

CORBETT SCHOOL DISTRICT NO. 39  
Multnomah County, Oregon

Financial Report

Year Ended June 30, 2013

ADMINISTRATION

Randy Trani, Superintendent/Clerk

35800 E. Historic Columbia River Highway  
Corbett, Oregon 97019

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CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

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BOARD OF DIRECTORS

CHARLIE O'NEIL- CHAIR	June 30, 2017
MARK HYZER	June 30, 2015
BOB BUTTKE – VICE CHAIR	June 30, 2017
DAVID GORMAN	June 30, 2017
ANNETTE CALCAGNO	June 30, 2015
TODD MICKALSON	June 30, 2017
VICTORIA PURVINE	June 30, 2015

All board members receive mail at the address below

ADMINISTRATION

Randy Trani  
35800 E Historic Columbia River Hwy  
Corbett, OR 97019

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CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUTNY, OREGON

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CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUTNY, OREGON

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INDEPENDENT AUDITORS' REPORT

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To the School Board  
Corbett School District No. 39  
Multnomah County, Oregon

## INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Corbett School District No. 39 (the District) and Corbett Charter School Association, its discretely presented component unit, Multnomah County, Oregon, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements 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. 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 entity'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 entity'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 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, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2013, and the respective change in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America



## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Funding Progress for Other Postemployment Benefits, and Required Supplementary information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government 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 supplementary information 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.

### *Other 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 supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information, as listed in the table of contents, 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 supplementary information, as defined in the table of contents, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

## **Reports on Other Legal and Regulatory Requirements**

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 31, 2013, on our consideration of the District's internal control over financial reporting and compliance with certain provisions of laws, regulations, contracts, and grants, 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 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.

***Wilcox Arredondo & Co.***

Certified Public Accountants  
Canby, Oregon  
January 2, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

CORBETT SCHOOL DISTRICT NO. 39  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
For the year ended June 30, 2013

Our discussion and analysis of Corbett School District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2013. Please read it in conjunction with the District's Financial Statements, which follows this MD&A.

FINANCIAL HIGHLIGHTS

- At June 30, 2013, the District's assets exceeded its liabilities by \$ 5,477,369.
- The District's net position increased by \$ 768,709 during 2012-13.
- The District obtained a \$650,000 Certificate of Participation loan through the Oregon School Board Association.

OVERVIEW OF THE FINANCIAL STATEMENTS

The School District's annual report consists of a series of financial statements that show information for the District as a whole. The Statement of Net Position and the Statement of Activities provides information about the activities of the District as a whole and presents a longer-term view of the District's finances. Our fund financial statements are included later in the financial report. For our governmental activities, these statements tell how we financed our services in the short-term as well as what remains for future spending. Fund statements also may give you some insights into the District's overall financial health. Fund financial statements also report the District's operations in more detail than the government-wide financial statements by providing information about the District's most significant fund, the general fund.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

These statements present information on the District's finances in a manner similar to private sector businesses. One of the most important questions asked about the District is, "Is the District as a whole better off or worse off financially as a result of the year's activities?" The Statement of Net Position and Statement of Activities report information on the District as a whole and its activities in a way that helps answer this question. We prepare these statements to include all assets and liabilities, using the accrual basis of accounting. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Position shows the District's assets and liabilities, with the difference between the two reported as net position. All capital assets and long-term liabilities, and general government functions, are shown in the Statement of Net Position.

The Statement of Activities shows revenues, expenses, and the change in net position for the District as a whole. Revenues and expenses attributable to specific functions are segregated from general revenues, to display the extent to which general revenues support each function.

FUND FINANCIAL STATEMENTS

Governmental funds account for the same functions as are reported as governmental activities in the government-wide financial statements. The governmental fund reporting focuses on how money flows in and out of funds and the balances left at year end that are available for spending. They are reported using the accounting method called "modified accrual" accounting, which measures cash and all other financial assets that can be readily converted to cash. This information is essential for preparation of and compliance with annual budgets. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliations following the government statements. The notes to the financial statements provide additional information that is essential to a complete understanding of the data provided in the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Total assets, liabilities and net position were as follows:

**Net Position at Fiscal Year-End  
For the Year Ended June 30, 2013 and 2012**

	Governmental Activities		Increase (Decrease)	Change
	June 30, 2013	June 30, 2012		
<b>Assets</b>				
Current and other assets	\$ 2,093,457	\$ 3,287,499	\$ (1,194,042)	-36.3%
Capital assets	7,285,181	5,637,497	1,647,684	29.2%
<b>Total Assets</b>	<b>9,378,638</b>	<b>8,924,996</b>	<b>453,642</b>	<b>5.1%</b>
<b>Liabilities</b>				
Current and other liabilities	1,619,486	1,628,690	(9,204)	-0.6%
Long-Term liabilities	2,281,783	2,587,646	(305,863)	-11.8%
<b>Total Liabilities</b>	<b>3,901,269</b>	<b>4,216,336</b>	<b>(315,067)</b>	<b>-7.5%</b>
<b>Net Position:</b>				
Invested in capital assets, net of related debt	3,882,024	1,983,410	1,898,614	95.7%
Restricted for debt service	271,355	333,989	(62,634)	-18.8%
Restricted for other uses	212,591	1,104,483	(891,892)	-80.8%
Unrestricted	1,111,399	1,286,778	(175,379)	-13.6%
<b>Total Net Position</b>	<b>\$ 5,477,369</b>	<b>\$ 4,708,660</b>	<b>\$ 768,709</b>	<b>16.3%</b>

The District's revenues and expenses for fiscal year 2012-13, were as follows:

**Changes in Net Position  
For the Year Ended June 30, 2013 and 2012**

	Governmental Activities		Increase (Decrease)	Change
	June 30, 2013	June 30, 2012		
<b>Revenues:</b>				
<b>Program Revenues:</b>				
Charges for services	\$ 700,612	\$ 834,200	\$ (133,588)	-16.0%
Operating grants and contributions	270,270	241,958	28,312	11.7%
<b>General Revenues:</b>				
Property Taxes	2,280,650	2,222,282	58,368	2.6%
State School Fund - General Fund	7,285,623	5,975,772	1,309,851	21.9%
Other State and Local Sources	946,707	497,022	449,685	90.5%
Miscellaneous	11,854	8,239	3,615	43.9%
<b>Total Revenues</b>	<b>11,495,716</b>	<b>9,779,473</b>	<b>1,716,243</b>	<b>17.5%</b>
<b>Expenses:</b>				
Instruction Support Services	7,507,118	5,980,209	1,526,909	25.5%
Support Services	2,868,702	2,345,170	523,532	22.3%
Community Services	203,901	180,030	23,871	13.3%
Interest on Long-Term Debt	147,286	82,810	64,476	77.9%
<b>Total Expenses</b>	<b>10,727,007</b>	<b>8,588,219</b>	<b>2,138,788</b>	<b>24.9%</b>
Change in net position	768,709	1,191,254	(422,545)	-35.5%
Net position - July 1	4,708,660	3,517,406	1,191,254	33.9%
<b>Net position - June 30</b>	<b>\$ 5,477,369</b>	<b>\$ 4,708,660</b>	<b>\$ 768,709</b>	<b>16.3%</b>

## FUND FINANCIAL ANALYSIS

The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Unreserved fund balance measures the District's net resources available for appropriation in the next fiscal year. As of June 30, 2013, total fund balance of the governmental funds was \$1,244,130 (governmental fund balance includes unassigned balance of \$746,593). These amounts are available to use, in accordance with applicable restrictions on the nature of the expenditures.

## BUDGET VARIATIONS IN THE GENERAL FUND

During the 2012-13 fiscal year state revenues increased significantly over the prior year. The increase was due to enrollment increase. This, as well as additions to the student population, resulted in an increase in overall expenditures.

## CAPITAL ASSETS

At June 30, 2013 the District had \$ 7,285,181 invested in broad range of capital assets, including land, building, equipment and vehicles. The changes in capital assets for 2012-13 are due to the depreciation of capital assets, and the additions of the Springdale School remodel recorded during the year.

## DEBT ADMINISTRATION

As of June 30, 2013 the District had \$3,072,241 in long term debt including amortized bond costs of \$13,202. The district's debt consists of general obligation bonds, four certificates of participation from 1999, 2001, and two from 2012 for building improvements and safety repairs, and a low-interest loan from the Oregon Department of Energy.

## 2012-13 BUDGET

The budget for 2012-13 has total appropriations of \$ 13,231,512. Operating resources and uses are expected to increase in the current year due to an increase in student population.

## REQUESTS FOR INFORMATION

Our financial report is designed to provide our taxpayers, parents, teachers, students, investors and creditors with an overview of the District's finances. If you have any questions about this report or need any clarification of information please contact Corbett School District, as follows:

Dr. Randy Trani, Superintendent  
Corbett School District  
35800 E. Historic Columbia River Highway  
Corbett, Oregon 97019

BASIC FINANCIAL STATEMENTS

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

Statement of Net Position  
June 30, 2013

	<u>Governmental Activities</u>	<u>Component Unit Activities</u>
<b>Assets</b>		
Cash and Cash Equivalents	\$ 1,578,302	\$ 441,672
Property Taxes Receivable	160,939	-
Accounts Receivable	306,077	18,272
Supply Inventories	3,795	-
Bond Issuance Costs, Net	44,344	-
Capital Assets, Net	<u>7,285,181</u>	<u>17,314</u>
Total Assets	<u>9,378,638</u>	<u>477,258</u>
<b>Liabilities</b>		
Accounts Payable	266,913	281,669
Accrued Payroll & Withholdings	391,586	107,776
Accrued Vacation	8,976	-
Long-Term Liabilities:		
Due Within One Year	952,011	-
Due in More Than One Year	2,120,230	-
Other Postemployment Benefit Obligation	<u>161,553</u>	<u>-</u>
Total Liabilities	<u>3,901,269</u>	<u>389,445</u>
<b>Net position</b>		
Investment in Capital Assets, Net of Related Debt	3,882,024	17,314
Restricted for Debt Service	271,355	-
Restricted for Other Uses	212,591	-
Unrestricted	<u>1,111,399</u>	<u>70,499</u>
Total Net Position	<u>\$ 5,477,369</u>	<u>\$ 87,813</u>

See notes to the basic financial statements.

