

Pendleton School District #16R
Umatilla County, Oregon

Financial Statements
June 30, 2016

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, 2016**

<u>Elected Officials:</u>	<u>Address</u>	<u>Term Expires</u>
Michelle Monkman <i>Chairperson</i>	720 N.W. 12th Pendleton, OR 97801	June 30, 2019
Debbie McBee <i>Vice-Chairperson</i>	1062 N.W. Skyline Dr. Pendleton, OR 97801	June 30, 2017
Steve Umbarger <i>Director</i>	557 SW 21st Street Pendleton, OR 97801	June 30, 2017
Dale Freeman <i>Director</i>	718 NW 4th Street Pendleton, OR 97801	June 30, 2019
Lynn Lieuallen <i>Director</i>	14 NW 9th Street Pendleton, OR 97801	June 30, 2019
Dave Krumbein <i>Director</i>	309 N.W. 5th Pendleton, OR 97801	June 30, 2019
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:

107 NW 10th Street
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

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DARLENE R. WILSON, CPA

AMERICAN INSTITUTE OF CPA'S
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
107 NW 10th Street
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, 2016, 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 fraud or error.

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, 2016, 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 Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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

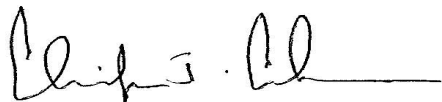
The management's discussion and analysis has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

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 23, 2016 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 23, 2016, 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

A handwritten signature in dark ink, appearing to read "Chris J. Cockburn", written over a horizontal line.

Christopher J. Cockburn, CPA
Licensed Municipal Auditor

Pendleton, Oregon
November 23, 2016

Other Information:
Management's Discussion and Analysis

PENDLETON SCHOOL DISTRICT 16R
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2016

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, 2016. 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 \$2.2 million.
- The District's total net position increased by \$696,000 primarily due to principal payments on existing debt during 2015-16 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 \$14.7 million due to the PERS bond obligation of \$19.6 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 \$4.9 million at June 30, 2016.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balance of \$18.3 million, a decrease of \$28.9 million from the previous year. This decrease was due to \$29.6 million of Capital Projects Fund expenditures mainly related to costs for the Pendleton Early Learning Center and replacement to two elementary schools from the General Obligation Bond proceeds.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$2.1 million, or 7.3% of total general fund expenditures for the year.
- The District's total debt obligations decreased by \$1.4 million during the current fiscal year.

PENDLETON SCHOOL DISTRICT 16R
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2016

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, 2016

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 thirty-nine 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 18 of this report.

Proprietary Funds. The District does not have a proprietary fund for the 2015-2016 school year.

Fiduciary Funds. The District does not have a fiduciary fund for the 2015-2016 school year.

PENDLETON SCHOOL DISTRICT 16R
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2016

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 19-43 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 44-50 of this report.

Additional Supplementary Information on pages 51-92 reflects budgetary comparison schedules, individually, of all District Non-Major Funds for the fiscal year ending June 30, 2016.

DISTRICT-WIDE FINANCIAL ANALYSIS

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

Net Position

	June 30, 2016	June 30, 2015	Increase / (Decrease)
<u>Assets</u>			
Cash and Cash Equivalents	\$ 16,250,289	\$ 21,255,657	\$ (5,005,368)
Investments	2,019,824	25,945,823	(23,925,999)
Capital Assets, Net			
Land	84,928	84,928	-
Construction in Progress	28,523,311	18,040,445	10,482,866
District Buildings and Improvements	33,112,752	15,730,654	17,382,098
Equipment and Vehicles	396,200	211,628	184,572
Total Assets	80,387,304	81,269,135	881,831
<u>Liabilities</u>			
Current Portion of Debt	1,506,618	1,413,721	92,897
Long-Term Debt	73,546,123	75,067,655	(1,521,532)
Total Liabilities	75,052,741	76,481,376	(1,428,635)
<u>Deferred Inflows of Resources</u>			
Deferred Premium on Refunding, Net	3,139,974	3,289,497	(149,523)
<u>Net Position</u>			
Net Investment in Capital Assets	14,140,089	13,991,737	148,352
Restricted for Debt Service	835,893	604,177	231,716
Restricted for Other Purposes	1,951,846	1,786,043	165,803
Unrestricted (Deficit)	(14,733,239)	(14,883,695)	150,456
Total Net Position	\$ 2,194,589	\$ 1,498,262	\$ 696,327

PENDLETON SCHOOL DISTRICT 16R
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2016

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 \$2.2 million as of June 30, 2016. The District's net position increased by \$696,000 for the fiscal year ended June 30, 2016. Of the total net assets, \$14.1 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.

Change in Net Position

	June 30, 2016	June 30, 2015	Increase / (Decrease)
<u>Revenues</u>			
Program Revenues:			
Charges for Services	\$ 910,481	\$ 892,785	\$ 17,696
Operating Grants and Contributions	3,108,480	2,962,279	146,201
Capital Grants and Contributions	381,196	28,000	353,196
General Revenues:			
Property Taxes	8,689,510	8,449,190	240,320
State School Fund	21,832,607	21,585,028	247,579
County / Common School Aid	370,490	357,621	12,869
Unrestricted Federal Funds	294,275	373,191	(78,916)
Earnings on Investments	55,961	399,374	(343,413)
Other Revenue	664,169	254,711	409,458
Loss on Deletion of Capital Assets	(125,968)	-	(125,968)
Total Revenues	36,181,201	35,302,179	879,022
<u>Expenses</u>			
Instruction	19,523,381	19,032,003	491,378
Support Services	10,927,810	10,047,942	879,868
Enterprise and Community Services	369,661	119,270	250,391
Facilities Acquisition and Construction	1,235,014	1,125,166	109,848
Debt Service - Interest	3,429,008	4,087,155	(658,147)
Total Expenses	35,484,874	34,411,536	1,073,338
Change in Net Position	696,327	890,643	(194,316)
Net Position, Beginning	1,498,262	607,619	890,643
Net Position, Ending	\$ 2,194,589	\$ 1,498,262	\$ 696,327

PENDLETON SCHOOL DISTRICT 16R
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2016

DISTRICT-WIDE FINANCIAL ANALYSIS CONTINUED

An additional portion of the District's net position, \$2.8 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$(14.7 million) is unrestricted

Governmental Activities – Governmental activities increased the District's net position by \$696,000, 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 continued reinvestment in education by the State of Oregon in the 2015-2017 biennium. This reinvestment increased funding by \$247 thousand.
- Property Tax Revenues for the General Fund and Bond Fund increased \$240 thousand.
- Increases in Operating Grants/Contributions from local, state and federal sources by \$146 thousand.

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, 2016, the District's governmental funds reported combined ending fund balances of \$18.3 million, a decrease of \$28.9 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 \$4.9 million which is a decrease of \$474,000. This decrease is mainly related to the addition of full-day kindergarten that was not supported with adequate funding from the State of Oregon to offset the increase in full-time equivalencies. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$2.1 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 17 percent of total General Fund expenditures.

The Capital Projects Fund, another major fund, reported an ending fund balance of \$10.6 million. This is a decrease of \$28.9 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 \$2.7 million, an increase of \$400 thousand. The increase is due to the expiration of the 1998 General Obligation Bonds, which was replaced by the 2014 General Obligation Bonds. As well as an increase in grant revenue for the 2015-16 school year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The PSD Board adopted a budget for the fiscal year ending June 30, 2016 based on state biennial funding of \$7.3 billion. The Governor and legislators made a significant investment in education with this funding level, increasing it from \$6.65 billion in the prior biennium. While this is a substantial increase from the prior biennium this funding level does not adequately cover the cost of full-day kindergarten. At this level of

PENDLETON SCHOOL DISTRICT 16R
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2016

funding the district is receiving \$71 less per student that we had received in 2014-15. The 2015-16 budget reflects an increase of 20.0 full time equivalents to accommodate the addition of full-day kindergarten.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As shown in the table below, at June 30, 2016, the District had \$62.1 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 \$28 million 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, 2016. 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

	June 30, 2016	June 30, 2015	Increase / (Decrease)
Land	\$ 84,928	\$ 84,928	\$ -
Construction in Progress	28,523,311	18,040,445	10,482,866
District Buildings and Improvements	33,112,752	15,730,654	17,382,098
Vehicles and Equipment	396,200	211,628	184,572
Total	\$ 62,117,191	\$ 34,067,655	\$ 28,049,536

Debt Administration and Capacity

As shown in the table below, at the end of this year, the District had \$75.1 million in debt outstanding which is comparable to \$76.5 million last year. The District made its annual debt service payments under those obligations that included an overall reduction in the principal balance of \$1.4 million. See Note 7 of the Notes to the Financial Statements for more information on long-term debt obligations.

Outstanding Long-Term Debt Obligations

	June 30, 2016	June 30, 2015	Increase / (Decrease)
2002 Limited Tax Pension Bonds	\$ 8,661,121	\$ 8,889,334	\$ (228,213)
2003 Limited Tax Pension Bonds	10,150,280	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	53,451,340	54,266,340	(815,000)
Total	\$ 75,052,741	\$ 76,481,376	\$ (1,428,635)

PENDLETON SCHOOL DISTRICT 16R
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2016

Debt Administration and Capacity(Continued)

Debt Limitation and Capacity Fiscal Year 2016	
Real Market Value	\$ 1,809,916,647
Debt Capacity	
General Obligation Debt Capacity (7.95% of RMV)	\$ 143,888,373
Less: Outstanding Debt Subject to Limit	(53,466,254)
Remaining General Obligation Debt Capacity	\$ 90,422,119
Percent of Capacity Issued	37.16%

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. The 2017-2019 PERS rate for the District will be 4.67 percent.

The District continues to benefit from issuing PERS Bonds. Combined payments to PERS and the bonds for 2015-2016 resulted in an effective rate of 14.86%. Without issuing the bonds the rate would have been 21.75%. The result is a savings to the district of approximately \$890 thousand for the fiscal year.

The District's Budget Committee and Board considered the above factors when preparing the District budget for the 2016-2017 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 2016-2017 that called for no reductions. The district's primary focus was to maintain current staff to student ratios in the classroom. The current year budget also reflects an increase in staffing by 2.0 full-time equivalency, which is due to the replacement of Sherwood and Washington Elementary Schools with larger facilities that will accommodate over 500 students per building. The District also made a substantial investment in K-12 math curriculum that aligns with the new Smarter Balanced standardized testing.

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 2015-2016 fiscal year is 17%.

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 107 NW 10th Street, 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, 2016

	Primary Government Governmental Activities	Component Unit
<u>Assets</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 16,250,289	\$ 280,686
Investments	16,544	-
Total Current Assets	16,266,833	280,686
Noncurrent Assets:		
Investments	2,003,280	-
Capital Assets, Net		
Land	84,928	-
Construction In Progress	28,523,311	-
District Buildings and Improvements	33,112,752	-
Equipment and Vehicles	396,200	14,286
Total Noncurrent Assets	64,120,471	14,286
Total Assets	80,387,304	294,972
<u>Liabilities</u>		
Current Liabilities:		
Bonds Payable Due Within One Year	1,506,618	-
Noncurrent Liabilities:		
Bonds Payable Due in More Than One Year	73,546,123	-
Total Liabilities	75,052,741	-
<u>Deferred Inflows of Resources</u>		
Deferred Premium on Refunding, Net	3,139,974	-
<u>Net Position</u>		
Net Investment in Capital Assets	14,140,089	14,286
Restricted for Debt Service	835,893	23,110
Restricted for Other Purposes	1,951,846	-
Unrestricted (Deficit)	(14,733,239)	257,576
Total Net Position	\$ 2,194,589	\$ 294,972

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, 2016

Functions / Programs:	Expenses	Program Revenues			Net (Expense) / Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental Activities:					
Instruction:					
Regular Programs	\$ 13,761,637	\$ 624,637	\$ 380,860	\$ -	\$ (12,756,140)
Special Programs	5,738,607	-	1,543,090	-	(4,195,517)
Other Instructional Programs	23,137	-	-	-	(23,137)
Total Instruction	19,523,381	624,637	1,923,950	-	(16,974,794)
Support Services:					
Student Support Services	1,164,429	-	18,328	-	(1,146,101)
Instructional Staff Support	496,613	-	198,054	-	(298,559)
General Administration	675,306	-	-	-	(675,306)
School Administration	2,367,226	-	-	-	(2,367,226)
Business Support Services	5,170,114	74,772	-	-	(5,095,342)
Central Activities	676,054	-	-	-	(676,054)
Supplemental Retirement	378,068	-	-	-	(378,068)
Total Support Services	10,927,810	74,772	216,382	-	(10,636,656)
Facilities Acquisition & Construction	369,661	-	-	381,196	11,535
Enterprise and Community Services	1,235,014	211,072	968,148	-	(55,794)
Debt Service - Interest and Fees	3,429,008	-	-	-	(3,429,008)
Total Primary Government	\$ 35,484,874	\$ 910,481	\$ 3,108,480	\$ 381,196	\$ (31,084,717)
Component Unit:					
Nixyáawii Community School	\$ 737,553	\$ 37,873	\$ 24,900	\$ -	\$ (674,780)
				Primary Government	Component Unit
Changes in Net Position				\$ (31,084,717)	\$ (674,780)
General Revenues:					
Property Taxes for General Purposes				5,638,798	-
Property Taxes for Debt Service				3,050,712	-
State School Fund - General Support				20,604,107	347,388
State School Fund - Transportation				1,228,500	-
County / Common School Aid				370,490	-
Unrestricted Federal Funds				294,275	-
Earnings on Investments				55,961	478
Other Revenue				664,169	452,646
Loss on Deletion of Capital Assets				(125,968)	-
Total General Revenues				31,781,044	800,512
Change in Net Position				696,327	125,732
Net Position, Beginning				1,498,262	169,240
Net Position, Ending				\$ 2,194,589	\$ 294,972

