

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

Financial Statements  
June 30, 2017

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, 2017**

<b><u>Elected Officials:</u></b>	<b><u>Address</u></b>	<b><u>Term Expires</u></b>
Debbie McBee <i>Chairperson</i>	1062 N.W. Skyline Dr. Pendleton, OR 97801	June 30, 2021
Lynn Lieuallen <i>Vice-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>Director</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:**

Matt Yoshioka <i>Interim Superintendent and Clerk</i>	Michelle Jones <i>Director of Business Services and Deputy Clerk</i>
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**District Contact Information:**

107 NW 10th Street  
Pendleton, OR 97801  
(541) 276-6711  
<http://www.pendleton.k12.or.us/>

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

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

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**FINANCIAL SECTION**

# *Cockburn & McClintock, LLC*

CERTIFIED PUBLIC ACCOUNTANTS

CHRISTOPHER J. COCKBURN, CPA  
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MEMBERSHIPS  
AMERICAN INSTITUTE OF CPA'S  
OREGON SOCIETY OF CPA'S  
AICPA - PRIVATE COMPANIES PRACTICE SECTION

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Education and Management  
Pendleton School District #16R  
107 NW 10<sup>th</sup> 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, 2017, 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, 2017, 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***

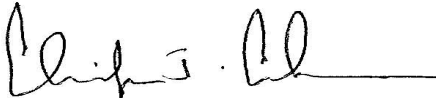
The management's discussion and analysis has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

## 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 November 29, 2017 on our consideration of the District's internal control over financial reporting and on tests of its compliance with the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-000 to 162-10-320. However providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2017, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

### Cockburn & McClintock, LLC



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Christopher J. Cockburn, CPA  
Licensed Municipal Auditor

Pendleton, Oregon  
November 29, 2017



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

**PENDLETON SCHOOL DISTRICT 16R**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Fiscal Year Ended June 30, 2017**

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, 2017. We encourage readers to consider the information presented here in conjunction with additional information we have furnished in the District's financial statements, which follow this narrative. The discussion focuses on the District's primary government and, unless otherwise noted, component units reported separately from the primary government are not included.

**FINANCIAL HIGHLIGHTS**

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

- The assets of the District exceed its liabilities at the close of the fiscal year by \$1.5 million.
- The District's total net position decreased by \$679,000 primarily due to increases in staffing levels and a large curriculum purchase for 2016-17 fiscal year.
- The District's General Fund Net Position is impacted by the issuance in the 2002-2003 fiscal year of two Limited Tax Pension Bonds to pay the District's Unfunded Actuarial Liability (UAL) for pension obligations in PERS (Public Employee Retirement System). The debt incurred was \$25.6 million, which reduces the net position by that amount. The net position is reduced because the UAL is not considered debt although it is an obligation of the District to pay the UAL of its retirees.
- This method of incurring debt obligations to pay the PERS Unfunded Actuarial Liability obligation results in the District reporting a Total Unrestricted Deficit of \$15.2 million due to the PERS bond obligation of \$19.0 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 \$3.8 million at June 30, 2017.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balance of \$9.1 million, a decrease of \$9.2 million from the previous year. This decrease was due to \$9.8 million of Capital Projects Fund expenditures mainly related to costs for the replacement of two elementary schools as well as updates to the Pendleton High School and Pendleton Tech and Trades Center (formally West Hills Intermediate) from the General Obligation Bond proceeds.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$2.0 million, or 6.7% of total general fund expenditures for the year.
- The District's total debt obligations decreased by \$1.5 million during the current fiscal year.

**PENDLETON SCHOOL DISTRICT 16R**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Fiscal Year Ended June 30, 2017**

**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.

**PENDLETON SCHOOL DISTRICT 16R**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Fiscal Year Ended June 30, 2017**

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

**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-three 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, QZAB/SB 1149 Fund and Capital Projects Fund which are considered “major” funds under the GASB 34 “major” fund focus. The other forty governmental funds are reported separately in the Governmental Funds Financial Statements under the heading “Nonmajor Governmental Funds.” Individual fund financial data for each of the nonmajor governmental funds is provided as Supplementary Information.

The governmental fund financial statements can be found on pages 14 through 19 of this report.

**Proprietary Funds.** The District does not have a proprietary fund for the 2016-2017 fiscal year.

**Fiduciary Funds.** The District does not have a fiduciary fund for the 2016-2017 fiscal year.

**PENDLETON SCHOOL DISTRICT 16R**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Fiscal Year Ended June 30, 2017**

**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 20-45 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 46-52 of this report.

Additional Supplementary Information on pages 53-93 reflects budgetary comparison schedules, individually, of all District Non-Major Funds for the fiscal year ending June 30, 2017.

**DISTRICT-WIDE FINANCIAL ANALYSIS**

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

**Net Position**

	June 30, 2017	June 30, 2016	Increase / (Decrease)
<u>Assets</u>			
Cash and Cash Equivalents	\$ 9,098,084	\$ 16,250,289	\$ (7,152,205)
Investments	16,544	2,019,824	(2,003,280)
Capital Assets, Net			
Land	84,928	84,928	-
Construction in Progress	-	28,523,311	(28,523,311)
District Buildings and Improvements	68,408,306	33,112,752	35,295,554
Equipment and Vehicles	444,607	396,200	48,407
Total Assets	<u>78,052,469</u>	<u>80,387,304</u>	<u>2,334,835</u>
<u>Liabilities</u>			
Current Portion of Debt	3,599,857	1,506,618	2,093,239
Long-Term Debt	69,946,266	73,546,123	(3,599,857)
Total Liabilities	<u>73,546,123</u>	<u>75,052,741</u>	<u>(1,506,618)</u>
<u>Deferred Inflows of Resources</u>			
Deferred Premium on Refunding, Net	<u>2,990,451</u>	<u>3,139,974</u>	<u>(149,523)</u>
<u>Net Position</u>			
Net Investment in Capital Assets	13,730,554	14,140,089	(409,535)
Restricted for Debt Service	673,881	835,893	(162,012)
Restricted for Other Purposes	2,270,213	1,951,846	318,367
Unrestricted (Deficit)	<u>(15,158,753)</u>	<u>(14,733,239)</u>	<u>(425,514)</u>
Total Net Position	<u>\$ 1,515,895</u>	<u>\$ 2,194,589</u>	<u>\$ (678,694)</u>

**PENDLETON SCHOOL DISTRICT 16R**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Fiscal Year Ended June 30, 2017**

**DISTRICT-WIDE FINANCIAL ANALYSIS CONTINUED**

As noted earlier, net position may serve over time as one useful indicator of a District's financial condition. The assets exceeded liabilities by \$1.5 million as of June 30, 2017. The District's net position decreased by \$679,000 for the fiscal year ended June 30, 2017. Of the total net assets, \$13.7 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, 2017	June 30, 2016	Increase / (Decrease)
<u>Revenues</u>			
Program Revenues:			
Charges for Services	\$ 861,787	\$ 910,481	\$ (48,694)
Operating Grants and Contributions	3,581,749	3,108,480	473,269
Capital Grants and Contributions	896,680	381,196	515,484
General Revenues:			
Property Taxes	9,000,278	8,689,510	310,768
State School Fund	22,089,436	21,832,607	256,829
County / Common School Aid	485,165	370,490	114,675
Unrestricted Federal Funds	459,530	294,275	165,255
Earnings on Investments	175,778	55,961	119,817
Other Revenue	496,623	664,169	(167,546)
Loss on Deletion of Capital Assets	(543,723)	(125,968)	(417,755)
<b>Total Revenues</b>	<b>37,503,303</b>	<b>36,181,201</b>	<b>1,322,102</b>
<u>Expenses</u>			
Instruction	21,381,204	19,523,381	1,857,823
Support Services	11,319,002	10,927,810	391,192
Enterprise and Community Services	1,155,928	1,235,014	(79,086)
Facilities Acquisition and Construction	760,011	369,661	390,350
Debt Service - Interest	3,565,852	3,429,008	136,844
<b>Total Expenses</b>	<b>38,181,997</b>	<b>35,484,874</b>	<b>2,697,123</b>
<b>Change in Net Position</b>	<b>(678,694)</b>	<b>696,327</b>	<b>(1,375,021)</b>
<b>Net Position, Beginning</b>	<b>2,194,589</b>	<b>1,498,262</b>	<b>696,327</b>
<b>Net Position, Ending</b>	<b>\$ 1,515,895</b>	<b>\$ 2,194,589</b>	<b>\$ (678,694)</b>

**PENDLETON SCHOOL DISTRICT 16R**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Fiscal Year Ended June 30, 2017**

**DISTRICT-WIDE FINANCIAL ANALYSIS CONTINUED**

An additional portion of the District's net position, \$2.9 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$(15.2 million) is unrestricted

Governmental Activities – Governmental activities decreased the District's net position by \$679,000, thereby accounting for 100% of the total reduction in the net position of the District.

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

- The loss on the deletion of capital assets increased by \$418,000.
- An increase in instructional expenditures due to the addition of full-time staff and a district-wide curriculum purchase.

**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, 2017, the District's governmental funds reported combined ending fund balances of \$9.1 million, a decrease of \$9.2 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 \$3.8 million which is a decrease of \$1.1 million. This decrease is mainly related to the addition of full-day kindergarten that was not supported with adequate funding from the State of Oregon to offset the increase in full-time equivalencies. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$2.0 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 12.6 percent of total General Fund expenditures.

The Capital Projects Fund, another major fund, reported an ending fund balance of \$2.3 million. This is a decrease of \$8.3 million from the prior fiscal year. These funds are used to construct two new elementary schools, renovate one elementary school as well as provide other district-wide facility improvements.

The QZAB/SB 1149 Fund, another major fund, reported an ending fund balance of \$1.9 million. This is an increase of \$200,000 from the prior fiscal year. These funds are 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 \$1.1 million, an increase of \$6 thousand.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The PSD Board adopted a budget for the fiscal year ending June 30, 2017 based on state biennial funding of \$7.3 billion. While this is a substantial increase from the prior biennium this funding level does not adequately cover the cost of full-day kindergarten as well as annual roll-up costs for staff. The budget for 2016-17 was

**PENDLETON SCHOOL DISTRICT 16R**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Fiscal Year Ended June 30, 2017**

built on a “status quo” basis. With a continued decline in enrollment and rising PERS rates in the next biennium, the district is working to maintain current staffing levels and programs. The 2016-17 budget reflects an increase of 2.0 full time equivalents to accommodate the new Sherwood and Washington elementary schools as well as a district-wide curriculum purchase.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

*Capital Assets*

As shown in the table below, at June 30, 2017, the District had \$68.9 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 \$6.8 million 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, 2017. 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, 2017	June 30, 2016	Increase / (Decrease)
Land	\$ 84,928	\$ 84,928	\$ -
Construction in Progress	-	28,523,311	(28,523,311)
District Buildings and Improvements	68,408,306	33,112,752	35,295,554
Vehicles and Equipment	444,607	396,200	48,407
<b>Total</b>	<b>\$ 68,937,841</b>	<b>\$ 62,117,191</b>	<b>\$ 6,820,650</b>

*Debt Administration and Capacity*

As shown in the table below, at the end of this year, the District had \$73.5 million in debt outstanding which is comparable to \$75.0 million last year. The District made its annual debt service payments under those obligations that included an overall reduction in the principal balance of \$1.5 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, 2017	June 30, 2016	Increase / (Decrease)
2002 Limited Tax Pension Bonds	\$ 8,428,332	\$ 8,661,121	\$ (232,789)
2003 Limited Tax Pension Bonds	9,765,401	10,150,280	(384,879)
Qualified Zone Academy Bonds	2,000,000	2,000,000	-
2011 Limited Tax Pension Refunding Bonds	790,000	790,000	-
GO Bonds, Series 2014	52,562,390	53,451,340	(888,950)
<b>Total</b>	<b>\$ 73,546,123</b>	<b>\$ 75,052,741</b>	<b>\$ (1,506,618)</b>



**PENDLETON SCHOOL DISTRICT 16R**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Fiscal Year Ended June 30, 2017**

*Debt Administration and Capacity (Continued)*

Debt Limitation and Capacity Fiscal Year 2017	
Real Market Value	\$ 1,856,333,293
<b>Debt Capacity</b>	
General Obligation Debt Capacity (7.95% of RMV)	\$ 147,578,497
Less: Outstanding Debt Subject to Limit	(52,562,390)
Remaining General Obligation Debt Capacity	\$ 95,016,107
Percent of Capacity Issued	35.62%

**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 2016-2017 resulted in an effective rate of 14.7%. Without issuing the bonds the rate would have been 21.75%. The result is a savings to the district of approximately \$939 thousand for the fiscal year.

The District's Budget Committee and Board considered the above factors when preparing the District budget for the 2017-2018 fiscal year. The District adopted a budget for 2017-2018 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 decrease in staffing by 12.0 full-time equivalency, which was spread across all classifications. The current year budget also reflects a reduction in curriculum, technology as well as the general operations of the district.

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 2016-2017 fiscal year is 12.6%.