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

Statement of Activities  
Year Ended June 30, 2013

Functions/Programs	Expenses	Program Revenues		Net (Expense)	Component
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Assets	Unit Corbett Charter School
				Governmental Activities	Governmental Activities
Instruction	\$ 7,507,118	\$ 596,342	\$ 134,159	\$ (6,776,617)	\$ (2,457,507)
Support Services	2,868,702	-	-	(2,868,702)	(224,675)
Community Services	203,901	104,270	136,111	36,480	-
Interest on Long-Term Debt	147,286	-	-	(147,286)	-
<b>Total Governmental Activities</b>	<b>\$ 10,727,007</b>	<b>\$ 700,612</b>	<b>\$ 270,270</b>	<b>(9,756,125)</b>	<b>(2,682,182)</b>
General Revenues					
				2,280,650	-
				7,285,623	2,700,000
				573,220	
				373,487	-
				11,854	541
				<b>10,524,834</b>	<b>2,700,541</b>
				Change in Net Position	768,709
				Net Position, Beginning of Year	4,708,660
				Net Position, End of Year	<b>\$ 5,477,369</b>
					<b>\$ 87,813</b>

See notes to the basic financial statements.

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

Balance Sheet - Governmental Funds  
June 30, 2013

	GENERAL FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	OTHER NONMAJOR	TOTALS
<b>ASSETS:</b>					
Cash and Investments	\$ 1,120,571	\$ 266,664	\$ 12,339	\$ 178,728	\$ 1,578,302
Receivables:					
Taxes	107,838	53,101	-	-	160,939
Accounts	272,517	-	-	33,560	306,077
Inventory	-	-	-	3,795	3,795
<b>Total Assets</b>	<b>\$ 1,500,926</b>	<b>\$ 319,765</b>	<b>\$ 12,339</b>	<b>\$ 216,083</b>	<b>\$ 2,049,113</b>
<b>LIABILITIES AND FUND BALANCE</b>					
Liabilities:					
Accounts Payable	\$ 254,881	\$ -	\$ -	\$ 12,036	\$ 266,917
Payroll Liabilities	391,582	-	-	-	391,582
Deferred Revenue	98,074	48,410	-	-	146,484
<b>Total Liabilities</b>	<b>744,537</b>	<b>48,410</b>	<b>-</b>	<b>12,036</b>	<b>804,983</b>
Fund Balance:					
Nonspendable	-	-	-	3,795	3,795
Restricted for					
Energy Projects	-	-	-	21,173	21,173
Debt Service	-	271,355	-	-	271,355
Capital Projects	-	-	12,339	-	12,339
Food Services	-	-	-	96,612	96,612
Student Activity	-	-	-	81,533	81,533
Federal Projects	-	-	-	934	934
Committed to					
Bus Replacement	1,051	-	-	-	1,051
Early Retirement	8,745	-	-	-	8,745
Unassigned	746,593	-	-	-	746,593
<b>Total Fund Balance</b>	<b>756,389</b>	<b>271,355</b>	<b>12,339</b>	<b>204,047</b>	<b>1,244,130</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 1,500,926</b>	<b>\$ 319,765</b>	<b>\$ 12,339</b>	<b>\$ 216,083</b>	<b>\$ 2,049,113</b>

See notes to the basic financial statements.

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

Reconciliation of Governmental Funds  
Balance Sheet to Statement of Net Position

June 30, 2013

Total Fund Balances	\$	1,244,130
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.

Capital Assets, Net		7,285,181
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Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.

Deferred Revenue		146,484
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Certain transactions related to the issuance of bonds and other long-term debt are considered expenditures in governmental funds but are capitalized on the statement of net assets and amortized over the terms of the debt:

Bond Issuance Costs		44,344
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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.

COPS	\$	(150,000)	
Loans		(1,159,594)	
Bonds Payable		(1,749,445)	
Accrued Vacation		(8,976)	
Early Retirement		(3,600)	
Other Post Employment Benefits		(157,953)	
Premium on Bonds Payable		(13,202)	
		(3,242,770)	

Total Net Position	\$	5,477,369
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CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
Year Ended June 30, 2013

	GENERAL FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	OTHER NONMAJOR	TOTALS
<b>REVENUES:</b>					
Local Sources:					
Taxes	\$ 1,530,215	\$ 721,881	\$ -	\$ -	\$ 2,252,096
Earnings on Investments	6,492	1,552	-	-	8,044
Other Local Sources	1,061,636	148	172,257	361,231	1,595,272
Intermediate Sources	55,859	-	-	-	55,859
State Sources	7,283,567	-	-	2,056	7,285,623
Federal Sources	1,355	-	-	268,915	270,270
<b>Total Revenues</b>	<b>9,939,124</b>	<b>723,581</b>	<b>172,257</b>	<b>632,202</b>	<b>11,467,164</b>
<b>EXPENDITURES:</b>					
Current:					
Instruction	6,929,389	-	-	366,369	7,295,758
Support Services	2,909,788	-	-	-	2,909,788
Enterprise and Community Services	-	-	-	193,050	193,050
Facilities Acquisition and Construction	-	-	1,679,200	113,690	1,792,890
Debt Service	261,398	786,213	22,556	-	1,070,167
<b>Total Expenditures</b>	<b>10,100,575</b>	<b>786,213</b>	<b>1,701,756</b>	<b>673,109</b>	<b>13,261,653</b>
Excess of Revenues Over, (Under) Expenditures	(161,451)	(62,632)	(1,529,499)	(40,907)	(1,794,489)
Other Financing Sources, (Uses)					
Loan Proceeds	-	-	650,000	-	650,000
Discount on Loan Issued	-	-	(11,375)	-	(11,375)
Transfers In	72,000	-	125,000	-	197,000
Transfers Out	(185,000)	-	-	(12,000)	(197,000)
<b>Total Other Financing   Sources, (Uses)</b>	<b>(113,000)</b>	<b>-</b>	<b>763,625</b>	<b>(12,000)</b>	<b>638,625</b>
Net Change in Fund Balance	(274,451)	(62,632)	(765,874)	(52,907)	(1,155,864)
Beginning Fund Balance	1,030,840	333,987	778,213	256,954	2,399,994
Ending Fund Balance	<u>\$ 756,389</u>	<u>\$ 271,355</u>	<u>\$ 12,339</u>	<u>\$ 204,047</u>	<u>\$ 1,244,130</u>

See notes to the basic financial statements.

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities

Year Ended June 30, 2013

Net Change in Fund Balance	\$	-1,155,864
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:</p>		
Capital Asset Additions, Net	\$ 1,907,493	
Depreciation Expense, Net	<u>(259,809)</u>	<u>1,647,684</u>
<p>Long-term debt proceeds are reported as other financing sources while payments to fiscal agent are reported as other financing uses in governmental funds. In the Statement of Net Position, however, issuing long-term debt increases liabilities while payments to fiscal agent increases assets. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Position. This the amount by which repayments exceeded proceeds:</p>		
		284,859
<p>Governmental funds report the effect of issuance costs, premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.</p>		
Amortization of Bond Issuance Costs	13,202	
Amortization of Bond Premium	<u>(13,807)</u>	<u>-605</u>
<p>Compensated absences and early retirement obligations are recognized as an expenditure in the governmental funds when they are paid. In the Statement of Activities compensated absences and early retirement obligations are recognized as an expenditure when earned.</p>		
Accrued Vacation	8,430	
Early Retirement Obligation	<u>(44,349)</u>	<u>(35,919)</u>
<p>Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds, and are instead recorded as deferred revenue. They are, however, recorded as revenues in the Statement of Activities</p>		
		<u>28,554</u>
Change in Net Position	\$	<u><u>768,709</u></u>

See notes to the basic financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Year ended June 30, 2013

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the district have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the district's accounting policies are described below.

Reporting Entity

Corbett School District No. 39 is a municipal corporation governed by an elected seven-member board. The District qualifies as a primary government since it has a separate elected body, is a legally separate entity, and is fiscally independent. The Corbett Charter School Association is considered a component unit of Corbett School District No. 39. Detailed information about the Corbett Charter School Association financial statements is contained in the component unit's financial report of the Corbett Charter School Association, which is issued separately, and may be obtained from their administrative offices.

Basis of Presentation - Fund Accounting

Government-Wide Financial Statements (GWFS)

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. 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. Program revenues include: (1) charges to students or others for tuition, fees, rentals, material, supplies, or services provided, (2) operating grants and contributions and (3) capital grants and contributions. Revenues not classified as program revenues, including property taxes and state support, are presented as general revenues.

Net position is reported restricted when constraints placed on the net position use are either externally restricted, imposed by creditors (such as 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 including those of a fiduciary nature. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The District reports the following major governmental funds:

General Fund - This fund accounts for the financial operations of the District not accounted for in any other fund. Principal sources of revenue are state sources, property taxes and earnings on investments. Expenditures are made for instruction and support services.

Financial statements for periods beginning after June 15, 2010 must report as Special Revenue funds only those which have a substantial portion of revenue inflows from restricted or committed revenue sources. The following funds are combined into the General Fund because the primary revenue source is transfers from the General Fund or there is no revenue to report.

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Year ended June 30, 2013

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements (Continued)

Bus Replacement Fund - The Bus Replacement Fund accounts for all financial resources and expenditures related to the purchase of new buses. The principal revenue source is a transfer in from the General Fund.

Early Retirement Fund - The Early Retirement Fund accounts for all financial resources and expenditures related to the retirees. The principal revenue source is a transfer from the General Fund.

Capital Projects Fund - The Capital Projects Fund accounts for expenditures on capital projects, such as new school buildings. The principal revenue source is accumulated fund balance and during capital projects any associated loan proceeds.

Debt Service Fund -The Debt Service Fund accounts for the payment of principal and interest of the general obligation bonds. The principal source of revenue is property taxes.

Additionally, the district reports the following fund types:

Other Governmental Funds -

Food Service Fund - This fund accounts for revenues and expenditures of the Food Service Fund. The principal sources of revenue are food sales and transfers from the General Fund.

Energy Projects Fund - This fund accounts for revenues and expenditures of the Energy Projects Fund. The principal sources of revenue come from state and local grants

Student Activity Fund - This fund accounts for revenues and expenditures of the Student Activity Fund. The principal sources of revenue are student and athletic fees.

