ST. HELENS SCHOOL DISTRICT
FINANCIAL STATEMENTS
Year Ended June 30, 2013

MEMBERS OF THE SCHOOL BOARD

Name	*Title*	*Term Expires*
Marshall Porter	Chair	June 30, 2015
Nathan Helwig	Vice Chair	June 30, 2013
Alan King	Member	June 30, 2013
Ray Biggs	Member	June 30, 2015
Matt Freeman	Member	June 30, 2013

Board members receive mail at the District Office address below

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
TABLE OF CONTENTS

	Page
FINANCIAL SECTION	
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-9
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	10
Statement of Activities	11
Fund Financial Statements	
Balance Sheet - Governmental Funds	12
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position	13
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	15
Notes to Basic Financial Statements	16-31
Required Supplementary Information	
Schedules of Funding Progress for Other Postemployment Benefits	32
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
General Fund	33
Special Revenue Fund	34
Notes to Required Supplementary Information	35
Other Supplementary Information	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
Debt Service Fund	36
Capital Projects Fund	37
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
General Fund	38-39
Special Revenue Fund	40-41
Debt Service Fund	42-43
Capital Projects Fund	44-45
Other Schedules	
Schedule of Property Tax Transactions	46
Schedule of Bond Transactions	47
Schedule of Future Requirements for Retirement of Long-Term Debt	48-49
Department of Education Supplementary Information	50
COMPLIANCE SECTION	
Independent Auditor's Report Required by Oregon State Regulations	51-52
Schedule of Expenditures of Federal Awards	53-55
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	56-57
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133	58-59
Schedule of Findings and Questioned Costs	60
Schedule of Prior Year Findings and Questioned Costs	61

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
St. Helens, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of St. Helens School District, Columbia County, Oregon (the District), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A) (pages 4 through 9), the schedules of funding progress for other postemployment benefits (page 33), and the budgetary comparison information (pages 33 through 35) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required MD&A and the schedules 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 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the

other supplementary information and the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Reports on Other Legal and Regulatory Requirements

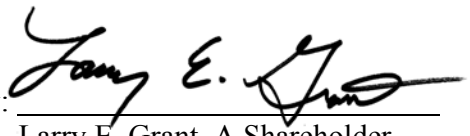
Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2013, on our consideration of the District's internal control over financial reporting and on 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* in considering the District's internal control over financial reporting and compliance.

Other Reporting Required by Oregon Minimum Standards

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 31, 2013, on our consideration of the District's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

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

By: 

Larry E. Grant, A Shareholder
December 31, 2013

ST. HELENS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013

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, 2013.

FINANCIAL HIGHLIGHTS

- In the government-wide statements, the net position of the District at June 30, 2013 was $22.2 million. Of this amount, $21.1 million represents the District's net investment in capital assets, $153 thousand was restricted for debt service, and $944 thousand was unrestricted.
- The District's total net position increased by $1.9 million.
- The District's governmental funds report a combined ending fund balance of $5.0 million at June 30, 2013, an increase of $1.1 million in comparison with the prior year.
- At the end of the fiscal year ended June 30, 2013, fund balance for the General Fund was $4 million, or 16.9 percent of total General Fund expenditures.
- The District's total liabilities decreased by $2.0 million (6.0 percent) during the 2012-13 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 Position.* The *statement of net position* presents information on all of the assets and liabilities of the District as of the date on the statement. Net position is what remains after the liabilities have been paid off or otherwise satisfied. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Activities.* The *statement of activities* presents information showing how the net position of the District changed over the most recent fiscal year by tracking revenues, expenses and other transactions that increase or reduce net position. All changes in net position 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 four individual governmental funds. Information is presented separately in the governmental funds balance sheet and the governmental fund's statement of revenues, expenditures and changes in fund balances for the General Fund, the Special Revenue Fund, the Debt Service Fund, and the Capital Projects Fund, which are all considered to be major funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* related to other postemployment benefit obligations and to schedules of revenues, expenditures and changes in fund balance - budget and actual for the General Fund and the Special Revenue Fund. The budgetary information for the Debt Service Fund and the Capital Projects Fund, as well as budgetary information on all funds and other schedules required by the Department of Education and the Secretary of State, is presented as *other supplementary information.*

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, net position was $22.2 million as of June 30, 2013.

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 (87.7 percent) is for the repayment of long-term liabilities (general obligation bonds, capital lease obligations, pension bonds and deferred bond interest). Current liabilities, representing 12.3 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 position 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.

St. Helens School District
Statements of Net Position
June 30,

	2013	*2012*	*Change*
Current and other assets	$ 6,341,821	$ 5,271,475	$ 1,070,346
Capital assets	26,796,759	27,393,723	(596,964)
Other long-term assets	20,949,378	21,527,670	(578,292)
Total assets	54,087,958	54,192,868	(104,910)
Current liabilities	3,927,544	3,941,427	(13,883)
Long-term liabilities	27,980,272	30,012,356	(2,032,084)
Total liabilities	31,907,816	33,953,783	(2,045,967)
Net position:			
Net investment in capital assets	21,083,140	20,470,781	612,359
Restricted	152,849	275,338	(122,489)
Unrestricted	944,153	(507,034)	1,451,187
Total Net Position	$ 22,180,142	$ 20,239,085	$ 1,941,057

Statement of Activities. During the current fiscal year, the District's net position increased by $1.9 million, as compared to an increase of $76 thousand in the prior year. The key elements of the larger increase in the District's net position for the year ended June 30, 2013 are as follows:

- General support from the State School Fund increased $784 thousand (4.8 percent), primarily due to $485 thousand in state underpayments that were paid in the current year.
- Instructional expenses decreased by $818 thousand (4.5 percent) primarily due to the closure of Columbia City School in Fiscal Year 2011-12 and the elimination of eight school days in the current fiscal year.
- Expenses for support services were reduced by $1.0 million (9.4 percent) due to the closure of Columbia City School during the last fiscal year and the eliminated positions of one head secretary, one custodian, and one half of administrative support.

St. Helens School District
Statements of Activities
Year ended June 30,

	2013	*2012*	*Change*
Revenues			
Program revenues			
Fees, fines and charges for services	$ 2,499,487	$ 2,524,736	$ (25,249)
Operating grants and contributions	2,461,848	3,423,764	(961,916)
Capital grants and contributions	218,027	-	218,027
General revenues			
Property taxes	9,008,636	8,956,344	52,292
Construction excise tax	74,466	63,342	11,124
State school fund	17,279,903	16,495,953	783,950
Common school fund	296,090	275,942	20,148
Unrestricted state and local funds	189,534	183,721	5,813
Earnings on investments	42,479	38,267	4,212
Miscellaneous	315,839	320,238	(4,399)
Gain on sale of capital assets	191,589	-	191,589
Total revenues	32,577,898	32,282,307	295,591
Expenses			
Instructional programs	17,223,368	17,999,852	(776,484)
Support services	9,796,885	10,817,110	(1,020,225)
Community services	184,436	144,862	39,574
Food services	815,715	897,285	(81,570)
Facilities services	266,368	47,494	218,874
Interest on long-term liabilities	2,350,069	2,299,363	50,706
Total expenses	30,636,841	32,205,966	(1,569,125)
Change in net position	1,941,057	76,341	1,864,716
Net position, beginning of year	20,239,085	20,162,744	76,341
Net position, end of year	22,180,142	20,239,085	1,941,057

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, *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, 2013, the District's governmental funds reported combined ending fund balances of $5 million, an increase of $1.1 million in comparison with the prior year.

