

CORBETT SCHOOL DISTRICT NO. 39  
Multnomah County, Oregon

Financial Report

Year Ended June 30, 2012

ADMINISTRATION

Randy Trani, Superintendent/Clerk

35800 E. Historic Columbia River Highway  
Corbett, Oregon 97019

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CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

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BOARD OF DIRECTORS

MARK HYZER – CHAIR	June 30, 2015
BOB BUTTKE – VICE CHAIR	June 30, 2013
JEFF AHO	June 30, 2013
ANNETTE CALCAGNO	June 30, 2015
TODD MICKALSON	June 30, 2013
CHARLIE O'NEIL	June 30, 2013
VICTORIA PURVINE	June 30, 2015

All board members receive mail at the address below

ADMINISTRATION

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

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CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUTNY, OREGON

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CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUTNY, OREGON

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INDEPENDENT AUDITORS' REPORT

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

## INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Corbett School District No. 39 and Corbett Charter School Association, its discretely presented component unit, Multnomah County, Oregon, as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Corbett School District No. 39's 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall 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 respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Corbett School District No. 39, Multnomah County, Oregon, as of June 30, 2012, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States for America require that the management's discussion and analysis and budgetary comparison information, identified in the table of contents as required supplemental information, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Corbett School District No. 39's financial statements as a whole. The supplementary data and other schedules, identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary data and other schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing



procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Wilcox Arredondo & Co.*

Certified Public Accountants  
Canby, Oregon  
December 26, 2012

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2012. Please read it in conjunction with the District's Financial Statements, which follows this MD&A.

FINANCIAL HIGHLIGHTS

- At June 30, 2012, the District's assets exceeded its liabilities by \$ 4,708,660.
- The District's net assets increased by \$ 1,191,254 during 2011-12.

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:

### **Net Assets at Fiscal Year-End For the Year Ended June 30, 2012 and 2011**

	<u>Governmental Activities</u>		<u>Increase</u>	
	<u>June 30, 2012</u>	<u>June 30, 2011</u>	<u>(Decrease)</u>	<u>Change</u>
<b>Assets</b>				
Current and other assets	\$ 3,287,499	\$ 1,599,600	\$ 1,687,899	105.5%
Capital assets	<u>5,637,497</u>	<u>4,932,313</u>	<u>705,184</u>	<u>14.3%</u>
Total Assets	<u>8,924,996</u>	<u>6,531,913</u>	<u>2,393,083</u>	<u>36.6%</u>
<b>Liabilities</b>				
Current and other liabilities	1,628,690	427,666	1,201,024	280.8%
Long-Term Liabilities	<u>2,587,646</u>	<u>2,586,841</u>	<u>805</u>	<u>0.0%</u>
Total Liabilities	<u>4,216,336</u>	<u>3,014,507</u>	<u>1,201,829</u>	<u>39.9%</u>
<b>Net Assets:</b>				
Invested in capital assets, net of related debt	1,983,410	2,123,195	(139,785)	-6.6%
Restricted for debt service	333,989	420,769	(86,780)	-20.6%
Restricted for Other Uses	1,104,483	126,365	978,118	774.0%
Unrestricted	<u>1,286,778</u>	<u>847,077</u>	<u>439,701</u>	<u>51.9%</u>
Total Net Assets	<u>\$ 4,708,660</u>	<u>\$ 3,517,406</u>	<u>\$ 1,191,254</u>	<u>33.9%</u>

The District's revenues and expenses for fiscal year 2011-12, were as follows:

### **Changes in Net Assets For the Year Ended June 30, 2012 and 2011**

	<u>Governmental Activities</u>		<u>Increase</u>	
	<u>June 30, 2012</u>	<u>June 30, 2011</u>	<u>(Decrease)</u>	<u>Change</u>
<b>Revenues:</b>				
<b>Program Revenues:</b>				
Charges for services	\$ 1,314,923	\$ 779,857	\$ 535,066	68.6%
Operating grants and contributions	241,958	423,327	(181,369)	-42.8%
<b>General Revenues:</b>				
Property Taxes	2,222,282	2,128,364	93,918	4.4%
State School Fund - General Fund	5,975,772	5,036,350	939,422	18.7%
Other State and Local Sources	16,299	166,028	(149,729)	-90.2%
Miscellaneous	<u>8,239</u>	<u>4,543</u>	<u>3,696</u>	<u>81.4%</u>
Total Revenues	<u>9,779,473</u>	<u>8,538,469</u>	<u>1,241,004</u>	<u>14.5%</u>
<b>Expenses:</b>				
Instruction Support Services	5,980,209	5,393,396	586,813	10.9%
Support Services	2,345,170	2,116,791	228,379	10.8%
Community Services	180,030	174,876	5,154	2.9%
Interest on Long-Term Debt	<u>82,810</u>	<u>94,947</u>	<u>(12,137)</u>	<u>-12.8%</u>
Total Expenses	<u>8,588,219</u>	<u>7,780,010</u>	<u>808,209</u>	<u>10.4%</u>
Change in net assets	1,191,254	758,459	432,795	57.1%
Net assets - July 1	<u>3,517,406</u>	<u>2,758,947</u>	<u>758,459</u>	<u>27.5%</u>
Net assets - June 30	<u>\$ 4,708,660</u>	<u>\$ 3,517,406</u>	<u>\$ 1,191,254</u>	<u>33.9%</u>

## FUND FINANCIAL ANALYSIS

The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Unreserved fund balance measures the District's net resources available for appropriation in the next fiscal year. As of June 30, 2012, total fund balance of the governmental funds was \$4,708,660 (governmental fund balance includes investment in capital assets, net of related debt, totaling \$1,983,410). 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 2011-12 fiscal year state revenues increased slightly over the prior year. This, as well as additions to the student population, resulted in an increase in overall expenditures.

## CAPITAL ASSETS

At June 30, 2012 the District had \$ 5,637,497 invested in broad range of capital assets, including land, building, equipment and vehicles. The changes in capital assets for 2011-12 are due to the depreciation of capital assets, and the addition of "construction in progress" recorded during the year.

## DEBT ADMINISTRATION

As of June 30, 2012 the District had \$3,336,373 in long term debt including amortized bond costs of \$26,404. The district's debt consists of general obligation bonds, two certificates of participation from 1999 and 2001 for building improvements and safety repairs, and a low-interest loan from the Oregon Department of Energy.

## 2011-12 BUDGET

The budget for 2011-12 has total appropriations of \$ 11,963,802. Operating resources and uses are expected to increase in the current year due to an increase in student population.

