ST. HELENS SCHOOL DISTRICT
BASIC FINANCIAL STATEMENTS AND
ADDITIONAL INFORMATION
Year Ended June 30, 2007

BOARD OF DIRECTORS

Name	*Title*	*Term Expires*
David Morrisson 58605 Kavanaugh Avenue St. Helens, Oregon 97051	Chair	June 30, 2007
Nathan Helwig 58296 Lindsay Lane Warren, Oregon 97053	Vice-Chair	June 30, 2007
Jana Mann 124 Wonderly Drive St. Helens, Oregon 97051	Member	June 30, 2009
Tim Lammers 1850 9th Street Columbia City, Oregon 97018	Member	June 30, 2009
Terri Burns P.O. Box H St. Helens, Oregon 97051	Member	June 30, 2009

ADMINISTRATIVE

St. Helens School District
474 North 16th Street
St. Helens, Oregon 97051

Patricia Adams, Superintendent, Clerk
Adam Stewart, Deputy Clerk/Business Manager

ST. HELENS SCHOOL DISTRICT, ST. HELENS, OREGON
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FINANCIAL SECTION

GROVE, MUELLER & SWANK, P.C.
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
475 Cottage Street NE, Suite 200 • Salem, Oregon 97301
(503) 581-7788

INDEPENDENT AUDITOR'S REPORT

Board of Directors
St. Helens School District
St. Helens, Oregon

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of St. Helens School District, St. Helens Oregon, as of and for the year ended June 30, 2007, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

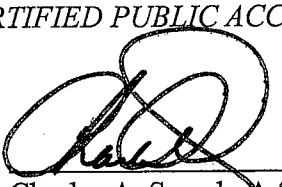
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2007 and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2007 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplemental information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The required and other supplemental 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 accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

GROVE, MUELLER & SWANK, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

By: 

Charles A. Swank, A Shareholder
December 27, 2007

ST. HELENS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2007

As management of St. Helens School District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2007.

FINANCIAL HIGHLIGHTS

- In the government-wide statements, the assets of the District exceeded its liabilities at June 30, 2007 by $17.1 million. Of this amount, $16.9 million represents the District's investment in capital assets net of related debt. Assets exceed liabilities by $201,037 for unrestricted.
- The District's total net assets decreased by $45,633.
- The District's governmental funds report combined ending fund balance of $3.21 million at June 30, 2007, a decrease of $140,860 in comparison with the prior year.
- At the end of the fiscal year ended June 30, 2007, unreserved fund balance for the General Fund was $2.35 million, or about 9.8 percent of total General Fund expenditures.
- The District's total liabilities decreased by $1.17 million (2.58 percent) during the 2006-07 fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are 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 financial statements. This report also contains other supplemental 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. These statements include:

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

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

In the government-wide financial statements, the District's activities are shown as governmental activities. All basic District functions are shown here, such as regular and special education, child nutrition services, transportation, administration, and facilities acquisition and construction. These activities are primarily financed through property taxes, Oregon's State School Fund and other intergovernmental revenues.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains ten individual governmental funds. Information is presented separately in the governmental funds balance sheet and the governmental fund's statement of revenues, expenditures and changes in fund balances for the General Fund, and the Debt Service Funds, all of which are considered to be major funds. Data from the other eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the other supplemental information.

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.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplemental information* related to Schedules of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual for the General Fund and other major special revenue funds.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented following the required supplemental information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Assets. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by $17.1 million as of June 30, 2007.

Capital assets, which consist of the District's land, buildings, building improvements, construction in progress, vehicles, and equipment, represent about 50.17 percent of total assets. The remaining assets consist mainly of investments, cash, and grants and property taxes receivable.

The District's largest liability (93.40 percent) is for the repayment of long-term liabilities (general obligation bonds, capital lease obligations, pension bonds and early retirement obligations). Current liabilities, representing about 6.6 percent of the District's total liabilities, are made up of payables on accounts, salaries and benefits, and the current portion of interest on long-term liabilities.

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

Net Assets at June 30,

	2007	*2006*	*Net Change*
Current assets	$ 4,236,641	$ 4,162,192	$ 74,449
Capital assets	28,512,278	29,433,084	(920,806)
Other long-term assets	24,077,347	24,446,359	(369,012)
Total assets	56,826,266	58,041,635	(1,215,369)
Current liabilities	4,633,534	3,904,971	728,563
Long-term liabilities	35,096,045	36,994,344	(1,898,299)
Total liabilities	39,729,579	40,899,315	(1,169,736)
Net assets:			
Invested in captital assets, net of related debt	16,895,650	16,467,105	428,545
Unrestricted	201,037	675,215	(474,178)
Total net assets	$ 17,096,687	$ 17,142,320	$ (45,633)

Statement of Activities. During the current fiscal year, the District's net assets decreased by $45,633, representing a decrease of 0.94 percent from the prior year. The key elements of the change in the District's net assets for the year ended June 30, 2007 are as follows:

- Property tax revenues decreased by $312,763 (3.75 percent) during the year.
- State school fund support increased by $850,706 as the State increased funding during the school year.
- Total school district expenses increased by about 10.0 percent during the year. These increases were due in part to the restoration of programs that had been operated prior to recent budget cutting.

Changes in Net Assets
For the year ended June 30,

Revenues:	*2007*	*2006*	*Net Change*
Program revenues:			
Charges for service	$ 2,358,687	$ 2,158,520	$ 200,167
Operating grants and contributions	1,825,037	1,920,276	(95,239)
General revenues:			
Property taxes	8,039,339	8,352,102	(312,763)
State school fund - general support	17,165,009	16,314,303	850,706
Common school fund	418,700	133,537	285,163
Other state and local sources	315,546	291,309	24,237
Earnings on investments	399,644	257,714	141,930
Miscellaneous	363,139	99,589	263,550
Total revenues	30,885,101	29,527,350	1,357,751
Expenses:			
Instruction	17,929,679	17,003,954	925,725
Support services	9,755,438	8,338,598	1,416,840
Enterprise and community services	72,730	94,056	(21,326)
Facilities acquisition and construction	444,734	104,305	340,429
Food services	847,201	837,602	9,599
Interest on long-term debt	1,880,952	1,839,800	41,152
Total expenses	30,930,734	28,218,315	2,712,419
Change in net assets	(45,633)	1,309,035	(1,354,668)
Net assets - July 1	17,142,320	15,833,285	1,309,035
Net assets - June 30	$ 17,096,687	$ 17,142,320	$ (45,633)

Financial Analysis of the District's Funds

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

Governmental funds. The focus of the District's governmental funds is to provide information on relatively short-term cash flow and funding for future basic services. Such information is useful in assessing the District's financing requirements. In particular, *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.

At June 30, 2007, the District's governmental funds reported combined ending fund balances of $3.21 million, a decrease of $140,860 in comparison with the prior year.

General Fund. The General Fund is the primary operating fund of the District. As of June 30, 2007, unreserved fund balance was $2.35 million. The fund balance decreased by $260,487 during the current fiscal year. As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Fund balance represents 9.8 percent of total General Fund expenditures.

Debt Service Funds. The debt service funds have a total fund balance of $68,463, all of which is reserved for the payment of debt service. The net increase in fund balance during the current year was $20,082 (41.5 percent). This increase reflects the additional debt service funds required due to the issuance of pension bonds in prior years.

General Fund Budgetary Highlights

The Board approved several changes to the adopted budget for the fiscal year ended June 30, 2007.

Capital Asset and Debt Administration

Capital assets. The District's investment in capital assets includes land, buildings and improvements, vehicles and equipment, and construction in progress. As of June 30, 2007, the District had invested approximately $28.5 million in capital assets, net of depreciation, as shown in the following table:

Capital Assets (net of depreciation) June 30,	*2007*	*2006*	Net Change
Land and improvements	$ 1,408,456	$ 1,437,564	$ (29,108)
Buildings and improvements	25,255,979	25,887,147	(631,168)
Vehicles and equipment	1,847,843	2,108,373	(260,530)
Total	$ 28,512,278	$ 29,433,084	$ (920,806)

During fiscal year 2006-07, the District's investment in capital assets decreased by $920,806. The major capital asset events for the year ended June 30, 2007 include the following:

- Investments of $444,061.
- Depreciation expense of $1,364,867.

Additional information regarding the District's capital assets can be found in the notes to basic financial statements of this report.

Long-term debt. At the end of the current fiscal year, the District had total bonded debt outstanding of $35.65 million, consisting of general obligation debt of $11.09 million, pension bonds of $24.04 million, and capital leases of $530,000.

During the current fiscal year, the District's total debt decreased by $1.76 million (4.7 percent). The decrease is primarily attributed to the payment of principal.

State statutes limit the amount of general obligation debt a governmental entity may issue to 7.95 percent of its total assessed valuation. The current debt limitation for the District is $91.9 million, which is significantly in excess of the District's outstanding general obligation debt. The pension bonds are not subject to the statutory debt limitation.

Additional information on the District's long-term debt can be found in the notes to the basic financial statements of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The most significant economic factor for the District is the State of Oregon's State School Fund. For the year ended June 30, 2007, the State School Fund - General Support provided more than 60 percent of the District's General Fund resources. Funding for the upcoming 2007-09 state biennium appears stable, however, recent history has led the District to be very conservative in anticipation of potential reductions in the state school fund formula.

Salaries and benefits costs are expected to increase in 2007-08, based on negotiated contractual obligations.

The District is experiencing increasing enrollment. Student enrollment in 2006-2007 increased. District attendance is expected to continue to increase at an average of approximately 100 students per year for the next 10 years.

The District's Budget Committee and School Board considered all of these factors while preparing the District's budget for the 2007-08 fiscal year.

REQUESTS FOR INFORMATION

This financial report is designed to present the user (citizens, taxpayers, investors, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Financial Services, 474 North 16th Street, St. Helens, Oregon 97051.

BASIC FINANCIAL STATEMENTS

ST. HELENS SCHOOL DISTRICT, ST. HELENS, OREGON

STATEMENT OF NET ASSETS

JUNE 30, 2007

	Primary Government	*Component Unit*
ASSETS		
Cash and investments	$ 3,197,800	$ 26,594
Property taxes receivable	611,965	-
Accounts receivable	425,651	-
Inventories	1,225	-
Pension assets, net of accumulated amortization	24,077,347	-
Capital assets, net of accumulated depreciation		
Land	1,277,500	-
Land improvements	130,956	-
Buildings and improvements	25,255,979	-
Equipment and vehicles	1,847,843	-
Total Assets	56,826,266	26,594
LIABILITIES		
Accounts payable and accrued liabilities	367,012	2,339
Accrued interest payable	2,033,241	-
Accrued compensated absences payable	115,140	-
Noncurrent Liabilities		
Early retirement due within one year	324,052	-
Bonds payable due within one year	1,794,089	-
Early retirement benefits payable	1,238,185	-
Bonds payable	33,857,860	-
Total Liabilities	39,729,579	2,339
Net Assets		
Investment in capital assets, net of related debt	16,895,650	-
Unrestricted	201,037	24,255
Total Net Assets	$ 17,096,687	$ 24,255

The accompanying notes are an integral part of the financial statements.

