ST. HELENS SCHOOL DISTRICT
FINANCIAL STATEMENTS
Year Ended June 30, 2015

MEMBERS OF THE SCHOOL BOARD

Name	*Title*	*Term Expires*
Gordon Jarman	Chair	June 30, 2017
Marshall Porter	Vice Chair	Resigned January 15, 2015
William Amos	Vice Chair (as of February 25, 2015)	June 30, 2015
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 16th Street
St. Helens, Oregon 97051

Scot Stockwell, Superintendent, Clerk
Jessica Pickett, Business Manager

ST. HELENS SCHOOL DISTRICT
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FINANCIAL SECTION

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

INDEPENDENT AUDITOR'S REPORT

School Board
St. Helens School District
474 North 16th 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, 2015, 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, 2015, 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.

Change in Accounting Principle

As discussed in the notes to the financial statements, in 2015, the District adopted new accounting guidance, GASB Statement No. 68, *"Accounting and Reporting for Pension Plans – an amendment of GASB Statement No. 27"* and GASB Statement No. 71, *"Pension Transition for Contributions Made Subsequent to the Measurement Date"*. The net position as of July 1, 2014 has been restated for this change. Our opinion is not modified with respect to this matter.

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), the schedules of funding progress for other postemployment benefits, the schedule of the proportionate share of the net pension liability for PERS, the schedule of contributions for PERS, and the budgetary comparison information 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, the schedule of the proportionate share of the net pension liability for PERS, the schedule of contributions for PERS, and the schedule of funding progress for other postemployment benefits in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The 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

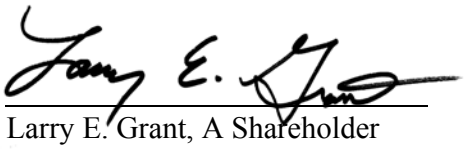
Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2015, 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, 2015, 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, 2015

ST. HELENS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015

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, 2015.

FINANCIAL HIGHLIGHTS

- In the government-wide statements, the net position of the District at June 30, 2015 was $4.2 million. Of this amount, $20.5 million represents the District's net investment in capital assets, $.5 million was restricted for debt service, and ($18.1) million was unrestricted.
- The District's total net position decreased by $19.1 million. This change consisted of prior period adjustments totaling a decrease of $20.4 million and a current year increase of $1.3 million.
- The District's governmental funds report a combined ending fund balance of $7.1 million at June 30, 2015, an increase of $1.3 million in comparison with the prior year.
- At the end of the fiscal year ended June 30, 2015, fund balance for the General Fund was $5.3 million, $1.3 million of which represented QZAB Bond proceeds, the remaining $4.0 million represents approximately 15 percent of total General Fund expenditures.
- The District's total liabilities decreased by $.4 million (1.4 percent) during the 2014-15 fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The S*tatement of Net Position.* The *statement of net position* presents information on all of the assets and liabilities of the District as of the date on the statement. Net position is what remains after the liabilities have been paid off or otherwise satisfied. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

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

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

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

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

The District maintains four individual governmental funds. Information is presented separately in the governmental funds balance sheet and the governmental fund's statement of revenues, expenditures and changes in fund balances for the General Fund, the Special Revenue Fund, the Debt Service Fund, and the Capital Projects Fund, which are all considered to be major funds.

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* related to PERS and 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 $4.2 million as of June 30, 2015.

Capital assets, which consist of the District's land, buildings, building improvements, vehicles, and equipment, represent over 73 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 (86.3 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 13.7 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,

	2015	*2014*	*Change*
Current and other assets	$ 8,379,750	$ 7,077,466	$ 1,302,284
PERS net pension asset	864,050	20,358,538	(19,494,488)
Capital assets, net	25,190,505	25,839,167	(648,662)
Total assets	34,434,305	53,275,171	(18,840,866)
PERS deferred outflows	999,910	-	999,910
Total assets and deferred outflows	35,434,215	53,275,171	(17,840,956)
Current liabilities	4,058,517	4,037,505	21,012
Long-term liabilities	25,542,052	25,991,978	(449,926)
Total liabilities	29,600,569	30,029,483	(428,914)
PERS deferred inflows	1,667,266	-	1,667,266
Total liabilities and deferred inflows	31,267,835	30,029,483	1,238,352
Net position			
Net investment in capital assets	21,788,068	21,319,072	468,996
Restricted	466,059	377,455	88,604
Unrestricted	(18,087,747)	1,549,161	(19,636,908)
Total net position	$ 4,166,380	$ 23,245,688	$ (19,079,308)

Statement of Activities. During the current fiscal year, the District's net position decreased by $19.1 million, as compared to an increase of $1.1 million in the prior year. The key elements of the larger increase in the District's net position for the year ended June 30, 2015 are as follows:

- General support from the State School Fund increased $503 thousand (2.9 percent), and property tax revenue increased $187 thousand (2 percent).
- Instructional programs expenses decreased $411 thousand (2.2 percent) and support services expenses decreased $268 thousand (2.5 percent), primarily the result of adjustments made for the implementation of GASB Statement No. 68.
- Facilities services expenses increased to $261 thousand due to capital improvements made at the high school including the application of exterior paint to the academic buildings and the installation of an artificial turf field.
- Prior period adjustments of $21.5 million reduced net position as of July 1, 2014 to record the District's net pension liability as part of the implementation of GASB Statement No. 68.

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

	2015	*2014*	*Change*
Revenues			
Program revenues			
Fees, fines and charges for services	$ 2,744,871	$ 2,729,867	$ 15,004
Operating grants and contributions	2,594,644	2,490,133	104,511
General revenues			
Property taxes	9,565,071	9,377,812	187,259
Construction excise tax	116,455	149,207	(32,752)
State school fund	18,099,008	17,596,078	502,930
Common school fund	290,579	279,075	11,504
Unrestricted state and local funds	256,478	361,234	(104,756)
Earnings on investments	49,471	48,611	860
Miscellaneous	335,694	142,501	193,193
Loss on disposal of capital assets	(82,547)	(142,224)	59,677
Total revenues	33,969,724	33,032,294	937,430
Expenses			
Instructional programs	17,498,756	17,909,751	(410,995)
Support services	10,271,259	10,539,112	(267,853)
Community services	194,274	180,537	13,737
Food services	823,483	904,044	(80,561)
Facilities services	261,101	-	261,101
Interest on long-term liabilities	2,526,061	2,433,304	92,757
Total expenses	31,574,934	31,966,748	(391,814)
Change in net position	2,394,790	1,065,546	1,329,244
Net position, beginning of year (as restated)	1,771,590	22,180,142	(20,408,552)
Net position, end of year	$ 4,166,380	$ 23,245,688	$(19,079,308)

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, 2015, the District's governmental funds reported combined ending fund balances of $7.1 million, an increase of $1.3 million in comparison with the prior year.

General Fund. The General Fund is the primary operating fund of the District. As of June 30, 2015, the fund balance was $5.3 million. The fund balance increased by $1.1 million during the current fiscal year and includes proceeds from long-term borrowings of $1.3 million. As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Fund balance, not including borrowings of $1.3 million,

represents 15 percent of total General Fund expenditures. Expenditures for instruction increased $1 million (6.8 percent) and, expenditures for support services increased $288 thousand (2.9 percent); both due primarily to increases in wages and benefits expenses of 5 percent.

During the year, the District executed a Qualified Zone Academy Bond which resulted in bond proceeds of $1.4 million. As of June 30, 2015, unused proceeds totaled $1.3 million and are reflected as restricted fund balance. Unused bond proceeds in the ending fund balance represent 5 percent of General Fund expenditures.

The budget for the General Fund was adopted by the Board on June 11, 2014. There was one change to General Fund budget during the fiscal year to authorize executing the Qualified Zone Academy Bond and to appropriate its proceeds.

Special Revenue Fund. The Special Revenue Fund has a total fund balance of $589 thousand, an increase of $40 thousand from the prior year. Of this balance, all funds are committed by the Board except for food service inventories, which are non-spendable. Commitments to student body activities total $383 thousand.

Debt Service Fund. The Debt Service Fund has a total fund balance of $463 thousand, of which $430 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 $114 thousand (32.8 percent). The increase was attributable to property tax collections.