## REQUESTS FOR INFORMATION

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

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

## BASIC FINANCIAL STATEMENTS

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

Statement of Net Assets  
June 30, 2012

	Governmental Activities	Component Unit Activities
<b>Assets</b>		
Cash and Cash Equivalents	\$ 2,345,910	\$ 244,210
Property Taxes Receivable	117,930	-
Accounts Receivable	797,587	18,272
Supply Inventories	1,852	-
Bond Issuance Costs, Net	24,220	-
Capital Assets, Net	<u>5,637,497</u>	<u>19,818</u>
<b>Total Assets</b>	<u>8,924,996</u>	<u>282,300</u>
<b>Liabilities</b>		
Accounts Payable	507,997	106,123
Accrued Payroll & Withholdings	237,356	106,723
Accrued Vacation	17,406	-
Long-Term Liabilities:		
Due Within One Year	865,931	-
Due in More Than One Year	2,470,442	-
Other Postemployment Benefit Obligation	<u>117,204</u>	<u>-</u>
<b>Total Liabilities</b>	<u>4,216,336</u>	<u>212,846</u>
<b>Net assets</b>		
Investment in Capital Assets, Net of Related Debt	1,983,410	19,818
Restricted for Debt Service	333,989	-
Restricted for Other Uses	1,104,483	-
Unrestricted	<u>1,286,778</u>	<u>49,636</u>
<b>Total Net Assets</b>	<u><u>\$ 4,708,660</u></u>	<u><u>\$ 69,454</u></u>

The accompanying notes are an integral part of these financial statements



CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

Statement of Activities  
Year Ended June 30, 2012

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets	Component Unit Corbett Charter School
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Governmental Activities
Instruction	\$ 5,980,209	\$ 724,680	\$ 120,302	\$ (5,135,227)	\$ (2,424,333)
Support Services	2,345,170	468,587	13,599	(1,862,984)	(227,499)
Community Services	180,030	121,656	108,057	49,683	-
Interest on Long-Term Debt	82,810	-	-	(82,810)	-
Total Governmental Activities	<u>\$ 8,588,219</u>	<u>\$ 1,314,923</u>	<u>\$ 241,958</u>	<u>(7,031,338)</u>	<u>(2,651,832)</u>
General Revenues					
Property Taxes				2,222,282	-
State Support				5,975,772	2,577,714
Unrestricted Intermediate and Local Sources				16,299	-
Earnings on Investments				8,239	828
Total General Revenues				<u>8,222,592</u>	<u>2,578,542</u>
Change in Net Assets				1,191,254	(73,290)
Net Assets, Beginning of Year				<u>3,517,406</u>	<u>142,744</u>
Net Assets, End of Year				<u>\$ 4,708,660</u>	<u>\$ 69,454</u>

The accompanying notes are an integral part of these financial statements

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

Balance Sheet - Governmental Funds  
June 30, 2012

	GENERAL FUND	ENERGY PROJECTS FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	OTHER NONMAJOR	TOTALS
<b>ASSETS:</b>						
Cash and Investments	\$ 1,082,560	\$ -	\$ 333,987	\$ 785,943	\$ 143,420	\$ 2,345,910
Receivables:						
Taxes	71,714	-	46,216	-	-	117,930
Accounts	214,451	583,136	-	-	-	797,587
Inventory	-	-	-	-	1,852	1,852
Due from Other Funds	148,842	-	-	-	-	148,842
<b>Total Assets</b>	<b>\$ 1,517,567</b>	<b>\$ 583,136</b>	<b>\$ 380,203</b>	<b>\$ 785,943</b>	<b>\$ 145,272</b>	<b>\$ 3,412,121</b>
<b>LIABILITIES AND FUND BALANCE</b>						
<b>Liabilities:</b>						
Accounts Payable	\$ 177,655	\$ 303,596	\$ -	\$ 7,730	\$ 19,016	\$ 507,997
Due to Other Funds	-	148,842	-	-	-	148,842
Payroll Liabilities	237,358	-	-	-	-	237,358
Deferred Revenue	71,714	-	46,216	-	-	117,930
<b>Total Liabilities</b>	<b>486,727</b>	<b>452,438</b>	<b>46,216</b>	<b>7,730</b>	<b>19,016</b>	<b>1,012,127</b>
<b>Fund Balance:</b>						
Nonspendable	-	-	-	-	1,852	1,852
Restricted for						
Energy Projects	-	130,698	-	-	-	130,698
Debt Service	-	-	333,987	-	-	333,987
Capital Projects	-	-	-	778,213	-	778,213
Food Services	-	-	-	-	48,474	48,474
Student Activity	-	-	-	-	75,800	75,800
Federal Projects	-	-	-	-	130	130
Committed to						
Bus Replacement	58,872	-	-	-	-	58,872
Early Retirement	10,444	-	-	-	-	10,444
Unassigned	961,524	-	-	-	-	961,524
<b>Total Fund Balance</b>	<b>1,030,840</b>	<b>130,698</b>	<b>333,987</b>	<b>778,213</b>	<b>126,256</b>	<b>2,399,994</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 1,517,567</b>	<b>\$ 583,136</b>	<b>\$ 380,203</b>	<b>\$ 785,943</b>	<b>\$ 145,272</b>	<b>\$ 3,412,121</b>

The accompanying notes are an integral part of these financial statements

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

Reconciliation of Governmental Funds  
Balance Sheet to Statement of Net Assets

June 30, 2012

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Total Fund Balances	\$	2,399,994
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Amounts reported for governmental activities in the statement of net assets are different because:

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

Capital Assets, Net		5,637,497
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Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.

Deferred Revenue		117,930
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Certain transactions related to the issuance of bonds and other long-term debt are considered expenditures in governmental funds but are capitalized on the statement of net assets and amortized over the terms of the debt:

Bond Issuance Costs		24,220
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Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest in long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due.

COPS	\$	(185,000)	
Loans		(574,967)	
Bonds Payable		(2,550,000)	
Accrued Vacation		(17,406)	
Early Retirement		(3,600)	
Other Post Employment Benefits		(113,604)	
Premium on Bonds Payable		(26,404)	
		<u>          </u>	<u>(3,470,981)</u>

Total Net Assets	\$	<u><u>4,708,660</u></u>
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The accompanying notes are an integral part of these 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, 2012

	GENERAL FUND	ENERGY PROJECTS FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	OTHER NONMAJOR	TOTALS
<b>REVENUES:</b>						
Local Sources:						
Taxes	\$ 1,515,822	\$ -	\$ 679,718	\$ -	\$ -	\$ 2,195,540
Earnings on Investments	8,239	-	-	-	-	8,239
Other Local Sources	933,649	104,660	-	15,365	261,249	1,314,923
Intermediate Sources	16,299	-	-	-	-	16,299
State Sources	5,973,920	-	-	-	1,852	5,975,772
Federal Sources	2,173	13,599	-	-	226,186	241,958
Total Revenues	<u>8,450,102</u>	<u>118,259</u>	<u>679,718</u>	<u>15,365</u>	<u>489,287</u>	<u>9,752,731</u>
<b>EXPENDITURES:</b>						
Current:						
Instruction	5,702,732	-	-	-	277,477	5,980,209
Support Services	2,105,361	116	-	-	-	2,105,477
Enterprise and Community Services	-	-	-	-	180,030	180,030
Facilities Acquisition and Construction	-	570,581	-	330,513	-	901,094
Debt Service	54,479	-	766,500	-	-	820,979
Total Expenditures	<u>7,862,572</u>	<u>570,697</u>	<u>766,500</u>	<u>330,513</u>	<u>457,507</u>	<u>9,987,789</u>
Excess of Revenues Over, (Under) Expenditures	<u>587,530</u>	<u>(452,438)</u>	<u>(86,782)</u>	<u>(315,148)</u>	<u>31,780</u>	<u>(235,058)</u>
Other Financing Sources, (Uses)						
Loan Proceeds	-	583,136	-	1,000,000	-	1,583,136
Transfers In	63,000	-	-	50,000	-	113,000
Transfers Out	(113,000)	-	-	-	-	(113,000)
Total Other Financing Sources, (Uses)	<u>(50,000)</u>	<u>583,136</u>	<u>-</u>	<u>1,050,000</u>	<u>-</u>	<u>1,583,136</u>
Net Change in Fund Balance	537,530	130,698	(86,782)	734,852	31,780	1,348,078
Beginning Fund Balance	<u>493,310</u>	<u>-</u>	<u>420,769</u>	<u>43,361</u>	<u>94,476</u>	<u>1,051,916</u>
Ending Fund Balance	<u>\$ 1,030,840</u>	<u>\$ 130,698</u>	<u>\$ 333,987</u>	<u>\$ 778,213</u>	<u>\$ 126,256</u>	<u>\$ 2,399,994</u>