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, 2016

	General Fund	Capital Projects Fund #400	Nonmajor Governmental Funds	Total
<u>Assets</u>				
Cash and Cash Equivalents	\$ 4,557,136	\$ 8,610,932	\$ 3,082,221	\$ 16,250,289
Investments	-	2,003,280	16,544	2,019,824
Due From Other Funds	386,599	-	-	386,599
 Total Assets	 \$ 4,943,735	 \$ 10,614,212	 \$ 3,098,765	 \$ 18,656,712
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Due To Other Funds	\$ -	\$ -	\$ 386,599	\$ 386,599
Fund Balances:				
Spendable:				
Restricted	-	10,614,212	2,787,739	13,401,951
Assigned	2,800,000	-	311,026	3,111,026
Unassigned	2,143,735	-	(386,599)	1,757,136
 Total Fund Balances	 4,943,735	 10,614,212	 2,712,166	 18,270,113
 Total Liabilities and Fund Balances	 \$ 4,943,735	 \$ 10,614,212	 \$ 3,098,765	 \$ 18,656,712

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, 2016

Total Fund Balances - Governmental Funds		\$ 18,270,113
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:		
Governmental Capital Assets	\$ 80,039,266	
Governmental Accumulated Depreciation	<u>(17,922,075)</u>	62,117,191
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		
		(3,139,974)
Certain liabilities not due in the current year are not reported as governmental fund liabilities. These liabilities consist of:		
Qualified Zone Academy Bonds	(2,000,000)	
OPERS UAL Bonds	(19,601,401)	
General Obligation Bonds	<u>(53,451,340)</u>	<u>(75,052,741)</u>
Total Net Position - Governmental Activities		\$ <u>2,194,589</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, 2016

	General Fund	Capital Projects Fund #400	Nonmajor Governmental Funds	Total Governmental Funds
<u>Revenues</u>				
Property Taxes	\$ 5,638,798	\$ -	\$ 3,050,712	\$ 8,689,510
Intergovernmental	22,743,649	381,196	2,605,626	25,730,471
Food Service Sales	-	-	211,072	211,072
Charges for Services	83,084	-	2,795,144	2,878,228
Contributions and Donations	7,000	-	250,027	257,027
Earnings on Investments	40,140	(41,119)	56,940	55,961
Other Revenue	183,100	397,210	83,411	663,721
	<u>28,695,771</u>	<u>737,287</u>	<u>9,052,932</u>	<u>38,485,990</u>
Total Revenues	28,695,771	737,287	9,052,932	38,485,990
<u>Expenditures</u>				
Current:				
Instruction:				
Regular Programs	13,768,370	-	744,331	14,512,701
Special Programs	4,558,646	-	1,437,235	5,995,881
Other Instruction Programs	22,484	-	-	22,484
	<u>18,349,500</u>	<u>-</u>	<u>2,181,566</u>	<u>20,531,066</u>
Total Instruction	<u>18,349,500</u>	<u>-</u>	<u>2,181,566</u>	<u>20,531,066</u>
Support Services:				
Student Support Services	1,205,027	-	30,447	1,235,474
Instructional Staff Support	325,257	-	184,901	510,158
General Administration	702,560	-	-	702,560
School Administration	2,496,243	-	-	2,496,243
Business Support Services	5,073,123	94,859	-	5,167,982
Central Activities	630,936	-	11,732	642,668
Supplemental Retirement	378,068	-	-	378,068
	<u>10,811,214</u>	<u>94,859</u>	<u>227,080</u>	<u>11,133,153</u>
Total Support Services	<u>10,811,214</u>	<u>94,859</u>	<u>227,080</u>	<u>11,133,153</u>
Enterprise and Community Services	<u>-</u>	<u>-</u>	<u>1,195,491</u>	<u>1,195,491</u>
Facilities Acquisition and Construction	<u>-</u>	<u>369,661</u>	<u>-</u>	<u>369,661</u>
Capital Outlay	<u>42,346</u>	<u>29,138,474</u>	<u>-</u>	<u>29,180,820</u>
Debt Service:				
Principal	-	-	1,428,635	1,428,635
Interest	-	-	3,578,531	3,578,531
	<u>-</u>	<u>-</u>	<u>5,007,166</u>	<u>5,007,166</u>
Total Debt Service	<u>-</u>	<u>-</u>	<u>5,007,166</u>	<u>5,007,166</u>
Total Expenditures	<u>29,203,060</u>	<u>29,602,994</u>	<u>8,611,303</u>	<u>67,417,357</u>
Change in Fund Balances Before Other Financing Sources / (Uses)	(507,289)	(28,865,707)	441,629	(28,931,367)
Other Financial Sources / (Uses): Transfer (to) / from Other Funds	<u>33,513</u>	<u>-</u>	<u>(33,513)</u>	<u>-</u>
Net Change in Fund Balances	(473,776)	(28,865,707)	408,116	(28,931,367)
Fund Balances, Beginning	<u>5,417,511</u>	<u>39,479,919</u>	<u>2,304,050</u>	<u>47,201,480</u>
Fund Balances, Ending	<u>\$ 4,943,735</u>	<u>\$ 10,614,212</u>	<u>\$ 2,712,166</u>	<u>\$ 18,270,113</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, 2016**

Net Change in Fund Balances - Total Government Funds	\$	(28,931,367)
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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.

Capital outlay reported in governmental fund financial statements	29,180,820	
Loss on deletion of capital assets	(125,968)	
Depreciation expense reported in the Statement of Activities	<u>(1,005,316)</u>	
Amount by which capital outlays are greater / (less) than depreciation in the current period.		28,049,536

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	149,523
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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.

Debt principal repaid	<u>1,428,635</u>
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Change in Net Position - Governmental Activities	\$	<u><u>696,327</u></u>
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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, 2016**

	Budget			Variance with
	Original	Final	Actual	Final Budget
<u>Revenues</u>				
Property Taxes	\$ 5,686,000	\$ 5,686,000	\$ 5,638,798	\$ (47,202)
Intergovernmental	23,298,500	23,298,500	22,743,649	(554,851)
Charges for Services	80,000	80,000	83,084	3,084
Contributions and Donations	5,000	5,000	7,000	2,000
Earnings on Investments	35,000	35,000	40,140	5,140
Other Revenue	100,000	100,000	183,100	83,100
Total Revenues	29,204,500	29,204,500	28,695,771	(508,729)
<u>Expenditures</u>				
Instruction	19,775,715	19,775,715	18,349,500	1,426,215
Support Services	12,324,785	12,324,785	10,847,860	1,476,925
Other Uses	7,000	7,000	5,700	1,300
Contingencies	1,750,000	1,750,000	-	1,750,000
Total Expenditures	33,857,500	33,857,500	29,203,060	4,654,440
Change in Fund Balance Before Other Financing Sources / (Uses)	(4,653,000)	(4,653,000)	(507,289)	4,145,711
Other Financial Sources / (Uses):				
Transfers from Other Funds	80,000	80,000	75,003	(4,997)
Transfers to Other Funds	(77,000)	(77,000)	(41,490)	35,510
Net Other Financial Sources / (Uses)	3,000	3,000	33,513	30,513
Net Change in Fund Balance	(4,650,000)	(4,650,000)	(473,776)	4,176,224
Fund Balance, Beginning	4,650,000	4,650,000	5,417,511	767,511
Fund Balance, Ending	\$ -	\$ -	\$ 4,943,735	\$ 4,943,735

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, 2016

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, 2016

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, 2016**

Note 1 – Summary of Significant Accounting Policies (Continued)

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

Governmental Funds (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 four 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, 2016

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, 2016

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, 2016

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, 2016

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, 2016

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, 2016**

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, and
- Debt issuance costs are expensed when paid rather than amortized.

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, 2016

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 2015-2016 budget on June 8, 2015 totaling \$93,254,200.

The Board of Education adopted the 2016-2017 budget on June 13, 2016 totaling \$61,712,445.

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 two amended appropriations adopted by the Board of Education during the fiscal 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:

- 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, 2016 was \$4.4537 per \$1,000 of assessed value.

Pendleton School District #16R
Umatilla County, Oregon

Notes to the Financial Statements
June 30, 2016

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, 2016. 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, 2016, the total bank balances were \$8,790,779. 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, 2016, the District had two Certificate of Deposits held at U.S. Bank, both for the High School's Associated Student Body. The first certificate of deposit has a balance at maturity of \$6,544, maturing on August 23, 2016 and had an original term of 6 months. The second certificate of deposit has a balance at maturity of \$10,000, maturing on January 25, 2017 and had an original term of 11 months. As a result, both of the Certificates of Deposit have been classified as short-term investments on the District's Statement of Net Position.

In addition, at June 30, 2016 the District had invested a 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 \$2,003,280 in Federal National Mortgage Association Notes. The market value of these investments was \$2,000,230 a decline of \$50 from purchase price. These investments mature in July and August of 2016, but have an original maturity date of over 12 months and are considered non-current assets at June 30, 2016.

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.

Pendleton School District #16R
Umatilla County, Oregon

Notes to the Financial Statements
June 30, 2016

Note 4 – Deposits and Investments (Continued)

Investments (Continued)

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.

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	\$ 8,670,667
Oregon Local Government Investment Pool	<u>7,579,622</u>
Total Cash and Cash Equivalents	<u>\$ 16,250,289</u>

Note 5 – Capital Assets

For the fiscal year ended June 30, 2016, capital assets activity as reported in the District-wide financial statements were as follows:

Governmental Activities	Beginning Balance	Increases	Decreases/ Transfers	Ending Balance
Non-Depreciable Capital Assets:				
Land	\$ 84,928	\$ -	\$ -	\$ 84,928
Construction in Progress	<u>18,040,445</u>	<u>28,934,435</u>	<u>(18,451,569)</u>	<u>28,523,311</u>
Total Non-Depreciable Capital Assets	<u>18,125,373</u>	<u>28,934,435</u>	<u>(18,451,569)</u>	<u>28,608,239</u>
Depreciable Capital Assets:				
Buildings & Improvements	31,982,193	-	18,008,257	49,990,450
Equipment & Vehicles	<u>1,194,192</u>	<u>246,385</u>	<u>-</u>	<u>1,440,577</u>
Total Depreciable Capital Assets	<u>33,176,385</u>	<u>246,385</u>	<u>18,008,257</u>	<u>51,431,027</u>
Accumulated Depreciation:				
Buildings & Improvements	(16,251,539)	(943,503)	317,344	(16,877,698)
Equipment & Vehicles	<u>(982,564)</u>	<u>(61,813)</u>	<u>-</u>	<u>(1,044,377)</u>
Total Accumulated Depreciation	<u>(17,234,103)</u>	<u>(1,005,316)</u>	<u>317,344</u>	<u>(17,922,075)</u>
Total Governmental Capital Assets, Net	<u>\$ 34,067,655</u>	<u>\$ 28,175,504</u>	<u>\$ (125,968)</u>	<u>\$ 62,117,191</u>

Pendleton School District #16R
Umatilla County, Oregon

Notes to the Financial Statements
June 30, 2016

Note 5 – Capital Assets (Continued)

Depreciation expense was charged to governmental activities as follows:

<u>Program / Function:</u>	
Regular Programs	\$ 452,758
Special Programs	174,875
Summer School	653
Student Support Services	35,967
Instructional Staff Support	14,819
General Administration	20,407
School Administration	74,322
Business Support Services	156,422
Central Activities	34,575
Food Services	<u>40,518</u>
Total Depreciation Expense	<u>\$ 1,005,316</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 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 Umatilla Head Start for the additional classroom space at Pendleton Early Learning Center. The lease calls for monthly rental payments of \$899 per month for October 1, 2016 through June 30, 2017.
- 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, 2016

Note 6 – Operating Leases (Continued)

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

Fiscal Year Ending June 30,	Receivable
<u> </u>	<u> </u>
2017	\$ 70,767
2018	<u>58,729</u>
Total	<u>\$ 129,496</u>

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 October 31, 2016.
- Annual lease with the Round-Up Association for the use of the Round-Up Grounds for the period February 1, 2016 through November 15, 2016. Annual refundable cleaning deposits are made of \$500.

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

Fiscal Year Ending June 30,	Payable
<u> </u>	<u> </u>
2017	\$ 30,990
2018	15,490
2019	15,861
2020	<u>13,905</u>
Total	<u>\$ 76,246</u>

Pendleton School District #16R
Umatilla County, Oregon

Notes to the Financial Statements
June 30, 2016

Note 7 – Long-Term Debt Obligations

During the fiscal year ended June 30, 2016, changes in long-term debt for the District are as follows:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
2002 Limited Tax Pension Bonds	\$ 8,889,334	\$ -	\$ (228,213)	\$ 8,661,121	\$ 232,789
2003 Limited Tax Pension Bonds	10,535,702	-	(385,422)	10,150,280	384,879
Qualified Zone Academy Bonds	2,000,000	-	-	2,000,000	-
2011 Limited Tax Pension Refunding Bonds	790,000	-	-	790,000	-
G.O. Refunding Bonds, Series 2014	54,266,340	-	(815,000)	53,451,340	888,950
Total Long-Term Debt Obligations	\$ 76,481,376	\$ -	\$ (1,428,635)	\$ 75,052,741	\$ 1,506,618

Bonded Debt

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.