Capital Projects Fund. The ending fund balance for the Capital Projects Fund increased $30 thousand from $633 thousand at the end of the prior year to $663 thousand for the year ending June 30, 2015 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, 2015, the District had invested $25.2 million in capital assets, net of depreciation, as shown in the following table:

	2015	***2014***	***Change***
Land	$ 2,365,823	$ 2,365,823	$ -
Construction in progress	214,573	-	214,573
Building and improvements	22,015,367	22,855,174	(839,807)
Vehicles and equipment	594,742	678,151	(83,409)
Total	$ 25,190,505	$ 25,899,148	$ (708,643)

During fiscal year 2014-15, the District's investment in capital assets decreased by $708 thousand. The major capital asset events for the year ended June 30, 2015 include depreciation expense of $885 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 million, consisting of general obligation bonded debt of $2.7 million, pension bonds of $19.8 million, tax exempt financing of $2 million, and capital leases of $.05 million.

During the current fiscal year, the District's total debt decreased by $.4 million, which represents the amount of current year principal payments totaling $1.8 million offset by borrowing of $1.4 million through the Qualified Zone Academy Bond program.

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 $148 million, which is significantly in excess of the District's outstanding general obligation debt of $2.7 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, 2015, total state school formula revenue accounted for almost 97 percent of the District's General Fund revenue. Due to heavy reliance on this source, changes in the state economy are likely to flow through to the District.

The state legislature increased K-12 education funding for the 2013-15 biennium, including a special session in September 2013 that added $100 million for the 2014-15 fiscal year. This increased District revenue per student by $268 between 2013-14 and 2014-15. However, the increase was significantly offset by the District's continued enrollment losses.

For the 2015-2017 biennium, the state legislature increased K-12 education funding again resulting in what is projected to be an increase in District revenue per student of $66 between 2014-15 and 2015-16. St. Helens, among many school districts statewide, found this increase to be insufficient to cover increased operating costs and the implementation of full-day kindergarten. As such, the District's financial situation requires close attention in response to the governor's education plans and the state's current fiscal and political issues.

Both union contracts were negotiated during the 2014-2015 school year and will end on June 30, 2016. Contract terms included the retroactive restoration of pay steps going back to the fiscal year beginning July 1, 2011. Additionally, pay scales received cost of living increases in the amount of 3 percent and District-paid insurance contributions increased by 5 percent for eligible employees. The District's PERS rates were reduced for the 2015-2017 biennium, going from 6.28% of salary covered under the plan for Tier 1 and Tier 2 employees to .53%. Likewise, the rate of 4.28% of salary for employees covered under the Oregon Public Retirement Services Plan (OPSRP) decreased to .45%. These reductions, however, are set to reverse in part for the 2017-19 biennium based on preliminary communications derived from the recent actuarial valuation of the PERS plans. Rates for Tier 1 and Tier 2 are tentatively set to increase to 4.51% whereas rates for OPSRP are set to decrease to .43%. Since payroll represents 75-80% of District expenses, these factors will significantly influence long-range planning.

REQUESTS FOR INFORMATION

This financial report is designed to present the user (citizens, taxpayers, investors, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Financial Services, 474 North 16th Street, St. Helens, Oregon 97051.

ST. HELENS SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015

ASSETS		
Cash and investments	$	6,734,349
Property taxes receivable		809,685
Due from other governments		765,000
Other receivables		20,319
Inventories		2,415
Prepaid expenses		47,982
PERS net pension asset		864,050
Capital assets not being depreciated		
Land		2,365,823
Construction in progress		214,573
Capital assets, net of accumulated depreciation		
Buildings		22,015,367
Equipment and vehicles		594,742
Total Assets		34,434,305
DEFERRED OUTFLOWS		
PERS deferred outflows		999,910
Total Assets and Deferred Outflows of Resources		35,434,215
LIABILITIES		
Accounts payable and accrued expenses		723,852
Unearned revenue		1,085
Accrued compensated absences payable		68,644
Accrued interest		3,264,936
Long-term liabilities		
Portion due within one year		1,766,365
Portion due in more than one year		22,714,056
Other post employment benefit obligation due within one year		172,330
Other post employment benefit obligation due in more than one year		889,301
Total Liabilities		29,600,569
DEFERRED INFLOWS		
PERS deferred inflows		1,667,266
Total Liabilities and Deferred Inflows of Resources		31,267,835
NET POSITION		
Net investment in capital assets		21,788,068
Restricted for debt service		466,059
Unrestricted		(18,087,747)
Total Net Position	$	4,166,380

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

ST. HELENS SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2015

FUNCTIONS/PROGRAMS	***Expenses***	***Program Revenues***		***Net (Expense) Revenue and Change in Net Position***
		Fees, Fines and Charges for Services	***Operating Grants and Contributions***	
Governmental Activities:				
Instructional programs	$ 17,498,756	$ 2,553,958	$ 1,864,090	$ (13,080,708)
Support services				
Student transportation	1,555,587	-	-	(1,555,587)
Other support services	8,715,672	7,790	-	(8,707,882)
Community services	194,274	-	42,103	(152,171)
Food services	823,483	183,123	688,451	48,091
Facilities services	261,101	-	-	(261,101)
Interest on long-term liabilities	2,526,061	-	-	(2,526,061)
Total Governmental Activities	$ 31,574,934	$ 2,744,871	$ 2,594,644	(26,235,419)
General Revenues:				
Property taxes, levied for general purposes				7,364,284
Property taxes, levied for debt service				2,200,787
Construction excise tax				116,455
State school fund				18,099,008
Common school fund				290,579
Unrestricted state and local funds				256,478
Earnings on investments				49,471
Miscellaneous				335,694
Loss on disposal of capital assets				(82,547)
Total General Revenues				28,630,209
Change in Net Position				2,394,790
Net Position - beginning, as restated (see notes to the financial statements)				1,771,590
Net Position - ending				$ 4,166,380

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

ST. HELENS SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2015

	General	*Special Revenue*	*Debt Service*	*Capital Projects*	*Total*
ASSETS					
Cash and investments	$ 5,506,042	$ 102,736	$ 415,692	$ 709,879	$ 6,734,349
Property taxes receivable	622,380	-	187,305	-	809,685
Receivable from other governments	195,919	529,621	-	39,460	765,000
Other receivables	-	20,319	-	-	20,319
Inventories	-	2,415	-	-	2,415
Prepaid expenses	39,467	8,515	-	-	47,982
Total Assets	$ 6,363,808	$ 663,606	$ 602,997	$ 749,339	$ 8,379,750
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE					
Liabilities:					
Accounts payable	$ 270,991	$ 26,340	$ -	$ 85,845	$ 383,176
Accrued expenses	293,926	46,750	-	-	340,676
Unearned revenue	-	1,085	-	-	1,085
Total Liabilities	564,917	74,175	-	85,845	724,937
Deferred Inflows of Resources					
Unavailable revenue - property taxes	462,862	-	139,548	-	602,410
Fund Balance:					
Non-spendable					
Inventory	-	2,415	-	-	2,415
Prepaid expenses	39,467	8,515	-	-	47,982
Restricted for:					
Facility improvements	1,318,272	-	-	-	1,318,272
Debt service	-	-	430,432	-	430,432
Committed to:					
Student body	-	383,376	-	-	383,376
Facility improvements	-	-	-	663,494	663,494
Grants and projects	-	146,039	-	-	146,039
Food services	-	49,086	-	-	49,086
Debt service	-	-	33,017	-	33,017
Unassigned	3,978,290	-	-	-	3,978,290
Total Fund Balances	5,336,029	589,431	463,449	663,494	7,052,403
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 6,363,808	$ 663,606	$ 602,997	$ 749,339	$ 8,379,750

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, 2015

FUND BALANCES		$ 7,052,403
Capital assets are not financial resources and therefore are not reported in the governmental funds:		
Cost	$ 48,176,720	
Accumulated depreciation	(22,986,215)	25,190,505
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.		602,410
Long-term pension liabilities/assets not payable in the current year are not reported as governmental fund liabilities/assets. Actuarial changes create deferred outflows and inflows of resources. These consist of:		
PERS net pension asset (liability)	864,050	
Net deferred outflows of resources	999,910	
Net deferred inflows of resources	(1,667,266)	196,694
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	(3,264,936)	
Compensated absences payable	(68,644)	
Other postemployment benefit obligation	(1,061,631)	
Long-term debt	(24,480,421)	(28,875,632)
TOTAL NET POSITION		$ 4,166,380

