ST. HELENS SCHOOL DISTRICT
BASIC FINANCIAL STATEMENTS AND
ADDITIONAL INFORMATION
Year Ended June 30, 2008

BOARD OF DIRECTORS

Name	*Title*	*Term Expires*
David Morrisson 58605 Kavanaugh Avenue St. Helens, Oregon 97051	Chair	June 30, 2011
Rebecca Wallace 558856 Pebble Dr. St. Helens, Oregon 97051	Vice-Chair	June 30, 2009
Jana Mann 124 Wonderly Drive St. Helens, Oregon 97051	Member	June 30, 2009
William Crist 32583 Stone Rd. St. Helens, Oregon 97051	Member	June 30, 2011
Benita Saavedt (Appointed July 7, 2008) P.O. Box 68 Oregon City, Oregon 97018	Member	June 30, 2009
Terri Burns (Resigned June 13, 2008) 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 (Resigned effective June 30, 2008)
Terri Burns, Deputy Clerk/Business Manager (Effective July 1, 2008)

ST. HELENS SCHOOL DISTRICT
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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, each major fund, and the aggregate remaining fund information of St. Helens School District, Columbia County, Oregon, as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component unit. Those financial statements were audited by another auditor whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the component unit, is based on the report of the other auditor.

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 and the report of the other auditor provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of the other auditor, 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, 2008 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 31, 2008 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 important for assessing the results of our audit.

Management's discussion and analysis is not a required part of the basic financial statements, but is supplementary 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 supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The 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 31, 2008

ST. HELENS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2008

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, 2008.

FINANCIAL HIGHLIGHTS

- In the government-wide statements, the assets of the District exceeded its liabilities at June 30, 2008 by $17.36 million. Of this amount, almost $16.8 million represents the District's investment in capital assets net of related debt. Assets exceeded liabilities by over $600 thousand for unrestricted.
- The District's total net assets increased by $263,099.
- The District's governmental funds report combined ending fund balance of $3.72 million at June 30, 2008, an increase of $516,477 in comparison with the prior year.
- At the end of the fiscal year ended June 30, 2008, unreserved fund balance for the General Fund was $2.50 million, or about 9.3 percent of total General Fund expenditures.
- The District's total liabilities increased by $1.03 million (2.6 percent) during the 2007-08 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 supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. These statements include:

The S*tatement 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 supplementary 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 supplementary 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 supplementary 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 $17.36 million as of June 30, 2008.

Capital assets, which consist of the District's land, buildings, building improvements, construction in progress, vehicles, and equipment, represent about 49.43 percent of total assets. The remaining assets consist mainly of investments, cash, and grants and property taxes receivable.

The District's largest liability (85.2 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 14.8 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,

	2008	*2007*	*Net Change*
Current assets	$ 5,805,065	$ 4,236,641	$ 1,568,424
Capital assets	28,730,997	28,512,278	218,719
Other long-term assets	23,584,810	24,077,347	(492,537)
Total assets	58,120,872	56,826,266	1,294,606
Current liabilities	6,030,359	4,633,534	1,396,825
Long-term liabilities	34,730,727	35,096,045	(365,318)
Total liabilities	40,761,086	39,729,579	1,031,507
Net assets:			
Invested in captital assets, net of related debt	16,757,948	16,895,650	(137,702)
Unrestricted	601,838	201,037	400,801
Total net assets	$ 17,359,786	$ 17,096,687	$ 263,099

Statement of Activities. During the current fiscal year, the District's net assets increased by $263,099, as compared to a decrease of $45,633 in the prior year. The key elements of the change in the District's net assets for the year ended June 30, 2008 are as follows:

- Property tax revenues increased by over $302 thousand (3.76 percent) during the year.
- State school fund support increased by over $420 thousand as the State increased funding during the school year.
- Operating grants and contributions increased by $746,210 (40.89 percent) primarily due to an increase in federal grants received.
- The Yankton Elementary property was sold this year, contributing to the gain on sale of assets of $391,229. There was no such gain in the prior year.

Changes in Net Assets
For the year ended June 30,

Revenues:	***2008***	***2007***	***Net Change***
Program revenues:			
Charges for service	$ 2,325,366	$ 2,358,687	$ (33,321)
Operating grants and contributions	2,571,247	1,825,037	746,210
General revenues:			
Property taxes	8,341,574	8,039,339	302,235
State school fund - general support	17,585,713	17,165,009	420,704
Common school fund	570,044	418,700	151,344
Other state and local sources	395,113	315,546	79,567
Earnings on investments	346,953	399,644	(52,691)
Miscellaneous	287,833	363,139	(75,306)
Sale of capital assets	391,229	-	391,229
Total revenues	32,815,072	30,885,101	1,929,971
Expenses:			
Instruction	19,170,797	17,929,679	1,241,118
Support services	10,467,540	9,755,438	712,102
Enterprise and community services	87,227	72,730	14,497
Facilities acquisition and construction	4,396	444,734	(440,338)
Food services	882,612	847,201	35,411
Interest on long-term debt	1,939,401	1,880,952	58,449
Total expenses	32,551,973	30,930,734	1,621,239
Change in net assets	263,099	(45,633)	308,732
Net assets - July 1	17,096,687	17,142,320	(45,633)
Net assets - June 30	$ 17,359,786	$ 17,096,687	$ 263,099

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, 2008, the District's governmental funds reported combined ending fund balances of $3.72 million, an increase of $516,477 in comparison with the prior year.

General Fund. The General Fund is the primary operating fund of the District. As of June 30, 2008, unreserved fund balance was $2.50 million. The fund balance increased by over $156 thousand 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 9.3 percent of total General Fund expenditures.

Debt Service Funds. The debt service funds have a total fund balance of $155,763, all of which is reserved for the payment of debt service. The net increase in fund balance during the current year was $23,877 (18.1 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, 2008.

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, 2008, the District had invested approximately $28.7 million in capital assets, net of depreciation, as shown in the following table:

Capital Assets
(net of depreciation)
June 30,

	2008	*2007*	Net Change
Land and improvements	$ 1,380,179	$ 1,408,456	$ (28,277)
Contruction in progress	1,039,344	-	1,039,344
Buildings and improvements	24,734,591	25,255,979	(521,388)
Vehicles and equipment	1,576,883	1,847,843	(270,960)
Total	$ 28,730,997	$ 28,512,278	$ 218,719

During fiscal year 2007-08, the District's investment in capital assets increased by about $219 thousand. The major capital asset events for the year ended June 30, 2008 include the following:

- Investments of $1,217,341.
- Depreciation expense of $988,622.

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 debt outstanding of $35.56 million, consisting of general obligation debt of $9.94 million, pension bonds of $23.58 million, and capital leases of $330,000.

During the current fiscal year, the District's total debt decreased by $94,089. The decrease represents the amount by which the payment of principal of $1,794,089 exceeds the $1,700,000 of additional debt issued in the form of a tax-exempt financing agreement with Bank of America.

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 $114.4 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, 2008, the State School Fund - General Support provided more than 53 percent of the District's General Fund resources. Due to current state economic conditions, funding for the upcoming 2009-2011 state biennium will not be stable. The district expects a 2-3% reduction in funding for the next biennium. In addition, the curtailment/partial closure of a large manufacturing facility located in the school district will impact negatively the local revenues through property tax collections by an unknown amount.

Salaries and benefits costs are expected to increase based on negotiated contractual obligations.

The District expects to experience a decrease in enrollment for 2009-2010 of approximately 50 students, which would result in a revenue decrease of approximately $300,000. The District plans to offset the decrease in revenues through consolidation of programs and if necessary, a reduction in staffing.

