

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

Financial Statements
June 30, 2018

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, 2018

<u>Elected Officials:</u>	<u>Address</u>	<u>Term Expires</u>
Debbie McBee <i>Director</i>	1062 N.W. Skyline Dr. Pendleton, OR 97801	June 30, 2021
Lynn Lieuallen <i>Chairperson</i>	14 NW 9th Street Pendleton, OR 97801	June 30, 2019
Steve Umbarger <i>Director</i>	557 SW 21st Street Pendleton, OR 97801	June 30, 2021
Dale Freeman <i>Vice-Chairperson</i>	718 NW 4th Street Pendleton, OR 97801	June 30, 2019
Michelle Monkman <i>Director</i>	720 N.W. 12th Pendleton, OR 97801	June 30, 2019
Dave Krumbein <i>Director</i>	309 N.W. 5th Pendleton, OR 97801	June 30, 2019
Gary George <i>Director</i>	70213 Cougar Lane Pendleton, OR 97801	June 30, 2021

Appointed Officials:

Chris Fritsch <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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FINANCIAL SECTION

Cockburn & McClintock, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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MEMBERSHIPS

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, 2018, 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, 2018, and the respective changes in financial position—modified cash basis and the related budgetary comparison for the General Fund and QZAB/SB 1149 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

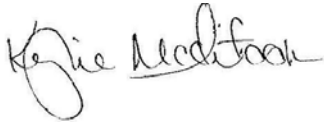
The management's discussion and analysis has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

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 December 1, 2018 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 December 1, 2018, 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



Kylie M. McClintock, CPA
Licensed Municipal Auditor

Pendleton, Oregon
December 1, 2018

Other Information:
Management's Discussion and Analysis

PENDLETON SCHOOL DISTRICT 16R
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2018

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, 2018. 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 \$3.2 million.
- The District's total net position increased by \$1.7 million which was primarily due to a combined \$1.6 million in principal payments on the PERS and G.O. Bonds.
- 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 \$13.1 million due to the PERS bond obligation of \$18.4 million. The District's Net Position was reduced once this debt was issued and recognized in its Government-Wide Statement of Net Position. If the bonds had not been issued the District would report an Unrestricted Net Position of \$5.3 million at June 30, 2018.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balance of \$7.0 million, a decrease of \$2.1 million from the previous year. This decrease was due in large part to a \$2.0 million payment for the Qualified Zone Academy Bonds (QZAB), which was due June 29, 2018.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$2.0 million, or 6.8% of total general fund expenditures for the year.
- The District's total debt obligations decreased by \$3.6 million during the current fiscal year.

PENDLETON SCHOOL DISTRICT 16R
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2018

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, 2018

FUND FINANCIAL STATEMENTS. The Fund Financial Statements provide a more detailed look at the District's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other governmental entities in the State of Oregon, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the Oregon Revised Statutes.

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

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

The District maintains forty-six 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 QZAB/SB 1149 Fund which are considered “major” funds under the GASB 34 “major” fund focus. The other forty-four 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 19 of this report.

Proprietary Funds. The District does not have a proprietary fund for the 2017-2018 fiscal year.

Fiduciary Funds. The District does not have a fiduciary fund for the 2017-2018 fiscal year.

PENDLETON SCHOOL DISTRICT 16R
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2018

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 20-44 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 45-51 of this report.

Additional Supplementary Information on pages 52-95 reflects budgetary comparison schedules, individually, of all District Non-Major Funds for the fiscal year ending June 30, 2018.

DISTRICT-WIDE FINANCIAL ANALYSIS

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

Net Position			
	June 30, 2018	June 30, 2017	Increase / (Decrease)
<u>Assets</u>			
Cash and Cash Equivalents	\$ 6,958,242	\$ 9,098,084	\$ (2,139,842)
Investments	10,000	16,544	(6,544)
Capital Assets, Net			
Land	84,928	84,928	-
District Buildings and Improvements	68,547,068	68,408,306	138,762
Equipment and Vehicles	397,652	444,607	(46,955)
Total Assets	<u>75,997,890</u>	<u>78,052,469</u>	<u>(2,054,579)</u>
<u>Liabilities</u>			
Current Portion of Debt	1,704,221	1,599,857	104,364
Long-Term Debt	68,242,045	71,946,266	(3,704,221)
Total Liabilities	<u>69,946,266</u>	<u>73,546,123</u>	<u>(3,599,857)</u>
<u>Deferred Inflows of Resources</u>			
Deferred Premium on Refunding, Net	2,840,928	2,990,451	(149,523)
<u>Net Position</u>			
Net Investment in Capital Assets	15,133,978	13,730,553	1,403,425
Restricted for Debt Service	817,365	673,881	143,484
Restricted for Other Purposes	394,344	2,270,213	(1,875,869)
Unrestricted (Deficit)	(13,134,991)	(15,158,752)	2,023,761
Total Net Position	<u>\$ 3,210,696</u>	<u>\$ 1,515,895</u>	<u>\$ 1,694,801</u>

PENDLETON SCHOOL DISTRICT 16R
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2018

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 \$3.2 million as of June 30, 2018. The District's net position increased by \$1.7 million for the fiscal year ended June 30, 2018. Of the total net assets, \$15.1 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, 2018	June 30, 2017	Increase / (Decrease)
<u>Revenues</u>			
Program Revenues:			
Charges for Services	\$ 914,094	\$ 861,787	\$ 52,307
Operating Grants and Contributions	3,494,250	3,581,749	(87,499)
Capital Grants and Contributions	-	896,680	(896,680)
General Revenues:			
Property Taxes	9,307,526	9,000,278	307,248
State School Fund	23,721,368	22,089,436	1,631,932
County / Common School Aid	422,522	485,165	(62,643)
Unrestricted Federal Funds	402,098	459,530	(57,432)
Earnings on Investments	226,836	175,778	51,058
Other Revenue	317,107	496,623	(179,516)
Loss on Deletion of Capital Assets	-	(543,723)	543,723
Total Revenues	38,805,801	37,503,303	1,302,498
<u>Expenses</u>			
Instruction	21,166,613	21,381,204	(214,591)
Support Services	10,901,727	11,319,001	(417,274)
Enterprise and Community Services	1,324,153	1,155,928	168,225
Facilities Acquisition and Construction	11,755	760,011	(748,256)
Debt Service - Interest	3,706,752	3,565,853	140,899
Total Expenses	37,111,000	38,181,997	(1,070,997)
Change in Net Position	1,694,801	(678,694)	2,373,495
Net Position, Beginning	1,515,895	2,194,589	(678,694)
Net Position, Ending	\$ 3,210,696	\$ 1,515,895	\$ 1,694,801

PENDLETON SCHOOL DISTRICT 16R
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2018

DISTRICT-WIDE FINANCIAL ANALYSIS CONTINUED

An additional portion of the District's net position, \$1.2 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$(13.1 million) is unrestricted

Governmental Activities – Governmental activities increased the District's net position by \$1.7 million, thereby accounting for 100% of the total increase in the net position of the District.

One aspect of the District's financial operations that influenced the positive change in total governmental net position was a combined \$1.6 million in principal payments on the PERS and G.O. Bonds.

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, 2018, the District's governmental funds reported combined ending fund balances of \$7.0 million, a decrease of \$2.1 million in comparison with the prior year.

The General Fund, which is the chief operating fund of the District and is always considered a major fund, had a fund balance of \$5.04 million which is an increase of \$1.2 million. This increase is mainly related to an increase in intergovernmental revenue as well as a reduction in expenditures from prior year. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$2.0 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 16.7 percent of total General Fund expenditures.

The QZAB/SB 1149 Fund, another major fund, reported a deficit ending fund balance of \$3,563. This is a decrease of \$1.9 million from the prior fiscal year. These funds were used to satisfy District debt on prior energy efficiency upgrades.

Other Non-Major Government Funds, which represent a summarization of all the other governmental funds, ended the year with total fund balance of \$1.9 million, a decrease of \$1.5 million. The decrease was largely related to the Capital Projects Fund, these funds are used to provide district-wide facility improvements.

GENERAL FUND BUDGETARY HIGHLIGHTS

The PSD Board adopted a budget for the fiscal year ending June 30, 2018 based on state biennial funding of \$8.2 billion. While this is an increase from the prior biennium, PSD was faced with a substantial increase in PERS rates and a continued decline in enrollment. The budget for 2017-18 reflects a decrease in staffing by 12.0 full-time equivalency, which has been spread across all classification. It also reflected a reduction in the curriculum and technology budgets. With a continued decline in enrollment and rising PERS rates, the district continues to works to maintain staffing levels and programs to the best of our ability.

PENDLETON SCHOOL DISTRICT 16R
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2018

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As shown in the table below, at June 30, 2018, the District had \$69.0 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 \$92,000 from last year. The increase is primarily due to capital construction using proceeds from the general obligation bond issuance in November 2014 and reflected as District Buildings and Improvements at June 30, 2018. 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, 2018	June 30, 2017	Increase / (Decrease)
Land	\$ 84,928	\$ 84,928	\$ -
District Buildings and Improvements	68,547,068	68,408,306	138,762
Vehicles and Equipment	397,652	444,607	(46,955)
Total	\$ 69,029,648	\$ 68,937,841	\$ 91,807

Debt Administration and Capacity

As shown in the table below, at the end of this year, the District had \$69.9 million in debt outstanding which is comparable to \$73.5 million last year. The District made its annual debt service payments under those obligations that included an overall reduction in the principal balance of \$3.6 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, 2018	June 30, 2017	Increase / (Decrease)
2002 Limited Tax Pension Bonds	\$ 8,192,154	\$ 8,428,331	\$ (236,177)
2003 Limited Tax Pension Bonds	9,382,286	9,765,402	(383,116)
Qualified Zone Academy Bonds	-	2,000,000	(2,000,000)
2011 Limited Tax Pension Refunding Bonds	790,000	790,000	-
GO Bonds, Series 2014	51,581,826	52,562,390	(980,564)
Total	\$ 69,946,266	\$ 73,546,123	\$ (3,599,857)

PENDLETON SCHOOL DISTRICT 16R
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2018

Debt Administration and Capacity (Continued)

Debt Limitation and Capacity Fiscal Year 2018	
Real Market Value	\$ 2,002,794,887
Debt Capacity	
General Obligation Debt Capacity (7.95% of RMV)	\$ 159,222,194
Less: Outstanding Debt Subject to Limit	(51,581,826)
Remaining General Obligation Debt Capacity	\$ 107,640,368
Percent of Capacity Issued	32.40%

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 2017-2018 resulted in an effective rate of 17.75%. Without issuing the bonds the rate would have been 25%. The result is a savings to the district of approximately \$1.16 million for the fiscal year.

The District's Budget Committee and Board considered the above factors when preparing the District budget for the 2018-2019 fiscal year. The District adopted a budget for 2018-2019 that was reflective of a State biennial budget of \$8.2 billion. While this was an increase over the prior biennium it was insufficient to meet the increases in PERS as well as other personnel related costs. The current year budget reflects a status quo budget from 2017-18. The current year budget also reflects a minimal increase in the curriculum and technology budgets.

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 2017-2018 fiscal year is 16.7%.

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, 2018**

	Primary Governmental Activities	Component Unit
<u>Assets</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 6,958,242	\$ 471,819
Investments	10,000	-
Total Current Assets	6,968,242	471,819
Noncurrent Assets:		
Capital Assets, Net		
Land	84,928	-
District Buildings and Improvements	68,547,068	-
Equipment and Vehicles	397,652	8,572
Total Noncurrent Assets	69,029,648	8,572
Total Assets	75,997,890	480,391
<u>Liabilities</u>		
Current Liabilities:		
Bonds Payable Due Within One Year	1,704,221	-
Noncurrent Liabilities:		
Bonds Payable Due in More Than One Year	68,242,045	-
Total Liabilities	69,946,266	-
<u>Deferred Inflows of Resources</u>		
Deferred Premium on Refunding, Net	2,840,928	-
<u>Net Position</u>		
Net Investment in Capital Assets	15,133,979	8,572
Restricted for Debt Service	817,365	-
Restricted for Other Purposes	394,343	47,695
Unrestricted (Deficit)	(13,134,991)	424,124
Total Net Position	\$ 3,210,696	\$ 480,391