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

ST. HELENS SCHOOL DISTRICT

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

YEAR ENDED JUNE 30, 2015

	General	Special Revenue	Debt Service	Capital Projects	Total
REVENUES					
Property taxes	$ 7,434,501	$ -	$ 2,219,798	$ -	$ 9,654,299
Construction excise tax	-	-	-	116,455	116,455
Intergovernmental					
Intermediate sources	152,174	50,706	-	-	202,880
State sources	18,428,478	55,821	-	-	18,484,299
Federal sources	-	2,183,793	-	-	2,183,793
Charges for services	68,582	779,114	-	-	847,696
Contributions	3,566	38,084	-	-	41,650
Investment earnings	38,297	185	9,624	-	48,106
Miscellaneous	275,785	245,775	2,031,606	7,790	2,560,956
Total Revenues	26,401,383	3,353,478	4,261,028	124,245	34,140,134
EXPENDITURES					
Current					
Instruction	15,737,511	2,141,287	-	-	17,878,798
Support services	10,290,062	330,342	-	-	10,620,404
Enterprise and community services	-	1,056,770	-	-	1,056,770
Facility acquisition and construction	28,295	-	-	18,233	46,528
Debt service					
Principal	226,000	-	1,549,212	-	1,775,212
Interest	32,610	-	2,597,462	-	2,630,072
Capital outlay	82,894	-	-	175,845	258,739
Total Expenditures	26,397,372	3,528,399	4,146,674	194,078	34,266,523
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,011	(174,921)	114,354	(69,833)	(126,389)
OTHER FINANCING SOURCES (USES)					
Issuance of debt	1,377,000	-	-	-	1,377,000
Transfers in	-	215,000	-	100,000	315,000
Transfers out	(315,000)	-	-	-	(315,000)
Total Other Financing Sources (Uses)	1,062,000	215,000	-	100,000	1,377,000
NET CHANGE IN FUND BALANCES	1,066,011	40,079	114,354	30,167	1,250,611
FUND BALANCES, beginning	4,270,018	549,352	349,095	633,327	5,801,792
FUND BALANCES, ending	$ 5,336,029	$ 589,431	$ 463,449	$ 663,494	$ 7,052,403

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, 2015

NET CHANGE IN FUND BALANCES - (Governmental Funds)		$ 1,250,611
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	$ 258,739	
Less current year depreciation	(884,835)	(626,096)
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		(82,547)
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 proceeds	(1,377,000)	
Debt principal repaid	1,775,212	398,212
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.		104,011
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.		(87,863)
In the Statement of Activities, pension expense is adjusted baased on actuarially determined contribution changes:		
Net change in PERS net pension liability/asset	2,809,320	
Net change in deferred outflows of resources	230,181	
Net change in deferred inflows of resources	(1,667,266)	1,372,235
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.		51,714
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.		14,513
CHANGE IN NET POSITION		$ 2,394,790

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

St. Helens School District (the District), also known as Columbia County School District No. 502, is a municipal corporation governed by a separately elected five-member Board of Directors. Administrative officials are approved by the Board. The daily functioning of the District is under the supervision of the Superintendent-Clerk. As required by accounting principles generally accepted in the United States of America, all activities of the District have been included in the basic financial statements.

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

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

Basis of Presentation

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District. These statements include the governmental financial activities of the overall District, except fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Governmental activities are financed primarily through property taxes, intergovernmental revenues and charges for services.

The Statement of Activities presents a comparison between direct expenses and program revenues for each of its functions/programs. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to that function. Eliminations have been made to minimize the double counting of internal activities in the Statement of Activities, except that interfund services are not eliminated. Program revenues include: (1) charges to students or others for tuition, fees, rentals, material, supplies or services provided and (2) operating grants and contributions and (3) capital grants and contributions. Revenues that are not classified as program revenues, including property taxes and state support, are presented as general revenues.

Net position is reported as restricted when constraints placed on the use of resources are either externally restricted, imposed by creditors (such as through grantors, contributors or laws) or through constitutional provisions or enabling resolutions.

Fund Financial Statements

The fund financial statements provide information about the District's funds. Separate statements for each governmental fund category are presented. The emphasis of fund financial statements is on major governmental funds, each being displayed in a separate column. All remaining governmental funds are aggregated and reported as other governmental funds. For the current year, all of the District's funds are reported as major funds.

The District reports the following major governmental funds:

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

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

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

Fund Financial Statements (Continued)

Special Revenue Fund – This is a combined fund to account for special revenues intended for grants, food service, 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.

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.

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash, Cash Equivalents and Investments (Continued)

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, 2015, 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.

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 State of Oregon Public Employees Retirement System (PERS). For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of PERS and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. GASB Statements 68 and 71 have been implemented as of July 1, 2014.

The 2003 Oregon Legislature passed PERS reform legislation that essentially created a new retirement plan for employees hired on or after August 29, 2003. These employees became members of the Oregon Public Service Retirement Plan (OPSRP). OPSRP is a hybrid retirement plan with two components: the Pension Program (defined benefit plan) and the Individual Account Program (defined contribution; established and maintained as a tax-qualified governmental defined contribution plan). OPSRP is administered by PERS.

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

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

Long-term Debt (Continued)

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.

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) so will not be recognized as an outflow of resources (expense) until that time. The District has one item that qualifies for reporting in this category, arising only under the accrual basis of accounting. As such, this item, *PERS deferred outflows*, which relates to the deferral of PERS contributions under GASB 68, only appears on the statement of net position.

In addition to liabilities, the statement of net position and balance sheet 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) so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. One item, *PERS deferred inflows*, which relates to the deferral of the differences between projected and actual PERS investment earnings, arises only under a full accrual basis of accounting and only appears on the statement of net position. The other item, *unavailable revenue – property taxes*, only arises under a modified accrual basis of accounting and as such, is reported only in the governmental funds balance sheet. 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.

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

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

- **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 Business Manager uses that information to determine whether those resources should be classified as assigned or unassigned for presentation in the District's Annual Financial Report.
- **Unassigned –** All amounts not included in other spendable classifications. This residual classification represents fund balance that has not been restricted, committed, or assigned within the General Fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

When an expense is incurred that can be paid using either restricted or unrestricted resources (net 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.

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 supplemental budget adopted during the year as a result of resources acquired through the issuance of the Qualified Zone Academy Bonds. 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, 2015:

	Carrying Value	*Fair Value*
Cash		
Deposits with financial institutions	$ 1,156,984	$ 1,156,984
Cash on hand	4,055	4,055
Investments		
Local Government Investment Pool	5,573,310	5,573,310
	$ 6,734,349	$ 6,734,349

Deposits

The book balance of the District's bank deposit accounts was $1,156,984 and the bank balance was $1,954,473 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.

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

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).

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 $1,428,041 as of June 30, 2015, but was covered by PFCP.

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, 2015, 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.

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

Interest Rate Risk – Investments

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

CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2015 is as follows:

	Balance July 1, 2014		***Increases***	***Decreases***	***Balance June 30, 2015***
Governmental Activities:					
Capital assets, not being depreciated:					
Land	$ 2,365,823		$ -	$ -	$ 2,365,823
Construction in progress	-		214,573	-	214,573
Total Capital Assets Not Being Depreciated	2,365,823		214,573	-	2,580,396
Capital assets, being depreciated:					
Land improvements	1,323,994		9,138	-	1,333,132
Buildings and improvements	37,101,077	*	5,256	(123,190)	36,983,143
Equipment	7,087,124	*	29,772	-	7,116,896
Vehicles	163,153		-	-	163,153
Total Capital Assets Being Depreciated	45,675,348		44,166	(123,190)	45,596,324
Accumulated depreciation for:					
Land improvements	1,099,872		22,859	-	1,122,731
Buildings and improvements	14,470,025		748,795	(40,643)	15,178,177
Equipment	6,412,053		111,431	-	6,523,484
Vehicles	160,073		1,750	-	161,823
Total Accumulated Depreciation	22,142,023		884,835	(40,643)	22,986,215
Total Capital Assets Being Depreciated, net	23,533,325		(840,669)	(82,547)	22,610,109
Total Capital Assets, net	$ 25,899,148		$ (626,096)	$ (82,547)	$ 25,190,505

* Beginning balances restated, see notes to the financial statements.

