



NEWBERG

PUBLIC SCHOOLS

INSPIRE. INNOVATE. SUCCEED.

Annual Financial Report

For the Fiscal Year Ended June 30, 2019



Newberg School District No. 29
Yamhill County, Oregon

**Newberg School District No. 29J
Yamhill County, Oregon**

Financial Report

Year Ended June 30, 2019

Prepared by the
Business Office

Dr. Joe Morelock
Superintendent

Nikki Fowler
Director of Finance

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NEWBERG SCHOOL DISTRICT NO.29J

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INTRODUCTORY SECTION

NEWBERG SCHOOL DISTRICT NO. 29J
YAMHILL COUNTY, OREGON

BOARD OF DIRECTORS AS OF JUNE 30, 2019

	<u>Term Expires</u>
Ines Peña, Director	June 30, 2019
Rebecca Piros, Director	June 30, 2019
Ron Mock, Director	June 30, 2021
Brandy Penner, Director	June 30, 2019
Bob Woodruff, Chair	June 30, 2021
Mindy Allison, Director	June 30, 2019
Lydia Keuler, Director	June 30, 2019

The Board of Directors Receives mail at the address below:

DISTRICT ADMINISTRATION

Dr. Joe Morelock, Superintendent

DISTRICT ADDRESS
714 East Sixth Street
Newberg, Oregon 97132

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

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To the School Board
Newberg School District No. 29J
Yamhill County, Oregon

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Newberg School District No. 29J, Newberg, Oregon (District), as of and for the year ended June 30, 2019, 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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 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 of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2019, and, the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.



Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Changes in Total Other Post-Employment Benefits and Related Ratios, and the Oregon Public Retirement System Schedules for RHIA and PERS be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Additionally, accounting principles generally accepted in the United States of America require that the General Fund and Special Projects Fund budgetary comparisons be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 General Fund and Special Projects Fund budgetary comparisons are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* 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.

The supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally



accepted in the United States of America. In our opinion, the supplementary information, as defined in the table of contents, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 26, 2019, 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.

Reports on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 26, 2019, on our consideration of the District's internal control over financial reporting and compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of 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.

Wilcox Arredondo & Co.

Certified Public Accountants
Canby, Oregon
December 26, 2019

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MANAGEMENT'S DISCUSSION AND **ANALYSIS**



NEWBERG SCHOOL DISTRICT 29J MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2019

As management of Newberg School District 29J (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2019.

Financial Highlights

In the government-wide statements, the assets and deferred outflow of resources of the District exceeded its liabilities and deferred inflows of resources on June 30, 2019 by \$30,090,883. Of this amount, \$67,621,928 represents the District's net investment in capital assets; \$1,442,543 is restricted for debt service and the District's total net position increased by \$2,733,799. Reporting of other post-employment benefits, land acquisition, general obligation bonds and notes payable are reflected in the unrestricted assets of (\$42,034,328).

The District's governmental funds report displays a combined ending fund balance of \$11,798,995 a decrease of \$7,403,823 when compared to the prior year.

At the end of the fiscal year, the unassigned fund balance for the General Fund was \$7,586,575 (14.47% of the General Fund Revenues).

Overview of the Financial Statements

The Management's Discussion and Analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements consist of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the basic financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements - The Government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to private-sector businesses. The 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. Overtime, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities - The Statement of Activities presents information showing how the net position of the District changed over the year by tracking revenues, expenses and other transactions that increase or reduce the net position. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (eg. uncollected taxes and earned but unused vacation leave.)

In the government-wide financial statements, the District's activities are shown in one category:

Governmental Activities - Most of the District's basic functions are shown here, such as regular and special education, child nutrition services, transportation, administration and facilities acquisition and construction. The activities are primarily financed through property taxes, Oregon's State School Fund and other intergovernmental revenues.

**NEWBERG SCHOOL DISTRICT 29J
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED JUNE 30, 2019**

The government-wide financial statements can be found on pages 16 and 17 of this report.

Fund Financial Statements - The fund financial statements provide information about the District's funds, focusing on its most significant or "major" funds - not the District as a whole. A **fund** is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements, all of the funds of the District are Governmental Funds.

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements

The District maintains 10 individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances for the General, Federal and State Grants, Debt Services and Capital Projects Funds. Data from the other six governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided as supplemental information.

The basic governmental fund financial statements are listed on pages 18 and 19 of this report.

Notes to the Basic Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements, the notes to the basic financial statements are listed on pages 22 to 46 of this report.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligation to provide pension and other post-employment benefits to its employees. Required supplementary information can be found on pages 48 to 53 of this report.

The combining statements, referred to earlier in connection with non-major governmental funds are presented as supplemental information on pages 60 to 63 of this report.

Government-Wide Financial Analysis

The net position may serve over time as a useful indicator of the District's financial position. In the case of the District, as of June 30, 2019, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$30,090,883.

Capital assets consist of the District's land, buildings and building improvements, construction in progress, vehicles and equipment and represent about 82% of total assets. The remaining assets consist mainly of cash, investments and receivables.

The District's largest liabilities are for the repayment of General Obligation and Pension Bonds (39%) and the Net Pension Liability (53%). The remaining liabilities (3%) consist primarily of payables on account, salaries and benefits, unearned revenue and accrued interest payable.

**NEWBERG SCHOOL DISTRICT 29J
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED JUNE 30, 2019**

The District's Deferred Inflows of Resources consist of net deferred pension costs of \$4,397,149, a gain on the bond refunding of \$71,665 and OPEB or \$212,678.

A portion (\$67,621,928) of the District's Net position reflects its net investment in capital assets (e.g. land, buildings, vehicles and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students and other District residents. Consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources (generally property taxes), since the capital assets themselves cannot be used to liquidate these liabilities.

Condensed Statement of Net Position

	Governmental Activities June 30, 2019	Governmental Activities June 30, 2018	Increase (Decrease)
Assets			
Current and other assets	\$ 16,653,893	\$ 24,296,547	\$ (7,642,654)
Net capital assets	<u>73,722,260</u>	<u>76,023,600</u>	<u>(2,301,340)</u>
Total assets	<u>90,376,153</u>	<u>100,320,147</u>	<u>(9,943,994)</u>
Deferred Outflows of Resources	<u>17,470,634</u>	<u>13,225,136</u>	<u>4,245,498</u>
Liabilities			
Long-term obligations	69,581,941	80,462,416	(10,880,475)
Other liabilities	<u>3,492,471</u>	<u>3,612,312</u>	<u>(119,841)</u>
Total liabilities	<u>73,074,412</u>	<u>84,074,728</u>	<u>(11,000,316)</u>
Deferred Inflows of Resources	<u>4,681,492</u>	<u>2,113,471</u>	<u>2,568,021</u>
Net Position			
Net Invested in capital assets,	67,621,928	52,393,818	15,228,110
Restricted	4,503,283	16,339,851	(11,836,568)
Unrestricted	<u>(42,034,328)</u>	<u>(41,376,585)</u>	<u>(657,743)</u>
Total Net Position	<u>\$ 30,090,883</u>	<u>\$ 27,357,084</u>	<u>\$ 2,733,799</u>

During the current fiscal year, the District's net position increased by \$2,733,799. Net investment in capital assets increased by \$15,228,110 while restricted and unrestricted by decreased by (\$11,836,568) and (\$657,743) respectively. The overall increase in Net position is due to a net decrease in current and other assets of (\$7,642,654), a reduction of net capital assets of (\$2,301,340), a reduction in Long Term Debt (\$10,880,475) as related to the annual payment obligations, and a decrease of liabilities of (\$119,841).

**NEWBERG SCHOOL DISTRICT 29J
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED JUNE 30, 2019**

Governmental Activities -

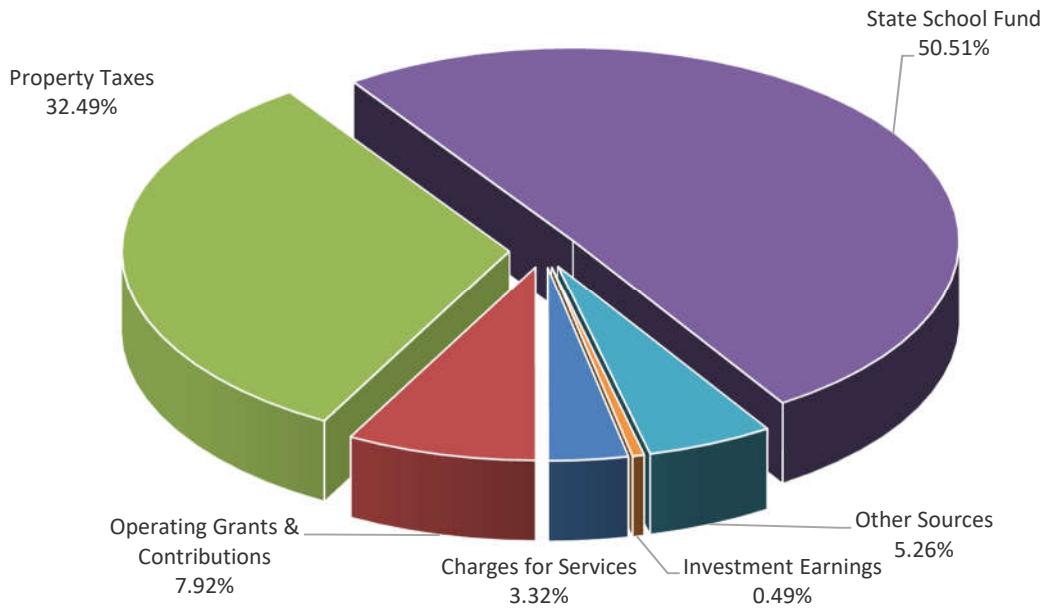
	Changes in Net Position		
	Governmental Activities June 30, 2019	Governmental Activities June 30, 2018	Increase (Decrease)
Revenues			
Program Revenues			
Charges for Services	\$ 2,165,520	\$ 2,246,094	\$ (80,574)
Operating Grants & Contributions	5,169,059	5,439,776	(270,717)
Total Program Revenues	<u>7,334,579</u>	<u>7,685,870</u>	<u>(351,291)</u>
General Revenues			
Property Taxes	21,198,481	26,642,921	(5,444,440)
State School Fund	32,952,216	31,891,586	1,060,630
Other State and Other Sources	3,420,390	3,528,257	(107,867)
Federal Sources	10,947	-	10,947
Earnings on Investments	319,933	390,789	(70,856)
Total General Revenues	<u>57,901,967</u>	<u>62,453,553</u>	<u>(4,551,586)</u>
Total Revenues	<u>65,236,546</u>	<u>70,139,423</u>	<u>(4,902,877)</u>
Expenses			
Instructional Programs	36,703,574	36,631,027	72,547
Support Services	20,053,697	21,250,733	(1,197,036)
Enterprise and Community Services	2,172,787	2,279,097	(106,310)
Interest on Long-term Debt	3,572,689	3,549,217	23,472
Total Expenses	<u>62,502,747</u>	<u>63,710,074</u>	<u>(1,207,327)</u>
Change in Net Position	2,733,799	6,429,349	(3,695,550)
Net Position, July 1	<u>27,357,084</u>	<u>20,927,735</u>	<u>6,429,349</u>
Net Position, End of Year	<u>\$ 30,090,883</u>	<u>\$ 27,357,084</u>	<u>\$ 2,733,799</u>

During the current fiscal year, the District's net position showed an increase of \$2,733,799. Key elements of the change in net position for the year ended June 30, 2019, are as follows:

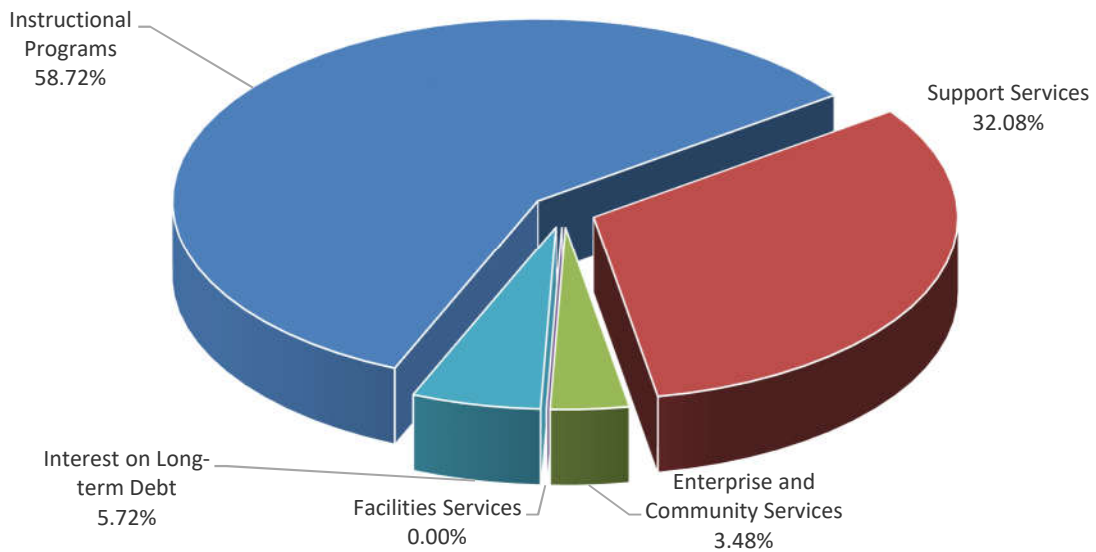
- Total revenues decreased by \$4,902,877 or 7.0% under the prior year, mainly due to a decrease in Property tax revenue of \$5,444,440, investment earnings of \$70,856 and state and local revenue sources of \$107,867, offset by an increase of state school fund revenue of \$1,060,630 and federal resources of \$10,947.
- Governmental program revenues decreased by \$351,291.
- Governmental program expenses decreased by about \$1,207,327.

**NEWBERG SCHOOL DISTRICT 29J
 MANAGEMENT DISCUSSION AND ANALYSIS (Continued)
 FOR THE YEAR ENDED JUNE 30, 2019**

Revenues by Source - Governmental Activities



Expenses by Function - Governmental Activities



**NEWBERG SCHOOL DISTRICT 29J
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED JUNE 30, 2019**

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds - The focus of the District's governmental funds is to provide information on relatively short-term cash flow and funding for future basic services. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of the District's net resources available for spending at the end of a fiscal year.

As of June 30, 2019, the District's governmental funds reported combined ending fund balances of \$11,798,995 a decrease of \$7,403,823 in comparison with the prior year. \$7,586,575 (64%) of which constitutes *unassigned ending fund balance* that is available for spending at the District's discretion. An additional \$1,759,935 (15.0%) of fund balance is specifically identified for debt service obligations, \$1,277,066 (11.0%) for Construction related activities (Constriction Excise Tax and Bond Funds), \$1,139,815 (10.0%) related to student body funds, donations, food services, grants and scholarships.

General Fund - The General Fund is the chief operating fund of the District. As of June 30, 2019, the unassigned fund balance was \$7,586,575. As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. The fund balance represents 16% of the total General Fund expenditures. The total fund balance increased by \$5,057,980 during the current fiscal year as compared to the prior fiscal year 2017-18. This is due to budget reductions implemented mid-year due in response to a declining enrollment.