In the current year, funds that were presented separately in the prior year have been combined to comprise the Special Revenue Fund and Debt Service Fund as currently presented. This change better presents the activity in a way that is comparable to the levels of appropriation of expenditures as approved by Board resolution.

General Fund. The General Fund is the primary operating fund of the District. As of June 30, 2013, fund balance was $4 million. The fund balance increased by about $805 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 16.9 percent of total General Fund expenditures. There were two major changes in activity from the prior year. First, expenditures for instruction were decreased by about $446 thousand due mainly to the prior year closure of Columbia City Elementary. Second, expenditures for support services fell by nearly $92 thousand in part because the District is now reporting the Early Retirement Fund as a part of the Special Revenue Fund whereas in the prior fiscal year it was combined with the General Fund.

The budget for the General Fund was adopted by the Board on June 20, 2012. There were no changes to the General Fund budget during the fiscal year.

Special Revenue Fund. The Special Revenue Fund has a total fund balance of $552 thousand, an increase of $12 thousand from the prior year. Of this balance, all funds are committed by the Board except for food service inventory, which is non-spendable. This fund contains the activity of funds previously presented individually. These funds include the Combined Grants and Projects Fund, the Student Activity Fund, the Early Retirement Fund, and the Food Services Fund. In this combined fund, both revenue and expenditures have decreased approximately $350 thousand since the prior fiscal year. This is due in part to because enrollment declined about 4.8% from the prior fiscal year which resulted in reduced federal and state revenues, and in part because of the closure of Columbia City Elementary in the prior fiscal year which resulted in a reduction of payroll costs.

Debt Service Fund. The Debt Service Fund has a total fund balance of $86 thousand, of which $53 thousand is restricted and $33 thousand is committed to the payment of debt service. The net decrease in fund balance during the current year was $43 thousand (33 percent). This fund contains the activity of two debt service funds previously presented individually, including the Debt Service Fund, which accounted for general obligation bond debt service, and the PERS Bond Debt Service Fund. In the current year, the District did not issue any new long-term debt.

Capital Projects Fund. The ending fund balance for the Capital Projects Fund increased $323 thousand from $63 thousand at the end of the prior year to $386 thousand for the year ending June 30, 2013. This entire balance is committed to facility improvements. The District received $276 thousand from the federal government for the remodel of Sacajawea Health Center during the fiscal year.

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, 2013, the District had invested $27 million in capital assets, net of depreciation, as shown in the following table:

Capital Assets
(net of depreciation)
June 30,

	2013	*2012*	*Change*
Land	$ 2,365,823	$ 2,373,323	$ (7,500)
Building and improvements	23,665,710	24,437,737	(772,027)
Vehicles and equipment	765,226	582,663	182,563
Total	$ 26,796,759	$ 27,393,723	$ (596,964)

During fiscal year 2012-13, the District's investment in capital assets decreased by about $597 thousand. The major capital asset events for the year ended June 30, 2013 include depreciation expense of over $1 million, the sale of the Deer Park property, and the addition of building improvements to the Sacagawea Health Center.

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 nearly $26.7 million, consisting of general obligation bonded debt of $4.6 million, pension bonds of $20.9 million, tax exempt financing of $946 thousand, and capital leases of $140 thousand.

During the current fiscal year, the District's total debt decreased by $1.8 million, which represents the amount of current year principal payments.

State statutes limit the amount of general obligation debt a governmental entity may issue to 7.95 percent of its total assessed valuation. The current debt limitation for the District is $138 million, which is significantly in excess of the District's outstanding general obligation debt of $4.6 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, 2013, total state school formula revenue accounted for almost 99% of the District's general fund revenue. Due to heavy reliance on this source, changes in the state economy are likely to flow through to the District.

The state legislature increased K-12 education funding for the 2013-15 biennium, including a special session in September, 2013 that added $100 million for the 2014-15 fiscal year. This increased District revenue per student by $518 between 2012-13 and 2013-14. However, the increase is significantly offset by the District's continued enrollment losses. Combined with the governor's education plans and the country's current fiscal and political issues on the federal level, the District's financial situation requires close attention.

Both union contracts ended June 30, 2013 and the unions agreed to rollover the contracts for another year. The unions have given notice of their desire to negotiate for the period beginning July 1, 2014. Salary and benefit costs may increase depending on the outcome of negotiations. The District anticipates a substantial increase in PERS rates starting July 2015. Since payroll represents 75-80% of District expenses, these factors will significantly influence long-range planning.

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 POSITION
JUNE 30, 2013

ASSETS		
Cash and investments	$	4,506,603
Property taxes receivable		1,062,801
Due from other governments		769,312
Inventories		3,105
Pension asset		20,949,378
Capital assets not being depreciated		
Land		2,365,823
Capital assets, net of accumulated depreciation		
Buildings		23,665,710
Equipment and vehicles		765,226
Total Assets		54,087,958
LIABILITIES		
Accounts payable and accrued expenses		442,496
Accrued compensated absences payable		90,910
Accrued interest		3,394,138
Long-term liabilities		
Portion due within one year		1,784,364
Portion due in more than one year		24,878,633
Other post employment benefit obligation		1,317,275
Total Liabilities		31,907,816
NET POSITION		
Net investment in capital assets		21,083,140
Restricted for debt service		152,849
Unrestricted		944,153
Total Net Position	$	22,180,142

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

ST. HELENS SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2013

		Program Revenues			Net (Expense) Revenue and Change in Net Position
	Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
FUNCTIONS/PROGRAMS					
Governmental Activities:					
Instructional programs	$ 17,223,368	$ 2,312,723	$ 1,785,964	$ -	$ (13,124,681)
Support services					
Student transportation	1,547,164	-	-	-	(1,547,164)
Other support services	8,249,721	15,062	-	-	(8,234,659)
Community services	184,436	-	-	-	(184,436)
Food services	815,715	171,702	675,884	-	31,871
Facilities services	266,368	-	-	218,027	(48,341)
Interest on long-term liabilities	2,350,069	-	-	-	(2,350,069)
Total Governmental Activities	$ 30,636,841	$ 2,499,487	$ 2,461,848	$ 218,027	(25,457,479)
General Revenues:					
Property taxes, levied for general purposes					7,057,325
Property taxes, levied for debt service					1,951,311
Construction excise tax					74,466
State school fund					17,279,903
Common school fund					296,090
Unrestricted state and local funds					189,534
Earnings on investments					42,479
Miscellaneous					315,839
Gain on sale of capital assets					191,589
Total General Revenues					27,398,536
Change in Net Position					1,941,057
Net Position - beginning					20,239,085
Net Position - ending					$ 22,180,142

