ST. HELENS SCHOOL DISTRICT
FINANCIAL STATEMENTS
Year Ended June 30, 2012

BOARD OF DIRECTORS

Name	*Title*	*Term Expires*
Alan King 174 North 8th Street. St. Helens, Oregon 97051	Chair	June 30, 2013
Marshall Porter 215 North 4th Street St. Helens, Oregon 97051	Vice-Chair	June 30, 2015
Nathan Helwig 58296 Lindsay Lane Warren, Oregon 97053	Member	June 30, 2013
Ray Biggs 1535 4th Street Columbia City, Oregon 97018	Member	June 30, 2015
Matt Freeman 58845 Evergreen Loop St. Helens, Oregon 97051	Member	June 30, 2013

ADMINISTRATIVE

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

Mark Davalos, Superintendent, Clerk
Janine Salisbury, Business Manager

ST. HELENS SCHOOL DISTRICT
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FINANCIAL SECTION

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

INDEPENDENT AUDITOR'S REPORT

School Board
St. Helens School District
Columbia County, Oregon
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, 2012, 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 conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2012, 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 21, 2012, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

As described in the notes to the financial statements, during the year ended June 30, 2012, the District adopted the provisions of Governmental Accounting Standards Board Statement (GASBS) No. 61, *The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34.*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A) (pages 3 through 8), the schedule of funding progress for other postemployment benefits (page 32), the general fund combining schedules (pages 33 through 34), and the budgetary comparison information (pages 35 through 38) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the MD&A and the schedule of funding progress for other postemployment benefits in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The general fund combining schedules and budgetary comparison information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise St. Helens School District's financial statements as a whole. The other supplementary information listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The other supplementary information, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

By: 

Charles A. Swank, A Shareholder
December 21, 2012

ST. HELENS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012

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, 2012.

FINANCIAL HIGHLIGHTS

- In the government-wide statements, the assets of the District exceeded its liabilities at June 30, 2012 by $20.2 million. Of this amount, $20.5 million represents the District's investment in capital assets net of related debt. Liabilities exceeded assets by $507 thousand for unrestricted.
- The District's total net assets increased by $76 thousand.
- The District's governmental funds report a combined ending fund balance of $3.9 million at June 30, 2012, an increase of $187 thousand in comparison with the prior year.
- At the end of the fiscal year ended June 30, 2012, unassigned fund balance for the General Fund was $3.2 million, or 13 percent of total General Fund expenditures.
- The District's total liabilities decreased by $1.1 million (3.2 percent) during the 2011-12 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 S*tatement of Net Assets.* The *statement of net assets* presents information on all of the assets and liabilities of the District as of the date on the statement. Net assets are what remain after the liabilities have been paid off or otherwise satisfied. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

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

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

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

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

The District maintains eight individual governmental funds. Information is presented separately in the governmental funds balance sheet and the governmental fund's statement of revenues, expenditures and changes in fund balances for the General Fund and the Combined Grants and Projects Fund, 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.

The provisions of GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions* require that Special Revenue Funds whose primary source of funding is transfers from the General Fund be reported as part of the General Fund. Therefore, the Early Retirement Fund is reported as part of the General Fund in the fund financial statements.

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 any other major special revenue funds.

The combining statements referred to earlier in connection with non-major governmental funds and non-major fund schedules and changes in fund balance – budget and actual 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 $20.2 million as of June 30, 2012.

Capital assets, which consist of the District's land, buildings, building improvements, vehicles, and equipment, represent about 50 percent of total assets. The remaining assets consist mainly of investments, cash, prepaid pension costs, and grants and property taxes receivable.

The District's largest liability (88 percent) is for the repayment of long-term liabilities (general obligation bonds, capital lease obligations, pension bonds and deferred bond interest). Current liabilities, representing 12 percent of the District's total liabilities, are made up of payables on accounts, salaries and benefits, and 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.

Statement of Net Assets (Modified Cash Basis)
June 30,

	2012	*2011*	*Change*
Current and other assets	$ 5,271,475	$ 4,967,127	$ 304,348
Capital assets	27,393,723	28,171,309	(777,586)
Other long-term assets	21,527,670	22,107,199	(579,529)
Total assets	54,192,868	55,245,635	(1,052,767)
Current liabilities	3,941,427	739,725	3,201,702
Long-term liabilities	30,012,356	34,343,166	(4,330,810)
Total liabilities	33,953,783	35,082,891	(1,129,108)
Net assets:			
Invested in capital assets, net of related debt	20,470,781	20,014,199	456,582
Restricted	275,338	309,399	(34,061)
Unrestricted	(507,034)	(160,854)	(346,180)
Total Net Assets	$ 20,239,085	$ 20,162,744	$ 76,341

Statement of Activities. During the current fiscal year, the District's net assets increased by $76 thousand, as compared to an increase of $734 thousand in the prior year. The key elements of the smaller increase in the District's net assets for the year ended June 30, 2012 are as follows:

- Unrestricted state and local funds decreased by $252 thousand (57.8 percent), primarily due to decreases in miscellaneous revenue, county school funds, and state timber receipts.
- Operating grants and contributions decreased by $452 thousand (11.7 percent) primarily due to a decrease in federal grants received.
- General support from the State School Fund increased $264 thousand (1.6 percent).
- Expenses were reduced by almost $1.1 million (3.4 percent).

Changes in Net Assets (Modified Cash Basis)
June 30,

	2012	*2011*	*Change*
Revenues			
Program revenues			
Charges for service	$ 2,524,736	$ 2,449,429	$ 75,307
Operating grants and contributions	3,423,764	3,876,115	(452,351)
General revenues			
Property taxes	8,956,344	8,879,424	76,920
Construction excise tax	63,342	65,685	(2,343)
State school fund	16,495,953	16,231,766	264,187
Common school fund	275,942	278,718	(2,776)
Unrestricted state and local funds	183,721	435,638	(251,917)
Earnings on investments	38,267	35,690	2,577
Miscellaneous	320,238	272,367	47,871
Total revenues	32,282,307	32,524,832	(242,525)
Expenses			
Instructional programs	17,999,852	18,821,839	(821,987)
Support services	10,817,110	9,671,161	1,145,949
Community services	144,862	173,866	(29,004)
Food services	897,285	892,302	4,983
Facilities services	47,494	-	47,494
Interest on long-term liabilities	2,299,363	2,231,676	67,687
Total expenses	32,205,966	31,790,844	415,122
Change in net assets	76,341	733,988	(657,647)
Net assets, beginning of year	20,162,744	19,428,756	733,988
Net assets, end of year	$ 20,239,085	$ 20,162,744	$ 76,341

Financial Analysis of the District's Funds

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

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

At June 30, 2012, the District's governmental funds reported unassigned combined ending fund balances of $3.2 million, an increase of $393 thousand in comparison with the prior year.

General Fund. The General Fund is the primary operating fund of the District. As of June 30, 2012, unassigned fund balance was $3.18 million. The unassigned fund balance increased by about $329 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 13 percent of total General Fund expenditures.

Debt Service Funds. The debt service funds collectively have a total fund balance of $129 thousand, of which $99 thousand is restricted and $30 thousand is committed to the payment of debt service. The net decrease in fund balance during the current year was $68 thousand (34 percent).

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The District's investment in capital assets includes land, buildings and improvements, vehicles and equipment. As of June 30, 2012, the District had invested approximately $27.4 million in capital assets, net of depreciation, as shown in the following table:

Capital Assets
(net of depreciation)
June 30,

	2012	*2011*	*Change*
Land and improvements	$ 2,373,323	$ 2,373,323	$ -
Building and improvements	24,437,737	24,932,171	(494,434)
Vehicles and equipment	582,663	865,815	(283,152)
Total	$ 27,393,723	$ 28,171,309	$ (777,586)

During fiscal year 2011-12, the District's investment in capital assets decreased by about $777 thousand. The major capital asset events for the year ended June 30, 2012 include a depreciation expense of over $1 million.

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 long-term debt outstanding of over $28 million, consisting of general obligation bonded debt of $5.6 million, pension bonds of $21.5 million, tax exempt financing of $1.1 million and capital leases of $180 thousand.

During the current fiscal year, the District's total debt decreased by $1.7 million, which represents the amount of current year principal payments less the $750 thousand refunding of a pension bond.

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 $118 million, which is significantly in excess of the District's outstanding general obligation debt of $5.6 million. 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 major source of funding for the District is the State of Oregon's school funding formula. The state formula funding includes both local and state revenue and is based largely on student enrollment. For the year ending June 30, 2012, state school formula revenue accounted for about 96% of the District's general fund revenue. Due to heavy reliance on this source, negative effects on the state economy could affect the District negatively. At a local level, the now complete closure of a large manufacturing facility located in the District boundaries and high unemployment rates will continue to have a negative influence on property tax revenues. The governor's education plans and the country's current fiscal and political issues on the federal level bring added dimensions of uncertainty to K-12 funding for the 2013-15 biennium. Consequently, the District's financial situation will require close attention.

Both union contracts end June 30, 2013. Salary and benefit costs may increase depending on the outcome of negotiations. The District anticipates another substantial increase in PERS rates starting July 2013. Still coping with losses in the PERS investment fund, rates are expected to increase from 5.15% of affected payroll for Tier 1/Tier 2 members to 10.68%, an increase of 107%. The governor has described two plans for legal adjustments to PERS benefits that would reduce these increases in employer rates. The governor hopes to implement the lower rate increases effective July, 2013. The outcome of this will have a significant effect on K-12 payroll expenses. The District has maintained a higher ending fund balance to assist in responding to these many uncertainties.

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.