ST. HELENS SCHOOL DISTRICT, ST. HELENS, OREGON
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2007

		Program
	Expenses	*Charges for Services*
FUNCTIONS/PROGRAMS		
Instructional services	$ 17,929,679	$ 1,984,058
Support services	9,755,438	57,216
Enterprise and community services	72,730	-
Facilities acquisition and construction	444,734	-
Food services	847,201	317,413
Interest on long-term liabilities	1,880,952	-
Total Activities	$ 30,930,734	$ 2,358,687
Component Unit	$ 412,018	$ -
General Revenues:		
Property taxes levied for general purposes		
Property taxes levied for debt services		
State school fund - unrestricted		
Common school fund - unrestricted		
Unrestricted state and local sources		
Earnings on investments		
Miscellaneous		
Total General Revenues		
Change in Net Assets		
Net Assets, July 1, 2006		
Net Assets, June 30, 2007		

Revenues			
Operating Grants and Contributions	*Change in Net Assets*	*Component Unit*
$ 1,381,350	$ (14,564,271)	$ (399,472)
-	(9,698,222)	(12,546)
-	(72,730)	-
-	(444,734)	-
443,687	(86,101)	-
-	(1,880,952)	-
$ 1,825,037	(26,747,010)	
$ -		(412,018)
	6,439,734	-
	1,599,605	-
	17,165,009	409,928
	418,700	-
	315,546	2,546
	399,644	-
	363,139	3,500
	26,701,377	415,974
	(45,633)	3,956
	17,142,320	20,299
	$ 17,096,687	$ 24,255

The accompanying notes are an integral part of the financial statements.

ST. HELENS SCHOOL DISTRICT, ST. HELENS, OREGON
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2007

	General	*Debt Service*	*Other Governmental Funds*
ASSETS			
Cash and investments	$ 2,590,328	$ 52,996	$ 554,476
Property taxes receivable	467,573	144,392	-
Accounts receivable	162,923	-	262,728
Inventories	-	-	1,225
Total Assets	$ 3,220,824	$ 197,388	$ 818,429
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accrued liabilities	$ 453,465	$ -	$ 28,687
Deferred revenue	420,245	128,925	-
Total Liabilities	873,710	128,925	28,687
Fund Balances			
Reserved for inventories	-	-	1,225
Unreserved			
General fund	2,347,114	-	-
Special revenue funds	-	-	725,094
Debt service funds	-	68,463	63,423
Total Fund Balances	2,347,114	68,463	789,742
Total Liabilites and Fund Balances	$ 3,220,824	$ 197,388	$ 818,429

	Total Governmental
$	3,197,800
	611,965
	425,651
	1,225
$	4,236,641
$	482,152
	549,170
	1,031,322
	1,225
	2,347,114
	725,094
	131,886
	3,205,319
$	4,236,641

The accompanying notes are an integral part of the financial statements.

ST. HELENS SCHOOL DISTRICT, ST. HELENS, OREGON

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO STATEMENT OF NET ASSETS

JUNE 30, 2007

RECONCILIATION TO THE STATEMENT OF NET ASSETS

TOTAL FUND BALANCES		$ 3,205,319
Capital assets are not financial resources and therefore are not reported in the governmental funds:		
Cost	$ 44,590,819	
Accumulated depreciation	(16,078,541)	28,512,278
PERS UAL Bonds and related pension assets are recorded on the statement of net assets at their net amortized values.		24,077,347
A portion of the District's property taxes are collected after year-end, but are not available soon enough to pay for the current years' operations, and therefore are not reported as revenue in the governmental funds.		549,170
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 interest payable	(2,033,241)	
Early retirement payable	(1,562,237)	
Bonds payable	(35,651,949)	(39,247,427)
TOTAL NET ASSETS		$ 17,096,687

The accompanying notes are an integral part of the financial statements.

ST. HELENS SCHOOL DISTRICT, ST. HELENS, OREGON
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2007

	General	*Debt Service*	*Other Governmental Funds*
REVENUES			
Local sources	$ 6,862,399	$ 1,685,082	$ 2,425,021
Intermediate sources	277,745	-	-
State sources	17,754,729	-	60,275
Federal sources	-	-	1,833,758
Total Revenues	24,894,873	1,685,082	4,319,054
EXPENDITURES			
Current			
Instruction	14,168,866	-	2,572,643
Support services	8,718,603	-	549,336
Enterprise and community services	-	-	73,964
Food services	-	-	840,140
Facilities acquisition and construction	442,776	-	-
Debt service			
Principal	185,000	1,164,351	411,038
Interest	34,344	500,649	934,098
Capital outlay	415,843	-	28,218
Total Expenditures	23,965,432	1,665,000	5,409,437
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	929,441	20,082	(1,090,383)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	1,189,928
Transfers out	(1,189,928)	-	-
Total Other Financing Sources (Uses)	(1,189,928)	-	1,189,928
NET CHANGE IN FUND BALANCES	(260,487)	20,082	99,545
FUND BALANCES, Beginning of year	2,607,601	48,381	690,197
FUND BALANCES, End of year	$ 2,347,114	$ 68,463	$ 789,742

Total Governmental
$ 10,972,502
277,745
17,815,004
1,833,758
30,899,009
16,741,509
9,267,939
73,964
840,140
442,776
1,760,389
1,469,091
444,061
31,039,869
(140,860)
1,189,928
(1,189,928)
-
(140,860)
3,346,179
$ 3,205,319

The accompanying notes are an integral part of the financial statements.

ST. HELENS SCHOOL DISTRICT, ST. HELENS, OREGON

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2007

NET CHANGE IN FUND BALANCES		$ (140,860)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Expenditures for assets capitalized	$ 444,061	
Less current year depreciation	(1,364,867)	(920,806)
Long-term debt proceeds are reported as other financing sources in governmental funds. In the Statement of Net Assets, 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 Assets.		
Debt principal repaid	1,760,389	
Amortization of pension assets	(369,012)	1,391,377
In the Statement of Activities interest is accrued on long-term debt, whereas in the governmental funds it is recorded as an expense when due.		(413,819)
Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the Statement of Activities property taxes are recognized as revenue when levied.		(13,908)
Early retirement incentives are recognized as an expenditure in the governmental fund when they are paid. In the Statement of Activities compensated absences are recognized as expenditures when earned.		52,383
CHANGE IN NET ASSETS		$ (45,633)

The accompanying notes are an integral part of the financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

St. Helens School District (the District) is a municipal corporation governed by a separately elected five-member Board of Directors. Administrative officials are approved by the Board. The daily functioning of the District is under the supervision of the Superintendent-Clerk. As required by accounting principles generally accepted in the United States of America, all activities of the District have been included in the basic financial statements.

The District qualifies as a primary government since it has a separately elected governing body, is a legally separate entity, and is fiscally independent. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) governmental organizations for which the primary government is not financially accountable, but for which the nature and significance of their financial relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be governmental organizations for which the primary government is not financially accountable, but for which the nature and significance of their financial relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Columbia County Education Campus, a charter school sponsored by the District, is reported as a discretely presented component unit and their complete financial statements may be obtained from them.

Basis of Presentation

Government-wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the District. These statements include the governmental financial activities of the overall District, except fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Governmental activities are financed primarily through property taxes, intergovernmental revenues and charges for services.

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

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

Fund Financial Statements

The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds, each being displayed in a separate column. All remaining governmental funds are aggregated and reported as other governmental funds.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

The District reports the following major governmental funds:

General Fund - This is the District's primary operating fund and accounts for all revenues and expenditures except those required to be accounted for in another fund. Principal revenue sources are an apportionment from the State of Oregon and property taxes.

Debt Service Fund - This fund accounts for the payment of principal and interest on general obligation bonded debt. Principal revenue sources are property taxes.

In addition, the District reports the following as nonmajor governmental funds:

Grants Fund - This fund is used to account for resources and expenditures from Federal and State grants.

Food Services Fund - This fund accounts for the various food service programs provided by the District. The sale of food and Federal reimbursements administered by the State are the major revenue sources.

Student Services Fund - This fund accounts for the District's activity and athletic programs. The major sources of revenue are student participation fees and receipts from event admission charges.

Lottery Bond Fund - This fund accounts for the receipt and expenditures of funds from the State of Oregon designated for replacement of equipment.

Early Retirement Fund - This fund was established to fund the District's Early Retirement Incentive Plan. It is funded by transfers from the General Fund.

Debt Service - PERS Fund - This fund accounts for the payment of principal and interest on bonded debt issued to fund a portion of the District's unfunded actuarial liability to Oregon PERS. Principal revenue sources are charges to other funds.

Instructional Materials Fund - This fund accounts for the purchase of textbooks and instructional materials as required by Oregon Department of Education.

Use of Estimates

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District receives value without giving equal value in exchange, include property taxes, grants, entitlements and donations. Under the accrual basis of accounting, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues.

Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs and then general resources.

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

Cash, Cash Equivalents and Investments

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

The District's investments consist of the State of Oregon Treasurer's Local Government Investment Pool (LGIP). The LGIP investment is stated at cost which approximates fair value.

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

Property Taxes Receivable

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts and Other Receivables

Accounts and other receivables are comprised primarily of State school support and claims for reimbursement of costs under various federal and state grants.

Grants

Unreimbursed expenditures due from grantor agencies are reflected in the basic financial statements as receivables and revenues. Grant revenues are recorded at the time eligible expenditures are incurred. Grant monies received prior to the occurrence of qualifying expenditures are recorded as unearned revenue on the statement of net assets and the balance sheet.

Inventories

Inventories of supplies and materials in the governmental funds are stated at cost. Inventories of food and supplies are valued at invoice cost (first-in, first-out). Inventoried items are charged to expenditures of the user department at the time of withdrawal from inventory (consumption method). Commodity inventories are recorded and are offset by a change to deferred revenue as title to them is not considered to pass to the District until they are consumed.

Capital Assets

Capital assets are recorded at original or estimated original cost. Donated capital assets are recorded at their estimated fair market value on the date donated. The District defines capital assets as assets with an initial cost of more than $5,000 and an estimated life in excess of three years. Interest incurred during construction, maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

Land improvements	12 to 20 years
Buildings and improvements	20 to 50 years
Equipment and vehicles	3 to 20 years

Pension Asset

The pension asset consists of lump-sum payments to PERS in partial payment of the District's unfunded actuarial liability. The pension asset is equal to these payments made from the issuance of pension bonds less accumulated amortization calculated on the straight-line method over the life of the pension obligation bonds.

Retirement Plans

Substantially all of the District's employees are participants in the State of Oregon Public Employees Retirement System (PERS). Contributions to PERS are made on a current basis as required by the plan and are charged as expenses/expenditures as funded.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Post Employment Health Care Benefits

The Board of Directors, through contract negotiation, previously authorized the District to offer early retirement health insurance benefits to all non-temporary employees. Expenditures are recorded in the governmental funds as insurance premiums are incurred. The estimated potential future insurance premiums is recorded in the Statement of Net Assets.

Compensated Absences

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

Long-term Debt

In the government-wide financial statements long-term debt is reported as a liability in the Statement of Net Assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

Budget

A budget is prepared and legally adopted for each governmental fund type on the modified accrual basis of accounting. The budgetary basis of accounting is the same as accounting principles generally accepted in the United States of America for the governmental fund types except that capital outlay expenditures, including items below the District's capitalization level, are budgeted by major function in governmental fund types, and that the District has chosen to accrue state school fund revenue for budget purposes that was not appropriated by the state until the following year. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

***Budget** (Continued)*

Supplemental budgets less than 10% of a fund's original budget may be adopted by the Board at a regular meeting. A supplemental budget greater than 10% of a 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) with Board approval. During the year, one appropriation transfer was made and no supplemental budgets were adopted. Appropriations lapse at the end of each fiscal year.