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

ST. HELENS SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2013

	General	*Special Revenue*	*Debt Service*	*Capital Projects*	*Total*
ASSETS					
Cash and investments	$ 4,094,564	$ -	$ 48,282	$ 363,757	$ 4,506,603
Property taxes receivable	836,279	-	226,522	-	1,062,801
Due from other funds	4,834	-	-	-	4,834
Receivable from other governments	152,305	591,544	-	25,463	769,312
Inventories	-	3,105	-	-	3,105
Total Assets	$ 5,087,982	$ 594,649	$ 274,804	$ 389,220	$ 6,346,655
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE					
Liabilities:					
Accounts payable	$ 121,876	$ 3,465	$ -	$ 3,000	$ 128,341
Due to other funds	-	4,834	-	-	4,834
Accrued expenses	279,574	34,581	-	-	314,155
Total Liabilities	401,450	42,880	-	3,000	447,330
Deferred Inflows of Resources					
Unavailable revenue - property taxes	697,944	-	188,371	-	886,315
Fund Balance:					
Non-spendable					
Inventory	-	3,105	-	-	3,105
Restricted for:					
Debt service	-	-	53,684	-	53,684
Committed to:					
Student body	-	385,285	-	-	385,285
Facility improvements	-	-	-	386,220	386,220
Grants and projects	-	74,597	-	-	74,597
Food services	-	77,285	-	-	77,285
Early retirement	-	11,497	-	-	11,497
Debt service	-	-	32,749	-	32,749
Unassigned	3,988,588	-	-	-	3,988,588
Total Fund Balances	3,988,588	551,769	86,433	386,220	5,013,010
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 5,087,982	$ 594,649	$ 274,804	$ 389,220	$ 6,346,655

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 POSITION
JUNE 30, 2013

FUND BALANCES		$ 5,013,010
Capital assets are not financial resources and therefore are not reported in the governmental funds:		
Cost	$ 48,269,561	
Accumulated depreciation	(21,472,802)	26,796,759
Pension asset is recorded on the statement of net position at its net amortized value.		20,949,378
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.		886,315
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	(3,394,138)	
Compensated absences payable	(90,910)	
Other postemployment benefit obligation	(1,317,275)	
Long-term debt	(26,662,997)	(31,465,320)
TOTAL NET POSITION		$22,180,142

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, 2013

	General	*Special Revenue*	*Debt Service*	*Capital Projects*	*Total*
REVENUES					
Local sources	$ 7,286,494	$ 903,545	$ 3,789,130	$ 372,607	$ 12,351,776
Intermediate sources	123,422	143,968	-	-	267,390
State sources	17,573,791	33,918	-	-	17,607,709
Federal sources	2,657	2,116,793	-	-	2,119,450
Total Revenues	24,986,364	3,198,224	3,789,130	372,607	32,346,325
EXPENDITURES					
Current					
Instruction	13,987,004	2,048,666	-	-	16,035,670
Support services	9,224,938	558,608	-	53,035	9,836,581
Enterprise and community services	-	999,428	-	-	999,428
Facility acquisition and construction	-	-	-	48,341	48,341
Debt service:					
Principal	207,000	-	1,580,615	-	1,787,615
Interest	51,205	-	2,251,059	-	2,302,264
Capital outlay	170,727	-	-	218,027	388,754
Total Expenditures	23,640,874	3,606,702	3,831,674	319,403	31,398,653
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,345,490	(408,478)	(42,544)	53,204	947,672
OTHER FINANCING SOURCES (USES)					
Transfers in	-	420,000	-	120,000	540,000
Transfers out	(540,000)	-	-	-	(540,000)
Sale of capital assets	-	-	-	150,318	150,318
Total Other Financing Sources (Uses)	(540,000)	420,000	-	270,318	150,318
NET CHANGE IN FUND BALANCES	805,490	11,522	(42,544)	323,522	1,097,990
FUND BALANCES, beginning*	3,183,098	540,247	128,977	62,698	3,915,020
FUND BALANCES, ending	$ 3,988,588	$ 551,769	$ 86,433	$ 386,220	$ 5,013,010

*As restated. See notes to the financial statements.

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, 2013

NET CHANGE IN FUND BALANCES - (Governmental Funds)		$ 1,097,990
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	$ 388,754	
Less current year depreciation	(1,026,989)	(638,235)
In the Statement of Activities, the cost on disposition of capital assets is reported while in the governmental funds it is not. This is the net book value of assets sold or disposed of during the year.		
Net book value		41,271
Long-term debt proceeds are reported as other financing sources in governmental funds. In the Statement of Net Position, however, issuing long-term debt increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Position. This is the amount by which repayments exceeded proceeds:		
Debt principal repaid		1,787,615
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.		(47,805)
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.		39,984
Amortization of pension assets		(578,292)
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.		244,469
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.		(5,940)
CHANGE IN NET POSITION		$ 1,941,057

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.

Basis of Presentation

Government-wide Financial Statements

The Statement of Net Position 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 position is reported as restricted when constraints placed on the use of resources 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. For the current year, all of the District's funds are reported as major funds.

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.

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

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

Fund Financial Statements (Continued)

Special Revenue Fund – This is a combined fund to account for special revenues intended for grants, food service, student services, and early retirement. The revenue sources vary from local food service receipts to receipts from state and federal sources.

Debt Service Fund - This fund accounts for the payment of principal and interest on general obligation bonded debt, where the principal revenue sources are property taxes. It also accounts for payments 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 for PERS bond payments are charges to other funds.

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

In the prior year, the individual funds now combined as the Special Revenue Fund and Debt Service Fund were presented individually. As a result, the beginning fund balances have been combined and present the combined beginning fund balances.

Measurement Focus and Basis of Accounting

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

Thus, when program expenses are incurred, there are both net position - restricted and net position - unrestricted 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash, Cash Equivalents and Investments (Continued)

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 position. 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, 2013, no allowance for doubtful accounts is considered necessary.

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 position 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 on the principal paid method over the life of the pension obligation bonds.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Position.

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 Position. Bond premiums and discounts 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.

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The District has no items that qualify for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item that qualifies for reporting in this category. It arises only under a modified accrual basis of accounting. Accordingly, the item, *unavailable revenue – property taxes*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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.

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.

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Balances (Continued)

- **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 position), 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.

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.

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.

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.

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Budget (Continued)

Supplemental budgets less than 10% of a fund's original budget may be adopted by the Board at a regular meeting. A supplemental budget greater than 10% of a fund's original budget requires hearings before the public, publication in newspapers and approval by the Board. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control (major function levels) with Board approval. There were no resolutions adopted during the year that increased appropriations. Appropriations lapse at the end of each fiscal year.