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
STATEMENT OF NET ASSETS
JUNE 30, 2008

	Primary Government	*Component Unit*
ASSETS		
Cash and investments	$ 5,042,727	$ 148,408
Property taxes receivable	669,189	-
Accounts receivable	91,924	-
Prepaid expenses	-	39,704
Inventories	1,225	-
Pension assets, net of accumulated amortization	23,584,810	-
Capital assets not being depreciated		
Land	1,267,500	-
Construction in progress	1,039,344	-
Capital assets, net of accumulated depreciation		
Land improvements	112,679	-
Buildings and improvements	24,734,591	39,079
Equipment and vehicles	1,576,883	-
Total Assets	58,120,872	227,191
LIABILITIES		
Accounts payable and accrued liabilities	1,482,779	47,967
Related party account payable	-	47,741
Accrued interest payable	2,408,361	-
Accrued compensated absences payable	101,271	-
Post employment healthcare benefits:		
Due within one year	273,495	-
Due in more than one year	937,321	-
Long-term debt:		
Due within one year	1,764,453	-
Due in more than one year	33,793,406	-
Total Liabilities	40,761,086	95,708
Net Assets		
Investment in capital assets, net of related debt	16,757,948	39,079
Unrestricted	601,838	92,404
Total Net Assets	$ 17,359,786	$ 131,483

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

ST. HELENS SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2008

		Program
	Expenses	***Charges for Services***
FUNCTIONS/PROGRAMS		
Governmental Activities:		
Instructional services	$ 19,170,797	$ 1,996,539
Support services	10,467,540	9,968
Enterprise and community services	87,227	-
Facilities acquisition and construction	4,396	-
Food services	882,612	318,859
Interest on long-term liabilities	1,939,401	-
Unallocated depreciation	-	-
Total Activities	$ 32,551,973	$ 2,325,366
Component Unit	$ 607,021	$ -

General Revenues:
Property taxes levied for general purposes
Property taxes levied for debt service
State school fund - unrestricted
Common school fund - unrestricted
Unrestricted state and local sources
Contribution grants
Earnings on investments
Miscellaneous
Gain on sale of capital assets

Total General Revenues

Change in Net Assets

Net Assets, July 1, 2007

Net Assets, June 30, 2008

Revenues			
Operating Grants and Contributions	*Change in Net Assets*	*Component Unit*
$ 2,176,692	$ (14,997,566)	$ (333,760)
-	(10,457,572)	(220,448)
-	(87,227)	-
-	(4,396)	-
394,555	(169,198)	-
-	(1,939,401)	-
-	-	(1,813)
$ 2,571,247	(27,655,360)	
$ 51,000		(556,021)
	6,646,456	-
	1,695,118	-
	17,585,713	-
	570,044	-
	395,113	423,455
	-	259,000
	346,953	72
	287,833	-
	391,229	-
	27,918,459	682,527
	263,099	126,506
	17,096,687	4,977
	$ 17,359,786	$ 131,483

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

ST. HELENS SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2008

	General	*Other Governmental Funds*	*Total Governmental*
ASSETS			
Cash and investments	$ 3,745,477	$ 1,297,250	$ 5,042,727
Property taxes receivable	521,781	147,408	669,189
Accounts receivable	-	91,924	91,924
Inventories	-	1,225	1,225
Total Assets	$ 4,267,258	$ 1,537,807	$ 5,805,065
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accrued liabilities	$ 404,578	$ 34,316	$ 438,894
Accrued salaries and benefits	885,350	158,535	1,043,885
Deferred revenue	473,692	126,798	600,490
Total Liabilities	1,763,620	319,649	2,083,269
Fund Balances			
Unreserved			
General fund	2,503,638	-	2,503,638
Special revenue funds	-	1,062,395	1,062,395
Debt service funds	-	155,763	155,763
Total Fund Balances	2,503,638	1,218,158	3,721,796
Total Liabilites and Fund Balances	$ 4,267,258	$ 1,537,807	$ 5,805,065

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

ST. HELENS SCHOOL DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO STATEMENT OF NET ASSETS
JUNE 30, 2008

RECONCILIATION TO THE STATEMENT OF NET ASSETS

TOTAL FUND BALANCES		$ 3,721,796
Capital assets are not financial resources and therefore are not reported in the governmental funds:		
Cost	$ 45,651,813	
Accumulated depreciation	(16,920,816)	28,730,997
PERS UAL Bonds and related pension assets are recorded on the statement of net assets at their net amortized values.		23,584,810
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.		600,490
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	(2,408,361)	
Compensated absences payable	(101,271)	
Early retirement payable	(1,210,816)	
Bonds payable	(35,557,859)	(39,278,307)
TOTAL NET ASSETS		$ 17,359,786

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

ST. HELENS SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2008

	General	***Other Governmental Funds***	***Total Governmental***
REVENUES			
Local sources	$ 7,095,619	$ 4,163,522	$ 11,259,141
Intermediate sources	388,825	-	388,825
State sources	18,894,537	62,897	18,957,434
Federal sources	-	1,767,123	1,767,123
Total Revenues	26,378,981	5,993,542	32,372,523
EXPENDITURES			
Instruction	15,983,073	1,886,903	17,869,976
Support services	9,229,798	919,341	10,149,139
Enterprise and community services	-	87,227	87,227
Food services	-	878,123	878,123
Facilities acquisition and construction	70,923	-	70,923
Debt service			
Principal	200,000	1,594,090	1,794,090
Interest	26,187	1,541,046	1,567,233
Capital outlay	1,532,476	8,088	1,540,564
Total Expenditures	27,042,457	6,914,818	33,957,275
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(663,476)	(921,276)	(1,584,752)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	880,000	880,000
Transfers out	(880,000)	-	(880,000)
Long-term debt	1,700,000	-	1,700,000
Sale of capital assets	-	401,229	401,229
Total Other Financing Sources (Uses)	820,000	1,281,229	2,101,229
NET CHANGE IN FUND BALANCES	156,524	359,953	516,477
FUND BALANCES, Beginning of year	2,347,114	858,205	3,205,319
FUND BALANCES, End of year	$ 2,503,638	$ 1,218,158	$ 3,721,796

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

ST. HELENS SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2008

NET CHANGE IN FUND BALANCES			$ 516,477
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	$	1,217,341	
Less current year depreciation		(988,622)	228,719
In the Statement of Activities, the cost on disposition of capital assets is reported while in the governmental funds it is not. This is the net book value of assets sold during the year.			
Net book value			(10,000)
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 issued		(1,700,000)	
Debt principal repaid		1,794,089	
Amortization of pension assets		(492,536)	(398,447)
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.			(375,120)
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.			51,320
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.			351,421
Compensated absences are recognized as an expenditure in the governmental funds when they are paid. In the Statement of Activities compensated absences are recognized as an expenditures when earned.			(101,271)
CHANGE IN NET ASSETS			$ 263,099

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

NOTES TO BASIC 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 Mastery Learning Institute Arthur Academy – St. Helens, 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.

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

Combined Grants and Projects 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.

Capital Reserve Fund - This fund accounts for funds intended to be used to address major, high-cost maintenance projects.

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

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.

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. 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 are 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. 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, 2008:

	Carrying Value	*Fair Value*
Cash		
Cash on hand	$ 70	$ 70
Deposits with financial institutions	2,263,697	2,263,697
Cash held by fiscal agent	126,336	126,336
Investments		
Local Government Investment Pool	2,652,624	2,652,624
	$ 5,042,727	$ 5,042,727

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 $2,263,697 and the bank balance is $1,695,153. The difference is due to transactions in process. Of these deposits, $233,712 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, 2008, 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. The LGIP is not rated for credit quality.

CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2008 is as follows:

	Balance July 1, 2007	***Increases***	***Decreases***	***Balance June 30, 2008***
Capital assets, not being depreciated:				
Land	$ 1,277,500	$ -	$ (10,000)	$ 1,267,500
Construction in progress	-	1,039,344	-	1,039,344
Total capital assets, not being depreciated	1,277,500	1,039,344	(10,000)	2,306,844
Capital assets, being depreciated:				
Land improvements	1,116,459	5,811	-	1,122,270
Buildings and improvements	35,296,128	112,021	(146,347)	35,261,802
Equipment	6,729,900	53,515	-	6,783,415
Vehicles	170,832	6,650	-	177,482
Total Capital Assets Being Depreciated	43,313,319	177,997	(146,347)	43,344,969
Accumulated depreciation for:				
Land improvements	985,503	24,088	-	1,009,591
Buildings and improvements	10,040,149	633,409	(146,347)	10,527,211
Equipment	4,893,539	328,975	-	5,222,514
Vehicles	159,350	2,150	-	161,500
Total Accumulated Depreciation	16,078,541	988,622	(146,347)	16,920,816
Total Capital Assets Being Depreciated, net	27,234,778	(810,625)	-	26,424,153
Total Capital Assets, net	$ 28,512,278	$ 228,719	$ (10,000)	$ 28,730,997

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

Program	
Instructional programs	$ 921,431
Support services	
Other support services	62,702
Food services	4,489
Total	$ 988,622

LONG-TERM DEBT

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

	Original Issue	*Outstanding July 1, 2007*	*Issued*	*Matured/ Redeemed During Year*	*Outstanding June 30, 2008*	*Due Within One Year*
Pension bonds - Series 2002	$ 10,722,217	$ 10,454,921	$ -	$ 120,179	$ 10,334,742	$ 139,677
Pension bonds - Series 2003	14,312,440	13,580,400	-	330,332	13,250,068	344,648
General obligations bonds - Series 1999	18,881,406	11,086,628	-	1,143,579	9,943,049	1,121,128
Capital lease obligations	2,280,000	530,000	-	200,000	330,000	35,000
Tax exempt financing agreement - Series 2007	1,700,000	-	1,700,000	-	1,700,000	124,000
		$ 35,651,949	$ 1,700,000	$ 1,794,090	$ 35,557,859	$ 1,764,453

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	$ 10,334,742
Pension bonds - issued April 2003, due in annual installments of $531,222 to $2,102,448, including interest at 1.50% to 6.27% through 2028	13,250,068
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	9,943,049
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	330,000
Tax exempt financing agreement - Series 2007 - issued October 2007, due in annual installments of $124,000 to $205,000, plus interest paid semi-annually at 4.00% through 2017	1,700,000
	$ 35,557,859

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 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***
2009	$ 1,764,453	$ 1,762,035	$ 3,526,488
2010	1,789,478	1,869,641	3,659,119
2011	1,795,064	2,007,317	3,802,381
2012	1,793,252	2,152,849	3,946,101
2013	1,787,615	2,310,726	4,098,341
2014-2018	8,724,090	14,106,364	22,830,454
2019-2023	4,798,907	8,943,735	13,742,642
2024-2028	13,105,000	2,152,603	15,257,603
	$ 35,557,859	$ 35,305,270	$ 70,863,129

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, 2008, expenditures related to early retirement benefits totaled $361,461 paid to 76 participants.

Plan activity for the year is as follows:

Outstanding July 1, 2007	*Increases*	*Payments*	*Outstanding June 30, 2008*
$ 1,562,237	$ 10,040	$ 361,461	$ 1,210,816

Amounts due in the current year are $273,495.

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, 2008:

	Transfers In	***Transfers Out***
Fund		
General	$ -	$ 880,000
Other governmental funds		
Early Retirement	350,000	-
Capital Projects Fund	100,000	-
Combined Grants and Projects Fund	430,000	-
	$ 880,000	$ 880,000

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, 2008 were 0.37% and 0.61% 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 unadjusted rate is currently 13.83%. 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 6.00% employee contribution was paid by employees and amounts to $912,525, $856,856, and $789,780 for the years ended June 30, 2008, 2007 and 2006, respectively. Total payroll was $16,508,734 and covered payroll was $16,315,866 for the year ended June 30, 2008. The District's contributions to PERS, exclusive of the employee contributions, for the years ended June 30, 2008, 2007 and 2006 were $65,692, $44,074, and $107,759, 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.

EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Oregon law prohibits expenditures in excess of board approved appropriations. The board approves appropriations for each fund by major function. For the year ended June 30, 2008, expenditures exceeded appropriations as follows:

Fund/Appropriation Category	Appropriation	Expenditure	Variance
Food Service Fund			
Enterprise and community services	$ 872,304	$ 878,123	$ (5,819)

FUND ACCUMULATED DEFICITS

At June 30, 2008, the following funds had negative fund balances:

Combined Grants and Projects Fund	$ 27,568
Food Service Fund	88,513

The deficit fund balances imply unauthorized interfund borrowings at June 30, 2008.

REQUIRED SUPPLEMENTARY INFORMATION

ST. HELENS SCHOOL DISTRICT

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

YEAR ENDED JUNE 30, 2008

	Original Budget	Final Budget	Variance	Actual Budget Basis	Actual Adjustments	Actual GAAP Basis
REVENUES						
Local sources	$ 7,033,795	$ 7,033,795	$ 61,824	$ 7,095,619	$ -	$ 7,095,619
Intermediate sources	332,917	332,917	55,908	388,825	-	388,825
State sources	18,464,363	18,464,363	430,174	18,894,537	-	18,894,537
Total Revenues	25,831,075	25,831,075	547,906	26,378,981	-	26,378,981
EXPENDITURES						
Instruction	16,169,711	16,169,936	156,039	16,013,897	(30,824)	15,983,073
Support services	9,700,364	9,700,139	38,910	9,661,229	(431,431)	9,229,798
Facilities acquisition and construction	1,450,000	1,450,000	308,856	1,141,144	(1,070,221)	70,923
Debt service	231,000	231,000	4,813	226,187	-	226,187
Capital outlay	-	-	-	-	1,532,476	1,532,476
Operating contingency	600,000	600,000	600,000	-	-	-
Total Expenditures	28,151,075	28,151,075	1,108,618	27,042,457	-	27,042,457
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,320,000)	(2,320,000)	1,656,524	(663,476)	-	(663,476)
OTHER FINANCING SOURCES (USES)						
Long term debt	1,400,000	1,400,000	300,000	1,700,000	-	1,700,000
Transfers out	(880,000)	(880,000)	-	(880,000)	-	(880,000)
Total Other Financing Sources (Uses)	520,000	520,000	300,000	820,000	-	820,000
NET CHANGE IN FUND BALANCE	(1,800,000)	(1,800,000)	1,956,524	156,524	-	156,524
FUND BALANCE, Beginning of year	1,800,000	1,800,000	547,114	2,347,114	-	2,347,114
FUND BALANCE, End of year	$ -	$ -	$ 2,503,638	$ 2,503,638	$ -	$ 2,503,638

OTHER SUPPLEMENTARY INFORMATION

COMBINING STATEMENTS
NONMAJOR GOVERNMENTAL FUNDS

ST. HELENS SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2008

	Combined Grants and Projects Fund	*Food Services Fund*	*Student Services Fund*
ASSETS			
Cash and investments	$ 53,873	$ (70,252)	$ 341,942
Property taxes receivable	-	-	-
Accounts receivable	91,924	-	-
Inventories	-	1,225	-
Total Assets	$ 145,797	$ (69,027)	$ 341,942
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	$ 29,690	$ 4,626	$ -
Accrued salaries and benefits	143,675	14,860	-
Deferred revenue	-	-	-
Total Liabilities	173,365	19,486	-
Fund Balances			
Unreserved, reported in nonmajor			
Special revenue funds	(27,568)	(88,513)	341,942
Debt service fund	-	-	-
Total Fund Balances	(27,568)	(88,513)	341,942
Total Liabilites and Fund Balances	$ 145,797	$ (69,027)	$ 341,942

