



Corvallis

SCHOOL DISTRICT

NOTICE

NOTICE IS HEREBY GIVEN of a meeting of the Corvallis School District Board of Directors.

| Date & Time | Meeting Type | Location | Agenda |
|----------------------------------------|---------------------|----------------------------------------------------------------------------|---------------|
| Monday, January 14, 2013 6:30 PM | Regular | District Office Board Room, 1555 SW 35th Street, Corvallis, OR 97333 | See attached. |

Accessibility: *To request accommodations for board meetings, please contact Kim Nelson at 541-757-5841 or kim.nelson@corvallis.k12.or.us at least 48 hours before the meeting.*

If you would like to watch live-streaming of the School Board meeting, please navigate to the District's YouTube channel: <https://www.youtube.com/channel/UC9Jtpte5dmilZl9kySBjVQ?> A recording of the meeting will also be posted to that channel.

POSTED: Corvallis School District Administration Building
Hans Boyle, Education Editor, Gazette Times (Via Email)

For more information, please contact Kim Nelson at 541-757-5841 or at kimberly.nelson@corvallis.k12.or.us



Corvallis

SCHOOL DISTRICT

Monday, January 14, 2013
6:30 PM

AGENDA
Regular Meeting of the
BOARD OF DIRECTORS
Corvallis School District 509J

Meeting Details: Monday, January 14, 2013, 6:30 PM in the District Office Board Room,
1555 SW 35th Street, Corvallis, OR 97333.

If you would like to watch live-streaming of the School Board meeting, please navigate to the District's YouTube channel: <https://www.youtube.com/channel/UC9Jtpte5dmilZI9kySBJbVQ?> A recording of the meeting will also be posted to that channel.

- I. CALL TO ORDER AND ROLL CALL
- II. PLEDGE OF ALLEGIANCE
- III. SCHOOL BOARD RECOGNITION

School Board Recognition 2013 Book Dedication

Adams – The Table Where Rich People Sit

Cheldelin – Son

College Hill – Tilt

Corvallis High – Thirst

Crescent Valley – The Glass Castle

Franklin – Book of Animal Poetry

Garfield – The Fantastic Flying Books of Mr. Morris Lessmore

Hoover – B is for Beaver

Jefferson – (Two books) In Jesse's Shoes. Don't Call Me Special.

Lincoln – Cuento de Noche

Linus Pauling – Middle Ground

Mt. View – Out of My Mind

Wilson – How Children Succeed



Corvallis

SCHOOL DISTRICT

- IV. COMMITTEE/BOARD MEMBER ITEMS
- V. STUDENT REPRESENTATIVE REPORTS
- VI. SUPERINTENDENT'S REPORT

CLASS Project:

Empowering Educators to Lead

CLASS provides teachers the opportunity to collaborate on plans for teacher professional growth and success tailored to local needs.

Teachers create for themselves what every professional deserves: a clear career path, opportunities for feedback, relevant and individualized training, and recognition for leadership and results.

The results are powerful.

Teachers in current CLASS districts report that their schools are more committed to shared decision-making and their peers are having more conversations about teaching and learning. More students are meeting proficiency faster in CLASS districts than in districts with similar student characteristics.

How we do it:

With funding, coaching and research support from Chalkboard, educators in CLASS districts have the opportunity to address the following components:

- 1. New career paths** create significant leadership roles that include responsibilities such as mentoring and instructional coaching.
- 2. Meaningful performance evaluations** rely on clear standards and advance the quality of teaching and learning. Gains in professional growth and student learning are measured in multiple ways.
- 3. Targeted and relevant professional development** give teachers the resources and support they need to improve their teaching practices and stay at the leading edge of their craft.
- 4. Expanded compensation models** tied to new roles, responsibilities and student learning outcomes offer alternatives to traditional salary schedules through career-based pay and bonuses.

CLASS Districts

Bethel
Corvallis
Dallas
David Douglas
Mt. Angel
Ashland
Lincoln County
Open Meadow Alternative Schools
(Portland Public Schools)
Pendleton
Springfield
South Lane
Albany
Bend – La Pine
Crook County
High Desert ESD
Lebanon
Redmond
Salem – Keizer
Sisters
Vernonia
Forest Grove
Sherwood
Tillamook

**About 30% of all Oregon
teachers and students are
in a CLASS district.**





The 23 districts that have participated in CLASS have received funding for design and implementation through one or more sources including: Chalkboard grants, the federal Teacher Incentive Fund and the Oregon School District Collaboration Fund. Each funding source comes with slightly different requirements, but all CLASS designs are created by teachers, for teachers.

"The whole new experience has been invigorating for me. I have gained a whole new set of skills, which—no matter what avenue I choose—will help me be a better teacher and advocate for students."

-Melissa Radcliffe, Tillamook School District

The Process:

Every CLASS district creates a unique model that meets the needs of its staff and students, but all CLASS districts follow a similar process.

- 1.** In order to apply for grant funds, districts must demonstrate collaborative relationships between the Superintendent, Association President, and School Board Chair by including all three signatures in the grant application.
- 2.** Once a district receives grant funds, it forms a design team made up of a representative sample of teachers and administrators to lead the CLASS work in the district.
- 3.** Grant funds pay for release time or stipends for teachers to participate on the design teams.
- 4.** With coaching from a veteran teacher or administrator provided by Chalkboard, the design team creates "blueprints" around the four CLASS components: career paths, evaluation, professional development and compensation. The team works to create an integrated and comprehensive system of supports so that all educators have the tools and resources to do their best work in the classroom.
- 5.** CLASS design teams reach out to the teachers and administrators in the district to get feedback and suggestions for the blueprints.
- 6.** Once implementation funding is received, districts form larger subcommittees to begin to implement their teacher-led designs.
- 7.** Districts are encouraged to continually improve their models throughout implementation.

Principles of design

- Teachers create, design, and implement meaningful reform
- The best ideas to strengthen schools come from within our schools and districts
- Educators should be treated as the professionals they are
- Individualized supports will lead to continuous growth for all educators
- Those who excel at their craft should be recognized and rewarded



DASHBOARD 2012

CLASS provides teachers the opportunity to collaborate on plans for teacher professional growth and success tailored to local needs.

Teachers create for themselves what every professional deserves: a clear career path, opportunities for feedback, relevant and individualized training, and recognition for leadership and results.

Every model is different, but all are focused on raising student achievement.

The results are powerful.

Based on ECONorthwest's independent analysis of ODE data, CLASS districts move students to proficiency on state tests faster than the rest of the state. CLASS districts are also closing the gaps between all students and students who are economically disadvantaged.

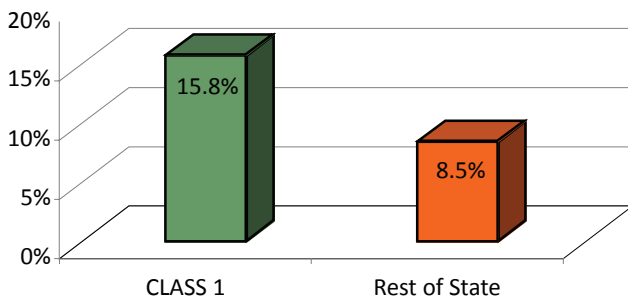
ACHIEVEMENT - CLASS 1

CLASS 1 districts (Forest Grove, Sherwood, and Tillamook) implemented their models for three years. The charts show the improvements made after implementation (2009/10-2011/12) compared to the three years prior to implementation (2005/06-2007/08).

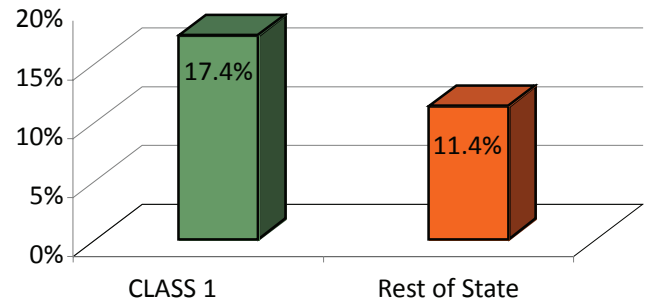
The charts show the percentage point change in the share of students meeting or exceeding proficiency on Oregon state level assessments. CLASS districts are making greater progress than the rest of the state for all students as well as economically disadvantaged students.

MATHEMATICS

CLASS 1 Districts

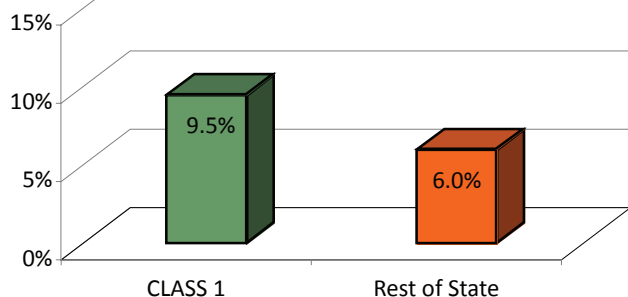


Economically Disadvantaged

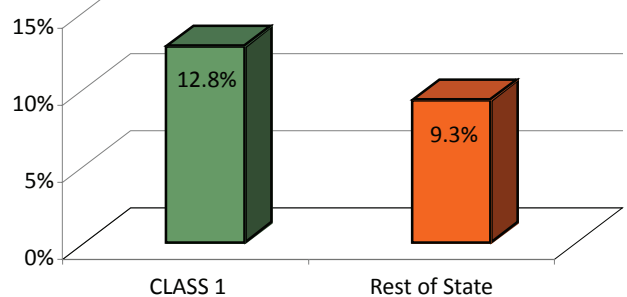


READING

CLASS 1 Districts



Economically Disadvantaged



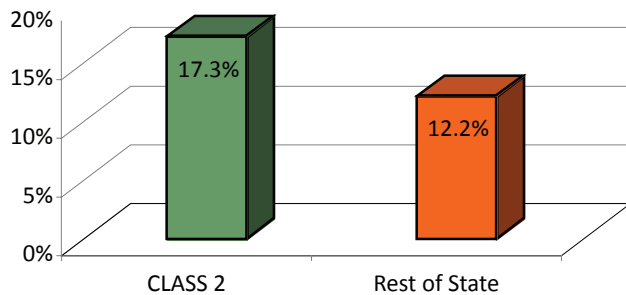
ACHIEVEMENT - CLASS 2

CLASS 2 districts (Greater Albany, Bend La-Pine, Crook County, Lebanon, Redmond, Salem-Keizer, Sisters and Vernonia) have implemented their models for two years. The charts show the improvements made in the first two years of implementation (2010/11-2011/12) compared to the three years prior to implementation (2007/08-2009/10).

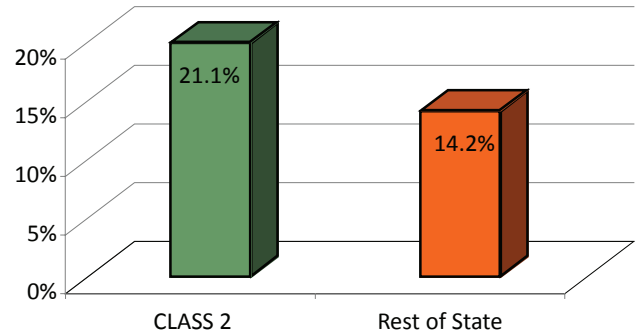
The charts show the percentage point change in the share of students meeting or exceeding proficiency on Oregon state level assessments. CLASS districts are making greater progress than the rest of the state for all students as well as economically disadvantaged students.

MATHEMATICS

CLASS 2 Districts

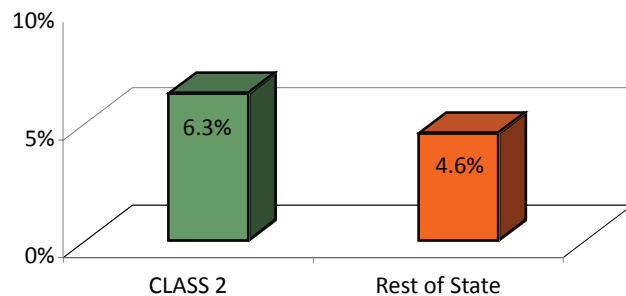


Economically Disadvantaged

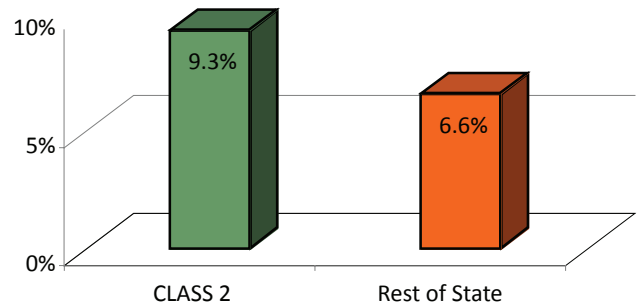


READING

CLASS 2 Districts



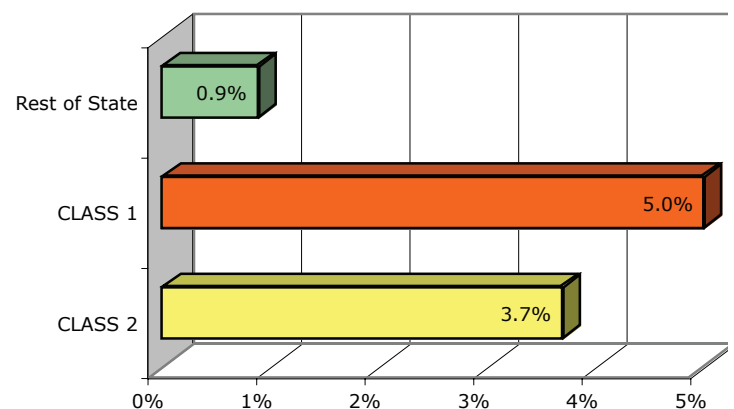
Economically Disadvantaged



GRADUATION RATES

Cohort Graduation Rate Change Since 2008-2009

The cohort graduation rate is the share of students who graduate with a regular diploma within four years of entering high school. The chart shows the percentage point change in graduation rates for CLASS districts and the state between 2008-09 and 2010-11.





Corvallis

SCHOOL DISTRICT

VII. PUBLIC TESTIMONY

VIII. STAFF TESTIMONY

IX. SPECIAL REPORTS

IX.A. Casa Latinos Unidos de Benton County Educational Assessment Results

Improving Educational Equity for Latinos: A formative evaluation among parents, students, and educators in the Corvallis School District.

Casa Latinos Unidos de Benton County (CLUBC), in consultation with the Corvallis School District, conducted a formative evaluation of educational expectations, experiences, and future directions among Latino parents, students, and educators in Corvallis. Between April and August 2012, six focus groups and one community forum with Latino parents (44 participants), two focus groups with middle and high school Latino students (15 participants), and eight key-informant interviews with local educators and administrators were conducted. Results indicate that parents, students, and key informants believe Corvallis is a relatively good place to live for Latino families, but many Latino families experience challenges such as discrimination, fear of deportation, and struggle with the high cost of living in Corvallis. When asked about their experiences with the Corvallis schools, parents and students had a mix of positive and negative experiences. Parents acknowledged the importance and benefits of the Dual Language Immersion program; and value the bilingual/bicultural services provided in Lincoln and Garfield schools. However, parents, students, and key informants expressed the need to expand bilingual/bicultural services and resources outside of Lincoln and Garfield schools. Additionally, key issues affecting Latino families are immigration status (e.g. inability to obtain driver licenses) and economic instability, which can have life-changing consequences. Parents and key informants also identified current organizations such as CLUBC, Benton County Health Department, 4-H, as well as, workshops at Garfield and Lincoln as key resources for Latino families.

Improving Educational Equity for Latinos

A formative evaluation among parents, students, and educators in the Corvallis School District.

Daniel López-Cevallos, PhD
Guadalupe Díaz, BS
Yazmín Brambila, BS
Erlinda Gonzales-Berry, PhD



Project Introduction

- **Project overview**
- **Purpose of evaluation**
 - Understand the experiences of Latino families living in Corvallis including their experiences with the schools, basic needs, resources, and current needs



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and Engagement

Evaluation Design & Methods

- **Methods**

- Six parent focus groups & One community forum ($N=47$)
- Two student focus groups ($N=15$)
- Key Informant Interviews ($N=8$)
- Sociodemographic survey ($N=62$)

- **Topic Areas**

- Latino families' experiences living in Corvallis
- Parent & student experiences with the Corvallis schools
- Basic needs interfering with academic success
- Existing resources
- Current needs



Results

- **Living in Corvallis**

- In general Corvallis is a good place to live. It is safe, high education level and free transportation.

“It is a small town, the Latino community knows each other, its a safe place and you see less than in places like Salem or Eugene. It is quiet and I like that my children will grow up here”
–Latina mother

- Latino Families still face many challenges: cost of living, discrimination, fear of retaliation because of immigration status, and not being able to obtain driver licenses.

“They like what’s Mexican but not THE Mexican”. –Key informant



Results

- **Parents and Student Experiences with the Schools**
 - **Satisfaction with Dual Language Immersion**

“Validate language, culture; and make schools more accessible, comfortable.” –Key informant
 - **Four key areas that need additional attention**
 1. Teacher communication
 2. Bilingual/Bicultural Staff
 3. Unequal treatment of students and parents
 4. Quality of food and transportation



Results

- **Basic Needs Interfering with Academic Achievement**
 - Household poverty & instability
 - Immigration laws
 - Driver licenses

“ I worry that I will get deported and my children will be alone. The majority of people are worried and it affects our children. It starts to create distrust and fear in them. In my case it really affected my children when my husband was detained by immigration.” –Latina mother



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Results

- **Existing resources**

- Community organizations & workshops
 - CASA Latinos Unidos de Benton County (CLUBC)
 - 4-H
 - Benton County Health Department
 - Parent workshops at Garfield and Lincoln

“I would like to see more workshops on parenting; on how parents can support their children”-Latina mother



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Results

- **Current needs**

- Increase bilingual/bicultural staff
- Affordable early education programs & afterschool programs
- Welcome center
- Ability to obtain driver licenses

“Prepare parents as advocates of their children’s educational experience, without regard to their immigration or socio-economic status”-Key informant

“Just give me a price that is more affordable. I don’t care if you charge a little bit, but let my kids participate.” –Latina mother



Conclusion & Recommendations

- Establish programs to eliminate discrimination of Latino families
- Local authorities not enforcing immigration law
- Support statewide efforts to reinstate driver's licenses for undocumented Oregonians
- More affordable access to early childhood education
- Expand bilingual/bicultural services
- Expand career counselors, workshops for parents & more effective dissemination of information
- Welcome Center



Questions?

For further information, please contact:

Guadalupe Díaz

Educational Equity Project Coordinator

Casa Latinos Unidos de Benton County

diazgu@onid.orst.edu



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Corvallis

SCHOOL DISTRICT

IX.B. Mt. View Elementary Second Grade PLC

MOUNTAIN VIEW ELEMENTARY
2ND GRADE PROFESSIONAL
LEARNING COMMUNITY
PRESENTATION TO THE BOARD

RESPONSE TO INTERVENTION SUCCESS FOR ALL STUDENTS, EVERYDAY!

Core principles include:

Intervene early

Use a multi-tier model of service delivery

**Use a problem solving collaborative method to
make decisions**

**Use research-based, scientifically validated
interventions/instruction**

Monitor student progress to inform instruction

Use data to make decisions

**Use data in three ways: screening, diagnostic,
progress monitoring**

TIMELINE OF RTI

Everyday all students are taught with research-based validated instruction using research-based validated CORE programs to know and be able to perform to high CCSS.

Benchmark testing Fall, Winter, Spring

Reading: Dibels, OAKS, CFA's

Math: EasyCBM, OAKS, CFA's

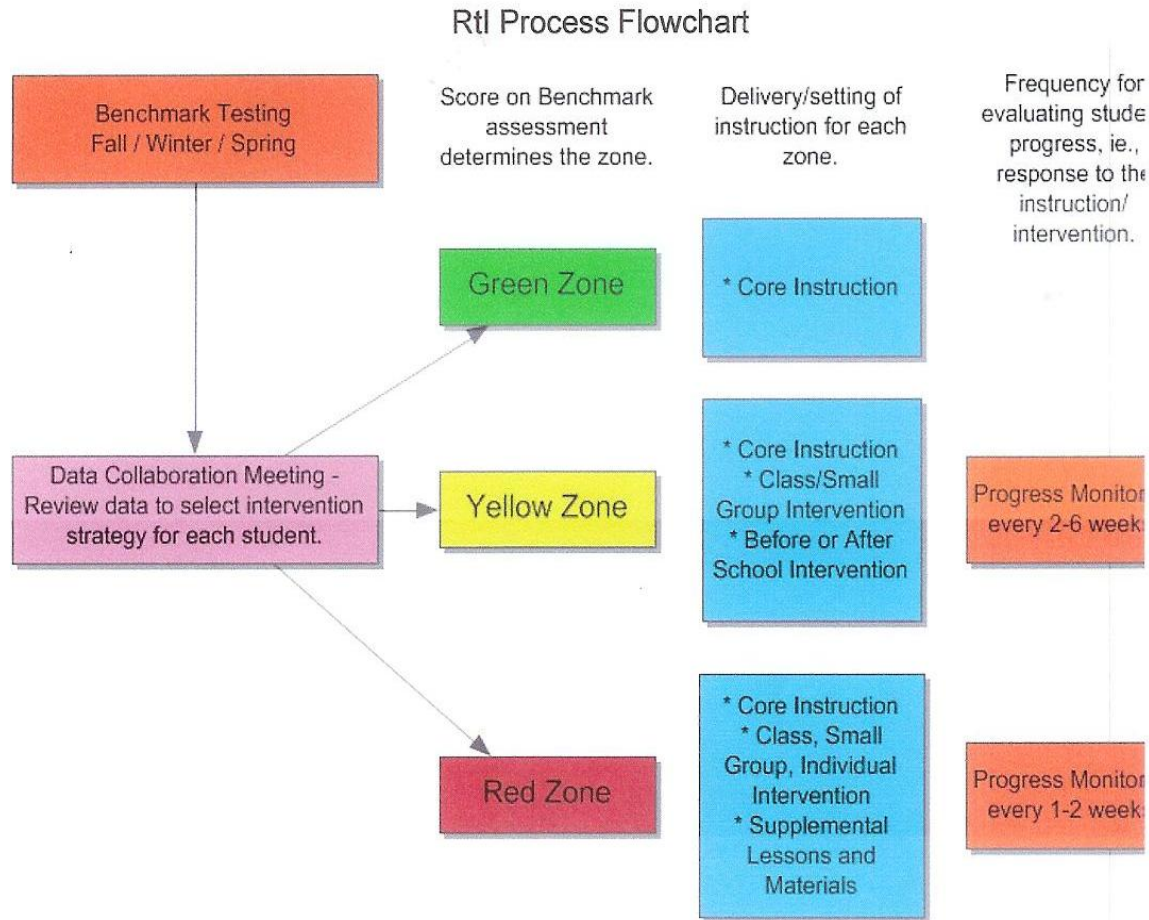
Writing Samples: Building Assessments (Fall, Spring) coordinated by PLC's

Behavior: Behavior Checklist & Behavior Referral Data

RTI FLOWCHART

Rtl Process Flowchart

Written by Bryan Drozd
Thursday, 29 December 2011 12:44



[Adapted and excerpted from staff RtI handbook, May 2010 version, with revisions December 2011]

TEACHER PLC TEAMS

RTI Teams: THE WORKER BEES!!!

