

**CORBETT SCHOOL DISTRICT NO. 39**  
**MULTNOMAH COUNTY, OREGON**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2011**



**12700 SW 72<sup>nd</sup> Ave.**  
**Tigard, OR 97223**

**CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON**

**FINANCIAL REPORT  
For the Fiscal Year Ended June 30, 2011**

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**CORBETT SCHOOL DISTRICT NO. 39**  
**MULTNOMAH COUNTY, OREGON**

PRINCIPAL OFFICIALS

BOARD OF DIRECTORS

TERM EXPIRES

Maureen Childs, Chair

June 30, 2011

Brian James, Vice Chair

June 30, 2011

Bob Buttke

June 30, 2013

Jeff Aho

June 30, 2013

Mark Hyzer

June 30, 2011

Todd Mickalson

June 30, 2013

Charlie O'Neil

June 30, 2013

All board members will receive mail at the following address:

35800 E. Historic Columbia River Highway  
Corbett, Oregon 97019

ADMINISTRATION

Randy Trani, Superintendent

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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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**PAULY, ROGERS AND CO., P.C.**

**CERTIFIED PUBLIC ACCOUNTANTS**

- 
- 12700 SW 72ND AVENUE • TIGARD, OREGON 97223
  - (503) 620-2632 • FAX (503) 684-7523

December 29, 2011

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

### **INDEPENDENT AUDITORS' REPORT**

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Corbett School District No. 39, as of and for the year ended June 30, 2011, which collectively comprise the basic financial statements as listed in the table of contents. These financial statements are the responsibility of management. 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 basic financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Corbett School District No. 39, as of June 30, 2011, and the respective changes in financial position for the year then ended, in conformity with generally accepted accounting principles in the United States of America.

The Management's Discussion and Analysis, as listed on the table of contents, is not a required part of the basic financial statements but is supplemental information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



schedules (which is required supplementary information for major governmental funds) 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 Schedule of Expenditures of Federal Awards, as listed in the table of contents, is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The Supplementary Information and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole, except as noted below.

The Schedule of Revenues by Function – All Funds, Schedule of Expenditures by Function/Object – General, Special Revenue, Debt Service, Capital Projects and Supplemental Information, on pages 41 through 46 and page 50 are presented as supplemental schedules for the Oregon Department of Education, and are not a required part of the basic financial statements. We have applied certain limited procedures, which consisted principally of inquiries of management about this supplementary information. However, we did not audit the information and do not express an opinion on it.

*Pauly, Rogers and Co. P.C.*  
PAULY, ROGERS AND CO., P.C.

**CORBETT SCHOOL DISTRICT NO. 39  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**

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, 2011. Please read it in conjunction with the District's Financial Statements, which follows this MD&A.

**FINANCIAL HIGHLIGHTS**

- At June 30, 2011, the District's assets exceeded its liabilities by \$3,517,406.
- The District's net assets increased by \$758,459 during 2010-11.

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

The Statement of Activities shows revenues, expenses, and the change in net assets 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 Assets 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 assets were as follows:

	<u>2011</u>	<u>2010</u>	<u>CHANGE</u>
Assets			
Current and Other Assets	\$ 1,599,600	\$ 1,507,130	6%
Capital Assets (Net)	4,932,313	5,124,031	-4%
Total Assets	<u>6,531,913</u>	<u>6,631,161</u>	-1%
Liabilities			
Other Liabilities	427,666	1,316,076	-68%
Long-Term Liabilities	2,586,841	2,556,138	1%
Total Liabilities	<u>3,014,507</u>	<u>3,872,214</u>	-22%
Net Assets			
Investment in Capital Assets, Net of Related Debt	2,123,195	1,938,662	10%
Restricted for Debt Service	420,769	400,203	5%
Restricted for Other Uses	126,365	-	0%
Unrestricted	<u>847,077</u>	<u>420,082</u>	102%
Total Net Assets	<u>\$ 3,517,406</u>	<u>\$ 2,758,947</u>	27%

The District's revenues and expenses for fiscal year 2010-11, were as follows:

	<u>2011</u>	<u>2010</u>	<u>CHANGE</u>
Revenues			
Charges for Services	\$ 779,857	\$ 2,035,694	-62%
Operating Grants	423,327	722,657	-41%
General Revenues			
Property Taxes	2,128,364	2,102,416	1%
State Support	5,036,350	2,896,635	74%
Miscellaneous	170,571	60,000	184%
Loss on Equity in CAL	-	(18,319)	
Total Revenues	<u>8,538,469</u>	<u>7,799,083</u>	9%
Expenses			
Instruction	5,393,396	4,595,717	17%
Support Services	2,116,791	2,707,224	-22%
Community Services	174,876	212,816	-18%
Facilities Acquisitions	-	42,818	
Interest on Long-Term Debt	94,947	126,280	-25%
Total Expenses	<u>7,780,010</u>	<u>7,684,855</u>	1%
Change in Net Assets	758,459	114,228	564%
Beginning Net Assets	2,758,947	2,644,719	4%
Prior Period Adjustment	-	-	0%
Ending Net Assets	<u>\$ 3,517,406</u>	<u>\$ 2,758,947</u>	27%

### FUND FINANCIAL ANALYSIS

The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Unassigned fund balance measures the District's net resources available for appropriation in the next fiscal year. As of June 30, 2011, total fund balance of the governmental funds was \$1,051,916. 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 2010-11 fiscal year state revenues decreased as a result of state legislative action. Overall expenditures also decreased from as a result of the decreased revenues, despite the addition of more ADMw than had been budgeted.

### CAPITAL ASSETS

At June 30, 2011 the District had \$4,932,313 invested in broad range of capital assets, including land, building, equipment and vehicles. The changes in capital assets for 2010-11 are due to the depreciation of capital assets, and a few capital asset additions during the year.

### DEBT ADMINISTRATION

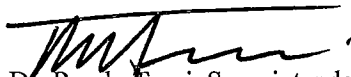
As of June 30, 2011 the District had \$2,586,841 in long term debt. The District's debt consists of general obligation bonds and two certificates of participation from 1999 and 2001 for building improvements and safety repairs.

### 2011-12 BUDGET

The budget for 2011 - 12 has total appropriations of \$ 10,569,362. Operating resources and uses are expected to be similar to 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

**CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON**

**Statement of Net Assets  
June 30, 2011**

	<u>Governmental Activities</u>	<u>Component Unit Activities</u>
<b>Assets</b>		
Cash and Cash Equivalents	\$ 1,299,772	\$ 239,337
Property Taxes Receivable	117,003	-
Accounts Receivable	145,158	81,454
Supply Inventories	1,337	-
Bond Issuance Costs, Net	36,330	-
Capital Assets - Nondepreciable	222,277	-
Capital Assets - Depreciable (Net of Depreciation)	4,710,036	22,322
Total Assets	<u>6,531,913</u>	<u>343,113</u>
<b>Liabilities</b>		
Accounts Payable	59,622	142,241
Accrued Payroll & Withholdings	360,544	58,128
Accrued Vacation	7,500	-
Long-Term Liabilities:		
Due Within One Year	746,802	-
Due in More Than One Year	1,840,039	-
Total Liabilities	<u>3,014,507</u>	<u>200,369</u>
<b>Net assets</b>		
Investment in Capital Assets, Net of Related Debt	2,123,195	22,322
Restricted for Debt Service	420,769	-
Restricted for Other Uses	126,365	-
Unrestricted	847,077	120,422
Total Net Assets	<u>\$ 3,517,406</u>	<u>\$ 142,744</u>

See accompanying notes to basic financial statements.

**CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON**

**Statement of Activities  
Year Ended June 30, 2011**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>	<u>Component Unit Corbett Charter School</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Governmental Activities</u>
Instruction	\$ 5,393,396	\$ 520,802	\$ 270,679	\$ (4,601,915)	\$ (1,347,115)
Support Services	2,116,791	259,055	69,141	(1,788,595)	(527,834)
Community Services	174,876	-	83,507	(91,369)	-
Unallocated Depreciation	-	-	-	-	(2,504)
Interest on Long-Term Debt	94,947	-	-	(94,947)	-
<b>Total Governmental Activities</b>	<b><u>\$ 7,780,010</u></b>	<b><u>\$ 779,857</u></b>	<b><u>\$ 423,327</u></b>	<b><u>\$ (6,576,826)</u></b>	<b><u>\$ (1,877,453)</u></b>
General Revenues					
				2,128,364	443,679
				5,036,350	1,511,458
				166,028	-
				4,543	736
<b>Total General Revenues</b>				<b><u>7,335,285</u></b>	<b><u>1,955,873</u></b>
				758,459	78,420
				2,758,947	64,324
				<b><u>\$ 3,517,406</u></b>	<b><u>\$ 142,744</u></b>

See accompanying notes to basic financial statements.

**CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON**

**Balance Sheet - Governmental Funds  
June 30, 2011**

	GENERAL FUND	DEBT SERVICE	CAPITAL PROJECTS	OTHER NONMAJOR	TOTALS
<b>ASSETS:</b>					
Cash and Investments	\$ 777,489	\$ 406,358	\$ 43,361	\$ 72,564	\$ 1,299,772
Receivables:					
Taxes	76,627	40,376	-	-	117,003
Accounts	118,819	5,316	-	21,023	145,158
Supply Inventory	-	-	-	1,337	1,337
<b>Total Assets</b>	<b>\$ 972,935</b>	<b>\$ 452,050</b>	<b>\$ 43,361</b>	<b>\$ 94,924</b>	<b>\$ 1,563,270</b>
<b>LIABILITIES AND FUND BALANCE</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 59,174	\$ -	\$ -	\$ 448	\$ 59,622
Payroll Liabilities	360,544	-	-	-	360,544
Deferred Revenue	59,907	31,281	-	-	91,188
<b>Total Liabilities</b>	<b>479,625</b>	<b>31,281</b>	<b>-</b>	<b>448</b>	<b>511,354</b>
<b>Fund Balance:</b>					
Nonspendable	-	-	-	1,337	1,337
Unassigned	460,084	-	-	-	460,084
Assigned	-	-	43,361	-	43,361
Restricted, Reported In					
Debt Service Fund	-	420,769	-	-	420,769
Special Revenue Funds	33,226	-	-	93,139	126,365
<b>Total Fund Balance</b>	<b>493,310</b>	<b>420,769</b>	<b>43,361</b>	<b>94,476</b>	<b>1,051,916</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 972,935</b>	<b>\$ 452,050</b>	<b>\$ 43,361</b>	<b>\$ 94,924</b>	<b>\$ 1,563,270</b>

See accompanying notes to basic financial statements.



**CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON**

**Reconciliation of Governmental Funds  
Balance Sheet to Statement of Net Assets**

**June 30, 2011**

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**Total Fund Balances** \$ 1,051,916

Amounts reported for governmental activities in the statement of net assets are different because:

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

Capital Assets, Net 4,932,313

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

Deferred Revenue 91,188

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

Bond Issuance Costs 36,330

Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest in long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due.

COPS	\$ (215,000)	
Bonds Payable	(2,250,000)	
Accrued Vacation	(7,500)	
Other Post Employment Benefits	(78,635)	
Early Retirement Stipend	(3,600)	
Premium on Bonds Payable	(39,606)	(2,594,341)

**Total Net Assets** \$ 3,517,406

See accompanying notes to 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, 2011**

	GENERAL	DEBT SERVICE	CAPITAL PROJECTS	OTHER NONMAJOR	TOTALS
<b>REVENUES:</b>					
From Local Sources:					
Taxes	\$ 1,407,004	\$ 754,121	\$ -	\$ -	\$ 2,161,125
Earnings on Investments	3,060	1,483	-	-	4,543
Other Local Sources	646,238	-	-	259,467	905,705
From Intermediate Sources	11,363	-	-	-	11,363
From State Sources	5,034,517	-	-	1,833	5,036,350
From Federal Sources	270,679	-	-	152,648	423,327
Total Revenues	<u>7,372,861</u>	<u>755,604</u>	<u>-</u>	<u>413,948</u>	<u>8,542,413</u>
<b>EXPENDITURES:</b>					
Current:					
Instruction	5,066,574	-	-	142,830	5,209,404
Support Services	2,001,376	-	-	46,828	2,048,204
Enterprise and Community Services	-	-	-	163,882	163,882
Capital Outlay	546	-	-	22,313	22,859
Debt Service	38,220	735,038	-	-	773,258
Total Expenditures	<u>7,106,716</u>	<u>735,038</u>	<u>-</u>	<u>375,853</u>	<u>8,217,607</u>
Excess of Revenues Over, -Under Expenditures	266,145	20,566	-	38,095	324,806
Other Financing Sources, -Uses					
Transfers In	27,435	-	-	24,000	51,435
Transfers Out	(51,435)	-	-	-	(51,435)
Total Other Financing Sources, -Uses	<u>(24,000)</u>	<u>-</u>	<u>-</u>	<u>24,000</u>	<u>-</u>
Net Change in Fund Balance	242,145	20,566	-	62,095	324,806
Beginning Fund Balance	243,965	400,203	43,361	32,381	719,910
Prior Period Adjustment	7,200	-	-	-	7,200
Ending Fund Balance	<u>\$ 493,310</u>	<u>\$ 420,769</u>	<u>\$ 43,361</u>	<u>\$ 94,476</u>	<u>\$ 1,051,916</u>

See accompanying notes to 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, 2011**

<b>Net Change in Fund Balance</b>	<b>\$</b>	<b>324,806</b>
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Amounts reported for governmental activities in the statement of activities are different because:

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:

Capital Asset Additions, Net	\$ 5,438	
Depreciation Expense, Net	<u>(197,156)</u>	(191,718)

In the Schedule of Revenues, Expenditures, and Changes in Fund Balances repayment of long term debt principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Assets	670,000
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Governmental funds report the effect of issuance costs, premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Amortization of Bond Issuance Costs	(9,682)	
Amortization of Bond Premium	<u>10,763</u>	1,081

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.

Accrued Vacation	(7,500)	
Early Retirement Stipend	3,600	
Early Retirement Obligation	<u>(37,866)</u>	(41,766)

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

(3,944)

<b>Change in Net Assets</b>	<b>\$</b>	<b><u>758,459</u></b>
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See accompanying notes to basic financial statements.

**CORBETT SCHOOL DISTRICT NO. 39**  
**MULTNOMAH COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental 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 accounting policies are described below.

**REPORTING ENTITY**

Corbett School District was organized under provisions of Oregon Statutes Chapter 332 for the purpose of operating elementary and secondary schools and is a municipal corporation governed by an elected seven member board.

The financial statements include all funds. Financial accountability is determined in accordance with criteria set forth in GAAP and Governmental Accounting Standards Board (GASB) Statement No. 39. Financial accountability is based primarily on the authority to appoint the voting majority of an organization's governing board, ability to impose its will on that organization, the potential for that organization to provide specific financial benefits or impose specific financial burdens and that organization's fiscal dependency.

Component units are separate organizations that are included in the reporting entity because of the significance of their operational or financial relationships. Corbett Charter School is considered a component unit of Corbett School District. Detailed information about the Corbett Charter School financial statements is contained in the component unit financial report of the Corbett Charter School, which is issued separately.

**BASIS OF PRESENTATION**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)**

The Statement of Net Assets and Statements of Activities display information about the reporting government as a whole.

The Statement of Net Assets and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

Program Revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the general revenues.

**CORBETT SCHOOL DISTRICT NO. 39**  
**MULTNOMAH COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**BASIS OF PRESENTATION (CONTINUED)**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS) (CONTINUED)**

All direct expenses are reported by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities. In the process of aggregating data for the Statement of Net Assets and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the “grossing up” effect on assets and liabilities.

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

**FUND FINANCIAL STATEMENTS**

The accounts are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions.

**GOVERNMENTAL FUND TYPES**

Governmental funds are used to account for the general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, interfund transactions, and certain compensated absences and claims and judgments which are recognized as expenditures because they will be liquidated with expendable financial resources.

Revenues susceptible to accrual are interest, state, county and local shared revenue and federal and state grants. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

**CORBETT SCHOOL DISTRICT NO. 39**  
**MULTNOMAH COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**BASIS OF PRESENTATION (CONTINUED)**

**GOVERNMENTAL FUND TYPES (CONTINUED)**

The following major governmental funds are reported:

**GENERAL FUND**

The General Fund accounts for all financial resources and expenditures, except those required to be accounted for in another fund. The principal revenue sources are property taxes and an apportionment from the State of Oregon School Support Fund.