Federal and State Grants Fund – The fund has a total fund balance of \$38,799 all of which is restricted. The increase was due state and intermediate grants received during the year.

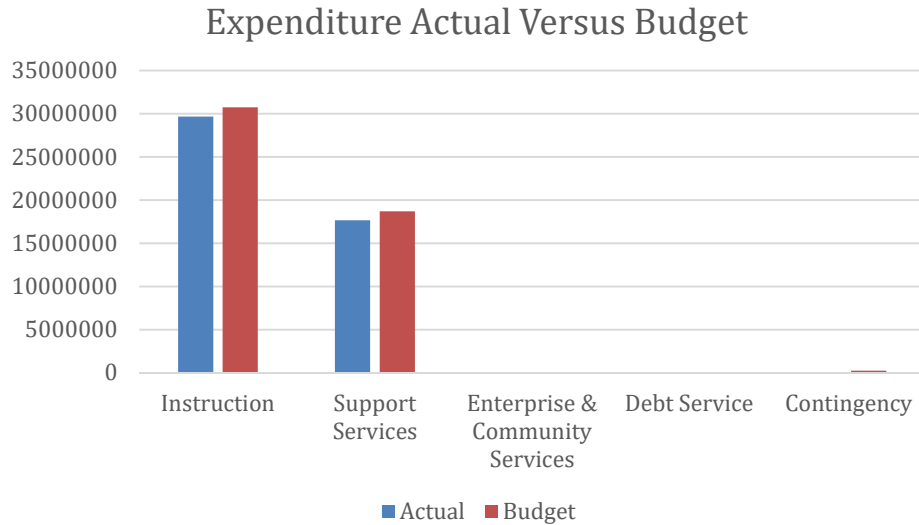
Debt Service Fund - The Debt Service Fund has a total fund balance of \$1,454,884 all of which is for the payment of debt service. The decrease in the fund balance during the current year was due to paying off our sinking fund debt.

Capital Projects Fund - The Capital projects Fund has no fund balance of as of June 30, 2019.

Other Governmental Funds - Changes to fund balances in the other governmental funds can be attributed to increases in; Construction Excise Tax Fund \$102,128, Student Body Fund \$43,521, Small Scale Energy Loan Fund \$72,512, PERS Debt Fund \$182,060, Private Donations Fund \$87,602 and Scholarship Funds \$2,974. These increases above are offset by decreases in the Food Service Fund (\$168,466) and PERS Debt Fund (\$24,224).

**NEWBERG SCHOOL DISTRICT 29J
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED JUNE 30, 2019**

General Fund Budgetary Highlights - During the year, as shown in the chart, all Fund expenditures were within budget.



Capital Assets - The District's investment in capital assets includes land, buildings, building improvements and equipment. As of June 30, 2019 the District invested in \$73,722,260 in capital assets net of depreciation. This decreased by \$2,301,340 during the year as shown in the following table:

Capital Assets (Net of Depreciation)

	Governmental Activities June 30, 2019	Governmental Activities June 30, 2018	Increase (Decrease)
Land	\$ 3,862,820	\$ 3,862,820	\$ -
Improvements	1,223,562	1,223,562	-
Buildings Improvements	120,624,521	120,624,521	-
Equipment	2,364,783	2,217,777	147,006
Accumulated Depreciation	<u>(54,353,426)</u>	<u>(51,905,080)</u>	<u>(2,448,346)</u>
Total assets	<u><u>\$ 73,722,260</u></u>	<u><u>\$ 76,023,600</u></u>	<u><u>\$ (2,301,340)</u></u>

Long Term Debt - At the end of the year, the District's total debt outstanding was \$28,292,448, consisting of general obligation debt, limited tax pension bonds, small scale energy loan and capital lease payments.

During the current fiscal year, the District's total debt decreased by \$18,467,456 as a result of scheduled payments made during the year. Please see note 5, Long Term Debt in the *Notes to the Basic Financial Statements* for further information.

**NEWBERG SCHOOL DISTRICT 29J
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)
FOR THE YEAR ENDED JUNE 30, 2019**

Economic Factors and Next Year's Budget

The most significant economic factors for the District are the State of Oregon's State School Fund and the assessed value growth of Property Taxes. For the year ended June 30, 2019, the State School Fund - General Support provided 50.5% of the total District-sponsored program resources and 62.8% of the District's general fund resources. This is consistent with the prior year. While the State school fund has increased over the last several years, the district has not fully recovered from the economic downturn in 2009-2013.

The 2019-2020 budget relies on K-12 funding level of \$9.0 billion for the 2019-2020 biennium, a projected average daily membership weighted (ADMw) of approximately 5700 and a beginning fund balance of \$6,000,000. The enrollment projections were based on the District's historical growth experience rates over the past couple of years and is critical to our revenue projections, as the state bases the District's revenue share on enrollment.

With the District's 2018-2019 ending fund balance rolled forward to 2019-2020 taking an upturn due the significant cost reductions taken in 2017-18, the District is in a good position to reach their ending fund balance goals developed in the 2017-18 school year.

The education of students is labor intensive, as reflected in the allocation of the financial resources of the district. For the 2019-20 budget, salaries and fringe benefits represent approximately 78% of the General Fund operating budget. The expenditures for salaries and fringe benefits are determined by contractual agreements and staffing policies and guidelines of the board, on the basis of projected enrollment, special student needs, and the conditions of employment established by collective bargaining agreements. The budget anticipates an ending fund balance of nearly \$4,000,000.

The District continues to monitor local, state and federal economic factors and resources along with continual increases in salary and benefits costs (as associated benefit costs are expected to increase again in the next biennium). In addition, the district continues to analyze the ever-changing enrollment numbers to prepare and plan for the next biennium.

The District's Budget Committee and School Board will consider these factors while preparing the District's budget for the 2020-2021 fiscal year budget.

Requests for Information

The financial report is designed to present the user (citizens, taxpayers, investors and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District's Director of Finance at 714 E. Sixth Street, Newberg, Oregon, 97132.

Dr. Joe Morelock
Superintendent
Newberg Public Schools

Nikki Fowler
Director of Finance
Newberg Public Schools

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BASIC FINANCIAL STATEMENTS

NEWBERG SCHOOL DISTRICT NO. 29J
STATEMENT OF NET POSITION
JUNE 30, 2019

	Governmental Activities
Assets	
Cash and Investments	\$ 12,538,583
Receivables	
Accounts	2,124,479
Undistributed Tax Collections	224,338
Property Taxes	1,332,042
OPEB Net Asset - RHIA	308,739
Inventory, at Cost	125,712
Capital Assets:	
Land - Nondepreciable	3,862,820
Capital Assets, Net of Depreciation	69,859,440
Total Assets	90,376,153
Deferred Outflows of Resources	
Pension Plan	17,090,010
OPEB	380,624
Total Deferred Outflows of Resources	17,470,634
Liabilities	
Accounts Payable	297,423
Accrued Payroll and Payroll Liabilities	3,070,432
Accrued Interest Payable	12,341
Accrued Compensated Absences Payable	83,955
Unearned Revenue	28,320
Noncurrent Liabilities	
Obligations Due Within One Year:	
Long-term Debt	3,670,492
Obligations Due in More Than One Year:	
Long-term Debt	24,621,956
Net Pension Liability	38,774,786
Other Postemployment Benefit Obligation	2,514,707
Total Liabilities	73,074,412
Deferred Inflows of Resources	
Gain on Refunding	71,665
Pension Plan	4,397,149
OPEB	212,678
Total Deferred Inflows of Resources	4,681,492
Net Position	
Net Investment in Capital Assets	67,621,928
Restricted for:	
Grant Programs	2,718,737
Debt Service	1,442,543
Scholarships and Donations	342,003
Unrestricted	(42,034,328)
Total Net Position	\$ 30,090,883

See notes to the basic financial statements.

NEWBERG SCHOOL DISTRICT NO. 29J
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

		Program Revenues			
Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Change in Net Position		
Functions/Programs					
Governmental Activities:					
Instructional Programs	\$ 36,703,574	\$ 1,518,524	\$ 3,089,947	\$	(32,095,103)
Support Services	20,053,697	55,616	751,040		(19,247,041)
Enterprise and Community Services	2,172,787	591,380	1,328,072		(253,335)
Interest on Long-term Debt	3,572,689	-	-		(3,572,689)
Total Governmental Activities	<u>\$ 62,502,747</u>	<u>\$ 2,165,520</u>	<u>\$ 5,169,059</u>		<u>(55,168,168)</u>
General Revenues					
Property Taxes Levied for General Purposes					16,468,572
Property Taxes Levied for Debt Service					4,729,909
State School Fund - General Support					32,952,216
Other Local and Intermediate Sources					3,420,390
Federal Sources					10,947
Earnings on Investments					319,933
Total General Revenues					<u>57,901,967</u>
Change in Net Position					2,733,799
Net Position					
Beginning of Year					27,357,084
End of Year					<u>\$ 30,090,883</u>

See notes to the basic financial statements.

NEWBERG SCHOOL DISTRICT NO. 29J
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2019

ASSETS	General Fund	Federal and State Grants Fund	Debt Service Fund	Nonmajor Governmental Funds	Totals
Cash and Investments	\$ 11,807,460	\$ -	\$ 12,537	\$ 718,586	\$ 12,538,583
Receivables					
Accounts	808,315	1,219,249	-	96,915	2,124,479
Undistributed Tax Collections	167,123	-	57,215	-	224,338
Property Taxes	891,758	-	440,284	-	1,332,042
Due from Other Funds	-	-	1,332,816	2,008,856	3,341,672
Inventory, at Cost	-	-	-	125,712	125,712
Total Assets	<u>\$ 13,674,656</u>	<u>\$ 1,219,249</u>	<u>\$ 1,842,852</u>	<u>\$ 2,950,069</u>	<u>\$ 19,686,826</u>
LIABILITIES					
Accounts Payable	\$ 109,928	\$ 59,400	\$ -	\$ 128,095	\$ 297,423
Accrued Payroll and Payroll Liabilities	3,070,432	-	-	-	3,070,432
Due to Other Funds	2,145,705	1,092,730	-	103,237	3,341,672
Unearned Revenue	-	28,320	-	-	28,320
Total Liabilities	<u>5,326,065</u>	<u>1,180,450</u>	<u>-</u>	<u>231,332</u>	<u>6,737,847</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue from Property Taxes	<u>762,016</u>	<u>-</u>	<u>387,968</u>	<u>-</u>	<u>1,149,984</u>
Total Deferred Inflows of Resources	<u>762,016</u>	<u>-</u>	<u>387,968</u>	<u>-</u>	<u>1,149,984</u>
FUND BALANCES					
Nonspendable	-	-	-	125,712	125,712
Restricted for:					
Grant Programs	-	38,799	-	-	38,799
Debt Service	-	-	1,454,884	340,655	1,795,539
Capital Projects	-	-	-	1,277,066	1,277,066
Nutrition Services	-	-	-	(40,206)	(40,206)
Scholarships and Donations	-	-	-	342,003	342,003
Student Body Fund	-	-	-	673,507	673,507
Unassigned	<u>7,586,575</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,586,575</u>
Total Fund Balances	<u>7,586,575</u>	<u>38,799</u>	<u>1,454,884</u>	<u>2,718,737</u>	<u>11,798,995</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 13,674,656</u>	<u>\$ 1,219,249</u>	<u>\$ 1,842,852</u>	<u>\$ 2,950,069</u>	<u>\$ 19,686,826</u>
	-	-	-	-	-
	-	-	-	-	-

See notes to the basic financial statements.

NEWBERG SCHOOL DISTRICT NO. 29J
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION
JUNE 30, 2019

Total Fund Balances		\$	11,798,995
Capital assets are not financial resources and therefore are not reported in the governmental funds:			
Cost	\$	128,075,686	
Accumulated depreciation		<u>(54,353,426)</u>	73,722,260
A portion of the District's property taxes are collected after year-end but are not available soon enough to pay for the current years' operations, and therefore are not reported as revenue in the governmental funds.			
			1,149,984
The OPEN Asset - RHIA is not available to pay for current period expenditures, and therefore, is not reported in the governmental funds.			
			308,739
Deferred outflows and inflows of resources are applicable to future periods and, therefore, are not reported in the governmental funds.			
Deferred outflows of resources related to pensions		17,090,010	
Deferred outflows of resources related to OPEB		380,624	
Deferred inflows of resources related to refunding		(71,665)	
Deferred inflows or resources related to pensions		(4,397,149)	
Deferred inflows or resources related to OPEB		<u>(212,678)</u>	12,789,142
Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due. These liabilities consist of:			
Accrued Interest Payable		(12,341)	
Accrued Compensated Absences Payable		(83,955)	
Long-Term Debt		(28,292,448)	
Net Pension Liability		(38,774,786)	
Net OPEB obligations		<u>(2,514,707)</u>	<u>(69,678,237)</u>
Total Net Position			<u>\$ 30,090,883</u>
			30,090,883

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See notes to the basic financial statements.

NEWBERG SCHOOL DISTRICT NO. 29J
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

Revenues	General Fund	Federal and State Grants Fund	Debt Service Fund	Nonmajor Governmental Funds	Totals
Property Taxes	\$ 16,592,126	\$ -	\$ 5,063,757	\$ -	\$ 21,655,883
Services Provided to Other Funds	-	-	-	3,443,005	3,443,005
Local Sources	816,995	-	583,822	2,654,695	4,055,512
Intermediate Sources	1,724,450	154,883	-	-	1,879,333
State Sources	32,952,216	1,285,347	-	44,118	34,281,681
Federal Sources	10,947	1,954,893	-	1,283,654	3,249,494
Investment Earnings	319,933	-	-	-	319,933
Other Sources	-	-	224,636	80,076	304,712
Total Revenues	52,416,667	3,395,123	5,872,215	7,505,548	69,189,553
Expenditures					
Current					
Instruction	29,689,453	2,550,285	-	1,422,645	33,662,383
Support Services	17,657,268	728,342	-	276,349	18,661,959
Enterprise and Community Services	57	297	-	2,050,320	2,050,674
Debt Service	11,909	-	18,479,900	3,601,889	22,093,698
Capital Outlay					
Instruction	-	86,364	-	-	86,364
Enterprise and Community Services	-	-	-	60,642	60,642
Total Expenditures	47,358,687	3,365,288	18,479,900	7,411,845	76,615,720
Excess (Deficiency) of					
Revenues Over (Under) Expenditures	5,057,980	29,835	(12,607,685)	93,703	(7,426,167)
Net Changes in Fund Balances	5,057,980	29,835	(12,607,685)	93,703	(7,426,167)
Change in Inventory Reserve	-	-	-	22,344	22,344
Fund Balances					
Beginning of Year	2,528,595	8,964	14,062,569	2,602,690	19,202,818
End of Year	\$ 7,586,575	\$ 38,799	\$ 1,454,884	\$ 2,718,737	\$ 11,798,995

See notes to the basic financial statements.

NEWBERG SCHOOL DISTRICT NO. 29J
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

Net Change in Fund Balance \$ (7,426,167)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Expenditures for capital assets	147,006
Less current year depreciation	(2,448,346)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This is the net effect of these differences in the treatment of long-term debt.

