

***ST. HELENS SCHOOL DISTRICT  
FINANCIAL STATEMENTS  
Year Ended June 30, 2014***

***ST. HELENS SCHOOL DISTRICT***  
***JUNE 30, 2014***

---

***MEMBERS OF THE SCHOOL BOARD***

<b><i>Name</i></b>	<b><i>Title</i></b>	<b><i>Term Expires</i></b>
Marshall Porter	Chair	June 30, 2015
Gordon Jarman	Vice Chair	June 30, 2017
Kellie Smith	Member	June 30, 2017
Ray Biggs	Member	June 30, 2015
Jeff Howell	Member	June 30, 2017

*Board members receive mail at the District Office address below*

***ADMINISTRATIVE***

St. Helens School District  
474 North 16<sup>th</sup> Street  
St. Helens, Oregon 97051

Mark Davalos, Superintendent, Clerk  
Janine Salisbury, Business Manager (Resigned as of June 30, 2014)

**ST. HELENS SCHOOL DISTRICT**  
**TABLE OF CONTENTS**

---

	<u><b>Page</b></u>
<b>FINANCIAL SECTION</b>	
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
Department of Education Supplementary Information	47
<b>COMPLIANCE SECTION</b>	
Independent Auditor's Report Required by Oregon State Regulations	48-49
Schedule of Expenditures of Federal Awards	50-51
Notes to the Schedule of Expenditures of Federal Awards	52
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 <i>Government Auditing Standards</i>	53-54
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133	55-56
Schedule of Findings and Questioned Costs	57
Schedule of Prior Year Findings and Questioned Costs	58

***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  
474 North 16<sup>th</sup> Street  
St. Helens, Oregon 97051

#### ***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, 2014, 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, 2014, 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 32), 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***

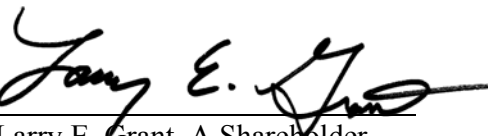
#### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2014, 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, 2014, 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, 2014

**ST. HELENS SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2014**

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, 2014.

**FINANCIAL HIGHLIGHTS**

- In the government-wide statements, the net position of the District at June 30, 2014 was \$23.2 million. Of this amount, \$21.3 million represents the District's net investment in capital assets, \$0.4 million was restricted for debt service, and \$1.5 million was unrestricted.
- The District's total net position increased by \$1.1 million.
- The District's governmental funds report a combined ending fund balance of \$5.8 million at June 30, 2014, an increase of \$0.8 million in comparison with the prior year.
- At the end of the fiscal year ended June 30, 2014, fund balance for the General Fund was \$4.3 million, or 17 percent of total General Fund expenditures.
- The District's total liabilities decreased by \$1.9 million (5.9 percent) during the 2013-14 fiscal year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

*The Statement of Net 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, are 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 \$23.2 million as of June 30, 2014.

Capital assets, which consist of the District's land, buildings, building improvements, vehicles, and equipment, represent over 40 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 (86.6 percent) is for the repayment of long-term liabilities (general obligation bonds, capital lease obligations, pension bonds, other postemployment benefit obligation and deferred bond interest). Current liabilities, representing 13.4 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,**

	<u><i>2014</i></u>	<u><i>2013</i></u>	<u><i>Change</i></u>
Current and other assets	\$ 7,077,466	\$ 6,341,821	\$ 735,645
Capital assets	25,839,167	26,796,759	(957,592)
Other long-term assets	20,358,538	20,949,378	(590,840)
	<hr/>	<hr/>	<hr/>
Total assets	53,275,171	54,087,958	(812,787)
	<hr/>	<hr/>	<hr/>
Current liabilities	4,037,505	3,927,544	109,961
Long-term liabilities	25,991,978	27,980,272	(1,988,294)
	<hr/>	<hr/>	<hr/>
Total liabilities	30,029,483	31,907,816	(1,878,333)
Net position:			
Net investment in capital assets	21,319,072	21,083,140	235,932
Restricted	377,455	152,849	224,606
Unrestricted	1,549,161	944,153	605,008
	<hr/>	<hr/>	<hr/>
Total Net Position	<u><u>\$ 23,245,688</u></u>	<u><u>\$ 22,180,142</u></u>	<u><u>\$ 1,065,546</u></u>

**Statement of Activities.** During the current fiscal year, the District's net position increased by \$1.1 million, as compared to an increase of \$1.9 million in the prior year. The key elements of the larger increase in the District's net position for the year ended June 30, 2014 are as follows:

- General support from the State School Fund increased \$316 thousand (1.8 percent), and property tax revenue increased \$369 thousand (4.1 percent).
- Facilities services expenses and capital grants and contributions revenue both decreased by over \$200 thousand (100 percent) due to the completion of a one-time grant from the Public Health Foundation to pay for the remodel of Sacajawea Health Center remodel.
- The District recognized a gain on the sale of capital assets of \$192 thousand in the prior year. In the current year, the District recognized a loss on the sale of capital assets of \$142 thousand. The difference was a reduction of \$334 thousand from the prior year.

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

	<u>2014</u>	<u>2013</u>	<u>Change</u>
Revenues			
Program revenues			
Fees, fines and charges for services	\$ 2,729,867	\$ 2,499,487	\$ 230,380
Operating grants and contributions	2,490,133	2,461,848	28,285
Capital grants and contributions	-	218,027	(218,027)
General revenues			
Property taxes	9,377,812	9,008,636	369,176
Construction excise tax	149,207	74,466	74,741
State school fund	17,596,078	17,279,903	316,175
Common school fund	279,075	296,090	(17,015)
Unrestricted state and local funds	361,234	189,534	171,700
Earnings on investments	48,611	42,479	6,132
Miscellaneous	142,501	315,839	(173,338)
Loss on sale of capital assets	(142,224)	191,589	(333,813)
<i>Total revenues</i>	<u>33,032,294</u>	<u>32,577,898</u>	<u>454,396</u>
Expenses			
Instructional programs	17,909,751	17,223,368	686,383
Support services	10,539,112	9,796,885	742,227
Community services	180,537	184,436	(3,899)
Food services	904,044	815,715	88,329
Facilities services	-	266,368	(266,368)
Interest on long-term liabilities	2,433,304	2,350,069	83,235
<i>Total expenses</i>	<u>31,966,748</u>	<u>30,636,841</u>	<u>1,329,907</u>
Change in net position	1,065,546	1,941,057	(875,511)
Net position, beginning of year	<u>22,180,142</u>	<u>20,239,085</u>	<u>1,941,057</u>
Net position, end of year	<u><u>23,245,688</u></u>	<u><u>22,180,142</u></u>	<u><u>1,065,546</u></u>

**Financial Analysis of the District's Funds**

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

**Governmental funds.** The focus of the District's governmental funds is to provide information on relatively short-term cash flow and funding for future basic services. Such information is useful in assessing the District's financing requirements. In particular, *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, 2014, the District's governmental funds reported combined ending fund balances of \$5.8 million, an increase of \$0.8 million in comparison with the prior year.

*General Fund.* The General Fund is the primary operating fund of the District. As of June 30, 2014, fund balance was \$4.3 million. The fund balance increased by \$270 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

17 percent of total General Fund expenditures. Expenditures for instruction increased \$748 thousand (5.3 percent) and, expenditures for support services increased \$697 thousand (7.4 percent); both due primarily to increases in wages and benefits expenses of 5.9 percent. Additionally, the Early Retirement Fund was closed into the General Fund during the year and the early retirement expenditures accounted for a portion of the increase in support services.