ST. HELENS SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2012

ASSETS		
Cash and investments	$	3,549,558
Receivables		1,449,699
Due from other governments		270,993
Inventories		1,225
Pension asset		21,527,670
Capital assets not being depreciated		
Land		2,373,323
Capital assets, net of accumulated depreciation		
Buildings		24,437,737
Equipment		582,663
Total Assets		54,192,868
LIABILITIES		
Accounts payable and accrued expenses		510,124
Accrued compensated absences payable		84,970
Accrued interest		3,346,333
Long-term liabilities		
Portion due within one year		1,787,615
Portion due in more than one year		26,662,997
Other post employment benefit obligation		1,561,744
Total Liabilities		33,953,783
NET ASSETS		
Invested in capital assets, net of related debt		20,470,781
Restricted for debt service		275,338
Unrestricted		(507,034)
Total Net Assets	$	20,239,085

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

ST. HELENS SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2012

		Program Revenues		Net (Expense)
	Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Revenue and Change in Net Assets
FUNCTIONS/PROGRAMS				
Governmental activities:				
Instructional programs	$ 17,999,852	$ 2,219,448	$ 2,660,826	$ (13,119,578)
Support services				
Student transportation	1,491,444	-	-	(1,491,444)
Other support services	9,325,666	10,865	-	(9,314,801)
Community services	144,862	95,000	-	(49,862)
Food services	897,285	199,423	762,938	65,076
Facilities services	47,494	-	-	(47,494)
Interest on long-term liabilities	2,299,363	-	-	(2,299,363)
Total Governmental activities	$ 32,205,966	$ 2,524,736	$ 3,423,764	(26,257,466)
General Revenues:				
Property taxes, levied for general purposes				7,061,419
Property taxes, levied for debt service				1,894,925
Construction excise tax				63,342
State school fund				16,495,953
Common school fund				275,942
Unrestricted state and local funds				183,721
Earnings on investments				38,267
Miscellaneous				320,238
Total General Revenues				26,333,807
Change in Net Assets				76,341
Net Assets - *beginning*				20,162,744
Net Assets - *ending*				$ 20,239,085

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

ST. HELENS SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2012

	General	*Combined Grants and Projects*	*Other Governmental Funds*	*Total*
ASSETS				
Cash and investments	$ 2,991,013	$ -	$ 558,545	$ 3,549,558
Property taxes receivable	806,507	-	213,375	1,019,882
Due from other funds	459,059	-	-	459,059
Receivable from other governments	139,748	5,497	125,748	270,993
Other receivables	-	429,817	-	429,817
Inventories	-	-	1,225	1,225
Total Assets	$ 4,396,327	$ 435,314	$ 898,893	$ 5,730,534
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	205,620	$ 5,899	2,976	$ 214,495
Due to other funds	-	376,789	82,270	459,059
Accrued expenses	269,660	20,584	5,385	295,629
Deferred revenue	669,637	-	176,694	846,331
Total Liabilities	1,144,917	403,272	267,325	1,815,514
Fund Balance:				
Non-spendable	-	-	1,225	1,225
Restricted for:				
Debt service	-	-	98,644	98,644
Committed to:				
Student body	-	-	402,547	402,547
Facility improvements	-	-	62,698	62,698
Grants and projects	-	32,042	-	32,042
Food services	-	-	36,121	36,121
Early retirement	68,312	-	-	68,312
Debt service	-	-	30,333	30,333
Unassigned	3,183,098	-	-	3,183,098
Total Fund Balances	3,251,410	32,042	631,568	3,915,020
Total Liabilities and Fund Balances	$ 4,396,327	$ 435,314	$ 898,893	$ 5,730,534

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, 2012

FUND BALANCES		$ 3,915,020
Capital assets are not financial resources and therefore are not reported in the governmental funds:		
Cost	$ 48,561,810	
Accumulated depreciation	(21,168,087)	27,393,723
PERS UAL Bonds and related pension assets are recorded on the statement of net assets at their net amortized values.		21,527,670
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.		846,331
Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest in long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due.		
These liabilities consist of:		
Accrued interest payable	(3,346,333)	
Compensated absences payable	(84,970)	
Other postemployment benefit obligation	(1,561,744)	
Long-term debt	(28,450,612)	(33,443,659)
TOTAL NET ASSETS		$ 20,239,085

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, 2012

	General Fund	*Combined Grants and Projects*	*Other Governmental Funds*	*Total*
REVENUES				
Local sources	$ 7,271,007	$ 221,474	$ 4,454,216	$ 11,946,697
Intermediate sources	121,321	232,330	-	353,651
State sources	17,508,255	19,153	14,789	17,542,197
Federal sources	10,158	1,523,860	759,088	2,293,106
Total Revenues	24,910,741	1,996,817	5,228,093	32,135,651
EXPENDITURES				
Current				
Instruction	14,433,313	1,521,256	662,518	16,617,087
Support services	9,566,578	421,025	59,853	10,047,456
Enterprise and community services	-	144,862	896,562	1,041,424
Debt Service:				
Principal	201,000	-	2,307,252	2,508,252
Interest and other charges	59,965	-	2,113,284	2,173,249
Capital outlay	64,802	-	246,007	310,809
Total Expenditures	24,325,658	2,087,143	6,285,476	32,698,277
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	585,083	(90,326)	(1,057,383)	(562,626)
OTHER FINANCING SOURCES (USES)				
Proceeds from long-term debt	-	-	750,000	750,000
Transfers in	260,000	143,504	162,496	566,000
Transfers out	(566,000)	-	-	(566,000)
Total Other Financing Sources (Uses)	(306,000)	143,504	912,496	750,000
NET CHANGE IN FUND BALANCES	279,083	53,178	(144,887)	187,374
FUND BALANCES, beginning	2,972,327	(21,136)	776,455	3,727,646
FUND BALANCES, ending	$ 3,251,410	$ 32,042	$ 631,568	$ 3,915,020

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, 2012

NET CHANGE IN FUND BALANCES - (Governmental Funds)		$ 187,374
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.		
Expenditures for capital assets	$ 310,809	
Less current year depreciation	(1,088,395)	(777,586)
Long-term debt proceeds are reported as other financing sources in governmental funds. In the Statement of Net Assets, however, issuing long-term debt increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Assets. This is the amount by which repayments exceeded proceeds:		
Debt proceeds	(750,000)	
Debt principal repaid	2,508,252	1,758,252
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.		(126,114)
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.		146,656
Amortization of pension assets		(579,529)
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.		(546,426)
Compensated absences are recognized as an expenditure in the governmental fund when they are paid. In the Statement of Activities compensated absences are recognized as expenditures when earned.		13,714
CHANGE IN NET ASSETS		$ 76,341

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

The District has granted charter to a public charter school, The Mastery Learning Institute – Arthur Academy. This public charter school is a legally separate, tax-exempt organization governed by its own board of directors and its financial statements may be obtained by its administrative office.

The District has early implemented GASB Statement No. 61, The Financial Reporting Entity: Omnibus. The Statement provided requirements for including, presenting, and disclosing information about component units and equity interest transactions of a financial reporting entity. The implementation had the effect on the District's financial statements of no longer reporting the charter school as a component unit. The District has no component units that meet the criteria for reporting under GASB 61.

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, except that interfund services are not eliminated. 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. Separate statements for each governmental fund category are presented. The emphasis of fund financial statements is on major governmental funds, each being displayed in a separate column. All remaining governmental funds are aggregated and reported as other governmental funds.

***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)*

***Basis of Presentation** (Continued)*

Fund Financial Statements (Continued)

The District reports the following major governmental funds:

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

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.

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

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

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

Capital Reserve Fund - This fund accounts for funds intended to be used for capital outlay.

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

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

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

Cash, Cash Equivalents and Investments

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

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

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

Property Taxes Receivable

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

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

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. Amounts are periodically reviewed for collectability. At June 30, 2012, no allowance for doubtful accounts is considered necessary.

***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)*

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.

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 over the life of the pension obligation bonds.

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 individual 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

Retirement Plans

Substantially all of the District's employees are participants in the Oregon Public Employees Retirement Fund (OPERF), administered by the 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.

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.

***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)*

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.

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.

Subsequent Events

The District follows the provisions of Accounting Standards Codification (ASC) 855, "Subsequent Events". ASC 855 established accounting and disclosure requirements for subsequent events. Management has evaluated subsequent events through December 21, 2012, the date on which the financial statements were available to be issued. Management is not aware of any subsequent events that require recognition or disclosure in the financial statements.

Governmental Fund Balances

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

***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)*

***Governmental Fund Balances** (Continued)*

Governmental Fund type fund balances are classified as follows:

- **Nonspendable –** Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact. Resources in nonspendable form include inventories, prepaids and deposits, and assets held for resale.
- **Restricted –** Amounts that can be spent only for specific purposes when the constraints placed on the use of these resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed –** Amounts that can be used only for specific purposes determined by a formal action of the School Board. The School Board can modify or rescind the commitment at any time through taking a similar formal action.
- **Assigned -** Amounts that are constrained by the District's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent is expressed when the School Board approves which resources should be "reserved" during the adoption of the annual budget. The District's Finance Director uses that information to determine whether those resources should be classified as assigned or unassigned for presentation in the District's Annual Financial Report.
- **Unassigned –** All amounts not included in other spendable classifications. This residual classification represents fund balance that has not been restricted, committed, or assigned within the General Fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

When an expense is incurred that can be paid using either restricted or unrestricted resources (net assets), the District's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the District's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications—committed and then assigned fund balances before using unassigned fund balances.

Definitions of Governmental Fund Types

The General Fund is used to account for all financial resources not accounted for in another fund. In addition, certain funds budgeted as Special Revenue Funds are reported as part of the General Fund because their source of funds is primarily transfers from the General Fund.

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term "proceeds of specific revenues sources" means that the revenue sources for the fund must be from restricted or committed sources, specifically that a substantial portion of the revenue must be from these sources and be expended in accordance with those requirements.

Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years should also be reported in debt service funds.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Definitions of Governmental Fund Types (Continued)

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The provisions of GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions* modified the definitions of the fund types and requires that Special Revenue Funds whose primary source of funding is transfers from the General Fund be reported as part of the General Fund. Therefore, in the Governmental Funds Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances, the Early Retirement Fund has been reported as part of the General Fund.

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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.

