

***ST. HELENS SCHOOL DISTRICT
BASIC FINANCIAL STATEMENTS AND
ADDITIONAL INFORMATION
Year Ended June 30, 2009***

ST. HELENS SCHOOL DISTRICT
JUNE 30, 2009

BOARD OF DIRECTORS

<i>Name</i>	<i>Title</i>	<i>Term Expires</i>
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 Saatvedt (Appointed July 7, 2008) P.O. Box 68 Oregon City, Oregon 97018	Member	June 30, 2009

ADMINISTRATIVE

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

Patricia Adams, Superintendent, Clerk
Terri Burns, Deputy Clerk/Business Manager

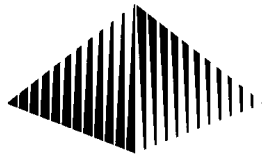
ST. HELENS SCHOOL DISTRICT
TABLE OF CONTENTS

	<u>Page</u>
<i>FINANCIAL SECTION</i>	
Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-9
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Assets	10
Statement of Activities	11
Fund Financial Statements	
Balance Sheet - Governmental Funds	12
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Assets	13
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	15
Notes to Basic Financial Statements	16-30
Required Supplementary Information	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
General Fund	31
Combined Grants and Projects Fund	32
Other Supplementary Information	
Combining Balance Sheet - Nonmajor Governmental Funds	33
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	34
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
Food Services Fund	35
Student Services Fund	36
Lottery Bond Fund	37
Capital Reserve Fund	38
Early Retirement Fund	39
Debt Service Fund	40
Debt Service PERS Fund	41
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
General Fund	42-43
Combined Grants and Projects Fund	44-45
Food Services Fund	46-47
Student Services Fund	48-49
Lottery Bond Fund	50-51
Capital Reserve Fund	52-53
Early Retirement Fund	54-55
Debt Service Fund	56-57
Debt Service PERS Fund	58-59

ST. HELENS SCHOOL DISTRICT
TABLE OF CONTENTS (Continued)

	<u>Page</u>
<i>FINANCIAL SECTION (Continued)</i>	
Other Supplementary Information (Continued)	
Other Schedules	
Schedule of Property Tax Transactions	60
Schedule of Bond Transactions	61
Schedule of Future Requirements for Retirement of Long-Term Debt	62-63
Department of Education Supplementary Information	64
 <i>COMPLIANCE SECTION</i>	
Schedule of Expenditures of Federal Awards	65-67
Comments and Disclosures Required by State of Oregon Minimum	
Standards for Audits of Oregon Municipal Corporations	68-69
Report on Internal Control over Financial Reporting and on	
Compliance and Other Matters Based on Audit of Financial Statements Performed	
in Accordance with <i>Government Auditing Standards</i>	70-71
Report on Compliance with Requirements Applicable to Each	
Major Program and Internal Control over Compliance in Accordance with	
OMB Circular A-133	72-73
Schedule of Findings and Questioned Costs	74-79

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 (the District), as of and for the year ended June 30, 2009, 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.

The District's government-wide financial statements do not disclose their liability for other post employment benefit obligations required under GASB 45.


In our opinion, based on our audit and the report of the other auditor, except for the effects of the omission of the information discussed in the preceding paragraph, 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, 2009 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, 2009 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 schedule of revenues, expenditures and changed in fund balance - budget and actual, General and Combined Grants and Projects Funds 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 also not a required part of the basic financial statements of the District. 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, 2009

**ST. HELENS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009**

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, 2009.

FINANCIAL HIGHLIGHTS

- In the government-wide statements, the assets of the District exceeded its liabilities at June 30, 2009 by \$18.47 million. Of this amount, more than \$19.06 million represents the District's investment in capital assets net of related debt. Liabilities exceeded assets by \$781 thousand for unrestricted.
- The District's total net assets increased by \$1.11 million.
- The District's governmental funds report a combined ending fund balance of \$3.12 million at June 30, 2009, a decrease of \$601 thousand in comparison with the prior year.
- At the end of the fiscal year ended June 30, 2009, unreserved fund balance for the General Fund was almost \$1.84 million, or about 7.0 percent of total General Fund expenditures.
- The District's total liabilities decreased by \$1.81 million (4.4 percent) during the 2008-09 fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the 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 Statement of Net Assets. The *statement of net assets* presents information on all of the assets and liabilities of the District as of the date on the statement. Net assets are what remain after the liabilities have been paid off or otherwise satisfied. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

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

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

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

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

The District maintains nine 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, the Debt Service Fund, and the Combined Grants and Projects Fund, all of which are considered to be major funds. Data from the other six 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 \$18.47 million as of June 30, 2009.

Capital assets, which consist of the District's land, buildings, building improvements, construction in progress, vehicles, and equipment, represent about 51.81 percent of total assets. The remaining assets consist mainly of investments, cash, and grants and property taxes receivable.

The District's largest liability (84.98 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 15.02 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 is still outstanding. The District uses these capital assets to provide services to students and other District residents; consequently these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources (generally property taxes), since the capital assets themselves cannot be used to liquidate these liabilities.

Net Assets at June 30,			
	2009	2008	Net Change
Current assets	\$ 4,580,997	\$ 5,805,065	\$ (1,224,068)
Capital assets	29,752,928	28,730,997	1,021,931
Other long-term assets	23,092,273	23,584,810	(492,537)
Total assets	<u>57,426,198</u>	<u>58,120,872</u>	<u>(694,674)</u>
Current liabilities	5,850,485	6,030,359	(179,874)
Long-term liabilities	33,102,897	34,730,727	(1,627,830)
Total liabilities	<u>38,953,382</u>	<u>40,761,086</u>	<u>(1,807,704)</u>
Net assets:			
Invested in capital assets, net of related debt	19,060,007	16,757,948	2,302,059
Restricted for debt service	194,044	223,754	(29,710)
Unrestricted	(781,235)	378,084	(1,159,319)
Total net assets	<u>\$ 18,472,816</u>	<u>\$ 17,359,786</u>	<u>\$ 1,113,030</u>

Statement of Activities. During the current fiscal year, the District's net assets increased by \$1.11 million, as compared to an increase of \$263 thousand in the prior year. The key elements of the change in the District's net assets for the year ended June 30, 2009 are as follows:

- Property tax revenues increased by over \$293 thousand (3.52 percent) during the year.
- Operating grants and contributions increased by \$422 thousand (16.4 percent) primarily due to an increase in federal grants received.
- The Millard Road Property was sold this year, contributing to the gain on sale of assets of \$1.52 million, in comparison to the gain from land sold in the previous year of \$391 thousand.

Changes in Net Assets For the year ended June 30,			
Revenues:	2009	2008	Net Change
Program revenues:			
Charges for service	\$ 2,347,770	\$ 2,325,366	\$ 22,404
Operating grants and contributions	2,992,965	2,571,247	421,718
General revenues:			
Property taxes	8,634,974	8,341,574	293,400
State school fund - general support	17,563,289	17,585,713	(22,424)
Common school fund	388,403	570,044	(181,641)
Other state and local sources	350,525	395,113	(44,588)
Construction excise tax	73,227	-	73,227
Earnings on investments	150,944	346,953	(196,009)
Miscellaneous	298,580	287,833	10,747
Sale of capital assets	1,519,995	391,229	1,128,766
Total revenues	<u>34,320,672</u>	<u>32,815,072</u>	<u>1,505,600</u>
Expenses:			
Instruction	19,127,885	19,170,797	(42,912)
Support services	10,907,430	10,467,540	439,890
Enterprise and community services	189,271	87,227	102,044
Facilities acquisition and construction	25,787	4,396	21,391
Food services	871,603	882,612	(11,009)
Interest on long-term debt	2,085,666	1,939,401	146,265
Total expenses	<u>33,207,642</u>	<u>32,551,973</u>	<u>655,669</u>
Change in net assets	1,113,030	263,099	849,931
Net assets - July 1	17,359,786	17,096,687	263,099
Net assets - June 30	<u>\$ 18,472,816</u>	<u>\$ 17,359,786</u>	<u>\$ 1,113,030</u>

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, 2009, the District's governmental funds reported combined ending fund balances of \$3.12 million, a decrease of \$601 thousand in comparison with the prior year.

General Fund. The General Fund is the primary operating fund of the District. As of June 30, 2009, unreserved fund balance was \$1.84 million. The fund balance decreased by over \$667 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 7.0 percent of total General Fund expenditures.

Debt Service Funds. The debt service funds have a total fund balance of \$119 thousand, all of which is reserved for the payment of debt service. The net decrease in fund balance during the current year was \$37 thousand (23.6 percent). This increase reflects the additional debt service funds required due to the issuance of pension bonds in prior years.

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, 2009, the District had invested approximately \$29.8 million in capital assets, net of depreciation, as shown in the following table:

Capital Assets (net of depreciation) June 30,			
	2009	2008	Net Change
Land	\$ 2,373,323	\$ 1,380,179	\$ 993,144
Construction in progress	1,788,322	1,039,344	748,978
Buildings and improvements	24,199,959	24,734,591	(534,632)
Vehicles and equipment	1,391,324	1,576,883	(185,559)
Total	<u>\$ 29,752,928</u>	<u>\$ 28,730,997</u>	<u>\$ 1,021,931</u>

During fiscal year 2008-09, the District's investment in capital assets increased by about \$1.0 million. The major capital asset events for the year ended June 30, 2009 include the following:

- Investments of \$2.0 million.
- Depreciation expense of \$997 thousand.

The Millard Road land sale which involved the sale of this property to the City of St. Helens and the County Hospital District resulted in an exchange for property on Ross Road and \$409 thousand in cash. The Millard Road property has increased in value by an estimated \$1,520,000 largely due to the fact that historical records did not accurately report the original value of the Millard Road property. The sales price reflected the property's appreciated value.

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 \$33.79 million, consisting of general obligation debt of \$8.82 million, pension bonds of \$23.10 million, tax exempt financing of \$1.58 million and capital leases of \$295 thousand.

During the current fiscal year, the District's total debt decreased by \$1.76 million, which represents the amount of current year principal payments.

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, 2009, the State School Fund - General Support provided more than 51 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 at least a 2-3% reduction up to as high as 8.6% in funding for the next biennium. The extent of the overall biennium reduction relies heavily on both the passing of Measures 66 and 67 as well as a targeted ending fund balance for the state budget at the end of the 09-10 fiscal year. At the local level, the continuing impact of the partial closure of a large manufacturing facility located in the school district and an increase in local housing foreclosures continues to negatively impact the local revenues through property tax collections by an unknown amount. In addition, litigation between the State of Oregon Department of Revenue and NW Natural Gas may reduce property tax collection in the 09-10 fiscal year by \$500 thousand if the Oregon Supreme Court upholds the NW Natural Gas appeal. If this appeal is upheld, the tax collection on this entity can be reduced by 5% annually in future years.