The budget for the General Fund was adopted by the Board on June 12, 2013. There was one change to the General Fund budget during the fiscal year. The Early Retirement Fund was closed during the year and the budgeted resources and expenditures were reassigned to the General Fund.

*Special Revenue Fund.* The Special Revenue Fund has a total fund balance of \$549 thousand, an increase of \$9 thousand from the prior year. Of this balance, all funds are committed by the Board except for food service inventories, which are non-spendable. 70.9% of the total fund balance is committed to student body activity.

*Debt Service Fund.* The Debt Service Fund has a total fund balance of \$349 thousand, of which \$316 thousand is restricted and \$33 thousand is committed to the payment of debt service. This fund contains the activity of two debt service funds previously presented individually, the Debt Service Fund, which accounted for general obligation bond debt service, and the PERS Bond Debt Service Fund. The net increase in fund balance during the current year was \$263 thousand (304 percent). The increase was due to a 19 percent increase in property tax revenue to service the General Obligation Bond, Series 1999. 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 \$247 thousand from \$386 thousand at the end of the prior year to \$633 thousand for the year ending June 30, 2014 primarily due to transfers in from the General Fund. This entire balance is committed to facility improvements.

#### **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, 2014, the District had invested \$25.8 million in capital assets, net of depreciation, as shown in the following table:

**Capital Assets  
(net of depreciation)  
June 30,**

	<u><i>2014</i></u>	<u><i>2013</i></u>	<u><i>Change</i></u>
Land	\$ 2,365,823	\$ 2,365,823	\$ -
Building and improvements	22,953,764	23,665,710	(711,946)
Vehicles and equipment	519,580	765,226	(245,646)
Total	<u>\$ 25,839,167</u>	<u>\$ 26,796,759</u>	<u>\$ (957,592)</u>

During fiscal year 2013-14, the District's investment in capital assets decreased by \$958 thousand. The major capital asset events for the year ended June 30, 2014 include depreciation expense of \$914 thousand.

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 \$24.9 million, consisting of general obligation bonded debt of \$3.7 million, pension bonds of \$20.4 million, tax exempt financing of \$0.8 million, and capital leases of \$0.1 million.

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 real market valuation. The current debt limitation for the District is \$143 million, which is significantly in excess of the District's outstanding general obligation debt of \$3.7 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, 2014, 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 is expected to increase District revenue per student by \$323 between 2013-14 and 2014-15. 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 are expected to increase depending on the outcome of negotiations. PERS rates remain stable for the second year of the 2013-15 biennium, at 6.28% of salary covered under the plan for Tier 1 and Tier 2 employees and 4.28% of salary for employees covered under the Oregon Public Services Retirement Plan (OPSRP). PERS rates for the 2015-17 biennium have been set and the District will see a significant decrease in PERS rates beginning July 1, 2015: rates for Tier 1 and Tier 2 covered employees will decrease to 0.53% of covered salary while rates for OPSRP covered employees will decrease to 0.45% of covered salary. 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 16<sup>th</sup> Street, St. Helens, Oregon 97051.

**ST. HELENS SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2014**

---

**ASSETS**

Cash and investments	\$ 5,450,207
Property taxes receivable	974,034
Due from other governments	650,120
Inventories	3,105
Pension asset	20,358,538
Capital assets not being depreciated	
Land	2,365,823
Capital assets, net of accumulated depreciation	
Buildings	22,953,764
Equipment and vehicles	519,580
	<hr/>
<i>Total Assets</i>	53,275,171

**LIABILITIES**

Accounts payable and accrued expenses	585,401
Accrued compensated absences payable	83,157
Accrued interest	3,368,947
Long-term liabilities	
Portion due within one year	1,775,212
Portion due in more than one year	23,103,421
Other post employment benefit obligation due within one year	246,205
Other post employment benefit obligation due in more than one year	867,140
	<hr/>
<i>Total Liabilities</i>	30,029,483

**NET POSITION**

Net investment in capital assets	21,319,072
Restricted for debt service	377,455
Unrestricted	1,549,161
	<hr/>
<i>Total Net Position</i>	<u><u>\$ 23,245,688</u></u>

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

**ST. HELENS SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2014**

		<b>Program Revenues</b>		<b>Net (Expense)</b>
		<b>Fees, Fines and Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Revenue and Change in Net Position</b>
<b>FUNCTIONS/PROGRAMS</b>	<b>Expenses</b>			
<b>Governmental Activities:</b>				
Instructional programs	\$ 17,909,751	\$ 2,554,098	\$ 1,803,405	\$ (13,552,248)
Support services				
Student transportation	1,518,338	-	-	(1,518,338)
Other support services	9,020,774	12,790	-	(9,007,984)
Community services	180,537	-	-	(180,537)
Food services	904,044	162,979	686,728	(54,337)
Interest on long-term liabilities	2,433,304	-	-	(2,433,304)
<b>Total Governmental Activities</b>	<b>\$ 31,966,748</b>	<b>\$ 2,729,867</b>	<b>\$ 2,490,133</b>	<b>(26,746,748)</b>
<b>General Revenues:</b>				
Property taxes, levied for general purposes				7,114,619
Property taxes, levied for debt service				2,263,193
Construction excise tax				149,207
State school fund				17,596,078
Common school fund				279,075
Unrestricted state and local funds				361,234
Earnings on investments				48,611
Miscellaneous				142,501
Loss on sale of capital assets				(142,224)
<b>Total General Revenues</b>				<b>27,812,294</b>
<b>Change in Net Position</b>				<b>1,065,546</b>
<b>Net Position - beginning</b>				<b>22,180,142</b>
<b>Net Position - ending</b>				<b>\$ 23,245,688</b>

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

**ST. HELENS SCHOOL DISTRICT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2014**

---

	<i>General</i>	<i>Special Revenue</i>	<i>Debt Service</i>	<i>Capital Projects</i>	<i>Total</i>
<b>ASSETS</b>					
Cash and investments	\$ 4,436,863	\$ 122,919	\$ 282,353	\$ 608,072	\$ 5,450,207
Property taxes receivable	749,404	-	224,630	-	974,034
Receivable from other governments	156,057	468,808	-	25,255	650,120
Inventories	-	3,105	-	-	3,105
<i>Total Assets</i>	<u>\$ 5,342,324</u>	<u>\$ 594,832</u>	<u>\$ 506,983</u>	<u>\$ 633,327</u>	<u>\$ 7,077,466</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>					
<b>Liabilities</b>					
Accounts payable	\$ 93,436	\$ 5,567	\$ -	\$ -	\$ 99,003
Accrued expenses	446,485	39,913	-	-	486,398
<i>Total Liabilities</i>	539,921	45,480	-	-	585,401
<b>Deferred Inflows of Resources</b>					
Unavailable revenue - property taxes	532,385	-	157,888	-	690,273
<b>Fund Balance</b>					
Non-spendable					
Inventory	-	3,105	-	-	3,105
Restricted for:					
Debt service	-	-	316,202	-	316,202
Committed to:					
Student body	-	389,370	-	-	389,370
Facility improvements	-	-	-	633,327	633,327
Grants and projects	-	124,890	-	-	124,890
Food services	-	31,987	-	-	31,987
Debt service	-	-	32,893	-	32,893
Unassigned	4,270,018	-	-	-	4,270,018
<i>Total Fund Balances</i>	<u>4,270,018</u>	<u>549,352</u>	<u>349,095</u>	<u>633,327</u>	<u>5,801,792</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 5,342,324</u>	<u>\$ 594,832</u>	<u>\$ 506,983</u>	<u>\$ 633,327</u>	<u>\$ 7,077,466</u>