**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 10<sup>th</sup> 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, 2017**

	Primary Government	Component
	Governmental Activities	Unit
<u>Assets</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 9,098,084	\$ 270,169
Investments	16,544	-
Total Current Assets	9,114,628	270,169
Noncurrent Assets:		
Capital Assets, Net		
Land	84,928	-
District Buildings and Improvements	68,408,306	-
Equipment and Vehicles	444,607	11,429
Total Noncurrent Assets	68,937,841	11,429
Total Assets	78,052,469	281,598
<u>Liabilities</u>		
Current Liabilities:		
Bonds Payable Due Within One Year	3,599,857	-
Noncurrent Liabilities:		
Bonds Payable Due in More Than One Year	69,946,266	-
Total Liabilities	73,546,123	-
<u>Deferred Inflows of Resources</u>		
Deferred Premium on Refunding, Net	2,990,451	-
<u>Net Position</u>		
Net Investment in Capital Assets	13,730,554	11,429
Restricted for Debt Service	673,881	-
Restricted for Other Purposes	2,270,213	38,040
Unrestricted (Deficit)	(15,158,753)	232,129
Total Net Position	\$ 1,515,895	\$ 281,598

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, 2017

Functions / Programs:	Expenses	Program Revenues			Net (Expense) / Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary Government:</b>					
Governmental Activities:					
Instruction:					
Regular Programs	\$ 15,250,672	\$ 583,125	\$ 844,310	\$ -	\$ (13,823,237)
Special Programs	6,109,204	-	1,444,937	-	(4,664,267)
Other Instructional Programs	21,328	-	-	-	(21,328)
Total Instruction	21,381,204	583,125	2,289,247	-	(18,508,832)
Support Services:					
Student Support Services	1,306,963	-	98,126	-	(1,208,837)
Instructional Staff Support	564,184	-	286,099	-	(278,085)
General Administration	770,362	-	-	-	(770,362)
School Administration	2,309,448	-	-	-	(2,309,448)
Business Support Services	5,405,018	84,089	-	-	(5,320,929)
Central Activities	599,729	-	-	-	(599,729)
Supplemental Retirement	363,298	-	-	-	(363,298)
Total Support Services	11,319,002	84,089	384,225	-	(10,850,688)
Facilities Acquisition & Construction	760,011	-	-	896,680	136,669
Enterprise and Community Services	1,155,928	194,573	908,277	-	(53,078)
Debt Service - Interest and Fees	3,565,852	-	-	-	(3,565,852)
Total Primary Government	\$ 38,181,997	\$ 861,787	\$ 3,581,749	\$ 896,680	\$ (32,841,781)
<b>Component Unit:</b>					
Nixyáawii Community School	\$ 752,531	\$ 47,910	\$ 320,089	\$ -	\$ (384,532)
				Primary Government	Component Unit
Changes in Net Position				\$ (32,841,781)	\$ (384,532)
General Revenues:					
Property Taxes for General Purposes				5,831,621	-
Property Taxes for Debt Service				3,168,657	-
State School Fund - General Support				20,916,936	362,678
State School Fund - Transportation				1,172,500	-
County / Common School Aid				485,165	-
Unrestricted State/Federal Funds				459,530	-
Earnings on Investments				175,778	560
Other Revenue				496,623	7,920
Loss on Deletion of Capital Assets				(543,723)	-
Total General Revenues				32,163,087	371,158
Change in Net Position				(678,694)	(13,374)
Net Position, Beginning				2,194,589	294,972
Net Position, Ending				\$ 1,515,895	\$ 281,598

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, 2017**

	General Fund	QZAB/SB 1149 Fund #229	Capital Projects Fund #400	Nonmajor Governmental Funds	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<u>Assets</u>					
Cash and Cash Equivalents	\$ 3,447,631	\$ 1,867,316	\$ 2,345,554	\$ 1,437,583	\$ 9,098,084
Investments	-	-	-	16,544	16,544
Due From Other Funds	<u>400,577</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>400,577</u>
Total Assets	<u>\$ 3,848,208</u>	<u>\$ 1,867,316</u>	<u>\$ 2,345,554</u>	<u>\$ 1,454,127</u>	<u>\$ 9,515,205</u>
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Due To Other Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>400,577</u>	<u>400,577</u>
Fund Balances:					
Spendable:					
Restricted	-	1,867,316	2,345,554	1,076,778	5,289,648
Assigned	1,800,000	-	-	377,349	2,177,349
Unassigned	<u>2,048,208</u>	<u>-</u>	<u>-</u>	<u>(400,577)</u>	<u>1,647,631</u>
Total Fund Balances	<u>3,848,208</u>	<u>1,867,316</u>	<u>2,345,554</u>	<u>1,053,550</u>	<u>9,114,628</u>
Total Liabilities and Fund Balances	<u>\$ 3,848,208</u>	<u>\$ 1,867,316</u>	<u>\$ 2,345,554</u>	<u>\$ 1,454,127</u>	<u>\$ 9,515,205</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, 2017**

Total Fund Balances - Governmental Funds	\$	9,114,628
<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	\$	87,183,915
Governmental Accumulated Depreciation	<u>(18,246,074)</u>	68,937,841
<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>		
		(2,990,451)
<p>Certain liabilities not due in the current year are not reported as governmental fund liabilities. These liabilities consist of:</p>		
Qualified Zone Academy Bonds		(2,000,000)
OPERS UAL Bonds		(18,983,733)
General Obligation Bonds		<u>(52,562,390)</u>
		<u>(73,546,123)</u>
Total Net Position - Governmental Activities	\$	<u>1,515,895</u>



Pendleton School District #16R  
Umatilla County, Oregon

Statement of Revenues, Expenditures, and Changes in Fund Balances - Cash Basis  
Governmental Funds  
Fiscal Year Ended June 30, 2017

	General Fund	QZAB/SB 1149 Fund #229	Capital Projects Fund #400	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Property Taxes	\$ 5,831,621	\$ -	\$ -	\$ 3,168,657	\$ 9,000,278
Intergovernmental	23,115,900	-	896,680	3,073,410	27,085,990
Food Service Sales	-	-	-	194,573	194,573
Charges for Services	99,008	-	-	2,855,178	2,954,186
Contributions and Donations	9,000	-	-	417,572	426,572
Earnings on Investments	58,361	50,996	46,985	19,436	175,778
Other Revenue	225,374	74,584	185,262	11,403	496,623
<b>Total Revenues</b>	<b>29,339,264</b>	<b>125,580</b>	<b>1,128,927</b>	<b>9,740,229</b>	<b>40,334,000</b>
<b>Expenditures</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular Programs	14,701,017	-	-	982,386	15,683,403
Special Programs	4,779,382	-	-	1,460,743	6,240,125
Other Instruction Programs	20,306	-	-	-	20,306
<b>Total Instruction</b>	<b>19,500,705</b>	<b>-</b>	<b>-</b>	<b>2,443,129</b>	<b>21,943,834</b>
<b>Support Services:</b>					
Student Support Services	1,235,956	-	-	118,038	1,353,994
Instructional Staff Support	306,674	-	-	260,061	566,735
General Administration	783,167	-	-	-	783,167
School Administration	2,388,510	-	-	-	2,388,510
Business Support Services	5,253,014	-	50,770	-	5,303,784
Central Activities	555,850	-	-	-	555,850
Supplemental Retirement	363,298	-	-	-	363,298
<b>Total Support Services</b>	<b>10,886,469</b>	<b>-</b>	<b>50,770</b>	<b>378,099</b>	<b>11,315,338</b>
Enterprise and Community Services	-	-	-	1,095,808	1,095,808
Facilities Acquisition and Construction	-	-	760,011	-	760,011
Capital Outlay	42,550	-	8,999,297	110,654	9,152,501
<b>Debt Service:</b>					
Principal	-	-	-	1,506,618	1,506,618
Interest	-	-	-	3,715,375	3,715,375
<b>Total Debt Service</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,221,993</b>	<b>5,221,993</b>
<b>Total Expenditures</b>	<b>30,429,724</b>	<b>-</b>	<b>9,810,078</b>	<b>9,249,683</b>	<b>49,489,485</b>
Change in Fund Balances Before Other Financing Sources / (Uses)	(1,090,460)	125,580	(8,681,151)	490,546	(9,155,485)
Other Financial Sources / (Uses): Transfer (to) / from Other Funds	(5,067)	77,000	412,493	(484,426)	-
<b>Net Change in Fund Balances</b>	<b>(1,095,527)</b>	<b>202,580</b>	<b>(8,268,658)</b>	<b>6,120</b>	<b>(9,155,485)</b>
Fund Balances, Beginning	4,943,735	1,664,736	10,614,212	1,047,430	18,270,113
Fund Balances, Ending	\$ 3,848,208	\$ 1,867,316	\$ 2,345,554	\$ 1,053,550	\$ 9,114,628

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, 2017**

Net Change in Fund Balances - Total Government Funds	\$	(9,155,485)
<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	9,152,501	
Loss on deletion of capital assets	(543,723)	
Depreciation expense reported in the Statement of Activities	<u>(1,788,128)</u>	
Amount by which capital outlays are greater / (less) than depreciation in the current period.		6,820,650
<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>1,506,618</u>
Change in Net Position - Governmental Activities	\$	<u><u>(678,694)</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, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Revenues</u>				
Property Taxes	\$ 5,871,000	\$ 5,871,000	\$ 5,831,621	\$ (39,379)
Intergovernmental	23,389,500	23,389,500	23,115,900	(273,600)
Charges for Services	95,000	95,000	99,008	4,008
Contributions and Donations	5,000	5,000	9,000	4,000
Earnings on Investments	35,000	35,000	58,361	23,361
Other Revenue	100,000	100,000	225,374	125,374
Total Revenues	29,495,500	29,495,500	29,339,264	(156,236)
<u>Expenditures</u>				
Instruction	20,255,061	20,255,061	19,500,705	754,356
Support Services	12,046,439	12,046,439	10,924,819	1,121,620
Other Uses	7,000	7,000	4,200	2,800
Contingencies	1,750,000	1,750,000	-	1,750,000
Total Expenditures	34,058,500	34,058,500	30,429,724	3,628,776
Change in Fund Balance Before Other Financing Sources / (Uses)	(4,563,000)	(4,563,000)	(1,090,460)	3,472,540
Other Financial Sources / (Uses):				
Transfers from Other Funds	90,000	90,000	71,933	(18,067)
Transfers to Other Funds	(77,000)	(77,000)	(77,000)	-
Net Other Financial Sources / (Uses)	13,000	13,000	(5,067)	(18,067)
Net Change in Fund Balance	(4,550,000)	(4,550,000)	(1,095,527)	3,454,473
Fund Balance, Beginning	4,550,000	4,550,000	4,943,735	393,735
Fund Balance, Ending	\$ -	\$ -	\$ 3,848,208	\$ 3,848,208

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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1500 Earnings on Investments	\$ 25,000	\$ 25,000	\$ 50,996	\$ 25,996
1990 Miscellaneous	75,000	75,000	74,584	(416)
Total Receipts	100,000	100,000	125,580	25,580
<u>Disbursements</u>				
Support Services:				
2540 Operation and Maintenance of Plant Services	85,000	85,000	-	85,000
Change in Fund Balance Before Other Financial Sources / (Uses)	15,000	15,000	125,580	110,580
Other Financial Sources / (Uses):				
Transfer From Other Funds	77,000	77,000	77,000	-
Net Change in Fund Balance	92,000	92,000	202,580	110,580
Fund Balance, Beginning	1,525,000	1,525,000	1,664,736	139,736
Fund Balance, Ending	\$ 1,617,000	\$ 1,617,000	\$ 1,867,316	\$ 250,316

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, 2017**

**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, 2017**

**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, 2017**

**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.
<u>Capital Project Fund:</u> Capital Project Fund #400	Accounts for resources reserved for facilities acquisition and construction. Principal revenue sources are proceeds from issuance of general obligation bonds and earnings on investments.

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



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

**Notes to the Financial Statements**  
**June 30, 2017**

**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, 2017**

**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, 2017**

**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, 2017**

**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, 2017**

**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, 2017**

**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, 2017**

**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 2016-2017 budget on June 13, 2016 totaling \$61,712,445.  
The Board of Education adopted the 2017-2018 budget on June 12, 2017 totaling \$49,811,700.

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.

**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, 2017 was \$4.4537 per \$1,000 of assessed value.

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

**Notes to the Financial Statements**  
**June 30, 2017**

**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, 2017. 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, 2017, the total bank balances were \$3,947,771. 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, 2017, the District had two Certificate of Deposits held at U.S. Bank, both for the High School's Associated Student Body. The first certificate of deposit has a balance at maturity of \$6,544, maturing on August 23, 2017 and had an original term of 6 months. The second certificate of deposit has a balance at maturity of \$10,000, maturing on December 26, 2017 and had an original term of 11 months. As a result, both of the Certificates of Deposit have been classified as short-term investments on the District's Statement of Net Position.

