

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2013



12700 SW 72nd Ave.
Tigard, OR 97223

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

FINANCIAL REPORT
For the Year Ended June 30, 2013

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RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

BOARD OF EDUCATION AS OF JUNE 30, 2013

<u>NAME</u>	<u>TERM EXPIRES</u>
Michael Gunter, Chair	June 30, 2013
Dean Griffith, Vice Chair	June 30, 2015
Kristen Kohnstamm	June 30, 2015
Steve Klein	June 30, 2013
John Bogaty	June 30, 2013

ADMINISTRATION

Mike Taylor, Interim Superintendent

11733 SW Breyman Avenue
Portland, Oregon 97219-8409

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RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

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RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

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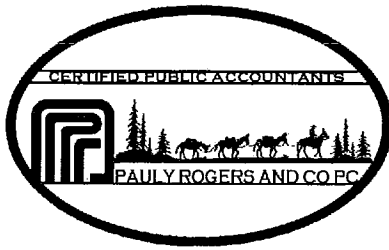
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December 21, 2013

To the Board of Directors
Riverdale School District 51J
Multnomah County, Oregon

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Riverdale School District, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the 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.

Auditors' 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. 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 auditors' 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 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 internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Riverdale School District as of June 30, 2013 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The District adopted the provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, for the year ended June 30, 2013. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and required supplemental information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental 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 management's discussion and analysis or schedules of funding progress and employer contributions because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary comparison schedules presented as Required Supplementary Information, as listed in the table of contents, have 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 records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and in our opinion are fairly stated in all material respect in relation to the basic financial statements taken as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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.

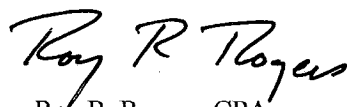
The supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial 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 listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

The listing of board members containing their term expiration dates, located before the table of contents, and the other information, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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 21, 2013 on our consideration of compliance with certain provisions of laws and regulations, 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 compliance and the results of that testing and not to provide an opinion on compliance.

A handwritten signature in black ink that reads "Roy R. Rogers". The signature is written in a cursive style with a large, stylized "R" and "R".

Roy R. Rogers, CPA
PAULY, ROGERS AND CO., P.C.

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RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013

As consultants to management of Riverdale School District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2013.

FINANCIAL HIGHLIGHTS

In the government-wide statements, the assets of the District exceeded its liabilities on June 30, 2013 by \$7,549,358. The District's governmental funds report a combined ending fund balance of \$3,180,494 on June 30, 2013. At the end of the fiscal year total fund balance for the General Fund was \$1,569,932 which represents 24% of the total General Fund expenditures. On June 30, 2013, the District's total long-term debt totaled \$27,079,180.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other 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 a private-sector business.

The *Statement of Net Position* presents information on all of the assets and liabilities of the District as of the date on the statement. Net position is those assets remaining after the liabilities have been paid off or otherwise satisfied. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Activities* presents information showing how the net position of the District change over the future years by tracking revenues, expenses and other transactions that increase or reduce net position. Revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

In the *government-wide financial statements*, the District's activities are shown in one category as governmental activities. The governmental activities include services related to education K-12. These activities are primarily financed through property taxes, Oregon's State School Fund, and other intergovernmental revenues.

The government-wide financial statements can be found on pages 9 and 10 of this report.

Fund Financial Statements. 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.

The District maintains four major funds: the General Fund, Special Revenue Fund, Debt Service Fund, and the Capital Projects Fund. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for all funds.

Notes to the 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 financial statements can be found on pages 15-31 of this report.

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013

Overview of the Financial Statements, continued

Government-Wide Financial Analysis

Statement of Net Position. As noted earlier, net position may serve as a useful indicator of a government's financial position over time. Table 1 provides a comparative summary of the Riverdale District's net position for the year ending June 30, 2012 and 2013 respectively.

	Table 1 Net Position		
	30-Jun-12	30-Jun-13	Increase/(Decrease)
Assets			
Current Assets	\$ 4,193,099	\$ 4,180,598	\$ (12,501)
Prepaid pension expense	2,745,600	2,574,000	(171,600)
Net capital Assets	29,252,426	28,585,734	(666,692)
Total Assets	36,191,125	35,340,332	(850,793)
Liabilities			
Current Liabilities	1,816,048	1,811,232	(4,725)
Long Term Liabilities	27,244,051	25,979,742	(1,264,309)
Total Liabilities	29,060,099	27,790,974	(1,269,034)
Net Position			
Net Investment in Capital Assets	4,430,561	4,885,129	454,568
Restricted Assets	955,068	1,275,648	320,580
Unrestricted Assets	1,745,397	1,388,581	(356,816)
Total Net Position	\$ 7,131,026	\$ 7,549,358	\$ 418,332

A large portion of the District's net position reflects its investment in capital assets (e.g. land, buildings, vehicles and equipment). The District uses the 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.

Statement of Activities. As noted earlier, changes in net position may serve as a useful indicator of a government's future financial position. Table 2 provides a comparative summary of the Riverdale District's activities for the year ending June 30, 2012 and 2013 respectively.

	Table 2 Activities		
	30-Jun-12	30-Jun-13	Increase/(Decrease)
Change in Net Position			
Instruction	\$ (1,048,158)	\$ (1,942,201)	\$ (894,043)
Support Services	(680,607)	(3,181,351)	(2,500,744)
Community Services	(5,450)	(2,845)	2,605
Interest on Long-Term Debt	(762,102)	(816,409)	(54,307)
Total Activities	(2,496,317)	(5,942,806)	(3,446,489)
Total General Revenues	7,039,422	6,361,138	(678,284)
Change in Net Position	4,543,105	418,332	(4,124,773)
Net Position Beginning	2,587,921	7,131,026	4,543,105
Net Position Ending	\$ 7,131,026	\$ 7,549,358	\$ 418,332

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013

Overview of the Financial Statements, continued- Table 3 shows the comparative showing the net change in Governmental Funds for the year ending June 30, 2012 and 2013, respectively.

Table 3
Net Change in Fund Balance - Governmental Funds

	30-Jun-12	30-Jun-13	Increase/(Decrease)
Revenues			
Local Sources			
Property Taxes	\$ 4,976,308	\$ 4,451,307	\$ (525,001)
Investment earnings	19,696	23,606	3,910
Other	3,224,478	3,469,676	245,198
Intermediate Sources	14,354	58,636	44,282
State Sources	1,706,057	1,188,860	(517,197)
Federal Grants	109,412	69,247	(40,165)
Total Revenues	10,050,305	9,261,332	(788,973)
Expenditures			
Instruction	4,104,922	4,388,732	283,810
Support Services	2,958,876	2,878,195	(80,681)
Community Services	5,917	2,574	(3,343)
Facilities Acquisition and Construction	78,962	7,084	(71,878)
Debt Service	1,943,501	2,023,070	79,569
Total Expenditures	9,092,178	9,299,655	207,477
Net Change in Fund Balance:	\$ 958,127	\$ (38,323)	\$ 996,450

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.

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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year.

The decrease in property taxes results mainly from the one-time windfall received in 2011-12 from the sale of the Riverview Cemetery property that triggered a tax assessment and property taxes to be paid to the District. The amount assessed was based on the tax rates over the last ten years for all kinds of taxes, permanent rate, local option levy and debt service taxes. The Riverview Cemetery land sale accounts for 87% of the decrease in total revenues.

The decrease in State revenues follows an overpayment in 2011-12 before the additional Riverview Cemetery property taxes were factored into the state formula. The District repaid \$248,474 to the State in May 2012. Additionally, Riverdale received reduced funding as it had 20 fewer resident and transfer students in 2012-13.

The increase in Instruction expenditures follows a focus to increase spending in that area. Teachers were added, costs were reduced in Support Service areas. The decrease in Facilities Acquisition and Construction follows the completion of the Grade School in 2010. On June 30, 2013 the District's governmental funds reported combined ending fund balances of \$3,180,494.

The *General Fund* is the chief operating fund of the District. As of June 30, 2013, total fund balance was \$1,569,932 while total assets reached \$2,178,056.

During the fiscal year management recognized that the previous practice of deficit spending could not continue and that future revenues would not keep pace with expenditure needs. As a result, spending freezes were implemented to build the ending fund balance to help offset losses in future years.

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's budget is prepared according to Oregon law and is based on accounting for transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

Table 4 is a comparison showing the net change in the General Fund Balance for the year ending June 30, 2012 and 2013, respectively.

Table 4
Net Change in General Fund Balance

	30-Jun-12	30-Jun-13	Increase/(Decrease)
Revenues			
Local Sources			
Property Taxes	\$ 3,016,361	\$ 2,577,070	\$ (439,291)
Investment earnings	13,822	17,202	3,380
Other	2,330,647	2,592,557	261,910
Intermediate Sources	520	58,636	58,116
State Sources	1,634,619	1,179,615	(455,004)
Federal Grants	1,775	1,344	(431)
Total Revenues	<u>6,997,744</u>	<u>6,370,078</u>	<u>(571,320)</u>
Expenditures			
Instruction	3,629,680	3,694,015	64,336
Support Service	<u>2,804,242</u>	<u>2,787,564</u>	<u>(16,678)</u>
Total Expenditures	<u>6,433,922</u>	<u>6,481,579</u>	<u>47,658</u>
Other Financing Sources			
Transfers In/(Out)	-	(2,658)	(2,658)
Net Change in Fund Balance:	<u>\$ 563,822</u>	<u>\$ (114,159)</u>	<u>\$ (621,636)</u>

As noted earlier, the decrease in the net change in General Fund ending fund balance is primarily attributed to the sale of land by the Riverview Cemetery to the City of Portland Parks and Recreation Bureau. The Riverview Cemetery land sale accounts for 68% of the net change in Fund Balance. These were one-time funds that will not be distributed on future tax rolls, as a municipal government agency purchased the land and is exempt from property taxes. The decrease in State Sources related to this same issue as the state adjusted its payment of school formula in May 2012 to account for the increased property taxes in 2011-12.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The District's investment in capital assets includes land, buildings and improvements, site improvements, vehicles and equipment. As of June 30, 2013 the District had invested \$33,195,767 in capital assets. Depreciation expense for the year totaled \$666,692. The net capital asset was \$28,585,734.