The accompanying notes are an integral part of these 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, 2012

Net Change in Fund Balance		\$ 1,348,078
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	\$ 897,095	
Depreciation Expense, Net	<u>(191,911)</u>	<u>705,184</u>
Long-term debt proceeds are reported as other financing sources while payments to fiscal agent are reported as other financing uses in governmental funds. In the Statement of Net Assets, however, issuing long-term debt increases liabilities while payments to fiscal agent increases assets. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Assets. This the amount by which repayments exceeded proceeds:		
		(844,967)
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	13,203	
Amortization of Bond Premium	<u>(12,110)</u>	<u>1,093</u>
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	(9,906)	
Early Retirement Obligation	<u>(34,969)</u>	<u>(44,875)</u>
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		
		<u>26,741</u>
Change in Net Assets		<u><u>\$ 1,191,254</u></u>

The accompanying notes are an integral part of these financial statements

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## NOTES TO THE FINANCIAL STATEMENTS

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

Corbett School District No. 39 is a municipal corporation governed by an elected seven-member board. As required by generally accepted accounting principles, these financial statements present Corbett School District No. 39 (the primary government) and any component units. Component units, as established by the Governmental Accounting Standards Board (GASB) Statement 39, are separate organizations that are included in the District's reporting entity because of the significance of their operational or financial relationships with the District. The Corbett Charter School Association is considered a component unit of Corbett School District No. 39. Detailed information about the Corbett Charter School Association financial statements is contained in the component unit's financial report of the Corbett Charter School Association, which is issued separately, and may be obtained from their administrative offices.

Basis of Presentation - Fund Accounting

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and Statement 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 District's general revenues.

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Interest of 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.

Fund Financial Statements

The accounts of the District 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. Separate statements for each fund category-governmental and fiduciary – are represented. The emphasis of fund statements is on major governmental funds, each displayed as a separate column. All remaining governmental funds are aggregated and reported as other funds. The minimum number of funds is maintained consistent with legal and managerial requirements.



CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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Governmental Fund Types

Governmental funds are used to account for the District's 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.

The District reports the following major governmental funds:

General Fund - The General Fund accounts for all financial resources and expenditures of the District 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 General Fund through the State 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 in from the General Fund.

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

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

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

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

Additionally, the district reports the following fund types:

Other Governmental Funds -

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

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

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Types (Continued)

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

Measurement Focus and Basis of Accounting

Government-wide are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District receives value without giving equal value in exchange, include property taxes, grants, entitlements and donations. On the accrual basis of accounting, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

Governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Property taxes and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt and claims and judgments, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in the governmental funds and proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources.

Private sector standards of accounting and reporting issued prior to December 1, 1989 generally are followed in the government-wide financial statements to the extent that these standards do not conflict or contradict the guidance of the Governmental Accounting Standards Board.

Budgets

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

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

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

Expenditures cannot legally exceed the adopted appropriation levels except in the case of grants which could not be estimated at the time of budget adoption. Appropriations lapse at the fiscal year-end. Management may amend line items in the budget without Board approval as long as appropriation levels (the legal level of control) are not changed.

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets (Continued)

Supplemental appropriations may occur if the Board approves them due to unforeseen circumstances that could not be determined at the time the budget was adopted. Budget amounts shown in the basic financial statements reflect the original budgeted appropriation amounts and final budget amounts for a supplemental budget approved by the board. Expenditures of district funds were within authorized appropriations.

Cash and Investments

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

The District's investments consist of a LGIP account. These investments are stated at cost, which approximates fair value. Fair value of the LGIP is the same as the District's value in pool shares. The Oregon State Treasury administers the LGIP. It is an open-ended no-load diversified portfolio offered to any agency, political subdivision or public corporation of the State that by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon legislature established the Oregon Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury in the management and investment options of the LGIP.

Property Taxes Receivable

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

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

Grants

Unreimbursed expenditures due from grantor agencies are reflected in the basic financial statements as receivables and revenues. Grant revenues are recorded at the time eligible expenditures are incurred. Cash received from grantor agencies in excess of related grant expenditures are recorded as unearned revenue on the statement of net 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 District's inventories at USDA wholesale value. The District accounts for the inventory based on the consumption method. Under the consumption method, inventory is recorded when purchased and expenditures/expenses are recorded when inventory items are used. Donated commodities consumed during the year are reported as revenues and expenditures.

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

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

Interfund Payables and Receivables and Transfers

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

Retirement Plans

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

Post Employment Benefits

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

Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the District. All unused vacation pay is accrued when earned in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they are paid as a result of employee resignation or separation.

Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the governmental activities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the life of the related debt. 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 issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

Net assets comprise the various net earnings from operations, non operating 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

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

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

Use of Estimates

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

2. CASH AND INVESTMENTS

Deposits

Deposits with financial institutions include bank demand and money market deposits. The balances in these accounts according to the District record total \$795,632 as of June 30, 2012. The bank statement records reflect a balance of \$891,005 at year end.

*Custodial Credit Risk – Deposits.* Custodial credit risk for deposits is the risk that, in the event of bank failure, the District's deposits may be lost. Deposits with financial institutions are comprised of bank demand deposits. The combined total bank balance is \$891,005. Of these deposits, \$891,005 was covered by federal depository insurance.

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (CONTINUED)

Deposits (Continued)

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

Investments

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

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, 2012.

Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. There is no material difference between the fair value of the District's position in the State Treasurer's Local Government Investment Pool and the value of the pool shares at June 30, 2012. There were no known violations of legal or contractual provisions for deposits and investments during the fiscal year.

Cash and Investments at June 30, 2012 (recorded at fair value) consist of:

Demand Deposits	\$ 646,790
Investments	1,699,120
	<u>\$ 2,345,910</u>

The District had the following investments and maturities:

Investment Type	Fair Value	Investment Maturity (in months)		
		Less than 3	3 - 17	18- 59
State Treasurer's Investment Pool	\$ 1,699,120	\$ 1,699,120	\$ -	\$ -
Total	<u>\$ 1,699,120</u>	<u>\$ 1,699,120</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 has been submitted to and reviewed by the OSTFB. The District does not have any investments that have a maturity date.

Credit Risk

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

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk

At June 30, 2012, the District had 100% of total investments in the State Treasurer's Investment Pool. State statutes do not limit the percentage of investments in this instrument.

3. ACCOUNTS/GRANTS RECEIVABLE

Special revenue fund grants receivable is comprised of claims for reimbursement of costs under various federal and state grant programs. Amounts are periodically reviewed for collectability. At June 30, 2012, no allowance for doubtful accounts is considered necessary.