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

Pendleton School District #16R
Umatilla County, Oregon

Notes to the Financial Statements
June 30, 2016

Note 7 – Long-Term Debt Obligations (Continued)

Bonded Debt (Continued)

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	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 232,789	\$ 733,932	\$ 384,879	\$ 909,865	\$ -	\$ -
2018	236,177	780,544	383,116	976,628	-	-
2019	240,017	831,704	381,659	1,048,085	2,000,000	-
2020	242,137	884,584	379,443	1,120,302	-	-
2021	-	426,721	375,732	1,194,013	-	-
2022-26	5,495,000	1,596,638	5,415,452	3,659,834	-	-
2027-31	2,215,000	162,060	2,830,000	212,439	-	-
2032-36	-	-	-	-	-	-
2037-41	-	-	-	-	-	-
Totals	\$ 8,661,120	\$ 5,416,183	\$ 10,150,281	\$ 9,121,166	\$ 2,000,000	\$ -

Pendleton School District #16R
Umatilla County, Oregon

Notes to the Financial Statements
June 30, 2016

Note 7 – Long-Term Debt Obligations (Continued)

Bonded Debt (Continued)

Fiscal Year	2011 OPERS Refunding		2014 GO Bonds		Totals	
Ending June 30,	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ -	\$ 32,508	\$ 888,950	\$ 2,039,000	\$ 1,506,618	\$ 3,715,305
2018	-	32,508	980,564	2,067,386	1,599,857	3,857,066
2019	-	32,508	1,082,545	2,110,405	3,704,221	4,022,702
2020	-	32,508	1,114,854	2,173,096	1,736,434	4,210,490
2021	790,000	32,508	1,141,580	2,241,370	2,307,312	3,894,612
2022-26	-	-	6,536,304	11,974,446	17,446,756	17,230,918
2027-31	-	-	11,696,457	9,765,793	16,741,457	10,140,292
2032-36	-	-	19,675,000	5,206,000	19,675,000	5,206,000
2037-41	-	-	10,335,086	678,900	10,335,086	678,900
Totals	\$ 790,000	\$ 162,540	\$ 53,451,340	\$ 38,256,396	\$ 75,052,741	\$ 52,956,285

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 School are provided with pensions through OPERS. The Oregon Legislature has delegated authority to the Public Employees Retirement Board to administer and manage the system. All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A. Tier One/Tier Two Retirement Benefit plan, established by ORS Chapter 238, is closed to new members hired on or after August 29, 2003. The Pension Program, established by ORS Chapter 238A, provides benefits to members hired on or after August 29, 2003. OPERS issues a publicly available Comprehensive Annual Financial Report and Actuarial Valuation that can be obtained at http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx.

C. Benefits Provided Under ORS Chapter 238 – Tier One / Tier Two

- 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 (2.0 percent for police and fire employees, 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.

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

**Notes to the Financial Statements
June 30, 2016**

Note 8 – Pension Plan (Continued)

C. Benefits Provided Under ORS Chapter 238 – Tier One / Tier Two (Continued)

- 1. Pension Benefits (Continued)** – A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 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.
- 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:
 - The member was employed by a OPERS employer at the time of death,
 - The member died within 120 days after termination of OPERS-covered employment,
 - The member died as a result of injury sustained while employed in a OPERS-covered job, or
 - The 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 PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
- 4. Benefit Changes After Retirement** – 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.

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 ORS Chapter 238A – OPSRP Pension Program (OPSRP DB)

- 1. Pension Benefits** – The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

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.

Pendleton School District #16R
Umatilla County, Oregon

Notes to the Financial Statements
June 30, 2016

Note 8 – Pension Plan (Continued)

D. Benefits Provided Under ORS Chapter 238A – OPSRP Pension Program (OPSRP DB) (Continued)

- 1. Pension Benefits (Continued)** – 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.
- 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.

Pendleton School District #16R
Umatilla County, Oregon

Notes to the Financial Statements
June 30, 2016

Note 8 – Pension Plan (Continued)

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 Postemployment Benefit Plans.

Employer contribution rates during the period were based on the December 31, 2013 actuarial valuation, as subsequently modified by 2015 legislated changes in benefit provisions. The rates based on a percentage of payroll, first became effective July 1, 2015.

Employer contributions for the fiscal year ended June 30, 2016 were \$2,257,491, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2016 were: Tier One/Tier Two General Service – 0.48 percent, OPSRP Pension Program General Service – 0 percent, and OPSRP Individual Account Program – 6 percent.

During the 2001-2002, 2002-2003, and 2010-2011 fiscal years, 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 During the Measurement Period

The Oregon Supreme Court on April 30, 2015, ruled that the provisions of Senate Bill 861, 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 periods of the 2013 legislation will have a blended COLA rate when they retire.

This change in benefit terms were reflected in the current valuation.

H. Changes in Plan Provisions Subsequent to the Measurement Date

There were no changes subsequent to the June 30, 2015 measurement date.

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.

Pendleton School District #16R
Umatilla County, Oregon

Notes to the Financial Statements
June 30, 2016

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

OPERS Retirement Health Insurance Account (RHIA) (Continued)

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 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.

C. Benefits Provided Under ORS 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, 2016 are included in the OPERS annual pension amount in Note 8. The rates in effect for the fiscal year ended June 30, 2016 were: Tier One/Tier Two – 0.53 percent and OPSRP Pension Program – 0.45 percent.

Post-Employment Health Insurance Subsidy

A. Name of the Other Post-Employment Benefit Plan

The District offers a single-employer retiree benefit plan that provides post-employment health, dental, vision, and life insurance benefits to eligible employees and their spouses.

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

**Notes to the Financial Statements
June 30, 2016**

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

Post-Employment Health Insurance Subsidy (Continued)

B. Plan Description

The District's health insurance plan is provided through the Oregon Educators Benefit Board (OEBB). The plan offers eligible retirees health insurance coverage from the date of retirement to the Medicare availability age of 65.

C. Plan Benefits

Retired employees covered through the District's health insurance plan receive the implicit benefit of lower health care premiums subsidized by the premium costs for active employees. This benefit is known as an "implicit rate subsidy". The benefit relates to the assumption that the retiree is receiving a more favorable premium rate than they would otherwise be able to obtain if purchasing insurance on their own, due to being included in the same pool with OEBB's younger and statistically healthier active employees.

D. Contributions

The benefits from this program are paid by the retired employees on a self-pay basis and the required contribution is based on projected pay-as-you go financing requirements. There is no obligation on the part of the District to fund these benefits in advance and the District does not pay for any portion of the premiums for its retirees' health care.

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.

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.

Pendleton School District #16R
Umatilla County, Oregon

Notes to the Financial Statements
June 30, 2016

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

Early Retirement Supplement Program (Continued)

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, 2016 were \$339,707.

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, 2016, approximately 93 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, 2016 the District did not have any fund balances that would be considered non-spendable.

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.

Pendleton School District #16R
Umatilla County, Oregon

Notes to the Financial Statements
June 30, 2016

Note 10 – Fund Balance Reporting (Continued)

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 \$13,401,951 and represented \$10,614,212 restricted for capital improvement and construction projects, \$2,500,629 for debt service and \$287,110 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 \$3,111,026 of which \$311,026 is for student fees and activities and \$2,800,000 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 2016-17 fiscal year budget.

Unassigned

The unassigned fund balance for the General Fund is \$2,143,735. The unassigned fund balance for Other Governmental Funds is a deficit balance of \$386,599. This deficit balance is related to certain restricted grant programs in which disbursements exceeded receipts during the fiscal year ending June 30, 2016 and operate on a reimbursement basis.

Note 11 – Deficit Fund Balances

At June 30, 2016, the District had the following deficit fund balances in its non-major funds:

<u>Fund #</u>	<u>Fund Name</u>	
Fund 205	IDEA Enhancement Fund	\$ 106
Fund 206	IDEA Systems Performance Review	111
Fund 217	CTE Program Pendleton High School	12,599
Fund 218	Common Core Standards Grant	19
Fund 244	Title ID	4,283
Fund 253	Title I 2014-15	9,529
Fund 255	Title I 2015-16	117,250
Fund 260	Native Culturally Relevant	6,439
Fund 270	Homestead 2015-17 Grant	208,620
Fund 277	Title IIA 2015-16	27,643
	Total Deficit Fund Balances	<u>\$ 386,599</u>

The deficits are a result of funds being spent prior to requested reimbursement funds being received and totaled \$386,599 at June 30, 2016. 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, 2016

Note 12 – Interfund Transfers

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

<u>Fund</u>	<u>Transfers-In</u>	<u>Transfers-Out</u>
General Fund	\$ 75,003	\$ 41,490
Struve Memorial Fund #214	-	3,069
QZAB SD 1149 Fund #229	41,490	-
Associated Student Body Fund #299	3,069	75,003
Totals	<u>\$ 119,562</u>	<u>\$ 119,562</u>

The General Fund Transfers out of \$41,490 were for required debt service sinking fund requirements in the QZAB SB 1149 Fund #229 during the June 30, 2016 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 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 23, 2016, the date which the financial statements were available to be issued. The following significant events have occurred subsequent to the fiscal year ended June 30, 2016, but prior to the release of the District's financial statements:

- At its September 19, 2016 meeting the Board of Education approved receipt of \$914,330 in State of Oregon LTCT grants for the 2016-17 fiscal year.
- At its November 14, 2016 meeting the Board of Education approved the receipt of \$624,965 in Title IA grant funds, \$157,658 in Title IIA grant funds and \$29,720 in Title ID grant funds. These grants are federal in origin and passed through the Oregon Department of Education in the 2016-17 fiscal year.

Supplementary Information

Combining Nonmajor Fund Financial Statements

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

**Combining Balance Sheet - Cash Basis
Nonmajor Governmental Funds
June 30, 2016**

	IDEA Enhancement Fund #205	IDEA Systems Performance Fund #206	CTE Program Competative Grant Fund #217	EBISS Grant Fund #218	Food Service Fund #224	QZAB SB 1149 Fund #229	Altrusa ASK Program Fund #235	PHS ASPIRE Program Fund #236	SWIFT Grant Fund #239
<u>Assets</u>									
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ 180,400	\$ 1,664,736	\$ 1,931	\$ 715	\$ 1,002
Investments	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 180,400</u>	<u>\$ 1,664,736</u>	<u>\$ 1,931</u>	<u>\$ 715</u>	<u>\$ 1,002</u>
<u>Liabilities and Fund Balances</u>									
Liabilities:									
Due to Other funds	\$ 106	\$ 111	\$ 12,599	\$ 19	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balances:									
Spendable:									
Restricted	-	-	-	-	180,400	1,664,736	1,931	715	1,002
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	(106)	(111)	(12,599)	(19)	-	-	-	-	-
Total Fund Balances	<u>(106)</u>	<u>(111)</u>	<u>(12,599)</u>	<u>(19)</u>	<u>180,400</u>	<u>1,664,736</u>	<u>1,931</u>	<u>715</u>	<u>1,002</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 180,400</u>	<u>\$ 1,664,736</u>	<u>\$ 1,931</u>	<u>\$ 715</u>	<u>\$ 1,002</u>

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

**Combining Balance Sheet - Cash Basis
Nonmajor Governmental Funds
June 30, 2016**

	Wildhorse Foundation Grant Fund #243	Title ID Grant Fund #244	Title I 2014-2015 Grant Fund #253	Title I 2015-2016 Grant Fund #255	Native Culturally Relevant Grant Fund #260	Homestead 2015-2017 Grant Fund #270	Title IIA 2015-16 Grant Fund #277	P-3 Alignment Fund #283	St. Anthony Hospital Foundation Grant Fund #286
<u>Assets</u>									
Cash and Cash Equivalents	\$ 4,777	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 79,852	\$ 967
Investments	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 4,777</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,852</u>	<u>\$ 967</u>
<u>Liabilities and Fund Balances</u>									
Liabilities:									
Due to Other funds	\$ -	\$ 4,283	\$ 9,529	\$ 117,250	\$ 6,439	\$ 208,620	\$ 27,643	\$ -	\$ -
Fund Balances:									
Spendable:									
Restricted	4,777	-	-	-	-	-	-	79,852	967
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	(4,283)	(9,529)	(117,250)	(6,439)	(208,620)	(27,643)	-	-
Total Fund Balances	<u>4,777</u>	<u>(4,283)</u>	<u>(9,529)</u>	<u>(117,250)</u>	<u>(6,439)</u>	<u>(208,620)</u>	<u>(27,643)</u>	<u>79,852</u>	<u>967</u>
Total Liabilities and Fund Balances	<u>\$ 4,777</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,852</u>	<u>\$ 967</u>