K-Marianne Clausing Lee

1-Tara Stroup,* Amy Finney, Linda Jaspersen

2-*Debbie Macbeth, Aileen Schrock

3-*Lori Tubbs, Cece Demeo

4-MaryLynn Roush, *Dan Reynolds

5-Robbie Faith, *Sandy Baumgartner

Special's Team:

Jay Thatcher, Linda Dunfield, Nancy Polikoff, Imelda Weaver

WHAT IS IT WE EXPECT THEM TO LEARN?

PACING GUIDES

| | | | | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Dragon Gets By(practice) Leveled Reader(Vegetable Soup)/Responding and Story Map Vocabulary Julius Leveled Reader (The Right Pet)/Responding and Fantasy Realism Chart Vocabulary Mrs. Brown Went to Town Leveled Reader (Farmer Mike)/Responding to Questions Reteaching Book 1-6 Vocabulary Monitor Progress End of Theme Test Poetry</p> <p>RL.7 – NOT ADDRESSES</p> <p>RL.2 – ADDRESS ONCED</p> | <p>Henry and Mudge RL.6/RL.3 Leveled Readers/Venn Diagram RI.4/L.4 Vocabulary RL.4 Rhyming Flower Exploring Parks RI.6/RI.8 Fact and Opinion Reteaching Book 2-4 RI.4/L.4 Vocabulary L.5 Synonyms and Antonyms Weekly Skills page 29/81 Around the Pond RI.3 Leveled Reader/Classifying RI.4/L.4 Vocabulary Monitor Progress RI.9 Extending CORE booklet T20 RL.10/RI.10 End of theme test Fables RL.2</p> <p>(book) Fables Chart Transp. F2-5</p> | <p>Chinatown RL.7/RL.5 Leveled Reader/Character Sketch and Setting _____ (Template) RI.4/L.4 Vocabulary A Trip to the Firehouse * Big Bushy Mustache RL.1/RL.3 Leveled Readers/Responding and Problem Solving RI.4/L.4 Vocabulary Jamaica Louise James RL.7/RL.5 Leveled Reader/(Template) RI.4/L.4 Vocabulary Monitor Progress RL.10/RI.10 End of Theme Test</p> | <p>Officer Buckle and Gloria RL.7/RL.5 Leveled Reader/(Template) RI.4/L.4 Vocabulary Ant RI.2/RI.6 Weekly Skills Test page 194 RI.5 Ants Assessment RI.4/L.4 Vocabulary The Great Ball Game RL.2 Leveled Reader/Fables Chart RI.4/L.4 Vocabulary Monitor Progress RL.10/RI.10 End of Theme Test Biographies RI.5 Weekly Skills Test page 245 RI.1 Leveled Reader/Responding to questions</p> | <p>Brothers and Sisters RI.8 Leveled Reader/Generalization Chart RI.4/L.4 Vocabulary Jalapenos Bagels RI.1/RI.3 Leveled Reader/Responding and Following Directions Chart RI.4/L.4 Vocabulary Carousel RL.3/RL.7/RL.5 Leveled Reader/What Do I Think? And (Template) RI.4/L.4 Vocabulary Thunder Cake RL.1/RL.5 Leveled Reader/Responding to Questions and Sequence of Events RI.4/L.4 Vocabulary Monitor Progress/Fairy Tales RI.9/RL.5 Extending CORE T56 RL.10/RI.10 End of Theme Test Chapter Books W.3/W.5</p> | <p>The Art Lesson RL.1 Leveled Reader/Responding to Questions RI.4/L.4 Vocabulary Moses Goes to a Concert RI.8 Reteaching book 6-4 RI.4/L.4 Vocabulary The School Mural RL.3 Leveled Reader/Reteaching Book 6-6 RI.4/L.4 Vocabulary RL.10/RI.10 End of Theme Test</p> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

HOW WILL WE KNOW WHEN THEY HAVE LEARNED IT? SMART GOALS

School: Mt. View Team Name: 2nd Team _____
 Leader: Debbie Macbeth
 Team Members: Debbie & Aileen Schrock

District Goal(s): IMPROVEMENT GROWTH FOR ALL STUDENTS
 School Goal(s): 90-90-90 END OF THE YEAR IN READING, MATH AND WRITING

| Team SMART Goals Semester <u> 1 </u> | Strategies and Action Steps | Responsibility | Timeline | CFA / Evidence of Effectiveness |
|-------------------------------------------------------------------------------------|----------------------------------------------------------|----------------------------|--------------------------|------------------------------------|
| 1. Reading Each student will show growth in comprehension. | ~HM curriculum to emphasis the comp. skills | Teachers and Title 1 staff | Sept 2012- Jan. 2013 | DRA's |
| 1. Writing Each student will show growth in the area of sentence fluency. | ~HM curriculum, Lucy Calkins ,and Fetzer. | Teachers | Sept. 2012- Jan. 2013 | Teacher created writing assessment |
| 1. Math Each student will show growth in the area of place value. | ~Investigations, Bridges, and teacher created materials. | Teachers | Sept. 2012- Jan. 2013 | Easy CBM |

HOW WILL WE KNOW WHEN THEY HAVE LEARNED IT?

COMMON FORMATIVE ASSESSMENTS

***Create* a specific minimum number of common formative assessments**

***Assess* a few key essential concepts frequently**

***Specify* the proficiency standard for each skill**

***Clarify* the conditions for administering the test**

***Build* a team's capacity to improve program**

HOW WILL WE RESPOND WHEN THEY DO OR DO NOT GET IT?

ANALYZE DATA AND INSTRUCTION

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| Writing | |
| Text Types and Purposes | |
| 2.W.1: Write opinion pieces in which they introduce the topic or book they are writing about, state an opinion, supply reasons that support the opinion, use linking words to connect opinion and reasons, and provide a concluding statement or section. | |
| 2.W.2: Write informative/explanatory texts in which they introduce a topic, use facts and definitions to develop points, and provide a concluding statement or section. | |
| 2.W.3: Write narratives in which they recount a well-elaborated event or short sequence of events, include details to describe actions, thoughts, and feelings, use temporal words to signal event order, and provide a sense of closure. | |
| Production and Distribution of Writing | |
| 2.W.4: Begins in grade 3 | |
| 2.W.5: With guidance and support from adults and peers, focus on a topic and strengthen writing as needed by revising and editing. | |
| 2.W.6: With guidance and support from adults, use a variety of digital tools to produce and publish writing, including in collaboration with peers. | |

ANALYZE DATA AND INSTRUCTION

| | Assessment | Date | Junior | Anna |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|------|--------|------|
| Integration of Knowledge and Ideas | | | | |
| 2.RL.7: Use information gained from the illustrations and words in a print or digital text to demonstrate understanding of its characters, setting, or plot. | | | | |
| | | | | |
| 2.RL.9: Compare and contrast two or more versions of the same story (e.g., Cinderella stories) by different authors or from different cultures. | | | | |
| | | | | |
| | | | | |
| Range of Reading and Level of Text Complexity | | | | |
| 2.RL.10: Read and comprehend literature, including stories and poetry, in the grades 2-3 text complexity band proficiently, with scaffolding as needed at the high end of the range. | | | | |

PLC'S HAVE A POSITIVE IMPACT ON STUDENT ACHIEVEMENT

PLCs have allowed us to focus on targeted skills, giving students a clear idea of the learning objectives.

PLCs have allowed us to consistently track students' progress and share it with each student.

PLCs have allowed us to use students' progress records to systematically identify which students need interventions for specific standards.

PLCs have allowed us to reflect on instruction as a team so that we may individually strengthen instruction and increase student achievement.

PLC'S HAVE A POSITIVE IMPACT ON STUDENT ACHIEVEMENT AT MOUNTAIN VIEW

Academic Systems

Intensive, Individual Interventions

- Individual Students
- Assessment-based
- High Intensity

Targeted Group Interventions

- Some students (at-risk)
- High efficiency
- Rapid response

Universal Interventions

- All students
- Preventive, proactive

Behavioral Systems

Intensive, Individual Interventions

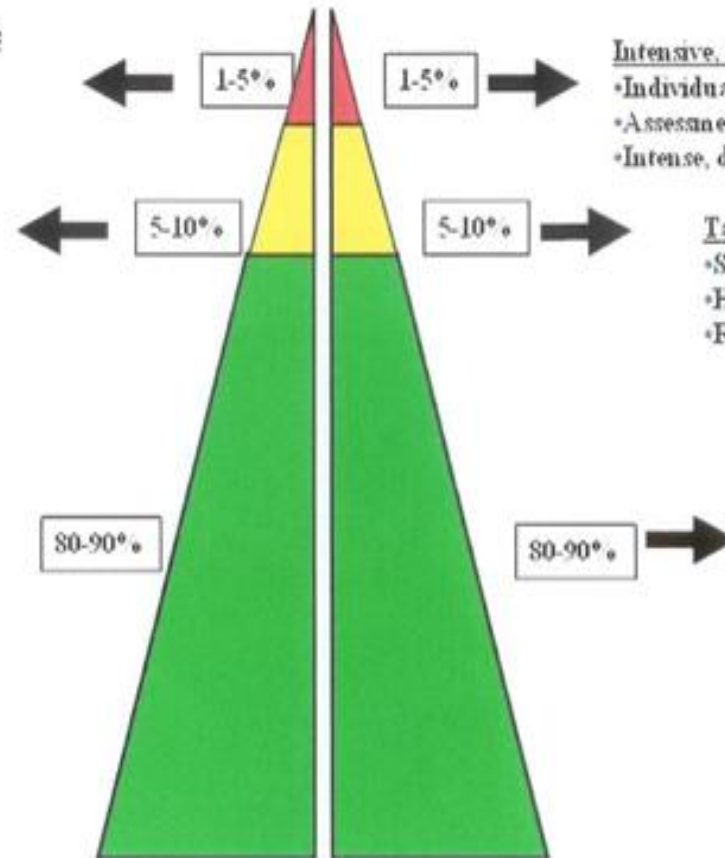
- Individual Students
- Assessment-based
- Intense, durable procedures

Targeted Group Interventions

- Some students (at-risk)
- High efficiency
- Rapid response

Universal Interventions

- All settings, all students
- Preventive, proactive





Corvallis

SCHOOL DISTRICT

X. CONSOLIDATED ACTION

X.A. Minutes

X.A.1. December 10, 2012

MINUTES
Regular Meeting of the
BOARD OF DIRECTORS
Corvallis School District 509J

I. CALL TO ORDER AND ROLL CALL

The meeting was called to order at 6:30 p.m. in the Western View Center, 1435 SW 35th Street, Corvallis OR 97333. The secretary recorded those present as listed below.

| | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><u>BOARD MEMBERS PRESENT</u> Anne Schuster, Chair (by telephone) Tom Sauret, Vice Chair Blake Rodman Judy Ball Lisa Corrigan Matt Donohue Chris Rochester</p> | <p><u>EXECUTIVE STAFF PRESENT</u> Dr. Erin Prince, Superintendent Kevin Bogatin, Assistant Superintendent Steve Nielsen, Business Services Director Jennifer Duvall, Human Resources Director</p> <p><u>STUDENT REPRESENTATIVES PRESENT</u> Katelynn Monroe, CHHS</p> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

A quorum was present and due notice had been published.

II. PLEDGE OF ALLEGIANCE

Vice Chair Sauret led the group in the Pledge of Allegiance.

III. COMMITTEE/BOARD MEMBER ITEMS

Director Corrigan reported on high school concerts she attended; a fundraiser underway by the Corvallis Public Schools Foundation; the unique location and purpose of the December Foundation meeting; the date of the Foundation's annual fun run.

Director Ball reported on the school-wide field trip of LPMS to an OSU women's basketball game; the recent meeting of the Special Education Advisory Committee (SEAC).

Vice Chair Sauret reported on the recent meeting of SEAC; the recent meeting of the Facilities Planning Team; the recent meeting of the District Finance Committee.

Director Rodman reported on his representation of 509J on a task force regarding teacher preparation through the Chalkboard Project.

IV. STUDENT REPRESENTATIVE REPORTS

Ms. Monroe reported on extra assistance provided for students not meeting AYP; fundraisers for families not able to buy Christmas gifts for their kids; the current number of seniors who are on track to graduate.

V. SUPERINTENDENT'S REPORT

Dr. Prince's comments framed the evening's conversation regarding budget parameters.

VI. PUBLIC TESTIMONY

No one testified.

VII. STAFF TESTIMONY

No one testified.

VIII. SPECIAL REPORTS

A. Budget Process and Parameters

Mr. Nielsen reiterated the summary he'd sent of the governor's budget. He noted that he, the superintendent and the District Finance Committee feel strongly against counting on "potential" savings unless action is taken by the legislature.

Board members offered comments including:

- Don't budget on contingencies of PERS savings.
- We are adopting a new budgeting model: budgeting to the plan.
- Create an integrated add-back list to use in the event of PERS savings; however, with the new way of budgeting comes a new way of thinking about add-backs.
- In the past, our add-backs had to be things that wouldn't need to be sustained but that would increase student achievement.

Mr. Nielsen reiterated the questions posed to the Board and Budget Committee citizen members last month.

Vice Chair Sauret noted that his wife is now an employee of the District; even though there isn't any actual conflict of interest, he stressed that if ever there were, he would recuse himself from any discussion or action.

After lengthy discussion, Board members reached consensus on the budget parameters as follows:

- **Use of Reserves** – Use 30% in 2013-14 and 30% in 2014-15.
- **Class Sizes** – Set up some new ways of looking at this topic: secondary different than elementary; secondary based on topic being taught; in elementary, differences between Free and Reduced Lunch percentages, etc.
- **Budget Ratio** – Maintain the current allocation of 85% to staff and 15% to operational expenses.
- **Carryover Policy** – Maintain the practice of rolling forward 50% of unexpended funds to the next year.

B. Special Education Task Force Update

Kevin Bogatin, Sally McAfee and Amy Lesan provided a PowerPoint presentation. (Filed as Supplemental Item #V-6 in the Official 2012-13 Board Minutes.)

Comments and responses to Board questions included:

- In January or February 2013, a small team of Student Services Department staff will review the recommendations in-depth and prepare an action plan that will probably span 5 years.
- In March, the action plan will be taken to the Special Ed. Task Force; then it will be reviewed by SEAC.
- The tenor of the process has been very positive and forward thinking; it has really been a spark for change.
- The presentations given by the action teams to the entire task force were very impressive; it was very obvious the teams had delved into the research of best practice.
- The membership of each of the five action teams was intentional. There was a parent assigned to the curriculum team; however that person needed to resign and it was too late in the process to replace that person.
- We have begun examining some of the recommendations from the report; we will prepare a plan that makes sense in terms of implementation and order.
- Because a number of recommendations focused on technology for making the process more efficient and for providing data for tracking and for instructional purposes, we have strategically placed people on the new data system selection committee who know Response To Intervention (RTI).
- Our action plan will take the recommendation list and make it into a checklist.

Director Rochester departed the meeting at 8:20 p.m.

Director Corrigan departed the meeting at 8:30 p.m.

Director Donohue said that one of the things he thought he heard in relation to resource constraints is that special education is very labor intensive; a lot of that is not teaching the child

or dealing with the child's needs, it's dealing with bureaucrats' needs. He questioned the value of any special education technology system if it doesn't also have a piece to it that will reduce teachers' workload. Mr. Bogatin clarified that the focus of the Task Force was on the consultants' report; the Task Force focused on assistive technology specifically as identified in that report. He added that what Director Donohue refers to is a component of what the District is trying to do for teachers; staff will try to address how to reduce paperwork in our restructure and at the state level. Director Donohue said the issue is about integrating all of this technology into the teaching; why leave the teacher behind? Mr. Bogatin said it would be good to have a conversation around a short- and long-term action plan to include things not in the initial report from the consultants.

Vice Chair Sauret opined that a serious reality is what this will cost; he asked whether there will be a prioritization of the tools that will give us the most bang for the buck. He added that for the Board, one of the realities will be the budget impact and making adjustments in the budget to produce the most students graduating. Ms. Lesan said the action plan will have a budget component. Mr. Bogatin clarified that what doesn't show up in the report are costs for staff; caseloads are high and the District's costs lie in people. He added that the greatest challenge going forward is that we can't continue to cut into special education funding and continue to deliver the services.

Mr. Bogatin referred to the overarching theme of communication. Some of his comments included:

- Improving communication is well documented in the report.
- Communications is definitely a focus for us and is part of short- and long-term goals.
- We still have a lot of work to do but we're making some progress.
- We have daily meetings as a team.
- We are taking a more team approach as to how we address issues and we include our administrators in the process.
- We have monthly special education training and get out into buildings.
- We still have some work to do in terms of communication out to parents; we plan to create a special education newsletter that talks about some of the legality issues, etc.
- Our website isn't quite where we want it to be; we are struggling to find someone with the time to do it.

IX. CONSOLIDATED ACTION

MOTION # 8:

It was moved by Director Donohue and seconded by Director Rodman to approve the consolidated action items. The motion was voted on and passed 5-0.

A. Minutes

- November 5, 2012
- November 26, 2012
- December 3, 2012

B. Licensed Personnel RecommendationsRecommendation to Hire

- Stacy Henderson: Special Education Teacher, 1.0 FTE, Lincoln Elementary School, effective November 7, 2012 (Temporary).
- Alexandra Fell: Title I Reading Specialist, 0.375 FTE, Waldorf and Zion Lutheran Schools, effective November 26, 2012 (Temporary).

Termination/Resignation/Layoff

- Heather Welburn: ELL Teacher, 1.0 FTE, Lincoln Elementary School, effective November 9, 2012 (Resignation).

C. OSBA Resolutions and Elections (Filed as Supplemental Item #III-3 in the Official 2012-13 Board Minutes.)**X. CONSOLIDATED INFORMATION**

The Board received the following information:

A. Non-Licensed Personnel InformationRecommendation to Hire

- Amarillys Rodriguez: Administrative Assistant 1 / Educational Assistant 2, 7.25 hours; Linus Pauling Middle School; effective November 26, 2012 (Limited Term).
- Darcy Anglemier: Educational Assistant 2 – Life Skills, 3.75 hours, Linus Pauling Middle School; effective December 3, 2012 (Limited Term).

Termination/Resignation/Layoff

- Linda McNelly: Technology/Computer Lab Assistant 2, 6.0 hours, Cheldelin Middle School; effective December 14, 2012 (Resignation).
- Mary “Chris” Miller: Technology/Computer Lab Assistant 2 / Educational Assistant 2, 3.0 hours, Adams Elementary School; effective December 14, 2012 (Retirement).
- Cheryl Wiesinger: Educational Assistant 2, 6.5 hours, Cheldelin Middle School; effective December 10, 2012 (Resignation).

B. Unaudited Financial Statements – October 31, 2012 (Filed as Supplemental Item #VI-4 in the Official 2012-13 Board Minutes.)**C. Board Policy ING - Animals in District Facilities - Revised - First Reading****D. Board Policy KG - Community Use of District Facilities - Revised - First Reading****E. Administrative Regulation KG-AR - Facility Usage Rules and Procedures - Revised - For Information**

XI. EXECUTIVE SESSION

The Board met in Executive session at 5:45 p.m. under ORS 192.660(2)(d) – To consult with persons designated for labor negotiations.

XII. ADJOURNMENT

There being no further business before the Board, Vice Chair Sauret adjourned the meeting at 8:50 p.m.

Tom Sauret, Board Vice Chair

Dr. Erin Prince, Superintendent

Prepared By: Julie Catala

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Unadopted Minutes



Corvallis

SCHOOL DISTRICT

X.B. Licensed Personnel Recommendations

Corvallis School District 509J
Board of Directors

BOARD MEETING DATE: January 14, 2013

FOR ACTION

SUBJECT: Licensed Personnel Action

1. Issue: Information on licensed-personnel recommendations
 - a. Recommendation to Hire:
Christy Toliver: Math Intervention Teacher, 0.50 FTE, Garfield Elementary School,
effective January 7, 2013 (Temporary).

ACTION REQUESTED: Approve recommendations.

CONTACT PERSON: Jennifer Duvall

BOARD MEETING DATE: January 14, 2013

**FOR ACTION-
ADDENDUM**

SUBJECT: Licensed Personnel Action

1. Issue: Information on licensed-personnel recommendations

a. Recommendation to Hire:

Mark Baldwin: Applied Technology Teacher, 1.0 FTE, Crescent Valley High School, effective January 1, 2013 (Temporary).

Miriam Meza: ELL Teacher, 1.0 FTE, Lincoln Elementary School, effective January 8, 2013 (Temporary).

Leigh Santy: Principal, 1.0 FTE, Garfield Elementary School, effective January 7, 2013 (Temporary).

b. Termination/Resignation/Layoff:

Mark Baldwin: Applied Technology Teacher, 1.0 FTE, Crescent Valley High School, effective December 31, 2012 (Retirement).

ACTION REQUESTED: Approve recommendations.

CONTACT PERSON: Jennifer Duvall



Corvallis

SCHOOL DISTRICT

X.C. Resolution No. 13-0101 - Updated Designation of District Officers, Clerks, Agents, and Depositories of funds (FY2012-13 Organizational Resolution)

Corvallis School District 509J
Board of Directors

BOARD MEETING DATE: **January 14, 2013**

FOR ACTION

SUBJECT: Resolution No. 13-0101 – Updated Designation of District Officers, Clerks, Agents, and Depositories of Funds (FY2012-13 Organizational Resolution)

ISSUE:

Oregon Revised Statutes (ORS 332.040 and 255.335) require school boards to annually hold an organizational meeting to designate appointees and authorize actions. Failure to designate personnel would mean that district staff would not be properly authorized to carry out their official duties.

On August 20, 2012, the Board adopted Resolution No. 12-0801, which noted that for the purpose of all legal notifications made to the Corvallis School District 509J, attorney Joe Richards of Luvaas Cobb was designated as the Attorney of Record.

On December 28, 2012, the district was notified that Joe Richards decided to transition from a full-time practice to an Of Counsel arrangement with Luvaas Cobb. The firm appointed Joel DeVore to step into Joe's place as lead attorney for their school district clients.