Long-term Debt. At the end of the current fiscal year, the District had a total debt outstanding of \$27,079,180.

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

In June 2013, the State of Oregon adopted its budget for the 2013-15 biennium for K-12 education at \$6.55 billion, an increase of \$850 million from the 2011-13 biennium. Further actions by the Legislature brought about reductions in the rate increase for PERS employer rates for 2013-14. The District had expected an increase of 7.71 percentage points beginning July 1, 2013. After the Legislative actions, the PERS Board adjusted the District's rate to an increase of only 3.31 percentage points. This change resulted in savings of about \$111,000 recognized in the 2013-14 budget.

Student membership is expected to remain flat at the Grade School and at the High School over the next several years. The District received approximately \$6,100 per student in fiscal year 2013 from the State School Fund Formula. Any loss in resident and transfer student membership creates a financial burden upon the district.

Salary and benefit costs will increase in 2013-14, and will be based on negotiated contracts. In the first half of the year, teachers will receive an increase of 0.5% in salary. In the second half of 2013-14 for certified teaching staff, there will be a 0.5% increase in salary. The monthly insurance cap that the district provides certified teaching staff will also increase from \$1,159 to \$1,205 per month in 2013-14.

The District's Budget Committee and School Board considered all of these factors while preparing the District's budget for the 2013-14 fiscal year. The Board adopted a general fund budget that held \$513,209 in unappropriated ending fund balance and a contingency of \$392,612 with the goal to build financial stability for Riverdale Schools.

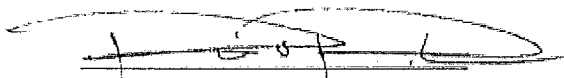
REQUESTS FOR INFORMATION

This financial report is designed to provide 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 Business Manager, at 11733 SW Breyman Avenue, Portland, Oregon 97219-8409.

Respectfully submitted



Kathy Rodeman, Business Manager



Patrick Rodeman, Business Services

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RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

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**RIVERDALE SCHOOL DISTRICT
MULTNOMAH COUNTY, OREGON
STATEMENT OF NET POSITION
June 30, 2013**

	Governmental Activities
Assets	
Cash and Cash Equivalents	\$ 3,405,907
Receivables	509,115
Prepays	952
Prepaid Pension Asset	2,574,000
Bond Issue Costs	264,376
Other Assets	248
Capital Assets:	
Non-Depreciable	7,521
Depreciable, Net of Depreciation	28,578,213
Total Assets	<u>35,340,332</u>
Liabilities	
Current Liabilities:	
Accounts Payable	69,544
Accrued Payroll	275,849
Accrued Interest	23,753
Accrued Vacation	2,603
Unearned Revenue	43,250
Other Liabilities:	
Deposits Payable	91,393
Current Portion, Long-term Debt:	
OPEB Obligation	5,040
Pension Obligation	4,916
Bonds Payable	1,294,884
Total Current Liabilities	<u>1,811,232</u>
Long-term Debt:	
Accrued Discount on PERS Bonds	141,656
OPEB Obligation	156,108
Pension Obligation	39,338
Premium on Bonds Payable	414,327
Bonds Payable	25,228,313
Total Non-current Long-term Debt	<u>25,979,742</u>
Total liabilities	<u>27,790,974</u>
Net Position	
Net Investment in Capital Assets	4,885,129
Restricted for:	
Student Services	810,237
Debt Service	465,411
Unrestricted	1,388,581
Total Net Position	<u><u>\$ 7,549,358</u></u>

See accompanying notes to the basic financial statements

**RIVERDALE SCHOOL DISTRICT
MULTNOMAH COUNTY, OREGON**

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2013**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>Grants and</u>	<u>Changes in</u>
			<u>Contributions</u>	<u>Contributions</u>	<u>Net Position</u>
					<u>Governmental</u>
					<u>Activities</u>
Instruction	\$ 4,850,991	\$ 2,035,487	\$ 873,303	\$ -	\$ (1,942,201)
Support Services	3,181,351	-	-	-	(3,181,351)
Community Services	2,845	-	-	-	(2,845)
Interest on long-term debt	816,409	-	-	-	(816,409)
Total Governmental Activities	<u>\$ 8,851,596</u>	<u>\$ 2,035,487</u>	<u>\$ 873,303</u>	<u>\$ -</u>	<u>(5,942,806)</u>
General Revenues:					
Property Taxes					4,459,903
Interest Income					23,606
County Revenue					58,636
State Sources					1,188,860
Unrestricted Federal Sources					1,344
Miscellaneous					628,789
Total General Revenues					<u>6,361,138</u>
		Change in Net Position			418,332
		Net Position - Beginning			<u>7,131,026</u>
		Net Position - Ending			<u>\$ 7,549,358</u>

See accompanying notes to the basic financial statements

RIVERDALE SCHOOL DISTRICT NO. 51JT
MULTNOMAH COUNTY, OREGON

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2013

	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTALS
ASSETS:					
Cash and Investments	\$ 1,870,871	\$ 759,455	\$ 444,952	\$ 330,629	\$ 3,405,907
Receivables:					
Taxes	165,761	-	111,103	-	276,864
Accounts	140,224	75,703	12,039	4,285	232,251
Prepays	952	-	-	-	952
Other Assets	248	-	-	-	248
Total Assets	\$ 2,178,056	\$ 835,158	\$ 568,094	\$ 334,914	\$ 3,916,222
LIABILITIES AND FUND BALANCE:					
Liabilities:					
Accounts Payable and Payroll Liabilities	\$ 320,472	\$ 24,921	\$ -	\$ -	\$ 345,393
Deferred Revenue	153,009	-	102,683	-	255,692
Unearned Revenue	43,250	-	-	-	43,250
Deposits Payable	91,393	-	-	-	91,393
Total Liabilities	608,124	24,921	102,683	-	735,728
Fund Balance:					
Nonspendable	952	-	-	-	952
Restricted: Student Services	-	810,237	-	-	810,237
Restricted: Debt Service	-	-	465,411	-	465,411
Assigned	-	-	-	334,914	334,914
Unassigned	1,568,980	-	-	-	1,568,980
Total Fund Balance	1,569,932	810,237	465,411	334,914	3,180,494
Total Liabilities and Fund Balance	\$ 2,178,056	\$ 835,158	\$ 568,094	\$ 334,914	\$ 3,916,222

See accompanying notes to the basic financial statements

RIVERDALE SCHOOL DISTRICT NO. 51JT
MULTNOMAH COUNTY, OREGON
RECONCILIATION TO GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION

June 30, 2013

Total Fund Balances \$ 3,180,494

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

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.

Capital Assets, net 28,585,734

Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.

255,692

The unamortized portion of prepaid pension costs and bond issuance costs is not available to pay for current period expenditures, and therefore is not reported in the governmental funds.

Prepaid pension costs 2,574,000

Unamortized Bond issuance costs, PERS Bonds 38,400

Unamortized Bond issuance costs, GO Bonds 225,976

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

(23,753)

Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest in long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due.

These liabilities consist of:

Accrued Compensated Absences \$ (2,603)

Bonds Payable (26,523,197)

Premium on Bonds Payable (414,327)

Accrued Discount on PERS bonds (141,656)

OPEB Obligation (161,148)

Pension Obligation (44,254) (27,287,185)

Total Net Position \$ 7,549,358

See accompanying notes to the basic financial statements

RIVERDALE SCHOOL DISTRICT NO. 51JT
MULTNOMAH COUNTY, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended June 30, 2013

	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL
REVENUES:					
From Local Sources	\$ 5,130,483	\$ 565,943	\$ 2,216,187	\$ 31,976	\$ 7,944,589
From Intermediate Sources	58,636	-	-	-	58,636
From State Sources	1,179,615	9,245	-	-	1,188,860
From Federal Sources	1,344	67,903	-	-	69,247
Total Revenues	6,370,078	643,091	2,216,187	31,976	9,261,332
EXPENDITURES:					
Current:					
Instruction	3,694,015	694,717	-	-	4,388,732
Support Services	2,787,564	90,631	-	-	2,878,195
Enterprise and Community Services	-	2,574	-	-	2,574
Facilities Acquisition and Construction	-	-	-	7,084	7,084
Non Current:					
Debt Service	-	-	2,023,070	-	2,023,070
Total Expenditures	6,481,579	787,922	2,023,070	7,084	9,299,655
Excess of Revenues Over, (Under) Expenditures	(111,501)	(144,831)	193,117	24,892	(38,323)
Other Financing Sources:					
Transfers In	44,342	-	-	47,000	91,342
Transfers Out	(47,000)	-	(44,342)	-	(91,342)
Total Other Financing Sources (Uses)	(2,658)	-	(44,342)	47,000	-
Net Change in Fund Balance	(114,159)	(144,831)	148,775	71,892	(38,323)
Beginning Fund Balance	1,684,091	955,068	316,636	263,022	3,218,817
Ending Fund Balance	\$ 1,569,932	\$ 810,237	\$ 465,411	\$ 334,914	\$ 3,180,494

See accompanying notes to the basic financial statements

RIVERDALE SCHOOL DISTRICT NO. 51JT
MULTNOMAH COUNTY, OREGON

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

For the Year Ended June 30, 2013

Net Change in Fund Balance	\$ (38,323)
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Amounts reported for governmental activities in the statement
of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Depreciation expense	(666,692)
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Long-term debt proceeds are reported as other financing sources in governmental funds. In the Statement of Net Position, however, issuing long-term debt increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Position. This is the amount by which proceeds exceeded repayments:

Principal Repaid	1,205,070
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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.