4. CAPITAL ASSETS

The changes in capital assets for the year ended June 30, 2012 are as follows:

	Governmental Capital Assets 7/1/2011	Additions	Deletions	Governmental Capital Assets 6/30/2012
Land (non depreciable)	\$ 222,277	\$ -	\$ -	\$ 222,277
Buildings & Improvement	7,874,272	-	-	\$ 7,874,272
Equipment	166,940	-	-	\$ 166,940
Vehicles	799,982	-	-	\$ 799,982
Construction in Progress	-	897,095	-	\$ 897,095
	9,063,471	897,095	-	9,960,566
Accumulated Depreciation	(4,131,158)	(191,911)	-	(4,323,069)
Totals	<u>\$ 4,932,313</u>	<u>\$ 705,184</u>	<u>\$ -</u>	<u>\$ 5,637,497</u>

Depreciation was allocated to the functions as follows:

Instruction	\$ 132,419
Support Services	51,816
Community Services	7,676
Total	<u>\$ 191,911</u>

5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund transfers were made to provide resources as follows:

	Transfers In	Transfers Out
General Fund	\$ -	\$ 113,000
Capital Projects Fund	50,000	-
Bus Replacement Fund	25,000	
Early Retirement Fund	38,000	-
Totals	<u>\$ 113,000</u>	<u>\$ 113,000</u>

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

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6. PENSION PLAN

Plan Description

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

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

Funding Policy

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

The District's contribution to the plan for the years ending June 30, 2012, 2011 and 2010 were \$513,345, \$421,527, and \$503,594, respectively, and were equal to the required contributions for each year.

Tax Sheltered Annuities

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

7. EARLY RETIREMENT PLAN

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

The employee must be retired and receiving benefits under PERS.

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



CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

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7. EARLY RETIREMENT PLAN (CONTINUED)

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

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

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

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

The teacher must be retired and receiving PERS.

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

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

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

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

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, 2012, 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, 2012 was \$26,910. There has not been an actuarial determination as to estimated liabilities related to this plan.

8. LONG-TERM OBLIGATIONS

Certificates of Participation

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

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

8. LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Bonds

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

SELP Loan

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

Changes in obligations outstanding are as follows:

	Original Issue	Outstanding July 1, 2011	Issued	Redeemed and Matured	Outstanding June 30, 2012	Interest Rate(s)
1999 Certificate of Participation	\$ 215,000	\$ 60,000	\$ -	\$ 20,000	\$ 40,000	3.75-5.40%
2001 Certificate of Participation	250,000	155,000	-	10,000	145,000	3.50-5.75%
2012 Certificate of Participation	1,000,000	-	1,000,000	-	1,000,000	3.50%
2012B QSCB					-	
2008 General Obligation	3,495,000	2,250,000	-	700,000	1,550,000	3.50%
Refunding Bonds					-	
2012 SELP Loan	583,136	-	583,136	8,167	574,969	3.50%
		<u>2,465,000</u>	<u>1,583,136</u>	<u>738,167</u>	<u>3,309,969</u>	
Unamortized premium		<u>39,606</u>	<u>-</u>	<u>13,202</u>	<u>26,404</u>	
Total		<u>\$ 2,504,606</u>	<u>\$ 1,583,136</u>	<u>\$ 751,369</u>	<u>\$ 3,336,373</u>	

Future maturities are as follows:

Year Ended June 30,	Certificates of Participation	General Obligation Bonds	SELP Loan	Total Principal	Interest	Total
2013	\$ 90,556	\$ 745,000	\$ 30,375	\$ 865,931	\$ 135,850	\$ 1,001,781
2014	90,556	805,000	31,455	927,011	87,378	1,014,389
2015	70,555	-	32,574	103,129	70,267	173,396
2016	70,555	-	33,688	104,243	68,328	172,571
2017	70,555	-	34,931	105,486	66,223	171,709
2018-2022	347,778	-	194,168	541,946	297,802	839,748
2023-2027	277,780	-	217,778	495,558	250,119	745,677
2028-2030	166,665	-	-	166,665	138,750	305,415
	<u>\$ 1,185,000</u>	<u>\$ 1,550,000</u>	<u>\$ 574,969</u>	<u>\$ 3,309,969</u>	<u>\$ 1,114,717</u>	<u>\$ 4,424,686</u>

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

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

9. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Annual OPEB Cost and Net OPEB Obligation

The District's annual other postemployment benefit (OPEB) cost (expense) is reflected in the Statement of Net Assets on the accrual basis, and is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year ending June 30, 2012, the amount actually contributed to the plan, and changes in the District's net OPEB obligation:

	Year Ended June 30,		
	2012	2011	2010
Annual required contribution	\$ 51,260	\$ 49,527	\$ 47,852
Interest on net OPEB obligation	3,145	1,631	-
Adjustments to annual required contribution	(2,808)	(1,456)	-
Annual OPEB cost	51,597	49,702	47,852
Contributions made	(16,628)	(11,836)	(7,083)
Increase in net OPEB obligation	34,969	37,866	40,769
Net OPEB obligation - beginning of year	78,635	40,769	
Net OPEB obligation - end of year	\$ 113,604	\$ 78,635	\$ 40,769
Percentage of ARC contributed	32%	24%	66%

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

Fiscal Year	Annual OPEB Cost	Contributions	Percentage of annual OPEB cost contributed	Net OPEB obligation
2010	\$ 47,852	\$ 7,083	15%	\$ 40,769
2011	\$ 49,702	\$ 11,836	24%	\$ 78,635
2012	\$ 51,597	\$ 16,628	32%	\$ 113,604

Actuarial Methods and Assumptions

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

In the most recent actuarial valuation as of July 1, 2009, the Projected Unit Credit Actuarial Cost Method has been used to determine contribution levels for the Plan. Contribution levels comprise two components: Normal Cost and Amortization Payments. Under this method, the expected accrued benefit of each participant at benefit commencement (reflecting future expected increases in salaries and medical premiums) is allocated in equal portion over the participant's years of service from hire to expected retirement. The normal cost is the present value of benefits expected to accrue in the current year. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses). The projected annual rate of wage inflation is 3.5 percent compounded

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

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

Actuarial Methods and Assumptions (Continued)

annually. The present value of benefits accrued as of the valuation date is called the accrued liability. The difference between the accrued liability and the actuarial value of plan assets is called the unfunded accrued liability. The unfunded accrued liability is being amortized as a level percentage of payroll over an open period of 30 years.

Funding Status and Funding Progress – As of July 1, 2009, the date of the District's valuation, the plan is 0% funded and the unfunded actuarial accrued liability was \$409,822. Covered payroll (annual payroll of active employees covered by the plan) was \$3,796,142. The ratio of unfunded actuarial accrued liability to covered payroll was 10.8%.

Retirement Health Insurance Account

Plan Description

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

Funding Policy

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

Participating school districts are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the District currently contributes approximately 0.29% of annual covered payroll. The OPERS Board of Trustees sets the employer contribution rates based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The contributions to RHIA for the year ended June 30, 2012 are included in the PERS annual pension amount.

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

10. COMPENSATED ABSENCES

Compensated absences are assumed to be used on a first in first out basis; therefore, all outstanding balances are considered due within one year of June 30, 2012. This benefit is paid primarily from the General Fund.

	Outstanding Balance 7/1/2011	Additions	Payments	Outstanding Balance 6/30/2012
Compensated Absences	<u>\$ 7,500</u>	<u>\$ 26,000</u>	<u>\$ 16,094</u>	<u>\$ 17,406</u>

11. COMMITMENTS AND CONTINGENCIES

The District participates in a number of federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The federal audits for these programs for the year ended June 30, 2012 have not been conducted. Accordingly, the District's compliance with grant requirements will be established at some future date. The amount, if any, of expenditures, which may be disallowed by the granting agencies, cannot be determined at this time, although the District expects such amounts to be immaterial.