Lottery Bond Fund	*Capital Reserve Fund*	*Early Retirement Fund*	*Debt Service*	*Debt Service PERS*	*Total Nonmajor Governmental Funds*
$ 1,381	$ 501,931	$ 333,222	$ 76,346	$ 58,807	$ 1,297,250
-	-	-	147,408	-	147,408
-	-	-	-	-	91,924
-	-	-	-	-	1,225
$ 1,381	$ 501,931	$ 333,222	$ 223,754	$ 58,807	$ 1,537,807
$ -	$ -	$ -	$ -	$ -	$ 34,316
-	-	-	-	-	158,535
-	-	-	126,798	-	126,798
-	-	-	126,798	-	319,649
1,381	501,931	333,222	-	-	1,062,395
-	-	-	96,956	58,807	155,763
1,381	501,931	333,222	96,956	58,807	1,218,158
$ 1,381	$ 501,931	$ 333,222	$ 223,754	$ 58,807	$ 1,537,807

ST. HELENS SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2008

	Combined Grants and Projects Fund	*Food Services Fund*	*Student Services Fund*
REVENUES			
Local sources	$ 50,854	$ 318,859	$ 612,941
State sources	51,354	11,543	-
Federal sources	1,311,096	456,027	-
Total Revenues	1,413,304	786,429	612,941
EXPENDITURES			
Instruction	1,322,230	-	564,673
Support services	557,476	-	-
Enterprise and community services	87,227	-	-
Food services	-	878,123	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Capital outlay	3,790	-	-
Total Expenditures	1,970,723	878,123	564,673
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(557,419)	(91,694)	48,268
OTHER FINANCING SOURCES (USES)			
Transfers in	430,000	-	-
Sale of capital assets	-	-	-
Total Other Financing Sources (Uses)	430,000	-	-
NET CHANGE IN FUND BALANCES	(127,419)	(91,694)	48,268
FUND BALANCES, Beginning of year	99,851	3,181	293,674
FUND BALANCES, End of year	$ (27,568)	$ (88,513)	$ 341,942

Lottery Bond Fund	*Capital Reserve Fund*	*Early Retirement Fund*	*Debt Service*	*Debt Service PERS*	*Total Nonmajor Governmental Funds*
$ -	$ 5,000	$ 16,855	$ 1,743,493	$ 1,415,520	$ 4,163,522
-	-	-	-	-	62,897
-	-	-	-	-	1,767,123
-	5,000	16,855	1,743,493	1,415,520	5,993,542
-	-	-	-	-	1,886,903
-	-	361,865	-	-	919,341
-	-	-	-	-	87,227
-	-	-	-	-	878,123
-	-	-	1,143,579	450,511	1,594,090
-	-	-	571,421	969,625	1,541,046
-	4,298	-	-	-	8,088
-	4,298	361,865	1,715,000	1,420,136	6,914,818
-	702	(345,010)	28,493	(4,616)	(921,276)
-	100,000	350,000	-	-	880,000
-	401,229	-	-	-	401,229
-	501,229	350,000	-	-	1,281,229
-	501,931	4,990	28,493	(4,616)	359,953
1,381	-	328,232	68,463	63,423	858,205
$ 1,381	$ 501,931	$ 333,222	$ 96,956	$ 58,807	$ 1,218,158

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - COMBINED GRANTS AND PROJECTS FUND
YEAR ENDED JUNE 30, 2008

	Original Budget	Final Budget	Variance	Actual Budget Basis	Actual Adjustments	Actual GAAP Basis
REVENUES						
Local sources	$ 108,951	$ 138,951	$ (88,097)	$ 50,854	$ -	$ 50,854
State sources	51,063	51,063	291	51,354	-	51,354
Federal sources	1,659,151	1,725,784	(414,688)	1,311,096	-	1,311,096
Total Revenues	1,819,165	1,915,798	(502,494)	1,413,304	-	1,413,304
EXPENDITURES						
Instruction	1,641,720	1,724,994	398,974	1,326,020	(3,790)	1,322,230
Support services	584,947	607,415	49,939	557,476	-	557,476
Enterprise and community services	64,519	94,519	7,292	87,227	-	87,227
Capital outlay	-	-	-	-	3,790	3,790
Operating contingency	106,376	106,376	106,376	-	-	-
Total Expenditures	2,397,562	2,533,304	562,581	1,970,723	-	1,970,723
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(578,397)	(617,506)	60,087	(557,419)	-	(557,419)
OTHER FINANCING SOURCES (USES)						
Transfers in	430,000	430,000	-	430,000	-	430,000
NET CHANGE IN FUND BALANCE	(148,397)	(187,506)	60,087	(127,419)	-	(127,419)
FUND BALANCE, Beginning of year	148,397	187,506	(87,655)	99,851	-	99,851
FUND BALANCE, End of year	$ -	$ -	$ (27,568)	$ (27,568)	$ -	$ (27,568)

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - FOOD SERVICES FUND
YEAR ENDED JUNE 30, 2008

	Original Budget	*Final Budget*	*Actual*	*Variance*
REVENUES				
Local sources	$ 353,150	$ 353,150	$ 318,859	$ (34,291)
State sources	12,000	12,000	11,543	(457)
Federal sources	500,654	500,654	456,027	(44,627)
Total Revenues	865,804	865,804	786,429	(79,375)
EXPENDITURES				
Enterprise and Community Services - Food Services				
Salaries	289,776	289,776	309,776	(20,000)
Employee benefits	115,275	115,275	115,564	(289)
Purchased services	11,253	11,253	6,515	4,738
Supplies and materials	450,000	450,000	445,350	4,650
Capital outlay	5,000	5,000	-	5,000
Other objects	1,000	1,000	918	82
Total Expenditures	872,304	872,304	878,123	(5,819)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(6,500)	(6,500)	(91,694)	(85,194)
FUND BALANCE, Beginning of year	6,500	6,500	3,181	(3,319)
FUND BALANCE, End of year	$ -	$ -	$ (88,513)	$ (88,513)

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - STUDENT SERVICES FUND
YEAR ENDED JUNE 30, 2008

	Original Budget	*Final Budget*	*Actual*	*Variance*
REVENUES				
Local sources	$ 575,000	$ 575,000	$ 612,941	$ 37,941
EXPENDITURES				
Instruction				
Supplies and materials	860,000	860,000	564,673	295,327
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(285,000)	(285,000)	48,268	333,268
FUND BALANCE, Beginning of year	285,000	285,000	293,674	8,674
FUND BALANCE, End of year	$ -	$ -	$ 341,942	$ 341,942

ST. HELENS SCHOOL DISTRICT

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

YEAR ENDED JUNE 30, 2008

	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

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CAPITAL RESERVE FUND
YEAR ENDED JUNE 30, 2008

	Original Budget	*Final Budget*	*Actual*	*Variance*
REVENUES				
Local sources	$ -	$ -	$ 5,000	$ 5,000
EXPENDITURES				
Capital outlay	100,000	100,000	4,298	95,702
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(100,000)	(100,000)	702	100,702
OTHER FINANCING SOURCES (USES)				
Transfers in	100,000	100,000	100,000	-
Sale of capital assets	-	-	401,229	401,229
Total Other Financing Sources (Uses)	100,000	100,000	501,229	401,229
NET CHANGE IN FUND BALANCE	-	-	501,931	501,931
FUND BALANCE, Beginning of year	-	-	-	-
FUND BALANCE, End of year	$ -	$ -	$ 501,931	$ 501,931

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - EARLY RETIREMENT FUND
YEAR ENDED JUNE 30, 2008

