

CORBETT SCHOOL DISTRICT NO. 39
Multnomah County, Oregon

Financial Report

Year Ended June 30, 2015

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

BOARD OF DIRECTORS

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

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CORBETT SCHOOL DISTRICT NO. 39
MULTNOMAH COUNTY, 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, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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, 2015, 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.



Change in Accounting Principle

As described in Note 13 to the financial statements, during the year ended June 30, 2015 the Districted adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Funding Progress for Other Postemployment Benefits and Oregon Public Employee Retirement System information 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

Additionally, accounting principles generally accepted in the United States of America require that the General Fund budgetary comparison 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. 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 General Fund budgetary comparison are fairly stated in all material respects in relation to the basic financial statements taken as a whole

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 28, 2015, 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
December 28, 2015

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MANAGEMENT'S DISCUSSION AND ANALYSIS

CORBETT SCHOOL DISTRICT NO. 39
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
For the year ended June 30, 2015

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, 2015. Please read it in conjunction with the District's Financial Statements, which follows this MD&A.

NEW ACCOUNTING STANDARDS IMPLEMENTED

The District implemented Governmental Accounting Standards Boards (GASB) Statement 68, which reflects financial transactions not previously reported in the District financial statements. The new GASB statements require a liability for pension obligations, known as the net pension liability (NPL), to be recognized on the balance sheets of the plan of the participating employers'. Similarly, a pension expense (PE) will be recognized on the income statement. The result of implementing GASB 68 reflects negatively on the District's net position. The recent Oregon Supreme Court rulings overturning the 2013 PERS reforms substantially increased the aforementioned liability.

Readers are encouraged to examine the fund balance and the total net position increase to gain an accurate picture of the District's solvency and trended financials in comparison to last year.

FINANCIAL HIGHLIGHTS

- At June 30, 2015, the District's assets exceeded its liabilities by \$8,920,749.
- The District's net position increased by \$5,625,846 during 2014-15.

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, 2015 and 2014				
	<u>Governmental Activities</u>		<u>Increase (Decrease)</u>	<u>Change</u>
	<u>June 30, 2015</u>	<u>June 30, 2014</u>		
Assets				
Current and other assets	\$ 5,854,855	\$ 2,007,707	\$ 3,847,148	191.6%
Capital assets	7,148,225	7,039,574	108,651	1.5%
Total Assets	<u>13,003,080</u>	<u>9,047,281</u>	<u>3,955,799</u>	43.7%
Deferred Outflows of Resources	<u>1,209,056</u>	<u>761,608</u>	<u>447,448</u>	
Liabilities				
Current and other liabilities	903,064	4,334,128	(3,431,064)	-79.2%
Long-Term liabilities	<u>2,210,784</u>	<u>2,179,858</u>	<u>30,926</u>	1.4%
Total Liabilities	<u>3,113,848</u>	<u>6,513,986</u>	<u>(3,400,138)</u>	-52.2%
Deferred Inflows of Resources	<u>2,177,539</u>	<u>-</u>	<u>2,177,539</u>	
Net Position:				
Invested in capital assets, net of related debt	5,169,325	4,588,427	580,898	12.7%
Restricted for debt service	38,410	21,631	16,779	77.6%
Restricted for other uses	216,881	291,736	(74,855)	-25.7%
Unrestricted	<u>3,496,133</u>	<u>(1,606,891)</u>	<u>5,103,024</u>	-317.6%
Total Net Position	<u>\$ 8,920,749</u>	<u>\$ 3,294,903</u>	<u>\$ 5,625,846</u>	170.7%

As Restated for
GASB 68

The District's revenues and expenses for fiscal year 2014-15, were as follows:

**Changes in Net Position
For the Year Ended June 30, 2015 and 2014**

	<u>Governmental Activities</u>		Increase (Decrease)	Change
	<u>June 30, 2015</u>	<u>June 30, 2014</u>		
Revenues:				
Program Revenues:				
Charges for services	\$ 466,267	\$ 739,158	\$ (272,891)	-36.9%
Operating grants and contributions	358,765	389,430	(30,665)	-7.9%
General Revenues:				
Property Taxes	1,644,240	1,999,173	(354,933)	-17.8%
State School Fund - General Fund	11,775,586	8,679,724	3,095,862	35.7%
Other State and Local Sources	324,810	921,708	(596,898)	-64.8%
Miscellaneous	13,323	10,147	3,176	31.3%
Total Revenues	<u>14,582,991</u>	<u>12,739,340</u>	<u>1,843,651</u>	14.5%
Expenses:				
Instruction Support Services	5,784,734	8,498,479	(2,713,745)	-31.9%
Support Services	2,866,942	3,383,865	(516,923)	-15.3%
Community Services	217,086	241,347	(24,261)	-10.1%
Facilities Acquisition and Improvement	-	35,396	(35,396)	-100.0%
Interest on Long-Term Debt	88,383	92,480	(4,097)	-4.4%
Total Expenses	<u>8,957,145</u>	<u>12,251,567</u>	<u>(3,294,422)</u>	-26.9%
Change in Net Position	<u>5,625,846</u>	<u>487,773</u>	<u>5,138,073</u>	1053.4%
Net Position - July 1, Previously reported	5,920,798	5,433,025	487,773	
Restated per GASB 68 Implementation	<u>(2,625,895)</u>	<u>-</u>	<u>(2,625,895)</u>	
Net position - July 1, Restated	<u>3,294,903</u>	<u>5,433,025</u>	<u>(2,138,122)</u>	-39.4%
Net position - June 30	<u>\$ 8,920,749</u>	<u>\$ 5,920,798</u>	<u>\$ 2,999,951</u>	50.7%

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, 2015, total fund balance of the governmental funds was \$3,314,696 (governmental fund balance includes unassigned balance of \$3,052,471). 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 2014-15 fiscal year the District received an additional \$2.1 million to assist with operational changes resulting from the reduction and partial absorption of Corbett Charter School ADM.

CAPITAL ASSETS

At June 30, 2015 the District had \$7,148,225 invested in broad range of capital assets, including land, building, equipment and vehicles. The changes in capital assets for 2014-15 are due to the depreciation of capital assets, as well as the purchase of a bus.

DEBT ADMINISTRATION

As of June 30, 2015 the District had \$2,210,784 in long term debt. The district's debt consists of a Certificates of Participation (2001 and 2012), a QSCB Loan (2012), and a SELP Loan from the Oregon Department of Energy (2012), as well other post-employment benefits.

2014-15 BUDGET

The budget for 2014-15 has total appropriations of \$13,512,861. Operating resources and uses are expected to remain flat in the current year.

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

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BASIC FINANCIAL STATEMENTS

CORBETT SCHOOL DISTRICT NO. 39
MULTNOMAH COUNTY, OREGON

Statement of Net Position
June 30, 2015

	<u>Governmental Activities</u>	<u>Component Unit Activities</u>
Assets		
Cash and Cash Equivalents	\$ 3,829,047	\$ 41,245
Property Taxes Receivable	144,866	-
Accounts Receivable	373,114	25,984
Supply Inventories	3,168	-
Capital Assets, Net	7,148,225	-
Net Pension Asset - Proportionate share	<u>1,504,660</u>	<u>484,109</u>
Total Assets	<u>13,003,080</u>	<u>551,338</u>
Deferred Outflows of Resources		
Pension Plan	<u>1,209,056</u>	<u>91,391</u>
Liabilities		
Accounts Payable	281,788	34,481
Accrued Payroll & Withholdings	615,944	12,795
Due to Other Agencies	0	3,810
Unearned Revenue	5,332	-
Long-Term Liabilities:		
Due Within One Year	129,243	-
Due in More Than One Year	1,849,657	-
Other Postemployment Benefit Obligation	<u>231,884</u>	<u>-</u>
Total Liabilities	<u>3,113,848</u>	<u>51,086</u>
Deferred Inflows of Resources		
Pension Plan	<u>2,177,539</u>	<u>700,601</u>
Net position		
Net Investment in Capital Assets	5,169,325	-
Restricted for Debt Service	38,410	-
Restricted for Other Uses	216,881	-
Unrestricted	<u>3,496,133</u>	<u>(108,958)</u>
Total Net Position	<u>\$ 8,920,749</u>	<u>\$ (108,958)</u>

See notes to the basic financial statements.

CORBETT SCHOOL DISTRICT NO. 39
MULTNOMAH COUNTY, OREGON

Statement of Activities
Year Ended June 30, 2015

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	\$ 5,784,734	\$ 385,356	\$ 254,253	\$ (5,145,125)	\$ 127,822
Support Services	2,866,942	-	-	(2,866,942)	(22,094)
Community Services	217,086	80,911	104,512	(31,663)	-
Interest on Long-Term Debt	88,383	-	-	(88,383)	-
Total Governmental Activities	\$ 8,957,145	\$ 466,267	\$ 358,765	(8,132,113)	105,728
General Revenues					
				1,644,240	-
Property Taxes				11,775,586	485,031
State Support				121,543	-
Rents				203,267	-
Unrestricted Intermediate and Local Sources				13,323	119
Earnings on Investments					
Total General Revenues				13,757,959	485,150
				Change in Net Position	590,878
				Net Position, Beginning of Year, Restated	(699,836)
				Net Position, End of Year	(108,958)

See notes to the basic financial statements.