Less principal repaid	18,467,456
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Governmental funds report the effect of issuance costs, premiums, and discounts when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences:

Amortization of Deferred Gain on Refunding	23,889
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(Increases) decreases in proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.

(5,956,040)

In the Statement of Activities interest is accrued on long-term debt, whereas in the governmental funds it is recorded as an interest expenditure when due.

29,664

Property taxes that do not meet the measurable and available criteria are not recognized as revenues in the current year in the governmental funds. In the Statement of Activities property taxes are recognized as revenue when levied.

(457,402)

Inventory in the Statement of Activities differs from the amount reported in the governmental funds because inventory is recognized as an expenditure in the funds when it is purchased and thus requires the use of current financial resources. In the Statement of Activities inventory is recognized when actually used.

22,344

In the Statement of Activities, contributions for other postemployment benefits less than the actuarially determined contribution amount increase the other postemployment benefit obligation. In the governmental funds the entire contribution is recognized as an expenditure. This is the amount by which the obligation increased:

331,386

Compensated absences are recognized as an expenditure in the governmental funds when they are paid. In the Statement of Activities, compensated absences are recognized as an expense when earned.

9

Change in Net Position

\$ 2,733,799

See notes to the basic financial statements.

NEWBERG SCHOOL DISTRICT NO. 29J
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Newberg School District No.29J (the District), a municipal corporation governed under the laws of the State of Oregon, is governed by a separately elected seven-member board authorized to transact all business on the District's behalf. The District is the special-purpose primary government exercising financial accountability for all public education within its boundaries. The daily functioning of the District is under the supervision of the Superintendent. As required by generally accepted accounting principles, all activities of the District have been included in the basic financial statements.

The District qualifies as a primary government since it has a separately elected governing body, is a legally separate entity, and is fiscally independent. There are various governmental agencies and special districts, which provide service within the District's boundaries, however, the District is not financially accountable for any of these entities, and therefore, none of them are considered component units or included in these basic financial statements.

Basis of Presentation

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District. These statements include the governmental financial activities of the overall District, except fiduciary activities. Governmental activities are financed primarily through property taxes, income taxes, state support, intergovernmental revenues and charges for services.

The Statement of Activities presents a comparison between direct expenses and program revenues for each of its functions/programs. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to that function. Program revenues include: (1) charges to students or others for tuition, fees, rentals, material, supplies, or services provided, (2) operating grants and contributions and (3) capital grants and contributions. Revenues not classified as program revenues, including property taxes and state support, are presented as general revenues.

Net position is reported as restricted when constraints placed on the net position use are either externally restricted, imposed by creditors (such as grantors, contributors or laws) or through constitutional provisions or enabling resolutions.

Fund Financial Statements

The fund financial statements provide information about the District's funds including those of a fiduciary nature. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major governmental funds.

The District reports the following major governmental funds:

General Fund - This fund accounts for all revenues and expenditures of the District except for those required to be accounted for in another fund. The principal revenue sources are property taxes and state school support.

Federal and State Grants Fund - This fund accounts for the revenues and expenditures of grants restricted for specific educational projects. Principal sources of revenue are federal and State grants.

Debt Service Fund - This fund accounts for the debt service payments on bonded debt. The primary revenue source is property taxes.

NEWBERG SCHOOL DISTRICT NO. 29J
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District receives value without giving equal value in exchange, include property taxes, grants, entitlements and donations. On the accrual basis of accounting, revenue from property taxes is recognized in the fiscal year for which all eligibility requirements have been satisfied. Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

Governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Property taxes and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt and claims and judgments, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in the governmental funds and proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources.

Budget

A budget is prepared and legally adopted for each governmental fund type on the modified accrual basis of accounting. The budgetary basis of accounting is the same as accounting principles generally accepted in the United States of America basis for the governmental fund types, except that capital outlay expenditures, including items below the District's capitalization level, are budgeted by function in the governmental fund types. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations.

Appropriations are established at the major function level (instruction, support services, enterprise and community services, facilities acquisition and construction, debt service, operating contingency and transfers) for each fund. The detail budget document, however, is required to contain more specific, detailed information for the aforementioned expenditure categories. Unexpected additional resources may be added to the budget through the use of supplemental budget and appropriation resolution.

Supplemental budgets less than 10% of fund's budget may be adopted by the Board at a regular meeting. A supplemental budget greater than 10% of a fund's original budget requires a hearing before the public, publication in newspapers and approval by the Board. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control (major function levels) with Board approval. The District's appropriations lapse at year-end. Expenditures of the various funds were within authorized appropriations for the year ending June 30, 2019 except for the Debt Service Fund – Debt Service by \$3,479,900.

NEWBERG SCHOOL DISTRICT NO. 29J
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Investments

The District's cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition are considered to be cash and cash equivalents. Short-term investments are stated at cost, which approximates fair value.

The District's investments consist of the State of Oregon Treasurer's Local Government Investment Pool (LGIP). The District's investments are reported a fair value based upon quoted market rates. Changes in fair value of investments are recorded as investment earnings. The LGIP is stated at costs which approximates fair value. Fair value of the LGIP is the same as the District's value in the pool shares.

The Oregon State Treasury administers the LGIP. It is an open-ended no-load diversified portfolio offered to any agency, political subdivision or public corporation of the State that by law is made the custodian of, or has control of, any fund. The LGIP is commingled with State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon legislature established the Oregon Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury in the management and investment options of the LGIP.

Fair Value Inputs and Methodologies and Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based upon the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

Level 1 – unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Fund has the ability to access.

Level 2 – other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are not active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets and liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Funds own assumptions used in determining the fair value of investments).

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgement exercised in determining fair value is greatest for instruments categorized as in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Property Taxes Receivable

Property taxes are levied and become a lien on all taxable property as of July 1. Collections dates are November 15, February 15, and May 15 following the lien date. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

Uncollected property taxes are recorded on the Statement of Net Position. Uncollected taxes are deemed to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established. All property taxes receivable are due from property owners within the District.

NEWBERG SCHOOL DISTRICT NO. 29J
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables

Receivables represent amounts due for unreimbursed expenditures from grantor agencies, interest, and property taxes. Grant revenues are recorded at the time eligible expenditures are incurred. Grant monies received prior to the occurrence of qualifying expenditures are recorded as unearned income. All receivables are due within the next fiscal year and are considered by management to be collectible therefore no allowance for doubtful accounts has been established.

Retirement Plans

Substantially all of the District's employees are participants in the State of Oregon Public Employees retirement system (OPERS). For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of OPERS and additions to/deductions from OPERS fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Supply Inventories

Inventories are stated at average cost. Donated commodities are stated at fair value. Commodities on hand at year end are recorded as unearned revenues. Inventory is charged as an expense when used in the government wide financial reporting. In the governmental funds inventory is charged as an expense when purchased

Capital Assets

Capital assets are recorded at historical cost if purchased or constructed, or estimated historical cost when original cost is not available. Donated capital assets are recorded at their estimated fair market value on the date donated. The District defines capital assets as assets with an initial cost of more than \$5,000 and an estimated life in excess of three years. Maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following useful lives.

Land improvements	20 to 30 years
Building and improvements	5 to 50 years
Equipment	5 to 15 years

Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the District. All unused vacation pay is accrued when earned in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

NEWBERG SCHOOL DISTRICT NO. 29J
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-term Debt

In the government-wide financial statements long-term debt is reported as a liability in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method.

Bonds payable are reported net of applicable bond premiums, discounts and gain on refunding.

In the fund financial statements bond premiums, discounts and gain on refunding are recognized when incurred and not deferred. The face amount of the debt issued, premiums received on debt issuances, and discounts are reported as other financing sources and uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Interfund Transactions

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. This includes interfund transfers occurring within governmental activities and interfund receivables and payables.

Interfund Receivables/Payables

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 is referred to as Due to/from Other Funds in each fund at the end of the fiscal year in the fund basis financial statements. All interfund loan balances are considered current and are eliminated in the government-wide financial statements

Net Position

Net position is comprised of the various net earnings from operations, nonoperating revenues, expenses, and contributed capital. Net position is classified in the following three categories:

Net Investment in Capital Assets – This amount consist of capital assets net of accumulated depreciation and reduced by outstanding debt attributed to the acquisition, construction, or improvement of the assets.

Restricted net position – This amount is restricted when constraints placed on the net position use are either externally restricted, imposed by creditors (such as grantors, contributors or laws) or through constitutional provisions or enabling resolutions.

Unrestricted net position – This amount is all net position that does not meet the definition of “net investment in capital assets” or “restricted net position”.

Fund Balances

In the governmental financial statements, fund balances are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Governmental fund balances are classified as nonspendable, restricted, committed, assigned or unassigned. The Board authorizes the Superintendent or his/her designee as the official who is authorized to assign amounts. Following are descriptions of fund classifications used by the district:

NEWBERG SCHOOL DISTRICT NO. 29J
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balances (Continued)

Nonspendable fund balance includes items not immediately converted to cash, such as prepaid items and inventory.

Restricted fund balance includes amounts that have constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.

Committed fund balance includes amounts that can be used only for the specific purposes pursuant to constraints imposed by a formal action of the District board. Formal action is represented by board resolution.

Assigned fund balance includes amounts that are constrained by the District's intent to use them for a specific purpose but are neither restricted nor committed. Intent is expressed when the Board approves which resources should be "reserved" during the adoption of the annual budget. The District's Director of Finance uses that information to determine whether those resources should be classified as assigned or unassigned for presentation in the District's Annual Financial Report.

Unassigned fund balance is the residual classification for balances not assigned to another category.

The following order of spending regarding fund balance categories: Restricted resources are spent first when both restricted and unrestricted (committed, assigned, or unassigned) resources are available for expenditures. When unrestricted resources are spent, the order of spending is committed (if applicable), assigned (if applicable), and unassigned.

There were no committed or assigned fund balances at year end.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will 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 (expense/expenditure) until then. There is a deferred outflow on the Statement of Net Position for the pension and OPEB related deferrals

In addition to liabilities, the district-wide 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 government has one type of item which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The government has two types of items, which arise under full accrual accounting in the Statement of Net Position. The Statement of Net Position reports unavailable revenue from a Gain on Refunding resulting from the refunding of long term debt as well as a Net deferred Pension Asset resulting from pension plan and OPEB actuarial valuations and contributions subsequent to the measurement date.

NEWBERG SCHOOL DISTRICT NO. 29J
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

2. POOLED CASH AND INVESTMENTS

A common cash, cash equivalents and investment pool is maintained for all funds. Investment types are restricted by State of Oregon statutes. Authorized investments include general obligations of the United States Government and its agencies, obligations of the State of Oregon, California, Washington, and Idaho that have a rating of AA or better, A-1 commercial paper and bankers' acceptance, AA corporate bonds, time deposits, repurchase agreements, and the State of Oregon Treasurer's Local government Investment Pool.

Pooled cash and investments on June 30, 2019 are comprised of the following:

Cash on Hand	\$	621
Deposits with Financial Institutions		1,584,626
Local Government Investment Pool		10,953,336
		12,538,583
Total	\$	12,538,583

Deposits with Financial Institutions

Custodial credit risk – Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the District's deposits may not be returned to the District. Insurance and collateral requirements for the deposits are established by federal banking regulations and Oregon law. State statutes require that the District's deposits be covered by the Federal Deposit Insurance Corporation (FDIC) or by a multiple financial institution collateral pool under ORS 295.015 which is administered by the State of Oregon Office of the Treasury.

Deposits with financial institutions include primarily bank demand and money market deposits. The balances in these accounts according to the District's records total \$1,584,626 on June 30, 2019. The bank statement records reflect a balance of \$2,876,467 at year end. Of this amount, \$500,000 is covered by the FDIC's general deposit insurance rules. As required by Oregon Revised Statutes, deposits in excess of federal depository insurance were held at a qualified depository for public funds. All qualified depositories for public funds are included in the multiple financial institution collateral pool that is maintained by and in the name of the Office of State Treasurer. As a result, the District has no exposure to custodial credit risk for deposits with financial institutions.

Investments

State of Oregon statutes restrict the types of investments in which the District may invest. Authorized investments include obligations of the United States Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, time certificates of deposit, certain commercial paper, and the State of Oregon Treasurer's Local Government Investment Pool.

NEWBERG SCHOOL DISTRICT NO. 29J
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2019

2. POOLED CASH AND INVESTMENTS (Continued)

Investments (Continued)

As mentioned above Oregon Revised Statutes limit the type of investments. There was compliance with these statutes at June 30, 2019. There is no investment policy that would further limit investment choices.

The State of Oregon Treasurer’s Local Government Investment Pool is unrated.

	Average Maturities	Fair Value
Oregon State Treasury Local Government Investment Pool	three month average	\$ 10,953,336

Concentration of credit risk – investments. The Oregon State Treasurer’s Local Government Investment Pool (LGIP) is subject to regulatory oversight by the Oregon Secretary of State and is not required to be categorized by risk. The LGIP is stated at cost, which approximates fair value. Fair value of the LGIP is the same as the District’s value in the pool shares. The Oregon State Treasurer maintains the Oregon Short-Term Fund, of which the LGIP is a part. It is not registered with the U.S. Securities and Exchange Commission. The Fund currently has no credit rating as assigned by the credit rating agencies. On June 30, 2019 the fund’s composite weighted rating was equivalent to S&P’s AA ratings. The State’s investment policies are governed by statute and the Oregon Investment Council (Council). The State Treasurer is the investment officer for the Council and is responsible for all funds in the State Treasury. Investments in the Fund are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board (OSTFB) and approved by the Oregon Investment Council (ORS 294.805 to 294.895).

3. RECEIVABLES

Receivables are comprised of the following:

Property taxes	\$ 1,556,380
Trade and other	<u>2,124,479</u>
	<u>\$ 3,680,859</u>

The receivables are considered fully collectible by management so no allowance for doubtful accounts has been made.

NEWBERG SCHOOL DISTRICT NO. 29J
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

4. CAPITAL ASSETS

Capital assets activity for the year was as follows:

	<u>Balance July 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2019</u>
Capital Assets not being Depreciated				
Land	\$ 3,862,820	\$ -	\$ -	\$ 3,862,820
Total	<u>3,862,820</u>	<u>-</u>	<u>-</u>	<u>3,862,820</u>
Capital Assets being Depreciated				
Land Improvements	1,223,562	-	-	1,223,562
Buildings and Improvements	120,624,521	-	-	120,624,521
Equipment	<u>2,217,777</u>	<u>147,006</u>	<u>-</u>	<u>2,364,783</u>
Total	<u>124,065,860</u>	<u>147,006</u>	<u>-</u>	<u>124,212,866</u>
Less Accumulated Depreciation for:				
Land Improvements	(1,077,199)	(30,716)	-	(1,107,915)
Buildings and Improvements	(48,921,407)	(2,364,490)	-	(51,285,897)
Equipment	<u>(1,906,474)</u>	<u>(53,140)</u>	<u>-</u>	<u>(1,959,614)</u>
Total	<u>(51,905,080)</u>	<u>(2,448,346)</u>	<u>-</u>	<u>(54,353,426)</u>
Total Capital Assets being Depreciated	<u>72,160,780</u>	<u>(2,301,340)</u>	<u>-</u>	<u>69,859,440</u>
Total Capital Assets, Net	<u>\$ 76,023,600</u>	<u>\$ (2,301,340)</u>	<u>\$ -</u>	<u>\$ 73,722,260</u>

Depreciation expense for the year was charged to the following programs:

Instruction	\$ 1,469,008
Support Services	881,405
Enterprise and Community Services	<u>97,933</u>
Total	<u>\$ 2,448,346</u>

NEWBERG SCHOOL DISTRICT NO. 29J
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

5. LONG-TERM DEBT

Bonded debt has been issued for the construction of facilities and payment of unfunded pension costs. Also there is a loan payable for energy conservation. General obligation bonds are payable from ad valorem property taxes, limited tax pension bonds from State sources, and loans payable from local resources.