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, 2017**

**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	\$	3,793,772
Oregon Local Government Investment Pool		5,304,312
 Total Cash and Cash Equivalents	 \$	 <u><u>9,098,084</u></u>

**Note 5 – Capital Assets**

For the fiscal year ended June 30, 2017, capital assets activity as reported in the District-wide financial statements were as follows:

Governmental Activities	Beginning Balance	Increases	Decreases/ Transfers	Ending Balance
<b>Non-Depreciable Capital Assets:</b>				
Land	\$ 84,928	\$ -	\$ -	\$ 84,928
Construction in Progress	28,523,311	8,703,596	(37,226,907)	-
<b>Total Non-Depreciable Capital Assets</b>	<b>28,608,239</b>	<b>8,703,596</b>	<b>(37,226,907)</b>	<b>84,928</b>
<b>Depreciable Capital Assets:</b>				
Buildings & Improvements	49,990,450	322,915	35,219,055	85,532,420
Equipment & Vehicles	1,440,577	125,990	-	1,566,567
<b>Total Depreciable Capital Assets</b>	<b>51,431,027</b>	<b>448,905</b>	<b>35,219,055</b>	<b>87,098,987</b>
<b>Accumulated Depreciation:</b>				
Buildings & Improvements	(16,877,698)	(1,710,545)	1,464,129	(17,124,114)
Equipment & Vehicles	(1,044,377)	(77,583)	-	(1,121,960)
<b>Total Accumulated Depreciation</b>	<b>(17,922,075)</b>	<b>(1,788,128)</b>	<b>1,464,129</b>	<b>(18,246,074)</b>
<b>Total Governmental Capital Assets, Net</b>	<b>\$ 62,117,191</b>	<b>\$ 7,364,373</b>	<b>\$ (543,723)</b>	<b>\$ 68,937,841</b>

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

**Notes to the Financial Statements**  
**June 30, 2017**

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

Depreciation expense was charged to governmental activities as follows:

<u>Program / Function:</u>	
Regular Programs	\$ 833,161
Special Programs	314,729
Summer School	1,022
Student Support Services	68,136
Instructional Staff Support	28,519
General Administration	39,411
School Administration	122,009
Business Support Services	276,325
Central Activities	43,879
Food Services	<u>60,937</u>
 Total Depreciation Expense	 \$ <u>1,788,128</u>

**Note 6 – Operating Leases**

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

- Lease with Umatilla Head Start for the use of facilities at Pendleton Early Learning Center. The lease calls for monthly rental payments of \$3,312 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 \$1,931 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, 2017**

**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,	<u>Receivable</u>
2018	\$ <u>84,843</u>

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

- Lease with the City of Pendleton for the use of a maintenance building with monthly payments of \$1,006 for a period of ten years terminating on June 30, 2020. Annually, the lease rolls to year-to-year and payment adjusts in July by the change in the Portland, Oregon Consumer Price Index.
- Lease with the City of Pendleton for approximately 17 acres for use in Pendleton High School’s FFA program. The lease calls for rental amount of \$1,957 on May 31st of each year and terminates May 31, 2019. Annually, the lease rolls to year-to-year and payments adjusts in June by changing in the Portland, Oregon Consumer Price Index.
- 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,	<u>Payable</u>
2018	\$ 15,490
2019	15,861
2020	<u>13,905</u>
Total	\$ <u>45,256</u>

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

**Notes to the Financial Statements**  
**June 30, 2017**

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

During the fiscal year ended June 30, 2017, changes in long-term debt for the District are as follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
2002 Limited Tax Pension Bonds	\$ 8,661,121	\$ -	\$ (232,789)	\$ 8,428,332	\$ 236,177
2003 Limited Tax Pension Bonds	10,150,280	-	(384,879)	9,765,401	383,116
Qualified Zone Academy Bonds	2,000,000	-	-	2,000,000	2,000,000
2011 Limited Tax Pension Refunding Bonds	790,000	-	-	790,000	-
G.O. Refunding Bonds, Series 2014	53,451,340	-	(888,950)	52,562,390	980,564
<b>Total Long-Term Debt Obligations</b>	<b>\$ 75,052,741</b>	<b>\$ -</b>	<b>\$ (1,506,618)</b>	<b>\$ 73,546,123</b>	<b>\$ 3,599,857</b>

***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, 2017**

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

***Bonded Debt (Continued)***

Series 2011 Limited Tax Pension Refunding Bonds

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

General Obligation Bonds, Series 2014

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

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

Fiscal Year Ending June 30,	<b>2002 OPERS Bond</b>		<b>2003 PERS Bonds</b>		<b>QZAB Bond</b>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 236,177	\$ 780,544	\$ 383,116	\$ 976,628	\$ 2,000,000	\$ -
2019	240,017	831,704	381,659	1,048,085	-	-
2020	242,138	884,584	379,442	1,120,302	-	-
2021	-	426,721	375,732	1,194,013	-	-
2022	860,000	426,722	375,291	1,274,453	-	-
2023-27	6,145,000	1,292,848	6,960,161	2,546,125	-	-
2028-32	705,000	39,128	910,000	51,695	-	-
2033-37	-	-	-	-	-	-
2038-41	-	-	-	-	-	-
<b>Totals</b>	<b>\$ 8,428,332</b>	<b>\$ 4,682,251</b>	<b>\$ 9,765,401</b>	<b>\$ 8,211,301</b>	<b>\$ 2,000,000</b>	<b>\$ -</b>

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

**Notes to the Financial Statements**  
**June 30, 2017**

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

***Bonded Debt (Continued)***

Fiscal Year Ending June 30,	2011 OPERS Refunding		2014 GO Bonds		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ -	\$ 32,508	\$ 980,564	\$ 2,067,386	\$ 3,599,857	\$ 3,857,066
2019	-	32,508	1,082,545	2,110,405	1,704,221	4,022,702
2020	-	32,508	1,114,854	2,173,096	1,736,434	4,210,490
2021	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
2023-27	-	-	6,620,884	12,445,366	19,726,045	16,284,339
2028-32	-	-	13,730,000	8,375,000	15,345,000	8,465,823
2033-37	-	-	21,360,000	4,268,500	21,360,000	4,268,500
2038-41	-	-	5,365,086	215,200	5,365,086	215,200
Totals	\$ 790,000	\$ 130,032	\$ 52,562,390	\$ 36,217,396	\$ 73,546,123	\$ 49,240,980

**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](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, 2017**

**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, 2017**

**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, 2017**

**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 2016 legislated changes in benefit provisions. The rates based on a percentage of payroll, first became effective July 1, 2016.

Employer contributions for the fiscal year ended June 30, 2017 were \$2,368,053, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2017 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, 2017**

**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](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, 2017 are included in the OPERS annual pension amount in Note 8. The rates in effect for the fiscal year ended June 30, 2017 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, 2017**

**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, 2017**

**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, 2017 were \$363,298.

**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, 2017, approximately 87 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, 2017 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, 2017**

**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 \$5,298,648 and represented \$2,345,554 restricted for capital improvement and construction projects, \$2,541,197 for debt service and \$402,897 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 \$2,177,349 of which \$377,349 is for student fees and activities and \$1,800,000 for school operations. The assigned fund balance for school operations is for appropriation of existing unassigned fund balance at year-end to eliminate a deficit in 2017-18 fiscal year budget.

Unassigned

The unassigned fund balance for the General Fund is \$2,048,208. The unassigned fund balance for Other Governmental Funds is a deficit balance of \$400,577. This deficit balance is related to certain restricted grant programs in which disbursements exceeded receipts during the fiscal year ending June 30, 2017 and operate on a reimbursement basis.

**Note 11 – Deficit Fund Balances**

At June 30, 2017, the District had the following deficit fund balances in its non-major funds:

<u>Fund #</u>	<u>Fund Name</u>		
Fund 216	CTE Program Pendleton High School	\$	9,880
Fund 217	CTE Competative Grant Program		2,000
Fund 218	Common Core Standards Grant		78
Fund 249	ECMC Grant Fund		225
Fund 253	Title I 2016-17		134,876
Fund 255	Title I 2015-16		298
Fund 260	Native Culturally Relevant		25,419
Fund 270	Homestead 2015-17 Grant		213,944
Fund 273	Title IIA 2016-17		13,857
	Total Deficit Fund Balances	\$	<u><u>400,577</u></u>

The deficits are a result of funds being spent prior to requested reimbursement funds being received and totaled \$400,577 at June 30, 2017. 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, 2017**

**Note 12 – Interfund Transfers**

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

Fund	Transfers-In	Transfers-Out
General Fund	\$ 71,933	\$ 77,000
Struve Memorial Fund #214	-	3,069
QZAB SD 1149 Fund #229	77,000	-
Associated Student Body Fund #299	3,069	71,933
BIRF GO Bond Fund #300	-	412,492
Capital Projects Fund #400	412,492	-
Totals	<u>\$ 564,494</u>	<u>\$ 564,494</u>

The General Fund Transfers out of \$77,000 were for required debt service sinking fund requirements in the QZAB SB 1149 Fund #229 during the June 30, 2017 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. Transfer out of the GO Bond Debt Service Fund #300 were due to fact that this debt obligation was satisfied and were transferred into the Capital Projects Fund #400 to fund additional District improvements.

**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, 2017**

**Note 15 – Evaluation of Subsequent Events**

The District has evaluated subsequent events through November 29, 2017, the date which the financial statements were available to be issued. The following significant events have occurred subsequent to the fiscal year ended June 30, 2017, but prior to the release of the District's financial statements:

- On August 28, 2017 the District amended its 2017-18 budget adoption resolution to clarify and adjust a \$90,000 appropriation that was listed as debt service and should have been a transfer out.
- On September 18, 2017 the District approved receipt of donation of a scoreboard at Pendleton High School with an estimated value of \$71,750.

*Supplementary Information*



## **Combining Nonmajor Fund Financial Statements**

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

**Combining Balance Sheet - Cash Basis**  
**Nonmajor Governmental Funds**  
**June 30, 2017**

	CTE Program Pendleton High School Fund #216	CTE Program Competitive Grant Fund #217	EBISS Grant Fund #218	Sodexo Scholarship Fund #223	Food Service Fund #224	Culinary Food Truck Fund #230	Altrusa ASK Program Fund #235	PHS ASPIRE Program Fund #236	PHS Robotics Grant Fund #237
<u>Assets</u>									
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 500	\$ 201,364	\$ 32,373	\$ 1,348	\$ 2,415	\$ 3,033
Investments	-	-	-	-	-	-	-	-	-
Total Assets	\$ -	\$ -	\$ -	\$ 500	\$ 201,364	\$ 32,373	\$ 1,348	\$ 2,415	\$ 3,033
<u>Liabilities and Fund Balances</u>									
Liabilities:									
Due to Other funds	\$ 9,880	\$ 2,000	\$ 78	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balances:									
Spendable:									
Restricted	-	-	-	500	201,364	32,373	1,348	2,415	3,033
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	(9,880)	(2,000)	(78)	-	-	-	-	-	-
Total Fund Balances	(9,880)	(2,000)	(78)	500	201,364	32,373	1,348	2,415	3,033
Total Liabilities and Fund Balances	\$ -	\$ -	\$ -	\$ 500	\$ 201,364	\$ 32,373	\$ 1,348	\$ 2,415	\$ 3,033

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

**Combining Balance Sheet - Cash Basis**  
**Nonmajor Governmental Funds**  
**June 30, 2017**

	ECMC Fund #249	Title I 2016-17 Grant Fund #253	Title I 2015-2016 Grant Fund #255	Native Culturally Relevant Grant Fund #260	Homestead 2015-2017 Grant Fund #270	Buck Boosters Grant Fund #273	Title IIA Grant Fund #278	P-3 Alignment Fund #283	St. Anthony Hospital Foundation Grant Fund #286
<u>Assets</u>									
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 133,250	\$ -	\$ 12,471	\$ 35
Investments	-	-	-	-	-	-	-	-	-
Total Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 133,250	\$ -	\$ 12,471	\$ 35
<u>Liabilities and Fund Balances</u>									
Liabilities:									
Due to Other funds	\$ 225	\$ 134,876	\$ 298	\$ 25,419	\$ 213,944	\$ -	\$ 13,857	\$ -	\$ -
Fund Balances:									
Spendable:									
Restricted	-	-	-	-	-	133,250	-	12,471	35
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	(225)	(134,876)	(298)	(25,419)	(213,944)	-	(13,857)	-	-
Total Fund Balances	(225)	(134,876)	(298)	(25,419)	(213,944)	133,250	(13,857)	12,471	35
Total Liabilities and Fund Balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 133,250	\$ -	\$ 12,471	\$ 35

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

**Combining Balance Sheet - Cash Basis**  
**Nonmajor Governmental Funds**  
**June 30, 2017**

	EOCI State of OR Fund #287	Mid-Co Donations Fund #288	Wal-Mart Grant Fund #294	Special Donations Fund #295	Associated Student Body Fund #299	OPERS 2002 Bond Debt Service Fund #301	OPERS 2003 Bond Debt Service Fund #302	2014 GO Bond Debt Service Fund #303	Total Nonmajor Governmental Funds
Cash and Cash Equivalents	\$ 580	\$ 200	\$ 160	\$ 15,168	\$ 360,805	\$ 6,281	\$ 7,443	\$ 660,157	\$ 1,437,583
Investments	-	-	-	-	16,544	-	-	-	16,544
<b>Total Assets</b>	<b>\$ 580</b>	<b>\$ 200</b>	<b>\$ 160</b>	<b>\$ 15,168</b>	<b>\$ 377,349</b>	<b>\$ 6,281</b>	<b>\$ 7,443</b>	<b>\$ 660,157</b>	<b>\$ 1,454,127</b>
<u>Liabilities and Fund Balances</u>									
Liabilities:									
Due to Other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400,577
Fund Balances:									
Spendable:									
Restricted	580	200	160	15,168	-	6,281	7,443	660,157	1,076,778
Assigned	-	-	-	-	377,349	-	-	-	377,349
Unassigned	-	-	-	-	-	-	-	-	(400,577)
<b>Total Fund Balances</b>	<b>580</b>	<b>200</b>	<b>160</b>	<b>15,168</b>	<b>377,349</b>	<b>6,281</b>	<b>7,443</b>	<b>660,157</b>	<b>1,053,550</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 580</b>	<b>\$ 200</b>	<b>\$ 160</b>	<b>\$ 15,168</b>	<b>\$ 377,349</b>	<b>\$ 6,281</b>	<b>\$ 7,443</b>	<b>\$ 660,157</b>	<b>\$ 1,454,127</b>

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

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Cash Basis**  
**Nonmajor Governmental Funds**  
**Fiscal Year Ended June 30, 2017**