Amortization of Bond Issuance Costs, GO Bonds	(20,602)
Amortization of Bond Issuance Costs, PERS Bonds	(2,560)
Amortization of Prepaid Pension Asset	(171,600)
Amortization of Premiums, GO Bonds	41,261

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

	1,591
--	-------

Accrued Vacation, OPEB Obligation & Pension Obligation are recognized as expenditures in the governmental funds when they are paid. In the Statement of Activities these liabilities are recognized as expenditures when earned. In the current year, changes in these liabilities are as follows:

Accrued Vacation	1,727
OPEB Obligations	20,256
Pension Obligation	39,608

Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds, and are instead recorded as unearned revenue. They are, however, recorded as revenues in the Statement of Activities.

8,596

Change in Net Position	\$ <u>418,332</u>
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See accompanying notes to the basic financial statements

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Basic Financial Statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies are described below.

A. THE FINANCIAL REPORTING ENTITY

The Riverdale School District 51J (the District) was established in 1888 with the Riverdale Grade School in the Dunthorpe neighborhood. Riverdale High School was added to the District starting with the 1996-1997 school year and its location is just two miles from the Grade School. The Riverdale Grade School building was replaced in 2009. The District Offices are located at the Grade School. The board is composed of five elected members who serve four-year terms. The Board supervises a Superintendent who is the chief administrative officer and executes the Board's policies and programs.

The District is independent and is not included as a part of any other financial reporting entity. Accounting principles generally accepted in the United States of America require that these financial statements present the District and all component units, if any. Component units, as established by the Governmental Accounting Standards Board (GASB) Statement 61, are separate organizations that are included in the District's reporting entity because of the significance of their operational or financial relationships with the District. There are various governmental agencies that 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.

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION

Government Wide Financial Statements (GWFS)

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) display information about the District as a whole.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with GASB Statement No. 33 "Accounting and Financial Reporting for Non-exchange Transactions." Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All direct expenses are reported by function in the Statement of Activities. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Interest on general long-term debt is considered an indirect expense and it reported separately on the Statement of Activities.

Separate financial statements are provided for governmental funds.

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION (CONTINUED)

Program revenues derive directly from the program itself or from parties outside the District's taxpayers or citizenry, as a whole. Program revenues reduce the cost of the function to be financed from the general revenues and include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities.

Fund Financial Statements

The accounts are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

Governmental Fund Types

Governmental funds are used to account for general governmental activities. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, interfund transactions, and certain compensated absences which are recognized as expenditures because they will be liquidated with expendable financial resources.

Revenues susceptible to accrual are interest, state, county and local shared revenue and federal and state grants. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The following major governmental funds are reported:

General Fund

This is the primary operating fund and accounts for all revenues and expenditures except those required to be accounted for in another fund. The principal revenue sources are property taxes, state school fund grant, tuition, and the Riverdale School District Foundation Contribution.

Special Revenue Funds

These funds account for revenue sources that are legally restricted to expenditures for specific purposes such as classroom supplies and equipment, capital improvements and to supplement existing resources. The student body funds for the high school and grade school, for the purpose of supporting school activities, are a part of the special revenue funds.

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION (CONTINUED)

Debt Service Fund

This fund provides for the payment of principal and interest on general obligation bonded debt. Principal revenue sources are property taxes. This fund also provides for the principal and interest payments of the debt associated with paying down the PERS unfunded actuarial liability and the principal sources of revenue come from the state apportionment.

Capital Projects Fund

This fund accounts for activities related to the acquisition, construction, equipping, and furnishing of facilities. Principal revenue sources are proceeds from the sale of bonds received in prior years and interest earnings.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the 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, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For financial reporting purposes, all highly liquid investments with a maturity of three months or less are considered to be cash equivalents.

Property Taxes

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

Uncollected property taxes are shown in the balance sheet. Uncollected taxes are deemed by management to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established.

Grants

Unreimbursed grant expenditures due from grantor agencies are recorded as receivables and revenues. Cash received from grantor agencies in excess of related grant expenditures that is to be carried over to the next fiscal year is recorded as a liability, unearned revenue.

Supply Inventories

All supply inventories are valued at cost (first-in, first-out method). Inventories of governmental funds are recorded as expenditures when purchased. A portion of the inventory consists of donated United States Department of Agriculture (USDA) commodities. Commodities are recorded as expenditures when consumed and are stated at their fair market value based on guidelines provided by the USDA. Management believes there were no material inventories on hand at year end.

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION (CONTINUED)

Capital Assets

Capital assets, which include land, buildings and improvements, and equipment, are reported in the government wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Interest incurred during construction is not capitalized. Capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at their estimated fair market value on the date donated. The cost of routine maintenance and repairs that do not add to the value of the assets or materially extend asset lives are charged to expenditures as incurred and not capitalized. Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and Improvements	10 to 50 years
Vehicles and Equipment	5 to 30 years

Long Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the governmental activities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the bonds outstanding method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt using the straight-line method. As permitted by GASB Statement No. 34 the cost of bond issuance is amortized prospectively from the date of adoption of GASB Statement No. 34.

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

Retirement Plans

Substantially all employees are participants in the Public Employees Retirement System (PERS). Contributions to PERS are made on a current basis as required by the plan and are charged to expenditures as funded.

Certified employees who completed twenty years of service with the District as of July 1, 2007 and are fifty-two years or older shall receive a monthly stipend of \$400 for six years upon retirement.

Employees are offered a tax deferred annuity plan. This plan has been established pursuant to Section 403(b) of the Internal Revenue Code.

Post Employment Health Care Benefits

Retirees electing to take part in any of the District retirement programs are allowed to continue the group medical, dental and/or vision insurance coverage at their own expense, subject to the terms and conditions of the insurance carrier(s). The District pays the group medical, dental and vision insurance premiums for the qualifying retirees, plus one of their dependents, if applicable.

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION (CONTINUED)

Vested Compensated Absences

Policy is to permit employees to accumulate up to 40 hours of earned but unused vacation pay benefits. There is no liability for unpaid accumulated sick leave since there is no policy to pay any amounts when employees separate from service. All vacation pay is accrued in the government wide statements.

Net Position

Net position is comprised of the various net earnings from operations, non-operating revenues, expenses and contributions of capital. Net position is classified in the following three categories:

Net Investment in Capital Assets – consists of all capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – consists of external constraints placed on assets use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. There are assets restricted for debt service and capital projects.

Unrestricted – consists of all other assets that are not included in the other categories previously mentioned.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial 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 future periods and so will not be recognized as an inflow of resources (revenue) until that time.

Fund Balance

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated, and unreserved/undesignated were replaced with five classifications – nonspendable, restricted, committed, assigned, and unassigned.

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION (CONTINUED)

Fund Balance – Continued

- Nonspendable fund balance represents amounts that are not in a spendable form. The nonspendable fund balance represents prepaid items.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).
- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.
- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body. The authority to classify portions of ending fund balance according to the categories above is delegated to the Superintendent.
- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

There were no committed fund balances at year end.

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

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

A budget is prepared and legally adopted for each governmental fund type on the modified accrual basis of accounting in the main program categories required by Oregon Local Budget Law. The budgets for all budgeted funds are adopted on a basis consistent with generally accepted accounting principles except the property taxes received after year-end are not considered budgetary resources in the funds, inventory is expensed when purchased, capital outlay is reported as an expenditure rather than capitalized, depreciation and amortization are not recorded, and debt including OPEB, vacation, and pension obligations are recorded as an expenditure when paid.

The budgeting process begins by appointing Budget Committee members in early fall. Budget recommendations are developed by management through spring, with the Budget Committee meeting and approving the budget document in late spring. Public notices of the budget hearing are generally published in May or June, and the hearing is held in June. The budget is adopted, appropriations are made and the tax levy is declared no later than June 30. Expenditure budgets are appropriated at the major function level (instruction, support services, community services, debt service, contingency, and transfers) for each fund. Expenditure appropriations may not legally be over expended, except in the case of grant receipts which could not be reasonably estimated at the time the budget was adopted.

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriation resolution. Supplemental budgets less than 10% of the fund's original budget may be adopted by the Board of Directors at a regular meeting. A supplemental budget greater than 10% of the fund's original budget requires hearings 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). Such transfers require approval by the Board.

Budget amounts shown in the basic financial statements include the original budget amounts and appropriation adjustments approved by the Board. Appropriations lapse at the end of each fiscal year.

Expenditures of the various funds were within authorized appropriations.

3. CASH AND INVESTMENTS

DEPOSITS

Deposits with financial institutions include bank demand deposits. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury.

Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the deposits may not be returned. There is no deposit policy for custodial credit risk. As of June 30, 2013, the bank balance of \$1,373,790 was only insured for \$500,000. The remainder is collateralized by the Oregon Public Funds Collateralization Program (PFCP).

INVESTMENTS

The policy is to follow state statutes governing cash management. Statutes authorize investing in banker's acceptances, time certificates of deposit, repurchase agreements, obligations of the United States and its agencies and instrumentalities, and the Oregon State Treasurer's Local Government Investment Pool.

The State Treasurer's Local Government Investment Pool is not registered with the U.S. Securities and Exchange Commission as an investment company. The Oregon Revised Statutes and the Oregon Investment Council govern the State's investment policies. The State Treasurer is the investment officer for the Council and is responsible for all funds in the State Treasury. These funds must be invested, and the investments managed, as a prudent investor would, exercising reasonable care, skill and caution. Investments in the Fund are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board (OSTFB), which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund was in compliance with all portfolio guidelines at June 30, 2013.

Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. Investments are valued at fair value as required by GASB 31. As of June 30, 2013 there was no material difference in the fair value of the position in the LGIP and the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. There were no known violations of legal or contractual provisions for deposits and investments during the fiscal year.