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

12. PROPERTY TAX LIMITATIONS

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

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

13. RISK MANAGEMENT

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

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REQUIRED SUPPLEMENTARY DATA

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Actual and Budget  
Year Ended June 30, 2012

<u>GENERAL FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES:				
Local Sources	\$ 2,393,000	\$ 2,393,000	\$ 2,457,710	\$ 64,710
Intermediate Sources	4,760	4,760	16,299	11,539
State Sources	5,902,582	5,902,582	5,973,920	71,338
Federal Sources	-	-	2,173	2,173
Total Revenues	<u>8,300,342</u>	<u>8,300,342</u>	<u>8,450,102</u>	<u>(149,760)</u>
EXPENDITURES:				
Instruction	5,872,988	5,872,988 (1)	5,702,732	170,256
Support Services	2,109,442	2,110,937 (1)	2,078,451	32,486
Debt Service		(1)		
Principal	30,000	38,169	38,169	-
Interest	11,975	16,311	16,310	1
Operating Contingency	<u>427,325</u>	<u>427,325 (1)</u>	<u>-</u>	<u>427,325</u>
Total Expenditures	<u>8,451,730</u>	<u>8,465,730</u>	<u>7,835,662</u>	<u>630,068</u>
Excess of Revenues Over, (Under) Expenditures	<u>(151,388)</u>	<u>(165,388)</u>	<u>614,440</u>	<u>779,828</u>
OTHER FINANCIAL SOURCES, (USES)				
Transfers Out	<u>(127,000)</u>	<u>(113,000) (1)</u>	<u>(113,000)</u>	<u>-</u>
Net Change in Fund Balance	(278,388)	(278,388)	501,440	779,828
Beginning Fund Balance	<u>278,388</u>	<u>460,084</u>	<u>460,084</u>	<u>-</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ 181,696</u>	<u>961,524</u>	<u>\$ 779,828</u>

(1) Appropriation Level

Reconciliation to Governmental Fund Balance as required by GASB #54

Ending Fund Balance	
Bus Replacement Fund	58,872
Early Retirement Fund	10,444
	<u>\$ 1,030,840</u>



CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Actual and Budget  
Year Ended June 30, 2012

	<u>ENERGY PROJECTS FUND</u>			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Local Sources	\$	\$ 142,734	\$ 104,660	\$ 38,074
Federal Sources	-	47,600	13,599	34,001
Total Revenues	-	190,334	118,259	72,075
EXPENDITURES:				
Support Services:				
Other	-	200 (1)	116	84
Facilities Acq & Construction	-	725,870 (1)	570,581	155,289
Total Expenditures	-	726,070	570,697	155,289
Excess of Revenues Over, (Under) Expenditures	-	(535,736)	(452,438)	83,298
Other Financing Sources, (Uses):				
Loan Proceeds	-	583,136	583,136	-
Net Change in Fund Balance	-	47,400	130,698	83,298
Beginning Fund Balance	-	-	-	-
Ending Fund Balance	\$ -	\$ 47,400	\$ 130,698	\$ 83,298
(1) Appropriation Level				

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## SUPPLEMENTARY DATA

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

Combining Balance Sheet  
Major Governmental Fund - General Fund  
June 30, 2012

	GENERAL FUND	BUS REPLACEMENT FUND	EARLY RETIREMENT FUND	TOTALS
ASSETS:				
Cash and Investments	\$ 1,013,204	\$ 58,872	\$ 10,484	\$ 1,082,560
Receivables:				
Taxes	71,714	-	-	71,714
Accounts	214,451	-	-	214,451
Due from Other Funds	148,842	-	-	148,842
Total Assets	<u>\$ 1,448,211</u>	<u>\$ 58,872</u>	<u>\$ 10,484</u>	<u>\$ 1,517,567</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts Payable	\$ 177,615	\$ -	\$ 40	\$ 177,655
Payroll Liabilities	237,358	-	-	237,358
Deferred Revenue	71,714	-	-	71,714
Total Liabilities	<u>486,687</u>	<u>-</u>	<u>40</u>	<u>486,727</u>
Fund Balance:				
Committed	-	58,872	10,444	69,316
Unassigned	961,524	-	-	961,524
Total Fund Balance	<u>961,524</u>	<u>58,872</u>	<u>10,444</u>	<u>1,030,840</u>
Total Liabilities and Fund Balance	<u>\$ 1,448,211</u>	<u>\$ 58,872</u>	<u>\$ 10,484</u>	<u>\$ 1,517,567</u>

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance  
Major Governmental Fund - General Fund  
Year Ended June 30, 2012

	GENERAL FUND	BUS REPLACEMENT FUND	EARLY RETIREMENT FUND	TOTALS
REVENUES:				
Local Sources	\$ 2,457,710	\$ -	\$ -	\$ 2,457,710
Intermediate Sources	16,299	-	-	16,299
State Sources	5,973,920	-	-	5,973,920
Federal Sources	2,173	-	-	2,173
Total Revenues	8,450,102	-	-	8,450,102
EXPENDITURES:				
Instruction	5,702,732	-	-	5,702,732
Support Services	2,078,451	-	26,910	2,105,361
Debt Service				
Principal	38,169	-	-	38,169
Interest	16,310	-	-	16,310
Total Expenditures	7,835,662	-	26,910	7,862,572
Excess of Revenues Over, (Under) Expenditures	614,440	-	(26,910)	587,530
OTHER FINANCING SOURCES, (USES)				
Transfers In	-	25,000	38,000	63,000
Transfers Out	(113,000)	-	-	(113,000)
Total Other Financing Sources (Uses)	(113,000)	25,000	38,000	(50,000)
Net Change in Fund Balance	501,440	25,000	11,090	537,530
Beginning Fund Balance	460,084	33,872	(646)	493,310
Ending Fund Balance	\$ 961,524	\$ 58,872	\$ 10,444	\$ 1,030,840

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Actual and Budget  
Year Ended June 30, 2012

	<u>BUS REPLACEMENT FUND</u>			
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
EXPENDITURES:				
Capital Outlay	<u>\$ 58,872</u>	<u>\$ 58,872</u>	<u>(1) \$ -</u>	<u>\$ 58,872</u>
Other Financing Sources, -Uses:				
Transfers In	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Net Change in Fund Balance	<u>(33,872)</u>	<u>(33,872)</u>	<u>25,000</u>	<u>58,872</u>
Beginning Fund Balance	<u>33,872</u>	<u>33,872</u>	<u>33,872</u>	<u>-</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,872</u>	<u>\$ 58,872</u>

(1) Appropriation Level

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

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Actual and Budget  
Year Ended June 30, 2012

	<u>EARLY RETIREMENT FUND</u>			VARIANCE POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
EXPENDITURES:				
Support Services:				
Salaries	\$ 3,600	\$ 4,300	\$ 4,200	\$ 100
Employee Benefits	<u>23,300</u>	<u>32,600</u>	<u>22,710</u>	<u>9,890</u>
Total Support Services	<u>26,900</u>	<u>36,900 (1)</u>	<u>26,910</u>	<u>9,990</u>
Other Financing Sources, (Uses):				
Transfers In	<u>28,000</u>	<u>38,000</u>	<u>38,000</u>	<u>-</u>
Net Change in Fund Balance	1,100	1,100	11,090	9,990
Beginning Fund Balance	<u>204</u>	<u>(646)</u>	<u>(646)</u>	<u>-</u>
Ending Fund Balance	<u>\$ 1,304</u>	<u>\$ 454</u>	<u>\$ 10,444</u>	<u>\$ 9,990</u>

(1) Appropriation Level

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

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OTHER MAJOR GOVERNMENTAL FUNDS

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Actual and Budget  
Year Ended June 30, 2012