	Original Budget	*Final Budget*	*Actual*	*Variance*
REVENUES				
Local sources	$ 15,000	$ 15,000	$ 16,855	$ 1,855
EXPENDITURES				
Support Services				
Employee benefits	405,000	405,000	361,865	43,135
Total Expenditures	405,000	405,000	361,865	43,135
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(390,000)	(390,000)	(345,010)	44,990
OTHER FINANCING SOURCES (USES)				
Transfers in	350,000	350,000	350,000	-
NET CHANGE IN FUND BALANCE	(40,000)	(40,000)	4,990	44,990
FUND BALANCE, Beginning of year	200,000	200,000	328,232	128,232
FUND BALANCE, End of year	$ 160,000	$ 160,000	$ 333,222	$ 173,222

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2008

	Original Budget	*Final Budget*	*Actual*	*Variance*
REVENUES				
Local sources	$ 1,690,000	$ 1,690,000	$ 1,743,493	$ 53,493
EXPENDITURES				
Debt service	1,715,000	1,715,000	1,715,000	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(25,000)	(25,000)	28,493	53,493
FUND BALANCE, Beginning of year	25,000	25,000	68,463	43,463
FUND BALANCE, End of year	$ -	$ -	$ 96,956	$ 96,956

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE PERS FUND
YEAR ENDED JUNE 30, 2008

	Original Budget	*Final Budget*	*Actual*	*Variance*
REVENUES				
Local sources	$ 1,370,136	$ 1,370,136	$ 1,415,520	$ 45,384
EXPENDITURES				
Debt Service	1,420,136	1,420,136	1,420,136	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(50,000)	(50,000)	(4,616)	45,384
FUND BALANCE, Beginning of year	50,000	50,000	63,423	13,423
FUND BALANCE, End of year	$ -	$ -	$ 58,807	$ 58,807

ST. HELENS SCHOOL DISTRICT

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

YEAR ENDED JUNE 30, 2008

Code	*Function*	*Actual*	*Budget*	*Variance*
	LOCAL REVENUES			
1111	Current year's taxes	$ 6,370,335	$ 6,642,795	$ (272,460)
1112	Prior year's taxes	222,674	175,000	47,674
1200	Revenue from local governmental units other than districts	13,919	-	13,919
1500	Earnings on investments	264,202	176,000	88,202
1700	Extracurricular activities	30,258	10,000	20,258
1910	Rentals	9,968	15,000	(5,032)
1920	Contributions and donations from private sources	50,000	-	50,000
1990	Miscellaneous	134,263	15,000	119,263
1000	*Total Local Revenues*	7,095,619	7,033,795	61,824
	INTERMEDIATE REVENUES			
2101	County school funds	344,259	307,917	36,342
2105	Natural gas, oil and mineral receipts	44,566	25,000	19,566
2000	*Total Intermediate Revenues*	388,825	332,917	55,908
	STATE REVENUES			
3101	State school fund - general support	17,574,170	18,097,817	(523,647)
3103	Common school fund	570,044	366,546	203,498
3299	Other restricted grants-in-aid	750,323	-	750,323
3000	*Total State Revenues*	18,894,537	18,464,363	430,174
	OTHER SOURCES			
5100	Long term debt	1,700,000	1,400,000	300,000
5400	***FUND BALANCE, Beginning of year***	2,347,114	1,800,000	547,114
6000	*Total Resources*	$ 30,426,095	$ 29,031,075	$ 1,395,020

ST. HELENS SCHOOL DISTRICT

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

YEAR ENDED JUNE 30, 2008

Code	*Function*	*100 Salaries*	*200 Employee Benefits*	*300 Purchased Services*
	INSTRUCTION			
1100	Regular programs			
1111	Primary, K-3	$ 1,909,495	$ 672,459	$ 3,771
1112	Intermediate programs	1,749,918	665,363	4,637
1113	Elementary extracurricular	315,144	38,380	3,866
1121	Middle/junior high programs	2,055,610	780,285	849
1122	Middle/junior high school extracurricular	69,033	17,633	5,049
1131	High school programs	2,733,698	1,029,634	11,005
1132	High school extracurricular	334,954	87,818	35,287
1200	Special programs			
1210	Programs for the talented and gifted	66,859	21,085	8,146
1220	Programs for students with mental disabilities	624,893	311,372	3,449
1250	Resource rooms	1,012,489	420,782	13,881
1260	Early intervention	54,201	21,039	1,169
1280	Alternative education	63,449	21,577	427,536
1291	English second language programs	114,519	36,524	606
1299	Other programs	(3,273)	375	-
1000	*Total Instruction*	11,100,989	4,124,326	519,251
	SUPPORT SERVICES			
2100	Students			
2110	Attendance and social work services	63,041	22,482	1,242
2120	Guidance services	584,048	223,035	1,030
2130	Health services	121,762	42,515	1,526
2140	Psychological services	64,085	22,299	976
2150	Speech pathology and audiology services	210,290	98,319	30,452
2200	Instructional staff	426,400	245,068	43,854
2300	General administration	234,213	75,840	170,081
2400	School administration	952,216	405,541	84,162
2500	Business			
2520	Fiscal services	322,406	131,087	79,752
2540	Operation and maintenance of plant services	812,814	363,579	1,174,649
2550	Student transportation services	9,981	2,717	1,183,557
2570	Internal services	-	-	106,054
2600	Central activities			
2660	Technology services	136,794	58,076	76,290
2000	*Total Support Services*	3,938,050	1,690,558	2,953,625
	FACILITIES ACQUISITION AND CONSTRUCTION			
4150	Building acquisition, construction and improvement services	-	-	69,480
	OTHER USES			
5100	Debt service	-	-	652
5200	Transfers of funds	-	-	-
5000	*Total Other Uses*	-	-	652
6000	***OPERATING CONTINGENCY***	-	-	-
7000	***FUND BALANCE, End of year***	-	-	-
8000	*Total Expenditures and Ending Balance*	$ 15,039,039	$ 5,814,884	$ 3,543,008

400 Supplies & Materials	*500 Capital Outlay*	*600 Other Objects*	*700 Transfers*	*Actual Fund Total*	*Appropriations*	*Variance*
$ 57,983	$ 1,534	$ -	$ -	$ 2,645,242		
31,934	-	-	-	2,451,852		
-	-	-	-	357,390		
33,398	-	-	-	2,870,142		
-	-	-	-	91,715		
65,589	19,076	312	-	3,859,314		
1,749	-	2,896	-	462,704		
2,124	-	1,115	-	99,329		
9,473	-	-	-	949,187		
28,069	10,214	1,311	-	1,486,746		
247	-	-	-	76,656		
-	-	-	-	512,562		
2,307	-	-	-	153,956		
-	-	-	-	(2,898)		
232,873	30,824	5,634	-	16,013,897	$ 16,169,936	$ 156,039
249	-	-	-	87,014		
3,945	-	287	-	812,345		
1,416	-	-	-	167,219		
-	-	-	-	87,360		
3,078	-	-	-	342,139		
73,594	175	691	-	789,782		
19,118	11,618	151,274	-	662,144		
48,458	100,367	8,776	-	1,599,520		
35,826	4,412	2,120	-	575,603		
245,933	114,635	1,505	-	2,713,115		
8,310	44,050	-	-	1,248,615		
9,066	-	-	-	115,120		
32,420	156,174	1,499	-	461,253		
481,413	431,431	166,152	-	9,661,229	9,700,139	38,910
1,443	1,070,221	-	-	1,141,144	1,450,000	308,856
-	-	225,535	-	226,187		
-	-	-	880,000	880,000		
-	-	225,535	880,000	1,106,187	1,111,000	4,813
-	-	-	-	-	600,000	600,000
-	-	-	2,503,638	2,503,638	-	(2,503,638)
$ 715,729	$ 1,532,476	$ 397,321	$ 3,383,638	$ 30,426,095	$ 29,031,075	$ (1,395,020)