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

3. CASH AND INVESTMENTS (CONTINUED)

INVESTMENTS (Continued)

Cash and Investments at June 30, 2013 consisted of:

Cash	\$ 901,764
Investments	<u>2,504,143</u>
Total Cash & Investments	<u><u>\$ 3,405,907</u></u>

There were the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 3</u>	<u>3-17</u>	<u>18-59</u>
State Treasurers Investment Pool	\$ 2,504,143	\$ 2,504,143	\$ -	\$ -
Total	<u>\$ 2,504,143</u>	<u>\$ 2,504,143</u>	<u>\$ -</u>	<u>\$ -</u>

Interest Rate Risk

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. There are no investments that have a maturity date beyond three months.

Credit Risk

Oregon Revised Statutes does not limit investments as to credit rating for securities purchased from US Government Agencies or USGSE.

Concentration of Credit Risk

At June 30, 2013, 100% of total investments were in the State Treasurer's Investment Pool. State statutes do not limit the percentage of investments in this instrument. Oregon Revised Statutes require no more than 25 percent of the monies of local government to be invested in bankers' acceptances of any qualified financial institution. At June 30, 2013, there was compliance with all percentage restrictions.

4. RECEIVABLES

Receivables at June 30, 2013 consist of the following:

- A. Accounts receivable represent amounts due from individuals and from other governments.

All Receivables are current. Management believes they are fully collectible so no provision for doubtful accounts has been made.

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. CAPITAL ASSETS

The changes in capital assets for the fiscal year ended June 30, 2013, are as follows:

	Governmental Capital Assets 7/1/2012	Additions	Deletions	Governmental Capital Assets 6/30/2013
Capital assets not being depreciated:				
Land & Land Improvements	\$ 7,521	\$ -	\$ -	\$ 7,521
Capital assets being depreciated:				
Buildings & Improvements	33,030,712	-	-	33,030,712
Vehicles and Equipment	157,534	-	-	157,534
Total	33,188,246	-	-	33,188,246
Accumulated Depreciation:				
Buildings and Improvements	3,822,434	658,512	-	4,480,946
Vehicles and Equipments	120,907	8,180	-	129,087
Total	3,943,341	666,692	-	4,610,033
Capital Assets, Net	<u>\$ 29,252,426</u>			<u>\$ 28,585,734</u>

Depreciation was allocated to the functions as follows:

Instruction	\$ 402,494
Support	263,962
Community Services	236
Total Depreciation Expense	<u>\$ 666,692</u>

6. OPERATING LEASE

A non-cancelable lease was entered into in October 2009 for five copy machines. Monthly payments are made for 60 months and the monthly payment increases by 6% each October. Expenditures for this lease during the fiscal year ending June 30, 2013 totaled \$23,209. Future lease payments are as follows:

Year Ended June 30,	Amount
2014	\$ 23,589
2015	5,982
Total	<u>\$ 29,571</u>

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. GROUND LEASE

A Ground Lease with Portland School District 1J (Portland) was entered into on February 9, 2001, and was amended on June 29, 2001, for the Collins View School Site, at a cost of \$10,000 per month. The Ground Lease provides for an initial lease term of twenty years, with three options to extend for ten years each. Each option to extend only may be exercised within the last two years of an extension period. Should the Ground Lease remain in effect for the initial term as well as all three term extensions, the District has an option to acquire the Collins View Site at its current fair market value.

The commencement date for this lease is July 1, 2001. In addition to the terms mentioned in the preceding paragraph the Ground Lease will increase by 2 percent each year. Every five years the minimum rent shall be adjusted to reflect any change in the fair market rental value of the premises. Although the Ground Lease is located outside the District's boundaries, the 1996 bond measure gave the District legal authority to locate a high school outside the Districts' boundaries. The Ground Lease was within the Riverdale Board's reasonable discretion, and the May 2001 Voter Approval was in all respects regular, effective and valid. If the district terminates the lease, all improvements shall become the sole property of Portland, and Portland shall pay the District an amount equal to 75% of the fair market value of the improvements as of the date the lease terminates. The lease costs for the year were \$151,399 or \$12,617 per month.

8. STATEWIDE LOCAL GOVERNMENT RETIREMENT SYSTEM

PERS

Contributions are made to the Oregon Public Employees Retirement Fund (OPERF), a cost-sharing multiple-employer defined benefit pension plan administered by the Oregon Public Employees Retirement System (PERS). PERS provides retirement and disability benefits, post-employment health care benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Generally, employees who retire at or after age 55 or with 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 1.67% of their final average salary for each year of credited service. Final average monthly salary is based upon either the three calendar years out of the last ten calendar years of employment during which the highest salaries were earned or the last 36 calendar months of membership, whichever is larger.

Employees become members of PERS after six months of service in a qualified position and benefits fully vest on reaching 5 years of service. Vested employees with fewer than 30 years of service will receive reduced benefits if retirement occurs prior to age 58. PERS also provides death and disability benefits. Benefits are established by State statute. PERS is administered under Oregon Revised Statute (ORS) Chapter 238. ORS 238.620 establishes the Public Employees Retirement Board as the governing body of PERS. The Oregon Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for PERS. That report may be obtained by writing PERS, P.O. Box 23700, Tigard, OR 97281-3700.

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. STATEWIDE LOCAL GOVERNMENT RETIREMENT SYSTEM (CONTINUED)

Members of PERS are required to contribute 6% of their salary covered under the plan. ORS 238.225 requires contributions at an actuarially determined rate. The rate effective July 1, 2011 is 8.45% of salary covered under the plan for Tier 1 and Tier 2 employees and 6.94% for employees covered under the Oregon Public Services Retirement Plan (OPSRP). The District participated in the Oregon School Boards Association limited tax pension obligation bond issues to finance a portion of the estimated unfunded PERS actuarial liability (the "UAL"). A total of \$4,387,738 was borrowed, reducing the rate paid to PERS. The PERS Board has statutory authority to revise employer contributions as necessary to ensure the promised benefits will be funded on a sound basis. The contributions to the plan for the years ending June 30, 2013, 2012 & 2011 were \$462,045, \$364,127, and \$215,503, respectively, and were equal to the required contributions for each year.

9. PENSION & OPEB BENEFITS

Pension Plan

Plan Description

A single-employer pension plan for employees is maintained. A stand-alone report for this plan is not issued. The program was established under a collective bargaining agreement and provides provisions for pension benefits for employees with 20 years of service or more for the District as of July 1, 2007 who are 52 years or older. This pension plan provides the employee a monthly stipend of \$400 for six years. Contributions are charged to supplemental retirement in the General Fund.

Contributions

The pension plan is funded on a pay-as-you-go basis. Contributions are charged to supplemental retirement in the General Fund. The cost for the years ending June 30, 2013, 2012, & 2011 were \$15,577, \$16,100, and \$21,200 respectively, which equaled the required contribution for the year.

Annual Pension Cost and Net Pension Obligation

The annual pension cost is calculated based on the annual required contribution of the employer (ARC), and amount determined in accordance within the parameters of GASB Statement 27. 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 liabilities (or funding excess) over a period not to exceed fifteen years.

	2011	2012	2013
Annual required contribution	\$ 47,750	\$ 5,771	\$ 3,279
Interest on net pension obligation	-	-	-
Adjustment to annual required contribution	350,478	(282,837)	(27,310)
Annual pension cost (APC)	398,228	(277,066)	(24,031)
Contributions made	(21,200)	(16,100)	(15,577)
Increase (Decrease) in net pension obligation	377,028	(293,166)	(39,608)
Net Pension Obligation (Asset) at beginning of year	-	377,028	83,862
Net Pension Obligation (Asset) at end of year	\$ 377,028	\$ 83,862	\$ 44,254
Percentage of APC contributed	44%	279%	475%

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. PENSION & OPEB BENEFITS (CONTINUED)

Pension Plan (Continued)

Funding Status and Funding Progress

As of June 30, 2013, the plan was 0% funded. The accrued liability for benefits was \$44,254 and the value of assets was \$0, resulting in an unfunded accrued liability (UAAL) of \$44,254. The Annual Required Contribution (ARC) for June 30, 2013 has been actuarially determined to be \$3,279 for District contributions

Significant Assumptions

The alternative measurement method outlined in GASB Statement 45 for employers with less than 100 plan participants is used to estimate the Accrued Liability and Annual Required Contribution for the Stipend Plan based on a level percentage of payroll. The Annual Required Contribution was calculated using the entry age cost method with the Unfunded Accrued Liability amortized as a level percentage of payroll.

Significant assumptions are as follows:

- Eligible employees receive benefits if they completed 20 years of service with Riverdale School District as of July 1, 2007, and are age 52 or older.
- If employee will not qualify before age 70, assumption is that they will retire without the supplemental plan.
- Each eligible employee is assumed to have one dependent.
- Turnover is based on Table 1, paragraph 35b, of GASB Statement 45.
- Expected future working lifetime is based on Table 2, paragraph 35c, of GASB Statement 45.
- Mortality is based on the National Center for Health Statistics Table A. Expectation of Life by Age, race and sex: United States, 2007, published date September 28, 2011.
- Estimated age-adjusted premiums for retiree insurance using the method outlined in Tables 3-5 of 35d, GASB Statement 45.
- Inflation is assumed to be 2.0% per year based on the long-term expectations published in the Economic Projections of Federal Reserve Board Members and Federal Reserve Bank Presidents, June 2013.
- Investment earnings rate is pegged to the 10 year Treasury yield at June 28, 2013 of 2.52%.

Valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about mortality, claim cost and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Post-Employment Health Care Benefits

Plan Description

Also, as a result of collective bargaining agreements, post-employment health care benefits are offered for all employees who have completed 20 years of service or more for the District as of July 1, 2007, and a minimum age of 52. These retirees, shall be provided with the current negotiated insurance package (medical, dental and vision) for the member plus one dependent. This benefit shall be provided for six years upon retirement from the District.

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. PENSION & OPEB BENEFITS (CONTINUED)

Post-Employment Health Care Benefits (Continued)

Contributions

The plan is funded on a pay-as-you-go basis. Contributions are charged to supplemental retirement in the General Fund. The cost for fiscal years 2013, 2012, and 2010 were \$64,051, \$46,245, and \$35,087, respectively, which equaled the required contribution for the year.