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

**Combining Balance Sheet - Cash Basis
Nonmajor Governmental Funds
June 30, 2016**

	EOCI State of OR Fund #287	Mid-Co Donations Fund #288	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	\$ 580	\$ 152	\$ 160	\$ 16,574	\$ 294,482	\$ 408,414	\$ 3,994	\$ 4,086	\$ 419,399	\$ 3,082,221
Investments	-	-	-	-	16,544	-	-	-	-	16,544
Total Assets	<u>\$ 580</u>	<u>\$ 152</u>	<u>\$ 160</u>	<u>\$ 16,574</u>	<u>\$ 311,026</u>	<u>\$ 408,414</u>	<u>\$ 3,994</u>	<u>\$ 4,086</u>	<u>\$ 419,399</u>	<u>\$ 3,098,765</u>
<u>Liabilities and Fund Balances</u>										
Liabilities:										
Due to Other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 386,599
Fund Balances:										
Spendable:										
Restricted	580	152	160	16,574	-	408,414	3,994	4,086	419,399	2,787,739
Assigned	-	-	-	-	311,026	-	-	-	-	311,026
Unassigned	-	-	-	-	-	-	-	-	-	(386,599)
Total Fund Balances	<u>580</u>	<u>152</u>	<u>160</u>	<u>16,574</u>	<u>311,026</u>	<u>408,414</u>	<u>3,994</u>	<u>4,086</u>	<u>419,399</u>	<u>2,712,166</u>
Total Liabilities and Fund Balances	<u>\$ 580</u>	<u>\$ 152</u>	<u>\$ 160</u>	<u>\$ 16,574</u>	<u>\$ 311,026</u>	<u>\$ 408,414</u>	<u>\$ 3,994</u>	<u>\$ 4,086</u>	<u>\$ 419,399</u>	<u>\$ 3,098,765</u>

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, 2016

	Pendleton Foundation Trust Fund #201	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	CTE Program Pendleton High School Fund #216	CTE Program Competative Grant Fund #217	EBISS Grant Fund #218	Sodexo Scholarship Fund #223
<u>Revenues</u>											
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	2,425	2,213	187	695,748	-	16,014	5,148	244	-
Food Service Sales	-	-	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	-	-	-
Contributions and Donations	32,516	19,995	-	-	-	-	3,633	-	-	-	500
Earnings on Investments	-	-	-	-	-	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	32,516	19,995	2,425	2,213	187	695,748	3,633	16,014	5,148	244	500
<u>Expenditures</u>											
Current:											
Instruction:											
Regular Programs	45,261	19,804	-	-	-	-	564	16,014	17,747	-	1,000
Special Programs	-	-	2,531	2,324	-	361,432	-	-	-	-	-
Support Services:											
Student Support Services	-	-	-	-	-	-	-	-	-	-	-
Instructional Staff Support	-	-	-	-	187	-	-	-	-	263	-
Business Support Services	-	-	-	-	-	-	-	-	-	-	-
Central Activities	-	-	-	-	-	-	-	-	-	-	-
Enterprise and Community Services:											
Food Services	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-
Debt Service:											
Principal	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	45,261	19,804	2,531	2,324	187	361,432	564	16,014	17,747	263	1,000
Change in Fund Balances Before											
Other Financing Sources / (Uses)	(12,745)	191	(106)	(111)	-	334,316	3,069	-	(12,599)	(19)	(500)
Other Financing Sources / (Uses):											
Transfers (to) / from Other Funds	-	-	-	-	-	-	(3,069)	-	-	-	-
Net Change in Fund Balances	(12,745)	191	(106)	(111)	-	334,316	-	-	(12,599)	(19)	(500)
Fund Balances, Beginning	12,745	(191)	-	-	-	(334,316)	-	-	-	-	500
Fund Balances, Ending	\$ -	\$ -	\$ (106)	\$ (111)	\$ -	\$ -	\$ -	\$ -	\$ (12,599)	\$ (19)	\$ -

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, 2016

	Food Service Fund #224	QZAB SB 1149 Fund #229	Altrusa ASK Program Fund #235	PHS ASPIRE Program Fund #236	PHS Robotics Grant Fund #237	SWIFT Grant Fund #239	Wildhorse Foundation Grant Fund #243	Title ID Grant Fund #244	ECMC Grant Fund #249
<u>Revenues</u>									
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	968,148	-	-	3,000	9,000	7,561	-	17,841	-
Food Service Sales	-	-	-	-	-	-	-	-	-
Charges for Services	211,072	-	-	-	-	-	-	-	-
Contributions and Donations	-	-	7,000	-	-	-	18,659	-	2,000
Earnings on Investments	1,568	46,009	-	-	-	-	-	-	-
Other Revenue	7,904	72,885	-	-	-	2,165	-	-	-
Total Revenues	1,188,692	118,894	7,000	3,000	9,000	9,726	18,659	17,841	2,000
<u>Expenditures</u>									
Current:									
Instruction:									
Regular Programs	-	-	11,594	3,000	9,000	-	18,882	-	2,334
Special Programs	-	-	-	-	-	-	-	-	-
Support Services:									
Student Support Services	-	-	-	-	-	-	-	22,124	-
Instructional Staff Support	-	-	-	-	-	8,724	-	-	-
Business Support Services	-	-	-	-	-	-	-	-	-
Central Activities	-	-	-	-	-	-	-	-	-
Enterprise and Community Services:									
Food Services	1,195,491	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Total Expenditures	1,195,491	-	11,594	3,000	9,000	8,724	18,882	22,124	2,334
Change in Fund Balances Before Other Financing Sources / (Uses)	(6,799)	118,894	(4,594)	-	-	1,002	(223)	(4,283)	(334)
Other Financing Sources / (Uses): Transfers (to) / from Other Funds	-	41,490	-	-	-	-	-	-	-
Net Change in Fund Balances	(6,799)	160,384	(4,594)	-	-	1,002	(223)	(4,283)	(334)
Fund Balances, Beginning	187,199	1,504,352	6,525	715	-	-	5,000	-	334
Fund Balances, Ending	\$ 180,400	\$ 1,664,736	\$ 1,931	\$ 715	\$ -	\$ 1,002	\$ 4,777	\$ (4,283)	\$ -

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, 2016

	Title I 2014-2015 Grant Fund #253	Title I 2015-2016 Grant Fund #255	Native Culturally Relevant Grant Fund #260	Homestead 2015-2017 Grant Fund #270	Homestead 2013-2015 Grant Fund #271	Buck Boosters Grant Fund #273	Title IIA 2015-16 Grant Fund #277	P-3 Alignment Fund #283	St. Anthony Hospital Foundation Grant Fund #286	EOCI State of OR Fund #287
<u>Revenues</u>										
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	13,566	432,121	-	289,862	25,386	-	115,062	-	-	-
Food Service Sales	-	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	-	-
Contributions and Donations	-	-	-	-	-	34,773	-	75,000	487	-
Earnings on Investments	-	-	-	-	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-	-	457	-	-
Total Revenues	13,566	432,121	-	289,862	25,386	34,773	115,062	75,457	487	-
<u>Expenditures</u>										
Current:										
Instruction:										
Regular Programs	-	-	-	-	-	30,672	-	-	-	-
Special Programs	23,095	549,371	-	498,482	-	-	-	-	-	-
Support Services:										
Student Support Services	-	-	6,439	-	-	-	-	-	1,884	-
Instructional Staff Support	-	-	-	-	-	-	130,973	44,754	-	-
Business Support Services	-	-	-	-	-	-	-	-	-	-
Central Activities	-	-	-	-	-	-	11,732	-	-	-
Enterprise and Community Services:										
Food Services	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Debt Service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Total Expenditures	23,095	549,371	6,439	498,482	-	30,672	142,705	44,754	1,884	-
Change in Fund Balances Before Other Financing Sources / (Uses)	(9,529)	(117,250)	(6,439)	(208,620)	25,386	4,101	(27,643)	30,703	(1,397)	-
Other Financing Sources / (Uses): Transfers (to) / from Other Funds	-	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	(9,529)	(117,250)	(6,439)	(208,620)	25,386	4,101	(27,643)	30,703	(1,397)	-
Fund Balances, Beginning	-	-	-	-	(25,386)	(4,101)	\$ -	49,149	2,364	580
Fund Balances, Ending	\$ (9,529)	\$ (117,250)	\$ (6,439)	\$ (208,620)	\$ -	\$ -	\$ (27,643)	\$ 79,852	\$ 967	\$ 580

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, 2016

	Mid-Co Donations Fund #288	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>										
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 801	\$ -	\$ -	\$ 3,049,911	\$ 3,050,712
Intergovernmental	-	2,100	-	-	-	-	-	-	-	2,605,626
Food Service Sales	-	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	616,325	-	947,089	1,231,730	-	3,006,216
Contributions and Donations	100	-	-	15,940	39,424	-	-	-	-	250,027
Earnings on Investments	-	-	-	-	12	1,734	3,531	4,086	-	56,940
Other Revenue	-	-	-	-	-	-	-	-	-	83,411
Total Revenues	100	2,100	-	15,940	655,761	2,535	950,620	1,235,816	3,049,911	9,052,932
<u>Expenditures</u>										
Current:										
Instruction:										
Regular Programs	48	2,100	59	15,627	550,625	-	-	-	-	744,331
Special Programs	-	-	-	-	-	-	-	-	-	1,437,235
Support Services:										
Student Support Services	-	-	-	-	-	-	-	-	-	30,447
Instructional Staff Support	-	-	-	-	-	-	-	-	-	184,901
Business Support Services	-	-	-	-	-	-	-	-	-	-
Central Activities	-	-	-	-	-	-	-	-	-	11,732
Enterprise and Community Services:										
Food Services	-	-	-	-	-	-	-	-	-	1,195,491
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Debt Service:										
Principal	-	-	-	-	-	-	228,213	385,422	815,000	1,428,635
Interest	-	-	-	-	-	122	721,137	849,322	2,007,950	3,578,531
Total Expenditures	48	2,100	59	15,627	550,625	122	949,350	1,234,744	2,822,950	8,611,303
Change in Fund Balances Before Other Financing Sources / (Uses)	52	-	(59)	313	105,136	2,413	1,270	1,072	226,961	441,629
Other Financing Sources / (Uses): Transfers (to) / from Other Funds	-	-	-	-	(71,934)	-	-	-	-	(33,513)
Net Change in Fund Balances	52	-	(59)	313	33,202	2,413	1,270	1,072	226,961	408,116
Fund Balances, Beginning	100	-	219	16,261	277,824	406,001	2,724	3,014	192,438	2,304,050
Fund Balances, Ending	\$ 152	\$ -	\$ 160	\$ 16,574	\$ 311,026	\$ 408,414	\$ 3,994	\$ 4,086	\$ 419,399	\$ 2,712,166

Budgetary Comparison Schedules

Pendleton School District #16R
Umatilla County, Oregon

Budgetary Comparison Schedule
Pendleton Foundation Trust Fund #201
Fiscal Year Ended June 30, 2016

	Budget			Variance with
	Original	Final	Actual	Final Budget
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations				
From Private Sources	\$ 50,000	\$ 50,000	\$ 32,516	\$ (17,484)
<u>Disbursements</u>				
Instruction:				
1111 Elementary, K-5 or K-6	20,000	20,000	16,833	3,167
1121 Middle/Junior High Programs	10,000	10,000	20,708	(10,708)
1131 High School Programs	10,000	10,000	7,720	2,280
1132 High School Extracurricular	10,000	10,000	-	10,000
Total Instruction	50,000	50,000	45,261	4,739
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	45,261	14,739
Net Change in Fund Balance	(10,000)	(10,000)	(12,745)	(2,745)
Fund Balance, Beginning	10,000	10,000	12,745	2,745
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

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

**Budgetary Comparison Schedule
Educational Foundation of Pendleton Fund #204
Fiscal Year Ended June 30, 2016**

		Budget		Actual	Variance with Final Budget
		Original	Final		
<u>Receipts</u>					
Local Sources:					
1920	Contributions and Donations				
	From Private Sources	\$ 25,000	\$ 25,000	\$ 19,995	\$ (5,005)
<u>Disbursements</u>					
Instruction:					
1111	Elementary, K-5 or K-6	15,000	15,000	4,840	10,160
1121	Middle/Junior High Programs	5,000	5,000	2,207	2,793
1131	High School Programs	5,000	5,000	11,814	(6,814)
1280	Alternative Education	-	-	943	(943)
	Total Disbursements	25,000	25,000	19,804	5,196
Net Change in Fund Balance		-	-	191	191
Fund Balance, Beginning		-	-	(191)	(191)
Fund Balance, Ending		\$ -	\$ -	\$ -	\$ -

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

**Budgetary Comparison Schedule
IDEA Enhancement Fund #205
Fiscal Year Ended June 30, 2016**

	Budget			Variance with
	Original	Final	Actual	Final Budget
<u>Receipts</u>				
Federal Sources:				
4500 Restricted Revenue from the Federal Government Through the State	\$ 7,500	\$ 7,500	\$ 2,425	\$ (5,075)
<u>Disbursements</u>				
Instruction:				
1250 Less Restrictive Programs for Students with Disabilities	7,500	7,500	2,531	4,969
Net Change in Fund Balance	-	-	(106)	(106)
Fund Balance, Beginning		-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ (106)	\$ (106)

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

**Budgetary Comparison Schedule
IDEA Systems Performance Fund #206
Fiscal Year Ended June 30, 2016**

	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	\$ 2,213	\$ (1,287)
<u>Disbursements</u>				
Instruction:				
1250 Less Restrictive Programs for Students with Disabilities	3,500	3,500	2,324	1,176
Net Change in Fund Balance	-	-	(111)	(111)
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ (111)	\$ (111)

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

**Budgetary Comparison Schedule
Extended Assessment Training Fund #209
Fiscal Year Ended June 30, 2016**

	Budget			Variance with
	Original	Final	Actual	Final Budget
<u>Receipts</u>				
Federal Sources:				
4500 Restricted Revenue from the Federal Government Through the State	\$ 1,000	\$ 1,000	\$ 187	\$ (813)
<u>Disbursements</u>				
Support Services:				
2210 Improvement of Instruction Services	1,000	1,000	187	813
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, 2016**