Salary and benefit 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 thousand. A smaller decrease for 2010-2011 is expected of approximately 25 students due to families moving out of the area in search of employment. Columbia County's unemployment rate continues to be the highest amongst the state counties at a 13-15% rate. The District plans to offset the decrease in revenues through a 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, 2009

	Governmental Activities	Component Unit
ASSETS		
Cash and investments	\$ 2,992,164	\$ 147,435
Receivables	1,587,608	123,078
Inventories	1,225	-
Prepaid expenses	-	40,638
Pension asset	23,092,273	-
Capital assets not being depreciated:		
Land	2,373,323	-
Construction in progress	1,788,322	-
Capital assets, net of accumulated depreciation:		
Buildings and improvements	24,199,959	-
Equipment and vehicles	1,391,324	67,808
<i>Total Assets</i>	<u>57,426,198</u>	<u>378,959</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued expenses	891,313	74,764
Due to other governmental agencies	-	30,060
Accrued bond interest payable	2,731,545	-
Accrued compensated absences payable	117,055	-
Noncurrent liabilities:		
Due within one year	2,110,572	-
Due in more than one year	33,102,897	-
<i>Total Liabilities</i>	<u>38,953,382</u>	<u>104,824</u>
Net Assets		
Invested in capital assets, net of related debt	19,060,007	67,808
Restricted for debt service	194,044	-
Unrestricted	(781,235)	206,327
<i>Total Net Assets</i>	<u>\$ 18,472,816</u>	<u>\$ 274,135</u>

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

ST. HELENS SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2009

		<i>Program Revenues</i>		<i>Net (Expense)</i>	
		<i>Charges for</i>	<i>Operating</i>	<i>Revenue and</i>	<i>Component</i>
<i>FUNCTIONS/PROGRAMS</i>	<i>Expenses</i>	<i>Services</i>	<i>Grants and</i>	<i>Changes in Net</i>	<i>Unit</i>
			<i>Contributions</i>	<i>Assets</i>	
Governmental activities:					
Instructional programs	\$ 19,127,885	\$ 2,051,936	\$ 2,449,107	\$ (14,626,842)	\$ (322,546)
Support services					
Student transportation	1,401,946	-	-	(1,401,946)	-
Other support services	9,505,484	13,501	-	(9,491,983)	(264,249)
Community services	189,271	-	-	(189,271)	-
Facilities services	25,787	-	-	(25,787)	-
Food services	871,603	282,333	543,858	(45,412)	
Interest on long-term debt	2,085,666	-	-	(2,085,666)	-
Unallocated depreciation	-	-	-	-	(15,542)
<i>Total Governmental Activities</i>	<u><u>\$ 33,207,642</u></u>	<u><u>\$ 2,347,770</u></u>	<u><u>\$ 2,992,965</u></u>	(27,866,907)	
Component Unit					
Mastery Learning Institute					
Arthur Academy - St. Helens	<u><u>\$ 866,637</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 264,300</u></u>		(602,337)
<i>General Revenues:</i>					
Property taxes, levied for general purposes				6,916,915	-
Property taxes, levied for debt service				1,718,059	-
Construction excise tax				73,227	-
State school fund				17,563,289	738,631
Common school fund				388,403	-
Unrestricted state and local sources				350,525	6,338
Earnings on investments				150,944	20
Miscellaneous				298,580	-
Gain on sale of assets				1,519,995	-
<i>Total General Revenues</i>				<u>28,979,937</u>	<u>744,989</u>
<i>Change in Net Assets</i>				1,113,030	142,652
<i>Net Assets, July 1, 2008</i>				<u>17,359,786</u>	<u>131,483</u>
<i>Net Assets, June 30, 2009</i>				<u>\$ 18,472,816</u>	<u>\$ 274,135</u>

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

ST. HELENS SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2009

	<i>General</i>	<i>Debt Service</i>	<i>Combined Grants and Projects</i>	<i>Other Governmental Funds</i>	<i>Total Governmental Funds</i>
<i>ASSETS</i>					
Cash and investments	\$ 885,268	\$ 751,912	\$ -	\$ 1,354,984	\$ 2,992,164
Property taxes receivable, net	595,550	157,242	-	-	752,792
Other receivables	208,514	-	546,260	80,042	834,816
Due from other funds	1,295,723	-	-	-	1,295,723
Inventories	-	-	-	1,225	1,225
<i>Total Assets</i>	\$ 2,985,055	\$ 909,154	\$ 546,260	\$ 1,436,251	\$ 5,876,720
<i>LIABILITIES AND FUND BALANCES</i>					
<i>Liabilities</i>					
Accounts payable	\$ 486,036	\$ -	\$ 102,927	\$ 89,888	\$ 678,851
Other payables	212,462	-	-	-	212,462
Due to other funds	-	715,110	374,267	206,346	1,295,723
Deferred revenue	450,565	118,097	-	-	568,662
<i>Total Liabilities</i>	1,149,063	833,207	477,194	296,234	2,755,698
<i>Fund Balances</i>					
Unreserved	1,835,992	-	-	-	1,835,992
Unreserved, reported in non-major:					
Special revenue funds	-	-	69,066	1,096,934	1,166,000
Reserved, reported in:					
Debt service funds	-	75,947	-	43,083	119,030
<i>Total Fund Balances</i>	1,835,992	75,947	69,066	1,140,017	3,121,022
<i>Total Liabilities and Fund Balances</i>	\$ 2,985,055	\$ 909,154	\$ 546,260	\$ 1,436,251	\$ 5,876,720

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, 2009**

Fund Balances		\$	3,121,022
Capital assets are not financial resources and therefore are not reported in the governmental funds:			
Cost	\$	47,671,370	
Accumulated depreciation		<u>(17,918,442)</u>	29,752,928
PERS UAL Bonds and related pension assets are recorded on the statement of net assets at their net amortized values.			
Prepaid pension costs			23,092,273
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.			568,662
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 bond interest payable		(2,731,545)	
Compensated absences payable		(117,055)	
Early retirement incentive payable		(1,420,063)	
Bonds payable		<u>(33,793,406)</u>	<u>(38,062,069)</u>
TOTAL NET ASSETS			<u>\$</u> 18,472,816

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, 2009**

	<i>General</i>	<i>Debt Service</i>	<i>Combined Grants and Projects</i>	<i>Other Governmental Funds</i>	<i>Total Governmental Funds</i>
REVENUES					
Local sources	7,257,046	1,743,991	\$ 106,836	\$ 2,454,244	\$ 11,562,117
Intermediate sources	235,322	-	-	-	235,322
State sources	18,143,526	-	152,138	487	18,296,151
Federal sources	672,044	-	1,523,500	543,371	2,738,915
<i>Total Revenues</i>	<u>26,307,938</u>	<u>1,743,991</u>	<u>1,782,474</u>	<u>2,998,102</u>	<u>32,832,505</u>
EXPENDITURES					
Current					
Instruction	15,848,981	-	1,463,922	559,816	17,872,719
Support services	9,571,293	-	429,668	361,693	10,362,654
Enterprise and community services	-	-	189,271	-	189,271
Food services	-	-	-	862,684	862,684
Facilities acquisition and construction	6,587	-	-	19,200	25,787
Debt Service					
Principal	159,000	1,121,128	-	484,325	1,764,453
Interest	102,799	643,872	-	1,015,811	1,762,482
Capital outlay	406,924	-	32,979	1,673,321	2,113,224
<i>Total Expenditures</i>	<u>26,095,584</u>	<u>1,765,000</u>	<u>2,115,840</u>	<u>4,976,850</u>	<u>34,953,274</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>212,354</u>	<u>(21,009)</u>	<u>(333,366)</u>	<u>(1,978,748)</u>	<u>(2,120,769)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	430,000	450,000	880,000
Transfers out	(880,000)	-	-	-	(880,000)
Sale of or compensation for loss of assets	-	-	-	1,519,995	1,519,995
<i>Total Other Financing Sources (Uses)</i>	<u>(880,000)</u>	<u>-</u>	<u>430,000</u>	<u>1,969,995</u>	<u>1,519,995</u>
NET CHANGE IN FUND BALANCES	<u>(667,646)</u>	<u>(21,009)</u>	<u>96,634</u>	<u>(8,753)</u>	<u>(600,774)</u>
FUND BALANCES, Beginning of year	<u>2,503,638</u>	<u>96,956</u>	<u>(27,568)</u>	<u>1,148,770</u>	<u>3,721,796</u>
FUND BALANCES, End of year	<u>\$ 1,835,992</u>	<u>\$ 75,947</u>	<u>\$ 69,066</u>	<u>\$ 1,140,017</u>	<u>\$ 3,121,022</u>

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, 2009**

NET CHANGE IN FUND BALANCES - (Governmental Funds) **\$ (600,774)**

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

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

Net additions to capital assets	\$ 2,019,557	
Less current year depreciation	<u>(997,626)</u>	1,021,931

Long-term debt financing sources 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. This is the amount by which repayments exceeded sources:

Debt principal repayments	1,764,453
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In the Statement of Activities interest is accrued on long-term debt, whereas in the governmental funds it is recorded as an interest expense when due. (323,184)

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. (31,828)

Amortization of pension assets (492,537)

Early retirement incentives are recognized as an expenditure in the governmental fund when they are paid. In the Statement of Activities early retirement incentives are recognized as expenditures when earned. (209,247)

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. (15,784)

CHANGE IN NET ASSETS **\$ 1,113,030**

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

NOTES TO BASIC FINANCIAL STATEMENTS

ST. HELENS SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2009

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.

ST. HELENS SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2009

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

The District reports the following major governmental funds:

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

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

Combined Grants and Projects Fund - This fund is used to account for resources and expenditures from federal and state grants.

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

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 - 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.

ST. HELENS SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2009

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.

ST. HELENS SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2009

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 not recorded 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 one year.

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.

ST. HELENS SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2009

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.

ST. HELENS SCHOOL DISTRICT**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)****YEAR ENDED JUNE 30, 2009**

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, no appropriation transfers were made and no supplemental budgets were adopted. Appropriations lapse at the end of each fiscal year.

New Pronouncements

The following Governmental Accounting Standards Board (GASB) pronouncement has a future effective date that may impact future financial statements.

GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions," issued February 2009 will be effective for the District beginning with its fiscal year June 30, 2011. The Statement established new classifications for fund equity and new definitions for government fund types.

The District will implement new GASB pronouncements in the fiscal year no later than the required effective date. Management has not yet determined if the above GASB pronouncement will have a significant financial impact to the District or in issuing its financial statements.

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, 2009:

	<i>Carrying Value</i>	<i>Fair Value</i>
<i>Cash</i>		
Deposits with financial institutions	\$ 602,367	\$ 602,367
Cash held by fiscal agent	121,772	121,772
<i>Investments</i>		
Local Government Investment Pool	2,268,025	2,268,025
	<u>\$ 2,992,164</u>	<u>\$ 2,992,164</u>

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.

ST. HELENS SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2009

CASH AND INVESTMENTS (Continued)

Custodial Credit Risk - Deposits (Continued)

At year end, the book balance of the District's bank deposits (checking accounts) is \$602,367 and the bank balance is \$1,578,727. The difference is due to transactions in process. Deposits are insured to legal limits by federal deposit insurance. The remaining amount is secured in accordance with ORS 295 under a collateral program administered by the Oregon State Treasurer, except as described in the Comments and Disclosures section of this report.