	<u>DEBT SERVICE FUND</u>			
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES:				
Local Sources	<u>\$ 712,000</u>	<u>\$ 712,000</u>	<u>\$ 679,718</u>	<u>\$ (32,282)</u>
EXPENDITURES:				
Debt Service				
Principal	700,000	700,000	700,000	-
Interest	<u>66,500</u>	<u>66,500</u>	<u>66,500</u>	<u>-</u>
Total Debt Service Expenditures	<u>766,500</u>	<u>766,500 (1)</u>	<u>766,500</u>	<u>-</u>
Excess of Revenues Over, (Under) Expenditures	<u>(54,500)</u>	<u>(54,500)</u>	<u>(86,782)</u>	<u>(32,282)</u>
Net Change in Fund Balance	(54,500)	(54,500)	(86,782)	(32,282)
Beginning Fund Balance	<u>426,164</u>	<u>426,164</u>	<u>420,769</u>	<u>(5,395)</u>
Ending Fund Balance	<u><u>\$ 371,664</u></u>	<u><u>\$ 371,664</u></u>	<u><u>\$ 333,987</u></u>	<u><u>\$ (37,677)</u></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, 2012

	<u>CAPITAL PROJECTS FUND</u>			
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES:				
Local Sources	\$ -	\$ - (1)	\$ 15,365	\$ (15,365)
EXPENDITURES:				
Facilities Acquisition & Construction	93,361	1,073,361 (1)	330,513	742,848
Debt Service	-	20,000 (1)	-	20,000
Total Expenditures	93,361	1,093,361	330,513	762,848
Excess of Revenues Over, (Under) Expenditures	(93,361)	(1,093,361)	(315,148)	778,213
Other Financing Sources, (Uses):				
Loan Proceeds	-	1,000,000	1,000,000	-
Transfers In	50,000	50,000	50,000	-
Total Other Financing Sources, -Uses	50,000	1,050,000	1,050,000	-
Net Change in Fund Balance	(43,361)	(43,361)	734,852	778,213
Beginning Fund Balance	43,361	43,361	43,361	-
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 778,213</u>	<u>\$ 778,213</u>

(1) Appropriation Level

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NONMAJOR GOVERNMENTAL FUNDS

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

Combining Balance Sheet - All Non-Major Governmental Funds  
June 30, 2012

	FOOD SERVICE FUND	STUDENT ACTIVITY FUND	FEDERAL PROGRAMS	TOTAL
ASSETS:				
Cash and Investments	\$ 67,490	\$ 75,800	\$ 130	\$ 143,420
Inventory	1,852	-	-	1,852
Total Assets	<u>\$ 69,342</u>	<u>\$ 75,800</u>	<u>\$ 130</u>	<u>\$ 145,272</u>
LIABILITIES AND FUND EQUITY:				
Accounts Payable	\$ 19,016	\$ -	\$ -	\$ 19,016
Total Liabilities	<u>19,016</u>	<u>-</u>	<u>-</u>	<u>19,016</u>
Fund Equity:				
Fund Balances:				
Nonspendable	1,852	-	-	1,852
Restricted	48,474	75,800	130	124,404
Total Fund Balances	<u>50,326</u>	<u>75,800</u>	<u>130</u>	<u>126,256</u>
Total Liabilities and Fund Equity	<u>\$ 69,342</u>	<u>\$ 75,800</u>	<u>\$ 130</u>	<u>\$ 145,272</u>

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances  
All Non-Major Governmental Funds  
Year Ended June 30, 2012

	FOOD SERVICE FUND	STUDENT ACTIVITY FUND	FEDERAL PROGRAMS	TOTAL
REVENUES:				
Local Sources:				
Other Local	\$ 85,555	\$ 175,694	\$ -	\$ 261,249
State Sources				
Other Revenue from State Sources	1,852	-	-	1,852
Federal Sources				
Grants-in-Aid	108,057	-	118,129	226,186
Total Revenues	195,464	175,694	118,129	489,287
EXPENDITURES:				
Current:				
Instruction	-	159,478	117,999	277,477
Enterprise and Community Services	180,030	-	-	180,030
Total Expenditures	180,030	159,478	117,999	457,507
Excess of Revenues Over, -Under Expenditures	15,434	16,216	130	31,780
Net Change in Fund Balance	15,434	16,216	130	31,780
Beginning Fund Balance	34,892	59,584	-	94,476
Ending Fund Balance	\$ 50,326	\$ 75,800	\$ 130	\$ 126,256

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Actual and Budget  
Year Ended June 30, 2012

	<u>FOOD SERVICE FUND</u>			VARIANCE POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES:				
Local Sources	\$ 96,000	\$ 88,500	\$ 85,555	\$ (2,945)
State Sources	2,000	2,000	1,852	(148)
Federal Sources	62,500	79,500	108,057	28,557
Total Revenues	160,500	170,000	195,464	25,464
EXPENDITURES:				
Enterprise and Community Services:				
Salaries	37,484	37,484	37,484	-
Employee Benefits	27,886	27,886	21,412	6,474
Supplies & Materials	119,584	119,584	119,426	158
Other	415	415	1,708	(1,293)
Total Enterprise and Community Services	185,369	185,369 (1)	180,030	5,339
Excess of Revenues Over, (Under) Expenditures	(24,869)	(15,369)	15,434	20,125
Other Financing Sources, (Uses):				
Transfers In	24,000	-	-	-
Net Change in Fund Balance	(869)	(15,369)	15,434	20,125
Beginning Fund Balance	1,984	34,892	34,892	-
Ending Fund Balance	\$ 1,115	\$ 19,523	\$ 50,326	\$ 20,125

(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, 2012

STUDENT ACTIVITY FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Local Sources	\$ 400,000	\$ 400,000	\$ 175,694	\$ (224,306)
Total Revenues	400,000	400,000	175,694	(224,306)
EXPENDITURES:				
Current:				
Instruction	400,000	400,000 (1)	159,478	240,522
Total Expenditures	400,000	400,000	159,478	240,522
Net Change in Fund Balance	-	-	16,216	16,217
Beginning Fund Balance	85,547	85,547	59,584	(25,963)
Ending Fund Balance	\$ 85,547	\$ 85,547	\$ 75,800	\$ (9,746)

(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, 2012

<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	\$ -	\$ 118,000	\$ 118,129	\$ 129
Total Revenues	-	118,000	118,129	129
EXPENDITURES:				
Instruction				
Salaries	-	81,000	79,835	1,165
Associated Payroll	-	37,000	33,389	3,611
Supplies & Materials	-	-	4,775	(4,775)
Total Instruction Services		118,000 (1)	117,999	1
Total Expenditures	-	118,000	117,999	1
Net Change in Fund Balance	-	-	130	130
Beginning Fund Balance	-	-	-	-
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 130</u>	<u>\$ 130</u>

(1) Appropriation Level

## OTHER SCHEDULES

CORBETT SCHOOL DISTRICT NO. 39  
MULNOTMAH COUNTY, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS  
For the Year Ended June 30, 2012