Resolution No. 13-0101 reflects this change.

ACTION RECOMMENDED:

Adopt Resolution No. 13-0101 Updated Organizational Resolution

CONTACT PERSON(S): Erin Prince, Steve Nielsen

Corvallis School District 509J
Designation of District Officers, Clerks, Agents, and Depositories of Funds
(FY2012-13 Organizational Resolution)
Resolution No. 13-0101

District Clerks (ORS 332.515, 332.525)

- Whereas, Erin Prince, Superintendent of Corvallis School District 509J, is designated by law as Clerk of said district;
- Whereas, it is advisable for an additional staff member to be designated as Deputy Clerk;
- Be It Resolved, that Steve Nielsen, Business Services Director, is appointed as Deputy Clerk for the 2012-13 fiscal year.
- Be It Further Resolved, that the Erin Prince, as Clerk of the said district, be bonded in the amount of \$500,000 for the 2012-13 fiscal year.

Custodian of Funds (ORS 328.441, 332.525)

- Be It Resolved, that Steve Nielsen is hereby designated to serve as Custodian of Funds of the Corvallis School District 509J for the 2012-13 fiscal year.
- Be It Further Resolved, that the Steve Nielsen, as Custodian of Funds of the said district, be bonded in the amount of \$500,000 for the 2012-13 fiscal year.

Budget Officer (ORS 294.331, Board Policy DBE & DBJ)

- Be It Resolved, that Steve Nielsen is hereby designated to serve as Budget Officer of the Corvallis School District 509J for the 2012-13 fiscal year.

Signing of Documents and Agreements for Funded Programs

- Whereas, the district is involved in a variety of programs available through federal, state or other sources; and
- Whereas, certain available funds may be deemed beneficial toward improvement of the district's educational system;
- Be It Resolved, that Kevin Bogatin, Assistant Superintendent, or Erin Prince, Superintendent, is hereby authorized to file applications and sign documents and agreements related to funded programs on behalf of the Corvallis School District 509J for the 2012-13 fiscal year.

Disposal of Surplus Property (Board Policy DJAA)

- Be It Resolved, that the Clerk of the District or Deputy Clerk, when appointed, be hereby authorized to dispose of surplus property in accordance with Board Policy DJAA.

Local Contract Review Board and Signing of Agreements (ORS Chapter 190, 190.010, 279A.060, Board Policy DJCA, DBJ)

- Whereas, the Corvallis School District 509J Board of Directors has statutory authority to act as the local contract review board (279a.060) and may

also enter into intergovernmental agreements under ORS chapter 190 (190.010),
Be it Resolved, that the Clerk of the District or the Deputy Clerk, when appointed, is authorized to execute contracts, conveyances, or other similar transactional documents up to the amount of \$75,000 pursuant to ORS chapter 279a-279c and may execute intergovernmental agreements pursuant to ORS chapter 190 up to the amount of \$75,000 on behalf of the district as deemed necessary.

Non-Resident Student Tuition (Board Policy JECF)

Whereas, board policy JECF calls for tuition rates to be reviewed and approved by the board annually,
Be It Resolved, that the full year tuition rate for students who are not residents of the Corvallis School District 509J and where the district has not entered into an inter-district agreement be hereby established as \$8,300 for the 2012-13 academic year.
Be It Further Resolved, that an additional tuition fee services for students requiring special education will be calculated on a program basis to capture the actual cost to the district in providing those extra services.

District Depositories (ORS 328.441, 328.445)

Whereas, the Office of the State Treasurer provides local governments with a list of "Qualified Depositories for Public Funds" which have been vetted for preservation of principal, conformance with federal, state and other legal requirements, and maintenance of sufficient liquidity to meet operating requirements,
Be It Resolved, that the following depositories are hereby approved as official depositories of Corvallis School District 509J funds for the 2012-13 fiscal year:
Oregon State Local Government Investment Pool
Qualified Depositories for Public Funds as approved by the Office of the State Treasurer for the purpose of cash management.
Be it Further Resolved, that the Clerk of the district or Deputy Clerk, when appointed, as Custodian of Funds, are authorized to establish accounts and to issue checks against such accounts bearing the original signature of the Clerk or the Deputy Clerk, when appointed, or the facsimile signature of the Clerk or Deputy Clerk, when appointed.

Investment of Funds (ORS 294.805-294.895, Board Policy DFA)

Whereas, the Corvallis School District 509J has statutory authority for the investment of funds,
Whereas, board policy DFA, the Investment of Funds and Guidelines Policy, requires the annual adoption of the policy by the board,
Be It Resolved, that board policy DFA is hereby readopted,
Be It Further Resolved, that the Custodian of Funds is hereby designated as Investment Officer, pursuant to policy DFA.

Student Body Fund Account (ORS 328.445)

- Whereas, it is in the district's best interest to designate a Student Body Fund Account with checks to be issued on this account,
- Whereas, that the Clerk of the district or Deputy Clerk, when appointed, as Custodian of Funds, are authorized to establish said accounts with the district's depository of record, Wells Fargo, N. A.
- Be It Resolved, that checks be honored and charged to these accounts for amounts up to \$500 that bear the original signature of two of the persons holding one of the positions listed below for each of the schools using this account for the fiscal year 2012-13:
- Principal(s)
 - Assistant Principal(s)
 - Athletic Director(s)
 - Operations Assistant/Administrative Assistant(s)
- Be it Further Resolved, that checks issued in amounts of \$500 or more must bear the original signature of the Clerk, or the Clerk's designee or the facsimile signature of the Clerk, or the Clerk's designee.

Attendance Services (ORS 339.040)

- Be It Resolved, that the district will use the services of the Linn-Benton-Lincoln Education Services District Attendance Supervisor for the 2012-13 fiscal year.

Auditors (ORS 328.465, 327.137, 297.405, Board Policy DIE)

- Be It Resolved, that Koontz & Perdue, P.C., of Albany, Oregon, is hereby designated to serve as Auditors for the Corvallis School District 509J for the fiscal year 2012-13.

Insurance Agent of Record

- Be It Resolved, that Steve Uerlings of Barker-Uerlings Insurance is hereby designated to serve as Agent of Record for the Corvallis School District 509J for property and casualty insurance, worker's compensation insurance, fidelity coverage insurance, and risk management services for the fiscal year 2012-13.
- Be It Further Resolved, that Tim Hennessy of Gene Kiel & Associates is hereby designated to serve as Agent of Record for the Corvallis School District 509J for employee benefits insurances for the fiscal year 2012-13.

Legal Counsel

- Be It Resolved, that for the purpose of all legal notifications made to the Corvallis School District 509J, attorney Joel DeVore of Luvaas Cobb is designated as the Attorney of Record for the district.
- Be It Further Resolved, that the executive staff of the Corvallis School District 509J is authorized to use the firms of Graham Hicks, P.C., Preston, Gates &

Ellis, and the Hungerford Law Firm, based on their special expertise in the area of law being considered, at the discretion of the Superintendent or Board Chair for the fiscal year 2012-13.

Newspapers for Legal Notice

Be It Resolved, that the Corvallis Gazette-Times published by Lee Northwest Publishing be designated as the newspaper in which legal notices will be published.

Duly passed this 14th day of January, 2013 by the Board of Directors of Corvallis School District 509J.

Anne Schuster, Board Chairperson

Steve Nielsen, Deputy Clerk



Corvallis

SCHOOL DISTRICT

X.D. Resolution No. 13-0102 - FY2011-12 Audit Deficiencies Corrections

FOR ACTION

BOARD MEETING DATE: January 14, 2013

SUBJECT: Resolution No. 13-0102 – FY2011-12 Audit Deficiencies Corrections

BACKGROUND INFORMATION:

The FY2011-12 Comprehensive Annual Financial Report and independent audit has been completed; it can be found under the Consolidated Information portion of tonight's agenda. The auditors' report provided the following findings:

- Deficiencies in internal control:
 - Noncompliance with Oregon Budget Law: Food Service Fund over expenditure of appropriations by \$23,186
 - Noncompliance with Public Contracts and Purchasing Statutes: Two instances of one bid solicitation instead of three as required by statute. Architectural and engineering services in the amount of \$14,873 and paving services in the amount of \$7,295
 - Federal Funding Procedures: Title Private Schools program did not solicit two private schools for participation

As part of ORS 328.467, when deficiencies are identified, a resolution is required to identify the corrective measures and time estimated to complete them. Resolution No. 13-0102 meets that requirement.

RECOMMENDATION:

Adopt Resolution No. 13-0102 to confirm the FY2011-12 audit findings and actions to address internal procedure controls.

Presenter: Steve Nielsen, Business Services Director

Supplementary Materials: Comprehensive Annual Financial Report (CAFR) – Fiscal Year Ended June 30, 2012 (found under Consolidated Information)

Motion Requested: I move that the board adopt resolution No. 13-0102 to confirm the FY2011-12 audit findings and to address internal procedure controls.

Corvallis School District 509J

FY2011-12 Comprehensive Annual Financial Report Findings
Resolution No. 13-0102

WHEREAS, the FY2011-12 Comprehensive Annual Financial Report and independent audit has been completed; and

WHEREAS, the audit firm of Koontz, Perdue, Blasquez & Co., P.C. provided the following findings to include:

- Deficiencies in internal control as noted below:
 - Noncompliance with Oregon Budget Law: Food Service Fund over expenditure of appropriations by \$23,186
 - Noncompliance with Public Contracts and Purchasing Statutes: Two instances of one bid solicitation instead of three as required by statute. Architectural and engineering services in the amount of \$14,873 and paving services in the amount of \$7,295
 - Federal Funding Procedures: Title Private Schools program did not solicit two private schools for participation

BE IT RESOLVED, that District staff address the deficiencies by reviewing best practices, current laws, and procedures to strengthen internal controls within FY 2012-13, and the School Board hereby supports and directs these actions be taken for the benefit of Corvallis School District 509J as pursuant to ORS 328.467.

Adopted by the Board of Directors of School District No. 509J (Corvallis) of Benton and Linn Counties, Oregon, at a regular meeting this 14th day of January, 2013.

ATTEST:

Anne Schuster, Board Chair

Steve Nielsen, Deputy Clerk



Corvallis

SCHOOL DISTRICT

X.E. Board Policy KG - Community Use of District Facilities - Revised -
Second Reading

Corvallis School District 509J
Board of Directors

BOARD MEETING DATE: January 14, 2013

FOR ACTION

SUBJECT:

Board Policy KG—Community Use of District Facilities—Revised—Second Reading

Issue:

Minor change only for policy KG—Community Use of District Facilities—our Facilities and Maintenance Department is no longer called Auxiliary Services.

Options Considered: Not revising the policy.

Involvement: District staff, risk management, building principals, athletic directors.

Consequences: Policy will remain outdated.

Cost Impact: None

ACTION REQUESTED: Adopting the revised policy.

CONTACT PERSON(S): Kevin Bogatin, John Meyer, Kerry Richey, Glenda Gassner

Community Use of District Facilities

The Board supports the community education concept, which encourages the use of district facilities by community members for recreation, education, and service activities. All school and school-sponsored activities/events will maintain priority in facility use. The district reserves the right to grant permission for facility use and to deny any and all facility use permits at its sole discretion. All users of district facilities are responsible for leaving said facilities in the same condition in which they found them. The district will seek to recover all costs associated with the rental or leasing of all district facilities, but may establish criteria for a reduced fee or free use. The superintendent or designee(s) is authorized to cancel facility use permits when such action is in the best interests of the school district and/or the facility is needed for a school or school-sponsored activity or event.

Approval for use of a facility does not constitute approval or endorsement by the Board of the organization or group. The Board is not responsible for words or actions taken by organizations, groups, or individuals during their use of the buildings and or facilities.

~~Auxiliary Services Department~~ The Facilities and Maintenance Department, as designated by the superintendent, will provide oversight of the fee structure, contracts, availability, and scheduling of all district facilities and equipment.

The district reserves the right to require police supervision at any event the superintendent or designee deems necessary and to charge the user for the supervision.

The Board expects the users to treat the facilities with respect. The Board reserves the right to remove any facility from public use.

Short and long-term (over three months) use of district facilities must be made through the ~~Auxiliary Services Department~~ Facilities and Maintenance Department. The user must agree to all guidelines and conditions on the Facility Permit or the Contract for Facilities Use and Services. An individual, group, or organization may be denied future use of district facilities in the event of non-compliance of agreements, damage to facilities, improper use of facilities, or other harmful or illegal activities.

The superintendent shall establish administrative regulations for facility use, fees, and processes in accordance with policy.

END OF POLICY

Legal References:

ORS 330.430
ORS 332.107
ORS 332.172



Corvallis

SCHOOL DISTRICT

X.F. Board Policy ING - Animals in District Facilities - Revised - Second Reading

Corvallis School District 509J
Board of Directors

BOARD MEETING DATE: January 14, 2013

FOR ACTION

SUBJECT:

Board Policy ING—Animals in District Facilities—Revised—Second Reading

Issue: We want parents of students to be notified when animals are brought into the classroom. Due to allergies or other concerns, parents may request a student be excused from handling or touching any animal. Currently our policy and administrative agreement are not in alignment. Our policy has been reworded for clarity.

Options Considered: Not revising the policy.

Involvement: District office and building staff.

Consequences: Procedures will remain unclear.

Cost Impact: None

ACTION REQUESTED: Adopting the revised policy.

CONTACT PERSON(S): Kevin Bogatin, Kerry Richey

ANIMALS IN DISTRICT FACILITIES

Animals are generally prohibited on district property.

However, permission may be obtained from the principal before animals are brought into the school for specified educational purposes. Animals must be adequately cared for and appropriately secured. Parents of students will be notified in advance of animals being brought into the classroom. Due to allergies or other concerns, parents may request a student be excused from handling or touching any animal.

~~Only the teacher or students designated by the teacher and with written parent permission are to handle the animals.~~

If animals are to be kept in the classroom on days when classes are not in session, arrangements must be made for their care.

Any unanticipated costs associated with the animal's presence on school property will be the responsibility of the animal's owner (i.e., flea treatments, false alarms, medical bills).

Animals may not be transported on a school bus or in any district vehicles.

~~Animals serving the disabled~~ Service animals shall be an exception to this policy.

END OF POLICY

Legal References:

[ORS 336.067](#)

[ORS 346.620](#)

[OAR 581-053-0010](#)

[OAR 581-053-0015](#)

[OAR 581-053-0545\(4\)\(c\)\(V\)](#)

[OAR 581-053-0550\(5\)\(u\)](#)

Americans with Disabilities Act of 1990, 104 Stat. 327, 42 U.S.C. § 12101 et seq. (2006).



Corvallis

SCHOOL DISTRICT

XI. CONSOLIDATED INFORMATION

XI.A. Non-Licensed Personnel Information

Corvallis School District 509J
Board of Directors

BOARD MEETING DATE: January 14, 2013

FOR INFORMATION ONLY

SUBJECT: Non-licensed Personnel Information

1. Issue: Information on non-licensed-personnel
 - a. Recommendation to Hire:
Sandy Moser: Payroll Specialist 2, 1.0 FTE; District Office; effective January 1, 2013 (Temporary).
 - b. Termination/Resignation/Layoff:
Sandy Moser: Payroll Specialist 2, 1.0 FTE; District Office; effective December 31, 2012 (Retirement).
-

CONTACT PERSON: Jennifer Duvall

BOARD MEETING DATE: January 14, 2013

FOR INFORMATION ONLY-
ADDENDUM

SUBJECT: Non-licensed Personnel Information

1. Issue: Information on non-licensed-personnel

a. Recommendation to Hire:

Andy Cadotte: Technology/Computer Lab Assistant 2, 6.0 hours; Cheldelin Middle School; effective January 7, 2013 (Limited Term).

Glenda Gassner: Administrative Assistant 3, 8.0 hours; District Office; effective March 1, 2013 (Limited Term).

Maggie Henderson: Educational Assistant 2, 6.0 hours; Lincoln Elementary School; effective January 10, 2013 (Limited Term).

b. Termination/Resignation/Layoff:

Amoreena Treff: Food Service Assistant, 3.25 hours; Linus Pauling Middle School; effective January 18, 2013 (Resignation).

Glenda Gassner: Administrative Assistant 3, 8.0 hours; District Office; effective February 28, 2013 (Retirement).

CONTACT PERSON: Jennifer Duvall



Corvallis

SCHOOL DISTRICT

XI.B. Unaudited Financial Statements - November 30, 2012

BOARD MEETING DATE: January 14, 2013

SUBJECT: November 30, 2012 Financial Statements (Unaudited)

Explanation:

General Fund

The Statement of Revenues and Expenditures for the periods ending November 30, 2011 and 2012 follow this report. Activity is tracking within budgeted parameters. FY2012-13 year-to-date revenues are \$33.5 million, 67.6 percent of budget as compared to FY2011-12 revenues of \$35.5 million, 69.5 percent. FY2012-13 year-to-date expenditures are \$17.5 million, 33.8 percent of budget as compared to the prior year of \$16.5 million, 30.3 percent of budget.

Current Highlights

Revenues

November revenues reflect the annual influx of property tax payments as shown in the year-to-date increase of total revenues from October 2012 of \$8.7 million to November 2012 of \$33.5 million. General property tax receipts account for \$19.7 million and local option tax receipts account for \$3.6 million of the total revenues.

Property tax turnovers by Benton and Linn counties follow the payments due dates in November, February and May. Most receipts, about 87 percent, typically are received in November. General property tax receipts for the current fiscal year note revenues at 85.4 percent and local option tax receipts at 78.4 percent of budget. The impact of compression on the local option tax is noted in previously reported highlights below.

The timing of the receipt of property taxes creates a temporary surplus of cash. Cash requirements are closely monitored to ensure there are adequate funds to draw on to cover payroll and accounts payable transactions. The best option for investing cash varies with economic times. Presently, the Local Government Investment Pool (LGIP) offers the best return while maintaining policy compliance yielding 0.60 percent. Investment benchmarks as of November 30, 2012, include a three-month U. S. Treasury bill at 0.08 percent and a three-month jumbo certificate of deposit at 0.06 percent.

Expenditures

Instruction FY2012-13 expenditures are \$0.9 million higher than this time in the prior year. Of the \$0.9 million, \$0.7 million is salary and benefit costs which include the change of paycheck distribution from 12 checks per year to 10 and is the significant majority of the increase. Charter school payments to Muddy Creek through November 2012 increased by \$56,650 due to increased enrollment and funding. Otherwise, as noted below purchasing timing differences in textbooks, supplies and technology items are key factors.

Supporting Services expenditures experienced an increase of \$85,367 over the prior year-to-date. The district worked on non-routine maintenance including CHS bleacher updates, modular classroom roof replacements, and removal of a large tree at CVHS. These projects led to maintenance costs being \$99,000 higher than this time last year. Projects such as these happen every year and are managed within budget appropriations.

Previously Reported Highlights

On November 19, 2012, the Oregon quarterly economic forecast from the state economist was released and I provided an overview at that time. I will provide you with timely updates to keep you abreast of current information.

Revenues

September 2011 revenues included the receipt of \$1.392 million from the state for the FY2011-12 School Year Subaccount (SYS Fund). The SYS Fund was a one-time appropriation last year by the state legislature of \$100 million from the Education Stability Fund for the purpose of supporting smaller class sizes or for the enhancement of learning opportunities. The SYS Funds were distributed to school districts in a lump sum in September rather than spread over the school year and we will not receive any SYS funds this year.

State revenues for general support for FY2012-13 reflects the adjustment for decreased enrollment for the prior year incorporated into the state funding formula. The district planned the FY2012-13 budget accordingly and the revenue is on track with budgeted expectations.

The district has received the county assessors' Notification of Property Taxes Imposed for FY2012-13. The Local Option Levy continues to be impacted by compression due to decreases in the gap between real market values and assessed values. The district budgeted \$4,541,500 for Local Option Levy, and the imposed amount is \$4,211,840. This is \$384,000 less than last year's imposed amount and \$330,000 less than budgeted. Updated projections forecast total collections at \$4.1 million. This will be watched closely throughout the year and into the future as it impacts the next fiscal year.

Interest earnings are \$16,633 higher than the prior year-to-date due to an increase in the Local Government Investment Pool rate from 0.5 percent to 0.6 percent along with the General Fund cash balance is a higher proportion of the District's total cash on hand. Reductions in other funds cash balances over time include the \$6 million payment to PERS in June 2011 to aid in lowering PERS rates, \$1.6 million prepayment on Pension Obligation bonds in June 2011, and \$3.5 million for the Crescent Valley High School roof project this fiscal year. Pooled interest earnings are allocated proportionally by funds cash balances.

Other Local Revenues in FY2012-13 are ahead of the prior year by \$42,800 mainly due to the receipt of E-Rate funds. The receipt of these funds is on a variable basis and we expect to see continued timing fluctuations.

Expenditures

In addition to key items noted for the current month, General Fund expenditures are higher than the prior year which would typically not be expected with a smaller budget. The significant portion of the increase is due to timing differences including the change of paycheck distribution from 12 checks per year to 10 as bargained for Certified and most Classified staff as well as the purchase of textbooks, technology and supplies.

Community Services expenditures in the current year-to-date are \$40,341 as compared to the prior year-to-date of \$16,402. In the prior year, the Foundation Director position was filled later in the year resulting in lower expenditures.

If you have any questions regarding the financial statements or would like additional information please contact me.

