) method. Supplies inventory is not accrued, since the modified cash basis of accounting is used. Donated commodities consumed during the year are reported as revenues and expenditures. The amount of unused supplies inventory and donated commodities at balance sheet date is considered immaterial by management for reporting purposes.

**Pendleton School District #16R**  
**Umatilla County, Oregon**

**Notes to the Financial Statements**  
**June 30, 2015**

**Note 1 – Summary of Significant Accounting Policies (Continued)**

*E. Financial Statement Amounts (Continued)*

**Capital Assets**

Capital assets are stated at cost or estimated historical cost. Donated assets are stated at their estimated fair market value on the date donated. Capital assets are defined as assets with an initial cost of more than \$5,000 and estimated life in excess of one year. Interest incurred during construction is not capitalized. Maintenance and repairs of a routine nature are charged to expenditures as incurred and not capitalized. Capital assets are depreciated using the straight-line method over the following useful lives:

<u>Asset</u>	<u>Years</u>
District Buildings and Improvements	50
Equipment and Vehicles	3-20

**Leases**

Leases which meet certain criteria established by the Financial Accounting Standards Board are classified as capital leases, and the assets and related liabilities are recorded at amounts equal to the lesser of the present value of minimum lease payments or the fair value of the leased property at the beginning of the respective lease term. Leases that do not meet the criteria of a capital lease are classified as operating leases.

**Deferred Outflows / Inflows of Resources**

In addition to assets, the Balance Sheet and Statement of Net Position 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 a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then. The District does not have any items that qualify for reporting in this category.

In addition to liabilities, the Balance Sheet and Statement of Net Position 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 a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District only has one item that qualifies for reporting in this category. It is the deferred premium on refunding reported in the District-wide Statement of Net Position and Governmental Funds Balance Sheet. A deferred premium on refunding results from the difference in the premiums received over the par amounts of the bonds issued. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

**Pendleton School District #16R  
Umatilla County, Oregon**

**Notes to the Financial Statements  
June 30, 2015**

**Note 1 – Summary of Significant Accounting Policies (Continued)**

***E. Financial Statement Amounts (Continued)***

**Compensated Absences**

Compensated absences are not accrued, since the modified cash basis of accounting is used. Vacation time is awarded annually based on years of employment. The maximum accumulation of vacation time is 320 hours. Unpaid vacation time is fully vested to employees at the time it is awarded. Vacation time does not apply to certified, classified except for secretaries, and supervisory personnel. All outstanding vacation time is payable upon resignation or retirement.

**Long-Term Debt Obligations**

In the District-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are treated as period costs in the year of issue and are shown as other financing uses.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as Other Financing Uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Retirement Plan**

Substantially all employees are participants in the Oregon Public Employees Retirement Fund (OPERF), administered by the Oregon Public Employees Retirement System (OPERS). Contributions to OPERS are made on a current basis as required by the plan and are charged to expenditures / expenses as funded.

In addition, administrative, licensed, confidential, and classified employees are eligible for an early retirement stipend based on their contractual agreements.

The District also offers its employees a tax deferred annuity plan established pursuant to Section 403(b) of the Internal Revenue Code.

**Post-Employment Health Care Benefits**

Eligible classified who elected early retirement prior to July 1, 2007 and confidential employees hired prior to July 1, 2007 are entitled to payment of group medical insurance premiums. Such costs are recorded as expenditures in the General Fund and funded as premiums become due.

**Pendleton School District #16R**  
**Umatilla County, Oregon**

**Notes to the Financial Statements**  
**June 30, 2015**

**Note 1 – Summary of Significant Accounting Policies (Continued)**

***E. Financial Statement Amounts (Continued)***

**Net Position / Fund Balance**

District-wide net position is divided into three components:

- Net Investment in Capital Assets—Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and adjusted for any deferred inflows and outflows of resources attributable to capital assets and related debt.
- Restricted Net Position—Consists of restricted assets reduced by liabilities and deferred inflows or resources related to those assets, with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted Net Position—Net amount of assets, deferred outflows or resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

In the fund financial statements, governmental fund balances are classified in the following categories:

- Nonspendable—Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- Restricted—Amounts that can be spent only for specific purposes because of the District policy, state or federal laws, or externally imposed conditions by grantors or creditors.
- Committed—Amounts that can be used only for specific purposes determined by a formal action by School Board resolution.
- Assigned—Amounts that are designated by the Superintendent for a particular purpose but are not spendable until a budget ordinance is passed or there is a majority vote approval (for capital projects or debt service) by the School Board.
- Unassigned—All amounts not included in other spendable classifications.

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.

**Pendleton School District #16R**  
**Umatilla County, Oregon**

**Notes to the Financial Statements**  
**June 30, 2015**

**Note 1 – Summary of Significant Accounting Policies (Continued)**

*E. Financial Statement Amounts (Continued)*

**Encumbrances**

During the year, encumbrances are recorded in the accounting records when purchase orders are issued. The use of encumbrances indicates to District employees that appropriations are committed; however, all encumbrances expire at fiscal year-end.

**Use of Estimates**

The preparation of financial statements in conformity with the modified cash basis of accounting required 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 the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

**Note 2 – Stewardship, Compliance, and Accountability**

The District follows Oregon’s Local Budget Law (Chapter 294 of the Oregon Revised Statutes); the process under which the budget is adopted as described in the following paragraphs. A budget is prepared for each fund in accordance with the budgetary basis of accounting and legal requirements set forth in time Oregon Local Budget Law. The budgetary basis of accounting is substantially the same as the modified cash basis of accounting with the following features:

- Capital outlay expenditures are expensed when purchased and depreciation is not calculated,
- Debt principal is recorded as an expense when paid instead of a liability reduction,
- Debt issuance costs are expensed when paid rather than amortized, and
- Property taxes are recorded as revenue when received rather than when levied.

Budget amounts shown in the financial statements include the original and supplemental budget amounts and all appropriation transfers approved by the Board of Education. The appointed budget officer develops a proposed budget for submission to the budget committee. The operating budget includes proposed expenditures and the means for financing them for the upcoming year, along with estimates for the current year and actual data for the two preceding years.

After the proposed budget is prepared, the budget officer publishes a “Notice of Budget Committee Meeting” in at least one newspaper of general circulation. At the budget committee meeting, the budget message is delivered explaining the proposed budget and any significant changes in the District’s financial position. The budget committee meets thereafter as many times as necessary until the budget document is completed.

After approval by the budget committee and the required “Public Hearing” and prior to July 1, the budget is adopted by the Board of Education, and appropriations are enacted by resolution. The resolution establishes appropriations for each fund and expenditures cannot legally exceed these appropriations. Appropriations lapse at year-end. Consistent with Oregon Local Budget Law, expenditures are appropriated for each legally adopted annual operating budget at the following levels of control:

**Pendleton School District #16R**  
**Umatilla County, Oregon**

**Notes to the Financial Statements**  
**June 30, 2015**

**Note 2 – Stewardship, Compliance, and Accountability (Continued)**

- Instruction
- Support Services
- Enterprise and Community Services
- Facilities Acquisition and Construction
- Other Uses (Interagency/Fund Transactions and Debt Service)
- Contingencies
- Unappropriated Ending Fund Balance

The Board of Education adopted the 2014-2015 budget on June 9, 2014 totaling \$99,488,850, which was later corrected to \$103,432,788 on September 15, 2014 as the original amount was found to be in error. The Board of Education adopted the 2015-2016 budget on June 8, 2015 totaling \$93,254,200.

Budgetary appropriations may not be legally over-expended except in the case of reimbursable grant expenditures and trust monies, which could not be reasonably estimated at the time the budget was adopted. After the original budget is adopted, the Board of Education may approve appropriation transfers between levels of control. There were no amended appropriations adopted by the board during the year under audit. After budget approval, the Board of Education may approve supplemental appropriations if any occurrence, condition or need exists which had not been anticipated at the time the budget was adopted. Expenditures of all the various funds were within authorized appropriation, except as noted below:

- Buck Boosters Grant Fund #273 – Transfers to Other Funds
- Associated Student Body Fund #299 – Transfer to Other Funds
- Bond Interest and Redemption Debt Service Fund #300 – Debt Service

**Note 3 – State Constitutional Property Tax Limits**

The State of Oregon has a constitutional limit on property taxes for schools and non-school government operations. Under the provisions of the limitation, tax revenues are separated into taxes for the public school system and taxes for local government operations other than the public school system. Property taxes levied for the payment of bonded indebtedness are exempt from the limitation, provided such bonds are either authorized by a specific provision of the Oregon Constitution or approved by the voters of the District for capital construction or improvements.

During May 1997, Oregon voters approved Measure 50 which limits taxes on each property by reducing the "assessed value" of each unit of property for the tax year 1998-1999 to its 1995-1996 value, less ten percent. Then a "permanent tax rate", representing the product of dividing the tax levy by the assessed value, was calculated. The new tax rates are the permanent constitutional rate limit for each jurisdiction and are used to calculate property taxes levied against each property.

The District's permanent tax rate for the fiscal year ended June 30, 2015 was \$4.4537 per \$1,000 of assessed value.

**Pendleton School District #16R**  
**Umatilla County, Oregon**

**Notes to the Financial Statements**  
**June 30, 2015**

**Note 4 – Deposits and Investments**

***Deposits***

The GASB has adopted U.S GAAP, which includes standards to categorize deposits to give an indication of the level of custodial credit risk assumed by the District at June 30, 2015. Oregon Revised Statute (ORS) Chapter 295 governs the collateralization of Oregon public funds and provides the statutory requirements for the Public Funds Collateralization Program (PFCP). The PFCP was created by the Office of the State Treasurer to facilitate bank depository, custodian and public official compliance with ORS 295. ORS 295 requires the qualified depository to pledge collateral against any public funds deposits in excess of deposit insurance amounts. As of June 30, 2015, the total bank balances were \$3,978,109. The District maintains its funds at financial institutions deemed to be qualified depositories by the Office of the State Treasurer.

**Custodial Credit Risk** – Custodial credit risk for deposits is the risk that, in the event of bank failure, a government's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk.

***Investments***

The District invests funds in the Oregon Local Government Investment Pool (LGIP), which is an unrated external investment pool. The LGIP is included in the Oregon Short Term Fund (OSTF), which was established by the State Treasurer. OSTF is not subject to SEC regulation. OSTF is subject to requirements established in Oregon Revised Statutes, investment policies adopted by the Oregon Investment, and portfolio guidelines established by the OSTF Board. The Governor appoints the members of the Oregon Investment Council and the OSFT Board.

At June 30, 2015 the District had invested a substantial portion of the unspent proceeds from issuance of general obligation bonds in obligations of the United States of America and its agencies. Oregon Revised Statute 294.035 requires that funds be invested in obligations of the United States of America and its agencies. The District invested \$25,945,823 in United States Treasury Notes, Federal Home Loan Bank Notes, Federal Farm Credit Bank Notes, Federal National Mortgage Association Notes and Federal Home Loan Mortgage Corporation Notes. The market value of these investments was \$25,788,865 a decline of \$156,958 from purchase price. However, it is the intent of the District to hold all investments to maturity. Maturity dates of the investments range from August 14, 2015 to September 16, 2016. \$22,942,543 of these investments have maturity dates prior to June, 30, 2016 and are considered current investments at June 30, 2015. The remaining \$3,003,280 of investments have maturity dates after June 30, 2016 and are considered non-current assets at that June 30, 2015.

**Custodial Credit Risk** – State statutes authorize the District to invest primarily in general obligations of the US Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, certain commercial papers, and the State Treasurer's investment pool, among others. The District has no formal investment policy that further restricts its investment choices.

**Concentration of Credit Risk** – The District is required to provide information about the concentration of credit risk associated with its investments in one issuer that represent 5 percent or more of the total investments, excluding Investments in external investment pools or those issued and explicitly guaranteed by the U.S. Government. The District has no such investments.

**Pendleton School District #16R**  
**Umatilla County, Oregon**

**Notes to the Financial Statements**  
**June 30, 2015**

**Note 4 – Deposits and Investments (Continued)**

*Investments (Continued)*

Interest Rate Risk – The District has no formal investment policy that explicitly limits investment maturities as a means of managing its exposure to fair value loss arising from increasing interest rates.

A reconciliation of cash and cash equivalents as shown on the statement of assets, liabilities and equity arising from cash transactions is as follows:

Deposits with Financial Institutions	\$	4,129,216
Oregon Local Government Investment Pool		17,126,449
Total Cash and Cash Equivalents	\$	21,255,665

**Note 5 – Capital Assets**

For the fiscal year ended June 30, 2015, capital assets activity as reported in the District-wide financial statements were as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
<b>Non-Depreciable Capital Assets:</b>				
Land	\$ 84,928	\$ -	\$ -	\$ 84,928
Construction in Progress	1,048,579	16,991,866	-	18,040,445
Total Non-Depreciable Capital Assets	1,133,507	16,991,866	-	18,125,373
<b>Depreciable Capital Assets:</b>				
Buildings & Improvements	31,924,767	57,426	-	31,982,193
Equipment & Vehicles	1,167,629	26,563	-	1,194,192
Total Depreciable Capital Assets	33,092,396	83,989	-	33,176,385
<b>Accumulated Depreciation:</b>				
Buildings & Improvements	(15,673,918)	(577,621)	-	(16,251,539)
Equipment & Vehicles	(934,241)	(48,323)	-	(982,564)
Total Accumulated Depreciation	(16,608,159)	(625,944)	-	(17,234,103)
Total Governmental Capital Assets, Net	\$ 17,617,744	\$ 16,449,911	\$ -	\$ 34,067,655



**Pendleton School District #16R**  
**Umatilla County, Oregon**

**Notes to the Financial Statements**  
**June 30, 2015**

**Note 5 – Capital Assets (Continued)**

Depreciation expense was charged to governmental activities as follows:			
<u>Program/Function:</u>			
Regular Programs	\$ 284,551		
Special Programs	107,214		
Summer School	514		
Student Support Services	23,073		
Instructional Staff Support	11,984		
General Administration	12,893		
School Administration	40,434		
Business Support Services	98,606		
Central Activities	20,569		
Food Services	26,106		
Total Depreciation Expense	<u>\$ 625,944</u>		

**Note 6 – Operating Leases**

The District has entered into long-term lease agreements with local organizations for the use of District owned real property:

- Lease with InterMountain Education Service District for the use space at Pendleton High School. The lease calls for monthly rental payments of \$841/month for July 1, 2014 through August 31, 2015.
- Lease with Umatilla Head Start for the use of facilities at Lincoln Primary School. The lease calls for monthly rental payments of \$1,080 per month for July 1, 2014 through August 31, 2015.
- Lease with Umatilla Head Start for the use of facilities at Pendleton Early Learning Center. The lease calls for monthly rental payments of \$3,218 per month for September 1, 2015 through June 30, 2018.
- Lease with The Clubhouse for the use of facilities at Pendleton Early Learning Center. The lease calls for monthly rental payments of \$984 per month for September 1, 2015 through June 30, 2016.
- Lease with Intermountain Education Service District for the use of facilities at Pendleton Early Learning Center. The lease calls for monthly rental payments of \$1,676 per month for September 1, 2015 through June 30, 2018.
- Lease with WTechlink for placing wireless internet antennas on District property. Lease calls for annual rental payment of \$1,250 for July 1, 2015 through June 30, 2016.
- Lease with Pendleton Babe Ruth Association for the use of Bob White Baseball Park. The lease calls for annual payments of \$1 for April 1, 2014 through April 1, 2019.
- Leases with Umatilla County Care, Umatilla County Health Department and Pioneer Relief Nursery for facilities and Pendleton Early Learning Center. No rent is charged to these organizations for use of District facilities in return for service provided to students of the District.