Annual OPEB Cost and Net OPEB Obligation

The annual other postemployment benefit cost is calculated based on the annual required contribution of the employer (ARC), and amount actuarially determined in accordance within the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded liabilities (or funding excess) over a period not to exceed fifteen years.

	2011	2012	2013
Annual required contribution	\$ 123,172	\$ 11,936	\$ 20,256
Interest on net OPEB obligation	-	-	-
Adjustment to annual required contribution	880,748	(753,120)	23,539
Annual OPEB cost (AOC)	1,003,920	(741,184)	43,795
Contributions made	(35,087)	(46,245)	(64,051)
Increase (Decrease) in net OPEB obligation	968,833	(787,429)	(20,256)
Net OPEB Obligation (Asset) at beginning of year	-	968,833	181,404
Net OPEB Obligation (Asset) at end of year	\$ 968,833	\$ 181,404	\$ 161,148
Percentage of AOC contributed	28%	387%	316%

Funding Status and Funding Progress

As of June 30, 2013, the plan was 0% funded. The accrued liability for benefits was \$161,148 and the value of assets was \$0, resulting in an Unfunded Accrued Liability (UAL) of \$161,148. The Annual Required Contribution (ARC) for June 30, 2013 has been determined to be \$20,256 for District contributions.

Significant Assumptions

The alternative measurement method outlined in GASB Statement 45 for employers with less than 100 plan participants is used to estimate the Accrued Liability and Annual Required Contribution for the Post Employment Health Care Benefits plan based on a level percentage of payroll. The Annual Required Contribution was calculated using the entry age cost method with the Unfunded Accrued Liability amortized as a level percentage of payroll.

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. PENSION & OPEB BENEFITS (CONTINUED)

Post-Employment Health Care Benefits (Continued)

Significant assumptions are as follows:

- Eligible employees receive benefits if they completed 20 years of service with Riverdale School District as of July 1, 2007, and are age 52 or older.
- If employee will not qualify before age 70, assumption is that they will retire without the supplemental plan.
- Each eligible employee is assumed to have one dependent.
- Turnover is based on Table 1, paragraph 35b, of GASB Statement 45.
- Expected future working lifetime is based on Table 2, paragraph 35c, of GASB Statement 45.
- Mortality is based on the National Center for Health Statistics Table A. Expectation of Life by Age, race and sex: United States, 2007, published date September 28, 2011.
- Estimated age-adjusted premiums for retiree insurance using the method outlined in Tables 3-5 of 35d, GASB Statement 45.
- Inflation is assumed to be 2.0% per year based on the long-term expectations published in the Economic Projections of Federal Reserve Board Members and Federal Reserve Bank Presidents, June 2013.
- Investment earnings rate is pegged to the 10 year Treasury yield at June 28, 2013 of 2.52%.

Valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about mortality, claim cost and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Funding Policy

The benefits from both programs are fully paid by the District and, consequently, no contributions by employees are required. There is no obligation on the part of the District to fund these benefits in advance.

Implicit Subsidy

Management believes there is no implicit subsidy because of the small size of the District's plan.

Tax Sheltered Annuity

Employees are offered a tax deferred annuity program established pursuant to Sections 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, 2013, 16 employees were participating in the plan.

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

10. LONG-TERM DEBT

General Obligation Bonds

General Obligation bonds are issued to provide funds for the acquisition and construction of major capital facilities. The original amount of general obligation bonds issued in prior years was \$13,095,000. On February 26, 2009, the District issued \$21,496,278 of Series 2009 General Obligation bonds to finance facility acquisition and construction. A portion of the funds received from the issuance were used to extinguish the \$1,500,000 of outstanding Series 2002 Full Faith & Credit bonds. Payment of principal and interest on the general obligation bonds are payable from the General Obligation Bonds Fund.

Pension Obligation Bonds

On April 21, 2003, the District issued \$4,387,738 of limited tax pension obligation bonds to finance its unfunded actuarially accrued liability (UAL) with the State of Oregon Public Employees Retirement System (PERS). The issuance of the bonds was considered an advance refunding of the UAL. The actual savings realized over the life of the bonds is uncertain because of the various legislative changes and legal issues pending with the PERS system which could impact future required contribution rate. The debt service payments were charged to debt service in the Pension Obligation Bonds Fund.

Advance Refunding Bonds

On July 29, 2008, \$6,070,000 in Series 2008 General Obligation Refunding Bonds were issued to provide resources for all future debt service payments of \$6,110,000 for the Series 1998 General Obligation Bonds. As a result, the refunded bonds were redeemed and the liability has been removed from the statement of net position. This advance refunding was undertaken to result in an economic gain of \$180,447.

Changes in long-term debt outstanding are as follows:

	Interest Rates	Outstanding 7/1/2012	Debt Issued	Matured and Redeemed	Outstanding 6/30/2013
Pension Bond 2003	1.15-6.3%	\$ 3,361,989	\$ -	\$ 125,070	\$ 3,236,919
GO Bonds 2008 Refunding	3.75-4%	3,330,000	-	785,000	2,545,000
GO Bonds 2009 A&B	2.5-5.77%	21,036,278	-	295,000	20,741,278
		27,728,267	-	1,205,070	26,523,197
Premium on Bonds Payable		455,587	-	41,260	414,327
Accrued Discount on PERS Bonds		141,656	-	-	141,656
Total		<u>\$ 28,325,510</u>	<u>\$ -</u>	<u>\$ 1,246,330</u>	<u>\$ 27,079,180</u>

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

10. LONG-TERM DEBT (CONTINUED)

Future maturities of long-term debt are payable as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 1,294,884	\$ 792,557
2015	1,390,839	768,301
2016	1,488,716	740,263
2017	1,333,869	711,471
2018	1,422,925	694,516
2019-23	7,950,083	3,745,057
2024-28	7,398,078	5,738,953
2029-33	3,596,548	8,908,454
2034	647,255	2,082,743
Total	<u>\$ 26,523,197</u>	<u>\$ 24,182,315</u>

11. RISK MANAGEMENT

There is exposure 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. Commercial insurance is purchased to minimize exposure to these risks. Settled claims have not exceeded this commercial coverage for any of the past three years.

12. PROPERTY TAX LIMITATION

The State of Oregon imposes a constitutional limit on property taxes for schools and non-school 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 \$5.00 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. The result of this requirement has been that school districts have become more dependent upon state funding and less dependent upon property tax revenues as their major source of operating revenue.

The State further reduced property taxes by replacing the previous constitutional limits on tax bases with a rate and value limit in 1997. This reduction is accomplished by rolling property values back to their 1995-96 values less 10% and limiting 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 many fee increases and new bond issues, and requires the State to minimize the impact to school districts from the impact of the tax cuts.

13. COMMITMENTS AND CONTINGENCIES

Substantially all amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although management expects such amounts, if any, to be immaterial.

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

13. COMMITMENTS AND CONTINGENCIES (CONTINUED)

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

14. PREPAID PENSION ASSET

The unfunded actuarial liability to PERS was prepaid with a lump sum payment from the proceeds of the 2003 Pension Bonds. At June 30, 2013, there was a prepaid pension asset of \$2,574,000, which is net of accumulated amortization.

15. DEPOSITS PAYABLE

The District collects deposit payments and tuition from each student. As of June 30, 2013, the total amount of deposits payable and deferred tuition revenue was \$91,393.

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RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress and Employer Contributions
& Individual Major Fund Budgetary Basis Schedules

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RIVERDALE SCHOOL DISTRICT
MULTNOMAH COUNTY, OREGON
 SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS
 PENSION PLAN
 June 30, 2013

PLAN I (PENSION) STIPENDS:

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL) Entry Age	(b)-(a) AAL (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	((b-a)/c) UAAL as a Percentage of Covered Payroll
6/30/2013	-	\$ 44,254	\$ 44,254	N/A	N/A *	N/A
6/30/2012	-	83,862	83,862	N/A	N/A *	N/A
6/30/2011	-	377,028	377,028	N/A	N/A *	N/A
6/30/2010	-	N/A	N/A	N/A	N/A *	N/A
6/30/2009	-	N/A	N/A	N/A	N/A *	N/A
6/30/2008	-	N/A	N/A	N/A	N/A *	N/A

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2013	\$ 3,279	475%
2012	5,771	279%
2011	47,750	44%
2010	N/A	N/A
2009	N/A	N/A
2008	N/A	N/A

The above table presents the most recent valuations for the post-retirement pension stipend and it provides information that approximates the funding progress of the plan.

* Information not available

RIVERDALE SCHOOL DISTRICT
MULTNOMAH COUNTY, OREGON
 SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS
 OTHER POST EMPLOYMENT BENEFITS
 June 30, 2013

PLAN II (HEALTH INSURANCE)
SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b)-(a) AAL (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	((b-a)/c) UAAL as a Percentage of Covered Payroll
6/30/2013	-	\$ 161,148	\$ 161,148	-	N/A *	N/A
6/30/2012	-	181,404	181,404	-	N/A *	N/A
6/30/2011	-	968,833	968,833	N/A	N/A *	N/A
6/30/2010	-	N/A	N/A	N/A	N/A *	N/A
6/30/2009	-	N/A	N/A	N/A	N/A *	N/A
6/30/2008	-	N/A	N/A	N/A	N/A *	N/A

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2013	\$ 20,256	316%
2012	11,936	387%
2011	123,172	28%
2010	N/A	N/A
2009	N/A	N/A
2008	N/A	N/A

The above table presents the most recent valuations for the post-retirement health insurance and it provides information that approximates the funding progress of the plan.