GENERAL FUND

Tax Roll Year	Balance July 1, 2011	2011-2012 Tax Levy	Less Discounts	Net Adjustments	Interest	Collections	Balance June 30, 2012
2011-2012	\$ -	\$ 1,540,616	\$ 38,544	\$ 7,862	\$ 681	\$ 1,468,557	\$ 45,716
2010-2011	40,212	-	(233)	2,924	1,593	23,482	14,040
2009-2010	18,389	-	(173)	945	1,511	15,305	2,312
2008-2009	11,047	-	(2)	133	1,918	4,590	6,326
2007-2008	3,765	-	(2)	121	1,060	824	2,822
2006-2007	694	-	-	24	156	374	296
2005-2006	335	-	-	22	53	227	86
Prior	2,185	-	-	(1)	134	2,070	116
	<u>\$ 76,627</u>	<u>\$ 1,540,616</u>	<u>\$ 38,134</u>	<u>\$ 12,030</u>	<u>\$ 7,106</u>	1,515,429	<u>\$ 71,714</u>
Undistributed tax collections, June 30, 2012						10,416	
Undistributed tax collections, June 30, 2011						(10,344)	
Revenue Turned Over to General Fund						<u>\$ 1,515,501</u>	

DEBT SERVICE FUND

Tax Roll Year	Balance July 1, 2011	2011-2012 Tax Levy	Less Discounts	Net Adjustments	Interest	Collections	Balance June 30, 2012
2011-2012	\$ -	\$ 733,430	\$ (18,349)	\$ (3,743)	\$ 324	\$ 666,373	\$ 21,776
2010-2011	21,770	-	126	(1,583)	862	7,600	12,713
2009-2010	8,349	-	79	(429)	686	1,050	6,949
2008-2009	4,984	-	1	(60)	866	2,855	2,070
2007-2008	2,777	-	2	(89)	782	2,082	608
2006-2007	470	-	-	(18)	106	200	252
2005-2006	269	-	-	(17)	42	69	183
Prior	1,757	-	-	1	108	93	1,665
	<u>\$ 40,376</u>	<u>\$ 733,430</u>	<u>\$ (18,141)</u>	<u>\$ (5,938)</u>	<u>\$ 3,776</u>	680,322	<u>\$ 46,216</u>
Undistributed tax collections, June 30, 2012						4,900	
Undistributed tax collections, June 30, 2011						(4,866)	
Revenue Turned Over to Debt Service Fund						<u>\$ 680,356</u>	

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

Schedule of Revenues by Function - All Funds  
Year Ended June 30, 2012

	General	Special Rev	Debt Service	Capital Projects	Internal Service	Trust/Agency
<b>Revenue from Local Sources</b>						
1110 Ad Valorem Taxes Levied by District	1,515,501		680,357			
1120 Local Option Ad Valorem Taxes Levied by						
1190 Penalties and Interest on Taxes	320		136			
1200 Rev from Local Gov't Units Other Than Districts						
1310 Regular Day School Tuition	158,433					
1320 Adult/Continuing Education Tuition						
1330 Summer School Tuition						
1400 Transportation Fees	0					
1500 Earnings on Investments	8,240		-774	1,865		
1600 Food Service	619	84,638				
1700 Extracurricular Activities	2,714	175,694				
1800 Community Services Activities						
1910 Rentals	480,723					
1920 Contributions and Donations From Private	9,007			13,500		
1930 Rental or Lease Payments From Private						
1940 Services Provided Other Local Education	210,000					
1950 Textbook Sales and Rentals						
1960 Recovery of Prior Years' Expenditure						
1970 Services Provided Other Funds						
1980 Fees Charged to Grants						
1990 Miscellaneous	72,153	105,577				
<b>Total Revenue from Local Sources</b>	<b>\$2,457,710</b>	<b>\$365,909</b>	<b>\$679,719</b>	<b>\$15,365</b>	<b>\$0</b>	<b>\$0</b>
<b>Revenue from Intermediate Sources</b>						
2101 County School Funds	909					
2105 Natural Gas, Oil, and Mineral Receipts						
2199 Other Intermediate Sources						
2200 Restricted Revenue	15,390					
2800 Revenue in Lieu of Taxes						
2900 Revenue for/on Behalf of the District						
<b>Total Revenue from Intermediate Sources</b>	<b>\$16,299</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	5,596,574					
3102 State School Fund - School Lunch Match		1,852				
3103 Common School Fund	123,478					
3299 Other Restricted Grants-in-Aid	253,868					
3800 Revenue in Lieu of Taxes						
3900 Revenue for/on Behalf of the District						
<b>Total Revenue from State Sources</b>	<b>\$5,973,920</b>	<b>\$1,852</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		239,785				
4700 Grants-In-Aid Fed. Gov. Thru Intern. Agencies						
4801 Federal Forest Fees						
4802 Impact Aid to School Districts for Operation (PL						
4803 Coos Bay Wagon Road Funds						
4899 Other Revenue in Lieu of Taxes						
4900 Revenue for/on Behalf of the District	2,173					
<b>Total Revenue from Federal Sources</b>	<b>\$2,173</b>	<b>\$239,785</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		583,136		1,000,000		
5200 Interfund Transfers		63,000		50,000		
5300 Sale (Loss) from Fixed Asset Disposal						
5400 Resources - Beginning Fund Balance	460,084	94,476	420,769	43,361		
<b>Total Revenue from Other Sources</b>	<b>\$460,084</b>	<b>\$740,612</b>	<b>\$420,769</b>	<b>\$1,093,361</b>	<b>\$0</b>	<b>\$0</b>
<b>Grand Totals</b>	<b>\$8,910,186</b>	<b>\$1,348,158</b>	<b>\$1,100,488</b>	<b>\$1,108,726</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, 2012