CASH AND INVESTMENTS

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

Cash and investments are comprised of the following as of June 30, 2013:

	Carrying Value	*Fair Value*
Cash		
Deposits with financial institutions	$ 1,492,651	$ 1,492,651
Cash on hand	2,534	2,534
Investments		
Local Government Investment Pool	3,011,418	3,011,418
	$ 4,506,603	$ 4,506,603

Deposits

The book balance of the District's bank deposit accounts was $1,492,651 and the bank balance was $2,267,638 at year end. The difference is due to transactions in process. 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 funds deposits it 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

This 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 for up to $250,000 each for the aggregate of all demand deposits and the aggregate of all time deposit and savings accounts at each institution. Deposits in excess of FDIC coverage are with institutions participating in the Oregon Public Funds Collateralization Program (PFCP). This is the risk that in the event of a bank failure, the District's

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

Custodial Credit Risk – Deposits (Continued)

deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the District's deposits with financial institutions for up to $250,000 each for the aggregate of all demand deposits and the aggregate of all time deposit and savings accounts at each institution. Deposits in excess of FDIC coverage are with institutions participating in the Oregon Public Funds Collateralization Program (PFCP). 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. The District's bank balances exceeded FDIC limits by $1,988,962 as of June 30, 2013.

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.

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, 2013, 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, 2013 is as follows:

	Balance July 1, 2012	***Increases***	***Decreases***	***Balance June 30, 2013***
Governmental Activities:				
Capital assets, not being depreciated:				
Land	$ 2,373,323	$ -	$ (7,500)	$ 2,365,823
Capital assets, being depreciated:				
Land improvements	1,318,734	25,921	-	1,344,655
Buildings and improvements	37,570,144	218,027	(631,073)	37,157,098
Equipment	7,122,127	144,806	(28,101)	7,238,832
Vehicles	177,482	-	(14,329)	163,153
Total Capital Assets Being Depreciated	46,188,487	388,754	(673,503)	45,903,738
Accumulated depreciation for:				
Land improvements	1,076,574	21,329	-	1,097,903
Buildings and improvements	13,374,567	750,367	(386,794)	13,738,140
Equipment	6,546,846	253,143	(321,153)	6,478,836
Vehicles	170,100	2,150	(14,327)	157,923
Total Accumulated Depreciation	21,168,087	1,026,989	(722,274)	21,472,802
Total Capital Assets Being Depreciated, net	25,020,400	(638,235)	48,771	24,430,936
Total Capital Assets, net	$ 27,393,723	$ (638,235)	$ 41,271	$ 26,796,759

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

Program	
Instructional programs	$ 896,798
Support services	
Other support services	129,468
Food services	723
Total	$ 1,026,989

LONG-TERM DEBT

The following is a summary of long-term debt transactions during the year ended June 30, 2013:

	Original Issue	*Outstanding July 1, 2012*	*Issued*	*Matured/ Redeemed During Year*	*Outstanding June 30, 2013*	*Due Within One Year*
Pension bonds - Series 2002	$ 10,722,217	$ 8,972,469	$ -	$ 194,149	$ 8,778,320	$ 202,312
Pension bonds - Series 2003	14,312,440	11,805,201	-	384,143	11,421,058	388,528
Pension bonds - Series 2011	750,000	750,000	-	-	750,000	-
General obligation bonds - Series 1999	18,881,406	5,629,942	-	1,002,323	4,627,619	974,524
Capital lease obligation	530,000	180,000	-	40,000	140,000	45,000
Tax exempt financing agreement - Series 2007	1,700,000	1,113,000	-	167,000	946,000	174,000
		$ 28,450,612	$ -	$ 1,787,615	$ 26,662,997	$ 1,784,364

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	$ 8,778,320
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	11,421,058
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	4,627,619
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	140,000
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	946,000
	$ 26,662,997

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 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 of 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 of 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.

The District issued $750,000 Limited Tax Pension Obligations, Series 2011 (federally taxable) with a net interest cost of 4.12% to currently refund a portion of the outstanding 2002 series bonds (the 2021 maturity). The Series 2011 Limited Tax Pension Obligations were issued in August 2011 and are payable in full at maturity in June of 2021. The bonds are federally taxable and subject to optional prepayment prior to their stated maturities.

Future debt service requirements are as follows:

Fiscal Year Ending June 30,	***Principal***	***Interest***	***Total***
2014	$ 1,784,364	$ 2,458,493	$ 4,242,857
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
2019-2023	4,833,907	8,918,347	13,752,254
2024-2028	13,105,000	2,152,602	15,257,602
	$ 26,662,997	$ 25,134,997	$ 51,797,994

INTER-FUND ACTIVITY

The District completed the following inter-fund transactions during the year ended June 30, 2013:

Fund	*Transfers In*	*Transfers Out*
General	$ -	$ 540,000
Special revenue	420,000	-
Capital projects	120,000	-
	$ 540,000	$ 540,000

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 within 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.

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, 2013, expenditures related to early retirement benefits totaled $292,120 paid to 66 participants.

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

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

Plan activity for the year is as follows:

Outstanding July 1, 2012	*Increases*	*Payments*	*Outstanding June 30, 2013*
$ 1,561,744	$ 47,651	$ 292,120	$ 1,317,275

Amounts due in the current year are $232,856.

These benefits will be paid from the Special Revenue 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/.

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, 2013, 2012 and 2011 totaled $73,501, $78,989, and $38,955, 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.

***PENSION PLAN** (Continued)*

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

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

Funding Policy

Members of PERS are required to contribute 6.00% of their salary covered under the plan, which is invested in the OPSRP Individual Account Program. The District is required by ORS 238.225 to contribute at an actuarially determined rate for the qualifying employees under the OPERF plan, and a general service rate for the qualifying employees under the OPSRP plan. The OPERF and the OPSRP rates in effect for the year ended June 30, 2013 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.

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 $773,914, $835,015, and $879,898 for the years ended June 30, 2013, 2012 and 2011, respectively. Total payroll was $13,726,433 and covered payroll was $13,015,058 for the year ended June 30, 2013. The District's contributions to PERS, for the years ended June 30, 2013 and 2012 were $534,190 and $576,872, 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.

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.

NEW 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 was implemented in the current year.

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 was implemented in the current year.

GASB Statement No. 65 "Items Previously Reported as Assets and Liabilities." The statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The statement was early implemented in the current year.

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 pronouncements.

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.

***NEW PRONOUNCEMENTS** (Continued)*

GASB Statement No. 69 "Government Combinations and Disposals of Government Operations." The statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The statement is effective for fiscal years beginning after December 15, 2013.

GASB Statement No. 70 "Accounting and Financial Reporting for Nonexchange Financial Guarantees." The objective of the statement is to improve accounting and financial reporting by State and local governments that extend and receive nonexchange financial guarantees. The statement is effective for fiscal years beginning after June 15, 2013.

SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 31, 2013, 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.