Federal Programs Fund - This fund accounts for the revenue and expenditures of the Federal Programs Fund. The principal source of revenue comes from federal grants.

Measurement Focus and Basis of Accounting

Government-wide 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. On the accrual basis of accounting, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Year ended June 30, 2013

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

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.

Budgets

A budget is prepared and legally adopted for each governmental fund type and the fiduciary fund on the modified accrual basis of accounting in the main program categories as required by Oregon Local Budget Law. The budgets for all budgeted funds are adopted on a basis consistent with generally accepted accounting principles except that the property taxes received after year-end are not considered budgetary resources in the funds.

The District begins its budget process early in each fiscal year with the establishment of the budget committee. Recommendations are developed through late winter with the budget committee approving the budget in early spring. Public notices of the budget hearing are generally published in spring with a public hearing being held approximately three weeks later. The Board may amend the budget prior to adoption. However, budgeted expenditures for each fund may not be increased by more than ten percent without re-publication. The budget is then adopted, appropriations are made, and the tax levy declared no later than June 30th.

Expenditure budgets are appropriated at the following levels for each fund: Instruction, Support Services, Enterprise and Community Services, Facilities Acquisition and Construction, Other Uses - Debt Service and Interfund Transfers, and Operating Contingency.

Expenditures cannot legally exceed the adopted appropriation levels except in the case of grants which could not be estimated at the time of budget adoption. Appropriations lapse at the fiscal year-end. Management may amend line items in the budget without Board approval as long as appropriation levels (the legal level of control) are not changed. Supplemental appropriations may occur if the Board approves them due to unforeseen circumstances that could not be determined at the time the budget was adopted. Budget amounts shown in the basic financial statements reflect the original budgeted appropriation amounts and final budget amounts for a supplemental budget approved by the board. Expenditures of district funds were within authorized appropriations except for over-expenditures in the Support Services function of \$56,509 and Debt Service function of \$ 56,054 in the General fund and \$2,856 in the Enterprise and Community Services function in the Food Service Fund.

Cash and Investments

The District's cash and cash equivalents consist of cash on hand, demand deposits, savings deposits, money market deposits, investments in the State of Oregon Treasurer's Local Government Investment Pool (LGIP) and cash with county treasurers.

The District's investments consist of a LGIP account. These investments are stated at cost, which approximates fair value. Fair value of the LGIP is the same as the District's value in pool shares. 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.

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Year ended June 30, 2013

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes Receivable

Uncollected real and personal property taxes are reflected on the statement of net assets and the balance sheet as receivables. Uncollected taxes are deemed to be substantially collectible or recoverable through liens. All property taxes receivable are due from property owners within the District.

Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic distributions of collections to entities levying taxes. Property taxes become a lien against the property when levied on July 1 of each year and are payable in three installments due on November 15, February 15 and May 15. Property tax collections are distributed monthly except for November, when such distributions are made weekly.

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. Cash received from grantor agencies in excess of related grant expenditures are recorded as unearned revenue on the statement of net position and the balance sheet.

Supply Inventories

School food and other cafeteria supplies are stated at average invoice cost. Commodities purchased from the United States Department of Agriculture in the Food Service Fund are included in the District's inventories at USDA wholesale value. The District accounts for the inventory based on the consumption method. Under the consumption method, inventory is recorded when purchased and expenditures/expenses are recorded when inventory items are used. Donated commodities consumed during the year are reported as revenues and expenditures.

Capital Assets

Capital assets are recorded at original cost or estimated original cost. Donated capital assets are recorded at their estimated fair market value on the date donated. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Interest incurred during construction is not capitalized. The cost of routine maintenance and repairs that do not add to the value of the assets or materially extend asset lives are charged to expenditures as incurred and not capitalized. Capital assets are depreciated using the straight-line method over the following useful lives: Building and Improvements over 10 to 50 years, and Vehicles and Equipment over 5 to 30 years.

Interfund Payables and Receivables and Transfers

The receipt and payment of monies through one central checking account, as well as transfers between funds, result in interfund payables and receivables until cash is transferred from one fund to the other. These amounts represent current assets and liabilities and are reported as due to or due from other funds.

Retirement Plans

Substantially all of the District's employees are participants in the Public Employees Retirement System (PERS). Contributions to PERS are made on a current basis as required by the plan and are charged to expenditures as funded. Teachers who have ten years active service to the District and who retire under PERS are eligible for early retirement benefits.

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Year ended June 30, 2013

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Post Employment Benefits

Eligible administrative and certified employees who elect early retirement are entitled to either payment of group medical premiums or receiving a stipend up to a specified maximum limit for a specified number of months. Such costs are recorded as expenses in the General Fund and funded as premiums become due or stipends paid.

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 are paid as a result of employee resignation or separation.

Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the governmental activities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the life of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position

Net position comprise the various net earnings from operations, non operating revenues, expenses and contributions of capital. Net positions are classified in the following three categories:

Invested in capital assets, net of related debt – consists of all capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted – consists of external constraints placed on asset use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net positions – consists of all other assets that are not included in the other categories previously mentioned.

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Year ended June 30, 2013

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity

Government fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributor or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the District Board through approval of resolutions. Assigned fund balance is a limitation imposed by a designee of the District's Board. Unassigned fund balance is the net resources in excess of what can be properly classified in one of the above four categories. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

When both restricted and unrestricted fund balances are available for use, it is the District's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purpose for which amounts in any of those unrestricted fund balance classifications can be used.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

2. CASH AND INVESTMENTS

Deposits

Deposits with financial institutions include bank demand and money market deposits. The balances in these accounts according to the District record total \$286,103 as of June 30, 2013. The bank statement records reflect a balance of \$347,916 at year end.

*Custodial Credit Risk – Deposits.* Custodial credit risk for deposits is the risk that, in the event of bank failure, the District's deposits may be lost. Deposits with financial institutions are comprised of bank demand deposits. The combined total bank balance is \$347,916. Of these deposits, \$250,000 was covered by federal depository insurance.

As required by Oregon Revised Statutes, deposits in excess of federal depository insurance were held at qualified depository for public funds. All qualified depositories for public funds are included in the multiple financial institution collateral pool that is maintained by and in the name of the Office of the State Treasurer. As a result the District has no exposure for custodial credit risk for deposits with financial institutions at year end.

Investments

The District's policy is to follow state statutes governing cash management. Statutes authorize the District to invest in banker's acceptances, time certificates of deposit, repurchase agreements, obligations of the United States and its agencies and instrumentalities, and the Oregon State Treasurer's Local Government Investment Pool.

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Year ended June 30, 2013

2. CASH AND INVESTMENTS (Continued)

Investments (Continued)

The State Treasurer's Local Government Investment Pool is not registered with the U.S. Securities and Exchange Commission as an investment company. The Oregon Revised Statutes and the Oregon Investment Council govern the state's investment policies. The State Treasurer is the investment officer for the Council and is responsible for all funds in the State Treasury. These funds must be invested, and the investments managed, as a prudent investor would, exercising reasonable care, skill and caution. Investments in the Fund are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board (OSTFB), which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund was in compliance with all portfolio guidelines at June 30, 2013.

Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. There is no material difference between the fair value of the District's position in the State Treasurer's Local Government Investment Pool and the value of the pool shares at June 30, 2013. There were no known violations of legal or contractual provisions for deposits and investments during the fiscal year.

Cash and Investments at June 30, 2013 (recorded at fair value) consist of:

Demand Deposits	\$	286,103
Investments		1,292,199
		\$ 1,578,302

The District had the following investments and maturities:

Investment Type	Fair Value	Investment Maturity (in months)		
		Less than 3	3 - 17	18- 59
State Treasurer's Investment Pool	\$ 1,292,199	\$ 1,292,199	\$ -	\$ -
Total	\$ 1,292,199	\$ 1,292,199	\$ -	\$ -

Interest Rate Risk

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that has been submitted to and reviewed by the OSTFB. The District does not have any investments that have a maturity date.

Credit Risk

Oregon Revised Statutes does not limit investments as to credit rating for securities purchased from US Government Agencies or USGSE. The State Investment Pool is an open-ended, no-load diversified portfolio. The fund is not registered with the U.S. Securities and Exchange Commission as an investment company and is not rated.

Concentration of Credit Risk

At June 30, 2013, the District had 100% of total investments in the State Treasurer's Investment Pool. State statutes do not limit the percentage of investments in this instrument.

3. ACCOUNTS/GRANTS RECEIVABLE

Special revenue fund grants receivable is comprised of claims for reimbursement of costs under various federal and state grant programs. Amounts are periodically reviewed for collectability. At June 30, 2013, no allowance for doubtful accounts is considered necessary.

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Year ended June 30, 2013

4. CAPITAL ASSETS

The changes in capital assets for the year ended June 30, 2013 are as follows:

	Governmental Capital Assets 7/1/2012	Additons	Deletions	Governmental Capital Assets 6/30/2013
Land (non depreciable)	\$ 222,277	\$ -	\$ -	\$ 222,277
Buildings & Improvement	7,874,272	2,585,355	-	10,459,627
Equipment	166,940	121,412	-	288,352
Vehicles	799,982	97,821	-	897,803
Construction in Progress	897,095	1,563,592	(2,460,687)	-
	9,960,566	4,368,180	(2,460,687)	11,868,059
Accumulated Depreciation	(4,323,069)	(259,809)	-	(4,582,878)
Totals	<u>\$ 5,637,497</u>	<u>\$ 4,108,371</u>	<u>\$ (2,460,687)</u>	<u>\$ 7,285,181</u>

Depreciation was allocated to the functions as follows:

Instruction	\$ 179,268
Support Services	70,148
Community Services	10,393
Total	<u>\$ 259,809</u>

5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund transfers were made to provide resources as follows:

	Transfers In	Transfers Out
General Fund	\$ 12,000	\$ 185,000
Capital Projects Fund	125,000	-
Energy Projects Fund	-	12,000
Bus Replacement Fund	40,000	-
Early Retirement Fund	20,000	-
Totals	<u>\$ 197,000</u>	<u>\$ 197,000</u>

6. PENSION PLAN

Plan Description

The District contributes to two pension plans administered by Oregon PERS. The Oregon Public Employees Retirement Fund (OPERF) applies to the District's contribution for qualifying employees who were hired before August 29, 2003, and is a cost-sharing multiple-employer defined benefit pension plan. The Oregon Public Service Retirement Plan (OPSRP) is a hybrid successor plan to the OPERF and consists of two programs: 1) The Pension Program, the defined benefit portion of the plan, applies to qualifying District employees hired after August 29, 2003. Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service. 2) Beginning January 1, 2004, all PERS member contributions are directed into the Individual Account Program (IAP), the defined contribution portion of the plan. PERS members retain their existing PERS accounts, but any subsequent member contributions are deposited into the member's IAP, not the member's PERS account.