**Pendleton School District #16R  
Umatilla County, Oregon**

**Notes to the Financial Statements  
June 30, 2015**

For those items that are under non-cancellable leases, the future minimum rental receipts are as follows:

Fiscal Year Ending	
June 30,	
2016	\$ 63,872
2017	58,728
2018	58,728
Total	\$ 181,328

Additionally, the District has entered into the following operating leases payable:

- Lease with the City of Pendleton for the use of a maintenance building with monthly payments of \$1,006 for a period of ten years terminating on June 30, 2020. Annually, the lease rolls to year-to-year and payment adjusts in July by the change in the Portland, Oregon Consumer Price Index.
- Lease with the City of Pendleton for approximately 17 acres for use in Pendleton High School’s FFA program. The lease calls for rental amount of \$1,957 on May 31st of each year and terminates May 31, 2019. Annually, the lease rolls to year-to-year and payments adjusts in June by changing in the Portland, Oregon Consumer Price Index.
- Lease with Pendleton Medical Center for office space for the District administrative offices during facilities remodel and construction period. The lease calls for monthly rental payments of \$3,966 commencing March of 2014 and ending August of 2016.
- Lease with the Round-Up Association for the use of the Round-Up Grounds for a period of three years terminating on July 1, 2015. Annual refundable cleaning deposits are made of \$2,500.

For those items that are under non-cancellable leases, the future minimum rental payments are as follows:

Fiscal Year Ending	
June 30,	
2016	\$ 62,018
2017	22,418
2018	14,548
2019	14,613
2020	12,410
Total	\$ 126,007

**Pendleton School District #16R  
Umatilla County, Oregon**

**Notes to the Financial Statements  
June 30, 2015**

**Note 7 – Long-Term Debt Obligations**

During the fiscal year ended June 30, 2015, changes in long-term debt for the District are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
GO Refunding Bonds, Series 1998	\$ 2,550,000	\$ -	\$ (2,550,000)	\$ -	\$ -
2002 Limited Tax Pension Bonds	9,110,359	-	(221,025)	8,889,334	228,213
2003 Limited Tax Pension Bonds	10,920,925	-	(385,223)	10,535,702	385,422
Qualified Zone Academy Bonds	2,000,000	-	-	2,000,000	-
2011 Limited Tax Pension Refunding Bonds	790,000	-	-	790,000	-
GO Bonds, Series 2014	54,266,340	-	-	54,266,340	800,086
<b>Total Long-Term Debt</b>	<b>\$ 79,637,624</b>	<b>\$ -</b>	<b>\$ (3,156,248)</b>	<b>\$ 76,481,376</b>	<b>\$ 1,413,721</b>

***Bonded Debt***

1998 General Obligation Refunding Bonds

On May 1, 1998 the District issued general obligation refunding bonds of \$17,185,000 to advance refund \$15,930,000 of the outstanding bonds of the Series 1994 General Obligation Bonds. Proceeds from the issuance were placed in an irrevocable trust with Wells Fargo Bank, to service the 1994 General Obligation Refunding Bonds as they come due. This refunding was performed to obtain a favorable reorganization of the District's permanent debt structure. These bonds carry interest rates ranging from 4.00% to 5.50% and mature through July 1, 2014.

The effect of this refunding has defeased \$15,930,000 of the bonds outstanding. Accordingly, the trust's assets and the liability for the defeased bonds are not included in the District's financial statements.

Series 2002 Limited Tax Pension Bonds

On October 31, 2002 the District, through participation in the Oregon School Boards Association pool, issued Limited Tax Pension Obligation Bonds, Series 2002. The District issued these bonds to satisfy its estimated PERS Unfunded Actuarial Liability at December 31, 2000. The limited tax pension bonds were issued with the principal amount of the issue being \$11,366,647. The bonds carry an interest rate ranging between 2.06% and 6.10% and first payment was made on June 30, 2003. Principal amounts of the issue will be redeemed beginning June 30, 2004 with final coupon payment on June 30, 2028.

Series 2003 Limited Tax Pension Bonds

On April 21, 2003 the District, through participation in the Oregon School Boards Association pool, issued Limited Tax Pension Obligation Bonds, Series 2003. The District issued these bonds to satisfy its estimated PERS Unfunded Actuarial Liability at December 31, 2001. The limited tax pension bonds were issued with the principal amount of the issue being \$14,200,947. The bonds carry an interest rate ranging between 1.50% and 6.27% and first payment is due December 30, 2003. Principal amounts of the issue will be redeemed beginning June 30, 2004 with final coupon payment on June 30, 2028.

**Pendleton School District #16R  
Umatilla County, Oregon**

**Notes to the Financial Statements  
June 30, 2015**

**Note 7 – Long-Term Debt Obligations (Continued)**

***Bonded Debt (Continued)***

Qualified Zone Academy Bonds (QZAB)

In June of 2004 the District issued \$2,000,000 in Qualified Zone Academy Bonds. The bonds are held by private banking institutions and carry an interest rate of 0% and are due June 29, 2018. The bonds are qualified as part of the Taxpayer Relief Act of 1997 and allow the issuing institutions to receive income tax credits. The District is required to place annually, in a sinking fund, \$116,490 beginning June 29, 2005 through June 29, 2018 at which time, assuming an annual rate of return of 3.05% on sinking fund investments, the bonds will be redeemed. Sinking fund short-term investments are reflected as restricted

Series 2011 Limited Tax Pension Refunding Bonds

On August 11, 2011 the District issued Series 2011 Limited Tax Pension Refunding Bonds to partially defease the Series 2002 PERS Bonds. The District issued \$790,000 in bonds to defease \$755,000 of 2002 PERS bonds. The new bonds carry an interest rate of 4.115% compared with a rate of 5.50% on the defeased bonds. Both bonds required semi-annual interest payments and were/are due June 30, 2021.

General Obligation Bonds, Series 2014

On January 29, 2014 the District issued general obligation bonds of \$54,266,339. Proceeds will be used to construct two new elementary schools, renovate one elementary school as well as provide other district-wide improvements. These bonds carry interest rates ranging from 1.00% to 5.00%. First interest only payment is due December 15, 2014 and payment are to be made semi-annually thereafter. First payment of principal and interest is due June 15, 2016 the bonds mature through June 15, 2038.

Annual debt service requirements to maturity for bonded debt for the District are as follows:

Fiscal Year Ending June 30.	2002 OPERS Bond		2003 PERS Bonds		QZAB Bond	
	Interest	Principal	Interest	Principal	Interest	Principal
2016	\$ 228,213	\$ 688,508	\$ 385,422	\$ 849,322	\$ -	\$ -
2017	232,789	733,932	384,879	909,865	-	-
2018	236,177	780,544	383,116	976,628	2,000,000	-
2019	240,017	831,704	381,659	1,048,085	-	-
2020	242,138	884,584	379,442	1,120,302	-	-
2021-25	4,140,000	1,825,223	4,061,184	4,594,842	-	-
2026-30	3,570,000	360,196	4,560,000	471,444	-	-
2031-35	-	-	-	-	-	-
2036-40	-	-	-	-	-	-
<b>Totals</b>	<b>\$ 8,889,334</b>	<b>\$ 6,104,691</b>	<b>\$ 10,535,702</b>	<b>\$ 9,970,488</b>	<b>\$ 2,000,000</b>	<b>\$ -</b>

**Pendleton School District #16R  
Umatilla County, Oregon**

**Notes to the Financial Statements  
June 30, 2015**

**Note 7 – Long-Term Debt Obligations (Continued)**

**Bonded Debt (Continued)**

Fiscal Year Ending June 30.	2011 OPERS Refunding		2014 GO Bonds		All Bonds	
	Interest	Principal	Interest	Principal	Interest	Principal
2016	\$ -	\$ 32,508	\$ 800,086	\$ 2,022,865	\$ 1,413,721	\$ 3,593,203
2017	-	32,508	888,950	2,039,000	1,506,618	3,715,305
2018	-	32,508	980,564	2,067,386	3,599,857	3,857,066
2019	-	32,508	1,082,545	2,110,405	1,704,221	4,022,702
2020	-	32,508	1,114,854	2,173,096	1,736,434	4,210,490
2021-25	790,000	32,508	6,431,704	11,538,546	15,422,888	17,991,119
2026-30	-	-	9,942,637	10,891,863	18,072,637	11,723,503
2031-35	-	-	18,050,000	6,108,500	18,050,000	6,108,500
2036-40	-	-	14,975,000	1,327,600	14,975,000	1,327,600
Totals	\$ 790,000	\$ 195,048	\$ 54,266,340	\$ 40,279,261	\$ 76,481,376	\$ 56,549,488

**Note 8 – Pension Plan**

**A. Name of the Pension Plan**

The Oregon Public Employees Retirement System (OPERS) is a cost-sharing multiple-employer defined benefit plan.

**B. 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. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003. OPERS issues a publicly available financial report that can be obtained at [http://www.oregon.gov/pers/Pages/section/financial\\_reports/financials.aspx](http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx).

**C. Benefits provided under Chapter 238 – Tier One / Tier Two**

- 1. Pension Benefits** – The OPERS 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 (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 benefit 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. General service employees may retire after reaching age 55. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two 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.

**Pendleton School District #16R**  
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**Notes to the Financial Statements**  
**June 30, 2015**

**Note 8 – Pension Plan (Continued)**

**C. Benefits provided under Chapter 238 – Tier One / Tier Two (Continued)**

2. **Death Benefits** – Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:
  - Member was employed by a OPERS employer at the time of death,
  - Member died within 120 days after termination of OPERS-covered employment,
  - Member died as a result of injury sustained while employed in a OPERS-covered job, or
  - Member was on an official leave of absence from a OPERS-covered job at the time of death.
3. **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 OPERS judge members) for disability benefits regardless of the length of OPERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 when determining the monthly benefit.
4. **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 of equity investments.

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

**D. Benefits provided under Chapter 238A – OPSRP Pension Program (OPSRP DB)**

1. **Pension Benefits** – The ORS 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.

This portion of the OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

*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 OPSRP 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.

2. **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.

**Pendleton School District #16R**  
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**Notes to the Financial Statements**  
**June 30, 2015**

**Note 8 – Pension Plan (Continued)**

***D. Benefits provided under Chapter 238A – OPSRP Pension Program (OPSRP DB) (Continued)***

- 3. 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.
- 4. Benefit Changes After Retirement** – Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

***E. Benefits provided under the OPSRP Individual Account Program (OPSRP IAP)***

- 1. Pension Benefits** – 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 Individual Account Program (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.

- 2. 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.
- 3. Recordkeeping** – OPERS contracts with VOYA Financial to maintain IAP participant records.

***F. Contributions***

OPERS 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. This funding policy applies to the OPERS Defined Benefit Plan and the Other Post-Employment Benefit Plans.

Employer contribution rates during the period were based on the December 31, 2012 actuarial valuation, as subsequently modified by 2013 legislated changes in benefit provisions. The rates based on a percentage of payroll, first became effective July 1, 2013. The state of Oregon and certain schools, community colleges, and political subdivisions have made lump sum payments to establish side accounts, and their rates have been reduced. The District is one of the school district that elected to do this.

Employer contributions for the fiscal year ended June 30, 2015 were \$160,743, excluding amounts to fund

**Pendleton School District #16R  
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**Notes to the Financial Statements  
June 30, 2015**

**Note 8 – Pension Plan (Continued)**

***F. Contributions (Continued)***

employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2015 were: Tier One/Tier Two General Service – 4.07 percent and OPSRP Pension Program General Service – 2.07 percent

During the 2002-2003 fiscal year, the District issued limited tax pension bonds, the proceeds of which were used to finance a portion of its estimated unfunded actuarial liability (see Note 7).

**G. Changes in Plan Provisions Subsequent to Measurement Date**

The Oregon Supreme Court on April 30, 2015, ruled that the provisions of Senate Bill 861 (the Moro decision), signed into law in October 2013, that limited the post-retirement COLA on benefits accrued prior to the signing of the law was unconstitutional. Benefits could be modified prospectively, but not retrospectively. As a result, those who retired before the bills were passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a 2% increase annually. OPERS will make restoration payments to those benefit recipients.

OPERS members who have accrued benefits before and after the effective dates of the 2013 legislation will have a blended COLA rate when they retire. This is a change in benefit terms subsequent to the measurement date of June 30, 2014, and has not been included in the net pension liability / (asset) proportionate shares provided by OPERS.

The impact of the Moro decision on the total pension liability and employer’s net pension liability / (asset) has not been fully determined. However OPERS’ third-party actuaries have estimated the impact of the Moro decision under one possible methodology, which is summarized below (dollars in millions). Estimates have been rounded to the nearest \$10 million.

	June 30, 2014 Measurement Date	
	Impact Before Decision	Estimated Impact After Decision
Total Pension Liability	\$ 63,135	\$ 68,050
Fiduciary Net Position	65,402	65,400
Net Pension Liability / (Asset)	\$ (2,267)	\$ 2,650

**Note 9 – Other Post-Employment Benefits (OPEB)**

**OPERS Retirement Health Insurance Account (RHIA)**

***A. Name of the Other Post-Employment Benefit Plan***

The Retirement Health Insurance Account (RHIA) is a cost-sharing multiple-employer defined other post-employment benefit plan administered by OPERS.

***B. Plan Description***

Eligible retirees of the District are provided a monthly contribution toward the cost of Medicare companion health insurance premiums through RHIA. This trust fund is established by the Oregon legislature pursuant to Oregon



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**Notes to the Financial Statements  
June 30, 2015**

**Note 9 – Other Post-Employment Benefits (OPEB) (Continued)**

**OPERS Retirement Health Insurance Account (RHIA) (Continued)**

Revised Statute (ORS) 238.420. The ORS Chapter 238 Other Post-Employment Benefit Plan is closed to new members hired on or after January 1, 2004. OPERS issues a publicly available financial report that can be obtained at [http://www.oregon.gov/pers/Pages/section/financial\\_reports/financials.aspx](http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx).

**C. Benefits provided under Chapter 238.420 – Retiree Healthcare**

- 1. Plan Benefits** – ORS 238.420 require that an amount equal to \$60 or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the RHIA established by the employer, and any monthly cost in excess of \$60 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 a OPERS-sponsored health plan.
- 2. Death Benefits** – 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.

**D. Contributions**

The Oregon PERS Board of Trustees sets the employer contribution rate. It is based on the annual required contribution (ARC) of the combined participant employers. This is an amount actuarially determined in accordance with the parameters of GASB Statement No. 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 closed period not to exceed 30 years.

Employer contributions to RHIA for the fiscal year ended June 30, 2015 are included in the OPERS annual pension amount in Note 8. The rates in effect for the fiscal year ended June 30, 2015 were: Tier One/Tier Two – 0.59 percent and OPSRP Pension Program – 0.49 percent.

**Early Retirement Supplement Program**

**A. Name of the Other Post-Employment Benefit Plan**

The District provides a single-employer defined benefit early retirement supplement program until the participants are eligible for full Social Security benefits.

**B. Plan Description**

The District provides an early retirement stipend for administrative, licensed, confidential, and classified employees. The stipend is available to licensed and classified employees hired prior to December 31, 2013 based on the collective bargaining agreement under which they retire, and administrative and confidential employees based on their contractual agreement. The District does not issue a stand-alone report for this plan.

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**Notes to the Financial Statements  
June 30, 2015**

**Note 9 – Other Post-Employment Benefits (OPEB) (Continued)**

**Early Retirement Supplement Program (Continued)**

The arrangement allows administrators to retire at age 51 after at least 10 years of service with the District, the last 5 years of which were in administration. Licensed employees may retire at the age of 51 after 19 years of service, at least 10 years of which must have been with the District. Confidential employees may retire at the age of 51 after 10 years with the District and classified employees may retire at the age of 51 after 10 years with the District and 20 years of OPERS employment.

***C. Plan Benefits***

The District will pay administrative early retirees a monthly benefit based on their last annual contract divided by the number of months until age 65, not to exceed that which is calculated for age 58. The licensed, confidential and classified employees will receive a monthly benefit ranging from \$255 - \$510 depending on their age at the time of retirement. All early retirees may elect to continue in the group medical, dental, and /or vision insurance coverage at their own expense. All payments under these programs terminate upon the employee's death. There are currently 73 employees receiving early retirement benefits.