* Information not available

RIVERDALE SCHOOL DISTRICT NO. 51JT
MULTNOMAH COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2013

GENERAL FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FROM FINAL BUDGET
REVENUES:				
From Local Sources	\$ 4,963,325	\$ 4,963,325	\$ 5,130,483	\$ 167,158
From Intermediate Sources	58,000	58,000	58,636	636
From State Sources	1,413,876	1,413,876	1,179,615	(234,261)
From Federal Sources	-	-	1,344	1,344
Total Revenues	6,435,201	6,435,201	6,370,078	(65,123)
EXPENDITURES:				
Instruction	3,676,562	3,776,562 (1)	3,694,015	82,547
Support Services	2,940,981	2,940,981 (1)	2,787,564	153,417
Contingency	261,000	161,000 (1)	-	161,000
Total Expenditures	6,878,543	6,878,543	6,481,579	396,964
Excess of Revenues Over, (Under) Expenditures	(443,342)	(443,342)	(111,501)	331,841
Other Financing Sources:				
Transfers In	44,342	44,342	44,342	-
Transfers Out	(47,000)	(47,000) (1)	(47,000)	-
Total Other Financing Sources (Uses)	(2,658)	(2,658)	(2,658)	-
Net Change in Fund Balance	(446,000)	(446,000)	(114,159)	331,841
Beginning Fund Balance	846,000	846,000	1,684,091	838,091
Ending Fund Balance	\$ 400,000	\$ 400,000	\$ 1,569,932	\$ 1,169,932

(1) Appropriation Level

RIVERDALE SCHOOL DISTRICT NO. 51JT
MULTNOMAH COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2013

SPECIAL REVENUE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FROM FINAL BUDGET
REVENUES:				
From Local Sources	\$ 671,000	\$ 671,000	\$ 565,943	\$ (105,057)
From Intermediate Sources	20,000	20,000	-	(20,000)
From State Sources	9,600	9,600	9,245	(355)
From Federal Sources	268,370	268,370	67,903	(200,467)
Total Revenues	968,970	968,970	643,091	(325,879)
EXPENDITURES:				
Instruction	1,091,570	1,091,570 (1)	694,717	396,853
Support Services	252,200	252,200 (1)	90,631	161,569
Community Services	10,000	10,000 (1)	2,574	7,426
Contingency	100,000	100,000 (1)	-	100,000
Total Expenditures	1,453,770	1,453,770	787,922	665,848
Net Change in Fund Balance	(484,800)	(484,800)	(144,831)	339,969
Beginning Fund Balance	812,300	812,300	955,068	142,768
Ending Fund Balance	\$ 327,500	\$ 327,500	\$ 810,237	\$ 482,737

(1) Appropriation Level

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

SUPPLEMENTARY INFORMATION

Individual Nonmajor Fund Budgetary Basis Schedules
& Schedule of Expenditures of Federal Awards

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RIVERDALE SCHOOL DISTRICT NO. 51JT
MULTNOMAH COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2013

DEBT SERVICE FUND

	ORIGINAL BUDGET	FINAL BUDGET	GO BONDS ACTUAL	PENSION OBLIGATION BONDS ACTUAL	TOTAL ACTUAL	VARIANCE FROM FINAL BUDGET
REVENUES:						
From Local Sources	\$ 2,128,453	\$ 2,128,453	\$ 1,888,263	\$ 327,924	\$ 2,216,187	\$ 87,734
Total Revenue	2,128,453	2,128,453	1,888,263	327,924	2,216,187	87,734
EXPENDITURES:						
Long-Term Debt Service:						
Redemption of Principal	1,205,070	1,205,070	1,080,083	125,070	1,205,153	(83)
Interest	816,083	816,083	616,617	199,383	816,000	83
Dues and Fees	4,000	4,000	317	1,600	1,917	2,083
Total Expenditures	2,025,153	2,025,153 (1)	1,697,017	326,053	2,023,070	2,083
Excess of Revenues Over, (Under) Expenditures	103,300	103,300	191,246	1,871	193,117	89,817
Other Financing Sources, (Uses):						
Transfers Out	(44,342)	(44,342) (1)	(44,342)	-	(44,342)	-
Total Other Financing Sources, (Uses)	(44,342)	(44,342)	(44,342)	-	(44,342)	-
Net Change in Fund Balance	58,958	58,958	146,904	1,871	148,775	89,817
Beginning Fund Balance	-	-	235,840	80,796	316,636	316,636
Ending Fund Balance	\$ 58,958	\$ 58,958	\$ 382,744	\$ 82,667	\$ 465,411	\$ 406,453

(1) Appropriation Level

RIVERDALE SCHOOL DISTRICT NO. 51JT
MULTNOMAH COUNTY, OREGON

SCHEDULE OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2013

CAPITAL PROJECTS FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FROM FINAL BUDGET
REVENUES:				
From Local Sources	\$ 6,500	\$ 6,500	\$ 31,976	\$ 25,476
Total Revenue	6,500	6,500	31,976	25,476
EXPENDITURES:				
Facilities Acquisition and Construction	308,500	308,500 (1)	7,084	301,416
Total Expenditures	308,500	308,500	7,084	301,416
Excess of Revenues Over, (Under) Expenditures	(302,000)	(302,000)	24,892	326,892
Other Financing Sources, (Uses):				
Transfers In	47,000	47,000	47,000	-
Total Other Financing Sources, (Uses)	47,000	47,000	47,000	-
Net Change in Fund Balance	(255,000)	(255,000)	71,892	326,892
Beginning Fund Balance	255,000	255,000	263,022	8,022
Ending Fund Balance	\$ -	\$ -	\$ 334,914	\$ 334,914

(1) Appropriation Level

RIVERDALE SCHOOL DISTRICT NO.51JT
MULTNOMAH COUNTY, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES
OF TAXES UNCOLLECTED
For the Year Ended June 30, 2013

<u>TAX YEAR</u>	<u>ORIGINAL LEVY OR BALANCE UNCOLLECTED 7/1/2012</u>	<u>DEDUCT DISCOUNTS</u>	<u>ADJUSTMENTS TO ROLLS</u>	<u>ADD INTEREST</u>	<u>CASH COLLECTIONS BY COUNTY TREASURER</u>	<u>BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/13</u>
<u>GENERAL FUND:</u>						
CURRENT:						
2012-13	\$ 2,626,088	\$ 66,270	\$ (9,682)	\$ 1,087	\$ 2,478,936	\$ 72,287
PRIOR YEARS:						
2011-12	83,722	(76)	(6,674)	2,794	34,614	45,304
2010-11	42,486	(23)	(3,966)	2,820	14,140	27,223
2009-10	28,470	(4)	(3,740)	3,381	11,149	16,966
2008-09	7,898	(3)	(2,554)	2,272	6,125	1,494
Prior Years	4,640	(3)	(1,907)	614	863	2,487
Total Prior	167,216	(109)	(18,841)	11,881	66,891	93,474
Total General Fund	\$ 2,793,304	\$ 66,161	\$ (28,523)	\$ 12,968	\$ 2,545,827	\$ 165,761

RECONCILIATION OF REVENUE:

	<u>GENERAL FUND</u>
Cash Collections by County Treasurer Above	\$ 2,545,827
Accrual of Receivables:	
Other Taxes	32,042
June 30, 2012	(14,668)
June 30, 2013	12,751
Total Revenue	\$ 2,575,952

RIVERDALE SCHOOL DISTRICT NO.51JT

MULTNOMAH COUNTY, OREGON

**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES
OF TAXES UNCOLLECTED
For the Year Ended June 30, 2013**

<u>TAX YEAR</u>	<u>ORIGINAL LEVY OR BALANCE UNCOLLECTED 7/1/2012</u>	<u>DEDUCT DISCOUNTS</u>	<u>ADJUSTMENTS TO ROLLS</u>	<u>ADD INTEREST</u>	<u>CASH COLLECTIONS BY COUNTY TREASURER</u>	<u>BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/13</u>
<u>DEBT SERVICE</u>						
CURRENT:						
2012-13	\$ 1,951,420	\$ 49,246	\$ (7,203)	\$ 808	\$ 1,842,080	\$ 53,699
PRIOR YEARS:						
2011-12	55,302	(50)	(4,404)	1,848	22,893	29,903
2010-11	25,113	(13)	(2,344)	1,667	8,358	16,091
2009-10	16,323	(2)	(2,144)	1,938	6,392	9,727
2008-09	2,799	(1)	(905)	805	2,171	529
Prior Years	2,156	(1)	(887)	285	401	1,154
Total Prior	101,693	(67)	(10,684)	6,543	40,215	57,404
Total Debt Service Fund	\$ 2,053,113	\$ 49,179	\$ (17,887)	\$ 7,351	\$ 1,882,295	\$ 111,103

RECONCILIATION OF REVENUE:

	<u>DEBT SERVICE FUND</u>
Cash Collections by County Treasurer Above	\$ 1,882,295
Accrual of Receivables:	
Other Taxes	(8,217)
June 30, 2012	(7,145)
June 30, 2013	8,421
Total Revenue	\$ 1,875,354

RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

OTHER INFORMATION

Other Financial Schedules

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RIVERDALE SCHOOL DISTRICT NO.51JT
MULTNOMAH COUNTY, OREGON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
As Required by The Oregon Department of Education
For the Year Ended June 30, 2013

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE	<u>FEDERAL CFDA NUMBER</u>	<u>GRANT PERIOD</u>	<u>EXPENDITURES</u>
U.S. DEPARTMENT OF EDUCATION			
Passed Through State Department of Education:			
Special Education-Grants to States	84.027	7/1/12-9/30/14	\$ <u>67,903</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>67,903</u>
TOTAL FEDERAL EXPENDITURES			<u>\$ 67,903</u>
Total From Schedule Above	\$ 67,903		
Other Federal Revenue	<u>1,344</u>		
Total Federal Revenue	\$ 69,247		