	Pendleton Foundation Trust of Pendleton Fund #201	Education Foundation of Pendleton Fund #204	IDEA Enhancement Fund #205	IDEA Systems Performance Fund #206	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	Sodexho Scholarship Fund #223
<u>Revenues</u>										
Property Taxes Intergovernmental	\$ -	\$ -	\$ 5,207	\$ 3,849	\$ 296,544	\$ -	\$ 359,850	\$ 53,412	\$ 6,706	\$ -
Food Service Sales	-	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	-	-
Contributions and Donations	30,159	18,962	-	-	-	2,249	5,000	-	-	500
Earnings on Investments	-	-	-	-	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>30,159</b>	<b>18,962</b>	<b>5,207</b>	<b>3,849</b>	<b>296,544</b>	<b>2,249</b>	<b>364,850</b>	<b>53,412</b>	<b>6,706</b>	<b>500</b>
<u>Expenditures</u>										
Current:										
Instruction:										
Regular Programs	9,924	17,153	-	-	-	(820)	361,012	32,556	-	-
Special Programs	-	1,809	5,101	3,738	296,544	-	-	-	-	-
Support Services:										
Student Support Services	-	-	-	-	-	-	-	-	-	-
Instructional Staff Support	-	-	-	-	-	-	1,075	-	6,765	-
Enterprise and Community Services:										
Food Services	-	-	-	-	-	-	-	-	-	-
Capital Outlay	20,235	-	-	-	-	-	12,643	10,257	-	-
Debt Service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>30,159</b>	<b>18,962</b>	<b>5,101</b>	<b>3,738</b>	<b>296,544</b>	<b>(820)</b>	<b>374,730</b>	<b>42,813</b>	<b>6,765</b>	<b>-</b>
Change in Fund Balances Before Other Financing Sources / (Uses)	-	-	106	111	-	3,069	(9,880)	10,599	(59)	500
Other Financing Sources / (Uses):										
Transfers (to) / from Other Funds	-	-	-	-	-	(3,069)	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>-</b>	<b>106</b>	<b>111</b>	<b>-</b>	<b>-</b>	<b>(9,880)</b>	<b>10,599</b>	<b>(59)</b>	<b>500</b>
Fund Balances, Beginning	-	-	(106)	(111)	-	-	-	(12,599)	(19)	-
<b>Fund Balances, Ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (9,880)</b>	<b>\$ (2,000)</b>	<b>\$ (78)</b>	<b>\$ 500</b>

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

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Cash Basis**  
**Nonmajor Governmental Funds**  
**Fiscal Year Ended June 30, 2017**

	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 ID Grant Fund #244	ECMC Grant Fund #249
<u>Revenues</u>									
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	908,277	-	-	1,700	8,000	30,514	-	4,283	-
Food Service Sales	194,573	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	-
Contributions and Donations	-	100,000	5,984	-	18,620	-	26,885	-	3,000
Earnings on Investments	2,519	-	-	-	-	-	-	-	-
Other Revenue	11,403	-	-	-	-	-	-	-	-
Total Revenues	1,116,772	100,000	5,984	1,700	26,620	30,514	26,885	4,283	3,000
<u>Expenditures</u>									
Current:									
Instruction:									
Regular Programs	-	108	6,567	-	23,587	-	21,662	-	3,225
Special Programs	-	-	-	-	-	-	10,000	-	-
Support Services:									
Student Support Services	-	-	-	-	-	-	-	-	-
Instructional Staff Support	-	-	-	-	-	31,516	-	-	-
Enterprise and Community Services:									
Food Services	1,095,808	-	-	-	-	-	-	-	-
Capital Outlay	-	67,519	-	-	-	-	-	-	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Total Expenditures	1,095,808	67,627	6,567	-	23,587	31,516	31,662	-	3,225
Change in Fund Balances Before Other Financing Sources / (Uses)	20,964	32,373	(583)	1,700	3,033	(1,002)	(4,777)	4,283	(225)
Other Financing Sources / (Uses):									
Transfers (to) / from Other Funds	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	20,964	32,373	(583)	1,700	3,033	(1,002)	(4,777)	4,283	(225)
Fund Balances, Beginning	180,400	-	1,931	715	-	1,002	4,777	(4,283)	-
Fund Balances, Ending	\$ 201,364	\$ 32,373	\$ 1,348	\$ 2,415	\$ 3,033	\$ -	\$ -	\$ -	\$ (225)

**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, 2017**

	Title I 2016-17 Grant Fund #253	Title I 2015-2016 Grant Fund #255	Native Culturally Relevant Grant Fund #260	Homestead 2015-2017 Grant Fund #270	Buck Boosters Grant Fund #273	Title IIA 2015-16 Grant Fund #277	Title IIA 2016-17 Grant Fund #278	P-3 Alignment Grant Fund #283	St. Anthony Hospital Foundation Grant Fund #286	EOCI State of OR Fund #287
<u>Revenues</u>										
Property Taxes	\$ 475,515	\$ 128,341	\$ 98,126	\$ 525,976	\$ -	\$ 43,750	\$ 123,360	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Food Service Sales	-	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	-	-
Contributions and Donations	-	-	-	139,050	-	-	-	-	-	-
Earnings on Investments	-	-	-	-	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-	-	-	-	-
Total Revenues	475,515	128,341	98,126	525,976	139,050	43,750	123,360	-	-	-
<u>Expenditures</u>										
Current:										
Instruction:										
Regular Programs	-	-	-	-	5,800	-	-	-	-	-
Special Programs	600,862	11,389	-	531,300	-	-	-	-	-	-
Support Services:										
Student Support Services	-	-	117,106	-	-	16,107	137,217	67,381	932	-
Instructional Staff Support	-	-	-	-	-	-	-	-	-	-
Enterprise and Community Services:										
Food Services	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Debt Service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Total Expenditures	600,862	11,389	117,106	531,300	5,800	16,107	137,217	67,381	932	-
Change in Fund Balances Before	(125,347)	116,952	(18,980)	(5,324)	133,250	27,643	(13,857)	(67,381)	(932)	-
Other Financing Sources / (Uses)	-	-	-	-	-	-	-	-	-	-
Other Financing Sources / (Uses):										
Transfers (to) / from Other Funds	-	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	(125,347)	116,952	(18,980)	(5,324)	133,250	27,643	(13,857)	(67,381)	(932)	-
Fund Balances, Beginning	(9,529)	(117,250)	(6,439)	(208,620)	-	(27,643)	-	79,852	967	580
Fund Balances, Ending	\$ (134,876)	\$ (298)	\$ (25,419)	\$ (213,944)	\$ 133,250	\$ -	\$ (13,857)	\$ 12,471	\$ 35	\$ 580

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

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Cash Basis**  
**Nonmajor Governmental Funds**  
**Fiscal Year Ended June 30, 2017**

	Mid-Co Donations Fund #288	Wal-Mart Grant Fund #294	Special Donations Fund #295	Associated Student Body Fund #299	BIRF Debt Service Fund #300	OPERS 2002 Bond Debt Service Fund #301	OPERS 2003 Bond Debt Service Fund #302	2014 GO Bond Debt Service Fund #303	Total Nonmajor Governmental Funds
<u>Revenues</u>									
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,168,657	\$ 3,168,657
Intergovernmental	-	-	-	-	-	-	-	3,073,410	3,073,410
Food Service Sales	-	-	-	-	-	-	-	194,573	194,573
Charges for Services	-	-	-	568,206	-	996,313	1,290,659	-	2,855,178
Contributions and Donations	100	-	14,239	52,824	-	-	-	-	417,572
Earnings on Investments	-	-	-	73	4,078	5,323	7,443	-	19,436
Other Revenue	-	-	-	-	-	-	-	-	11,403
<b>Total Revenues</b>	<b>100</b>	<b>-</b>	<b>14,239</b>	<b>621,103</b>	<b>4,078</b>	<b>1,001,636</b>	<b>1,298,102</b>	<b>3,168,657</b>	<b>9,740,229</b>
<u>Expenditures</u>									
Current:									
Instruction:									
Regular Programs	52	-	15,645	485,915	-	-	-	-	982,386
Special Programs	-	-	-	-	-	-	-	-	1,460,743
Support Services:									
Student Support Services	-	-	-	-	-	-	-	-	118,038
Instructional Staff Support	-	-	-	-	-	-	-	-	260,061
Enterprise and Community Services:									
Food Services	-	-	-	-	-	-	-	-	1,095,808
Capital Outlay	-	-	-	-	-	-	-	-	110,654
Debt Service:									
Principal	-	-	-	-	-	232,789	384,879	888,950	1,506,618
Interest	-	-	-	-	-	766,560	909,866	2,038,949	3,715,375
<b>Total Expenditures</b>	<b>52</b>	<b>-</b>	<b>15,645</b>	<b>485,915</b>	<b>-</b>	<b>999,349</b>	<b>1,294,745</b>	<b>2,927,899</b>	<b>9,249,683</b>
Change in Fund Balances Before Other Financing Sources / (Uses)	48	-	(1,406)	135,188	4,078	2,287	3,357	240,758	490,546
Other Financing Sources / (Uses):									
Transfers (to) / from Other Funds	-	-	-	(68,865)	(412,492)	-	-	-	(484,426)
Net Change in Fund Balances	48	-	(1,406)	66,323	(408,414)	2,287	3,357	240,758	6,120
Fund Balances, Beginning	152	160	16,574	311,026	408,414	3,994	4,086	419,399	1,047,430
<b>Fund Balances, Ending</b>	<b>200</b>	<b>160</b>	<b>15,168</b>	<b>377,349</b>	<b>-</b>	<b>6,281</b>	<b>7,443</b>	<b>660,157</b>	<b>1,053,550</b>



## **Budgetary Comparison Schedules**

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

**Budgetary Comparison Schedule  
Pendleton Foundation Trust Fund #201  
Fiscal Year Ended June 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations From Private Sources	\$ 45,000	\$ 45,000	\$ 30,159	\$ (14,841)
<u>Disbursements</u>				
Instruction:				
1111 Elementary, K-5 or K-6	15,000	15,000	-	15,000
1121 Middle/Junior High Programs	10,000	10,000	9,924	76
1131 High School Programs	20,000	20,000	20,235	(235)
Total Instruction	45,000	45,000	30,159	14,841
Support Services:				
2540 Operation and Maintenance of Plant Services	10,000	10,000	-	10,000
Total Disbursements	55,000	55,000	30,159	24,841
Net Change in Fund Balance	(10,000)	(10,000)	-	10,000
Fund Balance, Beginning	10,000	10,000	-	(10,000)
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

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

**Budgetary Comparison Schedule  
Educational Foundation of Pendleton Fund #204  
Fiscal Year Ended June 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations				
From Private Sources	\$ 20,000	\$ 20,000	\$ 18,962	\$ (1,038)
<u>Disbursements</u>				
Instruction:				
1111 Elementary, K-5 or K-6	10,000	10,000	1,729	8,271
1121 Middle/Junior High Programs	5,000	5,000	1,277	3,723
1131 High School Programs	5,000	5,000	14,147	(9,147)
1280 Alternative Education	-	-	1,809	(1,809)
Total Disbursements	20,000	20,000	18,962	1,038
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

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

**Budgetary Comparison Schedule  
IDEA Enhancement Fund #205  
Fiscal Year Ended June 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Federal Sources:				
4500 Restricted Revenue from the Federal Government Through the State	\$ 6,500	\$ 6,500	\$ 5,207	\$ (1,293)
<u>Disbursements</u>				
Instruction:				
1250 Less Restrictive Programs for Students with Disabilities	6,500	6,500	5,101	1,399
Net Change in Fund Balance	-	-	106	106
Fund Balance, Beginning		-	(106)	(106)
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

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

**Budgetary Comparison Schedule  
IDEA Systems Performance Fund #206  
Fiscal Year Ended June 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
State Sources:				
3299 Other Restricted Grants-in-Aid	\$ -	\$ -	\$ 255	\$ 255
Federal Sources:				
4500 Restricted Revenue from the Federal Government Through the State	4,500	4,500	3,594	(906)
Total Receipts	4,500	4,500	3,849	(651)
<u>Disbursements</u>				
Instruction:				
1250 Less Restrictive Programs for Students with Disabilities	4,500	4,500	3,738	762
Net Change in Fund Balance	-	-	111	111
Fund Balance, Beginning	-	-	(111)	(111)
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

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

**Budgetary Comparison Schedule  
Extended Assessment Training Fund #209  
Fiscal Year Ended June 30, 2017**

	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	\$ -	\$ (1,000)
<u>Disbursements</u>				
Support Services:				
2210 Improvement of Instruction 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  
IDEA Grant Fund #213  
Fiscal Year Ended June 30, 2017**

	Budget		Actual	Variance with
	Original	Final		Final Budget
<u>Receipts</u>				
Federal Sources:				
4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies	\$ 440,000	\$ 440,000	\$ 296,544	\$ (143,456)
<u>Disbursements</u>				
Instruction:				
1250 Less Restrictive Programs for Students with Disabilities	440,000	440,000	296,544	143,456
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

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

**Budgetary Comparison Schedule  
Struve Memorial Fund #214  
Fiscal Year Ended June 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations From Private Sources	\$ 7,500	\$ 7,500	\$ 2,249	\$ (5,251)
 <u>Disbursements</u>				
Support Services:				
1132 High School Extracurricular	5,000	5,000	(820)	5,820
Change in Fund Balance Before				
Other Financial Sources / (Uses)	2,500	2,500	3,069	569
Other Financial Sources / (Uses):				
Transfer to Other Funds	(2,500)	(2,500)	(3,069)	(569)
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -



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

**Budgetary Comparison Schedule  
CTE Program, Pendleton High School Fund #216  
Fiscal Year Ended June 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations				
From Private Sources	\$ -	\$ -	\$ 5,000	\$ 5,000
State Sources:				
3299 Other Restricted Grants-in-Aid	-	-	359,850	359,850
Total Receipts	-	-	364,850	364,850
<u>Disbursements</u>				
Instruction:				
1131 High School Programs	373,765	373,765	373,655	110
Support Services:				
2240 Instructional Staff Development	16,980	16,980	1,075	15,905
Total Disbursements	390,745	390,745	374,730	16,015
Net Change in Fund Balance	(390,745)	(390,745)	(9,880)	380,865
Fund Balance, Beginning	390,745	390,745	-	(390,745)
Fund Balance, Ending	\$ -	\$ -	\$ (9,880)	\$ (9,880)

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

**Budgetary Comparison Schedule  
CTE Program, Competative Grant Fund #217  
Fiscal Year Ended June 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
State Sources:				
3299 Other Restricted Grants-in-Aid	\$ 20,000	\$ 50,000	\$ 53,412	\$ 3,412
<u>Disbursements</u>				
Instruction:				
1131 High School Programs	20,000	50,000	42,813	7,187
Net Change in Fund Balance	-	-	10,599	10,599
Fund Balance, Beginning	-	-	(12,599)	(12,599)
Fund Balance, Ending	\$ -	\$ -	\$ (2,000)	\$ (2,000)