REQUIRED SUPPLEMENTARY INFORMATION

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%

ST. HELENS SCHOOL DISTRICT

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

YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance with	Budget to GAAP	Actual
	Original	Final	Budget Basis	Final Budget	Differences	GAAP Basis
REVENUES						
Local sources	$ 7,291,000	$ 7,291,000	$ 7,286,494	$ (4,506)	$ -	$ 7,286,494
Intermediate sources	90,000	90,000	123,422	33,422	-	123,422
State sources	16,585,000	16,585,000	17,573,791	988,791	-	17,573,791
Federal sources	-	-	2,657	2,657	-	2,657
Total Revenues	23,966,000	23,966,000	24,986,364	1,020,364	-	24,986,364
EXPENDITURES						
Current						
Instruction	14,091,403	14,091,403	13,987,004	104,399	-	13,987,004
Support services	9,658,392	9,658,392	9,395,665	262,727	(170,727)	9,224,938
Debt service:						
Principal	207,000	207,000	207,000	-	-	207,000
Interest	51,205	51,205	51,205	-	-	51,205
Capital outlay	-	-	-	-	170,727	170,727
Operating contingency	500,000	500,000	-	500,000	-	-
Total Expenditures	24,508,000	24,508,000	23,640,874	867,126	-	23,640,874
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(542,000)	(542,000)	1,345,490	1,887,490	-	1,345,490
OTHER FINANCING SOURCES (USES)						
Transfers out	(540,000)	(540,000)	(540,000)	-	-	(540,000)
NET CHANGE IN FUND BALANCE	(1,082,000)	(1,082,000)	805,490	1,887,490	-	805,490
FUND BALANCE, beginning	2,400,000	2,400,000	3,183,098	783,098	-	3,183,098
FUND BALANCE, ending	$ 1,318,000	$ 1,318,000	$ 3,988,588	$ 2,670,588	$ -	$ 3,988,588

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL – SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Budget and GAAP Basis	Variance with Final Budget
	Original	Final		
REVENUES				
Local sources	$ 1,309,285	$ 1,309,285	$ 903,545	$ (405,740)
Intermediate sources	262,500	262,500	143,968	(118,532)
State sources	137,111	137,111	33,918	(103,193)
Federal sources	2,861,737	2,861,737	2,116,793	(744,944)
Total Revenues	4,570,633	4,570,633	3,198,224	(1,372,409)
EXPENDITURES				
Current				
Instruction	2,929,055	2,929,055	2,048,666	880,389
Support services	987,187	987,187	558,608	428,579
Enterprise and community services	1,255,766	1,255,766	999,428	256,338
Facilities acquisition and construction	200,000	200,000	-	200,000
Debt service:				
Principal	50,000	50,000	-	50,000
Total Expenditures	5,422,008	5,422,008	3,606,702	1,815,306
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(851,375)	(851,375)	(408,478)	442,897
OTHER FINANCING SOURCES				
Transfers in	440,000	440,000	420,000	(20,000)
Apportionment of funds by ESD or LEA	(60,000)	(60,000)	-	60,000
Total Other Financing Sources (Uses)	380,000	380,000	420,000	40,000
NET CHANGE IN FUND BALANCE	(471,375)	(471,375)	11,522	482,897
FUND BALANCE, beginning	471,375	471,375	540,247	68,872
FUND BALANCE, ending	$ -	$ -	$ 551,769	$ 551,769

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
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.

OTHER SUPPLEMENTARY INFORMATION

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Budget and GAAP Basis	Variance with Final Budget
	Original	Final		
REVENUES				
Local sources	$ 3,782,324	$ 3,782,324	$ 3,789,130	$ 6,806
EXPENDITURES				
Debt service:				
Principal	1,580,615	1,580,615	1,580,615	-
Interest	2,251,709	2,251,709	2,251,059	650
Total Expenditures	3,832,324	3,832,324	3,831,674	650
NET CHANGE IN FUND BALANCE	(50,000)	(50,000)	(42,544)	7,456
FUND BALANCE, beginning	50,000	50,000	128,977	78,977
FUND BALANCE, ending	$ -	$ -	$ 86,433	$ 86,433

ST. HELENS SCHOOL DISTRICT

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

YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance with	Budget to GAAP	Actual
	Original	Final	Budget Basis	Final Budget	Differences	GAAP Basis
REVENUES						
Local sources	$ 450,000	$ 450,000	$ 372,607	$ (77,393)	$ -	$ 372,607
EXPENDITURES						
Current						
Support services	305,000	305,000	53,035	251,965	-	53,035
Facilities acquisition and construction	325,000	325,000	266,368	58,632	(218,027)	48,341
Capital outlay	-	-	-	-	218,027	218,027
Total Expenditures	630,000	630,000	319,403	310,597	-	319,403
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(180,000)	(180,000)	53,204	233,204	-	53,204
OTHER FINANCING SOURCES						
Transfers in	100,000	100,000	120,000	20,000	-	120,000
Sale of/or compensation for loss of capital assets	-	-	150,318	150,318	-	150,318
Total Other Financing Sources	100,000	100,000	270,318	170,318	-	270,318
NET CHANGE IN FUND BALANCE	(80,000)	(80,000)	323,522	403,522	-	323,522
FUND BALANCE, beginning	80,000	80,000	62,698	(17,302)	-	62,698
FUND BALANCE, ending	$ -	$ -	$ 386,220	$ 386,220	$ -	$ 386,220

ST. HELENS SCHOOL DISTRICT

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

YEAR ENDED JUNE 30, 2013

Code	*Function*	*Actual*	*Budget*	*Variance*
	LOCAL REVENUES			
1111	Current year's taxes	$ 6,559,064	$ 6,900,000	$ (340,936)
1112	Prior year's taxes	468,982	250,000	218,982
1120	Payments in lieu of taxes	972	-	972
1190	Penalties and interest on taxes	874	-	874
1311	Regular day school tuition from individuals	1,152	1,000	152
1312	Regular day school tuition from within the state	27,515	15,000	12,515
1500	Earnings on investments	30,879	15,000	15,879
1700	Extracurricular activities	3,606	-	3,606
1910	Rentals	154	5,000	(4,846)
1920	Contributions and donations from private sources	1,561	-	1,561
1960	Recovery of prior years' expenditure	34,887	-	34,887
1980	Fees charged to grants	17,615	-	17,615
1990	Miscellaneous	139,233	105,000	34,233
1000	*Total Local Revenues*	7,286,494	7,291,000	(4,506)
	INTERMEDIATE REVENUES			
2101	County school funds	19,861	40,000	(20,139)
2102	Education service district apportionment	50,000	50,000	-
2105	Natural gas, oil, and mineral receipts	53,561	-	53,561
2000	*Total Intermediate Revenues*	123,422	90,000	33,422
	STATE REVENUES			
3101	State school fund - general support	17,268,868	16,258,000	1,010,868
3103	Common school fund	296,090	327,000	(30,910)
3104	State managed county timber	8,833	-	8,833
3000	*Total State Revenues*	17,573,791	16,585,000	988,791
	FEDERAL REVENUES			
4500	Restricted revenue from the federal government through the state	2,657	-	2,657
5400	***FUND BALANCE, Beginning of year***	3,183,098	2,400,000	783,098
6000	*Total Resources*	$ 28,169,462	$ 26,366,000	$ 1,803,462