Presenter: Steve Nielsen, Business Services Director

Supplementary Materials:

1. Statement of Revenue and Expenditures, fiscal year to date as of November 30, 2011 and 2012
2. Schedule of Investments as of November 30, 2012
3. Schedule of Cash Disbursements greater than or equal to \$1,000 for the period of November 1-30, 2012

Corvallis School District 509J
Statement of Revenues and Expenditures
Fiscal Year to Date as of November 30, 2011 and 2012 Respectively (Unaudited)

General Fund

| | FY2011-12 | | | FY2012-13 | | |
|--------------------------------------|----------------------|----------------------|--------------|----------------------|----------------------|--------------|
| | Budget | Actual | | Budget | Actual | |
| Revenues: | | | | | | |
| Local Sources | | | | | | |
| Property Taxes | \$ 22,500,000 | \$ 19,360,930 | 86.0% | \$ 23,055,300 | \$ 19,683,338 | 85.4% |
| Local Option Taxes | 4,775,000 | 3,958,727 | 82.9% | 4,541,500 | 3,558,395 | 78.4% |
| Earnings on Investments | 50,000 | 15,965 | 31.9% | 100,000 | 32,628 | 32.6% |
| Other | 316,000 | 52,513 | 16.6% | 316,000 | 95,297 | 30.2% |
| Intermediate Sources | 240,000 | - | 0.0% | 230,000 | - | 0.0% |
| State Sources | | | | | | |
| General Support | 22,460,965 | 10,719,993 | 47.7% | 20,560,265 | 10,109,875 | 49.2% |
| State School Fund - Subaccount | - | 1,392,731 | - | - | - | - |
| Common School Fund | 546,857 | - | 0.0% | 603,120 | - | 0.0% |
| Other | 100,000 | - | - | 100,000 | - | 0.0% |
| Federal Sources | 74,299 | - | 0.0% | 8,000 | - | 0.0% |
| Total Revenue | \$ 51,063,121 | \$ 35,500,859 | 69.5% | \$ 49,514,185 | \$ 33,479,533 | 67.6% |
| Expenditures: | | | | | | |
| Instruction | \$ 32,621,179 | \$ 8,647,388 | 26.5% | \$ 30,924,859 | \$ 9,551,504 | 30.9% |
| Supporting Services | 21,669,474 | 7,834,677 | 36.2% | 20,718,041 | 7,920,044 | 38.2% |
| Community Services | 92,800 | 16,402 | 17.7% | 124,300 | 40,341 | 32.5% |
| Facilities Improvements | 1 | - | 0.0% | 1 | - | - |
| Transfers to Other Funds | 5 | - | 0.0% | 2 | - | 0.0% |
| Total Expenditures | \$ 54,383,459 | \$ 16,498,467 | 30.3% | \$ 51,767,203 | \$ 17,511,889 | 33.8% |
| Excess of Revenues over Expenditures | \$ (3,320,338) | \$ 19,002,392 | | \$ (2,253,018) | \$ 15,967,644 | |
| Beginning Fund Balance | 9,692,879 | 10,171,758 | 104.9% | 7,971,475 | 8,249,911 | 103.5% |
| Budgeted Contingencies | 3,820,341 | - | | 3,242,747 | - | |
| Unappropriated Ending Fund Balance | 2,552,200 | - | | 2,475,710 | - | |
| Fund Balance, November 30 | \$ - | \$ 29,174,150 | | \$ - | \$ 24,217,555 | |

Corvallis School District 509J
 Schedule of Investments
 November 30, 2012

| Type of Investment | Investment Date | Maturity/ Call Date | No. of Days | Bond Equivalent Yield | Purchase Price | Par (Maturity) Value |
|----------------------------------------------------------------------|--------------------|------------------------|----------------|-------------------------------|----------------|---------------------------|
| <u>Commercial Paper</u> | | | | | | |
| US Bancorp 2.125% | 08/26/11 | 02/15/13 | 539 | 0.543% | \$ 2,762,149 | \$ 2,700,000 ³ |
| Subtotal Commercial Paper | | | | | \$ 2,762,149 | \$ 2,700,000 |
| | | | | Average Annualized Rate | | |
| <u>Local Government Investment Pool:</u> | | | | | | |
| General Account | | | | 0.6000% | \$ 42,380,290 | |
| Debt Service Account | | | | 0.6000% | 1,236,773 | |
| Subtotal LGIP ¹ | | | | | \$ 43,617,063 | |
| <u>Local Government Investment Pool - Pension Bond Debt Service:</u> | | | | | | |
| Pension Bond Debt Service Account: ⁴ | | | | 0.6000% | \$ 1,090,231 | |
| <u>Total Investments</u> | | | | | | <u>\$ 47,407,293</u> |

1. The maximum amount (in any combination of accounts) that the Local Government Investment Pool (LGIP) allows in an account is \$44,999,213.
2. The PERS Bond Debt Service Account is outside of the LGIP limit, and collects the PERS intercept payments from the Basic School Fund for payment twice a year to the bond holders of the PERS bond debt.
3. This investment was purchased at a premium to (or in excess of) the par (maturity) value. The investment includes semi-annual coupon payments, that together with the par values exceed their purchase price and yield the Bond Equivalent Yield displayed.

Compliance with Investment Policy

| Type of Investment | Maximum Percent of Portfolio per Policy | Current Percent |
|----------------------------------------------------------------------|--------------------------------------------|--------------------|
| US Government-Sponsored Enterprises (Total): | 90.0% | 0.0% |
| US Treasury Obligations | 100.0% | 0.0% |
| Local Government Investment Pool | 100.0% | 94.3% |
| Bankers Acceptances | 25.0% | 0.0% |
| Repurchase Agreements | 25.0% | 0.0% |
| State and Local Government Securities | 25.0% | 0.0% |
| Time Certificates of Deposit & Collateralized Money Market | 50.0% | 0.0% |
| Commercial Paper (bonds and promissory notes issued by corporations) | 10.0% | 5.7% |
| US Bancorp 2.125% 2/15/13 | 5.7% | |
| TOTAL | | 100.00% |

Benchmarks as of 11/30/12:

| | |
|---------------------------------------------|-------|
| 3-Month U. S. T-Bill bond equivalent yield: | 0.08% |
| 3-Mo. Jumbo CDs | 0.06% |

Corvallis School District 509J
Schedule of Cash Disbursements greater than or equal to \$1,000
For the period of November 1, 2012 - November 30, 2012

| <u>Fund, Object, Vendor</u> | <u>Amount</u> | <u>Fund, Object, Vendor</u> | <u>Amount</u> |
|-----------------------------------------------|----------------------|-------------------------------------------------------|---------------------|
| 100 - General Fund | \$ 926,836.21 | 100 - General Fund continued | |
| Advertising | | Fuel | \$ 43,529.34 |
| MID VALLEY NEWSPAPERS | \$ 2,398.45 | BENTON COUNTY PUBLIC WORKS | \$ 4,987.15 |
| Audit Services | | NW NATURAL | \$ 38,542.19 |
| KOONTZ & PERDUE, BLASQUEZ & CO P.C. | \$ 11,000.00 | Garbage | |
| Charter School Payments | | ALLIED WASTE SERVICES | \$ 9,381.76 |
| INAVALE COMMUNITY PARTNERS, INC | \$ 43,147.06 | Legal Services | |
| Computer Software | \$ 16,649.24 | GRAHAM M HICKS, PC | \$ 2,515.46 |
| NETCHEMIA | \$ 6,090.00 | Library Books | |
| NW REGIONAL EDU SERVICE DISTRICT | \$ 1,709.24 | INGRAM LIBRARY SERVICES | \$ 1,088.49 |
| SCHOLASTIC INC | \$ 8,850.00 | Miscellaneous | |
| Consumable Supplies and Materials | \$ 90,260.95 | OREGON SCHOOL ACTIVITIES FOUNDATION | \$ 2,114.00 |
| ACP DIRECT | \$ 1,112.17 | Non-reimbursable Student Transportation | |
| AMERICAN SWING PRODUCTS | \$ 1,133.75 | FIRST STUDENT INC | \$ 1,466.53 |
| AMERICAN TIME & SIGNAL COMPANY | \$ 1,660.60 | Other Communication Services | \$ 25,716.08 |
| APPLE, INC | \$ 7,577.75 | CENTURYLINK | \$ 1,329.20 |
| CDW GOVERNMENT INC | \$ 6,767.35 | COMCAST/INSTITUTIONAL NETWORKS | \$ 24,386.88 |
| COASTWIDE LABORATORIES | \$ 7,220.12 | Other Non-instructional Professional and Techn | \$ 7,217.55 |
| DIGITAL DOLPHIN SUPPLIES | \$ 9,853.60 | MAXIM HEALTHCARE SERVICES | \$ 2,839.05 |
| E.L. ACHIEVE | \$ 4,260.00 | NW REGIONAL EDU SERVICE DISTRICT | \$ 4,378.50 |
| FRED MEYER CUSTOMER CHARGES | \$ 1,469.56 | Postage | |
| GREAT LAKES SPORTS | \$ 1,076.33 | GARTEN SERVICES, INC | \$ 3,192.02 |
| HOME DEPOT CREDIT SERVICES | \$ 1,810.25 | Printing and Binding | |
| JOSTENS INC | \$ 1,890.31 | HENDERSONS OFFICE SYSTEMS | \$ 5,324.33 |
| NW PLAYGROUND EQUIPMENT | \$ 2,019.54 | Reimbursable Student Transportation | \$452,902.66 |
| OETC | \$ 7,474.06 | FIRST STUDENT INC | \$447,893.78 |
| OFFICE MAX | \$ 10,858.09 | GO GET'EM TAXI AND TRANSPORT LLC | \$ 3,335.00 |
| PLATT ELECTRIC SUPPLY CO | \$ 3,109.28 | MINDY DYE | \$ 1,673.88 |
| RAPID REFILL INK | \$ 4,383.38 | Repairs and Maintenance Services | \$ 63,314.70 |
| ROSS RECREATION EQUIPMENT | \$ 4,440.25 | BENTON COUNTY PUBLIC WORKS | \$ 2,995.59 |
| SCHOOL SPECIALTY | \$ 5,951.55 | BIO-PEST, INC | \$ 1,560.00 |
| SEARING ELECTRIC & PLUMBING | \$ 1,107.64 | CAMPBELL CONSTRUCTION NW | \$ 4,275.00 |
| WELLS FARGO | \$ 5,085.37 | CHOWN HARDWARE | \$ 7,197.21 |
| Copier Charges | | ECO HOME COMFORT, LLC | \$ 1,275.00 |
| OSU PRINTING | \$ 28,316.53 | ESC AUTOMATION | \$ 3,091.25 |
| Electricity | \$ 70,886.65 | GENERAL SHEET METAL WORKS, INC | \$ 2,500.00 |
| CONSUMERS POWER INC | \$ 25,174.59 | HARVEY & PRICE MECHANICAL CONTRACTO | \$ 2,623.85 |
| PACIFIC POWER AND LIGHT | \$ 45,712.06 | MECHANICAL DESIGN, INC. | \$ 2,800.00 |
| Equipment-like items \$1,000 - \$4,999 | | NOR-PAC SEATING CO. INC | \$ 15,820.00 |
| PLUMBMASTER, INC | \$ 1,299.99 | PACIFIC ENVIRONMENTAL GROUP, INC | \$ 3,650.00 |
| | | REYNOLD ELECTRIC INC | \$ 13,439.80 |
| | | RICE HEATING & AIR CONDITIONING INC | \$ 2,087.00 |

| 100 - General Fund continued | |
|-------------------------------------------|----------------------|
| Technology Equip \$1,000 - \$4,999 | |
| DELL MARKETING LP | \$ 2,937.95 |
| Telephone | \$ 3,306.16 |
| AT&T MOBILITY-ACCT#837370420 (TECH) | \$ 1,419.13 |
| CENTURYLINK | \$ 1,887.03 |
| Textbooks | \$ 16,852.79 |
| CENGAGE LEARNING | \$ 6,142.95 |
| PEARSON EDUCATION INC | \$ 4,462.34 |
| TEXTBOOK WAREHOUSE | \$ 6,247.50 |
| Water and Sewage | |
| CITY OF CORVALLIS | \$ 22,017.52 |
| 203 - Food Service Fund | \$ 89,754.55 |
| Food - Food Service Only | \$ 27,486.72 |
| DUCK DELIVERY PRODUCE INC | \$ 9,098.88 |
| FRANZ FAMILY BAKERIES | \$ 4,748.08 |
| LOCHMEAD DAIRY | \$ 10,755.66 |
| RIVERWOOD ORCHARD AND FARM | \$ 1,539.00 |
| SYSCO FOOD SERVICE | \$ 1,345.10 |
| Inventories | \$ 60,823.83 |
| COSTCO ALBANY | \$ 2,643.13 |
| FOOD SERVICE OF AMERICA | \$ 32,987.09 |
| MCDONALD WHOLESALE CO | \$ 25,193.61 |
| Repairs and Maintenance Services | |
| ADVANCED ENVIRONMENTAL SYSTEMS | \$ 1,444.00 |
| 204 - District Donation Fund | \$ 8,337.35 |
| Consumable Supplies and Materials | \$ 6,228.82 |
| APPLE, INC | \$ 1,199.00 |
| CORVALLIS SPORTS PARK | \$ 2,362.05 |
| SANTILLANA USA | \$ 1,011.27 |
| STOVER, EVEY AND JACKSON | \$ 1,656.50 |
| Rentals | |
| OREGON STATE UNIVERSITY CONF. SERV. | \$ 1,000.00 |
| Travel, Student Out of District | |
| RIVERHOUSE HOTEL | \$ 1,108.53 |
| 296 - Grants Fund | \$ 107,636.14 |
| Consumable Supplies and Materials | \$ 100,796.14 |
| EL SOL DE MEXICO | \$ 1,000.00 |
| KIMMEL ATHLETIC SUPPLY | \$ 4,570.48 |
| NOR-PAC SEATING CO. INC | \$ 32,391.55 |
| SCHOOL SPECIALTY | \$ 61,681.11 |
| STOVER, EVEY AND JACKSON | \$ 1,153.00 |
| Travel, Out of District | \$ 6,840.00 |
| ACSI | \$ 2,601.00 |
| E.L. ACHIEVE | \$ 2,975.00 |
| COUNCIL FOR THE SOCIAL STUDIES | \$ 1,264.00 |

| 297 - Student Body Funds | | \$ 91,580.04 |
|------------------------------------------------|--------------|---------------------|
| Consumable Supplies and Materials | | \$ 54,684.78 |
| CORVALLIS SPORTS PARK | \$ 2,200.50 | |
| DEHEN CHEER & DANCE | \$ 1,906.25 | |
| ELEMENT GRAPHICS, INC | \$ 1,247.20 | |
| HERFF JONES - YEARBOOKS | \$ 30,260.00 | |
| PEPSI-COLA | \$ 1,011.20 | |
| PSAT/NMSQT | \$ 1,890.00 | |
| SEW ON | \$ 1,055.00 | |
| SHIRT CIRCUIT | \$ 3,467.79 | |
| WELLS FARGO | \$ 2,001.84 | |
| WILLAMETTE PASS RESORT | \$ 9,645.00 | |
| Non-reimbursable Student Transportation | | \$ 18,874.48 |
| ATHLETIC TRANSP. SERVICES, LLC | \$ 2,250.00 | |
| FIRST STUDENT INC | \$ 15,485.98 | |
| MTR WESTERN | \$ 1,138.50 | |
| Other Non-instructional Prof. and Tech. | | \$ 4,815.19 |
| MID-VALLEY SOCCER REFEREES ASSN | \$ 2,788.63 | |
| ROB MILLER | \$ 2,026.56 | |
| Printing and Binding | | |
| JOSTENS INC | \$ 2,880.59 | |
| Travel, Student Out of District | | \$ 10,325.00 |
| FIRST | \$ 9,000.00 | |
| OISRA REGISTRATION | \$ 1,325.00 | |
| 298 - Designated Revenue Fund | | \$103,203.21 |
| Consumable Supplies and Materials | | \$ 8,875.26 |
| GEORGIE'S CERAMIC & CLAY CO | \$ 3,013.33 | |
| KID CARPET.COM | \$ 1,199.97 | |
| MONTEREY COLLEGE OF LAW | \$ 1,218.66 | |
| MO'S ENTERPRISES, INC | \$ 1,242.00 | |
| WELLS FARGO | \$ 2,201.30 | |
| Equipment \$5,000 and greater | | \$ 35,364.00 |
| CORVALLIS POWER EQUIPMENT | \$ 6,119.00 | |
| TWGW, INC. | \$ 9,195.00 | |
| WILSON MOTORS | \$ 20,050.00 | |
| Equipment-like items \$1,000 - \$4,999 | | \$ 11,753.00 |
| ADORAMA CAMERA | \$ 2,994.00 | |
| CUSTOM ENGRAVING CO. | \$ 2,095.00 | |
| NORTHWEST TECHNICAL PRODUCTS | \$ 1,719.00 | |
| TECH ED CONCEPTS, INC | \$ 4,945.00 | |
| Instructional, Professional and Tech. | | \$ 9,570.00 |
| NW REGIONAL EDU SERVICE DISTRICT | \$ 5,070.00 | |
| PLATO LEARNING | \$ 4,500.00 | |
| Printing and Binding | | |
| HENDERSONS OFFICE SYSTEMS | \$ 1,551.39 | |

298 - Designated Revenue Fund continued

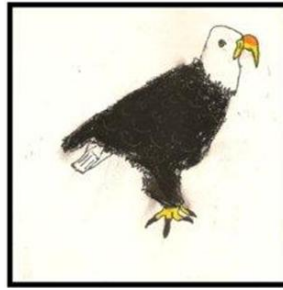
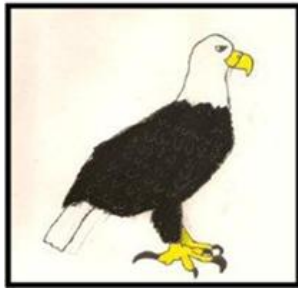
| | |
|------------------------------------------------|-------------------------------------|
| Repairs and Maintenance Services | \$ 3,770.91 |
| EAGER BEAVER NURSERY, INC. | \$ 2,395.00 |
| WELLS FARGO | \$ 1,375.91 |
| Travel, Student Out of District | \$ 32,318.65 |
| OREGON STATE UNIVERSITY | \$ 1,728.00 |
| PATHFINDER TRAVEL | \$ 28,952.65 |
| PSAT/NMSQT | \$ 1,638.00 |
| 601 - Insurance Fund | \$ 655,058.00 |
| Buildings Acquisition | \$ 243,093.24 |
| 2G, INC., DBA 2G CONSTRUCTION | \$ 235,178.24 |
| PBS ENGINEERING & ENVIRONMENTAL | \$ 3,915.00 |
| PIONEER WATERPROOFING | \$ 4,000.00 |
| Group Insurance | \$ 397,995.26 |
| LIFEMAP ASSURANCE COMPANY | \$ 8,544.38 |
| REGENCE BCBS OF OREGON | \$ 376,896.95 |
| SAIF CORPORATION | \$ 3,576.43 |
| WILLAMETTE DENTAL GROUP | \$ 8,977.50 |
| Other Insurance and Judgments | |
| PACE- SPECIAL DISTRICTS ASSN | \$ 1,200.00 |
| Other Non-instructional Prof. and Tech. | \$ 12,769.50 |
| BARKER-UERLINGS INSURANCE, INC | \$ 6,899.50 |
| CITY OF CORVALLIS | \$ 4,730.00 |
| CPR WORKS, LLC | \$ 1,140.00 |
| Grand Total | <u><u>\$1,982,405.50</u></u> |



Corvallis

SCHOOL DISTRICT

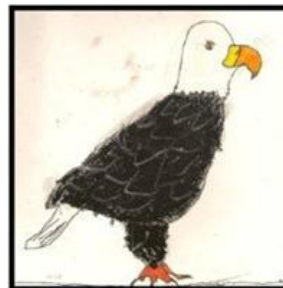
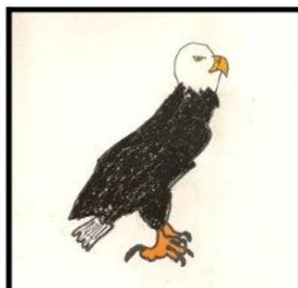
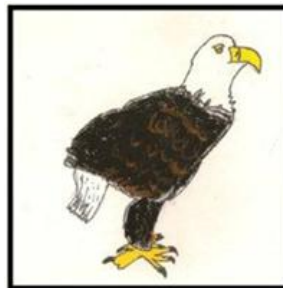
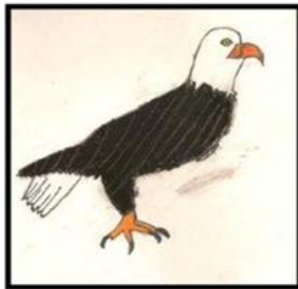
XI.C. Comprehensive Annual Financial Report (CAFR) - Fiscal Year Ended
June 30, 2012



Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2012

Corvallis School District 509J
1555 SW 35th Street
Corvallis, Oregon 97333



About the Artwork in this Document

In the spring of 2010, Lori Tubbs' third grade class got to know one of Mt. View Elementary School's neighbors pretty well: Sparky the Bald Eagle. Sparky is Mt. View's mascot and lives just up Lewisburg Road at Chintimini Wildlife Center. Mrs. Tubbs' class visited Sparky and the other education birds at Chintimini to learn their stories. They then wrote, illustrated, and published "Sparky's Story" as a fundraiser to help pay for the long-term care of Sparky.

Once you read "Sparky's Story," you'll discover why he cannot be released to live in the wild. Instead, volunteers at Chintimini use him and other birds to educate the public about animals who live in our area's natural habitats.

Because Mrs. Tubbs secured a grant to cover publishing costs, 100% of the \$10 purchase price of "Sparky's Story" goes directly to the non-profit Chintimini Wildlife Center.

The Business Services Department would like to extend special thanks to Mrs. Tubbs, and Mt. View's Artist in Residence, Sharon Rackham King, who provided this project summary and helped students in Mrs. Tubbs' class to create the artwork shown in this document. We are also grateful to parent Herme Ornes who scanned the artwork, and for all of the students' work, and, of course, Sparky.



About the Artists

Front Cover

Top row, left to right: Nathaniel Franklund, Rebecca Howard, Connor Goodwin, Aurora Godek
Middle top row, left to right: Jillian Speer, Halle Hewitt, Devin Hartley, Marcos Azpeitia
Middle bottom row, left to right: Jacob Fummerton, Shea McLean, Lucas Demaray, Neal Ornes
Bottom row, left to right: Daniel Hardy, Madison Lyons, Garrett Obrich

This Page

Left to right: Elijah Shaw, Hatton Brown, Max Franklin

All were students in Lori Tubbs' third grade class at Mt. View Elementary School during the 2009-10 school year



Corvallis School District 509J
1555 SW 35th Street, Corvallis, Oregon 97333

Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2012

prepared by:

509J Business Services Department

Roy Burling

Business Service Director (December 2009 – June 2012)

Steve Nielsen

Business Services Director (August 2012 – Present)

Debbie Bell

Accounting Manager

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

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INTRODUCTORY SECTION



Corvallis School District 509J

Erin Prince, Ph.D., Superintendent
1555 SW 35th Street • PO Box 3509J • Corvallis, Oregon 97339
541-757-5811 • www.csd509j.net • 541-757-5703 FAX

December 10, 2012

To the School Board and Citizens of Corvallis School District 509J:

We respectfully submit the Comprehensive Annual Financial Report (CAFR) of Corvallis School District 509J, Benton County, Oregon, for the fiscal year July 1, 2011 – June 30, 2012. This report is submitted in accordance with the provisions of Oregon Revised Statutes 297.405 through 297.555, referred to as the Municipal Audit Law, which specify that every general-purpose local government publish a similar document within six months of the close of each fiscal year.