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, 2018

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	\$ 14,545,551	\$ 616,571	\$ 246,208	\$ -	\$ (13,682,772)
Special Programs	6,604,389	-	1,797,367	-	(4,807,022)
Other Instructional Programs	16,570	-	-	-	(16,570)
Total Instruction	21,166,510	616,571	2,043,575	-	(18,506,364)
Support Services:					
Student Support Services	1,353,873	-	138,615	-	(1,215,258)
Instructional Staff Support	432,694	-	257,824	-	(174,870)
General Administration	593,295	-	-	-	(593,295)
School Administration	2,156,927	-	-	-	(2,156,927)
Business Support Services	5,512,409	85,970	-	-	(5,426,439)
Central Activities	475,368	-	-	-	(475,368)
Supplemental Retirement	377,263	-	-	-	(377,263)
Total Support Services	10,901,829	85,970	396,439	-	(10,419,420)
Facilities Acquisition & Construction	11,755	-	-	-	(11,755)
Enterprise and Community Services	1,324,152	211,553	1,054,236	-	(58,363)
Debt Service - Interest and Fees	3,706,752	-	-	-	(3,706,752)
Total Primary Government	\$ 37,110,998	\$ 914,094	\$ 3,494,250	\$ -	\$ (32,702,654)
Component Unit:					
Nixyáawii Community School	\$ 858,524	\$ 49,126	\$ 390,474	\$ -	\$ (418,924)
				Primary Government	Component Unit
Changes in Net Position				\$ (32,702,654)	\$ (418,924)
General Revenues:					
Property Taxes for General Purposes				6,156,122	-
Property Taxes for Debt Service				3,151,404	-
State School Fund - General Support				22,461,368	610,728
State School Fund - Transportation				1,260,000	-
County / Common School Aid				422,522	-
Unrestricted State/Federal Funds				402,098	-
Earnings on Investments				226,836	642
Other Revenue				317,105	6,347
Total General Revenues				34,397,455	617,717
Change in Net Position				1,694,801	198,793
Net Position, Beginning				1,515,895	281,598
Net Position, Ending				\$ 3,210,696	\$ 480,391

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, 2018**

	General Fund	QZAB/SB 1149 Fund #229	Nonmajor Governmental Funds	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Assets</u>				
Cash and Cash Equivalents	\$ 4,773,279	\$ -	\$ 2,184,963	\$ 6,958,242
Investments	-	-	10,000	10,000
Due From Other Funds	264,884	-	-	264,884
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	\$ 5,038,163	\$ -	\$ 2,194,963	\$ 7,233,126
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Due To Other Funds	\$ -	\$ 3,563	\$ 261,321	\$ 264,884
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund Balances:				
Spendable:				
Restricted	-	-	1,738,793	1,738,793
Assigned	3,000,000	-	456,170	3,456,170
Unassigned	2,038,163	(3,563)	(261,321)	1,773,279
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	5,038,163	(3,563)	1,933,642	6,968,242
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	\$ 5,038,163	\$ -	\$ 2,194,963	\$ 7,233,126
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The accompanying notes are an integral part of the financial statements

Pendleton School District #16R
Umatilla County, Oregon

Reconciliation of the Governmental Funds Balance Sheet (Cash Basis)
to the Statement of Net Position (Modified Cash Basis)
Fiscal Year Ended June 30, 2018

Total Fund Balances - Governmental Funds	\$	6,968,242
<p>Capital Assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund financial statements. Amounts reported for governmental activities in the Statement of Net Position:</p>		
Governmental Capital Assets	\$	89,098,539
Governmental Accumulated Depreciation		(20,068,891)
		69,029,648
<p>Premiums received on issuance of bonds are amortized over the life of the bonds in the Statement of Net Position, and are not reported in the governmental fund financial statements</p>		
		(2,840,928)
<p>Certain liabilities not due in the current year are not reported as governmental fund liabilities. These liabilities consist of:</p>		
OPERS UAL Bonds		(18,364,440)
General Obligation Bonds		(51,581,826)
		(69,946,266)
Total Net Position - Governmental Activities	\$	3,210,696

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, 2018

	General Fund	QZAB/SB 1149 Fund #229	Nonmajor Governmental Funds	Total Governmental Funds
<u>Revenues</u>				
Property Taxes	\$ 6,156,122	\$ -	\$ 3,151,404	\$ 9,307,526
Intergovernmental	24,671,651	-	3,202,208	27,873,859
Food Service Sales	-	-	211,553	211,553
Charges for Services	101,439	-	2,997,278	3,098,717
Contributions and Donations	2,694	-	163,683	166,377
Earnings on Investments	101,711	56,148	68,977	226,836
Other Revenue	203,613	72,405	41,091	317,109
	<u>31,237,230</u>	<u>128,553</u>	<u>9,836,194</u>	<u>41,201,977</u>
<u>Expenditures</u>				
Current:				
Instruction:				
Regular Programs	14,371,836	-	679,306	15,051,142
Special Programs	5,094,553	-	1,644,575	6,739,128
Other Instruction Programs	15,750	-	-	15,750
Total Instruction	<u>19,482,139</u>	<u>-</u>	<u>2,323,881</u>	<u>21,806,020</u>
Support Services:				
Student Support Services	1,278,443	-	127,793	1,406,236
Instructional Staff Support	297,020	-	141,869	438,889
General Administration	603,085	-	-	603,085
School Administration	2,231,973	-	-	2,231,973
Business Support Services	5,418,343	-	1	5,418,344
Central Activities	429,354	-	-	429,354
Supplemental Retirement	377,263	-	-	377,263
Total Support Services	<u>10,635,481</u>	<u>-</u>	<u>269,663</u>	<u>10,905,144</u>
Enterprise and Community Services	<u>-</u>	<u>-</u>	<u>1,254,688</u>	<u>1,254,688</u>
Facilities Acquisition and Construction	<u>-</u>	<u>-</u>	<u>11,755</u>	<u>11,755</u>
Capital Outlay	<u>12,422</u>	<u>-</u>	<u>1,902,202</u>	<u>1,914,624</u>
Debt Service:				
Principal	-	2,000,000	1,599,857	3,599,857
Interest	-	-	3,856,275	3,856,275
Total Debt Service	<u>-</u>	<u>2,000,000</u>	<u>5,456,132</u>	<u>7,456,132</u>
Total Expenditures	<u>30,130,042</u>	<u>2,000,000</u>	<u>11,218,321</u>	<u>43,348,363</u>
Change in Fund Balances Before Other Financing Sources / (Uses)	1,107,188	(1,871,447)	(1,382,127)	(2,146,386)
Other Financial Sources / (Uses): Transfer (to) / from Other Funds	<u>82,767</u>	<u>568</u>	<u>(83,335)</u>	<u>-</u>
Net Change in Fund Balances	1,189,955	(1,870,879)	(1,465,462)	(2,146,386)
Fund Balances, Beginning	<u>3,848,208</u>	<u>1,867,316</u>	<u>3,399,104</u>	<u>9,114,628</u>
Fund Balances, Ending	<u>\$ 5,038,163</u>	<u>\$ (3,563)</u>	<u>\$ 1,933,642</u>	<u>\$ 6,968,242</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, 2018**

Net Change in Fund Balances - Total Government Funds	\$	(2,146,386)
<p>The acquisition of capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities.</p>		
Capital outlay reported in governmental fund financial statements	1,914,624	
Depreciation expense reported in the Statement of Activities	<u>(1,822,817)</u>	
Amount by which capital outlays are greater / (less) than depreciation in the current period.		91,807
<p>Premiums reflecting bond issuance proceeds received over the par amount of bonds are deferred and amortized to interest expense over the bond repayment period in the Statement of Activities and are recognized as other financing sources in governmental funds when received</p>		
		149,523
<p>Principal payment on long-term debt is reported as an expenditure in the governmental funds, however in the Statement of Net Position, principal payments on long-term debt are reflected as a reduction of liabilities.</p>		
Debt principal repaid		<u>3,599,857</u>
Change in Net Position - Governmental Activities	\$	<u><u>1,694,801</u></u>

The accompanying notes are an integral part of the financial statements

Pendleton School District #16R
 Umatilla County, Oregon

Budgetary Comparison Statement
 General Fund
 Fiscal Year Ended June 30, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Revenues</u>				
Property Taxes	\$ 5,951,000	\$ 5,951,000	\$ 6,156,122	\$ 205,122
Intergovernmental	24,750,000	24,750,000	24,671,651	(78,349)
Charges for Services	95,000	95,000	101,439	6,439
Contributions and Donations	5,000	5,000	2,694	(2,306)
Earnings on Investments	40,000	40,000	101,711	61,711
Other Revenue	100,000	100,000	203,613	103,613
Total Revenues	30,941,000	30,941,000	31,237,230	296,230
<u>Expenditures</u>				
Instruction	20,498,049	20,498,049	19,482,139	1,015,910
Support Services	12,248,951	12,248,951	10,643,703	1,605,248
Other Uses	7,000	7,000	4,200	2,800
Contingencies	1,400,000	1,400,000	-	1,400,000
Total Expenditures	34,154,000	34,154,000	30,130,042	4,023,958
Change in Fund Balance Before Other Financing Sources / (Uses)	(3,213,000)	(3,213,000)	1,107,188	4,320,188
Other Financial Sources / (Uses):				
Transfers from Other Funds	90,000	90,000	83,335	(6,665)
Transfers to Other Funds	(77,000)	(77,000)	(568)	76,432
Net Other Financial Sources / (Uses)	13,000	13,000	82,767	69,767
Net Change in Fund Balance	(3,200,000)	(3,200,000)	1,189,955	4,389,955
Fund Balance, Beginning	3,200,000	3,200,000	3,848,208	648,208
Fund Balance, Ending	\$ -	\$ -	\$ 5,038,163	\$ 5,038,163

The accompanying notes are an integral part of the financial statements

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

**Budgetary Comparison Statement
QZAB SB 1149 Fund #229
Fiscal Year Ended June 30, 2018**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1500 Earnings on Investments	\$ 30,000	\$ 30,000	\$ 56,148	\$ 26,148
1990 Miscellaneous	75,000	75,000	72,405	(2,595)
Total Receipts	105,000	105,000	128,553	23,553
<u>Disbursements</u>				
Support Services:				
2540 Operation and Maintenance of Plant Services	85,000	85,000	-	85,000
Other Uses:				
5100 Debt Service	-	-	2,000,000	(2,000,000)
Total Disbursements	85,000	85,000	2,000,000	(1,915,000)
Change in Fund Balance Before Other Financial Sources / (Uses)	20,000	20,000	(1,871,447)	108,553
Other Financial Sources / (Uses): Transfer From Other Funds	77,000	77,000	568	(76,432)
Net Change in Fund Balance	97,000	97,000	(1,870,879)	32,121
Fund Balance, Beginning	1,705,000	1,705,000	1,867,316	162,316
Fund Balance, Ending	\$ 1,802,000	\$ 1,802,000	\$ (3,563)	\$ 194,437

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, 2018

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 six 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, 2018

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, 2018

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>Special Revenue Fund:</u> QZAB/SB 1149 Fund #229	Accounts for resources remitted from utilities for Oregon’s “public purpose charge” from their customers and interfund transfers. Sources are then used for energy efficient upgrades and transfers set aside to satisfy District debt on prior upgrades.

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, 2018

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, 2018

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, 2018

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, 2018

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, custodians and maintenance 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, 2018

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, 2018

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, 2018

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 2017-2018 budget on June 12, 2017 totaling \$49,811,700.
The Board of Education adopted the 2018-2019 budget on June 11, 2018 totaling \$50,295,650.

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 appropriations, except as noted:

- Q-ZAB Payments SB1149 Fund #229 – 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, 2018 was \$4.4537 per \$1,000 of assessed value.

Pendleton School District #16R
Umatilla County, Oregon

Notes to the Financial Statements
June 30, 2018

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, 2018. 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, 2018, the total bank balances were \$1,582,879. 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, 2018, the District had one Certificate of Deposits held at U.S. Bank, for the High School’s Associated Student Body. The certificate of deposit has a balance at maturity of \$10,000, maturing on November 26, 2018 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.