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Year ended June 30, 2013

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6. PENSION PLAN (Continued)

Plan Description (Continued)

Both PERS plans provide retirement and disability benefits, post employment health care benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. PERS is administered under Oregon Revised Statute Chapter 238, which establishes the Public Employees Retirement Board as the governing body of PERS. PERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to PERS, P.O. Box 23700, Tigard, OR, 97281-3700 or by calling (503) 598-7377.

Funding Policy

Members of PERS are required to contribute 6% of their salary covered under the plan. The District is required by ORS 238.225 to contribute at an actuarially determined rate. The rate effective July 1, 2011 is 19.48% of salary covered under the plan for Tier 1 and Tier 2 employees and 17.97% for employees covered under the Oregon Public Services Retirement Plan (OPSRP). The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature.

The District's contribution to the plan for the years ending June 30, 2013, 2012, and 2011 were \$ 636,540, \$513,345, and \$421,527, respectively, and were equal to the required contributions for each year.

Tax Sheltered Annuities

The District offers its employees tax deferred annuity programs established pursuant to Sections 403(b) and 457(b) of the Internal Revenue Code (the Code). Contributions are made through salary reductions from participating employees up to the amounts specified in the Code. No contributions are required from the District.

7. EARLY RETIREMENT PLAN

When a supervisory/confidential employee qualifies for retirement under the provisions of the Oregon Public Employees Retirement System (PERS), an early retirement program is offered, which provides a monthly payment of one-twelfth of one and one-half percent (1.5%) of the last annual salary for each full year of service to the District to a maximum of twelve percent (12%). These payments shall be paid to the retiree for a maximum period of forty-eight (48) months in accordance with the following conditions:

The employee must be retired and receiving benefits under PERS.

Monthly "Early Retirement Payments" shall be terminated as of the end of the calendar month in which the retired employee dies, qualifies for Social Security benefits, or when a total of forty-eight (48) payments have been made, whichever comes first. In the event the employee fails to perform his/her obligation, this agreement becomes null and void. Exceptions may be granted by the Board for circumstances beyond the retiree's control.

In order to qualify for benefits, the employee must have completed at least ten (10) consecutive years of service, in the District.

An employee planning to take early retirement must give notice to the Superintendent at least ninety (90) calendar days prior to his/her retirement date.

Full medical and dental single-party coverage will be provided, not to exceed the rate set in the current certified contract, for the retiree for forty-eight (48) consecutive months. The retiree may continue his/her coverage through the District Plan at his/her own expense until age 65. The retiree will have the option of purchasing additional coverage for his/her spouse.

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Year ended June 30, 2013

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7. EARLY RETIREMENT PLAN (CONTINUED)

When a teacher retires under the provisions of PERS, the District shall offer the option of an early retirement program which provides a monthly payment of \$300 for a maximum period of forty-eight (48) months, in accordance with the following conditions:

The teacher must be retired and receiving PERS.

Monthly "Early Retirement Payments" shall be terminated as of the end of the of the calendar month in which the retired employee dies, qualifies for Social Security benefits, or when a total of forty-eight (48) payments have been made, whichever comes first.

In order to qualify for benefits, the teacher must have completed at least ten (10) consecutive years of service, in the District.

An teacher planning to take early retirement must give notice to the Superintendent at least ninety (90) calendar days prior to his/her retirement date.

Full medical and dental single-party coverage will be provided. The teacher will have the option of purchasing additional coverage for his/her spouse.

Alternatively, a teacher eligible under the conditions stated above who is retiring prior to age 58 may elect to receive a monthly stipend only, to be paid over a period of 48 to 96 months as requested by the retiree. The monthly stipend would be calculated as follows:

The single-party medical and dental insurance premium as of the date of retirement plus \$300;  
Multiplied by 48:  
Divided by number of months (from 48 to 96) requested by the retiree.

As of June 30, 2013, one employee is receiving benefits under the Plan which is paid through the Early Retirement Fund, representing a liability of \$3,600. This liability is recorded in the Early Retirement fund. An annual contribution is made by the General Fund based on the need to fund the benefit. The expense incurred for the year ended June 30, 2013 was \$21,699. There has not been an actuarial determination as to estimated liabilities related to this plan.

8. LONG-TERM OBLIGATIONS

Certificates of Participation

On February 7, 2012 the District entered into a financing agreement to accept \$1,000,000 of Qualified School Construction Bond (QSCB) proceeds from the Oregon Department of Education. The \$1,000,000 is being used for the remodel of the Springdale School. In addition the District had certificates of participation from 1999 and 2001 originally issued for \$215,000 and 250,000 respectively.

On October 30, 2012, the District entered into a financing agreement to accept \$650,000 of Certificate of participation notes from Oregon School board Association to remodel the Springdale School.

General Obligation Bonds

On November 26, 2008, \$3,495,000 in general obligation bonds were issued to refund \$3,485,000 of outstanding 1998 general obligation bonds. The net proceeds of \$3,496,152 (after bond premium and issuance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent. General obligation bonds are direct obligations and pledge the full faith and credit of the government.

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Year ended June 30, 2013

**8. LONG-TERM OBLIGATIONS (CONTINUED)**

Loans

On November 4, 2011 the District received a loan in the amount of \$583,136 from the State of Oregon Department of Energy through their Small Scale Local Energy Loan Program (SELP). The proceeds from the loan are going to make energy efficient updates through out the District.

Changes in obligations outstanding are as follows:

	Original Issue	Outstanding July 1, 2012	Issued	Redeemed and Matured	Outstanding June 30, 2013	Interest Rate(s)
1999 Certificate of Participation	\$ 215,000	\$ 40,000	\$ -	\$ 20,000	\$ 20,000	3.75-5.40%
2001 Certificate of Participation	250,000	145,000	-	15,000	130,000	3.50-5.75%
2012 Certificate of Participation	1,000,000	1,000,000	-	55,555	944,445	3.50%
2012C Certificate of Participation	650,000	-	650,000	35,000	615,000	.4 - 4.0%
2008 General Obligation	3,495,000	1,550,000	-	745,000	805,000	3.50%
2012 SELP Loan	583,136	574,969	-	30,375	544,594	3.50%
		<u>3,309,969</u>	<u>650,000</u>	<u>900,930</u>	<u>3,059,039</u>	
Unamortized premium		26,404	-	13,202	13,202	
Total		<u>\$ 3,336,373</u>	<u>\$ 650,000</u>	<u>\$ 914,132</u>	<u>\$ 3,072,241</u>	

Future maturities are as follows:

Year Ended June 30,	Certificates of Participation	General Obligation Bonds	SELP Loan	Total Principal	Interest	Total
2014	\$ 115,556	\$ 805,000	\$ 31,455	\$ 952,011	\$ 105,681	\$ 1,057,692
2015	95,555	-	32,574	128,129	88,382	216,511
2016	95,555	-	33,688	129,243	86,168	215,411
2017	95,555	-	34,931	130,486	83,763	214,249
2018	100,555	-	36,173	136,728	81,258	217,986
2019-2023	482,779	-	201,071	683,850	362,859	1,046,709
2024-2028	447,779	-	174,698	622,477	294,385	916,862
2029-2032	276,115	-	-	276,115	109,300	385,415
	<u>\$ 1,709,449</u>	<u>\$ 805,000</u>	<u>\$ 544,590</u>	<u>\$ 3,059,039</u>	<u>\$ 1,211,796</u>	<u>\$ 4,270,835</u>

All long-term debt obligations are payable from the General and Debt Service Funds.

**9. OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

Annual OPEB Cost and Net OPEB Obligation

The District's annual other postemployment benefit (OPEB) cost (expense) is reflected in the Statement of Net Assets on the accrual basis, and is calculated based on the annual required contribution of the employer (ARC), 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) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year ending June 30, 2013, the amount actually contributed to the plan, and changes in the District's net OPEB obligation:

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Year ended June 30, 2013

9. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Annual OPEB Cost and Net OPEB Obligation (Continued)

	Year Ended June 30,		
	2013	2012	2011
Annual required contribution	\$ 52,893	\$ 51,260	\$ 49,527
Interest on net OPEB obligation	4,544	3,145	1,631
Adjustments to annual required contribution	<u>(4,057)</u>	<u>(2,808)</u>	<u>(1,456)</u>
Annual OPEB cost	53,380	51,597	49,702
Contributions made	<u>(9,031)</u>	<u>(16,628)</u>	<u>(11,836)</u>
Increase in net OPEB obligation	44,349	34,969	37,866
Net OPEB obligation - beginning of year	<u>113,604</u>	<u>78,635</u>	<u>40,769</u>
Net OPEB obligation - end of year	<u>\$ 157,953</u>	<u>\$ 113,604</u>	<u>\$ 78,635</u>
Percentage of ARC contributed	17%	32%	24%

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year are as follows:

Fiscal Year	Annual OPEB Cost	Contributions	Percentage of annual OPEB cost contributed	Net OPEB obligation
2011	\$ 49,702	\$ 11,836	24%	\$ 78,635
2012	\$ 51,597	\$ 16,628	32%	\$ 113,604
2013	\$ 53,380	\$ 9,031	17%	\$ 157,953

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about the future employment, mortality, claim cost, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

In the most recent actuarial valuation as of July 1, 2012, the Projected Unit Credit Actuarial Cost Method has been used to determine contribution levels for the Plan. Contribution levels comprise two components: Normal Cost and Amortization Payments. Under this method, the expected accrued benefit of each participant at benefit commencement (reflecting future expected increases in salaries and medical premiums) is allocated in equal portion over the participant's years of service from hire to expected retirement. The normal cost is the present value of benefits expected to accrue in the current year. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses). The projected annual rate of wage inflation is 3.5 percent compounded annually. The present value of benefits accrued as of the valuation date is called the accrued liability. The difference between the accrued liability and the actuarial value of plan assets is called the unfunded accrued liability. The unfunded accrued liability is being amortized as a level percentage of payroll over an open period of 30 years.