***D. Contributions***

The benefits from this plan are fully paid and, consequently, no contributions by employees are required. There is no obligation to fund these benefits in advance. The only obligation is to make current benefit payments due each fiscal year. Consequently, it has not been found necessary to establish a pension trust fund, and payments are made on a pay-as-you-go basis each year out of the General Fund. Employer contributions for the fiscal year ended June 30, 2015 were \$337,040.

**Tax Sheltered Annuity**

The District offers its employees a tax deferred annuity program established pursuant to Section 403(b) of the Internal Revenue Code (the Code). Contributions are made through salary reductions from participating employees up to the amounts specified in the Code. No contributions are required from the District. As of June 30, 2015, approximately 88 employees were participating in the plan.

**Note 10 – Fund Balance Reporting**

The District has adopted GASB Statement No. 54. The intention of the GASB is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the District's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources.

GASB Statement No. 54 provides for two major types of fund balances, which are non-spendable and spendable. Non-spendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. At June 30, 2015 the District did not have any fund balances that would be considered non-spendable.

**Pendleton School District #16R**  
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**Notes to the Financial Statements**  
**June 30, 2015**

**Note 10 – Fund Balance Reporting (Continued)**

In addition to the non-spendable fund balance, GASB Statement No. 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints as detailed in Note 1E.

The District has classified its fund balances with the following hierarchy:

Restricted for Local/State/Federal Grant Programs and Debt Service

Oregon State Statutes, granting agency requirements, and local ordinances require that certain revenues be specifically designed for the purposes of grant programs and debt service. The funds have been included in restricted category of fund balance. The restricted fund balances totaled \$41,870,147 and represented \$39,479,919 restricted for capital improvement and construction projects, \$604,177 for debt service and \$1,786,051 in grant programs.

Assigned for School Operations, Student Activities, and Food Service

The School Board has set aside certain spendable fund balance for school operations and associated student body activities. At year end, the assigned fund balance is \$3,177,824 of which \$277,824 is for student fees and activities and \$2,900,000 for school operations. The assigned fund balance for school operations is for appropriation of existing unassigned fund balance at year-end to eliminate a deficit in 2015-2016 fiscal year budget.

Unassigned

The unassigned fund balance for the General Fund is \$2,517,511. The unassigned fund balance for Other Governmental Funds is a deficit balance of \$363,994. This deficit balance is related to certain restricted grant programs in which disbursements exceeded receipts during the fiscal year ending June 30, 2015 and operate on a reimbursement basis.

**Note 11 – Deficit Fund Balances**

At June 30, 2015 the following special revenue funds had deficit fund balances:

- Education Foundation of Pendleton Fund #204
- IDEA Grant Fund #213
- Homestead Youth and Family Services 2013-2015 Grant Fund #271
- Buck Boosters Grant Fund #273

The deficits are a result of funds being spent prior to requested reimbursement funds being received and totaled \$363,994 at June 30, 2015. Future receipts to these funds should offset the deficits in the upcoming fiscal year. Cash borrowed from the General Fund offsets the deficits and is disclosed as “Due to Other Funds” in the Balance Sheet - Cash Basis.

**Pendleton School District #16R  
Umatilla County, Oregon**

**Notes to the Financial Statements  
June 30, 2015**

**Note 12 – Interfund Transfers**

The following transfers between funds were budgeted and made for the year:

Fund	Transfers In	Transfers Out
General Fund #100	\$ 87,417	\$ 36,490
Struve Memorial Fund #214	-	1,800
QZAB SD 1149 Fund #229	36,490	-
Buck Boosters Grant Fund #273	-	100
Associated Student Body Fund #299	-	85,517
<b>Totals</b>	<b>\$ 123,907</b>	<b>\$ 123,907</b>

The General Fund Transfers out of \$36,490 were for required debt service sinking fund requirements in the QZAB SB 1149 Fund #229 during the June 30, 2015 fiscal year end. Transfers out of the Associated Student Bony Fund #299 and into the General Fund were for student fees that were collected in the Associated Student Body Fund #299 and paid for in the General Fund. Transfers out of the Struve Memorial Fund #214 and Buck Boosters Grant Fund #273 were for items paid for by the Associated Student Body Fund #299.

**Note 13 – Risk Management**

The District is exposed to various risks or losses related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The District purchases commercial insurance for all claims other than that represented by minimal deductible amount per loss. There have been no significant reductions in insurance coverage from coverage in prior years in any of the major categories of risk. Amounts of any settlements or claims have not exceeded insurance coverage in any of the past three years.

**Note 14 – Contingencies**

A substantial portion of operating funding is received from the State of Oregon. State funding is determined through state-wide revenue projections that are paid to individual school districts based on pupil counts and other factors in the state school fund revenue formula. Since these projections and pupil counts fluctuate, they can cause either increases or decreases in revenue. Due to these future uncertainties at the state level, the future effect on the operations cannot be determined.

The amount of grant revenue reflected in the basic financial statements is subject to audit and adjustment by grantor agencies, principally the federal government. Any costs which are questioned or recommended to be disallowed and which ultimately result in disallowed claims may become a liability of the General Fund.

**Note 15 – Evaluation of Subsequent Events**

The District has evaluated subsequent events through November 4, 2015, the date which the financial statements were available to be issued. The following significant events have occurred subsequent to the fiscal year end June 30, 2015, but prior to the release of the District’s financial statements:

- Received \$158,812 grant from Oregon Department of Education for Title IIA, Teacher Quality and \$573,545 grant from Oregon Department of Education for Title I, Improving Basic Skill Program.

*Supplementary Information*

## **Combining Nonmajor Fund Financial Statements**

**Pendleton School District #16R  
Umatilla County, Oregon**

**Combining Balance Sheet - Cash Basis  
Nonmajor Governmental Funds  
June 30, 2015**

	Pendleton Foundation Trust Fund #201	Education Foundation of Pendleton Fund #204	IDEA Grant Fund #213	Sodexo Scholarship Fund #223	Food Service Fund #224	QZAB SB 1149 Fund #229	Altrusa ASK Program Fund #235	PHS ASPIRE Program Fund #236	Wildhorse Foundation Grant Fund #243
<u>Assets</u>									
Cash and Cash Equivalents	\$ 12,745	\$ -	\$ -	\$ 500	\$ 187,199	\$ 1,504,352	\$ 6,525	\$ 715	\$ 5,000
<u>Liabilities and Fund Balances</u>									
Liabilities:									
Due to Other funds	\$ -	\$ 191	\$ 334,316	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balances:									
Spendable:									
Restricted	12,745	-	-	500	187,199	1,504,352	6,525	715	5,000
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	(191)	(334,316)	-	-	-	-	-	-
Total Fund Balances	12,745	(191)	(334,316)	500	187,199	1,504,352	6,525	715	5,000
Total Liabilities and Fund Balances	\$ 12,745	\$ -	\$ -	\$ 500	\$ 187,199	\$ 1,504,352	\$ 6,525	\$ 715	\$ 5,000

**Pendleton School District #16R  
Umatilla County, Oregon**

**Combining Balance Sheet - Cash Basis  
Nonmajor Governmental Funds  
June 30, 2015**

	ECMC Grant Fund #249	K-12 Music Program Fund #266	Homestead 2013-2015 Grant Fund #271	Buck Boosters Grant Fund #273	P-3 Alignment Fund #283	Hospital Foundation Grant Fund #286	EOCI State of OR Fund #287	Mid-Co Donations Fund #289
<u>Assets</u>								
Cash and Cash Equivalents	\$ 334	\$ -	\$ -	\$ -	\$ 49,149	\$ 2,364	\$ 580	\$ 100
<u>Liabilities and Fund Balances</u>								
Liabilities:								
Due to Other funds	\$ -	\$ -	\$ 25,386	\$ 4,101	\$ -	\$ -	\$ -	\$ -
Fund Balances:								
Spendable:								
Restricted	334	-	-	-	49,149	2,364	580	100
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	(25,386)	(4,101)	-	-	-	-
Total Fund Balances	334	-	(25,386)	(4,101)	49,149	2,364	580	100
Total Liabilities and Fund Balances	\$ 334	\$ -	\$ -	\$ -	\$ 49,149	\$ 2,364	\$ 580	\$ 100



**Pendleton School District #16R  
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**Combining Balance Sheet - Cash Basis  
Nonmajor Governmental Funds  
June 30, 2015**

	Wal-Mart Grant Fund #294	Special Donations Fund #295	Associated Student Body Fund #299	BIRF Debt Service Fund #300	OPERS 2002 Bond Debt Service Fund #301	OPERS 2003 Bond Debt Service Fund #302	2014 GO Bond Debt Service Fund #303	Total Nonmajor Governmental Funds
<u>Assets</u>								
Cash and Cash Equivalents	\$ 219	\$ 16,261	\$ 277,824	\$ 406,001	\$ 2,724	\$ 3,014	\$ 192,438	\$ 2,668,044
<u>Liabilities and Fund Balances</u>								
Liabilities:								
Due to Other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 363,994
Fund Balances:								
Spendable:								
Restricted	219	16,261	-	406,001	2,724	3,014	192,438	2,390,220
Assigned	-	-	277,824	-	-	-	-	277,824
Unassigned	-	-	-	-	-	-	-	(363,994)
Total Fund Balances	219	16,261	277,824	406,001	2,724	3,014	192,438	2,304,050
Total Liabilities and Fund Balances	\$ 219	\$ 16,261	\$ 277,824	\$ 406,001	\$ 2,724	\$ 3,014	\$ 192,438	\$ 2,668,044

**Pendleton School District #16R  
Umatilla County, Oregon**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Cash Basis  
Nonmajor Governmental Funds  
Fiscal Year Ended June 30, 2015**

	Pendleton Foundation Trust Fund #201	School Collaboration Grant Fund #203	Education Foundation of Pendleton Fund #204	IDEA Enhancement Fund #205	IDEA Systems Performance Fund #206	Extended Assessment Training Fund #209	IDEA Grant Fund #213	Struve Memorial Fund #214	Common Core Standards Grant Fund #218	Sodexo Scholarship Fund #223
<u>Revenues</u>										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	75,491	-	6,751	2,104	783	-	-	38,748	-
Food Service Sales	-	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	-	-
Contributions and Donations	42,488	-	10,878	-	-	-	-	2,190	-	500
Investment Earnings	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>42,488</b>	<b>75,491</b>	<b>10,878</b>	<b>6,751</b>	<b>2,104</b>	<b>783</b>	<b>-</b>	<b>2,190</b>	<b>38,748</b>	<b>500</b>
<u>Expenditures</u>										
Current:										
Instruction:										
Regular Programs	31,183	-	10,985	-	-	-	-	390	-	500
Special Programs	-	-	84	6,655	2,037	-	334,316	-	-	-
Support Services:										
Student Support Services	-	-	-	-	-	-	-	-	-	-
Instructional Staff Support	-	24,194	-	-	-	783	-	-	38,748	-
General Administration	-	-	-	-	-	-	-	-	-	-
School Administration	-	-	-	-	-	-	-	-	-	-
Business Support Services	-	-	-	-	-	-	-	-	-	-
Central Activities	-	-	-	-	-	-	-	-	-	-
Enterprise and Community Services:										
Food Services	-	-	-	-	-	-	-	-	-	-
Capital Outlay	8,000	-	-	-	-	-	-	-	-	-
Debt Service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>39,183</b>	<b>24,194</b>	<b>11,069</b>	<b>6,655</b>	<b>2,037</b>	<b>783</b>	<b>334,316</b>	<b>390</b>	<b>38,748</b>	<b>500</b>
Change in Fund Balances Before Other Financing Sources / (Uses)	3,305	51,297	(191)	96	67	-	(334,316)	1,800	-	-
Other Financing Sources / (Uses): Transfers (to) / from Other Funds	-	-	-	-	-	-	-	(1,800)	-	-
<b>Net Change in Fund Balances</b>	<b>3,305</b>	<b>51,297</b>	<b>(191)</b>	<b>96</b>	<b>67</b>	<b>-</b>	<b>(334,316)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund Balances, Beginning	9,440	(51,297)	-	(96)	(67)	-	-	-	-	500
<b>Fund Balances, Ending</b>	<b>\$ 12,745</b>	<b>\$ -</b>	<b>\$ (191)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (334,316)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 500</b>

**Pendleton School District #16R  
Umatilla County, Oregon**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Cash Basis  
Nonmajor Governmental Funds  
Fiscal Year Ended June 30, 2015**

	Food Service Fund #224	OR Minority Educator Retention Grant Fund #226	QZAB SB 1149 Fund #229	Wells Fargo Match Fund #234	Altrusa ASK Program Fund #235	PHS ASPIRE Program Fund #236	PHS Robotics Grant Fund #237	SWIFT Grant Fund #239	Wildhorse Foundation Grant Fund #243	ECMC Grant Fund #249
<u>Revenues</u>										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	869,220	35,000	-	-	-	3,000	8,225	39,320	-	-
Food Service Sales	219,385	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	-	-
Contributions and Donations	-	-	-	-	11,601	-	-	-	23,000	1,864
Investment Earnings	1,631	-	41,157	-	-	-	-	-	-	-
Other	6,110	-	71,812	-	-	-	-	180	-	-
<b>Total Revenues</b>	<b>1,096,346</b>	<b>35,000</b>	<b>112,969</b>	<b>-</b>	<b>11,601</b>	<b>3,000</b>	<b>8,225</b>	<b>39,500</b>	<b>23,000</b>	<b>1,864</b>
<u>Expenditures</u>										
Current:										
Instruction:										
Regular Programs	-	-	-	10	6,756	3,000	4,275	-	18,394	1,530
Special Programs	-	-	-	-	300	-	-	-	-	-
Support Services:										
Student Support Services	-	-	-	-	63	-	-	-	-	-
Instructional Staff Support	-	-	-	-	282	-	-	37,938	-	-
General Administration	-	-	-	-	-	-	-	-	-	-
School Administration	-	-	-	-	-	-	-	-	-	-
Business Support Services	-	-	-	-	-	-	-	-	-	-
Central Activities	-	35,000	-	-	-	-	-	-	-	-
Enterprise and Community Services:										
Food Services	1,099,926	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	10,000	-
Debt Service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>1,099,926</b>	<b>35,000</b>	<b>-</b>	<b>10</b>	<b>7,401</b>	<b>3,000</b>	<b>4,275</b>	<b>37,938</b>	<b>28,394</b>	<b>1,530</b>
Change in Fund Balances Before Other Financing Sources / (Uses)	(3,580)	-	112,969	(10)	4,200	-	3,950	1,562	(5,394)	334
Other Financing Sources / (Uses): Transfers (to) / from Other Funds	-	-	36,490	-	-	-	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>(3,580)</b>	<b>-</b>	<b>149,459</b>	<b>(10)</b>	<b>4,200</b>	<b>-</b>	<b>3,950</b>	<b>1,562</b>	<b>(5,394)</b>	<b>334</b>
Fund Balances, Beginning	190,779	-	1,354,893	10	2,325	715	(3,950)	(1,562)	10,394	-
<b>Fund Balances, Ending</b>	<b>\$ 187,199</b>	<b>\$ -</b>	<b>\$ 1,504,352</b>	<b>\$ -</b>	<b>\$ 6,525</b>	<b>\$ 715</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,000</b>	<b>\$ 334</b>

**Pendleton School District #16R**  
**Umatilla County, Oregon**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Cash Basis**  
**Nonmajor Governmental Funds**  
**Fiscal Year Ended June 30, 2015**