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, 2009, 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.

ST. HELENS SCHOOL DISTRICT**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)****YEAR ENDED JUNE 30, 2009****CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2009 is as follows:

	<i>Balance July 1, 2008</i>	<i>Increases</i>	<i>Decreases</i>	<i>Balance June 30, 2009</i>
Capital assets, not being depreciated:				
Land	\$ 1,267,500	\$ 1,105,823	\$ -	\$ 2,373,323
Construction in progress	1,039,344	748,978	-	1,788,322
<i>Total capital assets, not being depreciated</i>	<u>2,306,844</u>	<u>1,854,801</u>	<u>-</u>	<u>4,161,645</u>
Capital assets, being depreciated:				
Land improvements	1,122,270	-	-	1,122,270
Buildings and improvements	35,261,802	5,100	-	35,266,902
Equipment	6,783,415	159,656	-	6,943,071
Vehicles	177,482	-	-	177,482
<i>Total Capital Assets Being Depreciated</i>	<u>43,344,969</u>	<u>164,756</u>	<u>-</u>	<u>43,509,725</u>
Accumulated depreciation for:				
Land improvements	1,009,591	18,748	-	1,028,339
Buildings and improvements	10,527,211	633,663	-	11,160,874
Equipment	5,222,514	343,065	-	5,565,579
Vehicles	161,500	2,150	-	163,650
<i>Total Accumulated Depreciation</i>	<u>16,920,816</u>	<u>997,626</u>	<u>-</u>	<u>17,918,442</u>
<i>Total Capital Assets Being Depreciated, net</i>	<u>26,424,153</u>	<u>(832,870)</u>	<u>-</u>	<u>25,591,283</u>
<i>Total Capital Assets, net</i>	<u>\$ 28,730,997</u>	<u>\$ 1,021,931</u>	<u>\$ -</u>	<u>\$ 29,752,928</u>

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

Program	
Instructional programs	\$ 910,390
Support services	
Other support services	84,108
Food services	3,128
<i>Total</i>	<u>\$ 997,626</u>

ST. HELENS SCHOOL DISTRICT**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)****YEAR ENDED JUNE 30, 2009****LONG-TERM DEBT**

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

	<i>Original Issue</i>	<i>Outstanding July 1, 2008</i>	<i>Issued</i>	<i>Matured/ Redeemed During Year</i>	<i>Outstanding June 30, 2009</i>	<i>Due Within One Year</i>
Pension bonds - Series 2002	\$ 10,722,217	\$ 10,334,742	\$ -	\$ 139,677	\$ 10,195,065	\$ 155,819
Pension bonds - Series 2003	14,312,440	13,250,068	-	344,648	12,905,420	356,548
General obligations bonds - Series 1999	18,881,406	9,943,049	-	1,121,128	8,821,921	1,094,111
Capital lease obligations	1,880,000	330,000	-	35,000	295,000	35,000
Tax exempt financing agreement - Series 2007	1,700,000	1,700,000	-	124,000	1,576,000	148,000
		<u>\$ 35,557,859</u>	<u>\$ -</u>	<u>\$ 1,764,453</u>	<u>\$ 33,793,406</u>	<u>\$ 1,789,478</u>
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					\$ 10,195,065	
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					12,905,420	
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					8,821,921	
Capital lease obligation - issued May 2001, due in annual install- ments of \$17,000 to \$50,000, plus interest paid semi-annually at 3.50% to 5.75% through 2016					295,000	
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					1,576,000	
					<u>\$ 33,793,406</u>	

General obligation bonds and tax exempt financing agreements 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 charges 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.

ST. HELENS SCHOOL DISTRICT**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)****YEAR ENDED JUNE 30, 2009****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 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:

<i>Fiscal Year Ending June 30,</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
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	1,784,364	2,466,958	4,251,322
2015-2019	7,550,315	13,518,953	21,069,268
2020-2024	6,613,318	7,800,378	14,413,696
2025-2028	10,680,000	1,416,413	12,096,413
	<u>\$ 33,793,406</u>	<u>\$ 33,543,235</u>	<u>\$ 67,336,641</u>

ST. HELENS SCHOOL DISTRICT**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)****YEAR ENDED JUNE 30, 2009**

OTHER POST EMPLOYMENT BENEFITS***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, 2009, expenditures related to early retirement benefits totaled \$360,312 paid to 77 participants.

Plan activity for the year is as follows:

<i>Outstanding July 1, 2008</i>	<i>Increases</i>	<i>Payments</i>	<i>Outstanding June 30, 2009</i>
\$ 1,210,816	\$ 569,559	\$ 360,312	\$ 1,420,063

Amounts due in the current year are \$321,094.

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

Retirement Health Insurance Account

Plan Description – As a member of Oregon Public Employees Retirement System (OPERS) the District contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by the OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. The plan, which was established under Oregon Revised Statutes (ORS) 238.420, provided for a payment of up to \$60 per month toward the costs of Medicare companion health insurance for eligible retirees. A comprehensive annual financial report of the funds administered by the OPERS may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700 or by accessing the PERS website at www.oregon.gov/PERS/.

ST. HELENS SCHOOL DISTRICT**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)****YEAR ENDED JUNE 30, 2009**

OTHER POST EMPLOYMENT BENEFITS (Continued)**Retirement Health Insurance Account (Continued)**

Funding Policy – Participating school districts are contractually required to contribute at a rate assessed each year by the OPERS, currently 0.29% of annual covered OPERF payroll and 0.19% of covered OPSRP payroll. The OPERS Board of Trustees sets the rates based on the annual required contribution (ARC) of the employers, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The District's contributions to RHIA for the year ended June 30, 2009 totaled \$40,608, which equaled the required contributions for the year.

INTER-FUND ACTIVITY

The District completed the following inter-fund transactions during the year ended June 30, 2009:

Fund	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ -	\$ 880,000
Combined grants and project	430,000	
Other governmental funds		
Early retirement	350,000	-
Capital projects	100,000	-
	<u>\$ 880,000</u>	<u>\$ 880,000</u>

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.

ST. HELENS SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2009

PENSION PLAN (Continued)

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.

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, 2009 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 \$925,131, \$912,525, and \$856,856 for the years ended June 30, 2009, 2008 and 2007, respectively. Total payroll was \$16,391,669 and covered payroll was \$16,271,416 for the year ended June 30, 2009. The District's contributions to PERS, exclusive of the employee contributions, for the years ended June 30, 2009, 2008 and 2007 were \$66,611, \$65,692, and \$44,074, 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.

ST. HELENS SCHOOL DISTRICT**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)****YEAR ENDED JUNE 30, 2009**

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.

FUND ACCUMULATED DEFICITS

At June 30, 2009, the following funds had negative fund balances:

Food Service Fund	\$ 130,797
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The deficit fund balances imply unauthorized interfund borrowings at June 30, 2009.

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, 2009, expenditures exceeded appropriations as follows:

Fund/Appropriation Category	Appropriation	Expenditure	Variance
General Fund			
Facilities acquisition and construction	\$ 150,000	\$ 194,738	\$ (44,738)
Debt service:			
Principal	124,000	159,000	(35,000)
Interest and other charges	90,000	102,799	(12,799)
Combined Grants and Projects Fund			
Support services	383,017	434,768	(51,751)
Enterprise and community services	119,228	189,271	(70,043)
Non-major Funds			
Food Service Fund			
Enterprise and community services	872,304	878,123	(5,819)
Capital Reserve Fund			
Facilities acquisition and construction	-	1,649,946	(1,649,946)
Lottery Bond			
Support services	-	1,381	(1,381)

ST. HELENS SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2009

CONTINGENCY

The Columbia County Treasurer is holding property tax funds on behalf of the District pending the outcome of litigation between the State of Oregon Department of Revenue and NW Natural Gas.

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, 2009**

	Budgeted Amounts		Actual			Variance
	Original	Final	Budget Basis	Adjustments	GAAP Basis	
REVENUES						
Local sources	\$ 7,056,442	\$ 7,056,442	\$ 7,257,046	\$ -	\$ 7,257,046	\$ 200,604
Intermediate sources	325,000	325,000	235,322	-	235,322	(89,678)
State sources	19,747,720	19,747,720	18,143,526	-	18,143,526	(1,604,194)
Federal sources	-	-	672,044	-	672,044	672,044
Total Revenues	27,129,162	27,129,162	26,307,938	-	26,307,938	(821,224)
EXPENDITURES						
Instruction	16,526,211	16,526,211	15,872,933	(23,952)	15,848,981	653,278
Support services	10,158,951	10,158,951	9,766,114	(194,821)	9,571,293	392,837
Facility acquisition and construction	150,000	150,000	194,738	(188,151)	6,587	(44,738)
Debt Service:						
Principal	124,000	124,000	159,000	-	159,000	(35,000)
Interest and other charges	90,000	90,000	102,799	-	102,799	(12,799)
Capital outlay	-	-	-	406,924	406,924	-
Total Expenditures	27,049,162	27,049,162	26,095,584	-	26,095,584	953,578
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	80,000	80,000	212,354	-	212,354	132,354
OTHER FINANCING SOURCES (USES)						
Transfers out	(880,000)	(880,000)	(880,000)	-	(880,000)	-
NET CHANGE IN FUND BALANCE	(800,000)	(800,000)	(667,646)	-	(667,646)	132,354
Fund Balances - Beginning of year	1,400,000	1,400,000	2,503,638	-	2,503,638	1,103,638
Fund Balances - End of year	\$ 600,000	\$ 600,000	\$ 1,835,992	\$ -	\$ 1,835,992	\$ 1,235,992

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, 2009**

	<i>Budgeted Amounts</i>		<i>Actual</i>		<i>GAAP Basis</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>	<i>Budget Basis</i>	<i>Adjustments</i>		
REVENUES						
Local sources	\$ 187,572	\$ 187,572	\$ 106,836	\$ -	\$ 106,836	\$ (80,736)
State sources	51,875	51,875	152,138	-	152,138	100,263
Federal sources	1,321,687	1,321,687	1,523,500	-	1,523,500	201,813
<i>Total Revenues</i>	1,561,134	1,561,134	1,782,474	-	1,782,474	221,340
EXPENDITURES						
Instruction	1,524,889	1,524,889	1,491,801	(27,879)	1,463,922	33,088
Support services	383,017	383,017	434,768	(5,100)	429,668	(51,751)
Enterprise and community services	119,228	119,228	189,271	-	189,271	(70,043)
Capital outlay	-	-	-	32,979	32,979	-
<i>Total Expenditures</i>	2,027,134	2,027,134	2,115,840	-	2,115,840	(88,706)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(466,000)	(466,000)	(333,366)	-	(333,366)	132,634
OTHER FINANCING SOURCES (USES)						
Transfers in	430,000	430,000	430,000	-	430,000	-
NET CHANGE IN FUND BALANCE	(36,000)	(36,000)	96,634	-	96,634	(132,634)
Fund Balances - Beginning of year	36,000	36,000	(27,568)	-	(27,568)	63,568
Fund Balances - End of year	\$ -	\$ -	\$ 69,066	\$ -	\$ 69,066	\$ (69,066)