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Year ended June 30, 2013

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9. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Actuarial Methods and Assumptions (Continued)

Funding Status and Funding Progress – As of July 1, 2012, the date of the District's valuation, the plan is 0% funded and the unfunded actuarial accrued liability was \$383,943. Covered payroll (annual payroll of active employees covered by the plan) was not available. The ratio of unfunded actuarial accrued liability to covered payroll was not available.

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 OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report maybe obtained by writing to Oregon Public Employees Retirement System, P O Box 23700, Tigard, OR 97281-3700.

Funding Policy

Because RHIA was created by enabling legislation (ORS 238.420) contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she is (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating school districts are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the District currently contributes approximately 0.29% of annual covered payroll. The OPERS Board of Trustees sets the employer contribution rates based on the annual required contribution of the employers (ARC), 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 contributions to RHIA for the year ended June 30, 2013 are included in the PERS annual pension amount.

10. COMMITMENTS AND CONTINGENCIES

The District participates in a number of federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The federal audits for these programs for the year ended June 30, 2013 have not been conducted. Accordingly, the District's compliance with grant requirements will be established at some future date. The amount, if any, of expenditures, which may be disallowed by the granting agencies, cannot be determined at this time, although the District expects such amounts to be immaterial.

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Year ended June 30, 2013

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10. COMMITMENTS AND CONTINGENCIES (Continued)

A substantial portion of operating funding is received from the State of Oregon. State funding is determined through state wide revenue projections that are paid to individual school districts based on pupil counts and other factors in the state school fund revenue formula. Since these projections and pupil counts fluctuate they can cause increase or decreases in revenue. Due to these future uncertainties at the state level, the future effect on the operations cannot be determined.

11. PROPERTY TAX LIMITATIONS

The State of Oregon imposes a constitutional limit on property taxes for schools and nonschool government operations. School operations include community colleges, local school districts, and education service districts. The limitation provides that property taxes for school operations are limited to \$5.00 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt. The result of this requirement has been that school districts have become more dependent upon state funding and less dependent upon property tax revenues as their major source of operating revenue.

The State further reduced property taxes by replacing the previous constitutional limits on tax bases with a rate and value limit in 1997. This reduction is accomplished by rolling property values back to their 1995-96 values less 10% and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions. The State Constitution sets restrictive voter approval requirements for most tax and many fee increases and new bond issues, and requires the state to minimize the impact to school districts from the impact of the tax cuts.

12. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance to minimize its exposure to these risks. Settled claims have not exceeded this commercial coverage for any of the past three years.

13. ADOPTION OF GASB STATEMENT NO. 63

During the year, the District adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The adoption of this statement has no material impact on comparison with prior year financial statements, or any amounts presented in the current year financial statements. The adoption of this policy required that amounts referred to in prior years as net assets, be referred to as net position in the current, and future, years. The names of several statements were changed accordingly.

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REQUIRED SUPPLEMENTARY DATA

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

Schedule of Funding Progress - Other Post Employment Benefits

Year Ended June 30, 2013

Valuation Date	Actuarial Values of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2009	\$ -	\$ 409,822	\$ 409,822	-	3,796,142	10.80%
7/1/2012	\$ -	\$ 383,943	\$ 383,943	-	TBD	TBD

TBD = To be Determined

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Actual and Budget  
Year Ended June 30, 2013

<u>GENERAL FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES:</b>				
Local Sources	\$ 2,440,000	\$ 2,520,000	\$ 2,598,343	\$ 78,343
Intermediate Sources	48,900	48,900	55,859	6,959
State Sources	7,047,668	7,141,477	7,283,567	142,090
Federal Sources	-	-	1,355	1,355
<b>Total Revenues</b>	<u>9,536,568</u>	<u>9,710,377</u>	<u>9,939,124</u>	<u>(228,747)</u>
<b>EXPENDITURES:</b>				
Instruction	6,952,762	6,952,762 (1)	6,929,389	23,373
Support Services	2,383,766	2,733,759 (1)	2,790,268	(56,509)
Debt Service		(1)		
Principal	120,930	175,328	155,930	19,398
Interest	30,016	30,016	105,468	(75,452)
Operating Contingency	240,217	240,217 (1)	-	240,217
<b>Total Expenditures</b>	<u>9,727,691</u>	<u>10,132,082</u>	<u>9,981,055</u>	<u>151,027</u>
Excess of Revenues Over, (Under) Expenditures	<u>(191,123)</u>	<u>(421,705)</u>	<u>(41,931)</u>	<u>379,774</u>
<b>OTHER FINANCIAL SOURCES, (USES)</b>				
Transfers In	12,000	12,000	12,000	-
Transfers Out	(244,000)	(185,000) (1)	(185,000)	-
<b>Total Other Financing Sources, (Uses)</b>	<u>(232,000)</u>	<u>(173,000)</u>	<u>(173,000)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>(423,123)</u>	<u>(594,705)</u>	<u>(214,931)</u>	<u>379,774</u>
Beginning Fund Balance	723,123	961,524	961,524	-
<b>Ending Fund Balance</b>	<u>\$ 300,000</u>	<u>\$ 366,819</u>	746,593	<u>\$ 379,774</u>

(1) Appropriation Level

Reconciliation to Governmental Fund Balance as required by GASB #54

Ending Fund Balance	
Bus Replacement Fund	1,051
Early Retirement Fund	8,745
	<u>\$ 756,389</u>

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SUPPLEMENTARY DATA

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

Combining Balance Sheet  
Major Governmental Fund - General Fund  
June 30, 2013

	GENERAL FUND	BUS REPLACEMENT FUND	EARLY RETIREMENT FUND	TOTALS
<b>ASSETS:</b>				
Cash and Investments	\$ 1,110,775	\$ 1,051	\$ 8,745	\$ 1,120,571
Receivables:				
Taxes	107,838	-	-	107,838
Accounts	272,517	-	-	272,517
Due from Other Funds	-	-	-	-
Total Assets	<u>\$ 1,491,130</u>	<u>\$ 1,051</u>	<u>\$ 8,745</u>	<u>\$ 1,500,926</u>
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities:				
Accounts Payable	\$ 254,881	\$ -	\$ -	\$ 254,881
Payroll Liabilities	391,582	-	-	391,582
Deferred Revenue	98,074	-	-	98,074
Total Liabilities	<u>744,537</u>	<u>-</u>	<u>-</u>	<u>744,537</u>
Fund Balance:				
Committed	-	1,051	8,745	9,796
Unassigned	746,593	-	-	746,593
Total Fund Balance	<u>746,593</u>	<u>1,051</u>	<u>8,745</u>	<u>756,389</u>
Total Liabilities and Fund Balance	<u>\$ 1,491,130</u>	<u>\$ 1,051</u>	<u>\$ 8,745</u>	<u>\$ 1,500,926</u>

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance  
Major Governmental Fund - General Fund  
Year Ended June 30, 2013

	GENERAL FUND	BUS REPLACEMENT FUND	EARLY RETIREMENT FUND	TOTALS
<b>REVENUES:</b>				
Local Sources	\$ 2,598,343	\$ -	\$ -	\$ 2,598,343
Intermediate Sources	55,859	-	-	55,859
State Sources	7,283,567	-	-	7,283,567
Federal Sources	1,355	-	-	1,355
<b>Total Revenues</b>	<b>9,939,124</b>	<b>-</b>	<b>-</b>	<b>9,939,124</b>
<b>EXPENDITURES:</b>				
Instruction	6,929,389	-	-	6,929,389
Support Services	2,790,268	97,821	21,699	2,909,788
Debt Service				
Principal	155,930	-	-	155,930
Interest	105,468	-	-	105,468
<b>Total Expenditures</b>	<b>9,981,055</b>	<b>97,821</b>	<b>21,699</b>	<b>10,100,575</b>
Excess of Revenues Over, (Under) Expenditures	(41,931)	(97,821)	(21,699)	(161,451)
<b>OTHER FINANCING SOURCES, (USES)</b>				
Transfers In	12,000	40,000	20,000	72,000
Transfers Out	(185,000)	-	-	(185,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(173,000)</b>	<b>40,000</b>	<b>20,000</b>	<b>(113,000)</b>
<b>Net Change in Fund Balance</b>	<b>(214,931)</b>	<b>(57,821)</b>	<b>(1,699)</b>	<b>(274,451)</b>
Beginning Fund Balance	961,524	58,872	10,444	1,030,840
<b>Ending Fund Balance</b>	<b>\$ 746,593</b>	<b>\$ 1,051</b>	<b>\$ 8,745</b>	<b>\$ 756,389</b>

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Actual and Budget  
Year Ended June 30, 2013

<u>BUS REPLACEMENT FUND</u>				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
EXPENDITURES:				
Support Services	\$ 93,872	\$ 98,000 (1)	\$ 97,821	\$ 179
Excess of Revenues Over, -Under Expenditures	(93,872)	(98,000)	(97,821)	179
Other Financing Sources, -Uses: Transfers In	35,000	40,000	40,000	-
Net Change in Fund Balance	(58,872)	(58,000)	(57,821)	179
Beginning Fund Balance	58,872	58,872	58,872	-
Ending Fund Balance	<u>\$ -</u>	<u>\$ 872</u>	<u>\$ 1,051</u>	<u>\$ 179</u>

(1) Appropriation Level

NOTE: This fund's activities have been combined with the General Fund activities in accordance with GASB #54 due to its financial resources being derived primarily from General fund Transfers.

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Actual and Budget  
Year Ended June 30, 2013

<u>EARLY RETIREMENT FUND</u>				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
<b>EXPENDITURES:</b>				
Support Services:				
Salaries	\$ -	\$ -	\$ 3,300	\$ (3,300)
Employee Benefits	10,854	28,600	18,399	10,201
Total Support Services	10,854	28,600 (1)	21,699	6,901
<b>Other Financing Sources, (Uses):</b>				
Transfers In	10,000	20,000	20,000	-
Net Change in Fund Balance	(854)	(8,600)	(1,699)	6,901
Beginning Fund Balance	854	10,443	10,444	1
Ending Fund Balance	\$ -	\$ 1,843	\$ 8,745	\$ 6,902

(1) Appropriation Level

NOTE: This fund's activities have been combined with the General Fund activities in accordance with GASB #54 due to its financial resources being derived primarily from General fund Transfers.