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

Program	
Instructional programs	$ 766,064
Support services	
Other support services	118,648
Food services	123
Total	$ 884,835

LONG-TERM DEBT

The following is a summary of long-term debt transactions during the year ended June 30, 2015:

	Original Issue	*Outstanding July 1, 2014*	*Issued*	*Matured/ Redeemed During Year*	*Outstanding June 30, 2015*	*Due Within One Year*
Pension bonds - Series 2002	$ 10,722,217	$ 8,576,008	$ -	$ 208,467	$ 8,367,541	$ 214,240
Pension bonds - Series 2003	14,312,440	11,032,530	-	390,359	10,642,171	390,181
Pension bonds - Series 2011	750,000	750,000	-	-	750,000	-
General obligation bonds - Series 1999	18,881,406	3,653,095	-	950,386	2,702,709	922,944
Capital lease obligation	530,000	95,000	-	45,000	50,000	50,000
Tax exempt financing agreement - Series 2007	1,700,000	772,000	-	181,000	591,000	189,000
QZAB Bond - 2015	1,377,000	-	1,377,000	-	1,377,000	-
		$ 24,878,633	$ 1,377,000	$ 1,775,212	$ 24,480,421	$ 1,766,365

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	$ 8,367,541
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	10,642,171
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	2,702,709
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	50,000
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	591,000
Qualified zone academy bonds, series 2015 - issued May 2015, due in annual installments of $167,000 to $178,000, plus interest paid semi-annually at 0.9% through 2025	1,377,000
	$ 24,480,421

General obligation bonds and tax-exempt financing agreements are direct obligations and pledge the full faith and credit of the District. The District issues general obligation bonds to provide funds for the acquisition and construction of District school facilities. The general obligation bonds will be paid from general property tax revenues from the Debt Service Fund.

Pension obligation bonds will be paid from revenues in the Debt Service Fund generated by charges to other funds.

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

In October 2002, St. Helens School District participated as one of forty-one Oregon school districts and education service districts in issuing limited tax pension bonds, the proceeds of which were used to finance a portion of the estimated unfunded actuarial liability of each participating school district the Oregon Public Employees Retirement Systems (PERS). The Oregon School Boards Association (OSBA) sponsored this pooled limited tax pension bond program. OSBA does not have a financial obligation in connection with the bonds issued under the program. Except for the payment of its pension bond payments and additional charges when due, each participating school district has no obligation or liability to any other participating school district's pension bonds or liabilities to PERS. In April 2003, OSBA sponsored another pooled limited tax pension bond program with thirty school districts and education service districts. The District anticipates that the total costs of financing the District's actuarial obligation in this way will result in a significant savings to the District when compared to paying for such costs in additional contributions to PERS. These prepayments are contemplated in the actuarially determined net pension asset or liability as reported on the Statement of Net Position.

The District issued $10,722,217 Limited Tax Pension Obligations, Series 2002 (federally taxable), of which $2,747,217 are Series 2002A (deferred interest obligations) and $7,975,000 are Series 2002B (current interest obligations). The 2002 series Limited Tax Pension Obligations were issued on October 31, 2002, and are payable annually through June of 2028. Interest on the deferred interest bonds is accreted semiannually at yields ranging from 2.06% to 6.10%. Interest on the current coupon bonds is payable semiannually at rates ranging from 5.48% to 5.55%. The 2021 maturity were refunded in 2011 according to the early prepayment provisions of the bonds. The remaining bonds are federally taxable and are not subject to optional prepayment prior to their stated maturities.

The District issued $14,312,440 Limited Tax Pension Obligations, Series 2003 (federally taxable), of which $6,742,440 are Series 2003A (deferred interest obligations) and $7,570,000 are Series 2003B (current interest obligations). The Series 2003 Limited Tax Pension Obligations were issued on April 30, 2003, and are payable annually through June of 2028. Interest on the deferred interest bonds is accreted semiannually at yields ranging from 1.50% to 6.27%. Interest on the current coupon bonds is payable semiannually at rates ranging from 5.63% to 5.68%. The bonds are federally taxable and are not subject to optional prepayment prior to their stated maturities.

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

Future debt service requirements are as follows:

Fiscal Year Ending June 30,	***Principal***	***Interest***	***Total***
2016	$ 1,766,365	$ 2,821,640	$ 4,588,005
2017	1,703,948	2,999,257	4,703,205
2018	1,861,201	3,193,969	5,055,170
2019	778,589	1,881,974	2,660,563
2020	781,273	2,004,778	2,786,051
2021-2025	9,619,045	6,412,510	16,031,555
2026-2029	7,970,000	815,651	8,785,651
	$ 24,480,421	$ 20,129,779	$ 44,610,200

INTER-FUND ACTIVITY

The District completed the following inter-fund transactions during the year ended June 30, 2015:

	Transfers In	***Transfers Out***
Fund		
General	$ -	$ 315,000
Special revenue	215,000	-
Capital projects	100,000	-
	$ 315,000	$ 315,000

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

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

OTHER POST EMPLOYMENT BENEFITS

Post-Employment Health Care Benefits

Plan Description - The District maintains a single employer early retirement supplement program for its employees. This program covers 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, 2015, expenditures related to early retirement benefits totaled $217,778 paid to 49 participants.

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

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

Plan activity for the year is as follows:

Outstanding July 1, 2014	*Increases*	*Payments*	*Outstanding June 30, 2015*
$ 1,113,345	$ 166,064	$ 217,778	$ 1,061,631

Amounts due in the current year are $172,330.

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/.

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, 2015, 2014 and 2013 totaled $79,897, $75,856, and $73,501, respectively, which equaled the required contributions for each year.

PENSION PLAN

Plan Description – The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employee defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Comprehensive Annual Financial Report which can be found at:

http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx.

***PENSION PLAN** (Continued)*

PERS Pension (Chapter 238)

The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.

Pension Benefits. The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results.

Death Benefits. Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided on or more of the following contributions are met:

- member was employed by PERS employer at the time of death,
- member died within 120 days after termination of PERS covered employment,
- member died as a result of injury sustained while employed in a PERS-covered job, or
- member was on an official leave of absence from a PERS-covered job at the time of death.

Disability Benefits. A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

Benefit Changes After Retirement. Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

Oregon Public Service Retirement Plan Pension Program (OPSRP DB)

The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.

Pension Benefits. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

***PENSION PLAN** (Continued)*

Oregon Public Service Retirement Plan Pension Program (OPSRP DB) (Continued)

A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

Death Benefits. Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

Disability Benefits. A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Benefit Changes After Retirement. Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2011 actuarial valuation, which became effective July 1, 2013. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2015 were $808,939, excluding amounts to fund employer specific liabilities.

At June 30, 2015, the District reported a net pension asset of $864,050 for its proportionate share of the net pension asset. The pension asset was measured as of December 31, 2012, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2012, the District's proportion was .04 percent.

***PENSION PLAN** (Continued)*

Contributions (Continued)

	Deferred Outflow of Resources	*Deferred (Inflow) of Resources*
Net difference between projected and actual earnings on pension plan investments	$ -	$ (1,667,266)
Changes in proportion and differences between District contributions and proportionate share of contributions	190,971	-
Subtotal - Amortized Deferrals (below)	-	(1,476,295)
District contributions subsequent to measurement date	808,939	-
Net deferred outflow (inflow) of resources		$ (667,356)

Amounts reported as deferred outflows or inflow of resources related to pension will be recognized in pension expense as follows:

Year ending June 30,	*Amount*
2016	$ (375,301)
2017	(375,301)
2018	(375,301)
2019	(375,301)
2020	24,909
Thereafter	-
Total	$ (1,476,295)

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB Statement No. 68 reporting summary dated July 29, 2015. Oregon PERS produces an independently audited CAFR which can be found at:

http://www.oregon.gov/pers/Pages/section/financial_reports/financial.aspx.

Actuarial Valuations

The employer contribution rates effective July 1, 2013 through June 30, 2015, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

***PENSION PLAN** (Continued)*

Actuarial Valuations (Continued)

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an actuarially determined amount for funding a disability benefit component, and (c) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

Actuarial Methods and Assumptions

Valuation date	December 31, 2012 rolled forward to June 30, 2014
Experience study report	2012, Published September 18, 2013
Actuarial cost method	Entry Age Normal
Amortization method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years
Asset valuation method	Market value of assets
Inflation rate	2.75 percent
Investment rate of return	7.75 percent
Projected salary increase	3.75 percent overall payroll growth; salaries for individuals are assumed to grow at 3.75 percent plus assumed rates of merit/longevity increases based on service
Mortality	Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-backs as described in the valuation. Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (65% for males and 90% for females) of the RP-2000 static combined disabled mortality sex-distinct table.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2012 Experience Study which is reviewed for the four-year period ending December 31, 2012.

Discount Rate - The discount rate used to measure the total pension liability was 7.75 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

***PENSION PLAN** (Continued)*

Actuarial Methods and Assumptions (Continued)

Sensitivity - Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate.