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, 2018

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	\$	1,415,683
Oregon Local Government Investment Pool		5,542,559
Total Cash and Cash Equivalents	\$	6,958,242

Note 5 – Capital Assets

For the fiscal year ended June 30, 2018, 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
Depreciable Capital Assets:				
Buildings & Improvements	85,532,420	1,886,674	-	87,419,094
Equipment & Vehicles	1,566,567	27,950	-	1,594,517
Total Depreciable Capital Assets	87,098,987	1,914,624	-	89,013,611
Accumulated Depreciation:				
Buildings & Improvements	(17,124,114)	(1,747,912)	-	(18,872,026)
Equipment & Vehicles	(1,121,960)	(74,905)	-	(1,196,865)
Total Accumulated Depreciation	(18,246,074)	(1,822,817)	-	(20,068,891)
Total Governmental Capital Assets, Net	\$ 68,937,841	\$ 91,807	\$ -	\$ 69,029,648

Pendleton School District #16R
Umatilla County, Oregon

Notes to the Financial Statements
June 30, 2018

Note 5 – Capital Assets (Continued)

Depreciation expense was charged to governmental activities as follows:

Program / Function:		
Regular Programs	\$	827,738
Special Programs		351,407
Summer School		820
Student Support Services		73,179
Instructional Staff Support		22,839
General Administration		31,384
School Administration		116,914
Business Support Services		281,964
Central Activities		46,014
Food Services		70,559
Total Depreciation Expense	\$	1,822,818

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 \$3,312 per month for September 1, 2015 through June 30, 2018.
- Lease with Umatilla Head Start for the additional classroom space (two classrooms) at Pendleton Early Learning Center. The lease calls for monthly rental payments of \$1,929 per month for July 1, 2017 through June 30, 2018.
- Lease with Intermountain Education Service District for the use of facilities at Pendleton Early Learning Center. The lease calls for monthly rental payments of \$1,725 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, 2017 through June 30, 2018.
- 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, 2018**

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
2019	\$ 84,843

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.
- Annual lease with the Round-Up Association for the use of the Round-Up Grounds for the period February 1, 2017 through November 15, 2017. 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
2019	\$ 15,861
2020	13,905
Total	\$ 29,766

Pendleton School District #16R
Umatilla County, Oregon

Notes to the Financial Statements
June 30, 2018

Note 7 – Long-Term Debt Obligations

During the fiscal year ended June 30, 2018, changes in long-term debt for the District are as follows:

	Beginning			Ending	Amounts
Governmental Activities	Balance	Additions	Reductions	Balance	Due Within
					One Year
2002 Limited Tax Pension Bonds	\$ 8,428,331	\$ -	\$ (236,177)	\$ 8,192,154	\$ 240,017
2003 Limited Tax Pension Bonds	9,765,402	-	(383,116)	9,382,286	381,659
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	52,562,390	-	(980,564)	51,581,826	1,082,545
Total Long-Term Debt Obligations	\$ 73,546,123	\$ -	\$ (3,599,857)	\$ 69,946,266	\$ 1,704,221

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, 2018

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	2002 OPERS Bond		2003 PERS Bonds	
Ending June 30,	Principal	Interest	Principal	Interest
2019	\$ 240,017	\$ 831,704	\$ 381,659	\$ 1,048,085
2020	242,137	884,584	379,443	1,120,302
2021	-	426,721	375,732	1,194,013
2022	860,000	426,722	375,291	1,274,453
2023	970,000	379,594	375,161	1,354,583
2024-28	5,880,000	952,382	7,495,000	1,243,237
Totals	\$ 8,192,154	\$ 3,901,707	\$ 9,382,286	\$ 7,234,673

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

**Notes to the Financial Statements
June 30, 2018**

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
2019	\$ -	\$ 32,508	\$ 1,082,545	\$ 2,110,405	\$ 1,704,221	\$ 4,022,702
2020	-	32,508	1,114,854	2,173,096	1,736,434	4,210,490
2021	790,000	32,508	1,141,580	2,241,370	2,307,312	3,894,612
2022	-	-	1,166,876	2,321,074	2,402,167	4,022,249
2023	-	-	1,182,569	2,410,382	2,527,730	4,144,559
2024-28	-	-	7,678,316	11,958,434	21,053,316	14,154,053
2029-33	-	-	15,080,000	7,688,500	15,080,000	7,688,500
2034-38	-	-	23,135,086	3,246,750	23,135,086	3,246,750
2039-41	-	-	-	-	-	-
Totals	\$ 790,000	\$ 97,524	\$ 51,581,826	\$ 34,150,011	\$ 69,946,266	\$ 45,383,915

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

- 1. Pension Benefits** – The OPERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (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, 2018

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, 2018

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, 2018

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, 2015 actuarial valuation, as subsequently modified by 2017 legislated changes in benefit provisions. The rates based on a percentage of payroll, first became effective July 1, 2017.

Employer contributions for the fiscal year ended June 30, 2018 were \$2,821,870, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2018 were: Tier One/Tier Two General Service – 1.01 percent and OPSRP Pension Program General Service – 0.45.

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, 2017 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, 2018

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, 2018 are included in the OPERS annual pension amount in Note 8. The rates in effect for the fiscal year ended June 30, 2018 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, 2018

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, 2018

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, 2018 were \$377,263.

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, 2018, approximately 89 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, 2018 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, 2018**

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 \$1,738,793 and represented \$527,084 restricted for capital improvement and construction projects, \$817,366 for debt service and \$395,343 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 \$3,456,169 of which \$456,169 is for student fees and activities and \$3,000,000 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 2018-19 fiscal year budget.

Unassigned

The unassigned fund balance for the General Fund is \$2,038,163. The unassigned fund balance for Other Governmental Funds is a deficit balance of \$264,884. This deficit balance is related to certain restricted grant programs in which disbursements exceeded receipts during the fiscal year ending June 30, 2018 and operate on a reimbursement basis.

Note 11 – Deficit Fund Balances

At June 30, 2018, the District had the following deficit fund balances in its non-major funds:

Fund #	Fund Name	
Fund 204	Educational Foundation of Pendleton	\$ 12,501
Fund 214	Struve Memorial	600
Fund 217	CTE Program, Competative Grant	276
Fund 229	QZAB Sinking Fund	3,563
Fund 244	Title IVA Grant	17,988
Fund 255	Title I 2015-16	171,424
Fund 260	Native Culturally Relevant	6,595
Fund 271	Homestead 2017-19 Grant	19,136
Fund 277	Title IIA Quality Teacher Grant	8,598
Fund 298	Measure 98 Student Success	24,203
	Total Deficit Fund Balances	\$ 264,884

The deficits are a result of funds being spent prior to requested reimbursement funds being received and totaled \$264,884 at June 30, 2018. 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, 2018**

Note 12 – Interfund Transfers

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

Fund	Transfers-In	Transfers-Out
General Fund	\$ 83,335	\$ 568
Struve Memorial Fund #214	-	1,940
QZAB SD 1149 Fund #229	568	-
Special Donations Fund #295		440
Associated Student Body Fund #299	2,380	83,335
Totals	\$ 86,283	\$ 86,283

The General Fund Transfers out of \$568 were for required debt service sinking fund requirements in the QZAB SB 1149 Fund #229 during the June 30, 2018 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.

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

**Notes to the Financial Statements
June 30, 2018**

Note 15 – Evaluation of Subsequent Events

The District has evaluated subsequent events through December 1, 2018, the date which the financial statements were available to be issued.

Supplementary Information

Combining Nonmajor Fund Financial Statements

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

**Combining Balance Sheet - Cash Basis
Nonmajor Governmental Funds
June 30, 2018**

	<u>Pendleton Foundation Trust Fund #201</u>	<u>Educational Foundation of Pendleton Fund #204</u>	<u>Struve Memorial Fund #214</u>	<u>CTE Program Competative Grant Fund #217</u>	<u>Sodexo Scholarship Fund #223</u>	<u>Food Service Fund #224</u>	<u>Altrusa ASK Program Fund #235</u>	<u>PHS ASPIRE Program Fund #236</u>	<u>PHS Robotics Grant Fund #237</u>
<u>Assets</u>									
Cash and Cash Equivalents	\$ 17,051	\$ -	\$ -	\$ -	\$ 500	\$ 222,108	\$ 651	\$ 5,015	\$ 5,363
Investments	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 17,051</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 222,108</u>	<u>\$ 651</u>	<u>\$ 5,015</u>	<u>\$ 5,363</u>
<u>Liabilities and Fund Balances</u>									
Liabilities:									
Due to Other funds	\$ -	\$ 12,501	\$ 600	\$ 276	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balances:									
Spendable:									
Restricted	17,051	-	-	-	500	222,108	651	5,015	5,363
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	(12,501)	(600)	(276)	-	-	-	-	-
Total Fund Balances	<u>17,051</u>	<u>(12,501)</u>	<u>(600)</u>	<u>(276)</u>	<u>500</u>	<u>222,108</u>	<u>651</u>	<u>5,015</u>	<u>5,363</u>
Total Liabilities and Fund Balances	<u>\$ 17,051</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 222,108</u>	<u>\$ 651</u>	<u>\$ 5,015</u>	<u>\$ 5,363</u>

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

**Combining Balance Sheet - Cash Basis
Nonmajor Governmental Funds
June 30, 2018**

	<u>Wildhorse Foundation Grant Fund #243</u>	<u>Title IVA Grant Fund #244</u>	<u>Title I 2017-2018 Grant Fund #255</u>	<u>TAPP Grant Fund #260</u>	<u>Morrow County Grain Growers Fund #267</u>	<u>Homestead Youth and Family 17-19 Grant Fund #271</u>	<u>Buck Boosters Grant Fund #273</u>	<u>Title IIA Grant Fund #277</u>	<u>P-3 Alignment Fund #283</u>	<u>St. Anthony Hospital Foundation Grant Fund #286</u>
<u>Assets</u>										
Cash and Cash Equivalents	\$ 28	\$ -	\$ -	\$ -	\$ 909	\$ -	\$ 119,121	\$ -	\$ 6,588	\$ 2,064
Investments	-	-	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 28</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 909</u>	<u>\$ -</u>	<u>\$ 119,121</u>	<u>\$ -</u>	<u>\$ 6,588</u>	<u>\$ 2,064</u>
<u>Liabilities and Fund Balances</u>										
Liabilities:										
Due to Other funds	\$ -	\$ 17,988	\$ 171,424	\$ 6,595	\$ -	\$ 19,136	\$ -	\$ 8,598	\$ -	\$ -
Fund Balances:										
Spendable:										
Restricted	28	-	-	-	909	-	119,121	-	6,588	2,064
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	(17,988)	(171,424)	(6,595)	-	(19,136)	-	(8,598)	-	-
Total Fund Balances	<u>28</u>	<u>(17,988)</u>	<u>(171,424)</u>	<u>(6,595)</u>	<u>909</u>	<u>(19,136)</u>	<u>119,121</u>	<u>(8,598)</u>	<u>6,588</u>	<u>2,064</u>
Total Liabilities and Fund Balances	<u>\$ 28</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 909</u>	<u>\$ -</u>	<u>\$ 119,121</u>	<u>\$ -</u>	<u>\$ 6,588</u>	<u>\$ 2,064</u>

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

**Combining Balance Sheet - Cash Basis
Nonmajor Governmental Funds
June 30, 2018**

	<u>EOCI State of OR Fund #287</u>	<u>Mid-Co Donations Fund #288</u>	<u>Special Donations Fund #295</u>	<u>Measure 98 Student Success Fund #298</u>	<u>Associated Student Body Fund #299</u>	<u>OPERS 2002 Bond Debt Service Fund #301</u>	<u>OPERS 2003 Bond Debt Service Fund #302</u>	<u>2014 GO Bond Debt Service Fund #303</u>	<u>Capital Projects Fund #400</u>	<u>Total Nonmajor Governmental Funds</u>
<u>Assets</u>										
Cash and Cash Equivalents	\$ 580	\$ 100	\$ 14,265	\$ -	\$ 446,170	\$ 12,317	\$ 12,297	\$ 792,751	\$ 527,085	\$ 2,184,963
Investments	-	-	-	-	10,000	-	-	-	-	10,000
Total Assets	<u>\$ 580</u>	<u>\$ 100</u>	<u>\$ 14,265</u>	<u>\$ -</u>	<u>\$ 456,170</u>	<u>\$ 12,317</u>	<u>\$ 12,297</u>	<u>\$ 792,751</u>	<u>\$ 527,085</u>	<u>\$ 2,194,963</u>
<u>Liabilities and Fund Balances</u>										
Liabilities:										
Due to Other funds	\$ -	\$ -	\$ -	\$ 24,203	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 261,321
Fund Balances:										
Spendable:										
Restricted	580	100	14,265	-	-	12,317	12,297	792,751	527,085	1,738,793
Assigned	-	-	-	-	456,170	-	-	-	-	456,170
Unassigned	-	-	-	(24,203)	-	-	-	-	-	(261,321)
Total Fund Balances	<u>580</u>	<u>100</u>	<u>14,265</u>	<u>(24,203)</u>	<u>456,170</u>	<u>12,317</u>	<u>12,297</u>	<u>792,751</u>	<u>527,085</u>	<u>1,933,642</u>
Total Liabilities and Fund Balances	<u>\$ 580</u>	<u>\$ 100</u>	<u>\$ 14,265</u>	<u>\$ -</u>	<u>\$ 456,170</u>	<u>\$ 12,317</u>	<u>\$ 12,297</u>	<u>\$ 792,751</u>	<u>\$ 527,085</u>	<u>\$ 2,194,963</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, 2018**

	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	-	-	8,217	3,386	482	318,579	-	14,880	21,842	926	-
Food Service Sales	-	-	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	-	-	-
Contributions and Donations	38,438	4,246	-	-	-	-	1,939	5,500	-	-	500
Earnings on Investments	-	-	-	-	-	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	38,438	4,246	8,217	3,386	482	318,579	1,939	20,380	21,842	926	500
<u>Expenditures</u>											
Current:											
Instruction:											
Regular Programs	21,387	16,747	-	-	-	-	599	10,500	20,118	-	500
Special Programs	-	-	8,217	3,386	-	318,579	-	-	-	-	-
Support Services:											
Student Support Services	-	-	-	-	-	-	-	-	-	-	-
Instructional Staff Support	-	-	-	-	482	-	-	-	-	848	-
Enterprise and Community Services:											
Food Services	-	-	-	-	-	-	-	-	-	-	-
Facilities Acquisition and Construction	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-
Debt Service:											
Principal	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	21,387	16,747	8,217	3,386	482	318,579	599	10,500	20,118	848	500
Change in Fund Balances Before Other Financing Sources / (Uses)	17,051	(12,501)	-	-	-	-	1,340	9,880	1,724	78	-
Other Financing Sources / (Uses): Transfers (to) / from Other Funds	-	-	-	-	-	-	(1,940)	-	-	-	-
Net Change in Fund Balances	17,051	(12,501)	-	-	-	-	(600)	9,880	1,724	78	-
Fund Balances, Beginning	-	-	-	-	-	-	-	(9,880)	(2,000)	(78)	500
Fund Balances, Ending	\$ 17,051	\$ (12,501)	\$ -	\$ -	\$ -	\$ -	\$ (600)	\$ -	\$ (276)	\$ -	\$ 500