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OTHER MAJOR GOVERNMENTAL FUNDS

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Actual and Budget  
Year Ended June 30, 2013

<u>DEBT SERVICE FUND</u>				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Local Sources	\$ 712,000	\$ 712,000	\$ 723,581	\$ 11,581
EXPENDITURES:				
Debt Service				
Principal	745,000	745,000	745,000	-
Interest	41,213	41,213	41,213	-
Total Debt Service Expenditures	786,213	786,213 (1)	786,213	-
Net Change in Fund Balance	(74,213)	(74,213)	(62,632)	11,581
Beginning Fund Balance	371,664	371,664	333,987	(37,677)
Ending Fund Balance	<u>\$ 297,451</u>	<u>\$ 297,451</u>	<u>\$ 271,355</u>	<u>\$ (26,096)</u>

(1) Appropriation Level

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Actual and Budget  
Year Ended June 30, 2013

<u>CAPITAL PROJECTS FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES:</b>				
Local Sources	\$ -	\$ 172,000 (1)	\$ 172,257	\$ (257)
<b>EXPENDITURES:</b>				
Facilities Acquisition & Construction	873,361	1,683,749 (1)	1,679,200	4,549
Debt Service	-	- (2)	22,556	(22,556)
Contingency	50,000	- (1)	-	-
Total Expenditures	<u>923,361</u>	<u>1,683,749</u>	<u>1,701,756</u>	<u>4,549</u>
Excess of Revenues Over, (Under) Expenditures	<u>(923,361)</u>	<u>(1,511,749)</u>	<u>(1,529,499)</u>	<u>(17,750)</u>
<b>Other Financing Sources, (Uses):</b>				
Loan Proceeds	-	616,069	650,000	33,931
Discount on Loan Issued	-	- (2)	(11,375)	(11,375)
Transfers In	175,000	125,000	125,000	-
Total Other Financing Sources, -Uses	<u>175,000</u>	<u>741,069</u>	<u>763,625</u>	<u>22,556</u>
Net Change in Fund Balance	(748,361)	(770,680)	(765,874)	4,806
Beginning Fund Balance	748,361	778,213	778,213	-
Ending Fund Balance	<u>\$ -</u>	<u>\$ 7,533</u>	<u>\$ 12,339</u>	<u>\$ 4,806</u>

(1) Appropriation Level  
(2) not a budget violation

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NONMAJOR GOVERNMENTAL FUNDS

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

Combining Balance Sheet - All Non-Major Governmental Funds  
June 30, 2013

	FOOD SERVICE FUND	STUDENT ACTIVITY FUND	ENERGY PROJECTS FUND	FEDERAL PROGRAMS	TOTAL
<b>ASSETS:</b>					
Cash and Investments	\$ 74,723	\$ 81,533	\$ 21,538	\$ 934	\$ 178,728
Accounts Receivable	33,560	-	-	-	33,560
Inventory	3,795	-	-	-	3,795
<b>Total Assets</b>	<b><u>\$ 112,078</u></b>	<b><u>\$ 81,533</u></b>	<b><u>\$ 21,538</u></b>	<b><u>\$ 934</u></b>	<b><u>\$ 216,083</u></b>
<b>LIABILITIES AND FUND EQUITY:</b>					
Accounts Payable	\$ 11,671	\$ -	\$ 365	\$ -	\$ 12,036
<b>Total Liabilities</b>	<b><u>11,671</u></b>	<b><u>-</u></b>	<b><u>365</u></b>	<b><u>-</u></b>	<b><u>12,036</u></b>
<b>Fund Equity:</b>					
<b>Fund Balances:</b>					
Nonspendable	3,795	-	-	-	3,795
Restricted	96,612	81,533	21,173	934	200,252
<b>Total Fund Balances</b>	<b><u>100,407</u></b>	<b><u>81,533</u></b>	<b><u>21,173</u></b>	<b><u>934</u></b>	<b><u>204,047</u></b>
<b>Total Liabilities and Fund Equity</b>	<b><u>\$ 112,078</u></b>	<b><u>\$ 81,533</u></b>	<b><u>\$ 21,538</u></b>	<b><u>\$ 934</u></b>	<b><u>\$ 216,083</u></b>

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances  
All Non-Major Governmental Funds  
Year Ended June 30, 2013

	FOOD SERVICE FUND	STUDENT ACTIVITY FUND	ENERGY PROJECTS FUND	FEDERAL PROGRAMS	TOTAL
<b>REVENUES:</b>					
Local Sources:					
Other Local	\$ 104,964	\$ 240,102	\$ 16,165	\$ -	\$ 361,231
State Sources					
Other Revenue from State Sources	2,056	-	-	-	2,056
Federal Sources					
Grants-in-Aid	136,111	-	-	132,804	268,915
Total Revenues	<u>243,131</u>	<u>240,102</u>	<u>16,165</u>	<u>132,804</u>	<u>632,202</u>
<b>EXPENDITURES:</b>					
Current:					
Instruction	-	234,369		132,000	366,369
Enterprise and Community Services	193,050	-	-	-	193,050
Facilities Acquisition and Construction	-	-	113,690	-	113,690
Total Expenditures	<u>193,050</u>	<u>234,369</u>	<u>113,690</u>	<u>132,000</u>	<u>673,109</u>
Excess of Revenues Over, -Under Expenditures	<u>50,081</u>	<u>5,733</u>	<u>(97,525)</u>	<u>804</u>	<u>(40,907)</u>
Other Financing Sources, (Uses):					
Transfers (Out)	-	-	(12,000)	-	(12,000)
Net Change in Fund Balance	50,081	5,733	(109,525)	804	(52,907)
Beginning Fund Balance	<u>50,326</u>	<u>75,800</u>	<u>130,698</u>	<u>130</u>	<u>256,954</u>
Ending Fund Balance	<u>\$ 100,407</u>	<u>\$ 81,533</u>	<u>\$ 21,173</u>	<u>\$ 934</u>	<u>\$ 204,047</u>

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Actual and Budget  
Year Ended June 30, 2013

<u>FOOD SERVICE FUND</u>				
REVENUES:	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
Local Sources	\$ 96,000	\$ 96,000	\$ 104,964	\$ 8,964
State Sources	2,000	2,000	2,056	56
Federal Sources	62,500	62,500	136,111	73,611
 Total Revenues	 160,500	 160,500	 243,131	 82,631
 EXPENDITURES:				
Enterprise and Community Services:				
Salaries	41,459	41,459	38,723	2,736
Employee Benefits	28,736	28,736	21,890	6,846
Supplies & Materials	119,584	119,584	130,562	(10,978)
Other	415	415	1,875	(1,460)
 Total Enterprise and Community Services	 190,194	 190,194 (1)	 193,050	 (2,856)
 Excess of Revenues Over, (Under) Expenditures	 (29,694)	 (29,694)	 50,081	 79,775
 Other Financing Sources, (Uses):				
Transfers In	24,000	24,000	-	(24,000)
 Net Change in Fund Balance	 (5,694)	 (5,694)	 50,081	 55,775
 Beginning Fund Balance	 51,023	 51,023	 50,326	 (697)
 Ending Fund Balance	 \$ 45,329	 \$ 45,329	 \$ 100,407	 \$ 55,078

(1) Appropriation Level

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Actual and Budget  
Year Ended June 30, 2013

STUDENT ACTIVITY FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES:</b>				
Local Sources	\$ 400,000	\$ 400,000	\$ 240,102	\$ (159,898)
Total Revenues	<u>400,000</u>	<u>400,000</u>	<u>240,102</u>	<u>(159,898)</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction	<u>400,000</u>	<u>400,000 (1)</u>	<u>234,369</u>	<u>165,631</u>
Total Expenditures	<u>400,000</u>	<u>400,000</u>	<u>234,369</u>	<u>165,631</u>
Net Change in Fund Balance	-	-	5,733	5,733
Beginning Fund Balance	<u>85,547</u>	<u>85,547</u>	<u>75,800</u>	<u>(9,747)</u>
Ending Fund Balance	<u>\$ 85,547</u>	<u>\$ 85,547</u>	<u>\$ 81,533</u>	<u>\$ (4,014)</u>

(1) Appropriation Level

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Actual and Budget  
Year Ended June 30, 2013

<u>FEDERAL PROGRAMS FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES:</b>				
From Federal Sources:				
Federal Programs	\$ 115,000	\$ 132,130	\$ 132,804	\$ 674
Total Revenues	<u>115,000</u>	<u>132,130</u>	<u>132,804</u>	<u>674</u>
<b>EXPENDITURES:</b>				
Instruction				
Salaries	78,000	92,000	98,157	(6,157)
Associated Payroll	<u>37,000</u>	<u>40,000</u>	<u>33,843</u>	<u>6,157</u>
Total Instruction Services	<u>115,000</u>	<u>132,000 (1)</u>	<u>132,000</u>	<u>-</u>
Total Expenditures	<u>115,000</u>	<u>132,000</u>	<u>132,000</u>	<u>-</u>
Net Change in Fund Balance	-	130	804	674
Beginning Fund Balance	<u>-</u>	<u>-</u>	<u>130</u>	<u>130</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ 130</u>	<u>\$ 934</u>	<u>\$ 804</u>

(1) Appropriation Level

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Actual and Budget  
Year Ended June 30, 2013

<u>ENERGY PROJECTS FUND</u>				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
<b>REVENUES:</b>				
Local Sources	\$ 12,000	\$ 12,000	\$ 16,165	\$ (4,165)
Total Revenues	12,000	12,000	16,165	(4,165)
<b>EXPENDITURES:</b>				
Facilities Acq & Construction				
Purchased Services	-	- (1)	1,466	(1,466)
Capital Outlay	-	126,100 (1)	112,224	13,876
Total Expenditures	-	126,100	113,690	12,410
Excess of Revenues Over, (Under) Expenditures	12,000	(114,100)	(97,525)	16,575
Other Financing Sources, (Uses): Transfers (Out)	(12,000)	(12,000)	(12,000)	-
Net Change in Fund Balance	-	(126,100)	(109,525)	16,575
Beginning Fund Balance	-	130,698	130,698	-
Ending Fund Balance	\$ -	\$ 4,598	\$ 21,173	\$ 16,575