CORBETT SCHOOL DISTRICT NO. 39
MULTNOMAH COUNTY, OREGON

Balance Sheet - Governmental Funds
June 30, 2015

	GENERAL FUND	OTHER NONMAJOR	TOTALS
ASSETS:			
Cash and Investments	\$ 3,608,875	\$ 220,172	\$ 3,829,047
Receivables:			
Taxes	112,983	31,883	144,866
Accounts	95,058	278,056	373,114
Inventory	-	3,168	3,168
Due from Other Funds	238,346	-	238,346
	<u>4,055,262</u>	<u>533,279</u>	<u>4,588,541</u>
Total Assets	<u>\$ 4,055,262</u>	<u>\$ 533,279</u>	<u>\$ 4,588,541</u>
LIABILITIES			
Accounts Payable	\$ 280,590	\$ 1,198	\$ 281,788
Payroll Liabilities	615,944	-	615,944
Due to Other Funds	-	238,346	238,346
Deferred Revenue	-	5,332	5,332
	<u>896,534</u>	<u>244,876</u>	<u>1,141,410</u>
Total Liabilities	<u>896,534</u>	<u>244,876</u>	<u>1,141,410</u>
DEFERRED INLFOWS OF RESOURCES:			
Unavailable Revenue - Property Taxes	102,491	29,944	132,435
	<u>102,491</u>	<u>29,944</u>	<u>132,435</u>
Total Deferred Inflows of Resources	<u>102,491</u>	<u>29,944</u>	<u>132,435</u>
Fund Balance:			
Nonspendable	-	3,168	3,168
Restricted for			
Food Services	-	49,003	49,003
Student Activity	-	86,218	86,218
Federal Programs	-	7,726	7,726
Energy Projects	-	19,552	19,552
Debt Service	-	38,410	38,410
Capital Projects	-	54,382	54,382
Committed to			
Bus Replacement	1,091	-	1,091
Early Retirement	2,675	-	2,675
Unassigned	3,052,471	-	3,052,471
	<u>3,056,237</u>	<u>258,459</u>	<u>3,314,696</u>
Total Fund Balance	<u>3,056,237</u>	<u>258,459</u>	<u>3,314,696</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 4,055,262</u>	<u>\$ 533,279</u>	<u>\$ 4,588,541</u>

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, 2015

Total Fund Balances	\$	3,314,696
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.</p>		
Capital Assets, Net		7,148,225
<p>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.</p>		
Unearned Revenue - Property Taxes		132,435
<p>The Net Pension Asset is not available to pay for current period expenditures, and therefore, is not reported in the governmental funds.</p>		
		1,504,660
<p>Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds.</p>		
Deferred outflows of resources related to pensions	1,209,056	
Deferred inflows or resources related to pensions	<u>(2,177,539)</u>	(968,483)
<p>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.</p>		
COPS	\$ (933,335)	
Loans	(480,565)	
Bonds Payable	(565,000)	
Other Post Employment Benefits	<u>(231,884)</u>	<u>(2,210,784)</u>
Total Net Position	\$	<u><u>8,920,749</u></u>

See notes to the basic financial statements.

CORBETT SCHOOL DISTRICT NO. 39
MULTNOMAH COUNTY, OREGON

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2015

	GENERAL FUND	OTHER NONMAJOR	TOTALS
REVENUES:			
Local Sources:			
Taxes	\$ 1,585,754	\$ 16,612	\$ 1,602,366
Earnings on Investments	13,156	167	13,323
Other Local Sources	353,811	315,374	669,185
Intermediate Sources	121,622	-	121,622
State Sources	11,772,167	3,419	11,775,586
Federal Sources	12,869	346,166	359,035
	<u>13,859,379</u>	<u>681,738</u>	<u>14,541,117</u>
Total Revenues			
EXPENDITURES:			
Current:			
Instruction	7,492,459	453,742	7,946,201
Support Services	3,580,221	-	3,580,221
Enterprise and Community Services	-	212,242	212,242
Facilities Acquisition and Construction	12,206	119,476	131,682
Debt Service	216,512	-	216,512
Capital Outlay			
Instruction	44,673	-	44,673
Support Services	201,960	-	201,960
	<u>11,548,031</u>	<u>785,460</u>	<u>12,333,491</u>
Total Expenditures			
Excess of Revenues Over, (Under) Expenditures	<u>2,311,348</u>	<u>(103,722)</u>	<u>2,207,626</u>
Other Financing Sources, (Uses)			
Transfers In	209,000	60,000	269,000
Transfers Out	<u>(255,000)</u>	<u>(14,000)</u>	<u>(269,000)</u>
Total Other Financing Sources, (Uses)	<u>(46,000)</u>	<u>46,000</u>	<u>-</u>
Net Change in Fund Balance	2,265,348	(57,722)	2,207,626
Beginning Fund Balance	<u>790,889</u>	<u>316,181</u>	<u>1,107,070</u>
Ending Fund Balance	<u>\$ 3,056,237</u>	<u>\$ 258,459</u>	<u>\$ 3,314,696</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, 2015

Net Change in Fund Balance	\$	2,207,626
Amounts reported for governmental activities in the statement of activities are different because:		
<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	\$ 378,315	
Depreciation Expense, Net	<u>(269,664)</u>	108,651
<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>		
		128,129
<p>(Increases) decreases in proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.</p>		
		3,162,072
<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	8,420	
Early Retirement Stipend	3,600	
Early Retirement Obligation	<u>(34,526)</u>	(22,506)
<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>41,874</u>
Change in Net Position	\$	<u><u>5,625,846</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, 2015

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, 2015

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.

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.

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.

CORBETT SCHOOL DISTRICT NO. 39
MULTNOMAH COUNTY, OREGON

Notes to the Basic Financial Statements
For the Year ended June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

Budgets (Continued)

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.

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.

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.

CORBETT SCHOOL DISTRICT NO. 39
MULTNOMAH COUNTY, OREGON

Notes to the Basic Financial Statements
For the Year ended June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Transactions

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. This includes interfund transfers occurring within governmental activities and interfund receivables and payables.

Interfund Payables and Receivables

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

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

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 Early Retirement 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.

CORBETT SCHOOL DISTRICT NO. 39
MULTNOMAH COUNTY, OREGON

Notes to the Basic Financial Statements
For the Year ended June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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 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:

Net invested in capital assets – 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.

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.

CORBETT SCHOOL DISTRICT NO. 39
MULTNOMAH COUNTY, OREGON

Notes to the Basic Financial Statements
For the Year ended June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has two items that qualifies for reporting in this category. The first item is related to pensions reported in the district-wide statement of net position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportionate share of total contributions to the pension system not included in pension expense. This amount is deferred and amortized over 5.6 years. The last item is the District contributions to the pension system subsequent to the measurement date.

In addition to liabilities, the district-wide statement of net position will report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. The first arises only under a modified accrual basis of accounting and is reported as unavailable revenue – property taxes on the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second item is related to pensions reported in the district-wide statement of net position. This represents the effect of the District's proportionate share of the net difference between projected and actual earnings on investments. This amount is deferred and amortized a closed five year period.

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 \$764,256 as of June 30, 2015. The bank statement records reflect a balance of \$1,061,022 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 \$1,061,022. 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.

CORBETT SCHOOL DISTRICT NO. 39
MULTNOMAH COUNTY, OREGON

Notes to the Basic Financial Statements
For the Year ended June 30, 2015

2. CASH AND INVESTMENTS (CONTINUED)

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.

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, 2015.

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, 2015. There were no known violations of legal or contractual provisions for deposits and investments during the fiscal year.

Cash and Investments at June 30, 2015 (recorded at fair value) consist of:

Demand Deposits	\$ 764,256
Investments	<u>3,064,791</u>
	<u>\$ 3,829,047</u>

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	\$ 3,064,791	\$ -	\$ 3,064,791	\$ -
Total	\$ 3,064,791	\$ -	\$ 3,064,791	\$ -

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, 2015, 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.

CORBETT SCHOOL DISTRICT NO. 39
MULTNOMAH COUNTY, OREGON

Notes to the Basic Financial Statements
For the Year ended June 30, 2015

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, 2015, no allowance for doubtful accounts is considered necessary.