*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, 2014**

---

**FUND BALANCES** \$ 5,801,792

Capital assets are not financial resources and therefore are not reported in the governmental funds:

Cost	\$ 47,981,190	
Accumulated depreciation	<u>(22,142,023)</u>	25,839,167

Pension asset is recorded on the statement of net position at its net amortized value. 20,358,538

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. 690,273

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	(3,368,947)	
Compensated absences payable	(83,157)	
Other postemployment benefit obligation	(1,113,345)	
Long-term debt	<u>(24,878,633)</u>	<u>(29,444,082)</u>

**TOTAL NET POSITION** \$ 23,245,688

**ST. HELENS SCHOOL DISTRICT****STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2014**

	<i>General</i>	<i>Special Revenue</i>	<i>Debt Service</i>	<i>Capital Projects</i>	<i>Total</i>
<b>REVENUES</b>					
Local sources	\$ 7,489,225	\$ 1,012,138	\$ 4,244,336	\$ 187,577	\$ 12,933,276
Intermediate sources	179,702	43,210	-	-	222,912
State sources	17,968,307	61,047	-	-	18,029,354
Federal sources	1,500	2,183,518	-	-	2,185,018
<i>Total Revenues</i>	25,638,734	3,299,913	4,244,336	187,577	33,370,560
<b>EXPENDITURES</b>					
Current					
Instruction	14,734,740	1,968,635	-	-	16,703,375
Support services	10,002,527	409,801	-	40,470	10,452,798
Enterprise and community services	-	1,084,156	-	-	1,084,156
Debt service					
Principal	219,000	-	1,565,365	-	1,784,365
Interest	42,185	-	2,416,309	-	2,458,494
Capital outlay	90,349	8,241	-	-	98,590
<i>Total Expenditures</i>	25,088,801	3,470,833	3,981,674	40,470	32,581,778
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	549,933	(170,920)	262,662	147,107	788,782
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	180,000	-	100,000	280,000
Transfers out	(280,000)	-	-	-	(280,000)
<i>Total Other Financing Sources (Uses)</i>	(280,000)	180,000	-	100,000	-
<b>NET CHANGE IN FUND BALANCES</b>	269,933	9,080	262,662	247,107	788,782
<b>FUND BALANCES, beginning*</b>	4,000,085	540,272	86,433	386,220	5,013,010
<b>FUND BALANCES, ending</b>	\$ 4,270,018	\$ 549,352	\$ 349,095	\$ 633,327	\$ 5,801,792

\*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, 2014**

---

**NET CHANGE IN FUND BALANCES - (Governmental Funds)** \$ 788,782

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	\$ 98,590	
Less current year depreciation	<u>(913,958)</u>	(815,368)

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		(142,224)
----------------	--	-----------

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		1,784,364
-----------------------	--	-----------

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.

	25,191
--	--------

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.

	(196,042)
--	-----------

Amortization of pension assets.

	(590,840)
--	-----------

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.

	203,930
--	---------

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.

	<u>7,753</u>
--	--------------

**CHANGE IN NET POSITION** \$ 1,065,546

**ST. HELENS SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2014**

---

***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.

**ST. HELENS SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2014**

---

**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, and student services. 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 Early Retirement Fund was included in the Special Revenue Fund. In the current year, this subfund was closed and transferred to the General Fund. As a result, the beginning fund balance of the Early Retirement Fund has been reclassified to the General Fund.

***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.

**ST. HELENS SCHOOL DISTRICT****NOTES TO BASIC FINANCIAL STATEMENTS (Continued)****YEAR ENDED JUNE 30, 2014**

---

**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, 2014, 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.

**ST. HELENS SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2014**

---

**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. Bond issuance costs are expensed when incurred.

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.

**ST. HELENS SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2014**

---

**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 (resolution).
- **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.

**ST. HELENS SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2014**

---

**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 was one resolution adopted during the year that transferred 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, 2014:

	<b><i>Carrying Value</i></b>	<b><i>Fair Value</i></b>
<b><i>Cash</i></b>		
Deposits with financial institutions	\$ 1,199,074	\$ 1,199,074
Cash on hand	3,195	3,195
<b><i>Investments</i></b>		
Local Government Investment Pool	4,247,938	4,247,938
	<b><u>\$ 5,450,207</u></b>	<b><u>\$ 5,450,207</u></b>

***Deposits***

The book balance of the District's bank deposit accounts was \$1,199,074 and the bank balance was \$1,975,950 at year end. Bank deposits are secured to legal limits by federal deposit insurance. The remaining amount is secured in accordance with ORS 295 under a collateral program administered by the Oregon State Treasurer.

***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 accounts and the aggregate of all time and savings deposits accounts at each institution. Deposits in excess of FDIC coverage are with institutions participating in the Oregon Public Funds Collateralization Program (PFCP).

## **ST. HELENS SCHOOL DISTRICT**

### **NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 2014**

---

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

##### ***Custodial Credit Risk – Deposits (Continued)***

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 \$1,548,823 as of June 30, 2014.

##### ***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 State Treasurer of the State of Oregon maintains the Oregon Short-Term Fund, of which the Local Government Investment Pool is part. Participation by local governments is voluntary. The State of Oregon investment policies are governed by statute and the Oregon Investment Council. In accordance with Oregon Statutes, the investment funds are invested as a prudent investor would do, exercising reasonable care, skill and caution. The Oregon Short-Term Fund is the LGIP for local governments and was established by the State Treasurer. It was created to meet the financial and administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short-Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). At June 30, 2014, the fair value of the position in the Oregon State Treasurer's Short-Term Investment Pool was approximately equal to the value of the pool shares. The investment in the Oregon Short-Term Fund is not subject to risk evaluation. LGIP is not rated for credit quality. Separate financial statements for the Oregon Short-Term Fund are available from the Oregon State Treasurer.

##### ***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.

**ST. HELENS SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2014**

---

**CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2014 is as follows:

	<i><b>Balance July 1, 2013</b></i>	<i><b>Increases</b></i>	<i><b>Decreases</b></i>	<i><b>Balance June 30, 2014</b></i>
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 2,365,823	\$ -	\$ -	\$ 2,365,823
Capital assets, being depreciated:				
Land improvements	1,344,655	-	(20,661)	1,323,994
Buildings and improvements	37,157,098	98,590	(56,021)	37,199,667
Equipment	7,238,832	-	(310,279)	6,928,553
Vehicles	163,153	-	-	163,153
<i>Total Capital Assets Being Depreciated</i>	<u>45,903,738</u>	<u>98,590</u>	<u>(386,961)</u>	<u>45,615,367</u>
Accumulated depreciation for:				
Land improvements	1,097,903	22,630	(20,661)	1,099,872
Buildings and improvements	13,738,140	749,247	(17,362)	14,470,025
Equipment	6,478,836	139,931	(206,714)	6,412,053
Vehicles	157,923	2,150	-	160,073
<i>Total Accumulated Depreciation</i>	<u>21,472,802</u>	<u>913,958</u>	<u>(244,737)</u>	<u>22,142,023</u>
<i>Total Capital Assets Being Depreciated, net</i>	<u>24,430,936</u>	<u>(815,368)</u>	<u>(142,224)</u>	<u>23,473,344</u>
<i>Total Capital Assets, net</i>	<u>\$ 26,796,759</u>	<u>\$ (815,368)</u>	<u>\$ (142,224)</u>	<u>\$ 25,839,167</u>