(1) Appropriation Level

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OTHER SCHEDULES

CORBETT SCHOOL DISTRICT NO. 39  
MULNOTMAH COUNTY, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS  
Year Ended June 30, 2013

GENERAL FUND

Tax Roll Year	Balance July 1, 2012	2012-2013 Tax Levy	Less Discounts	Net Adjustments	Interest	Collections	Balance June 30, 2013
2012-2013	\$ -	\$ 1,556,552	\$ 39,299	\$ (10,801)	\$ 641	\$ 1,486,123	\$ 42,572
2011-2012	45,716	-	(44)	110	1,590	21,291	25,949
2010-2011	14,040	-	(12)	(8,836)	1,558	9,404	15,042
2009-2010	2,312	-	(2)	(12,799)	1,809	7,772	9,150
2008-2009	6,326	-	(2)	1,904	1,338	4,926	836
2007-2008	2,822	-	(2)	2,108	206	537	385
2006-2007	296	-	-	(49)	77	199	223
Prior	202	-	-	(1,169)	145	276	1,240
	<u>\$ 71,714</u>	<u>\$ 1,556,552</u>	<u>\$ 39,237</u>	<u>\$ (29,532)</u>	<u>\$ 7,364</u>	1,530,528	<u>\$ 95,397</u>

Undistributed tax collections, June 30, 2013

10,103

Undistributed tax collections, June 30, 2012

(10,416)

Revenue Turned Over to General Fund

\$ 1,530,215

DEBT SERVICE FUND

Tax Roll Year	Balance July 1, 2012	2012-2013 Tax Levy	Less Discounts	Net Adjustments	Interest	Collections	Balance June 30, 2013
2012-2013	\$ -	\$ 757,568	\$ 19,127	\$ 16,801	\$ 312	\$ 701,233	\$ 20,719
2011-2012	21,776	-	(21)	1,064	757	9,136	12,354
2010-2011	12,713	-	(7)	328	843	5,091	8,144
2009-2010	6,949	-	(1)	88	821	3,529	4,154
2008-2009	2,070	-	(1)	76	604	2,223	376
2007-2008	608	-	(2)	81	152	396	285
2006-2007	252	-	-	20	52	134	150
Prior	1,848	-	-	745	116	221	998
	<u>\$ 46,216</u>	<u>\$ 757,568</u>	<u>\$ 19,095</u>	<u>\$ 19,203</u>	<u>\$ 3,657</u>	721,963	<u>\$ 47,180</u>

Undistributed tax collections, June 30, 2013

4,818

Undistributed tax collections, June 30, 2012

(4,900)

Revenue Turned Over to Debt Service Fund

\$ 721,881

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

Schedule of Revenues by Function - All Funds  
Year Ended June 30, 2013

	General	Special Rev	Debt Service	Capital Projects	Internal Service	Trust/Agency
<b>Revenue from Local Sources</b>						
1110 Ad Valorem Taxes Levied by District	1,530,215		721,881			
1120 Local Option Ad Valorem Taxes Levied by						
1190 Penalties and Interest on Taxes	315		148			
1200 Rev from Local Gov't'l Units Other Than Districts						
1310 Regular Day School Tuition	0					
1311 Tuition from Individuals	145,008					
1312 Tuition from Other Districts	1,232					
1320 Adult/Continuing Education Tuition						
1330 Summer School Tuition						
1400 Transportation Fees	0					
1500 Earnings on Investments	6,492	2,051	1,552	1,761		
1600 Food Service	0	104,270				
1700 Extracurricular Activities	1,483	240,102				
1800 Community Services Activities						
1910 Rentals	573,220					
1920 Contributions and Donations From Private	22,444			170,496		
1930 Rental or Lease Payments From Private						
1940 Services Provided Other Local Education	210,000					
1950 Textbook Sales and Rentals						
1960 Recovery of Prior Years' Expenditure						
1970 Services Provided Other Funds						
1980 Fees Charged to Grants						
1990 Miscellaneous	107,934	14,808				
<b>Total Revenue from Local Sources</b>	<b>\$2,598,343</b>	<b>\$361,231</b>	<b>\$723,581</b>	<b>\$172,257</b>	<b>\$0</b>	<b>\$0</b>
<b>Revenue from Intermediate Sources</b>						
2101 County School Funds	910					
2102 Education Service District Apportionment	45,000					
2105 Natural Gas, Oil, and Mineral Receipts						
2199 Other Intermediate Sources						
2200 Restricted Revenue	9,949					
2800 Revenue in Lieu of Taxes						
2900 Revenue for/on Behalf of the District						
<b>Total Revenue from Intermediate Sources</b>	<b>\$55,859</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Revenue from State Sources</b>						
3101 State School Fund - General Support	6,992,559					
3102 State School Fund - School Lunch Match		2,056				
3103 Common School Fund	113,008					
3105 State School Fund	38,526					
3199 Other Unrestricted Grants-in-Aid	139,474					
3204 Driver Education						
3222 SSF Transportation Equipment						
3299 Other Restricted Grants-in-Aid	0					
3800 Revenue in Lieu of Taxes						
3900 Revenue for/on Behalf of the District						
<b>Total Revenue from State Sources</b>	<b>\$7,283,567</b>	<b>\$2,056</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Revenue from Federal Sources</b>						
4100 Unrestricted Rev. Dir. Federal Government						
4300 Restr. Rev. Federal Government						
4500 Restricted Rev. Federal Gov. Through State	1,355	268,915				
4700 Grants-In-Aid Fed. Gov. Thru Intern. Agencies						
4801 Federal Forest Fees						
4802 Impact Aid to School Districts for Operation (PL						
4803 Coos Bay Wagon Road Funds						
4899 Other Revenue in Lieu of Taxes						
4900 Revenue for/on Behalf of the District	0					
<b>Total Revenue from Federal Sources</b>	<b>\$1,355</b>	<b>\$268,915</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Revenue from Other Sources</b>						
5100 Long Term Debt Financing Sources		0		638,625		
5200 Interfund Transfers	12,000	60,000		125,000		
5300 Sale (Loss) from Fixed Asset Disposal						
5400 Resources - Beginning Fund Balance	961,524	326,270	333,987	778,213		
<b>Total Revenue from Other Sources</b>	<b>\$973,524</b>	<b>\$386,270</b>	<b>\$333,987</b>	<b>\$1,541,838</b>	<b>\$0</b>	<b>\$0</b>
<b>Grand Totals</b>	<b>\$10,912,648</b>	<b>\$1,018,472</b>	<b>\$1,057,568</b>	<b>\$1,714,095</b>	<b>\$0</b>	<b>\$0</b>

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

Schedule of Expenditures by Function/Object  
Year Ended June 30, 2013

GENERAL FUND								
<b>Instruction Expenditures</b>								
	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
1111 Primary, K-3	1,673,087	1,050,912	525,453	19,288	73,534	2,676	1,224	
1112 Intermediate Programs	0	0	0	0	0			
1113 Elementary Extracurricular	579	0	0	0	579			
1121 Middle/Junior High Programs	915,013	610,503	273,523	6,224	21,650	2,513	600	
1122 Middle/Junior High School Extracurricular	28,046	23,114	4,718	108	106			
1131 High School Programs	1,073,065	635,767	288,769	33,352	110,381	4,260	536	
1132 High School Extracurricular	49,438	28,752	6,696	11,192	2,798			
1140 Pre-Kindergarten Programs	116,728	62,879	47,868	417	5,564			
1210 Programs for the Talented and Gifted	0	0	0	0	0			
1220 Restrictive Programs for Students with Disabilities	7,849	0	0	7,849	0			
1250 Less Restrictive Programs for Students with Disabilities	353,056	204,526	118,912	7,220	17,685	4,018	695	
1260 Early Intervention	0	0	0	0	0			
1271 Remediation	0	0	0	0	0			
1272 Title I	0	0	0	0	0			
1280 Alternative Education	2,712,522	0	604	2,707,556	4,362			
1291 English Second Language Programs	0	0	0	0	0			
1299 Other Programs	0	0	0	0	0			
1300 Adult/Continuing Education Programs	0	0	0	0	0			
1400 Summer School Programs	0	0	0	0	0			
<b>Total Instruction Expenditures</b>	<b>\$6,929,383</b>	<b>\$2,616,453</b>	<b>\$1,266,543</b>	<b>\$2,793,206</b>	<b>\$236,659</b>	<b>\$13,467</b>	<b>\$3,055</b>	<b>\$0</b>
<b>Support Services Expenditures</b>								
	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
2110 Attendance and Social Work Services	\$0	0	0	0	0	0	0	0
2120 Guidance Services	\$1,628	400	192	0	1,036	0	0	0
2130 Health Services	\$3,038	0	0	1,796	637	0	605	0
2140 Psychological Services	\$0	0	0	0	0	0	0	0
2190 Service Direction, Student Support Services	\$0	0	0	0	0	0	0	0
2210 Improvement of Instruction Services	\$70,264	50,281	18,621	0	12	0	1,350	0
2220 Educational Media Services	\$30	0	0	0	30	0	0	0
2230 Assessment & Testing	\$51,705	0	0	0	51,705	0	0	0
2240 Instructional Staff Development	\$17,718	0	0	11,131	229	0	6,358	0
2310 Board of Education Services	\$210,953	0	18,537	63,995	4,742	0	123,679	0
2320 Executive Administration Services	\$382,329	223,041	96,462	56,925	2,875	0	3,026	0
2410 Office of the Principal Services	\$403,063	237,618	101,483	12,731	45,329	402	5,500	0
2490 Other Support Services - School Administration	\$0	0	0	0	0	0	0	0
2510 Direction of Business Support Services	\$0	0	0	0	0	0	0	0
2520 Fiscal Services	\$159,784	64,376	48,678	23,610	2,584	896	19,640	0
2540 Operation and Maintenance of Plant Services	\$873,516	194,703	132,495	432,294	59,107	52,385	2,532	0
2550 Student Transportation Services	\$499,437	209,670	138,759	96,203	54,423	0	382	0
Direction of Central Support Services	\$0							
2570 Internal Services	\$37,256	0	0	31,783	5,473	0	0	0
2630 Information Services	\$0	0	0	0	0	0	0	0
2640 Staff Services	\$0	0	0	0	0	0	0	0
2660 Technology Services	\$79,547	14,697	5,722	29,640	19,089	9,739	660	0
2670 Records Management Services	\$0	0	0	0	0	0	0	0
2690 Other Support Services - Central	\$0	0	0	0	0	0	0	0
2700 Supplemental Retirement Program	\$0							
<b>Total Support Services Expenditures</b>	<b>\$2,790,268</b>	<b>\$994,786</b>	<b>\$560,949</b>	<b>\$760,108</b>	<b>\$247,271</b>	<b>\$63,422</b>	<b>\$163,732</b>	<b>\$0</b>
<b>Enterprise and Community Services Expenditures</b>								
	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
3100 Food Services	\$0							
3200 Other Enterprise Services	\$0							
3500 Custody and Care of Children Services	\$0							
<b>Total Enterprise and Community Services Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Facilities Acquisition and Construction Expenditures</b>								
	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
4110 Service Area Direction	\$0							
4120 Site Acquisition and Development Services	\$0							
4190 Other Facilities Construction Services	\$0							
<b>Total Facilities Acquisition and Construction</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Other Uses Expenditures</b>								
	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
5100 Debt Service	\$261,398						\$261,398	
5200 Transfers of Funds	\$185,000							\$185,000
5400 PERS UAL Bond Lump Sum	\$0							
<b>Total Other Uses Expenditures</b>	<b>\$446,398</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$261,398</b>	<b>\$185,000</b>
<b>Grand Total</b>	<b>\$10,166,049</b>	<b>\$3,611,239</b>	<b>\$1,827,492</b>	<b>\$3,553,314</b>	<b>\$483,930</b>	<b>\$76,889</b>	<b>\$428,185</b>	<b>\$185,000</b>