This report consists of management's representations concerning the finances of the District. Management assumes full responsibility for the completeness and reliability of all the information presented in this report based on a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable assurance that the financial statements will be free from material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Independent Audit

The District's financial statements have been audited by the firm of Koontz, Perdue, Blasquez & Co. P.C., of Albany, Oregon, a firm of licensed certified public accountants. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified ("clean") opinion and that the Corvallis School District 509J's financial statements for the fiscal year ended June 30, 2012, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Corvallis School District 509J was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing single audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. The results of the District's single audit for the fiscal year ended June 30, 2012, provide no instances of material weaknesses in the internal control structure of applicable laws and regulations.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Corvallis School District 509J's MD&A can be found immediately following the report of the independent auditors.

Profile of the District

The Corvallis School District 509J serves the city and surrounding area of Corvallis, Oregon. Corvallis is the county seat of Benton County and is located in the middle of Oregon's Willamette Valley. Population for the City of Corvallis is estimated at 54,674 and at 85,928 for Benton County.

In 1957, voters approved the formation of Corvallis School District 509J combined from several districts within Benton County. This reorganization provided increased instructional services to students throughout the area through better and more efficient management of available resources.

Under Oregon state law, school districts are municipal corporations empowered to provide elementary and secondary educational services for the children residing within its boundaries. The District performs this responsibility by building, operating, and maintaining school facilities; developing and maintaining approved educational programs for all students; and transporting and feeding students in accordance with district, state, and federal programs.

A seven-member School Board, elected to four-year overlapping terms by the voters residing within district boundaries, governs the Corvallis School District 509J. The duties of the School Board include setting policy, reviewing expenditures, appointing the Superintendent, and hiring, terminating and approving resignations of all certified and administrative staff members.

The School Board also constitutes one-half of, and appoints the seven citizen members, of the Budget Committee. The School Board is required to adopt a final budget by no later than the close of the prior fiscal year. This annual budget serves as the foundation of Corvallis School District 509J's financial planning and control.

The District operates as a tax-exempt financially independent entity under Section 170 of the Internal Revenue Code. The School Board is accountable for all fiscal matters that significantly influence delivery of services. All major activities and organizations have been included in the basic financial statements.

The District has one component unit, Muddy Creek Charter School. The District is the body which has the authority to approve or revoke the Muddy Creek charter. The charter school contract expires on June 30, 2014. Although legally separate, the charter school is considered a component unit for the basic financial statements reporting purposes of the District.

The District provides a full range of educational services to 6,278 students in grades kindergarten through twelve. District facilities include seven elementary schools, two middle schools, two high schools, one kindergarten through eighth grade school, an alternative education center, plus administrative and support services buildings. The District owns the local public swimming pool facilities, although the City of Corvallis assumed pool management and operations in January 2001. The pool evolved into a community recreation center rather than an arm of educational services.

To provide additional support to students and teachers of our District, in 1996, with the support of the School Board, community and business leaders established the Corvallis Public Schools Foundation (CPSF) to match educational needs with the resources of dedicated contributors. The CPSF is a separate 501(c) 3 organization accounted for as an agency fund of the District.

Major Initiatives

The vision of the Corvallis School District 509J is that students grow to be world-class learners, and engaged citizens of the future. To that end, the District's mission has been adopted to:

Provide all students with a relevant and challenging education that prepares them for future success as engaged citizens and contributing members of our world community.

The current District focus is on five central goals:

- Challenge students with a broad range of learning opportunities
- Close the achievement gap
- Provide safe and welcoming school environment
- Prepare students to be informed, engaged citizens in their community and the world
- Manage resources for long term sustainability

Looking forward, the following key initiatives are targeted in support of the District’s goals:

- Implement the dual language immersion (DLI) programs to teach English and Spanish at both Garfield and Lincoln elementary schools.
- Implementing the Common Core State Standards.
- Implement the Diversity Action Plan to make schools safe, welcoming, and inclusive for all students and families.
- Implement environmentally sustainable practices and refining the sustainability vision.
- Create a long-term financial plan to align the cost of current services with current resources.
- Implement professional learning communities to improve student performance, close the achievement gap, and support staff as they are required to meet higher standards with fewer resources.

To reach these educational benchmarks, the District’s budgetary goal is to protect and preserve structures and supports necessary for sustainable district-wide educational programs with specific programmatic focus in the areas of technology/information literacy, hands-on/project learning, service learning/civic engagement, career preparation, personal finance, arts and music, world languages, and global perspectives.

Local Economy

Benton County is a vital regional center for higher education, industrial technology, engineering, research, commerce, and health care. In December 2010, the Corvallis City Council established the Economic Development Commission; ensuring economic development is a civic priority. *Washington Post Capital Business* named Corvallis as the 20th best city in America for independent businesses in October 2011 and, also in 2011, *Forbes Magazine* named Corvallis as the 17th best place for business and careers in the small cities category. Examples of successful local start-ups include Perpetua Power Source Technologies, Inc., ZAPS Technologies, Inc., and ViewPlus Technologies, Inc.

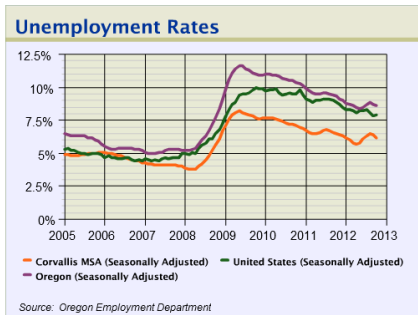
Corvallis is the center of Benton County’s economy accounting for the majority of the county’s employment. Oregon State University (OSU), with 9,277 employees, is the largest employer in Corvallis and a vital player in the area's economic condition as a main employment anchor. As one of the few combined land, space, and sea grant universities in the nation, OSU is the state’s primary source of basic applied research in forestry, agriculture, fisheries, engineering, electronics, home economics, and the sciences. OSU’s Office for Commercialization and Corporate Development works to facilitate OSU research to impact the world. In fact, many local companies have directly benefited from OSU research, bolstering the local economy and providing a wide variety of services.

| | |
|------------------------------------------------|-----|
| Government | 34% |
| Information, Financial, Professional, Business | 17% |
| Education & Health Services | 15% |
| Trade, Transportation & Utilities | 12% |
| Leisure and hospitality | 8% |
| Manufacturing | 8% |
| Construction, Mining, Natural Resources | 3% |
| Other Services | 3% |

Source: Oregon Employment Department

Examples include Columbia Power Technologies, working to commercialize renewable energy from ocean waves, and Home Dialysis Plus, working to develop dialysis systems for home use.

Since 2008, enrollment at OSU has increased from 19,753 to 24,977 students. This increase in students has increased demand for housing and other infrastructure. In September 2011, OSU and the City of Corvallis signed a memorandum of understanding aimed at maintaining Corvallis' livability and unique sense of place, supporting both residents and students, enhancing educational, cultural, and recreational opportunities, and furthering the economic development benefits associated with Oregon's largest research university.



The next largest employer in 2012 is Samaritan Health Services with 2,722 employees serving local communities through five affiliated hospitals, physician clinics, several health plans and a senior care facility. The third largest employer is Hewlett-Packard (HP) with approximately 1,700 employees.

The October 2012 unemployment figure for Benton County, the lowest in the state, was 6.2%, down from 6.6% in October 2011. By comparison, the October 2012 state average was 8.6% and the national average was 7.9%.

During the past two decades, Oregon has attempted to transition from a resource-based economy to a more mixed manufacturing and marketing economy with an emphasis on high technology. Although Corvallis is in a better position than much of the rest of the state, the effects are felt locally as workforce reductions due to the economic downturn cause families to move from the area. In addition, high housing costs lead families to live in surrounding areas to help make ends meet, further impacting the District's declining student enrollment.

State and Local Funding

Over the last two decades several citizen initiatives have changed how Oregon funds public education. Starting in 1990, after Oregon citizens approved Ballot Measure 5, the responsibility of funding schools shifted from local control via property taxes and state levies to state control via K-12 funding formulas that are distributed through income taxes, lottery proceeds, and property taxes. This shift affected how funds are provided to public schools, making them more dependent on the overall economy of Oregon. Income taxes are one of the state's primary resources of revenue and are subject to the volatility of the economy. As economic recessions affect employment resulting in income tax revenue declines, there are fewer resources available for public programs and services including K-12 schools.

The 2011-13 state biennium budget continues the funding challenges presented by the economic recession. The state added \$125 million in Education Stability Funds to fund a \$5.8 billion K-12 budget. The additional \$125 million in funding, named the School Year Subaccount, is a one-time grant partnered with the traditional basic school support resources. This grant provided just under \$1.4 million of a total \$46 million in funding to our District, approximating the same funding level for fiscal year 2011-12 as fiscal year 2010-11.

Corvallis School District 509J has a long history of strong voter and community support. In November 2010, 68.5% of voters approved a renewal of the local option tax of \$1.50 per \$1,000 of assessed valuation for another five years beginning with the 2012-13 school year. In the fiscal year 2012-13 adopted budget, the local option levy is scheduled to fund 43.97 FTE, providing a significant impact to direct services to students.

The local option levy is affected by continuing weakness in real market property values. Increased losses from tax compression resulted in a decline of fiscal year 2011-12 revenue below expectations. In fiscal year 2011-12, revenue from the levy was just under \$4.5 million as compared to just under \$5 million in fiscal year 2010-11. With the current economic factors in the housing market, revenue from this source is carefully monitored.

Long-Term Financial Planning

Volatility of revenue collections at the state level and dwindling state reserve levels has made for a complex and unstable funding stream. A short-term bridge through federal funding offered support in fiscal year 2009-10 (\$1.76 million) and in fiscal year 2010-11 (\$2.0 million), but is no longer available. While the District accumulated resources to help cushion the immediate funding shortfall, the current amount is insufficient to carry through to a full economic recovery, and adjustments to the current service levels are required. As a result of this the fiscal year 2012-13 adopted budget reduces services by \$3.4 million as compared to fiscal year 2011-12.

Slow economic recovery, coupled with declining District enrollment, further portends the challenge to align District service levels with projected resources. Strategic planning and conversations with staff, the School Board, Budget Committee and the community will be held to provide input on how to structure a sustainable budget plan on a multi-year basis and best meet the needs of our students.

Relevant Financial Policies

District financial policies provide the framework for financial planning and decision-making by the School Board, Budget Committee, and District staff. These policies state, in part, that the “budget should match ongoing expenditures to ongoing revenues. One-time resources should be used for one-time expenditures that will not create a continuing obligation for the District or an unsustainable level of expenditures, and should not be expended before revenues are received.”

School Board policy DA calls for the District’s proposed budget to create fund balances in an amount sufficient to:

- a. Allow the District to deliver a sustainable level of programs through anticipated recessionary periods;
- b. Protect the District from unnecessary borrowing in order to meet cash-flow needs;
- c. Provide prudent reserves to meet unexpected emergencies and protect against catastrophic events;
- d. Meet the uncertainties of state and federal funding; and,
- e. Help ensure a district credit rating that would qualify the District for lower interest costs and greater marketability of bonds that may be necessary in the construction and renovation of school facilities.

Additionally, policy DA requires reserves as a percentage of the General Fund total resources net of the beginning fund balance in the amount of 2.5% for an appropriated contingency reserve, and 5% for each the appropriated rainy day reserve and the unappropriated ending fund balance. Targeted reserves ending fund balances may be allocated and designated for special purposes.

This policy was updated and readopted in December 2007 and has been instrumental in strategic planning. The fiscal year 2011-12 adopted budget was balanced maintaining policy guidelines.

Budgetary Controls

The District annually prepares a budget in accordance with requirements prescribed in the Oregon Revised Statutes. The objective of the District's budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget adopted by the District's School Board. Activities of all funds are included in the annual appropriated budget.

A summary of the budget proposed to and approved by the Budget Committee, together with a notice of public hearing, is published in a newspaper with general circulation in the District. A public hearing is held to receive comments from the public concerning the approved budget. The School Board adopts the budget, makes the appropriations, and levies taxes after the public hearing and before the beginning of the year for which the budget has been prepared.

The objective of the budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Activities of the General Fund, Special Revenue Funds, Debt Service Fund, and Insurance Fund are included in the annual appropriated budget. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is established by major function level within an individual fund. Transfers of appropriations between budget categories must be authorized by resolution of the School Board.

As demonstrated by the statements and schedules included in the Financial Section of this report, the District continues to meet its responsibility for sound financial management.

Capital Improvements

In March 2008 the School Board adopted the 2007 Long Range Facilities Master Plan. In fiscal year 2011-12 as part of the implementation of that plan, the District spent \$704,697 on facility improvement projects. The boilers at Crescent Valley High School and Cheldelin Middle School were upgraded, the roof replacement project at Crescent Valley High School began, the gym floor at Garfield Elementary School was replaced, and the water storage tank at Mountain View Elementary was overhauled. The funding for these projects comes from local construction excise taxes, SB1149, and facilities grants funds.

In anticipation of approaching voters in 2018 for another capital construction bond and based on recommendations in an updated Long Range Facilities Master Plan, the District will reconvene a committee to review capital improvement plans in 2013.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Corvallis School District 509J for its CAFR for the fiscal year ended June 30, 2011. This was the twenty-third consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized CAFR. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current CAFR continues to meet the Certificate of Achievement Program requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

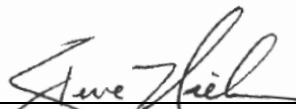
An expression of thanks goes to the Corvallis School District 509J Business Services staff and members of other District departments for their hard work and dedication in providing ongoing financial services to the District and in the preparation of this report. We also express appreciation to Koontz, Perdue, Blasquez & Co., P.C., for their efforts during the audit.

We further extend our appreciation to the members of the School Board, employees of the District, and the citizens of Corvallis whose continued cooperation, support, and assistance have contributed greatly to the achievements of the Corvallis School District 509J.

Respectfully submitted,



Erin Prince, Ph.D., Superintendent



Steve Nielsen, Business Services Director



Debbie Bell, Accounting Manager

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

CERTIFICATE OF ACHIEVEMENT

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

Corvallis School District 509J
Oregon

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Dandson

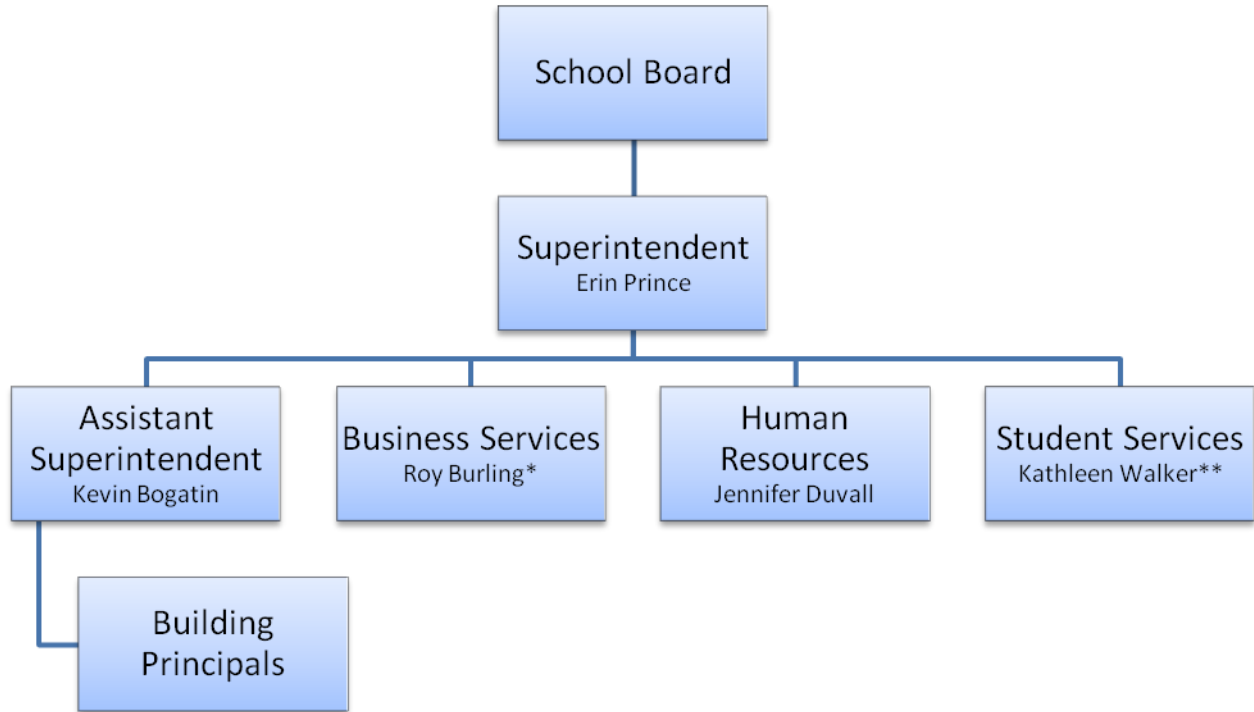
President

Jeffrey R. Enos

Executive Director

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

ORGANIZATIONAL CHART



*Roy Burling served as Business Services Director December 2009 – June 2012. Steve Nielsen began tenure August 1, 2012.

**Kathleen Walker served as Student Services Director July 2007 – June 2012. The Student Services Director position was eliminated effective July 1, 2012.

School Board

| Name | Title | Term Expires |
|-----------------|------------|---------------|
| Anne Schuster | Chair | June 30, 2015 |
| Blake Rodman | Vice Chair | June 30, 2013 |
| Judy Ball | Member | June 30, 2015 |
| Lisa Corrigan | Member | June 30, 2015 |
| Matt Donohue | Member | June 30, 2013 |
| Chris Rochester | Member | June 30, 2015 |
| Tom Sauret | Member | June 30, 2013 |

FINANCIAL SECTION



KOONTZ, PERDUE, BLASQUEZ & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Corvallis School District 509J
Corvallis, Oregon 97339

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Corvallis School District 509J, Corvallis, Oregon, and Inavale Community Partners, Inc., dba Muddy Creek Charter School, its discretely presented component unit, 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 Corvallis School District 509J'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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 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 Corvallis School District 509J, Corvallis, Oregon as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have issued our report dated December 10, 2012 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of funding progress and employer contributions, and budgetary comparison information on pages 12 through 22, 59 and 60 through 61, respectively, 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 management's discussion and analysis and schedules of funding progress and employer contributions 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 management's discussion and analysis or schedules of funding progress and employer contributions because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Corvallis School District 509J's basic financial statements as a whole. The combining and individual fund statements and schedules, other financial schedules, and supplemental information required by the Oregon Department of Education are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual fund statements and schedules, other financial schedules, and schedule of expenditures of federal awards are the responsibility of management, and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 basic financial statements taken as a whole. The statistical section and supplemental information required by the Oregon Department of Education have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Koontz, Perdue, Blasquez & Co., P.C.

By: 
Richard D. Perdue, CPA

Albany, Oregon
December 10, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

As management of Corvallis School District 509J, Benton County, Oregon, we offer readers this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2012. It should be read in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- At June 30, 2012, total net assets of Corvallis School District 509J amounted to \$65,826,686. Of this amount, \$35,992,307 was invested in capital assets, net of related debt. The remaining balance included \$881,427 restricted for debt service and \$28,952,952 of unrestricted net assets.
- At June 30, 2012, the District's governmental funds reported combined ending fund balances of \$17,537,851.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Corvallis School District 509J's basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

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

The statement of net assets presents information on all the District's assets and liabilities with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Inavale Community Partners, Inc., dba Muddy Creek Charter School is sponsored by the District and is reported as a discretely presented component unit. Its complete financial statements may be obtained from their administrative offices. The District is not financially responsible for the charter school, but the nature and significance of its financial relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. This component unit is presented in total in a separate column in the government-wide financial statements to emphasize that it is a legally separate organization from the District. Revenues reported by the component unit as state school fund monies equal the amount passed through the District.

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

The government-wide financial statements can be found on pages 23 through 24 of this report.

Fund Financial Statements

The fund financial statements are designed to demonstrate compliance with finance-related legal requirements overseeing the use of fund accounting. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities and objectives. All of the funds of Corvallis School District 509J can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

□ **Governmental Funds**

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

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

The District maintains eleven governmental funds. Information is presented separately in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, Grants, Debt Service and PERS Debt Service Funds, all of which are considered to be major governmental funds. Data from the nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Corvallis School District 509J adopts an annual appropriated budget for all of its governmental and proprietary funds. A budgetary comparison statement has been provided for each fund individually to demonstrate compliance with their respective budgets.

The basic governmental fund financial statements can be found on pages 25 through 28 of this report.

□ **Proprietary Funds**

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The District maintains one proprietary fund, which is an internal service fund.

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

The internal service fund serves as an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses the internal service fund to account for its insurance. Because this predominantly benefits governmental functions, it has been included within governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 29 through 31 of this report.

□ **Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is the same as that used for governmental funds.

The basic fiduciary fund financial statements can be found on page 32 of this report.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 33 through 58 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, which includes schedules of funding progress and employer contributions and budgetary comparison information for the General and Grants Funds. This required supplementary information can be found on pages 59 through 61 of this report.

The combining statements referred to earlier, in connection with nonmajor governmental funds, are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 62 through 72 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may, over time, serve as a useful indicator of the District's financial position. At June 30, 2012, Corvallis School District 509J had assets of \$154.0 million, liabilities of \$88.2 million, and net assets of \$65.8 million.

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

A large portion of the District's net assets reflects its investment in capital assets (e.g., land, building improvements, construction in progress, and vehicles and equipment) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets for classrooms and supporting services for providing kindergarten through twelfth grade education; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Capital assets, net of accumulated depreciation, represents 61.5% of total assets. Pension assets represent 18.1% and cash and investments account for 17.1%. The remaining assets consist mainly of account and property tax receivables, and inventories.

The District's largest liability, comprising 86.2% of the total, are noncurrent liabilities that consist of general obligation bonds, limited tax pension obligation bonds, and interest payable. Other current liabilities consist of accounts payable, accrued salaries and benefits payable, compensated absences payable, early retirement, deferred revenue, and bond interest.

District's Net Assets

The net assets of Corvallis School District 509J in the government-wide financial statements were \$65.8 million. Of this amount, \$36.0 million is invested in capital assets, net of related debt, \$0.9 million is restricted for debt service, and the remaining unrestricted amount of \$29.0 million is insufficient in meeting long-term obligations such as bonds, interest and early retirement incentive payables. This is not uncommon since local governments operate more on a pay-as-you-go basis for everyday management.

The District's net assets increased by \$1.5 million. The increase in net assets is a result of liabilities decreasing at a greater rate than assets. Overall, assets decreased by \$4.7 million. The decrease in assets included a reduction in receivables of \$0.8 million reflecting reduced grant funding as federal programs were phased out and reduced grant funding allocations were made; a reduction of \$3.4 million in capital assets was primarily due to depreciation and pension asset amortization of \$1.2 million. Total liabilities decreased by \$6.1 million, this decrease is primarily from a reduction in bonds payable (general obligation and pension bonds) of \$6.4 million as well as increases in accounts payable of \$0.9 million and payroll liabilities of \$0.3 million.