**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, 2018**

	Food Service Fund #224	Culinary Food Truck Fund #230	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 IVA Grant Fund #244	ECMC Grant Fund #249
<u>Revenues</u>									
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,054,236	-	-	2,600	-	2,486	-	-	-
Food Service Sales	211,553	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	-
Contributions and Donations	-	5,700	7,160	-	7,380	-	27,085	-	3,000
Earnings on Investments	3,379	-	-	-	-	-	-	-	-
Other Revenue	6,264	2,164	-	-	-	-	-	-	225
Total Revenues	1,275,432	7,864	7,160	2,600	7,380	2,486	27,085	-	3,225
<u>Expenditures</u>									
Current:									
Instruction:									
Regular Programs	-	40,237	7,607	-	5,050	-	27,057	17,988	3,000
Special Programs	-	-	250	-	-	-	-	-	-
Support Services:									
Student Support Services	-	-	-	-	-	-	-	-	-
Instructional Staff Support	-	-	-	-	-	2,486	-	-	-
Enterprise and Community Services:									
Food Services	1,254,688	-	-	-	-	-	-	-	-
Facilities Acquisition and Construction	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Total Expenditures	1,254,688	40,237	7,857	-	5,050	2,486	27,057	17,988	3,000
Change in Fund Balances Before Other Financing Sources / (Uses)	20,744	(32,373)	(697)	2,600	2,330	-	28	(17,988)	225
Other Financing Sources / (Uses): Transfers (to) / from Other Funds	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	20,744	(32,373)	(697)	2,600	2,330	-	28	(17,988)	225
Fund Balances, Beginning	201,364	32,373	1,348	2,415	3,033	-	-	-	(225)
Fund Balances, Ending	\$ 222,108	\$ -	\$ 651	\$ 5,015	\$ 5,363	\$ -	\$ 28	\$ (17,988)	\$ -

**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, 2018**

	Title I 2016-17 Grant <u>Fund #253</u>	Title I 2017-2018 Grant <u>Fund #255</u>	TAPP Grant <u>Fund #260</u>	Morrow County Grain Growers <u>Fund #267</u>	Homestead 2015-2017 Grant <u>Fund #270</u>	Homestead 2017-2019 Grant <u>Fund #271</u>	Buck Boosters Grant <u>Fund #273</u>	Title IIA 2017-18 Grant <u>Fund #277</u>	Title IIA 2016-17 Grant <u>Fund #278</u>	P-3 Alignment Fund #283	St. Anthony Hospital Foundation Grant <u>Fund #286</u>
<u>Revenues</u>											
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	135,479	551,020	83,835	-	213,944	540,614	-	106,285	30,885	-	-
Food Service Sales	-	-	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	-	-	-
Contributions and Donations	-	-	-	909	-	-	9,576	-	-	-	3,025
Earnings on Investments	-	-	-	-	-	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	135,479	551,020	83,835	909	213,944	540,614	9,576	106,285	30,885	-	3,025
<u>Expenditures</u>											
Current:											
Instruction:											
Regular Programs	-	-	-	-	-	-	23,705	-	-	-	-
Special Programs	603	722,146	-	-	-	559,750	-	-	-	-	-
Support Services:											
Student Support Services	-	-	64,752	-	-	-	-	-	-	-	996
Instructional Staff Support	-	-	259	-	-	-	-	114,883	17,028	5,883	-
Enterprise and Community Services:											
Food Services	-	-	-	-	-	-	-	-	-	-	-
Facilities Acquisition and Construction	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-
Debt Service:											
Principal	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	603	722,146	65,011	-	-	559,750	23,705	114,883	17,028	5,883	996
Change in Fund Balances Before Other Financing Sources / (Uses)	134,876	(171,126)	18,824	909	213,944	(19,136)	(14,129)	(8,598)	13,857	(5,883)	2,029
Other Financing Sources / (Uses):											
Transfers (to) / from Other Funds	-	-	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	134,876	(171,126)	18,824	909	213,944	(19,136)	(14,129)	(8,598)	13,857	(5,883)	2,029
Fund Balances, Beginning	(134,876)	(298)	(25,419)	-	(213,944)	-	133,250	-	(13,857)	12,471	35
Fund Balances, Ending	\$ -	\$ (171,424)	\$ (6,595)	\$ 909	\$ -	\$ (19,136)	\$ 119,121	\$ (8,598)	\$ -	\$ 6,588	\$ 2,064

**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, 2018**

	EOCI State of OR Fund #287	Mid-Co Donations Fund #288	Wal-Mart Grant Fund #294	Special Donations Fund #295	Measure 98 Student Success Fund #298	Associated Student Body Fund #299	OPERS 2002 Bond Debt Service Fund #301	OPERS 2003 Bond Debt Service Fund #302	2014 GO Bond Debt Service Fund #303	Capital Projects Fund #400	Total Nonmajor Governmental Funds
<u>Revenues</u>											
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,151,404	\$ -	\$ 3,151,404
Intergovernmental	-	-	-	-	112,512	-	-	-	-	-	3,202,208
Food Service Sales	-	-	-	-	-	-	-	-	-	-	211,553
Charges for Services	-	-	-	-	-	601,102	1,043,875	1,352,301	-	-	2,997,278
Contributions and Donations	-	100	-	10,992	-	38,133	-	-	-	-	163,683
Earnings on Investments	-	-	-	-	-	53	11,109	12,298	28,629	13,509	68,977
Other Revenue	-	-	-	-	-	-	-	-	-	32,438	41,091
Total Revenues	-	100	-	10,992	112,512	639,288	1,054,984	1,364,599	3,180,033	45,947	9,836,194
<u>Expenditures</u>											
Current:											
Instruction:											
Regular Programs	-	200	160	11,455	43,026	479,512	-	-	-	-	728,848
Special Programs	-	-	-	-	31,644	-	-	-	-	-	1,644,575
Support Services:											
Student Support Services	-	-	-	-	62,045	-	-	-	-	-	127,793
Instructional Staff Support	-	-	-	-	-	-	-	-	-	-	141,869
Enterprise and Community Services:											
Food Services	-	-	-	-	-	-	-	-	-	-	1,254,688
Facilities Acquisition and Construction	-	-	-	-	-	-	-	-	-	11,756	11,756
Capital Outlay	-	-	-	-	-	-	-	-	-	1,852,660	1,852,660
Debt Service:											
Principal	-	-	-	-	-	-	236,177	383,116	980,564	-	1,599,857
Interest	-	-	-	-	-	-	812,771	976,629	2,066,875	-	3,856,275
Total Expenditures	-	200	160	11,455	136,715	479,512	1,048,948	1,359,745	3,047,439	1,864,416	11,218,321
Change in Fund Balances Before Other Financing Sources / (Uses)	-	(100)	(160)	(463)	(24,203)	159,776	6,036	4,854	132,594	(1,818,469)	(1,382,127)
Other Financing Sources / (Uses): Transfers (to) / from Other Funds	-	-	-	(440)	-	(80,955)	-	-	-	-	(83,335)
Net Change in Fund Balances	-	(100)	(160)	(903)	(24,203)	78,821	6,036	4,854	132,594	(1,818,469)	(1,465,462)
Fund Balances, Beginning	580	200	160	15,168	-	377,349	6,281	7,443	660,157	2,345,554	3,399,104
Fund Balances, Ending	\$ 580	\$ 100	\$ -	\$ 14,265	\$ (24,203)	\$ 456,170	\$ 12,317	\$ 12,297	\$ 792,751	\$ 527,085	\$ 1,933,642

Budgetary Comparison Schedules

Pendleton School District #16R
Umatilla County, Oregon

Budgetary Comparison Schedule
Pendleton Foundation Trust Fund #201
Fiscal Year Ended June 30, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations From Private Sources	\$ 45,000	45,000	38,438	\$ (6,562)
<u>Disbursements</u>				
Instruction:				
1111 Elementary, K-5 or K-6	15,000	15,000	13,054	1,946
1121 Middle/Junior High Programs	10,000	10,000	8,333	1,667
1131 High School Programs	20,000	20,000	-	20,000
Total Instruction	45,000	45,000	21,387	23,613
Support Services:				
2540 Operation and Maintenance of Plant Services	10,000	10,000	-	10,000
Total Disbursements	55,000	55,000	21,387	33,613
Net Change in Fund Balance	(10,000)	(10,000)	17,051	27,051
Fund Balance, Beginning	10,000	10,000	-	(10,000)
Fund Balance, Ending	\$ -	\$ -	\$ 17,051	\$ 17,051

Pendleton School District #16R
Umatilla County, Oregon

Budgetary Comparison Schedule
Educational Foundation of Pendleton Fund #204
Fiscal Year Ended June 30, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations From Private Sources	\$ 20,000	20,000	4,246	\$ (15,754)
<u>Disbursements</u>				
Instruction:				
1111 Elementary, K-5 or K-6	10,000	10,000	300	9,700
1121 Middle/Junior High Programs	5,000	5,000	700	4,300
1131 High School Programs	5,000	5,000	15,747	(10,747)
Total Disbursements	20,000	20,000	16,747	3,253
Net Change in Fund Balance	-	-	(12,501)	(12,501)
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ (12,501)	\$ (12,501)

Pendleton School District #16R
Umatilla County, Oregon

Budgetary Comparison Schedule
IDEA Enhancement Fund #205
Fiscal Year Ended June 30, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Federal Sources:				
4500 Restricted Revenue from the Federal Government Through the State	\$ 8,500	8,500	8,217	\$ (283)
<u>Disbursements</u>				
Instruction:				
1250 Less Restrictive Programs for Students with Disabilities	8,500	8,500	8,217	283
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

Pendleton School District #16R
Umatilla County, Oregon

Budgetary Comparison Schedule
IDEA Systems Performance Fund #206
Fiscal Year Ended June 30, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Federal Sources:				
4500 Restricted Revenue from the Federal Government Through the State	\$ 4,000	\$ 4,000	\$ 3,386	\$ (614)
Total Receipts	4,000	4,000	3,386	(614)
<u>Disbursements</u>				
Instruction:				
1250 Less Restrictive Programs for Students with Disabilities	4,000	4,000	3,386	614
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

Pendleton School District #16R
Umatilla County, Oregon

Budgetary Comparison Schedule
Extended Assessment Training Fund #209
Fiscal Year Ended June 30, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Federal Sources:				
4500 Restricted Revenue from the Federal Government Through the State	\$ 1,000	\$ 1,000	\$ 482	\$ (518)
<u>Disbursements</u>				
Support Services:				
2210 Improvement of Instruction Services	1,000	1,000	482	518
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, 2018**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Federal Sources:				
4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies	\$ 440,000	\$ 440,000	\$ 318,579	\$ (121,421)
<u>Disbursements</u>				
Instruction:				
1250 Less Restrictive Programs for Students with Disabilities	440,000	440,000	318,579	121,421
Net Change in Fund Balance	-	-	0	0
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ 0	\$ 0

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

**Budgetary Comparison Schedule
Struve Memorial Fund #214
Fiscal Year Ended June 30, 2018**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations From Private Sources	\$ 7,500	\$ 7,500	\$ 1,939	\$ (5,561)
<u>Disbursements</u>				
Support Services:				
1132 High School Extracurricular	5,000	5,000	599	4,401
Change in Fund Balance Before Other Financial Sources / (Uses)	2,500	2,500	1,340	(1,160)
Other Financial Sources / (Uses): Transfer to Other Funds	(2,500)	(2,500)	(1,940)	560
Net Change in Fund Balance	-	-	(600)	(600)
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ (600)	\$ (600)

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

**Budgetary Comparison Schedule
CTE Program, Pendleton High School Fund #216
Fiscal Year Ended June 30, 2018**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations From Private Sources	\$ 130,000	\$ 130,000	\$ 5,500	\$ (124,500)
State Sources:				
3299 Other Restricted Grants-in-Aid	-	-	14,880	14,880
Total Receipts	130,000	130,000	20,380	(109,620)
<u>Disbursements</u>				
Instruction:				
1131 High School Programs	135,000	135,000	10,500	124,500
Net Change in Fund Balance	(5,000)	(5,000)	9,880	14,880
Fund Balance, Beginning	5,000	5,000	(9,880)	(14,880)
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

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

**Budgetary Comparison Schedule
CTE Program, Competative Grant Fund #217
Fiscal Year Ended June 30, 2018**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
State Sources:				
3299 Other Restricted Grants-in-Aid	\$ 50,000	\$ 50,000	\$ 21,842	\$ (28,158)
<u>Disbursements</u>				
Instruction:				
1131 High School Programs	50,000	50,000	20,118	29,882
Net Change in Fund Balance	-	-	1,724	1,724
Fund Balance, Beginning	-	-	(2,000)	(2,000)
Fund Balance, Ending	\$ -	\$ -	\$ (276)	\$ (276)