4. CAPITAL ASSETS

The changes in capital assets for the year ended June 30, 2015 are as follows:

	<u>Balance</u>			<u>Balance</u>
	<u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2015</u>
Capital Assets not being depreciated:				
Land (non depreciable)	\$ 222,277	\$ -	\$ -	\$ 222,277
Capital assets being depreciated:				
Buildings and improvements	10,471,735	169,359	-	10,641,094
Equipment	288,352	6,997	-	295,349
Vehicles	897,803	201,960	-	1,099,763
Total capital assets being depreciated	<u>11,657,890</u>	<u>378,316</u>	<u>-</u>	<u>12,036,206</u>
Less accumulated depreciation for:				
Buildings and improvements	(4,068,536)	(217,678)	-	(4,286,214)
Equipment	(154,625)	(12,217)	-	(166,842)
Vehicles	(617,432)	(39,770)	-	(657,202)
Total accumulated depreciation	<u>(4,840,593)</u>	<u>(269,665)</u>	<u>-</u>	<u>(5,110,258)</u>
Total capital assets being depreciated, net	<u>6,817,297</u>	<u>108,651</u>	<u>-</u>	<u>6,925,948</u>
Total capital assets, net	<u>\$ 7,039,574</u>	<u>\$ 108,651</u>	<u>\$ -</u>	<u>\$ 7,148,225</u>

Depreciation was allocated to the functions as follows:

Instruction	\$ 186,069
Supporting services	72,809
Community services	<u>10,787</u>
Total	<u>\$ 269,665</u>

CORBETT SCHOOL DISTRICT NO. 39
MULTNOMAH COUNTY, OREGON

Notes to the Basic Financial Statements
For the Year ended June 30, 2015

5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2015 is as follows

	Due from Other Funds	Due to Other Funds
Major Governmental Funds		
General Fund	\$ 238,346	\$ -
Federal Programs	-	238,346
	\$ 238,346	\$ 238,346
Totals	\$ 238,346	\$ 238,346

The outstanding balances between funds results from grant awards which require the expenditure of funds prior to reimbursement, causing a negative cash balances until reimbursement is received. This transaction records negative cash balances.

Interfund transfers were made to provide resources as follows:

	Transfers In	Transfers Out
General Fund	\$ 14,000	\$ 255,000
Capital Projects Fund	60,000	-
Energy Projects Fund	-	14,000
Bus Replacement Fund	177,000	-
Early Retirement Fund	18,000	-
	\$ 269,000	\$ 269,000
Totals	\$ 269,000	\$ 269,000

6. PENSION PLAN

Plan Description

The District participates in the Oregon Public Employees Retirement System (OPERS), a cost-sharing multiple-employer defined benefit plan. OPERS provides retirement, disability, and death benefits to plan members and their beneficiaries.

All benefits of OPERS are established by the Oregon Legislature pursuant to Oregon Revised Statutes (ORS) Chapters 238 and 238A. The plan complies with Internal Revenue Service rules prescribed in 401(a). The Oregon Legislature has delegated the authority to the Public Employees Retirement Board (PERB) to administer and manage the system. OPERS issues a publicly available financial report that can be obtained at: http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx. OPERS prepares their financial statements in accordance with GASB statements and generally accepted accounting principles. The accrual basis of accounting is used for all funds. Contributions are recognized when due, pursuant to legal (or statutory) requirements. Benefits are recognized in the month they are earned and withdrawals are recognized in the month they are due and payable. Investments are recognized at fair value, the amount at which financial instruments could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

CORBETT SCHOOL DISTRICT NO. 39
MULTNOMAH COUNTY, OREGON

Notes to the Basic Financial Statements
For the Year ended June 30, 2015

6. PENSION PLAN (CONTINUED)

There are currently two programs within OPERS, with eligibility determined by the date of employment. Those employed prior to August 29, 2003 are OPERS Program members, and benefits are provided based on whether a member qualifies for Tier One or Tier Two described below. Those employed on or after August 29, 2003 are Oregon Public Service Retirement Plan (OPSRP) Program members. OPERS is a hybrid retirement plan with two components: 1) the Pension Program (defined benefit; established and maintained as a tax-qualified governmental defined benefit plan), and 2) the Individual Account Program (IAP) (defined contribution; established and maintained as a tax-qualified governmental defined contribution plan).

The 1995 Legislature created a second tier of benefits for those who became OPERS Program members after 1995 but before August 29, 2003. The second tier does not have the Tier One assumed earnings rate guarantee.

Beginning January 1, 2004, all employees who were active members of OPERS became members of the OPSRP IAP Program. OPERS plan member contributions (the employee contribution, whether made by the employee or "picked-up" by the employer) go into the IAP portion of OPSRP. OPERS plan members retain their existing OPERS accounts; however, member contributions after January 1, 2004 are deposited in the member's IAP, not into the member's OPERS account.

a. Tier One/Tier Two Retirement Benefit Plan (Chapter 238).

Pension Benefits

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

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer. General service employees may retire after reaching age 55. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60.

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

Death Benefits

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

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

CORBETT SCHOOL DISTRICT NO. 39
MULTNOMAH COUNTY, OREGON

Notes to the Basic Financial Statements
For the Year ended June 30, 2015

6. PENSION PLAN (CONTINUED)

Disability Benefits

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

Benefit Changes after Retirement

Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments.

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

b. OPSRP Pension Program (Chapter 238A)

Pension Benefits.

The OPSRP Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. For general service employees benefits are calculated with the following formula: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

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

Death Benefits

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

Disability Benefits

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

Benefit Changes after Retirement

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

CORBETT SCHOOL DISTRICT NO. 39
MULTNOMAH COUNTY, OREGON

Notes to the Basic Financial Statements
For the Year ended June 30, 2015

6. PENSION PLAN (CONTINUED)

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans.

Employer contribution rates during the period were based on the December 31, 2011 actuarial valuation as subsequently modified by 2013 legislated changes in benefit provisions. The rates based on a percentage of payroll, first became effective July 1, 2013. The District's contractually required contribution rate for the year ended June 30, 2015 was 22.33% of eligible payroll for Tier 1/Tier 2 members and 17.64% of eligible payroll for OPSRP members. Employer contributions for the year ended June 30, 2015 were \$1,133,205, excluding amounts to fund employer specific liabilities.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions

At June 30, 2015, the District reported a net pension asset of \$1,504,660 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2012. The District's proportion of the net pension liability was based on the District's projected long-term contribution effort to the Plan with the total projected long-term contribution effort of all employers, actuarially determined. At June 30, 2014 the District's proportion was .066%.

For the year ended June 30, 2015, the District recognized a negative pension expense of \$3,162,072. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred (Inflows) of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ (2,177,539)
Changes in proportion and differences between employer contributions and proportionate share of contributions	120,575	-
District contributions subsequent to the measurement date	<u>1,088,481</u>	<u>-</u>
Net deferred outflow (inflow) of resources	<u>\$ 1,209,056</u>	<u>\$ (2,177,539)</u>

\$1,088,481 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported by the District as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in subsequent years as follows

CORBETT SCHOOL DISTRICT NO. 39
MULTNOMAH COUNTY, OREGON

Notes to the Basic Financial Statements
For the Year ended June 30, 2015

6. PENSION PLAN (CONTINUED)

Year Ended June 30,	Amount
2016	\$ (692,353)
2017	(692,353)
2018	(692,353)
2019	20,095
Total	\$ (2,056,964)

Actuarial Methods and Assumptions:

Actuarial Valuations

The employer contribution rates effective July 1, 2013, through June 30, 2015, were set using the projected unit credit actuarial cost method.

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

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

Actuarial Assumptions

The total pension liability in the December 31, 2012 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

Valuation Date	December 31, 2012 rolled forward to June 30, 2014.
Experience Study Report	2012, published September 18, 2013
Actuarial cost method	Entry Age Normal
Amortization method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years.
Asset valuation method	Market value of assets
Actuarial assumptions:	
Inflation rate	2.75 percent
Investment rate of return	7.75 percent

CORBETT SCHOOL DISTRICT NO. 39
MULTNOMAH COUNTY, OREGON

Notes to the Basic Financial Statements
For the Year ended June 30, 2015

6. PENSION PLAN (CONTINUED)

Projected salary increases	3.75 percent overall payroll growth; salaries for individuals are assumed to grow at 3.75 percent plus assumed rates of merit/longevity increases based on service
Mortality	Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-backs as described in the valuation. Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (65% for males, 90% for females) of the RP-2000 static combined disabled mortality sex-distinct table.

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

Discount Rate

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

Depletion Date Projection

GASB 67 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/A or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses.

CORBETT SCHOOL DISTRICT NO. 39
MULTNOMAH COUNTY, OREGON

Notes to the Basic Financial Statements
For the Year ended June 30, 2015

6. PENSION PLAN (CONTINUED)

Assumed Asset Allocation

Asset Class/Strategy	Low Range	High Range	OIC Target
Cash	0.0	3.0	0.0
Debt Securities	15.0	25.0	20.0
Public Equity	32.5	42.5	37.5
Private Equity	16.0	24.0	20.0
Real Estate	9.5	15.5	12.5
Alternative Equity	0.0	10.0	10.0
Opportunity Portfolio	0.0	3.0	0.0
Total			100.0

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2013 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the oic long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target	Compound Annual Return (Geometric)
Core Fixed Income	7.20%	4.50%
Short-Term Bonds	8.00	3.70
Intermediate-Term Bonds	3.00	4.10
High Yield Bonds	1.80	6.66
Large Cap US Equities	11.65	7.20
Mid Cap US Equities	3.88	7.30
Small Cap US Equities	2.27	7.45
Developed Foreign Equities	14.21	6.90
Emerging Foreign Equities	5.49	7.40
Private Equity	20.00	8.26
Opportunity Funds/Absolute	5.00	6.01
Real Estate (Property)	13.75	6.51
Real Estate (REITS)	2.50	6.76
Commodities	7.71	6.07
Assumed inflation - Mean		2.75

CORBETT SCHOOL DISTRICT NO. 39
MULTNOMAH COUNTY, OREGON

Notes to the Basic Financial Statements
For the Year ended June 30, 2015

6. PENSION PLAN (CONTINUED)

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
District's proportionate share of the net pension liability (asset)	\$ 3,186,340	\$ (1,504,660)	\$ (5,472,159)

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report. The effect of OPERS on the District's net position has been determined on the same basis used by OPERS.