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

Schedule of Expenditures by Function/Object  
Year Ended June 30, 2013

<b>SPECIAL REVENUE FUND</b>								
<b>Instruction Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
1111 Primary, K-3	\$0							
1112 Intermediate Programs	\$0							
1113 Elementary Extracurricular	\$0							
1121 Middle/Junior High Programs	\$0							
1122 Middle/Junior High School Extracurricular	\$53,276				\$53,276			
1131 High School Programs	\$0							
1132 High School Extracurricular	\$181,093				\$181,093			
1140 Pre-Kindergarten Programs	\$0							
1210 Programs for the Talented and Gifted	\$0							
1220 Restrictive Programs for Students with Disabilities	\$0							
1250 Less Restrictive Programs for Students with Disabilities	\$132,000	\$98,157	\$33,843		\$0			
1260 Early Intervention	\$0							
1271 Remediation	\$0							
1294 Youth Corrections Education	\$0							
1299 Other Programs	\$0							
1300 Adult/Continuing Education Programs	\$0							
1400 Summer School Programs	\$0							
<b>Total Instruction Expenditures</b>	<b>\$366,369</b>	<b>\$98,157</b>	<b>\$33,843</b>	<b>\$0</b>	<b>\$234,369</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Support Services Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
2110 Attendance and Social Work Services	\$0							
2120 Guidance Services	\$0							
2130 Health Services	\$0							
2140 Psychological Services	\$0							
2150 Speech Pathology and Audiology Services	\$0							
2160 Other Student Treatment Services	\$0							
2190 Service Direction, Student Support Services	\$0							
2210 Improvement of Instruction Services	\$0							
2220 Educational Media Services	\$0							
2230 Assessment & Testing	\$0							
2240 Instructional Staff Development	\$0							
2310 Board of Education Services	\$0							
2320 Executive Administration Services	\$0							
2410 Office of the Principal Services	\$0							
2490 Other Support Services - School Administration	\$0							
2510 Direction of Business Support Services	\$0							
2520 Fiscal Services	\$0							
2540 Operation and Maintenance of Plant Services	\$0				\$0			
2550 Student Transportation Services	\$97,821					\$97,821		
Direction of Central Support Services								
2630 Information Services	\$97,821							
2640 Staff Services	\$0							
2660 Technology Services	\$0							
2670 Records Management Services	\$0							
2690 Other Support Services - Central	\$0							
2700 Supplemental Retirement Program	\$21,698	\$3,300	\$18,398					
<b>Total Support Services Expenditures</b>	<b>\$119,519</b>	<b>\$3,300</b>	<b>\$18,398</b>	<b>\$0</b>	<b>\$0</b>	<b>\$97,821</b>	<b>\$0</b>	<b>\$0</b>
<b>Enterprise and Community Services Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
3100 Food Services	\$193,050	\$38,723	\$21,890		\$130,562		\$1,875	\$0
3200 Other Enterprise Services	\$0							
3300 Community Services	\$0							
3500 Custody and Care of Children Services	\$0							
<b>Total Enterprise and Community Services</b>	<b>\$193,050</b>	<b>\$38,723</b>	<b>\$21,890</b>	<b>\$0</b>	<b>\$130,562</b>	<b>\$0</b>	<b>\$1,875</b>	<b>\$0</b>
<b>Facilities Acquisition and Construction Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
4110 Service Area Direction	\$0							
4120 Site Acquisition and Development Services	\$0							
4150 Building Acquisition, Construction, and Improvement Services	\$113,688			\$1,464		\$112,224		
4190 Other Facilities Construction Services	\$0							
<b>Total Facilities Acquisition and Construction</b>	<b>\$113,688</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,464</b>	<b>\$0</b>	<b>\$112,224</b>	<b>\$0</b>	<b>\$0</b>
<b>Other Uses Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
5100 Debt Service	\$0							
5200 Transfers of Funds	\$12,000							\$12,000
5300 Apportionment of Funds by ESD	\$0							
5400 PERS UAL Bond Lump Sum	\$0							
<b>Total Other Uses Expenditures</b>	<b>\$12,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$12,000</b>
<b>Grand Total</b>	<b>\$804,626</b>	<b>\$140,180</b>	<b>\$74,131</b>	<b>\$1,464</b>	<b>\$364,931</b>	<b>\$210,045</b>	<b>\$1,875</b>	<b>\$12,000</b>

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

Schedule of Expenditures by Function/Object  
Year Ended June 30, 2013

<b>DEBT SERVICE FUND</b>					
<b>Other Uses Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 600</b>
5100 Debt Service	\$786,213				\$786,213
5200 Transfers of Funds	0				
5300 Apportionment of Funds by ESD	0				
5400 PERS UAL Bond Lump Sum	0				
<b>Total Other Uses Expenditures</b>	786,213	0	0	0	786,213
<b>Grand Total</b>	\$786,213	\$0	\$0	\$0	\$786,213

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

Schedule of Expenditures by Function/Object  
Year Ended June 30, 2013

<b>CAPITAL PROJECTS FUND</b>								
<b>Facilities Acquisition and Construction</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
4110 Service Area Direction	\$0							
4120 Site Acquisition and Development	0							
4150 Building Acquisition, Construction,	1,679,200			125,276	27,500	1,525,469	955	
4190 Other Facilities Construction	0							
<b>Total Facilities Acquisition and</b>	<b>\$1,679,200</b>	<b>\$0</b>	<b>\$0</b>	<b>\$125,276</b>	<b>\$27,500</b>	<b>\$1,525,469</b>	<b>\$955</b>	<b>\$0</b>
<b>Other Uses Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
5100 Debt Service	\$22,556			\$0		\$22,556		
5200 Transfers of Funds	0			0				
5300 Apportionment of Funds by ESD	0							
5400 PERS UAL Bond Lump Sum	0							
<b>Total Other Uses Expenditures</b>	<b>\$22,556</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$22,556</b>	<b>\$0</b>	<b>\$0</b>
<b>Grand Total</b>	<b>\$1,701,756</b>	<b>\$0</b>	<b>\$0</b>	<b>\$125,276</b>	<b>\$27,500</b>	<b>\$1,548,025</b>	<b>\$955</b>	<b>\$0</b>

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

Supplemental Information  
Required by the Oregon Department of Education  
Year Ended June 30, 2013

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<b>A. Energy bills for heating - All Funds:</b>		<u>Objects 325 and 326</u>
	Function 2540	\$ 219,461
	Function 2550	5,159
 <b>B. Replacement of equipment - General Fund:</b>		
Include all General Fund expenditures in Object 542, except for the following exclusions:		<u>Amount</u>
Exclude these functions:		
1113, 1122 & 1132	Co-curricular Activities	
1140	Pre-kindergarten	\$ 2,459
1300	Continuing Education	
1400	Summer School	
	Construction	
	Pupil Transportation	
	Food Service	
	Community Services	

CORBETT SCHOOL DISTRICT  
MULTNOTMAH, OREGON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2013

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL C.F.D.A. NUMBER	EXPENDITURES
U.S. DEPARTMENT OF EDUCATION		
Passed through Oregon Department of Education:		
IDEA Part B, Section 611	84.027	\$ 131,938
IDEA Part B, Section 619	84.173	<u>2,221</u>
TOTAL U. S. DEPARTMENT OF EDUCATION		<u>134,159</u>
U.S. DEPARTMENT OF AGRICULTURE		
Passed through Oregon Department of Education:		
Commodities	10.555	6,718
National School Lunch Program	10.555	100,948
National School Breakfast Program	10.553	<u>28,445</u>
TOTAL U. S. DEPARTMENT OF AGRICULTURE		<u>136,111</u>
TOTAL FEDERAL EXPENDITURES		<u>\$ 270,270</u>

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AUDITORS' COMMENTS AND DISCLOSURES REQUIRED  
BY STATE REGULATION



## INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS

We have audited the basic financial statements of the Corbett School District No. 39, Multnomah County, Oregon (the District) as of and for the year ended June 30, 2013, and have issued our report thereon dated December 31, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

### Compliance

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:

1. Our audit testing revealed expenditures exceeding appropriations in the Support Services function by \$56,509 and Debt Services function of \$56,054 in the General Fund. The Food Service Fund expenditures exceeded appropriations in the Enterprise and Community Services function by \$2,856. These items were disclosed in Note 1 of the financial statements.

### OAR 162-10-0230 Internal Control

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



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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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.

#### **Purpose of this Report**

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

*Wilcox Arredondo & Co.*

Certified Public Accountants  
Canby, Oregon  
January 2, 2014