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

**Budgetary Comparison Schedule  
EBISS Grant Fund #218  
Fiscal Year Ended June 30, 2017**

	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	\$ 6,706	\$ (3,294)
<u>Disbursements</u>				
Support Services:				
2210 Improvement of Instruction Services	10,000	10,000	6,765	3,235
Net Change in Fund Balance	-	-	(59)	(59)
Fund Balance, Beginning	-	-	(19)	(19)
Fund Balance, Ending	\$ -	\$ -	\$ (78)	\$ (78)

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

**Budgetary Comparison Schedule  
Sodexo Scholarship Fund #223  
Fiscal Year Ended June 30, 2017**

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

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

**Budgetary Comparison Schedule  
Food Service Fund #224  
Fiscal Year Ended June 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1500 Earnings on Investments	\$ -	\$ -	\$ 2,519	\$ 2,519
1600 Food Service	450,000	450,000	194,573	(255,427)
1990 Miscellaneous	25,000	25,000	11,403	(13,597)
Total Local Sources	475,000	475,000	208,495	(266,505)
State Sources:				
3102 State School Fund - School Lunch Match	15,000	15,000	11,393	(3,607)
3299 Other Restricted Grants-in-Aid	22,000	22,000	23,998	1,998
Total State Sources	37,000	37,000	35,391	(1,609)
Federal Sources:				
4500 Restricted Revenue from the Federal Government Through the State	880,000	880,000	782,842	(97,158)
4900 Revenue for / on Behalf of the District	90,000	90,000	90,044	44
Total Federal Sources	970,000	970,000	872,886	(97,114)
Total Receipts	1,482,000	1,482,000	1,116,772	(365,228)
<u>Disbursements</u>				
Enterprise and Community Services:				
3100 Food Services	1,682,000	1,682,000	1,095,808	586,192
Net Change in Fund Balance	(200,000)	(200,000)	20,964	220,964
Fund Balance, Beginning	200,000	200,000	180,400	(19,600)
Fund Balance, Ending	\$ -	\$ -	\$ 201,364	\$ 201,364

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

**Budgetary Comparison Schedule  
Culinary Food Truck Fund #230  
Fiscal Year Ended June 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations From Private Sources	\$ -	\$ 100,000	\$ 100,000	\$ -
<u>Disbursements</u>				
Instruction:				
1131 High School Programs	-	100,000	67,627	32,373
Net Change in Fund Balance	-	-	32,373	32,373
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ 32,373	\$ 32,373

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

**Budgetary Comparison Schedule  
Altrusa ASK Program Fund #235  
Fiscal Year Ended June 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations From Private Sources	\$ 9,000	\$ 9,000	\$ 5,984	\$ (3,016)
<u>Disbursements</u>				
Instruction:				
1111 Elementary, K-5 or K-6	9,500	9,500	3,904	5,596
1121 Middle/Junior High Programs	2,000	2,000	785	1,215
1131 High School Programs	2,000	2,000	1,855	145
1140 Prekindergarten Programs	-	-	23	(23)
1280 Alternative Education	500	500	-	500
Total Instruction	14,000	14,000	6,567	7,433
Support Services:				
2550 Student Transportation Services	1,000	1,000	-	1,000
Total Disbursements	15,000	15,000	6,567	8,433
Net Change in Fund Balance	(6,000)	(6,000)	(583)	5,417
Fund Balance, Beginning	6,000	6,000	1,931	(4,069)
Fund Balance, Ending	\$ -	\$ -	\$ 1,348	\$ 1,348

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

**Budgetary Comparison Schedule  
PHS ASPIRE Program Fund #236  
Fiscal Year Ended June 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
State Sources:				
3299 Other Restricted Grants-in-Aid	\$ 3,000	\$ 3,000	\$ 1,700	\$ (1,300)
<u>Disbursements</u>				
Instruction:				
1131 High School Programs	4,000	4,000	-	4,000
Net Change in Fund Balance	(1,000)	(1,000)	1,700	2,700
Fund Balance, Beginning	1,000	1,000	715	(285)
Fund Balance, Ending	\$ -	\$ -	\$ 2,415	\$ 2,415



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

**Budgetary Comparison Schedule**  
**PHS Robotics Grant Fund #237**  
**Fiscal Year Ended June 30, 2017**

	Budget		Actual	Variance with
	Original	Final		Final Budget
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations				
From Private Sources	\$ 11,000	\$ 11,000	\$ 18,620	\$ 7,620
State Sources:				
3299 Other Restricted Grants-in-Aid	-	-	8,000	8,000
Federal Sources:				
4500 Restricted Revenue from the Federal				
Government Through the State	15,000	15,000	-	(15,000)
Total Receipts	26,000	26,000	26,620	620
<u>Disbursements</u>				
Instruction:				
1121 Middle/Junior High Programs	-	-	8,000	(8,000)
1131 High School Programs	26,000	26,000	15,587	10,413
Total Disbursements	26,000	26,000	23,587	2,413
Net Change in Fund Balance	-	-	3,033	3,033
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ 3,033	\$ 3,033

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

**Budgetary Comparison Schedule  
SWIFT Grant Fund #239  
Fiscal Year Ended June 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
State Sources:				
3299 Other Restricted Grants-in-Aid	\$ 40,000	\$ 40,000	\$ -	\$ (40,000)
Federal Sources:				
4500 Restricted Revenue from the Federal Government Through the State	-	-	30,514	30,514
Total Receipts	40,000	40,000	30,514	(9,486)
<u>Disbursements</u>				
Support Services:				
2210 Improvement of Instruction Services	40,000	40,000	31,516	8,484
Net Change in Fund Balance	-	-	(1,002)	(1,002)
Fund Balance, Beginning	-	-	1,002	1,002
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

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

**Budgetary Comparison Schedule  
Wildhorse Foundation Grant Fund #243  
Fiscal Year Ended June 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations From Private Sources	\$ 30,000	\$ 30,000	\$ 26,885	\$ (3,115)
<u>Disbursements</u>				
Instruction:				
1111 Elementary, K-5 or K-6	15,000	15,000	24	14,976
1121 Middle/Junior High Programs	15,000	15,000	12,241	2,759
1131 High School Programs	10,000	10,000	9,397	603
1250 Less Restrictive Programs for Students with Disabilities	-	-	10,000	(10,000)
Total Disbursements	40,000	40,000	31,662	8,338
Net Change in Fund Balance	(10,000)	(10,000)	(4,777)	5,223
Fund Balance, Beginning	10,000	10,000	4,777	(5,223)
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

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

**Budgetary Comparison Schedule  
Title ID Grant Fund #244  
Fiscal Year Ended June 30, 2017**

	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	\$ 4,283	\$ (45,717)
<u>Disbursements</u>				
Support Services:				
2210 Improvement of Instruction Services	50,000	50,000	-	50,000
Net Change in Fund Balance	-	-	4,283	4,283
Fund Balance, Beginning	-	-	(4,283)	(4,283)
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

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

**Budgetary Comparison Schedule  
ECMC Grant Fund #249  
Fiscal Year Ended June 30, 2017**

	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	\$ -
 <u>Disbursements</u>				
Instruction:				
1131 High School Programs	4,000	4,000	3,225	775
Net Change in Fund Balance	(1,000)	(1,000)	(225)	775
Fund Balance, Beginning	1,000	1,000	-	(1,000)
Fund Balance, Ending	\$ -	\$ -	\$ (225)	\$ (225)

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

**Budgetary Comparison Schedule  
Title I 2016-17 Grant Fund #253  
Fiscal Year Ended June 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Federal Sources:				
4500 Restricted Revenue from the Federal Government Through the State	\$ 630,000	\$ 630,000	\$ 475,515	\$ (154,485)
<u>Disbursements</u>				
Instruction:				
1272 Title I	620,000	620,000	600,862	19,138
Support Services:				
2210 Improvement of Instruction Services	10,000	10,000	-	10,000
Total Disbursements	630,000	630,000	600,862	29,138
Net Change in Fund Balance	-	-	(125,347)	(125,347)
Fund Balance, Beginning	-	-	(9,529)	(9,529)
Fund Balance, Ending	-	-	(134,876)	(134,876)

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

**Budgetary Comparison Schedule  
Title I 2015-2016 Grant Fund #255  
Fiscal Year Ended June 30, 2017**

	Budget		Actual	Variance with
	Original	Final		Final Budget
<u>Receipts</u>				
Federal Sources:				
4500 Restricted Revenue from the Federal Government Through the State	\$ 50,000	\$ 50,000	\$ 128,341	\$ 78,341
<u>Disbursements</u>				
Instruction:				
1272 Title I	50,000	50,000	11,389	38,611
Net Change in Fund Balance	-	-	116,952	116,952
Fund Balance, Beginning	-	-	(117,250)	(117,250)
Fund Balance, Ending	\$ -	\$ -	\$ (298)	\$ (298)

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

**Budgetary Comparison Schedule  
American Indian / Alaskan Native Culturally Relevant Grant Fund #260  
Fiscal Year Ended June 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
State Sources:				
3299 Other Restricted Grants-in-Aid	\$ 150,000	\$ 150,000	\$ 98,126	\$ (51,874)
<u>Disbursements</u>				
Support Services:				
2110 Attendance and Social Work Services	145,000	145,000	117,106	27,894
2210 Improvement of Instruction Services	5,000	5,000	-	5,000
Total Disbursements	150,000	150,000	117,106	32,894
Net Change in Fund Balance	-	-	(18,980)	(18,980)
Fund Balance, Beginning	-	-	(6,439)	(6,439)
Fund Balance, Ending	-	-	(25,419)	(25,419)



**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, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
State Sources:				
3299 Other Restricted Grants-in-Aid	\$ 914,000	\$ 914,000	\$ 489,150	\$ (424,850)
Federal Sources:				
4500 Restricted Revenue from the Federal Government Through the State	38,000	38,000	36,826	(1,174)
Total Receipts	952,000	952,000	525,976	(426,024)
<u>Disbursements</u>				
Instruction:				
1220 Restrictive Programs for Students with Disabilities	952,000	952,000	531,300	420,700
Net Change in Fund Balance	-	-	(5,324)	(5,324)
Fund Balance, Beginning	-	-	(208,620)	(208,620)
Fund Balance, Ending	\$ -	\$ -	\$ (213,944)	\$ (213,944)

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

**Budgetary Comparison Schedule  
Buck Boosters Grant Fund #273  
Fiscal Year Ended June 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations From Private Sources	\$ 57,500	\$ 57,500	\$ 139,050	\$ 81,550
<u>Disbursements</u>				
Instruction:				
1131 High Instruction	-	-	1,184	(1,184)
1132 High School Extracurricular	55,000	55,000	4,616	50,384
Total Disbursements	55,000	55,000	5,800	49,200
Change in Fund Balance Before Other Financial Sources / (Uses)	2,500	2,500	133,250	130,750
Other Financial Sources / (Uses):				
Transfer to Other Funds	(2,500)	(2,500)	-	2,500
Net Change in Fund Balance	-	-	133,250	133,250
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ 133,250	\$ 133,250

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

**Budgetary Comparison Schedule  
Title IIA Quality Teacher Grant 2015-16 Fund #277  
Fiscal Year Ended June 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Federal Sources:				
4500 Restricted Revenue from the Federal Government Through the State	\$ 40,000	\$ 40,000	\$ 43,750	\$ 3,750
<u>Disbursements</u>				
Support Services:				
2210 Improvement of Instruction Services	40,000	40,000	16,107	23,893
Net Change in Fund Balance	-	-	27,643	27,643
Fund Balance, Beginning	-	-	(27,643)	(27,643)
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

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

**Budgetary Comparison Schedule  
Title IIA Quality Teacher 2016-17 Grant Fund #278  
Fiscal Year Ended June 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Federal Sources:				
4500 Restricted Revenue from the Federal Government Through the State	\$ 160,000	\$ 160,000	\$ 123,360	\$ (36,640)
<u>Disbursements</u>				
Support Services:				
2210 Improvement of Instruction Services	67,714	67,714	46,611	21,103
2240 Instructional Staff Development	80,269	80,269	90,606	(10,337)
2640 Staff Services	12,017	12,017	-	12,017
Total Support Services	160,000	160,000	137,217	22,783
Net Change in Fund Balance	-	-	(13,857)	(13,857)
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ -	\$ -	\$ (13,857)	\$ (13,857)

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

**Budgetary Comparison Schedule  
P-3 Alignment Fund #283  
Fiscal Year Ended June 30, 2017**

	Budget		Actual	Variance with Final Budget
<u>Receipts</u>	Original	Final		
Local Sources:				
1920 Contributions and Donations From Private Sources	\$ 85,000	\$ 85,000	\$ -	\$ (85,000)
 <u>Disbursements</u>				
Instruction:				
1111 Elementary, K-5 or K-6	60,000	60,000	-	60,000
Support Services:				
2240 Instructional Staff Development	100,000	100,000	67,381	32,619
Total Disbursements	160,000	160,000	67,381	92,619
Net Change in Fund Balance	(75,000)	(75,000)	(67,381)	7,619
Fund Balance, Beginning	75,000	75,000	79,852	4,852
Fund Balance, Ending	\$ -	\$ -	\$ 12,471	\$ 12,471

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

**Budgetary Comparison Schedule  
St. Anthony Hospital Foundation Grant Fund #286  
Fiscal Year Ended June 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations				
From Private Sources	\$ 15,000	\$ 15,000	\$ -	\$ (15,000)
 <u>Disbursements</u>				
Support Services:				
2120 Guidance Services	15,000	15,000	932	14,068
Net Change in Fund Balance	-	-	(932)	(932)
Fund Balance, Beginning	-	-	967	967
Fund Balance, Ending	-	-	35	35

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

**Budgetary Comparison Schedule  
EOCI State of Oregon Fund #287  
Fiscal Year Ended June 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations				
From Private Sources	\$ 4,000	\$ 4,000	\$ -	\$ (4,000)
<u>Disbursements</u>				
Instruction:				
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, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<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	52	448
Net Change in Fund Balance	(100)	(100)	48	148
Fund Balance, Beginning	100	100	152	52
Fund Balance, Ending	\$ -	\$ -	\$ 200	\$ 200