Changes in Plan Provisions Effecting the Roll Forward

Senate Bill 822, signed into law in May 2013, eliminated the SB 656/HB 3349 tax remedy payments for benefit recipients who are not subject to Oregon income tax, because they do not reside in Oregon, and limited the 2013 post-retirement COLA to 1.5% of annual benefit.

Senate Bill 861, signed into law in October 2013, limited the post-retirement COLA for years beyond 2013 to 1.25% on the first \$60,000 of annual benefit and 0.15% on annual benefits above \$60,000.

Senate Bill 862, signed into law in October 2013, makes targeted changes such as allowing garnishment of PERS benefits for convicted felons. These changes do not significantly affect System liabilities and were not reflected in the valuation.

For GASB 67 and 68, the total pension liability must be calculated based on the benefit terms legally in effect as of the relevant fiscal year-end for the plan. Due to the timing of the benefit changes, this means only Senate Bill 822 is reflected in the June 30, 2013 total pension liability, but that the combined effects of Senate Bills 822 and 861 are reflected in the June 30, 2014 total pension liability. The decrease in the total pension liability resulting from Senate Bill 861, measured as of June 30, 2014, created a \$2,423.6 million reduction in System pension liabilities.

Changes Subsequent to Measurement Date

In April 2015, the Oregon Supreme Court decision in *Moro v. State of Oregon* stated that the reduced COLA amounts provided by Senate Bills 822 and 861 (both passed in 2013) only apply to benefits earned after the effective date of the legislation. As a result of this decision, the total pension liability is estimated to increase by \$4,920 million. The District's proportionate share (.066%) of this increase is \$3,265,930. If this change had occurred prior to the measurement date, the District's statement of net position would reflect a net pension liability of \$1,761,270 versus a pension asset of \$1,504,660.

CORBETT SCHOOL DISTRICT NO. 39
MULTNOMAH COUNTY, OREGON

Notes to the Basic Financial Statements
For the Year ended June 30, 2015

6. PENSION PLAN (CONTINUED)

Tax Sheltered Annuities

The District offers its employee's 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.

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.

CORBETT SCHOOL DISTRICT NO. 39
MULTNOMAH COUNTY, OREGON

Notes to the Basic Financial Statements
For the Year ended June 30, 2015

7. EARLY RETIREMENT PLAN (CONTINUED)

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, 2015, no employee is receiving benefits under the Plan which is paid through 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, 2015 was \$0. 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 2001 originally issued for \$250,000.

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.

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, 2014	Issued	Redeemed and Matured	Outstanding June 30, 2015	Interest Rate(s)
2001 Certificate of Participation	\$ 250,000	\$ 115,000	\$ -	\$ 15,000	\$ 100,000	3.75-5.40%
2012 QSCB	1,000,000	888,890	-	55,555	833,335	3.50%
2012C Certificate of Participation	650,000	590,000	-	25,000	565,000	.4 - 4.0%
2012 SELP Loan	583,136	513,139	-	32,574	480,565	3.50%
Total		\$ 2,107,029	\$ -	\$ 128,129	1,978,900	
			Less: Current Portion		(129,243)	
					\$ 1,849,657	

CORBETT SCHOOL DISTRICT NO. 39
MULTNOMAH COUNTY, OREGON

Notes to the Basic Financial Statements
For the Year ended June 30, 2015

8. LONG-TERM OBLIGATIONS (CONTINUED)

Future maturities are as follows:

Ended June 30,	Certificates of Participation	SELP Loan	Total Principal	Interest	Total
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	100,555	37,460	138,015	78,569	216,584
2020	105,556	38,762	144,318	75,804	220,122
2021-2025	452,780	215,644	668,424	334,274	1,002,698
2026-2030	462,779	83,907	546,686	272,694	819,380
2031-2032	85,000	-	85,000	5,200	90,200
	<u>\$ 1,498,335</u>	<u>\$ 480,565</u>	<u>\$ 1,978,900</u>	<u>\$ 1,017,730</u>	<u>\$ 2,996,630</u>

All long-term debt obligations are payable from the General Fund.

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, 2015, the amount actually contributed to the plan, and changes in the District's net OPEB obligation:

	Year Ended June 30,		
	2015	2014	2013
Annual required contribution	\$ 56,660	\$ 54,744	\$ 52,893
Interest on net OPEB obligation	7,894	6,318	4,544
Adjustments to annual required contribution	<u>(7,049)</u>	<u>(5,641)</u>	<u>(4,057)</u>
Annual OPEB cost	57,505	55,421	53,380
Contributions made	<u>(22,979)</u>	<u>(16,016)</u>	<u>(9,031)</u>
Increase in net OPEB obligation	34,526	39,405	44,349
Net OPEB obligation - beginning of year	<u>197,358</u>	<u>157,953</u>	<u>113,604</u>
Net OPEB obligation - end of year	<u>\$ 231,884</u>	<u>\$ 197,358</u>	<u>\$ 157,953</u>
Percentage of ARC contributed	41%	29%	17%

CORBETT SCHOOL DISTRICT NO. 39
MULTNOMAH COUNTY, OREGON

Notes to the Basic Financial Statements
For the Year ended June 30, 2015

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

Annual OPEB Cost and Net OPEB Obligation (CONTINUED)

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
2013	\$ 53,380	\$ 9,031	17%	\$ 157,953
2014	\$ 55,421	\$ 16,016	29%	\$ 197,358
2015	\$ 57,505	\$ 22,979	40%	\$ 231,884

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.

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 may be obtained by writing to Oregon Public Employees Retirement System, P O Box 23700, Tigard, OR 97281-3700.

CORBETT SCHOOL DISTRICT NO. 39
MULTNOMAH COUNTY, OREGON

Notes to the Basic Financial Statements
For the Year ended June 30, 2015

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

Retirement Health Insurance Account (Continued)

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 employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS, currently 0.59 percent of annual covered payroll for Tier One and Two employees, and 0.49 percent for OPSRP employees. The Oregon PERS Board of Trustees sets the employer contribution rate. It is based on the annual required contribution of the combined participant employers. This is an amount actuarially determined in accordance with the parameters of GASB Statement No. 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 closed period not to exceed 30 years. The District's contributions to RHIA are included in the retirement PERS contributions.

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, 2015 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.

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.

CORBETT SCHOOL DISTRICT NO. 39
MULTNOMAH COUNTY, OREGON

Notes to the Basic Financial Statements
For the Year ended June 30, 2015

11. PROPERTY TAX LIMITATIONS (CONTINUED)

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. 68 and 71

During the year, the District adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. GASB Statement No. 68 establishes standards for measuring and recognizing liabilities, deferred outflows or resources, deferred inflows of resources and expenses/expenditures. GASB 71 addresses an issue regarding application of the transition provisions of GASB Statement 68.

The implementation of GASB Statements 68 and 71 resulted in the restatement of the beginning net position of the governmental activities in the government-wide financial statements as follows:

Net Position, June 30, 2014, as previously reported	\$ 5,920,798
Proportionate of net pension liability	(3,387,503)
Deferred outflows - employer contributions for fiscal year 2014	607,540
Deferred outflows - differences between contributions	<u>154,068</u>
Net Position, June 30, 2014, as restated	<u><u>\$ 3,294,903</u></u>

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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, 2015

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

Required Supplementary Information
Oregon Public Employees Retirement System
June 30, 2015

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Fiscal Year Ended	(a) District's Proportion of the net pension Liability (NPL)	(b) District's Proportionate Share of the Net Pension Liability (NPL)	(c) District's Covered Payroll	(b/c) NPL as a Percentage of covered Payroll	Plan Fiduciary net position as a percentage of the total pension liability
June 30, 2014	0.0664%	\$ 3,387,503	3,993,964	84.82%	91.97%
June 30, 2015	0.0664%	(1,504,660)	5,589,997	-26.92%	103.60%

The amounts presented each fiscal year were actuarial determined at 12/31/12 and rolled forward to the measurement date.