	Budget			Variance with
	Original	Final	Actual	Final Budget
<u>Receipts</u>				
Federal Sources:				
4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies	\$ 375,000	\$ 375,000	\$ 695,748	\$ 320,748
<u>Disbursements</u>				
Instruction:				
1250 Less Restrictive Programs for Students with Disabilities	375,000	375,000	361,432	13,568
Net Change in Fund Balance	-	-	334,316	334,316
Fund Balance, Beginning	-	-	(334,316)	(334,316)
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

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

**Budgetary Comparison Schedule
Struve Memorial Fund #214
Fiscal Year Ended June 30, 2016**

	Budget			Variance with
	Original	Final	Actual	Final Budget
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations				
From Private Sources	\$ 7,500	\$ 7,500	\$ 3,633	\$ (3,867)
<u>Disbursements</u>				
Support Services:				
1132 High School Extracurricular	5,000	5,000	564	4,436
Change in Fund Balance Before				
Other Financial Sources / (Uses)	2,500	2,500	3,069	569
Other Financial Sources / (Uses):				
Transfer to Other Funds	(2,500)	(2,500)	(3,069)	(569)
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

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

**Budgetary Comparison Schedule
CTE Program, Pendleton High School Fund #216
Fiscal Year Ended June 30, 2016**

		Budget			Variance with
		Original	Final	Actual	Final Budget
<u>Receipts</u>					
State Sources:					
3299	Other Restricted Grants-in-Aid	\$ 395,745	\$ 395,745	\$ 16,014	\$ (379,731)
<u>Disbursements</u>					
Instruction:					
1131	High School Programs	395,745	395,745	16,014	379,731
Net Change in Fund Balance		-	-	-	-
Fund Balance, Beginning		-	-	-	-
Fund Balance, Ending		\$ -	\$ -	\$ -	\$ -

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

**Budgetary Comparison Schedule
CTE Program, Competative Grant Fund #217
Fiscal Year Ended June 30, 2016**

	Budget			Variance with
	Original	Final	Actual	Final Budget
<u>Receipts</u>				
State Sources:				
3299 Other Restricted Grants-in-Aid	\$ 18,103	\$ 18,103	\$ 5,148	\$ (12,955)
<u>Disbursements</u>				
Instruction:				
1131 High School Programs	18,103	18,103	17,747	356
Net Change in Fund Balance	-	-	(12,599)	(12,599)
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ (12,599)	\$ (12,599)

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

**Budgetary Comparison Schedule
EBISS Grant Fund #218
Fiscal Year Ended June 30, 2016**

		Budget			Variance with
		Original	Final	Actual	Final Budget
<u>Receipts</u>					
Federal Sources:					
4500	Restricted Revenue from the Federal Government Through the State	\$ 10,000	\$ 10,000	\$ 244	\$ (9,756)
<u>Disbursements</u>					
Support Services:					
2210	Improvement of Instruction Services	10,000	10,000	263	9,737
Net Change in Fund Balance		-	-	(19)	(19)
Fund Balance, Beginning		-	-	-	-
Fund Balance, Ending		\$ -	\$ -	\$ (19)	\$ (19)

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

**Budgetary Comparison Schedule
Sodexo Scholarship Fund #223
Fiscal Year Ended June 30, 2016**

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

Pendleton School District #16R
Umatilla County, Oregon

Budgetary Comparison Schedule
Food Service Fund #224
Fiscal Year Ended June 30, 2016

		Budget			Variance with
		Original	Final	Actual	Final Budget
<u>Receipts</u>					
Local Sources:					
1500	Earnings on Investments	\$ -	\$ -	\$ 1,568	\$ 1,568
1600	Food Service	450,000	450,000	211,072	(238,928)
1990	Miscellaneous	25,000	25,000	7,904	(17,096)
Total Local Sources		475,000	475,000	220,544	(254,456)
State Sources:					
3102	State School Fund - School Lunch Match	15,000	15,000	11,155	(3,845)
3299	Other Restricted Grants-in-Aid	2,000	2,000	19,354	17,354
Total State Sources		17,000	17,000	30,509	13,509
Federal Sources:					
4500	Restricted Revenue from the Federal Government Through the State	900,000	900,000	860,774	(39,226)
4900	Revenue for / on Behalf of the District	90,000	90,000	76,865	(13,135)
Total Federal Sources		990,000	990,000	937,639	(52,361)
Total Receipts		1,482,000	1,482,000	1,188,692	(293,308)
<u>Disbursements</u>					
Enterprise and Community Services:					
3100	Food Services	1,682,000	1,682,000	1,195,491	486,509
Net Change in Fund Balance		(200,000)	(200,000)	(6,799)	193,201
Fund Balance, Beginning		200,000	200,000	187,199	(12,801)
Fund Balance, Ending		\$ -	\$ -	\$ 180,400	\$ 180,400

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

**Budgetary Comparison Schedule
QZAB SB 1149 Fund #229
Fiscal Year Ended June 30, 2016**

	Budget			Variance with
	Original	Final	Actual	Final Budget
<u>Receipts</u>				
Local Sources:				
1500 Earnings on Investments	\$ 25,000	\$ 25,000	\$ 46,009	\$ 21,009
1990 Miscellaneous	75,000	75,000	72,885	(2,115)
Total Receipts	100,000	100,000	118,894	18,894
<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)	15,000	15,000	118,894	103,894
Other Financial Sources / (Uses):				
Transfer From Other Funds	77,000	77,000	41,490	(35,510)
Net Change in Fund Balance	92,000	92,000	160,384	68,384
Fund Balance, Beginning	1,475,000	1,475,000	1,504,352	29,352
Fund Balance, Ending	\$ 1,567,000	\$ 1,567,000	\$ 1,664,736	\$ 97,736

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

**Budgetary Comparison Schedule
Wells Fargo Match Fund #234
Fiscal Year Ended June 30, 2016**

		Budget			Variance with
		Original	Final	Actual	Final Budget
<u>Receipts</u>					
Local Sources:					
1920	Contributions and Donations				
	From Private Sources	\$ 500	\$ 500	\$ -	\$ (500)
<u>Disbursements</u>					
Instruction:					
1111	Elementary, K-5 or K-6	500	500	-	500
Net Change in Fund Balance		-	-	-	-
Fund Balance, Beginning		-	-	-	-
Fund Balance, Ending		\$ -	\$ -	\$ -	\$ -

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

**Budgetary Comparison Schedule
Altrusa ASK Program Fund #235
Fiscal Year Ended June 30, 2016**

		Budget		Actual	Variance with
		Original	Final		Final Budget
<u>Receipts</u>					
Local Sources:					
1920	Contributions and Donations From Private Sources	\$ 11,000	\$ 11,000	\$ 7,000	\$ (4,000)
<u>Disbursements</u>					
Instruction:					
1111	Elementary, K-5 or K-6	9,500	9,500	8,547	953
1121	Middle/Junior High Programs	2,000	2,000	1,138	862
1131	High School Programs	2,000	2,000	1,609	391
1140	Prekindergarten Programs	-	-	300	(300)
1280	Alternative Education	500	500	-	500
Total Instruction		14,000	14,000	11,594	2,406
Support Services:					
2550	Student Transportation Services	1,000	1,000	-	1,000
Total Disbursements		15,000	15,000	11,594	3,406
Net Change in Fund Balance		(4,000)	(4,000)	(4,594)	(594)
Fund Balance, Beginning		4,000	4,000	6,525	2,525
Fund Balance, Ending		\$ -	\$ -	\$ 1,931	\$ 1,931

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

**Budgetary Comparison Schedule
PHS ASPIRE Program Fund #236
Fiscal Year Ended June 30, 2016**

	Budget			Variance with
	Original	Final	Actual	Final Budget
<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, 2016**

	Budget			Variance with
	Original	Final	Actual	Final Budget
<u>Receipts</u>				
State Sources:				
3299 Other Restricted Grants-in-Aid	\$ 5,000	\$ 5,000	\$ 9,000	\$ 4,000
Federal Sources:				
4500 Restricted Revenue from the Federal Government Through the State	10,000	10,000	-	(10,000)
Total Receipts	15,000	15,000	9,000	(6,000)
<u>Disbursements</u>				
Instruction:				
1111 Elementary, K-5 or K-6	-	-	1,000	(1,000)
1121 Middle/Junior High Programs	-	-	5,000	(5,000)
1131 High School Programs	15,000	15,000	3,000	12,000
Total Disbursements	15,000	15,000	9,000	6,000
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

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

**Budgetary Comparison Schedule
SWIFT Grant Fund #239
Fiscal Year Ended June 30, 2016**

		Budget			Variance with
		Original	Final	Actual	Final Budget
<u>Receipts</u>					
Local Sources:					
1990	Miscellaneous	\$ -	\$ -	\$ 2,165	\$ 2,165
State Sources:					
3299	Other Restricted Grants-in-Aid	40,000	40,000	-	(40,000)
Federal Sources:					
4500	Restricted Revenue from the Federal Government Through the State	-	-	7,561	7,561
Total Receipts		40,000	40,000	9,726	(30,274)
<u>Disbursements</u>					
Support Services:					
2210	Improvement of Instruction Services	40,000	40,000	8,724	31,276
Net Change in Fund Balance		-	-	1,002	1,002
Fund Balance, Beginning		-	-	-	-
Fund Balance, Ending		\$ -	\$ -	\$ 1,002	\$ 1,002

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

**Budgetary Comparison Schedule
Wildhorse Foundation Grant Fund #243
Fiscal Year Ended June 30, 2016**

		Budget			Variance with
		Original	Final	Actual	Final Budget
<u>Receipts</u>					
Local Sources:					
1920	Contributions and Donations				
	From Private Sources	\$ 29,500	\$ 29,500	\$ 18,659	\$ (10,841)
<u>Disbursements</u>					
Instruction:					
1111	Elementary, K-5 or K-6	15,000	15,000	7,937	7,063
1121	Middle/Junior High Programs	15,000	15,000	9,945	5,055
1131	High School Programs	9,500	9,500	1,000	8,500
	Total Disbursements	39,500	39,500	18,882	20,618
Net Change in Fund Balance		(10,000)	(10,000)	(223)	9,777
Fund Balance, Beginning		10,000	10,000	5,000	(5,000)
Fund Balance, Ending		\$ -	\$ -	\$ 4,777	\$ 4,777

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

**Budgetary Comparison Schedule
Title ID Grant Fund #244
Fiscal Year Ended June 30, 2016**

	Budget			Variance with
	Original	Final	Actual	Final Budget
<u>Receipts</u>				
Federal Sources:				
4500 Restricted Revenue from the Federal Government Through the State	\$ 40,000	\$ 40,000	\$ 17,841	\$ (22,159)
<u>Disbursements</u>				
Support Services:				
2110 Attendance and Social Work Services	-	-	22,124	(22,124)
2210 Improvement of Instruction Services	40,000	40,000	-	40,000
Total Disbursements	40,000	40,000	22,124	17,876
Net Change in Fund Balance	-	-	(4,283)	(4,283)
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ (4,283)	\$ (4,283)

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

**Budgetary Comparison Schedule
ECMC Grant Fund #249
Fiscal Year Ended June 30, 2016**

	Budget			Variance with
	Original	Final	Actual	Final Budget
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations				
From Private Sources	\$ 3,000	\$ 3,000	\$ 2,000	\$ (1,000)
<u>Disbursements</u>				
Instruction:				
1131 High School Programs	4,000	4,000	2,334	1,666
Net Change in Fund Balance	(1,000)	(1,000)	(334)	666
Fund Balance, Beginning	1,000	1,000	334	(666)
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

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

**Budgetary Comparison Schedule
Title I 2014-2015 Grant Fund #253
Fiscal Year Ended June 30, 2016**

	Budget			Variance with
	Original	Final	Actual	Final Budget
<u>Receipts</u>				
Federal Sources:				
4500 Restricted Revenue from the Federal Government Through the State	\$ 50,000	\$ 50,000	\$ 13,566	\$ (36,434)
<u>Disbursements</u>				
Instruction:				
1272 Title I	50,000	50,000	23,095	26,905
Net Change in Fund Balance	-	-	(9,529)	(9,529)
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ (9,529)	\$ (9,529)

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

**Budgetary Comparison Schedule
Title I 2015-2016 Grant Fund #255
Fiscal Year Ended June 30, 2016**

		Budget			Variance with
		Original	Final	Actual	Final Budget
<u>Receipts</u>					
Federal Sources:					
4500	Restricted Revenue from the Federal Government Through the State	\$ 600,000	\$ 600,000	\$ 432,121	\$ (167,879)
<u>Disbursements</u>					
Instruction:					
1272	Title I	600,000	600,000	549,371	50,629
Net Change in Fund Balance		-	-	(117,250)	(117,250)
Fund Balance, Beginning		-	-	-	-
Fund Balance, Ending		\$ -	\$ -	\$ (117,250)	\$ (117,250)

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

**Budgetary Comparison Schedule
American Indian / Alaskan Native Culturally Relevant Grant Fund #260
Fiscal Year Ended June 30, 2016**

	Budget			Variance with
	Original	Final	Actual	Final Budget
<u>Receipts</u>				
Federal Sources:				
4500 Restricted Revenue from the Federal Government Through the State	\$ 10,000	\$ 10,000	\$ -	\$ (10,000)
<u>Disbursements</u>				
Support Services:				
2110 Attendance and Social Work Services	-	-	6,439	(6,439)
2210 Improvement of Instruction Services	10,000	10,000	-	10,000
Total Dsbursements	10,000	10,000	6,439	3,561
Net Change in Fund Balance	-	-	(6,439)	(6,439)
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ (6,439)	\$ (6,439)