	Title I 2014-2015 Grant Fund #253	Title I 2013-2014 Grant Fund #255	Native Culturally Relevant Grant Fund #260	K-12 Music Program Fund #266	Homestead 2013-2015 Grant Fund #271	Buck Boosters Grant Fund #273	Title IIA 2014-2015 Grant Fund #278	P-3 Alignment Fund #283	St. Anthony Hospital Foundation Grant Fund #286	EOCI State of OR Fund #287
<u>Revenues</u>										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	592,619	174,774	100,000	-	438,541	-	159,442	-	-	-
Food Service Sales	-	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	-	-
Contributions and Donations	-	-	-	-	-	33,184	-	75,000	6,363	-
Investment Earnings	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>592,619</b>	<b>174,774</b>	<b>100,000</b>	<b>-</b>	<b>438,541</b>	<b>33,184</b>	<b>159,442</b>	<b>75,000</b>	<b>6,363</b>	<b>-</b>
<u>Expenditures</u>										
Current:										
Instruction:										
Regular Programs	-	-	100,000	8	-	27,185	-	-	-	-
Special Programs	584,981	24,426	-	-	451,028	-	770	-	-	-
Support Services:										
Student Support Services	-	-	-	-	-	-	-	-	3,999	-
Instructional Staff Support	-	-	-	-	-	-	147,139	100,604	-	-
General Administration	-	-	-	-	-	-	-	-	-	-
School Administration	-	-	-	-	-	-	-	-	-	-
Business Support Services	-	-	-	-	-	-	-	-	-	-
Central Activities	-	-	-	-	-	-	11,533	-	-	-
Enterprise and Community Services:										
Food Services	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	10,000	-	-	-	-
Debt Service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>584,981</b>	<b>24,426</b>	<b>100,000</b>	<b>8</b>	<b>451,028</b>	<b>37,185</b>	<b>159,442</b>	<b>100,604</b>	<b>3,999</b>	<b>-</b>
Change in Fund Balances Before Other Financing Sources / (Uses)	7,638	150,348	-	(8)	(12,487)	(4,001)	-	(25,604)	2,364	-
Other Financing Sources / (Uses): Transfers (to) / from Other Funds	-	-	-	-	-	(100)	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>7,638</b>	<b>150,348</b>	<b>-</b>	<b>(8)</b>	<b>(12,487)</b>	<b>(4,101)</b>	<b>-</b>	<b>(25,604)</b>	<b>2,364</b>	<b>-</b>
Fund Balances, Beginning	(7,638)	(150,348)	-	8	(12,899)	-	-	74,753	-	580
<b>Fund Balances, Ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (25,386)</b>	<b>\$ (4,101)</b>	<b>\$ -</b>	<b>\$ 49,149</b>	<b>\$ 2,364</b>	<b>\$ 580</b>

**Pendleton School District #16R**  
**Umatilla County, Oregon**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Cash Basis**  
**Nonmajor Governmental Funds**  
**Fiscal Year Ended June 30, 2015**

	Mid-Co Donations Fund #289	CTSO Chapter Grants Fund #290	Wal-Mart Grant Fund #294	Special Donations Fund #295	Associated Student Body Fund #299	BIRF Debt Service Fund #300	OPERS 2002 Bond Debt Service Fund #301	OPERS 2003 Bond Debt Service Fund #302	2014 GO Bond Debt Service Fund #303	Total Nonmajor Governmental Funds
<u>Revenues</u>										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,522	\$ -	\$ -	\$ 2,886,410	\$ 2,930,932
Intergovernmental	-	-	-	-	-	-	-	-	-	2,544,018
Food Service Sales	-	-	-	-	-	-	-	-	-	219,385
Charges for Services	-	-	-	-	626,042	-	-	-	-	626,042
Contributions and Donations	100	1,100	500	16,943	35,370	-	-	-	-	261,081
Investment Earnings	-	-	-	-	12	2,052	2,265	3,014	-	50,131
Other	-	-	-	8,801	-	-	897,101	1,171,731	-	2,155,735
<b>Total Revenues</b>	<b>100</b>	<b>1,100</b>	<b>500</b>	<b>25,744</b>	<b>661,424</b>	<b>46,574</b>	<b>899,366</b>	<b>1,174,745</b>	<b>2,886,410</b>	<b>8,787,324</b>
<u>Expenditures</u>										
Current:										
Instruction:										
Regular Programs	100	1,100	500	18,904	545,411	-	-	-	-	770,231
Special Programs	-	-	-	-	-	-	-	-	-	1,404,597
Support Services:										
Student Support Services	-	-	-	-	-	-	-	-	-	4,062
Instructional Staff Support	-	-	-	1,582	-	-	-	-	-	351,270
General Administration	-	-	-	-	-	-	-	-	-	-
School Administration	-	-	-	-	-	-	-	-	-	-
Business Support Services	-	-	-	1,500	-	-	-	-	-	1,500
Central Activities	-	-	-	-	-	-	-	-	-	46,533
Enterprise and Community Services:										
Food Services	-	-	-	-	-	-	-	-	-	1,099,926
Capital Outlay	-	-	-	-	-	-	-	-	-	28,000
Debt Service:										
Principal	-	-	-	-	-	2,550,000	221,025	385,223	-	3,156,248
Interest	-	-	-	-	-	69,160	678,325	789,521	2,693,972	4,230,978
<b>Total Expenditures</b>	<b>100</b>	<b>1,100</b>	<b>500</b>	<b>21,986</b>	<b>545,411</b>	<b>2,619,160</b>	<b>899,350</b>	<b>1,174,744</b>	<b>2,693,972</b>	<b>11,093,345</b>
Change in Fund Balances Before Other Financing Sources / (Uses)	-	-	-	3,758	116,013	(2,572,586)	16	1	192,438	(2,306,021)
Other Financing Sources / (Uses): Transfers (to) / from Other Funds	-	-	-	-	(85,517)	-	-	-	-	(50,927)
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,758</b>	<b>30,496</b>	<b>(2,572,586)</b>	<b>16</b>	<b>1</b>	<b>192,438</b>	<b>(2,356,948)</b>
Fund Balances, Beginning	100	-	219	12,503	247,328	2,978,587	2,708	3,013	-	4,660,998
<b>Fund Balances, Ending</b>	<b>\$ 100</b>	<b>\$ -</b>	<b>\$ 219</b>	<b>\$ 16,261</b>	<b>\$ 277,824</b>	<b>\$ 406,001</b>	<b>\$ 2,724</b>	<b>\$ 3,014</b>	<b>\$ 192,438</b>	<b>\$ 2,304,050</b>

## **Budgetary Comparison Schedules**

**Pendleton School District #16R  
Umatilla County, Oregon**

**Budgetary Comparison Schedule  
Pendleton Foundation Trust Fund #201  
Fiscal Year Ended June 30, 2015**

	Budget			Variance with
<u>Receipts</u>	Original	Final	Actual	Final Budget
Local Sources:				
1920 Contributions and Donations From Private Sources	\$ 50,000	\$ 50,000	\$ 42,488	\$ (7,512)
 <u>Disbursements</u>				
Instruction:				
1111 Elementary, K-5 or K-6	10,000	10,000	17,048	(7,048)
1121 Middle/Junior High Programs	10,000	10,000	-	10,000
1131 High School Programs	10,000	10,000	12,880	(2,880)
1132 High School Extracurricular	20,000	20,000	9,255	10,745
Total Instruction	50,000	50,000	39,183	10,817
 Support Services:				
2410 Office of the Principal	-	-	-	-
2540 Operation and Maintenance of Plant Services	10,000	10,000	-	10,000
Total Support Services	10,000	10,000	-	10,000
Total Disbursements	60,000	60,000	39,183	20,817
Net Change in Fund Balance	(10,000)	(10,000)	3,305	13,305
Fund Balance, Beginning	10,000	10,000	9,440	(560)
Fund Balance, Ending	\$ -	\$ -	\$ 12,745	\$ 12,745

**Pendleton School District #16R  
Umatilla County, Oregon**

**Budgetary Comparison Schedule  
School Collaboration Grant Fund #203  
Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
State Sources:				
3299 Other Restricted Grants-in-Aid	\$ 340,000	\$ 340,000	\$ 75,491	\$ (264,509)
<u>Disbursements</u>				
Support Services:				
2210 Improvement of Instruction Services	95,381	95,381	24,194	71,187
2240 Instructional Staff Development	228,519	228,519	-	228,519
2310 Board of Education Services	16,100	16,100	-	16,100
Total Disbursements	340,000	340,000	24,194	315,806
Net Change in Fund Balance	-	-	51,297	51,297
Fund Balance, Beginning	-	-	(51,297)	(51,297)
Fund Balance, Ending	-	-	-	-



**Pendleton School District #16R  
Umatilla County, Oregon**

**Budgetary Comparison Schedule  
Educational Foundation of Pendleton Fund #204  
Fiscal Year Ended June 30, 2015**

		Budget		Actual	Variance with Final Budget
		Original	Final		
<u>Receipts</u>					
Local Sources:					
1920	Contributions and Donations				
	From Private Sources	\$ 14,950	\$ 14,950	\$ 10,878	\$ (4,072)
<u>Disbursements</u>					
Instruction:					
1111	Elementary, K-5 or K-6	4,950	4,950	1,700	3,250
1121	Middle/Junior High Programs	5,000	5,000	972	4,028
1131	High School Programs	5,000	5,000	8,313	(3,313)
1132	High School Extracurricular	-	-	-	-
1280	Alternative Education	-	-	84	(84)
	<b>Total Disbursements</b>	<u>14,950</u>	<u>14,950</u>	<u>11,069</u>	<u>3,881</u>
Net Change in Fund Balance		-	-	(191)	(191)
Fund Balance, Beginning		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Ending		<u>\$ -</u>	<u>\$ -</u>	<u>\$ (191)</u>	<u>\$ (191)</u>

**Pendleton School District #16R  
Umatilla County, Oregon**

**Budgetary Comparison Schedule  
IDEA Enhancement Fund #205  
Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Federal Sources:				
4500 Restricted Revenue from the Federal Government Through the State	\$ 7,500	\$ 7,500	\$ 6,751	\$ (749)
<u>Disbursements</u>				
Instruction:				
1250 Less Restrictive Programs for Students with Disabilities	7,500	7,500	6,655	845
Net Change in Fund Balance	-	-	96	96
Fund Balance, Beginning		-	(96)	(96)
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

**Pendleton School District #16R  
Umatilla County, Oregon**

**Budgetary Comparison Schedule  
IDEA Systems Performance Fund #206  
Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Federal Sources:				
4500 Restricted Revenue from the Federal Government Through the State	\$ 3,500	\$ 3,500	\$ 2,104	\$ (1,396)
<u>Disbursements</u>				
Instruction:				
1250 Less Restrictive Programs for Students with Disabilities	3,500	3,500	2,037	1,463
Net Change in Fund Balance	-	-	67	67
Fund Balance, Beginning	-	-	(67)	(67)
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

**Pendleton School District #16R**  
**Umatilla County, Oregon**

**Budgetary Comparison Schedule**  
**Extended Assessment Training Fund #209**  
**Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Federal Sources:				
4500 Restricted Revenue from the Federal Government Through the State	\$ 1,000	\$ 1,000	\$ 783	\$ (217)
<u>Disbursements</u>				
Support Services:				
2210 Improvement of Instruction Services	1,000	1,000	783	217
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

**Pendleton School District #16R  
Umatilla County, Oregon**

**Budgetary Comparison Schedule  
IDEA Grant Fund #213  
Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with
	Original	Final		Final Budget
<u>Receipts</u>				
Federal Sources:				
4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies	\$ 375,000	\$ 375,000	\$ -	\$ (375,000)
<u>Disbursements</u>				
Instruction:				
1250 Less Restrictive Programs for Students with Disabilities	375,000	375,000	334,316	40,684
Net Change in Fund Balance	-	-	(334,316)	(334,316)
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ (334,316)	\$ (334,316)

**Pendleton School District #16R  
Umatilla County, Oregon**

**Budgetary Comparison Schedule  
Struve Memorial Fund #214  
Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations From Private Sources	\$ 5,000	\$ 5,000	\$ 2,190	\$ (2,810)
<u>Disbursements</u>				
Support Services:				
1132 High School Extracurricular	5,000	5,000	390	4,610
Change in Fund Balance Before				
Other Financial Sources / (Uses)	-	-	1,800	1,800
Other Financial Sources / (Uses):				
Transfer to Other Funds	-	-	(1,800)	(1,800)
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

**Pendleton School District #16R  
Umatilla County, Oregon**

**Budgetary Comparison Schedule  
Common Core Standards Grant Fund #221  
Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
State Sources				
3299 Other Restricted Grants-in-Aid	\$ 40,000	\$ 40,000	\$ 38,748	\$ (1,252)
<u>Disbursements</u>				
Support Services:				
2240 Instructional Staff Development	40,000	40,000	38,748	1,252
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

**Pendleton School District #16R  
Umatilla County, Oregon**

**Budgetary Comparison Schedule  
Sodexo Scholarship Fund #223  
Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations From Private Sources	\$ 500	\$ 500	\$ 500	\$ -
<u>Disbursements</u>				
Instruction:				
1131 High School Programs	500	500	500	-
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning	-	-	500	500
Fund Balance, Ending	\$ -	\$ -	\$ 500	\$ 500



**Pendleton School District #16R  
Umatilla County, Oregon**

**Budgetary Comparison Schedule  
Food Service Fund #224  
Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1500 Earnings on Investments	\$ -	\$ -	\$ 1,631	\$ 1,631
1600 Food Service	450,000	450,000	219,385	(230,615)
1990 Miscellaneous	25,000	25,000	6,110	(18,890)
Total Local Sources	475,000	475,000	227,126	(247,874)
State Sources:				
3102 State School Fund - School Lunch Match	15,000	15,000	12,616	(2,384)
3299 Other Restricted Grants-in-Aid	2,000	2,000	3,089	1,089
Total State Sources	17,000	17,000	15,705	(1,295)
Federal Sources:				
4500 Restricted Revenue from the Federal Government Through the State	900,000	900,000	780,150	(119,850)
4900 Revenue for / on Behalf of the District	90,000	90,000	73,365	(16,635)
Total Federal Sources	990,000	990,000	853,515	(136,485)
Total Receipts	1,482,000	1,482,000	1,096,346	(385,654)
<u>Disbursements</u>				
Enterprise and Community Services:				
3100 Food Services	1,682,000	1,682,000	1,099,926	582,074
Net Change in Fund Balance	(200,000)	(200,000)	(3,580)	196,420
Fund Balance, Beginning	200,000	200,000	190,779	(9,221)
Fund Balance, Ending	\$ -	\$ -	\$ 187,199	\$ 187,199

**Pendleton School District #16R  
Umatilla County, Oregon**

**Budgetary Comparison Schedule  
Oregon Minority Educator Retention Grant Fund #226  
Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
State Sources				
3299 Other Restricted Grants-in-Aid	\$ 35,000	\$ 35,000	\$ 35,000	\$ -
<u>Disbursements</u>				
Support Services:				
2620 Planning, Research, Development & Grant Writing	35,000	35,000	35,000	-
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

**Pendleton School District #16R  
Umatilla County, Oregon**

**Budgetary Comparison Schedule  
QZAB SB 1149 Fund #229  
Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1500 Earnings on Investments	\$ 20,000	\$ 20,000	\$ 41,157	\$ 21,157
1990 Miscellaneous	75,000	75,000	71,812	(3,188)
Total Receipts	95,000	95,000	112,969	17,969
<u>Disbursements</u>				
Support Services:				
2540 Operation and Maintenance of Plant Services	85,000	85,000	-	85,000
Change in Fund Balance Before Other Financial Sources / (Uses)	10,000	10,000	112,969	102,969
Other Financial Sources / (Uses):				
Transfer From Other Funds	77,000	77,000	36,490	(40,510)
Net Change in Fund Balance	87,000	87,000	149,459	62,459
Fund Balance, Beginning	1,230,000	1,230,000	1,354,893	124,893
Fund Balance, Ending	\$ 1,317,000	\$ 1,317,000	\$ 1,504,352	\$ 187,352

**Pendleton School District #16R  
Umatilla County, Oregon**

**Budgetary Comparison Schedule  
Wells Fargo Match Fund #234  
Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations From Private Sources	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
<u>Disbursements</u>				
Instruction:				
1111 Elementary, K-5 or K-6	1,000	1,000	-	1,000
1131 High School Programs	-	-	10	(10)
Total Disbursements	1,000	1,000	10	990
Net Change in Fund Balance	-	-	(10)	(10)
Fund Balance, Beginning	-	-	10	10
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