SCHEDULE OF DISTRICT CONTRIBUTIONS

Fiscal Year Ended	Statutorily required contribution	Contributions in relation to the statutorily required Contribution	Contribution deficiency (excess)	District's Covered payroll	Contributions as a percent of covered payroll
June 30, 2014	\$ 607,540	\$ 607,540	\$ -	3,993,964	15.21%
June 30, 2015	1,088,481	1,088,481	-	5,589,997	19.47%

CORBETT SCHOOL DISTRICT NO. 39
MULTNOMAH COUNTY, OREGON

Schedule of Revenues, Expenditures and Changes in Fund Balance
Actual and Budget
Year Ended June 30, 2015

<u>GENERAL FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES:				
Local Sources	\$ 1,923,650	\$ 1,921,400	\$ 1,952,721	\$ 31,321
Intermediate Sources	230,000	111,000	121,622	10,622
State Sources	9,501,395	11,602,193	11,772,167	169,974
Federal Sources	1,500	1,500	12,869	11,369
Total Revenues	<u>11,656,545</u>	<u>13,636,093</u>	<u>13,859,379</u>	<u>(223,286)</u>
EXPENDITURES:				
Instruction	7,213,042	7,613,042 (1)	7,537,132	75,910
Support Services	3,727,341	3,577,341 (1)	3,559,915	17,426
Facility and Acquisition and Construction	-	12,210 (1)	12,206	4
Debt Service		(1)		
Principal	128,129	128,129	128,129	-
Interest	89,503	89,503	88,383	1,120
Operating Contingency	600,000	600,000 (1)	-	600,000
Total Expenditures	<u>11,758,015</u>	<u>12,020,225</u>	<u>11,325,765</u>	<u>694,460</u>
Excess of Revenues Over, (Under) Expenditures	<u>(101,470)</u>	<u>1,615,868</u>	<u>2,533,614</u>	<u>917,746</u>
OTHER FINANCIAL SOURCES, (USES)				
Transfers In	14,000	14,000	14,000	-
Transfers Out	(255,000)	(255,000) (1)	(255,000)	-
Total Other Financing Sources, (Uses)	<u>(241,000)</u>	<u>(241,000)</u>	<u>(241,000)</u>	<u>-</u>
Net Change in Fund Balance	<u>(342,470)</u>	<u>1,374,868</u>	<u>2,292,614</u>	<u>917,746</u>
Beginning Fund Balance	700,000	759,857	759,857	-
Ending Fund Balance	<u>\$ 357,530</u>	<u>\$ 2,134,725</u>	<u>3,052,471</u>	<u>\$ 917,746</u>

(1) Appropriation Level

Reconciliation to Governmental Fund Balance as required by GASB #54

Ending Fund Balance	
Bus Replacement Fund	1,091
Early Retirement Fund	2,675
	<u>\$ 3,056,237</u>

CORBETT SCHOOL DISTRICT NO. 39
MULTNOMAH COUNTY, OREGON

Notes to Required Supplementary Information
For the Year Ended June 30, 2015

1. Other Postemployment Benefit

The schedule of funding progress for other postemployment benefits will eventually present multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

2. Employee Retirement Pension Benefits.

Changes in Plan Provisions Subsequent to Measurement Date

On April 30, 2015, the Oregon Supreme Court ruled that the provisions of Senate Bill 861, signed into law in October 2013, which limited the post-retirement COLA on benefits accrued prior to the signing of the law was unconstitutional. Benefits could be modified prospectively, but not retrospectively. As a result, those who retired before Senate Bill 861 passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a two percent increase annually. OPERS will make restoration payments to eligible recipients.

OPERS members who have accrued benefits before and after the effective dates of the 2013 legislation will have a blended COLA rate when they retire.

This is a change in benefit terms subsequent to the measurement date of June 30, 2014, and not included in the net pension liability (asset) proportionate shares provided to employers in June 2015.

It is estimated that this change will increase net pension liability by \$3,265,930.

Changes in Assumptions

A summary of key changes implemented since the December 31, 2011 valuation are described briefly below. Additional detail and a comprehensive list of changes in methods and assumptions can be found in the 2012 Experience Study for the System, which was published on September 18, 2013, and can be found at: <http://www.oregon.gov/pers/docs/2012ExptudyUpdated.pdf>.

Changes in Actuarial Methods and Allocation Procedures.

Actuarial Cost Method - The Actuarial Cost Method was changed from the Projected Unit Credit (PUC) Cost Method to the Entry Age Normal (EAN) Cost Method. This change will allow OPERS to use the same cost method for contribution rate calculations as required for financial reporting under GASB Statements No. 67 and 68.

Tier 1/Tier 2 Unfunded Actuarial Liability (UAL) amortization - In combination with the change in cost method, the OPERS Board chose to re-amortize the outstanding Tier 1/Tier 2 UAL as of December 31, 2013 over a closed period of 20 years as a level percentage of projected payroll. Gains and losses between subsequent rate-setting valuations will be amortized over a closed 20-year period from the valuation in which they are first recognized.

Contribution Rate Stabilization Method - The "grade-in range" over which the rate collar gradually doubles was modified so that the collar doubles as funded status (excluding side accounts) decreases from 70 to 60 percent or increases from 130 to 140 percent. Previously the ranges had been 80 to 70 percent and 120 to 130 percent. The modification to the grade-in range was made in combination with the change to actuarial cost method, as discussed at the July 2013 OPERS Board public meeting.

CORBETT SCHOOL DISTRICT NO. 39
MULTNOMAH COUNTY, OREGON

Notes to Required Supplementary Information
For the Year Ended June 30, 2015

2. Employee Retirement Pension Benefits.

Allocation of Liability for Service Segments - For purposes of allocating Tier 1/Tier 2 members' actuarial accrued liability among multiple employers, the valuation uses a weighted average of the Money Match methodology and the Full Formula methodology used by OPERS when the member retires. The weights are determined based on the prevalence of each formula among the current Tier 1/Tier 2 population. For the December 31, 2010 and December 31, 2011 valuations, the Money Match was weighted 40 percent for General Service members and 10 percent for Police and Fire members. For the December 31, 2012 and December 31, 2013 valuations, this weighting has been adjusted to 30 percent for General Service members and 5 percent for Police and Fire members, based on a projection of the proportion of liability attributable to Money Match benefits at those valuation dates.

Changes in Economic Assumptions

Investment Return and Interest Crediting - The assumed investment return and interest crediting to both regular and variable account balances was reduced to 7.75 percent. Previously, the assumed investment return and interest crediting to regular account balances was 8 percent and the assumed interest crediting to variable account balances was 8.25 percent.

OPSRP Administrative Expenses - Assumed administrative expenses for the OPSRP System were reduced from \$6.6 million per year to \$5.5 million per year.

Healthcare Cost Inflation - The healthcare cost inflation for the maximum Retiree Health Insurance Premium Account (RHIPA) subsidy was updated based on analysis performed by Milliman's healthcare actuaries. This analysis includes the consideration of the excise tax that will be introduced in 2018 by the Patient Protection and Affordable Care Act.

Changes in Demographic Assumptions

Healthy Mortality - The healthy mortality assumption is based on the RP2000 generational mortality tables with group-specific class and setback adjustments. The group-specific adjustments have been updated to more closely match recently observed system experience.

Disabled Mortality - The disabled mortality assumption base was changed from the RP2000 healthy tables to the RP2000 disabled tables. Gender-specific adjustments were applied to align the assumption with recently observed system experience. RP2000 are mortality tables developed by the Society of Actuaries for the Secretary of Treasury.

Disability, Retirement from Active Status, and Termination - Rates for disability, retirement from active status, and termination were adjusted. Termination rates were changed from being indexed upon age to being indexed upon duration from hire date.

Changes in Salary Increase Assumptions

Merit Increases, Unused Sick Leave, and Vacation Pay - Unused sick leave and vacation pay rates were adjusted.

Retiree Healthcare Participation - The RHIA participation rate for healthy retirees was reduced from 48 to 45 percent. The RHIPA participation rate was changed from a uniform rate of 13 percent to a service-based table of rates.

(Source: December 31, 2012 OPERS Actuarial Valuation p.89)

CORBETT SCHOOL DISTRICT NO. 39
MULTNOMAH COUNTY, OREGON

Notes to Required Supplementary Information
For the Year Ended June 30, 2015

3. Budget

A budget is prepared and legally adopted for the General Fund on the modified accrual basis of accounting. The budgetary basis of accounting is the same as accounting principles generally accepted in the United States of America basis for the governmental fund types, proprietary fund type and private purpose trust fund type. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations.

Appropriations are established at the major function level (instruction, support services, enterprise and community services, facilities acquisition and construction, debt service, operating contingency and transfers) for each fund. The detail budget document, however, is required to contain more specific, detailed information for the aforementioned expenditure categories. Unexpected additional resources may be added to the budget through the use of supplemental budget and appropriation resolution.