Supplemental budgets less than 10% of a fund's original budget may be adopted by the Board at a regular meeting. A supplemental budget greater than 10% of a fund's original budget requires hearings before the public, publication in newspapers and approval by the Board. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control (major function levels) with Board approval. During the year, one resolution increasing appropriations was adopted. Appropriations lapse at the end of each fiscal year.

CASH AND INVESTMENTS

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

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

Cash and investments are comprised of the following as of June 30, 2012:

	Carrying Value	Fair Value
Cash		
Deposits with financial institutions	$ 1,102,811	$ 1,102,811
Cash on hand	1,269	1,269
Investments		
Local Government Investment Pool	2,445,478	2,445,478
	$ 3,549,558	$ 3,549,558

Deposits

At June 30, 2012, the District's deposits with various financial institutions had a bank value of $1,871,860. All deposits not covered by FDIC insurance are covered by the Public Funds Collateralization Program (PFCP) of the State of Oregon. The PFCP is a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. Barring any exceptions, a bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized, or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities.

Custodial Credit Risk - Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the District's deposits with financial institutions up to $250,000 each for the aggregate of all non-interest bearing accounts and the aggregate of all interest bearing accounts at each institution. Deposits in excess of FDIC coverage with institutions participating in the Oregon Public Funds Collateralization Program (PFCP) are covered by the PFCP. As of June 30, 2012, none of the District's bank balances were exposed to custodial credit risk.

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.

Credit Risk

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

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

Credit Risk (Continued)

The District's policy, which adheres to State of Oregon law, is to limit its investments to the State of Oregon Treasurer's Local Government Investment Pool.

The Oregon State Treasurer maintains the Oregon Short Term Fund, of which the Local Government Investment Pool (LGIP) is a part and is not registered with the U.S. Securities and Exchange Commission. 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, 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 to offer a short-term investment alternative to Oregon local governments. 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, 2012, 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. Separate financial statements for the Oregon Short-Term Fund are available from the Oregon State Treasurer. The State of Oregon LGIP is unrated for credit quality.

Interest Rate Risk - Investments

The District minimizes interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by limiting their investments to the LGIP in accordance with the District's investment policy.

CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2012 is as follows:

	Balance July 1, 2011	***Increases***	***Decreases***	***Balance June 30, 2012***
Capital assets, not being depreciated:				
Land	$ 2,373,323	$ -	$ -	$ 2,373,323
Capital assets, being depreciated:				
Land improvements	1,122,270	196,464	-	1,318,734
Buildings and improvements	37,501,359	68,785	-	37,570,144
Equipment	7,076,567	45,560	-	7,122,127
Vehicles	177,482	-	-	177,482
Total Capital Assets Being Depreciated	45,877,678	310,809	-	46,188,487
Accumulated depreciation for:				
Land improvements	1,062,277	14,297	-	1,076,574
Buildings and improvements	12,629,181	745,386	-	13,374,567
Equipment	6,220,284	326,562	-	6,546,846
Vehicles	167,950	2,150	-	170,100
Total Accumulated Depreciation	20,079,692	1,088,395	-	21,168,087
Total Capital Assets Being Depreciated, net	25,797,986	(777,586)	-	25,020,400
Total Capital Assets, net	$ 28,171,309	$ (777,586)	$ -	$ 27,393,723

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

Program	
Instructional programs	$ 983,886
Support services	
Other support services	103,786
Food services	723
Total	$ 1,088,395

LONG-TERM DEBT

The following is a summary of long-term debt transactions during the year ended June 30, 2012:

	Original Issue	*July 1, 2011*	*Issued*	*Redeemed During Year*	*June 30, 2012*	*Within One Year*
Pension bonds - Series 2002	$ 10,722,217	$ 9,870,487	$ -	$ 898,018	$ 8,972,469	$ 194,149
Pension bonds - Series 2003	14,312,440	12,181,267	-	376,066	11,805,201	384,143
Pension bonds - Series 2011	750,000	-	750,000	-	750,000	-
General obligation bonds - Series 1999	18,881,406	6,663,110	-	1,033,168	5,629,942	1,002,323
Capital lease obligation	530,000	220,000	-	40,000	180,000	40,000
Tax exempt financing agreement - Series 2007	1,700,000	1,274,000	-	161,000	1,113,000	167,000
		$ 30,208,864	$ 750,000	$ 2,508,252	$ 28,450,612	$ 1,787,615

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	$ 8,972,469
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	11,805,201
Pension bonds - issued August 2011, due in one lump sum at maturity of $750,000, plus interest paid semi-annually at 4.12% through 2021	750,000
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	5,629,942
Capital lease obligation - issued May 2001, due in annual installments of $17,000 to $50,000, plus interest paid semi-annually at 3.50% to 5.75% through 2016	180,000
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	1,113,000
	$ 28,450,612

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 bonds 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.

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

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. 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 Pension 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 2021 maturity were refunded in 2011 according to the early prepayment provisions of the bonds. The remaining bonds are federally taxable and are not subject to optional prepayment prior to their stated maturities.

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 Pension 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.

In August 2011, the District issued $750,000 Limited Tax Pension Obligations, Series 2011 (federally taxable) with a net interest cost of 4.12% (the "2011 Refunding Bonds") to currently refund a portion of the outstanding 2002 series bonds (the 2021 maturity) with a par value of $715,000 and an average coupon rate of 5.5%. The net proceeds of $724,394 (after payment of $22,964 in underwriting fees and other issuance costs and the deposit of $2,642 of additional proceeds into the Debt Service – PERS Fund) were used to refund the identified bonds. The Series 2011 Limited Tax Pension Obligations are payable in full at maturity in June 2021. The bonds are federally taxable and subject to optional prepayment prior to their stated maturities.

The current refunding reduced total debt service payments over 10 years by $53,140 and obtained an economic gain, defined as the difference between the present values of the debt service payments on the old and new debt, of $51,828.

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

Future debt service requirements are as follows:

Fiscal Year Ending June 30,	***Principal***	***Interest***	***Total***
2013	$ 1,787,615	$ 2,302,263	$ 4,089,878
2014	1,784,364	2,458,494	4,242,858
2015	1,775,212	2,630,071	4,405,283
2016	1,766,365	2,807,044	4,573,409
2017	1,703,948	2,986,864	4,690,812
2018-2022	5,235,072	10,376,536	15,611,608
2023-2027	12,813,036	3,786,826	16,599,862
2028	1,585,000	89,163	1,674,163
	$ 28,450,612	$ 27,437,261	$ 55,887,873

INTER-FUND ACTIVITY

The District completed the following inter-fund transactions during the year ended June 30, 2012:

	Transfers In	***Transfers Out***
Fund		
General (including Early Retirement)	$ 260,000	$ 566,000
Combined grants and projects	143,504	-
Other governmental funds		
Capital projects	162,496	-
	$ 566,000	$ 566,000

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Other inter-fund activities include inter-fund borrowings. The District typically loans resources between funds for the purpose of providing cash flow. These inter-fund receivables and payables are expected to be repaid with one year.

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. The District does not issue a standalone report for this plan.

***OTHER POST EMPLOYMENT BENEFITS** (Continued)*

***Post Employment Health Care Benefits** (Continued)*

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, 2012, expenditures related to early retirement benefits totaled $310,832 paid to 74 participants.

Plan activity for the year is as follows:

Outstanding July 1, 2011	*Increases*	*Payments*	*Outstanding June 30, 2012*
$ 1,015,318	$ 857,258	$ 310,832	$ 1,561,744

Amounts due in the current year are $256,622.

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/.

***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 0.59% of annual covered OPERF payroll and 0.50% 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 years ended June 30, 2012, 2011 and 2010 totaled $78,989, $38,955, and $41,585, respectively, which equaled the required contributions for each year.

PENSION PLAN

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

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

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

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

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 qualifying employees under the OPSRP plan. The OPERF and the OPSRP rates in effect for the year ended June 30, 2012 were 4.47% and 3.05% 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 18.81% for Tier 1 and 2 and 17.39% for OPSRP. The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature.

***PENSION PLAN** (Continued)*

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 $835,015, $879,898, and $913,612 for the years ended June 30, 2012, 2011 and 2010, respectively. Total payroll was $14,598,732 and covered payroll was $13,920,435 for the year ended June 30, 2012. The District's contributions to PERS, for the years ended June 30, 2012 and 2010 were $576,872 and $40,146, respectively, which equaled the required contributions for each year. There were no District contributions to PERS, exclusive of the employee contributions, for the year ended June 30, 2011.

DEFERRED COMPENSATION

The District has made available to its employees a deferred compensation plan under Internal Revenue Code 403(b) where they may defer amounts earned until either termination by reason of death, resignation, disability, or retirement. This plan also has a Roth provision allowing for these deferrals to be currently taxed so that the distributions of the contributions and earnings thereon will be tax exempt. 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.

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.

COMMITMENTS AND CONTINGENCIES

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 Accounting Standards Codification (ASC) 450-20. Such contingent liabilities would include, but would not be confined to: notes or accounts receivable which have been discounted; pending suits; proceedings, hearings, or negotiations possibly involving retroactive adjustments; unsatisfied judgments or claims; taxes in dispute; endorsements or guarantees; and options.

EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Oregon law prohibits expenditures in excess of board approved appropriations. The board approves appropriations for each fund by major function. For the year ended June 30, 2012, expenditures of nonmajor funds exceeded appropriations as follows:

Fund/Appropriation Category	Appropriation	Expenditure	Variance
Debt Service - PERS Fund			
Debt service:			
Principal	$ 559,084	$ 1,274,084	$ (715,000)
Interest and other charges	1,196,252	1,216,442	(20,190)

The over-expenditures within the Debt Service – PERS Fund do not constitute a violation of budget law however, as these were a direct result of the issuance of debt in the current year.

NEW PRONOUNCEMENTS

The District will implement new GASB pronouncements no later than the required fiscal year. Management has not determined the effect on the financial statements from implementing any of the following pronouncements.

GASB Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements." The objective of this statement is to incorporate into GASB's authoritative literature certain accounting and financial reporting guidance that were issued on or before November 30, 1989, which do not conflict with or contradict GASB pronouncements. The statement is effective for fiscal years beginning after December 15, 2011.

GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position." The statement provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position. The statement is effective for fiscal years beginning after December 15, 2011.

GASB Statement No. 68, "Accounting and Reporting for Pension Plans—an amendment of GASB Statement No. 27." The statement establishes accounting and financial reporting requirements related to pensions provided by governments. The statement is effective for fiscal years beginning after June 15, 2014.

REQUIRED SUPPLEMENTARY INFORMATION

ST. HELENS SCHOOL DISTRICT
SCHEDULE OF FUNDING PROGRESS FOR OTHER POSTEMPLOYMENT BENEFITS
YEAR ENDED JUNE 30, 2012

OPEB - Medical Premiums

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
June 30, 2012	$ -	$1,322,822	$1,322,822	- %	$2,502,882	53%

Pension - Stipends

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
June 30, 2012	$ -	$ 238,922	$ 238,922	- %	$2,502,882	10%

See notes to required supplementary information

ST. HELENS SCHOOL DISTRICT
RECONCILIATION OF BUGETARY TO REPORTING FUNDS –
COMBINING BALANCE SHEET – GENERAL FUND
JUNE 30, 2012

	Budgetary funds		
	General	***Early Retirement***	***Total (reported as General Fund)***
ASSETS			
Cash and investments	$ 2,922,701	$ 68,312	$ 2,991,013
Property taxes receivable	806,507	-	806,507
Due from other funds	459,059	-	459,059
Receivable from other governments	139,748	-	139,748
Total Assets	$ 4,328,015	$ 68,312	$ 4,396,327
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	$ 205,620	$ -	$ 205,620
Accrued expenses	269,660	-	269,660
Deferred revenue	669,637	-	669,637
Total Liabilities	1,144,917	-	1,144,917
Fund Balance:			
Committed to:			
Early retirement	-	68,312	68,312
Unassigned	3,183,098	-	3,183,098
Total Fund Balance	3,183,098	68,312	3,251,410
Total Liabilities and Fund Balance	$ 4,328,015	$ 68,312	$ 4,396,327

See notes to required supplementary information

ST. HELENS SCHOOL DISTRICT
RECONCILIATION OF BUGETARY TO REPORTING FUNDS –
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GENERAL FUND
YEAR ENDED JUNE 30, 2012

	Budgetary funds		
	General	***Early Retirement***	***Total (reported as General Fund)***
REVENUES			
Local sources	$ 7,270,150	$ 857	$ 7,271,007
Intermediate sources	121,321	-	121,321
State sources	17,508,255	-	17,508,255
Federal sources	10,158	-	10,158
Total Revenues	24,909,884	857	24,910,741
EXPENDITURES			
Current			
Instruction	14,433,313	-	14,433,313
Support services	9,255,685	310,893	9,566,578
Debt Service:			
Principal	201,000	-	201,000
Interest and other charges	59,965	-	59,965
Capital outlay	64,802	-	64,802
Total Expenditures	24,014,765	310,893	24,325,658
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	895,119	(310,036)	585,083
OTHER FINANCING SOURCES (USES)			
Transfers in	-	260,000	260,000
Transfers out	(566,000)	-	(566,000)
Total Other Financing Sources (Uses)	(566,000)	260,000	(306,000)
NET CHANGE IN FUND BALANCES	329,119	(50,036)	279,083
FUND BALANCES, beginning	2,853,979	118,348	2,972,327
FUND BALANCES, ending	$ 3,183,098	$ 68,312	$ 3,251,410

See notes to 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, 2012

	Budgeted Amounts			Variance with	Budget to GAAP	Actual
	Original	Final	Actual	Final Budget	Differences	GAAP Basis
REVENUES						
Local sources	$ 6,885,000	$ 6,885,000	$ 7,270,150	$ 385,150	$ -	$ 7,270,150
Intermediate sources	225,000	225,000	121,321	(103,679)	-	121,321
State sources	17,188,644	17,336,854	17,508,255	171,401	-	17,508,255
Federal sources	-	-	10,158	10,158	-	10,158
Total Revenues	24,298,644	24,446,854	24,909,884	463,030	-	24,909,884
EXPENDITURES						
Instruction	14,473,774	14,623,774	14,433,313	190,461	-	14,433,313
Support services	9,123,172	9,375,363	9,320,487	54,876	(64,802)	9,255,685
Debt Service:						
Principal	201,000	201,000	201,000	-	-	201,000
Interest	61,165	61,165	59,965	1,200	-	59,965
Capital outlay	-	-	-	-	64,802	64,802
Total Expenditures	23,859,111	24,261,302	24,014,765	246,537	-	24,014,765
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	439,533	185,552	895,119	709,567	-	895,119
OTHER FINANCING SOURCES (USES)						
Transfers out	(566,000)	(566,000)	(566,000)	-	-	(566,000)
NET CHANGE IN FUND BALANCE	(126,467)	(380,448)	329,119	709,567	-	329,119
FUND BALANCE, beginning	2,600,000	2,853,981	2,853,979	(2)	-	2,853,979
FUND BALANCE, ending	$ 2,473,533	$ 2,473,533	$ 3,183,098	$ 709,565	$ -	$ 3,183,098

See notes to required supplementary information

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - EARLY RETIREMENT FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Budget and GAAP Basis	Variance with Final Budget
	Original	Final		
REVENUES				
Local sources	$ 1,695	$ 1,695	$ 857	$ (838)
EXPENDITURES				
Support services	407,695	407,695	310,893	96,802
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(406,000)	(406,000)	(310,036)	95,964
OTHER FINANCING SOURCES (USES)				
Transfers in	306,000	306,000	260,000	(46,000)
NET CHANGE IN FUND BALANCE	(100,000)	(100,000)	(50,036)	49,964
FUND BALANCE, beginning	100,000	100,000	118,348	18,348
FUND BALANCE, ending	$ -	$ -	$ 68,312	$ 68,312

See notes to required supplementary information

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, 2012

	Budgeted Amounts		Actual Budget and GAAP Basis	Variance with Final Budget
	Original	Final		
REVENUES				
Local sources	$ 463,552	$ 463,552	$ 221,474	$ (242,078)
Intermediate sources	-	-	232,330	232,330
State sources	26,450	26,450	19,153	(7,297)
Federal sources	1,523,136	1,523,136	1,523,860	724
Total Revenues	2,013,138	2,013,138	1,996,817	(16,321)
EXPENDITURES				
Instruction	1,682,703	1,682,703	1,521,256	161,447
Support services	341,883	341,883	421,025	(79,142)
Enterprise and community services	103,552	103,552	144,862	(41,310)
Total Expenditures	2,128,138	2,128,138	2,087,143	40,995
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(115,000)	(115,000)	(90,326)	24,674
OTHER FINANCING SOURCES (USES)				
Transfers in	110,000	110,000	143,504	33,504
NET CHANGE IN FUND BALANCE	(5,000)	(5,000)	53,178	58,178
FUND BALANCE, beginning	5,000	5,000	(21,136)	(26,136)
FUND BALANCE, ending	$ -	$ -	$ 32,042	$ 32,042

See notes to required supplementary information

BUDGETARY BASIS ACCOUNTING

The District accounts for certain transactions on a budgetary basis which differs from GAAP basis. A description of the principal differences between the budgetary basis and GAAP in recording and reporting transactions follows:

	Budgetary Basis	GAAP Basis
USDA Commodity Inventory	USDA commodity inventory is recorded at cost when received and the assigned value is recognized as revenue and expenditures when used.	Revenue is recognized for the difference in cost and assigned value when commodities are received.
Properties acquired by long-term financing such as from capital leases or installment contracts	Only the current year's payment is recorded as a capital outlay expenditure of the fund in which payments are budgeted.	The net present value of the total stream of payments is recorded in the fund from which payments will be made as an expenditure in the year of acquisition with a corresponding offset to other financing sources. Subsequent payments on the obligations are recorded as debt service expenditures.
Classification of expenditures by character	The character of expenditures (current expenditures, capital outlay, debt service) is reported at the object level. Budgets and appropriations are made for each major function.	Expenditures are classified and reported by character (current expenditures, capital outlay and debt service) within the financial statements.

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, 2012, expenditures of major funds exceeded appropriations as follows:

Fund/Appropriation Category	Appropriation	Expenditure	Variance
Combined Grants and Projects Fund			
Support services	$ 341,883	$ 421,025	$ (79,142)
Enterprise and community services	103,552	144,862	(41,310)

OTHER SUPPLEMENTARY INFORMATION

ST. HELENS SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2012

	Special Revenue		Debt Service		Capital Projects	
	Student Services	Food Services	Debt Service	Debt Service PERS	Capital Reserve	Total
ASSETS						
Cash and investments	$ 402,547	$ -	$ 61,963	$ 30,333	$ 63,702	$ 558,545
Property taxes receivable	-	-	213,375	-	-	213,375
Receivable from other governments	-	125,748	-	-	-	125,748
Inventories	-	1,225	-	-	-	1,225
Total Assets	$ 402,547	$ 126,973	$ 275,338	$ 30,333	$ 63,702	$ 898,893
LIABILITIES AND FUND BALANCE						
Liabilities:						
Accounts payable	$ -	$ 1,972	$ -	$ -	$ 1,004	$ 2,976
Due to other funds	-	82,270	-	-	-	82,270
Accrued expenses	-	5,385	-	-	-	5,385
Deferred revenue	-	-	176,694	-	-	176,694
Total Liabilities	-	89,627	176,694	-	1,004	267,325
Fund Balance:						
Non-spendable	-	1,225	-	-	-	1,225
Restricted for:						
Debt service	-	-	98,644		-	98,644
Committed to:						
Student body	402,547	-	-	-	-	402,547
Facility improvements	-	-	-	-	62,698	62,698
Food services	-	36,121	-	-	-	36,121
Debt service	-	-	-	30,333	-	30,333
Total Fund Balance	402,547	37,346	98,644	30,333	62,698	631,568
Total Liabilities and Fund Balance	$ 402,547	$ 126,973	$ 275,338	$ 30,333	$ 63,702	$ 898,893