CASH AND INVESTMENTS

The District maintains an internal cash and investments pool that is available for use by all funds. Each fund's portion of the pool is displayed in the basic financial statements as "cash and investments."

Cash and investments are comprised of the following as of June 30, 2007:

	Carrying Value	*Fair Value*
Cash		
Cash on hand	$ 70	$ 70
Deposits with financial institutions	(119,445)	(119,445)
Cash held by fiscal agent	113,097	113,097
Investments		
Local Government Investment Pool	3,204,078	3,204,078
	$ 3,197,800	$ 3,197,800

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to the District. Protection of District deposits is provided by the Federal Deposit Insurance Corporation and collateralization as required by Oregon Revised Statutes.

At year end, the book balance of the District's bank deposits (checking accounts) is $(119,445) and the bank balance is $391,407. The difference is due to transactions in process. Of these deposits, $241,899 was covered by federal depository insurance, the remaining amount is covered by certificates of collateral, in conformity with Oregon law, held in the pledging bank's trust department in the District's name.

Oregon law requires governmental deposits to be made in banks where they are protected either by depository insurance or the financial institution is required to maintain on deposit with a collateral pool manager securities having a value of not less than 25% of the face value of the certificate issued by the pool manager. When such securities are deposited with the pool manager, covered funds are considered to be fully collateralized under Oregon law. The collateral is held by a state-sponsored pool manager, which is a commercial bank, in the name of the pool manager, with the collateral certificate issued by the pool manager in the name of the District. This does not constitute full collateralization of deposits, but meets Oregon legal requirements.

***CASH AND INVESTMENTS** (Continued)*

Investments

State statutes and District policy authorize the District to invest primarily in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, certain commercial paper and the state treasurer's investment pool, among others.

The State Treasurer of the State of Oregon maintains the Oregon Short-Term Fund, of which the Local Government Investment Pool is part. Participation by local governments is voluntary. The State of Oregon investment policies are governed by statute and the Oregon Investment Council. In accordance with Oregon Statutes, the investment funds are invested as a prudent investor would, exercising reasonable care, skill and caution. The Oregon Short-Term Fund is the LGIP for local governments and was established by the State Treasurer. It was created to meet the financial and administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). At June 30, 2007, the fair value of the position in the Oregon State Treasurer's Short-Term Investment Pool was approximately equal to the value of the pool shares. The investment in the Oregon Short-Term Fund is not rated for investment credit quality. Separate financial statements for the Oregon Short-Term Fund are available from the Oregon State Treasurer.

Interest Rate Risk

In accordance with its investment policy, the District manages its exposure to declines in fair value of its investments by limiting their investments to the LGIP.

Custodial Credit Risk - Investments

For an investment, this is the risk that, in the event of a failure of the counterparty, the District will not be able to recover the value of its investments or collateralized securities that are in the possession of an outside party. The District's investment policy limits the types of investments that may be held and does not allow securities to be held by the counterparty.

The LGIP is administered by the Oregon State Treasury with the advice of other state agencies and is not registered with the U.S. Securities and Exchange Commission. The LGIP is an open-ended no-load diversified portfolio offered to any agency, political subdivision, or public corporation of the state that by law is made the custodian of, or has control of any fund. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon Legislature established the Oregon Short Term Fund Board, which has established diversification percentages and specifies the types and maturities of the investments. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP. These investments within the LGIP must be invested and managed as a prudent investor would, exercising reasonable care, skill and caution. Professional standards indicate that the investments in external investment pools are not subject to custodial risk because they are not evidenced by securities that exist in physical or book entry form. Nevertheless, management does not believe that there is any substantial custodial risk related to investments in the LGIP.

CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2007 is as follows:

	Balance July 1, 2006	*Increases*	*Decreases*	*Balance June 30, 2007*
Governmental Activities:				
Capital assets, not being depreciated:				
Land	$ 1,277,500	$ -	$ -	$ 1,277,500
Capital assets, being depreciated:				
Land improvements	1,116,459	-	-	1,116,459
Buildings and improvements	35,296,128	-	-	35,296,128
Equipment	6,446,209	444,061	(160,370)	6,729,900
Vehicles	170,832	-	-	170,832
Total Capital Assets Being Depreciated	43,029,628	444,061	(160,370)	43,313,319
Accumulated depreciation for:				
Land improvements	956,395	29,108	-	985,503
Buildings and improvements	9,408,981	631,168	-	10,040,149
Equipment	4,350,803	703,106	(160,370)	4,893,539
Vehicles	157,865	1,485	-	159,350
Total Accumulated Depreciation	14,874,044	1,364,867	(160,370)	16,078,541
Total Capital Assets Being Depreciated, net	28,155,584	(920,806)	-	27,234,778
Total Capital Assets, net	$ 29,433,084	$ (920,806)	$ -	$ 28,512,278

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

Program	
Instructional programs	$ 929,862
Support services	
Other support services	429,178
Food services	5,827
Total	$ 1,364,867

LONG-TERM DEBT

Long-term debt transactions for the year were as follows:

	Original Issue	*Outstanding July 1, 2006*	*Issued*	*Matured/ Redeemed During Year*	*Outstanding June 30, 2007*	*Due Within One Year*
Pension bonds - Series 2002	$ 10,722,217	$ 10,556,981	$ -	$ 102,060	$ 10,454,921	$ 120,178
Pension bonds - Series 2003	14,312,440	13,889,378	-	308,978	13,580,400	330,332
General obligations bonds - Series 1999	18,881,406	12,250,979	-	1,164,351	11,086,628	1,143,579
Capital lease obligations	2,280,000	715,000	-	185,000	530,000	200,000
		$ 37,412,338	$ -	$ 1,760,389	$ 35,651,949	$ 1,794,089

Pension bonds - issued October 2002, due in annual installments of $471,139 to $1,535,718, including interest at 2.06% to 6.10% through 2028	$ 10,454,921
Pension bonds - issued April 2003, due in annual installments of $531,222 to $2,102,448, including interest at 1.5% to 6.27% through 2028	13,580,400
General obligation bonds - Series 1999 - issued February 1999, due in annual installments of $879,819 to $1,164,351, plus interest paid semi-annually at 3.70% to 5.05% through 2018	11,086,628
Capital lease obligation - issued August 1997, due in annual installments of $110,000 to $165,000, plus interest paid semi-annually at 3.90% to 4.90% through 2007	165,000
Capital lease obligation - issued May 2001, due in annual installments of $17,000 to $50,000, plus interest paid semi-annually at 3.50% to 5.75% through 2016	365,000
	$ 35,651,949

General obligation bonds are direct obligations and pledge the full faith and credit of the District. The District issues general obligation bond to provide funds for the acquisition and construction of District school facilities. The general obligation bonds will be paid from general property tax revenues from the Debt Service Fund.

Pension obligation bonds will be paid from revenues in the Debt Service PERS Fund generated by changes to other funds.

In October 2002, St. Helens School District participated as one of forty-one Oregon school districts and education service districts in issuing limited tax pension bonds, the proceeds of which were used to finance a portion of the estimated unfunded actuarial liability of each participating school district the Oregon Public Employees Retirement Systems (PERS). The Oregon School Boards Association (OSBA) sponsored this pooled limited tax pension bond program. OSBA does not have a financial obligation in connection with the bonds issued under the program. Except for the payment of its pension bond payments and additional charges when due, each participating school district has no obligation or liability to any other participating school district's pension bonds or liabilities to PERS.

***LONG-TERM DEBT** (Continued)*

In April 2003, OSBA sponsored another pooled limited tax pension bond program with thirty school districts and education service districts. The District records the amounts deposited with PERS as a prepayment on its actuarial obligation, and accounts for the payment of principal, interest and the amortization of the prepayment as pension expense over the life of the bonds. The District anticipates that the total costs of financing the District's actuarial obligation in this way will result in a significant saving to the District when compared to paying for such costs in additional contributions to PERS.

The District issued $10,722,217 Limited Tax Pension Obligations, Series 2002 (Federally Taxable), of which $2,747,217 are Series 2002A (deferred interest obligations) and $7,975,000 are Series 2002B (current interest obligations). The 2002 series Limited Tax Pensions Obligations were issued on October 31, 2002, and are payable annually through June 2028. Interest on the deferred interest bonds is accreted semiannually at yields ranging from 2.06% to 6.10%. Interest on the current coupon bonds is payable semiannually at rates ranging from 5.48% to 5.55%. The Series 2002B Obligations are subject to mandatory prepayment, which is included in the maturity schedule presented below. The bonds are federally taxable and, except for the 2021 maturity, are not subject to optional prepayment prior to their stated maturities. The 2021 maturity is subject to optional prepayment on and after June 30, 2007 at par.

The District issued $14,312,440 Limited Tax Pension Obligations, Series 2003 (Federally Taxable), of which $6,742,440 are Series 2003A (deferred interest obligations) and $7,570,000 are Series 2003B (current interest obligations). The Series 2003 Limited Tax Pensions Obligations were issued on April 30, 2003, and are payable annually through June 2028. Interest on the deferred interest bonds is accreted semiannually at yields ranging from 1.50% to 6.27%. Interest on the current coupon bonds is payable semiannually at rates ranging from 5.63% to 5.68%. The bonds are federally taxable and are not subject to optional prepayment prior to their stated maturities.

Future debt service requirements are as follows:

Fiscal Year Ending June 30,	*Principal*	*Interest*	*Total*
2008	$ 1,794,089	$ 1,564,282	$ 3,358,371
2009	1,640,453	1,677,248	3,317,701
2010	1,641,478	1,809,561	3,451,039
2011	1,641,064	1,953,277	3,594,341
2012	1,632,252	2,105,109	3,737,361
2013-2017	7,909,505	13,092,251	21,001,756
2018-2022	4,995,072	10,406,286	15,401,358
2023-2027	12,813,036	3,786,826	16,599,862
2028	1,585,000	89,164	1,674,164
	$ 35,651,949	$ 36,484,004	$ 72,135,953

POST EMPLOYMENT HEALTH CARE BENEFITS

Plan Description - The District maintains a single employer early retirement supplement program for its employees. This program covers all full-time certificated, confidential, classified and administrative personnel of the District.

These programs have generally been established under separate collective bargaining agreements and provide provisions for early retirement after 17 years regular service and 30 years of participation in Oregon PERS (if under age 58). This optional early retirement program provides the employee with the following:

- For eligible certificated employees a monthly payment toward group medical, dental and vision insurance of $400 is provided until retiree qualifies for Medicare.
- For eligible classified employees a monthly payment toward group medical, dental and vision insurance of $250 is provided until retiree qualifies for Medicare.
- For eligible administrators, a monthly payment toward group medical, dental and vision insurance of $450 is provided until retiree qualifies for Medicare.

Funding Policy - The benefits from this program are fully paid by the District, however contributions by employees are required to cover any unpaid premiums which exceed these benefits. There is no obligation on the part of the District to fund these benefits in advance. The District has chosen to accrue and pay these benefits as they come due. During the year ended June 30, 2007, expenditures related to early retirement benefits totaled $324,950 paid to 72 participants.

Plan activity for the year is as follows:

Outstanding July 1, 2006	*Increases*	*Payments*	*Outstanding June 30, 2007*
$ 1,614,620	$ 272,567	$ 324,950	$ 1,562,237

Amounts due in the current year are $324,052.

These benefits will be paid from Early Retirement Fund and General Fund resources.