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

<b>Program</b>	
Instructional programs	\$ 792,788
Support services	
Other support services	120,745
Food services	<u>425</u>
<i>Total</i>	<u>\$ 913,958</u>

**ST. HELENS SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2014**

**LONG-TERM DEBT**

The following is a summary of long-term debt transactions during the year ended June 30, 2014:

	<i>Original Issue</i>	<i>Outstanding July 1, 2013</i>	<i>Issued</i>	<i>Matured/ Redeemed During Year</i>	<i>Outstanding June 30, 2014</i>	<i>Due Within One Year</i>
Pension bonds - Series 2002	\$ 10,722,217	\$ 8,778,320	\$ -	\$ 202,312	\$ 8,576,008	\$ 208,467
Pension bonds - Series 2003	14,312,440	11,421,058	-	388,528	11,032,530	390,359
Pension bonds - Series 2011	750,000	750,000	-	-	750,000	-
General obligation bonds - Series 1999	18,881,406	4,627,619	-	974,524	3,653,095	950,386
Capital lease obligation	530,000	140,000	-	45,000	95,000	45,000
Tax exempt financing agreement - Series 2007	1,700,000	946,000	-	174,000	772,000	181,000
		<u>\$ 26,662,997</u>	<u>\$ -</u>	<u>\$ 1,784,364</u>	<u>\$ 24,878,633</u>	<u>\$ 1,775,212</u>

Pension bonds - issued October 2002, due in annual installments of \$471,139 to \$1,535,718, including interest at 2.06% to 6.10% through 2028

\$ 8,576,008

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

11,032,530

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

3,653,095

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

95,000

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

772,000

\$ 24,878,633

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.

**ST. HELENS SCHOOL DISTRICT****NOTES TO BASIC FINANCIAL STATEMENTS (Continued)****YEAR ENDED JUNE 30, 2014**

---

**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:

<i><b>Fiscal Year Ending June 30,</b></i>	<i><b>Principal</b></i>	<i><b>Interest</b></i>	<i><b>Total</b></i>
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
2020-2024	6,648,318	7,783,452	14,431,770
2025-2028	10,680,000	1,416,412	12,096,412
	<u>\$ 24,878,633</u>	<u>\$ 22,676,503</u>	<u>\$ 47,555,136</u>

**ST. HELENS SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2014**

---

**INTER-FUND ACTIVITY**

The District completed the following inter-fund transactions during the year ended June 30, 2014:

<b><i>Fund</i></b>	<b><i>Transfers In</i></b>	<b><i>Transfers Out</i></b>
General	\$ -	\$ 280,000
Special revenue	180,000	-
Capital projects	100,000	-
	<u>\$ 280,000</u>	<u>\$ 280,000</u>

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 full-time certificated, confidential, classified and administrative personnel of the District hired prior to the date on which the program closed to new enrollees. 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, 2014, expenditures related to early retirement benefits totaled \$246,205 paid to 49 participants.

**ST. HELENS SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2014**

---

**OTHER POST EMPLOYMENT BENEFITS (Continued)**

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

Plan activity for the year is as follows:

<u>Outstanding</u> <u>July 1, 2013</u>	<u>Increases</u>	<u>Payments</u>	<u>Outstanding</u> <u>June 30, 2014</u>
\$ 1,317,275	\$ 42,275	\$ 246,205	\$ 1,113,345

Amounts due in the current year are \$214,473.

These benefits will be paid from the 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/](http://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 0.49% 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, 2014, 2013 and 2012 totaled \$75,856, \$73,501, and \$78,989, 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.



## **ST. HELENS SCHOOL DISTRICT**

### **NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 2014**

---

#### ***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, 2014 were 6.28% and 4.28% 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 22.29% for Tier 1 and 2 and 20.29% 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 \$812,097, \$773,914, and \$835,015 for the years ended June 30, 2014, 2013 and 2012, respectively. Total payroll was \$14,547,831 and covered payroll was \$13,539,070 for the year ended June 30, 2014. The District's contributions to PERS, for the years ended June 30, 2014, 2013, and 2012 were \$693,556, \$534,190, and \$576,872 respectively, which equaled the required contributions for each year.

#### ***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.

**ST. HELENS SCHOOL DISTRICT****NOTES TO BASIC FINANCIAL STATEMENTS (Continued)****YEAR ENDED JUNE 30, 2014**

---

**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. 70 "Accounting and Financial Reporting for Nonexchange Financial Guarantees." The statement provides guidance on accounting for and reporting nonexchange financial guarantees. The statement was 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 following 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.

GASB Statement No. 69 "Government Combinations and Disposals of Operations." The statement provides guidance on accounting for and reporting government mergers, acquisitions, transfers of operations and disposal. The statement is effective for fiscal years beginning after December 15, 2013.

GASB Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date". The statement amends transition provisions of GASB Statement No. 68, establishes accounting and financial reporting standards for recognition of contributions made between the measurement date of the net pension liability and implementation of GASB Statement No. 68. The statement is effective for fiscal years beginning after June 15, 2014.

***ST. HELENS SCHOOL DISTRICT***

***NOTES TO BASIC FINANCIAL STATEMENTS (Continued)***

***YEAR ENDED JUNE 30, 2014***

---

***SUBSEQUENT EVENTS***

Management has evaluated subsequent events through December 31, 2014, 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***

**ST. HELENS SCHOOL DISTRICT****SCHEDULES OF FUNDING PROGRESS FOR OTHER POSTEMPLOYMENT BENEFITS****JUNE 30, 2014**

---

**OPEB - Medical Premiums**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
June 30, 2012	\$ -	\$1,322,822	\$1,322,822	- %	\$2,502,882	52.85%

**Pension - Stipends**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
June 30, 2012	\$ -	\$ 238,922	\$ 238,922	- %	\$2,502,882	9.55%

**ST. HELENS SCHOOL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**YEAR ENDED JUNE 30, 2014**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>	<b>Budget to</b>	<b>Actual</b>
	<b>Original</b>	<b>Final</b>	<b>Budget</b>	<b>with</b>	<b>GAAP</b>	<b>Actual</b>
			<b>Basis</b>	<b>Final Budget</b>	<b>Differences</b>	<b>GAAP Basis</b>
<b>REVENUES</b>						
Local sources	\$ 7,185,000	\$ 7,185,000	\$ 7,489,225	\$ 304,225	\$ -	\$ 7,489,225
Intermediate sources	105,000	105,000	179,702	74,702	-	179,702
State sources	17,775,000	17,775,000	17,968,307	193,307	-	17,968,307
Federal sources	-	-	1,500	1,500	-	1,500
<i>Total Revenues</i>	25,065,000	25,065,000	25,638,734	573,734	-	25,638,734
<b>EXPENDITURES</b>						
Current						
Instruction	15,542,303	15,542,303	14,734,740	807,563	-	14,734,740
Support services	10,375,897	10,685,897	10,092,876	593,021	(90,349)	10,002,527
Debt service						
Principal	225,000	225,000	219,000	6,000	-	219,000
Interest	55,000	55,000	42,185	12,815	-	42,185
Capital outlay	-	-	-	-	90,349	90,349
Operating contingency	500,000	500,000	-	500,000	-	-
<i>Total Expenditures</i>	26,698,200	27,008,200	25,088,801	1,919,399	-	25,088,801
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(1,633,200)	(1,943,200)	549,933	2,493,133	-	549,933
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers out	(586,800)	(296,800)	(280,000)	16,800	-	(280,000)
<b>NET CHANGE IN FUND BALANCE</b>	(2,220,000)	(2,240,000)	269,933	2,509,933	-	269,933
<b>FUND BALANCE, beginning</b>	3,513,000	3,533,000	4,000,085	467,085	-	4,000,085
<b>FUND BALANCE, ending</b>	\$ 1,293,000	\$ 1,293,000	\$ 4,270,018	\$ 2,977,018	\$ -	\$ 4,270,018

See notes to required supplementary information.