RIVERDALE SCHOOL DISTRICT NO.51JT
MULTNOMAH COUNTY, OREGON

SCHEDULE OF FUTURE REQUIREMENTS OF BONDED DEBT
June 30, 2013

FISCAL YEAR ENDING	ISSUE OF 7/29/08		ISSUE OF 2/26/09		ISSUE OF 4/3/03		TOTAL OF ALL ISSUES	
	PRINCIPAL	INTEREST 3.785 - 4% DUE 12/15	PRINCIPAL	INTEREST 2.5 - 5.7% DUE 12/15	PRINCIPAL	INTEREST 1.15-6.3% DUE 6/30	PRINCIPAL	INTEREST
	DUE 6/15	& 6/15	DUE 6/15	& 6/15	DUE 6/30	DUE 6/30	PRINCIPAL	INTEREST
2013-14	\$ 820,000	\$ 100,238	\$ 350,000	\$ 477,750	\$ 124,884	\$ 214,569	\$ 1,294,884	\$ 792,557
2014-15	850,000	67,438	415,000	467,250	125,839	233,613	1,390,839	768,301
2015-16	875,000	33,938	490,000	455,588	123,716	250,737	1,488,716	740,263
2016-17	-	-	1,210,000	440,888	123,869	270,583	1,333,869	711,471
2017-18	-	-	1,300,000	402,988	122,925	291,528	1,422,925	694,516
2018-19	-	-	1,390,000	362,363	121,523	312,929	1,511,523	675,292
2019-20	-	-	929,397	878,566	120,010	334,443	1,049,407	1,213,009
2020-21	-	-	1,545,000	312,963	119,775	359,678	1,664,775	672,641
2021-22	-	-	1,675,000	239,575	117,949	381,504	1,792,949	621,079
2022-23	-	-	1,815,000	160,013	116,429	403,023	1,931,428	563,036
2023-24	-	-	1,950,000	82,875	405,000	114,452	2,355,000	197,327
2024-25	-	-	911,555	1,183,445	430,000	91,732	1,341,555	1,275,177
2025-26	-	-	874,628	1,280,372	455,000	67,308	1,329,628	1,347,680
2026-27	-	-	838,649	1,381,351	480,000	41,464	1,318,649	1,422,815
2027-28	-	-	803,246	1,481,754	250,000	14,200	1,053,246	1,495,954
2028-29	-	-	773,453	1,581,547	-	-	773,453	1,581,547
2029-30	-	-	744,621	1,680,380	-	-	744,621	1,680,380
2030-31	-	-	718,425	1,781,575	-	-	718,425	1,781,575
2031-32	-	-	691,851	1,883,149	-	-	691,851	1,883,149
2032-33	-	-	668,198	1,981,803	-	-	668,198	1,981,803
2033-34	-	-	647,255	2,082,740	-	-	647,255	2,082,740
	<u>\$ 2,545,000</u>	<u>\$ 201,614</u>	<u>\$ 20,741,278</u>	<u>\$ 20,598,935</u>	<u>\$ 3,236,919</u>	<u>\$ 3,381,761</u>	<u>\$ 26,523,197</u>	<u>\$ 24,182,310</u>

RIVERDALE SCHOOL DISTRICT NO.51JT
MULTNOMAH COUNTY, OREGON

SCHEDULE OF BOND AND INTEREST TRANSACTIONS
For the Year Ended June 30, 2013

<u>ISSUE DATE</u>	<u>OUTSTANDING MATURED BONDS & COUPONS 7/1/2012</u>	<u>BONDS & COUPONS MATURED DURING YEAR</u>	<u>BONDS AND COUPONS PAID</u>	<u>OUTSTANDING MATURED BONDS & COUPONS 6/30/2013</u>
4/3/2003 a	\$ -	\$ 324,453	\$ 324,453	\$ -
7/29/2008 b	-	916,575	916,575	-
2/26/2009	-	780,125	780,125	-
Total	<u>\$ -</u>	<u>\$ 2,021,153</u>	<u>\$ 2,021,153</u>	<u>\$ -</u>

a The PERS Bond issue of 4/3/03 debt service payments are charged to Instruction and Support Services to the PERS UAL Contribution object code in the General and Special Revenue Funds and paid out of the Pension Obligation Bonds Fund.

b These bonds are paid from the General Obligation Bonds Fund.

Payments Made From

General Obligation Bond Fund	\$ 1,696,700
Pension Obligation Bond Fund	324,453
Total	<u>\$ 2,021,153</u>

RIVERDALE SCHOOL DISTRICT NO.51JT
MULTNOMAH COUNTY, OREGON

SUPPLEMENTAL INFORMATION
AS REQUIRED BY THE OREGON DEPARTMENT OF EDUCATION
For the Year Ended June 30, 2013

A. ENERGY BILLS FOR HEATING - ALL FUNDS:

Function 2540	\$	130,832
Function 2550		<u>-</u>

B. REPLACEMENT FOR 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	\$ <u>-</u>
1140	Pre-Kindergarten	
1300	Continuing Education	
1400	Summer School	
4150	Construction	
2550	Pupil Transportation	
3100	Food Service	
3300	Community Services	

2012 - 13 DISTRICT AUDIT REVENUE SUMMARY
Riverdale School District 51J

Revenue from Local Sources				
1111 Current Year's Taxes	Fund 100	Fund 200	Fund 300	Fund 400
	\$ 2,076,261		\$ 1,835,595	
1112 Prior Year's Taxes	\$ 62,667		\$ 39,759	
1121 Current Year's Local Option Taxes	\$ 421,774			
1122 Prior Year's Local Option Taxes	\$ 15,250			
1123 Penalties and Interest on Local Option Taxes	\$ 190			
1130 Construction Excise Tax				\$ 30,688
1190 Penalties and Interest on Taxes	\$ 927		\$ 7,653	
1200 Revenue from Local Governmental Units Other Than Districts				
1311 Regular Day School Tuition - From Individuals	\$ 1,329,947			
1312 Regular Day School Tuition - Other Dist Within State				
1313 Regular Day School Tuition - Other Districts Outside				
1320 Adult/Continuing Education Tuition				
1330 Summer School Tuition				
1411 Transportation Fees - From Individuals				
1412 Transportation Fees - Other Dist Within State				
1413 Transportation Fees - Other Districts Outside				
1420 Summer School Transportation Fees				
1500 Earnings on Investments	\$ 17,202		\$ 5,116	\$ 1,288
1600 Food Service		\$ 4,745		
1700 Extracurricular Activities	\$ 193,720	\$ 520,776		
1800 Community Services Activities				
1910 Rentals	\$ 12,465			
1920 Contributions and Donations From Private Sources	\$ 805,000	\$ 34,431		
1930 Rental or Lease Payments From Private Contractors				
1940 Services Provided Other Local Education Agencies				
1950 Textbook Sales and Rentals				
1960 Recovery of Prior Years' Expenditure				
1970 Services Provided Other Funds			\$ 327,088	
1980 Fees Charged to Grants	\$ 18,000			
1990 Miscellaneous	\$ 177,080	\$ 5,991	\$ 976	
Total Revenue from Local Sources	\$ 5,130,483	\$ 565,943	\$ 2,216,187	\$ 31,976
Revenue from Intermediate Sources				
2101 County School Funds	Fund 100	Fund 200	Fund 300	Fund 400
	\$ 636			
2102 General ESD Revenue				
2103 Excess ESD Local Revenue				
2105 Natural Gas, Oil, and Mineral Receipts				
2110 Intermediate "I" Tax				
2199 Other Intermediate Sources	\$ 58,000			
2200 Restricted Revenue				
2800 Revenue in Lieu of Taxes				
2900 Revenue for/on Behalf of the District				
Total Revenue from Intermediate Sources	\$ 58,636	\$ -	\$ -	\$ -
Revenue from State Sources				
3100 Unrestricted Grants - In - Aid	Fund 100	Fund 200	Fund 300	Fund 400
	\$ 1,179,615			
3204 Driver Education				
3222 State School Fund (SSF) Transportation Equipment				
3299 Other Restricted Grants-in-Aid		\$ 9,245		
3800 Revenue in Lieu of Taxes				
3900 Revenue for/on Behalf of the District				
Total Revenue from State Sources	\$ 1,179,615	\$ 9,245	\$ -	\$ -
Revenue from Federal Sources				
4100 Unrestricted Revenue Direct From the Federal Government	Fund 100	Fund 200	Fund 300	Fund 400
4200 Unrestricted Revenue From the Federal Government Through the State				
4300 Restricted Revenue From the Federal Government				
4500 Restricted Revenue From the Federal Government Through the State	\$ 1,073	\$ 67,903		
4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies				
4801 Federal Forest Fees	\$ 271			
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				
Total Revenue from Federal Sources	\$ 1,344	\$ 67,903	\$ -	\$ -
Revenue from Other Sources				
5100 Long Term Debt Financing Sources	Fund 100	Fund 200	Fund 300	Fund 400
5200 Interfund Transfers	\$ 44,342			\$ 47,000
5300 Sale of or Compensation for Loss of Fixed Assets				
5400 Resources - Beginning Fund Balance	\$ 1,684,091	\$ 955,068	\$ 316,636	\$ 263,022
Total Revenue from Other Sources	\$ 1,728,433	\$ 955,068	\$ 316,636	\$ 310,022
Grand Totals	\$ 8,098,511	\$ 1,598,159	\$ 2,532,823	\$ 341,998