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - COMBINED GRANTS AND PROJECTS FUND
YEAR ENDED JUNE 30, 2008

Code	*Function*	*Actual*	*Budget*	*Variance*
	LOCAL REVENUES			
1700	Extracurricular activities	$ -	$ 34,451	$ (34,451)
1800	Community services activities	50,854	104,500	(53,646)
1000	*Total Local Revenues*	50,854	138,951	(88,097)
	STATE REVENUES			
3101	State school fund - general support	-	7,000	(7,000)
3204	Driver education	3,503	3,863	(360)
3299	Other restricted grants-in-aid	47,851	40,200	7,651
3000	*Total State Revenues*	51,354	51,063	291
	FEDERAL REVENUES			
4300	Restricted revenue direct from the federal government	36,307	76,861	(40,554)
4500	Restricted revenue from the federal government through the state	1,274,789	1,648,923	(374,134)
4000	*Total Federal Revenues*	1,311,096	1,725,784	(414,688)
	OTHER SOURCES			
5200	Interfund transfers	430,000	430,000	-
5400	***FUND BALANCE, Beginning of year***	99,851	187,506	(87,655)
6000	*Total Resources*	$ 1,943,155	$ 2,533,304	$ (590,149)

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - COMBINED GRANTS AND PROJECTS FUND (Continued)
YEAR ENDED JUNE 30, 2008

Code	*Function*	*100 Salaries*	*200 Employee Benefits*	*300 Purchased Services*
	INSTRUCTION			
1100	Regular programs			
1111	Primary, K-3	$ -	$ 17	$ 51,100
1121	Middle/junior high programs	539	467	-
1131	High school programs	157,773	60,514	17,398
1132	High school extracurricular	3,993	466	-
1200	Special programs			
1250	Resource rooms	478,035	208,052	12,962
1270	Educationally disadvantaged	237,053	51,230	4,592
1000	*Total Instruction*	877,393	320,746	86,052
	SUPPORT SERVICES			
2100	Students			
2130	Health services	-	-	-
2200	Instructional staff	86,992	30,149	86,229
2500	Business			
2540	Operation and maintenance of plant services	-	-	9,489
2550	Student transportation services	-	-	412
2000	*Total Support Services*	86,992	30,149	96,130
	ENTERPRISE AND COMMUNITY SERVICES			
3500	Custody and care of children services	60,578	25,546	306
6000	***OPERATING CONTINGENCY***	-	-	-
7000	***FUND BALANCE, End of year***	-	-	-
8000	*Total Expenditures and Ending Balance*	$ 1,024,963	$ 376,441	$ 182,488

400 Supplies & Materials	*500 Capital Outlay*	*600 Other Objects*	*700 Transfers*	*Actual Fund Total*	*Appropriations*	*Variance*
$ -	$ -	$ -	$ -	$ 51,117		
3,546	1,444	-	-	5,996		
24,607	2,155	1,290	-	263,737		
-	-	-	-	4,459		
1,410	191	-	-	700,650		
7,186	-	-	-	300,061		
36,749	3,790	1,290	-	1,326,020	$ 1,724,994	$ 398,974
2,587	-	-	-	2,587		
332,670	-	-	-	536,040		
8,948	-	-	-	18,437		
-	-	-	-	412		
344,205	-	-	-	557,476	607,415	49,939
797	-	-	-	87,227		
-	-	-	-	-	106,376	106,376
-	-	-	(27,568)	(27,568)	-	27,568
$ 381,751	$ 3,790	$ 1,290	$ (27,568)	$ 1,943,155	$ 2,533,304	$ 590,149

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - FOOD SERVICES FUND
YEAR ENDED JUNE 30, 2008

Code	*Function*	*Actual*	*Budget*	*Variance*
	LOCAL REVENUES			
1600	Food service	$ 318,859	$ 353,150	$ (34,291)
	STATE REVENUES			
3102	State school fund - school lunch match	11,543	12,000	(457)
	FEDERAL REVENUES			
4500	Restricted revenue from the federal government through the state	394,555	450,654	(56,099)
4900	Revenue for/on behalf of the district	61,472	50,000	11,472
4000	*Total Federal Revenues*	456,027	500,654	(44,627)
5400	***FUND BALANCE, Beginning of year***	3,181	6,500	(3,319)
6000	*Total Resources*	$ 789,610	$ 872,304	$ (82,694)

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - FOOD SERVICES FUND (Continued)
YEAR ENDED JUNE 30, 2008

Code	*Function*	*100 Salaries*	*200 Employee Benefits*	*300 Purchased Services*
	ENTERPRISE AND COMMUNITY SERVICES			
3100	Food services			
3110	Service area direction	$ 45,052	$ 15,105	$ -
3120	Food preparation and dispensing services	264,724	100,459	6,515
3000	*Total Enterprise and Community Services*	309,776	115,564	6,515
7000	***FUND BALANCE, End of year***	-	-	-
8000	*Total Expenditures and Ending Balance*	$ 309,776	$ 115,564	$ 6,515

400 Supplies & Materials	*500 Capital Outlay*	*600 Other Objects*	*700 Transfers*	*Actual Fund Total*	*Appropriations*	*Variance*
$ -	$ -	$ -	$ -	$ 60,157		
445,350	-	918	-	817,966		
445,350	-	918	-	878,123	$ 872,304	$ (5,819)
-	-	-	(88,513)	(88,513)	-	88,513
$ 445,350	$ -	$ 918	$ (88,513)	$ 789,610	$ 872,304	$ 82,694

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - STUDENT SERVICES FUND
JUNE 30, 2008

Code	*Function*	*Actual*	*Budget*	*Variance*
	LOCAL REVENUES			
1500	Earnings on investments	$ 3,772	$ 3,500	$ 272
1700	Extracurricular activities	573,078	556,500	16,578
1950	Textbook sales and rentals	5,866	5,000	866
1990	Miscellaneous	30,225	10,000	20,225
1000	*Total Local Revenues*	612,941	575,000	37,941
5400	***FUND BALANCE, Beginning of year***	293,674	285,000	8,674
6000	*Total Resources*	$ 906,615	$ 860,000	$ 46,615

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - STUDENT SERVICES FUND (Continued)
JUNE 30, 2008

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*
$ 29,778	$ -	$ -	$ -	$ 29,778		
169,315	-	-	-	169,315		
365,580	-	-	-	365,580		
564,673	-	-	-	564,673	$ 860,000	$ 295,327
-	-	-	341,942	341,942	-	(341,942)
$ 564,673	$ -	$ -	$ 341,942	$ 906,615	$ 860,000	$ (46,615)

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - LOTTERY BOND FUND
YEAR ENDED JUNE 30, 2008

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - LOTTERY BOND FUND (Continued)
YEAR ENDED JUNE 30, 2008

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

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

YEAR ENDED JUNE 30, 2008

Code	*Function*	*Actual*	*Budget*	*Variance*
	LOCAL REVENUES			
1990	Miscellaneous	$ 5,000	$ -	$ 5,000
	OTHER SOURCES			
5200	Interfund transfers	100,000	100,000	-
5300	Sale of/or compensation for loss of fixed assets	401,229	-	401,229
6000	*Total Resources*	$ 506,229	$ 100,000	$ 406,229

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CAPITAL RESERVE FUND (Continued)
YEAR ENDED JUNE 30, 2008

Code	*Function*	*100 Salaries*	*200 Employee Benefits*	*300 Purchased Services*
	SUPPORT SERVICES			
2500	Business			
2540	Operation and maintenance of plant services	$ -	$ -	$ -
2000	*Total Support 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*
$ -	$ 4,298	$ -	$ -	$ 4,298		
-	4,298	-	-	4,298	$ 100,000	$ 95,702
-	-	-	501,931	501,931	-	(501,931)
$ -	$ 4,298	$ -	$ 501,931	$ 506,229	$ 100,000	$ (406,229)

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - EARLY RETIREMENT FUND
YEAR ENDED JUNE 30, 2008