**SPECIAL REVENUE FUNDS ROLLED INTO THE GENERAL FUND FOR GASB 54 PURPOSES**

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.

**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 from the General Fund.

**MEYER MEMORIAL TRUST FUND**

The principal revenue source for the Meyer Memorial Trust Fund is from the private Foundation. The other Revenue sources come from funds raised to match the grant. Expenditures were used for supplies and materials for the students (not for salaries or administrative costs)

**EARLY RETIREMENT FUND**

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

**CAPITAL PROJECTS FUND**

The Capital Projects Fund accounts for expenditures on capital projects, such as new school buildings. The principal revenue source at present is the accumulated fund balance.

**DEBT SERVICE FUND**

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

**CORBETT SCHOOL DISTRICT NO. 39**  
**MULTNOMAH COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**BASIS OF PRESENTATION (CONTINUED)**

**OTHER GOVERNMENTAL FUNDS**

The Other Governmental Funds account for the aggregate of all non-major governmental funds.

**MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

Government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual* basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which value is received 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 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. All revenues reported in the governmental funds are considered to be available if they are collected within sixty days after year-end. Property taxes and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt and claims and judgments, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in the governmental funds and proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources.

**CASH AND INVESTMENTS**

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

Investments may consist of banker's acceptances, commercial paper and U.S. Government Agency securities. Deposits are stated at cost which approximates fair value. Investments, other than time certificates of deposit, that have a remaining maturity at the time of purchase of one year or less are stated at amortized cost. All other investments are stated at fair value, or estimated fair value.

**CORBETT SCHOOL DISTRICT NO. 39**  
**MULTNOMAH COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**BUDGETS**

A budget is prepared and legally adopted for each governmental fund type on the modified accrual basis of accounting in the main program categories required by Oregon Local Budget Law. The budgets for all budgeted funds are adopted on a basis consistent with generally accepted accounting principles except the property taxes received after year-end are not considered budgetary resources in the funds, equity changes in CAL are not reported, inventory is expensed when purchased, debt accrued, vacation and OPEB liabilities are expensed when paid, capital outlay is recorded as an expenditure rather than capitalized, and depreciation and amortization are not recorded on capital assets.

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

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

Expenditures can not 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 which could not be determined at the time the budget was adopted.

Budget amounts shown in the basic financial statements reflect the original and final budgeted appropriation amounts. No expenditures exceeded authorized appropriations for the year ended June 30, 2011.

**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 by management to be substantially collectible or recoverable through liens so no allowance for doubtful accounts is established. 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.



**CORBETT SCHOOL DISTRICT NO. 39**  
**MULTNOMAH COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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 assets and the balance sheet.

**SUPPLY INVENTORIES**

School food and other cafeteria supplies are stated at average invoice cost. Commodities purchased from the United States Department of Agriculture in the Food Service Fund are included in the inventories at USDA wholesale value. The inventory is accounted for based on the consumption method for the government wide statements. 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 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:

Buildings and improvements	10 to 50 years
Vehicles and Equipment	5 to 30 years

**OTHER POST-EMPLOYMENT BENEFITS OBLIGATIONS**

Governmental Accounting Standards Board (GASB) Statement No. 45, Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions (OPEB) was implemented for the fiscal year ended June 30, 2010.

The net OPEB is recognized as a liability, as determined by the actuary, in the government-wide financial statements. OPEB expense is calculated and recognized based on the annual required contribution determined by the actuary.

**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, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

**CORBETT SCHOOL DISTRICT NO. 39**  
**MULTNOMAH COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**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, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the life of the related debt. As permitted by GASB Statement No. 34 the cost of bond issuance will be amortized prospectively from the date of adoption of GASB Statement No. 34.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances 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 ASSETS**

Net assets comprise the various net earnings from operations, nonoperating revenues, expenses and contributions of capital. Net assets are classified in the following three categories:

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

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

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

**FUND EQUITY**

In March 2009, the GASB issued Statement No. 54, Fund Balance Reporting and Governmental Fund-type Definitions. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated, and unreserved/undesignated were replaced with five new classifications – nonspendable, restricted, committed, assigned, and unassigned.

**CORBETT SCHOOL DISTRICT NO. 39**  
**MULTNOMAH COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**FUND EQUITY (CONTINUED)**

- Nonspendable fund balance represents amounts that are not in a spendable form. The nonspendable fund balance represents inventories.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).
- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.
- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body. The Board of Directors delegates the authority to classify portions of ending fund balance within the categories listed to the Superintendent or his/her designee.
- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

There were no committed fund balances.

The governing body has approved the following order of spending regarding fund balance categories: Restricted resources are spent first when both restricted and unrestricted (committed, assigned or unassigned) resources are available for expenditures. When unrestricted resources are spent, the order of spending is committed (if applicable), assigned (if applicable) and unassigned.

**2. CASH AND INVESTMENTS**

**DEPOSITS**

Deposits with financial institutions are comprised of bank demand deposits and certificates of deposit. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury.

Cash and Investments at June 30, 2011 consisted of:

Demand Deposits	\$ 432,058
Local Government Investment Pool	<u>867,714</u>
Total	<u><u>\$ 1,299,772</u></u>

**CORBETT SCHOOL DISTRICT NO. 39**  
**MULTNOMAH COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**2. CASH AND INVESTMENTS (CONTINUED)**

**CREDIT RISK – DEPOSITS**

In the case of deposits, this is the risk that in the event of a bank failure, the deposits may not be returned. There is no deposit policy for custodial credit risk. As of June 30, 2011, the bank balance of \$444,527 was insured.

**INVESTMENTS**

Policy is to follow state statutes governing cash management. Statutes authorize investing 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, 2011.

Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. As of June 30, 2011, the fair value of the position of the LGIP approximates the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. There were no known violations of legal or contractual provisions for deposits and investments during the fiscal year.

The following are the investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in months)</u>		
		<u>Less than 3</u>	<u>3-17</u>	<u>18-59</u>
State Treasurer's Investment Pool	\$ 867,714	\$ 867,714	\$ -	\$ -
Total	<u>\$ 867,714</u>	<u>\$ 867,714</u>	<u>\$ -</u>	<u>\$ -</u>

**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 was submitted to and reviewed by the OSTFB. There are no investments that have a maturity date beyond three months.

**Credit Risk - Investments**

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 not rated.

**CORBETT SCHOOL DISTRICT NO. 39**  
**MULTNOMAH COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**2. CASH AND INVESTMENTS (CONTINUED)**

Concentration of Credit Risk

At June 30, 2011, 100% of total investments were in the State Treasurer's Investment Pool. State statutes do not limit the percentage of investments in this instrument. Oregon Revised Statutes require no more than 25 percent of the moneys of local government to be invested in bankers' acceptances of any qualified financial institution. At June 30, 2011, there was compliance with all percentage restrictions.

**3. ACCOUNTS/GRANTS RECEIVABLE**

Special revenue fund grants receivable are comprised of claims for reimbursement of costs under various federal and state grant programs. Management considers all amounts collectible so no provision for uncollectibles has been established.

**4. CAPITAL ASSETS**

The changes in capital assets for the year ended June 30, 2011 are as follows:

	Governmental Capital Assets 07/01/10	Additions	Deletions	Governmental Capital Assets 06/30/11
Land (non depreciable)	\$ 222,277	\$ -	\$ -	\$ 222,277
Buildings	7,868,834	5,438	-	7,874,272
Equipment	166,940	-	-	166,940
Vehicles	799,982	-	-	799,982
	<u>9,058,033</u>	<u>5,438</u>	<u>-</u>	<u>9,063,471</u>
Accumulated Depreciation	3,934,002	197,156	-	4,131,158
Totals	<u>\$ 5,124,031</u>			<u>\$ 4,932,313</u>

Depreciation was allocated to the functions as follows:

Instruction	\$ 158,135
Support Services	38,554
Community Services	<u>467</u>
Total	<u>\$ 197,156</u>

**CORBETT SCHOOL DISTRICT NO. 39**  
**MULTNOMAH COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**5. RETIREMENT PLAN**

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

Both PERS plans provide retirement and disability benefits, post employment healthcare benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS is administered under Oregon Revised Statute Chapter 238. ORS Chapter 238.620 establishes the Public Employees Retirement Board as the governing body of PERS. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to PERS, P.O. Box 23700, Tigard, OR 97281-3700 or by calling 1-503-598-7377.