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

**Budgetary Comparison Schedule
Homestead Youth and Family Services 2015-2017 Grant Fund #270
Fiscal Year Ended June 30, 2016**

	Budget			Variance with
	Original	Final	Actual	Final Budget
<u>Receipts</u>				
State Sources:				
3299 Other Restricted Grants-in-Aid	\$ 405,000	\$ 590,000	\$ 268,326	\$ (321,674)
Federal Sources:				
4500 Restricted Revenue from the Federal Government Through the State	174,250	35,000	21,536	(13,464)
Total Receipts	579,250	625,000	289,862	(335,138)
<u>Disbursements</u>				
Instruction:				
1220 Restrictive Programs for Students with Disabilities	579,250	625,000	498,482	126,518
Net Change in Fund Balance	-	-	(208,620)	(208,620)
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ (208,620)	\$ (208,620)

**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, 2016**

	Budget			Variance with
	Original	Final	Actual	Final Budget
<u>Receipts</u>				
State Sources:				
3299 Other Restricted Grants-in-Aid	\$ 100,000	\$ 100,000	\$ 10,289	\$ (89,711)
Federal Sources:				
4500 Restricted Revenue from the Federal Government Through the State	-	-	15,097	15,097
Total Receipts	100,000	100,000	25,386	(74,614)
<u>Disbursements</u>				
Instruction:				
1220 Restrictive Programs for Students with Disabilities	100,000	100,000	-	100,000
Net Change in Fund Balance	-	-	25,386	25,386
Fund Balance, Beginning	-	-	(25,386)	(25,386)
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

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

**Budgetary Comparison Schedule
Buck Boosters Grant Fund #273
Fiscal Year Ended June 30, 2016**

	Budget			Variance with
	Original	Final	Actual	Final Budget
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations				
From Private Sources	\$ 56,500	\$ 56,500	\$ 34,773	\$ (21,727)
<u>Disbursements</u>				
Instruction:				
1131 High Instruction	-	-	600	(600)
1132 High School Extracurricular	55,000	55,000	30,072	24,928
Total Disbursements	55,000	55,000	30,672	24,328
Change in Fund Balance Before				
Other Financial Sources / (Uses)	1,500	1,500	4,101	2,601
Other Financial Sources / (Uses):				
Transfer to Other Funds	(1,500)	(1,500)	-	1,500
Net Change in Fund Balance	-	-	4,101	4,101
Fund Balance, Beginning	-	-	(4,101)	(4,101)
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

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

**Budgetary Comparison Schedule
Title IIA Quality Teacher 2015-2016 Grant Fund #277
Fiscal Year Ended June 30, 2016**

	Budget			Variance with
	Original	Final	Actual	Final Budget
<u>Receipts</u>				
Federal Sources:				
4500 Restricted Revenue from the Federal Government Through the State	\$ 165,000	\$ 165,000	\$ 115,062	\$ (49,938)
<u>Disbursements</u>				
Support Services:				
2210 Improvement of Instruction Services	78,257	78,257	55,192	23,065
2240 Instructional Staff Development	75,000	75,000	75,781	(781)
2640 Staff Services	11,743	11,743	11,732	11
Total Support Services	165,000	165,000	142,705	22,295
Net Change in Fund Balance	-	-	(27,643)	(27,643)
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ (27,643)	\$ (27,643)

Pendleton School District #16R
Umatilla County, Oregon

Budgetary Comparison Schedule
P-3 Alignment Fund #283
Fiscal Year Ended June 30, 2016

		Budget		Actual	Variance with
		Original	Final		Final Budget
<u>Receipts</u>					
Local Sources:					
1920	Contributions and Donations				
	From Private Sources	\$ 85,000	\$ 85,000	\$ 75,000	\$ (10,000)
1990	Miscellaneous	-	-	457	457
	Total Receipts	85,000	85,000	75,457	(9,543)
<u>Disbursements</u>					
Instruction:					
1111	Elementary, K-5 or K-6	30,000	30,000	-	30,000
1140	Pre-Kindergarten Programs	30,000	30,000	-	30,000
	Total Instruction	60,000	60,000	-	60,000
Support Services:					
2240	Instructional Staff Development	100,000	100,000	44,754	55,246
	Total Disbursements	160,000	160,000	44,754	115,246
Net Change in Fund Balance		(75,000)	(75,000)	30,703	105,703
Fund Balance, Beginning		75,000	75,000	49,149	(25,851)
Fund Balance, Ending		\$ -	\$ -	\$ 79,852	\$ 79,852

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

**Budgetary Comparison Schedule
St. Anthony Hospital Foundation Grant Fund #286
Fiscal Year Ended June 30, 2016**

	Budget			Variance with
	Original	Final	Actual	Final Budget
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations				
From Private Sources	\$ 15,000	\$ 15,000	\$ 487	\$ (14,513)
<u>Disbursements</u>				
Support Services:				
2120 Guidance Services	15,000	15,000	1,884	13,116
Net Change in Fund Balance	-	-	(1,397)	(1,397)
Fund Balance, Beginning	-	-	2,364	2,364
Fund Balance, Ending	\$ -	\$ -	\$ 967	\$ 967

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

**Budgetary Comparison Schedule
EOCI State of Oregon Fund #287
Fiscal Year Ended June 30, 2016**

	Budget			Variance with
	Original	Final	Actual	Final Budget
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations				
From Private Sources	\$ 4,000	\$ 4,000	\$ -	\$ (4,000)
<u>Disbursements</u>				
Instruction:				
1132 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, 2016**

	Budget			Variance with
	Original	Final	Actual	Final Budget
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations				
From Private Sources	\$ 400	\$ 400	\$ 100	\$ (300)
<u>Disbursements</u>				
Instruction:				
1111 Elementary, K-5 or K-6	500	500	48	452
Net Change in Fund Balance	(100)	(100)	52	152
Fund Balance, Beginning	100	100	100	-
Fund Balance, Ending	\$ -	\$ -	\$ 152	\$ 152

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

**Budgetary Comparison Schedule
CTSO Chapter Grants Fund #290
Fiscal Year Ended June 30, 2016**

	Budget			Variance with
	Original	Final	Actual	Final Budget
<u>Receipts</u>				
State Sources:				
3299 Other Restricted Grants-in-Aid	\$ 3,500	\$ 3,500	\$ 2,100	\$ (1,400)
<u>Disbursements</u>				
Instruction:				
1131 High School Programs	3,500	3,500	2,100	1,400
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, 2016**

	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, 2016

	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>				
Instruction:				
1111 Elementary, K-5 or K-6	750	750	59	691
1121 Middle School Programs	500	500	-	500
Total Disbursements	1,250	1,250	59	1,191
Net Change in Fund Balance	(250)	(250)	(59)	191
Fund Balance, Beginning	250	250	219	(31)
Fund Balance, Ending	\$ -	\$ -	\$ 160	\$ 160

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

**Budgetary Comparison Schedule
Special Donations Fund #295
Fiscal Year Ended June 30, 2016**

	Budget			Variance with
	Original	Final	Actual	Final Budget
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations				
From Private Sources	\$ 30,000	\$ 30,000	\$ 15,940	\$ (14,060)
<u>Disbursements</u>				
Instruction:				
1111 Elementary, K-5 or K-6	11,000	11,000	8,820	2,180
1121 Middle/Junior High Programs	5,000	5,000	2,999	2,001
1131 High School Programs	4,000	4,000	3,808	192
1132 High School Extracurricular	5,000	5,000	-	5,000
Total Instruction	25,000	25,000	15,627	9,373
Support Services:				
2120 Guidance Services	5,000	5,000	-	5,000
2210 Improvement of Instruction Services	25,000	25,000	-	25,000
Total Support Services	30,000	30,000	-	30,000
Total Disbursements	55,000	55,000	15,627	39,373
Net Change in Fund Balance	(25,000)	(25,000)	313	25,313
Fund Balance, Beginning	25,000	25,000	16,261	(8,739)
Fund Balance, Ending	\$ -	\$ -	\$ 16,574	\$ 16,574

Pendleton School District #16R
Umatilla County, Oregon

Budgetary Comparison Schedule
Associated Student Body Fund #299
Fiscal Year Ended June 30, 2016

		Budget			Variance with
		Original	Final	Actual	Final Budget
<u>Receipts</u>					
Local Sources:					
1510	Interest on Investments	\$ -	\$ -	\$ 12	\$ 12
1700	Extracurricular Activities	610,000	610,000	616,325	6,325
1920	Contributions and Donations	-	-	39,424	39,424
Total Receipts		610,000	610,000	655,761	45,761
<u>Disbursements</u>					
Instruction:					
1113	Elementary Extracurricular	60,000	60,000	29,194	30,806
1122	Middle / Junior High School Extracurricular	150,000	150,000	85,228	64,772
1132	High School Extracurricular	570,000	570,000	436,203	133,797
Total Disbursements		780,000	780,000	550,625	229,375
Change in Fund Balance Before					
Other Financial Sources / (Uses)		(170,000)	(170,000)	105,136	275,136
Other Financial Sources / (Uses):					
Transfers From Other Funds		-	-	3,069	3,069
Transfer to Other Funds		(76,000)	(76,000)	(75,003)	997
Net Change in Fund Balance		(246,000)	(246,000)	33,202	279,202
Fund Balance, Beginning		246,000	246,000	277,824	31,824
Fund Balance, Ending		\$ -	\$ -	\$ 311,026	\$ 311,026

**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, 2016**

		Budget		Actual	Variance with	
		Original	Final		Final Budget	
<u>Receipts</u>						
Local Sources:						
1110	Ad Valorem Taxes Levied by District	\$ -	\$ -	\$ 801	\$ 801	
1500	Earnings on Investments	-	-	1,734	1,734	
Total Receipts		-	-	2,535	2,535	
<u>Disbursements</u>						
Other Uses:						
5100	Debt Service	-	-	122	(122)	
Net Change in Fund Balance		-	-	2,413	2,413	
Fund Balance, Beginning		-	-	406,001	406,001	
Fund Balance, Ending		\$ -	\$ -	\$ 408,414	\$ 408,414	

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

**Budgetary Comparison Schedule
OPERS Bond 2002 Debt Service Fund #301
Fiscal Year Ended June 30, 2016**

		Budget			Variance with
		Original	Final	Actual	Final Budget
<u>Receipts</u>					
Local Sources:					
1500	Earnings on Investments	\$ 5,000	\$ 5,000	\$ 3,531	\$ (1,469)
1970	Services Provided Other Funds	960,500	960,500	947,089	(13,411)
Total Receipts		965,500	965,500	950,620	(14,880)
<u>Disbursements</u>					
Other Uses:					
5100	Debt Service	965,500	965,500	949,350	16,150
Net Change in Fund Balance		-	-	1,270	1,270
Fund Balance, Beginning		5,000	5,000	2,724	(2,276)
Fund Balance, Ending		\$ 5,000	\$ 5,000	\$ 3,994	\$ (1,006)

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

**Budgetary Comparison Schedule
PERS Bond 2003 Debt Service Fund #302
Fiscal Year Ended June 30, 2016**

	Budget			Variance with
	Original	Final	Actual	Final Budget
<u>Receipts</u>				
Local Sources:				
1500 Earnings on Investments	\$ 5,000	\$ 5,000	\$ 4,086	\$ (914)
1970 Services Provided Other Funds	1,245,000	1,245,000	1,231,730	(13,270)
Total Receipts	1,250,000	1,250,000	1,235,816	(14,184)
<u>Disbursements</u>				
Other Uses:				
5100 Debt Service	1,250,000	1,250,000	1,234,744	15,256
Net Change in Fund Balance	-	-	1,072	1,072
Fund Balance, Beginning	5,000	5,000	3,014	(1,986)
Fund Balance, Ending	\$ 5,000	\$ 5,000	\$ 4,086	\$ (914)

Pendleton School District #16R
Umatilla County, Oregon

Budgetary Comparison Schedule
2014 General Obligation Bond Debt Service Fund #303
Fiscal Year Ended June 30, 2016

	Budget			Variance with
	Original	Final	Actual	Final Budget
<u>Receipts</u>				
Local Sources:				
1110 Ad Valorem Taxes Levied by District	\$ 2,822,950	\$ 2,822,950	\$ 3,049,911	\$ 226,961
Total Receipts	2,822,950	2,822,950	3,049,911	226,961
<u>Disbursements</u>				
Other Uses:				
5100 Debt Service	2,822,950	2,822,950	2,822,950	-
Net Change in Fund Balance	-	-	226,961	226,961
Fund Balance, Beginning	-	-	192,438	192,438
Fund Balance, Ending	\$ -	\$ -	\$ 419,399	\$ 419,399

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

**Budgetary Comparison Schedule
Capital Projects Fund #400
Fiscal Year Ended June 30, 2016**

		Budget		Actual	Variance with
		Original	Final		Final Budget
<u>Receipts</u>					
Local Sources:					
1500	Earnings on Investments	\$ 290,000	\$ 290,000	\$ (41,119)	\$ (331,119)
1960	Recovery of Prior Year Expenditures	-	-	3,291	3,291
1990	Miscellaneous	75,000	75,000	393,919	318,919
Total Local Sources		365,000	365,000	356,091	(8,909)
State Sources:					
3299	Other Restricted Grants in Aid	600,000	600,000	381,196	(218,804)
Total Receipts		965,000	965,000	737,287	(227,713)
<u>Disbursements</u>					
Support Services:					
2520	Fiscal Services	152,040	152,040	94,859	57,181
Facilities Acquisition and Construction:					
4110	Service Area Direction	2,964,618	2,964,618	1,285,082	1,679,536
4150	Building Acquisition, Construction, and Improvement	42,488,842	42,488,842	27,779,054	14,709,788
4180	Other Capital Items	2,159,500	2,159,500	443,999	1,715,501
Total Facilities Acquisition and Construction		47,612,960	47,612,960	29,508,135	18,104,825
Total Disbursements		47,765,000	47,765,000	29,602,994	18,162,006
Net Change in Fund Balance		(46,800,000)	(46,800,000)	(28,865,707)	17,934,293
Fund Balance, Beginning		46,800,000	46,800,000	39,479,919	(7,320,081)
Fund Balance, Ending		\$ -	\$ -	\$ 10,614,212	\$ 10,614,212