OTHER SUPPLEMENTARY INFORMATION

COMBINING STATEMENTS
NONMAJOR GOVERNMENTAL FUNDS

ST. HELENS SCHOOL DISTRICT
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009

	<i>Special Revenue</i>			
	<i>Food Services</i>	<i>Student Services</i>	<i>Capital Reserve</i>	<i>Early Retirement</i>
ASSETS				
Cash and investments	\$ -	\$ 388,155	\$ 511,721	\$ 412,025
Other receivables	80,042	-	-	-
Inventories	1,225	-	-	-
<i>Total Assets</i>	<u>\$ 81,267</u>	<u>\$ 388,155</u>	<u>\$ 511,721</u>	<u>\$ 412,025</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 5,718	\$ -	\$ 3,298	\$ 80,872
Due to other funds	206,346	-	-	-
<i>Total Liabilities</i>	<u>212,064</u>	<u>-</u>	<u>3,298</u>	<u>80,872</u>
Fund balances				
Reserved for:				
Debt service	-	-	-	-
Unreserved	(130,797)	388,155	508,423	331,153
<i>Total Fund Balances</i>	<u>(130,797)</u>	<u>388,155</u>	<u>508,423</u>	<u>331,153</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 81,267</u>	<u>\$ 388,155</u>	<u>\$ 511,721</u>	<u>\$ 412,025</u>

<i>Debt Service PERS</i>	<i>Total Governmental Funds</i>
\$ 43,083	\$ 1,354,984
-	80,042
-	1,225
<u>\$ 43,083</u>	<u>\$ 1,436,251</u>

\$ -	\$ 89,888
-	206,346
<u>-</u>	<u>296,234</u>

43,083	43,083
-	1,096,934
<u>43,083</u>	<u>1,140,017</u>
<u>\$ 43,083</u>	<u>\$ 1,436,251</u>

ST. HELENS SCHOOL DISTRICT**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2009**

	<i>Special Revenue</i>			
	<i>Food Services</i>	<i>Student Services</i>	<i>Lottery Bond</i>	<i>Capital Reserve</i>
REVENUES				
Local sources	\$ 282,333	\$ 606,029	\$ -	\$ 73,227
State sources	487	-	-	-
Federal sources	543,371	-	-	-
<i>Total Revenues</i>	826,191	606,029	-	73,227
EXPENDITURES				
Current				
Instruction	-	559,816	-	-
Support services	-	-	1,381	-
Food services	862,684	-	-	-
Facilities acquisition and construction	-	-	-	19,200
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	5,791	-	-	1,667,530
<i>Total Expenditures</i>	868,475	559,816	1,381	1,686,730
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(42,284)	46,213	(1,381)	(1,613,503)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	100,000
Sale of or compensation for loss of assets	-	-	-	1,519,995
<i>Total Other Financing Sources and Uses</i>	-	-	-	1,619,995
NET CHANGE IN FUND BALANCES	(42,284)	46,213	(1,381)	6,492
FUND BALANCES, Beginning of year	(88,513)	341,942	1,381	501,931
FUND BALANCES, End of year	\$ (130,797)	\$ 388,155	\$ -	\$ 508,423

<i>Early Retirement</i>	<i>Debt Service PERS</i>	<i>Total-Other Governmental Funds</i>
\$ 8,243	\$ 1,484,412	\$ 2,454,244
-	-	487
-	-	543,371
8,243	1,484,412	2,998,102
-	-	559,816
360,312	-	361,693
-	-	862,684
-	-	19,200
-	484,325	484,325
-	1,015,811	1,015,811
-	-	1,673,321
360,312	1,500,136	4,976,850
(352,069)	(15,724)	(1,978,748)
350,000	-	450,000
-	-	1,519,995
350,000	-	1,969,995
(2,069)	(15,724)	(8,753)
333,222	58,807	1,148,770
\$ 331,153	\$ 43,083	\$ 1,140,017

ST. HELENS SCHOOL DISTRICT**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - FOOD SERVICES FUND
YEAR ENDED JUNE 30, 2009**

	Budgeted Amounts		Actual			
	Original	Final	Budget Basis	Adjustments	GAAP Basis	Variance
REVENUES						
Local sources	\$ 390,900	\$ 390,900	\$ 282,333	\$ -	\$ 282,333	\$(108,567)
State sources	12,000	12,000	487	-	487	(11,513)
Federal sources	500,000	500,000	543,371	-	543,371	43,371
<i>Total Revenues</i>	902,900	902,900	826,191	-	826,191	(76,709)
EXPENDITURES						
Enterprise and community services	902,900	902,900	868,475	(5,791)	862,684	34,425
Capital outlay	-	-	-	5,791	5,791	-
<i>Total Expenditures</i>	902,900	902,900	868,475	-	868,475	34,425
NET CHANGE IN FUND BALANCE	-	-	(42,284)	-	(42,284)	(42,284)
Fund Balances - Beginning of year	-	-	(88,513)	-	(88,513)	(88,513)
Fund Balances - End of year	\$ -	\$ -	\$ (130,797)	\$ -	\$ (130,797)	\$(130,797)

ST. HELENS SCHOOL DISTRICT**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -****BUDGET AND ACTUAL - STUDENT SERVICES FUND****YEAR ENDED JUNE 30, 2009**

	Budgeted Amounts		Actual Budget and GAAP Basis	Variance
	Original	Final		
REVENUES				
Local sources	\$ 654,000	\$ 654,000	\$ 606,029	\$ (47,971)
EXPENDITURES				
Instruction	865,000	865,000	559,816	305,184
NET CHANGE IN FUND BALANCE	(211,000)	(211,000)	46,213	257,213
Fund Balances - Beginning of year	295,000	295,000	341,942	46,942
Fund Balances - End of year	<u>\$ 84,000</u>	<u>\$ 84,000</u>	<u>\$ 388,155</u>	<u>\$ 304,155</u>

ST. HELENS SCHOOL DISTRICT**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -****BUDGET AND ACTUAL - LOTTERY BOND FUND****YEAR ENDED JUNE 30, 2009**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>	<i>Budget and GAAP Basis</i>	
EXPENDITURES				
Support services	\$ -	\$ -	\$ 1,381	\$ (1,381)
NET CHANGE IN FUND BALANCE	-	-	(1,381)	(1,381)
Fund Balances - Beginning of year	-	-	1,381	1,381
Fund Balances - End of year	\$ -	\$ -	\$ -	\$ -

ST. HELENS SCHOOL DISTRICT**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CAPITAL RESERVE FUND
YEAR ENDED JUNE 30, 2009**

	Budgeted Amounts		Actual			
	Original	Final	Budget Basis	Adjustments	GAAP Basis	Variance
REVENUES						
Local sources	\$ 40,000	\$ 40,000	\$ 73,227	\$ -	\$ 73,227	\$ 33,227
EXPENDITURES						
Support services	560,000	560,000	36,784	(36,784)	-	523,216
Facility acquisition and contruction	-	-	1,649,946	(1,630,746)	19,200	(1,649,946)
Capital outlay	-	-	-	1,667,530	1,667,530	-
Total Expenditures	560,000	560,000	1,686,730	-	1,686,730	(1,126,730)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(520,000)	(520,000)	(1,613,503)	-	(1,613,503)	(1,093,503)
OTHER FINANCING SOURCES (USES)						
Transfers in	10,000	10,000	100,000	-	100,000	90,000
Sale of/or compensation for loss of fixed assets	-	-	1,519,995	-	1,519,995	(1,519,995)
Total other financing sources and uses	10,000	10,000	1,619,995	-	1,619,995	(1,429,995)
NET CHANGE IN FUND BALANCE	(510,000)	(510,000)	6,492	-	6,492	516,492
Fund Balances - Beginning of year	510,000	510,000	501,931	-	501,931	(8,069)
Fund Balances - End of year	\$ -	\$ -	\$ 508,423	\$ -	\$ 508,423	\$ 508,423

ST. HELENS SCHOOL DISTRICT**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - EARLY RETIREMENT FUND
YEAR ENDED JUNE 30, 2009**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>	<i>Budget and GAAP Basis</i>	
REVENUES				
Local sources	\$ 15,000	\$ 15,000	\$ 8,243	\$ (6,757)
EXPENDITURES				
Support services	440,000	440,000	360,312	79,688
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(425,000)	(425,000)	(352,069)	72,931
OTHER FINANCING SOURCES (USES)				
Transfers in	350,000	350,000	350,000	-
NET CHANGE IN FUND BALANCE	(75,000)	(75,000)	(2,069)	72,931
Fund Balances - Beginning of year	320,000	320,000	333,222	13,222
Fund Balances - End of year	\$ 245,000	\$ 245,000	\$ 331,153	\$ 86,153

ST. HELENS SCHOOL DISTRICT**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -****BUDGET AND ACTUAL - DEBT SERVICE FUND****YEAR ENDED JUNE 30, 2009**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>	<i>Budget and GAAP Basis</i>	
REVENUES				
Local sources	\$ 1,765,000	\$ 1,765,000	\$ 1,743,991	\$ (21,009)
EXPENDITURES				
Debt Service:				
Principal	1,121,128	1,121,128	1,121,128	-
Interest	643,872	643,872	643,872	-
<i>Total Expenditures</i>	<u>1,765,000</u>	<u>1,765,000</u>	<u>1,765,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	(21,009)	(21,009)
Fund Balances - Beginning of year	<u>-</u>	<u>-</u>	<u>96,956</u>	<u>96,956</u>
Fund Balances - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,947</u>	<u>\$ 75,947</u>

ST. HELENS SCHOOL DISTRICT**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -****BUDGET AND ACTUAL - DEBT SERVICE PERS FUND****YEAR ENDED JUNE 30, 2009**

	Budgeted Amounts		Actual Budget and GAAP Basis	Variance
	Original	Final		
REVENUES				
Local sources	\$ 1,454,136	\$ 1,454,136	\$ 1,484,412	\$ 30,276
EXPENDITURES				
Debt Service:				
Principal	484,325	484,325	484,325	-
Interest	1,019,811	1,019,811	1,015,811	4,000
<i>Total Expenditures</i>	<u>1,504,136</u>	<u>1,504,136</u>	<u>1,500,136</u>	<u>4,000</u>
NET CHANGE IN FUND BALANCE	(50,000)	(50,000)	(15,724)	34,276
Fund Balances - Beginning of year	<u>50,000</u>	<u>50,000</u>	<u>58,807</u>	<u>8,807</u>
Fund Balances - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,083</u>	<u>\$ 43,083</u>

ST. HELENS SCHOOL DISTRICT**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -****BUDGET AND ACTUAL - GENERAL FUND****YEAR ENDED JUNE 30, 2009**