ST. HELENS SCHOOL DISTRICT

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

YEAR ENDED JUNE 30, 2012

	Special Revenue		Debt Service		Capital Projects	
	Student Services	Food Services	Debt Service	Debt Service PERS	Capital Reserve	Total
REVENUES						
Local sources	$ 577,037	$ 201,225	$ 1,864,686	$ 1,737,650	$ 73,618	$ 4,454,216
State sources	-	14,789	-	-	-	14,789
Federal sources	-	759,088	-	-	-	759,088
Total Revenues	577,037	975,102	1,864,686	1,737,650	73,618	5,228,093
EXPENDITURES						
Current						
Instruction	662,518	-	-	-	-	662,518
Support services	-	-	-	-	59,853	59,853
Enterprise and community services	-	896,562	-	-	-	896,562
Debt Service:						
Principal	-	-	1,033,168	1,274,084	-	2,307,252
Interest and other charges	-	-	896,842	1,216,442	-	2,113,284
Capital outlay	-	-	-	-	246,007	246,007
Total Expenditures	662,518	896,562	1,930,010	2,490,526	305,860	6,285,476
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(85,481)	78,540	(65,324)	(752,876)	(232,242)	(1,057,383)
OTHER FINANCING SOURCES (USES)						
Proceeds from long-term debt	-	-	-	750,000	-	750,000
Transfers in	-	-	-	-	162,496	162,496
Total Other Financing Sources (Uses)	-	-	-	750,000	162,496	912,496
NET CHANGE IN FUND BALANCES	(85,481)	78,540	(65,324)	(2,876)	(69,746)	(144,887)
FUND BALANCES, beginning	488,028	(41,194)	163,968	33,209	132,444	776,455
FUND BALANCES, ending	$ 402,547	$ 37,346	$ 98,644	$ 30,333	$ 62,698	$ 631,568

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - STUDENT SERVICES FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Budget and	Variance
	Original	Final	GAAP Basis	Final Budget
REVENUES				
Local sources	$ 652,500	$ 652,500	$ 577,037	$ (75,463)
EXPENDITURES				
Instruction	852,500	852,500	662,518	189,982
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(200,000)	(200,000)	(85,481)	114,519
FUND BALANCE, beginning	200,000	200,000	488,028	288,028
FUND BALANCE, ending	$ -	$ -	$ 402,547	$ 402,547

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - FOOD SERVICES FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Budget and GAAP Basis	Variance with Final Budget
	Original	Final		
REVENUES				
Local sources	$ 295,000	$ 295,000	$ 201,225	$ (93,775)
State sources	-	-	14,789	14,789
Federal sources	621,000	621,000	759,088	138,088
Total Revenues	916,000	916,000	975,102	59,102
EXPENDITURES				
Enterprise and community services	916,000	916,000	896,562	19,438
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	78,540	78,540
FUND BALANCE, beginning	-	-	(41,194)	(41,194)
FUND BALANCE, ending	$ -	$ -	$ 37,346	$ 37,346

ST. HELENS SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Budget and GAAP Basis	Variance with Final Budget
	Original	Final		
REVENUES				
Local sources	$ 1,880,201	$ 1,880,201	$ 1,864,686	$ (15,515)
EXPENDITURES				
Debt Service:				
Principal	1,033,168	1,033,168	1,033,168	-
Interest	897,033	897,033	896,842	191
Total Expenditures	1,930,201	1,930,201	1,930,010	191
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(50,000)	(50,000)	(65,324)	(15,324)
FUND BALANCE, beginning	50,000	50,000	163,968	113,968
FUND BALANCE, ending	$ -	$ -	$ 98,644	$ 98,644

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE PERS FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Budget and GAAP Basis	Variance with Final Budget
	Original	Final		
REVENUES				
Local sources	$ 1,755,336	$ 1,755,336	$ 1,737,650	$ (17,686)
EXPENDITURES				
Debt Service:				
Principal	559,084	559,084	1,274,084	(715,000)
Interest	1,196,252	1,196,252	1,216,442	(20,190)
Total Expenditures	1,755,336	1,755,336	2,490,526	(735,190)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(752,876)	(752,876)
OTHER FINANCING SOURCES (USES)				
Proceeds from long-term debt	-	-	750,000	750,000
NET CHANGE IN FUND BALANCE	-	-	(2,876)	(2,876)
FUND BALANCE, beginning	-	-	33,209	33,209
FUND BALANCE, ending	$ -	$ -	$ 30,333	$ 30,333

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CAPITAL RESERVE FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts				Budget to GAAP	Actual
	Original	Final	Actual	Variance with Final Budget	Differences	GAAP Basis
REVENUES						
Local sources	$ 100,000	$ 100,000	$ 73,618	$ (26,382)	$ -	$ 73,618
EXPENDITURES						
Support services	350,000	350,000	305,860	44,140	(246,007)	59,853
Capital outlay	-	-	-	-	246,007	246,007
Total Expenditures	350,000	350,000	305,860	44,140	-	305,860
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(250,000)	(250,000)	(232,242)	17,758	-	(232,242)
OTHER FINANCING SOURCES (USES)						
Transfers in	150,000	150,000	162,496	12,496	-	162,496
NET CHANGE IN FUND BALANCE	(100,000)	(100,000)	(69,746)	30,254	-	(69,746)
FUND BALANCE, beginning	100,000	100,000	132,444	32,444	-	132,444
FUND BALANCE, ending	$ -	$ -	$ 62,698	$ 62,698	$ -	$ 62,698

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2012

Code	*Function*	*Actual*	*Budget*	*Variance*
	LOCAL REVENUES			
1111	Current year's taxes	$ 6,643,551	$ 6,660,000	$ (16,449)
1112	Prior year's taxes	302,475	150,000	152,475
1190	Penalties and interest on taxes	1,039	-	1,039
1311	Regular day school tuition from individuals	1,482	-	1,482
1312	Regular day school tuition from within the state	33,981	-	33,981
1330	Summer school tuition	5,165	-	5,165
1500	Earnings on investments	30,285	20,000	10,285
1700	Extracurricular activities	4,158	-	4,158
1910	Rentals	10,865	5,000	5,865
1920	Contributions and donations from private sources	961	-	961
1950	Textbook sales and rentals	37	-	37
1960	Recovery of prior years' expenditure	63,078	-	63,078
1990	Miscellaneous	173,073	50,000	123,073
1000	*Total Local Revenues*	7,270,150	6,885,000	385,150
	INTERMEDIATE REVENUES			
2101	County school funds	14,873	200,000	(185,127)
2105	Natural gas, oil, and mineral receipts	106,448	25,000	81,448
2000	*Total Intermediate Revenues*	121,321	225,000	(103,679)
	STATE REVENUES			
3101	State school fund - general support	16,485,014	16,354,337	130,677
3103	Common school fund	275,942	240,622	35,320
3104	State managed county timber	974	-	974
3204	Driver education	4,431	-	4,431
3299	Other restricted grants-in-aid	741,894	741,895	(1)
3000	*Total State Revenues*	17,508,255	17,336,854	171,401
	FEDERAL REVENUES			
4500	Restricted revenue from the federal government through the state	10,158	-	10,158
5400	***FUND BALANCE, Beginning of year***	2,853,979	2,853,981	(2)
6000	*Total Resources*	$ 27,763,863	$ 27,300,835	$ 463,028

ST. HELENS SCHOOL DISTRICT

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

YEAR ENDED JUNE 30, 2012

Code	*Function*	*100 Salaries*	*200 Employee Benefits*	*300 Purchased Services*
	INSTRUCTION			
1100	Regular programs			
1111	Primary, K-3	$ 2,759,322	$ 1,290,950	$ 2,536
1121	Middle/junior high programs	1,709,813	793,759	429
1122	Middle/junior high school extracurricular	2,125	514	-
1131	High school programs	2,571,519	1,206,718	44,188
1132	High school extracurricular	286,822	83,599	29,298
1200	Special programs			
1210	Programs for the talented and gifted	2,063	477	140
1220	Restrictive programs for students with disabilities	794,723	485,674	8,063
1250	Resource rooms	576,004	307,910	13,954
1280	Alternative education	-	-	1,110,397
1290	Designated programs			
1291	English second language programs	95,610	44,959	928
1292	English second language programs	11,598	12,300	-
1299	Other programs	-	392	-
1400	Summer school programs	6,775	1,615	-
1000	*Total Instruction*	8,816,374	4,228,867	1,209,933
	SUPPORT SERVICES			
2100	Students			
2110	Attendance and social work services	60,403	27,416	1,740
2120	Guidance services	501,613	225,042	170
2130	Health services	117,623	52,827	1,096
2140	Psychological services	68,471	36,776	419
2150	Speech pathology and audiology services	227,475	137,137	1,104
2190	Service direction, student support services	192,887	89,789	2,200
2200	Instructional staff			
2210	Improvement of instruction services	19,160	8,756	3,057
2220	Educational media services	219,899	150,433	600
2230	Assessment and testing	22,889	7,119	-
2240	Instructional staff development	7,344	82,620	2,135
2300	General administration			
2310	Board of education services	30,919	16,846	86,077
2320	Executive administration services	245,590	110,486	22,053
2400	School administration			
2410	Office of the principal services	1,059,504	484,413	28,945
2500	Business			
2520	Fiscal services	193,920	54,915	27,538
2540	Operation and maintenance of plant services	821,217	429,250	784,245
2550	Student transportation services	9,854	5,015	1,372,789
2570	Internal services	-	-	75,461
2600	Central activities			
2660	Technology services	165,628	72,402	147,270
2000	*Total Support Services*	3,964,396	1,991,242	2,556,899
	OTHER USES			
5100	Debt service	-	-	-
5200	Transfers of funds	-	-	-
5000	*Total Other Uses*	-	-	-
6000	***OPERATING CONTINGENCY***	-	-	-
7000	***FUND BALANCE, End of year***	-	-	-
8000	*Total Expenditures and Ending Balance*	$ 12,780,770	$ 6,220,109	$ 3,766,832