Other Financial Schedules

Pendleton School District #16R
Umatilla County, Oregon

Supplemental Information Required by the Oregon Department of Education
Fiscal Year Ended June 30, 2016

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	\$ 548,843
Function 2550	\$ -

B. Replacement of Equipment – General Fund:

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

\$ 7,023

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, 2016

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	8,420,900	5,370,989	-	3,049,911	-	-	-	-
1120 Local Option Ad Valorem Taxes Levied by District	266,332	266,332	-	-	-	-	-	-
1130 Construction Excise Tax	-	-	-	-	-	-	-	-
1190 Penalties and Interest on Taxes	2,278	1,477	-	801	-	-	-	-
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	55,961	40,140	47,589	9,351	(41,119)	-	-	-
1600 Food Service	211,072	-	211,072	-	-	-	-	-
1700 Extracurricular Activities	624,637	8,312	616,325	-	-	-	-	-
1800 Community Services Activities	-	-	-	-	-	-	-	-
1910 Rentals	74,772	74,772	-	-	-	-	-	-
1920 Contributions and Donations From Private Sources	257,027	7,000	250,027	-	-	-	-	-
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	3,660	367	-	-	3,293	-	-	-
1970 Services Provided Other Funds	2,178,819	-	-	2,178,819	-	-	-	-
1980 Fees Charged to Grants	-	-	-	-	-	-	-	-
1990 Miscellaneous	660,063	182,733	83,411	-	393,919	-	-	-
Total Revenue from Local Sources	12,755,521	5,952,122	1,208,424	5,238,882	356,093	-	-	-

Revenue from Intermediate Sources

	Totals	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
2101 County School Funds	74,575	74,575	-	-	-	-	-	-
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	81,769	81,769	-	-	-	-	-	-
2800 Revenue in Lieu of Taxes	-	-	-	-	-	-	-	-
2900 Revenue for/on Behalf of the District	-	-	-	-	-	-	-	-
Total Revenue from Intermediate Sources	156,344	156,344	-	-	-	-	-	-

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	20,604,107	20,604,107	-	-	-	-	-	-
3102 State School Fund - School Lunch Match	11,155	-	11,155	-	-	-	-	-
3103 Common School Fund	295,915	295,915	-	-	-	-	-	-
3104 State Managed County Timber	-	-	-	-	-	-	-	-
3106 State School Fund - Accrual	-	-	-	-	-	-	-	-
3199 Other Unrestricted Grants-in-Aid	161,442	161,442	-	-	-	-	-	-
3204 Driver Education	-	-	-	-	-	-	-	-
3222 State School Fund (SSF) Transportation Equipment	1,228,500	1,228,500	-	-	-	-	-	-
3299 Other Restricted Grants-in-Aid	714,428	-	333,232	-	381,196	-	-	-
3800 Revenue in Lieu of Taxes	-	-	-	-	-	-	-	-
3900 Revenue for/on Behalf of the District	-	-	-	-	-	-	-	-
Total Revenue from State Sources	23,015,547	22,289,964	344,387	-	381,196	-	-	-

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	1,488,927	300	1,488,627	-	-	-	-	-
4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies	698,514	2,766	695,748	-	-	-	-	-
4801 Federal Forest Fees	4,376	4,376	-	-	-	-	-	-
4802 Impact Aid to School Districts for Operation (PL 874)	289,899	289,899	-	-	-	-	-	-
4803 Coos Bay Wagon Road Funds	-	-	-	-	-	-	-	-
4899 Other Revenue in Lieu of Taxes	-	-	-	-	-	-	-	-
4900 Revenue for/on Behalf of the District	76,865	-	76,865	-	-	-	-	-
Total Revenue from Federal Sources	2,558,581	297,341	2,261,240	-	-	-	-	-

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	119,562	75,003	44,559	-	-	-	-	-
5300 Sale of or Compensation for Loss of Fixed Assets	-	-	-	-	-	-	-	-
5400 Resources - Beginning Fund Balance	47,201,476	5,417,509	1,699,871	604,177	39,479,919	-	-	-
Total Revenue from Other Sources	47,321,038	5,492,512	1,744,430	604,177	39,479,919	-	-	-

Grand Totals

	Totals	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
	85,807,031	34,188,283	5,558,481	5,843,059	40,217,208	-	-	-

Pendleton School District #16R
Umatilla County, Oregon

Supplemental Information Required by the Oregon Department of Education (3211c)
Fiscal Year Ended June 30, 2016

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	6,281,023	4,111,276	1,951,091	25,730	192,880	-	46	-
1113 Elementary Extracurricular	-	-	-	-	-	-	-	-
1121 Middle/Junior High Programs	3,145,649	2,134,949	966,252	7,511	36,117	-	820	-
1122 Middle/Junior High School Extracurricular	87,717	65,620	11,788	5,299	5,010	-	-	-
1131 High School Programs	3,688,299	2,420,817	1,161,551	20,333	82,212	-	3,386	-
1132 High School Extracurricular	427,458	275,438	44,609	80,976	14,636	-	11,799	-
1140 Pre-Kindergarten Programs	138,224	60,141	41,625	36,177	281	-	-	-
1210 Programs for the Talented and Gifted	520	-	-	240	-	-	280	-
1220 Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	3,436,409	1,902,535	1,483,890	15,916	34,068	-	-	-
1260 Treatment and Habilitation	-	-	-	-	-	-	-	-
1271 Remediation	-	-	-	-	-	-	-	-
1272 Title I	-	-	-	-	-	-	-	-
1280 Alternative Education	840,278	272,014	165,454	363,110	39,700	-	-	-
1291 English Second Language Programs	281,439	157,398	71,712	711	51,618	-	-	-
1292 Teen Parent Program	-	-	-	-	-	-	-	-
1293 Migrant Education	-	-	-	-	-	-	-	-
1294 Youth Corrections Education	-	-	-	-	-	-	-	-
1299 Other Programs	-	-	-	-	-	-	-	-
1300 Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400 Summer School Programs	22,484	12,689	2,200	7,595	-	-	-	-
Total Instruction Expenditures	18,349,500	11,412,877	5,900,172	563,598	456,522	-	16,331	-

Support Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	49,542	17,059	14,207	18,188	88	-	-	-
2120 Guidance Services	943,036	630,479	310,478	230	1,849	-	-	-
2130 Health Services	11	-	-	-	11	-	-	-
2140 Psychological Services	37,338	23,032	14,306	-	-	-	-	-
2150 Speech Pathology and Audiology Services	-	-	-	-	-	-	-	-
2160 Other Student Treatment Services	-	-	-	-	-	-	-	-
2190 Service Direction, Student Support Services	175,100	119,113	54,937	1,050	-	-	-	-
2210 Improvement of Instruction Services	62,976	-	50,645	12,046	285	-	-	-
2220 Educational Media Services	262,281	132,067	119,775	-	10,099	-	340	-
2230 Assessment & Testing	-	-	-	-	-	-	-	-
2240 Instructional Staff Development	-	-	-	-	-	-	-	-
2310 Board of Education Services	134,136	-	-	52,275	951	-	80,910	-
2320 Executive Administration Services	568,424	359,427	121,286	59,712	23,342	-	4,657	-
2410 Office of the Principal Services	2,496,243	1,533,452	763,316	107,917	79,022	-	12,536	-
2490 Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510 Direction of Business Support Services	-	-	-	-	-	-	-	-
2520 Fiscal Services	408,474	169,844	86,157	13,139	2,758	-	136,576	-
2540 Operation and Maintenance of Plant Services	3,008,877	993,709	658,056	991,120	320,839	42,346	2,807	-
2550 Student Transportation Services	1,692,418	-	-	1,692,418	-	-	-	-
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	630,936	-	-	380,774	250,162	-	-	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	378,068	325,599	52,469	-	-	-	-	-
Total Support Services Expenditures	10,847,860	4,303,781	2,245,632	3,328,869	689,406	42,346	237,826	-

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	-	-	-	-	-	-	-	-
Total Enterprise and Community Services Expenditures	-	-	-	-	-	-	-	-

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	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures	-	-	-	-	-	-	-	-

Other Uses Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	5,700	-	-	-	-	-	5,700	-
5200 Transfers of Funds	41,490	-	-	-	-	-	-	41,490
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures	47,190	-	-	-	-	-	5,700	41,490

Grand Totals

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
	29,244,550	15,716,658	8,145,804	3,892,467	1,145,928	42,346	259,857	41,490

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

**Supplemental Information Required by the Oregon Department of Education (3211c)
Fiscal Year Ended June 30, 2016**

Fund: 200 Special Revenue Funds

Instruction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Elementary, K-5 or K-6	48,084	-	-	4,206	38,752	-	5,126	-
1113 Elementary Extracurricular	29,194	-	-	9,228	19,891	-	75	-
1121 Middle/Junior High Programs	41,998	950	248	2,507	36,593	-	1,700	-
1122 Middle/Junior High School Extracurricular	85,228	1,623	-	52,596	31,009	-	-	-
1131 High School Programs	71,746	3,808	619	21,977	42,512	-	2,830	-
1132 High School Extracurricular	466,837	3,826	-	382,835	79,859	-	317	-
1140 Pre-Kindergarten Programs	300	-	-	-	300	-	-	-
1210 Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220 Restrictive Programs for Students with Disabilities	498,482	335,267	146,349	12,086	4,780	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	366,287	235,568	127,754	2,136	829	-	-	-
1260 Treatment and Habilitation	-	-	-	-	-	-	-	-
1271 Remediation	-	-	-	-	-	-	-	-
1272 Title I	572,467	356,197	215,418	-	852	-	-	-
1280 Alternative Education	943	-	-	943	-	-	-	-
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	-	-	-	-	-	-	-	-
Total Instruction Expenditures	2,181,566	937,239	490,388	488,514	255,377	-	10,048	-

Support Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	28,564	17,333	11,231	-	-	-	-	-
2120 Guidance Services	1,884	-	-	-	1,884	-	-	-
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	64,365	25,947	7,118	11,406	19,795	-	99	-
2220 Educational Media Services	-	-	-	-	-	-	-	-
2230 Assessment & Testing	-	-	-	-	-	-	-	-
2240 Instructional Staff Development	120,535	55,891	22,930	33,249	8,465	-	-	-
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	11,732	8,967	2,765	-	-	-	-	-
2660 Technology Services	-	-	-	-	-	-	-	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	-	-	-	-	-	-	-	-
Total Support Services Expenditures	227,080	108,138	44,044	44,655	30,144	-	99	-

Enterprise and Community Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	1,195,491	7,485	640	1,088,577	95,823	-	2,966	-
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	-	-	-	-	-	-	-	-
3500 Custody and Care of Children Services	-	-	-	-	-	-	-	-
Total Enterprise and Community Services Expenditures	1,195,491	7,485	640	1,088,577	95,823	-	2,966	-

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	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures	-	-	-	-	-	-	-	-

Other Uses Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	-	-	-	-	-	-	-	-
5200 Transfers of Funds	78,072	-	-	-	-	-	-	78,072
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures	78,072	-	-	-	-	-	-	78,072

Grand Totals

Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3,682,209	1,052,862	535,072	1,621,746	381,344	-	13,113	78,072

Supplemental Information Required by the Oregon Department of Education (3211c)
Fiscal Year Ended June 30, 2016

29.602.995	20.957	13.608	1.475.484	376.868	27.609.217	106.861	-
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COMPLIANCE SECTION

Cockburn & McClintock, LLC

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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, 2016, and have issued our report thereon dated November 23, 2016. 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, 2015 through June 30, 2016 as expenditures exceeded appropriations in the following categories:

- Bond Interest and Redemption Debt Service Fund #300 – Debt Service

The District was not in compliance with Oregon Local Budget Law (ORS 294) as it pertains to the fiscal year July 1, 2016 through June 30, 2017 budget process in that the District's first published notice of the budget committee meeting in the local newspaper did not include a reference to the District's website where the second published notice of the budget committee meeting was posted.

The District was not in compliance with Oregon State School Fund factors and calculations as it pertains to the fiscal year July 1, 2014 through June 30, 2015 as follows:

- We reviewed the June 30, 2015 "Bus and Garage Depreciation Schedule and Mileage Report" that was submitted to the Oregon Department of Education (ODE) and noted that the non-reimbursable miles that was entered for vehicles with capacity of 21 or more was understated by 2,972 miles or \$6,717, resulting in the District being over-paid in their 2014-2015 State School Fund Transportation Grant amount from the ODE by \$4,702.
- We reviewed files for 10 teachers (6% of the total population) and identified reporting discrepancies for 3 of them in that 2 teachers had their total years of experience understated and 1 teacher had his FTE understated. The total net effect of our testing results in our sample is that the total years of individual experience was understated by 13.50, or potentially understated by 225.64 for the entire population, with the District Average Teacher Experience figure understated by 1.25 in our sample, or potentially understated by 1.29 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.

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 23, 2016

Cockburn & McClintock, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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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, 2016, 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 23, 2016.