Code	Function	Actual	Budget	Variance
LOCAL REVENUES				
1111	Current year's taxes	\$ 6,707,916	\$ 6,591,442	\$ 116,474
1112	Prior year's taxes	232,126	175,000	57,126
1310	Regular day school tuition	18,668	-	18,668
1500	Earnings on investments	110,441	160,000	(49,559)
1700	Extracurricular activities	10,096	40,000	(29,904)
1910	Rentals	13,501	25,000	(11,499)
1920	Contributions and donations from private sources	32,500	-	32,500
1990	Miscellaneous	131,798	65,000	66,798
1000	<i>Total Local Revenues</i>	7,257,046	7,056,442	200,604
INTERMEDIATE REVENUES				
2101	County school funds	120,780	300,000	(179,220)
2105	Natural gas, oil, and mineral receipts	113,602	25,000	88,602
2800	Revenue in lieu of taxes	940	-	940
2000	<i>Total Intermediate Revenues</i>	235,322	325,000	(89,678)
STATE REVENUES				
3101	State school fund - general support	16,839,061	19,486,347	(2,647,286)
3103	Common school fund	388,403	261,373	127,030
3104	State managed county timber	191,834	-	191,834
3107	School improvement funds	724,228	-	724,228
3000	<i>Total State Revenues</i>	18,143,526	19,747,720	(1,604,194)
FEDERAL REVENUES				
4500	Restricted revenue from the federal government through the state	672,044	-	672,044
5400	FUND BALANCE, Beginning of year	2,503,638	1,400,000	1,103,638
6000	<i>Total Resources</i>	<u>\$ 28,811,576</u>	<u>\$ 28,529,162</u>	<u>\$ 282,414</u>

ST. HELENS SCHOOL DISTRICT**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND (Continued)
YEAR ENDED JUNE 30, 2009**

Code	Function	100 Salaries	200 Employee Benefits	300 Purchased Services
	INSTRUCTION			
1100	Regular programs			
1111	Primary, K-3	\$ 1,707,756	\$ 604,725	\$ 433
1112	Intermediate programs	1,812,687	689,619	4,697
1113	Elementary extracurricular	80,765	10,953	-
1121	Middle/junior high programs	2,166,571	814,306	173
1122	Middle/junior high school extracurricular	65,205	20,164	5,089
1131	High school programs	2,794,773	1,032,813	9,646
1132	High school extracurricular	350,306	84,644	32,372
1200	Special programs			
1210	Programs for the talented and gifted	24,948	7,604	1,318
1220	Programs for students with mental disabilities	450,512	223,413	89
1240	Programs for students with emotional disturbance	175,663	105,810	1,606
1250	Resource rooms	929,084	436,879	17,971
1260	Early intervention	57,682	21,508	375
1280	Alternative education	332	53	750,653
1290	Designated programs			
1291	English second language programs	117,506	41,567	881
1299	Other programs	429	585	(180)
1000	<i>Total Instruction</i>	10,734,219	4,094,643	825,123
	SUPPORT SERVICES			
2100	Students			
2110	Attendance and social work services	86,581	28,834	1,112
2120	Guidance services	527,561	213,302	653
2130	Health services	97,238	31,844	1,737
2140	Psychological services	66,240	27,931	2,707
2150	Speech pathology and audiology services	220,565	123,759	12,639
2200	Instructional staff	412,452	280,486	39,757
2300	General administration	236,515	78,113	138,085
2400	School administration	1,260,734	451,969	120,925
2500	Business			
2520	Fiscal services	300,687	113,708	86,950
2540	Operation and maintenance of plant services	852,588	383,380	1,086,247
2550	Student transportation services	9,782	1,364	1,300,596
2570	Internal services	-	-	112,655
2600	Central activities			
2660	Technology services	147,710	62,268	59,119
2000	<i>Total Support Services</i>	4,218,653	1,796,958	2,963,182
	FACILITIES ACQUISITION AND CONSTRUCTION			
4150	Building acquisition, construction, and improvement service:	-	-	5,100
	OTHER USES			
5100	Debt service	-	-	502
5200	Transfers of funds	-	-	-
5000	<i>Total Other Uses</i>	-	-	502
6000	OPERATING CONTINGENCY	-	-	-
7000	FUND BALANCE, End of year	-	-	-
8000	<i>Total Expenditures and Ending Balance</i>	\$ 14,952,872	\$ 5,891,601	\$ 3,793,907

<i>400 Supplies & Materials</i>	<i>500 Capital Outlay</i>	<i>600 Other Objects</i>	<i>700 Transfers</i>	<i>Actual Fund Total</i>	<i>Appropriations</i>	<i>Variance</i>
\$ 43,186	\$ 2,250	\$ -	\$ -	\$ 2,358,350		
33,891	-	-	-	2,540,894		
-	-	-	-	91,718		
28,617	-	-	-	3,009,667		
-	-	-	-	90,458		
49,930	14,514	329	-	3,902,005		
953	-	3,509	-	471,784		
673	-	-	-	34,543		
9,975	-	-	-	683,989		
909	-	-	-	283,988		
19,736	7,188	1,492	-	1,412,350		
-	-	-	-	79,565		
-	-	-	-	751,038		
1,905	-	-	-	161,859		
(109)	-	-	-	725		
189,666	23,952	5,330	-	15,872,933	\$ 16,526,211	\$ 653,278
522	-	-	-	117,049		
2,275	-	-	-	743,791		
1,425	-	135	-	132,379		
44	-	-	-	96,922		
951	235	25	-	358,174		
86,814	829	272	-	820,610		
12,284	1,324	145,002	-	611,323		
38,880	75,964	7,354	-	1,955,826		
23,543	798	3,075	-	528,761		
216,417	18,429	2,314	-	2,559,375		
6,096	-	-	-	1,317,838		
2,145	-	-	-	114,800		
41,428	97,242	1,499	-	409,266		
432,824	194,821	159,676	-	9,766,114	10,158,951	392,837
1,487	188,151	-	-	194,738	150,000	(44,738)
-	-	261,297	-	261,799		
-	-	-	880,000	880,000		
-	-	261,297	880,000	1,141,799	1,094,000	(47,799)
-	-	-	-	-	600,000	600,000
-	-	-	1,835,992	1,835,992	-	(1,835,992)
\$ 623,977	\$ 406,924	\$ 426,303	\$ 2,715,992	\$ 28,811,576	\$ 28,529,162	\$ (282,414)

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, 2009**

Code	Function	Actual	Budget	Variance
LOCAL REVENUES				
1700	Extracurricular activities	\$ -	\$ 92,470	\$ (92,470)
1800	Community services activities	37,911	95,102	(57,191)
1920	Contributions and donations from private sources	4,100	-	4,100
1990	Miscellaneous	64,825	-	64,825
1000	<i>Total Local Revenues</i>	106,836	187,572	(80,736)
STATE REVENUES				
3299	Other restricted grants-in-aid	152,138	51,875	100,263
FEDERAL REVENUES				
4300	Restricted revenue direct from the federal government	97,804	80,629	17,175
4500	Restricted revenue from the federal government through the state	1,425,696	1,241,058	184,638
4000	<i>Total Federal Revenues</i>	1,523,500	1,321,687	201,813
OTHER SOURCES				
5200	Interfund transfers	430,000	430,000	-
5400	FUND BALANCE, Beginning of year	(27,568)	36,000	(63,568)
6000	<i>Total Resources</i>	<u>\$ 2,184,906</u>	<u>\$ 2,027,134</u>	<u>\$ 157,772</u>

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, 2009**

Code	Function	100 Salaries	200 Employee Benefits	300 Purchased Services
	INSTRUCTION			
1100	Regular programs			
1112	Intermediate programs	\$ -	\$ -	\$ -
1121	Middle/junior high programs	-	-	-
1122	Middle/junior high school extracurricular	18,767	9,906	2,211
1131	High school programs	201,985	58,982	9,638
1132	High school extracurricular	6,918	1,931	-
1200	Special programs			
1240	Programs for students with emotional disturbance	-	-	-
1250	Resource rooms	454,487	176,839	1,475
1270	Educationally disadvantaged	335,898	103,087	27
1000	<i>Total Instruction</i>	1,018,055	350,745	13,351
	SUPPORT SERVICES			
2100	Students			
2110	Attendance and social work services	1,939	122	79
2130	Health services	-	-	-
2200	Instructional staff	14,620	5,829	50,742
2500	Business			
2520	Fiscal services	-	-	-
2540	Operation and maintenance of plant services	839	251	6,453
2550	Student transportation services	-	-	13,042
2000	<i>Total Support Services</i>	17,398	6,202	70,316
	ENTERPRISE AND COMMUNITY SERVICES			
3300	Community services			
3390	Other community services	-	-	90
3500	Custody and care of children services	119,292	61,048	229
3000	<i>Total Enterprise and Community Services</i>	119,292	61,048	319
	FUND BALANCE, End of year			
8000	<i>Total Expenditures and Ending Balance</i>	\$ 1,154,745	\$ 417,995	\$ 83,986

<i>400 Supplies & Materials</i>	<i>500 Capital Outlay</i>	<i>600 Other Objects</i>	<i>700 Transfers</i>	<i>Actual Fund Total</i>	<i>Appropriations</i>	<i>Variance</i>
\$ 4,182	\$ -	\$ -	\$ -	\$ 4,182		
1,689	-	-	-	1,689		
14,599	11,241	-	-	56,724		
38,585	558	7,223	-	316,971		
-	-	-	-	8,849		
240	-	-	-	240		
13,741	16,080	-	-	662,622		
1,512	-	-	-	440,524		
74,548	27,879	7,223	-	1,491,801	\$ 1,524,889	\$ 33,088
292	-	-	-	2,432		
3,555	-	-	-	3,555		
282,592	-	-	-	353,783		
-	-	41,212	-	41,212		
8,101	5,100	-	-	20,744		
-	-	-	-	13,042		
294,540	5,100	41,212	-	434,768	383,017	(51,751)
8,612	-	-	-	8,702		
-	-	-	-	180,569		
8,612	-	-	-	189,271	119,228	(70,043)
-	-	-	69,066	69,066	-	(69,066)
\$ 377,700	\$ 32,979	\$ 48,435	\$ 69,066	\$ 2,184,906	\$ 2,027,134	\$ (157,772)

ST. HELENS SCHOOL DISTRICT**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -****BUDGET AND ACTUAL - FOOD SERVICES FUND****YEAR ENDED JUNE 30, 2009**

Code	Function	Actual	Budget	Variance
LOCAL REVENUES				
1600	Food service	\$ 282,333	\$ 390,900	\$ (108,567)
STATE REVENUES				
3102	State school fund - school lunch match	-	12,000	(12,000)
3299	Other restricted grants-in-aid	487	-	487
3000	<i>Total State Revenues</i>	487	12,000	(11,513)
FEDERAL REVENUES				
4500	Restricted revenue from the federal government through the state	491,861	450,000	41,861
4900	Revenue for/on behalf of the district	51,510	50,000	1,510
4000	<i>Total Federal Revenues</i>	543,371	500,000	43,371
5400	FUND BALANCE, Beginning of year	(88,513)	-	(88,513)
6000	<i>Total Resources</i>	\$ 737,678	\$ 902,900	\$ (165,222)