400 Supplies & Materials	*500 Capital Outlay*	*600 Other Objects*	*700 Transfers*	*Actual Fund Total*	*Appropriations*	*Variance*
$ 69,445	$ 473	$ -	$ -	$ 4,122,726		
18,751	-	-	-	2,522,752		
319	-	-	-	2,958		
42,472	13,369	265	-	3,878,531		
1,324	-	2,750	-	403,793		
5,747	-	-	-	8,427		
7,119	-	-	-	1,295,579		
13,377	988	-	-	912,233		
-	-	-	-	1,110,397		
1,740	-	-	-	143,237		
-	-	-	-	23,898		
-	-	-	-	392		
-	-	-	-	8,390		
160,294	14,830	3,015	-	14,433,313	$ 14,623,774	$ 190,461
1,795	-	-	-	91,354		
2,304	-	-	-	729,129		
3,240	-	314	-	175,100		
1,069	-	-	-	106,735		
773	-	210	-	366,699		
2,047	-	-	-	286,923		
3,922	-	684	-	35,579		
21,295	-	-	-	392,227		
-	-	-	-	30,008		
427	-	-	-	92,526		
10,032	-	161,545	-	305,419		
6,774	-	1,578	-	386,481		
64,694	5,085	5,965	-	1,648,606		
2,138	-	8,066	-	286,577		
248,241	40,932	3,250	-	2,327,135		
-	-	-	-	1,387,658		
32,501	-	-	-	107,962		
101,539	75,362	2,168	-	564,369		
502,791	121,379	183,780	-	9,320,487	9,375,363	54,876
-	-	260,965	-	260,965		
-	-	-	566,000	566,000		
-	-	260,965	566,000	826,965	828,165	1,200
-	-	-	-	-	300,000	300,000
-	-	-	3,183,098	3,183,098	2,173,533	(1,009,565)
$ 663,085	$ 136,209	$ 447,760	$ 3,749,098	$ 27,763,863	$ 27,300,835	$ (463,028)

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, 2012

Code	*Function*	*Actual*	*Budget*	*Variance*
	LOCAL REVENUES			
1700	Extracurricular activities	$ 2,620	$ 20,000	$ (17,380)
1800	Community services activities	167,874	423,552	(255,678)
1920	Contributions and donations from private sources	18,185	-	18,185
1960	Recovery of prior years' expenditure	233	-	233
1990	Miscellaneous	32,562	20,000	12,562
1000	*Total Local Revenues*	221,474	463,552	(242,078)
	INTERMEDIATE REVENUES			
2102	Education service district apportionment	203	-	203
2199	Other intermediate sources	214,523	-	214,523
2200	Restricted revenue	17,604	-	17,604
2000	*Total Intermediate Revenues*	232,330	-	232,330
	STATE REVENUES			
3204	Driver education	-	18,450	(18,450)
3299	Other restricted grants-in-aid	19,153	8,000	11,153
3000	*Total State Revenues*	19,153	26,450	(7,297)
	FEDERAL REVENUES			
4300	Restricted revenue direct from the federal government	188,558	55,521	133,037
4500	Restricted revenue from the federal government through the state	1,335,302	1,467,615	(132,313)
4000	*Total Federal Revenues*	1,523,860	1,523,136	724
	OTHER SOURCES			
5200	Interfund transfers	143,504	110,000	33,504
5400	***FUND BALANCE, Beginning of year***	(21,136)	5,000	(26,136)
6000	*Total Resources*	$ 2,119,185	$ 2,128,138	$ (8,953)

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, 2012

Code	Function	100 Salaries	200 Employee Benefits	300 Purchased Services
	INSTRUCTION			
1100	Regular programs			
1111	Primary, K-3	$ -	$ -	$ -
1113	Elementary extracurricular	-	-	850
1121	Middle/junior high programs	-	-	-
1122	Middle/junior high school extracurricular	1,317	323	850
1131	High school programs	210,822	99,252	22,769
1132	High school extracurricular	24,891	4,680	1,050
1200	Special programs			
1220	Restrictive programs for students with disabilities	18,840	4,006	-
1250	Resource rooms	439,857	233,093	892
1270	Educationally disadvantaged	274,702	120,331	111
1290	Designated programs	-	-	30
1000	*Total Instruction*	970,429	461,685	26,552
	SUPPORT SERVICES			
2100	Students			
2110	Attendance and social work services	-	-	-
2120	Guidance services	1,961	193	-
2130	Health services	-	-	269
2150	Speech pathology and audiology services	11,458	9,606	-
2190	Service direction, student support services	35,513	14,487	-
2200	Instructional staff			
2210	Improvement of instruction services	110,787	46,741	4,128
2220	Education media services	2,454	596	-
2240	Instructional staff development	88,849	29,312	13,343
2400	School administration	-	-	398
2500	Business			
2520	Fiscal services	-	-	-
2540	Operation and maintenance of plant services	-	-	2,095
2550	Student transportation services	-	-	2,530
2600	Central activities			
2660	Technology services	-	-	540
2000	*Total Support Services*	251,022	100,935	23,303
	ENTERPRISE AND COMMUNITY SERVICES			
3300	Community services	88,703	46,669	1,618
7000	***FUND BALANCE, End of year***	-	-	-
8000	*Total Expenditures and Ending Balance*	$ 1,310,154	$ 609,289	$ 51,473

400 Supplies & Materials	*500 Capital Outlay*	*600 Other Objects*	*700 Transfers*	*Actual Fund Total*	*Appropriations*	*Variance*
$ 216	$ -	$ -	$ -	$ 216		
19	-	-	-	869		
12,198	-	-	-	12,198		
153	-	-	-	2,643		
33,410	342	2,873	-	369,468		
1,799	-	-	-	32,420		
-	-	-	-	22,846		
4,024	-	-	-	677,866		
795	-	-	-	395,939		
6,761	-	-	-	6,791		
59,375	342	2,873	-	1,521,256	$ 1,682,703	$ 161,447
666	-	-	-	666		
112	-	-	-	2,266		
-	-	-	-	269		
-	-	-	-	21,064		
-	-	-	-	50,000		
344	-	-	-	162,000		
-	-	-	-	3,050		
328	-	-	-	131,832		
-	-	-	-	398		
-	-	34,030	-	34,030		
2,345	-	-	-	4,440		
-	-	-	-	2,530		
7,940	-	-	-	8,480		
11,735	-	34,030	-	421,025	341,883	(79,142)
7,872	-	-	-	144,862	103,552	(41,310)
-	-	-	32,042	32,042	-	(32,042)
$ 78,982	$ 342	$ 36,903	$ 32,042	$ 2,119,185	$ 2,128,138	$ 8,953

ST. HELENS SCHOOL DISTRICT

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

JUNE 30, 2012

Code	*Function*	*Actual*	*Budget*	*Variance*
	LOCAL REVENUES			
1500	Earnings on investments	$ -	$ 2,500	$ (2,500)
1700	Extracurricular activities	439,438	625,000	(185,562)
1800	Community services activities	95,000	-	95,000
1920	Contributions and donations from private sources	38,819	-	38,819
1950	Textbook sales and rentals	-	10,000	(10,000)
1990	Miscellaneous	3,780	15,000	(11,220)
1000	*Total Local Revenues*	577,037	652,500	(75,463)
5400	***FUND BALANCE, Beginning of year***	488,028	200,000	288,028
6000	*Total Resources*	$ 1,065,065	$ 852,500	$ 212,565

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - STUDENT SERVICES FUND (Continued)
JUNE 30, 2012

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*	$ -	$ -	$ -

400 Supplies & Materials	*500 Capital Outlay*	*600 Other Objects*	*700 Transfers*	*Actual Fund Total*	*Appropriations*	*Variance*
$ 33,592	$ -	$ -	$ -	$ 33,592		
44,859	-	-	-	44,859		
584,067	-	-	-	584,067		
662,518	-	-	-	662,518	$ 852,500	$ 189,982
-	-	-	402,547	402,547	-	(402,547)
$ 662,518	$ -	$ -	$ 402,547	$ 1,065,065	$ 852,500	$ (212,565)

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - FOOD SERVICES FUND
YEAR ENDED JUNE 30, 2012

Code	*Function*	*Actual*	*Budget*	*Variance*
	LOCAL REVENUES			
1600	Food service	$ 199,423	$ 295,000	$ (95,577)
1960	Recovery of prior years' expenditure	1,516	-	1,516
1990	Miscellaneous	286	-	286
1000	*Total Local Revenues*	201,225	295,000	(93,775)
	STATE REVENUES			
3102	State school fund - school lunch match	10,939	-	10,939
3299	Other restricted grants-in-aid	3,850	-	3,850
3000	*Total State Revenues*	14,789	-	14,789
	FEDERAL REVENUES			
4500	Restricted revenue from the federal government through the state	684,492	550,000	134,492
4900	Revenue for/on behalf of the district	74,596	71,000	3,596
4000	*Total Federal Revenues*	759,088	621,000	138,088
5400	***FUND BALANCE, Beginning of year***	(41,194)	-	(41,194)
6000	*Total Resources*	$ 933,908	$ 916,000	$ 17,908

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - FOOD SERVICES FUND (Continued)
YEAR ENDED JUNE 30, 2012

Code	*Function*	*100 Salaries*	*200 Employee Benefits*	*300 Purchased Services*
	ENTERPRISE AND COMMUNITY SERVICES			
3100	Food services			
3110	Service area direction	$ 66,281	$ 24,993	$ -
3120	Food preparation and dispensing services	267,908	120,271	5,614
3000	*Total Enterprise and Community Services*	334,189	145,264	5,614
7000	***FUND BALANCE, End of year***	-	-	-
8000	*Total Expenditures and Ending Balance*	$ 334,189	$ 145,264	$ 5,614