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

**Budgetary Comparison Schedule**  
**CTSO Chapter Grants Fund #290**  
**Fiscal Year Ended June 30, 2017**

	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, 2017**

	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, 2017**

	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	-	750
1121 Middle School Programs	500	500	-	500
Total Disbursements	1,250	1,250	-	1,250
Net Change in Fund Balance	(250)	(250)	-	250
Fund Balance, Beginning	250	250	160	(90)
Fund Balance, Ending	\$ -	\$ -	\$ 160	\$ 160

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

**Budgetary Comparison Schedule  
Special Donations Fund #295  
Fiscal Year Ended June 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1920 Contributions and Donations From Private Sources	\$ 34,000	\$ 34,000	\$ 14,239	\$ (19,761)
<u>Disbursements</u>				
Instruction:				
1111 Elementary, K-5 or K-6	21,000	21,000	6,586	14,414
1121 Middle/Junior High Programs	5,000	5,000	1,066	3,934
1131 High School Programs	13,000	13,000	7,143	5,857
1132 High School Extracurricular	5,000	5,000	850	4,150
Total Instruction	44,000	44,000	15,645	28,355
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	59,000	59,000	15,645	43,355
Net Change in Fund Balance	(25,000)	(25,000)	(1,406)	23,594
Fund Balance, Beginning	25,000	25,000	16,574	(8,426)
Fund Balance, Ending	\$ -	\$ -	\$ 15,168	\$ 15,168

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

**Budgetary Comparison Schedule**  
**Associated Student Body Fund #299**  
**Fiscal Year Ended June 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1510 Interest on Investments	\$ -	\$ -	\$ 73	\$ 73
1700 Extracurricular Activities	560,000	560,000	568,206	8,206
1920 Contributions and Donations	-	-	52,824	52,824
Total Receipts	<u>560,000</u>	<u>560,000</u>	<u>621,103</u>	<u>61,103</u>
<u>Disbursements</u>				
Instruction:				
1113 Elementary Extracurricular	50,000	50,000	18,536	31,464
1122 Middle / Junior High School Extracurricular	140,000	140,000	67,256	72,744
1132 High School Extracurricular	570,000	570,000	400,123	169,877
Total Disbursements	<u>760,000</u>	<u>760,000</u>	<u>485,915</u>	<u>274,085</u>
Change in Fund Balance Before Other Financial Sources / (Uses)	(200,000)	(200,000)	135,188	335,188
Other Financial Sources / (Uses): Transfer to Other Funds	<u>(85,000)</u>	<u>(85,000)</u>	<u>(68,865)</u>	<u>16,135</u>
Net Change in Fund Balance	(285,000)	(285,000)	66,323	351,323
Fund Balance, Beginning	<u>285,000</u>	<u>285,000</u>	<u>311,026</u>	<u>26,026</u>
Fund Balance, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 377,349</u>	<u>\$ 377,349</u>

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

**Budgetary Comparison Schedule  
Bond Interest and Redemption (BIRF-OLGIP) Debt Service Fund #300  
Fiscal Year Ended June 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1500 Earnings on Investments	\$ -	\$ 5,000	\$ 4,078	\$ (922)
Total Receipts	-	5,000	4,078	(922)
<u>Disbursements</u>				
Other Uses:				
5100 Debt Service	-	-	-	-
Change in Fund Balance Before Other Financing Sources / (Uses)	-	5,000	4,078	(922)
Other Financial Sources / (Uses): Transfers to Other Funds	(410,000)	(415,000)	(412,492)	2,508
Net Change in Fund Balance	(410,000)	(410,000)	(408,414)	1,586
Fund Balance, Beginning	410,000	410,000	408,414	(1,586)
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

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

**Budgetary Comparison Schedule  
OPERS Bond 2002 Debt Service Fund #301  
Fiscal Year Ended June 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1500 Earnings on Investments	\$ 5,000	\$ 5,000	\$ 5,323	\$ 323
1970 Services Provided Other Funds	1,010,000	1,010,000	996,313	(13,687)
Total Receipts	1,015,000	1,015,000	1,001,636	(13,364)
<u>Disbursements</u>				
Other Uses:				
5100 Debt Service	1,015,000	1,015,000	999,349	15,651
Net Change in Fund Balance	-	-	2,287	2,287
Fund Balance, Beginning	5,000	5,000	3,994	(1,006)
Fund Balance, Ending	\$ 5,000	\$ 5,000	\$ 6,281	\$ 1,281

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

**Budgetary Comparison Schedule  
PERS Bond 2003 Debt Service Fund #302  
Fiscal Year Ended June 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1500 Earnings on Investments	\$ 5,000	\$ 5,000	\$ 7,443	\$ 2,443
1970 Services Provided Other Funds	1,305,000	1,305,000	1,290,659	(14,341)
Total Receipts	1,310,000	1,310,000	1,298,102	(11,898)
<u>Disbursements</u>				
Other Uses:				
5100 Debt Service	1,310,000	1,310,000	1,294,745	15,255
Net Change in Fund Balance	-	-	3,357	3,357
Fund Balance, Beginning	5,000	5,000	4,086	(914)
Fund Balance, Ending	\$ 5,000	\$ 5,000	\$ 7,443	\$ 2,443



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

**Budgetary Comparison Schedule**  
**2014 General Obligation Bond Debt Service Fund #303**  
**Fiscal Year Ended June 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<u>Receipts</u>				
Local Sources:				
1110 Ad Valorem Taxes Levied by District	\$ 2,987,950	\$ 2,987,950	\$ 3,168,657	\$ 180,707
1500 Earnings on Investments	10,000	10,000	-	(10,000)
Total Receipts	<u>2,997,950</u>	<u>2,997,950</u>	<u>3,168,657</u>	<u>170,707</u>
<u>Disbursements</u>				
Other Uses:				
5100 Debt Service	<u>2,927,950</u>	<u>2,927,950</u>	<u>2,927,899</u>	<u>51</u>
Net Change in Fund Balance	70,000	70,000	240,758	170,758
Fund Balance, Beginning	<u>100,000</u>	<u>100,000</u>	<u>419,399</u>	<u>319,399</u>
Fund Balance, Ending	<u>\$ 170,000</u>	<u>\$ 170,000</u>	<u>\$ 660,157</u>	<u>\$ 490,157</u>

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

**Budgetary Comparison Schedule  
Capital Projects Fund #400  
Fiscal Year Ended June 30, 2017**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b><u>Receipts</u></b>				
Local Sources:				
1500 Earnings on Investments	\$ 100,000	\$ 100,000	\$ 46,985	\$ (53,015)
1990 Miscellaneous	75,000	75,000	185,262	110,262
Total Local Sources	175,000	175,000	232,247	57,247
State Sources:				
3299 Other Restricted Grants in Aid	1,000,000	1,000,000	896,680	(103,320)
Total Receipts	1,175,000	1,175,000	1,128,927	(46,073)
<b><u>Disbursements</u></b>				
Support Services:				
2520 Fiscal Services	53,811	53,811	50,770	3,041
Facilities Acquisition and Construction:				
4110 Service Area Direction	726,189	726,189	390,289	335,900
4150 Building Acquisition, Construction, and Improvement	11,875,000	11,875,000	8,531,937	3,343,063
4180 Other Capital Items	1,430,000	1,430,000	837,082	592,918
Total Facilities Acquisition and Construction	14,031,189	14,031,189	9,759,308	4,271,881
Total Disbursements	14,085,000	14,085,000	9,810,078	4,274,922
Change in Fund Balance Before Other Financing Sources / (Uses)	(12,910,000)	(12,910,000)	(8,681,151)	4,228,849
Other Financial Sources / (Uses): Transfers from Other Funds	410,000	410,000	412,493	2,493
Net Change in Fund Balance	(12,500,000)	(12,500,000)	(8,268,658)	4,231,342
Fund Balance, Beginning	12,500,000	12,500,000	10,614,212	(1,885,788)
Fund Balance, Ending	\$ -	\$ -	\$ 2,345,554	\$ 2,345,554

## **Other Financial Schedules**

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

**Supplemental Information Required by the Oregon Department of Education**  
**Fiscal Year Ended June 30, 2017**

- 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	\$ 593,186
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, 2017**

	<b>Totals</b>	<b>Fund 100</b>	<b>Fund 200</b>	<b>Fund 300</b>	<b>Fund 400</b>	<b>Fund 500</b>	<b>Fund 600</b>	<b>Fund 700</b>
<b>Revenue from Local Sources</b>								
1110 Ad Valorem Taxes Levied by District	8,720,541	5,551,884	-	3,168,657	-	-	-	-
1120 Local Option Ad Valorem Taxes Levied by District	272,428	272,428	-	-	-	-	-	-
1130 Construction Excise Tax	-	-	-	-	-	-	-	-
1190 Penalties and Interest on Taxes	7,309	7,309	-	-	-	-	-	-
1200 Revenue from Local Governmental Units Other Than Districts	-	-	-	-	-	-	-	-
1311 Regular Day School Tuition - From Individuals	106	106	-	-	-	-	-	-
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	175,778	58,361	53,588	16,844	46,985	-	-	-
1600 Food Service	194,573	-	194,573	-	-	-	-	-
1700 Extracurricular Activities	583,019	14,813	568,206	-	-	-	-	-
1800 Community Services Activities	-	-	-	-	-	-	-	-
1910 Rentals	84,089	84,089	-	-	-	-	-	-
1920 Contributions and Donations From Private Sources	426,572	9,000	417,572	-	-	-	-	-
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	184	184	-	-	-	-	-	-
1970 Services Provided Other Funds	2,286,972	-	-	2,286,972	-	-	-	-
1980 Fees Charged to Grants	-	-	-	-	-	-	-	-
1990 Miscellaneous	496,440	225,190	85,988	-	185,262	-	-	-
<b>Total Revenue from Local Sources</b>	<b>13,248,011</b>	<b>6,223,364</b>	<b>1,319,927</b>	<b>5,472,473</b>	<b>232,247</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Revenue from Intermediate Sources</b>								
2101 County School Funds	80,811	80,811	-	-	-	-	-	-
2102 General ESD Revenue	-	-	-	-	-	-	-	-
2103 Excess ESD Local Revenue	-	-	-	-	-	-	-	-
2105 Natural Gas, Oil, and Mineral Receipts	-	-	-	-	-	-	-	-
2110 Intermediate "I" Tax	-	-	-	-	-	-	-	-
2199 Other Intermediate Sources	-	-	-	-	-	-	-	-
2200 Restricted Revenue	81,769	81,769	-	-	-	-	-	-
2800 Revenue in Lieu of Taxes	-	-	-	-	-	-	-	-
2900 Revenue for/on Behalf of the District	-	-	-	-	-	-	-	-
<b>Total Revenue from Intermediate Sources</b>	<b>162,580</b>	<b>162,580</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Revenue from State Sources</b>								
3101 State School Fund - General Support	20,916,936	20,916,936	-	-	-	-	-	-
3102 State School Fund - School Lunch Match	11,393	-	11,393	-	-	-	-	-
3103 Common School Fund	404,354	404,354	-	-	-	-	-	-
3104 State Managed County Timber	-	-	-	-	-	-	-	-
3106 State School Fund - Accrual	-	-	-	-	-	-	-	-
3199 Other Unrestricted Grants-in-Aid	156,351	156,351	-	-	-	-	-	-
3204 Driver Education	-	-	-	-	-	-	-	-
3222 State School Fund (SSF) Transportation Equipment	1,172,500	1,172,500	-	-	-	-	-	-
3299 Other Restricted Grants-in-Aid	1,931,171	-	1,034,491	-	896,680	-	-	-
3800 Revenue in Lieu of Taxes	-	-	-	-	-	-	-	-
3900 Revenue for/on Behalf of the District	-	-	-	-	-	-	-	-
<b>Total Revenue from State Sources</b>	<b>24,592,705</b>	<b>22,650,141</b>	<b>1,045,884</b>	<b>-</b>	<b>896,680</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Revenue from Federal Sources</b>								
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	1,640,939	-	1,640,939	-	-	-	-	-
4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies	296,544	-	296,544	-	-	-	-	-
4801 Federal Forest Fees	-	-	-	-	-	-	-	-
4802 Impact Aid to School Districts for Operation (PL 874)	303,179	303,179	-	-	-	-	-	-
4803 Coos Bay Wagon Road Funds	-	-	-	-	-	-	-	-
4899 Other Revenue in Lieu of Taxes	-	-	-	-	-	-	-	-
4900 Revenue for/on Behalf of the District	90,044	-	90,044	-	-	-	-	-
<b>Total Revenue from Federal Sources</b>	<b>2,330,706</b>	<b>303,179</b>	<b>2,027,527</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Revenue from Other Sources</b>								
5100 Long Term Debt Financing Sources	-	-	-	-	-	-	-	-
5200 Interfund Transfers	561,426	71,933	77,000	-	412,493	-	-	-
5300 Sale of or Compensation for Loss of Fixed Assets	-	-	-	-	-	-	-	-
5400 Resources - Beginning Fund Balance	18,270,115	4,943,735	1,876,275	835,893	10,614,212	-	-	-
<b>Total Revenue from Other Sources</b>	<b>18,831,541</b>	<b>5,015,668</b>	<b>1,953,275</b>	<b>835,893</b>	<b>11,026,705</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Totals</b>	<b>59,165,543</b>	<b>34,354,932</b>	<b>6,346,613</b>	<b>6,308,366</b>	<b>12,155,632</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