Members of PERS are required to contribute 6% of their salary covered under the plan. The District is required by ORS 238.225 to contribute at an actuarially determined rate. The rate effective July 1, 2009 is 14.22% of salary covered under the plan for Tier 1 and Tier 2 employees and 14.74% for employees covered under the Oregon Public Services Retirement Plan (OPSRP). The contributions to the plan for the years ending June 30, 2011, 2010, and 2009 were \$421,527, \$503,594, and \$552,387 respectively, and were equal to the required contributions for each year.

**6. 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.

**CORBETT SCHOOL DISTRICT NO. 39**  
**MULTNOMAH COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**6. EARLY RETIREMENT PLAN (CONTINUED)**

- An employee planning to take early retirement must give notice therefore 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 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 order to qualify for benefits, the teacher must have completed at least ten (10) consecutive years of service in the District.
- A teacher planning to take early retirement must give notice therefore to the Superintendent at least ninety (90) calendar days prior to his/her retirement date.
- Full medical and dental coverage for the teacher will be provided. The teacher will have the option of purchasing additional coverage for his/her spouse.

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

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

As of June 30, 2011, one employee is receiving benefits under the Plan which is paid through the Early Retirement Fund, representing a liability of \$3,600. This liability is recorded in the Early Retirement fund. An annual contribution is made by the General Fund based on the need to fund the benefit. The expense incurred for the year ended June 30, 2011 was \$35,790. There has not been an actuarial determination as to estimated liabilities related to this Plan.

**7. LONG-TERM OBLIGATIONS**

On November 26, 2008, \$3,495,000 in general obligation bonds were issued with an average interest rate of 3.13% to refund \$3,485,000 of outstanding 1998 general obligation bonds. The net proceeds of \$ 3,496,152 (after bond premium and issuance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent.

On June 1, 1999 and April 30, 2001, two Certificates of Participation were issued for \$215,000 and \$250,000, respectively. Interest rates range from 4.95-5.75% on both loans.

**CORBETT SCHOOL DISTRICT NO. 39**  
**MULTNOMAH COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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

The following is a summary of long-term obligations as of June 30, 2011:

	<u>COPS</u>	<u>BONDS</u>	<u>TOTAL</u>	<u>INTEREST</u>
Balance 07/01/10	\$ 240,000	\$ 2,895,000	\$ 3,135,000	\$ 283,737
Additions	-	-	-	-
Deletions	<u>(25,000)</u>	<u>(645,000)</u>	<u>(670,000)</u>	<u>(103,258)</u>
Balance 06/30/11	<u>\$ 215,000</u>	<u>\$ 2,250,000</u>	<u>\$ 2,465,000</u>	<u>\$ 180,480</u>
COP and Bond Payments				
<u>Due in Fiscal Year:</u>				
2011-12	\$ 30,000	\$ 700,000	\$ 730,000	\$ 78,475
2012-13	35,000	745,000	780,000	51,588
2013-14	35,000	805,000	840,000	22,568
2014-15	15,000	-	15,000	6,575
2015-16	15,000	-	15,000	5,750
2017-21	<u>85,000</u>	<u>-</u>	<u>85,000</u>	<u>15,525</u>
Total COP and Bond Obligation	215,000	2,250,000	2,465,000	180,480
Premium on Bonds Payable	-	39,606	39,606	-
Early Retirement Stipend	-	-	3,600	-
Long-Term OPEB Obligation	<u>-</u>	<u>-</u>	<u>78,635</u>	<u>-</u>
Total Outstanding Long-Term Debt	<u>\$ 215,000</u>	<u>\$ 2,289,606</u>	<u>\$ 2,586,841</u>	<u>\$ 180,480</u>

All long-term obligations are payable from the general and debt service funds.

**8. 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 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt. The result of this requirement has been that school districts have become more dependent upon state funding and less dependent upon property tax revenues as their major source of operating revenue.

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



**CORBETT SCHOOL DISTRICT NO. 39**  
**MULTNOMAH COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**9. OTHER POST-EMPLOYMENT BENEFITS**

**Plan Description**

There is no formal post employment benefits plan for the employees; however the District is required by Oregon Revised Statutes 243.303 to provide retirees with group health and dental insurance from the date of retirement to age 65 at the same rate provided to current employees. GASB 45 is applicable for the implicit rate subsidy. This “plan” is not a stand-alone plan and therefore does not issue its own financial statements.

**Funding Policy**

Insurance premiums are collected from all retirees each month and deposited into a restricted insurance premium account. Health insurance premiums are then paid for all retirees at tiered rates to the insurance company. The required contributions to the plan include the employer’s pay-as-you-go amount, an amount paid by retirees, and an additional amount calculated to fund future benefits as determined by the actuary.

For the fiscal year ended June 30, 2011, the retirees paid 100 percent of their insurance premium costs.

**Annual OPEB Cost and Net OPEB Obligation**

The annual other post employment benefit cost is calculated based on the annual required contribution (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 over a period of 30 years. The most recent actuarial valuation date was July 1, 2010 and the following table shows the components of the annual OPEB cost for the year, amounts actually contributed to the plan, and changes in the OPEB obligation to the plan.

	2011	2010	
Annual Required Contribution	\$ 49,527	\$ 47,852	
Interest on net OPEB obligation	1,631	-	
Adjustment to annual required contribution	(1,456)	-	
Annual OPEB Cost	49,702	47,852	
Contributions made	(11,836)	(7,083)	
Net Beginning Obligation	40,769	-	
Net OPEB obligation - end of year	\$ 78,635	\$ 40,769	

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the past fiscal year ended is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percent of Annual OPEB Cost Contribution	Net OPEB Contribution
6/30/2010	\$ 47,852	15%	\$ 7,083
6/30/2011	\$ 49,702	24%	\$ 11,836

**CORBETT SCHOOL DISTRICT NO. 39**  
**MULTNOMAH COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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

**Funding Status and Funding Progress**

The funded status of the plan as of July 1, 2009, representing the date of the most recent actuarial valuation, was as follows:

<u>Valuation Date</u>	<u>Assets</u>	<u>Actuarial Accrued</u>	<u>Unfunded Actuarial</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL Payroll</u>
7/1/2009	\$ -	\$ 409,822	\$ 409,822	0%	\$ 3,796,142	10.8%

**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 future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing the benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the most recent actuarial valuation as of July 1, 2009, the entry age normal actuarial cost method was used. 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 and the UAAL is being amortized, using open amortization, over an initial period of thirty years.

**Retirement Health Insurance Account**

As a member of Oregon Public Employees Retirement System (OPERS) the Retirement Health Insurance Account (RHIA) is contributed to 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, PO Box 23700, Tigard, OR 97281-3700.

**CORBETT SCHOOL DISTRICT NO. 39**  
**MULTNOMAH COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

---

**10. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

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 a 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 (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating school districts are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and currently contributions of .29% of the annual covered payroll is made. The OPERS board of Trustees sets the employer contribution rates based on the annual required contribution of the employers (ARC), and amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The contributions to RHIA for the year ended June 30, 2011 are included in the PERS annual pension amount.

**11. COMMITMENTS AND CONTINGENCIES**

Substantially all amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the management expects such amounts, if any, 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 increases or decreases in revenue. Due to these future uncertainties at the state level, the future effect on the operations cannot be determined.

**11. RISK MANAGEMENT**

There is exposure 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 for which commercial insurance is purchased. There were no significant reductions in insurance coverage from coverage in prior years in any of the major categories of risk. Also, the amounts of any settlements have not exceeded insurance coverage for any of the past three fiscal years.

**CORBETT SCHOOL DISTRICT NO. 39**  
**MULTNOMAH COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**12. PRIOR PERIOD ADJUSTMENT**

The financial report for the 2009-10 fiscal year stated an expense, and subsequent liability, in the Early Retirement Fund of \$7,200, which should only have been reported on the Government-wide Statements. The 2010-11 financials have been adjusted to reflect the correct amount within the Early Retirement Fund and within the Government Wide Statements.