**ST. HELENS SCHOOL DISTRICT****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL – SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2014**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>	<b>Budget to</b>	<b>Actual</b>
	<b>Original</b>	<b>Final</b>	<b>Budget</b>	<b>with</b>	<b>GAAP</b>	<b>GAAP</b>
			<b>Basis</b>	<b>Final Budget</b>	<b>Differences</b>	<b>Basis</b>
<b>REVENUES</b>						
Local sources	\$ 1,132,780	\$ 1,132,780	\$ 1,012,138	\$ (120,642)	\$ -	\$ 1,012,138
Intermediate sources	5,700	5,700	43,210	37,510	-	43,210
State sources	139,000	139,000	61,047	(77,953)	-	61,047
Federal sources	3,096,335	3,096,335	2,183,518	(912,817)	-	2,183,518
<i>Total Revenues</i>	4,373,815	4,373,815	3,299,913	(1,073,902)	-	3,299,913
<b>EXPENDITURES</b>						
Current						
Instruction	3,031,249	3,031,249	1,968,635	1,062,614	-	1,968,635
Support services	720,409	410,409	409,801	608	-	409,801
Enterprise and community services	1,299,142	1,299,142	1,092,397	206,745	(8,241)	1,084,156
Facilities acquisition and construction	200,000	200,000	-	200,000	-	-
Debt service						
Principal	50,000	50,000	-	50,000	-	-
Capital outlay	-	-	-	-	8,241	8,241
<i>Total Expenditures</i>	5,300,800	4,990,800	3,470,833	1,519,967	-	3,470,833
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(926,985)	(616,985)	(170,920)	446,065	-	(170,920)
<b>OTHER FINANCING SOURCES</b>						
Transfers in	486,800	196,800	180,000	(16,800)	-	180,000
<b>NET CHANGE IN FUND BALANCE</b>	(440,185)	(420,185)	9,080	429,265	-	9,080
<b>FUND BALANCE, beginning</b>	440,185	420,185	540,272	120,087	-	540,272
<b>FUND BALANCE, ending</b>	\$ -	\$ -	\$ 549,352	\$ 549,352	\$ -	\$ 549,352

See notes to required supplementary information.

**ST. HELENS SCHOOL DISTRICT**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**YEAR ENDED JUNE 30, 2014**

---

**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:

	<u>Budgetary Basis</u>	<u>GAAP Basis</u>
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, 2014**

---

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with Final Budget</i>
	<i>Original</i>	<i>Final</i>	<i>Budget and GAAP Basis</i>	
<b>REVENUES</b>				
Local sources	\$ 3,977,173	\$ 3,977,173	\$ 4,244,336	\$ 267,163
<b>EXPENDITURES</b>				
Debt service				
Principal	1,590,840	1,590,840	1,565,365	25,475
Interest	2,416,333	2,416,333	2,416,309	24
<i>Total Expenditures</i>	<u>4,007,173</u>	<u>4,007,173</u>	<u>3,981,674</u>	<u>25,499</u>
<b>NET CHANGE IN FUND BALANCE</b>	(30,000)	(30,000)	262,662	292,662
<b>FUND BALANCE, beginning</b>	<u>30,000</u>	<u>30,000</u>	<u>86,433</u>	<u>56,433</u>
<b>FUND BALANCE, ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 349,095</u>	<u>\$ 349,095</u>

**ST. HELENS SCHOOL DISTRICT****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - CAPITAL PROJECTS FUND  
YEAR ENDED JUNE 30, 2014**

---

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Budget and</b>	<b>Final Budget</b>
			<b>GAAP Basis</b>	
<b>REVENUES</b>				
Local sources	\$ 280,000	\$ 280,000	\$ 187,577	\$ (92,423)
<b>EXPENDITURES</b>				
Current				
Support services	220,000	220,000	40,470	179,530
Facilities acquisition and construction	240,000	240,000	-	240,000
<i>Total Expenditures</i>	460,000	460,000	40,470	419,530
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(180,000)	(180,000)	147,107	327,107
<b>OTHER FINANCING SOURCES</b>				
Transfers in	100,000	100,000	100,000	-
<b>NET CHANGE IN FUND BALANCE</b>	(80,000)	(80,000)	247,107	327,107
<b>FUND BALANCE, beginning</b>	80,000	80,000	386,220	306,220
<b>FUND BALANCE, ending</b>	\$ -	\$ -	\$ 633,327	\$ 633,327

**ST. HELENS SCHOOL DISTRICT****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -****BUDGET AND ACTUAL - GENERAL FUND****YEAR ENDED JUNE 30, 2014**

<b>Code</b>	<b>Function</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
<b>LOCAL REVENUES</b>				
1111	Current year's taxes	\$ 6,937,272	\$ 6,700,000	\$ 237,272
1112	Prior year's taxes	335,341	340,000	(4,659)
1120	Payments in lieu of taxes	1,252	-	1,252
1190	Penalties and interest on taxes	893	-	893
1311	Regular day school tuition from individuals	1,222	-	1,222
1312	Regular day school tuition from within the state	86,330	15,000	71,330
1500	Earnings on investments	34,795	20,000	14,795
1700	Extracurricular activities	2,756	-	2,756
1920	Contributions and donations from private sources	1,364	-	1,364
1960	Recovery of prior years' expenditure	16,496	10,000	6,496
1990	Miscellaneous	71,504	100,000	(28,496)
1000	<i>Total Local Revenues</i>	7,489,225	7,185,000	304,225
<b>INTERMEDIATE REVENUES</b>				
2101	County school funds	73,053	5,000	68,053
2102	Education service district apportionment	50,000	50,000	-
2105	Natural gas, oil, and mineral receipts	56,649	50,000	6,649
2000	<i>Total Intermediate Revenues</i>	179,702	105,000	74,702
<b>STATE REVENUES</b>				
3101	State school fund - general support	17,586,030	17,520,000	66,030
3103	Common school fund	279,075	255,000	24,075
3104	State managed county timber	103,202	-	103,202
3000	<i>Total State Revenues</i>	17,968,307	17,775,000	193,307
<b>FEDERAL REVENUES</b>				
4500	Restricted revenue from the federal government through the state	1,500	-	1,500
5400	<b>FUND BALANCE, Beginning of year</b>	4,000,085	3,533,000	467,085
6000	<i>Total Resources</i>	<u>\$ 29,638,819</u>	<u>\$ 28,598,000</u>	<u>\$ 1,040,819</u>

**ST. HELENS SCHOOL DISTRICT****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - GENERAL FUND (Continued)****YEAR ENDED JUNE 30, 2014**