**Supplemental Information Required by the Oregon Department of Education (3211c)  
Fiscal Year Ended June 30, 2017**

**Fund: 100 General Fund**

<b>Instruction Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
1111	Elementary, K-5 or K-6	6,812,996	4,375,700	2,038,213	26,780	372,277	-	26	-
1113	Elementary Extracurricular	-	-	-	-	-	-	-	-
1121	Middle/Junior High Programs	3,479,726	2,245,348	1,029,647	8,975	194,911	-	845	-
1122	Middle/Junior High School Extracurricular	91,922	71,086	15,532	4,039	1,265	-	-	-
1131	High School Programs	3,833,402	2,456,272	1,194,023	22,816	154,141	-	6,150	-
1132	High School Extracurricular	442,947	279,918	51,165	86,197	13,687	-	11,980	-
1140	Pre-Kindergarten Programs	40,024	17,884	21,672	-	468	-	-	-
1210	Programs for the Talented and Gifted	685	-	-	140	-	-	545	-
1220	Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1250	Less Restrictive Programs for Students with Disabilities	3,733,379	2,017,529	1,685,709	23,190	6,951	-	-	-
1260	Treatment and Habilitation	-	-	-	-	-	-	-	-
1271	Remediation	-	-	-	-	-	-	-	-
1272	Title I	-	-	-	-	-	-	-	-
1280	Alternative Education	777,793	227,930	142,287	366,669	40,907	-	-	-
1291	English Second Language Programs	267,525	177,118	83,739	540	6,128	-	-	-
1292	Teen Parent Program	-	-	-	-	-	-	-	-
1293	Migrant Education	-	-	-	-	-	-	-	-
1294	Youth Corrections Education	-	-	-	-	-	-	-	-
1299	Other Programs	-	-	-	-	-	-	-	-
1300	Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400	Summer School Programs	20,306	13,498	1,836	4,972	-	-	-	-
<b>Total Instruction Expenditures</b>		19,500,705	11,882,283	6,263,823	544,318	790,735	-	19,546	-
<b>Support Services Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
2110	Attendance and Social Work Services	74,735	31,123	24,259	19,353	-	-	-	-
2120	Guidance Services	930,069	610,562	315,379	-	4,128	-	-	-
2130	Health Services	-	-	-	-	-	-	-	-
2140	Psychological Services	37,531	23,262	14,269	-	-	-	-	-
2150	Speech Pathology and Audiology Services	-	-	-	-	-	-	-	-
2160	Other Student Treatment Services	-	-	-	-	-	-	-	-
2190	Service Direction, Student Support Services	193,621	135,567	57,229	825	-	-	-	-
2210	Improvement of Instruction Services	46,607	-	45,162	1,382	63	-	-	-
2220	Educational Media Services	260,067	122,025	121,934	-	16,108	-	-	-
2230	Assessment & Testing	-	-	-	-	-	-	-	-
2240	Instructional Staff Development	-	-	-	-	-	-	-	-
2310	Board of Education Services	144,914	-	-	56,818	3,172	-	84,924	-
2320	Executive Administration Services	638,253	390,406	174,508	42,592	25,220	-	5,527	-
2410	Office of the Principal Services	2,388,510	1,503,351	719,617	99,541	50,968	-	15,033	-
2490	Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510	Direction of Business Support Services	-	-	-	-	-	-	-	-
2520	Fiscal Services	445,223	185,106	87,857	11,927	4,021	-	156,312	-
2540	Operation and Maintenance of Plant Services	3,201,683	1,123,999	749,682	982,793	300,826	42,550	1,833	-
2550	Student Transportation Services	1,644,458	-	-	1,644,458	-	-	-	-
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	555,850	-	-	352,504	203,346	-	-	-
2670	Records Management Services	-	-	-	-	-	-	-	-
2690	Other Support Services - Central	-	-	-	-	-	-	-	-
2700	Supplemental Retirement Program	363,298	325,908	37,390	-	-	-	-	-
<b>Total Support Services Expenditures</b>		10,924,819	4,451,309	2,347,286	3,212,193	607,852	42,550	263,629	-
<b>Enterprise and Community Services Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
3100	Food Services	-	-	-	-	-	-	-	-
3200	Other Enterprise Services	-	-	-	-	-	-	-	-
3300	Community Services	-	-	-	-	-	-	-	-
3500	Custody and Care of Children Services	-	-	-	-	-	-	-	-
<b>Total Enterprise and Community Services Expenditures</b>		-	-	-	-	-	-	-	-
<b>Facilities Acquisition and Construction Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
4110	Service Area Direction	-	-	-	-	-	-	-	-
4120	Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150	Building Acquisition, Construction, and Improvement Services	-	-	-	-	-	-	-	-
4180	Other Capital Items	-	-	-	-	-	-	-	-
4190	Other Facilities Construction Services	-	-	-	-	-	-	-	-
<b>Total Facilities Acquisition and Construction Expenditures</b>		-	-	-	-	-	-	-	-
<b>Other Uses Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
5100	Debt Service	4,200	-	-	-	-	-	4,200	-
5200	Transfers of Funds	77,000	-	-	-	-	-	-	77,000
5300	Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400	PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
<b>Total Other Uses Expenditures</b>		81,200	-	-	-	-	-	4,200	77,000
<b>Grand Totals</b>		<b>30,506,724</b>	<b>16,333,592</b>	<b>8,611,109</b>	<b>3,756,511</b>	<b>1,398,587</b>	<b>42,550</b>	<b>287,375</b>	<b>77,000</b>

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

**Supplemental Information Required by the Oregon Department of Education (3211c)  
Fiscal Year Ended June 30, 2017**

**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	12,295	175	15	1,479	10,492	-	134	-
1113 Elementary Extracurricular	18,536	-	-	2,146	16,390	-	-	-
1121 Middle/Junior High Programs	33,293	1,375	294	1,386	28,238	-	2,000	-
1122 Middle/Junior High School Extracurricular	67,256	13,264	-	53,992	-	-	-	-
1131 High School Programs	556,868	-	-	78,201	359,587	110,654	8,426	-
1132 High School Extracurricular	404,768	3,703	-	115,990	285,895	-	(820)	-
1140 Pre-Kindergarten Programs	23	-	-	-	23	-	-	-
1210 Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220 Restrictive Programs for Students with Disabilities	531,301	350,632	154,167	13,654	12,848	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	315,384	200,146	100,028	2,679	12,531	-	-	-
1260 Treatment and Habilitation	-	-	-	-	-	-	-	-
1271 Remediation	-	-	-	-	-	-	-	-
1272 Title I	612,252	358,646	244,785	7,266	1,555	-	-	-
1280 Alternative Education	1,810	-	-	1,754	56	-	-	-
1291 English Second Language Programs	-	-	-	-	-	-	-	-
1292 Teen Parent Program	-	-	-	-	-	-	-	-
1293 Migrant Education	-	-	-	-	-	-	-	-
1294 Youth Corrections Education	-	-	-	-	-	-	-	-
1299 Other Programs	-	-	-	-	-	-	-	-
1300 Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400 Summer School Programs	-	-	-	-	-	-	-	-
<b>Total Instruction Expenditures</b>	<b>2,553,786</b>	<b>927,941</b>	<b>499,289</b>	<b>278,547</b>	<b>727,615</b>	<b>110,654</b>	<b>9,740</b>	<b>-</b>

**Support Services Expenditures**

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	117,106	60,556	15,845	5,766	34,939	-	-	-
2120 Guidance Services	932	-	-	-	932	-	-	-
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	100,999	32,475	4,768	59,742	4,014	-	-	-
2220 Educational Media Services	-	-	-	-	-	-	-	-
2230 Assessment & Testing	-	-	-	-	-	-	-	-
2240 Instructional Staff Development	159,064	77,800	27,742	32,757	20,765	-	-	-
2310 Board of Education Services	-	-	-	-	-	-	-	-
2320 Executive Administration Services	-	-	-	-	-	-	-	-
2410 Office of the Principal Services	-	-	-	-	-	-	-	-
2490 Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510 Direction of Business Support Services	-	-	-	-	-	-	-	-
2520 Fiscal Services	-	-	-	-	-	-	-	-
2540 Operation and Maintenance of Plant Services	-	-	-	-	-	-	-	-
2550 Student Transportation Services	-	-	-	-	-	-	-	-
2570 Internal Services	-	-	-	-	-	-	-	-
2610 Direction of Central Support Services	-	-	-	-	-	-	-	-
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-	-	-	-	-	-	-	-
2630 Information Services	-	-	-	-	-	-	-	-
2640 Staff Services	-	-	-	-	-	-	-	-
2660 Technology Services	-	-	-	-	-	-	-	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	-	-	-	-	-	-	-	-
<b>Total Support Services Expenditures</b>	<b>378,101</b>	<b>170,831</b>	<b>48,355</b>	<b>98,265</b>	<b>60,650</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Enterprise and Community Services Expenditures**

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	1,095,808	6,096	517	977,155	109,639	-	2,401	-
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	-	-	-	-	-	-	-	-
3500 Custody and Care of Children Services	-	-	-	-	-	-	-	-
<b>Total Enterprise and Community Services Expenditures</b>	<b>1,095,808</b>	<b>6,096</b>	<b>517</b>	<b>977,155</b>	<b>109,639</b>	<b>-</b>	<b>2,401</b>	<b>-</b>

**Facilities Acquisition and Construction Expenditures**

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

**Other Uses Expenditures**

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	-	-	-	-	-	-	-	-
5200 Transfers of Funds	71,933	-	-	-	-	-	-	71,933
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
<b>Total Other Uses Expenditures</b>	<b>71,933</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>71,933</b>

**Grand Totals**

<b>Grand Totals</b>	<b>4,099,628</b>	<b>1,104,868</b>	<b>548,161</b>	<b>1,353,967</b>	<b>897,904</b>	<b>110,654</b>	<b>12,141</b>	<b>71,933</b>
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**Pendleton School District #16R  
Umatilla County, Oregon**

**Supplemental Information Required by the Oregon Department of Education (3211c)  
Fiscal Year Ended June 30, 2017**

**Fund: 300 Debt Service Funds**

<b>Instruction Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
1111 Elementary, K-5 or K-6	-	-	-	-	-	-	-	-
1113 Elementary Extracurricular	-	-	-	-	-	-	-	-
1121 Middle/Junior High Programs	-	-	-	-	-	-	-	-
1122 Middle/Junior High School Extracurricular	-	-	-	-	-	-	-	-
1131 High School Programs	-	-	-	-	-	-	-	-
1132 High School Extracurricular	-	-	-	-	-	-	-	-
1140 Pre-Kindergarten Programs	-	-	-	-	-	-	-	-
1210 Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220 Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1260 Treatment and Habilitation	-	-	-	-	-	-	-	-
1271 Remediation	-	-	-	-	-	-	-	-
1272 Title I	-	-	-	-	-	-	-	-
1280 Alternative Education	-	-	-	-	-	-	-	-
1291 English Second Language Programs	-	-	-	-	-	-	-	-
1292 Teen Parent Program	-	-	-	-	-	-	-	-
1293 Migrant Education	-	-	-	-	-	-	-	-
1294 Youth Corrections Education	-	-	-	-	-	-	-	-
1299 Other Programs	-	-	-	-	-	-	-	-
1300 Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400 Summer School Programs	-	-	-	-	-	-	-	-
<b>Total Instruction Expenditures</b>	-	-	-	-	-	-	-	-
<b>Support Services Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
2110 Attendance and Social Work Services	-	-	-	-	-	-	-	-
2120 Guidance Services	-	-	-	-	-	-	-	-
2130 Health Services	-	-	-	-	-	-	-	-
2140 Psychological Services	-	-	-	-	-	-	-	-
2150 Speech Pathology and Audiology Services	-	-	-	-	-	-	-	-
2160 Other Student Treatment Services	-	-	-	-	-	-	-	-
2190 Service Direction, Student Support Services	-	-	-	-	-	-	-	-
2210 Improvement of Instruction Services	-	-	-	-	-	-	-	-
2220 Educational Media Services	-	-	-	-	-	-	-	-
2230 Assessment & Testing	-	-	-	-	-	-	-	-
2240 Instructional Staff Development	-	-	-	-	-	-	-	-
2310 Board of Education Services	-	-	-	-	-	-	-	-
2320 Executive Administration Services	-	-	-	-	-	-	-	-
2410 Office of the Principal Services	-	-	-	-	-	-	-	-
2490 Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510 Direction of Business Support Services	-	-	-	-	-	-	-	-
2520 Fiscal Services	-	-	-	-	-	-	-	-
2540 Operation and Maintenance of Plant Services	-	-	-	-	-	-	-	-
2550 Student Transportation Services	-	-	-	-	-	-	-	-
2570 Internal Services	-	-	-	-	-	-	-	-
2610 Direction of Central Support Services	-	-	-	-	-	-	-	-
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-	-	-	-	-	-	-	-
2630 Information Services	-	-	-	-	-	-	-	-
2640 Staff Services	-	-	-	-	-	-	-	-
2660 Technology Services	-	-	-	-	-	-	-	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	-	-	-	-	-	-	-	-
<b>Total Support Services Expenditures</b>	-	-	-	-	-	-	-	-
<b>Enterprise and Community Services Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
3100 Food Services	-	-	-	-	-	-	-	-
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	-	-	-	-	-	-	-	-
3500 Custody and Care of Children Services	-	-	-	-	-	-	-	-
<b>Total Enterprise and Community Services Expenditures</b>	-	-	-	-	-	-	-	-
<b>Facilities Acquisition and Construction Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
4110 Service Area Direction	-	-	-	-	-	-	-	-
4120 Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150 Building Acquisition, Construction, and Improvement Services	-	-	-	-	-	-	-	-
4180 Other Capital Items	-	-	-	-	-	-	-	-
4190 Other Facilities Construction Services	-	-	-	-	-	-	-	-
<b>Total Facilities Acquisition and Construction Expenditures</b>	-	-	-	-	-	-	-	-
<b>Other Uses Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
5100 Debt Service	5,221,992	-	-	-	-	-	5,221,992	-
5200 Transfers of Funds	412,493	-	-	-	-	-	-	412,493
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
<b>Total Other Uses Expenditures</b>	5,634,485	-	-	-	-	-	5,221,992	412,493
<b>Grand Totals</b>	<b>5,634,485</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,221,992</b>	<b>412,493</b>