Pendleton School District #16R
Umatilla County, Oregon

Budgetary Comparison Schedule
EBISS Grant Fund #218
Fiscal Year Ended June 30, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Federal Sources:				
4500 Restricted Revenue from the Federal Government Through the State	\$ 10,000	\$ 10,000	\$ 926	\$ (9,074)
<u>Disbursements</u>				
Support Services:				
2210 Improvement of Instruction Services	10,000	10,000	848	9,152
Net Change in Fund Balance	-	-	78	78
Fund Balance, Beginning	-	-	(78)	(78)
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

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

**Budgetary Comparison Schedule
Sodexo Scholarship Fund #223
Fiscal Year Ended June 30, 2018**

	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:				
1131 High School Programs	500	500	500	-
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning	-	-	500	500
Fund Balance, Ending	\$ -	\$ -	\$ 500	\$ 500

Pendleton School District #16R
Umatilla County, Oregon

Budgetary Comparison Schedule
Food Service Fund #224
Fiscal Year Ended June 30, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1500 Earnings on Investments	\$ -	\$ -	\$ 3,379	\$ 3,379
1600 Food Service	450,000	450,000	211,553	(238,447)
1990 Miscellaneous	25,000	25,000	6,264	(18,736)
Total Local Sources	<u>475,000</u>	<u>475,000</u>	<u>221,196</u>	<u>(253,804)</u>
State Sources:				
3102 State School Fund - School Lunch Match	15,000	15,000	11,249	(3,751)
3299 Other Restricted Grants-in-Aid	22,000	22,000	15,517	(6,483)
Total State Sources	<u>37,000</u>	<u>37,000</u>	<u>26,766</u>	<u>(10,234)</u>
Federal Sources:				
4500 Restricted Revenue from the Federal Government Through the State	880,000	880,000	942,211	62,211
4900 Revenue for / on Behalf of the District	90,000	90,000	85,259	(4,741)
Total Federal Sources	<u>970,000</u>	<u>970,000</u>	<u>1,027,470</u>	<u>57,470</u>
Total Receipts	<u>1,482,000</u>	<u>1,482,000</u>	<u>1,275,432</u>	<u>(206,568)</u>
<u>Disbursements</u>				
Enterprise and Community Services:				
3100 Food Services	1,682,000	1,682,000	1,254,688	427,312
Net Change in Fund Balance	(200,000)	(200,000)	20,744	220,744
Fund Balance, Beginning	200,000	200,000	201,364	1,364
Fund Balance, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 222,108</u>	<u>\$ 222,108</u>

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

**Budgetary Comparison Schedule
Culinary Food Truck Fund #230
Fiscal Year Ended June 30, 2018**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations				
From Private Sources	\$ 25,000	\$ 25,000	\$ 5,700	\$ (19,300)
1990 Miscellaneous	-	-	2,164	2,164
Total Receipts	25,000	25,000	7,864	(17,136)
<u>Disbursements</u>				
Instruction:				
1131 High School Programs	45,000	45,000	40,237	4,763
Net Change in Fund Balance	(20,000)	(20,000)	(32,373)	(14,537)
Fund Balance, Beginning	20,000	20,000	32,373	12,373
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ (2,164)

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

**Budgetary Comparison Schedule
Culinary Arts Fund #231
Fiscal Year Ended June 30, 2018**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations	\$ 10,000	\$ 10,000	\$ -	\$ (10,000)
<u>Disbursements</u>				
Instruction:				
1131 High School Programs	10,000	10,000	-	10,000
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, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations From Private Sources	\$ 9,000	\$ 9,000	\$ 7,160	\$ (1,840)
<u>Disbursements</u>				
Instruction:				
1111 Elementary, K-5 or K-6	9,500	9,500	3,870	5,630
1121 Middle/Junior High Programs	2,000	2,000	1,855	145
1131 High School Programs	2,000	2,000	1,882	118
1280 Alternative Education	500	500	250	250
Total Instruction	14,000	14,000	7,857	6,143
Support Services:				
2550 Student Transportation Services	1,000	1,000	-	1,000
Total Disbursements	15,000	15,000	7,857	7,143
Net Change in Fund Balance	(6,000)	(6,000)	(697)	5,303
Fund Balance, Beginning	6,000	6,000	1,348	(4,652)
Fund Balance, Ending	\$ -	\$ -	\$ 651	\$ 651

Pendleton School District #16R
Umatilla County, Oregon

Budgetary Comparison Schedule
PHS ASPIRE Program Fund #236
Fiscal Year Ended June 30, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
State Sources:				
3299 Other Restricted Grants-in-Aid	\$ 3,000	\$ 3,000	\$ 2,600	\$ (400)
<u>Disbursements</u>				
Instruction:				
1131 High School Programs	4,000	4,000	-	4,000
Net Change in Fund Balance	(1,000)	(1,000)	2,600	3,600
Fund Balance, Beginning	1,000	1,000	2,415	1,415
Fund Balance, Ending	\$ -	\$ -	\$ 5,015	\$ 5,015

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

**Budgetary Comparison Schedule
PHS Robotics Grant Fund #237
Fiscal Year Ended June 30, 2018**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations				
From Private Sources	\$ 5,000	\$ 5,000	\$ 7,380	\$ 2,380
State Sources:				
3299 Other Restricted Grants-in-Aid	10,000	10,000	-	(10,000)
Federal Sources:				
4500 Restricted Revenue from the Federal Government Through the State	15,000	15,000	-	(15,000)
Total Receipts	<u>30,000</u>	<u>30,000</u>	<u>7,380</u>	<u>(22,620)</u>
<u>Disbursements</u>				
Instruction:				
1121 Middle/Junior High Programs	-	-	2,110	(2,110)
1131 High School Programs	<u>30,000</u>	<u>30,000</u>	<u>2,940</u>	<u>27,060</u>
Total Disbursements	<u>30,000</u>	<u>30,000</u>	<u>5,050</u>	<u>24,950</u>
Net Change in Fund Balance	-	-	2,330	2,330
Fund Balance, Beginning	<u>-</u>	<u>-</u>	<u>3,033</u>	<u>3,033</u>
Fund Balance, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,363</u>	<u>\$ 5,363</u>

Pendleton School District #16R
Umatilla County, Oregon

Budgetary Comparison Schedule
SWIFT Grant Fund #239
Fiscal Year Ended June 30, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
State Sources:				
3299 Other Restricted Grants-in-Aid	\$ 15,000	\$ 15,000	\$ -	\$ (15,000)
Federal Sources:				
4500 Restricted Revenue from the Federal Government Through the State	-	-	2,486	2,486
Total Receipts	15,000	15,000	2,486	(12,514)
<u>Disbursements</u>				
Support Services:				
2210 Improvement of Instruction Services	15,000	15,000	2,486	12,514
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

Pendleton School District #16R
Umatilla County, Oregon

Budgetary Comparison Schedule
Wildhorse Foundation Grant Fund #243
Fiscal Year Ended June 30, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations From Private Sources	\$ 30,000	\$ 30,000	\$ 27,085	\$ (2,915)
<u>Disbursements</u>				
Instruction:				
1111 Elementary, K-5 or K-6	15,000	15,000	18,442	(3,442)
1121 Middle/Junior High Programs	15,000	15,000	-	15,000
1131 High School Programs	10,000	10,000	8,615	1,385
Total Disbursements	40,000	40,000	27,057	12,943
Net Change in Fund Balance	(10,000)	(10,000)	28	10,028
Fund Balance, Beginning	10,000	10,000	-	(10,000)
Fund Balance, Ending	\$ -	\$ -	\$ 28	\$ 28

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

**Budgetary Comparison Schedule
Title IVA Grant Fund #244
Fiscal Year Ended June 30, 2018**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Federal Sources:				
4500 Restricted Revenue from the Federal Government Through the State	\$ 20,000	\$ 20,000	\$ -	\$ (20,000)
<u>Disbursements</u>				
Instructional Services:				
1111 Elementary, K-5 or K-6	20,000	20,000	17,988	2,012
Net Change in Fund Balance	-	-	(17,988)	(17,988)
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	-	-	(17,988)	(17,988)

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

**Budgetary Comparison Schedule
ECMC Grant Fund #249
Fiscal Year Ended June 30, 2018**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations				
From Private Sources	\$ 3,000	\$ 3,000	\$ 3,000	\$ -
1990 Miscellaneous	-	-	225	225
Total Receipts	<u>3,000</u>	<u>3,000</u>	<u>3,225</u>	<u>225</u>
<u>Disbursements</u>				
Instruction:				
1131 High School Programs	<u>4,000</u>	<u>4,000</u>	<u>3,000</u>	<u>1,000</u>
Net Change in Fund Balance	(1,000)	(1,000)	225	1,225
Fund Balance, Beginning	<u>1,000</u>	<u>1,000</u>	<u>(225)</u>	<u>(1,225)</u>
Fund Balance, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**Budgetary Comparison Schedule
Title I 2016-17 Grant Fund #253
Fiscal Year Ended June 30, 2018**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Federal Sources:				
4500 Restricted Revenue from the Federal Government Through the State	\$ 50,000	\$ 50,000	\$ 135,479	\$ 85,479
<u>Disbursements</u>				
Instruction:				
1272 Title I	50,000	50,000	603	49,397
Net Change in Fund Balance	-	-	134,876	134,876
Fund Balance, Beginning	-	-	(134,876)	(134,876)
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

Pendleton School District #16R
Umatilla County, Oregon

Budgetary Comparison Schedule
Title I 2017-2018 Grant Fund #255
Fiscal Year Ended June 30, 2018

	Budget		Actual	Variance with
	Original	Final		Final Budget
<u>Receipts</u>				
Federal Sources:				
4500 Restricted Revenue from the Federal Government Through the State	\$ 765,000	\$ 765,000	\$ 551,020	\$ (213,980)
<u>Disbursements</u>				
Instruction:				
1272 Title I	765,000	765,000	722,146	42,854
Net Change in Fund Balance	-	-	(171,126)	(171,126)
Fund Balance, Beginning	-	-	(298)	(298)
Fund Balance, Ending	\$ -	\$ -	\$ (171,424)	\$ (171,424)

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

**Budgetary Comparison Schedule
Tribal Attendance Pilot Project Grant Fund #260
Fiscal Year Ended June 30, 2018**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
State Sources:				
3299 Other Restricted Grants-in-Aid	\$ 155,000	\$ 155,000	\$ 83,835	\$ (71,165)
<u>Disbursements</u>				
Support Services:				
2110 Attendance and Social Work Services	-	-	64,752	(64,752)
2210 Improvement of Instruction Services	155,000	155,000	259	154,741
Total Disbursements	155,000	155,000	65,011	89,989
Net Change in Fund Balance	-	-	18,824	18,824
Fund Balance, Beginning	-	-	(25,419)	(25,419)
Fund Balance, Ending	\$ -	\$ -	\$ (6,595)	\$ (6,595)

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

**Budgetary Comparison Schedule
Morrow County Grain Growers Grant Fund #267
Fiscal Year Ended June 30, 2018**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations				
From Private Sources	\$ -	\$ -	\$ 909	\$ 909
<u>Disbursements</u>				
Instruction:				
1111 Elementary, K-5 or K-6	-	-	-	-
Net Change in Fund Balance	-	-	909	909
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ 909	\$ 909

**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, 2018**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
State Sources:				
3299 Other Restricted Grants-in-Aid	\$ 100,000	\$ 100,000	\$ 195,232	\$ 95,232
Federal Sources:				
4500 Restricted Revenue from the Federal Government Through the State	-	-	18,712	18,712
Total Receipts	100,000	100,000	213,944	113,944
<u>Disbursements</u>				
Instruction:				
1220 Restrictive Programs for Students with Disabilities	100,000	100,000	-	100,000
Net Change in Fund Balance	-	-	213,944	213,944
Fund Balance, Beginning	-	-	(213,944)	(213,944)
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

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

**Budgetary Comparison Schedule
Homestead Youth and Family Services 2017-2019 Grant Fund #271
Fiscal Year Ended June 30, 2018**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
State Sources:				
3299 Other Restricted Grants-in-Aid	\$ 648,000	\$ 648,000	\$ 518,697	\$ (129,303)
Federal Sources:				
4500 Restricted Revenue from the Federal Government Through the State	42,000	42,000	21,917	(20,083)
Total Receipts	690,000	690,000	540,614	(149,386)
<u>Disbursements</u>				
Instruction:				
1220 Restrictive Programs for Students with Disabilities	690,000	690,000	559,750	130,250
Net Change in Fund Balance	-	-	(19,136)	(19,136)
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ (19,136)	\$ (19,136)

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

**Budgetary Comparison Schedule
Buck Boosters Grant Fund #273
Fiscal Year Ended June 30, 2018**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations From Private Sources	\$ 59,500	\$ 59,500	\$ 9,576	\$ (49,924)
<u>Disbursements</u>				
Instruction:				
1131 High Instruction	-	-	14,100	(14,100)
1132 High School Extracurricular	57,500	57,500	9,605	47,895
Total Instruction	57,500	57,500	23,705	33,795
Support Services:				
2540 Operation and Maintenance of Plant Services	135,000	135,000	-	135,000
Total Support Services	135,000	135,000	-	(135,000)
Total Disbursements	192,500	192,500	23,705	168,795
Change in Fund Balance Before Other Financial Sources / (Uses)	(133,000)	(133,000)	(14,129)	118,871
Other Financial Sources / (Uses):				
Transfer to Other Funds	(2,000)	(2,000)	-	2,000
Net Change in Fund Balance	(135,000)	(135,000)	(14,129)	120,871
Fund Balance, Beginning	135,000	135,000	133,250	(1,750)
Fund Balance, Ending	\$ -	\$ -	\$ 119,121	\$ 119,121