<i>Code</i>	<i>Function</i>	<i>100 Salaries</i>	<i>200 Employee Benefits</i>	<i>300 Purchased Services</i>
	<b>INSTRUCTION</b>			
1100	Regular programs			
1111	Primary, K-3	\$ 3,353,446	\$ 1,725,730	\$ 2,932
1121	Middle/junior high programs	1,092,692	530,715	2,756
1122	Middle/junior high school extracurricular	2,485	1,532	-
1131	High school programs	2,484,229	1,260,819	12,090
1132	High school extracurricular	290,937	107,384	31,559
1200	Special programs			
1210	Programs for the talented and gifted	1,638	504	492
1220	Restrictive programs for students with disabilities	836,839	514,405	282
1250	Less restrictive programs for students with disabilities	506,874	317,416	1,768
1260	Early intervention	1,529	145	69,228
1280	Alternative education	-	-	1,115,488
1290	English second language programs	78,587	43,016	482
1400	Summer school programs	-	-	5,000
1000	<i>Total Instruction</i>	8,649,256	4,501,666	1,242,077
	<b>SUPPORT SERVICES</b>			
2100	Students			
2110	Attendance and social work services	69,867	33,902	1,033
2120	Guidance services	460,145	240,944	286
2130	Health services	132,324	63,823	17,831
2140	Psychological services	69,867	41,520	4,909
2150	Speech pathology and audiology services	222,206	129,298	755
2190	Service direction, student support services	230,308	115,732	4,346
2200	Instructional staff			
2210	Improvement of instruction services	100,945	48,280	1,362
2220	Educational media services	227,757	143,742	-
2230	Assessment and testing	21,780	9,167	852
2240	Instructional staff development	505	39,350	9,047
2300	General administration			
2310	Board of education services	29,292	18,987	55,722
2320	Executive administration services	231,445	118,756	22,677
2400	School administration			
2410	Office of the principal services	1,152,300	610,588	18,259
2500	Business			
2520	Fiscal services	187,598	89,496	7,565
2540	Operation and maintenance of plant services	784,099	503,583	837,955
2550	Student transportation services	26,322	11,237	1,198,692
2570	Internal services	-	-	89,014
2600	Central activities			
2660	Technology services	168,397	82,688	125,453
2700	Supplemental retirement program	-	246,205	-
2000	<i>Total Support Services</i>	4,115,157	2,547,298	2,395,758
	<b>OTHER USES</b>			
5100	Debt service	-	-	-
5200	Transfers of funds	-	-	-
5000	<i>Total Other Uses</i>	-	-	-
6000	<b>OPERATING CONTINGENCY</b>	-	-	-
7000	<b>FUND BALANCE, End of year</b>	-	-	-
8000	<i>Total Expenditures and Ending Balance</i>	\$ 12,764,413	\$ 7,048,964	\$ 3,637,835

<i>400 Supplies &amp; Materials</i>	<i>500 Capital Outlay</i>	<i>600 Other Objects</i>	<i>700 Transfers</i>	<i>Actual Fund Total</i>	<i>Appropriations</i>	<i>Variance</i>
\$ 123,758	\$ -	\$ -	\$ -	\$ 5,205,866		
40,075	-	-	-	1,666,238		
-	-	-	-	4,017		
74,882	18,251	1,810	-	3,852,081		
6,330	-	5,915	-	442,125		
2,490	-	158	-	5,282		
8,721	-	-	-	1,360,247		
16,051	-	40,482	-	882,591		
-	-	-	-	70,902		
-	-	-	-	1,115,488		
2,818	-	-	-	124,903		
-	-	-	-	5,000		
275,125	18,251	48,365	-	14,734,740	\$ 15,542,303	\$ 807,563
1,107	-	-	-	105,909		
1,592	-	-	-	702,967		
3,260	-	269	-	217,507		
-	-	-	-	116,296		
3,436	-	1,226	-	356,921		
3,777	-	1,190	-	355,353		
23,899	-	679	-	175,165		
24,563	-	-	-	396,062		
10,841	-	-	-	42,640		
299	-	-	-	49,201		
9,087	-	195,632	-	308,720		
19,089	219	1,250	-	393,436		
44,232	-	6,206	-	1,831,585		
3,391	-	14,423	-	302,473		
258,520	107,093	759	-	2,492,009		
161,342	-	-	-	1,397,593		
3,955	-	-	-	92,969		
125,923	5,473	1,931	-	509,865		
-	-	-	-	246,205		
698,313	112,785	223,565	-	10,092,876	10,685,897	593,021
-	-	261,185	-	261,185		
-	-	-	280,000	280,000		
-	-	261,185	280,000	541,185	576,800	35,615
-	-	-	-	-	500,000	500,000
-	-	-	4,270,018	4,270,018	1,293,000	(2,977,018)
\$ 973,438	\$ 131,036	\$ 533,115	\$ 4,550,018	\$ 29,638,819	\$ 28,598,000	\$ (1,040,819)

**ST. HELENS SCHOOL DISTRICT****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -****BUDGET AND ACTUAL – SPECIAL REVENUE FUND****YEAR ENDED JUNE 30, 2014**

<b>Code</b>	<b>Function</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
<b>LOCAL REVENUES</b>				
1500	Earnings on investments	\$ 190	\$ 2,000	\$ (1,810)
1600	Food service	162,979	236,500	(73,521)
1700	Extracurricular activities	532,176	443,780	88,396
1800	Community services activities	184,979	150,000	34,979
1920	Contributions and donations from private sources	47,681	132,500	(84,819)
1950	Textbook sales and rentals	-	10,000	(10,000)
1960	Recovery of prior years' expenditure	44	-	44
1990	Miscellaneous	84,089	158,000	(73,911)
1000	<i>Total Local Revenues</i>	1,012,138	1,132,780	(120,642)
<b>INTERMEDIATE REVENUES</b>				
2199	Other intermediate sources	29,928	5,700	24,228
2200	Restricted revenue	13,282	-	13,282
2000	<i>Total Intermediate Revenues</i>	43,210	5,700	37,510
<b>STATE REVENUES</b>				
3102	State school fund - school lunch match	10,048	12,000	(1,952)
3299	Other restricted grants-in-aid	50,999	127,000	(76,001)
3000	<i>Total State Revenues</i>	61,047	139,000	(77,953)
<b>FEDERAL REVENUES</b>				
4300	Restricted revenue direct from the federal government	41,027	225,000	(183,973)
4500	Restricted revenue from the federal government through the state	2,058,032	2,823,335	(765,303)
4900	Revenue for/on behalf of the district	84,459	48,000	36,459
4000	<i>Total Federal Revenues</i>	2,183,518	3,096,335	(912,817)
<b>OTHER SOURCES</b>				
5200	Interfund transfers	180,000	196,800	(16,800)
5400	<b>FUND BALANCE, Beginning of year</b>	540,272	420,185	120,087
6000	<i>Total Resources</i>	<u>\$ 4,020,185</u>	<u>\$ 4,990,800</u>	<u>\$ (970,615)</u>

**ST. HELENS SCHOOL DISTRICT****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - SPECIAL REVENUE FUND (Continued)  
YEAR ENDED JUNE 30, 2014**