INTER-FUND ACTIVITY

The District completed the following inter-fund transactions during the year ended June 30, 2007:

	Transfers In	*Transfers Out*
Fund		
General	$ -	$ 1,189,928
Other governmental funds		
Instructional Materials	275,000	-
Early Retirement	375,000	-
Grants Fund		
Oregon Youth Conservation	105,000	-
Columbia County Education Campus	409,928	-
High School Day Care	25,000	-
	$ 1,189,928	$ 1,189,928

Interfund transfers are used to pay administrative services, provide funds for debt service, and provide operational resources.

PENSION PLAN

The District contributes to two pension plans administered by the Oregon Public Employees Retirement System (PERS). The Oregon Public Employees Retirement Fund (OPERF) applies to the District's contribution for qualifying employees who were hired before August 29, 2003, and is a cost sharing multiple-employer defined benefit pension plan. The Oregon Public Service Retirement Plan (OPSRP) is a hybrid successor plan to the OPERF and consists of two programs:

1. The Pension Program, the defined benefit portion of the plan, applies to qualifying District employees hired after August 29, 2003, and to inactive employees who return to employment following a six-month or greater break in service. Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service.

2. Beginning January 1, 2004, all PERS member contributions go into the Individual Account Program (IAP), the defined contribution portion of the plan. PERS members retain their existing PERS accounts, but any future member contributions are deposited into the member's IAP, not the member's PERS account.

Both PERS plans provide retirement and disability benefits, post employment healthcare benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS is administered under Oregon Revised Statute Chapter 238, which establishes the Public Employees Retirement Board as the governing body of PERS. PERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to PERS, P.O. Box 73, Portland, Oregon 97207-0073 or by calling 503-598-7377.

PENSION PLAN (Continued)

Funding Policy

Members of PERS are required to contribute 6.00% of their salary covered under the plan, which is invested in the OPSRP Individual Account Program. The District is required by ORS 238.225 to contribute at an actuarially determined rate for the qualifying employees under the OPERF plan, and a general service rate for the employees for the qualifying employees under the OPSRP plan. The OPERF and the OPSRP rates in effect for the year ended June 30, 2007 were 12.82% and 8.04% respectively. During prior years, the District issued limited tax pension bonds, the proceeds of which were used to finance a portion of its estimated unfunded actuarial liability. This contribution rate was revised by the Retirement Board to reflect the issue of pension bonds to finance a portion of the estimated unfunded actuarial liability. The rate is currently 0.59%. The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature.

Annual Pension Cost

Current law permits employers to pay employee contributions to the Retirement Fund. The 6% employee contribution was paid by employees and amounts to $856,856, $789,780, and $729,943 for the years ended June 30, 2007, 2006 and 2005, respectively. Total payroll was $15,618,588 and covered payroll was $14,208,855 for the year ended June 30, 2007. The District's contributions to PERS, exclusive of the employee contributions, for the years ended June 30, 2007, 2006 and 2005 were $44,074, $107,759, and $135,202, respectively, which equaled the required contributions for each year.

RISK MANAGEMENT

The District purchases commercial insurance to cover all commonly insurable risks, including property, liability, vehicles, fidelity bond, worker's compensation and unemployment. All policies carry a small deductible amount. No insurance claims settled in each of the prior three years have exceeded policy coverage.

DEFERRED COMPENSATION

The District has made available to its employees a deferred compensation plan where they may defer amounts earned until either termination by reason of death, resignation, disability, or retirement. These deposits are not subject to the collateral requirements of Oregon law and are excluded from resources for budgetary purposes. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All amounts deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are held in trust for the exclusive benefit of the participants and their beneficiaries.

CLAIMS AND LITIGATION

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

Management has represented that there are no uninsured contingent liabilities that require disclosure or recognition in accordance with FASB Statement No. 5. Such contingent liabilities would include, but would not be confined to: notes or accounts receivable which have been discounted; pending suits; proceedings, hearings, or negotiations possibly involving retroactive adjustments; unsatisfied judgments or claims; taxes in dispute; endorsements or guarantees; and options.

REQUIRED SUPPLEMENTAL INFORMATION

ST. HELENS SCHOOL DISTRICT, ST. HELENS, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

YEAR ENDED JUNE 30, 2007

	Original Budget	*Final Budget*	*Actual*	*Variance*
REVENUES				
Local sources	$ 6,226,689	$ 6,226,689	$ 6,862,399	$ 635,710
Intermediate sources	65,000	65,000	277,745	212,745
State sources	17,717,701	17,717,701	17,754,729	37,028
Total Revenues	24,009,390	24,009,390	24,894,873	885,483
EXPENDITURES				
Instruction				
Salaries	10,211,499	10,211,499	10,206,065	5,434
Employee benefits	4,019,301	4,019,301	3,630,208	389,093
Purchased services	94,760	93,008	77,414	15,594
Supplies and materials	254,301	248,980	251,778	(2,798)
Capital outlay	39,200	39,070	23,042	16,028
Other objects	5,840	5,840	3,401	2,439
Total Instruction	14,624,901	14,617,698	14,191,908	425,790
Support Services				
Salaries	3,960,277	3,924,277	3,812,622	111,655
Employee benefits	1,730,749	1,730,749	1,651,261	79,488
Purchased services	2,653,190	2,682,574	2,736,152	(53,578)
Supplies and materials	332,320	331,732	346,937	(15,205)
Capital outlay	403,125	417,532	392,801	24,731
Other objects	189,900	189,900	171,631	18,269
Total Support Services	9,269,561	9,276,764	9,111,404	165,360
Facilities Acquisition and Construction				
Purchased services	500,000	500,000	442,776	57,224
Other Uses				
Purchased services	7,500	7,500	1,958	5,542
Other objects	217,500	217,500	217,386	114
Total Other Uses	225,000	225,000	219,344	5,656
Operating Contingency	600,000	600,000	-	600,000
Total Expenditures	25,219,462	25,219,462	23,965,432	1,254,030
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,210,072)	(1,210,072)	929,441	2,139,513
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,189,928)	(1,189,928)	(1,189,928)	-
NET CHANGE IN FUND BALANCE	(2,400,000)	(2,400,000)	(260,487)	2,139,513
FUND BALANCE, Beginning of year	2,400,000	2,400,000	2,607,601	207,601
FUND BALANCE, End of year	$ -	$ -	$ 2,347,114	$ 2,347,114

OTHER SUPPLEMENTAL INFORMATION

ST. HELENS SCHOOL DISTRICT, ST. HELENS, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND

YEAR ENDED JUNE 30, 2007

	Original Budget	*Final Budget*	*Actual*	*Variance*
REVENUES				
Local sources	$ 1,655,500	$ 1,655,500	$ 1,685,082	$ 29,582
EXPENDITURES				
Other uses				
Debt service	1,665,000	1,665,000	1,665,000	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(9,500)	(9,500)	20,082	29,582
FUND BALANCE, Beginning of year	9,500	9,500	48,381	38,881
FUND BALANCE, End of year	$ -	$ -	$ 68,463	$ 68,463

ST. HELENS SCHOOL DISTRICT, ST. HELENS, OREGON
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2007

	Grants Fund	Food Services Fund	Student Services Fund
ASSETS			
Cash and investments	$ (145,580)	$ (87,276)	$ 293,674
Accounts receivable	169,495	93,233	-
Inventories	-	1,225	-
Total Assets	$ 23,915	$ 7,182	$ 293,674
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	$ 22,382	$ 4,001	$ -
Fund Balances			
Reserved for inventories	-	1,225	-
Unreserved, reported in nonmajor			
Special revenue funds	1,533	1,956	293,674
Debt service fund	-	-	-
Total Fund Balances	1,533	3,181	293,674
Total Liabilites and Fund Balances	$ 23,915	$ 7,182	$ 293,674

Lottery Bond Fund	*Instructional Materials Fund*	*Early Retirement Fund*	*Debt Service PERS*	*Total Nonmajor Governmental Funds*
$ 1,381	$ 100,622	$ 328,232	$ 63,423	$ 554,476
-	-	-	-	262,728
-	-	-	-	1,225
$ 1,381	$ 100,622	$ 328,232	$ 63,423	$ 818,429
$ -	$ 2,304	$ -	$ -	$ 28,687
-	-	-	-	1,225
1,381	98,318	328,232	-	725,094
-	-	-	63,423	63,423
1,381	98,318	328,232	63,423	789,742
$ 1,381	$ 100,622	$ 328,232	$ 63,423	$ 818,429

ST. HELENS SCHOOL DISTRICT, ST. HELENS, OREGON

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

YEAR ENDED JUNE 30, 2007

	Grants Fund	*Food Services Fund*	*Student Services Fund*
REVENUES			
Local sources	$ 98,673	$ 317,413	$ 635,995
State sources	48,402	11,873	-
Federal sources	1,332,948	500,810	-
Total Revenues	1,480,023	830,096	635,995
EXPENDITURES			
Current			
Instruction	1,749,516	-	646,418
Support services	223,338	-	-
Enterprise and community services	73,964	-	-
Food services	-	840,140	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Capital outlay	26,984	1,234	-
Total Expenditures	2,073,802	841,374	646,418
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(593,779)	(11,278)	(10,423)
OTHER FINANCING SOURCES (USES)			
Transfers in	539,928	-	-
NET CHANGE IN FUND BALANCES	(53,851)	(11,278)	(10,423)
FUND BALANCES, Beginning of year	55,384	14,459	304,097
FUND BALANCES, End of year	$ 1,533	$ 3,181	$ 293,674

Lottery Bond Fund	*Instructional Materials Fund*	*Early Retirement Fund*	*Debt Service PERS*	*Total Nonmajor Governmental Funds*
$ -	$ -	$ 18,422	$ 1,354,518	$ 2,425,021
-	-	-	-	60,275
-	-	-	-	1,833,758
-	-	18,422	1,354,518	4,319,054
-	176,709	-	-	2,572,643
-	-	325,998	-	549,336
-	-	-	-	73,964
-	-	-	-	840,140
-	-	-	411,038	411,038
-	-	-	934,098	934,098
-	-	-	-	28,218
-	176,709	325,998	1,345,136	5,409,437
-	(176,709)	(307,576)	9,382	(1,090,383)
-	275,000	375,000	-	1,189,928
-	98,291	67,424	9,382	99,545
1,381	27	260,808	54,041	690,197
$ 1,381	$ 98,318	$ 328,232	$ 63,423	$ 789,742

ST. HELENS SCHOOL DISTRICT, ST. HELENS, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GRANTS FUND

YEAR ENDED JUNE 30, 2007

	Original Budget	*Final Budget*	*Actual*	*Variance*
REVENUES				
Local sources	$ 139,939	$ 139,939	$ 98,673	$ (41,266)
Intermediate sources	4,160	4,160	-	(4,160)
State sources	60,281	60,281	48,402	(11,879)
Federal sources	1,409,231	1,696,840	1,332,948	(363,892)
Total Revenues	1,613,611	1,901,220	1,480,023	(421,197)
EXPENDITURES				
Current				
Instruction				
Salaries	1,198,466	1,223,666	1,163,890	59,776
Employee benefits	541,766	517,135	425,353	91,782
Purchased services	74,203	134,368	37,161	97,207
Supplies and materials	82,120	170,700	121,553	49,147
Capital outlay	29,454	30,338	26,984	3,354
Other objects	32,683	29,172	1,559	27,613
Total Instruction	1,958,692	2,105,379	1,776,500	328,879
Support Services				
Salaries	27,968	95,277	100,892	(5,615)
Employee benefits	10,306	39,832	29,469	10,363
Purchased services	77,077	101,188	74,375	26,813
Supplies and materials	4,797	27,843	18,602	9,241
Capital outlay	-	-	-	-
Other objects	-	3,927	-	3,927
Total Supportg Services	120,148	268,067	223,338	44,729
Enterprise and Community Services				
Salaries	53,276	61,578	52,333	9,245
Employee benefits	33,423	35,203	20,945	14,258
Purchased services	-	-	121	(121)
Supplies and materials	-	500	565	(65)
Total Enterprise and Community Services	86,699	97,281	73,964	23,317
Total Expenditures	2,165,539	2,470,727	2,073,802	396,925
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(551,928)	(569,507)	(593,779)	(24,272)
OTHER FINANCING SOURCES (USES)				
Transfers in	539,928	539,928	539,928	-
NET CHANGE IN FUND BALANCE	(12,000)	(29,579)	(53,851)	(24,272)
FUND BALANCE, Beginning of year	12,000	29,579	55,384	25,805
FUND BALANCE, End of year	$ -	$ -	$ 1,533	$ 1,533