Changes in long-term debt for the year are as follows:

Issue Date	Issue Amount	Outstanding July 1, 2018	Additions	Reductions	Outstanding June 30, 2019	Due Within One Year	Interest Rates
General Obligation Bonds:							
06/28/11	\$ 15,000,000	\$ 15,000,000	\$ -	\$ 15,000,000	\$ -	\$ -	2.0% - 4.0%
03/17/05	33,645,000	7,930,000	-	2,455,000	5,475,000	2,660,000	3.0% - 5.35%
		22,930,000	-	17,455,000	5,475,000	2,660,000	
Limited Tax Pension Obligation Bonds:							
03/01/03	34,639,019	23,130,122	-	938,007	22,192,115	933,606	4.12%
		23,130,122	-	938,007	22,192,115	933,606	
Other Loans							
02/01/12	1,001,591	677,177	-	63,344	613,833	65,386	3.25%
04/29/15	55,594	22,605	-	11,105	11,500	11,500	3.50%
		699,782	-	74,449	625,333	76,886	
Total G.O, Pension and Other		46,759,904	-	18,467,456	28,292,448	3,670,492	
Net Pension Liability		31,179,701	7,595,085	-	38,774,786		
Net OPEB Obligation		2,522,811	-	8,104	2,514,707		
Total long-term debt		\$ 80,462,416	\$ 7,595,085	\$ 18,475,560	\$ 69,581,941		

Future debt service requirements are as follows:

Year Ending June 30,	Capital Lease Payable	General Obligation Bonds	Limited Tax Pension Bonds	Small Scale Energy Loan	Total	Interest
2020	\$ 11,500	\$ 2,660,000	\$ 933,606	\$ 65,340	\$ 3,670,446	\$ 3,079,428
2021	-	2,815,000	927,024	67,543	3,809,567	3,117,144
2022	-	-	923,674	69,772	993,446	3,153,439
2023	-	-	922,811	72,073	994,884	3,347,002
2024	-	-	3,415,000	74,451	3,489,451	1,057,435
2025-2028	-	-	15,070,000	264,654	15,334,654	2,033,088
	\$ 11,500	\$ 5,475,000	\$ 22,192,115	\$ 613,833	\$ 28,292,448	\$ 15,787,536

NEWBERG SCHOOL DISTRICT NO. 29J
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2019

6. INTERFUND RECEIVABLES/PAYABLES

The interfund balances between funds represent cash advanced to pay current obligations.

	Due from Other Funds	Due to Other Funds
General Fund	\$ -	\$ 2,145,705
Federal & State Grants	-	1,092,730
Debt Service	1,332,816	-
Nonmajor Funds		
Food Service Fund	-	103,237
Scholarship Fund	155,956	-
Private Donations Fund	193,936	-
Student Body Fund	1,758	-
PERS Bond Debt Service Fund	124,812	-
Small Scale Energy Debt Service Fund	157,028	-
Construction Excise Tax Fund	1,375,366	-
Total	\$ 3,341,672	\$ 3,341,672

7. OPERATING LEASES

Various copy machines are leased. Approximate future minimum rental commitments under these agreements are as follows:

Fiscal Year Ending June 30,	Amount
2020	64,192
2021	647
Total	\$ 64,839

The total rental expense under these or similar leases was approximately \$107,468 for the year ended June 30, 2019.

8. PENSION PLAN

Plan Description

The District participates in the Oregon Public Employees Retirement System (OPERS), a cost-sharing multiple-employer defined benefit plan. OPERS provides retirement, disability, and death benefits to plan members and their beneficiaries.

All benefits of OPERS are established by the Oregon Legislature pursuant to Oregon Revised Statutes (ORS) Chapters 238 and 238A. The plan complies with Internal Revenue Service rules prescribed in 401(a). The Oregon Legislature has delegated the authority to the Public Employees Retirement Board (PERB) to administer and manage the system. OPERS issues a publicly available financial report that can be obtained at: http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx.

OPERS prepares their financial statements in accordance with GASB statements and generally accepted accounting principles. The accrual basis of accounting is used for all funds. Contributions are recognized when due, pursuant to legal (or statutory) requirements. Benefits are recognized in the month they are earned and withdrawals are recognized in the month they are due and payable. Investments are recognized at fair value, the amount at which financial instruments could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

NEWBERG SCHOOL DISTRICT NO. 29J
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

8. PENSION PLAN (Continued)

There are currently two programs within OPERS, with eligibility determined by the date of employment. Those employed prior to August 29, 2003 are OPERS Program members, and benefits are provided based on whether a member qualifies for Tier One or Tier Two described below. Those employed on or after August 29, 2003 are Oregon Public Service Retirement Plan (OPSRP) Program members. OPERS is a hybrid retirement plan with two components: 1) the Pension Program (defined benefit; established and maintained as a tax-qualified governmental defined benefit plan), and 2) the Individual Account Program (IAP) (defined contribution; established and maintained as a tax-qualified governmental defined contribution plan).

The 1995 Legislature created a second tier of benefits for those who became OPERS Program members after 1995 but before August 29, 2003. The second tier does not have the Tier One assumed earnings rate guarantee.

Beginning January 1, 2004, all employees who were active members of OPERS became members of the OPSRP IAP Program. OPERS plan member contributions (the employee contribution, whether made by the employee or "picked-up" by the employer) go into the IAP portion of OPSRP. OPERS plan members retain their existing OPERS accounts; however, member contributions after January 1, 2004 are deposited in the member's IAP, not into the member's OPERS account.

a. Tier One/Tier Two Retirement Benefit Plan (Chapter 238).

Pension Benefits

The PERS retirement allowance is payable monthly for life. It may be selected from thirteen retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer. General Service employees may retire after reaching age 55. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60.

The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

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 PERS employer at the time of death,
- the member died within 120 days after termination of PERS-covered employment,
- the member died as a result of injury sustained while employed in a PERS-covered job, or
- the member was on an official leave of absence from a PERS-covered job at the time of death.

NEWBERG SCHOOL DISTRICT NO. 29J
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

8. PENSION PLAN (Continued)

Disability Benefits

A member with ten 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 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 when determining the monthly benefit.

Benefit Changes after Retirement

Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments.

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

b. OPSRP Pension Program (Chapter 238A).

Pension Benefits.

The OPSRP 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. For general service employees benefits are calculated with the following formula: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

A member of the OPSRP Pension Program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

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.

Disability Benefits

A member who has accrued ten 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.

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.

NEWBERG SCHOOL DISTRICT NO. 29J
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2019

8. PENSION PLAN (Continued)

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans.

Employer contribution rates during the period were based on the December 31, 2015 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2017. The District made lump sum payments to establish side accounts in 2003, which reduces the District rates below the standard School District Pool rates. The District's contractually required contribution rate for the year ended June 30, 2019 was 11.69% of eligible payroll for Tier 1/Tier 2 members and .63% of eligible payroll for OPSRP members. Employer contributions for the year ended June 30, 2019 were \$2,288,536 excluding amounts to fund employer specific liabilities. \$3,443,005 was charged for the year ended June 30, 2019 as PERS benefit expenditures to be used for bond payments as they become due. In addition, \$1,579,954 in employee contributions were paid by the district for the year ended June 30, 2019.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions

At June 30, 2019, the District reported a net pension liability of \$38,774,782 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016 rolled forward to June 30, 2018. The District's proportion of the net pension liability was based on the District's projected long-term contribution effort to the Plan with the total projected long-term contribution effort of all employers, actuarially determined. At June 30, 2018 the District's proportion was .2559%. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual experience	\$ 1,319,002	\$ -
Changes in assumptions	9,015,063	-
Net difference between projected and actual earnings on pension plan investments	-	1,721,819
Changes in proportion	4,563,673	-
Changes between employer Contributions and proportionate share of contributions	14,097	2,675,330
District contributions subsequent to the measurement date	2,178,175	-
Total	\$ 17,090,010	\$ 4,397,149

NEWBERG SCHOOL DISTRICT NO. 29J
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2019

8. PENSION PLAN (Continued)

\$2,178,175 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as an addition of the net pension liability in the year ended June 30, 2020. Other amounts reported by the District as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in subsequent years as follows:

		Pension Expense
June 30, 2019	\$	7,628,185
June 30, 2020		3,983,632
June 30, 2021		79,214
June 30, 2022		737,003
June 30, 2023		264,827

Actuarial Methods and Assumptions:

Actuarial Valuations

The employer contribution rates effective July 1, 2017, through June 30, 2019, were set using the projected unit credit actuarial cost method.

For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years.

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

The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

Valuation Date	December 31, 2016
Measurement Date	June 30, 2018
Experience Study Report	2016, published July 2017
Actuarial cost method	Entry Age Normal
Amortization method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years.
Asset valuation method	Market value of assets

NEWBERG SCHOOL DISTRICT NO. 29J
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2019

8. PENSION PLAN (Continued)

Actuarial assumptions:	
Inflation rate	2.50 percent
Investment rate of return	7.20 percent
Projected salary increases	3.50 percent overall payroll growth; salaries for individuals are assumed to grow at 3.50 percent plus assumed rates of merit/longevity increases based on service
Cost of living adjustments (COLA)	Blend of 2% COLA and graded COLA (1.25%/0.15% in accordance with <i>Moro</i> decision; blend based on service).
Mortality	<p>Healthy retirees and beneficiaries: RP-2014 Sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p>Active members: RP-2014 Sex-distinct, generational with Unisex, Social Security Scale, with collar adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: RP-2014 Sex-distinct, generational with Unisex, Social Security Data Scale sex-distinct table.</p>

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

Discount Rate

The discount rate used to measure the total pension liability was 7.20 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Assumed Asset Allocation

Asset Class/Strategy			OIC Target
Debt Securities			20.0
Public Equity			37.5
Private Equity			17.5
Real Estate			12.5
Alternative Equity			12.5
Total			100.0

NEWBERG SCHOOL DISTRICT NO. 29J
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2019

8. PENSION PLAN (Continued)

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. For more information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means, see PERS' audited financial statements at:

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

Asset Class	Target	Compound Annual Return (Geometric)
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00	3.38
Bank/Leveraged Loans	3.00	5.09
High Yield Bonds	1.00	6.45
Large/Mid Cap US	15.75	6.30
Small Cap US Equities	1.31	6.69
Micro Cap US Equities	1.31	6.80
Developed Foreign	13.13	6.71
Emerging Foreign	4.13	7.45
Non-US Small Cap	1.88	7.01
Private Equity	17.50	7.82
Real Estate (Property)	10.00	5.51
Real Estate (REITS)	2.50	6.37
Hedge Fund of Funds-	2.50	4.09
Hedge Fund - Event	0.63	5.86
Timber	1.88	5.62
Farmland	1.88	6.15
Infrastructure	3.75	6.60
Commodities	1.88	3.84
Assumed inflation - Mean		2.50

NEWBERG SCHOOL DISTRICT NO. 29J
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2019

8. PENSION PLAN (Continued)

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage point higher (8.20% percent) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
District's proportionate share of the net pension liability (asset)	\$ 64,799,986	\$ 38,774,786	\$ 17,293,106

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report. The effect of OPERS on the District's net position has been determined on the same basis used by OPERS.

Changes in Plan Provisions Effecting the Roll Forward

Changes in actuarial methods, allocation, and assumption from December 31, 2015 to the December 31, 2016 actuarial valuation are listed in the Actuarial Valuation Report pages 103 and 204.

9. OTHER POSTEMPLOYMENT BENEFITS

The District offers a postemployment health insurance subsidy and tax shelter annuity and contributes to a retirement health insurance account through Oregon Public Employees Retirement System. The breakdown of the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB are:

	Postemployment Health Insurance Subsidy	Postemployment Health Insurance Account	Net
Total OPEB Liability	\$ 2,514,707	\$ -	\$ 2,514,707
Total OPEB Asset	-	308,739	308,739
OPEB Deferred Outflows of Resources	257,204	123,420	380,624
OPEB Deferred Inflows of Resources	127,024	85,654	212,678

Postemployment Health Care Benefits

Plan Description – The District operates a single-employer retiree benefit plan that provides postemployment health, dental and vision benefit to eligible employees and their dependents. There are active and retired members in the plan. Benefits for members are established through the respective collective bargaining agreements.

NEWBERG SCHOOL DISTRICT NO. 29J
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2019

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Postemployment Health Care Benefits (Continued)

The District follows ORS 243.303 which stipulates that for the purpose of establishing healthcare premiums, the rate must be based on all plan members, including both active employees and retirees. The difference between retiree claim costs, which because of the effect of age is generally higher in comparison to all plan members, and the amount of the retiree healthcare premiums represents the District’s implicit employer contribution also referred to as an “implicit rate subsidy.”

The District has not established an irrevocable trust or equivalent arrangement to account for the plan.

Funding Policy – There is no obligation on the part of the District to fund these benefits in advance. The benefit from this program is paid by retired employees on a self-pay basis and the required contributions is based on projected pay-as-you go financing requirements.

Total OPEB Liability – The District’s total OPEB liability of \$2,514,707 was measured as of July 1, 2017 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs - The total OPEB liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	July 1, 2017
Measurement date	June 30, 2019
Actuarial cost method	Entry Age Normal, level percent of salary.
Actuarial assumptions:	
Discount rate	3.58% per year, based on all years discounted at municipal bond rate.
Inflation rate	2.50% per year
Salary increases	3.50% per year
Healthcare cost trend rates	Increase from 4.0% to 4.25% in 2017-2018 depending on plan selected by employees to an unlimited rate range of 5.00% to 6.25% beginning in 2020.
Mortality rates	As developed for the valuation of benefits under Oregon PERS and vary by years of service.
Turnover rates	As developed for the valuation of benefits under Oregon PERS and vary by years of service.
Disability rates	Not Used
Retirement rates	As developed for the valuation of benefits under Oregon PERS and vary by employee age.