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 of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did

not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

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.

A handwritten signature in black ink, appearing to read "Cockburn & McClintock, LLC", is written over the printed name of the firm.

Cockburn & McClintock, LLC

Pendleton, Oregon

November 23, 2016

Cockburn & McClintock, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

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MEMBERSHIPS

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

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

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 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, 2016. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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, 2016.

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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2016-001 and 2016-002 that we consider to be a material weaknesses.

The District's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

A handwritten signature in black ink, appearing to read "Cockburn & McClintock, LLC". The signature is stylized and cursive.

Cockburn & McClintock, LLC

Pendleton, Oregon

November 23, 2016

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

**Schedule of Expenditures of Federal Awards
Fiscal Year Ended June 30, 2016**

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
<u>U.S. Department of Agriculture:</u>							
Pass-Through Programs From:							
Oregon State Department of Education:							
Child Nutrition Cluster:							
	School Breakfast Program	10.553	3016001	7/1/14-6/30/15	\$ 172,514	\$ 10,717	\$ -
	School Breakfast Program	10.553	3016001	7/1/15-6/30/16	178,621	173,404	178,621
	National School Lunch Program	10.555	3016001	7/1/14-6/30/15	658,290	34,323	-
	National School Lunch Program	10.555	3016001	7/1/15-6/30/16	711,155	693,921	711,155
	Summer Food Service Program for Children	10.559	3016001	7/1/14-6/30/15	24,844	4,125	-
	Summer Food Service Program for Children	10.559	3016001	7/1/15-6/30/16	29,052	21,150	29,052
Subtotal Department of Agriculture Pass-Through Program From Oregon State Department of Education and Total Child Nutrition Cluster					1,774,476	937,640	918,828
Umatilla County, Oregon:							
	Forest Service Schools and Roads Grants to States	10.665		7/1/12-6/30/13	4,376	4,376	4,376
Total U.S. Department of Agriculture					1,778,852	942,016	923,204
<u>U.S. Department of Education:</u>							
Direct Programs:							
	Impact Aid (Title VIII of ESEA)	84.041		7/1/12-6/30/13	346,260	25,013	25,013
	Impact Aid (Title VIII of ESEA)	84.041		7/1/13-6/30/14	293,968	33,619	33,609
	Impact Aid (Title VIII of ESEA)	84.041		7/1/15-6/30/16	263,504	231,267	231,267
Total Impact Aid (Title VIII of ESEA)					903,733	289,899	289,889
Pass-Through Programs From:							
Oregon State Department of Education:							
	Grants to Local Educational Agencies (Title I, Part A of ESEA)	84.010	32655	7/1/14-9/30/15	614,183	13,566	23,095
	Grants to Local Educational Agencies (Title I, Part A of ESEA)	84.010	36046	7/1/15-9/30/16	573,545	432,121	549,371
	Grants to Local Educational Agencies (Title I, Part A of ESEA)	84.010	36568	7/1/15-9-30/16	22,124	17,841	22,124
Total Grants to Local Educational Agencies (Title I, Part A of ESEA)					1,209,852	463,528	594,590
	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	11,011	-
	Program for Neglected and Delinquent Children and Youth (Title I, Part D of ESEA)	84.013	38529	7/1/15-6/30/16	29,881	16,843	29,881
Total Program for Neglected and Delinquent Children and Youth (Title I, Part D of ESEA)					51,387	27,854	29,881
Special Education - State Personnel Development:							
	Effective Behavioral & Instructional Support Systems Grant (IDEA Part B)	84.323	39397	8/1/15-7/31/16	3,000	244	263
	Let's Go Learning Training Grant (IDEA Part B)	84.323	36722	4/1/15-11/30/15	724	473	473
Total Special Education - State Personnel Development Grants					3,724	717	736
	SchoolWide Integrated Framework for Transformation Grant (IDEA Part D, Section 663)	84.326	34981	01/15/15-11/14/16	46,000	7,561	8,724
	Improving Teacher Quality State Grants (Title II, Part A of ESEA)	84.367	36243	7/1/15-9/30/16	158,812	115,062	142,705
Subtotal Department of Education Pass-Through Programs From Oregon State Department of Education					1,469,775	614,722	776,636
InterMountain Education Service District:							
	Higher Education - Institutional Aid (Title III, Part A of HEA)	84.031		07/1/15-06/30/16	-	2,766	2,766
Special Education (IDEA) Cluster:							
	Special Education - Grants to States (IDEA Part B, Section 611)	84.027	33289	7/1/14-6/30/15	375,000	334,316	-
	Special Education - Grants to States (IDEA Part B, Section 611)	84.027	36876	7/1/15-6/30/16	375,000	361,432	361,432
Subtotal Department of Education Special Education (IDEA) Cluster Pass-Through Program From InterMountain Education Service District					750,000	695,748	361,432
Oregon State Department of Education:							
Special Education (IDEA) Cluster:							
	Special Performance Review & Improvement Grant (IDEA Part B, Section 611)	84.027	37966	8/1/15-6/30/16	3,418	2,213	2,324
	Special Education Extended Assessment Grant (IDEA Part B, Section 611)	84.027	35792	7/1/15-6/30/16	900	187	187
	Special Education Enhancement Grant (IDEA Part B, Section 611)	84.027	33776	10/1/14-9/30/15	5,305	816	816
	Special Education Enhancement Grant (IDEA Part B, Section 611)	84.027	38401	10/1/15-9/30/16	5,305	1,609	1,716
	Long Term Care & Treatment Education Program (IDEA Part B, Section 611)	84.027	34251	7/1/14-6/30/15	9,999	4,086	-
	Long Term Care & Treatment Education Program (IDEA Part B, Section 611)	84.027	38504	7/1/15-6/30/16	8,162	4,220	8,162
	IEP Training Grant (IDEA Part B, Section 611)	84.027	38728	8/27/15-8/30/15	300	300	300
Subtotal Department of Education Special Education (IDEA) Cluster Pass-Through Program From Oregon State Department of Education					33,389	13,431	13,504
Total Special Education (IDEA) Cluster					783,389	709,179	374,936
Total U.S. Department of Education					3,156,896	1,616,567	1,444,227
Total Federal Awards					\$ 4,935,748	\$ 2,558,583	\$ 2,367,431

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, 2016

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, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards* (Uniform Guidance). 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 the Schedule are reported on the modified cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, 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, 2016, the District received approximately \$76,865 in commodities passed from the United States Department of Agriculture through the Oregon Department of Education which is reported as follows:

<u>Federal CFDA #</u>	<u>Program</u>	<u>Amount</u>
10.555	National School Lunch Program	\$ 76,725
10.559	Summer Food Service Program for Children	140
		<u>\$ 76,865</u>

Note 4 – Subrecipients

During the fiscal year ended June 30, 2016, the District did not provide any federal financial awards to subrecipients.

Note 5 – Indirect Cost Rate

The District has not elected to use the 10% de minimis cost rate as covered in §200.414 Indirect (F&A) costs of the Uniform Guidance.

Pendleton School District #16R
Umatilla County, Oregon

Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2016

A. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

- The independent auditor's report expresses an unmodified opinion on the modified cash basis financial statements of Pendleton School District #16R.
- 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*.
- 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.

Federal Awards

- Two material weaknesses 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 THE UNIFORM GUIDANCE*.
- The auditor's report on compliance for the major federal award programs for Pendleton School District #16R expresses a qualified opinion on all major federal programs.
- Audit findings that are required to be reported in accordance with §200.516 of the Uniform Guidance are reported in this Schedule.
- The programs tested as major programs were:
 - Grants to Local Educational Agencies (Title I, Part A of ESEA), CFDA #84.010
 - Special Education (IDEA) Cluster, CFDA #84.027
- The threshold for distinguishing between Type A and Type B programs was \$750,000.
- 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, 2016.

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

**Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2016**

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

2016-001: Employee Time-and-Effort Documentation (Material Weakness)

CFDA #: 84.027 & 84.010

Program Title: Special Education (IDEA) Cluster and Grants to Local Educational Agencies (Title I, Part A of ESEA)

Pass-Through Entity Identifying Number: Oregon State Department of Education #39397 & #36722 and Oregon State Department of Education #32655, #36046, and #36568

Grant Period: 7/1/14-9/30/15 & 7/1/15-9/30/16

Compliance Requirement: Allowable Costs / Cost Principles

Condition: Special Education (IDEA) Cluster; During our tests of controls over compliance and substantive tests of compliance, we noted that two Special Education Teachers did not have their salaries and associated payroll costs that were charged to the "IDEA" Fund #213 and the "Homestead Youth and Family Services 2015-2017" Fund #270 properly certified for time-and-effort. Time and effort was not certified in that the "Federally Funded Employee Multiple Cost Objective Report" for January 2016 through June 2016 for these two employees was not signed by the employees' supervisor.

Grants to Local Educational Agencies (Title I, Part A of ESEA); During our testing of controls over compliance and substantive testing, we noted that Time and Effort was not certified in that the "Federally Funded Employee Multiple Cost Object Report" for September through October 2015 and then January through June 2016 for one employee was not signed by the employee's supervisor

Criteria: 2 CFR 200.430 of Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (commonly referred to as the Uniform Guidance) requires that time distribution records be maintained for all employees whose salary is paid in whole or in part with federal funds. The District's internal controls require that time distribution records be maintained using a form titled "Federally Funded Employee Multiple Cost Objectives Report". Additionally, the District's internal controls require that the direct supervisor of each employee completing a report sign these reports to evidence review and approval of the employee's time worked.

Cause: Supervisory signature on these reports was simply overlooked.

Effect: Special Education (IDEA) Cluster; \$45,526 of costs are questioned as a result of failing to meet time and effort certification requirements. This amount is considered to be material to the Special Education (IDEA) Cluster.

Grants to Local Educational Agencies (Title I, Part A of ESEA); \$108,180 of costs are questioned as a result of failing to meet time and effort certification requirements. This amount is considered to be material to the Grants to Local Educational Agencies (Title I, Part A of ESEA) program.

Recommendation: We recommend that the District follow controls that are currently in place and that the direct supervisor of federally funded employees in the program evidence review and approval of the "Federally Funded Employee Multiple Cost Objectives Report" via signature.

Views of Responsible Officials and Planned Corrective Actions: The District agrees with the finding. Every effort will be made to make time and effort certifications for all federally funded employees are complete.

Pendleton School District #16R
Umatilla County, Oregon

Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2016

2016-002: Highly Qualified Paraprofessional Documentation (Material Weakness)

CFDA #: 84.010

Program Title: Grants to Local Educational Agencies (Title I, Part A of ESEA)

Pass-Through Entity Identifying Number: Oregon State Department of Education #32655, #36046, and #36568

Grant Period: 7/1/14-9/30/15 & 7/1/15-9/30/16

Compliance Requirement: Special Tests and Provisions

Condition: During our substantive testing of hiring "Highly Qualified" professionals, we were unable to locate documentation that five of the paraprofessionals hired during the 2015-2016 fiscal year met the requirements to be considered "Highly Qualified".

Criteria: 34 CFR 200.56 definition referred to in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (commonly referred to as the Uniform Guidance) requires that paraprofessionals who are hired by the District and who work in a program supported with Title I, Part A funds meets specific qualification requirements. A paraprofessional must hold a high-school diploma or its recognized equivalent and meet one of the following requirements: (1) Have completed at least two years of study at an institution of higher education, (2) Have obtained an associate's or higher degree, (3) Have met a rigorous standard of quality, and can demonstrate through a formal State or local academic assessment knowledge of, and the ability to assist in instructing, reading/language arts, writing, and mathematics, or reading readiness, writing readiness, and mathematics readiness.

Cause: The District employee in charge of this compliance step, during the 2015-16 fiscal year, was not aware of this compliance requirement.

Effect: \$74,257 of costs are questioned as a result of failing to meet proof of highly qualified paraprofessionals requirements. This amount is considered to be material to the Grants to Local Educational Agencies (Title I, Part A of ESEA) cluster.

Recommendation: We recommend that the District follow the Uniform Guidance Compliance Requirement and retain documentation that all paraprofessionals on staff have met the "Highly Qualified" requirements.

Views of Responsible Officials and Planned Corrective Actions: The District agrees with the findings. The District has made a staffing change in this area and every effort will be made to ensure that the District has retained documentation that all paraprofessionals on staff have met the "Highly Qualified" requirements.



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Summary Schedule of Prior Year Findings and Questioned Costs Fiscal Year Ended June 30, 2016

Andy Kovach
Superintendent

Michelle Jones
Director of Business Services

Brad Bixler
Director of Human Resources

Julie Smith
Director of Special Programs

Matt Yoshioka
Director of Curriculum
Instruction
& Assessment

Dan Greenough
Principal
Pendleton High School

Curt Thompson
CTE & Alternative Program
Coordinator

Dave Williams
Principal
Sunridge Middle School

Ronda Smith
Principal
McKay Creek Elementary

Theresa Owens
Principal
Sherwood Heights Elementary

Aimee VanNice
Principal
Washington Elementary

Brenda Giesen
Assistant Principal
Sherwood Heights Elementary
Washington Elementary

Lori Hale
Principal
Pendleton Early Learning Center

Board of Education
Debbie McBee, Chair
Lynn Lieuallen, Vice Chair
Michelle Monkman
Dale Freeman
Dave Krumbein
Bob Rosselle
Steve Umbarger

FINDINGS—FINANCIAL STATEMENT AUDIT

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

FINDINGS AND QUESTIONED COSTS—MAJOR FEDERAL AWARD PROGRAMS AUDIT

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