ST. HELENS SCHOOL DISTRICT, ST. HELENS, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - FOOD SERVICES FUND

YEAR ENDED JUNE 30, 2007

	Original Budget	*Final Budget*	*Actual*	*Variance*
REVENUES				
Local sources	$ 308,250	$ 308,250	$ 317,413	$ 9,163
State sources	13,500	13,500	11,873	(1,627)
Federal sources	514,537	514,537	500,810	(13,727)
Total Revenues	836,287	836,287	830,096	(6,191)
EXPENDITURES				
Enterprise and Community Services				
Salaries	281,695	281,695	282,207	(512)
Employee benefits	96,017	96,017	101,896	(5,879)
Purchased services	9,325	10,925	13,806	(2,881)
Supplies and materials	453,250	451,650	441,161	10,489
Capital outlay	5,000	5,000	1,234	3,766
Other objects	1,000	1,000	1,070	(70)
Total Enterprise and Community Services	846,287	846,287	841,374	4,913
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(10,000)	(10,000)	(11,278)	(1,278)
FUND BALANCE, Beginning of year	10,000	10,000	14,459	4,459
FUND BALANCE, End of year	$ -	$ -	$ 3,181	$ 3,181

ST. HELENS SCHOOL DISTRICT, ST. HELENS, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - STUDENT SERVICES FUND

YEAR ENDED JUNE 30, 2007

	Original Budget	*Final Budget*	*Actual*	*Variance*
REVENUES				
Local sources	$ 568,250	$ 568,250	$ 635,995	$ 67,745
EXPENDITURES				
Instruction				
Supplies and materials	853,250	853,250	646,418	206,832
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(285,000)	(285,000)	(10,423)	274,577
FUND BALANCE, Beginning of year	285,000	285,000	304,097	19,097
FUND BALANCE, End of year	$ -	$ -	$ 293,674	$ 293,674

ST. HELENS SCHOOL DISTRICT, ST. HELENS, OREGON

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - LOTTERY BOND FUND

YEAR ENDED JUNE 30, 2007

	Original Budget	*Final Budget*	*Actual*	*Variance*
FUND BALANCE, Beginning of year	$ -	$ -	$ 1,381	$ 1,381
FUND BALANCE, End of year	$ -	$ -	$ 1,381	$ 1,381

ST. HELENS SCHOOL DISTRICT, ST. HELENS, OREGON

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - INSTRUCTIONAL MATERIALS FUND

YEAR ENDED JUNE 30, 2007

	Original Budget	*Final Budget*	*Actual*	*Variance*
REVENUES	$ -	$ -	$ -	$ -
EXPENDITURES				
Instruction				
Salaries	-	-	580	(580)
Employee benefits	-	-	943	(943)
Supplies and materials	275,000	275,000	175,186	99,814
Total Instruction	275,000	275,000	176,709	98,291
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(275,000)	(275,000)	(176,709)	98,291
OTHER FINANCING SOURCES (USES)				
Transfers in	275,000	275,000	275,000	-
NET CHANGE IN FUND BALANCE	-	-	98,291	98,291
FUND BALANCE, Beginning of year	-	-	27	27
FUND BALANCE, End of year	$ -	$ -	$ 98,318	$ 98,318

ST. HELENS SCHOOL DISTRICT, ST. HELENS, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - EARLY RETIREMENT FUND

YEAR ENDED JUNE 30, 2007

	Original Budget	*Final Budget*	*Actual*	*Variance*
REVENUES				
Local sources	$ 7,500	$ 7,500	$ 18,422	$ 10,922
EXPENDITURES				
Support Services				
Employee benefits	385,965	385,965	325,998	59,967
Operating Contingency	146,535	146,535	-	146,535
Total Expenditures	532,500	532,500	325,998	206,502
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(525,000)	(525,000)	(307,576)	217,424
OTHER FINANCING SOURCES (USES)				
Transfers in	375,000	375,000	375,000	-
NET CHANGE IN FUND BALANCE	(150,000)	(150,000)	67,424	217,424
FUND BALANCE, Beginning of year	150,000	150,000	260,808	110,808
FUND BALANCE, End of year	$ -	$ -	$ 328,232	$ 328,232

ST. HELENS SCHOOL DISTRICT, ST. HELENS, OREGON

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE PERS FUND

YEAR ENDED JUNE 30, 2007

	Original Budget	*Final Budget*	*Actual*	*Variance*
REVENUES				
Local sources	$ 1,345,136	$ 1,345,136	$ 1,354,518	$ 9,382
EXPENDITURES				
Other uses				
Debt Service	1,345,136	1,345,136	1,345,136	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	9,382	9,382
FUND BALANCE, Beginning of year	-	-	54,041	54,041
FUND BALANCE, End of year	$ -	$ -	$ 63,423	$ 63,423

ST. HELENS SCHOOL DISTRICT, ST. HELENS, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

YEAR ENDED JUNE 30, 2007

Code	*Function*	*Actual*	*Budget*	*Variance*
	LOCAL REVENUES			
1111	Current year's taxes	$ 6,196,202	$ 5,856,689	$ 339,513
1112	Prior year's taxes	228,403	175,000	53,403
1500	Earnings on investments	296,761	125,000	171,761
1700	Extracurricular activities	7,759	20,000	(12,241)
1910	Rentals	57,216	40,000	17,216
1990	Miscellaneous	76,058	10,000	66,058
1000	*Total Local Revenues*	6,862,399	6,226,689	635,710
	INTERMEDIATE REVENUES			
2101	County school funds	75,037	25,000	50,037
2105	Natural gas, oil and mineral receipts	202,708	40,000	162,708
2000	*Total Intermediate Revenues*	277,745	65,000	212,745
	STATE REVENUES			
3101	State school fund - general support	17,153,136	17,409,588	(256,452)
3103	Common school fund	418,700	308,113	110,587
3104	State managed county timber	182,893	-	182,893
3000	*Total State Revenues*	17,754,729	17,717,701	37,028
5400	***FUND BALANCE, Beginning of year***	2,607,601	2,400,000	207,601
6000	*Total Resources*	$ 27,502,474	$ 26,409,390	$ 1,093,084

ST. HELENS SCHOOL DISTRICT, ST. HELENS, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (Continued)

YEAR ENDED JUNE 30, 2007

Code	*Function*	*100 Salaries*	*200 Employee Benefits*	*300 Purchased Services*
	INSTRUCTION			
1100	Regular programs			
1111	Primary, K-3	$ 2,001,093	$ 633,431	$ 2,160
1112	Intermediate programs	1,775,426	625,256	3,386
1121	Middle/junior high programs	1,872,687	666,335	664
1122	Middle/junior high school extracurricular	65,975	16,564	4,411
1131	High school programs	2,400,462	855,672	4,902
1132	High school extracurricular	286,786	75,984	31,310
1200	Special programs			
1210	Programs for the talented and gifted	64,987	20,081	4,619
1220	Programs for students with mental disabilities	428,405	208,575	3,232
1250	Resource rooms	1,110,783	461,891	18,943
1260	Early intervention	51,097	19,117	110
1280	Alternative education	50,191	15,072	2,844
1291	English second language programs	94,930	31,637	833
1299	Other programs	3,243	593	-
1000	*Total Instruction*	10,206,065	3,630,208	77,414
	SUPPORT SERVICES			
2100	Students			
2110	Attendance and social work services	58,362	20,364	1,923
2120	Guidance services	601,745	236,652	1,686
2130	Health services	113,291	37,824	1,376
2140	Psychological services	62,111	20,761	2,470
2150	Speech pathology and audiology services	169,643	74,804	26,219
2200	Instructional staff	388,993	220,789	41,948
2300	General administration	228,228	75,595	126,936
2400	School administration	1,017,639	378,827	75,525
2500	Business			
2520	Fiscal services	259,603	167,266	32,658
2540	Operation and maintenance of plant services	775,617	363,680	1,218,659
2550	Student transportation services	9,785	2,725	-
2570	Internal services	-	-	1,110,235
2600	Central activities			
2660	Technology services	127,605	51,974	96,517
2000	*Total Support Services*	3,812,622	1,651,261	2,736,152
	FACILITIES ACQUISITION AND CONSTRUCTION			
4120	Site acquisition and development services	-	-	362,327
4150	Building acquisition, construction and improvement services	-	-	80,449
4000	*Total Facilities Acquisition and Construction*	-	-	442,776
	OTHER USES			
5100	Debt service	-	-	1,958
5200	Transfers of funds	-	-	-
5000	*Total Other Uses*	-	-	1,958
6000	***OPERATING CONTINGENCY***	-	-	-
7000	***FUND BALANCE, End of year***	-	-	-
8000	*Total Expenditures and Ending Balance*	$ 14,018,687	$ 5,281,469	$ 3,258,300

400 Supplies & Materials	*500 Capital Outlay*	*600 Other Objects*	*700 Transfers*	*Actual Fund Total*	*Appropriations*	*Variance*
$ 63,338	$ 451	$ -	$ -	$ 2,700,473		
40,253	(130)	-	-	2,444,191		
30,508	376	-	-	2,570,570		
-	-	-	-	86,950		
65,653	21,480	327	-	3,348,496		
1,013	-	2,410	-	397,503		
17	-	79	-	89,783		
18,377	865	-	-	659,454		
29,844	-	585	-	1,622,046		
740	-	-	-	71,064		
325	-	-	-	68,432		
1,710	-	-	-	129,110		
-	-	-	-	3,836		
251,778	23,042	3,401	-	14,191,908	$ 14,617,698	$ 425,790
600	-	-	-	81,249		
3,004	-	-	-	843,087		
4,813	-	-	-	157,304		
20	-	-	-	85,362		
2,761	-	-	-	273,427		
33,229	1,951	257	-	687,167		
31,678	1,870	159,078	-	623,385		
42,434	86,883	7,772	-	1,609,080		
-	-	-	-	459,527		
184,822	170,876	4,025	-	2,717,679		
-	-	-	-	12,510		
5,217	-	-	-	1,115,452		
38,359	131,221	499	-	446,175		
346,937	392,801	171,631	-	9,111,404	9,276,764	165,360
-	-	-	-	362,327		
-	-	-	-	80,449		
-	-	-	-	442,776	500,000	57,224
-	-	217,386	-	219,344		
-	-	-	1,189,928	1,189,928		
-	-	217,386	1,189,928	1,409,272	1,414,928	5,656
-	-	-	-	-	600,000	600,000
-	-	-	2,347,114	2,347,114	-	(2,347,114)
$ 598,715	$ 415,843	$ 392,418	$ 3,537,042	$ 27,502,474	$ 26,409,390	$ (1,093,084)