<i>Code</i>	<i>Function</i>	<i>100 Salaries</i>	<i>200 Employee Benefits</i>	<i>300 Purchased Services</i>
<b>INSTRUCTION</b>				
1100	Regular programs			
1111	Primary, K-3	\$ 1,552	\$ 449	\$ -
1113	Elementary extracurricular	-	-	983
1121	Middle/junior high programs	-	-	-
1122	Middle/junior high school extracurricular	34,163	9,467	983
1131	High school programs	145,336	53,718	5,084
1132	High school extracurricular	3,456	1,074	1,833
1200	Special programs			
1220	Restrictive programs for students with disabilities	12,941	3,986	-
1250	Resource rooms	425,289	253,000	1,569
1272	Title IA/D	318,965	117,388	-
1000	<i>Total Instruction</i>	941,702	439,082	10,452
<b>SUPPORT SERVICES</b>				
2100	Students			
2110	Attendance and social work services	822	243	-
2120	Guidance services	5,353	1,561	-
2150	Speech pathology and audiology services	11,511	10,744	-
2200	Instructional staff			
2210	Improvement of instruction services	74,863	36,705	15,380
2230	Assessment and testing	-	-	-
2240	Instructional staff development	116,585	52,986	7,978
2400	School administration	-	-	455
2500	Business			
2520	Fiscal services	-	-	-
2540	Operation and maintenance of plant services	1,403	261	1,092
2600	Central activities			
2620	Planning, research, development, evaluation services, grant writing and statistical services	-	-	3,900
2660	Technology services	-	-	38,307
2000	<i>Total Support Services</i>	210,537	102,500	67,112
<b>ENTERPRISE AND COMMUNITY SERVICES</b>				
3100	Food services	311,976	174,597	10,951
3300	Community services	101,691	73,276	287
3000	<i>Total Enterprise and Community Services</i>	413,667	247,873	11,238
<b>FACILITIES ACQUISITION AND CONSTRUCTION</b>				
4000	<i>Total Facilities Acquisition and Construction</i>	-	-	-
<b>OTHER USES</b>				
5100	Debt service	-	-	-
7000	<b>FUND BALANCE, End of year</b>	-	-	-
8000	<i>Total Expenditures and Ending Balance</i>	\$ 1,565,906	\$ 789,455	\$ 88,802



<i>400 Supplies &amp; Materials</i>	<i>500 Capital Outlay</i>	<i>600 Other Objects</i>	<i>700 Transfers</i>	<i>Actual Fund Total</i>	<i>Appropriations</i>	<i>Variance</i>
\$ 7,229	\$ -	\$ -	\$ -	\$ 9,230		
19,762	-	-	-	20,745		
3,745	-	-	-	3,745		
69,463	-	-	-	114,076		
7,889	5,436	3,632	-	221,095		
447,855	-	-	-	454,218		
1,266	-	-	-	18,193		
8,947	-	-	-	688,805		
2,175	-	-	-	438,528		
568,331	5,436	3,632	-	1,968,635	\$ 3,031,249	\$ 1,062,614
98	-	-	-	1,163		
-	-	-	-	6,914		
-	-	-	-	22,255		
2,881	-	-	-	129,829		
8,340	-	-	-	8,340		
400	-	-	-	177,949		
-	-	-	-	455		
-	-	4,391	-	4,391		
5,010	8	-	-	7,774		
-	-	-	-	3,900		
8,524	-	-	-	46,831		
25,253	8	4,391	-	409,801	410,409	608
403,821	8,241	2,274	-	911,860		
5,260	-	23	-	180,537		
409,081	8,241	2,297	-	1,092,397	1,299,142	206,745
-	-	-	-	-	200,000	200,000
-	-	-	-	-	50,000	50,000
-	-	-	549,352	549,352	-	(549,352)
\$ 1,002,665	\$ 13,685	\$ 10,320	\$ 549,352	\$ 4,020,185	\$ 4,990,800	\$ 970,615

**ST. HELENS SCHOOL DISTRICT****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - DEBT SERVICE FUND  
YEAR ENDED JUNE 30, 2014**

<i>Code</i>	<i>Function</i>	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
<b>LOCAL REVENUES</b>				
1111	Current year's taxes	\$ 2,200,705	\$ 1,995,000	\$ 205,705
1112	Prior year's taxes	99,284	75,000	24,284
1190	Penalties and interest on taxes	268	250	18
1500	Earnings on investments	12,465	3,250	9,215
1970	Services provided other funds	1,931,614	1,903,673	27,941
1000	<i>Total Local Revenues</i>	4,244,336	3,977,173	267,163
5400	<b>FUND BALANCE, Beginning of year</b>	86,433	30,000	56,433
6000	<i>Total Resources</i>	<u>\$ 4,330,769</u>	<u>\$ 4,007,173</u>	<u>\$ 323,596</u>

**ST. HELENS SCHOOL DISTRICT****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - DEBT SERVICE FUND (Continued)  
YEAR ENDED JUNE 30, 2014**

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

---

<i>400 Supplies &amp; Materials</i>	<i>500 Capital Outlay</i>	<i>600 Other Objects</i>	<i>700 Transfers</i>	<i>Actual Fund Total</i>	<i>Appropriations</i>	<i>Variance</i>
\$ -	\$ -	\$ 3,981,674	\$ -	\$ 3,981,674	\$ 4,007,173	\$ 25,499
-	-	-	349,095	349,095	-	(349,095)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,981,674</u>	<u>\$ 349,095</u>	<u>\$ 4,330,769</u>	<u>\$ 4,007,173</u>	<u>\$ (323,596)</u>

**ST. HELENS SCHOOL DISTRICT****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - CAPITAL PROJECTS FUND  
YEAR ENDED JUNE 30, 2014**

<i>Code</i>	<i>Function</i>	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
<b>LOCAL REVENUES</b>				
1130	Construction excise tax	\$ 149,207	\$ 150,000	\$ (793)
1910	Rentals	12,790	30,000	(17,210)
1960	Recovery of prior years' expenditure	175	-	175
1990	Miscellaneous	25,405	100,000	(74,595)
1000	<i>Total Local Revenues</i>	187,577	280,000	(92,423)
<b>OTHER SOURCES</b>				
5200	Interfund transfers	100,000	100,000	-
5400	<b>FUND BALANCE, Beginning of year</b>	386,220	80,000	306,220
6000	<i>Total Resources</i>	<u>\$ 673,797</u>	<u>\$ 460,000</u>	<u>\$ 213,797</u>

**ST. HELENS SCHOOL DISTRICT****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - CAPITAL PROJECTS FUND (Continued)****YEAR ENDED JUNE 30, 2014**

<i>Code</i>	<i>Function</i>	<i>100 Salaries</i>	<i>200 Employee Benefits</i>	<i>300 Purchased Services</i>
	<b><i>SUPPORT SERVICES</i></b>			
2500	Business			
2540	Operation and maintenance of plant services	\$ -	\$ -	\$ 40,470
	<b><i>FACILITIES ACQUISITION AND CONSTRUCTION</i></b>			
4150	Building acquisition, construction, and improvement services	-	-	-
7000	<b><i>FUND BALANCE, End of year</i></b>	-	-	-
8000	<i>Total Expenditures and Ending Balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,470</u>

<i>400 Supplies &amp; Materials</i>	<i>500 Capital Outlay</i>	<i>600 Other Objects</i>	<i>700 Transfers</i>	<i>Actual Fund Total</i>	<i>Appropriations</i>	<i>Variance</i>
\$ -	\$ -	\$ -	\$ -	\$ 40,470	\$ 220,000	\$ 179,530
-	-	-	-	-	240,000	240,000
-	-	-	633,327	633,327	-	(633,327)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 633,327</u>	<u>\$ 673,797</u>	<u>\$ 460,000</u>	<u>\$ (213,797)</u>