ST. HELENS SCHOOL DISTRICT**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - FOOD SERVICES FUND (Continued)****YEAR ENDED JUNE 30, 2009**

Code	Function	100 Salaries	200 Employee Benefits	300 Purchased Services
	ENTERPRISE AND COMMUNITY SERVICES			
3100	Food services			
3110	Service area direction	\$ 62,157	\$ 25,076	\$ -
3120	Food preparation and dispensing services	259,687	90,175	7,200
3000	Total Enterprise and Community Services	321,844	115,251	7,200
7000	FUND BALANCE, End of year	-	-	-
8000	Total Expenditures and Ending Balance	\$ 321,844	\$ 115,251	\$ 7,200

<i>400 Supplies & Materials</i>	<i>500 Capital Outlay</i>	<i>600 Other Objects</i>	<i>700 Transfers</i>	<i>Actual Fund Total</i>	<i>Appropriations</i>	<i>Variance</i>
\$ -	\$ -	\$ -	\$ -	\$ 87,233		
417,034	5,791	1,355	-	781,242		
417,034	5,791	1,355	-	868,475	\$ 902,900	\$ 34,425
-	-	-	(130,797)	(130,797)	-	130,797
\$ 417,034	\$ 5,791	\$ 1,355	\$ (130,797)	\$ 737,678	\$ 902,900	\$ 165,222

ST. HELENS SCHOOL DISTRICT**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - STUDENT SERVICES FUND****JUNE 30, 2009**

<i>Code</i>	<i>Function</i>	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
<i>LOCAL REVENUES</i>				
1500	Earnings on investments	\$ 2,244	\$ 4,000	\$ (1,756)
1700	Extracurricular activities	543,470	625,000	(81,530)
1950	Textbook sales and rentals	8,075	10,000	(1,925)
1990	Miscellaneous	52,240	15,000	37,240
1000	<i>Total Local Revenues</i>	606,029	654,000	(47,971)
5400	<i>FUND BALANCE, Beginning of year</i>	341,942	295,000	46,942
6000	<i>Total Resources</i>	<u>\$ 947,971</u>	<u>\$ 949,000</u>	<u>\$ (1,029)</u>

ST. HELENS SCHOOL DISTRICT**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - STUDENT SERVICES FUND (Continued)****JUNE 30, 2009**

Code	Function	100 Salaries	200 Employee Benefits	300 Purchased Services
	INSTRUCTION			
1100	Regular programs			
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	\$ -	\$ -	\$ -

<i>400 Supplies & Materials</i>	<i>500 Capital Outlay</i>	<i>600 Other Objects</i>	<i>700 Transfers</i>	<i>Actual Fund Total</i>	<i>Appropriations</i>	<i>Variance</i>
\$ 29,663	\$ -	\$ -	\$ -	\$ 29,663		
113,884	-	-	-	113,884		
416,269	-	-	-	416,269		
559,816	-	-	-	559,816	\$ 865,000	\$ 305,184
-	-	-	388,155	388,155	84,000	(304,155)
<u>\$ 559,816</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 388,155</u>	<u>\$ 947,971</u>	<u>\$ 949,000</u>	<u>\$ 1,029</u>

ST. HELENS SCHOOL DISTRICT**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - LOTTERY BOND FUND
YEAR ENDED JUNE 30, 2009**

<i>Code</i>	<i>Function</i>	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
5400	<i>FUND BALANCE, Beginning of year</i>	\$ 1,381	\$ -	\$ 1,381
6000	<i>Total Resources</i>	\$ 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, 2009**

<i>Code</i>	<i>Function</i>	<i>100 Salaries</i>	<i>200 Employee Benefits</i>	<i>300 Purchased Services</i>
	<i>SUPPORT SERVICES</i>			
2540	Operation and maintenance of plant services	\$ -	\$ -	\$ -
7000	<i>FUND BALANCE, End of year</i>	-	-	-
8000	<i>Total Expenditures and Ending Balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<i>400 Supplies & Materials</i>	<i>500 Capital Outlay</i>	<i>600 Other Objects</i>	<i>700 Transfers</i>	<i>Actual Fund Total</i>	<i>Appropriations</i>	<i>Variance</i>
\$ 1,381	\$ -	\$ -	\$ -	\$ 1,381	\$ -	\$ (1,381)
-	-	-	-	-	-	-
<u>\$ 1,381</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,381</u>	<u>\$ -</u>	<u>\$ (1,381)</u>

ST. HELENS SCHOOL DISTRICT**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CAPITAL RESERVE FUND
YEAR ENDED JUNE 30, 2009**

<i>Code</i>	<i>Function</i>	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
<i>LOCAL REVENUES</i>				
1200	Revenue from local governmental units other than districts	\$ 73,227	\$ 40,000	\$ 33,227
<i>OTHER SOURCES</i>				
5200	Interfund transfers	100,000	10,000	90,000
5300	Sale of/or compensation for loss of fixed assets	1,519,995	-	1,519,995
5000	<i>Total Other Sources</i>	1,619,995	10,000	1,609,995
5400	<i>FUND BALANCE, Beginning of year</i>	501,931	510,000	(8,069)
6000	<i>Total Resources</i>	<u>\$ 2,195,153</u>	<u>\$ 560,000</u>	<u>\$ 1,635,153</u>

ST. HELENS SCHOOL DISTRICT**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CAPITAL RESERVE FUND (Continued)
YEAR ENDED JUNE 30, 2009**

Code	Function	100 Salaries	200 Employee Benefits	300 Purchased Services
SUPPORT SERVICES				
2540	Operation and maintenance of plant services	\$ -	\$ -	\$ -
FACILITIES ACQUISITION AND CONSTRUCTION				
4120	Site acquisition and development services	-	-	-
4150	Building acquisition, construction, and improvement services	-	-	14,112
4000	Total Facilities Acquisition and Construction	-	-	14,112
7000	FUND BALANCE, End of year	-	-	-
8000	Total Expenditures and Ending Balance	\$ -	\$ -	\$ 14,112

<i>400 Supplies & Materials</i>	<i>500 Capital Outlay</i>	<i>600 Other Objects</i>	<i>700 Transfers</i>	<i>Actual Fund Total</i>	<i>Appropriations</i>	<i>Variance</i>
\$ -	\$ 36,784	\$ -	\$ -	\$ 36,784	\$ 560,000	\$ 523,216
-	1,106,434	4,545	-	1,110,979		
-	524,312	543	-	538,967		
-	1,630,746	5,088	-	1,649,946	-	(1,649,946)
-	-	-	508,423	508,423	-	(508,423)
<u>\$ -</u>	<u>\$ 1,667,530</u>	<u>\$ 5,088</u>	<u>\$ 508,423</u>	<u>\$ 2,195,153</u>	<u>\$ 560,000</u>	<u>\$ (1,635,153)</u>

ST. HELENS SCHOOL DISTRICT**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - EARLY RETIREMENT FUND
YEAR ENDED JUNE 30, 2009**

<i>Code</i>	<i>Function</i>	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
<i>LOCAL REVENUES</i>				
1500	Earnings on investments	\$ 8,243	\$ 15,000	\$ (6,757)
<i>OTHER SOURCES</i>				
5200	Interfund transfers	350,000	350,000	-
5400	<i>FUND BALANCE, Beginning of year</i>	333,222	320,000	13,222
6000	<i>Total Resources</i>	<u>\$ 691,465</u>	<u>\$ 685,000</u>	<u>\$ 6,465</u>

ST. HELENS SCHOOL DISTRICT**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - EARLY RETIREMENT FUND (Continued)
YEAR ENDED JUNE 30, 2009**

<i>Code</i>	<i>Function</i>	<i>100 Salaries</i>	<i>200 Employee Benefits</i>	<i>300 Purchased Services</i>
	<i>SUPPORT SERVICES</i>			
2700	Supplemental retirement program	\$ -	\$ 360,312	\$ -
7000	<i>FUND BALANCE, End of year</i>	-	-	-
8000	<i>Total Expenditures and Ending Balance</i>	<u>\$ -</u>	<u>\$ 360,312</u>	<u>\$ -</u>

<i>400 Supplies & Materials</i>	<i>500 Capital Outlay</i>	<i>600 Other Objects</i>	<i>700 Transfers</i>	<i>Actual Fund Total</i>	<i>Appropriations</i>	<i>Variance</i>
\$ -	\$ -	\$ -	\$ -	\$ 360,312	\$ 440,000	\$ 79,688
-	-	-	331,153	331,153	245,000	(86,153)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 331,153</u>	<u>\$ 691,465</u>	<u>\$ 245,000</u>	<u>\$ (6,465)</u>

ST. HELENS SCHOOL DISTRICT**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2009**

Code	Function	Actual	Budget	Variance
LOCAL REVENUES				
1111	Current year's taxes	\$ 1,652,786	\$ 1,683,500	\$ (30,714)
1112	Prior year's taxes	73,974	50,000	23,974
1500	Earnings on investments	17,231	31,500	(14,269)
1000	Total Local Revenues	1,743,991	1,765,000	(21,009)
5400	FUND BALANCE, Beginning of year	96,956	-	96,956
6000	Total Resources	\$ 1,840,947	\$ 1,765,000	\$ 75,947

ST. HELENS SCHOOL DISTRICT**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - DEBT SERVICE FUND (Continued)
YEAR ENDED JUNE 30, 2009**

<i>Code</i>	<i>Function</i>	<i>100 Salaries</i>	<i>200 Employee Benefits</i>	<i>300 Purchased Services</i>
	<i>OTHER USES</i>			
5100	Debt service	\$ -	\$ -	\$ -
7000	<i>FUND BALANCE, End of year</i>	-	-	-
8000	<i>Total Expenditures and Ending Balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<i>400 Supplies & Materials</i>	<i>500 Capital Outlay</i>	<i>600 Other Objects</i>	<i>700 Transfers</i>	<i>Actual Fund Total</i>	<i>Appropriations</i>	<i>Variance</i>
\$ -	\$ -	\$ 1,765,000	\$ -	\$ 1,765,000	\$ 1,765,000	\$ -
-	-	-	75,947	75,947	-	(75,947)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,765,000</u>	<u>\$ 75,947</u>	<u>\$ 1,840,947</u>	<u>\$ 1,765,000</u>	<u>\$ (75,947)</u>

ST. HELENS SCHOOL DISTRICT**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - DEBT SERVICE PERS FUND
YEAR ENDED JUNE 30, 2009**

Code	Function	Actual	Budget	Variance
LOCAL REVENUES				
1500	Earnings on investments	\$ 12,785	\$ 15,000	\$ (2,215)
1970	Services provided other funds	1,471,627	1,439,136	32,491
1000	Total Local Revenues	1,484,412	1,454,136	30,276
5400	FUND BALANCE, Beginning of year	58,807	50,000	8,807
6000	Total Resources	\$ 1,543,219	\$ 1,504,136	\$ 39,083