The unrestricted net assets in the amount of nearly \$28.9 million (44% of total) is available, but insufficient towards meeting long-term obligations as identified in the various District funds. At the end of fiscal year 2011-12, the District was able to report positive balances in all categories of net assets.

The government-wide statement of net assets recognizes a liability as soon as an obligation is incurred even though the payment may not be made until some future time. Governments tend to raise resources when the liabilities are expected to be paid, rather than when they are incurred. Most governments normally do not have sufficient current resources on hand to cover current and long-term liabilities. This is the case for Corvallis School District 509J.

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

Condensed statement of net assets information is shown below.

Condensed Statement of Net Assets

| | <u>Governmental Activities</u> | | |
|-------------------------------------------------|--------------------------------|----------------------|---------------------|
| | <u>2012</u> | <u>2011</u> | <u>Change</u> |
| Assets | | | |
| Current and other assets | \$ 58,319,018 | \$ 59,745,254 | \$ (1,426,236) |
| Restricted assets | 996,970 | 798,328 | 198,642 |
| Capital assets, net of accumulated depreciation | <u>94,733,579</u> | <u>98,160,211</u> | <u>(3,426,632)</u> |
| Total assets | <u>154,049,567</u> | <u>158,703,793</u> | <u>(4,654,226)</u> |
| Liabilities | | | |
| Current liabilities | 12,193,011 | 10,890,514 | 1,302,497 |
| Noncurrent liabilities | <u>76,029,870</u> | <u>83,440,591</u> | <u>(7,410,721)</u> |
| Total liabilities | <u>88,222,881</u> | <u>94,331,105</u> | <u>(6,108,224)</u> |
| Net assets | | | |
| Invested in capital assets, net of related debt | 35,992,307 | 35,573,378 | 418,929 |
| Restricted for debt service | 881,427 | 667,069 | 214,358 |
| Unrestricted | <u>28,952,952</u> | <u>28,132,241</u> | <u>820,711</u> |
| Total net assets | <u>\$ 65,826,686</u> | <u>\$ 64,372,688</u> | <u>\$ 1,453,998</u> |

District's Changes in Net Assets

The condensed statement of activities information shown on the following page explains changes in net assets.

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

Changes in Net Assets

| | Governmental Activities | | |
|----------------------------------------------------|--------------------------------|----------------------|---------------------|
| | 2012 | 2011 | Change |
| Program revenues | | | |
| Charges for services | \$ 3,494,749 | \$ 2,615,881 | \$ 878,868 |
| Operating grants and contributions | 5,172,627 | 8,571,381 | (3,398,754) |
| Total program revenues | <u>8,667,376</u> | <u>11,187,262</u> | <u>(2,519,886)</u> |
| General revenues | | | |
| Property taxes | 35,778,834 | 35,394,977 | 383,857 |
| State school fund | 22,801,900 | 21,527,205 | 1,274,695 |
| Common school fund | 823,044 | 774,269 | 48,775 |
| Unrestricted state and local revenue | 501,910 | 180,406 | 321,504 |
| Investment earnings | 226,649 | 247,029 | (20,380) |
| Gain on sale of capital assets | - | 24,878 | (24,878) |
| Miscellaneous | 241,697 | 1,757,745 | (1,516,048) |
| Total general revenues | <u>60,374,034</u> | <u>59,906,509</u> | <u>467,525</u> |
| Total revenues | <u>69,041,410</u> | <u>71,093,771</u> | <u>(2,052,361)</u> |
| Program expenses | | | |
| Instruction | 37,057,203 | 35,162,821 | 1,894,382 |
| Support services | 19,895,700 | 24,066,078 | (4,170,378) |
| Enterprise and community services | 3,113,790 | 2,906,333 | 207,457 |
| Facilities acquisition and construction | 3,409,000 | 3,361,692 | 47,308 |
| Interest expense | 4,111,719 | 4,409,440 | (297,721) |
| Total program expenses | <u>67,587,412</u> | <u>69,906,364</u> | <u>(2,318,952)</u> |
| Change in net assets | 1,453,998 | 1,187,407 | 266,591 |
| Net assets - beginning of year, as restated | <u>64,372,688</u> | <u>63,185,281</u> | <u>1,187,407</u> |
| Net assets - end of year | <u>\$ 65,826,686</u> | <u>\$ 64,372,688</u> | <u>\$ 1,453,998</u> |

Revenues

Since the District's mission is to provide a free and appropriate public education for kindergarten through twelfth grade students within its boundaries, the District may not charge for its core services. As expected, therefore, general revenues provide 87.4% of the funding required for governmental programs. Property taxes and state school funding combined for 97.0% of general revenues and 84.8% of total revenues. State school fund revenues increased 5.9% over the prior year due to a one time Education Stability Grant from the state of \$1.4 million. Otherwise, state funding was adjusted as a result of economic conditions and declined student enrollment.

State school revenue is the District's most significant source of funds. Revenues are determined by a complex formula which includes local property tax collections and student enrollment as funding factors. Higher local property tax collections reduce funding from the state and vice versa.

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

Charges for services make up 5.1% of total revenues and are composed of items such as food service charges, summer school, and other extracurricular programs for which it is appropriate that the District charge tuition or fees.

- Various student extracurricular activities \$ 3,494,749

Operating grants and contributions represent 7.5% of total revenues. Included in this category is \$1.4 million for federal reimbursement under the school nutrition program. The remainder of approximately \$3.8 million is comprised of federal and state grants for designated programs. Operating grants and contributions decreased over the prior year by 46.0% primarily due to decreased levels of grant awards for special education IDEA, Title programs and loss of federal ARRA funds.

Expenses

Expenses related to governmental activities are presented in five broad functional categories: instruction, support services, enterprise and community services, facility services, and interest expense. Costs of direct classroom instruction activities account for 54.9% of the total expenses of \$67,587,412.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measurement of the District's net resources available for spending at the end of the fiscal year.

At June 30, 2012, the District's governmental funds reported combined ending fund balances of \$17.5 million. Of this, \$0.6 million is restricted to the Debt Service Fund, and \$2.0 million to the Grants Fund. \$2.3 million is committed to the Public Employees Retirement System (PERS) Debt Service Fund. These funds are not available to meet the general obligations of the District. The remainder represents an ending fund balance of \$8.2 million for the General Fund and \$4.4 million for Nonmajor governmental funds. Nonmajor governmental funds exist as funds targeted for designated purposes.

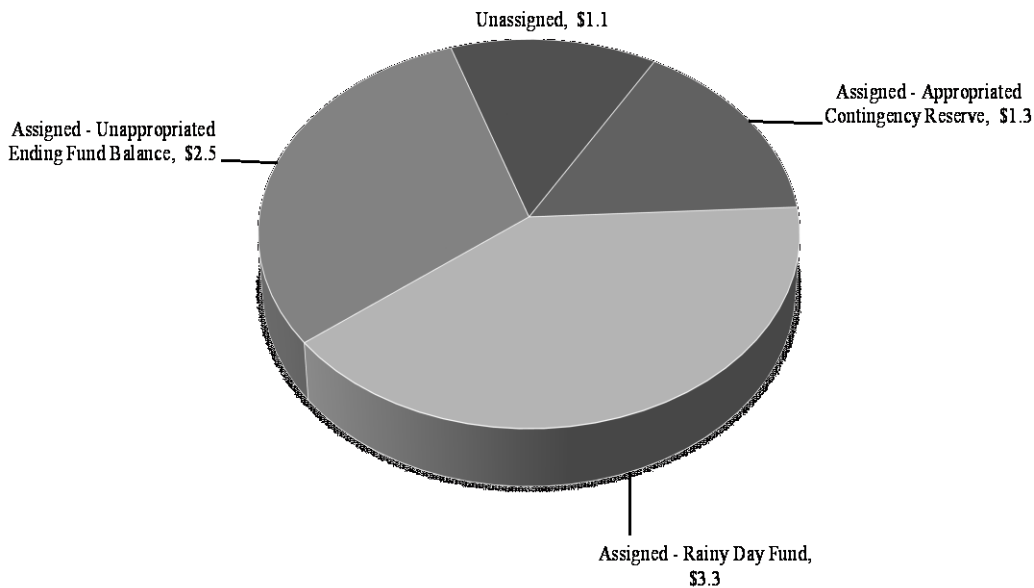
At the end of the fiscal year 2011-12, the ending fund balance in the General Fund was \$8.2 million, or 15.3% of total General Fund expenditures. This amount constitutes \$1.3 million assigned for contingency, \$3.3 million assigned for the rainy day fund, \$2.5 million assigned for unappropriated ending fund balance and the remainder \$1.1 million is unassigned. A decrease from the prior year of \$2.0 million reflects a reduction in state funds due the economy and a decline in student enrollment.

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental funds report the differences between their assets and liabilities as fund balance, divided into assigned and unassigned portions. The fund balance of the Debt Service Funds, as well as the Grants Fund, are legally restricted to be spent for the purpose of the fund and are not available for spending at the District's discretion. The assigned fund balance is further subdivided into designed categories to aid in management of funds in alignment with District fiscal policies. The chart below summarizes the General Fund ending fund balance by category.

Figure 1: General Fund Ending Balance (Dollars in Millions)



Proprietary Fund

The District's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Net assets of the proprietary fund at year-end amounted to \$6,908,603, all of which is considered to be unrestricted.

BUDGETARY HIGHLIGHTS

The General Fund is the chief operating fund of the District. At the end of fiscal year 2011-12, the ending fund balance was \$8.2 million, a decrease of \$2 million from the prior year. The decrease was planned for as the use of reserves from the local option levy, the rainy day reserve and the balance of the five-year pending plan was implemented. This ending fund balance includes planned carry-forward funds as noted in the above chart. Included is \$1.3 million carried forward from unused contingency, \$3.3 million reserved for rainy day fund; an unappropriated ending fund balance of \$2.5 million; and \$1.1 million unassigned ending fund balance available.

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

General Fund revenues decreased overall by \$0.4 million, or 0.7% from the prior year. The most significant factor allowing for a consistent level of resources was due to a one time Education Stability Grant from the state of \$1.4 million. Otherwise, state funding was adjusted as a result of economic conditions and declined student enrollment. As the State of Oregon's budget declined from 2003 to 2012, the percentage allocated to K-12 has also grown smaller.

The District enrollment as of October 1 declined by 110 students in fiscal year 2009-10, 104 students in fiscal year 2010-11 and 171 students in fiscal year 2011-12. These are significant reductions that directly impact state revenues and reflect the economic downturn causing families to leave the community.

As noted earlier, the community's approval of a five year local option tax levy, outside of the state funding formula, has provided additional capacity for the District's operations. In fiscal year 2011-12, local option levy collections were \$5.0 million, and funded 65.25 full-time equivalent (FTE) positions.

On the expenditure side, fiscal year 2011-12 reflects a decrease of \$1.1 million, or 2.0%, mainly due to reductions in work force, supplies and equipment. As a service organization providing instruction and support to students, approximately 85% of the budget is for staffing. The District expended 98.9% of the final amended budget for the categories of instruction, support services, and enterprise services combined.

Budget amounts shown in the financial statements reflect the original budget amounts and two approved appropriation transfers.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2012 amounted to \$94,733,579, net of accumulated depreciation. This investment in capital assets includes land, construction in progress, buildings and improvements and vehicles and equipment. The total depreciation related to the District's investment in capital assets for the current fiscal year amounted to \$3,612,034.

| | <u>2012</u> | <u>2011</u> | <u>% Change</u> |
|-----------------------------------|----------------------|----------------------|-----------------|
| Land | \$ 2,629,247 | \$ 2,629,247 | 0% |
| Construction in progress | 263,685 | 53,204 | 396% |
| Buildings and improvements | 90,524,343 | 93,404,129 | -3% |
| Vehicles and equipment | <u>1,316,304</u> | <u>1,436,709</u> | <u>-8%</u> |
| Total governmental capital assets | <u>\$ 94,733,579</u> | <u>\$ 97,523,289</u> | <u>-3%</u> |

Additional information on the District's capital assets can be found in Note III-C on pages 46 through 47 of this report.

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

Long-Term Debt

At the end of the current fiscal year, the District had total debt outstanding of \$83,144,748. This amount is comprised of limited tax pension obligations, general obligation bonds, accrued interest and early retirement. The District's total debt outstanding decreased by \$7,367,879 during the current fiscal year.

| | 2012 | 2011 | % Change |
|-------------------------|----------------------|----------------------|------------|
| Bonded debt | \$ 79,829,631 | \$ 86,259,184 | -7% |
| Other debt | 3,315,117 | 4,186,434 | -21% |
| Total governmental debt | <u>\$ 83,144,748</u> | <u>\$ 90,445,618</u> | <u>-8%</u> |

State statutes limit the amount of general obligation debt a school district may issue based on a formula for determining the percentage of the real market value of all taxable properties within the District. The District's general obligation bond debt capacity is 7.95% of real market value or \$519,778,263, which is significantly in excess of the District's outstanding general obligation debt.

The District has successfully renegotiated benefits under the Early Retirement Incentive Program as detailed in the notes to the financial statements. Program changes include significantly reduced eligibility criteria and benefit reductions, thereby reducing long-term liabilities for this program.

Additional information on the District's long-term liabilities can be found in Note III-F on pages 48 through 49 of this report.

KEY ECONOMIC FACTORS AND BUDGET INFORMATION FOR THE FUTURE

At the time these financial statements were prepared and audited, the District was aware of the following circumstances that could affect its future financial health:

The most significant economic factor for the District is the State of Oregon's State school funding formula. The formula consists of a general purpose grant, transportation grant, and certain local revenues along with student enrollment. For fiscal year 2011-12, the state also added \$125 million in Education Stability Funds to increase the overall allocation to K-12 to \$5.8 billion for the 2011-13 state biennium. This is considered a one-time grant. The District's fiscal year 2012-13 adopted budget plans for the state school fund formula to provide approximately 90% of the General Fund resources.

District enrollment has declined by approximately 800 students over the last decade. In fiscal year 2011-12, the decline was more than 179 students, or 2.7% for a total enrollment of 6,278. Enrollment projections assume a continued reduction for fiscal year 2012-13, affecting all grade levels. This enrollment decline, as well as the current economic decline impacting affordable housing in the community, directly impacts revenues received from the state.

The state retirement system and resulting employer contribution rates are also a significant factor for budgets. Investment losses have severely impacted the state's unfunded liability and the newly adopted 2013-15 biennium rates for the Corvallis School District 509J are 16.81% for Tier I/Tier II payroll, and 14.81% for OPSRP payroll. Though it was known that these rate increases would be substantial, this is an obvious increase over the 2011-13 respective rates of 9.48% (+7.33 points) and 7.97% (+6.84 points) and is not welcome news as the District plans for the 2013-14 budget year.

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

Contract negotiations with the District's two largest employee groups occurred in fiscal year 2011-12 resulting in new one-year agreements for the certified and classified employee groups. Agreements acknowledged current economic conditions and there are no provisions for cost of living, step advancement or increases to employer contributions towards health insurance. In addition, 3-4 furlough days create further reductions to employee's wages. Negotiations will resume in the current fiscal year as District's across the state work to allocate limited resources for staff and services. As a service organization, staffing is approximately 85% of our expenditures.

While the majority of funding is provided by the state, the District has been fortunate to have a supportive local community willing to provide additional resources by their ongoing support of the local option tax levy.

In November 2010, voters approved the renewal of a five-year local option levy effective fiscal year 2012-13. This levy approval provides for direct support to reduce class sizes, increase literacy, music, and physical education instruction, as well as support high school athletics and activities. The levy was renewed at the current rate, not to exceed \$1.50 per \$1,000 of assessed value, and is estimated to raise \$4.2 million for fiscal year 2012-13. This amount is \$0.4 million less than original projections as the gap between real market values and assessed values continues to compress resulting in less revenues available from the levy. Currently, this funding provides 43.97 full time equivalent (FTE) staff to serve students.

The fiscal year 2012-13 adopted budget reduces services by \$3.4 million. This reduction was mitigated by the use of \$1.34 million from a Rainy Day Reserve, which is 40% of the total available. The School Board anticipates using half next year and the remainder in the following year. Reductions were made that maintained an 85/15% split between people and other requirements to provide a stable infrastructure for running the organization. Staffing reductions of 20.5 certified FTE, 3.8 classified FTE, 1.2 FTE administrators and 1.7 FTE support staff occurred to meet this goal.

Multi-year forecasts are routinely updated. Looking forward to fiscal year 2013-14 as budget season begins and the State legislature works with the Governor's proposed budget for the next biennium, it is yet too early to determine specific criteria to set budget parameters. The Governor has outlined dramatic structural changes for funding within education from preschool through college. Strategic planning efforts are underway with staff and community forums to be held to gather input as service levels are evaluated.

In spite of many years of tight funding, the District is proud to be able to demonstrate success in educating our students. The school board is actively involved in ongoing strategic planning to continue to lead the District in a fiscally responsible manner. Long-term goals and financial plans are actively managed to guide the District as major decisions are made.

All of these factors were considered in preparing the District's budget for fiscal year 2012-13.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Corvallis School District 509J's finances for all those with an interest. Questions concerning any of the information provided in the report or requests for additional information should be addressed to the Business Services Department, Corvallis School District 509J, P.O. Box 3509J, Corvallis, Oregon 97339.

BASIC FINANCIAL STATEMENTS

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

STATEMENT OF NET ASSETS

June 30, 2012

| | Governmental Activities | Component Unit |
|------------------------------------------------------|----------------------------|-------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | \$ 23,561,641 | \$ 156,540 |
| Investments | 2,726,520 | - |
| Accounts receivable | 1,220,201 | 1,110 |
| Property taxes receivable | 1,416,049 | - |
| Interest receivable | 21,437 | - |
| Other receivables | 745,155 | - |
| Inventories | 143,634 | - |
| Total current assets | 29,834,637 | 157,650 |
| Restricted assets | 996,970 | - |
| Capital assets, net of accumulated depreciation | 94,733,579 | 43,925 |
| Bond issuance costs, net of accumulated amortization | 599,456 | - |
| Net pension asset | 27,884,925 | - |
| Total assets | 154,049,567 | 201,575 |
| LIABILITIES | | |
| Current liabilities | | |
| Accounts payable | 2,765,906 | 4,478 |
| Payroll liabilities | 1,762,734 | - |
| Accrued liabilities | 130,393 | 18,266 |
| Compensated absences | 147,330 | - |
| Deferred revenue | 125,566 | - |
| Interest payable, current portion | 120,285 | - |
| Early retirement, current portion | 366,135 | - |
| Long-term liabilities, current portion | 6,774,662 | - |
| Total current liabilities | 12,193,011 | 22,744 |
| Noncurrent liabilities | | |
| OPEB benefits payable | 146,204 | - |
| Interest payable, less current portion | 2,158,989 | - |
| Early retirement, less current portion | 669,708 | - |
| Long-term liabilities, less current portion | 73,054,969 | - |
| Total noncurrent liabilities | 76,029,870 | - |
| Total liabilities | 88,222,881 | 22,744 |
| NET ASSETS | | |
| Invested in capital assets, net of related debt | 35,992,307 | 43,925 |
| Restricted for debt service | 881,427 | - |
| Unrestricted | 28,952,952 | 134,906 |
| Total net assets | \$ 65,826,686 | \$ 178,831 |

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

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2012

| <u>Functions/Programs</u> | Program Revenues | | | |
|--------------------------------------------|---------------------------------|---------------------------------------------------|-------------------------------------------------|-------------|
| <u>Expenses</u> | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> | |
| Primary government | | | | |
| Governmental activities | | | | |
| Instruction | \$ 37,057,203 | \$ 2,526,933 | \$ 2,912,226 | \$ - |
| Support services | 19,895,700 | 836,668 | 1,943,376 | - |
| Enterprise and community services | 3,113,790 | 131,148 | 317,025 | - |
| Facilities acquisition and construction | 3,409,000 | - | - | - |
| Interest expense | <u>4,111,719</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total governmental activities | <u>\$ 67,587,412</u> | <u>\$ 3,494,749</u> | <u>\$ 5,172,627</u> | <u>\$ -</u> |
| Component unit | | | | |
| Governmental activities | | | | |
| Muddy Creek Charter School | <u>\$ 386,466</u> | <u>\$ 8,432</u> | <u>\$ -</u> | <u>\$ -</u> |
| General revenues | | | | |
| Property taxes levied for general purposes | | | | |
| Property taxes levied for debt service | | | | |
| State school fund | | | | |
| State fiscal stabilization fund | | | | |
| Common school fund | | | | |
| Unrestricted state and local revenue | | | | |
| Unrestricted grants and contributions | | | | |
| Investment earnings | | | | |
| Miscellaneous | | | | |
| Total general revenues | | | | |
| Change in net assets | | | | |
| Net assets - beginning, as restated | | | | |
| Net assets - ending | | | | |

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

Net (Expense) Revenue and
Changes in Net Assets

| <u>Primary Government</u> | <u>Component Unit</u> |
|------------------------------------|---------------------------------------|
| <u>Governmental Activities</u> | <u>Muddy Creek Charter School</u> |
| \$ (31,618,044) | \$ - |
| (17,115,656) | - |
| (2,665,617) | - |
| (3,409,000) | - |
| <u>(4,111,719)</u> | <u>-</u> |
| <u>(58,920,036)</u> | <u>-</u> |
| <u>-</u> | <u>(378,034)</u> |
| 27,137,205 | - |
| 8,641,629 | - |
| 22,801,900 | 408,959 |
| - | 10,429 |
| 823,044 | - |
| 501,910 | - |
| - | 34,615 |
| 226,649 | 143 |
| <u>241,697</u> | <u>3,413</u> |
| <u>60,374,034</u> | <u>457,559</u> |
| 1,453,998 | 79,525 |
| <u>64,372,688</u> | <u>99,306</u> |
| <u>\$ 65,826,686</u> | <u>\$ 178,831</u> |

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2012

| | General Fund | Grants Fund | Debt Service Fund |
|--------------------------------------|---------------|--------------|-------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 7,727,671 | \$ 1,479,454 | \$ 572,958 |
| Investments | 2,726,520 | - | - |
| Accounts receivable | 538,348 | 86,101 | - |
| Property taxes receivable | 1,416,049 | - | 424,012 |
| Note receivable | - | - | - |
| Other receivables | 21,437 | 744,306 | - |
| Inventories | - | - | - |
| | | | |
| Total assets | \$ 12,430,025 | \$ 2,309,861 | \$ 996,970 |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities | | | |
| Accounts payable | \$ 1,748,115 | \$ 264,120 | \$ - |
| Accrued liabilities | 1,110,442 | - | - |
| Deferred revenue | 1,321,557 | 94,338 | 394,540 |
| | | | |
| Total liabilities | 4,180,114 | 358,458 | 394,540 |
| Fund balances | | | |
| Restricted | - | 1,951,403 | 602,430 |
| Committed | - | - | - |
| Assigned | 7,169,800 | - | - |
| Unassigned | 1,080,111 | - | - |
| | | | |
| Total fund balances | 8,249,911 | 1,951,403 | 602,430 |
| Total liabilities and fund balances | \$ 12,430,025 | \$ 2,309,861 | \$ 996,970 |