***OTHER SCHEDULES***



**ST. HELENS SCHOOL DISTRICT**  
**SCHEDULE OF PROPERTY TAX TRANSACTIONS**  
**YEAR ENDED JUNE 30, 2014**

<b><i>Tax Year</i></b>	<b><i>Uncollected Balances July 1, 2013</i></b>	<b><i>2013-14 Levy</i></b>	<b><i>Interest Discounts &amp; Adjustments</i></b>	<b><i>Turnovers</i></b>	<b><i>Uncollected Balances June 30, 2014</i></b>
2013-2014	\$ -	\$ 9,601,580	\$ 283,064	\$ 8,954,421	\$ 364,095
2012-2013	413,061	-	2,127	201,060	209,874
2011-2012	243,882	-	(1,880)	125,313	120,449
2010-2011	162,801	-	(33,833)	135,447	61,187
2009-2010	60,713	-	(13,926)	53,722	20,917
2008-2009	18,024	-	(3,055)	11,468	9,611
2007-2008	11,374	-	(3,210)	9,650	4,934
Prior Years	14,781	-	(4,167)	7,040	11,908
Total	<u>\$ 924,636</u>	<u>\$ 9,601,580</u>	<u>\$ 225,120</u>	<u>\$ 9,498,121</u>	<u>802,975</u>

Plus: Unsegregated taxes receivable	171,059
Total	<u>\$ 974,034</u>

Turnover Reconciliation

Columbia County Turnovers	\$ 9,498,121
Change in taxes available to meet current demands, net	74,374
Other taxes and adjustments	1,359
Total property tax revenue recognized	<u>\$ 9,573,854</u>

Reported in:

General Fund	\$ 7,273,865	\$ 749,404
Debt Service Fund	2,299,989	224,630
	<u>\$ 9,573,854</u>	<u>\$ 974,034</u>

**ST. HELENS SCHOOL DISTRICT****DEPARTMENT OF EDUCATION SUPPLEMENTARY INFORMATION****YEAR ENDED JUNE 30, 2014**

---

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

Objects 325 & 326	
Function 2540	\$ 382,578
Function 2550	-

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

\$ 16,744
-----------

Exclude these functions:

1113, 1122 &amp; 1132

1140

1300

1400

Co-curricular Activities

Pre-Kindergarten

Continuing Education

Summer School

Exclude these functions:

4150

2550

3100

3300

Construction

Pupil Transportation

Food Service

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  
474 North 16<sup>th</sup> Street  
St. Helens, Oregon 97051

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, 2014, and have issued our report thereon dated December 31, 2014.

#### ***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:

- The estimates of beginning cash balances for the ensuing year, when compared to actual ending fund balances at June 30, 2014, were not reasonable.

- The budget document did not differentiate budgeted revenues from current year property tax collections and from prior year tax collections in the general and debt service funds as required by Oregon law.
- In the budget document, the actual ending fund balance in the second preceding year did not equal the actual beginning fund balance in the first preceding year for the special revenue fund.
- The years of experience reported to the Oregon Department of Education were incorrect for five of twenty-five teachers tested. Management has corrected the errors within their system and with the Oregon Department of Education.

### ***Internal Control***

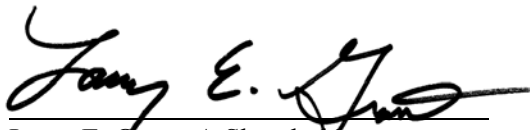
In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the 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, 2014.

### ***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, 2014

**ST. HELENS SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2014**

<i>Federal Grantor/Pass-through Grantor/Program Title</i>	<i>Federal CFDA Number</i>	<i>Pass Through Entity Identifying Number</i>	<i>Expenditures</i>
<b>U.S. Department of Agriculture</b>			
Passed through Oregon Department of Education:			
National School Breakfast Program (SBP)	10.553	N/A	\$ 109,280
National School Lunch Program (NSLP)	10.555	N/A	539,726 *
Summer Food Service Program	10.559	N/A	34,063 *
<i>Subtotal Child Nutrition Cluster</i>			<u>683,069</u>
<b>Total U.S. Department of Agriculture</b>			683,069
<b>U.S. Department of the Interior</b>			
Direct:			
Bureau of Land Management	15.231	N/A	38,143
Bureau of Land Management	15.234	N/A	<u>2,884</u>
<b>Total U.S. Department of the Interior</b>			41,027
<b>U.S. Department of Education</b>			
Passed through Oregon Department of Education:			
Title IA - Grants to Local Educational Agencies	84.010	25352	200,487
Title IA - Grants to Local Educational Agencies	84.010	28232	<u>401,247</u>
<i>Subtotal Title I, Part A</i>			601,734
Special Education - Grants to States			
IDEA, Part B	84.027	26803	178,702
Special Education - Grants to States			
IDEA, Part B	84.027	28564	421,548
Special Education - Grants to States			
IDEA Enhancement Grant	84.027	26588	1,909
Special Education - Grants to States			
IDEA Enhancement Grant	84.027	29892	5,305
Special Education - Grants to States			
SPR & I	84.027	28009	3,360
Special Education - Grants to States			
Extended Assessment Grant	84.027	27695	900
Special Education - Preschool Grants			
IDEA Part B, Section 619	84.173	26370	<u>662</u>
<i>Subtotal Special Education Cluster (IDEA)</i>			612,386
Title IIA Improving Teacher Quality State Grants	84.367	25584	34,490
Title IIA Improving Teacher Quality State Grants	84.367	28754	<u>94,169</u>
<i>Subtotal Improving Teacher Quality</i>			128,659

\* Includes non-cash commodity awards

*See notes to schedule of expenditures of federal awards.*

**ST. HELENS SCHOOL DISTRICT****SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, (Continued)****YEAR ENDED JUNE 30, 2014**

<i><b>Federal Grantor/Pass-through Grantor/Program Title</b></i>	<i><b>Federal CFDA Number</b></i>	<i><b>Pass Through Entity Identifying Number</b></i>	<i><b>Expenditures</b></i>
<b>U.S. Department of Education (Continued)</b>			
Passed through Department of Health and Human Services:			
Youth Transition Program	84.126	N/A	\$ 112,172
<b>Total U.S. Department of Education</b>			1,454,951
<b>U.S. Department of Health and Human Services</b>			
Passed through Oregon Employment Department			
Child Care and Development Block Grant	93.575	14018	2,675
Child Care and Development Block Grant	93.575	N/A	1,408
Child Care Improvement Grant	93.575	N/A	388
<b>Subtotal CCDF Cluster</b>			4,471
Passed through Oregon Department of Education:			
ARRA - Early Childhood Matters (KRA)	93.708	27577	1,500
<b>Total U.S. Department of Health and Human Services</b>			5,971
<b>Total Federal Financial Assistance</b>			\$ 2,185,018

*See notes to schedule of expenditures of federal awards.*

## ***ST. HELENS SCHOOL DISTRICT***

### ***NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS***

***YEAR ENDED JUNE 30, 2014***

---

#### ***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, 2014.

##### ***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  
474 North 16<sup>th</sup> Street  
St. Helens, Oregon 97051

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, and each major fund of the St. Helens School District, Columbia County, Oregon, as of and for the year ended June 30, 2014, 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, 2014.

#### ***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.

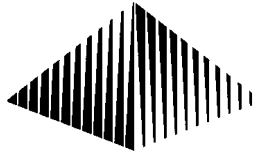
#### ***Compliance and Other Matters***

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, 2014



## 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  
474 North 16<sup>th</sup> Street  
St. Helens, Oregon 97051

#### **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, 2014. 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 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, 2014.

## **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, 2014

**ST. HELENS SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2014**

---

**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**

84.027 & 84.173

Special Education Cluster (IDEA)

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.

***ST. HELENS SCHOOL DISTRICT***  
***SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS***  
***YEAR ENDED JUNE 30, 2014***

---

***PRIOR YEAR FINANCIAL STATEMENT FINDINGS***

None.

***PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS***

None.