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

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SUPPLEMENTARY DATA

CORBETT SCHOOL DISTRICT NO. 39
MULTNOMAH COUNTY, OREGON

Combining Balance Sheet
Major Governmental Fund - General Fund
June 30, 2015

	GENERAL FUND	BUS REPLACEMENT FUND	EARLY RETIREMENT FUND	TOTALS
ASSETS:				
Cash and Investments	\$ 3,605,109	\$ 1,091	\$ 2,675	\$ 3,608,875
Receivables:				
Taxes	112,983	-	-	112,983
Accounts	95,058	-	-	95,058
Due from Other Funds	238,346	-	-	238,346
Total Assets	\$ 4,051,496	\$ 1,091	\$ 2,675	\$ 4,055,262
LIABILITIES				
Accounts Payable	\$ 280,590	\$ -	\$ -	\$ 280,590
Payroll Liabilities	615,944	-	-	615,944
Total Liabilities	896,534	-	-	896,534
DEFERRED INLFOWS OF RESOURCES:				
Unavailable Revenue - Property Taxes	102,491	-	-	102,491
Total Deferred Inflows of Resources	102,491	-	-	102,491
FUND BALANCES				
Committed	-	1,091	2,675	3,766
Unassigned	3,052,471	-	-	3,052,471
Total Fund Balance	3,052,471	1,091	2,675	3,056,237
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 4,051,496	\$ 1,091	\$ 2,675	\$ 4,055,262

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, 2015

	GENERAL FUND	BUS REPLACEMENT FUND	EARLY RETIREMENT FUND	TOTALS
REVENUES:				
Local Sources	\$ 1,952,721	\$ -	\$ -	\$ 1,952,721
Intermediate Sources	121,622	-	-	121,622
State Sources	11,772,167	-	-	11,772,167
Federal Sources	12,869	-	-	12,869
Total Revenues	13,859,379	-	-	13,859,379
EXPENDITURES:				
Instruction	7,537,132	-	-	7,537,132
Support Services	3,559,915	201,960	20,306	3,782,181
Facility and Acquisition and Construction	12,206	-	-	12,206
Debt Service				
Principal	128,129	-	-	128,129
Interest	88,383	-	-	88,383
Total Expenditures	11,325,765	201,960	20,306	11,548,031
Excess of Revenues Over, (Under) Expenditures	2,533,614	(201,960)	(20,306)	2,311,348
OTHER FINANCING SOURCES, (USES)				
Transfers In	14,000	177,000	18,000	209,000
Transfers Out	(255,000)	-	-	(255,000)
Total Other Financing Sources (Uses)	(241,000)	177,000	18,000	(46,000)
Net Change in Fund Balance	2,292,614	(24,960)	(2,306)	2,265,348
Beginning Fund Balance	759,857	26,051	4,981	790,889
Ending Fund Balance	<u>\$ 3,052,471</u>	<u>\$ 1,091</u>	<u>\$ 2,675</u>	<u>\$ 3,056,237</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, 2015

<u>BUS REPLACEMENT FUND</u>				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
EXPENDITURES:				
Facilities Acquisition & Construction	\$ 200,000	\$ 202,000 (1)	\$ 201,960	\$ 40
Excess of Revenues Over, (Under) Expenditures	(200,000)	(202,000)	(201,960)	40
Other Financing Sources, (Uses):				
Transfers In	175,000	177,000	177,000	-
Net Change in Fund Balance	(25,000)	(25,000)	(24,960)	40
Beginning Fund Balance	26,051	26,051	26,051	-
Ending Fund Balance	<u>\$ 1,051</u>	<u>\$ 1,051</u>	<u>\$ 1,091</u>	<u>\$ 40</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, 2015

<u>EARLY RETIREMENT FUND</u>				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
EXPENDITURES:				
Support Services:	\$ 26,000	\$ 26,000 (1)	\$ 20,306	\$ 5,694
Total Support Services	26,000	26,000	20,306	5,694
Other Financing Sources, (Uses):				
Transfers In	20,000	18,000	18,000	-
Net Change in Fund Balance	(6,000)	(8,000)	(2,306)	5,694
Beginning Fund Balance	6,000	8,000	4,981	(3,019)
Ending Fund Balance	\$ -	\$ -	\$ 2,675	\$ 2,675

(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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NONMAJOR GOVERNMENTAL FUNDS

CORBETT SCHOOL DISTRICT NO. 39
MULTNOMAH COUNTY, OREGON

Combining Balance Sheet - All Non-Major Governmental Funds
June 30, 2015

	SPECIAL REVENUE FUNDS						TOTAL
	FOOD SERVICE FUND	STUDENT ACTIVITY FUND	FEDERAL PROGRAMS	ENERGY PROJECTS FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	
ASSETS:							
Cash and Investments	\$ 26,046	\$ 86,218	\$ -	\$ 17,055	\$ 36,471	\$ 54,382	\$ 220,172
Receivables:							
Taxes	-	-	-	-	31,883	-	31,883
Accounts Receivable	24,155	-	251,404	2,497	-	-	278,056
Inventory	3,168	-	-	-	-	-	3,168
Total Assets	<u>\$ 53,369</u>	<u>\$ 86,218</u>	<u>\$ 251,404</u>	<u>\$ 19,552</u>	<u>\$ 68,354</u>	<u>\$ 54,382</u>	<u>\$ 533,279</u>
LIABILITIES:							
Accounts Payable	\$ 1,198	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,198
Due to Other Funds	-	-	238,346	-	-	-	238,346
Deferred Revenue	-	-	5,332	-	-	-	5,332
Total Liabilities	<u>1,198</u>	<u>-</u>	<u>243,678</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>244,876</u>
DEFERRED INFLOWS OF RESOURCES:							
Unavailable Revenue - Property Taxes	-	-	-	-	29,944	-	29,944
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,944</u>	<u>-</u>	<u>29,944</u>
FUND BALANCES							
Fund Balances:							
Nonspendable	3,168	-	-	-	-	-	3,168
Restricted	49,003	86,218	7,726	19,552	38,410	54,382	255,291
Total Fund Balances	<u>52,171</u>	<u>86,218</u>	<u>7,726</u>	<u>19,552</u>	<u>38,410</u>	<u>54,382</u>	<u>258,459</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 53,369</u>	<u>\$ 86,218</u>	<u>\$ 251,404</u>	<u>\$ 19,552</u>	<u>\$ 68,354</u>	<u>\$ 54,382</u>	<u>\$ 533,279</u>

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, 2015

	SPECIAL REVENUE FUNDS						TOTAL
	FOOD SERVICE FUND	STUDENT ACTIVITY FUND	FEDERAL PROGRAMS	ENERGY PROJECTS FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	
REVENUES:							
Local Sources:							
Other Local	\$ 81,375	\$ 204,632	\$ -	\$ 29,367	\$ 16,779	\$ -	\$ 332,153
State Sources							
Other Revenue from State Sources	3,419	-	-	-	-	-	3,419
Federal Sources							
Grants-in-Aid	104,512	-	241,654	-	-	-	346,166
Total Revenues	<u>189,306</u>	<u>204,632</u>	<u>241,654</u>	<u>29,367</u>	<u>16,779</u>	<u>-</u>	<u>681,738</u>
EXPENDITURES:							
Current:							
Instruction	-	212,088	241,654	-	-	-	453,742
Support Services	-	-	-	-	-	-	-
Enterprise and Community Services	212,242	-	-	-	-	-	212,242
Facilities Acquisition and Construction	-	-	-	-	-	119,476	119,476
Total Expenditures	<u>212,242</u>	<u>212,088</u>	<u>241,654</u>	<u>-</u>	<u>-</u>	<u>119,476</u>	<u>785,460</u>
Excess of Revenues Over, (Under) Expenditures	<u>(22,936)</u>	<u>(7,456)</u>	<u>-</u>	<u>29,367</u>	<u>16,779</u>	<u>(119,476)</u>	<u>(103,722)</u>
Other Financing Sources, (Uses):							
Transfers In	-	-	-	-	-	60,000	60,000
Transfers (Out)	-	-	-	(14,000)	-	-	(14,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,000)</u>	<u>-</u>	<u>60,000</u>	<u>46,000</u>
Net Change in Fund Balance	<u>(22,936)</u>	<u>(7,456)</u>	<u>-</u>	<u>15,367</u>	<u>16,779</u>	<u>(59,476)</u>	<u>(57,722)</u>
Beginning Fund Balance	<u>75,107</u>	<u>93,674</u>	<u>7,726</u>	<u>4,185</u>	<u>21,631</u>	<u>113,858</u>	<u>316,181</u>
Ending Fund Balance	<u>\$ 52,171</u>	<u>\$ 86,218</u>	<u>\$ 7,726</u>	<u>\$ 19,552</u>	<u>\$ 38,410</u>	<u>\$ 54,382</u>	<u>\$ 258,459</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, 2015

<u>FOOD SERVICE FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES:				
Local Sources	\$ 110,000	\$ 110,000	\$ 81,375	\$ (28,625)
State Sources	2,800	2,800	3,419	619
Federal Sources	140,000	140,000	104,512	(35,488)
Total Revenues	<u>252,800</u>	<u>252,800</u>	<u>189,306</u>	<u>(63,494)</u>
EXPENDITURES:				
Enterprise and Community Services:	<u>233,963</u>	<u>233,963</u>	<u>212,242</u>	<u>21,721</u>
Total Enterprise and Community Services	<u>233,963</u>	<u>233,963 (1)</u>	<u>212,242</u>	<u>21,721</u>
Net Change in Fund Balance	18,837	18,837	(22,936)	(41,773)
Beginning Fund Balance	<u>115,000</u>	<u>115,000</u>	<u>75,107</u>	<u>(39,893)</u>
Ending Fund Balance	<u>\$ 133,837</u>	<u>\$ 133,837</u>	<u>\$ 52,171</u>	<u>\$ (81,666)</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, 2015