ST. HELENS SCHOOL DISTRICT

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

YEAR ENDED JUNE 30, 2013

Code	*Function*	*100 Salaries*	*200 Employee Benefits*	*300 Purchased Services*
	INSTRUCTION			
1100	Regular programs			
1111	Primary, K-3	$ 3,064,521	$ 1,556,096	$ 2,688
1121	Middle/junior high programs	1,025,761	494,875	4,911
1122	Middle/junior high school extracurricular	2,137	1,335	-
1131	High school programs	2,462,070	1,262,958	37,837
1132	High school extracurricular	285,803	108,250	32,554
1200	Special programs			
1210	Programs for the talented and gifted	1,638	460	164
1220	Restrictive programs for students with disabilities	808,788	541,261	4,999
1250	Less restrictive programs for students with disabilities	488,576	291,849	3,534
1280	Alternative education	-	-	1,033,894
1291	English second language programs	73,794	36,782	925
1400	Summer school programs	-	-	3,000
1000	*Total Instruction*	8,213,088	4,293,866	1,124,506
	SUPPORT SERVICES			
2100	Students			
2110	Attendance and social work services	65,193	31,016	884
2120	Guidance services	429,140	214,147	140
2130	Health services	125,938	57,824	1,500
2140	Psychological services	66,285	38,666	7,625
2150	Speech pathology and audiology services	211,121	121,097	2,333
2190	Service direction, student support services	231,393	110,964	3,829
2200	Instructional staff			
2210	Improvement of instruction services	26,558	9,907	2,834
2220	Educational media services	215,392	146,193	518
2230	Assessment and testing	27,436	8,860	7,928
2240	Instructional staff development	372	51,284	2,869
2300	General administration			
2310	Board of education services	28,854	18,103	63,971
2320	Executive administration services	213,485	104,395	13,872
2400	School administration			
2410	Office of the principal services	1,063,362	527,095	16,618
2500	Business			
2520	Fiscal services	179,755	83,272	31,551
2540	Operation and maintenance of plant services	763,862	466,703	710,266
2550	Student transportation services	25,231	15,380	1,179,650
2570	Internal services	-	-	95,667
2600	Central activities			
2660	Technology services	161,474	76,751	165,387
2000	*Total Support Services*	3,834,851	2,081,657	2,307,442
	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*	$ 12,047,939	$ 6,375,523	$ 3,431,948

400 Supplies & Materials	*500 Capital Outlay*	*600 Other Objects*	*700 Transfers*	*Actual Fund Total*	*Appropriations*	*Variance*
$ 116,040	$ -	$ -	$ -	$ 4,739,345		
46,476	-	-	-	1,572,023		
-	-	-	-	3,472		
116,486	9,126	204	-	3,888,681		
921	-	5,860	-	433,388		
3,992	-	-	-	6,254		
4,467	494	-	-	1,360,009		
11,924	-	37,798	-	833,681		
-	-	-	-	1,033,894		
1,756	-	-	-	113,257		
-	-	-	-	3,000		
302,062	9,620	43,862	-	13,987,004	$ 14,091,403	$ 104,399
1,626	-	-	-	98,719		
2,667	-	-	-	646,094		
3,470	221	199	-	189,152		
644	-	-	-	113,220		
411	-	-	-	334,962		
2,521	-	1,280	-	349,987		
4,999	-	595	-	44,893		
57,143	-	-	-	419,246		
4,638	-	-	-	48,862		
102	-	-	-	54,627		
5,210	-	171,208	-	287,346		
23,784	-	1,672	-	357,208		
41,376	-	6,109	-	1,654,560		
1,569	-	16,685	-	312,832		
346,436	182,863	2,169	-	2,472,299		
197,435	-	-	-	1,417,696		
3,556	-	-	-	99,223		
88,943	-	2,184	-	494,739		
786,530	183,084	202,101	-	9,395,665	9,658,392	262,727
-	-	258,205	-	258,205		
-	-	-	540,000	540,000		
-	-	258,205	540,000	798,205	798,205	-
-	-	-	-	-	500,000	500,000
-	-	-	3,988,588	3,988,588	1,318,000	(2,670,588)
$ 1,088,592	$ 192,704	$ 504,168	$ 4,528,588	$ 28,169,462	$ 26,366,000	$ (1,803,462)

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL – SPECIAL REVENUE FUND

YEAR ENDED JUNE 30, 2013

Code	*Function*	*Actual*	*Budget*	*Variance*
	LOCAL REVENUES			
1500	Earnings on investments	$ 198	$ 2,000	$ (1,802)
1600	Food service	171,702	236,500	(64,798)
1700	Extracurricular activities	441,482	515,105	(73,623)
1800	Community services activities	160,840	232,680	(71,840)
1920	Contributions and donations from private sources	37,225	213,000	(175,775)
1950	Textbook sales and rentals	-	10,000	(10,000)
1990	Miscellaneous	92,098	100,000	(7,902)
1000	*Total Local Revenues*	903,545	1,309,285	(405,740)
	INTERMEDIATE REVENUES			
2102	Education service district apportionment	-	120,000	(120,000)
2199	Other intermediate sources	128,142	10,000	118,142
2200	Restricted revenue	15,826	132,500	(116,674)
2000	*Total Intermediate Revenues*	143,968	262,500	(118,532)
	STATE REVENUES			
3102	State school fund - school lunch match	11,035	11,000	35
3299	Other restricted grants-in-aid	22,883	126,111	(103,228)
3000	*Total State Revenues*	33,918	137,111	(103,193)
	FEDERAL REVENUES			
4300	Restricted revenue direct from the federal government	74,628	113,394	(38,766)
4500	Restricted revenue from the federal government through the state	1,969,920	2,700,343	(730,423)
4900	Revenue for/on behalf of the district	72,245	48,000	24,245
4000	*Total Federal Revenues*	2,116,793	2,861,737	(744,944)
	OTHER SOURCES			
5200	Interfund transfers	420,000	440,000	(20,000)
5400	***FUND BALANCE, Beginning of year***	540,247	471,375	68,872
6000	*Total Resources*	$ 4,158,471	$ 5,482,008	$ (1,323,537)

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE FUND (Continued)
YEAR ENDED JUNE 30, 2013

Code	Function	100 Salaries	200 Employee Benefits	300 Purchased Services
	INSTRUCTION			
1100	Regular programs			
1111	Primary, K-3	$ 33,193	$ 12,725	$ -
1113	Elementary extracurricular	-	-	1,117
1121	Middle/junior high programs	-	-	-
1122	Middle/junior high school extracurricular	7,380	1,949	917
1131	High school programs	150,887	53,477	3,914
1132	High school extracurricular	15,478	3,715	917
1200	Special programs			
1220	Restrictive programs for students with disabilities	24,131	6,450	-
1250	Resource rooms	392,898	230,144	1,561
1272	Title IA/D	324,544	152,528	-
1291	English second language programs	-	-	-
1292	Teen parent programs	-	-	-
1000	*Total Instruction*	948,511	460,988	8,426
	SUPPORT SERVICES			
2100	Students			
2110	Attendance and social work services	-	-	-
2120	Guidance services	1,180	1,183	-
2150	Speech pathology and audiology services	11,149	10,274	-
2200	Instructional staff			
2210	Improvement of instruction services	72,130	40,078	8,244
2220	Education media services	-	-	-
2240	Instructional staff development	37,067	11,749	20,283
2500	Business			
2520	Fiscal services	-	-	-
2540	Operation and maintenance of plant services	664	111	2,041
2600	Central activities			
2620	Planning, research, development, evaluation services, grant writing and statistical services	-	-	8,031
2660	Technology services	-	-	1,186
2700	Supplemental retirement program	-	292,120	-
2000	*Total Support Services*	122,190	355,515	39,785
	ENTERPRISE AND COMMUNITY SERVICES			
3100	Food services	288,964	152,916	19,024
3300	Community services	99,905	78,375	1,156
3000	*Total Enterprise and Community Services*	388,869	231,291	20,180
	FACILITIES ACQUISITION AND CONSTRUCTION			
4000	*Total Facilities Acquisition and Construction*	-	-	-
	OTHER USES			
5000	*Total Other Uses*	-	-	-
7000	***FUND BALANCE, End of year***	-	-	-
8000	*Total Expenditures and Ending Balance*	$ 1,459,570	$ 1,047,794	$ 68,391