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

**Budgetary Comparison Schedule
Title IIA Quality Teacher Grant 2017-18 Fund #277
Fiscal Year Ended June 30, 2018**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Federal Sources:				
4500 Restricted Revenue from the Federal Government Through the State	\$ 128,000	\$ 128,000	\$ 106,285	\$ (21,715)
<u>Disbursements</u>				
Support Services:				
2210 Improvement of Instruction Services	-	-	20,773	(20,773)
2240 Instructional Staff Development	128,000	128,000	94,110	33,890
Total Disbursements	128,000	128,000	114,883	13,117
Net Change in Fund Balance	-	-	(8,598)	(8,598)
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ (8,598)	\$ (8,598)

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

**Budgetary Comparison Schedule
Title IIA Quality Teacher 2016-17 Grant Fund #278
Fiscal Year Ended June 30, 2018**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Federal Sources:				
4500 Restricted Revenue from the Federal Government Through the State	\$ 45,000	\$ 45,000	\$ 30,885	\$ (14,115)
<u>Disbursements</u>				
Support Services:				
2210 Improvement of Instruction Services	45,000	45,000	17,028	27,972
Net Change in Fund Balance	-	-	13,857	13,857
Fund Balance, Beginning	-	-	(13,857)	(13,857)
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

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

**Budgetary Comparison Schedule
P-3 Alignment Fund #283
Fiscal Year Ended June 30, 2018**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations From Private Sources	\$ -	\$ -	\$ -	\$ -
<u>Disbursements</u>				
Instruction:				
1111 Elementary, K-5 or K-6	-	-	-	-
Support Services:				
2240 Instructional Staff Development	40,000	40,000	5,883	34,117
Total Disbursements	40,000	40,000	5,883	34,117
Net Change in Fund Balance	(40,000)	(40,000)	(5,883)	34,117
Fund Balance, Beginning	40,000	40,000	12,471	(27,529)
Fund Balance, Ending	\$ -	\$ -	\$ 6,588	\$ 6,588

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

**Budgetary Comparison Schedule
St. Anthony Hospital Foundation Grant Fund #286
Fiscal Year Ended June 30, 2018**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations				
From Private Sources	\$ 15,000	\$ 15,000	\$ 3,025	\$ (11,975)
<u>Disbursements</u>				
Support Services:				
2120 Guidance Services	15,000	15,000	996	14,004
Net Change in Fund Balance	-	-	2,029	2,029
Fund Balance, Beginning	-	-	35	35
Fund Balance, Ending	\$ -	\$ -	\$ 2,064	\$ 2,064

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

**Budgetary Comparison Schedule
EOCI State of Oregon Fund #287
Fiscal Year Ended June 30, 2018**

	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, 2018

	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	200	300
Net Change in Fund Balance	(100)	(100)	(100)	-
Fund Balance, Beginning	100	100	200	100
Fund Balance, Ending	\$ -	\$ -	\$ 100	\$ 100

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

**Budgetary Comparison Schedule
CTSO Chapter Grants Fund #290
Fiscal Year Ended June 30, 2018**

	Budget			Variance with
	Original	Final	Actual	Final Budget
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations				
From Private Sources	\$ 3,500	\$ 3,500	\$ -	\$ (3,500)
 <u>Disbursements</u>				
Instruction:				
1131 High School Programs	3,500	3,500	-	3,500
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, 2018**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations				
From Private Sources	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
<u>Disbursements</u>				
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, 2018**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations				
From Private Sources	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
<u>Disbursements</u>				
Instruction:				
1111 Elementary, K-5 or K-6	750	750	160	590
1121 Middle School Programs	500	500	-	500
Total Disbursements	1,250	1,250	160	1,090
Net Change in Fund Balance	(250)	(250)	(160)	90
Fund Balance, Beginning	250	250	160	(90)
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

Pendleton School District #16R
Umatilla County, Oregon

Budgetary Comparison Schedule
Special Donations Fund #295
Fiscal Year Ended June 30, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations				
From Private Sources	\$ 40,500	\$ 40,500	\$ 10,992	\$ (29,508)
<u>Disbursements</u>				
Instruction:				
1111 Elementary, K-5 or K-6	21,000	21,000	1,609	19,391
1121 Middle/Junior High Programs	5,000	5,000	8,396	(3,396)
1131 High School Programs	19,000	19,000	1,450	17,550
1132 High School Extracurricular	5,000	5,000	-	5,000
Total Instruction	50,000	50,000	11,455	38,545
Support Services:				
2120 Guidance Services	5,000	5,000	-	5,000
2210 Improvement of Instruction Services	10,000	10,000	-	10,000
Total Support Services	15,000	15,000	-	15,000
Total Disbursements	65,000	65,000	11,455	53,545
Change in Fund Balance Before				
Other Financial Sources / (Uses)	(24,500)	(24,500)	(463)	24,037
Other Financial Sources / (Uses):				
Transfer to Other Funds	(500)	(500)	(440)	60
Net Change in Fund Balance	(25,000)	(25,000)	(903)	24,037
Fund Balance, Beginning	25,000	25,000	15,168	(9,832)
Fund Balance, Ending	\$ -	\$ -	\$ 14,265	\$ 14,205

Pendleton School District #16R
Umatilla County, Oregon

Budgetary Comparison Schedule
Measure 98 Student Success Fund #298
Fiscal Year Ended June 30, 2018

	Budget		Actual	Variance with Final Budget
<u>Receipts</u>	Original	Final		
State Sources				
3299 Other Restricted Grants-in-Aid	\$ 305,000	\$ 305,000	\$ 112,512	\$ (192,488)
<u>Disbursements</u>				
Instructional Services				
1131 High School Programs	178,000	178,000	43,026	134,974
1280 Alternative Education	55,000	55,000	31,644	23,356
Total Instruction	233,000	233,000	74,670	158,330
Support Services:				
2110 Attendance and Social Work Services	42,000	42,000	41,244	756
2120 Guidance Services	30,000	30,000	20,801	9,199
Total Support Services	72,000	72,000	62,045	9,955
Total Disbursements	305,000	305,000	136,715	168,285
Net Change in Fund Balance	-	-	(24,203)	(24,203)
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ (24,203)	\$ (24,203)

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

**Budgetary Comparison Schedule
Associated Student Body Fund #299
Fiscal Year Ended June 30, 2018**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1510 Interest on Investments	\$ -	\$ -	\$ 53	\$ 53
1700 Extracurricular Activities	560,000	560,000	601,102	41,102
1920 Contributions and Donations	-	-	38,133	38,133
Total Receipts	<u>560,000</u>	<u>560,000</u>	<u>639,288</u>	<u>79,288</u>
<u>Disbursements</u>				
Instruction:				
1113 Elementary Extracurricular	50,000	50,000	13,642	36,358
1122 Middle / Junior High School Extracurricular	140,000	140,000	63,163	76,837
1132 High School Extracurricular	570,000	570,000	402,707	167,293
Total Disbursements	<u>760,000</u>	<u>760,000</u>	<u>479,512</u>	<u>280,488</u>
Change in Fund Balance Before				
Other Financial Sources / (Uses)	(200,000)	(200,000)	159,776	359,776
Other Financial Sources / (Uses):				
Transfers from Other Funds	-	-	2,380	2,380
Transfer to Other Funds	(85,000)	(85,000)	(83,335)	1,665
Net Change in Fund Balance	(285,000)	(285,000)	78,821	363,821
Fund Balance, Beginning	<u>285,000</u>	<u>285,000</u>	<u>377,349</u>	<u>92,349</u>
Fund Balance, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 456,170</u>	<u>\$ 456,170</u>

Pendleton School District #16R
Umatilla County, Oregon

Budgetary Comparison Schedule
OPERS Bond 2002 Debt Service Fund #301
Fiscal Year Ended June 30, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1500 Earnings on Investments	\$ 5,000	\$ 5,000	\$ 11,109	\$ 6,109
1970 Services Provided Other Funds	1,065,000	1,065,000	1,043,875	(21,125)
Total Receipts	1,070,000	1,070,000	1,054,984	(15,016)
<u>Disbursements</u>				
Other Uses:				
5100 Debt Service	1,070,000	1,070,000	1,048,948	21,052
Net Change in Fund Balance	-	-	6,036	6,036
Fund Balance, Beginning	5,000	5,000	6,281	1,281
Fund Balance, Ending	\$ 5,000	\$ 5,000	\$ 12,317	\$ 7,317

Pendleton School District #16R
Umatilla County, Oregon

Budgetary Comparison Schedule
PERS Bond 2003 Debt Service Fund #302
Fiscal Year Ended June 30, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1500 Earnings on Investments	\$ 5,000	\$ 5,000	\$ 12,298	\$ 7,298
1970 Services Provided Other Funds	1,375,000	1,375,000	1,352,301	(22,699)
Total Receipts	1,380,000	1,380,000	1,364,599	(15,401)
<u>Disbursements</u>				
Other Uses:				
5100 Debt Service	1,380,000	1,380,000	1,359,745	20,255
Net Change in Fund Balance	-	-	4,854	4,854
Fund Balance, Beginning	5,000	5,000	7,443	2,443
Fund Balance, Ending	\$ 5,000	\$ 5,000	\$ 12,297	\$ 7,297

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

**Budgetary Comparison Schedule
2014 General Obligation Bond Debt Service Fund #303
Fiscal Year Ended June 30, 2018**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1110 Ad Valorem Taxes Levied by District	\$ 2,972,950	\$ 2,972,950	\$ 3,151,404	\$ 178,454
1500 Earnings on Investments	10,000	10,000	28,629	18,629
Total Receipts	<u>2,982,950</u>	<u>2,982,950</u>	<u>3,180,033</u>	<u>197,083</u>
<u>Disbursements</u>				
Other Uses:				
5100 Debt Service	<u>3,047,950</u>	<u>3,047,950</u>	<u>3,047,439</u>	<u>511</u>
Net Change in Fund Balance	(65,000)	(65,000)	132,594	197,594
Fund Balance, Beginning	<u>450,000</u>	<u>450,000</u>	<u>660,157</u>	<u>210,157</u>
Fund Balance, Ending	<u>\$ 385,000</u>	<u>\$ 385,000</u>	<u>\$ 792,751</u>	<u>\$ 407,751</u>

Pendleton School District #16R
Umatilla County, Oregon

Budgetary Comparison Schedule
Capital Projects Fund #400
Fiscal Year Ended June 30, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1500 Earnings on Investments	\$ 10,000	\$ 10,000	\$ 13,509	\$ 3,509
1960 Recovery of Prior Years Expenditures	-	-	12,610	12,610
1990 Miscellaneous	-	-	19,828	19,828
Total Local Sources	<u>10,000</u>	<u>10,000</u>	<u>45,947</u>	<u>35,947</u>
<u>Disbursements</u>				
Support Services:				
2520 Fiscal Services	-	-	-	-
Facilities Acquisition and Construction:				
4110 Service Area Direction	70,000	70,000	48,493	21,507
4150 Building Acquisition, Construction, and Improvement	2,330,000	2,330,000	1,804,667	525,333
4180 Other Capital Items	-	-	11,256	(11,256)
Total Facilities Acquisition and Construction	<u>2,400,000</u>	<u>2,400,000</u>	<u>1,864,416</u>	<u>535,584</u>
Total Disbursements	<u>2,400,000</u>	<u>2,400,000</u>	<u>1,864,416</u>	<u>535,584</u>
Change in Fund Balance Before Other Financing Sources / (Uses)	(2,390,000)	(2,390,000)	(1,818,469)	571,531
Other Financial Sources / (Uses): Transfers from Other Funds	-	-	-	-
Net Change in Fund Balance	(2,390,000)	(2,390,000)	(1,818,469)	571,531
Fund Balance, Beginning	<u>2,390,000</u>	<u>2,390,000</u>	<u>2,345,554</u>	<u>(44,446)</u>
Fund Balance, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 527,085</u>	<u>\$ 527,085</u>

Other Financial Schedules

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

**Supplemental Information Required by the Oregon Department of Education
Fiscal Year Ended June 30, 2018**

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	\$ 567,581
Function 2550	\$ -