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

| <u>PERS Debt Service Fund</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
|-----------------------------------|--------------------------------------------|-----------------------------------------|
| \$ 2,347,141 | \$ 3,902,256 | \$ 16,029,480 |
| - | - | 2,726,520 |
| - | 595,752 | 1,220,201 |
| - | - | 1,840,061 |
| - | 849 | 849 |
| - | - | 765,743 |
| - | 143,634 | 143,634 |
| <u>\$ 2,347,141</u> | <u>\$ 4,642,491</u> | <u>\$ 22,726,488</u> |
| | | |
| \$ - | \$ 221,060 | \$ 2,233,295 |
| - | 3,237 | 1,113,679 |
| - | 31,228 | 1,841,663 |
| <u>-</u> | <u>255,525</u> | <u>5,188,637</u> |
| | | |
| - | - | 2,553,833 |
| 2,347,141 | - | 2,347,141 |
| - | 4,386,966 | 11,556,766 |
| - | - | 1,080,111 |
| <u>2,347,141</u> | <u>4,386,966</u> | <u>17,537,851</u> |
| <u>\$ 2,347,141</u> | <u>\$ 4,642,491</u> | <u>\$ 22,726,488</u> |

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES**

June 30, 2012

| | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|-----------------------------|
| Total fund balances | | \$ 17,537,851 |
| Capital assets are not financial resources and are therefore not reported in the governmental funds: | | |
| Cost | 136,874,276 | |
| Accumulated depreciation and amortization | <u>(42,140,697)</u> | 94,733,579 |
| Bond issuance costs on long-term debt are not financial resources and are therefore not reported in the governmental funds. | | |
| | | 599,456 |
| Property tax revenue is recognized in the net assets of governmental activities when the taxes are levied; however, in the governmental fund statements, it is recognized when available to be used for current year operations. Taxes not collected within 60 days of the end of the year are not considered available to pay for current year operations and are therefore not reported as revenue in the governmental funds. | | |
| | | 1,716,097 |
| Internal service funds are used by management to charge the costs of insurance premiums and services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. | | |
| | | 6,908,603 |
| The PERS UAL net pension asset is not available to pay current period expenditures and is therefore deferred in the governmental funds. | | |
| | | 27,884,925 |
| Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due. These liabilities consist of: | | |
| Bonds payable, net of premiums and discounts | (79,829,631) | |
| Early retirement payable | (1,035,843) | |
| OPEB benefits payable | (146,204) | |
| Compensated absences payable | (147,330) | |
| Accrued bond interest payable | (115,543) | |
| Accrued accreted interest payable | <u>(2,279,274)</u> | <u>(83,553,825)</u> |
| Net assets of governmental activities | | <u>\$ 65,826,686</u> |

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

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended June 30, 2012

| | General Fund | Grants Fund | Debt Service Fund |
|--------------------------------------------------------------|---------------|--------------|-------------------|
| REVENUES | | | |
| Local revenue | \$ 27,804,361 | \$ 36,111 | \$ 8,665,011 |
| Intermediate revenue | 281,575 | - | - |
| State revenue | 23,700,398 | 14,900 | - |
| Federal revenue | 63,694 | 2,540,854 | - |
| Total revenues | 51,850,028 | 2,591,865 | 8,665,011 |
| EXPENDITURES | | | |
| Current | | | |
| Instruction | 32,539,963 | 2,181,088 | - |
| Support services | 21,151,201 | 739,883 | - |
| Enterprise and community services | 80,711 | 42,552 | - |
| Debt service | - | - | 8,452,412 |
| Capital outlay | - | 41,027 | - |
| Total expenditures | 53,771,875 | 3,004,550 | 8,452,412 |
| Excess (deficiency) of revenues over (under) expenditures | (1,921,847) | (412,685) | 212,599 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | - | - | - |
| Transfers out | - | - | - |
| Total other financing sources (uses) | - | - | - |
| Net change in fund balances | (1,921,847) | (412,685) | 212,599 |
| Fund balances - beginning | 10,171,758 | 2,364,088 | 389,831 |
| Fund balances - ending | \$ 8,249,911 | \$ 1,951,403 | \$ 602,430 |

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

| <u>PERS Debt Service Fund</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
|-----------------------------------|--------------------------------------------|-----------------------------------------|
| \$ 2,105,441 | \$ 4,773,023 | \$ 43,383,947 |
| - | 344,865 | 626,440 |
| - | 24,370 | 23,739,668 |
| - | 1,362,127 | 3,966,675 |
| <u>2,105,441</u> | <u>6,504,385</u> | <u>71,716,730</u> |
| - | 2,052,731 | 36,773,782 |
| - | 1,138,687 | 23,029,771 |
| - | 3,020,785 | 3,144,048 |
| 2,005,580 | - | 10,457,992 |
| - | 663,670 | 704,697 |
| <u>2,005,580</u> | <u>6,875,873</u> | <u>74,110,290</u> |
| <u>99,861</u> | <u>(371,488)</u> | <u>(2,393,560)</u> |
| - | 405,755 | 405,755 |
| - | (405,755) | (405,755) |
| - | - | - |
| 99,861 | (371,488) | (2,393,560) |
| <u>2,247,280</u> | <u>4,758,454</u> | <u>19,931,411</u> |
| <u>\$ 2,347,141</u> | <u>\$ 4,386,966</u> | <u>\$ 17,537,851</u> |

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2012

Net change in fund balances \$ (2,393,560)

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

Governmental funds report capital outlay as expenditures; however, in the statement of activities, the costs of these assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

| | | |
|---------------------------------------------------|--------------------|-------------|
| Expenditures for capital assets | 822,325 | |
| Disposal of capital assets | (13,800) | |
| Related accumulated depreciation | 13,800 | |
| Depreciation expense recorded in the current year | <u>(3,612,034)</u> | (2,789,709) |

Governmental funds do not report the amortization of bond issuance costs as expenditures; however, in the statement of activities, these costs are recorded as an asset and amortized over the life of the bond.

| | | |
|---------------------------------------------------|--|----------|
| Amortization expense recorded in the current year | | (37,466) |
|---------------------------------------------------|--|----------|

Governmental funds report current period PERS lump sum payments to finance an estimated unfunded actuarial liability as an expenditures; however, in the statement of activities, this payment is capitalized and amortized over the life of the unfunded liability.

(1,250,006)

Long-term debt proceeds are reported as other financing sources in the governmental funds. In the statement of net assets, however, issuing long-term debt increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability in the statement of net assets.

| | | |
|-------------------------------|------------------|-----------|
| Amortization of bond premiums | 31,987 | |
| Debt principal paid | <u>6,397,566</u> | 6,429,553 |

Some expenses reported in the statement of activities do not require the use of current financial resources and are therefore not reported as expenditures in the governmental funds.

| | | |
|-----------------------------------------------------|----------------|---------|
| Compensated absences | 3,401 | |
| Accrued interest | (51,293) | |
| Early retirement and other post-employment benefits | <u>878,773</u> | 830,881 |

Internal service funds are used by management to charge the costs of insurance premiums to individual funds. This activity is consolidated with the governmental funds in the statement of activities.

751,520

Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the statement of activities, property taxes are recognized as revenue when levied.

(87,215)

Change in net assets **\$ 1,453,998**

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

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

STATEMENT OF NET ASSETS

PROPRIETARY FUND

June 30, 2012

| | <u>Internal Service Fund Insurance</u> |
|---------------------------|------------------------------------------------|
| ASSETS | |
| Cash and cash equivalents | <u>\$ 8,105,119</u> |
| LIABILITIES | |
| Accounts payable | 532,611 |
| Accrued liabilities | <u>663,905</u> |
| Total liabilities | <u>1,196,516</u> |
| NET ASSETS | |
| Unrestricted | <u>\$ 6,908,603</u> |

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

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

PROPRIETARY FUND

For the Year Ended June 30, 2012

| | <u>Internal Service Fund Insurance</u> |
|-------------------------|------------------------------------------------|
| Operating revenues | |
| Charges for services | \$ 11,761,424 |
| Operating expenses | |
| Support services | <u>(11,035,505)</u> |
| Operating income (loss) | 725,919 |
| Nonoperating revenue | |
| Interest | <u>25,601</u> |
| Change in net assets | 751,520 |
| Net assets - beginning | <u>6,157,083</u> |
| Net assets - ending | <u>\$ 6,908,603</u> |

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

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

For the Year Ended June 30, 2012

| | Internal Service Fund Insurance |
|-------------------------------------------------------------------------------------------------------|---------------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Charges for services | \$ 11,761,424 |
| Payments to employees | (102,594) |
| Payments for goods and services | <u>(10,892,587)</u> |
| Net cash provided (used) by operating activities | <u>766,243</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Earnings on investments | <u>25,601</u> |
| Net cash provided (used) by investing activities | <u>25,601</u> |
| Net increase (decrease) in cash and cash equivalents | 791,844 |
| Cash and cash equivalents - beginning | <u>7,313,275</u> |
| Cash and cash equivalents - ending | <u><u>\$ 8,105,119</u></u> |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | |
| Operating income (loss) | \$ 725,919 |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | |
| Increase (decrease) in: | |
| Accounts payable | 96,119 |
| Accrued liabilities | <u>(55,795)</u> |
| Net cash provided (used) by operating activities | <u><u>\$ 766,243</u></u> |

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

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

STATEMENT OF FIDUCIARY NET ASSETS

June 30, 2012

| | <u>Agency Fund</u> <u>Corvallis Public</u> <u>Schools</u> <u>Foundation</u> |
|---------------------------|--------------------------------------------------------------------------------------|
| ASSETS | |
| Cash and cash equivalents | <u>\$ 447,143</u> |
| LIABILITIES | |
| Accounts payable | \$ 2,266 |
| Due to others | <u>444,877</u> |
| Total liabilities | <u>\$ 447,143</u> |

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

NOTES TO BASIC FINANCIAL STATEMENTS

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Corvallis School District 509J have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Reporting Entity

Corvallis School District 509J functions as a local education agency, serving students in grades kindergarten through twelfth. The District is governed by a seven-member board of directors.

Inavale Community Partners, Inc., dba Muddy Creek Charter School is sponsored by the District and is reported as a discretely presented component unit. Its complete financial statements may be obtained from their administrative offices. The District is not financially responsible for the charter school, but the nature and significance of its financial relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. This component unit is presented in total in a separate column in the government-wide financial statements to emphasize that it is a legally separate organization from the District. Revenues reported by the component unit as state school fund monies equal the amount passed through the District. Additional information may be obtained at the charter school administrative offices, 30252 Bellfountain Road, Corvallis, Oregon 97333.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on the activities of the District.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) charges for goods and services provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental and proprietary funds are reported as separate columns in the fund financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting; however, principal and interest on long-term debt, as well as expenditures related to compensated absences and early retirement, are recorded only when payment is due.

Property taxes, investment earnings, and charges for services associated with the current fiscal period are all considered to be susceptible to accrual and have therefore been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

General Fund – The General Fund is the primary operating fund of the District. It accounts for all financial resources except those required to be accounted for in another fund. The primary sources of revenue are property taxes and state revenues.

Special Revenue Fund

Grants Fund – The Grants Fund accounts for revenues and expenditures of grants restricted for specific educational and support activities. The primary sources of revenue are federal, state, and local grants.

Debt Service Fund – The Debt Service Fund accounts for the repayment of the District's long-term debt. The primary source of revenue is property taxes. The primary use of revenue is payment of interest and principal due on long-term debt.

PERS Debt Service Fund – The PERS Debt Service Fund accounts for the repayment of the District's Limited Tax Pension Obligations. The primary source of revenue is charges to other funds. The primary use of revenue is payment of interest and principal of long-term debt.

Additionally, the District reports the following nonmajor governmental funds:

Special Revenue Funds

Food Service Fund – This fund accounts for the various food service programs provided by the District. The sale of food and federal subsidies administered by the state are the major revenue sources.

Designated Revenue Fund – This fund accounts for revenues and expenditures of local contributions restricted for specific purposes.

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Designated Facilities Fund – This fund is used to account for resources accumulated to fund capital improvements and upgrades to school facilities and for the acquisition and sale of land for school district use.

Student Body Activity Fund – This fund accounts for the revenues and expenditures of the various student clubs and activities.

District Donation Fund – This fund accounts for expenditures of donations made to the District from the Corvallis Public Schools Foundation.

Early Retirement Fund – This fund accounts for the accumulation and payment of funds to employees under the District's early retirement incentive plan.

Capital Project Funds

New Schools Bond Fund – This fund was used to account for bond funds approved by voters to build a new high school, middle school, and other various remodeling projects. The fund will be closed upon payment of the arbitrage due.

The District reports the following proprietary fund:

Internal Service Fund

Insurance Fund – This internal service fund accounts for the cost and administration by the District for liability insurance premiums and related deductibles and payment of insurance premiums for all employee-paid benefits. The principal source of revenue is charges to other funds for services.

The District reports the following fiduciary fund:

Agency Fund – The Agency Fund is used to account for transactions of Corvallis Public Schools Foundation.

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are transfers between the governmental funds and the proprietary funds. Elimination of these transactions would distort their respective financial statements.

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

The District reports deferred revenue on the balance sheet of the governmental funds. Deferred revenues arise when potential revenue does not meet both the measurable and available criteria for recognition in the current period. Deferred revenues also arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both recognition criteria are met or when the District has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. Assets, Liabilities, and Equity

1. Cash and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the District to invest in legally issued general obligations of the United States, the agencies and instrumentalities of the United States and the states of Oregon, Washington, Idaho, or California, certain interest-bearing bonds, time deposit open accounts, certificates of deposit, and savings accounts in banks, mutual savings banks, and savings and loan associations that maintain a head office or a branch in this state in the capacity of a bank, mutual savings bank, or savings and loan association, and share accounts and savings accounts in credit unions in the name of, or for the benefit of, a member of the credit union pursuant to a plan of deferred compensation.

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Equity (Continued)

2. Property Taxes

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 remittances of collection to entities levying taxes. Property taxes are levied and become a lien as of July 1 on property values assessed as of June 30. Property taxes are payable in three installments, which are due on November 15, February 15, and May 15.

Uncollected property taxes are shown as assets in the governmental funds. Property taxes collected within approximately 60 days of fiscal year-end are recognized as revenue, while the remaining amount of taxes receivable are recorded as deferred revenue because they are not deemed available to finance operations of the current period.

3. Other Receivables

General receivables are comprised primarily of accounts, interest, common school fund, and reimbursement of costs under various federal and state grants.

4. Grant Revenue

Unreimbursed expenditures due from grantor agencies are reflected in the basic financial statements as receivables and revenues. Grant revenues are recorded at the time earned or when eligible expenditures are incurred. Grant monies received prior to the incurrence of qualifying expenditures are recorded as unearned revenue on the statement of net assets and the balance sheet.

5. Inventories

Food Service Fund inventories of food and supplies are valued at invoice cost (first-in, first-out). Inventoried items are charged to expenditures of the program at the time of withdrawal from inventory (consumption method).

6. Capital Assets

Capital assets, which include property, plant, equipment, and intangibles, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost where no historical records exist. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance or repairs that do not add to the value of an asset or materially extend its life are charged to expenditures as incurred and are not capitalized.

Major capital outlays for capital assets and improvements are capitalized as projects are constructed.

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Equity (Continued)

6. Capital Assets (Continued)

Property, plant, and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

| <u>Assets</u> | <u>Years</u> |
|----------------------------|--------------|
| Vehicles and equipment | 5-30 |
| Buildings and improvements | 20-50 |

7. Compensated Absences

Amounts of vested or accumulated vacation leave that are expected to be liquidated with expendable available financial resources are reported as expenditures when paid. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as long-term liabilities on the statement of net assets. In accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

8. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net assets. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are also deferred and amortized over the life of the bonds using the straight-line method.

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.

9. Pension Assets

The pension asset consists of three lump-sum payments to PERS totaling \$34,919,733 in partial payment of the District's unfunded actuarial liability. The pension asset is equal to these payments made from the issuance of pension bonds as well as a \$6 million lump-sum payment less accumulated amortization calculated on the bonds outstanding method which approximates the effective interest method over the life of the pension obligation bonds or for the lump-sum payment, amortizes as a level percentage of projected payroll over the period ending December 31, 2029 as established by PERS.

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Equity (Continued)

10. Retirement Plans

Most of the District's employees participate in Oregon's Public Employees Retirement System (PERS). Contributions are made on a current basis as required by the plan and are recorded as expenses or expenditures.

The District provides a single-employer retiree benefit plan that provides post-employment health, dental, and vision benefits to eligible employees and their spouses. There are active and retired members in the plan. Benefits and eligibility for members are established through various collective bargaining agreements.

11. District Early Retirement Incentive Program

Early retirement benefits are reported as long-term liabilities on the statement of net assets. Benefits include a monthly stipend and portion of health insurance premiums. Amounts vary according to agreed-upon terms at the time of retirement.

12. Fund Equity

Beginning with fiscal year 2011, the District implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- Nonspendable fund balance – amounts that are in nonspendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., board of directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest level action to remove or change the constraint.
- Assigned fund balance – amounts the District intends to use for a specific purpose. Intent can be expressed by the board of directors or by an official or body to which the board of directors delegates the authority.
- Unassigned fund balance – amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Equity (Continued)

12. Fund Equity (Continued)

Commitment of fund balance is accomplished through adoption of the budget resolution by the board of directors. Further, commitments of fund balance may be modified or rescinded only through approval of the board of directors via resolution or ordinance. Authority to assign fund balances has been granted to the Superintendent and Business Services Director.

The District has adopted Board Policy DA: Fiscal Policies which guides the budget to create sufficient fund balances to provide sustainable programs; protect the District from the inability to meet cash flow needs: and provide prudent reserves to meet unexpected events. General fund reserves and ending fund balances should target a 2.5% appropriated contingency, 5.0% appropriated rainy day reserve, 5.0% unappropriated ending fund balance and targeted reserves as may be designated.

E. 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 certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The District budgets all funds in accordance with the requirements of state law. Annual appropriated budgets are adopted for the general, special revenue, debt service, capital projects, and internal service funds. All funds are budgeted on the modified accrual basis of accounting.

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

The District begins its budgeting process by appointing budget committee members. The budget officer prepares a budget, which is reviewed by the budget committee. The budget is then published in proposed form and is presented at public hearings to obtain taxpayer comments and approval from the budget committee. The budget is legally adopted by the board of directors by resolution prior to the beginning of the District's fiscal year. The board resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total instruction, support services, enterprise and community services, debt service, facilities acquisition and construction, interfund transfers, and operating contingency are the levels of control for the funds established by the resolution. The detailed budget document, however, is required to contain more specific detailed information for the aforementioned expenditure categories and management may revise the detailed line item budgets within appropriation categories. Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriation resolution. Supplemental budgets less than 10% of a fund's original budget may be adopted by the board of directors at a regular board meeting. A supplemental budget greater than 10% of a fund's original budget requires hearings before the public, publication in newspapers, and approval by the board of directors. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval by the board of directors. During the year, there were no supplemental budgets. The District does not use encumbrances and appropriations lapse at year-end.

Budget amounts shown in the financial statements reflect the original budget amounts and one approved appropriation transfer.

B. Excess of Expenditures Over Appropriations

The District expended funds in excess of the amounts appropriated, which is in violation of ORS 294.100. The following appropriations were over-expended for the fiscal year ended June 30, 2012:

| <u>Fund</u> | <u>Function</u> | <u>Appropriations</u> | <u>Expenditures</u> | <u>Excess</u> |
|--------------|-----------------------------------|-----------------------|---------------------|---------------|
| Food Service | Enterprise and community services | \$ 2,827,900 | \$ 2,851,086 | \$ 23,186 |

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. Cash and Investments

Corvallis School District 509J maintains a cash and cash equivalents pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the fund financial statements as cash and cash equivalents. Additionally, several funds held separate cash accounts. Interest earned on pooled cash and investments is allocated to participating funds based upon their combined cash and investment balances.

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

A. Cash and Investments (Continued)

Investments, including amounts held in pooled cash and investments, are stated at fair value. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments with a remaining maturity of more than one year at the time of purchase are stated at fair value. Fair value is determined at the quoted market price, if available; otherwise, the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. Investments in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value.

The Oregon State Treasury administers the LGIP. The LGIP 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. To provide regulatory oversight, the Oregon Legislature established the Oregon Short-Term Fund Board and LGIP investments are approved by the Oregon Investment Council. The fair value of the District's position in the LGIP is the same as the value of the pool shares.

Credit Risk

Oregon statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the Local Government Investment Pool. The District's investment policy, which adheres to State of Oregon law, is to limit its investments to the following: Issuers within Oregon must be rated "AA" or better (bonds) or A-1/P-1 (commercial paper) or better by a nationally recognized statistical rating organization.

Investments

As of June 30, 2012, the District had the following investments:

| <u>Investment Type</u> | <u>Carrying Amount</u> | <u>Percentage of Portfolio</u> | <u>Credit Quality Rating</u> |
|-----------------------------------------|------------------------|--------------------------------|------------------------------|
| Local Government Investment Pool (LGIP) | \$ 24,619,124 | 90.01% | Unrated |
| PERS Custody-LGIP | 5,933 | 0.02% | Unrated |
| Investments-Corporate Bonds | <u>2,726,520</u> | <u>9.97%</u> | Aa3/A+/AA- |
| Total | <u>\$ 27,351,577</u> | <u>100.00%</u> | |

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

A. Cash and Investments (Continued)

Interest Rate Risk

The District minimizes interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by structuring the investment portfolio so that securities mature to meet the cash requirement for ongoing operations, thereby avoiding the need to sell securities in the open market, and investment operating funds primarily in shorter-term securities, liquid asset funds, money market funds, or similar investment pools and limited the average maturity in accordance with the District's cash requirements.

Concentration of Credit Risk

The District minimizes concentration of credit risk, which is the risk of loss attributed to the magnitude of the District's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from one type of security or issuer will be minimized. 90% of the District's investments are in the Oregon Local Government Investment Pool.