2012 - 13 DISTRICT AUDIT EXPENDITURE SUMMARY
Riverdale School District 51J

Fund: 100 General Fund

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Instruction Expenditures								
1111 Primary, K-3	\$ 1,348,228	\$ 862,663	\$ 469,580	\$ 7,100	\$ 8,571		\$ 314	
1112 Intermediate Programs	\$ -							
1113 Elementary Extracurricular	\$ -							
1121 Middle/Junior High Programs	\$ 519,190	\$ 352,223	\$ 165,745	\$ 9	\$ 1,213			
1122 Middle/Junior High School Extracurricular	\$ 44,667	\$ 30,761	\$ 6,624	\$ 7,282				
1131 High School Programs	\$ 1,325,400	\$ 867,088	\$ 453,928	\$ 2,316	\$ 1,893		\$ 175	
1132 High School Extracurricular	\$ 194,387	\$ 123,196	\$ 42,938	\$ 25,001	\$ 450		\$ 2,802	
1140 Pre-Kindergarten Programs	\$ -							
1210 Programs for the Talented and Gifted	\$ 20,530	\$ 13,486	\$ 7,044					
1220 Restrictive Programs for Students with Disabilities	\$ -							
1250 Less Restrictive Programs for Students with Disabilities	\$ 239,788	\$ 161,071	\$ 76,978	\$ 1,085	\$ 654			
1260 Treatment and Habilitation	\$ -							
1271 Remediation	\$ -							
1272 Title I	\$ -							
1280 Alternative Education	\$ -							
1291 English Second Language Programs	\$ -							
1292 Teen Parent Program	\$ -							
1293 Migrant Education	\$ -							
1294 Youth Corrections Education	\$ -							
1299 Other Programs	\$ -							
1300 Adult/Continuing Education Programs	\$ -							
1400 Summer School Programs	\$ 1,825	\$ 1,379	\$ 446					
Total Instruction Expenditures	\$ 3,694,015	\$ 2,411,867	\$ 1,223,283	\$ 42,793	\$ 12,781	\$ -	\$ 3,291	\$ -
Support Services Expenditures								
2110 Attendance and Social Work Services	\$ -							
2120 Guidance Services	\$ 187,071	\$ 121,152	\$ 63,321	\$ 18	\$ 2,580			
2130 Health Services	\$ 226				\$ 226			
2140 Psychological Services	\$ -							
2150 Speech Pathology and Audiology Services	\$ -							
2160 Other Student Treatment Services	\$ -							
2190 Service Direction, Student Support Services	\$ -							
2210 Improvement of Instruction Services	\$ -							
2220 Educational Media Services	\$ 195,707	\$ 124,043	\$ 70,125		\$ 1,539			
2230 Assessment & Testing	\$ 55,189	\$ 29,913	\$ 18,578	\$ 456	\$ 6,242			
2240 Instructional Staff Development	\$ 26,373		\$ 20,592	\$ 5,690	\$ 91			
2310 Board of Education Services	\$ 54,665			\$ 48,253	\$ 4,038		\$ 2,374	
2320 Executive Administration Services	\$ 269,204	\$ 131,073	\$ 59,867	\$ 15,756	\$ 5,413		\$ 57,095	
2400 School Administration	\$ 556,552	\$ 349,490	\$ 168,434	\$ 31,213	\$ 5,745		\$ 1,670	
2510 Direction of Business Support Services	\$ -							
2520 Fiscal Services	\$ 111,063			\$ 99,249	\$ 11,814			
2540 Operation and Maintenance of Plant Services	\$ 795,460	\$ 148,388	\$ 88,252	\$ 465,806	\$ 36,582		\$ 56,432	
2550 Student Transportation Services	\$ 171,644			\$ 171,644				
2570 Internal Services	\$ -							
2610 Direction of Central Support Services	\$ -							
Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$ -							
2620 Information Services	\$ 95,339			\$ 93,795	\$ 1,544			
2640 Staff Services	\$ 71,277	\$ 47,535	\$ 21,161	\$ 901	\$ 1,265		\$ 415	
2660 Technology Services	\$ 117,278	\$ 62,605	\$ 31,178	\$ 4,798	\$ 12,617		\$ 6,080	
2670 Records Management Services	\$ -							
2690 Other Support Services - Central	\$ -							
2700 Supplemental Retirement Program	\$ 80,516	\$ 14,400	\$ 66,116					
Total Support Services Expenditures	\$ 2,787,564	\$ 1,028,599	\$ 607,624	\$ 937,579	\$ 89,696	\$ -	\$ 124,066	\$ -
Enterprise and Community Services Expenditures								
3100 Food Services	\$ -							
3200 Other Enterprise Services	\$ -							
3300 Community Services	\$ -							
3500 Custody and Care of Children Services	\$ -							
Total Enterprise and Community Services Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Facilities Acquisition and Construction Expenditures								
4110 Service Area Direction	\$ -							
4120 Site Acquisition and Development Services	\$ -							
4150 Building Acquisition, Construction, and Improvement Services	\$ -							
4190 Other Facilities Construction Services	\$ -							
Total Facilities Acquisition and Construction Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Uses Expenditures								
5100 Debt Service	\$ -							
5200 Transfers of Funds	\$ 47,000							\$ 47,000
5300 Apportionment of Funds by ESD	\$ -							
5400 PERS UAL Bond Lump Sum	\$ -							
Total Other Uses Expenditures	\$ 47,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,000
Grand Total	\$ 6,528,579	\$ 3,440,466	\$ 1,830,907	\$ 980,372	\$ 102,477	\$ -	\$ 127,357	\$ 47,000

2012 - 13 DISTRICT AUDIT EXPENDITURE SUMMARY
Riverdale School District 51J

Fund: 200 Special Revenue Funds

Instruction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Primary, K-3	\$100,992	\$15,217		\$24,825	\$60,950			
1112 Intermediate Programs	\$0							
1113 Elementary Extracurricular	\$713			\$360	\$353			
1121 Middle/Junior High Programs	\$153,367	\$37,680	\$586	\$103,830	\$11,271			
1122 Middle/Junior High School Extracurricular	\$9,747	-\$5,614	\$4,826	\$8,476	\$2,059			
1131 High School Programs	\$77,645	\$500	\$37	\$49,963	\$27,145			
1132 High School Extracurricular	\$112,704	\$29,297	\$5,634	\$18,750	\$57,683		\$1,340	
1140 Pre-Kindergarten Programs	\$96,924	\$52,189	\$32,691		\$1,844		\$10,200	
1210 Programs for the Talented and Gifted	\$0							
1220 Restrictive Programs for Students with Disabilities	\$0							
1250 Less Restrictive Programs for Students with Disabilities	\$67,936	\$43,659	\$24,244		\$33			
1260 Treatment and Habilitation	\$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	\$74,689	\$39,921	\$19,347		\$7,621		\$7,800	
1300 Adult/Continuing Education Programs	\$0							
1400 Summer School Programs	\$0							
Total Instruction Expenditures	\$694,717	\$212,849	\$87,365	\$206,204	\$168,959	\$0	\$19,340	\$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	\$12,405	\$4,670	\$1,495	\$2,904	\$336		\$3,000	
2220 Educational Media Services	\$642				\$642			
2230 Assessment & Testing	\$0							
2240 Instructional Staff Development	\$14,550			\$11,433	\$3,117			
2310 Board of Education Services	\$0							
2320 Executive Administration Services	\$0							
2410 Office of the Principal Services	\$11,887				\$11,887			
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	\$1,039				\$1,039			
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	\$50,108				\$50,108			
2670 Records Management Services	\$0							
2690 Other Support Services - Central	\$0							
2700 Supplemental Retirement Program	\$0							
Total Support Services Expenditures	\$90,631	\$4,670	\$1,495	\$14,337	\$67,129	\$0	\$3,000	\$0
Enterprise and Community Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	\$2,574				\$2,574			
3200 Other Enterprise Services	\$0							
3300 Community Services	\$0							
3500 Custody and Care of Children Services	\$0							
Total Enterprise and Community Services Expenditures	\$2,574	\$0	\$0	\$0	\$2,574	\$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	\$787,922	\$217,519	\$88,860	\$220,541	\$238,662	\$0	\$22,340	\$0

2012 - 13 DISTRICT AUDIT EXPENDITURE SUMMARY
Riverdale School District 51J

Fund: 300 Debt Service Funds

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 Treatment and Habilitation	\$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	\$2,023,070						\$2,023,070	
5200 Transfers of Funds	\$44,342							\$44,342
5300 Apportionment of Funds by ESD	\$0							
5400 PERS UAL Bond Lump Sum	\$0							
Total Other Uses Expenditures	\$2,067,412	\$0	\$0	\$0	\$0	\$0	\$2,023,070	\$44,342
Grand Total	\$2,067,412	\$0	\$0	\$0	\$0	\$0	\$2,023,070	\$44,342

2012 - 13 DISTRICT AUDIT EXPENDITURE SUMMARY
Riverdale School District 51J

Fund: 400 Capital Projects Funds

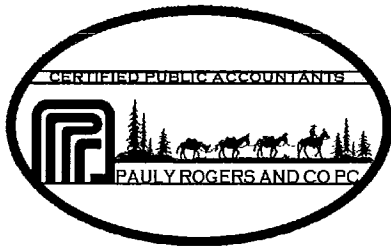
Instruction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Primary, K-3	\$0							
1112 Intermediate Programs	\$0							
1113 Elementary Extracurricular	\$0							
1121 Middle/Junior High Programs	\$0							
1122 Middle/Junior High School Extracurricular	\$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 Treatment and Habilitation	\$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	\$7,084			\$6,460	\$624			
4190 Other Facilities Construction Services	\$0							
Total Facilities Acquisition and Construction Expenditures	\$7,084	\$0	\$0	\$6,460	\$624	\$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	\$7,084	\$0	\$0	\$6,460	\$624	\$0	\$0	\$0

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RIVERDALE SCHOOL DISTRICT 51J
MULTNOMAH COUNTY, OREGON

2012-13 INDEPENDENT AUDITORS' REPORT
REQUIRED BY OREGON STATE REGULATIONS

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December 21, 2013

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of Riverdale School District 51J as of and for the year ended June 30, 2013, and have issued our report thereon dated December 21, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of 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.**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**
- **Programs funded from outside sources.**
- **State school fund factors and calculation.**
- **Authorized investment of surplus funds (ORS Chapter 294).**

In connection with our testing nothing came to our attention that caused us to believe the Riverdale School District 51J was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the internal controls over financial reporting as a basis for designing our auditing procedures 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 internal controls over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal controls over financial reporting.

We noted a matter involving the internal control structure and its operation that we consider to be a significant deficiency under standards established by the American Institute of Certified Public Accountants, which is noted in our management letter dated December 21, 2013.

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

A handwritten signature in black ink that reads "Roy R Rogers". The signature is written in a cursive, flowing style.

Roy R. Rogers, CPA
PAULY, ROGERS AND CO., P.C.