B. Replacement of Equipment – General Fund:

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

\$ -

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, 2018

	Totals	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
Revenue from Local Sources								
1110 Ad Valorem Taxes Levied by District	8,971,671	5,824,326	-	3,147,345	-	-	-	-
1120 Local Option Ad Valorem Taxes Levied by District	323,329	323,329	-	-	-	-	-	-
1130 Construction Excise Tax	-	-	-	-	-	-	-	-
1190 Penalties and Interest on Taxes	12,526	8,467	-	4,059	-	-	-	-
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	226,836	101,711	59,581	52,035	13,509	-	-	-
1600 Food Service	211,553	-	211,553	-	-	-	-	-
1700 Extracurricular Activities	616,571	15,469	601,102	-	-	-	-	-
1800 Community Services Activities	-	-	-	-	-	-	-	-
1910 Rentals	85,970	85,970	-	-	-	-	-	-
1920 Contributions and Donations From Private Sources	166,377	2,694	163,683	-	-	-	-	-
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	14,345	1,735	-	-	12,610	-	-	-
1970 Services Provided Other Funds	2,396,176	-	-	2,396,176	-	-	-	-
1980 Fees Charged to Grants	-	-	-	-	-	-	-	-
1990 Miscellaneous	302,765	201,878	81,059	-	19,828	-	-	-
Total Revenue from Local Sources	13,328,119	6,565,579	1,116,978	5,599,615	45,947	-	-	-
Revenue from Intermediate Sources								
2101 County School Funds	86,949	86,949	-	-	-	-	-	-
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	116,760	116,760	-	-	-	-	-	-
2800 Revenue in Lieu of Taxes	-	-	-	-	-	-	-	-
2900 Revenue for/on Behalf of the District	-	-	-	-	-	-	-	-
Total Revenue from Intermediate Sources	203,709	203,709	-	-	-	-	-	-
Revenue from State Sources								
3101 State School Fund - General Support	22,461,368	22,461,368	-	-	-	-	-	-
3102 State School Fund - School Lunch Match	11,249	-	11,249	-	-	-	-	-
3103 Common School Fund	335,573	335,573	-	-	-	-	-	-
3104 State Managed County Timber	-	-	-	-	-	-	-	-
3106 State School Fund - Accrual	-	-	-	-	-	-	-	-
3199 Other Unrestricted Grants-in-Aid	172,224	172,224	-	-	-	-	-	-
3204 Driver Education	-	-	-	-	-	-	-	-
3222 State School Fund (SSF) Transportation Equipment	1,260,000	1,260,000	-	-	-	-	-	-
3299 Other Restricted Grants-in-Aid	965,116	-	965,116	-	-	-	-	-
3800 Revenue in Lieu of Taxes	-	-	-	-	-	-	-	-
3900 Revenue for/on Behalf of the District	-	-	-	-	-	-	-	-
Total Revenue from State Sources	25,205,530	24,229,165	976,365	-	-	-	-	-
Revenue from Federal Sources								
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	1,822,292	285	1,822,007	-	-	-	-	-
4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies	327,197	8,618	318,579	-	-	-	-	-
4801 Federal Forest Fees	4,672	4,672	-	-	-	-	-	-
4802 Impact Aid to School Districts for Operation (PL 874)	225,202	225,202	-	-	-	-	-	-
4803 Coos Bay Wagon Road Funds	-	-	-	-	-	-	-	-
4899 Other Revenue in Lieu of Taxes	-	-	-	-	-	-	-	-
4900 Revenue for/on Behalf of the District	85,259	-	85,259	-	-	-	-	-
Total Revenue from Federal Sources	2,464,622	238,777	2,225,845	-	-	-	-	-
Revenue from Other Sources								
5100 Long Term Debt Financing Sources	-	-	-	-	-	-	-	-
5200 Interfund Transfers	86,283	83,335	2,948	-	-	-	-	-
5300 Sale of or Compensation for Loss of Fixed Assets	-	-	-	-	-	-	-	-
5400 Resources - Beginning Fund Balance	9,114,630	3,848,209	2,246,985	673,882	2,345,554	-	-	-
Total Revenue from Other Sources	9,200,913	3,931,544	2,249,933	673,882	2,345,554	-	-	-
Grand Totals	50,402,893	35,168,774	6,569,121	6,273,497	2,391,501	-	-	-

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

**Supplemental Information Required by the Oregon Department of Education (3211c)
Fiscal Year Ended June 30, 2018**

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	6,709,451	4,383,534	2,168,916	30,450	126,473	-	78	-
1113 Elementary Extracurricular	-	-	-	-	-	-	-	-
1121 Middle/Junior High Programs	3,266,123	2,132,153	1,092,878	7,163	33,929	-	-	-
1122 Middle/Junior High School Extracurricular	106,226	72,746	16,338	5,766	11,376	-	-	-
1131 High School Programs	3,806,016	2,452,315	1,254,616	26,198	65,314	-	7,573	-
1132 High School Extracurricular	442,894	280,401	52,683	87,727	12,663	-	9,420	-
1140 Pre-Kindergarten Programs	41,126	17,928	22,837	-	361	-	-	-
1210 Programs for the Talented and Gifted	665	-	-	385	-	-	280	-
1220 Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	3,984,297	2,105,504	1,825,816	45,264	7,713	-	-	-
1260 Treatment and Habilitation	-	-	-	-	-	-	-	-
1271 Remediation	-	-	-	-	-	-	-	-
1272 Title I	-	-	-	-	-	-	-	-
1280 Alternative Education	879,931	150,721	89,233	610,805	29,172	-	-	-
1291 English Second Language Programs	229,660	152,225	76,607	398	430	-	-	-
1292 Teen Parent Program	-	-	-	-	-	-	-	-
1293 Migrant Education	-	-	-	-	-	-	-	-
1294 Youth Corrections Education	-	-	-	-	-	-	-	-
1299 Other Programs	-	-	-	-	-	-	-	-
1300 Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400 Summer School Programs	15,750	12,948	2,802	-	-	-	-	-
Total Instruction Expenditures	19,482,139	11,760,475	6,602,726	814,156	287,431	-	17,351	-

Support Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	24,710	3,356	2,254	19,100	-	-	-	-
2120 Guidance Services	1,021,965	657,608	361,776	120	2,461	-	-	-
2130 Health Services	-	-	-	-	-	-	-	-
2140 Psychological Services	39,621	23,751	15,870	-	-	-	-	-
2150 Speech Pathology and Audiology Services	-	-	-	-	-	-	-	-
2160 Other Student Treatment Services	-	-	-	-	-	-	-	-
2190 Service Direction, Student Support Services	192,147	128,921	62,326	900	-	-	-	-
2210 Improvement of Instruction Services	38,927	-	36,927	1,759	241	-	-	-
2220 Educational Media Services	258,093	119,508	127,859	-	10,726	-	-	-
2230 Assessment & Testing	-	-	-	-	-	-	-	-
2240 Instructional Staff Development	-	-	-	-	-	-	-	-
2310 Board of Education Services	131,051	-	-	49,016	1,591	-	80,444	-
2320 Executive Administration Services	472,034	288,505	111,408	37,430	28,491	-	6,200	-
2410 Office of the Principal Services	2,231,973	1,345,053	737,455	94,564	45,611	-	9,290	-
2490 Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510 Direction of Business Support Services	-	-	-	-	-	-	-	-
2520 Fiscal Services	490,412	210,205	110,381	13,930	3,086	-	152,810	-
2540 Operation and Maintenance of Plant Services	3,250,332	1,106,390	785,405	1,004,610	337,130	12,422	4,375	-
2550 Student Transportation Services	1,685,821	-	-	1,685,821	-	-	-	-
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	429,354	-	-	401,235	28,119	-	-	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	377,263	330,303	46,960	-	-	-	-	-
Total Support Services Expenditures	10,643,703	4,213,600	2,398,621	3,308,485	457,456	12,422	253,119	-

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	4,200	-	-	-	-	-	4,200	-
5200 Transfers of Funds	568	-	-	-	-	-	-	568
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures	4,768	-	-	-	-	-	4,200	568

Grand Totals

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Grand Totals	30,130,610	15,974,075	9,001,347	4,122,641	744,887	12,422	274,670	568

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

**Supplemental Information Required by the Oregon Department of Education (3211c)
Fiscal Year Ended June 30, 2018**

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	55,624	-	-	2,101	53,523	-	-	-
1113 Elementary Extracurricular	13,643	-	-	470	13,080	-	93	-
1121 Middle/Junior High Programs	21,394	-	-	1,320	18,394	-	1,680	-
1122 Middle/Junior High School Extracurricular	63,163	-	-	866	62,297	-	-	-
1131 High School Programs	162,115	3,465	860	56,592	47,502	49,543	4,153	-
1132 High School Extracurricular	412,912	-	-	-	412,394	-	518	-
1140 Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210 Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220 Restrictive Programs for Students with Disabilities	560,001	360,567	182,789	10,505	6,140	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	330,182	212,495	111,430	2,823	3,334	-	100	-
1260 Treatment and Habilitation	-	-	-	-	-	-	-	-
1271 Remediation	-	-	-	-	-	-	-	-
1272 Title I	722,748	402,876	301,118	4,653	14,101	-	-	-
1280 Alternative Education	31,644	22,000	3,779	5,865	-	-	-	-
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	2,373,426	1,001,403	599,976	85,195	630,765	49,543	6,544	-

Support Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	105,995	48,608	40,863	3,389	13,135	-	-	-
2120 Guidance Services	21,797	17,417	3,384	-	996	-	-	-
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	41,876	18,038	2,563	17,001	4,193	-	81	-
2220 Educational Media Services	-	-	-	-	-	-	-	-
2230 Assessment & Testing	-	-	-	-	-	-	-	-
2240 Instructional Staff Development	99,993	65,891	29,135	1,921	3,046	-	-	-
2310 Board of Education Services	-	-	-	-	-	-	-	-
2320 Executive Administration Services	-	-	-	-	-	-	-	-
2410 Office of the Principal Services	-	-	-	-	-	-	-	-
2490 Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510 Direction of Business Support Services	-	-	-	-	-	-	-	-
2520 Fiscal Services	-	-	-	-	-	-	-	-
2540 Operation and Maintenance of Plant Services	-	-	-	-	-	-	-	-
2550 Student Transportation Services	-	-	-	-	-	-	-	-
2570 Internal Services	-	-	-	-	-	-	-	-
2610 Direction of Central Support Services	-	-	-	-	-	-	-	-
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-	-	-	-	-	-	-	-
2630 Information Services	-	-	-	-	-	-	-	-
2640 Staff Services	-	-	-	-	-	-	-	-
2660 Technology Services	-	-	-	-	-	-	-	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	-	-	-	-	-	-	-	-
Total Support Services Expenditures	269,661	149,954	75,945	22,311	21,370	-	81	-

Enterprise and Community Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	1,254,688	7,649	735	1,147,149	96,361	-	2,794	-
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	-	-	-	-	-	-	-	-
3500 Custody and Care of Children Services	-	-	-	-	-	-	-	-
Total Enterprise and Community Services Expenditures	1,254,688	7,649	735	1,147,149	96,361	-	2,794	-

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	2,000,000	-	-	-	-	-	2,000,000	-
5200 Transfers of Funds	85,715	-	-	-	-	-	-	85,715
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures	2,085,715	-	-	-	-	-	2,000,000	85,715

Grand Totals

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Grand Totals	5,983,490	1,159,006	676,656	1,254,655	748,496	49,543	2,009,419	85,715

Pendleton School District #16R
Umatilla County, Oregon

Supplemental Information Required by the Oregon Department of Education (3211c)
Fiscal Year Ended June 30, 2018

Fund: 300 Debt Service Funds

Instruction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Elementary, K-5 or K-6	-	-	-	-	-	-	-	-
1113 Elementary Extracurricular	-	-	-	-	-	-	-	-
1121 Middle/Junior High Programs	-	-	-	-	-	-	-	-
1122 Middle/Junior High School Extracurricular	-	-	-	-	-	-	-	-
1131 High School Programs	-	-	-	-	-	-	-	-
1132 High School Extracurricular	-	-	-	-	-	-	-	-
1140 Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210 Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220 Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1260 Treatment and Habilitation	-	-	-	-	-	-	-	-
1271 Remediation	-	-	-	-	-	-	-	-
1272 Title I	-	-	-	-	-	-	-	-
1280 Alternative Education	-	-	-	-	-	-	-	-
1291 English Second Language Programs	-	-	-	-	-	-	-	-
1292 Teen Parent Program	-	-	-	-	-	-	-	-
1293 Migrant Education	-	-	-	-	-	-	-	-
1294 Youth Corrections Education	-	-	-	-	-	-	-	-
1299 Other Programs	-	-	-	-	-	-	-	-
1300 Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400 Summer School Programs	-	-	-	-	-	-	-	-
Total Instruction Expenditures	-	-	-	-	-	-	-	-

Support Services Expenditures

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

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	5,456,132	-	-	-	-	-	5,456,132	-
5200 Transfers of Funds	-	-	-	-	-	-	-	-
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures	5,456,132	-	-	-	-	-	5,456,132	-

Grand Totals

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Grand Totals	5,456,132	-	-	-	-	-	5,456,132	-