STUDENT ACTIVITY FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES:				
Local Sources	\$ 400,000	\$ 400,000	\$ 204,632	\$ (195,368)
Total Revenues	<u>400,000</u>	<u>400,000</u>	<u>204,632</u>	<u>(195,368)</u>
EXPENDITURES:				
Current:				
Instruction	400,000	400,000 (1)	212,088	187,912
Total Expenditures	<u>400,000</u>	<u>400,000</u>	<u>212,088</u>	<u>187,912</u>
Net Change in Fund Balance	-	-	(7,456)	(7,456)
Beginning Fund Balance	<u>81,533</u>	<u>81,533</u>	<u>93,674</u>	<u>12,141</u>
Ending Fund Balance	<u>\$ 81,533</u>	<u>\$ 81,533</u>	<u>\$ 86,218</u>	<u>\$ 4,685</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, 2015

<u>FEDERAL PROGRAMS FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES:				
From Federal Sources:				
Federal Programs	\$ 252,000	\$ 252,000	\$ 241,654	\$ (10,346)
Total Revenues	<u>252,000</u>	<u>252,000</u>	<u>241,654</u>	<u>(10,346)</u>
EXPENDITURES:				
Instruction	<u>241,673</u>	<u>241,673 (1)</u>	<u>241,654</u>	<u>19</u>
Total Expenditures	<u>241,673</u>	<u>241,673</u>	<u>241,654</u>	<u>19</u>
Net Change in Fund Balance	10,327	10,327	-	(10,327)
Beginning Fund Balance	<u>1,000</u>	<u>1,000</u>	<u>7,726</u>	<u>6,726</u>
Ending Fund Balance	<u>\$ 11,327</u>	<u>\$ 11,327</u>	<u>\$ 7,726</u>	<u>\$ (3,601)</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, 2015

<u>ENERGY PROJECTS FUND</u>				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Local Sources	\$ 14,000	\$ 14,000	\$ 29,367	\$ 15,367
Total Revenues	14,000	14,000	29,367	15,367
EXPENDITURES:				
Facilities Acq & Construction	-	(1)	-	-
Total Expenditures	-	-	-	-
Excess of Revenues Over, (Under) Expenditures	14,000	14,000	29,367	15,367
Other Financing Sources, (Uses):				
Transfers (Out)	(14,000)	(14,000)	(14,000)	-
Net Change in Fund Balance	-	-	15,367	15,367
Beginning Fund Balance	-	-	4,185	4,185
Ending Fund Balance	\$ -	\$ -	\$ 19,552	\$ 19,552

(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, 2015

<u>DEBT SERVICE FUND</u>				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Local Sources	\$	\$ -	\$ 16,779	\$ 16,779
EXPENDITURES:				
Debt Service				
Total Debt Service Expenditures	-	- (1)	-	-
Net Change in Fund Balance	-	-	16,779	16,779
Beginning Fund Balance		-	21,631	21,631
Ending Fund Balance	\$ -	\$ -	\$ 38,410	\$ 38,410

(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, 2015

<u>CAPITAL PROJECTS FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES:				
Local Sources	\$ -	\$ -	\$ -	\$ -
EXPENDITURES:				
Facilities Acquisition & Construction	120,000	120,000 (1)	119,476	524
Total Expenditures	120,000	120,000	119,476	524
Excess of Revenues Over, (Under) Expenditures	(120,000)	(120,000)	(119,476)	524
Other Financing Sources, (Uses):				
Transfers In	60,000	60,000	60,000	-
Total Other Financing Sources, (Uses)	60,000	60,000	60,000	-
Net Change in Fund Balance	(60,000)	(60,000)	(59,476)	524
Beginning Fund Balance	72,339	72,339	113,858	41,519
Ending Fund Balance	<u>\$ 12,339</u>	<u>\$ 12,339</u>	<u>\$ 54,382</u>	<u>\$ 42,043</u>

(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, 2015

GENERAL FUND

Tax Roll Year	Balance July 1, 2014	2014-2015 Tax Levy	Less Discounts	Net Adjustments	Interest	Collections	Balance June 30, 2015
2014-2015	\$ -	\$ 1,632,587	\$ 41,873	\$ 4,354	\$ 703	\$ 1,548,643	\$ 38,420
2013-2014	31,001	-	(51)	(6,480)	1,320	16,944	21,908
2012-2013	14,486	-	(9)	(7,994)	1,248	7,426	16,311
2011-2012	11,811	-	(2)	(6,489)	1,786	7,461	12,627
2010-2011	3,442	-	-	(5,500)	999	3,719	6,222
2009-2010	815	-	-	(4,983)	156	452	5,502
2008-2009	495	-	-	68	86	223	290
Prior	1,485	-	-	42	191	362	1,272
	<u>\$ 63,535</u>	<u>\$ 1,632,587</u>	<u>\$ 41,811</u>	<u>\$ (26,982)</u>	<u>\$ 6,489</u>	1,585,230	<u>\$ 102,552</u>

Undistributed tax collections, June 30, 2015

10,209

Undistributed tax collections, June 30, 2014

(9,685)

Revenue Turned Over to General Fund

\$ 1,585,754

DEBT SERVICE FUND

Tax Roll Year	Balance July 1, 2014	2014-2015 Tax Levy	Less Discounts	Net Adjustments	Interest	Collections	Balance June 30, 2015
2014-2015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2013-2014	11,753	-	(19)	(2,457)	501	5,425	9,305
2012-2013	8,049	-	(4)	(3,891)	607	3,614	8,937
2011-2012	5,624	-	(1)	(3,089)	850	3,552	6,012
2010-2011	1,865	-	-	(2,978)	541	2,013	3,371
2009-2010	369	-	-	(2,263)	71	205	2,498
2008-2009	222	-	-	31	39	101	129
Prior	1,156	-	-	33	148	281	990
	<u>\$ 29,038</u>	<u>\$ -</u>	<u>\$ (24)</u>	<u>\$ (14,614)</u>	<u>\$ 2,757</u>	15,191	<u>\$ 31,242</u>

Undistributed tax collections, June 30, 2015

1,439

Undistributed tax collections, June 30, 2014

(4,089)

Revenue Turned Over to Debt Service Fund

\$ 12,541

CORBETT SCHOOL DISTRICT NO. 39
MULTNOMAH COUNTY, OREGON

Schedule of Revenues by Function - All Funds
Year Ended June 30, 2015

	General	Special Rev	Debt Service	Capital Projects	Internal Service	Trust/Agency
Revenue from Local Sources						
1110 Ad Valorem Taxes Levied by District	1,585,754		16,611			
1120 Local Option Ad Valorem Taxes Levied by						
1190 Penalties and Interest on Taxes	139		1			
1200 Rev from Local Gov'tl Units Other Than Districts						
1310 Regular Day School Tuition						
1311 Tuition from Individuals	176,604					
1312 Tuition from Other Districts	162					
1320 Adult/Continuing Education Tuition						
1330 Summer School Tuition						
1400 Transportation Fees						
1500 Earnings on Investments	13,156		167			
1600 Food Service		80,911				
1700 Extracurricular Activities	3,958	204,632				
1800 Community Services Activities						
1910 Rentals	120,426					
1920 Contributions and Donations From Private	1,117					
1930 Rental or Lease Payments From Private						
1940 Services Provided Other Local Education	2,000					
1950 Textbook Sales and Rentals						
1960 Recovery of Prior Years' Expenditure						
1970 Services Provided Other Funds						
1980 Fees Charged to Grants						
1990 Miscellaneous	49,405	29,831				
Total Revenue from Local Sources	\$1,952,721	\$315,374	\$16,779	\$0	\$0	\$0
Revenue from Intermediate Sources						
2101 County School Funds	1,595					
2102 Education Service District Apportionment	110,000					
2105 Natural Gas, Oil, and Mineral Receipts						
2199 Other Intermediate Sources						
2200 Restricted Revenue	10,027					
2800 Revenue in Lieu of Taxes						
2900 Revenue for/on Behalf of the District						
Total Revenue from Intermediate Sources	\$121,622	\$0	\$0	\$0	\$0	\$0
Revenue from State Sources						
3101 State School Fund - General Support	11,605,164					
3102 State School Fund - School Lunch Match		2,397				
3103 Common School Fund	131,827					
3105 State School Fund	2,164					
3199 Other Unrestricted Grants-in-Aid	14,481					
3204 Driver Education						
3222 SSF Transportation Equipment						
3299 Other Restricted Grants-in-Aid	18,526	1,022				
3800 Revenue in Lieu of Taxes						
3900 Revenue for/on Behalf of the District						
Total Revenue from State Sources	\$11,772,162	\$3,419	\$0	\$0	\$0	\$0
Revenue from Federal Sources						
4100 Unrestricted Rev. Dir. Federal Government						
4300 Restr. Rev. Federal Government						
4500 Restricted Rev. Federal Gov. Through State	12,869	346,166				
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					
Total Revenue from Federal Sources	\$12,869	\$346,166	\$0	\$0	\$0	\$0
Revenue from Other Sources						
5100 Long Term Debt Financing Sources						
5200 Interfund Transfers	14,000	195,000		60,000		
5300 Sale (Loss) from Fixed Asset Disposal						
5400 Resources - Beginning Fund Balance	759,857	211,726	21,632	113,860		
Total Revenue from Other Sources	\$773,857	\$406,726	\$21,632	\$173,860	\$0	\$0
Grand Totals	\$14,633,231	\$1,071,685	\$38,411	\$173,860	\$0	\$0