NEWBERG SCHOOL DISTRICT NO. 29J
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2019

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Postemployment Health Care Benefits (Continued)

Changes in the Total OPEB Liability:

Balance at June 30, 2018	\$	2,522,811
Service cost		202,439
Interest		93,031
Change in assumptions		(48,023)
Benefit payments		(255,551)
		(255,551)
Balance at June 30, 2019	\$	2,514,707

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ -	\$ 127,024
Benefit payments	257,204	-
Total	\$ 257,204	\$ 127,024

Amounts reported by the District as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in pension expense in subsequent years as follows:

	Expense
June 30, 2020	\$ (23,146)
June 30, 2021	(23,146)
June 30, 2022	(23,146)
June 30, 2023	(23,146)
June 30, 2024	(23,146)
Thereafter	(11,294)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of the District, as well as what that the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.58 percent) or one percentage point higher (4.58 percent) than the current rate:

	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
Total OPEB Liability	\$ 2,678,084	\$ 2,514,707	\$ 2,361,826

NEWBERG SCHOOL DISTRICT NO. 29J
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2019

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Postemployment Health Care Benefits (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Trend Rate - The following presents the total OPEB liability of the District, as well as what that the District's total OPEB liability would be if it were calculated using a healthcare trend rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease	Current Health Care Trend Rates	1% Increase
Total OPEB Liability	\$ 2,301,844	\$ 2,514,707	\$ 2,763,104

Retirement Health Insurance Account (RHIA)

Plan description - As a member of Oregon Public Employees Retirement System (OPERS), the District contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by OPERS. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIOA resides with the Oregon Legislature. The plan is closed to new entrants hired on or after August 29, 2003. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard 97281-3700

Benefits - RHIA Pays \$60 monthly contribution towards the cost of Medicare companion health insurance premiums of eligible retirees.

Contributions - Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS 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 Retirement Health Insurance Account 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 PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS 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 PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS, currently 0.50% of Tier 1 and Tier 2 payroll and 0.43% of OPSRP of annual covered payroll. The OPERS Board of Trustees sets the employer contribution rate based on the annual required contribution (ARC) of the employers, an amount actuarially determined. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The District's contributions to RHIA for the years ended June 30, 2019, 2018, and 2017, were approximately \$122,658, \$133,921, and \$139,364 which equaled the required contributions each year.

NEWBERG SCHOOL DISTRICT NO. 29J
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2019

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Retirement Health Insurance Account (RHIA) (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2019, the District reported an asset of \$308,739 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date. The District's proportion of the net OPEB liability was based on the District's actual, legally required contributions made during the fiscal year being compared to the total actual contributions made in the fiscal year by all employers. The District's proportionate share as of the measurement date is .27658060.

For the year ended June 30, 2019, the District recognized OPEB expense reduction of (\$346,505) related to the RHIA OPEB. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to the RHIA OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual experience	\$ -	\$ 17,497
Changes in assumptions		980
Net difference between projected and actual earnings on pension plan investments		66,563
Changes in proportion	762	614
District contributions subsequent to the measurement date	122,658	-
Total	\$ 123,420	\$ 85,654

\$123,420 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as an addition of the net pension liability in the year ended June 30, 2020. Other amounts reported by the District as deferred outflows of resources and deferred inflows of resources related to the RHIA OPEB will be recognized in OPEB expense follows:

	Expense
June 30, 2020	\$ (28,046)
June 30, 2021	(27,936)
June 30, 2022	(22,292)
June 30, 2023	(6,617)

NEWBERG SCHOOL DISTRICT NO. 29J
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2019

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Retirement Health Insurance Account (RHIA) (Continued)

Actuarial assumptions and other inputs

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified

Valuation Date	December 31, 2016
Measurement Date	June 30, 2018
Experience Study Report	2016, published July 26, 2017
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	2.50 percent
Long-term expected rate of return	7.20 percent
Discount rate	7.20 Percent
Projected salary increases	3.50 Percent
Retiree Healthcare Participation	Healthy retirees: 38% Disable Retirees: 20%
Health Cost Trend rate	Not Applicable. Statute stipulates \$60 monthly payment for healthcare insurance.
Mortality	Healthy retirees and beneficiaries: RP-2014 Sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Active members: RP-2014 Sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Disabled retirees: : RP-2014 Sex-distinct, generational with Unisex, Social Security Data Scale sex-distinct table.

Discount Rate

The discount rate used to measure the total OPEB liability at June 30, 2018 was 7.20 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

NEWBERG SCHOOL DISTRICT NO. 29J
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2019

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Retirement Health Insurance Account (RHIA) (Continued)

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. For more information on the long-term expected rate of return for each major asset class, calculated using both the arithmetic and geometric means, see the breakdown in note 8.

Sensitivity Analysis

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the District for the Retirement Health Insurance Account, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20%) or 1-percentage-point higher (8.20%) than the current discount rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Total OPEB Liability	\$ (179,763)	\$ (308,739)	\$ (418,524)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The total OPEB liability of the District for the Postemployment Health Insurance Subsidy is (\$308,739). The ORS stipulates a \$60 monthly payment, so there would be no change to the total OPEB liability if it were calculated using health care cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rates.

Tax Sheltered Annuity

The District also offers its employees a tax-sheltered 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, 2019, 153 employees were participating in the plan.

10. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is insured with Property & Casualty Coverage for Education, a property and liability risk pool for school entities in Oregon and pays an annual premium for its property, crime, public liability, boiler and machinery, difference in conditions, excess earthquake, foreign liability, errors and omission coverage, builders risk coverage and Oregon contractor’s license bonds. The District also carries worker’s compensation coverage through SAIF. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years. The District’s coverage in all areas remains consistent with prior years.

NEWBERG SCHOOL DISTRICT NO. 29J
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

11. PROPERTY TAX LIMITATIONS

The State of Oregon imposes a constitutional limit on property taxes for schools and nonschool government operations. School operations include community colleges, local school districts, and education service districts. The limitation provides that property taxes for school operations are limited to \$5 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt or local option taxes.

The State further reduced property taxes by replacing the previous constitutional limits on tax bases with a rate and value limit. This reduction limits future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions. The State Constitution sets restrictive voter approval requirements for most tax and bond issues.

12. CONTINGENT LIABILITIES

The amounts of grant revenue reflected in the basic financial statements are subject to audit and adjustment by grantor agencies, principally the federal government. Any costs which are questioned or recommended to be disallowed which ultimately result in disallowed claims may become a liability of the District. The amount, if any, of costs which may be disallowed by the grantor cannot be determined at this time, although District management expects such amounts, if any, to be immaterial.

The District is dependent on the State of Oregon for a substantial portion of its operating funds. Due to funding uncertainties at the State level, future funding for school district may be reduced. The ultimate effect of this possible reduction in funding on the District's future operations is not yet determinable.

13. PROPERTY TAX ABATEMENTS

The District's property tax revenues were reduced by \$27,233 under historic property and housing for low income rental agreements by other municipalities within the District's boundaries.

REQUIRED
SUPPLEMENTARY INFORMATION

NEWBERG SCHOOL DISTRICT NO. 29J
 SCHEDULE OF CHANGES IN TOTAL OTHER
 POST EMPLOYMENT BENEFITS AND RELATED RATIOS
 June 30, 2019

	June 30, 2019	June 30, 2018
OPEB Liability - Medical Benefit		
Total OPEB Liability - Beginning	\$ 2,522,811	\$ 2,616,423
Service Cost	202,439	212,308
Interest	93,030	76,881
Changes in Assumptions	(48,022)	(118,628)
Benefit Payments	(255,551)	(264,173)
Net Change in Total OPEB Liability	(8,104)	(93,612)
Total Liability - End of Year	\$ 2,514,707	\$ 2,522,811
Covered Payroll	\$ 27,363,476	\$ 29,387,985
Total OPEB Liability as Percentage of Covered Payroll	9.19%	8.58%

This schedule is presented to illustrate the requirements to show information for 10 years. However, until the full 10-year trend has been compiled, information is presented only for years for which the required supplementary information is available.

NEWBERG SCHOOL DISTRICT NO. 29J
 REQUIRED SUPPLEMENTARY INFORMATION
 OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
 JUNE 30, 2019

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Fiscal Year Ended	(a) District's Proportion of the net pension Liability (NPL)	(b) District's Proportionate Share of the Net Pension Liability (NPL)	(c) District's Covered Payroll	(b/c) NPL as a Percentage of covered Payroll	Plan Fiduciary net position as a percentage of the total pension liability
June 30, 2015	0.1600%	\$ (3,580,180)	\$ 24,424,906	(14.70)%	103.60%
June 30, 2016	0.1700%	10,004,093	25,226,359	39.66%	91.88%
June 30, 2017	0.2000%	29,584,266	28,122,605	105.20%	80.50%
June 30, 2018	0.2300%	31,179,701	28,611,077	108.98%	83.12%
June 30, 2019	0.2600%	38,774,786	29,387,985	131.94%	82.10%

The amounts presented each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date.

SCHEDULE OF DISTRICT CONTRIBUTIONS

Fiscal Year Ended	Statutorily required contribution	Contributions in relation to the statutorily required Contribution	Contribuiton deficiency (excess)	District's Covered payroll	Contributions as a percent of covered payroll
June 30, 2015	\$ 1,869,367	\$ 1,869,367	\$ -	\$ 25,226,359	7.41%
June 30, 2016	904,981	904,981	-	28,122,605	3.22%
June 30, 2017	784,807	784,807	-	28,611,077	2.74%
June 30, 2018	2,506,331	2,506,331	-	29,387,985	8.53%
June 30, 2019	2,288,536	2,288,536	-	27,363,476	8.36%

NEWBERG SCHOOL DISTRICT NO. 29J
 REQUIRED SUPPLEMENTARY INFORMATION
 OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
 JUNE 30, 2019

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET) FOR RHIA

Fiscal Year Ended	(a) District's Proportion of the net pension Liability (NPL)	(b) District's Proportionate Share of the Net Pension (ASSET) (NPL)	(c) District's Covered Payroll	(b/c) NPL as a Percentage of covered Payroll	Plan Fiduciary net position as a percentage of the total pension liability
June 30, 2018	0.2765%	\$ (114,464)	\$ 28,611,077	-0.400%	108.88%
June 30, 2019	0.2814%	(308,739)	29,387,985	-1.051%	123.99%

The amounts presented each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date.

SCHEDULE OF DISTRICT CONTRIBUTIONS FOR RHIA

Fiscal Year Ended	Statutorily required contribution	Contributions in relation to the statutorily required Contribution	Contribuiton deficiency (excess)	District's Covered payroll	Contributions as a percent of covered payroll
June 30, 2018	\$ 133,921	\$ 133,921	\$ -	\$ 29,387,985	0.46%
June 30, 2019	122,658	122,658	-	27,363,476	0.45%

NEWBERG SCHOOL DISTRICT NO. 29J
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2019

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
Revenues				
Local Sources	\$ 16,657,125	\$ 16,657,125	\$ 17,353,505	\$ 696,380
Intermediate Sources	1,620,822	1,620,822	1,724,450	103,628
State Sources	31,116,517	31,116,517	32,952,216	1,835,699
Earnings on Investments	125,000	125,000	319,933	
Federal Sources	-	-	10,947	10,947
Total Revenues	<u>49,519,464</u>	<u>49,519,464</u>	<u>52,361,051</u>	<u>2,646,654</u>
Expenditures				
Instruction *	30,809,977	30,765,077	29,689,453	1,075,624
Support Services *	18,645,077	18,689,977	17,646,963	1,043,014
Enterprise and Community Services *	2,500	2,500	57	2,443
Debt Service *	11,910	11,910	11,909	1
Contingency *	250,000	250,000	-	250,000
Total Expenditures	<u>49,719,464</u>	<u>49,719,464</u>	<u>47,348,382</u>	<u>2,371,082</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(200,000)	(200,000)	5,012,669	5,212,669
Fund Balance				
Beginning of Year	<u>1,200,000</u>	<u>1,200,000</u>	<u>2,457,008</u>	<u>1,257,008</u>
End of Year	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	7,469,677	<u>\$ 6,469,677</u>
* Legally adopted appropriation level				
Reconciliation to Governmental Ending Fund Balance				
Special Revenue Fund			<u>116,898</u>	
Total Governmental Funds			<u>\$ 7,586,575</u>	

NEWBERG SCHOOL DISTRICT NO. 29J
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - FEDERAL & STATE GRANTS FUND
YEAR ENDED JUNE 30, 2019

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
Revenues				
Intermediate Sources	\$ 57,000	\$ 57,000	\$ 154,883	\$ 97,883
State Sources	1,560,578	1,560,578	1,285,347	(275,231)
Federal Sources	2,379,152	2,379,152	1,954,893	(424,259)
Total Revenues	<u>3,996,730</u>	<u>3,996,730</u>	<u>3,395,123</u>	<u>(601,607)</u>
Expenditures				
Instruction *	2,778,261	2,778,261	2,636,649	141,612
Support Services *	1,202,461	1,202,461	728,342	474,119
Enterprise and Community Services *	16,008	16,008	297	15,711
Total Expenditures	<u>3,996,730</u>	<u>3,996,730</u>	<u>3,365,288</u>	<u>631,442</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>29,835</u>	<u>29,835</u>
Fund Balance				
Beginning of Year	<u>-</u>	<u>-</u>	<u>8,964</u>	<u>8,964</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,799</u>	<u>\$ 38,799</u>

* Legally adopted appropriation level

NEWBERG SCHOOL DISTRICT NO. 29J
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2019

1. OTHER POSTEMPLOYMENT BENEFITS – PHIS and RHIA

The schedule of changes in total other postemployment benefits and related ratios will eventually present multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

2. EMPLOYEE RETIREMENT PENSION BENEFITS.

Changes in Plan Provisions

A summary of key changes in plan provisions are described in the Oregon Public Employees Retirement System's GASB information found at:

<https://www.oregon.gov/pers/EMP/Pages/gasb-68.aspx>

Changes in Assumptions

A summary of key changes implemented since the December 31, 2016 valuation are described in the Oregon Public Retirement System's GASB 68 disclosure information which can be found at:

<https://www.oregon.gov/pers/EMP/Pages/gasb-68.aspx>

Additional detail and a comprehensive list of changes in methods and assumptions can be found in the 2016 Experience Study for the System, which was published on July 28, 2017 and can be found at:

<https://www.oregon.gov/pers/Documents/2016-Exp-Study.pdf>

3. BUDGET

A budget is prepared and legally adopted for the General Fund, and Special Projects Fund on the modified accrual basis of accounting. The budgetary basis of accounting is the same as accounting principles generally accepted in the United States of America basis for the governmental fund types, proprietary fund type and private purpose trust fund type. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations.

Appropriations are established at the major function level (instruction, support services, enterprise and community services, facilities acquisition and construction, debt service, operating contingency and transfers) for each fund. The detail budget document, however, is required to contain more specific, detailed information for the aforementioned expenditure categories. Unexpected additional resources may be added to the budget through the use of supplemental budget and appropriation resolution.

Supplemental budgets less than 10% of fund's budget may be adopted by the Board at a regular meeting. A supplemental budget greater than 10% of a fund's original budget requires hearing before the public, publication in newspapers and approval by the Board. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control (major function levels) with Board approval. During the year, there was one amendment to the budget in the General Fund and one amendment in the Special Projects Fund. Appropriations lapse at the end of each fiscal year. Expenditures of the various funds were within authorized appropriations for the year ending June 30, 2019 except for the Debt Service Fund – Debt Service by \$3,479,900.