	1% Decrease (6.75%)	*Discount Rate (7.75%)*	*1% Increase (8.75%)*
District's proportionate share of the net pension liability (asset)	$ 1,829,745	$ (864,050)	$ (3,142,368)

Changes in Plan Provisions Subsequent to Measurement Date

The Oregon Supreme Court on April 30, 2015, ruled in the Moro decision, that the provisions of Senate Bill 861, signed into law in October 2013, that limited the post-retirement COLA on benefits accrued prior to the signing of the law were unconstitutional. Benefits could be modified prospectively, but not retrospectively. As a result, those who retired before the bills were passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a 2% increase annually. PERS will make restoration payments to those benefit recipients. PERS members who have accrued benefits before and after the effective dates of the 2013 legislation will have a blended COLA rate when they retire. This is a change in benefit terms subsequent to the measurement date of June 30, 2014, which will be reflected in the next year's actuarial valuations. The impact of the Moro decision on the total pension liability and employer's net pension liability (asset) has not been fully determined. However, PERS' third-party actuaries have estimated the impact of the Moro decision under one possible methodology, which is summarized below (dollars in millions). Estimates Post-Moro have been rounded to the nearest $10 million.

	June 30, 2014 Measurement Date for all PERS Employers (in millions)	
	Pre- Moro	*Post- Moro*
Total pension liability	$ 63,135	$ 68,050
Fiduciary net position	65,402	65,400
Net pension liability (asset)	$ (2,267)	$ 2,650

Additional disclosures related to Oregon PERS not applicable to specific employers are available online at the below website, or by contacting PERS at the following address: PO BOX 23700 Tigard, OR 97281-3700,

http://www.oregon.gov/pers/EMP/docs/er_general_information/opers_gasb_68_disclosure_information_revised.pdf

RESTATEMENT OF PRIOR YEAR NET POSITION

Equipment capitalized during the year ended June 30, 2013 was erroneously understated. A restatement of the beginning capital asset balance is necessary to properly present capital asset balances at cost.

Due to the implementation of GASB Statements 68 and 71, a restatement of the prior year net position was required to record the net pension liability at the prior measurement date and reclassify prior year pension contributions from expenses to deferred outflows.

Net position as previously reported at June 30, 2014	$	23,245,688
Prior period adjustment:		
Correction of beginning balance of capital assets		59,981
Removal of prepaid PERS unfunded actuarial liability		(20,358,538)
Net pension liability (measurement date as of June 30, 2013)		(1,945,270)
District contributions made during fiscal year 2014 (deferred outflow)		769,729
Total prior period adjustment		(21,474,098)
Net position as restated, at July 1, 2014	$	1,771,590

DEFERRED COMPENSATION

The District has made available to its employees a deferred compensation plan under Internal Revenue Code 403(b) where they may defer amounts earned until either termination by reason of death, resignation, disability, or retirement. This plan also has a Roth provision allowing for these deferrals to be currently taxed so that the distributions of the contributions and earnings thereon will be tax exempt. These deposits are not subject to the collateral requirements of Oregon law and are excluded from resources for budgetary purposes. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All amounts deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are held in trust for the exclusive benefit of the participants and their beneficiaries.

RISK MANAGEMENT

The District purchases commercial insurance to cover all commonly insurable risks, including property, liability, vehicles, fidelity bond, worker's compensation and unemployment. All policies carry a small deductible amount. No insurance claims settled in each of the prior three years have exceeded policy coverage.

COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts, if any, or expenditures which may be disallowed by the grantor agencies cannot be determined at this time although the District expects such amounts, if any to be immaterial.

***COMMITMENTS AND CONTINGENCIES** (Continued)*

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

The District implemented the following pronouncements for the year ended June 30, 2015.

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.

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. 72 "Fair Value Measurement and Application." The statement provides guidance on determining, accounting for, and reporting fair value measurements. The statement is effective for fiscal years beginning after June 15, 2015.

GASB Statement No. 73 "Pension Transition for Contributions Made Subsequent to the Measurement Date Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68." The statement establishes accounting and financial reporting requirements related to pensions provided by governments that are not within the scope of GASB Statement No. 68, extending that approach to all pensions. The statement is effective for fiscal years beginning after June 15, 2016.

GASB Statement No. 74 "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans." The statement establishes accounting and financial reporting requirements related to other postemployment benefits plans, replacing GASB Statements No. 43 and No. 57. The statement is effective for fiscal years beginning after June 15, 2016.

SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 31, 2015, 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
SCHEDULE OF FUNDING PROGRESS FOR OTHER POSTEMPLOYMENT BENEFITS
JUNE 30, 2015

OPEB - Medical Premiums

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
June 30, 2015	$ -	$ 898,235	$ 898,235	- %	$1,792,374	50%
June 30, 2012	-	1,322,822	1,322,822	- %	2,502,882	53%

Pension - Stipends

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
June 30, 2015	$ -	$ 163,396	$ 163,396	- %	$1,792,374	9%
June 30, 2012	-	238,922	238,922	- %	2,502,882	10%

ST. HELENS SCHOOL DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY FOR PERS
JUNE 30, 2015

Year Ended June 30,	*Employer's proportion of the net pension liability (NPL)*	*Employer's proportionate share of the net pension liability (NPL)*	*Employer's covered payroll*	*NPL as a percentage of covered payroll*	*Plan fiduciary net position as a percentage of the total pension liability*
2015	0.04%	$ (864,050)	$ 14,322,035	-6.0%	103.6%
2014	0.04%	1,945,270	13,539,070	14.4%	92.0%

The amounts presented for each fiscal year were actuarially determined at December 31 and rolled forward to the measurement date.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

ST. HELENS SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS FOR PERS
JUNE 30, 2015

Year Ended June 30,	*Statutorily required contribution*	*Contributions in relation to the statutorily required contribution*	*Contribution deficiency (excess)*	*Employer's covered payroll*	*Contributions as a percent of covered payroll*
2015	$ 808,939	$ 808,939	$ -	$ 14,322,035	5.6%
2014	769,729	769,729	-	13,539,070	5.7%

The amounts presented for each fiscal year were actuarially determined at December 31 and rolled forward to the measurement date.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

ST. HELENS SCHOOL DISTRICT

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

YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Budget Basis	Variance with Final Budget	Budget to GAAP Differences	Actual GAAP Basis
	Original	Final				
REVENUES						
Property taxes	$ 7,590,000	$ 7,590,000	$ 7,434,501	$ (155,499)	$ -	$ 7,434,501
Intergovernmental						
Intermediate sources	100,000	100,000	152,174	52,174	-	152,174
State sources	18,096,000	18,096,000	18,428,478	332,478	-	18,428,478
Charges for services	20,000	20,000	68,582	48,582	-	68,582
Contributions	-	-	3,566	3,566	-	3,566
Investment earnings	20,000	20,000	38,297	18,297	-	38,297
Miscellaneous	95,000	108,200	275,785	167,585	-	275,785
Total Revenues	25,921,000	25,934,200	26,401,383	467,183	-	26,401,383
EXPENDITURES						
Current						
Instruction	16,291,700	16,291,700	15,747,011	544,689	(9,500)	15,737,511
Support services	10,822,300	10,822,300	10,324,728	497,572	(34,666)	10,290,062
Facilities acquisition and construction	-	1,393,200	67,023	1,326,177	(38,728)	28,295
Debt service						
Principal	226,000	226,000	226,000	-	-	226,000
Interest	33,000	33,000	32,610	390	-	32,610
Capital outlay	-	-	-	-	82,894	82,894
Operating contingency	500,000	500,000	-	500,000	-	-
Total Expenditures	27,873,000	29,266,200	26,397,372	2,868,828	-	26,397,372
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,952,000)	(3,332,000)	4,011	3,336,011	-	4,011
OTHER FINANCING SOURCES (USES)						
Issuance of debt	-	1,380,000	1,377,000	(3,000)	-	1,377,000
Transfers out	(315,000)	(315,000)	(315,000)	-	-	(315,000)
Total Other Financing Sources (Uses)	(315,000)	1,065,000	1,062,000	(3,000)	-	1,062,000
NET CHANGE IN FUND BALANCE	(2,267,000)	(2,267,000)	1,066,011	3,333,011	-	1,066,011
FUND BALANCE, beginning	3,560,000	3,560,000	4,270,018	710,018	-	4,270,018
FUND BALANCE, ending	$ 1,293,000	$ 1,293,000	$ 5,336,029	$ 4,043,029	$ -	$ 5,336,029