400 Supplies & Materials	*500 Capital Outlay*	*600 Other Objects*	*700 Transfers*	*Actual Fund Total*	*Appropriations*	*Variance*
$ 27,340	$ -	$ -	$ -	$ 73,258		
19,400	-	-	-	20,517		
4,255	-	-	-	4,255		
25,464	-	-	-	35,710		
13,582	-	14	-	221,874		
483,002	-	-	-	503,112		
-	-	-	-	30,581		
8,688	-	-	-	633,291		
44,505	-	-	-	521,577		
984	-	-	-	984		
3,507	-	-	-	3,507		
630,727	-	14	-	2,048,666	$ 2,929,055	$ 880,389
1,987	-	-	-	1,987		
159	-	-	-	2,522		
-	-	-	-	21,423		
1,437	-	-	-	121,889		
2,759	-	-	-	2,759		
1,019	-	-	-	70,118		
-	-	22,616	-	22,616		
5,435	-	-	-	8,251		
26	-	-	-	8,057		
5,680	-	-	-	6,866		
-	-	-	-	292,120		
18,502	-	22,616	-	558,608	987,187	428,579
352,862	-	1,226	-	814,992		
5,000	-	-	-	184,436		
357,862	-	1,226	-	999,428	1,255,766	256,338
-	-	-	-	-	200,000	200,000
-	-	-	-	-	110,000	110,000
-	-	-	551,769	551,769	-	(551,769)
$ 1,007,091	$ -	$ 23,856	$ 551,769	$ 4,158,471	$ 5,482,008	$ 1,323,537

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2013

Code	*Function*	*Actual*	*Budget*	*Variance*
	LOCAL REVENUES			
1111	Current year's taxes	$ 1,810,572	$ 1,884,750	$ (74,178)
1112	Prior year's taxes	128,821	55,000	73,821
1190	Penalties and interest on taxes	241	250	(9)
1500	Earnings on investments	10,528	3,500	7,028
1970	Services provided other funds	1,838,968	1,838,824	144
1000	*Total Local Revenues*	3,789,130	3,782,324	6,806
5400	***FUND BALANCE, Beginning of year***	128,977	50,000	78,977
6000	*Total Resources*	$ 3,918,107	$ 3,832,324	$ 85,783

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND (Continued)
YEAR ENDED JUNE 30, 2013

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*
$ -	$ -	$ 3,831,674	$ -	$ 3,831,674	$ 3,832,324	$ 650
-	-	-	86,433	86,433	-	(86,433)
$ -	$ -	$ 3,831,674	$ 86,433	$ 3,918,107	$ 3,832,324	$ (85,783)

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2013

Code	*Function*	*Actual*	*Budget*	*Variance*
	LOCAL REVENUES			
1130	Construction excise tax	$ 74,466	$ 150,000	$ (75,534)
1910	Rentals	14,908	-	14,908
1920	Contributions and donations from private sources	39,848	-	39,848
1990	Miscellaneous	243,385	300,000	(56,615)
1000	*Total Local Revenues*	372,607	450,000	(77,393)
	OTHER SOURCES			
5200	Interfund transfers	120,000	100,000	20,000
5300	Sale of/or compensation for loss of fixed assets	150,318	-	150,318
5000	*Total Other Sources*	270,318	100,000	170,318
5400	***FUND BALANCE, Beginning of year***	62,698	80,000	(17,302)
6000	*Total Resources*	$ 705,623	$ 630,000	$ 75,623

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND (Continued)
YEAR ENDED JUNE 30, 2013

Code	*Function*	*100 Salaries*	*200 Employee Benefits*	*300 Purchased Services*
	SUPPORT SERVICES			
2500	Business			
2540	Operation and maintenance of plant services	$ -	$ -	$ 40,591
	FACILITIES ACQUISITION AND CONSTRUCTION			
4150	Building acquisition, construction, and improvement services	-	-	51,099
7000	***FUND BALANCE, End of year***	-	-	-
8000	*Total Expenditures and Ending Balance*	$ -	$ -	$ 91,690

400 Supplies & Materials	*500 Capital Outlay*	*600 Other Objects*	*700 Transfers*	*Actual Fund Total*	*Appropriations*	*Variance*
$ 11,389	$ -	$ 1,055	$ -	$ 53,035	$ 305,000	$ 251,965
-	215,269	-	-	266,368	325,000	58,632
-	-	-	386,220	386,220	-	(386,220)
$ 11,389	$ 215,269	$ 1,055	$ 386,220	$ 705,623	$ 630,000	$ (75,623)

OTHER SCHEDULES

ST. HELENS SCHOOL DISTRICT
SCHEDULE OF PROPERTY TAX TRANSACTIONS
YEAR ENDED JUNE 30, 2013

Tax Year	*Uncollected Balances July 1, 2012*	*2012-13 Levy*	*Interest Discounts & Adjustments*	*Turnovers*	*Uncollected Balances June 30, 2013*
2012-2013	$ -	$ 9,152,425	$ 300,838	$ 8,438,526	$ 413,061
2011-2012	479,123	-	(5,247)	240,488	243,882
2010-2011	271,925	-	1,170	107,954	162,801
2009-2010	169,465	-	558	108,194	60,713
2008-2009	67,089	-	1,236	47,829	18,024
2007-2008	14,211	-	1,016	1,821	11,374
2006-2007	4,491	-	676	904	2,911
Prior Years	13,578	-	1,033	675	11,870
Total	$ 1,019,882	$ 9,152,425	$ 301,280	$ 8,946,391	924,636
				Plus: Unsegregated taxes receivable	138,165
				Total	$ 1,062,801

Turnover Reconciliation		
Columbia County Turnovers	$ 8,946,391	
Change in taxes available to meet current demands, net	(8,121)	
Other taxes and adjustments	30,141	
Total property tax revenue recognized	$ 8,968,411	
Reported in:		
General Fund	$ 7,029,018	$ 836,279
Debt Service Fund	1,939,393	226,522
	$ 8,968,411	$ 1,062,801

ST. HELENS SCHOOL DISTRICT
SCHEDULE OF BOND TRANSACTIONS
YEAR ENDED JUNE 30, 2013

	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	3.50% - 5.75%	2001	2016
Tax exempt financing agreement - Series 2007	4.0%	2007	2018

Outstanding July 1, 2012	*Bonds Issued*	*Bonds Paid*	*Outstanding June 30, 2013*
$ 8,972,469	$ -	$ 194,149	$ 8,778,320
11,805,201	-	384,143	11,421,058
750,000	-	-	750,000
5,629,942	-	1,002,323	4,627,619
180,000	-	40,000	140,000
1,113,000	-	167,000	946,000
$ 28,450,612	$ -	$ 1,787,615	$ 26,662,997