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SUPPLEMENTARY INFORMATION

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DEBT SERVICE FUND

NEWBERG SCHOOL DISTRICT NO. 29J
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2019

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
Revenues				
Revenues from Local Sources				
Property Taxes				
Current Year	\$ 4,721,100	\$ 4,721,100	\$ 4,745,908	\$ 24,808
Prior Year	100,000	100,000	273,186	173,186
Penalties and Interest on Taxes	15,000	15,000	44,663	29,663
Earnings on Investments	85,000	85,000	224,636	139,636
Other Miscellaneous Sources	540,000	540,000	583,822	43,822
Total Revenues	<u>5,461,100</u>	<u>5,461,100</u>	<u>5,872,215</u>	<u>411,115</u>
Expenditures				
Debt Service				
Total Debt Service*	<u>9,747,100</u>	<u>15,000,000</u>	<u>18,479,900</u>	<u>(3,479,900)</u>
Total Expenditures	<u>9,747,100</u>	<u>15,000,000</u>	<u>18,479,900</u>	<u>(3,479,900)</u>
Net Change in Fund Balance	(4,286,000)	(9,538,900)	(12,607,685)	(3,068,785)
Fund Balance				
Beginning of Year	<u>10,358,900</u>	<u>10,538,900</u>	<u>14,062,569</u>	<u>3,523,669</u>
End of Year	<u>\$ 6,072,900</u>	<u>\$ 1,000,000</u>	<u>\$ 1,454,884</u>	<u>\$ 454,884</u>

* Legally adopted appropriation level

NONMAJOR GOVERNMENTAL FUNDS

NEWBERG SCHOOL DISTRICT NO. 29J
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2019

	Special Revenue Funds			
	Food Service Fund	Scholarship Fund	Private Donations Fund	Student Body Fund
ASSETS				
Cash and Investments	\$ 19	\$ -	\$ -	\$ 667,152
Receivables				
Accounts	76,807	-	-	4,597
Inventory, at Cost	125,712	-	-	-
Due from Other Funds	-	155,956	193,936	1,758
Total Assets	\$ 202,538	\$ 155,956	\$ 193,936	\$ 673,507
LIABILITIES				
Accounts Payable	\$ 13,795	\$ -	\$ 7,889	\$ -
Due to Other Funds	103,237	-	-	-
Total Liabilities	117,032	-	7,889	-
FUND BALANCES				
Nonspendable	125,712	-	-	-
Restricted	(40,206)	155,956	186,047	673,507
Total Fund Balances	85,506	155,956	186,047	673,507
Total Liabilities and Fund Balances	\$ 202,538	\$ 155,956	\$ 193,936	\$ 673,507

Debt Service Funds			
PERS Bond Debt Service Fund	Small Scale Energy Loan Debt Service Fund	Construction Excise Tax Fund	Total
\$ 55,415	\$ (4,000)	\$ -	\$ 718,586
-	7,400	8,111	96,915
-	-	-	125,712
124,812	157,028	1,375,366	2,008,856
<u>\$ 180,227</u>	<u>\$ 160,428</u>	<u>\$ 1,383,477</u>	<u>\$ 2,950,069</u>
\$ -	\$ -	\$ 106,411	\$ 128,095
-	-	-	103,237
-	-	106,411	231,332
-	-	-	125,712
180,227	160,428	1,277,066	2,593,025
180,227	160,428	1,277,066	2,718,737
<u>\$ 180,227</u>	<u>\$ 160,428</u>	<u>\$ 1,383,477</u>	<u>\$ 2,950,069</u>

NEWBERG SCHOOL DISTRICT NO. 29J
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - NONMAJOR FUNDS
 YEAR ENDED JUNE 30, 2019

	Special Revenue Funds			
	Food Service Fund	Scholarship Fund	Private Donations Fund	Student Body Fund
Revenues				
Local Sources	\$ 591,380	\$ 3,974	\$ 272,312	\$ 1,292,472
State Sources	44,118	-	-	-
Federal Sources	1,283,654	-	-	-
Earnings on Investments	-	-	-	-
Total Revenues	1,919,152	3,974	272,312	1,292,472
Expenditures				
Current				
Instruction	-	-	173,694	1,248,951
Support Services	-	-	11,016	-
Debt Service	-	-	-	-
Enterprise and Community Services	2,109,962	1,000	-	-
Total Expenditures	2,109,962	1,000	184,710	1,248,951
Net Change in Fund Balances	(190,810)	2,974	87,602	43,521
Change in Inventory Reserve	22,344	-	-	-
Fund Balances				
Beginning of Year	253,972	152,982	98,445	629,986
End of Year	\$ 85,506	\$ 155,956	\$ 186,047	\$ 673,507

Debt Service Funds

<u>PERS Bond Debt Service Fund</u>	<u>Small Scale Energy Loan Debt Service Fund</u>	<u>Construction Excise Tax Fund</u>	<u>Total</u>
\$ 3,443,005	\$ 156,836	\$ 337,721	\$ 6,097,700
-	-	-	44,118
-	-	-	1,283,654
50,336	-	29,740	80,076
<u>3,493,341</u>	<u>156,836</u>	<u>367,461</u>	<u>7,505,548</u>
-	-	-	1,422,645
-	-	265,333	276,349
3,517,565	84,324	-	3,601,889
-	-	-	2,110,962
<u>3,517,565</u>	<u>84,324</u>	<u>265,333</u>	<u>7,411,845</u>
(24,224)	72,512	102,128	93,703
-	-	-	22,344
<u>204,451</u>	<u>87,916</u>	<u>1,174,938</u>	<u>2,602,690</u>
<u>\$ 180,227</u>	<u>\$ 160,428</u>	<u>\$ 1,277,066</u>	<u>\$ 2,718,737</u>

NEWBERG SCHOOL DISTRICT NO. 29J
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - FOOD SERVICE FUND
YEAR ENDED JUNE 30, 2019

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
Revenues				
Revenues from Local Sources				
Sales	\$ 631,250	\$ 631,250	\$ 591,380	\$ (39,870)
Total Local Sources	<u>631,250</u>	<u>631,250</u>	<u>591,380</u>	<u>(39,870)</u>
Revenues from State Sources				
State School Fund Support	20,000	20,000	19,093	(907)
Other State Grants	21,400	21,400	25,025	3,625
Total State Sources	<u>41,400</u>	<u>41,400</u>	<u>44,118</u>	<u>2,718</u>
Revenues from Federal Sources				
National School Lunch Program	1,431,000	1,431,000	1,143,726	(287,274)
U.S.D.A. Donated Commodities	139,790	139,790	139,928	138
Total Federal Sources	<u>1,570,790</u>	<u>1,570,790</u>	<u>1,283,654</u>	<u>(287,136)</u>
Total Revenues	<u>2,243,440</u>	<u>2,243,440</u>	<u>1,919,152</u>	<u>(324,288)</u>
Expenditures				
Enterprise and Community Services *	2,403,440	2,403,440	2,109,962	293,478
Total Expenditures	<u>2,403,440</u>	<u>2,403,440</u>	<u>2,109,962</u>	<u>293,478</u>
Net Change in Fund Balance	(160,000)	(160,000)	(190,810)	(30,810)
Fund Balance				
Beginning of Year	160,000	160,000	150,604	(9,396)
End of Year	<u>\$ -</u>	<u>\$ -</u>	(40,206)	<u>\$ (40,206)</u>
Reserved for Inventory			<u>125,712</u>	
Fund Balance, Ending			<u>\$ 85,506</u>	

* Legally adopted appropriation level

NEWBERG SCHOOL DISTRICT NO. 29J
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - SCHOLARSHIP FUND
YEAR ENDED JUNE 30, 2019

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Adopted</u>	<u>Final</u>		
Revenues				
Revenues from Local Sources				
Community Service Activities	\$ 1,600	\$ 1,600	\$ 3,974	\$ 2,374
Total Local Sources	<u>1,600</u>	<u>1,600</u>	<u>3,974</u>	<u>2,374</u>
Expenditures				
Instruction *	3,600	3,600	-	3,600
Enterprise and Community Services *	<u>8,000</u>	<u>8,000</u>	<u>1,000</u>	<u>7,000</u>
Total Expenditures	<u>11,600</u>	<u>11,600</u>	<u>1,000</u>	<u>10,600</u>
Net Change in Fund Balance	(10,000)	(10,000)	2,974	12,974
Fund Balance				
Beginning of Year	<u>150,000</u>	<u>150,000</u>	<u>152,982</u>	<u>2,982</u>
End of Year	<u>\$ 140,000</u>	<u>\$ 140,000</u>	<u>\$ 155,956</u>	<u>\$ 15,956</u>

* Legally adopted appropriation level

NEWBERG SCHOOL DISTRICT NO. 29J
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL - PRIVATE DONATIONS FUND
 YEAR ENDED JUNE 30, 2019

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Adopted</u>	<u>Final</u>		
Revenues				
Revenues from Local Sources				
Community Service Activities	\$ 200,000	\$ 200,000	\$ 272,312	\$ 72,312
Total Local Sources	<u>200,000</u>	<u>200,000</u>	<u>272,312</u>	<u>72,312</u>
Expenditures				
Instruction *	200,000	200,000	173,694	26,306
Support Services *	<u>55,000</u>	<u>55,000</u>	<u>11,016</u>	<u>43,984</u>
Total Expenditures	<u>255,000</u>	<u>255,000</u>	<u>184,710</u>	<u>70,290</u>
Net Change in Fund Balance	(55,000)	(55,000)	87,602	142,602
Fund Balance				
Beginning of Year	<u>80,000</u>	<u>80,000</u>	<u>98,445</u>	<u>18,445</u>
End of Year	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 186,047</u>	<u>\$ 161,047</u>

* Legally adopted appropriation level

NEWBERG SCHOOL DISTRICT NO. 29J
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL - STUDENT BODY FUND
 YEAR ENDED JUNE 30, 2019

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Adopted</u>	<u>Final</u>		
Revenues				
Revenues from Local Sources				
Community Service Activities	<u>\$ 1,370,000</u>	<u>\$ 1,370,000</u>	<u>\$ 1,292,472</u>	<u>\$ (77,528)</u>
Total Local Sources	<u>1,370,000</u>	<u>1,370,000</u>	<u>1,292,472</u>	<u>(77,528)</u>
Expenditures				
Instruction *	<u>1,590,000</u>	<u>1,590,000</u>	<u>1,248,951</u>	<u>341,049</u>
Total Expenditures	<u>1,590,000</u>	<u>1,590,000</u>	<u>1,248,951</u>	<u>341,049</u>
Net Change in Fund Balance	(220,000)	(220,000)	43,521	263,521
Fund Balance				
Beginning of Year	<u>500,000</u>	<u>500,000</u>	<u>629,986</u>	<u>129,986</u>
End of Year	<u>\$ 280,000</u>	<u>\$ 280,000</u>	<u>\$ 673,507</u>	<u>\$ 393,507</u>

* Legally adopted appropriation level

NEWBERG SCHOOL DISTRICT NO. 29J
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL - PERS BOND DEBT SERVICE FUND
 YEAR ENDED JUNE 30, 2019

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Adopted</u>	<u>Final</u>		
Revenues				
Revenues from Local Sources				
Earnings on Investments	\$ 18,000	\$ 18,000	\$ 50,336	\$ 32,336
Service Provided to Other Funds	<u>3,500,000</u>	<u>3,500,000</u>	<u>3,443,005</u>	<u>(56,995)</u>
Total Local Sources	<u>3,518,000</u>	<u>3,518,000</u>	<u>3,493,341</u>	<u>(24,659)</u>
Expenditures				
Debt Service *	<u>3,517,665</u>	<u>3,517,665</u>	<u>3,517,565</u>	<u>100</u>
Total Expenditures	<u>3,517,665</u>	<u>3,517,665</u>	<u>3,517,565</u>	<u>100</u>
Net Change in Fund Balance	335	335	(24,224)	(24,559)
Fund Balance				
Beginning of Year	<u>115,190</u>	<u>115,190</u>	<u>204,451</u>	<u>89,261</u>
End of Year	<u>\$ 115,525</u>	<u>\$ 115,525</u>	<u>\$ 180,227</u>	<u>\$ 64,702</u>

* Legally adopted appropriation level

NEWBERG SCHOOL DISTRICT NO. 29J
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL - SMALL SCALE ENERGY LOAN SERVICE FUND
 YEAR ENDED JUNE 30, 2019

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Adopted</u>	<u>Final</u>		
Revenues				
Revenues from Local Sources				
Extracurricular Activities	<u>\$ 85,000</u>	<u>\$ 85,000</u>	<u>\$ 156,836</u>	<u>\$ 71,836</u>
Total Local Sources	<u>85,000</u>	<u>85,000</u>	<u>156,836</u>	<u>71,836</u>
Expenditures				
Debt Service *	<u>84,520</u>	<u>84,520</u>	<u>84,324</u>	<u>196</u>
Total Expenditures	<u>84,520</u>	<u>84,520</u>	<u>84,324</u>	<u>196</u>
Net Change in Fund Balance	480	480	72,512	72,032
Fund Balance				
Beginning of Year	<u>72,568</u>	<u>72,568</u>	<u>87,916</u>	<u>15,348</u>
End of Year	<u><u>\$ 73,048</u></u>	<u><u>\$ 73,048</u></u>	<u><u>\$ 160,428</u></u>	<u><u>\$ 87,380</u></u>

* Legally adopted appropriation level

NEWBERG SCHOOL DISTRICT NO. 29J
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - CONSTRUCTION EXCISE TAX FUND
YEAR ENDED JUNE 30, 2019

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Adopted</u>	<u>Final</u>		
Revenues				
Revenues from Local Sources				
Earnings on Investments	\$ 10,000	\$ 10,000	\$ 29,740	\$ 19,740
Construction Excise Taxes	<u>380,000</u>	<u>380,000</u>	<u>337,721</u>	<u>(42,279)</u>
Total Revenues	<u>390,000</u>	<u>390,000</u>	<u>367,461</u>	<u>(22,539)</u>
Expenditures				
Support Services *	<u>585,000</u>	<u>585,000</u>	<u>265,333</u>	<u>319,667</u>
Total Expenditures	<u>585,000</u>	<u>585,000</u>	<u>265,333</u>	<u>319,667</u>
Net Change in Fund Balance	(195,000)	(195,000)	102,128	297,128
Fund Balance				
Beginning of Year	<u>610,000</u>	<u>610,000</u>	<u>1,174,938</u>	<u>564,938</u>
End of Year	<u>\$ 415,000</u>	<u>\$ 415,000</u>	<u>\$ 1,277,066</u>	<u>\$ 862,066</u>

* Legally adopted appropriation level

NEWBERG SCHOOL DISTRICT NO. 29J
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2019

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Adopted</u>	<u>Final</u>		
Revenues				
Revenues from Local Sources				
Rentals	\$ 57,880	\$ 57,880	\$ 55,616	\$ (2,264)
Total Local Sources	<u>57,880</u>	<u>57,880</u>	<u>55,616</u>	<u>(2,264)</u>
Expenditures				
Instruction *	10,000	10,000	-	10,000
Support Services *	<u>97,880</u>	<u>97,880</u>	<u>10,305</u>	<u>87,575</u>
Total Expenditures	<u>107,880</u>	<u>107,880</u>	<u>10,305</u>	<u>97,575</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(50,000)	(50,000)	45,311	95,311
Fund Balance				
Beginning of Year	<u>50,000</u>	<u>50,000</u>	<u>71,587</u>	<u>21,587</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 116,898</u>	<u>\$ 116,898</u>