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, 2009**

<i>Code</i>	<i>Function</i>	<i>100 Salaries</i>	<i>200 Employee Benefits</i>	<i>300 Purchased Services</i>
	<i>OTHER USES</i>			
5100	Debt service	\$ -	\$ -	\$ -
7000	<i>FUND BALANCE, End of year</i>	-	-	-
8000	<i>Total Expenditures and Ending Balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<i>400 Supplies & Materials</i>	<i>500 Capital Outlay</i>	<i>600 Other Objects</i>	<i>700 Transfers</i>	<i>Actual Fund Total</i>	<i>Appropriations</i>	<i>Variance</i>
\$ -	\$ -	\$ 1,500,136	\$ -	\$ 1,500,136	\$ 1,504,136	\$ 4,000
-	-	-	43,083	43,083	-	(43,083)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,500,136</u>	<u>\$ 43,083</u>	<u>\$ 1,543,219</u>	<u>\$ 1,504,136</u>	<u>\$ (39,083)</u>

OTHER SCHEDULES

ST. HELENS SCHOOL DISTRICT
SCHEDULE OF PROPERTY TAX TRANSACTIONS
YEAR ENDED JUNE 30, 2009

<i>Tax Year</i>	<i>Uncollected Balances July 1, 2008</i>	<i>2008-09 Levy</i>	<i>Added To Rolls</i>	<i>Interest Discounts & Adjustments</i>	<i>Turnovers</i>	<i>Uncollected Balances June 30, 2009</i>
2008-2009	\$ -	\$ 8,964,677	\$ 4,288	\$ 220,897	\$ 8,312,667	\$ 435,401
2007-2008	393,863	-	-	1,567	205,995	186,301
2006-2007	149,452	-	-	1,201	62,075	86,176
2005-2006	82,412	-	-	1,639	54,433	26,340
2004-2005	27,263	-	-	1,016	19,515	6,732
2003-2004	6,322	-	-	1,106	1,316	3,900
2002-2003	3,649	-	-	538	447	2,664
Prior Years	6,228	-	-	134	816	5,278
Total	<u>\$ 669,189</u>	<u>\$ 8,964,677</u>	<u>\$ 4,288</u>	<u>\$ 228,098</u>	<u>\$ 8,657,264</u>	<u>\$ 752,792</u>

Turnover Reconciliation

Columbia County Turnovers	\$ 8,657,264
Change in taxes available to meet current demands, net	(6,341)
Other taxes and adjustments	15,879
Total property tax revenue recognized	<u>\$ 8,666,802</u>

General Fund	\$ 6,940,042
Debt Service	1,726,760
	<u>\$ 8,666,802</u>

ST. HELENS SCHOOL DISTRICT
SCHEDULE OF BOND TRANSACTIONS
YEAR ENDED JUNE 30, 2009

	<i>Interest Rates</i>	<i>Date of Issue</i>	<i>Fiscal Year of Maturity</i>
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	3.50% - 5.75%	2001	2016
Tax exempt financing agreement	4.0%	2007	2018

	<i>Interest Rates</i>	<i>Date of Issue</i>	<i>Fiscal Year of Maturity</i>
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%	2001	2016
Tax exempt financing agreement	4.0%	2007	2018

<i>Outstanding July 1, 2008</i>	<i>Bonds Issued</i>	<i>Bonds Paid</i>	<i>Outstanding June 30, 2009</i>
\$ 10,334,742	\$ -	\$ 139,677	\$ 10,195,065
13,250,068	-	344,648	12,905,420
9,943,049	-	1,121,128	8,821,921
330,000	-	35,000	295,000
1,700,000	-	124,000	1,576,000
<u>\$ 35,557,859</u>	<u>\$ -</u>	<u>\$ 1,764,453</u>	<u>\$ 33,793,406</u>

<i>Unmatured Interest Outstanding July 1, 2008</i>	<i>New Issues</i>	<i>Interest Coupons Paid/ Refunded</i>	<i>Unmatured Interest June 30, 2009</i>
\$ 9,896,189	\$ -	\$ 486,462	\$ 9,409,727
14,635,608	-	529,349	14,106,259
10,301,953	-	643,872	9,658,081
85,973	-	17,565	68,408
385,547	-	84,787	300,760
<u>\$ 35,305,270</u>	<u>\$ -</u>	<u>\$ 1,762,035</u>	<u>\$ 33,543,235</u>

ST. HELENS SCHOOL DISTRICT**SCHEDULE OF FUTURE REQUIREMENTS FOR RETIREMENT OF LONG-TERM DEBT****JUNE 30, 2009**

Fiscal Year Ending June 30,	Pension Bonds - Series 2002			Pension Bonds - Series 2003		
	Principal	Interest	Total	Principal	Interest	Total
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
	<u>\$ 10,195,065</u>	<u>\$ 9,409,727</u>	<u>\$ 19,604,792</u>	<u>\$ 12,905,420</u>	<u>\$ 14,106,259</u>	<u>\$ 27,011,679</u>

<i>Fiscal Year Ending June 30,</i>	<i>General Obligation Bonds - Series 1999</i>			<i>Capital Lease Obligations</i>		
	<i>Principal</i>	<i>Interest</i>	<i>Total</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2010	\$ 1,094,111	\$ 725,889	\$ 1,820,000	\$ 35,000	\$ 15,903	\$ 50,903
2011	1,064,700	810,300	1,875,000	40,000	14,205	54,205
2012	1,033,168	896,832	1,930,000	40,000	12,225	52,225
2013	1,002,323	987,677	1,990,000	40,000	10,025	50,025
2014	974,524	1,070,476	2,045,000	45,000	7,825	52,825
2015	950,386	1,159,614	2,110,000	45,000	5,350	50,350
2016	922,944	1,247,056	2,170,000	50,000	2,875	52,875
2017	899,945	1,335,055	2,235,000	-	-	-
2018	879,820	1,425,182	2,305,002	-	-	-
2019	-	-	-	-	-	-
2020	-	-	-	-	-	-
2021	-	-	-	-	-	-
2022	-	-	-	-	-	-
2023	-	-	-	-	-	-
2024	-	-	-	-	-	-
2025	-	-	-	-	-	-
2026	-	-	-	-	-	-
2027	-	-	-	-	-	-
2028	-	-	-	-	-	-
	<u>\$ 8,821,921</u>	<u>\$ 9,658,081</u>	<u>\$ 18,480,002</u>	<u>\$ 295,000</u>	<u>\$ 68,408</u>	<u>\$ 363,408</u>

ST. HELENS SCHOOL DISTRICT**SCHEDULE OF FUTURE REQUIREMENTS FOR RETIREMENT OF LONG-TERM DEBT (Continued)****JUNE 30, 2009**

<i>Fiscal Year Ending June 30,</i>	<i>Tax Exempt Financing Agreement - Series 2007</i>			<i>Totals</i>		
	<i>Principal</i>	<i>Interest</i>	<i>Total</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
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
	<u>\$ 1,576,000</u>	<u>\$ 300,760</u>	<u>\$ 1,876,760</u>	<u>\$ 33,793,406</u>	<u>\$ 33,543,235</u>	<u>\$ 67,336,641</u>

ST. HELENS SCHOOL DISTRICT**DEPARTMENT OF EDUCATION SUPPLEMENTARY INFORMATION****YEAR ENDED JUNE 30, 2009**

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

Objects 325 & 326	
Function 2540	\$ 513,763
Function 2550	\$ 0

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

\$ 12,932

Exclude these functions:

1113, 1122 & 1132	Co-curricular Activities
1140	Pre-Kindergarten
1300	Continuing Education
1400	Summer School

Exclude these functions:

4150	Construction
2550	Pupil Transportation
3100	Food Service
3300	Community Services

COMPLIANCE SECTION

ST. HELENS SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2009

<i>Federal Grantor/Pass-through Grantor/Program Title</i>	<i>Federal CFDA Number</i>	<i>Pass Through Entity Identifying Number</i>	<i>Program or Award Amount</i>	<i>Expenditures</i>
U.S. Department of Agriculture				
Passed through State Department of Education:				
National School Breakfast Program (SBP)	10.553	N/A	\$ 69,054	\$ 69,054
National School Lunch Program (NSLP)	10.555	N/A	444,288	444,288
Summer Food Service Program	10.559	N/A	30,028	30,028
<i>Subtotal Child Nutrition Cluster</i>				<u>543,370</u>
Total U.S. Department of Agriculture				543,370
U.S. Department of Education				
Passed through State Department of Education:				
Title ID Grant - Intervention for Children	84.010	12918	10,026	2,311
Title ID Grant - Intervention for Children	84.010	10063	10,355	10,355
Title I Grants to Local Educational Agencies (LEAs)	84.010	12881	485,635	331,138
Title IA	84.010	10023	484,676	158,933
<i>Subtotal Title I, Part A Cluster</i>				<u>502,737</u>
Special Education - Grants to States				
SPR&I	84.027	13506	3,203	3,203
Special Education - Grants to States				
Extended Assessment Grant	84.027	13875	1,228	1,228
Special Education - Grants to States				
IDEA Enhancement	84.027	14717	5,000	400
Special Education - Grants to States				
Post-Secondary outcome data grant	84.027	12687	240	240
Special Education-Grants to States				
IDEA, Part B	84.027	13707	544,720	523,530
<i>Subtotal Special Education Cluster (IDEA)</i>				<u>528,601</u>
Vocational Education - Perkins Sub Grant	84.048	12356	26,196	20,600
Title IV Safe and Drug-Free Schools and Communities	84.186	11184	12,146	8,504
Title IV Safe and Drug-Free Schools and Communities	84.186	14142	9,728	9,728
Vocational Education- Perkins Sub Grant	84.243	12356	3,237	3,237
Title IID Enhancing Education Through Technology	84.318	13294	4,568	4,182
Title IB K-3 Statewide Literacy Outreach Grant	84.357	14316	3,236	3,236
Title IIA Improving Teacher quality State Grants	84.367	13111	125,041	115,831
ARRA State Fiscal Stabilization Fund	84.394	17205	672,044	672,044
<i>Subtotal State Fiscal Stabilization Fund Cluster</i>				<u>672,044</u>

See notes to schedule of expenditures of federal awards.