ST. HELENS SCHOOL DISTRICT, ST. HELENS, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GRANTS FUND

YEAR ENDED JUNE 30, 2007

Code	*Function*	*Actual*	*Budget*	*Variance*
	LOCAL REVENUES			
1700	Extracurricular activities	$ 41,052	$ 62,439	$ (21,387)
1800	Community services activities	57,616	77,500	(19,884)
1990	Miscellaneous	5	-	5
1000	*Total Local Revenues*	98,673	139,939	(41,266)
	INTERMEDIATE REVENUES			
2200	Restricted revenue	-	4,160	(4,160)
	STATE REVENUES			
3199	Other unrestricted grants-in-aid	-	7,000	(7,000)
3204	Driver education	4,871	3,750	1,121
3299	Other restricted grants-in-aid	43,531	49,531	(6,000)
3000	*Total State Revenues*	48,402	60,281	(11,879)
	FEDERAL REVENUES			
4300	Restricted revenue direct from the federal government	39,873	76,180	(36,307)
4500	Restricted revenue from the federal government through the state	1,293,075	1,620,660	(327,585)
4000	*Total Federal Revenues*	1,332,948	1,696,840	(363,892)
	OTHER SOURCES			
5200	Interfund transfers	539,928	539,928	-
5400	***FUND BALANCE, Beginning of year***	55,384	29,579	25,805
6000	*Total Resources*	$ 2,075,335	$ 2,470,727	$ (395,392)

ST. HELENS SCHOOL DISTRICT, ST. HELENS, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GRANTS FUND (Continued)

YEAR ENDED JUNE 30, 2007

Code	*Function*	*100 Salaries*	*200 Employee Benefits*	*300 Purchased Services*
	INSTRUCTION			
1100	Regular programs			
1112	Intermediate programs	$ -	$ -	$ 1,396
1121	Middle/junior high programs	-	-	-
1131	High school programs	403,484	153,392	16,316
1132	High school extracurricular	8,082	945	1,020
1200	Special programs			
1250	Resource rooms	457,392	185,373	14,334
1270	Educationally disadvantaged	294,932	85,643	4,095
1000	*Total Instruction*	1,163,890	425,353	37,161
	SUPPORT SERVICES			
2100	Students			
2120	Guidance services	9,571	835	-
2200	Instructional staff	91,321	28,634	57,316
2500	Business			
2540	Operation and maintenance of plant services	-	-	10,535
2550	Student transportation services	-	-	3,022
2570	Internal services	-	-	3,502
2000	*Total Support Services*	100,892	29,469	74,375
	ENTERPRISE AND COMMUNITY SERVICES			
3300	Community services			
3370	Nonpublic school student services	344	63	121
3390	Other community services	8,336	1,039	-
3500	Custody and care of children services	43,653	19,843	-
3000	*Total Enterprise and Community Services*	52,333	20,945	121
7000	***FUND BALANCE, End of year***	-	-	-
8000	*Total Expenditures and Ending Balance*	$ 1,317,115	$ 475,767	$ 111,657

400 Supplies & Materials	*500 Capital Outlay*	*600 Other Objects*	*700 Transfers*	*Actual Fund Total*	*Appropriations*	*Variance*
$ -	$ 5,305	$ -	$ -	$ 6,701		
899	-	-	-	899		
55,163	-	1,559	-	629,914		
-	-	-	-	10,047		
3,993	229	-	-	661,321		
61,498	21,450	-	-	467,618		
121,553	26,984	1,559	-	1,776,500	$ 2,105,379	$ 328,879
-	-	-	-	10,406		
18,075	-	-	-	195,346		
449	-	-	-	10,984		
-	-	-	-	3,022		
78	-	-	-	3,580		
18,602	-	-	-	223,338	268,067	44,729
30	-	-	-	558		
500	-	-	-	9,875		
35	-	-	-	63,531		
565	-	-	-	73,964	97,281	23,317
-	-	-	1,533	1,533	-	(1,533)
$ 140,720	$ 26,984	$ 1,559	$ 1,533	$ 2,075,335	$ 2,470,727	$ 395,392

ST. HELENS SCHOOL DISTRICT, ST. HELENS, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - FOOD SERVICES FUND

YEAR ENDED JUNE 30, 2007

Code	*Function*	*Actual*	*Budget*	*Variance*
	LOCAL REVENUES			
1600	Food service	$ 317,413	$ 308,250	$ 9,163
	STATE REVENUES			
3102	State school fund - school lunch match	11,873	13,500	(1,627)
	FEDERAL REVENUES			
4500	Restricted revenue from the federal government through the state	443,687	464,537	(20,850)
4900	Revenue for/on behalf of the district	57,123	50,000	7,123
4000	*Total Federal Revenues*	500,810	514,537	(13,727)
5400	***FUND BALANCE, Beginning of year***	14,459	10,000	4,459
6000	*Total Resources*	$ 844,555	$ 846,287	$ (1,732)

ST. HELENS SCHOOL DISTRICT, ST. HELENS, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - FOOD SERVICES FUND (Continued)

YEAR ENDED JUNE 30, 2007

Code	*Function*	*100 Salaries*	*200 Employee Benefits*	*300 Purchased Services*
	ENTERPRISE AND COMMUNITY SERVICES			
3100	Food services			
3110	Service area direction	$ 41,618	$ 14,876	$ 405
3120	Food preparation and dispensing services	240,589	87,020	13,401
3000	*Total Enterprise and Community Services*	282,207	101,896	13,806
7000	***FUND BALANCE, End of year***	-	-	-
8000	*Total Expenditures and Ending Balance*	$ 282,207	$ 101,896	$ 13,806

400 Supplies & Materials	*500 Capital Outlay*	*600 Other Objects*	*700 Transfers*	*Actual Fund Total*	*Appropriations*	*Variance*
$ -	$ -	$ -	$ -	$ 56,899		
441,161	1,234	1,070	-	784,475		
441,161	1,234	1,070	-	841,374	$ 846,287	$ 4,913
-	-	-	3,181	3,181	-	(3,181)
$ 441,161	$ 1,234	$ 1,070	$ 3,181	$ 844,555	$ 846,287	$ 1,732

ST. HELENS SCHOOL DISTRICT, ST. HELENS, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - STUDENT SERVICES FUND

JUNE 30, 2007

Code	*Function*	*Actual*	*Budget*	*Variance*
	LOCAL REVENUES			
1500	Earnings on investments	$ 3,988	$ 250	$ 3,738
1700	Extracurricular activities	613,035	535,000	78,035
1950	Textbook sales and rentals	8,595	3,000	5,595
1990	Miscellaneous	10,377	30,000	(19,623)
1000	*Total Local Revenues*	635,995	568,250	67,745
5400	***FUND BALANCE, Beginning of year***	304,097	285,000	19,097
6000	*Total Resources*	$ 940,092	$ 853,250	$ 86,842

ST. HELENS SCHOOL DISTRICT, ST. HELENS, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - STUDENT SERVICES FUND (Continued)

JUNE 30, 2007

Code	*Function*	*100 Salaries*	*200 Employee Benefits*	*300 Purchased Services*
	INSTRUCTION			
1113	Elementary extracurricular	$ -	$ -	$ -
1122	Middle/junior high school extracurricular	-	-	-
1132	High school extracurricular	-	-	-
1000	*Total Instruction*	-	-	-
7000	***FUND BALANCE, End of year***	-	-	-
8000	*Total Expenditures and Ending Balance*	$ -	$ -	$ -

400 Supplies & Materials	*500 Capital Outlay*	*600 Other Objects*	*700 Transfers*	*Actual Fund Total*	*Appropriations*	*Variance*
$ 35,593	$ -	$ -	$ -	$ 35,593		
172,445	-	-	-	172,445		
438,380	-	-	-	438,380		
646,418	-	-	-	646,418	$ 853,250	$ 206,832
-	-	-	293,674	293,674	-	(293,674)
$ 646,418	$ -	$ -	$ 293,674	$ 940,092	$ 853,250	$ (86,842)

ST. HELENS SCHOOL DISTRICT, ST. HELENS, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - LOTTERY BOND FUND

YEAR ENDED JUNE 30, 2007

Code	*Function*	*Actual*	*Budget*	*Variance*
5400	***FUND BALANCE, Beginning of year***	$ 1,381	$ -	$ 1,381
6000	*Total Resources*	$ 1,381	$ -	$ 1,381

ST. HELENS SCHOOL DISTRICT, ST. HELENS, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - LOTTERY BOND FUND (Continued)

YEAR ENDED JUNE 30, 2007

Code	*Function*	*100 Salaries*	*200 Employee Benefits*	*300 Purchased Services*
7000	***FUND BALANCE, End of year***	$ -	$ -	$ -
8000	*Total Expenditures and Ending Balance*	$ -	$ -	$ -

400 Supplies & Materials	*500 Capital Outlay*	*600 Other Objects*	*700 Transfers*	*Actual Fund Total*	*Appropriations*	*Variance*
$ -	$ -	$ -	$ 1,381	1,381	$ -	$ (1,381)
$ -	$ -	$ -	$ 1,381	$ 1,381	$ -	$ (1,381)

ST. HELENS SCHOOL DISTRICT, ST. HELENS, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - INSTRUCTIONAL MATERIALS FUND

YEAR ENDED JUNE 30, 2007

Code	*Function*	*Actual*	*Budget*	*Variance*
	OTHER SOURCES			
5200	Interfund transfers	$ 275,000	$ 275,000	$ -
5400	***FUND BALANCE, Beginning of year***	27	-	27
6000	*Total Resources*	$ 275,027	$ 275,000	$ 27

ST. HELENS SCHOOL DISTRICT, ST. HELENS, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - INSTRUCTIONAL MATERIALS FUND (Continued)

YEAR ENDED JUNE 30, 2007

Code	*Function*	*100 Salaries*	*200 Employee Benefits*	*300 Purchased Services*
	INSTRUCTION			
1100	Regular programs			
1111	Primary, K-3	$ -	$ -	$ -
1121	Middle/junior high programs	580	943	-
1131	High school programs	-	-	-
1000	*Total Instruction*	580	943	-
7000	***FUND BALANCE, End of year***	-	-	-
8000	*Total Expenditures and Ending Balance*	$ 580	$ 943	$ -

400 Supplies & Materials	*500 Capital Outlay*	*600 Other Objects*	*700 Transfers*	*Actual Fund Total*	*Appropriations*	*Variance*
$ 91,772	$ -	$ -	$ -	$ 91,772		
10,127	-	-	-	11,650		
73,287	-	-	-	73,287		
175,186	-	-	-	176,709	$ 275,000	$ 98,291
-	-	-	98,318	98,318	-	(98,318)
$ 175,186	$ -	$ -	$ 98,318	$ 275,027	$ 275,000	$ (27)

ST. HELENS SCHOOL DISTRICT, ST. HELENS, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - EARLY RETIREMENT FUND

YEAR ENDED JUNE 30, 2007

Code	*Function*	*Actual*	*Budget*	*Variance*
	LOCAL REVENUES			
1500	Earnings on investments	$ 18,422	$ 7,500	$ 10,922
	OTHER SOURCES			
5200	Interfund transfers	375,000	375,000	-
5400	***FUND BALANCE, Beginning of year***	260,808	150,000	110,808
6000	*Total Resources*	$ 654,230	$ 532,500	$ 121,730