Code	*Function*	*Actual*	*Budget*	*Variance*
	LOCAL REVENUES			
1500	Earnings on investments	$ 16,855	$ 15,000	$ 1,855
	OTHER SOURCES			
5200	Interfund transfers	350,000	350,000	-
5400	***FUND BALANCE, Beginning of year***	328,232	200,000	128,232
6000	*Total Resources*	$ 695,087	$ 565,000	$ 130,087

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - EARLY RETIREMENT FUND (Continued)
YEAR ENDED JUNE 30, 2008

Code	*Function*	*100 Salaries*	*200 Employee Benefits*	*300 Purchased Services*
	SUPPORT SERVICES			
2700	Supplemental retirement program	$ -	$ 361,865	$ -
2000	*Total Support Services*	-	361,865	-
7000	***FUND BALANCE, End of year***	-	-	-
8000	*Total Expenditures and Ending Balance*	$ -	$ 361,865	$ -

400 Supplies & Materials	*500 Capital Outlay*	*600 Other Objects*	*700 Transfers*	*Actual Fund Total*	*Appropriations*	*Variance*
$ -	$ -	$ -	$ -	$ 361,865		
-	-	-	-	361,865	$ 405,000	$ 43,135
-	-	-	333,222	333,222	160,000	(173,222)
$ -	$ -	$ -	$ 333,222	$ 695,087	$ 565,000	$ (130,087)

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2008

Code	*Function*	*Actual*	*Budget*	*Variance*
	LOCAL REVENUES			
1111	Current year's taxes	$ 1,623,768	$ 1,598,500	$ 25,268
1112	Prior year's taxes	73,477	60,000	13,477
1500	Earnings on investments	46,248	31,500	14,748
1000	*Total Local Revenues*	1,743,493	1,690,000	53,493
5400	***FUND BALANCE, Beginning of year***	68,463	25,000	43,463
6000	*Total Resources*	$ 1,811,956	$ 1,715,000	$ 96,956

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND (Continued)
YEAR ENDED JUNE 30, 2008

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*
$ -	$ -	$ 1,715,000	$ -	$ 1,715,000		
-	-	1,715,000	-	1,715,000	$ 1,715,000	$ -
-	-	-	96,956	96,956	-	(96,956)
$ -	$ -	$ 1,715,000	$ 96,956	$ 1,811,956	$ 1,715,000	$ (96,956)

ST. HELENS SCHOOL DISTRICT

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

YEAR ENDED JUNE 30, 2008

Code	*Function*	*Actual*	*Budget*	*Variance*
	LOCAL REVENUES			
1500	Earnings on investments	$ 27,317	$ 15,000	$ 12,317
1970	Services provided other funds	1,388,203	1,355,136	33,067
1000	*Total Local Revenues*	1,415,520	1,370,136	45,384
5400	***FUND BALANCE, Beginning of year***	63,423	50,000	13,423
6000	*Total Resources*	$ 1,478,943	$ 1,420,136	$ 58,807

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE PERS FUND (Continued)
YEAR ENDED JUNE 30, 2008

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*
$ -	$ -	$ 1,420,136	$ -	$ 1,420,136		
-	-	1,420,136	-	1,420,136	$ 1,420,136	$ -
-	-	-	58,807	58,807	-	(58,807)
$ -	$ -	$ 1,420,136	$ 58,807	$ 1,478,943	$ 1,420,136	$ (58,807)

OTHER SCHEDULES

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF PROPERTY TAX TRANSACTIONS

YEAR ENDED JUNE 30, 2008

Tax Year	*Uncollected Balances July 1, 2007*	*2007-08 Levy*	*Added To Rolls*	*Interest Discounts & Adjustments*	*Turnovers*	*Uncollected Balances June 30, 2008*
2007-2008	$ -	$ 8,527,675	$ 36,094	$ 178,520	$ 7,991,386	$ 393,863
2006-2007	330,851	-	-	1,336	180,063	149,452
2005-2006	148,649	-	-	2,217	64,020	82,412
2004-2005	78,580	-	-	3,174	48,143	27,263
2003-2004	35,219	-	-	4,090	24,807	6,322
2002-2003	9,343	-	-	2,167	3,527	3,649
2001-2002	3,236	-	-	255	1,184	1,797
Prior Years	6,087	-	-	1,013	643	4,431
Total	$ 611,965	$ 8,527,675	$ 36,094	$ 192,772	$ 8,313,773	$ 669,189

Turnover Reconciliation	
Columbia County Turnovers	$ 8,313,773
Change in taxes available to meet current demands, net	5,904
Interest	(11,441)
Other taxes and adjustments	(17,982)
Total property tax revenue recognized	$ 8,290,254

General Fund	$ 6,593,009
Debt Service	1,697,245
	$ 8,290,254

ST. HELENS SCHOOL DISTRICT
SCHEDULE OF BOND TRANSACTIONS
YEAR ENDED JUNE 30, 2008

	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
Tax exempt financing agreement	4.0%	2007	2018

	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
Tax exempt financing agreement	4.0%	2007	2018

Outstanding July 1, 2007	*Bonds Issued*	*Bonds Paid*	*Outstanding June 30, 2008*
$ 10,454,921	$ -	$ 120,179	$ 10,334,742
13,580,400	-	330,332	13,250,068
11,086,628	-	1,143,579	9,943,049
165,000	-	165,000	-
365,000	-	35,000	330,000
-	1,700,000	-	1,700,000
$ 35,651,949	$ 1,700,000	$ 1,794,090	$ 35,557,859

Unmatured Interest Outstanding July 1, 2007	*New Issues*	*Interest Coupons Paid/ Refunded*	*Unmatured Interest June 30, 2008*
$ 10,367,149	$ -	$ 470,960	$ 9,896,189
15,134,273	-	498,665	14,635,608
10,873,374	-	571,421	10,301,953
109,208	-	23,235	85,973
-	385,547	-	385,547
$ 36,484,004	$ 385,547	$ 1,564,281	$ 35,305,270

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF FUTURE REQUIREMENTS FOR RETIREMENT OF LONG-TERM DEBT

JUNE 30, 2008

Fiscal Year Ending June 30,	*Pension Bonds - Series 2002*			*Pension Bonds - Series 2003*		
	Principal	*Interest*	*Total*	*Principal*	*Interest*	*Total*
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	202,312	613,828	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
	$ 10,334,742	$ 9,896,189	$ 20,230,931	$ 13,250,068	$ 14,635,608	$ 27,885,676

General Obligation Bonds - Series 1999			*Capital Lease Obligations*		
Principal	***Interest***	***Total***	***Principal***	***Interest***	***Total***
$ 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	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
$ 9,943,049	$ 10,301,953	$ 20,245,002	$ 330,000	$ 85,973	$ 415,973

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF FUTURE REQUIREMENTS FOR RETIREMENT OF LONG-TERM DEBT (Continued)
JUNE 30, 2008

Fiscal Year Ending June 30,	*Tax Exempt Financing Agreement - Series 2007*			*Totals*		
	Principal	*Interest*	*Total*	*Principal*	*Interest*	*Total*
2009	$ 124,000	$ 84,787	$ 208,787	$ 1,764,453	$ 1,762,035	$ 3,526,488
2010	148,000	60,080	208,080	1,789,478	1,869,641	3,659,119
2011	154,000	54,040	208,040	1,795,064	2,007,317	3,802,381
2012	161,000	47,740	208,740	1,793,252	2,152,849	3,946,101
2013	167,000	41,180	208,180	1,787,615	2,310,726	4,098,341
2014	174,000	34,360	208,360	1,784,364	2,466,958	4,251,322
2015	181,000	27,260	208,260	1,775,212	2,638,534	4,413,746
2016	189,000	19,860	208,860	1,766,365	2,815,506	4,581,871
2017	197,000	12,140	209,140	1,703,948	2,995,328	4,699,276
2018	205,000	4,100	209,100	1,694,201	3,190,038	4,884,239
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
	$ 1,700,000	$ 385,547	$ 2,085,547	$ 35,557,859	$ 35,305,270	$ 70,863,129