**Pendleton School District #16R  
Umatilla County, Oregon**

**Budgetary Comparison Schedule  
Altrusa ASK Program Fund #235  
Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations From Private Sources	\$ 11,000	\$ 11,000	\$ 11,601	\$ 601
<u>Disbursements</u>				
Instruction:				
1111 Elementary, K-5 or K-6	9,500	9,500	4,744	4,756
1121 Middle/Junior High Programs	2,000	2,000	600	1,400
1122 Middle/Junior High School Extracurricular	-	-	-	-
1131 High School Programs	2,000	2,000	1,412	588
1280 Alternative Education	500	500	300	200
Total Instruction	14,000	14,000	7,056	6,944
Support Services:				
2120 Guidance Services	-	-	63	(63)
2240 Instructional Staff Development	-	-	282	(282)
2550 Student Transportation Services	1,000	1,000	-	1,000
Total Support Services	1,000	1,000	345	655
Total Disbursements	15,000	15,000	7,401	7,599
Net Change in Fund Balance	(4,000)	(4,000)	4,200	8,200
Fund Balance, Beginning	4,000	4,000	2,325	(1,675)
Fund Balance, Ending	\$ -	\$ -	\$ 6,525	\$ 6,525

**Pendleton School District #16R  
Umatilla County, Oregon**

**Budgetary Comparison Schedule  
PHS ASPIRE Program Fund #236  
Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
State Sources:				
3299 Other Restricted Grants-in-Aid	\$ 3,000	\$ 3,000	\$ 3,000	\$ -
<u>Disbursements</u>				
Instruction:				
1131 High School Programs	4,000	4,000	3,000	1,000
Net Change in Fund Balance	(1,000)	(1,000)	-	1,000
Fund Balance, Beginning	1,000	1,000	715	(285)
Fund Balance, Ending	\$ -	\$ -	\$ 715	\$ 715

**Pendleton School District #16R  
Umatilla County, Oregon**

**Budgetary Comparison Schedule  
PHS Robotics Grant Fund #237  
Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources				
1920 Contributions and Donations	\$ 20,000	\$ 20,000	\$ -	\$ (20,000)
State Sources:				
3299 Other Restricted Grants-in-Aid	-	-	8,225	8,225
Federal Sources:				
4500 Restricted Revenue from the Federal Government Through the State	10,000	10,000	-	(10,000)
Total Receipts	30,000	30,000	8,225	(21,775)
<u>Disbursements</u>				
Instruction:				
1131 High School Programs	30,000	30,000	4,275	25,725
Net Change in Fund Balance	-	-	3,950	3,950
Fund Balance, Beginning	-	-	(3,950)	(3,950)
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

**Pendleton School District #16R  
Umatilla County, Oregon**

**Budgetary Comparison Schedule  
SWIFT Grant Fund #239  
Fiscal Year Ended June 30, 2015**

		Budget		Actual	Variance with Final Budget
		<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>Receipts</u>					
Local Sources:					
1990	Miscellaneous	\$ -	\$ -	\$ 180	\$ 180
State Sources:					
3299	Other Restricted Grants-in-Aid	40,000	40,000	8,819	(31,181)
Federal Sources:					
4500	Restricted Revenue from the Federal Government Through the State	-	-	30,501	30,501
Total Receipts		40,000	40,000	39,500	(500)
Support Services:					
2210	Improvement of Instruction Services	40,000	40,000	37,938	2,062
Net Change in Fund Balance		-	-	1,562	1,562
Fund Balance, Beginning		-	-	(1,562)	(1,562)
Fund Balance, Ending		\$ -	\$ -	\$ -	\$ -



**Pendleton School District #16R  
Umatilla County, Oregon**

**Budgetary Comparison Schedule  
Wildhorse Foundation Grant Fund #243  
Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations From Private Sources	\$ 37,500	\$ 37,500	\$ 23,000	\$ (14,500)
<u>Disbursements</u>				
Instruction:				
1111 Elementary, K-5 or K-6	15,000	15,000	7,894	7,106
1121 Middle/Junior High Programs	15,000	15,000	10,000	5,000
1131 High School Programs	10,000	10,000	500	9,500
1132 High School Extracurricular	-	-	10,000	(10,000)
Total Disbursements	40,000	40,000	28,394	11,606
Net Change in Fund Balance	(2,500)	(2,500)	(5,394)	(2,894)
Fund Balance, Beginning	2,500	2,500	10,394	7,894
Fund Balance, Ending	\$ -	\$ -	\$ 5,000	\$ 5,000

**Pendleton School District #16R  
Umatilla County, Oregon**

**Budgetary Comparison Schedule  
ECMC Grant Fund #249  
Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations From Private Sources	\$ 3,000	\$ 3,000	\$ 1,864	\$ (1,136)
<u>Disbursements</u>				
Instruction:				
1131 High School Programs	3,500	3,500	1,530	1,970
Net Change in Fund Balance	(500)	(500)	334	834
Fund Balance, Beginning	500	500	-	(500)
Fund Balance, Ending	\$ -	\$ -	\$ 334	\$ 334

**Pendleton School District #16R  
Umatilla County, Oregon**

**Budgetary Comparison Schedule  
Title I 2014-2015 Grant Fund #253  
Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Federal Sources:				
4500 Restricted Revenue from the Federal Government Through the State	\$ 630,000	\$ 630,000	\$ 592,619	\$ (37,381)
<u>Disbursements</u>				
Instruction:				
1272 Title I	630,000	630,000	584,981	45,019
Net Change in Fund Balance	-	-	7,638	7,638
Fund Balance, Beginning	-	-	(7,638)	(7,638)
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

**Pendleton School District #16R  
Umatilla County, Oregon**

**Budgetary Comparison Schedule  
Title I 2013-2014 Grant Fund #255  
Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Federal Sources:				
4500 Restricted Revenue from the Federal Government Through the State	\$ 57,000	\$ 57,000	\$ 174,774	\$ 117,774
<u>Disbursements</u>				
Instruction:				
1272 Title I	57,000	57,000	24,426	32,574
Net Change in Fund Balance	-	-	150,348	150,348
Fund Balance, Beginning	-	-	(150,348)	(150,348)
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

**Pendleton School District #16R  
Umatilla County, Oregon**

**Budgetary Comparison Schedule  
American Indian / Alaskan Native Culturally Relevant Grant Fund #260  
Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
State Sources:				
3299 Other Restricted Grants-in-Aid	\$ 125,100	\$ 125,100	\$ 100,000	\$ (25,100)
Total Receipts	<u>125,100</u>	<u>125,100</u>	<u>100,000</u>	<u>(25,100)</u>
<u>Disbursements</u>				
Instruction:				
1111 Elementary, K-5 or K-6	125,100	125,100	98,107	26,993
1121 Middle/Junior High Programs	-	-	1,893	(1,893)
Total Disbursements	<u>125,100</u>	<u>125,100</u>	<u>100,000</u>	<u>25,100</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Pendleton School District #16R  
Umatilla County, Oregon**

**Budgetary Comparison Schedule  
K-12 Music Program Fund #266  
Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations From Private Sources	\$ 50	\$ 50	\$ -	\$ (50)
<u>Disbursements</u>				
Instruction:				
1111 Elementary, K-5 or K-6	50	50	8	42
Net Change in Fund Balance	-	-	(8)	(8)
Fund Balance, Beginning	-	-	8	8
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

**Pendleton School District #16R  
Umatilla County, Oregon**

**Budgetary Comparison Schedule  
Homestead Youth and Family Services 2013-2015 Grant Fund #271  
Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
State Sources:				
3299 Other Restricted Grants-in-Aid	\$ 452,000	\$ 452,000	\$ 386,954	\$ (65,046)
Federal Sources:				
4500 Restricted Revenue from the Federal Government Through the State	30,000	30,000	51,587	21,587
Total Receipts	482,000	482,000	438,541	(43,459)
<u>Disbursements</u>				
Instruction:				
1220 Restrictive Programs for Students with Disabilities	482,000	482,000	451,028	30,972
Net Change in Fund Balance	-	-	(12,487)	(12,487)
Fund Balance, Beginning	-	-	(12,899)	(12,899)
Fund Balance, Ending	\$ -	\$ -	\$ (25,386)	\$ (25,386)

**Pendleton School District #16R  
Umatilla County, Oregon**

**Budgetary Comparison Schedule  
Buck Boosters Grant Fund #273  
Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations From Private Sources	\$ 55,000	\$ 55,000	\$ 33,184	\$ (21,816)
<u>Disbursements</u>				
Instruction:				
1131 High Instruction	-	-	150	(150)
1132 High School Extracurricular	55,000	55,000	37,035	17,965
Total Disbursements	55,000	55,000	37,185	17,815
Change in Fund Balance Before Other Financial Sources / (Uses)	-	-	(4,001)	(4,001)
Other Financial Sources / (Uses):				
Transfer to Other Funds	-	-	(100)	(100)
Net Change in Fund Balance	-	-	(4,101)	(4,101)
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ (4,101)	\$ (4,101)



**Pendleton School District #16R  
Umatilla County, Oregon**

**Budgetary Comparison Schedule  
Title IIA Quality Teacher 2014-2015 Grant Fund #278  
Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Federal Sources:				
4500 Restricted Revenue from the Federal Government Through the State	\$ 208,000	\$ 208,000	\$ 159,442	\$ (48,558)
<u>Disbursements</u>				
Instruction:				
1111 Elementary, K-5 or K-6	38,410	38,410	-	38,410
1121 Middle/Junior High Programs	10,565	10,565	-	10,565
1250 Less Restrictive Programs for Students with Disabilities	-	-	770	(770)
Total Instruction	48,975	48,975	770	48,205
Support Services:				
2110 Attendance and Social Work Services	26,000	26,000	-	26,000
2210 Improvement of Instruction Services	17,000	17,000	48,093	(31,093)
2240 Instructional Staff Development	104,148	104,148	99,046	5,102
2640 Staff Services	11,877	11,877	11,533	344
Total Support Services	159,025	159,025	158,672	353
Total Disbursements	208,000	208,000	159,442	48,558
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

**Pendleton School District #16R  
Umatilla County, Oregon**

**Budgetary Comparison Schedule  
P-3 Alignment Fund #283  
Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations From Private Sources	\$ 112,500	\$ 112,500	\$ 75,000	\$ (37,500)
<u>Disbursements</u>				
Support Services:				
2240 Instructional Staff Development	112,500	112,500	100,604	11,896
Net Change in Fund Balance	-	-	(25,604)	(25,604)
Fund Balance, Beginning	-	-	74,753	74,753
Fund Balance, Ending	\$ -	\$ -	\$ 49,149	\$ 49,149

**Pendleton School District #16R  
Umatilla County, Oregon**

**Budgetary Comparison Schedule  
St. Anthony Hospital Foundation Grant Fund  
Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations				
From Private Sources	\$ 10,000	\$ 10,000	\$ 6,363	\$ (3,637)
<u>Disbursements</u>				
Support Services:				
2120 Guidance Services	10,000	10,000	3,999	6,001
Net Change in Fund Balance	-	-	2,364	2,364
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ 2,364	\$ 2,364

**Pendleton School District #16R  
Umatilla County, Oregon**

**Budgetary Comparison Schedule  
EOCI State of Oregon Fund #287  
Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations From Private Sources	\$ 4,000	\$ 4,000	\$ -	\$ (4,000)
<u>Disbursements</u>				
Instruction:				
1131 High School Programs	5,000	5,000	-	5,000
Net Change in Fund Balance	(1,000)	(1,000)	-	1,000
Fund Balance, Beginning	1,000	1,000	580	(420)
Fund Balance, Ending	\$ -	\$ -	\$ 580	\$ 580

**Pendleton School District #16R  
Umatilla County, Oregon**

**Budgetary Comparison Schedule  
Mid-Co Donations Fund #288  
Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations From Private Sources	\$ 1,000	\$ 1,000	\$ 100	\$ (900)
<u>Disbursements</u>				
Instruction:				
1111 Elementary, K-5 or K-6	1,000	1,000	-	1,000
1131 High School Programs	-	-	100	(100)
Total Disbursements	1,000	1,000	100	900
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning	-	-	100	100
Fund Balance, Ending	\$ -	\$ -	\$ 100	\$ 100

**Pendleton School District #16R  
Umatilla County, Oregon**

**Budgetary Comparison Schedule  
CTSO Chapter Grants Fund #290  
Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations From Private Sources	\$ 3,500	\$ 3,500	\$ 1,100	\$ (2,400)
<u>Disbursements</u>				
Instruction:				
1131 High School Programs	3,500	3,500	1,100	2,400
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

**Pendleton School District #16R  
Umatilla County, Oregon**

**Budgetary Comparison Schedule  
Back to School with the Right Tools Fund #293  
Fiscal Year Ended June 30, 2015**

	Budget			Variance with
	Original	Final	Actual	Final Budget
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations From Private Sources	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
<u>Disbursements</u>				
Support Services:				
2540 Operation and Maintenance of Plant Services	1,000	1,000	-	1,000
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

**Pendleton School District #16R**  
**Umatilla County, Oregon**

**Budgetary Comparison Schedule**  
**Wal-Mart Grant Fund #294**  
**Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with
	Original	Final		Final Budget
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations From Private Sources	\$ 1,000	\$ 1,000	\$ 500	\$ (500)
<u>Disbursements</u>				
Instruction:				
1111 Elementary, K-5 or K-6	1,250	1,250	-	1,250
1121 Middle School Programs	-	-	500	(500)
Total Disbursements	1,250	1,250	500	750
Net Change in Fund Balance	(250)	(250)	-	250
Fund Balance, Beginning	250	250	219	(31)
Fund Balance, Ending	\$ -	\$ -	\$ 219	\$ 219



**Pendleton School District #16R  
Umatilla County, Oregon**

**Budgetary Comparison Schedule  
Special Donations Fund #295  
Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations				
From Private Sources	\$ 40,000	\$ 40,000	\$ 16,943	\$ (23,057)
1990 Miscellaneous	-	-	8,801	8,801
Total Receipts	40,000	40,000	25,744	(14,256)
<u>Disbursements</u>				
Instruction:				
1111 Elementary, K-5 or K-6	21,000	21,000	5,528	15,472
1121 Middle/Junior High Programs	5,000	5,000	503	4,497
1131 High School Programs	4,000	4,000	12,280	(8,280)
1132 High School Extracurricular	5,000	5,000	593	4,407
Total Instruction	35,000	35,000	18,904	16,096
Support Services:				
2120 Guidance Services	5,000	5,000	-	5,000
2210 Improvement of Instruction Services	25,000	25,000	-	25,000
2240 Instructional Staff Development	-	-	1,582	(1,582)
2540 Operation & Maint. Plant Services	-	-	1,500	(1,500)
Total Support Services	30,000	30,000	3,082	26,918
Total Disbursements	65,000	65,000	21,986	43,014
Net Change in Fund Balance	(25,000)	(25,000)	3,758	28,758
Fund Balance, Beginning	25,000	25,000	12,503	(12,497)
Fund Balance, Ending	\$ -	\$ -	\$ 16,261	\$ 16,261

**Pendleton School District #16R**  
**Umatilla County, Oregon**

**Budgetary Comparison Schedule**  
**Associated Student Body Fund #299**  
**Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1510 Interest on Investments	\$ -	\$ -	\$ 12	\$ 12
1700 Extracurricular Activities	610,000	610,000	626,042	16,042
1920 Contributions and Donations	-	-	35,370	35,370
Total Receipts	<u>610,000</u>	<u>610,000</u>	<u>661,424</u>	<u>51,424</u>
<u>Disbursements</u>				
Instruction:				
1113 Elementary Extracurricular	60,000	60,000	37,659	22,341
1122 Middle / Junior High School Extracurricular	150,000	150,000	87,701	62,299
1132 High School Extracurricular	650,000	650,000	420,051	229,949
Total Disbursements	<u>860,000</u>	<u>860,000</u>	<u>545,411</u>	<u>314,589</u>
Change in Fund Balance Before Other Financial Sources / (Uses)	(250,000)	(250,000)	116,013	366,013
Other Financial Sources / (Uses):				
Transfers From Other Funds	-	-	1,900	1,900
Transfer to Other Funds	-	-	(87,417)	(87,417)
Net Change in Fund Balance	(250,000)	(250,000)	30,496	280,496
Fund Balance, Beginning	<u>250,000</u>	<u>250,000</u>	<u>247,328</u>	<u>(2,672)</u>
Fund Balance, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 277,824</u>	<u>\$ 277,824</u>