**13. ELIMINATION OF FUNDS AND TRANSFERS OF REMAINING FUND BALANCE**

As per Board Resolution, and under the authority granted by the Oregon Revised Statute 294.475, the District eliminated the following funds, and transferred any remaining fund balances into the General Fund.

<u>Fund</u>	<u>Remaining Balance</u>
Meyer Memorial Trust Fund	\$0
Career Tech Math Mini Grant	\$8,474
REAP Grant Fund	\$0

**14. DEFICIT FUND BALANCE**

In 2011-12 the negative ending fund balance in the Early Retirement Fund will be made up for by an increased transfer from the General Fund, and more care will be taken by management to ensure this fund maintains a positive ending fund balance in the future.

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**CORBETT SCHOOL DISTRICT NO. 39**  
**MULTNOMAH COUNTY, OREGON**

**REQUIRED SUPPLEMENTARY INFORMATION**

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**CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON**

**Schedule of Revenues, Expenditures and Changes in Fund Balance  
Actual and Budget  
Year Ended June 30, 2011**

<u>GENERAL FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE -NEGATIVE</u>
<b>REVENUES:</b>				
Local Sources	\$ 1,607,539	\$ 1,607,539	\$ 2,056,302	\$ 448,763
Intermediate Sources	-	-	11,363	11,363
State Sources	5,231,581	5,231,581	5,034,517	(197,064)
Federal Sources	-	-	270,679	270,679
<b>Total Revenues</b>	<b>6,839,120</b>	<b>6,839,120</b>	<b>7,372,861</b>	<b>(533,741)</b>
<b>EXPENDITURES:</b>				
Instruction	4,814,348	5,121,710 (1)	5,067,120	54,590
Support Services	1,946,552	1,968,610 (1)	1,965,586	3,024
Debt Service	38,220	43,720 (1)	38,220	5,500
Operating Contingency	270,000	100,000 (1)	-	100,000
<b>Total Expenditures</b>	<b>7,069,120</b>	<b>7,234,040</b>	<b>7,070,926</b>	<b>163,114</b>
Excess of Revenues Over, (Under) Expenditures	(230,000)	(394,920)	301,935	696,855
<b>OTHER FINANCIAL SOURCES, (USES)</b>				
Transfers Out	(170,000)	(51,435) (1)	(51,435)	-
<b>Total Other Financing Sources, (Uses)</b>	<b>(170,000)</b>	<b>(51,435)</b>	<b>(51,435)</b>	<b>-</b>
Net Change in Fund Balance	(400,000)	(446,355)	250,500	696,855
Beginning Fund Balance	700,000	700,000	209,584 (2)	(490,416)
Ending Fund Balance	<u>\$ 300,000</u>	<u>\$ 253,645</u>	460,084	<u>\$ 206,439</u>

(1) Appropriation Level

(2) See note disclosure for elimination of funds and transfers of remaining fund balance on page 29 of the notes.

Reconciliation to Governmental Fund Balance as required by GASB #54

Ending Fund Balance	
Bus Replacement Fund	33,872
Early Retirement Fund	(646)
Meyer Memorial Trust Fund	-
	<u>\$ 493,310</u>



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**CORBETT SCHOOL DISTRICT NO. 39**  
**MULTNOMAH COUNTY, OREGON**

**SUPPLEMENTARY DATA**

Combining and Individual Fund Financial Statements  
and Other Financial Schedules

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**CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON**

**Schedule of Revenues, Expenditures and Changes in Fund Balance  
Actual and Budget  
Year Ended June 30, 2011**

<u>DEBT SERVICE FUND</u>				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
From Local Sources	\$ 760,998	\$ 760,998	\$ 755,604	\$ (5,394)
Total Revenues	760,998	760,998	755,604	(5,394)
EXPENDITURES:				
Debt Service	735,038	735,038 (1)	735,038	-
Total Expenditures	735,038	735,038	735,038	-
Net Change in Fund Balance	25,960	25,960	20,566	(5,394)
Beginning Fund Balance	301,290	301,290	400,203	98,913
Ending Fund Balance	\$ 327,250	\$ 327,250	\$ 420,769	\$ 93,519

(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, 2011**

CAPITAL PROJECTS FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE -NEGATIVE</u>
EXPENDITURES:				
Facilities Acquisition & Construction	\$ 100,000	\$ 43,361 (1)	\$ -	\$ 43,361
Total Expenditures	<u>100,000</u>	<u>43,361</u>	<u>-</u>	<u>43,361</u>
Excess of Revenues Over, -Under Expenditures	(100,000)	(43,361)	-	43,361
Other Financing Sources, -Uses:				
Transfers In	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources, -Uses	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	(43,361)	-	43,361
Beginning Fund Balance	<u>43,361</u>	<u>43,361</u>	<u>43,361</u>	<u>-</u>
Ending Fund Balance	<u>\$ 43,361</u>	<u>\$ -</u>	<u>\$ 43,361</u>	<u>\$ 43,361</u>

(1) Appropriation Level

**CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON**

**Combining Balance Sheet - All Non-Major Governmental Funds  
June 30, 2011**

	FOOD SERVICE FUND	STUDENT ACTIVITY FUND	FEDERAL PROGRAMS	TOTAL
<b>ASSETS:</b>				
Equity in Pooled Cash and Investments	\$ 12,980	\$ 59,584	\$ -	\$ 72,564
Accounts Receivable	21,023	-	-	21,023
Inventory	1,337	-	-	1,337
<b>Total Assets</b>	<b>\$ 35,340</b>	<b>\$ 59,584</b>	<b>\$ -</b>	<b>\$ 94,924</b>
<b>LIABILITIES AND FUND EQUITY:</b>				
Accounts Payable	\$ 448	\$ -	\$ -	\$ 448
<b>Total Liabilities</b>	<b>448</b>	<b>-</b>	<b>-</b>	<b>448</b>
<b>Fund Equity:</b>				
<b>Fund Balances:</b>				
Nonspendable	1,337	-	-	1,337
Restricted	33,555	59,584	-	93,139
<b>Total Fund Balances</b>	<b>34,892</b>	<b>59,584</b>	<b>-</b>	<b>94,476</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 35,340</b>	<b>\$ 59,584</b>	<b>\$ -</b>	<b>\$ 94,924</b>

**CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON**

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances  
All Non-Major Governmental Funds  
Year Ended June 30, 2011**

	FOOD SERVICE FUND	STUDENT ACTIVITY FUND	FEDERAL PROGRAMS	TOTAL
<b>REVENUES:</b>				
From Local Sources	\$ 87,600	\$ 171,867	\$ -	\$ 259,467
From State Sources	1,833	-	-	1,833
From Federal Sources	83,507	-	69,141	152,648
<b>Total Revenues</b>	<b>172,940</b>	<b>171,867</b>	<b>69,141</b>	<b>413,948</b>
<b>EXPENDITURES:</b>				
Current:				
Instruction	-	142,830	-	142,830
Support Services	-	-	69,141	69,141
Enterprise and Community Services	163,882	-	-	163,882
<b>Total Expenditures</b>	<b>163,882</b>	<b>142,830</b>	<b>69,141</b>	<b>375,853</b>
Excess of Revenues Over, -Under Expenditures	9,058	29,037	-	38,095
Other Financing Sources,-Uses:				
Transfers In	24,000	-	-	24,000
<b>Total Other Financing Sources, -Uses</b>	<b>24,000</b>	<b>-</b>	<b>-</b>	<b>24,000</b>
Net Change in Fund Balance	33,058	29,037	-	62,095
Prior Period Adjustment	-	-	-	-
Beginning Fund Balance	1,834	30,547	-	32,381
Ending Fund Balance	<b>\$ 34,892</b>	<b>\$ 59,584</b>	<b>\$ -</b>	<b>\$ 94,476</b>

**CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON**

**Schedule of Revenues, Expenditures and Changes in Fund Balance  
Actual and Budget  
Year Ended June 30, 2011**

<u>FOOD SERVICE FUND</u>				
REVENUES:	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
From Local Sources:				
Food Service Sales	\$ 101,800	\$ 101,800	\$ 87,600	\$ (14,200)
Total Local Sources	<u>101,800</u>	<u>101,800</u>	<u>87,600</u>	<u>(14,200)</u>
From State Sources:				
BSSF School Lunch Match	2,080	2,080	1,833 (2)	(247)
Total State Sources	<u>2,080</u>	<u>2,080</u>	<u>1,833</u>	<u>(247)</u>
From Federal Sources:				
National School Lunch Program	59,360	59,360	83,507	24,147
Total Federal Sources	<u>59,360</u>	<u>59,360</u>	<u>83,507</u>	<u>24,147</u>
Total Revenues	<u>163,240</u>	<u>163,240</u>	<u>172,940</u>	<u>9,700</u>
EXPENDITURES:				
Enterprise and Community Services:				
Salaries	36,392	36,392	36,537	(145)
Employee Benefits	25,797	25,797	19,470	6,327
Supplies & Materials	122,358	122,358	105,866	16,492
Other	409	409	2,009	(1,600)
Total Enterprise and Community Services	<u>184,956</u>	<u>184,956 (1)</u>	<u>163,882</u>	<u>21,074</u>
Total Expenditures	<u>184,956</u>	<u>184,956</u>	<u>163,882</u>	<u>21,074</u>
Excess of Revenues Over, -Under Expenditures	(21,716)	(21,716)	9,058	30,774
Other Financing Sources, -Uses:				
Transfers In	27,179	24,000	24,000	-
Total Other Financing Sources, -Uses	<u>27,179</u>	<u>24,000</u>	<u>24,000</u>	<u>-</u>
Net Change in Fund Balance	5,463	2,284	33,058	30,774
Beginning Fund Balance	7,355	7,355	1,834	(5,521)
Ending Fund Balance	<u>\$ 12,818</u>	<u>\$ 9,639</u>	<u>\$ 34,892</u>	<u>\$ 25,253</u>

(1) Appropriation Level

(2) The National School Lunch Program State Revenue Matching amount of \$1,833 was used to support lunch fund expenses.



**CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON**

**Schedule of Revenues, Expenditures and Changes in Fund Balance  
Actual and Budget  
Year Ended June 30, 2011**

STUDENT ACTIVITY FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
<b>REVENUES:</b>				
Miscellaneous Local Sources	\$ 300,000	\$ 300,000	\$ 171,867	\$ (128,133)
Total Revenues	300,000	300,000	171,867	(128,133)
<b>EXPENDITURES:</b>				
Current:				
Instruction	245,000	245,000 (1)	142,830	102,170
Total Expenditures	245,000	245,000	142,830	102,170
Net Change in Fund Balance	55,000	55,000	29,037	(25,963)
Beginning Fund Balance	38,011	38,011	30,547	(7,464)
Ending Fund Balance	<u>\$ 93,011</u>	<u>\$ 93,011</u>	<u>\$ 59,584</u>	<u>\$ (33,427)</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, 2011**

<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	\$ -	\$ 69,141	\$ 69,141	\$ -
Total Revenues	-	69,141	69,141	-
Support Services:				
Purchased Services	-	40,817	40,817	-
Capital Outlay	-	6,011	6,011	-
Supplies & Materials	-	22,313	22,313	-
Total Support Services		69,141 (1)	69,141	
Total Expenditures	-	69,141	69,141	-
Net Change in Fund Balance	-	-	-	-
Beginning Fund Balance	154,763	154,763	-	(154,763)
Ending Fund Balance	<u>\$ 154,763</u>	<u>\$ 154,763</u>	<u>\$ -</u>	<u>\$ (154,763)</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, 2011**

<u>BUS REPLACEMENT FUND</u>				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
EXPENDITURES:				
Contingency	\$ 33,872	\$ 33,872	(1) \$ -	\$ 33,872
Total Expenditures	33,872	33,872	-	33,872
Net Change in Fund Balance	(33,872)	(33,872)	-	33,872
Beginning Fund Balance	33,872	33,872	33,872	-
Ending Fund Balance	\$ -	\$ -	\$ 33,872	\$ 33,872

(1) Appropriation Level

Note: This fund's activities have been combined with the General Fund activities in accordance with GASB #54 because there are no restricted or committed revenues.

**CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON**

**Schedule of Revenues, Expenditures and Changes in Fund Balance  
Actual and Budget  
Year Ended June 30, 2011**

<u>EARLY RETIREMENT FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>EXPENDITURES:</b>				
Support Services:				
Salaries	\$ 17,600	\$ 17,600	\$ 10,500	\$ 7,100
Employee Benefits	19,408	19,408	25,290	(5,882)
Total Support Services	<u>37,008</u>	<u>37,008</u> (1)	<u>35,790</u>	<u>1,218</u>
Total Expenditures	<u>37,008</u>	<u>37,008</u>	<u>35,790</u>	<u>1,218</u>
Excess of Revenues Over, -Under Expenditures	(37,008)	(37,008)	(35,790)	1,218
Other Financing Sources, -Uses:				
Transfers In	<u>42,821</u>	<u>25,500</u>	<u>25,500</u>	<u>-</u>
Total Other Financing Sources, -Uses	<u>42,821</u>	<u>25,500</u>	<u>25,500</u>	<u>-</u>
Net Change in Fund Balance	5,813	(11,508)	(10,290)	1,218
Beginning Fund Balance	10,977	10,977	2,444	(8,533)
Prior Period Adjustment	<u>-</u>	<u>-</u>	<u>7,200</u>	<u>7,200</u>
Ending Fund Balance	<u>\$ 16,790</u>	<u>\$ (531)</u> (2)	<u>\$ (646)</u>	<u>\$ (115)</u>

(1) Appropriation Level

(2) See page 51 regarding OMS budget finding

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, 2011**

<u>MEYER MEMORIAL TRUST</u>				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
EXPENDITURES:				
Support Services:				
Supplies and Materials	\$ 4,564	\$ 4,564 (1)	\$ -	\$ 4,564
Total Expenditures	4,564	4,564	-	4,564
Excess of Revenues Over, -Under Expenditures	(4,564)	(4,564)	-	4,564
Other Financing Sources, -Uses:				
Transfers In	-	1,935	1,935	-
Total Other Financing Sources, -Uses	-	1,935	1,935	-
Net Change in Fund Balance	(4,564)	(2,629)	1,935	4,564
Beginning Fund Balance	4,564	4,564	(1,935)	(6,499)
Ending Fund Balance	\$ -	\$ 1,935	\$ -	\$ (1,935)

(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 by Function - All Funds  
Year Ended June 30, 2011**

	General	Special Rev.	Debt Service	Capital Projects	Internal Service	Trust/Agency
<b>Revenue from Local Sources</b>						
1110 Ad Valorem Taxes Levied by District	\$1,406,348		\$753,507			
1120 Local Option Ad Valorem Taxes Levied by District						
1190 Penalties and Interest on Taxes	\$656		\$614			
1200 Rev from Local Gov'l Units Other Than Districts	\$0					
1310 Regular Day School Tuition	\$52,561					
1320 Adult/Continuing Education Tuition						
1330 Summer School Tuition						
1400 Transportation Fees	\$1,246					
1500 Earnings on Investments	\$3,060		\$1,483			
1600 Food Service		\$86,943				
1700 Extracurricular Activities	\$25,112	\$171,867				
1800 Community Services Activities						
1910 Rentals	\$410,763	\$245				
1920 Contributions and Donations From Private Sources	\$36,452					
1930 Rental or Lease Payments From Private Contractors						
1940 Services Provided Other Local Education Agencies	\$84,927					
1950 Textbook Sales and Rentals						
1960 Recovery of Prior Years' Expenditure						
1970 Services Provided Other Funds						
1980 Fees Charged to Grants						
1990 Miscellaneous	\$35,177	\$412				
<b>Total Revenue from Local Sources</b>	<b>\$2,056,302</b>	<b>\$259,467</b>	<b>\$755,604</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Revenue from Intermediate Sources</b>						
2101 County School Funds	\$1,765					
2105 Natural Gas, Oil, and Mineral Receipts						
2199 Other Intermediate Sources	\$5,072					
2200 Restricted Revenue	\$4,526					
2800 Revenue in Lieu of Taxes						
2900 Revenue for/on Behalf of the District						
<b>Total Revenue from Intermediate Sources</b>	<b>\$11,363</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Revenue from State Sources</b>						
3101 State School Fund - General Support	\$4,897,421					
3102 State School Fund - School Lunch Match		\$1,833				
3103 Common School Fund	\$115,857					
3299 Other Restricted Grants-in-Aid	\$21,239					
3800 Revenue in Lieu of Taxes						
3900 Revenue for/on Behalf of the District						
<b>Total Revenue from State Sources</b>	<b>\$5,034,517</b>	<b>\$1,833</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Revenue from Federal Sources</b>						
4100 Unrestricted Rev. Dir. Federal Government						
4300 Restr. Rev. Federal Government						
4500 Restricted Rev. Federal Gov. Through State	\$270,679	\$152,648				
4700 Grants-In-Aid Fed. Gov. Thru Intern. Agencies						
4801 Federal Forest Fees						
4802 Impact Aid to School Districts for Operation (PL 874)						
4803 Coos Bay Wagon Road Funds						
4899 Other Revenue in Lieu of Taxes						
4900 Revenue for/on Behalf of the District						
<b>Total Revenue from Federal Sources</b>	<b>\$270,679</b>	<b>\$152,648</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Revenue from Other Sources</b>						
5100 Long Term Debt Financing Sources						
5200 Interfund Transfers	\$0	\$51,435				
5300 Sale (Loss) from Fixed Asset Disposal						
5400 Resources - Beginning Fund Balance	\$209,584	\$32,381	\$400,203	\$43,361		
<b>Total Revenue from Other Sources</b>	<b>\$209,584</b>	<b>\$83,816</b>	<b>\$400,203</b>	<b>\$43,361</b>	<b>\$0</b>	<b>\$0</b>
<b>Grand Totals</b>	<b>\$7,582,445</b>	<b>\$497,764</b>	<b>\$1,155,807</b>	<b>\$43,361</b>	<b>\$0</b>	<b>\$0</b>

**CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON**

**Schedule of Expenditures by Function/Object  
Year Ended June 30, 2011**

<b>GENERAL FUND</b>								
	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
<b>Instruction Expenditures</b>								
1111 Primary, K-3	\$592,033	\$374,459	\$192,239	\$13,458	\$11,579		\$298	
1112 Intermediate Programs	\$523,892	\$351,769	\$163,895	\$2,581	\$4,755		\$892	
1113 Elementary Extracurricular	\$0							
1121 Middle/Junior High Programs	\$635,479	\$423,285	\$201,754	\$4,585	\$4,960	\$546	\$349	
1122 Middle/Junior High School Extracurricular	\$25,823	\$21,484	\$3,545		\$670		\$124	
1131 High School Programs	\$838,577	\$526,033	\$240,159	\$21,265	\$50,776		\$344	
1132 High School Extracurricular	\$113,319	\$84,049	\$13,521	\$9,886	\$5,801		\$62	
1140 Pre-Kindergarten Programs	\$0							
1210 Programs for the Talented and Gifted	\$0							
1220 Restrictive Programs for Students with Disabilities	\$39,232			\$39,232				
1250 Less Restrictive Programs for Students with Disabilities	\$296,918	\$178,588	\$83,258	\$32,054	\$1,599		\$1,419	
1260 Early Intervention	\$0							
1271 Remediation	\$0							
1272 Title I	\$0							
1280 Alternative Education	\$2,001,847	\$19,296	\$12,212	\$1,963,346	\$6,993			
1291 English Second Language Programs	\$0							
1299 Other Programs	\$0							
1300 Adult/Continuing Education Programs	\$0							
1400 Summer School Programs	\$0							
<b>Total Instruction Expenditures</b>	<b>\$5,067,120</b>	<b>\$1,978,963</b>	<b>\$910,583</b>	<b>\$2,086,407</b>	<b>\$87,133</b>	<b>\$546</b>	<b>\$3,488</b>	<b>\$0</b>
<b>Support Services Expenditures</b>								
2110 Attendance and Social Work Services	\$0							
2120 Guidance Services	\$308				\$308			
2130 Health Services	\$625						\$625	
2140 Psychological Services	\$0							
2190 Service Direction, Student Support Services	\$0							
2210 Improvement of Instruction Services	\$85,873	\$49,279	\$16,017		\$19,477		\$1,100	
2220 Educational Media Services	\$36				\$36			
2230 Assessment & Testing	\$0							
2240 Instructional Staff Development	\$3,456			\$3,456				
2310 Board of Education Services	\$45,181		\$2,556	\$28,386	\$80		\$14,159	
2320 Executive Administration Services	\$319,260	\$200,901	\$87,622	\$6,068	\$9,548		\$15,121	
2410 Office of the Principal Services	\$263,372	\$153,063	\$64,233	\$6,788	\$38,845		\$443	
2490 Other Support Services - School Administration	\$0							
2510 Direction of Business Support Services	\$0							
2520 Fiscal Services	\$78,896	\$36,512	\$35,596	\$2,564	\$4,124		\$100	
2540 Operation and Maintenance of Plant Services	\$769,708	\$183,826	\$144,899	\$320,450	\$57,187		\$63,346	
2550 Student Transportation Services	\$353,159	\$152,012	\$101,689	\$34,200	\$41,181		\$24,077	
Direction of Central Support Services	\$0							
2570 Internal Services	\$11,274			\$11,072	\$202			
2630 Information Services	\$0							
2640 Staff Services	\$0							
2660 Technology Services	\$34,438	\$5,266	\$2,308		\$26,864			
2670 Records Management Services	\$0							
2690 Other Support Services - Central	\$0							
2700 Supplemental Retirement Program	\$0							
<b>Total Support Services Expenditures</b>	<b>\$1,965,586</b>	<b>\$780,859</b>	<b>\$454,920</b>	<b>\$412,984</b>	<b>\$197,852</b>	<b>\$0</b>	<b>\$118,971</b>	<b>\$0</b>
<b>Enterprise and Community Services Expenditures</b>								
3100 Food Services	\$0							
3200 Other Enterprise Services	\$0							
3500 Custody and Care of Children Services	\$0							
<b>Total Enterprise and Community Services Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Facilities Acquisition and Construction Expenditures</b>								
4110 Service Area Direction	\$0							
4120 Site Acquisition and Development Services	\$0							
4190 Other Facilities Construction Services	\$0							
<b>Total Facilities Acquisition and Construction Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Other Uses Expenditures</b>								
5100 Debt Service	\$38,220						\$38,220	
5200 Transfers of Funds	\$51,435							\$51,435
5400 PERS UAL Bond Lump Sum	\$0							
<b>Total Other Uses Expenditures</b>	<b>\$89,655</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$38,220</b>	<b>\$51,435</b>
<b>Grand Total</b>	<b>\$7,122,361</b>	<b>\$2,759,822</b>	<b>\$1,365,503</b>	<b>\$2,499,391</b>	<b>\$284,985</b>	<b>\$546</b>	<b>\$160,679</b>	<b>\$51,435</b>

**CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON**

**Schedule of Expenditures by Function/Object  
Year Ended June 30, 2011**

<b>SPECIAL REVENUE FUND</b>							
<b>Instruction Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>
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	\$32,293				\$32,293		
1131 High School Programs	\$0						
1132 High School Extracurricular	\$110,537				\$110,537		
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	\$0						
1260 Early Intervention	\$0						
1271 Remediation	\$0						
1294 Youth Corrections Education	\$0						
1299 Other Programs	\$0						
1300 Adult/Continuing Education Programs	\$0						
1400 Summer School Programs	\$0						
<b>Total Instruction Expenditures</b>	<b>\$142,830</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$142,830</b>	<b>\$0</b>	<b>\$0</b>
<b>Support Services Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>
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	\$69,141			\$40,817	\$6,011	\$22,313	
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						
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	\$35,790	\$10,500	\$25,290				
<b>Total Support Services Expenditures</b>	<b>\$104,931</b>	<b>\$10,500</b>	<b>\$25,290</b>	<b>\$40,817</b>	<b>\$6,011</b>	<b>\$22,313</b>	<b>\$0</b>
<b>Enterprise and Community Services Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>
3100 Food Services	\$163,882	\$36,537	\$19,470		\$105,866		\$2,009
3200 Other Enterprise Services	\$0						
3300 Community Services	\$0						
3500 Custody and Care of Children Services	\$0						
<b>Total Enterprise and Community Services Expenditures</b>	<b>\$163,882</b>	<b>\$36,537</b>	<b>\$19,470</b>	<b>\$0</b>	<b>\$105,866</b>	<b>\$0</b>	<b>\$2,009</b>
<b>Facilities Acquisition and Construction Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>
4110 Service Area Direction	\$0						
4120 Site Acquisition and Development Services	\$0						
4150 Building Acquisition, Construction, and Improvement Services	\$0						
4190 Other Facilities Construction Services	\$0						
<b>Total Facilities Acquisition and Construction Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Other Uses Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>
5100 Debt Service	\$0						
5200 Transfers of Funds	\$0						
5300 Apportionment of Funds by ESD	\$0						
5400 PERS UAL Bond Lump Sum	\$0						
<b>Total Other Uses Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Grand Total</b>	<b>\$411,643</b>	<b>\$47,037</b>	<b>\$44,760</b>	<b>\$40,817</b>	<b>\$254,707</b>	<b>\$22,313</b>	<b>\$2,009</b>



**CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON**

**Schedule of Expenditures by Function/Object  
Year Ended June 30, 2011**

<b>DEBT SERVICE FUND</b>					
<b>Other Uses Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 600</b>
5100 Debt Service	\$735,038				\$735,038
5200 Transfers of Funds	\$0				
5300 Apportionment of Funds by ESD	\$0				
5400 PERS UAL Bond Lump Sum	\$0				
<b>Total Other Uses Expenditures</b>	\$735,038	\$0	\$0	\$0	\$735,038
<b>Grand Total</b>	\$735,038	\$0	\$0	\$0	\$735,038

**CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON**

**Schedule of Expenditures by Function/Object  
Year Ended June 30, 2011**

<b>CAPITAL PROJECTS FUND</b>						
<b>Facilities Acquisition and Construction</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 500</b>	<b>Object 700</b>
4110 Service Area Direction	\$0					
4120 Site Acquisition and Development Services	\$0					
4150 Building Acquisition, Construction,	\$0					
4190 Other Facilities Construction Services	\$0					
<b>Total Facilities Acquisition and Construction Expenditures</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Other Uses Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 500</b>	<b>Object 700</b>
5100 Debt Service	\$0					
5200 Transfers of Funds	\$0					
5300 Apportionment of Funds by ESD	\$0					
5400 PERS UAL Bond Lump Sum	\$0					
<b>Total Other Uses Expenditures</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Grand Total</b>	\$0	\$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, 2011**

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<b>A.</b>	Energy bills for heating - All Funds:		<u>Objects 325 and 326</u>
		Function 2540	\$ 193,927
		Function 2550	-
<b>B.</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	\$ -
	1140 Pre-kindergarten	Pupil Transportation	
	1300 Continuing Education	Food Service	
	1400 Summer School	Community Services	

**CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON**

**Schedule of Bond and Interest Transactions and Balances  
Year Ended June 30, 2011**

DATE OF ISSUE	MATURED BONDS & COUPONS OUTSTANDING July 1, 2010	BONDS & COUPONS MATURING DURING THE YEAR	BONDS REDEEMED AND COUPONS PAID DURING THE YEAR	MATURED BONDS & COUPONS OUTSTANDING June 30, 2011
1999	\$ -	\$ 18,950	\$ 18,950	\$ -
2001	-	19,270	19,270	-
2008	-	735,038	735,038	-
	<u>\$ -</u>	<u>\$ 773,258</u>	<u>\$ 773,258</u>	<u>\$ -</u>

**CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON**

**Schedule of Property Tax Transactions  
and Balances of Uncollected Taxes  
Year Ended June 30, 2011**

<u>TAX YEAR</u>	<u>ORIGINAL LEVY OR BALANCE UNCOLLECTED 07/01/10</u>	<u>DEDUCT DISCOUNTS</u>	<u>ADJUSTMENTS TO ROLLS</u>	<u>INTEREST</u>	<u>CASH COLLECTIONS BY COUNTY TREASURER</u>	<u>BALANCE UNCOLLECTED OR UNSEGREGATED 06/30/11</u>
<b><u>GENERAL FUND:</u></b>						
<b>CURRENT YEAR:</b>						
2010-11	\$ 1,449,807	\$ 36,030	\$ (6,089)	\$ 674	\$ 1,368,150	\$ 40,212
<b>PRIOR YEARS:</b>						
2009-10	44,128	(51)	(4,876)	1,788	22,702	18,389
2008-09	21,255	(17)	(2,772)	1,818	9,270	11,048
2007-08	9,378	(1)	(1,744)	1,600	5,471	3,764
2006-07	4,001	-	(1,263)	1,111	3,155	694
2006 & Prior	3,200	-	(502)	321	499	2,520
Total Prior	81,962	(69)	(11,157)	6,638	41,097	36,415
Total	\$ 1,531,769	\$ 35,961	\$ (17,246)	\$ 7,312	\$ 1,409,247	\$ 76,627

RECONCILIATION OF REVENUE:

	<u>GENERAL FUND</u>
Cash Collections by County Treasurer Above	\$ 1,409,247
Accrual of Receivables:	
June 30, 2010	(9,070)
June 30, 2011	6,827
Total Revenue	\$ 1,407,004

**CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON**

**Schedule of Property Tax Transactions and  
and Balances of Uncollected Taxes  
Year Ended June 30, 2011**

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED 07/01/10	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED 06/30/11
<b>DEBT SERVICE FUND:</b>						
<b>CURRENT YEAR:</b>						
2010-11	\$ 784,883	\$ 19,505	\$ (10,308)	\$ 365	\$ 733,665	\$ 21,770
<b>PRIOR YEARS:</b>						
2009-10	20,037	(21)	(2,214)	812	10,307	8,349
2008-09	9,590	(8)	(1,250)	820	4,183	4,985
2007-08	6,917	(1)	(1,286)	1,180	4,035	2,777
2006-07	2,707	-	(854)	751	2,134	470
2006-Prior	2,572	-	(404)	258	401	2,025
Total Prior	41,823	(30)	(6,008)	3,821	21,060	18,606
Total	\$ 826,706	\$ 19,475	\$ (16,316)	\$ 4,186	\$ 754,725	\$ 40,376

RECONCILIATION OF REVENUE:

	DBBT SERVICE FUND
Cash Collections by County Treasurer Above Accrual of Receivables:	\$ 754,725
June 30, 2010	(4,383)
June 30, 2011	3,779
Total Revenue	\$ 754,121

**CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON**

**Schedule of Expenditures of Federal Awards  
Required by the Oregon Department of Education  
Year Ended June 30, 2011**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT PERIOD	EXPENDITURES
<b>U.S. DEPARTMENT OF EDUCATION</b>			
Passed Through Oregon Department of Education:			
ARRA - SFSF	84.394	02/17/09 - 09/30/11	\$ 97,946
ARRA - Ed Jobs 2010-11	84.410	02/17/09 - 09/30/12	172,733
Title V - Charter Schools	84.282	07/15/09 - 07/30/10	<u>69,141</u>
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<u>339,820</u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
Passed Through Oregon Department of Education:			
National School Breakfast Program	10.553	07/01/10 - 06/30/11	18,503
National School Lunch Program	10.555	07/01/10 - 06/30/11	59,463
Commodities	10.555	07/01/10 - 06/30/11	<u>5,541</u>
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<u>83,507</u>
<b>TOTAL FEDERAL AWARDS EXPENDITURES</b>			<u>\$ 423,327</u>

**CORBETT SCHOOL DISTRICT NO. 39**  
**MULTNOMAH COUNTY, OREGON**

**INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATION**



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# PAULY, ROGERS AND CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

- 
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  - (503) 620-2632 • FAX (503) 684-7523

December 29, 2011

## Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the Corbett School District No. 39 as of and for the year ended June 30, 2011, and have issued our report thereon dated December 29, 2011. 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 financial statements are free of material misstatement, we performed tests of 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.**
- **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 Corbett School District No. 39 was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except for the following:

1. There was a budgeted negative ending fund balance for the Early Retirement Fund.

### OAR 162-10-0230 Internal Control

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

We noted matters involving the internal control structure and its operation that we consider to be significant deficiencies under standards established by the American Institute of Certified Public Accountants, which are noted in our management letter dated December 29, 2011.

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

*Pauly, Rogers and Co., P.C.*  
PAULY, ROGERS AND CO., P.C.