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, 2015

	Budgeted Amounts		Actual Budget and GAAP Basis	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental				
Intermediate sources	$ 170,000	$ 170,000	$ 50,706	$ (119,294)
State sources	553,815	553,815	55,821	(497,994)
Federal sources	2,880,888	2,880,888	2,183,793	(697,095)
Charges for services	860,300	860,300	779,114	(81,186)
Contributions	133,000	133,000	38,084	(94,916)
Investment earnings	2,000	2,000	185	(1,815)
Miscellaneous	132,026	132,026	245,775	113,749
Total Revenues	4,732,029	4,732,029	3,353,478	(1,378,551)
EXPENDITURES				
Current				
Instruction	2,798,832	2,798,832	2,141,287	657,545
Support services	683,797	683,797	330,342	353,455
Enterprise and community services	1,328,500	1,328,500	1,056,770	271,730
Facilities acquisition and construction	200,000	200,000	-	200,000
Debt service				
Principal	50,000	50,000	-	50,000
Total Expenditures	5,061,129	5,061,129	3,528,399	1,532,730
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(329,100)	(329,100)	(174,921)	154,179
OTHER FINANCING SOURCES				
Transfers in	215,000	215,000	215,000	-
Apportionment of funds by ESD or LEA	(400,000)	(400,000)	-	400,000
Total Other Financing Sources (Uses)	(185,000)	(185,000)	215,000	400,000
NET CHANGE IN FUND BALANCE	(514,100)	(514,100)	40,079	554,179
FUND BALANCE, beginning	514,100	514,100	549,352	35,252
FUND BALANCE, ending	$ -	$ -	$ 589,431	$ 589,431

See notes to required supplementary information

BUDGETARY BASIS ACCOUNTING

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

	Budgetary Basis	GAAP Basis
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, 2015

	Budgeted Amounts		Actual Budget and	Variance with
	Original	Final	GAAP Basis	Final Budget
REVENUES				
Property taxes	$ 2,007,250	$ 2,007,250	$ 2,219,798	$ 212,548
Investment earnings	5,750	5,750	9,624	3,874
Miscellaneous	2,003,674	2,003,674	2,031,606	27,932
Total Revenues	4,016,674	4,016,674	4,261,028	244,354
EXPENDITURES				
Debt service				
Principal	1,549,212	1,549,212	1,549,212	-
Interest	2,597,462	2,597,462	2,597,462	-
Total Expenditures	4,146,674	4,146,674	4,146,674	-
NET CHANGE IN FUND BALANCE	(130,000)	(130,000)	114,354	244,354
FUND BALANCE, beginning	130,000	130,000	349,095	219,095
FUND BALANCE, ending	$ -	$ -	$ 463,449	$ 463,449

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Budget Basis	Variance with Final Budget	Budget to GAAP Differences	Actual GAAP Basis
	Original	Final				
REVENUES						
Construction excise tax	$ 115,000	$ 115,000	$ 116,455	$ 1,455	$ -	$ 116,455
Miscellaneous	35,000	35,000	7,790	(27,210)	-	7,790
Total Revenues	150,000	150,000	124,245	(25,755)	-	124,245
EXPENDITURES						
Current						
Support services	620,000	620,000	-	620,000	-	-
Facilities acquisition and construction	230,000	230,000	194,078	35,922	(175,845)	18,233
Capital outlay	-	-	-	-	175,845	175,845
Total Expenditures	850,000	850,000	194,078	655,922	-	194,078
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(700,000)	(700,000)	(69,833)	630,167	-	(69,833)
OTHER FINANCING SOURCES						
Transfers in	100,000	100,000	100,000	-	-	100,000
NET CHANGE IN FUND BALANCE	(600,000)	(600,000)	30,167	630,167	-	30,167
FUND BALANCE, beginning	600,000	600,000	633,327	33,327	-	633,327
FUND BALANCE, ending	$ -	$ -	$ 663,494	$ 663,494	$ -	$ 663,494

ST. HELENS SCHOOL DISTRICT

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

YEAR ENDED JUNE 30, 2015

Code	*Function*	*Actual*	*Budget*	*Variance*
	LOCAL REVENUES			
1111	Current year's taxes	$ 7,060,254	$ 7,240,000	$ (179,746)
1112	Prior year's taxes	371,886	350,000	21,886
1120	Payments in lieu of taxes	1,297	-	1,297
1190	Penalties and interest on taxes	1,064	-	1,064
1311	Regular day school tuition from individuals	2,100	-	2,100
1312	Regular day school tuition from within the state	61,543	20,000	41,543
1500	Earnings on investments	38,297	20,000	18,297
1700	Extracurricular activities	4,939	-	4,939
1920	Contributions and donations from private sources	3,566	-	3,566
1960	Recovery of prior years' expenditure	174,364	10,000	164,364
1990	Miscellaneous	101,421	98,200	3,221
1000	*Total Local Revenues*	7,820,731	7,738,200	82,531
	INTERMEDIATE REVENUES			
2101	County school funds	37,164	-	37,164
2102	Education service district apportionment	76,243	50,000	26,243
2105	Natural gas, oil, and mineral receipts	38,767	50,000	(11,233)
2000	*Total Intermediate Revenues*	152,174	100,000	52,174
	STATE REVENUES			
3101	State school fund - general support	18,089,654	17,830,000	259,654
3103	Common school fund	290,579	266,000	24,579
3104	State managed county timber	35,990	-	35,990
3299	Other restricted grants-in-aid	12,255	-	12,255
3000	*Total State Revenues*	18,428,478	18,096,000	332,478
	OTHER SOURCES			
5100	Long-term debt financing sources	1,377,000	1,380,000	(3,000)
5400	***FUND BALANCE, Beginning of year***	4,270,018	3,560,000	710,018
6000	*Total Resources*	$ 32,048,401	$ 30,874,200	$ 1,174,201

ST. HELENS SCHOOL DISTRICT

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

YEAR ENDED JUNE 30, 2015

Code	Function	100 Salaries	200 Employee Benefits	300 Purchased Services
	INSTRUCTION			
1100	Regular programs			
1111	Primary, K-3	$ 3,688,481	$ 1,740,242	$ 29,390
1113	Elementary extracurricular	2,500	638	-
1121	Middle/junior high programs	1,248,540	576,279	6,379
1122	Middle/junior high school extracurricular	2,801	1,687	-
1131	High school programs	2,501,913	1,259,719	22,992
1132	High school extracurricular	276,989	96,056	41,822
1200	Special programs			
1210	Programs for the talented and gifted	2,248	639	-
1220	Restrictive programs for students with disabilities	940,210	518,051	937
1250	Less restrictive programs for students with disabilities	538,499	333,792	16,530
1260	Early intervention	-	-	124,528
1280	Alternative education	-	-	1,208,415
1291	English second language programs	128,289	66,604	905
1400	Summer school programs	7,718	2,199	4,000
1000	*Total Instruction*	9,338,188	4,595,906	1,455,898
	SUPPORT SERVICES			
2100	Students			
2110	Attendance and social work services	74,275	34,333	1,004
2120	Guidance services	543,176	269,011	363
2130	Health services	120,353	54,654	25,823
2140	Psychological services	74,275	42,279	3,796
2150	Speech pathology and audiology services	243,411	116,929	417
2190	Service direction, student support services	246,950	101,035	3,472
2200	Instructional staff			
2210	Improvement of instruction services	120,107	49,365	3,146
2220	Educational media services	239,997	138,946	-
2230	Assessment and testing	22,291	8,874	3,997
2240	Instructional staff development	407	61,310	12,154
2300	General administration			
2310	Board of education services	41,432	16,837	70,549
2320	Executive administration services	262,982	125,809	18,431
2400	School administration			
2410	Office of the principal services	1,192,380	607,034	22,397
2500	Business			
2520	Fiscal services	162,635	74,892	40,535
2530	Non-Consumable Supplies	-	-	-
2540	Operation and maintenance of plant services	835,332	475,791	812,020
2550	Student transportation services	12,137	2,246	1,289,155
2570	Internal services	-	-	88,830
2600	Central activities			
2660	Technology services	179,028	83,746	108,659
2700	Supplemental retirement program	-	217,778	-
2000	*Total Support Services*	4,371,168	2,480,869	2,504,748
	FACILITIES ACQUISITION AND CONSTRUCTION			
4150	Building acquisition, construction, and improvement services	-	-	23,039
	OTHER USES			
5100	Debt service	-	-	-
5200	Transfers of funds	-	-	-
5000	*Total Other Uses*	-	-	-
6000	***OPERATING CONTINGENCY***	-	-	-
7000	***FUND BALANCE, End of year***	-	-	-
8000	*Total Expenditures and Ending Balance*	$ 13,709,356	$ 7,076,775	$ 3,983,685