ST. HELENS SCHOOL DISTRICT, ST. HELENS, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - EARLY RETIREMENT FUND (Continued)

YEAR ENDED JUNE 30, 2007

Code	*Function*	*100 Salaries*	*200 Employee Benefits*	*300 Purchased Services*
	SUPPORT SERVICES			
2700	Supplemental retirement program	$ -	$ 325,998	$ -
2000	*Total Support Services*	-	325,998	-
6000	***OPERATING CONTINGENCY***	-	-	-
7000	***FUND BALANCE, End of year***	-	-	-
8000	*Total Expenditures and Ending Balance*	$ -	$ 325,998	$ -

400 Supplies & Materials	*500 Capital Outlay*	*600 Other Objects*	*700 Transfers*	*Actual Fund Total*	*Appropriations*	*Variance*
$ -	$ -	$ -	$ -	$ 325,998		
-	-	-	-	325,998	$ 385,965	$ 59,967
-	-	-	-	-	146,535	146,535
-	-	-	328,232	328,232	-	(328,232)
$ -	$ -	$ -	$ 328,232	$ 654,230	$ 532,500	$ (121,730)

ST. HELENS SCHOOL DISTRICT, ST. HELENS, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND

YEAR ENDED JUNE 30, 2007

Code	*Function*	*Actual*	*Budget*	*Variance*
	LOCAL REVENUES			
1111	Current year's taxes	$ 1,541,029	$ 1,539,000	$ 2,029
1112	Prior year's taxes	87,613	85,000	2,613
1500	Earnings on investments	56,440	31,500	24,940
1000	*Total Local Revenues*	1,685,082	1,655,500	29,582
5400	***FUND BALANCE, Beginning of year***	48,381	9,500	38,881
6000	*Total Resources*	$ 1,733,463	$ 1,665,000	$ 68,463

ST. HELENS SCHOOL DISTRICT, ST. HELENS, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND (Continued)
YEAR ENDED JUNE 30, 2007

Code	*Function*	*100 Salaries*	*200 Employee Benefits*	*300 Purchased Services*
	OTHER USES			
5100	Debt service	$ -	$ -	$ -
5000	*Total Other Uses*	-	-	-
7000	***FUND BALANCE, End of year***	-	-	-
8000	*Total Expenditures and Ending Balance*	$ -	$ -	$ -

400 Supplies & Materials	*500 Capital Outlay*	*600 Other Objects*	*700 Transfers*	*Actual Fund Total*	*Appropriations*	*Variance*
$ -	$ -	$ 1,665,000	$ -	$ 1,665,000		
-	-	1,665,000	-	1,665,000	$ 1,665,000	$ -
-	-	-	68,463	68,463	-	(68,463)
$ -	$ -	$ 1,665,000	$ 68,463	$ 1,733,463	$ 1,665,000	$ (68,463)

ST. HELENS SCHOOL DISTRICT, ST. HELENS, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - PERS DEBT SERVICE FUND

YEAR ENDED JUNE 30, 2007

Code	*Function*	*Actual*	*Budget*	*Variance*
	LOCAL REVENUES			
1500	Earnings on investments	$ 32,306	$ 10,000	$ 22,306
1970	Services provided other funds	1,322,212	1,335,136	(12,924)
1000	*Total Local Revenues*	1,354,518	1,345,136	9,382
5400	***FUND BALANCE, Beginning of year***	54,041	-	54,041
6000	*Total Resources*	$ 1,408,559	$ 1,345,136	$ 63,423

ST. HELENS SCHOOL DISTRICT, ST. HELENS, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - PERS DEBT SERVICE FUND (Continued)

YEAR ENDED JUNE 30, 2007

Code	*Function*	*100 Salaries*	*200 Employee Benefits*	*300 Purchased Services*
	OTHER USES			
5100	Debt service	$ -	$ -	$ -
5000	*Total Other Uses*	-	-	-
7000	***FUND BALANCE, End of year***	-	-	-
8000	*Total Expenditures and Ending Balance*	$ -	$ -	$ -

400 Supplies & Materials	*500 Capital Outlay*	*600 Other Objects*	*700 Transfers*	*Actual Fund Total*	*Appropriations*	*Variance*
$ -	$ -	$ 1,345,136	$ -	$ 1,345,136		
-	-	1,345,136	-	1,345,136	$ 1,345,136	$ -
-	-	-	63,423	63,423	-	(63,423)
$ -	$ -	$ 1,345,136	$ 63,423	$ 1,408,559	$ 1,345,136	$ (63,423)

ST. HELENS SCHOOL DISTRICT, ST. HELENS, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS

YEAR ENDED JUNE 30, 2007

Tax Year	*Uncollected Balances July 1, 2006*	*2006-07 Levy*	*Added To Rolls*	*Discounts & Adjustments*	*Turnovers*	*Uncollected Balances June 30, 2007*
2006-2007	$ -	$ 8,229,122	$ -	$ 251,590	$ 7,646,681	$ 330,851
2005-2006	351,962	-	-	357	202,956	148,649
2004-2005	147,793	-	-	1,801	67,412	78,580
2003-2004	81,283	-	-	1,992	44,072	35,219
2002-2003	34,310	-	-	1,854	23,113	9,343
2001-2002	5,521	-	-	1,434	851	3,236
2000-2001	2,492	-	-	1,090	(119)	1,521
Prior Years	4,777	-	-	(119)	330	4,566
Total	$ 628,138	$ 8,229,122	$ -	$ 259,999	$ 7,985,296	$ 611,965

ST. HELENS SCHOOL DISTRICT, ST. HELENS, OREGON
SCHEDULE OF BOND TRANSACTIONS
YEAR ENDED JUNE 30, 2007

	Interest Rates	*Date of Issue*	*Fiscal Year of Maturity*
BOND PRINCIPAL TRANSACTIONS			
Series 2002	2.06% - 6.10%	2002	2028
Series 2003	1.50% - 6.27%	2003	2028
Series 1999	3.70% - 5.05%	1999	2018
Capital lease	3.9% - 4.9%	1997	2008
Capital lease	3.50% - 5.75%	2001	2016

	Interest Rates	*Date of Issue*	*Fiscal Year of Maturity*
BOND INTEREST TRANSACTIONS			
Series 2002	2.06% - 6.10%	2002	2028
Series 2003	1.50% - 6.27%	2003	2028
Series 1999	3.70% - 5.05%	1999	2018
Capital lease	3.9% - 4.9%	1997/2001	2008/2016

Outstanding July 1, 2006	*Bonds Issued*	*Bonds Paid*	*Outstanding June 30, 2007*
$ 10,556,981	$ -	$ 102,060	$ 10,454,921
13,889,378	-	308,978	13,580,400
12,250,979	-	1,164,351	11,086,628
320,000	-	155,000	165,000
395,000	-	30,000	365,000
$ 37,412,338	$ -	$ 1,760,389	$ 35,651,949

Unmatured Interest Outstanding July 1, 2006	*New Issues*	*Interest Coupons Paid/ Refunded*	*Unmatured Interest June 30, 2007*
$ 10,816,773	$ -	$ 459,079	$ 10,357,694
15,609,292	-	457,019	15,152,273
11,374,023	-	500,649	10,873,374
74,699	-	32,387	42,312
$ 37,874,787	$ -	$ 1,449,134	$ 36,425,653

ST. HELENS SCHOOL DISTRICT, ST. HELENS, OREGON

SCHEDULE OF FUTURE REQUIREMENTS FOR RETIREMENT OF LONG-TERM DEBT

JUNE 30, 2007

Fiscal Year Ending June 30,	*Pension Bonds - Series 2002*			*Pension Bonds - Series 2003*		
	Principal	*Interest*	*Total*	*Principal*	*Interest*	*Total*
2008	$ 120,178	$ 470,961	$ 591,139	$ 330,332	$ 498,665	$ 828,997
2009	139,677	486,462	626,139	344,648	529,349	873,997
2010	155,819	505,320	661,139	356,548	562,449	918,997
2011	168,759	527,380	696,139	367,605	601,392	968,997
2012	183,018	553,121	736,139	376,066	642,931	1,018,997
2013	194,149	581,990	776,139	384,143	689,854	1,073,997
2014	202,313	613,827	816,140	388,528	740,469	1,128,997
2015	208,467	647,672	856,139	390,359	798,638	1,188,997
2016	214,240	686,899	901,139	390,181	858,816	1,248,997
2017	217,700	728,439	946,139	389,303	919,694	1,308,997
2018	222,167	773,973	996,140	387,214	986,783	1,373,997
2019	225,133	821,006	1,046,139	385,456	1,058,541	1,443,997
2020	228,301	872,838	1,101,139	382,972	1,131,025	1,513,997
2021	715,000	441,139	1,156,139	380,654	1,208,343	1,588,997
2022	810,000	401,814	1,211,814	378,355	1,285,642	1,663,997
2023	915,000	357,426	1,272,426	378,036	1,365,961	1,743,997
2024	1,025,000	307,193	1,332,193	1,400,000	428,997	1,828,997
2025	1,145,000	250,305	1,395,305	1,565,000	350,456	1,915,456
2026	1,280,000	186,758	1,466,758	1,745,000	261,564	2,006,564
2027	1,420,000	115,718	1,535,718	1,940,000	162,448	2,102,448
2028	665,000	36,908	701,908	920,000	52,256	972,256
	$ 10,454,921	$ 10,367,149	$ 20,822,070	$ 13,580,400	$ 15,134,273	$ 28,714,673

General Obligation Bonds - Series 1999			*Capital Lease Obligations*		
Principal	*Interest*	*Total*	*Principal*	*Interest*	*Total*
$ 1,143,579	$ 571,421	$ 1,715,000	$ 200,000	$ 23,235	$ 223,235
1,121,128	643,872	1,765,000	35,000	17,565	52,565
1,094,111	725,889	1,820,000	35,000	15,903	50,903
1,064,700	810,300	1,875,000	40,000	14,205	54,205
1,033,168	896,832	1,930,000	40,000	12,225	52,225
1,002,323	987,677	1,990,000	40,000	10,025	50,025
974,524	1,070,476	2,045,000	45,000	7,825	52,825
950,386	1,159,614	2,110,000	45,000	5,350	50,350
922,944	1,247,056	2,170,000	50,000	2,875	52,875
899,945	1,335,055	2,235,000	-	-	-
879,820	1,425,182	2,305,002	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
$ 11,086,628	$ 10,873,374	$ 21,960,002	$ 530,000	$ 109,208	$ 639,208

ST. HELENS SCHOOL DISTRICT, ST. HELENS, OREGON

SCHEDULE OF FUTURE REQUIREMENTS FOR RETIREMENT OF LONG-TERM DEBT (Continued)

JUNE 30, 2007

Fiscal Year Ending June 30,	*Totals*		
	Principal	*Interest*	*Total*
2008	$ 1,794,089	$ 1,564,282	$ 3,358,371
2009	1,640,453	1,677,248	3,317,701
2010	1,641,478	1,809,561	3,451,039
2011	1,641,064	1,953,277	3,594,341
2012	1,632,252	2,105,109	3,737,361
2013	1,620,615	2,269,546	3,890,161
2014	1,610,365	2,432,597	4,042,962
2015	1,594,212	2,611,274	4,205,486
2016	1,577,365	2,795,646	4,373,011
2017	1,506,948	2,983,188	4,490,136
2018	1,489,201	3,185,938	4,675,139
2019	610,589	1,879,547	2,490,136
2020	611,273	2,003,863	2,615,136
2021	1,095,654	1,649,482	2,745,136
2022	1,188,355	1,687,456	2,875,811
2023	1,293,036	1,723,387	3,016,423
2024	2,425,000	736,190	3,161,190
2025	2,710,000	600,761	3,310,761
2026	3,025,000	448,322	3,473,322
2027	3,360,000	278,166	3,638,166
2028	1,585,000	89,164	1,674,164
	$ 35,651,949	$ 36,484,004	$ 72,135,953

A. Energy Bill for Heating - **All Funds:**
Please enter your expenditures for electricity & heating fuel for these Functions & Objects.