CORBETT SCHOOL DISTRICT NO. 39
MULTNOMAH COUNTY, OREGON

Schedule of Expenditures by Function/Object
Year Ended June 30, 2015

GENERAL FUND								
Instruction Expenditures								
	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Primary, K-3	2,281,624	1,383,214	758,808	36,404	101,230		1,968	
1112 Intermediate Programs	0							
1113 Elementary Extracurricular	182			48	134			
1121 Middle/Junior High Programs	1,571,073	1,032,399	493,781	2,418	40,694		1,781	
1122 Middle/Junior High School Extracurricular	43,590	35,283	5,751	-292			2,848	
1131 High School Programs	1,858,727	1,096,510	585,921	24,587	138,053		13,656	
1132 High School Extracurricular	252,507	174,860	23,610	17,481	7,163		29,393	
1140 Pre-Kindergarten Programs	128,866	71,256	47,295	2,884	7,431			
1210 Programs for the Talented and Gifted	0							
1220 Restrictive Programs for Students with Disabilities	2,739			2,739				
1250 Less Restrictive Programs for Students with Disabilities	804,342	371,512	280,627	84,748	67,161		294	
1260 Early Intervention	0							
1271 Remediation	0							
1272 Title I	0							
1280 Alternative Education	548,769	32,471	11,926	491,186	2,613		10,573	
1291 English Second Language Programs	44,713	27,729	10,426	137	6,415		6	
1299 Other Programs	0							
1300 Adult/Continuing Education Programs	0							
1400 Summer School Programs	0							
Total Instruction Expenditures	\$7,537,132	\$4,225,234	\$2,218,145	\$662,340	\$370,894	\$0	\$60,519	\$0
Support Services Expenditures								
	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	\$46,358			46,358				
2120 Guidance Services	\$56,551	28,454	10,782	4	1,845		15,466	
2130 Health Services	\$1,980			608	652		720	
2140 Psychological Services	\$0							
2190 Service Direction, Student Support Services	\$0							
2210 Improvement of Instruction Services	\$100,904	58,906	23,208		15,224		3,566	
2220 Educational Media Services	\$622				418		204	
2230 Assessment & Testing	\$48,950				44,750		4,200	
2240 Instructional Staff Development	\$79,218			46,935	31,344		939	
2310 Board of Education Services	\$142,467			3,433	1,664		137,370	
2320 Executive Administration Services	\$558,948	260,800	168,353	29,764	95,750		4,281	
2410 Office of the Principal Services	\$768,857	476,818	245,521	25,330	20,386		802	
2490 Other Support Services - School Administration	\$0							
2510 Direction of Business Support Services	\$0							
2520 Fiscal Services	\$261,401	120,014	88,988	31,962	6,984		13,453	
2540 Operation and Maintenance of Plant Services	\$843,970	266,776	175,762	312,498	87,004		1,930	
2550 Student Transportation Services	\$511,428	237,938	183,459	29,728	58,849		1,454	
Direction of Central Support Services	\$0							
2570 Internal Services	\$35,128			34,974	154			
2630 Information Services	\$0							
2640 Staff Services	\$0							
2660 Technology Services	\$103,133		2	22,538	80,389		204	
2670 Records Management Services	\$0							
2690 Other Support Services - Central	\$0							
2700 Supplemental Retirement Program	\$0							
Total Support Services Expenditures	\$3,559,915	\$1,449,706	\$896,075	\$584,132	\$445,413	\$0	\$184,589	\$0
Enterprise and Community Services Expenditures								
	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	\$0							
3200 Other Enterprise Services	\$0							
3500 Custody and Care of Children Services	\$0							
Total Enterprise and Community Services Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facilities Acquisition and Construction Expenditures								
	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction	\$0							
4150 Building Acquisition, Construction, and Improvement Services	\$12,206					\$12,206		
4190 Other Facilities Construction Services	\$0							
Total Facilities Acquisition and Construction	\$12,206	\$0	\$0	\$0	\$0	\$12,206	\$0	\$0
Other Uses Expenditures								
	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	\$216,512						\$216,512	
5200 Transfers of Funds	\$255,000							\$255,000
5400 PERS UAL Bond Lump Sum	\$0							
Total Other Uses Expenditures	\$471,512	\$0	\$0	\$0	\$0	\$0	\$216,512	\$255,000
Grand Total	\$11,580,765	\$5,674,940	\$3,114,220	\$1,246,472	\$816,307	\$12,206	\$461,620	\$255,000

CORBETT SCHOOL DISTRICT NO. 39
MULTNOMAH COUNTY, OREGON

Schedule of Expenditures by Function/Object
Year Ended June 30, 2015

SPECIAL REVENUE FUND								
Instruction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
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	\$70,788				\$70,788			
1131 High School Programs	\$0							
1132 High School Extracurricular	\$141,300				\$141,300			
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	\$157,896	\$111,812	\$46,084					
1260 Early Intervention	\$0							
1271 Remediation	\$0							
1272 Title I	\$83,757	\$59,554	\$24,203					
1280 Alternative Education	\$0							
1291 English Second Language Programs	\$0							
1292 Teen Parent Program	\$0							
1293 Migrant Education	\$0							
1294 Youth Corrections Education	\$0							
1299 Other Programs	\$0							
1300 Adult/Continuing Education Programs	\$0							
1400 Summer School Programs	\$0							
Total Instruction Expenditures	\$453,741	\$171,366	\$70,287	\$0	\$212,088	\$0	\$0	\$0
Support Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
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							
2550 Student Transportation Services	\$201,960					\$201,960		
Direction of Central Support Services	\$0							
2630 Information Services	\$0							
2640 Staff Services	\$0							
2660 Technology Services	\$0							
2670 Records Management Services	\$0							
2690 Other Support Services - Central	\$0							
2700 Supplemental Retirement Program	\$20,306		\$20,306					
Total Support Services Expenditures	\$222,266	\$0	\$20,306	\$0	\$0	\$201,960	\$0	\$0
Enterprise and Community Services Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	\$212,242	\$10,980	\$7,221	\$2,401	\$184,088	\$1,909	\$5,643	
3200 Other Enterprise Services	\$0							
3300 Community Services	\$0							
3500 Custody and Care of Children Services	\$0							
Total Enterprise and Community Services	\$212,242	\$10,980	\$7,221	\$2,401	\$184,088	\$1,909	\$5,643	\$0
Facilities Acquisition and Construction Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction	\$0							
4120 Site Acquisition and Development Services	\$0							
4150 Building Acquisition, Construction, and Improvement Services	\$0			\$0		\$0		
4190 Other Facilities Construction Services	\$0							
Total Facilities Acquisition and Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Uses Expenditures	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	\$0							
5200 Transfers of Funds	\$14,000							\$14,000
5300 Apportionment of Funds by ESD	\$0							
5400 PERS UAL Bond Lump Sum	\$0							
Total Other Uses Expenditures	\$14,000	\$0	\$0	\$0	\$0	\$0	\$0	\$14,000
Grand Total	\$902,249	\$182,346	\$97,814	\$2,401	\$396,176	\$203,869	\$5,643	\$14,000

CORBETT SCHOOL DISTRICT NO. 39
 MULTNOMAH COUNTY, OREGON

Schedule of Expenditures by Function/Object
 Year Ended June 30, 2015

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

CORBETT SCHOOL DISTRICT NO. 39
MULTNOMAH COUNTY, OREGON

Supplemental Information
Required by the Oregon Department of Education
Year Ended June 30, 2015

A. Energy bills for heating - All Funds:		<u>Objects 325 and 326</u>
	Function 2540	\$ 137,188
	Function 2550	1,007
 B. Replacement of equipment - General Fund:		
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	Construction	\$ 26,850
1140 Pre-kindergarten	Pupil Transportation	
1300 Continuing Education	Food Service	
1400 Summer School	Community Services	

CORBETT SCHOOL DISTRICT
MULTNOMAH, OREGON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2015

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:		
Title 1	84.010	\$ 83,758
IDEA Part B, Section 611	84.027	157,896
Title IIA	84.367	<u>12,869</u>
TOTAL U. S. DEPARTMENT OF EDUCATION		<u>254,523</u>
U.S. DEPARTMENT OF AGRICULTURE		
Passed through Oregon Department of Education:		
Commodities	10.555	6,435
National School Lunch Program	10.555	77,446
National School Breakfast Program	10.553	<u>20,631</u>
TOTAL U. S. DEPARTMENT OF AGRICULTURE		<u>104,512</u>
TOTAL FEDERAL EXPENDITURES		<u>\$ 359,035</u>

AUDITORS' COMMENTS AND DISCLOSURES REQUIRED
BY STATE REGULATION

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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, 2014, and have issued our report thereon dated December 28, 2015. 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.

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
December 28, 2015