**Pendleton School District #16R**  
**Umatilla County, Oregon**

**Budgetary Comparison Schedule**  
**Bond Interest and Redemption (BIRF-OLGIP) Debt Service Fund #300**  
**Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1110 Ad Valorem Taxes Levied by District	\$ -	\$ -	\$ 44,522	\$ 44,522
1500 Earnings on Investments	-	-	2,052	2,052
Total Receipts	-	-	46,574	46,574
<u>Disbursements</u>				
Other Uses:				
5100 Debt Service	-	-	2,619,160	(2,619,160)
Net Change in Fund Balance	-	-	(2,572,586)	(2,572,586)
Fund Balance, Beginning	2,616,938	2,616,938	2,978,587	361,649
Fund Balance, Ending	\$ 2,616,938	\$ 2,616,938	\$ 406,001	\$ (2,210,937)

**Pendleton School District #16R  
Umatilla County, Oregon**

**Budgetary Comparison Schedule  
OPERS Bond 2002 Debt Service Fund #301  
Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1500 Earnings on Investments	\$ 5,000	\$ 5,000	\$ 2,265	\$ (2,735)
1970 Services Provided Other Funds	900,500	900,500	897,101	(3,399)
Total Receipts	905,500	905,500	899,366	(6,134)
<u>Disbursements</u>				
Other Uses:				
5100 Debt Service	910,500	910,500	899,350	11,150
Net Change in Fund Balance	(5,000)	(5,000)	16	5,016
Fund Balance, Beginning	5,000	5,000	2,708	(2,292)
Fund Balance, Ending	\$ -	\$ -	\$ 2,724	\$ 2,724

**Pendleton School District #16R  
Umatilla County, Oregon**

**Budgetary Comparison Schedule  
PERS Bond 2003 Debt Service Fund #302  
Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1500 Earnings on Investments	\$ 5,000	\$ 5,000	\$ 3,014	\$ (1,986)
1970 Services Provided Other Funds	1,190,000	1,190,000	1,171,731	(18,269)
Total Receipts	1,195,000	1,195,000	1,174,745	(20,255)
<u>Disbursements</u>				
Other Uses:				
5100 Debt Service	1,200,000	1,200,000	1,174,744	25,256
Net Change in Fund Balance	(5,000)	(5,000)	1	5,001
Fund Balance, Beginning	5,000	5,000	3,013	(1,987)
Fund Balance, Ending	\$ -	\$ -	\$ 3,014	\$ 3,014

**Pendleton School District #16R  
Umatilla County, Oregon**

**Budgetary Comparison Schedule  
2014 General Obligation Bond Debt Service Fund #303  
Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1110 Ad Valorem Taxes Levied by District	\$ 2,694,000	\$ 2,694,000	\$ 2,886,410	\$ 192,410
Total Receipts	2,694,000	2,694,000	2,886,410	192,410
<u>Disbursements</u>				
Other Uses:				
5100 Debt Service	2,694,000	2,694,000	2,693,972	28
Net Change in Fund Balance	-	-	192,438	192,438
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ 192,438	\$ 192,438

**Pendleton School District #16R  
Umatilla County, Oregon**

**Budgetary Comparison Schedule  
Capital Projects Fund #400  
Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1500 Earnings on Investments	\$ 290,000	\$ 290,000	\$ 318,588	\$ 28,588
1990 Miscellaneous	75,000	75,000	1,651	(73,349)
Total Receipts	365,000	365,000	320,239	(44,761)
<u>Disbursements</u>				
Support Services:				
2520 Fiscal Services	191,287	191,287	86,897	104,390
Facilities Acquisition and Construction:				
4110 Service Area Direction	5,312,247	5,312,247	2,558,368	2,753,879
4150 Building Acquisition, Construction, and Improvement	49,356,466	49,356,466	13,888,388	35,468,078
4180 Other Capital Items	2,005,000	2,005,000	664,379	1,340,621
Total Facilities Acquisition and Construction	56,673,713	56,673,713	17,111,135	39,562,578
Total Disbursements	56,865,000	56,865,000	17,198,032	39,666,968
Net Change in Fund Balance	(56,500,000)	(56,500,000)	(16,877,793)	39,622,207
Fund Balance, Beginning	56,500,000	56,500,000	56,357,712	(142,288)
Fund Balance, Ending	\$ -	\$ -	\$ 39,479,919	\$ 39,479,919

## **Other Financial Schedules**



**Pendleton School District #16R  
Umatilla County, Oregon**

**Supplemental Information Required by the Oregon Department of Education  
Fiscal Year Ended June 30, 2015**

**A. Energy Bills for Heating – All Funds:**

Please enter your expenditures for electricity  
and heating fuel for these Functions and Objects.

	Objects 325 and 326
Function 2540	\$ 507,604
Function 2550	\$ -

**B. Replacement of Equipment – General Fund:**

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

	\$ -
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Exclude these functions:

1113, 1122 & 1132	Co-curricular Activities
1140	Pre-Kindergarten
1300	Continuing Education
1400	Summer School

Exclude these functions:

4150	Construction
2550	Pupil Transportation
3100	Food Service
3300	Community Services

**Pendleton School District #16R**  
**Umatilla County, Oregon**

**Supplemental Information Required by the Oregon Department of Education (3211c)**  
**Fiscal Year Ended June 30, 2015**

**Revenue from Local Sources**

	Totals	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
1110 Ad Valorem Taxes Levied by District	8,163,584	5,236,872	-	2,926,712	-	-	-	-
1120 Local Option Ad Valorem Taxes Levied by District	273,482	273,482	-	-	-	-	-	-
1130 Construction Excise Tax	-	-	-	-	-	-	-	-
1190 Penalties and Interest on Taxes	12,124	7,904	-	4,220	-	-	-	-
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	-	-	-	-	-	-	-	-
1313 Regular Day School Tuition - Other Districts Outside	-	-	-	-	-	-	-	-
1320 Adult/Continuing Education Tuition	-	-	-	-	-	-	-	-
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	399,374	30,654	42,801	7,331	318,588	-	-	-
1600 Food Service	219,385	-	219,385	-	-	-	-	-
1700 Extracurricular Activities	644,864	18,822	626,042	-	-	-	-	-
1800 Community Services Activities	-	-	-	-	-	-	-	-
1910 Rentals	28,536	28,536	-	-	-	-	-	-
1920 Contributions and Donations From Private Sources	271,520	10,440	261,080	-	-	-	-	-
1930 Rental or Lease Payments From Private Contractors	-	-	-	-	-	-	-	-
1940 Services Provided Other Local Education Agencies	-	-	-	-	-	-	-	-
1950 Textbook Sales and Rentals	-	-	-	-	-	-	-	-
1960 Recovery of Prior Years' Expenditure	-	-	-	-	-	-	-	-
1970 Services Provided Other Funds	2,068,832	-	-	2,068,832	-	-	-	-
1980 Fees Charged to Grants	-	-	-	-	-	-	-	-
1990 Miscellaneous	254,711	166,158	86,902	-	1,651	-	-	-
<b>Total Revenue from Local Sources</b>	<b>12,336,412</b>	<b>5,772,868</b>	<b>1,236,210</b>	<b>5,007,095</b>	<b>320,239</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Revenue from Intermediate Sources**

	Totals	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
2101 County School Funds	64,617	64,617	-	-	-	-	-	-
2102 General ESD Revenue	-	-	-	-	-	-	-	-
2103 Excess ESD Local Revenue	-	-	-	-	-	-	-	-
2105 Natural Gas, Oil, and Mineral Receipts	-	-	-	-	-	-	-	-
2110 Intermediate "I" Tax	-	-	-	-	-	-	-	-
2199 Other Intermediate Sources	-	-	-	-	-	-	-	-
2200 Restricted Revenue	-	-	-	-	-	-	-	-
2800 Revenue in Lieu of Taxes	-	-	-	-	-	-	-	-
2900 Revenue for/on Behalf of the District	-	-	-	-	-	-	-	-
<b>Total Revenue from Intermediate Sources</b>	<b>64,617</b>	<b>64,617</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Revenue from State Sources**

	Totals	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
3101 State School Fund - General Support	20,353,024	20,353,024	-	-	-	-	-	-
3102 State School Fund - School Lunch Match	12,617	-	12,617	-	-	-	-	-
3103 Common School Fund	293,004	293,004	-	-	-	-	-	-
3104 State Managed County Timber	-	-	-	-	-	-	-	-
3106 State School Fund - Accrual	-	-	-	-	-	-	-	-
3199 Other Unrestricted Grants-in-Aid	161,335	161,335	-	-	-	-	-	-
3204 Driver Education	-	-	-	-	-	-	-	-
3222 State School Fund (SSF) Transportation Equipment	1,232,004	1,232,004	-	-	-	-	-	-
3299 Other Restricted Grants-in-Aid	672,730	13,405	659,325	-	-	-	-	-
3800 Revenue in Lieu of Taxes	-	-	-	-	-	-	-	-
3900 Revenue for/on Behalf of the District	-	-	-	-	-	-	-	-
<b>Total Revenue from State Sources</b>	<b>22,724,714</b>	<b>22,052,772</b>	<b>671,942</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Revenue from Federal Sources**

	Totals	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	1,798,710	-	1,798,710	-	-	-	-	-
4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies	-	-	-	-	-	-	-	-
4801 Federal Forest Fees	4,841	4,841	-	-	-	-	-	-
4802 Impact Aid to School Districts for Operation (PL 874)	368,350	368,350	-	-	-	-	-	-
4803 Coos Bay Wagon Road Funds	-	-	-	-	-	-	-	-
4899 Other Revenue in Lieu of Taxes	-	-	-	-	-	-	-	-
4900 Revenue for/on Behalf of the District	73,365	-	73,365	-	-	-	-	-
<b>Total Revenue from Federal Sources</b>	<b>2,245,266</b>	<b>373,191</b>	<b>1,872,075</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Revenue from Other Sources**

	Totals	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
5100 Long Term Debt Financing Sources	-	-	-	-	-	-	-	-
5200 Interfund Transfers	125,807	87,417	38,390	-	-	-	-	-
5300 Sale of or Compensation for Loss of Fixed Assets	-	-	-	-	-	-	-	-
5400 Resources - Beginning Fund Balance	66,066,518	5,047,809	1,676,689	2,984,308	56,357,712	-	-	-
<b>Total Revenue from Other Sources</b>	<b>66,192,325</b>	<b>5,135,226</b>	<b>1,715,079</b>	<b>2,984,308</b>	<b>56,357,712</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Grand Totals**

<b>103,563,334</b>	<b>33,398,674</b>	<b>5,495,306</b>	<b>7,991,403</b>	<b>56,677,951</b>	<b>-</b>	<b>-</b>	<b>-</b>
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**Pendleton School District #16R  
Umatilla County, Oregon**

**Supplemental Information Required by the Oregon Department of Education (3211c)  
Fiscal Year Ended June 30, 2015**

**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	6,001,873	3,804,778	1,817,141	29,945	349,996	-	13	-
1113 Elementary Extracurricular	-	-	-	-	-	-	-	-
1121 Middle/Junior High Programs	3,231,173	2,079,334	979,718	6,536	165,585	-	-	-
1122 Middle/Junior High School Extracurricular	84,687	66,145	13,725	3,056	1,761	-	-	-
1131 High School Programs	3,884,690	2,436,637	1,208,186	12,870	221,060	-	5,937	-
1132 High School Extracurricular	437,247	264,222	47,713	97,565	15,986	651	11,110	-
1140 Pre-Kindergarten Programs	45	-	-	40	5	-	-	-
1210 Programs for the Talented and Gifted	345	-	-	220	-	-	125	-
1220 Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	3,155,259	1,773,371	1,342,277	26,439	13,172	-	-	-
1260 Treatment and Habilitation	-	-	-	-	-	-	-	-
1271 Remediation	-	-	-	-	-	-	-	-
1272 Title I	-	-	-	-	-	-	-	-
1280 Alternative Education	1,021,071	371,221	201,691	410,881	37,278	-	-	-
1291 English Second Language Programs	184,988	119,383	64,779	543	283	-	-	-
1292 Teen Parent Program	-	-	-	-	-	-	-	-
1293 Migrant Education	-	-	-	-	-	-	-	-
1294 Youth Corrections Education	-	-	-	-	-	-	-	-
1299 Other Programs	-	-	-	-	-	-	-	-
1300 Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400 Summer School Programs	27,814	17,529	3,006	7,279	-	-	-	-
<b>Total Instruction Expenditures</b>	<b>18,029,192</b>	<b>10,932,620</b>	<b>5,678,236</b>	<b>595,374</b>	<b>805,126</b>	<b>651</b>	<b>17,185</b>	<b>-</b>

**Support Services Expenditures**

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	57,480	21,350	18,345	17,589	196	-	-	-
2120 Guidance Services	955,634	621,918	329,053	-	4,663	-	-	-
2130 Health Services	66	-	-	-	66	-	-	-
2140 Psychological Services	37,569	22,804	14,765	-	-	-	-	-
2150 Speech Pathology and Audiology Services	-	-	-	-	-	-	-	-
2160 Other Student Treatment Services	-	-	-	-	-	-	-	-
2190 Service Direction, Student Support Services	175,474	115,629	57,686	1,929	-	-	230	-
2210 Improvement of Instruction Services	50,598	139	42,539	7,120	800	-	-	-
2220 Educational Media Services	238,789	121,487	104,771	-	12,216	-	315	-
2230 Assessment & Testing	8,159	-	-	80	8,079	-	-	-
2240 Instructional Staff Development	-	-	-	-	-	-	-	-
2310 Board of Education Services	123,902	-	-	38,470	10,034	-	75,398	-
2320 Executive Administration Services	574,156	346,329	149,768	50,062	22,199	-	5,798	-
2410 Office of the Principal Services	2,069,662	1,245,976	646,206	105,136	59,683	-	12,661	-
2490 Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510 Direction of Business Support Services	-	-	-	-	-	-	-	-
2520 Fiscal Services	397,270	168,156	88,784	16,408	3,479	-	120,443	-
2540 Operation and Maintenance of Plant Services	2,708,609	954,743	600,107	822,393	271,186	55,329	4,851	-
2550 Student Transportation Services	1,681,956	-	-	1,681,956	-	-	-	-
2570 Internal Services	-	-	-	-	-	-	-	-
2610 Direction of Central Support Services	-	-	-	-	-	-	-	-
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-	-	-	-	-	-	-	-
2630 Information Services	-	-	-	-	-	-	-	-
2640 Staff Services	-	-	-	-	-	-	-	-
2660 Technology Services	455,895	-	-	189,812	266,083	-	-	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	374,561	302,068	72,493	-	-	-	-	-
<b>Total Support Services Expenditures</b>	<b>9,909,780</b>	<b>3,920,599</b>	<b>2,124,517</b>	<b>2,930,955</b>	<b>658,684</b>	<b>55,329</b>	<b>219,696</b>	<b>-</b>

**Enterprise and Community Services Expenditures**

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	-	-	-	-	-	-	-	-
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	-	-	-	-	-	-	-	-
3500 Custody and Care of Children Services	-	-	-	-	-	-	-	-
<b>Total Enterprise and Community Services Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Facilities Acquisition and Construction Expenditures**

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction	-	-	-	-	-	-	-	-
4120 Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150 Building Acquisition, Construction, and Improvement Services	-	-	-	-	-	-	-	-
4180 Other Capital Items	-	-	-	-	-	-	-	-
4190 Other Facilities Construction Services	-	-	-	-	-	-	-	-
<b>Total Facilities Acquisition and Construction Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Other Uses Expenditures**

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	5,700	-	-	-	-	-	5,700	-
5200 Transfers of Funds	36,490	-	-	-	-	-	-	36,490
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
<b>Total Other Uses Expenditures</b>	<b>42,190</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,700</b>	<b>36,490</b>