400 Supplies & Materials	*500 Capital Outlay*	*600 Other Objects*	*700 Transfers*	*Actual Fund Total*	*Appropriations*	*Variance*
$ 142,729	$ -	$ -	$ -	$ 5,600,842		
-	-	-	-	3,138		
43,542	-	260	-	1,875,000		
-	-	-	-	4,488		
91,725	9,890	2,060	-	3,888,299		
365	-	-	-	415,232		
-	-	-	-	2,887		
9,986	-	-	-	1,469,184		
13,811	-	41,994	-	944,626		
-	-	-	-	124,528		
-	-	-	-	1,208,415		
657	-	-	-	196,455		
-	-	-	-	13,917		
302,815	9,890	44,314	-	15,747,011	$ 16,291,700	$ 544,689
-	-	-	-	109,612		
2,759	-	-	-	815,309		
2,871	-	195	-	203,896		
4,218	-	-	-	124,568		
1,340	-	225	-	362,322		
2,846	-	1,190	-	355,493		
6,065	-	682	-	179,365		
14,370	-	-	-	393,313		
6,410	-	-	-	41,572		
6,265	-	-	-	80,136		
8,186	-	202,677	-	339,681		
23,172	-	1,674	-	432,068		
27,702	-	30,674	-	1,880,187		
4,935	-	13,564	-	296,561		
26,503	-	-	-	26,503		
249,869	54,273	2,246	-	2,429,531		
130,808	-	-	-	1,434,346		
994	-	-	-	89,824		
131,547	-	9,683	-	512,663		
-	-	-	-	217,778		
650,860	54,273	262,810	-	10,324,728	10,822,300	497,572
-	43,984	-	-	67,023	1,393,200	1,326,177
-	-	258,610	-	258,610		
-	-	-	315,000	315,000		
-	-	258,610	315,000	573,610	574,000	390
-	-	-	-	-	500,000	500,000
-	-	-	5,336,029	5,336,029	1,293,000	(4,043,029)
$ 953,675	$ 108,147	$ 565,734	$ 5,651,029	$ 32,048,401	$ 30,874,200	$ (1,174,201)

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL – SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2015

Code	Function	Actual	Budget	Variance
	LOCAL REVENUES			
1500	Earnings on investments	$ 185	$ 2,000	$ (1,815)
1600	Food service	183,123	236,500	(53,377)
1700	Extracurricular activities	370,564	448,800	(78,236)
1800	Community services activities	183,324	175,000	8,324
1920	Contributions and donations from private sources	38,084	133,000	(94,916)
1950	Textbook sales and rentals	-	10,000	(10,000)
1960	Recovery of prior years' expenditure	39,654	-	39,654
1970	Services provided other funds	83,206	-	83,206
1980	Fees charged to grants	42,103	-	42,103
1990	Miscellaneous	122,915	122,026	889
1000	*Total Local Revenues*	1,063,158	1,127,326	(64,168)
	INTERMEDIATE REVENUES			
2199	Other intermediate sources	2,325	55,000	(52,675)
2200	Restricted revenue	48,381	115,000	(66,619)
2000	*Total Intermediate Revenues*	50,706	170,000	(119,294)
	STATE REVENUES			
3102	State school fund - school lunch match	9,354	15,000	(5,646)
3299	Other restricted grants-in-aid	46,467	538,815	(492,348)
3000	*Total State Revenues*	55,821	553,815	(497,994)
	FEDERAL REVENUES			
4300	Restricted revenue direct from the federal government	21,997	205,000	(183,003)
4500	Restricted revenue from the federal government through the state	2,094,667	2,625,888	(531,221)
4900	Revenue for/on behalf of the district	67,129	50,000	17,129
4000	*Total Federal Revenues*	2,183,793	2,880,888	(697,095)
	OTHER SOURCES			
5200	Interfund transfers	215,000	215,000	-
5400	***FUND BALANCE, Beginning of year***	549,352	514,100	35,252
6000	*Total Resources*	$ 4,117,830	$ 5,461,129	$ (1,343,299)

ST. HELENS SCHOOL DISTRICT

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

YEAR ENDED JUNE 30, 2015

Code	Function	100 Salaries	200 Employee Benefits	300 Purchased Services
	INSTRUCTION			
1100	Regular programs			
1111	Primary, K-3	$ 1,981	$ 411	$ 107
1113	Elementary extracurricular	-	-	-
1121	Middle/junior high programs	2,192	655	-
1122	Middle/junior high school extracurricular	31,529	6,694	6,798
1131	High school programs	138,778	62,335	14,832
1132	High school extracurricular	30,525	5,893	49,417
1200	Special programs			
1220	Restrictive programs for students with disabilities	17,261	4,676	-
1250	Resource rooms	459,489	277,290	2,653
1270	Educationally disadvantaged			
1272	Title IA/D	361,822	164,775	-
1000	*Total Instruction*	1,043,577	522,729	73,807
	SUPPORT SERVICES			
2100	Students			
2120	Guidance services	300	80	-
2150	Speech pathology and audiology services	11,901	10,931	-
2190	Service direction, student support services	229	70	-
2200	Instructional staff			
2210	Improvement of instruction services	43,995	20,187	158
2220	Education media services	-	-	-
2240	Instructional staff development	106,968	44,078	10,508
2400	School administration	-	-	13
2500	Business			
2540	Operation and maintenance of plant services	3,848	1,028	1,326
2550	Student transportation services	-	-	2,852
2600	Central activities			
2660	Technology services	-	-	44,435
2000	*Total Support Services*	167,241	76,374	59,292
	ENTERPRISE AND COMMUNITY SERVICES			
3100	Food services	321,278	150,908	7,509
3300	Community services	116,899	74,276	-
3000	*Total Enterprise and Community Services*	438,177	225,184	7,509
	FACILITIES ACQUISITION AND CONSTRUCTION			
4000	*Total Facilities Acquisition and Construction*	-	-	-
	OTHER USES			
5100	Debt service	-	-	-
5200	Transfers of funds	-	-	-
5300	Apportionment of funds by ESD or LEA	-	-	-
5000	*Total Other Uses*	-	-	-
7000	***FUND BALANCE, End of year***	-	-	-
8000	*Total Expenditures and Ending Balance*	$ 1,648,995	$ 824,287	$ 140,608

400 Supplies & Materials	*500 Capital Outlay*	*600 Other Objects*	*700 Transfers*	*Actual Fund Total*	*Appropriations*	*Variance*
$ 53,142	$ -	$ -	$ -	$ 55,641		
28,605	-	-	-	28,605		
873	-	-	-	3,720		
29,363	-	9,098	-	83,482		
15,450	-	3,049	-	234,444		
330,242	-	7,271	-	423,348		
2,720	-	-	-	24,657		
18,461	-	-	-	757,893		
2,900	-	-	-	529,497		
481,756	-	19,418	-	2,141,287	$ 2,798,832	$ 657,545
-	-	-	-	380		
-	-	-	-	22,832		
-	-	-	-	299		
1,483	-	-	-	65,823		
538	-	-	-	538		
3,501	-	-	-	165,055		
-	-	-	-	13		
7,572	-	-	-	13,774		
528	-	-	-	3,380		
13,813	-	-	-	58,248		
27,435	-	-	-	330,342	683,797	353,455
380,157	-	2,644	-	862,496		
3,099	-	-	-	194,274		
383,256	-	2,644	-	1,056,770	1,328,500	271,730
-	-	-	-	-	200,000	200,000
-	-	-	-	-	50,000	50,000
-	-	-	-	-	-	-
-	-	-	-	-	400,000	400,000
-	-	-	-	-	450,000	450,000
-	-	-	589,431	589,431	-	(589,431)
$ 892,447	$ -	$ 22,062	$ 589,431	$ 4,117,830	$ 5,461,129	$ 1,343,299

ST. HELENS SCHOOL DISTRICT

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

YEAR ENDED JUNE 30, 2015

Code	*Function*	*Actual*	*Budget*	*Variance*
	LOCAL REVENUES			
1111	Current year's taxes	$ 2,115,086	$ 1,927,000	$ 188,086
1112	Prior year's taxes	104,041	80,000	24,041
1114	Payments in lieu of property taxes	370	-	370
1190	Penalties and interest on taxes	301	250	51
1500	Earnings on investments	9,624	5,750	3,874
1970	Services provided other funds	2,031,606	2,003,674	27,932
1000	*Total Local Revenues*	4,261,028	4,016,674	244,354
5400	***FUND BALANCE, Beginning of year***	349,095	130,000	219,095
6000	*Total Resources*	$ 4,610,123	$ 4,146,674	$ 463,449