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

**Supplemental Information Required by the Oregon Department of Education (3211c)  
Fiscal Year Ended June 30, 2017**

**Fund: 400 Capital Projects Funds**

**Instruction Expenditures**

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

**Support Services Expenditures**

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	-	-	-	-	-	-	-	-
2120 Guidance Services	-	-	-	-	-	-	-	-
2130 Health Services	-	-	-	-	-	-	-	-
2140 Psychological Services	-	-	-	-	-	-	-	-
2150 Speech Pathology and Audiology Services	-	-	-	-	-	-	-	-
2160 Other Student Treatment Services	-	-	-	-	-	-	-	-
2190 Service Direction, Student Support Services	-	-	-	-	-	-	-	-
2210 Improvement of Instruction Services	-	-	-	-	-	-	-	-
2220 Educational Media Services	-	-	-	-	-	-	-	-
2230 Assessment & Testing	-	-	-	-	-	-	-	-
2240 Instructional Staff Development	-	-	-	-	-	-	-	-
2310 Board of Education Services	-	-	-	-	-	-	-	-
2320 Executive Administration Services	-	-	-	-	-	-	-	-
2410 Office of the Principal Services	-	-	-	-	-	-	-	-
2490 Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510 Direction of Business Support Services	-	-	-	-	-	-	-	-
2520 Fiscal Services	50,769	21,166	13,559	15,917	-	-	127	-
2540 Operation and Maintenance of Plant Services	-	-	-	-	-	-	-	-
2550 Student Transportation Services	-	-	-	-	-	-	-	-
2570 Internal Services	-	-	-	-	-	-	-	-
2610 Direction of Central Support Services	-	-	-	-	-	-	-	-
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-	-	-	-	-	-	-	-
2630 Information Services	-	-	-	-	-	-	-	-
2640 Staff Services	-	-	-	-	-	-	-	-
2660 Technology Services	-	-	-	-	-	-	-	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	-	-	-	-	-	-	-	-
<b>Total Support Services Expenditures</b>	50,769	21,166	13,559	15,917	-	-	127	-

**Enterprise and Community Services Expenditures**

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

**Facilities Acquisition and Construction Expenditures**

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction	390,290	-	-	367,421	21,809	-	1,060	-
4120 Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150 Building Acquisition, Construction, and Improvement Services	8,531,937	-	-	89,004	2,826	8,440,107	-	-
4180 Other Capital Items	837,082	-	-	102,765	734,317	-	-	-
4190 Other Facilities Construction Services	-	-	-	-	-	-	-	-
<b>Total Facilities Acquisition and Construction Expenditures</b>	9,759,309	-	-	559,190	758,952	8,440,107	1,060	-

**Other Uses Expenditures**

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

**Grand Totals**

	9,810,078	21,166	13,559	575,107	758,952	8,440,107	1,187	-
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## **COMPLIANCE SECTION**

# Cockburn & McClintock, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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KYLIE M. McCLINTOCK, CPA

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

## 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, 2017, and have issued our report thereon dated November 29, 2017. 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*.

### OAR 162-10-0230 Internal Control

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

#### **Restrictions on Use**

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



Cockburn & McClintock, LLC

Pendleton, Oregon

November 29, 2017

# *Cockburn & McClintock, LLC*

CERTIFIED PUBLIC ACCOUNTANTS

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AICPA - PRIVATE COMPANIES PRACTICE SECTION

## **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, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 29, 2017.

### **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, flowing style.

Cockburn & McClintock, LLC  
Pendleton, Oregon  
November 29, 2017

# *Cockburn & McClintock, LLC*

CERTIFIED PUBLIC ACCOUNTANTS

CHRISTOPHER J. COCKBURN, CPA  
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, 2017. 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, 2017.

### **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. However, we identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2017-001 that we consider to be a significant deficiency.

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 fluid and cursive, with the first part being "Cockburn" and the second part being "McClintock, LLC".

Cockburn & McClintock, LLC

Pendleton, Oregon

November 29, 2017

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

**Schedule of Expenditures of Federal Awards  
Fiscal Year Ended June 30, 2017**

Federal Grantor Pass-Through Grantor	Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Grant Period	Grant Amount	Federal Revenues	Federal Expenditures
<b>U.S. Department of Agriculture:</b>							
Pass-Through Programs From:							
Oregon State Department of Education:							
Child Nutrition Cluster:							
	School Breakfast Program	10.553	3016001	7/1/15-6/30/16	\$ 178,621	\$ 5,217	\$ -
	School Breakfast Program	10.553	3016001	7/1/16-6/30/17	160,831	150,837	160,831
	National School Lunch Program	10.555	3016001	7/1/15-6/30/16	711,155	17,234	-
	National School Lunch Program	10.555	3016001	7/1/16-6/30/17	612,095	667,434	702,139
	Summer Food Service Program for Children	10.559	3016001	7/1/15-6/30/16	29,052	7,902	-
	Summer Food Service Program for Children	10.559	3016001	7/1/16-6/30/17	20,038	13,942	20,038
	SAE 2016 Reallocation	10.560	3016001	7/1/16-6/30/17	2,057	2,057	2,057
	National School Lunch Program Equipment Grant	10.579	3016001	7/1/16-6/30/17	8,263	8,263	8,263
	Subtotal Department of Agriculture Pass-Through Program From Oregon State Department of Education and Total Child Nutrition Cluster				1,722,112	872,886	893,328
<b>Total U.S. Department of Agriculture</b>					<b>1,722,112</b>	<b>872,886</b>	<b>893,328</b>
<b>U.S. Department of Education:</b>							
Direct Programs:							
	Impact Aid (Title VIII of ESEA)	84.041		7/1/14-6/30/15	313,890	27,709	27,709
	Impact Aid (Title VIII of ESEA)	84.041		7/1/16-6/30/17	275,469	275,469	275,469
	Total Impact Aid (Title VIII of ESEA)				589,359	303,178	303,178
Pass-Through Programs From:							
Oregon State Department of Education:							
	Grants to Local Educational Agencies (Title I, Part A of ESEA)	84.010	32655	7/1/14-9/30/15	614,183	9,529	-
	Grants to Local Educational Agencies (Title I, Part A of ESEA)	84.010	36046	7/1/15-9/30/16	573,545	128,341	11,389
	Grants to Local Educational Agencies (Title I, Part A of ESEA)	84.010	41130	7/1/16-9/30/17	624,965	465,987	600,863
	Grants to Local Educational Agencies (Title I, Part A of ESEA)	84.010	36568	7/1/15-9-30/16	22,124	4,283	-
	Total Grants to Local Educational Agencies (Title I, Part A of ESEA)				1,834,817	608,140	612,252
	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	18,123	30,423
	Program for Neglected and Delinquent Children and Youth (Title I, Part D of ESEA)	84.013	38529	7/1/15-6/30/16	29,881	13,037	-
	Total Program for Neglected and Delinquent Children and Youth (Title I, Part D of ESEA)				60,303	31,160	30,423
	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	2,419	2,497
	Effective Behavioral & Instructional Support Systems Grant (IDEA Part B)	84.323	39397	8/1/15-7/31/16	3,000	3,000	3,000
	Effective Behavioral & Instructional Support Systems Grant (IDEA Part B)	84.323	37399	8/1/15-7/30/16	1,531	1,288	1,269
	Total Special Education - State Personnel Development Grants				4,531	6,707	6,766
	SchoolWide Integrated Framework for Transformation Grant (IDEA Part D, Section 663)	84.326	42964	1/15/15-10/14/17	22,500	15,075	15,075
	SchoolWide Integrated Framework for Transformation Grant (IDEA Part D, Section 663)	84.326	34981	01/15/15-11/14/16	46,000	15,439	15,439
	Total SchoolWide Integrated Framework for Transporation Grant (IDEA Part D, Section 663)				68,500	30,514	30,514
	Improving Teacher Quality State Grants (Title II, Part A of ESEA)	84.367	41385	7/1/16-9/30/17	157,658	123,360	137,217
	Improving Teacher Quality State Grants (Title II, Part A of ESEA)	84.367	36243	7/1/15-9/30/16	158,812	43,750	16,110
	Total Improving Teacher Quality State Grants (Title II, Part A of ESEA)				316,470	167,110	153,327
	Subtotal Department of Education Pass-Through Programs From Oregon State Department of Education				2,284,622	843,631	833,282
InterMountain Education Service District:							
	Special Education (IDEA) Cluster:						
	Special Education - Grants to States (IDEA Part B, Section 611)	84.027	36876	7/1/15-9/30/2017	515,816	296,544	296,544
	Subtotal Department of Education Special Education (IDEA) Cluster Pass-Through Program From InterMountain Education Service District				515,816	296,544	296,544
Oregon State Department of Education:							
	Special Education (IDEA) Cluster:						
	Special Performance Review & Improvement Grant (IDEA Part B, Section 611)	84.027	37966	8/1/15-6/30/16	3,418	317	206
	Special Performance Review & Improvement Grant (IDEA Part B, Section 611)	84.027	40924	7/1/16-6/30/17	3,286	3,278	3,278
	Special Education Enhancement Grant (IDEA Part B, Section 611)	84.027	42725	10/1/16-9/30/17	5,305	5,101	5,101
	Special Education Enhancement Grant (IDEA Part B, Section 611)	84.027	38401	10/1/15-9/30/16	5,305	106	-
	Long Term Care & Treatment Education Program (IDEA Part B, Section 611)	84.027	42081	7/1/16-6/30/17	8,137	1,724	8,137
	Long Term Care & Treatment Education Program (IDEA Part B, Section 611)	84.027	38504	7/1/15-6/30/16	8,162	3,941	-
	Subtotal Department of Education Special Education (IDEA) Cluster Pass-Through Program From Oregon State Department of Education				33,613	14,467	16,722
	Total Special Education (IDEA) Cluster				549,429	311,011	313,266
<b>Total U.S. Department of Education</b>					<b>3,423,410</b>	<b>1,457,820</b>	<b>1,449,726</b>
<b>Total Federal Awards</b>					<b>\$ 5,145,522</b>	<b>\$ 2,330,706</b>	<b>\$ 2,343,054</b>

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

**Notes to the Schedule of Expenditures of Federal Awards  
June 30, 2017**

**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, 2017. 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, 2017, the District received approximately \$90,044 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>90,044</u>

**Note 4 – Subrecipients**

During the fiscal year ended June 30, 2017, 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, 2017**

**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*

- One significant deficiency relating to the audit of the major federal award programs is reported in the *INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE*.
- The auditor's report on compliance for the major federal award programs for Pendleton School District #16R expresses a qualified opinion on all major federal programs.
- Audit findings that are required to be reported in accordance with §200.516 of the Uniform Guidance are reported in this Schedule.
- The programs tested as major programs were:
  - Grants to Local Educational Agencies (Title I, Part A of ESEA), CFDA #84.010
  - Special Education (IDEA) Cluster, CFDA #84.027
- The threshold for distinguishing between Type A and Type B programs was \$750,000.
- Pendleton School District #16R was determined to *not* be a low-risk auditee.

**B. FINDINGS—FINANCIAL STATEMENT AUDIT**

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

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

**Schedule of Findings and Questioned Costs**  
**Fiscal Year Ended June 30, 2017**

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

**2017-001: Employee Time-and-Effort Documentation (Significant Deficiency)**

*CFDA #:* 84.010 & 84.013

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

*Pass-Through Entity Identifying Number:* Oregon State Department of Education #36046, #41130, and #42104

*Grant Period:* 7/1/15-9/30/16, 7/1/16-9/30/17, & 7/1/16-6/30/17

*Compliance Requirement:* Allowable Costs / Cost Principles

*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.

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

*Cause:* Time and Effort Certification on this specific employee was simply overlooked.

*Effect:* Grants to Local Educational Agencies (Title I, Part A of ESEA); \$26,000 of costs are questioned as a result of failing to meet time and effort certification requirements.

*Recommendation:* We recommend 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.

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



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**Corrective Action Plan  
Fiscal Year Ended June 30, 2017**

**Chris Fritsch**  
Superintendent

**Michelle Jones**  
Director of Business Services

**Julie Smith**  
Director of Special Programs

**Matt Yoshioka**  
Director of Curriculum Instruction  
& Assessment

**Dan Greenough**  
Principal  
Pendleton High School

**Dave Williams**  
Principal  
Sunridge Middle School

**Lori Hale**  
Principal  
Pendleton Early Learning Center

**Theresa Owens**  
Principal  
Sherwood Heights Elementary

**Ronda Smith**  
Principal  
McKay Creek Elementary

**Aimee VanNice**  
Principal  
Washington Elementary

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

**Finding: 2017-001: Employee Time-and-Effort Documentation**

Name of contact Person: Michelle Jones, Director of Business Services

Corrective Action: The District will follow controls that are currently in place to certify that all federally funded employees complete "Federally Funded Employee Multiple Cost Objective Reports" and that the District will review and approve such reports.

Proposed Completion Date: July 1, 2017



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## Summary Schedule of Prior Year Findings and Questioned Costs Fiscal Year Ended June 30, 2017

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**Chris Fritsch**  
Superintendent

**Michelle Jones**  
Director of Business Services

**Julie Smith**  
Director of Special Programs

**Matt Yoshioka**  
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Dave Krumbein  
Debbie McBee  
Michelle Monkman  
Steve Umbarger

### FINDINGS—FINANCIAL STATEMENT AUDIT

There were no findings noted for the financial statement audit for the prior fiscal year ended June 30, 2016.

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

FINDING 2016-001: Special Education (IDEA) Cluster and Grants to Local Education Agencies (Title I, Part A of ESEA)- Employee Time-and-Effort Documentation.

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

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

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

*Current Status:* The recommendation was considered, however, we have a similar finding in the 2017 audit, see Finding 2017-01.

FINDING 2016-002- Grants to Local Education Agencies (Title I, Part A of ESEA)-Highly Qualified Paraprofessional Documentation.

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

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

*Current Status:* The recommendation was adopted. No similar findings were noted in the 2017 audit.