Unmatured Interest Outstanding July 1, 2012	*New Issues*	*Interest Paid*	*Unmatured Interest June 30, 2013*
$ 7,469,977	$ -	$ 542,665	$ 6,927,312
12,299,487	-	689,854	11,609,633
277,762	-	30,863	246,899
7,225,060	-	987,677	6,237,383
26,075	-	10,025	16,050
138,900	-	41,180	97,720
$ 27,437,261	$ -	$ 2,302,264	$ 25,134,997

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF FUTURE REQUIREMENTS FOR RETIREMENT OF LONG-TERM DEBT

JUNE 30, 2013

Fiscal Year Ending June 30,	*Pension Bonds - Series 2002*			*Pension Bonds - Series 2003*		
	Principal	*Interest*	*Total*	*Principal*	*Interest*	*Total*
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
	$ 8,778,320	$ 6,927,312	$ 15,705,632	$ 11,421,058	$ 11,609,633	$ 23,030,691

Fiscal Year Ending June 30,	*Pension Bonds - Series 2011*			*General Obligation Bonds - Series 1999*		
	Principal	*Interest*	*Total*	*Principal*	*Interest*	*Total*
2014	$ -	$ 30,862	$ 30,862	$ 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	$ 246,899	$ 996,899	$ 4,627,619	$ 6,237,383	$ 10,865,002

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF FUTURE REQUIREMENTS FOR RETIREMENT OF LONG-TERM DEBT (Continued)
JUNE 30, 2013

Fiscal Year Ending June 30,	*Capital Lease Obligation*			*Tax Exempt Financing Agreement - Series 2007*		
	Principal	*Interest*	*Total*	*Principal*	*Interest*	*Total*
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	-	-	-	-	-	-
	$ 140,000	$ 16,050	$ 156,050	$ 946,000	$ 97,720	$ 1,043,720

Fiscal Year Ending June 30,	*Totals*		
	Principal	*Interest*	*Total*
2014	$ 1,784,364	$ 2,458,493	$ 4,242,857
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
	$ 26,662,997	$ 25,134,997	$ 51,797,994

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

	Objects 325 &326
Function 2540	$ 365,066
Function 2550	-

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

$ 83,492

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

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 REQUIRED BY OREGON STATE REGULATIONS

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

We have audited, 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, the basic financial statements of St. Helens School District, Columbia County, Oregon (the District) as of and for the year ended June 30, 2013, and have issued our report thereon dated December 31, 2013.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

- **Deposit of public funds with financial institutions (ORS Chapter 295).**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **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:

- Excess of actual revenues over actual expenditures in the second preceding year did not equal the beginning fund balance in the first preceding year on the District's budget document.

- The District did not consistently budget separately for principal and interest debt service payments in the budget document as required by ORS.
- The years of experience reported to the Oregon Department of Education were incorrect for four of twenty-five teachers tested. Management has corrected the errors within their system and with the Oregon Department of Education.

Internal Control

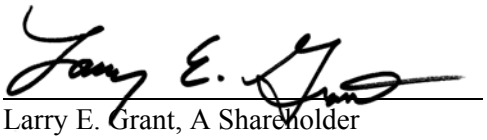
In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

We noted certain matters that we reported to management of St. Helens School District in a separate letter dated December 31, 2013.

Restriction on Use

This report is intended solely for the information and use of the school board and management 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: 
Larry E. Grant, A Shareholder
December 31, 2013

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2013

Federal Grantor/Pass-through Grantor/Program Title	*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)	10.553	N/A	$ 99,294	
National School Lunch Program (NSLP)	10.555	N/A	533,454	*
Summer Food Service Program	10.559	N/A	40,694	*
Subtotal Child Nutrition Cluster			673,442	
Total U.S. Department of Agriculture			673,442	
U.S. Department of the Interior				
Direct:				
Fish, Wildlife, and Plant Conservation Resource Management	15.231	N/A	74,628	
Total U.S. Department of the Interior			74,628	
U.S. Department of Education				
Passed through State Department of Education:				
Title IA - Grants to Local Educational Agencies	84.010	22719	127,585	
Title IA - Grants to Local Educational Agencies	84.010	25352	426,051	
Subtotal Title I, Part A Cluster			553,636	
Special Education - Grants to States IDEA, Part B	84.027	23702	184,267	
Special Education - Grants to States IDEA, Part B	84.027	26803	378,679	
Special Education - Grants to States IDEA Enhancement Grant	84.027	26588	3,396	
Special Education - Grants to States SPR & I	84.027	25892	3,450	
Special Education - Grants to States Extended Assessment Grant	84.027	25014	173	
Special Education - Preschool Grants IDEA Part B, Section 619	84.173	26370	2,657	
Subtotal Special Education Cluster (IDEA)			572,622	
Title IIA Improving Teacher Quality State Grants	84.367	22912	50,896	
Title IIA Improving Teacher Quality State Grants	84.367	25584	72,853	

* Includes non-cash commodity awards

See notes to schedule of expenditures of federal awards.

Federal Grantor/Pass-through Grantor/Program Title	*Federal CFDA Number*	*Pass Through Entity Identifying Number*	*Expenditures*
U.S. Department of Education *(Continued)*			
Passed through Department of Health and Human Services:			
Youth Transition Program	84.126	N/A	$ 115,217
Total U.S. Department of Education			1,365,224
U.S. Department of Health and Human Services			
Passed through Oregon Employment Department			
Child Care and Development Block Grant	93.575	ED 11-043	6,156
Subtotal Child Care and Development Fund Cluster			6,156
Total U.S. Department of Health and Human Services			6,156
Total Federal Financial Assistance			$ 2,119,450

See notes to schedule of expenditures of federal awards.

Purpose of the Schedule

The accompanying schedule of expenditures of federal awards (the Schedule) is a supplementary schedule to the St. Helens School District's financial statements and is presented for purposes of additional analysis. Because the Schedule presents only a selected portion of the activities of the District, it is not intended to and does not present either the financial position, changes in net position, or the operating funds' revenues, expenditures and changes in fund balances of the 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 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 District for the year ended June 30, 2013.

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.

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 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
St. Helens, Oregon

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Helens School District, Columbia County, Oregon, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 31, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District'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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from 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.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS
December 31, 2013

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 FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

Report on Compliance for Each Major Federal Program

We have audited St. Helens School District, Columbia County, Oregon's 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, 2013. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, St. Helens School District, Columbia County, Oregon complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are

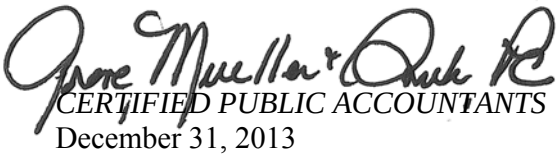
appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control 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 over compliance 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS
December 31, 2013

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered material weaknesses?	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 that are not considered material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
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***
84.010	Title I, Part A Cluster
84.367	Title II, Part A, Improving Teacher Quality

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.