400 Supplies & Materials	*500 Capital Outlay*	*600 Other Objects*	*700 Transfers*	*Actual Fund Total*	*Appropriations*	*Variance*
$ -	$ -	$ -	$ -	$ 91,274		
410,046	-	1,449	-	805,288		
410,046	-	1,449	-	896,562	$ 916,000	$ 19,438
-	-	-	37,346	37,346	-	(37,346)
$ 410,046	$ -	$ 1,449	$ 37,346	$ 933,908	$ 916,000	$ (17,908)

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - EARLY RETIREMENT FUND
YEAR ENDED JUNE 30, 2012

Code	*Function*	*Actual*	*Budget*	*Variance*
	LOCAL REVENUES			
1500	Earnings on investments	$ 836	$ 1,695	$ (859)
1960	Recovery of prior years' expenditure	21	-	21
1000	*Total Local Revenues*	857	1,695	(838)
	OTHER SOURCES			
5200	Interfund transfers	260,000	306,000	(46,000)
5400	***FUND BALANCE, Beginning of year***	118,348	100,000	18,348
6000	*Total Resources*	$ 379,205	$ 407,695	$ (28,490)

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - EARLY RETIREMENT FUND (Continued)
YEAR ENDED JUNE 30, 2012

Code	*Function*	*100 Salaries*	*200 Employee Benefits*	*300 Purchased Services*
	SUPPORT SERVICES			
2500	Business			
2520	Fiscal services	$ -	$ -	$ -
2700	Supplemental retirement program	-	310,853	-
2000	*Total Support Services*	-	310,853	-
7000	***FUND BALANCE, End of year***	-	-	-
8000	*Total Expenditures and Ending Balance*	$ -	$ 310,853	$ -

400 Supplies & Materials	*500 Capital Outlay*	*600 Other Objects*	*700 Transfers*	*Actual Fund Total*	*Appropriations*	*Variance*
$ -	$ -	$ 40	$ -	$ 40		
-	-	-	-	310,853		
-	-	40	-	310,893	$ 407,695	$ 96,802
-	-	-	68,312	68,312	-	(68,312)
$ -	$ -	$ 40	$ 68,312	$ 379,205	$ 407,695	$ 28,490

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2012

Code	*Function*	*Actual*	*Budget*	*Variance*
	LOCAL REVENUES			
1111	Current year's taxes	$ 1,782,506	$ 1,826,201	$ (43,695)
1112	Prior year's taxes	81,156	50,000	31,156
1500	Earnings on investments	1,024	4,000	(2,976)
1000	*Total Local Revenues*	1,864,686	1,880,201	(15,515)
5400	***FUND BALANCE, Beginning of year***	163,968	50,000	113,968
6000	*Total Resources*	$ 2,028,654	$ 1,930,201	$ 98,453

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND (Continued)
YEAR ENDED JUNE 30, 2012

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

400 Supplies & Materials	*500 Capital Outlay*	*600 Other Objects*	*700 Transfers*	*Actual Fund Total*	*Appropriations*	*Variance*
$ -	$ -	$ 1,930,010	$ -	$ 1,930,010	$ 1,930,201	$ 191
-	-	-	98,644	98,644	-	(98,644)
$ -	$ -	$ 1,930,010	$ 98,644	$ 2,028,654	$ 1,930,201	$ (98,453)

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE PERS FUND
YEAR ENDED JUNE 30, 2012

Code	*Function*	*Actual*	*Budget*	*Variance*
	LOCAL REVENUES			
1500	Earnings on investments	$ 5,083	$ 2,500	$ 2,583
1970	Services provided other funds	1,732,567	1,752,836	(20,269)
1000	*Total Local Revenues*	1,737,650	1,755,336	(17,686)
	OTHER SOURCES			
5100	Long-term debt financing sources	750,000	-	750,000
5400	***FUND BALANCE, Beginning of year***	33,209	-	33,209
6000	*Total Resources*	$ 2,520,859	$ 1,755,336	$ 765,523

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, 2012

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

400 Supplies & Materials	*500 Capital Outlay*	*600 Other Objects*	*700 Transfers*	*Actual Fund Total*	*Appropriations*	*Variance*
$ -	$ -	$ 2,490,526	$ -	$ 2,490,526	$ 1,755,336	$ (735,190)
-	-	-	30,333	30,333	-	(30,333)
$ -	$ -	$ 2,490,526	$ 30,333	$ 2,520,859	$ 1,755,336	$ (765,523)

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CAPITAL RESERVE FUND
YEAR ENDED JUNE 30, 2012

Code	*Function*	*Actual*	*Budget*	*Variance*
	LOCAL REVENUES			
1200	Revenue from local governmental units other than districts	$ 63,342	$ 100,000	$ (36,658)
1920	Contributions and donations from private sources	10,276	-	10,276
1000	*Total Local Revenues*	73,618	100,000	(26,382)
	OTHER SOURCES			
5200	Interfund transfers	162,496	150,000	12,496
5400	***FUND BALANCE, Beginning of year***	132,444	100,000	32,444
6000	*Total Resources*	$ 368,558	$ 350,000	$ 18,558

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CAPITAL RESERVE FUND (Continued)
YEAR ENDED JUNE 30, 2012

Code	*Function*	*100 Salaries*	*200 Employee Benefits*	*300 Purchased Services*
	SUPPORT SERVICES			
2500	Business			
2540	Operation and maintenance of plant services	$ -	$ -	$ 115,608
7000	***FUND BALANCE, End of year***	-	-	-
8000	*Total Expenditures and Ending Balance*	$ -	$ -	$ 115,608

400 Supplies & Materials	*500 Capital Outlay*	*600 Other Objects*	*700 Transfers*	*Actual Fund Total*	*Appropriations*	*Variance*
$ 10,921	$ 177,222	$ 2,109	$ -	$ 305,860	$ 350,000	$ 44,140
-	-	-	62,698	62,698	-	(62,698)
$ 10,921	$ 177,222	$ 2,109	$ 62,698	$ 368,558	$ 350,000	$ (18,558)

OTHER SCHEDULES

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF PROPERTY TAX TRANSACTIONS

YEAR ENDED JUNE 30, 2012

Tax Year	*Uncollected Balances July 1, 2011*	*2011-12 Levy*	*Interest Discounts & Adjustments*	*Turnovers*	*Uncollected Balances June 30, 2012*
2011-2012	$ -	$ 9,111,640	$ 240,801	$ 8,391,716	$ 479,123
2010-2011	454,248	-	18,997	163,326	271,925
2009-2010	252,766	-	21,243	62,058	169,465
2008-2009	146,758	-	939	78,730	67,089
2007-2008	38,309	-	834	23,264	14,211
2006-2007	6,318	-	762	1,065	4,491
2005-2006	3,680	-	848	726	2,106
Prior Years	13,163	-	868	823	11,472
Total	$ 915,242	$ 9,111,640	$ 285,292	$ 8,721,708	$ 1,019,882

Turnover Reconciliation	
Columbia County Turnovers	$ 8,721,708
Change in taxes available to meet current demands, net	88,379
Other taxes and adjustments	(399)
Total property tax revenue recognized	$ 8,809,688
General Fund	$ 6,946,026
Debt Service	1,863,662
	$ 8,809,688

ST. HELENS SCHOOL DISTRICT
SCHEDULE OF BOND TRANSACTIONS
YEAR ENDED JUNE 30, 2012

	Interest Rates	***Date of Issue***	***Fiscal Year of Maturity***
BOND PRINCIPAL TRANSACTIONS			
Pension bonds - Series 2002	2.06% - 6.10%	2002	2028
Pension bonds - Series 2003	1.50% - 6.27%	2003	2028
Pension bonds - Series 2011	4.12%	2011	2021
General obligation bonds - Series 1999	3.70% - 5.05%	1999	2018
Capital lease obligation	3.50% - 5.75%	2001	2016
Tax exempt financing agreement - Series 2007	4.0%	2007	2018

	Interest Rates	***Date of Issue***	***Fiscal Year of Maturity***
BOND INTEREST TRANSACTIONS			
Pension bonds - Series 2002	2.06% - 6.10%	2002	2028
Pension bonds - Series 2003	1.50% - 6.27%	2003	2028
Pension bonds - Series 2011	4.12%	2011	2021
General obligation bonds - Series 1999	3.70% - 5.05%	1999	2018
Capital lease obligation	3.9% - 4.9%	2001	2016
Tax exempt financing agreement - Series 2007	4.0%	2007	2018

Outstanding July 1, 2011	*Bonds Issued*	*Bonds Paid*	*Outstanding June 30, 2012*
$ 9,870,487	$ -	$ 898,018	$ 8,972,469
12,181,267	-	376,066	11,805,201
-	750,000	-	750,000
6,663,110	-	1,033,168	5,629,942
220,000	-	40,000	180,000
1,274,000	-	161,000	1,113,000
$ 30,208,864	$ 750,000	$ 2,508,252	$ 28,450,612

Unmatured Interest Outstanding July 1, 2011	*New Issues*	*Interest Coupons Paid/ Refunded*	*Unmatured Interest June 30, 2012*
$ 8,377,027	$ -	$ 907,050	$ 7,469,977
12,942,418	-	642,931	12,299,487
-	305,110	27,348	277,762
8,121,892	-	896,832	7,225,060
38,300	-	12,225	26,075
186,640	-	47,740	138,900
$ 29,666,277	$ 305,110	$ 2,534,126	$ 27,437,261

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF FUTURE REQUIREMENTS FOR RETIREMENT OF LONG-TERM DEBT

JUNE 30, 2012

Fiscal Year Ending June 30,	*Pension Bonds - Series 2002*			*Pension Bonds - Series 2003*		
	Principal	*Interest*	*Total*	*Principal*	*Interest*	*Total*
2013	$ 194,149	$ 542,665	$ 736,814	$ 384,143	$ 689,854	$ 1,073,997
2014	202,312	574,501	776,813	388,528	740,469	1,128,997
2015	208,467	608,347	816,814	390,359	798,638	1,188,997
2016	214,240	647,574	861,814	390,181	858,816	1,248,997
2017	217,700	689,113	906,813	389,303	919,694	1,308,997
2018	222,167	734,648	956,815	387,214	986,783	1,373,997
2019	225,133	781,681	1,006,814	385,456	1,058,541	1,443,997
2020	228,301	833,513	1,061,814	382,972	1,131,025	1,513,997
2021	-	401,814	401,814	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	36,907	701,907	920,000	52,256	972,256
	$ 8,972,469	$ 7,469,977	$ 16,442,446	$ 11,805,201	$ 12,299,487	$ 24,104,688