GENERAL FUND								
<b>Instruction Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
1111 Primary, K-3	705,586	445,138	241,461	1,620	17,367			
1112 Intermediate Programs	439,955	283,674	133,039	2,360	20,882			
1113 Elementary Extracurricular	0							
1121 Middle/Junior High Programs	829,920	536,733	263,406	1,062	26,568	508	1,643	
1122 Middle/Junior High School Extracurricular	1,585	984	259	342				
1131 High School Programs	677,295	401,946	189,509	14,290	61,488	4,901	5,161	
1132 High School Extracurricular	46,179	15,789	4,874	15,012	8,374		2,130	
1140 Pre-Kindergarten Programs	64,899	44,270	16,220		4,409			
1210 Programs for the Talented and Gifted	0							
1220 Restrictive Programs for Students with Disabilities	12,076			12,076				
1250 Less Restrictive Programs for Students with Disabilities	265,031	154,163	97,106	6,341	5,859	250	1,312	
1260 Early Intervention	0							
1271 Remediation	0							
1272 Title I	0							
1280 Alternative Education	2,660,739	24,481	19,469	2,608,713	7,682	394		
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>\$5,703,265</b>	<b>\$1,907,178</b>	<b>\$965,343</b>	<b>\$2,661,816</b>	<b>\$152,629</b>	<b>\$6,053</b>	<b>\$10,246</b>	<b>\$0</b>
<b>Support Services Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
2110 Attendance and Social Work Services	\$0							
2120 Guidance Services	\$0							
2130 Health Services	\$777				\$597		\$180	
2140 Psychological Services	\$0							
2190 Service Direction, Student Support Services	\$0							
2210 Improvement of Instruction Services	\$73,725	\$50,386	\$18,496	\$79	\$3,499		\$1,265	
2220 Educational Media Services	\$28				\$28			
2230 Assessment & Testing	\$0							
2240 Instructional Staff Development	\$5,541			\$4,694			\$847	
2310 Board of Education Services	\$138,763		\$15,394	\$18,991	\$796	\$476	\$103,106	
2320 Executive Administration Services	\$330,649	\$212,222	\$91,396	\$12,308	\$10,205		\$4,518	
2410 Office of the Principal Services	\$370,847	\$220,186	\$93,130	\$8,275	\$48,363		\$893	
2490 Other Support Services - School Administration	\$0							
2510 Direction of Business Support Services	\$0							
2520 Fiscal Services	\$107,867	\$24,398	\$16,606	\$9,808	\$893		\$56,162	
2540 Operation and Maintenance of Plant Services	\$636,357	\$158,303	\$120,349	\$277,677	\$45,375		\$34,653	
2550 Student Transportation Services	\$363,675	\$160,311	\$104,793	\$45,621	\$51,676	\$1,000	\$274	
Direction of Central Support Services	\$0							
2570 Internal Services	\$22,708			\$19,635	\$3,073			
2630 Information Services	\$0							
2640 Staff Services	\$0							
2660 Technology Services	\$26,989		\$844	\$548	\$6,776	\$17,671	\$1,150	
2670 Records Management Services	\$0							
2690 Other Support Services - Central	\$0							
2700 Supplemental Retirement Program	\$0							
<b>Total Support Services Expenditures</b>	<b>\$2,077,926</b>	<b>\$825,806</b>	<b>\$461,008</b>	<b>\$397,636</b>	<b>\$171,281</b>	<b>\$19,147</b>	<b>\$203,048</b>	<b>\$0</b>
<b>Enterprise and Community Services Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
3100 Food Services	\$0							
3200 Other Enterprise Services	\$0							
3500 Custody and Care of Children Services	\$0							
<b>Total Enterprise and Community Services Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Facilities Acquisition and Construction Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
4110 Service Area Direction	\$0							
4120 Site Acquisition and Development Services	\$0							
4190 Other Facilities Construction Services	\$0							
<b>Total Facilities Acquisition and Construction</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Other Uses Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
5100 Debt Service	\$54,479						\$54,479	
5200 Transfers of Funds	\$113,000							\$113,000
5400 PERS UAL Bond Lump Sum	\$0							
<b>Total Other Uses Expenditures</b>	<b>\$167,479</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$54,479</b>	<b>\$113,000</b>
<b>Grand Total</b>	<b>\$7,948,670</b>	<b>\$2,732,984</b>	<b>\$1,426,351</b>	<b>\$3,059,452</b>	<b>\$323,910</b>	<b>\$25,200</b>	<b>\$267,773</b>	<b>\$113,000</b>

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

Schedule of Expenditures by Function/Object  
Year Ended June 30, 2012

<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	\$50,397				\$50,397		
1131 High School Programs	\$0						
1132 High School Extracurricular	\$109,081				\$109,081		
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	\$117,999	\$79,835	\$33,389		\$4,775		
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>\$277,477</b>	<b>\$79,835</b>	<b>\$33,389</b>	<b>\$0</b>	<b>\$164,253</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	\$0						
2230 Assessment & Testing	\$0						
2240 Instructional Staff Development	\$0						
2310 Board of Education Services	\$0						
2320 Executive Administration Services	\$0						
2410 Office of the Principal Services	\$0						
2490 Other Support Services - School Administration	\$0						
2510 Direction of Business Support Services	\$0						
2520 Fiscal Services	\$0						
2540 Operation and Maintenance of Plant Services	\$116				\$116		
2550 Student Transportation Services	\$0						
Direction of Central Support Services							
2630 Information Services	\$116						
2640 Staff Services	\$0						
2660 Technology Services	\$0						
2670 Records Management Services	\$0						
2690 Other Support Services - Central	\$0						
2700 Supplemental Retirement Program	\$26,910	\$4,200	\$22,710				
<b>Total Support Services Expenditures</b>	<b>\$27,026</b>	<b>\$4,200</b>	<b>\$22,710</b>	<b>\$0</b>	<b>\$116</b>	<b>\$0</b>	<b>\$0</b>
<b>Enterprise and Community Services Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>
3100 Food Services	\$180,030	\$37,484	\$21,412		\$119,426		\$1,708
3200 Other Enterprise Services	\$0						
3300 Community Services	\$0						
3500 Custody and Care of Children Services	\$0						
<b>Total Enterprise and Community Services</b>	<b>\$180,030</b>	<b>\$37,484</b>	<b>\$21,412</b>	<b>\$0</b>	<b>\$119,426</b>	<b>\$0</b>	<b>\$1,708</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	\$570,581					\$570,581	
4190 Other Facilities Construction Services	\$0						
<b>Total Facilities Acquisition and Construction</b>	<b>\$570,581</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$570,581</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>\$1,055,114</b>	<b>\$121,519</b>	<b>\$77,511</b>	<b>\$0</b>	<b>\$283,795</b>	<b>\$570,581</b>	<b>\$1,708</b>

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

Schedule of Expenditures by Function/Object  
Year Ended June 30, 2012

<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	\$766,500				\$766,500
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>	766,500	0	0	0	766,500
<b>Grand Total</b>	<b>\$766,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$766,500</b>



CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

Schedule of Expenditures by Function/Object  
Year Ended June 30, 2012

<b>CAPITAL PROJECTS FUND</b>								
<b>Facilities Acquisition and Construction</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
4110 Service Area Direction	\$0							
4120 Site Acquisition and Development	0							
4150 Building Acquisition, Construction,	310,514			144,362	2,290	163,862		
4190 Other Facilities Construction	0							
<b>Total Facilities Acquisition and</b>	<b>\$310,514</b>	<b>\$0</b>	<b>\$0</b>	<b>\$144,362</b>	<b>\$2,290</b>	<b>\$163,862</b>	<b>\$0</b>	<b>\$0</b>
<b>Other Uses Expenditures</b>	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
5100 Debt Service	\$20,000			\$20,000				
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>\$20,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$20,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Grand Total</b>	<b>\$330,514</b>	<b>\$0</b>	<b>\$0</b>	<b>\$164,362</b>	<b>\$2,290</b>	<b>\$163,862</b>	<b>\$0</b>	<b>\$0</b>

CORBETT SCHOOL DISTRICT NO. 39  
MULTNOMAH COUNTY, OREGON

Supplemental Information  
Required by the Oregon Department of Education  
Year Ended June 30, 2012

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**A. Energy bills for heating - All Funds:**

	<u>Objects 325 and 326</u>
Function 2540	\$ 144,437
Function 2550	2,539

**B. Replacement of equipment - General Fund:**

Include all General Fund expenditures in Object 542, except for the following exclusions:

Exclude these functions:

	<u>Amount</u>
1113, 1122 & 1132 Co-curricular Activities	\$ -
1140 Pre-kindergarten	
1300 Continuing Education	
1400 Summer School	
Construction	
Pupil Transportation	
Food Service	
Community Services	

AUDITORS' COMMENTS AND DISCLOSURES REQUIRED  
BY STATE REGULATION

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## INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS

We have audited the basic financial statements of the Corbett School District No. 39, Multnomah County, Oregon (the District) as of and for the year ended June 30, 202, and have issued our report thereon dated December 26, 2012. 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 Corbett School District No. 39 financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- Deposit of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions and repayment.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Authorized investment of surplus funds (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).
- State school fund factors and calculation.

In connection with our testing, nothing came to our attention that caused us to believe the 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.

### OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the Corbett School District No. 39's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corbett School District No. 39's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Corbett School District No. 39's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.



Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

We noted certain matters that we reported to management of Corbett School District No. 39, in a separate letter dated December 26, 2012.

This report is intended solely for the information and use of the board of directors and management of Corbett School District No. 39 and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

*Wilcox Arredondo & Co.*

Certified Public Accountants  
Canby, Oregon  
December 26, 2012