* Legally adopted appropriation level

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OTHER FINANCIAL SCHEDULES

NEWBERG SCHOOL DISTRICT NO. 29J
SCHEDULE OF PROPERTY TAX TRANSACTIONS
YEAR ENDED JUNE 30, 2019

GENERAL FUND

Tax Roll Year	Beginning Balance and 2018-2019 Levy	Less Discounts	Net Adjustments	Add Interest	Collections	Balance June 30, 2019
2018-2019	\$ 16,804,406	\$ 439,051	\$ (47,219)	\$ 7,243	\$ 15,879,748	\$ 438,388
2017-2018	447,153	(50)	(45,240)	15,975	191,353	210,610
2016-2017	282,761	718	(52,915)	13,984	96,526	132,602
2015-2016	154,048	769	(45,142)	12,678	63,044	45,093
2014-2015	100,599	1,483	(14,352)	9,034	72,726	12,038
and prior	315,762	6,638	(20,724)	12,495	235,373	53,027
	<u>\$ 18,104,729</u>	<u>\$ 448,609</u>	<u>\$ (225,592)</u>	<u>\$ 71,409</u>	16,538,770	<u>\$ 891,758</u>
Undistributed tax collections, June 30, 2019					129,742	
Undistributed tax collections, June 30, 2018					(414,753)	
Interest and and other taxes in lieu					338,367	
Revenue turned over to the General Fund					<u>\$ 16,592,126</u>	

DEBT SERVICE FUND

Tax Roll Year	Beginning Balance and 2018-2019 Levy	Less Discounts	Net Adjustments	Interest	Collections	Balance June 30, 2019
2018-2019	\$ 5,022,210	\$ 131,214	\$ (14,112)	\$ 2,231	\$ 4,745,843	\$ 131,041
2017-2018	302,071	(34)	(30,578)	10,792	129,239	142,288
2016-2017	194,883	520	(36,475)	9,630	66,470	91,418
2015-2016	108,357	541	(31,749)	8,913	44,332	31,735
2014-2015	61,418	907	(8,797)	5,521	44,402	7,312
and prior	208,630	4,579	(78,749)	8,797	88,812	36,490
	<u>\$ 5,897,569</u>	<u>\$ 137,727</u>	<u>\$ (200,460)</u>	<u>\$ 45,884</u>	5,119,098	<u>\$ 440,284</u>
Undistributed tax collections, June 30, 2019					52,316	
Undistributed tax collections, June 30, 2018					(153,541)	
Interest and and other taxes in lieu					45,884	
Revenue turned over to the Debt Service Fund					<u>\$ 5,063,757</u>	

2018 - 19 DISTRICT AUDIT REVENUE SUMMARY
Newberg School District

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
Revenue from Local Sources							
1110 Ad Valorem Taxes Levied by District	\$16,548,719		\$5,019,094				
1120 Local Option Ad Valorem Taxes Levied by District							
1130 Construction Excise Tax				\$337,722			
1190 Penalties and Interest on Taxes							
1200 Revenue from Local Governmental Units Other Than Districts							
1311 Regular Day School Tuition - From Individuals							
1312 Regular Day School Tuition - Other Dist Within State	\$72,304						
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	\$3,639						
1500 Earnings on Investments	\$363,340	\$3,974	\$319,635	\$29,740			
1600 Food Service		\$576,862					
1700 Extracurricular Activities	\$75,000	\$1,118,622					
1800 Community Services Activities	\$11,829	\$24,864					
1910 Rentals	\$64,035	\$55,616					
1920 Contributions and Donations From Private Sources		\$301,566					
1930 Rental or Lease Payments From Private Contractors							
1940 Services Provided Other Local Education Agencies	\$144,035						
1950 Textbook Sales and Rentals							
1960 Recovery of Prior Years' Expenditure	\$25						
1970 Services Provided Other Funds			\$3,443,006				
1980 Fees Charged to Grants	\$105,003						
1990 Miscellaneous	\$285,509	\$134,250	\$134,538				
Total Revenue from Local Sources	\$17,673,438	\$2,215,754	\$8,916,272	\$367,461	\$0	\$0	\$0
Revenue from Intermediate Sources							
2101 County School Funds	\$16,556						
2102 Education Service District Apportionment	\$1,707,894	\$35,910					
2103 Excess ESD Local Revenue							
2105 Natural Gas, Oil, and Mineral Receipts							
2110 Intermediate "I" Tax							
2199 Other Intermediate Sources		\$107,249					
2200 Restricted Revenue		\$11,724					
2800 Revenue in Lieu of Taxes							
2900 Revenue for/on Behalf of the District							
Total Revenue from Intermediate Sources	\$1,724,450	\$154,883	\$0	\$0	\$0	\$0	\$0
Revenue from State Sources							
3101 State School Fund - General Support	\$32,194,262						
3102 State School Fund - School Lunch Match		\$19,093					
3103 Common School Fund	\$560,318						
3104 State Managed County Timber							
3106 State School Fund - Accrual							
3199 Other Unrestricted Grants-in-Aid	\$2,999						
3204 Driver Education							
3222 State School Fund (SSF) Transportation Equipment							
3299 Other Restricted Grants-in-Aid	\$194,638	\$1,310,372					
3800 Revenue in Lieu of Taxes							
3900 Revenue for/on Behalf of the District							
Total Revenue from State Sources	\$32,952,217	\$1,329,465	\$0	\$0	\$0	\$0	\$0
Revenue from Federal Sources							
4100 Unrestricted Revenue Direct From the Federal Government							
4200 Unrestricted Revenue From the Federal Government Through the State							
4300 Restricted Revenue From the Federal Government							
4500 Restricted Revenue From the Federal Government Through the State	\$10,891	\$3,098,620					
4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies							
4801 Federal Forest Fees	\$56						
4802 Impact Aid to School Districts for Operation (PL 874)							
4803 Coos Bay Wagon Road Funds							
4899 Other Revenue in Lieu of Taxes							
4900 Revenue for/on Behalf of the District		\$139,929	\$588,750				
Total Revenue from Federal Sources	\$10,947	\$3,238,549	\$588,750	\$0	\$0	\$0	\$0
Revenue from Other Sources							
5100 Long Term Debt Financing Sources			\$17,370				
5200 Interfund Transfers							
5300 Sale of or Compensation for Loss of Fixed Assets							
5400 Resources - Beginning Fund Balance	\$2,457,008	\$1,112,570	\$14,354,937	\$1,174,938			
Total Revenue from Other Sources	\$2,457,008	\$1,112,570	\$14,372,307	\$1,174,938	\$0	\$0	\$0
Grand Totals	\$54,818,060	\$8,051,220	\$23,877,330	\$1,542,399	\$0	\$0	\$0

2018 - 19 DISTRICT AUDIT EXPENDITURE SUMMARY
Newberg School District

Fund: 100

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Instruction Expenditures								
1111 Primary, K-3	\$10,815,802	\$6,686,946	\$3,713,566	\$318,683	\$96,606			
1113 Elementary Extracurricular	\$0							
1121 Middle/Junior High Programs	\$4,342,681	\$2,652,692	\$1,437,091	\$202,598	\$50,301			
1122 Middle/Junior High School Extracurricular	\$18,720	\$13,832	\$4,888					
1131 High School Programs	\$5,719,960	\$3,539,604	\$1,922,003	\$199,249	\$54,282		\$4,821	
1132 High School Extracurricular	\$725,760	\$470,799	\$151,730	\$55,376	\$34,345		\$13,510	
1140 Pre-Kindergarten Programs	\$0							
1210 Programs for the Talented and Gifted	\$6,355			\$3,096	\$3,258			
1220 Restrictive Programs for Students with Disabilities	\$1,294,954	\$668,815	\$502,441	\$123,698				
1250 Less Restrictive Programs for Students with Disabilities	\$3,920,199	\$2,304,723	\$1,509,674	\$98,633	\$7,170			
1260 Early Intervention	\$356,825	\$157,967	\$118,259	\$80,132	\$467			
1271 Remediation	\$0							
1272 Title I	\$0							
1280 Alternative Education	\$1,476,217	\$829,099	\$570,413	\$63,810	\$11,435		\$1,460	
1291 English Second Language Programs	\$998,114	\$591,445	\$396,280	\$10,243	\$146			
1292 Teen Parent Program	\$13,866			\$13,866				
1293 Migrant Education	\$0							
1294 Youth Corrections Education	\$0							
1299 Other Programs	\$0							
1300 Adult/Continuing Education Programs	\$0							
1400 Summer School Programs	\$0							
Total Instruction Expenditures	\$29,689,453	\$17,915,922	\$10,326,345	\$1,169,384	\$258,011	\$0	\$19,791	\$0
Support Services Expenditures								
2110 Attendance and Social Work Services	\$416,912	\$214,455	\$153,512	\$48,945				
2120 Guidance Services	\$1,568,343	\$1,005,169	\$562,296		\$878			
2130 Health Services	\$121,738	\$61,209	\$36,807	\$22,418	\$1,304			
2140 Psychological Services	\$12,379			\$10,676	\$1,703			
2150 Speech Pathology and Audiology Services	\$796,225	\$442,196	\$263,808	\$84,991	\$814		\$4,416	
2160 Other Student Treatment Services	\$0							
2190 Service Direction, Student Support Services	\$103,172	\$68,695	\$34,477					
2210 Improvement of Instruction Services	\$23,452	\$14,180	\$9,273					
2220 Educational Media Services	\$361,387	\$195,560	\$142,421	\$2,785	\$20,622			
2230 Assessment & Testing	\$154,710	\$71,103	\$47,089	\$36,063	\$455			
2240 Instructional Staff Development	\$122,636	\$13,972	\$84,990	\$23,667	\$7			
2310 Board of Education Services	\$459,741			\$83,088	\$107		\$376,546	
2320 Executive Administration Services	\$381,675	\$223,537	\$128,136	\$14,219	\$2,819		\$12,965	
2410 Office of the Principal Services	\$3,592,970	\$2,230,602	\$1,312,358	\$33,524	\$9,228		\$7,259	
2490 Other Support Services - School Administration	\$0							
2510 Direction of Business Support Services	\$0							
2520 Fiscal Services	\$460,519	\$275,933	\$158,937	\$11,913	\$2,178		\$11,557	
2540 Operation and Maintenance of Plant Services	\$4,640,210	\$1,621,121	\$1,169,853	\$1,546,495	\$300,004		\$2,738	
2550 Student Transportation Services	\$2,591,596	\$30,983	\$17,614	\$2,543,000				
2570 Internal Services	\$158,079	\$30,936	\$25,995	\$101,147				
2610 Direction of Central Support Services	\$0							
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$0							
2630 Information Services	\$124,808	\$72,483	\$29,174	\$22,512	\$640			
2640 Staff Services	\$388,937	\$198,927	\$128,574	\$47,131	\$1,837		\$12,468	
2660 Technology Services	\$1,167,472	\$408,951	\$236,156	\$102,433	\$419,632		\$300	
2670 Records Management Services	\$0							
2690 Other Support Services - Central	\$0							
2700 Supplemental Retirement Program	\$0							
Total Support Services Expenditures	\$17,646,963	\$7,180,012	\$4,541,470	\$4,735,007	\$762,226	\$0	\$428,248	\$0
Enterprise and Community Services Expenditures								
3100 Food Services	\$0							
3200 Other Enterprise Services	\$0							
3300 Community Services	\$57				\$57			
3500 Custody and Care of Children Services	\$0							
Total Enterprise and Community Services Expenditures	\$57	\$0	\$0	\$0	\$57	\$0	\$0	\$0
Facilities Acquisition and Construction Expenditures								
4110 Service Area Direction	\$0							
4120 Site Acquisition and Development Services	\$0							
4150 Building Acquisition, Construction, and Improvement Services	\$0							
4190 Other Facilities Construction Services	\$0							
Total Facilities Acquisition and Construction Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Uses Expenditures								
5100 Debt Service	\$11,909						\$11,909	
5200 Transfers of Funds	\$0							
5300 Apportionment of Funds by ESD	\$0							
5400 PERS UAL Bond Lump Sum	\$0							
Total Other Uses Expenditures	\$11,909	\$0	\$0	\$0	\$0	\$0	\$11,909	\$0
Grand Total	\$47,348,382	\$25,095,933	\$14,867,815	\$5,904,390	\$1,020,294	\$0	\$459,949	\$0

2018 - 19 DISTRICT AUDIT EXPENDITURE SUMMARY
Newberg School District

Fund: 200

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Instruction Expenditures								
1111 Primary, K-3	\$102,800	\$17,010	\$5,872	\$49,479	\$30,439			
1112 Intermediate Programs	\$0							
1113 Elementary Extracurricular	\$83,099				\$83,099			
1121 Middle/Junior High Programs	\$10,877				\$2,009		\$8,868	
1122 Middle/Junior High School Extracurricular	\$146,562				\$146,562			
1131 High School Programs	\$753,868	\$257,601	\$144,553	\$44,193	\$171,872	\$105,946	\$29,703	
1132 High School Extracurricular	\$1,019,290	\$15,829	\$603		\$1,002,858			
1140 Pre-Kindergarten Programs	\$251			\$251				
1210 Programs for the Talented and Gifted	\$0							
1220 Restrictive Programs for Students with Disabilities	\$681,270	\$403,106	\$216,883	\$61,281				
1250 Less Restrictive Programs for Students with Disabilities	\$20,067	\$15,000	\$5,067					
1260 Early Intervention	\$1,702	\$1,437	\$266					
1271 Remediation	\$0							
1272 Title I	\$681,003	\$403,925	\$255,947	\$18,930	\$2,202			
1280 Alternative Education	\$167,450	\$83,053	\$52,855	\$17,020	\$14,522			
1291 English Second Language Programs	\$278,931	\$99,376	\$61,507	\$87,080	\$29,468		\$1,500	
1292 Teen Parent Program	\$0							
1293 Migrant Education	\$112,121	\$78,885	\$35,816	\$280	-\$2,859			
1294 Youth Corrections Education	\$0							
1299 Other Programs	\$0							
1300 Adult/Continuing Education Programs	\$0							
1400 Summer School Programs	\$0							
Total Instruction Expenditures	\$4,059,293	\$1,375,223	\$779,366	\$278,514	\$1,480,172	\$105,946	\$40,071	\$0
Support Services Expenditures								
2110 Attendance and Social Work Services	\$193,067	\$117,344	\$72,797	\$2,926				
2120 Guidance Services	\$0							
2130 Health Services	\$2,967	\$1,000	\$209	\$1,699	\$58			
2140 Psychological Services	\$0							
2150 Speech Pathology and Audiology Services	\$0							
2160 Other Student Treatment Services	\$0							
2190 Service Direction, Student Support Services	\$48,086	\$13,274	\$7,208	\$318			\$27,286	
2210 Improvement of Instruction Services	\$108,839	\$71,332	\$37,507					
2220 Educational Media Services	\$0							
2230 Assessment & Testing	\$549			\$549				
2240 Instructional Staff Development	\$330,538	\$138,629	\$58,854	\$87,593	\$28,566		\$16,897	
2310 Board of Education Services	\$0							
2320 Executive Administration Services	\$0							
2410 Office of the Principal Services	\$0							
2490 Other Support Services - School Administration	\$0							
2510 Direction of Business Support Services	\$0							
2520 Fiscal Services	\$34,471						\$34,471	
2540 Operation and Maintenance of Plant Services	\$6,952			\$6,952				
2550 Student Transportation Services	\$9,288			\$9,288				
2570 Internal Services	\$0							
2610 Direction of Central Support Services	\$0							
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$5,981	\$90	\$45	\$5,730	\$115			
2630 Information Services	\$0							
2640 Staff Services	\$0							
2660 Technology Services	\$8,925				\$8,925			
2670 Records Management Services	\$0							
2690 Other Support Services - Central	\$0							
2700 Supplemental Retirement Program	\$0							
Total Support Services Expenditures	\$749,663	\$341,669	\$176,621	\$115,056	\$37,664	\$0	\$78,654	\$0
Enterprise and Community Services Expenditures								
3100 Food Services	\$2,109,962	\$545,793	\$441,278	\$36,496	\$998,645	\$55,642	\$32,108	
3200 Other Enterprise Services	\$0							
3300 Community Services	\$1,297			\$1,000			\$297	
3500 Custody and Care of Children Services	\$0							
Total Enterprise and Community Services Expenditures	\$2,111,259	\$545,793	\$441,278	\$37,496	\$998,645	\$55,642	\$32,405	\$0
Facilities Acquisition and Construction Expenditures								
4110 Service Area Direction	\$0							
4120 Site Acquisition and Development Services	\$0							
4150 Building Acquisition, Construction, and Improvement Services	\$0							
4190 Other Facilities Construction Services	\$0							
Total Facilities Acquisition and Construction Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Uses Expenditures								
5100 Debt Service	\$0							
5200 Transfers of Funds	\$0							
5300 Apportionment of Funds by ESD	\$0							
5400 PERS UAL Bond Lump Sum	\$0							
Total Other Uses Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grand Total	\$6,920,215	\$2,262,685	\$1,397,265	\$431,066	\$2,516,481	\$161,588	\$151,130	\$0