**Grand Totals**

<b>27,981,162</b>	<b>14,853,219</b>	<b>7,802,753</b>	<b>3,526,329</b>	<b>1,463,810</b>	<b>55,980</b>	<b>242,581</b>	<b>36,490</b>
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**Pendleton School District #16R  
Umatilla County, Oregon**

**Supplemental Information Required by the Oregon Department of Education (3211c)  
Fiscal Year Ended June 30, 2015**

**Fund: 200 Special Revenue Funds**

**Instruction Expenditures**

	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
1111 Elementary, K-5 or K-6	135,029	29,603	7,201	41,808	56,023	-	394	-
1113 Elementary Extracurricular	37,658	-	-	18,613	19,045	-	-	-
1121 Middle/Junior High Programs	14,468	1,566	327	852	11,303	-	420	-
1122 Middle/Junior High School Extracurricular	87,701	1,653	-	47,500	38,548	-	-	-
1131 High School Programs	46,050	4,200	-	24,729	15,216	-	1,905	-
1132 High School Extracurricular	477,324	4,189	37	282,167	162,375	28,000	556	-
1140 Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210 Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220 Restrictive Programs for Students with Disabilities	451,027	280,856	138,623	19,817	11,731	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	343,777	222,398	111,983	3,717	5,679	-	-	-
1260 Treatment and Habilitation	-	-	-	-	-	-	-	-
1271 Remediation	-	-	-	-	-	-	-	-
1272 Title I	609,406	382,722	224,255	552	1,877	-	-	-
1280 Alternative Education	384	-	-	-	384	-	-	-
1291 English Second Language Programs	-	-	-	-	-	-	-	-
1292 Teen Parent Program	-	-	-	-	-	-	-	-
1293 Migrant Education	-	-	-	-	-	-	-	-
1294 Youth Corrections Education	-	-	-	-	-	-	-	-
1299 Other Programs	-	-	-	-	-	-	-	-
1300 Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400 Summer School Programs	-	-	-	-	-	-	-	-
<b>Total Instruction Expenditures</b>	<b>2,202,824</b>	<b>927,187</b>	<b>482,426</b>	<b>439,755</b>	<b>322,181</b>	<b>28,000</b>	<b>3,275</b>	<b>-</b>

**Support Services Expenditures**

	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
2110 Attendance and Social Work Services	-	-	-	-	-	-	-	-
2120 Guidance Services	4,062	-	-	-	4,062	-	-	-
2130 Health Services	-	-	-	-	-	-	-	-
2140 Psychological Services	-	-	-	-	-	-	-	-
2150 Speech Pathology and Audiology Services	-	-	-	-	-	-	-	-
2160 Other Student Treatment Services	-	-	-	-	-	-	-	-
2190 Service Direction, Student Support Services	-	-	-	-	-	-	-	-
2210 Improvement of Instruction Services	111,007	75,834	20,413	9,066	5,694	-	-	-
2220 Educational Media Services	-	-	-	-	-	-	-	-
2230 Assessment & Testing	-	-	-	-	-	-	-	-
2240 Instructional Staff Development	240,261	110,094	27,409	74,365	28,393	-	-	-
2310 Board of Education Services	-	-	-	-	-	-	-	-
2320 Executive Administration Services	-	-	-	-	-	-	-	-
2410 Office of the Principal Services	-	-	-	-	-	-	-	-
2490 Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510 Direction of Business Support Services	-	-	-	-	-	-	-	-
2520 Fiscal Services	-	-	-	-	-	-	-	-
2540 Operation and Maintenance of Plant Services	1,500	-	-	1,500	-	-	-	-
2550 Student Transportation Services	-	-	-	-	-	-	-	-
2570 Internal Services	-	-	-	-	-	-	-	-
2610 Direction of Central Support Services	-	-	-	-	-	-	-	-
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	35,000	10,319	3,520	9,875	11,286	-	-	-
2630 Information Services	-	-	-	-	-	-	-	-
2640 Staff Services	11,534	8,503	3,031	-	-	-	-	-
2660 Technology Services	-	-	-	-	-	-	-	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	-	-	-	-	-	-	-	-
<b>Total Support Services Expenditures</b>	<b>403,364</b>	<b>204,750</b>	<b>54,373</b>	<b>94,806</b>	<b>49,435</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Enterprise and Community Services Expenditures**

	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
3100 Food Services	1,099,926	6,537	569	992,658	96,432	-	3,730	-
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	-	-	-	-	-	-	-	-
3500 Custody and Care of Children Services	-	-	-	-	-	-	-	-
<b>Total Enterprise and Community Services Expenditures</b>	<b>1,099,926</b>	<b>6,537</b>	<b>569</b>	<b>992,658</b>	<b>96,432</b>	<b>-</b>	<b>3,730</b>	<b>-</b>

**Facilities Acquisition and Construction Expenditures**

	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
4110 Service Area Direction	-	-	-	-	-	-	-	-
4120 Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150 Building Acquisition, Construction, and Improvement Services	-	-	-	-	-	-	-	-
4180 Other Capital Items	-	-	-	-	-	-	-	-
4190 Other Facilities Construction Services	-	-	-	-	-	-	-	-
<b>Total Facilities Acquisition and Construction Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Other Uses Expenditures**

	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
5100 Debt Service	-	-	-	-	-	-	-	-
5200 Transfers of Funds	89,317	-	-	-	-	-	-	89,317
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
<b>Total Other Uses Expenditures</b>	<b>89,317</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>89,317</b>

**Grand Totals**

<b>3,795,431</b>	<b>1,138,474</b>	<b>537,368</b>	<b>1,527,219</b>	<b>468,048</b>	<b>28,000</b>	<b>7,005</b>	<b>89,317</b>
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**Pendleton School District #16R**  
**Umatilla County, Oregon**

**Supplemental Information Required by the Oregon Department of Education (3211c)**  
**Fiscal Year Ended June 30, 2015**

**Fund: 300 Debt Service Funds**

<b>Instruction Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
1111 Elementary, K-5 or K-6	-	-	-	-	-	-	-	-
1113 Elementary Extracurricular	-	-	-	-	-	-	-	-
1121 Middle/Junior High Programs	-	-	-	-	-	-	-	-
1122 Middle/Junior High School Extracurricular	-	-	-	-	-	-	-	-
1131 High School Programs	-	-	-	-	-	-	-	-
1132 High School Extracurricular	-	-	-	-	-	-	-	-
1140 Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210 Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220 Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1260 Treatment and Habilitation	-	-	-	-	-	-	-	-
1271 Remediation	-	-	-	-	-	-	-	-
1272 Title I	-	-	-	-	-	-	-	-
1280 Alternative Education	-	-	-	-	-	-	-	-
1291 English Second Language Programs	-	-	-	-	-	-	-	-
1292 Teen Parent Program	-	-	-	-	-	-	-	-
1293 Migrant Education	-	-	-	-	-	-	-	-
1294 Youth Corrections Education	-	-	-	-	-	-	-	-
1299 Other Programs	-	-	-	-	-	-	-	-
1300 Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400 Summer School Programs	-	-	-	-	-	-	-	-
<b>Total Instruction Expenditures</b>	-	-	-	-	-	-	-	-
<b>Support Services Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
2110 Attendance and Social Work Services	-	-	-	-	-	-	-	-
2120 Guidance Services	-	-	-	-	-	-	-	-
2130 Health Services	-	-	-	-	-	-	-	-
2140 Psychological Services	-	-	-	-	-	-	-	-
2150 Speech Pathology and Audiology Services	-	-	-	-	-	-	-	-
2160 Other Student Treatment Services	-	-	-	-	-	-	-	-
2190 Service Direction, Student Support Services	-	-	-	-	-	-	-	-
2210 Improvement of Instruction Services	-	-	-	-	-	-	-	-
2220 Educational Media Services	-	-	-	-	-	-	-	-
2230 Assessment & Testing	-	-	-	-	-	-	-	-
2240 Instructional Staff Development	-	-	-	-	-	-	-	-
2310 Board of Education Services	-	-	-	-	-	-	-	-
2320 Executive Administration Services	-	-	-	-	-	-	-	-
2410 Office of the Principal Services	-	-	-	-	-	-	-	-
2490 Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510 Direction of Business Support Services	-	-	-	-	-	-	-	-
2520 Fiscal Services	-	-	-	-	-	-	-	-
2540 Operation and Maintenance of Plant Services	-	-	-	-	-	-	-	-
2550 Student Transportation Services	-	-	-	-	-	-	-	-
2570 Internal Services	-	-	-	-	-	-	-	-
2610 Direction of Central Support Services	-	-	-	-	-	-	-	-
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-	-	-	-	-	-	-	-
2630 Information Services	-	-	-	-	-	-	-	-
2640 Staff Services	-	-	-	-	-	-	-	-
2660 Technology Services	-	-	-	-	-	-	-	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	-	-	-	-	-	-	-	-
<b>Total Support Services Expenditures</b>	-	-	-	-	-	-	-	-
<b>Enterprise and Community Services Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
3100 Food Services	-	-	-	-	-	-	-	-
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	-	-	-	-	-	-	-	-
3500 Custody and Care of Children Services	-	-	-	-	-	-	-	-
<b>Total Enterprise and Community Services Expenditures</b>	-	-	-	-	-	-	-	-
<b>Facilities Acquisition and Construction Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
4110 Service Area Direction	-	-	-	-	-	-	-	-
4120 Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150 Building Acquisition, Construction, and Improvement Services	-	-	-	-	-	-	-	-
4180 Other Capital Items	-	-	-	-	-	-	-	-
4190 Other Facilities Construction Services	-	-	-	-	-	-	-	-
<b>Total Facilities Acquisition and Construction Expenditures</b>	-	-	-	-	-	-	-	-
<b>Other Uses Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
5100 Debt Service	7,387,226	-	-	-	-	-	7,387,226	-
5200 Transfers of Funds	-	-	-	-	-	-	-	-
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
<b>Total Other Uses Expenditures</b>	7,387,226	-	-	-	-	-	7,387,226	-
<b>Grand Totals</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
	7,387,226	-	-	-	-	-	7,387,226	-

**Pendleton School District #16R  
Umatilla County, Oregon**

**Supplemental Information Required by the Oregon Department of Education (3211c)  
Fiscal Year Ended June 30, 2015**

**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	-	-	-	-	-	-	-	-
1113 Elementary Extracurricular	-	-	-	-	-	-	-	-
1121 Middle/Junior High Programs	-	-	-	-	-	-	-	-
1122 Middle/Junior High School Extracurricular	-	-	-	-	-	-	-	-
1131 High School Programs	-	-	-	-	-	-	-	-
1132 High School Extracurricular	-	-	-	-	-	-	-	-
1140 Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210 Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220 Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1260 Treatment and Habilitation	-	-	-	-	-	-	-	-
1271 Remediation	-	-	-	-	-	-	-	-
1272 Title I	-	-	-	-	-	-	-	-
1280 Alternative Education	-	-	-	-	-	-	-	-
1291 English Second Language Programs	-	-	-	-	-	-	-	-
1292 Teen Parent Program	-	-	-	-	-	-	-	-
1293 Migrant Education	-	-	-	-	-	-	-	-
1294 Youth Corrections Education	-	-	-	-	-	-	-	-
1299 Other Programs	-	-	-	-	-	-	-	-
1300 Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400 Summer School Programs	-	-	-	-	-	-	-	-
<b>Total Instruction Expenditures</b>	-	-	-	-	-	-	-	-

**Support Services Expenditures**

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	-	-	-	-	-	-	-	-
2120 Guidance Services	-	-	-	-	-	-	-	-
2130 Health Services	-	-	-	-	-	-	-	-
2140 Psychological Services	-	-	-	-	-	-	-	-
2150 Speech Pathology and Audiology Services	-	-	-	-	-	-	-	-
2160 Other Student Treatment Services	-	-	-	-	-	-	-	-
2190 Service Direction, Student Support Services	-	-	-	-	-	-	-	-
2210 Improvement of Instruction Services	-	-	-	-	-	-	-	-
2220 Educational Media Services	-	-	-	-	-	-	-	-
2230 Assessment & Testing	-	-	-	-	-	-	-	-
2240 Instructional Staff Development	-	-	-	-	-	-	-	-
2310 Board of Education Services	-	-	-	-	-	-	-	-
2320 Executive Administration Services	-	-	-	-	-	-	-	-
2410 Office of the Principal Services	-	-	-	-	-	-	-	-
2490 Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510 Direction of Business Support Services	-	-	-	-	-	-	-	-
2520 Fiscal Services	86,896	20,749	12,174	53,676	172	-	125	-
2540 Operation and Maintenance of Plant Services	-	-	-	-	-	-	-	-
2550 Student Transportation Services	-	-	-	-	-	-	-	-
2570 Internal Services	-	-	-	-	-	-	-	-
2610 Direction of Central Support Services	-	-	-	-	-	-	-	-
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-	-	-	-	-	-	-	-
2630 Information Services	-	-	-	-	-	-	-	-
2640 Staff Services	-	-	-	-	-	-	-	-
2660 Technology Services	-	-	-	-	-	-	-	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	-	-	-	-	-	-	-	-
<b>Total Support Services Expenditures</b>	86,896	20,749	12,174	53,676	172	-	125	-

**Enterprise and Community Services Expenditures**

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	-	-	-	-	-	-	-	-
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	-	-	-	-	-	-	-	-
3500 Custody and Care of Children Services	-	-	-	-	-	-	-	-
<b>Total Enterprise and Community Services Expenditures</b>	-	-	-	-	-	-	-	-

**Facilities Acquisition and Construction Expenditures**

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction	2,558,369	-	-	2,457,830	5,664	1,716	93,159	-
4120 Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150 Building Acquisition, Construction, and Improvement Services	13,888,388	-	-	115,523	122	13,759,258	13,485	-
4180 Other Capital Items	664,379	-	-	-	119,270	545,109	-	-
4190 Other Facilities Construction Services	-	-	-	-	-	-	-	-
<b>Total Facilities Acquisition and Construction Expenditures</b>	17,111,136	-	-	2,573,353	125,056	14,306,083	106,644	-

**Other Uses Expenditures**

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	-	-	-	-	-	-	-	-
5200 Transfers of Funds	-	-	-	-	-	-	-	-
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
<b>Total Other Uses Expenditures</b>	-	-	-	-	-	-	-	-

**Grand Totals**

	17,198,032	20,749	12,174	2,627,029	125,228	14,306,083	106,769	-
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## **COMPLIANCE SECTION**

# Cockburn & McClintock, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

To the Board of Education and Management  
Pendleton School District #16R  
Pendleton, Oregon 97801

We have audited the modified cash basis financial statements of Pendleton School District #16R (the District) as of and for the fiscal year ended June 30, 2015, and have issued our report thereon dated November 4, 2015. 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.

### Compliance

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

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

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

In connection with our testing nothing came to our attention that caused us to believe the 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:

The District was not in compliance with Oregon Local Budget Law (ORS 294) as it pertains to the fiscal year July 1, 2014 through June 30, 2015 as expenditures exceeded appropriations in the following categories:

- Buck Booster Grant Fund #273 – Transfers to Other Funds
- Associated Student Body Fund #299 – Transfers to Other Funds
- Bond Interest and Redemption Debt Service Fund #300 – Debt Service



In addition, the District was not in compliance with Oregon State School Fund factors and calculations as it pertains to the fiscal year July 1, 2013 through June 30, 2014 as follows: We reviewed files for 10 teachers (4% of the total population) and identified reporting discrepancies for 2 of them in that 2 teachers had their total years of experience understated. The total net effect of our testing results in our sample is that the total years of individual experience was understated by 2.0, or potentially understated by 45.41 for the entire population, with the District Average Teacher Experience figure understated by 0.22 in our sample, or potentially understated by 0.30 for the entire population.

### **OAR 162-10-0230 Internal Control**

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

We also noted "Other Internal Control Items" from the financial statement audit that we reported to the Board of Education and management of the District in a separate letter dated November 4, 2015.