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

	Objects 325 &326
Function 2540	$ 494,849
Function 2550	$ 0.00

B. Replacement of Equipment - **General Fund**:
Include all General Fund expenditures in object 542, except for the following exclusions: $ 17,204

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2008

Federal Grantor/Pass-through Grantor/Program Title	*Grant Award Period*	*Federal CFDA Number*	*Subgrant Number*
U.S. Department of Agriculture			
Passed through Oregon Department of Education:			
National School Breakfast Program (SBP)	7/1/2007-6/30/2008	10.553	N/A
National School Lunch Program (NSLP)	7/1/2007-6/30/2008	10.555	N/A
Summer Food Service Program	7/1/2007-6/30/2008	10.559	N/A
Total U.S. Department of Agriculture			
U.S. Department of Education			
Direct Programs			
Rehabilitation Services (Title IA/B -Youth Transition Program)	7/1/07-6/30/09	84.126	YTP #121552
Passed through Oregon Department of Education:			
Title I Grants to Local Educational Agencies (LEAs)	7/1/2007-9/30/2008	84.010	10023
Special Education-Grants to States (IDEA, Part B)	7/1/2007-12/31/2008	84.027	11498
Career & Technical Education (Perkins Grant)	7/1/2007-9/30/2008	84.048	9611
Safe and Drug-Free Schools and Communities-State Grants (Title IV)	7/1/2007-6/30/2008	84.186	11184
Innovative Programs (Title V)	7/1/2007-9/30/2008	84.298	8467
Education Technology (Title IID)	7/1/2007-9/30/2008	84.318	10423
Improving Teacher Quality State Grants (Title IIA)	7/1/2007-9/30/2008	84.367	10240
Enhancement & Extended Assessment (IDEA Part B)	10/3/07-6/30/08	84.027	11867
System Performance	8/15/07-6/30/08	84.027	10824
Title ID-Preventing & Intervention Programs for Children & Youth	7/1/07-9/30/08	84.010	10063
Charter School Grant (Title VB)	4/19/07-10/19/08	84.282	9246
Total U.S. Department of Education			
U.S. Department of Health and Human Services			
Passed through Oregon Employment Department			
Child Care and Development Block Grant	12/8/2006-6/30/2007	93.575	9052
Total Federal Financial Assistance			

Program or Award Amount	*Disbursements/ Expenditures*
$ 62,582	$ 59,084
391,313	373,979
40,761	22,170
	455,233
194,474	46,868
484,676	396,429
573,675	562,679
30,733	21,825
12,146	8,820
4,172	13,576
4,716	10,838
129,085	152,708
6,228	5,580
2,810	6,930
10,355	4,543
51,000	51,000
	1,281,796
3,461	3,177
	$ 1,740,206

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, 2008.

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.

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of St. Helens School District, Columbia County, Oregon (the District) as of and for the year ended June 30, 2008, which collectively comprised the District's basic financial statements and have issued our report thereon dated December 31, 2008. 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.

Accounting and Internal Control Structure

Our reports relating to accounting and internal control systems are contained in the Compliance Section of this report.

Accounting Records

The District's accounting records were reasonably maintained and adequate to support our audit of the basic financial statements.

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, 2008.

Investments

Our review of deposit and investment balances indicated that, during the year ended June 30, 2008, the District was in compliance with ORS 294, as it pertains to investment of public funds.

Legal Requirements Relating to Debt

We noted no defaults in principal, interest, sinking fund, or redemption provisions with respect to any of the District's liabilities, and no breach of the bond agreements, at June 30, 2008.

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, 2008 and 2009, 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, 2008. 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, 2008.

Public Contracts

The District's procedures for awarding public contracts were reviewed and found to be in accordance with ORS Chapter 279, except that one improvement project during the year was contracted without following the requirements of board policy and ORS 279 which require requests for proposals be published for projects exceeding certain dollar limits.

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.

Financial Reporting Requirements

We have reviewed financial reports and other data relating to programs funded wholly or partially by other governmental agencies. This data, filed with other governmental agencies, is in agreement with and supported by the accounting records.

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.

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 31, 2008

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

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OFFINANCIAL 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 the governmental activities, each major fund and the aggregate remaining fund information of St. Helens School District, Columbia County, Oregon, as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 31, 2008. 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 opinions 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 deficiencies described in the Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting (2008-1 and 2008-2).

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 deficiencies described above are not material weaknesses, 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*.

We noted certain matters that we reported to management of the District in a separate letter dated December 31, 2008.

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the District's responses and, accordingly, we express no opinion on it.

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

CERTIFIED PUBLIC ACCOUNTANTS

December 31, 2008

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

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, Columbia County, Oregon 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, 2008. 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, 2008.

Internal Control Over Compliance

The management of St. Helens School District, Columbia County, Oregon 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.

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

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2008-3 and 2008-4 to be significant deficiencies.

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.

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the District's responses and, accordingly, we express no opinion on it.

This report is intended solely for the information and use management, the Board of Directors, others within the entity, 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

December 31, 2008

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?	Yes
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***
10.55X	School Nutrition Program

Dollar threshold used to distinguish between type A and type B programs:	$300,000
Auditee qualified as low-risk auditee?	Yes

FINANCIAL STATEMENT FINDINGS

Approval of Purchase Orders - 2008-1

Observation: We noted that Business Manager's signature is automatically printed, without his review, on all purchase orders when they are generated by any district business employee.

Recommendation: We recommend that additional procedures be implemented for appropriate review and approval of all purchase orders by the Business Manager.

Auditee response: As of October 1, 2008, all purchasing requisitions are approved in the accounting software system by the Business Manager before they can be turned into a purchase order. In addition to this, immediate supervisors must approve electronically all requisitions written by subordinates prior to being sent to the Business Manager for approval.

***FINANCIAL STATEMENT FINDINGS** (Continued)*

Cash Disbursements - 2008-2

Observation: In review of check signing process, we noted that the signatures of the Business Managers and Superintendent are printed automatically from the system. Checks can be printed by the AP Clerk or Payroll Specialist. There are, however, no procedures in place to prevent checks from being printed without check signer's approvals.

Recommendation: We recommend that additional procedures be implemented for appropriate check signing process. Check printing system can be password protected so that the check signers can log in and approve all the checks to be printed after appropriate review.

Auditee response: The updated procedures currently in place involve the Business Manager approving all requisitions prior to purchasing and a voucher summary is approved by the Superintendent prior to check writing. We will investigate with our software company the possibility of being able to approve checks electronically by the Business Manager or Superintendent before they can be printed.

PRIOR YEAR'S 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 recommended 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.

Current Year Update: The District established the dual signature policy for all checks, by the Business Manager and Superintendent.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Preparation of Purchase Orders - 2008-3

Observation: During the review of School Nutrition Program expenditures, we noted that purchase orders were prepared after the goods were delivered based on vendor's invoices.

Recommendation: We recommend that management review this procedure and implement additional procedures to ensure that all purchase orders are prepared and approved appropriately before the goods are ordered.

Auditee response: We will investigate the use of blanket purchase orders for our major suppliers and implement purchase order requirements for all other suppliers. It is expected that purchase orders are written and approved consistent with procedures throughout the District.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS *(Continued)*

Approval of Purchase Order - 2008-4

Observation: During the review of School Nutrition Program expenditures, we noted that some of the purchase orders were not approved by the appropriate supervisor.

Recommendation: We recommend that management review current procedures and implement additional procedures to ensure that all purchase orders are reviewed and approved prior to check processing.

Auditee response: Procedures will be updated as stated in the response to 2008-2.