ST. HELENS SCHOOL DISTRICT**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, (Continued)****YEAR ENDED JUNE 30, 2009**

<i>Federal Grantor/Pass-through Grantor/Program Title</i>	<i>Federal CFDA Number</i>	<i>Pass Through Entity Identifying Number</i>	<i>Program or Award Amount</i>	<i>Expenditures</i>
<i>U.S. Department of Education (Continued)</i>				
Passed through Department of Health and Human Services:				
Youth Transition Program	84.126	YTP #113788	\$ 102,034	\$ 68,067
<i>Subtotal Vocational Rehabilitation Cluster</i>				<u>68,067</u>
<i>Total U.S. Department of Education</i>				<u>1,936,767</u>
<i>U.S. Department of the Interior Bureau of Land Management</i>				
Direct Programs				
Fish, Wildlife and Plant Conservation Resource Management	15.231	N/A	210,213	97,805
<i>Corporation for National and Community Service</i>				
Passed through State Department of Education:				
Learn & Serve Grant	94.004	14268	7,491	7,491
<i>U.S. Department of Health and Human Services</i>				
Passed through State Department of Education:				
Quality Improvement Grant	93.575	12387	2,433	2,433
Passed through Oregon Employment Department				
Child Care and Development Block Grant	93.575	CCD#095010	3,000	2,483
<i>Subtotal Child Care and Development Fund Cluster</i>				<u>4,916</u>
<i>Total U.S. Department of Health and Human Services</i>				<u>4,916</u>
<i>Total Federal Financial Assistance</i>				<u>\$ 2,590,349</u>

See notes to schedule of expenditures of federal awards.

ST. HELENS SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2009

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, 2009.

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.

ST. HELENS SCHOOL DISTRICT

COMMENTS AND DISCLOSURES REQUIRED BY THE STATE OF OREGON MINIMUM STANDARDS FOR AUDITS OF OREGON MUNICIPAL CORPORATIONS YEAR ENDED JUNE 30, 2009

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, 2009, which collectively comprised the District's basic financial statements and have issued our report thereon dated December 31, 2009. 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

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

Adequacy of Collateral Securing Depository Balances

The District has complied with Oregon Revised Statutes Chapter 295 in relation to deposit accounts, except the St. Helens Federal Credit Union is not on the approved list of depositories.

Investments

Public funds appear to be invested in compliance with ORS 294.

Legal Requirements Relating to Debt

The general obligation bonded debt of the District is in compliance with the limitation imposed by ORS. We noted no defaults in principal, interest, sinking fund, or redemption provisions with respect to any of the District's bonded debt, and no breach of the bond agreements at June 30, 2009.

Budget Compliance

The District appears to have complied in all material respects with Local Budget Law (ORS 294.305 to 294.520) in the preparation, adoption and execution of its budget and tax levy for the year ended June 30, 2009 and the preparation and adoption of its budget for the year ending June 30, 2010, except for the following violations that were noted during our audit. The District did not budget their transfers correctly, transfers in do not equal transfers out. In addition, debt service expenditures were budgeted by principal and interest in total rather than by issue. Descriptions of the budgeting process, as well as violations in the current budget year such as over expenditures and negative fund balances, are discussed in the notes to the basic financial statements.

ST. HELENS SCHOOL DISTRICT

**COMMENTS AND DISCLOSURES REQUIRED BY THE STATE OF OREGON MINIMUM
STANDARDS FOR AUDITS OF OREGON MUNICIPAL CORPORATIONS (Continued)
YEAR ENDED JUNE 30, 2009**

Insurance Policies and Fidelity Bonds

We have reviewed the District's legally required insurance and fidelity bond coverage at June 30, 2009. We ascertained that such policies appeared to be in force and in compliance with legal requirements relating to insurance and fidelity bond coverage.

Public Contracts

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

Programs Funded from Outside Sources

We reviewed the District's compliance with appropriate laws, rules, and regulations that could have material impact on the basic financial statements for programs funded wholly or partially by other governmental agencies. The District is in compliance with the guidelines in all material respects.

In a separate report dated December 31, 2009, we have reported on the Schedule of Expenditures of Federal Awards. We have also reported on internal control over financial reporting and on compliance and other matters based on an audit of the basic financial statements performed in accordance with *Government Auditing Standards*, and on compliance with requirements applicable to each major program and on internal control over compliance in accordance with OMB Circular A-133.

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, except that in our testing of teacher experience reporting, we noted two errors in our sample of twenty-two teachers. The District has taken appropriate action to correct these errors.

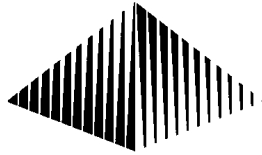
This report is intended solely for the information and use of the Board of Directors, management, federal awarding agencies, pass-through funding agencies, and the State of Oregon Division of Audits and is not intended to be and should not be used by anyone other than these specified parties.

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

By: _____



Charles A. Swank, A Shareholder
December 31, 2009



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 OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the financial statements of 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, 2009, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 31, 2009. 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 the 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 District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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 (2009-1 through 2009-7).

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 the 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 the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider item 2009-3 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and 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, 2009.

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 them.

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, 2009



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 (the District) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. 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, 2009.

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 these specified parties.


CERTIFIED PUBLIC ACCOUNTANTS

December 31, 2009

ST. HELENS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2009

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's opinion issued:	Unqualified
Internal control reporting:	
• Material weakness(es) identified?	Yes
• 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	Child Nutrition Cluster
84.027	Special Education Cluster (IDEA)
84.367	Title IIA, Improving Teacher Quality
84.394	State Fiscal Stabilization Fund Cluster (ARRA)

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	No

FINANCIAL STATEMENT FINDINGS

Purchase Orders - 2009-1

Criteria: All purchase orders should be reviewed by the Business Manager prior to issuance.

Cause of Condition: The software as currently configured allows the supervisor signature to be printed on a purchase order without first being approved.

Effect of Condition: This may result in purchases being made that have not been approved by an appropriate supervisor.

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

YEAR ENDED JUNE 30, 2009

FINANCIAL STATEMENT FINDINGS (Continued)

Purchase Orders - 2009-1 (Continued)

Recommendation: We recommend that additional procedures be implemented for review and approval of all purchase orders by management. Implementing the use of blanket purchase orders for regular, frequent transactions, or those based on a signed contract throughout the year would simplify the approval process by reducing the number of individual purchase orders needing to be prepared during the year.

Client 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 all requisitions written by subordinates prior to being sent to the Business Manager for approval. The accounting software will not allow requisitions to bypass immediate supervisors. We will continue to improve upon this process working closely with the software company to implement any further controls that can be done electronically, particularly the second and final check made by the Business Manager.

Cash Disbursements - 2009-2

Criteria: Checks should be printed only after the appropriate check signer's review and approval.

Cause of Condition: The software is not being password protected for different level positions, no written policies or procedures are in place to prevent checks from being printed without the check signer's approval.

Effect of Condition: This may result in unauthorized purchases or payments with one person having access to the system who issues checks.

Recommendation: We recommend that additional procedures be implemented for the 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 review.

Client 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. During fiscal year 2009-10, we will implement an electronic feature for approving check vouchers prior to check writing. The Business Manager will perform this task with the accounting software creating an electronic stamp with User ID and date/time that the function is performed.

Journal Entries - 2009-3

Criteria: The Director of Operations and Finance currently drafts and posts journal entries. There is no additional review of journal entries.

Cause of Condition: Due to size of accounting staff, segregation of accounting duties is currently less than optimal.

Effect of Condition: Without review prior to posting, journal entries being posted may be unauthorized or contain error.

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

YEAR ENDED JUNE 30, 2009

FINANCIAL STATEMENT FINDINGS (Continued)

Journal Entries - 2009-3 (Continued)

Recommendation: We recommend that another qualified employee review all journal entries prior to posting.

Client Response: The District recognizes the need for further segregation of duties among the finance office employees. There have been significant improvements made within the limitation of the District size by using the capabilities of the Infinite Visions software to its fullest extent. In addition, the District is committed to provide additional training for all finance employees and the Business manager.

Bank Reconciliations - 2009-4

Criteria: Bank reconciliations should be prepared each month, closely following month end, and all differences should be timely reconciled.

Cause of Condition: Personnel are not allocating sufficient time to this function, and it appears as though a lack of understanding in some concepts involved in reconciling accounts.

Effect of Condition: This may result in failure to detect fraud or errors in a timely manner.

Recommendation: We recommend that personnel obtain additional training in account reconciliations and adequate time be allocated to prepare these reconciliations.

Client Response: The local Education Service District has been contracted to assist the District by preparing all bank reconciliations for 2008-09 to allow District personnel to focus on other duties. The District has continued to contract with the local Education Service District for this service.

Food Service Revenues - 2009-5

Criteria: Differences between food service revenue and cash deposited should be reconciled monthly during the revenue recording process. Total cash overs and shorts should be very small.

Cause of Condition: Monthly journal entries are prepared using a projection of revenue calculated based on meals served. This projection does not take all potential differences into consideration, such as meal counts associated with various special programs.

Effect of Condition: This may result in the inability to detect problems in the depositing of food service receipts, and accurate recording of program revenues.

Recommendation: We recommend that the method of monthly recording be redesigned to be based on actual amounts, rather than projections to ensure program revenue is stated accurately and that true cash over or short amounts can be reviewed in a timely manner.

Client Response: The spreadsheet used to prepare these entries will be redesigned to achieve more accurate results and provide a reconciliation between actual meal revenues and Mealtime data collection.

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

YEAR ENDED JUNE 30, 2009

FINANCIAL STATEMENT FINDINGS (Continued)

SEFA Preparation - 2009-6

Criteria: The District should have a process in place that will facilitate preparation of a schedule of expenditures of federal awards that is complete and accurate.

Cause of Condition: The Business Manager is still developing her skills and knowledge regarding SEFA preparation and was therefore not able to identify errors on the SEFA.

Effect of Condition: This may result in inaccuracies in the report.

Recommendation: We recommend that the Business Manager gain additional knowledge through training regarding SEFA reporting requirements and on revenue recognition pertaining to grants.

Client Response: Additional training will be sought to ensure an understanding of SEFA reporting requirements.

Segregation of Duties - 2009-7

Criteria: Duties must be sufficiently segregated between appropriate accounting staff so that assets of the District are safeguarded.

Cause of Condition: Due to the size of 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.

Effect of Condition: This may result in opportunities for fraud as well as a likelihood that mistakes may not be discovered in a timely manner.

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

Client Response: The District will investigate cost effective ways to implement controls or eliminate identified incompatible duties.

PRIOR YEAR'S FINANCIAL STATEMENT FINDINGS

Approval of Purchase Orders - 2008-1

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

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

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

YEAR ENDED JUNE 30, 2009

PRIOR YEAR'S FINANCIAL STATEMENT FINDINGS (Continued)

Approval of Purchase Orders - 2008-1 (Continued)

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.

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 the check signer's approval.

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

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Preparation of Purchase Orders - 2008-3

Observation: During the review of School Nutrition Program expenditures (CFDA number 10.553, 10.555, 10.556 and 10.559), 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 are using blanket purchase orders for our major suppliers and have implemented purchase order requirements for all other suppliers. Purchase orders are written and approved consistent with procedures throughout the District, effective October 1, 2008.

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

YEAR ENDED JUNE 30, 2009

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

Approval of Purchase Orders - 2008-4

Observation: During the review of School Nutrition Program expenditures (CFDA number 10.553, 10.555, 10.556 and 10.559), 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: Blanket purchase orders and all purchasing for Food Service are now done through Infinite Visions software requiring initial approval by the Food Service Director and final approval by the Business Manager.