Fiscal Year Ending June 30,	*Pension Bonds - Series 2011*			*General Obligation Bonds - Series 1999*		
	Principal	*Interest*	*Total*	*Principal*	*Interest*	*Total*
2013	$ -	$ 30,862	$ 30,862	$ 1,002,323	$ 987,677	$ 1,990,000
2014	-	30,863	30,863	974,524	1,070,476	2,045,000
2015	-	30,862	30,862	950,386	1,159,614	2,110,000
2016	-	30,863	30,863	922,944	1,247,056	2,170,000
2017	-	30,862	30,862	899,945	1,335,055	2,235,000
2018	-	30,863	30,863	879,820	1,425,182	2,305,002
2019	-	30,862	30,862	-	-	-
2020	-	30,863	30,863	-	-	-
2021	750,000	30,862	780,862	-	-	-
2022	-	-	-	-	-	-
2023	-	-	-	-	-	-
2024	-	-	-	-	-	-
2025	-	-	-	-	-	-
2026	-	-	-	-	-	-
2027	-	-	-	-	-	-
2028	-	-	-	-	-	-
	$ 750,000	$ 277,762	$ 1,027,762	$ 5,629,942	$ 7,225,060	$ 12,855,002

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF FUTURE REQUIREMENTS FOR RETIREMENT OF LONG-TERM DEBT (Continued)
JUNE 30, 2012

Fiscal Year Ending June 30,	*Capital Lease Obligation*			*Tax Exempt Financing Agreement - Series 2007*		
	Principal	*Interest*	*Total*	*Principal*	*Interest*	*Total*
2013	$ 40,000	$ 10,025	$ 50,025	$ 167,000	$ 41,180	$ 208,180
2014	45,000	7,825	52,825	174,000	34,360	208,360
2015	45,000	5,350	50,350	181,000	27,260	208,260
2016	50,000	2,875	52,875	189,000	19,860	208,860
2017	-	-	-	197,000	12,140	209,140
2018	-	-	-	205,000	4,100	209,100
2019	-	-	-	-	-	-
2020	-	-	-	-	-	-
2021	-	-	-	-	-	-
2022	-	-	-	-	-	-
2023	-	-	-	-	-	-
2024	-	-	-	-	-	-
2025	-	-	-	-	-	-
2026	-	-	-	-	-	-
2027	-	-	-	-	-	-
2028	-	-	-	-	-	-
	$ 180,000	$ 26,075	$ 206,075	$ 1,113,000	$ 138,900	$ 1,251,900

Fiscal Year Ending June 30,	*Totals*		
	Principal	*Interest*	*Total*
2013	$ 1,787,615	$ 2,302,263	$ 4,089,878
2014	1,784,364	2,458,494	4,242,858
2015	1,775,212	2,630,071	4,405,283
2016	1,766,365	2,807,044	4,573,409
2017	1,703,948	2,986,864	4,690,812
2018	1,694,201	3,181,576	4,875,777
2019	610,589	1,871,084	2,481,673
2020	611,273	1,995,401	2,606,674
2021	1,130,654	1,641,019	2,771,673
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	89,163	1,674,163
	$ 28,450,612	$ 27,437,261	$ 55,887,873

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

	Objects 325 &326
Function 2540	$ 404,874
Function 2550	-

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

$ 12,799

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

COMPLIANCE SECTION

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2012

Federal Grantor/Pass-through Grantor/Program Title	*Grant Award Period*	*Federal CFDA Number*	*Pass Through Entity Identifying Number*	*Expenditures*	
U.S. Department of Agriculture					
Passed through State Department of Education:					
National School Breakfast Program (SBP)	2011-12	10.553	N/A	$ 121,617	
National School Lunch Program (NSLP)	2011-12	10.555	N/A	584,318	*
Summer Food Service Program	2011-12	10.559	N/A	53,153	
Subtotal Child Nutrition Cluster				759,088	
Total U.S. Department of Agriculture				759,088	
U.S. Department of Interior					
Direct:					
Bureau of Land Management		15.231	N/A	125,623	
Total U.S. Department of Labor				125,623	
U.S. Department of Education					
Passed through State Department of Education:					
Title IA	2011-12	84.010	19509	83,102	
Title IA	2010-11	84.010	22719	402,212	
Title ID Grant - Intervention for Children	2011-12	84.010	19549	100	
Title ID Grant - Intervention for Children	2010-11	84.010	22557	3,268	
Subtotal Title I, Part A Cluster				488,682	
Special Education - Grants to States	2011-12				
SPR&I		84.027	23188	3,203	
Special Education - Grants to States	2011-12				
Extended Assessment Grant		84.027	24083	88	
Special Education - Grants to States	2010-11				
IDEA, Part B		84.027	20377	226,693	
Special Education-Grants to States	2011-12				
IDEA, Part B		84.027	23702	380,818	
Special Education-Grants to States	2010-11				
IDEA Enhancement Grant		84.027	21426	5,305	
Special Education-Grants to States	2011-12				
IDEA Enhancement Grant		84.027	23916	5,305	
Special Education-Preschool Grants	2011-12				
IDEA, Part B, Section 619		84.173	24298	5,468	
Subtotal Special Education Cluster (IDEA)				626,880	

* Includes non-cash commodity awards

See notes to schedule of expenditures of federal awards.

(Continued)

Federal Grantor/Pass-through Grantor/Program Title	*Grant Award Period*	*Federal CFDA Number*	*Pass Through Entity Identifying Number*	*Expenditures*
U.S. Department of Education *(Continued)*				
Passed through State Department of Education (continued):				
Vocational Education - Perkins	2010-11	84.048	19173	$ 6,963
Education Jobs, ARRA	2009-11	84.410	20892	10,158
Title IIA Improving Teacher Quality State Grants	2010-11	84.367	19724	33,510
Title IIA Improving Teacher Quality State Grants	2011-12	84.367	22912	54,620
Education of Homeless Children and Youth, ARRA	2009-11	84.387	15577	452
Subtotal Education of Homeless Children and Youth Cluster				452
Passed through Department of Health and Human Services:				
Youth Transition Program	2010-11	84.126	N/A	62,935
Youth Transition Program	2011-12	84.126	N/A	107,800
Subtotal Vocational Rehabilitation Cluster				170,735
Total U.S. Department of Education				1,392,000
U.S. Department of Health and Human Services				
Passed through Oregon Employment Department				
Child Care and Development Block Grant		93.575	ED 11-043	3,203
Passed through Oregon Department of Education				
Child Care and Development Block Grant				
Consortia Development Phase I		93.575	24651	455
Child Care and Development Block Grant				
Consortia Development Phase 2		93.575	24737	1,850
Child Care and Development Block Grant				
Quality Improvement On-Site Teen Parent		93.575	23999	10,000
Child Care and Development Block Grant				
Crib Replacement/Safety Improvements		93.575	24722	754
Subtotal Child Care and Development Fund Cluster				16,262
Total U.S. Department of Health and Human Services				16,262
Corporation for National and Community Service				
Passed through Oregon Department of Education				
Learn and Serve America	2010-11	94.004	20149	133
Total Corporation for National and Community Service				133
Total Federal Financial Assistance				$ 2,293,106

See notes to schedule of expenditures of federal awards.

(Continued)

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 the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Federal Financial Assistance

Pursuant to the Single Audit Act Amendments of 1996 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 Amendments of 1996 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, 2012.

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.

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INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

Board of Directors
St Helens School District
St Helens, Oregon

We have audited the basic financial statements of St. Helens School District, Columbia County, Oregon as of and for the year ended June 30, 2012, and have issued our report thereon dated December 21, 2012. 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.

Compliance

As part of obtaining reasonable assurance about whether St. Helens School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial 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.

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

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

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

- Expenditures exceeded appropriations for June 30, 2012 as noted in the financial statements.
- During teacher experience testing, the years of experience for one of 23 individuals tested was reported incorrectly by one year. Management has corrected the error within their system.

OAR 162-10-0230 Internal Control

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of St. Helens School District (the District) as of and for the year ended June 30, 2012 in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

We noted certain matters that we reported to management of St. Helens School District, Columbia County, Oregon, in a separate letter dated December 21, 2012.

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

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

By: 

Charles A. Swank, A Shareholder

December 21, 2012

GROVE, MUELLER & SWANK, P.C.
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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

School Board
St. Helens School District
Columbia County, Oregon
St. Helens, Oregon

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of St. Helens School District , Columbia County, Oregon, as of and for the year ended June 30, 2012, which collectively comprise the St. Helens School District's basic financial statements and have issued our report thereon dated December 21, 2012. 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.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of St. Helens School District, in a separate letter dated December 21, 2012.

This report is intended solely for the information and use of management, the School Board, 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 21, 2012

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 ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

School Board
St. Helens School District
Columbia County, Oregon
St. Helens, Oregon

Compliance

We have audited St. Helens School District, Columbia County, Oregon's (the District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2012. 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 of the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that could have a direct and material effect on are applicable to each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

Management of St. Helens School District is responsible for establishing and maintaining effective internal control over compliance with the 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 the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of management, the School Board, 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 21, 2012

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
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 OMB Circular A-133?	No

Identification of major program:

CFDA Numbers	***Name of Federal Program or Cluster***
10.553, 10.555 & 10.559	Child Nutrition Cluster
84.126	Vocational Rehabilitation Cluster

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

FINANCIAL STATEMENT FINDINGS

None.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

PRIOR YEAR FINANCIAL STATEMENT FINDINGS

None.

PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.