**2018 - 19 DISTRICT AUDIT EXPENDITURE SUMMARY
Newberg School District**

Fund: 300

Instruction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Primary, K-3	\$0							
1112 Intermediate Programs	\$0							
1113 Elementary Extracurricular	\$0							
1121 Middle/Junior High Programs	\$0							
1122 Middle/Junior High School Extracurricular	\$0							
1131 High School Programs	\$0							
1132 High School Extracurricular	\$0							
1140 Pre-Kindergarten Programs	\$0							
1210 Programs for the Talented and Gifted	\$0							
1220 Restrictive Programs for Students with Disabilities	\$0							
1250 Less Restrictive Programs for Students with Disabilities	\$0							
1260 Early Intervention	\$0							
1271 Remediation	\$0							
1272 Title I	\$0							
1280 Alternative Education	\$0							
1291 English Second Language Programs	\$0							
1292 Teen Parent Program	\$0							
1293 Migrant Education	\$0							
1294 Youth Corrections Education	\$0							
1299 Other Programs	\$0							
1300 Adult/Continuing Education Programs	\$0							
1400 Summer School Programs	\$0							
Total Instruction Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Support Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	\$0							
2120 Guidance Services	\$0							
2130 Health Services	\$0							
2140 Psychological Services	\$0							
2150 Speech Pathology and Audiology Services	\$0							
2160 Other Student Treatment Services	\$0							
2190 Service Direction, Student Support Services	\$0							
2210 Improvement of Instruction Services	\$0							
2220 Educational Media Services	\$0							
2230 Assessment & Testing	\$0							
2240 Instructional Staff Development	\$0							
2310 Board of Education Services	\$0							
2320 Executive Administration Services	\$0							
2410 Office of the Principal Services	\$0							
2490 Other Support Services - School Administration	\$0							
2510 Direction of Business Support Services	\$0							
2520 Fiscal Services	\$0							
2540 Operation and Maintenance of Plant Services	\$0							
2550 Student Transportation Services	\$0							
2570 Internal Services	\$0							
2610 Direction of Central Support Services	\$0							
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$0							
2630 Information Services	\$0							
2640 Staff Services	\$0							
2660 Technology Services	\$0							
2670 Records Management Services	\$0							
2690 Other Support Services - Central	\$0							
2700 Supplemental Retirement Program	\$0							
Total Support Services Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Enterprise and Community Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	\$0							
3200 Other Enterprise Services	\$0							
3300 Community Services	\$0							
3500 Custody and Care of Children Services	\$0							
Total Enterprise and Community Services Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facilities Acquisition and Construction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction	\$0							
4120 Site Acquisition and Development Services	\$0							
4150 Building Acquisition, Construction, and Improvement Services	\$0							
4190 Other Facilities Construction Services	\$0							
Total Facilities Acquisition and Construction Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Uses Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	\$22,081,790						\$22,081,790	
5200 Transfers of Funds	\$0							
5300 Apportionment of Funds by ESD	\$0							
5400 PERS UAL Bond Lump Sum	\$0							
Total Other Uses Expenditures	\$22,081,790	\$0	\$0	\$0	\$0	\$0	\$22,081,790	\$0
Grand Total	\$22,081,790	\$0	\$0	\$0	\$0	\$0	\$22,081,790	\$0

**2018 - 19 DISTRICT AUDIT EXPENDITURE SUMMARY
Newberg School District**

Fund: 400

Instruction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Primary, K-3	\$0							
1112 Intermediate Programs	\$0							
1113 Elementary Extracurricular	\$0							
1121 Middle/Junior High Programs	\$0							
1122 Middle/Junior High School Extracurricular	\$0							
1131 High School Programs	\$0							
1132 High School Extracurricular	\$0							
1140 Pre-Kindergarten Programs	\$0							
1210 Programs for the Talented and Gifted	\$0							
1220 Restrictive Programs for Students with Disabilities	\$0							
1250 Less Restrictive Programs for Students with Disabilities	\$0							
1260 Early Intervention	\$0							
1271 Remediation	\$0							
1272 Title I	\$0							
1280 Alternative Education	\$0							
1291 English Second Language Programs	\$0							
1292 Teen Parent Program	\$0							
1293 Migrant Education	\$0							
1294 Youth Corrections Education	\$0							
1299 Other Programs	\$0							
1300 Adult/Continuing Education Programs	\$0							
1400 Summer School Programs	\$0							
Total Instruction Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Support Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	\$0							
2120 Guidance Services	\$0							
2130 Health Services	\$0							
2140 Psychological Services	\$0							
2150 Speech Pathology and Audiology Services	\$0							
2160 Other Student Treatment Services	\$0							
2190 Service Direction, Student Support Services	\$0							
2210 Improvement of Instruction Services	\$0							
2220 Educational Media Services	\$0							
2230 Assessment & Testing	\$0							
2240 Instructional Staff Development	\$0							
2310 Board of Education Services	\$0							
2320 Executive Administration Services	\$8,261			\$8,261				
2410 Office of the Principal Services	\$0							
2490 Other Support Services - School Administration	\$0							
2510 Direction of Business Support Services	\$0							
2520 Fiscal Services	\$0							
2540 Operation and Maintenance of Plant Services	\$213,775			\$213,775				
2550 Student Transportation Services	\$0							
2570 Internal Services	\$0							
2610 Direction of Central Support Services	\$0							
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$0							
2630 Information Services	\$0							
2640 Staff Services	\$0							
2660 Technology Services	\$43,298				\$43,298			
2670 Records Management Services	\$0							
2690 Other Support Services - Central	\$0							
2700 Supplemental Retirement Program	\$0							
Total Support Services Expenditures	\$265,333	\$0	\$0	\$222,036	\$43,298	\$0	\$0	\$0
Enterprise and Community Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	\$0							
3200 Other Enterprise Services	\$0							
3300 Community Services	\$0							
3500 Custody and Care of Children Services	\$0							
Total Enterprise and Community Services Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facilities Acquisition and Construction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction	\$0							
4120 Site Acquisition and Development Services	\$0							
4150 Building Acquisition, Construction, and Improvement Services	\$0							
4190 Other Facilities Construction Services	\$0							
Total Facilities Acquisition and Construction Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Uses Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	\$0							
5200 Transfers of Funds	\$0							
5300 Apportionment of Funds by ESD	\$0							
5400 PERS UAL Bond Lump Sum	\$0							
Total Other Uses Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grand Total	\$265,333	\$0	\$0	\$222,036	\$43,298	\$0	\$0	\$0

NEWBERG SCHOOL DISTRICT NO. 29J
 SUPPLEMENTAL INFORMATION AS REQUIRED
 BY THE OREGON DEPARTMENT OF EDUCATION
 Year Ended June 30, 2019

A. Energy bill for Heating - **All Funds:**

Please enter your expenditures for electricity
 & heating fuel, and water & sewage for these Functions
 for these Functions & Objects.

	Objects 325, 326 & 327
Function 2540	\$ 1,196,615
Function 2550	-

B. Replacement 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	2550	Pupil Transportation
1140	Pre-Kindergarten	3100	Food Service
1300	Continuing Education	3300	Community Services
1400	Summer School	4150	Construction

AUDIT COMMENTS AND
DISCLOSURES
REQUIRED BY STATE
REGULATIONS

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INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS

We have audited the basic financial statements of Newberg School District No. 29J (the District) as of and for the year ended June 30, 2019 and have issued our report thereon dated December 26, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

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

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

In connection with our testing, nothing came to our attention that caused us to believe the District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations except for the following:

1. Budgets. Expenditures exceeded appropriations in the Debt Service Fund – Debt Service by \$3,479,900.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.



Purpose of this Report

This report is intended solely for the information and use of the board of directors 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.

Wilcox Arredondo & Co.

Certified Public Accountants
Canby, Oregon
December 26, 2019

GRANT COMPLIANCE SECTION

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To the School Board
Newberg School District No. 29J
Yamhill County, Oregon

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Newberg School District No. 29J (District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 26, 2019.

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 audit 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.

Wilcox Arredondo & Co.

Certified Public Accountants
Canby, Oregon
December 26, 2019



To the School Board
Newberg School District No. 29J
Yamhill County, Oregon

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

Report on Compliance for Each Major Federal Program

We have audited Newberg School District No. 29J's (District's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2019. 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* 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 year ended June 30, 2019.



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 requirements 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 combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

This 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.

Wilcox Arredondo & Co.

Certified Public Accountants
Canby, Oregon
December 26, 2019

NEWBERG SCHOOL DISTRICT NO. 29J
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2019

Federal Grantor/Pass-through Grantor/ Program Title	Grant Period	Federal C.F.D.A. Number	Pass-Through Grantor's Number	Expenditures
<u>U.S. Department of Education</u>				
Passed through Oregon State Department of Education				
Title IA - Part A - Grants to Local Educational Agencie	07/01/17-09/30/18	84.010	45648	\$ 11,840
Title IA - Part A - Grants to Local Educational Agencie	07/01/18-09/30/19	84.010	50441	701,369
				<u>713,209</u>
Title III - English Language Acquisition	07/01/17-09/30/18	84.365	44235	10,559
Title III - English Language Acquisition	07/01/18-09/30/19	84.365	50267	28,229
				<u>38,788</u>
Title IIA - Improving Teacher Quality	07/01/17-09/30/18	84.367	45864	28,319
Title IIA - Improving Teacher Quality	07/01/18-09/30/19	84.367	49361	59,927
				<u>88,246</u>
IDEA, Part B, Special Education	07/01/17-09/30/19	84.027	45219	129,949
IDEA, Part B, Special Education	07/01/18-09/30/20	84.027	49918	576,502
IDEA, Part B, Special Education	07/01/18-09/30/18	84.027	51319	7,957
IDEA, Part B, Special Education	07/01/18-06/30/19	84.027	49163	549
IDEA, Part B, Special Education	07/01/18-06/30/19	84.027	49570	4,796
				<u>719,753</u>
Special Education - Preschool Grants	07/01/17-09/30/19	84.173	45458	3,351
Total Special Education Cluster				<u>723,104</u>
Title IV Student Support and Academic	07/01/17-09/30/18	84.424	47777	19,869
Title IV Student Support and Academic	07/01/18-09/30/19	84.424	50777	63,097
				<u>82,966</u>
Passed through Willamette Education Service District				
Title IC, Migrant Education	07/01/18-06/30/19	84.011	N/A	308,580
Vocational Education - Basis Grants	07/01/18-06/30/19	84.048	N/A	10,891
				<u>1,965,784</u>
<u>Total U.S. Department of Education</u>				
<u>U.S. Department of Agriculture</u>				
Passed through Oregon State Department of Education				
National School Breakfast Program	07/01/18-06/30/19	10.553	N/A	258,013
Commodities	07/01/18-06/30/19	10.555	N/A	139,929
National School Lunch Program	07/01/18-06/30/19	10.555	N/A	789,385
Total National School Lunch				<u>929,314</u>
Summer Food Program	07/01/18-06/30/19	10.559	N/A	74,000
Total Child Nutrition Cluster				<u>1,261,327</u>
National School Lunch Porgram - Administration	07/01/18-06/30/19	10.559	N/A	4,889
Fresh Fruit and Vegetable Program	07/01/18-06/30/19	10.582	50576	17,438
Passed Through Clackamas County				
Federal Forest Fees	07/01/18-06/30/19	10.665	N/A	56
				<u>1,283,710</u>
<u>Total U.S. Department of Agriculture</u>				
Total Federal Awards				<u>\$ 3,249,494</u>

NEWBERG SCHOOL DISTRICT NO. 29J
NOTES RELATIVE TO THE SCHEDULE OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Newberg School District No. 29J (District) programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District.

2. SUMMARY OF SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3. INDIRECT COST RATE

The District has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance due to the fact that the District has a negotiated indirect cost rate with Oregon Department of Education, and thus is not allowed to use the de minimus rate.

4. SUBRECIPIENTS

The District had no subrecipients.

NEWBERG SCHOOL DISTRICT NO. 29J
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year Ended June 30, 2019

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	Yes	No ✓
Significant deficiency(ies) identified not considered to be material weakness(es)?	Yes	None reported ✓
Noncompliance material to financial statements noted?	Yes	No ✓

Federal Awards:

Internal control over major programs:		
Material weakness(es) identified?	Yes	No ✓
Significant deficiency(ies) identified not considered to be material weakness(es)?	Yes	None reported ✓
Type of auditor's report issued on compliance for major programs	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 516(a)?	Yes	No ✓

Identification of major programs:

<u>NAME OF PROGRAM OR CLUSTER</u>	<u>CFDA NUMBER(S)</u>
Special Education Cluster	84.027 and 84.173
Dollar threshold used to distinguish between type A and B programs	\$750,000
Auditee qualified as low-risk auditee?	Yes ✓ No

NEWBERG SCHOOL DISTRICT NO. 29J
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
Year Ended June 30, 2019

SECTION II - FINANCIAL STATEMENT FINDINGS - NONE

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS – NONE

SECTION IV - SUMMARY OF PRIOR AUDIT FINDINGS - NONE