### **Restrictions on Use**

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

  
Cockburn & McClintock, LLC  
Pendleton, Oregon  
November 4, 2015

# *Cockburn & McClintock, LLC*

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## **INDEPENDENT AUDITOR'S 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***

To the Board of Education and Management  
Pendleton School District #16R  
Pendleton, Oregon 97801

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 modified cash financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Pendleton School District #16R (the District), as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 4, 2015.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's 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 entity's 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 in 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 District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted "Other Internal Control Items" from the financial statement audit that we reported to the Board of Education and Management of the District in a separate letter dated November 4, 2015.

### **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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Cockburn & McClintock, LLC

Pendleton, Oregon

November 4, 2015

# *Cockburn & McClintock, LLC*

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## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the Board of Education and Management  
Pendleton School District #16R  
Pendleton, Oregon 97801

### **Report on Compliance for Each Major Federal Program**

We have audited Pendleton School District #16R's (the District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the fiscal year ended June 30, 2015. The District's major federal programs are identified in the summary of auditor's 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.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### ***Opinion on Each Major Federal Program***

In our opinion, the District 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 fiscal year ended June 30, 2015.

### **Report on Internal Control Over Compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance referred to above. In planning and performing our audit of compliance, we considered the District's 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 OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's 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 preceding paragraph 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Cockburn & McClintock, LLC

Pendleton, Oregon

November 4, 2015

**Pendleton School District #16R  
Umatilla County, Oregon**

**Schedule of Expenditures of Federal Awards  
Fiscal Year Ended June 30, 2015**

Federal Grantor Pass-Through Grantor	Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Grant Period	Grant Amount	Federal Revenues	Federal Expenditures
<b>U.S. Department of Agriculture:</b>							
Pass-Through Programs From:							
Oregon State Department of Education:							
Child Nutrition Cluster:							
	School Breakfast Program	10.553	3016001	7/1/13-6/30/14	\$ 199,738	\$ 11,500	\$ -
	School Breakfast Program	10.553	3016001	7/1/14-6/30/15	172,514	161,796	172,514
	National School Lunch Program	10.555	3016001	7/1/13-6/30/14	668,502	31,974	-
	National School Lunch Program	10.555	3016001	7/1/14-6/30/15	658,290	623,968	658,290
	Summer Food Service Program for Children	10.559	3016001	7/1/13-6/30/14	32,838	3,558	-
	Summer Food Service Program for Children	10.559	3016001	7/1/14-6/30/15	24,844	20,719	24,844
	Subtotal Department of Agriculture Pass-Through Program From Oregon State Department of Education and Total Child Nutrition Cluster				1,756,726	853,515	855,648
Umatilla County, Oregon:							
	Forest Service Schools and Roads Grants to States	10.665		7/1/12-6/30/13	4,841	4,841	4,841
<b>Total U.S. Department of Agriculture</b>					<b>1,761,567</b>	<b>858,356</b>	<b>860,489</b>
<b>U.S. Department of Education:</b>							
Direct Programs:							
	Impact Aid (Title VIII of ESEA)	84.041		7/1/10-6/30/11	433,969	4,700	4,700
	Impact Aid (Title VIII of ESEA)	84.041		7/1/11-6/30/12	635,299	77,469	77,469
	Impact Aid (Title VIII of ESEA)	84.041		7/1/14-6/30/15	286,180	286,180	286,180
	Total Impact Aid (Title VIII of ESEA)				1,355,448	368,349	368,349
Pass-Through Programs From:							
Oregon State Department of Education:							
	Grants to Local Educational Agencies (Title I, Part A of ESEA)	84.010	25317	7/1/12-9/30/13	757,752	7,638	-
	Grants to Local Educational Agencies (Title I, Part A of ESEA)	84.010	28197	7/1/13-9/30/14	672,610	174,774	24,426
	Grants to Local Educational Agencies (Title I, Part A of ESEA)	84.010	32655	7/1/14-9/30/15	614,183	584,981	584,981
	Total Grants to Local Educational Agencies (Title I, Part A of ESEA)				2,044,545	767,393	609,407
	Program for Neglected and Delinquent Children and Youth (Title I, Part D of ESEA)	84.013	29644	7/1/13-6/30/14	36,479	27,940	1,098
	Program for Neglected and Delinquent Children and Youth (Title I, Part D of ESEA)	84.013	34225	7/1/14-6/30/15	21,506	10,021	21,032
	Total Program for Neglected and Delinquent Children and Youth (Title I, Part D of ESEA)				57,985	37,961	22,130
	SchoolWide Integrated Framework for Transformation Grant (IDEA Part D, Section 663)	84.326	34958	1/15/15-10/14/15	23,000	23,064	23,064
	SchoolWide Integrated Framework for Transformation Grant (IDEA Part D, Section 663)	84.326	35010	10/15/14-10/14/15	3,523	1,250	1,250
	SchoolWide Integrated Framework for Transformation Grant (IDEA Part D, Section 663)	84.326	35010	10/15/14-10/14/15	3,914	3,914	3,914
	Total SchoolWide Integrated Framework for Transformation Grant (IDEA Part D, Section 663)				30,437	28,228	28,228
	Improving Teacher Quality State Grants (Title II, Part A of ESEA)	84.367	32979	7/1/14-9/30/15	159,442	159,442	159,442
	Subtotal Department of Education Pass-Through Programs From Oregon State Department of Education				2,292,409	993,024	819,207
InterMountain Education Service District:							
Special Education (IDEA) Cluster:							
	Special Education - Grants to States (IDEA Part B, Section 611)	84.027	28462	7/1/13-6/30/14	335,000	-	85,680
	Special Education - Grants to States (IDEA Part B, Section 611)	84.027	33289	7/1/13-6/30/14	375,000	-	248,636
	Subtotal Department of Education Special Education (IDEA) Cluster Pass-Through Program From InterMountain Education Service District				710,000	-	334,316
Oregon State Department of Education:							
Special Education (IDEA) Cluster:							
	Special Performance Review & Improvement Grant (IDEA Part B, Section 611)	84.027	27970	8/1/13-6/30/14	3,245	67	-
	Long Term Care and Treatment Education Program (IDEA Part B, Section 611)	84.027	29674	7/1/13-6/30/14	15,589	7,713	-
	Special Education Enhancement Grant (IDEA Part B, Section 611)	84.027	29850	10/1/13-9/30/14	5,305	2,262	2,166
	Special Education Extended Assessment Grant (IDEA Part B, Section 611)	84.027	31876	7/1/14-6/30/15	900	783	783
	Special Performance Review & Improvement Grant (IDEA Part B, Section 611)	84.027	32196	8/1/14-6/30/15	3,235	2,037	2,037
	Special Education Enhancement Grant (IDEA Part B, Section 611)	84.027	33776	10/1/14-9/30/15	5,305	4,489	4,489
	Long Term Care and Treatment Education Program (IDEA Part B, Section 611)	84.027	34251	7/1/14-6/30/15	9,999	5,913	9,999
	SchoolWide Integrated Framework for Transformation Grant (IDEA Part D, Section 663)	84.027	35010	10/15/14-10/14/15	3,523	2,273	2,273
	Subtotal Department of Education Special Education (IDEA) Cluster Pass-Through Program From Oregon State Department of Education				47,101	25,537	21,747
	Total Special Education (IDEA) Cluster				757,101	25,537	356,063
<b>Total U.S. Department of Education</b>					<b>4,404,958</b>	<b>1,386,910</b>	<b>1,543,619</b>
<b>Total Federal Awards</b>					<b>\$ 6,166,525</b>	<b>\$ 2,245,266</b>	<b>\$ 2,404,108</b>

The accompanying notes are an integral part of this schedule

**Pendleton School District #16R**  
**Umatilla County, Oregon**

**Notes to the Schedule of Expenditures of Federal Awards**  
**June 30, 2015**

**Note 1 – Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (this Schedule) includes the federal grant activity of Pendleton School District #16R (the District) under programs of the federal government for the fiscal year ended June 30, 2015. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because this Schedule presents only a selected portion of the operations to the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

**Note 2 – Summary of Significant Accounting Policies**

Expenditures reported on this Schedule are reported on the modified cash basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Pass-through entity identifying numbers are presented where available.

**Note 3 – Food Donation**

Nonmonetary assistance is reported in this Schedule at the fair market value of the commodities received and disbursed. During the fiscal year ended June 30, 2015, the District received approximately \$73,365 in commodities passed from the United States Department of Agriculture through the Oregon State Department of Education in its National School Lunch Program, CFDA #10.555.

**Pendleton School District #16R**  
**Umatilla County, Oregon**

**Schedule of Findings and Questioned Costs**  
**Fiscal Year Ended June 30, 2015**

**A. SUMMARY OF AUDITOR'S RESULTS**

1. The auditor's report expresses an unmodified opinion on the financial statements of Pendleton School District #16R.
2. No material weaknesses or significant deficiencies relating to the audit of the financial statements are reported in the *INDEPENDENT AUDITOR'S 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*.
3. No instances of noncompliance material to the financial statements of Pendleton School District #16R, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No material weaknesses or significant deficiencies relating to the audit of the major federal award programs is reported in the *INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133*.
5. The auditor's report on compliance for the major federal award programs for Pendleton School District #16R expresses an unmodified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this Schedule.
7. The programs tested as major programs were:
  - Child Nutrition Cluster, CFDA #10.553, #10.555, and #10.559
  - Special Education (IDEA) Cluster, CFDA #84.027
  - Impact Aid (Title VIII of ESEA), CFDA #84.041
8. The threshold for distinguishing between Type A and Type B programs was \$300,000.
9. Pendleton School District #16R was determined to *not* be a low-risk auditee.

**B. FINDINGS—FINANCIAL STATEMENT AUDIT**

There were no findings noted for the financial statement audit for the current fiscal year ended June 30, 2015.

**C. FINDINGS AND QUESTIONED COSTS—MAJOR FEDERAL AWARD PROGRAMS AUDIT**

There were no findings noted for the major federal award programs audit for the current fiscal year ended June 30, 2015.



**Pendleton School District #16R  
Umatilla County, Oregon**

**Summary Schedule of Prior Year Findings and Questioned Costs  
Fiscal Year Ended June 30, 2015**

**FINDINGS—FINANCIAL STATEMENT AUDIT**

There were no findings noted for the financial statement audit for the prior fiscal year ended June 30, 2014.

**FINDINGS AND QUESTIONED COSTS—MAJOR FEDERAL AWARD PROGRAMS AUDIT**

**2014-01: Employee Time-and-Effort Documentation (Material Weakness)**

*CFDA #:* 84.027

*Program Title:* Special Education (IDEA) Cluster

*Pass-Through Entity Identifying Number:* Intermountain ESD #26701 and #28462 and Oregon State Department of Education #29674

*Grant Period:* 7/1/12 – 9/30/14, 7/1/13 – 9/30/15, and 7/1/13 – 6/30/15

*Compliance Requirement:* Allowable Costs / Cost Principles

*Condition:* During our tests of controls over compliance and substantive tests of compliance, we noted that three Special Education Teachers did not have their salaries and associated payroll costs that were charged to the "IDEA" Fund #213 and the "Homestead 13/14 & 14/15" Fund #271 properly certified for time-and-effort. Time-and-effort was not properly certified for one Special Education Teacher that had 50% of her salary and associated payroll costs charged to the "Homestead 13/14 & 14/15" Fund #271 for the entire 2013-2014 fiscal year. Time-and-effort was not properly certified for one Special Education Teacher that had 100% of her salary and associated payroll costs charged to the "IDEA" Fund #213 for September, October, and November 2013. Finally, time-and-effort was not properly certified for another Special Education Teacher that had 100% of her salary and associated payroll costs charged to the "IDEA" Fund #213 for July and August 2013.

*Criteria:* Per the "Department of Education" Part 4 cross-cutting section of the March 2014 *OMB Circular A-133 Compliance Supplement* and *OMB Circular A-87*, time-and-effort requirements for all employees must fall under 1 of the 2 following circumstances: (1) An employee who works solely on a single cost objective must furnish a semi-annual certification that he/she has been engaged solely in activities that support the single cost objective. The certification must be signed by the employee or a supervisory official having first-hand knowledge of the work performed by the employee. -OR- (2) An employee who works in part on a single cost objective and in part on a Federal program whose administrative funds have not been consolidated or on activities funded from other revenue sources must maintain time and effort distribution records documenting the portion of time and effort dedicated to the single cost objective and each program or other cost objective supported by non-consolidated Federal funds or other revenue sources. These certifications must be signed by the employee and a supervisory official having first-hand knowledge of the work performed by the employee.

*Cause:* The time-and-effort certifications for these three Special Education Teachers were simply overlooked.

*Effect:* Three Special Education Teachers' salaries and associated payroll costs that were charged to the "IDEA" Fund #213 and the "Homestead 13/14 & 14/15" Fund #271 were not properly certified for their time-and-effort to be in compliance with the Allowable Costs / Cost Principles compliance requirement for the Special Education (IDEA) Cluster major program.

**Pendleton School District #16R**  
**Umatilla County, Oregon**

**Summary Schedule of Prior Year Findings and Questioned Costs**  
**Fiscal Year Ended June 30, 2015**

*Questioned Costs:* This finding resulted in \$34,017 total in questioned costs from our testing in our sample. When you extrapolate this noncompliance finding to the total population of 50% of one Special Education Teacher's paychecks for the entire 2013-2014 fiscal year, 100% of one Special Education Teacher's paychecks for three months of the 2013-2014 fiscal year, and 100% of another Special Education Teacher's paychecks for two months of the 2013-2014 fiscal year, the total questioned costs is \$61,717.

*Recommendation:* We recommend that all employees who have their salaries and associated payroll costs charged to any Special Education (IDEA) Fund complete time-and-effort certifications to be in compliance with the Allowable Costs / Cost Principles compliance requirement for the Special Education (IDEA) Cluster Federal program.

*Views of Responsible Officials and Planned Corrective Actions:* The District agrees with the finding. Every effort will be made to make sure that the District has time-and-effort certifications for all IDEA employees and that these certifications are complete.

*Status:* Corrective action was taken for all IDEA employees for the 2014-2015 fiscal year, as no findings were noted.

**2014-02: Verification of Free and Reduced Price Applications (Other Noncompliance Matter)**

*CFDA #:* 10.555

*Program Title:* National School Lunch Program (Child Nutrition Cluster)

*Pass-Through Entity Identifying Number:* Oregon State Department of Education #3016001

*Grant Period:* 7/1/13 – 6/30/14

*Compliance Requirement:* Special Tests and Provisions

*Condition:* During our tests of controls over compliance and substantive tests of compliance, we noted that the income was incorrectly calculated for one out of eight total free and reduced price applications that were verified by the School District.

*Criteria:* Per the "United States Department of Agriculture" Part 4 of the March 2014 *OMB Circular A-133 Compliance Supplement* for the Child Nutrition Cluster, by November 15th of each school year, the District must verify the current free and reduced price eligibility of households selected from a sample of applications that it has approved for free and reduced price meals. The District must follow-up on children whose eligibility status has changed as a result of verification activities to put them in the correct category. Sources of information for verification include written evidence, collateral contracts, and system of records, as described in 7 CFR section 245.6a(b) (42 USC 1758(b)(3)(D) and (H)).

*Cause:* The District did not properly include child support income of \$790 per month in their calculation while verifying one household's free and reduced price application.

*Effect:* The District incorrectly calculated income of \$2,163 per month for a household of five, which resulted in this household receiving free meal benefits. The correct household income of \$2,953 per month would have resulted in an application status change to reduced price meals.

*Questioned Costs:* No questioned costs were noted as a result of this condition.

**Pendleton School District #16R  
Umatilla County, Oregon**

**Summary Schedule of Prior Year Findings and Questioned Costs  
Fiscal Year Ended June 30, 2015**

*Recommendation:* We recommend that the income verification results for the free and reduced price applications be reviewed for accuracy by the Supervisor of the person performing the verification process.

*Views of Responsible Officials and Planned Corrective Actions:* The District agrees with the finding. The School District will make sure that the verification of free and reduced price applications process is performed correctly by having the Supervisor of the person performing the income verification review the results for accuracy.

*Status:* Corrective action was taken for the 2014-2015 fiscal year, as no findings were noted.