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

**Supplemental Information Required by the Oregon Department of Education (3211c)
Fiscal Year Ended June 30, 2018**

Fund: 400 Capital Projects Funds

Instruction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Elementary, K-5 or K-6	-	-	-	-	-	-	-	-
1113 Elementary Extracurricular	-	-	-	-	-	-	-	-
1121 Middle/Junior High Programs	-	-	-	-	-	-	-	-
1122 Middle/Junior High School Extracurricular	-	-	-	-	-	-	-	-
1131 High School Programs	-	-	-	-	-	-	-	-
1132 High School Extracurricular	-	-	-	-	-	-	-	-
1140 Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210 Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220 Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1260 Treatment and Habilitation	-	-	-	-	-	-	-	-
1271 Remediation	-	-	-	-	-	-	-	-
1272 Title I	-	-	-	-	-	-	-	-
1280 Alternative Education	-	-	-	-	-	-	-	-
1291 English Second Language Programs	-	-	-	-	-	-	-	-
1292 Teen Parent Program	-	-	-	-	-	-	-	-
1293 Migrant Education	-	-	-	-	-	-	-	-
1294 Youth Corrections Education	-	-	-	-	-	-	-	-
1299 Other Programs	-	-	-	-	-	-	-	-
1300 Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400 Summer School Programs	-	-	-	-	-	-	-	-
Total Instruction Expenditures	-	-	-	-	-	-	-	-

Support Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	-	-	-	-	-	-	-	-
2120 Guidance Services	-	-	-	-	-	-	-	-
2130 Health Services	-	-	-	-	-	-	-	-
2140 Psychological Services	-	-	-	-	-	-	-	-
2150 Speech Pathology and Audiology Services	-	-	-	-	-	-	-	-
2160 Other Student Treatment Services	-	-	-	-	-	-	-	-
2190 Service Direction, Student Support Services	-	-	-	-	-	-	-	-
2210 Improvement of Instruction Services	-	-	-	-	-	-	-	-
2220 Educational Media Services	-	-	-	-	-	-	-	-
2230 Assessment & Testing	-	-	-	-	-	-	-	-
2240 Instructional Staff Development	-	-	-	-	-	-	-	-
2310 Board of Education Services	-	-	-	-	-	-	-	-
2320 Executive Administration Services	-	-	-	-	-	-	-	-
2410 Office of the Principal Services	-	-	-	-	-	-	-	-
2490 Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510 Direction of Business Support Services	-	-	-	-	-	-	-	-
2520 Fiscal Services	1	-	-	-	-	-	1	-
2540 Operation and Maintenance of Plant Services	-	-	-	-	-	-	-	-
2550 Student Transportation Services	-	-	-	-	-	-	-	-
2570 Internal Services	-	-	-	-	-	-	-	-
2610 Direction of Central Support Services	-	-	-	-	-	-	-	-
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-	-	-	-	-	-	-	-
2630 Information Services	-	-	-	-	-	-	-	-
2640 Staff Services	-	-	-	-	-	-	-	-
2660 Technology Services	-	-	-	-	-	-	-	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	-	-	-	-	-	-	-	-
Total Support Services Expenditures	1	-	-	-	-	-	1	-

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	48,493	-	-	47,993	-	-	500	-
4120 Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150 Building Acquisition, Construction, and Improvement Services	1,804,666	-	-	3,976	-	1,800,690	-	-
4180 Other Capital Items	11,256	-	-	-	11,256	-	-	-
4190 Other Facilities Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures	1,864,415	-	-	51,969	11,256	1,800,690	500	-

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

Grand Totals	1,864,416	-	-	51,969	11,256	1,800,690	501	-
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COMPLIANCE SECTION

Cockburn & McClintock, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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KYLIE M. McCLINTOCK, CPA

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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, 2018, and have issued our report thereon dated December 1, 2018. 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 expenditures exceeded appropriations in the following funds:

- Q-ZAB Payments SB1149 Fund – Debt Service

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.

A handwritten signature in black ink, appearing to read "Cockburn & McClintock, LLC". The signature is written in a cursive, flowing style.

Cockburn & McClintock, LLC
Pendleton, Oregon
December 1, 2018

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, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 1, 2018.

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". The signature is written in a cursive style with a horizontal line underneath.

Cockburn & McClintock, LLC

Pendleton, Oregon

December 1, 2018

Cockburn & McClintock, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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KYLIE M. MCCLINTOCK, CPA

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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, 2018. 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, 2018.

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 did not identify any deficiencies in internal control over compliance that we considered material weaknesses.

The District's response to the internal cover 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 written in a cursive, flowing style.

Cockburn & McClintock, LLC

Pendleton, Oregon

December 1, 2018

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

**Schedule of Expenditures of Federal Awards
Fiscal Year Ended June 30, 2018**

Federal Grantor		Federal CFDA Number	Pass-Through Entity Identifying Number	Grant Period	Grant Amount	Federal Revenues	Federal Expenditures
Pass-Through Grantor	Program or Cluster Title						
U.S. Department of Agriculture:							
Pass-Through Programs From:							
Oregon State Department of Education:							
Child Nutrition Cluster:							
	School Breakfast Program	10.553	3016001	7/1/16-6/30/17	\$ 160,831	\$ 9,994	\$ -
	School Breakfast Program	10.553	3016001	7/1/17-6/30/18	212,010	207,587	212,010
	National School Lunch Program	10.555	3016001	7/1/16-6/30/17	612,095	34,705	-
	National School Lunch Program	10.555	3016001	7/1/17-6/30/18	673,491	660,185	673,491
	Summer Food Service Program for Children	10.559	3016001	7/1/16-6/30/17	20,038	6,096	-
	Summer Food Service Program for Children	10.559	3016001	7/1/17-6/30/18	30,081	21,112	30,081
	SAE 2016 Reallocation	10.560	3016001	7/1/17-6/30/18	2,531	2,531	2,531
	Subtotal Department of Agriculture Pass-Through Program From Oregon State Department of Education and Total Child Nutrition Cluster				<u>1,711,077</u>	<u>942,210</u>	<u>918,113</u>
Umatilla County, Oregon:							
	Forest Service Schools and Roads Grants to States				-	4,672	4,672
Total U.S. Department of Agriculture					<u>1,711,077</u>	<u>946,882</u>	<u>922,785</u>
U.S. Department of Education:							
Direct Programs:							
	Impact Aid (Title VIII of ESEA)	84.041		7/1/15-6/30/16	263,504	56,148	56,148
	Impact Aid (Title VIII of ESEA)	84.041		7/1/17-6/30/18	196,979	169,053	169,053
	Total Impact Aid (Title VIII of ESEA)				<u>460,483</u>	<u>225,201</u>	<u>225,201</u>
Pass-Through Programs From:							
Oregon State Department of Education:							
	Grants to Local Educational Agencies (Title I, Part A of ESEA)	84.010	36046	7/1/15-9/30/16	573,545	5,369	5,071
	Grants to Local Educational Agencies (Title I, Part A of ESEA)	84.010	41130	7/1/16-9/30/17	624,965	135,479	603
	Grants to Local Educational Agencies (Title I, Part A of ESEA)	84.010	45665	7/1/17-9/30/18	764,234	545,651	717,075
	Total Grants to Local Educational Agencies (Title I, Part A of ESEA)				<u>1,962,744</u>	<u>686,499</u>	<u>722,749</u>
	Program for Neglected and Delinquent Children and Youth (Title I, Part D of ESEA)	84.013	42104	7/1/16-6/30/17	30,423	12,299	-
	Program for Neglected and Delinquent Children and Youth (Title I, Part D of ESEA)	84.013		7/1/17-6/30/18	26,428	13,125	26,428
	Total Program for Neglected and Delinquent Children and Youth (Title I, Part D of ESEA)				<u>56,851</u>	<u>25,424</u>	<u>26,428</u>
	Special Education - State Personnel Development:						
	Effective Behavioral & Instructional Support Systems Grant (IDEA Part B)	84.323	43700	1/2/17-8/31/17	3,500	926	848
	Total Special Education - State Personnel Development Grants				<u>3,500</u>	<u>926</u>	<u>848</u>
	SchoolWide Integrated Framework for Transformation Grant (IDEA Part D, Section 663)	84.326	46733	01/15/17-11/14/18	11,250	2,486	2,486
	Total SchoolWide Integrated Framework for Transportation Grant (IDEA Part D, Section 663)				<u>11,250</u>	<u>2,486</u>	<u>2,486</u>
	Improving Teacher Quality State Grants (Title II, Part A of ESEA)	84.367	41385	7/1/16-9/30/17	157,658	30,885	17,028
	Improving Teacher Quality State Grants (Title II, Part A of ESEA)	84.367	45881	7/1/17-9/30/18	115,005	106,285	114,883
	Total Improving Teacher Quality State Grants (Title II, Part A of ESEA)				<u>272,663</u>	<u>137,170</u>	<u>131,911</u>
	Subtotal Department of Education Pass-Through Programs From Oregon State Department of Education				<u>2,307,008</u>	<u>852,505</u>	<u>884,422</u>
InterMountain Education Service District:							
	Special Education (IDEA) Cluster:						
	Special Education - Grants to States (IDEA Part B, Section 611)	84.027	45312	7/1/17-9/30/2019	532,737	318,579	318,579
	Subtotal Department of Education Special Education (IDEA) Cluster Pass-Through Program From InterMountain Education Service District				<u>532,737</u>	<u>318,579</u>	<u>318,579</u>
	Language Instruction for English Learner and Immigrant Students Act (Title III Part A)	84.365	41767	7/1/16-6/30/17	1,524	1,524	1,524
	Language Instruction for English Learner and Immigrant Students Act (Title III Part A)	84.365	44222	7/1/17-6/30/18	7,094	7,094	7,094
	Subtotal Title IIIA Pass-Through Program from Intermountain Education Service District				<u>8,618</u>	<u>8,618</u>	<u>8,618</u>
Oregon State Department of Education:							
	Special Education (IDEA) Cluster:						
	Extended Assessment Formula (IDEA Part B, Section 611)	84.027	45071	7/1/17-6/30/18	549	482	482
	Special Performance Review & Improvement Grant (IDEA Part B, Section 611)	84.027	44467	7/1/17-6/30/18	3,386	3,386	3,386
	Special Education Enhancement Grant (IDEA Part B, Section 611)	84.027	42725	10/1/16-9/30/17	5,305	3,063	3,063
	Special Education Enhancement Grant (IDEA Part B, Section 611)	84.027	46511	10/1/17-9/30/18	5,305	5,154	5,154
	Special Education - Grants to States (Post School Outcomes - Interviews 2017)	84.027	48474	7/7/16-9/1/2017	285	285	-
	Long Term Care & Treatment Education Program (IDEA Part B, Section 611)	84.027	42081	7/1/16-6/30/17	8,137	6,413	-
	Long Term Care & Treatment Education Program (IDEA Part B, Section 611)	84.027		7/1/17-6/30/18	11,640	8,792	11,640
	Subtotal Department of Education Special Education (IDEA) Cluster Pass-Through Program From Oregon State Department of Education				<u>34,607</u>	<u>27,575</u>	<u>23,725</u>
	Total Special Education (IDEA) Cluster				<u>567,344</u>	<u>346,154</u>	<u>342,304</u>
Total U.S. Department of Education					<u>3,343,453</u>	<u>1,432,478</u>	<u>1,460,545</u>
Total Federal Awards					<u>\$ 5,054,530</u>	<u>\$ 2,379,360</u>	<u>\$ 2,383,330</u>

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, 2018**

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, 2018. 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, 2018, the District received approximately \$85,259 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	\$ <u>85,259</u>

Note 4 – Subrecipients

During the fiscal year ended June 30, 2018, 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, 2018

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

- No material weaknesses or significant deficiencies relating to the audit of the financial statements are 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
 - Child Nutrition Cluster, CFDA #10.55X
- 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, 2018.



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Summary Schedule of Prior Year Findings and Questioned Costs Fiscal Year Ended June 30, 2018

Chris Fritsch

Interim Superintendent

Michelle Jones

Director of Business Services

Julie Smith

Director of Special Programs

Matt Yoshioka

Director of Curriculum Instruction
& Assessment

Melissa Sandven

Principal
Pendleton High School

Kelly Simpson

CTE & Alternative Program
Coordinator

Dave Williams

Principal
Sunridge Middle School

Lorena Woods

Principal
McKay Creek Elementary

Ronda Smith

Principal
Sherwood Heights Elementary

Aimee VanNice

Principal
Washington Elementary

Lori Hale

Principal
Pendleton Early Learning Center

Board of Education

Dale Freeman, Chair
Gary George, Vice Chair
Michelle Monkman
Debbie McBee
Lynn Lieuallen
Dave Krumbain
Steve Umbarger

FINDINGS—FINANCIAL STATEMENT AUDIT

There were no findings noted for the financial statement audit for the prior fiscal year ended June 30, 2017.

FINDINGS AND QUESTIONED COSTS—MAJOR FEDERAL AWARD PROGRAMS AUDIT

FINDING 2017-001- (Title I, Part A of ESEA)- Employee Time-and-Effort Documentation.

Condition: Grants to Local Educational Agencies (Title I, Part A of ESEA); During out 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 one employee's salary and associated payroll costs that were charged to the "Homestead Youth and Family Services 2015-2017" Fund #270.

Recommendation: The auditor recommended that the District follow controls that are currently in place and certify all federally funded employees in the program with evidence of review and approval of the "Federally Funded Employee Multiple Cost Objectives Report" via signature.

Current Status: The recommendation was adopted. No similar findings were noted in the 2018 audit.