	Objects 325 &326
Function 2540	$ 513,033
Function 2550	$ 0.00

B. Replacement of Equipment – **General Fund:**
Include all General Fund expenditures in object 542, except for the following exclusions: $ 4,976

Exclude these functions:		Exclude these functions:	
1113, 1122 & 1132	Co-curricular Activities	4150	Construction
1140	Pre-Kindergarten	2550	Pupil Transportation
1300	Continuing Education	3100	Food Service
1400	Summer School	3300	Community Services

ST. HELENS SCHOOL DISTRICT, ST. HELENS, OREGON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2007

Federal Grantor/Pass-through Grantor/Program Title	*Grant Award Period*	*Federal CFDA Number*	*Subgrant Number*
U.S. Department of Agriculture			
Passed through State Department of Education:			
National School Lunch Program - Commodities	7/1/2006-6/30/2007	10.550	N/A
National School Breakfast Program (SBP)	7/1/2006-6/30/2007	10.553	N/A
National School Lunch Program (NSLP)	7/1/2006-6/30/2007	10.555	N/A
Summer Food Service Program	7/1/2006-6/30/2007	10.559	N/A
Total U.S. Department of Agriculture			
U.S. Department of Education			
Passed through State Department of Education:			
Title I Grants to Local Educational Agencies (LEAs)	7/1/2006-9/30/2007	84.010	7331
Special Education-Grants to States (IDEA, Part B)	7/1/2006-12/31/2007	84.027	8262
Vocational Education	7/1/2006-9/30/2006	84.048	7031
Safe and Drug-Free Schools and Communities-State Grants	7/1/2006-6/30/2007	84.186	8665
Title V Innovative Education	7/1/2006-9/30/2007	84.298	8467
Title IID Enhancing Education Through Technology	7/1/2006-9/30/2007	84.318	8038
Title III English Language Acquisition	10/5/2006-4/30/2007	84.357	8814
Title IIA Improving Teacher quality State Grants	7/1/2006-9/30/2007	84.367	7854
Total U.S. Department of Education			
U.S. Department of Health and Human Services			
Direct Programs			
Youth Transition Program	7/1/2005-6/30/2007	84.126	YTP #113788
Passed through Oregon Employment Department			
Child Care and Development Block Grant	12/8/2006-6/30/2007	93.575	9052
Total U.S. Department of Health and Human Services			
Total Federal Financial Assistance			

Program or Award Amount	*Cash Accrued or (Deferred Revenue) at July 1, 2006*	*Revenues Recognized*	*Expenditures*	*Cash Accrued or (Deferred Revenue) at June 30, 2007*
$ 57,123	$ -	$ 57,123	$ 57,123	$ -
60,528	-	60,528	60,528	-
329,842	-	329,842	329,842	20,832
53,317	12,076	53,317	53,317	18,591
500,810	12,076	500,810	500,810	39,423
496,372	-	515,857	578,043	3,112
437,216	17,000	530,014	337,720	119,000
31,683	15,500	37,426	40,334	-
11,752	1,000	23,159	17,983	-
4,102	-	8,912	5,166	-
4,986	-	13,154	7,997	-
3,600	-	3,600	3,600	-
130,368	-	157,641	121,369	-
1,120,079	33,500	1,289,763	1,112,212	122,112
109,703	-	39,873	76,142	-
3,312	-	3,312	3,312	-
113,015	-	43,185	79,454	-
$ 1,733,904	$ 45,576	$ 1,833,758	$ 1,692,476	$ 161,535

See notes to schedule of expenditures of federal awards.

Purpose of the Schedule

The accompanying schedule of expenditures of federal awards (the Schedule) is a supplementary schedule to the St. Helens School District's financial statements and is presented for purposes of additional analysis. Because the Schedule presents only a selected portion of the activities of the St. Helens School District, it is not intended to and does not present either the financial position, changes in net assets, or the operating funds' revenues, expenditures and changes in fund balances of the St. Helens School District.

SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The information in the Schedule is presented in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.*

Federal Financial Assistance

Pursuant to the Single Audit Act of 1984 and OMB Circular A-133, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance or direct appropriations. Accordingly, nonmonetary federal assistance, including federal surplus property, is included in federal financial assistance and, therefore, is reported on the Schedule, if applicable. Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts between the state and federal government for which the federal government procures tangible goods or services are not considered to be federal financial assistance.

Major Programs

The Single Audit Act of 1984 and OMB Circular A-133 establish criteria to be used in defining major federal financial assistance programs. Major programs for the St. Helens School District are those programs selected for testing by the auditor using a risk-assessment model, as well as certain minimum expenditure requirements, as outlined in OMB Circular A-133. Programs with similar requirements may be grouped into a cluster for testing purposes.

Reporting Entity

The reporting entity is fully described in notes to the financial statements. Additionally, the Schedule includes all federal programs administered by the St. Helens School District for the year ended June 30, 2007.

Revenue and Expenditure Recognition

The receipt and expenditure of federal awards are accounted for under the modified accrual basis of accounting. Revenues are recorded as received in cash or on the accrual basis where measurable and available. Expenditures are recorded when the liability is incurred.

COMPLIANCE SECTION

Oregon Administrative Rules 162-10-000 through 162-16-000 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy, enumerate the financial statements, schedules, comments, and disclosures required in annual financial reports. Required comments and disclosures related to our audit of such financial statements and schedules are set forth on the following pages.

Accounting and Internal Control Structure

The broad objectives of internal accounting control are to provide management with reasonable, but not absolute, assurance that assets are safeguarded from unauthorized use or disposition and that financial records are reliable to permit the preparation of financial statements. The following operative objectives are necessary to achieve the broad objectives:

a. Transactions are executed in accordance with management's general or specific authorization.

b. Transactions are recorded as necessary (1) to permit preparation of financial statements in conformity with accounting principles generally accepted in the United States of America or any other criteria applicable to such statements and (2) to maintain accountability for assets.

c. Access to assets is permitted only in accordance with management's authorization.

d. The recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal accounting control. Any projection of a current evaluation of internal accounting control to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions and that the degree of compliance with prescribed procedures may deteriorate.

The accounting records and the accounting and internal control systems are adequate considering the size and complexity of the municipal corporation's financial activities. In conjunction with our review of internal control, we issued our separate letter of recommendations to management dated December 27, 2007.

Adequacy of Collateral Securing Depository Balances

Oregon Revised Statutes Chapter 295 requires that each depository throughout the period of its possession of public fund deposits shall maintain on deposit with its custodians, at its own expense, securities having a value not less than 25% of the certificates of participation issued by the pool manager for funds in excess of those insured by the Federal Deposit Insurance Corporation. Our review of the adequacy of collateral securing depository balances indicated the collateral was not sufficient at times during the year ended June 30, 2007.

Investments

Our review of deposit and investment balances indicated that, during the year ended June 30, 2007, the District was in compliance with ORS 295, as it pertains to investment of public funds.

Indebtedness

We reviewed compliance relating to short-term and long-term debt, including limitations on the amount of debt which may be incurred, liquidation of debt within other agreements, including any restrictions on the use of monies available to retire indebtedness. We found no instances in which the District had not complied with these legal or contractual provisions relating to short-term or long-term debt.

Budget Compliance

The District appears to have complied with Local Budget Law (ORS 294.305 to 294.520) in the preparation, adoption and execution of its budgets and tax levies for the years ending June 30, 2007 and 2008, except as noted. A description of the budgeting process is in the notes to the basic financial statements.

Insurance Policies and Fidelity Bonds

We have reviewed the District's insurance and fidelity bond coverage at June 30, 2007. We ascertained that such policies appeared to be in force and in compliance with legal requirements relating to insurance and fidelity bond coverage. We are not trained to assess the adequacy of the insurance policies covering District-owned property at June 30, 2007.

Public Contracts

The District's procedures for awarding public contracts were reviewed and found to be in accordance with ORS Chapter 279.

Programs Funded from Outside Sources

We have reviewed the District's compliance with appropriate laws, rules, and regulations pertaining to programs funded wholly or partially by the other governmental agencies. The District is in compliance with the guidelines in all material respects.

State School Fund Distribution Formula Factors

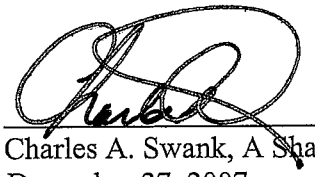
We have reviewed the District's system for reporting to the Oregon State Department of Education average daily attendance and related items in compliance with ORS 327.013. We found no instances in which the District had not properly reported the required information.

Schedule of Accountability of Independently Elected Officials

There are no elected District officials who collect or receive funds on behalf of the District.

This report is intended solely for the information and use of the Board of Directors and management of St. Helens School District and the Secretary of State, Audits Division, of the State of Oregon and is not intended and should not be used by anyone other than those specified parties.

GROVE, MUELLER & SWANK, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

By: 
Charles A. Swank, A Shareholder
December 27, 2007

GROVE, MUELLER & SWANK, P.C.
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
St. Helens School District
St. Helens, Oregon

We have audited the financial statements of St. Helens School District, as of and for the year ended June 30, 2007, and have issued our report thereon dated December 27, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency described in the Schedule of Findings and Questioned Costs to be a significant deficiency in internal control over financial reporting (2007-1).

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, we believe the significant deficiency described above is not a material weakness, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether St. Helens School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

This report is intended solely for the information and use of the Board of Directors and management of St. Helens School District, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than those specified parties.

CERTIFIED PUBLIC ACCOUNTANTS

Salem, Oregon
December 27, 2007

GROVE, MUELLER & SWANK, P.C.
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Directors
St. Helens School District
St. Helens, Oregon

Compliance

We have audited the compliance of St. Helens School District with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

Internal Control Over Compliance

The management of St. Helens School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Directors, management, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than those specified parties.

CERTIFIED PUBLIC ACCOUNTANTS

Salem, Oregon
December 27, 2007

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's opinion issued:	Unqualified
Internal control reporting:	
• Material weakness(es) identified?	No
• Reportable condition(s) identified that are not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	No
• Reportable condition(s) identified that are not considered to be material weaknesses?	No
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	No

Identification of major program:

CFDA Numbers	*Name of Federal Program or Cluster*
84.010	Title I, Grants to Local Educational Agencies

Dollar threshold used to distinguish between type A and type B programs: $300,000

Auditee qualified as low-risk auditee? Yes

FINANCIAL STATEMENT FINDINGS

Segregation of Duties - 2007-1

Observation: We noted that due to the size of the District office staff, the Business Manager is responsible for incompatible duties including approving purchase orders, signing checks, preparing journal entries and reconciling the bank statements.

Recommendation: We recommend that the District review their policy over segregation of duties and make changes to ensure adequate segregation in line with the size of its office staff.

Auditee response: Certain duties will be reassigned to ensure adequate segregation.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.