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND (Continued)
YEAR ENDED JUNE 30, 2015

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

400 Supplies & Materials	*500 Capital Outlay*	*600 Other Objects*	*700 Transfers*	*Actual Fund Total*	*Appropriations*	*Variance*
$ -	$ -	$ 4,146,674	$ -	$ 4,146,674	$ 4,146,674	$ -
-	-	-	463,449	463,449	-	(463,449)
$ -	$ -	$ 4,146,674	$ 463,449	$ 4,610,123	$ 4,146,674	$ (463,449)

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2015

Code	*Function*	*Actual*	*Budget*	*Variance*
	LOCAL REVENUES			
1130	Construction excise tax	$ 116,455	$ 115,000	$ 1,455
1910	Rentals	7,790	5,000	2,790
1990	Miscellaneous	-	30,000	(30,000)
1000	*Total Local Revenues*	124,245	150,000	(25,755)
	OTHER SOURCES			
5200	Interfund transfers	100,000	100,000	-
5400	***FUND BALANCE, Beginning of year***	633,327	600,000	33,327
6000	*Total Resources*	$ 857,572	$ 850,000	$ 7,572

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND (Continued)
YEAR ENDED JUNE 30, 2015

Code	*Function*	*100 Salaries*	*200 Employee Benefits*	*300 Purchased Services*
	SUPPORT SERVICES			
2500	Business			
2540	Operation and maintenance of plant services	$ -	$ -	$ -
	FACILITIES ACQUISITION AND CONSTRUCTION			
4150	Building acquisition, construction, and improvement services	-	-	18,233
7000	***FUND BALANCE, End of year***	-	-	-
8000	*Total Expenditures and Ending Balance*	$ -	$ -	$ 18,233

400 Supplies & Materials	*500 Capital Outlay*	*600 Other Objects*	*700 Transfers*	*Actual Fund Total*	*Appropriations*	*Variance*
$ -	$ -	$ -	$ -	$ -	$ 620,000	$ 620,000
-	175,845	-	-	194,078	230,000	35,922
-	-	-	663,494	663,494	-	(663,494)
$ -	$ 175,845	$ -	$ 663,494	$ 857,572	$ 850,000	$ (7,572)

OTHER SCHEDULES

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

	Objects 325 & 326
Function 2540	$ 360,979
Function 2550	-

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

$ 19,313

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

COMPLIANCE SECTION

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

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

School Board
St. Helens School District
474 North 16th 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, 2015, and have issued our report thereon dated December 31, 2015.

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 years of experience reported to the Oregon Department of Education were incorrect for three of thirty teachers tested. Management has corrected the errors within their system and with the Oregon Department of Education.

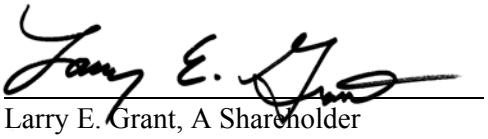
Internal Control

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.

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, 2015

ST. HELENS SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2015

Federal Grantor/Pass-through Grantor/Program Title	*Federal CFDA Number*	*Pass Through Entity Identifying Number*	*Expenditures*	
U.S. Department of Agriculture				
Passed through Oregon Department of Education:				
National School Breakfast Program (SBP)	10.553	N/A	$ 105,868	
National School Lunch Program (NSLP)	10.555	N/A	532,140	*
Summer Food Service Program	10.559	N/A	47,127	*
Subtotal Child Nutrition Cluster			685,135	
Total U.S. Department of Agriculture			685,135	
U.S. Department of the Interior				
Direct:				
Bureau of Land Management	15.231	N/A	1,350	
Bureau of Land Management	15.234	N/A	20,647	
Total U.S. Department of the Interior			21,997	
U.S. Department of Education				
Passed through Oregon Department of Education:				
Title IA - Grants to Local Educational Agencies	84.010	32694	537,363	
Title IA - Grants to Local Educational Agencies	84.010	28232	130,999	
Subtotal Title I, Part A			668,362	
Special Education - Grants to States				
IDEA, Part B	84.027	28564	124,271	
Special Education - Grants to States				
IDEA, Part B	84.027	33391	532,654	
Special Education - Grants to States				
IDEA Enhancement Grant	84.027	35409	480	
Special Education - Grants to States				
IDEA Enhancement Grant	84.027	33817	5,305	
Special Education - Grants to States				
SPR & I	84.027	32235	3,440	
Special Education - Grants to States				
Extended Assessment Grant	84.027	31892	861	
Subtotal Special Education - Grants to States			667,011	
Special Education - Preschool Grants				
IDEA Part B, Section 619	84.173	28232	3,629	
Special Education - Preschool Grants				
IDEA Part B, Section 619	84.173	28942	1,193	
Subtotal Special Education - Preschool Grants			4,822	
Subtotal Special Education Cluster (IDEA)			671,833	
Title IIA Improving Teacher Quality State Grants	84.367	28754	3,677	
Title IIA Improving Teacher Quality State Grants	84.367	33018	71,252	
Subtotal Improving Teacher Quality			74,929	

* Includes non-cash commodity awards

See notes to schedule of expenditures of federal awards.

Federal Grantor/Pass-through Grantor/Program Title	*Federal CFDA Number*	*Pass Through Entity Identifying Number*	*Expenditures*
U.S. Department of Education *(Continued)*			
Passed through Department of Health and Human Services:			
Youth Transition Program	84.126	143321	$ 52,084
Passed through Western Oregon University:			
Race to the Top - Early Learning Challenge	84.412	N/A	1,500
Total U.S. Department of Education			1,468,708
U.S. Department of Health and Human Services			
Passed through Oregon Department of Education			
Child Care and Development Block Grant	93.575	14018	7,763
Passed through Oregon Employment Department			
Child Care Improvement Grant	93.575	N/A	190
Total U.S. Department of Health and Human Services			7,953
Total Federal Financial Assistance			$ 2,183,793

See notes to schedule of expenditures of federal awards.

Purpose of the Schedule

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

SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The information in the Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Federal Financial Assistance

Pursuant to the Single Audit Act Amendments of 1996 and OMB Circular A-133, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance or direct appropriations. Accordingly, nonmonetary federal assistance, including federal surplus property, is included in federal financial assistance and, therefore, is reported on the Schedule, if applicable. Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts between the state and federal government for which the federal government procures tangible goods or services are not considered to be federal financial assistance.

Major Programs

The Single Audit Act Amendments of 1996 and OMB Circular A-133 establish criteria to be used in defining major federal financial assistance programs. Major programs for the District are those programs selected for testing by the auditor using a risk-assessment model, as well as certain minimum expenditure requirements, as outlined in OMB Circular A-133. Programs with similar requirements may be grouped into a cluster for testing purposes.

Reporting Entity

The reporting entity is fully described in notes to the financial statements. Additionally, the Schedule includes all federal programs administered by the District for the year ended June 30, 2015.

Revenue and Expenditure Recognition

The receipt and expenditure of federal awards are accounted for under the modified accrual basis of accounting. Revenues are recorded as received in cash or on the accrual basis where measurable and available. Expenditures are recorded when the liability is incurred.

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INDEPENDENT AUDITOR'S REPORT 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 16th 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, 2015, 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, 2015.

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.

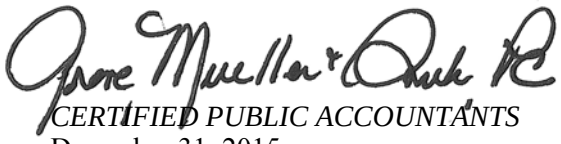
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not 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, 2015

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 16th 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, 2015. 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, 2015.

Report on Internal Control over Compliance

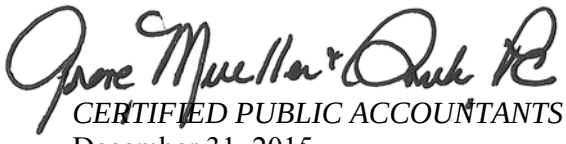
Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the 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, 2015

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?	No
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***
10.553, 10.555 & 10.559	Child Nutrition Cluster

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

FINANCIAL STATEMENT FINDINGS

None.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

PRIOR YEAR FINANCIAL STATEMENT FINDINGS

None.

PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.