The District's investment policy for investing in individual issuers varies depending on the type of investments. U.S. Treasury obligations do not have restrictions regarding concentration with any one issuer. U.S. agency securities are limited to no more than one-third of the portfolio may be invested in any specific agency. Bankers acceptances must be purchased from an Oregon chartered financial institution. Certificates of deposit of commercial banks shall not represent more than 10% of the total portfolio in any single depository at settlement. Investments in commercial paper or corporate indebtedness with any one issuer may not exceed 5% of the total portfolio at settlement date.

As a means of limiting its exposure to fair value losses arising from interest rates, the District's investment policy limits investments as follows:

| <u>Investment Type</u> | <u>Maximum % of portfolio</u> |
|----------------------------------------------------|-----------------------------------|
| U.S. Treasury Obligations (Bills, Notes, Bonds) | 100.0% |
| U.S. Agency Securities | 90.0% |
| Local Government Investment Pool | 100.0% |
| Bankers Acceptances | 25.0% |
| Repurchase Agreements | 25.0% |
| Certificates of Deposit | 50.0% |
| Commercial Paper | 10.0% |
| State and Local Government Securities | 25.0% |

Board investment policy states that the District shall attempt to match investments with anticipated future cash flow requirements. The maximum maturity shall be the anticipated use of the cash or 18 months, whichever is shorter, unless special approval is received from the School Board.

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

A. Cash and Investments (Continued)

Concentration of Credit Risk (Continued)

At June 30, 2012, the District's portfolio held \$2.7 million or 9.9% in commercial paper with a single issuer as compared to the investment policy maximum of 5%. The District plans to hold the investment until maturity in February 2013 which will return the portfolio to compliance.

Custodial Credit Risk – Investments

This is the risk that, in the event of the failure of a counterparty, the District will not be able to recover the value of its investments that are in the possession of an outside party. The District does not have a policy that limits the amount of investments that can be held by counterparties.

Custodial Credit Risk – Deposits

This is the risk that, in the event of a bank failure, the District's deposits may not be returned. All District deposits not covered by Federal Depository Insurance Corporation (FDIC) insurance are covered by the Public Funds Collateralization Program (PFCP) of the State of Oregon, organized in accordance with ORS 295. The PFCP is a shared liability structure for participating bank depositories. Barring any exceptions, a bank depository is required to pledge collateral valued at a minimum of 10% of their quarter-end public fund deposits if they are considered well capitalized, 25% of their quarter-end public fund deposits if they are considered adequately capitalized, or 110% of their quarter-end public fund deposits if they are considered undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities.

The District holds noninterest-bearing accounts at Bank of America, for which deposits are fully insured by the FDIC temporary liquidity guarantee program. At June 30, 2012, the District's total deposits of \$955,966 were fully insured by the FDIC.

Deposits

The District's cash and investments at June 30, 2012 are as follows:

| | |
|----------------------------|-----------------------------|
| Cash on hand | \$ 450 |
| Checking accounts | (490,908) |
| Total investments | <u>27,351,577</u> |
| Total cash and investments | <u><u>\$ 26,861,119</u></u> |

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

A. Cash and Investments (Continued)

Deposits (Continued)

Cash and investments by fund:

| | |
|----------------------------------------------|----------------------|
| Governmental activities - unrestricted | |
| General Fund | \$ 10,454,191 |
| Grants Fund | 1,479,454 |
| PERS Debt Service Fund | 2,347,141 |
| Nonmajor governmental funds | 3,902,256 |
| Insurance Fund | <u>8,105,119</u> |
| Total governmental activities - unrestricted | <u>26,288,161</u> |
| Governmental activities - restricted | |
| Debt Service Fund | <u>572,958</u> |
| Total cash and investments | <u>\$ 26,861,119</u> |

Restricted cash is for future payments of principal and interest on long-term debt.

B. Receivables

The District's receivables at June 30, 2012 are as follows:

| | |
|---------------------------------|---------------------|
| Property taxes receivable | |
| General Fund | \$ 1,416,049 |
| Debt Service Fund | <u>424,012</u> |
| Total property taxes receivable | <u>1,840,061</u> |
| Other receivables | |
| General fund | 559,785 |
| Grants Fund | 813,416 |
| Nonmajor governmental funds | <u>596,601</u> |
| Total other receivables | <u>1,969,802</u> |
| Total receivable | <u>\$ 3,809,863</u> |

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

C. Capital Assets

Capital asset activity for the year ended June 30, 2012 was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---------------------------------------------|----------------------|-----------------------|--------------------|----------------------|
| Governmental activities | | | | |
| Capital assets not being depreciated | | | | |
| Land | \$ 2,629,247 | \$ - | \$ - | \$ 2,629,247 |
| Construction in progress | <u>53,204</u> | <u>263,685</u> | <u>(53,204)</u> | <u>263,685</u> |
| Total capital assets not being depreciated | <u>2,682,451</u> | <u>263,685</u> | <u>(53,204)</u> | <u>2,892,932</u> |
| Capital assets being depreciated | | | | |
| Buildings and improvements | 129,768,437 | 494,216 | - | 130,262,653 |
| Vehicles and equipment | <u>3,614,863</u> | <u>117,628</u> | <u>(13,800)</u> | <u>3,718,691</u> |
| Total capital assets being depreciated | <u>133,383,300</u> | <u>611,844</u> | <u>(13,800)</u> | <u>133,981,344</u> |
| Less accumulated depreciation for | | | | |
| Buildings and improvements | (36,364,309) | (3,374,001) | - | (39,738,310) |
| Vehicles and equipment | <u>(2,178,154)</u> | <u>(238,033)</u> | <u>13,800</u> | <u>(2,402,387)</u> |
| Total accumulated depreciation | <u>(38,542,463)</u> | <u>(3,612,034)</u> | <u>13,800</u> | <u>(42,140,697)</u> |
| Total capital assets being depreciated, net | <u>94,840,837</u> | <u>(3,000,190)</u> | <u>-</u> | <u>91,840,647</u> |
| Governmental activities capital assets, net | <u>\$97,523,288</u> | <u>\$ (2,736,505)</u> | <u>\$ (53,204)</u> | <u>\$ 94,733,579</u> |

Capital assets are reported on the statement of net assets as follows:

| | Capital Assets | Accumulated Depreciation | Net Capital Assets |
|-----------------------------------|-----------------------|-----------------------------|-----------------------|
| Governmental activities | | | |
| Land | \$ 2,629,247 | \$ - | \$ 2,629,247 |
| Construction in progress | 263,685 | - | 263,685 |
| Buildings and improvements | 130,262,653 | (39,738,310) | 90,524,343 |
| Vehicles and equipment | <u>3,718,691</u> | <u>(2,402,387)</u> | <u>1,316,304</u> |
| Total governmental capital assets | <u>\$ 136,874,276</u> | <u>\$ (42,140,697)</u> | <u>\$ 94,733,579</u> |

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

C. Capital Assets (Continued)

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

| | |
|-----------------------------------------|---------------------|
| Instructional | \$ 66,534 |
| Support Services | 155,550 |
| Enterprise and community services | 11,594 |
| Facilities acquisition and construction | <u>3,378,356</u> |
| Total depreciation expense | <u>\$ 3,612,034</u> |

D. Bond Issuance Costs

Bond issuance costs relate to the issuance of the 2002 Limited Tax Pension Obligation and the 2003 General Obligation Bond. Refer to Note III-F for further detail on the bonds.

The following is a summary of bond issuance cost transactions for the year:

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|-------------------------------------------|------------------------------|------------------|--------------------|---------------------------|
| Governmental activities | | | | |
| Bond issuance costs being amortized | | | | |
| 2002 Limited Tax Pension Obligation | \$ 201,289 | \$ - | \$ (11,840) | \$ 189,449 |
| 2003 General Obligation Bond | <u>435,633</u> | <u>-</u> | <u>(25,626)</u> | <u>410,007</u> |
| Total bond issuance costs being amortized | <u>\$ 636,922</u> | <u>\$ -</u> | <u>\$ (37,466)</u> | <u>\$ 599,456</u> |

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

| | |
|----------------------------|------------------|
| Instructional | \$ 22,480 |
| Support services | <u>14,986</u> |
| Total amortization expense | <u>\$ 37,466</u> |

E. Compensated Absences

The following is a summary of compensated absences transactions for the year:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> |
|----------------------|------------------------------|-------------------|-------------------|---------------------------|
| Compensated absences | <u>\$ 150,731</u> | <u>\$ 205,973</u> | <u>\$ 209,374</u> | <u>\$ 147,330</u> |

The General Fund has traditionally been used to liquidate compensated absences liabilities.

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

F. Long-Term Liabilities

1. Changes in Long-Term Liabilities

The following is a summary of long-term liabilities transactions for the year:

| | Interest Rates | Original Amount | Beginning Balance, As Restated | Additions | Reductions | Ending Balance | Due Within One Year |
|---------------------------------|-------------------|-----------------------|--------------------------------------|------------------|---------------------|----------------------|------------------------|
| Governmental activities | | | | | | | |
| Limited tax pension obligations | | | | | | | |
| OSBA 2002 | 2.06 - 6.1% | \$ 24,299,733 | \$ 20,765,925 | \$ - | \$ 412,566 | \$ 20,353,359 | \$ 434,662 |
| OSBA 2005A | 3.684 - 4.52% | 4,620,000 | 1,115,000 | - | 380,000 | 735,000 | 310,000 |
| General obligation bonds | | | | | | | |
| Series 2003 | 2 - 5% | 86,400,000 | 7,820,000 | - | 3,825,000 | 3,995,000 | 3,995,000 |
| Series 2007 | 4 - 5% | <u>55,800,000</u> | <u>51,655,000</u> | <u>-</u> | <u>1,780,000</u> | <u>49,875,000</u> | <u>2,035,000</u> |
| Total bonds | | <u>\$ 171,119,733</u> | <u>\$ 81,355,925</u> | <u>\$ -</u> | <u>\$ 6,397,566</u> | <u>\$ 74,958,359</u> | <u>\$ 6,774,662</u> |
| Unamortized premium on bonds | | <u>4,949,821</u> | <u>4,903,259</u> | <u>-</u> | <u>31,987</u> | <u>4,871,272</u> | <u>-</u> |
| Total bonds payable | | <u>\$ 176,069,554</u> | <u>\$ 86,259,184</u> | <u>\$ -</u> | <u>\$ 6,429,553</u> | <u>\$ 79,829,631</u> | <u>\$ 6,774,662</u> |
| Accrued accreted interest | | | 2,212,265 | 67,009 | - | 2,279,274 | 120,285 |
| Early retirement incentive | | | <u>1,974,169</u> | <u>-</u> | <u>938,326</u> | <u>1,035,843</u> | <u>366,135</u> |
| Total long-term liabilities | | | <u>\$ 90,445,618</u> | <u>\$ 67,009</u> | <u>\$ 7,367,879</u> | <u>\$ 83,144,748</u> | <u>\$ 7,261,082</u> |

The General Fund has traditionally been used to liquidate early retirement obligations.

2. Limited Tax Pension Obligation Bonds

Pension obligation bonds will be paid from revenues in the PERS Debt Service Fund generated by charges to other funds. The District participated in the OBSA Pension Bond Pool for the purpose of funding the District's allocated portion of the PERS Unfunded Actuarial Liability (UAL).

The District issued \$24,299,733 Limited Tax Pension Bonds, Series 2002 which are deferred interest bonds payable annually through 2028. Interest on the deferred interest bonds is accreted semiannually at rates ranging from 2.06% to 6.10%. The bonds are federally taxable.

The District issued \$4,620,000 Limited Tax Pension Bonds, Series 2005 which are deferred interest bonds payable annually through 2016. Interest on the deferred interest bonds is accreted semiannually at rates ranging from 3.7% to 4.5%. The bonds are federally taxable.

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

F. Long-Term Liabilities (Continued)

3. General Obligation Refunding Bonds

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

On March 15, 2007, the District issued \$55.8 million in general obligation bonds with an average interest rate of 4.8% to advance refund \$3.445 million of outstanding 1999 series bonds with an average interest rate of 5.0% and \$53.395 million of outstanding 2003 series bonds with an average interest rate of 3.5%. As a result, \$56,840,000 of outstanding general obligation bonds are considered defeased.

4. Future Maturities of Long-Term Liabilities

| Year Ending June 30 | Bonds | | |
|------------------------|----------------------|----------------------|-----------------------|
| | Principal | Interest | Total |
| 2013 | \$ 6,774,662 | \$ 3,882,787 | \$ 10,657,449 |
| 2014 | 7,130,877 | 3,711,849 | 10,842,726 |
| 2015 | 7,617,190 | 3,458,120 | 11,075,310 |
| 2016 | 8,111,698 | 3,192,145 | 11,303,843 |
| 2017 | 8,655,754 | 2,907,080 | 11,562,834 |
| 2018-2022 | 22,028,178 | 8,201,704 | 30,229,882 |
| 2023-2027 | 13,135,000 | 3,411,973 | 16,546,973 |
| 2028 | <u>1,505,000</u> | <u>346,040</u> | <u>1,851,040</u> |
| Total | <u>\$ 74,958,359</u> | <u>\$ 29,111,698</u> | <u>\$ 104,070,057</u> |

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

G. Constraints on Fund Balance

Constraints on fund balances reported on the balance sheet are as follows:

| | <u>General Fund</u> | <u>Grants Fund</u> | <u>Debt Service Fund</u> | <u>PERS Debt Service Fund</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
|-------------------------------|---------------------|---------------------|------------------------------|-----------------------------------|--------------------------------------------|-----------------------------------------|
| Fund balances: | | | | | | |
| Restricted for: | | | | | | |
| Debt service | \$ - | \$ - | \$ 602,430 | \$ - | \$ - | \$ 602,430 |
| Grants | - | 1,951,403 | - | - | - | 1,951,403 |
| Committed to: | | | | | | |
| PERS UAL | - | - | - | 2,347,141 | - | 2,347,141 |
| Assigned to: | | | | | | |
| Operating contingency | 1,276,100 | - | - | - | - | 1,276,100 |
| Rainy day fund | 3,341,500 | - | - | - | - | 3,341,500 |
| Food service program | - | - | - | - | 866,668 | 866,668 |
| Contracts and programs | - | - | - | - | 752,944 | 752,944 |
| Facilities improvements | - | - | - | - | 773,470 | 773,470 |
| Student body activities | - | - | - | - | 496,181 | 496,181 |
| Early retirement incentives | - | - | - | - | 1,497,703 | 1,497,703 |
| Unapprop. ending fund balance | 2,552,200 | - | - | - | - | 2,552,200 |
| Unassigned | <u>1,080,111</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,080,111</u> |
| Total fund balances | <u>\$ 8,249,911</u> | <u>\$ 1,951,403</u> | <u>\$ 602,430</u> | <u>\$ 2,347,141</u> | <u>\$ 4,386,966</u> | <u>\$ 17,537,851</u> |

IV. OTHER INFORMATION

A. 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; and natural disasters for which the District carries commercial insurance. There was no significant reduction in insurance coverage from the previous year. There were no insurance settlements exceeding insurance coverage in any of the past three years.

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

IV. OTHER INFORMATION (Continued)

B. Retirement Plans

1. Oregon Public Employees Retirement System

Plan Description

The District contributes to two pension plans administered by the Oregon Public Employees Retirement System (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: the pension program and the defined benefit portion of the plan. OPSRP 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. Beginning January 1, 2004, all PERS member contributions go into the Individual Account Program (IAP), the defined contribution portion of the plan. PERS members retain their existing PERS accounts, but any future member contributions are deposited into the member's IAP, not the member's PERS account.

Both PERS plans provide retirement and disability benefits, post-employment healthcare benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS is administered under Oregon Revised Statute (ORS) 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. That report may be obtained by writing to PERS, P.O. Box 23700, Tigard, Oregon 97281-3700, by calling (503) 598-7377, or by accessing the PERS website at <http://oregon.gov/PERS/>.

Funding Policy

The District is required by ORS 238.225 to contribute at an actuarially determined rate for the qualifying employees under the OPERF plan and a general service rate for the qualifying employees under the OPSRP plan. The OPERF and OPSRP rates in effect for the year ended June 30, 2012 were 9.48% and 7.97%, respectively. The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature. Covered employees are required by state statute to contribute 6% of their annual salary to the system, but the employer is allowed to pay any or all of the employees' contributions in addition to the required employer's contribution. The District has elected to pay the required employee contribution of 6% of covered payroll.

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

IV. OTHER INFORMATION (Continued)

B. Retirement Plans (Continued)

1. Oregon Public Employees Retirement System (Continued)

Annual Pension Cost

Total payroll was \$32,518,710 and subject payroll was \$31,380,474 for the fiscal year ended June 30, 2012. The District's contributions to PERS for the three years ended June 30, 2010, 2011, and 2012 were equal to the required contribution for each year.

Annual pension expenses/expenditures are summarized as follows:

| <u>Fiscal Year Ended June 30</u> | <u>Annual Pension Cost (APC)</u> | <u>Percentage of APC Contributed</u> |
|------------------------------------------|------------------------------------------|----------------------------------------------|
| 2010 | \$ 2,416,529 | 100% |
| 2011 | \$ 2,474,215 | 100% |
| 2012 | \$ 4,773,739 | 100% |

C. Other Post-Employment Benefits

1. Early Retirement Incentive Benefits

The School Board, through contract negotiators, previously authorized the District to offer early retirement incentive benefits to all non-temporary employees. To be eligible, retirees must have qualifying consecutive employment with the District and meet certain PERS requirements. These benefits are being phased out as follows:

Certified employees agreed in February 2005 to end the program effective June 30, 2017. Only employees hired before September 1, 1988 are eligible for Early Retirement Incentive benefits. A lump-sum payout was made on April 30, 2005, to end the benefit rights of employees hired between September 1, 1988, and June 30, 1998. Upon retirement, an additional lump-sum payment will be made to those hired before September 1, 1988 in recognition of reduced benefits available after their retirement.

Stipend payments range from 48 months to 72 months based upon eligibility criteria. No employees retiring after April 1, 2005, are eligible to receive insurance benefits.

Retirement incentives for administrative and classified employees ended in June 2008. The current payments and accrued liabilities are for certified employees only.

The District provides payments in accordance with current employee contracts, primarily on a pay-as-you-go basis. Additional funds were transferred to the Early Retirement Fund in prior years to allow smoothing of General Fund retirement expenditures. At June 30, 2012, the District was providing early retirement benefits to 73 former employees. During the year ended June 30, 2012, governmental fund expenditures related to early retirement benefits totaled \$938,326, which consisted of incentive payments of \$808,008 and insurance benefits of \$130,318.

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

IV. OTHER INFORMATION (Continued)

C. Other Post-Employment Benefits (Continued)

1. Early Retirement Incentive Benefits (Continued)

Expenditures are recorded in the governmental funds as the incentive payments and related insurance premiums are paid. The present value of future incentive payments and estimated insurance premiums is recorded in the statement of net assets. Actuarial valuations are performed every other year with the next update scheduled for June 30, 2013.

Actuarial valuations for early retirement incentive activity for the year are as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|--------------------------|----------------------|-------------|-------------------|---------------------|------------------------|
| Early retirement payable | <u>\$ 1,974,169</u> | <u>\$ -</u> | <u>\$ 938,326</u> | <u>\$ 1,035,843</u> | <u>\$ 366,135</u> |

Early retirement incentives will be provided by contributions from the General Fund and paid by the Early Retirement Fund.

2. Post-Retirement Health Benefits

The District operates a single-employer retiree benefit incentive plan that provides post-employment health, dental and vision benefits to eligible employees and their spouses. There are 586 active employees and 136 retired members in the plan. Benefits and eligibility for members are established through the collective bargaining agreements.

The District's post-retirement healthcare plan was established in accordance with ORS 243.303. ORS stipulate that for the purpose of establishing healthcare premiums, the rate must be based on all plan members, including both active employees and retirees. The difference between retiree claims costs, which because of the effect of age is generally higher in comparison to all plan members, and the amount of retiree healthcare premiums represents the District's implicit employer contribution.

Independent actuarial valuations are done every two years. There is not a separate audited GAAP basis post-employment benefit plan report.

The District did not establish an irrevocable trust (or equivalent arrangement) to account for the plan. Instead, the activities of the plan are reported in the governmental funds.

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

IV. OTHER INFORMATION (Continued)

C. Other Post-Employment Benefits (Continued)

2. Post-Retirement Health Benefits (Continued)

Funding Policy

The benefits from this program are paid by the retired employees on a self-pay basis and the required contribution is based on projected pay-as-you-go financing requirements. There is no obligation on the part of the District to fund these benefits in advance.

Annual Pension Cost and Net Pension Obligation

Annual OPEB Cost and Net OPEB Obligation – The District’s annual other post-employment benefit cost (expense) is calculated based on Annual Required Contribution of the employer (ARC), an amount actuarially determined in accordance within the parameters of GASB 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 (of funding excess) over a period not to exceed 30 years.

| | 2012 | 2011 |
|------------------------------------------------|------------|------------|
| Annual Required Contribution (Medical) | \$ 578,868 | \$ 562,008 |
| Interest on net OPEB obligation (BOY) | 3,249 | 1,282 |
| Adjustment to ARC for net OPEB obligation | (6,486) | (354,472) |
| Annual OPEB cost | 575,631 | 208,818 |
| Expected contributions | (516,078) | (442,285) |
| Increase (decrease) in net OPEB obligation | 59,553 | (233,467) |
| Net OPEB obligation - beginning of fiscal year | 86,651 | 320,118 |
| Net OPEB obligation - end of fiscal year | \$ 146,204 | \$ 86,651 |
| Percentage of annual OPEB cost contributed | 89.65% | 211.80% |

Actuarial Methods and Assumptions

The actuarial cost method used to determine the cost and the liabilities for this plan was the projected unit credit actuarial cost method. Under this method, the unfunded value of all benefits expected to be paid from the plan is spread over the expected working career of all participants in such a way that annual costs are expected to remain level.

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

IV. OTHER INFORMATION (Continued)

C. Other Post-Employment Benefits (Continued)

2. Post-Retirement Health Benefits (Continued)

Actuarial Methods and Assumptions (Continued)

The actuarial assumptions included a discounted rate of 3.75% and an 80% assumption of participants who elect medical coverage at retirement are assumed to cover a spouse as well. They also assume medical and prescription drugs cost would increase at 9.5% inflation for the current year, grading down to an annual rate of 5% over ten years which is consistent with expectations for long-term health care cost inflation. The demographic assumptions, such as those used in the December 31, 2008 valuation of Oregon PERS benefits for school districts.

Funded Status

As of July 1, 2010, the most recent actuarial valuation date, for the period ended June 30, 2012, the District's actuarial accrued liability (AAL) for benefits was \$5,417,733, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$5,417,733. The covered payroll was \$31,380,474 with 17.26% UAAL as a percentage of covered payroll. The schedule of funding progress and employer contributions presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

3. Retirement Health Insurance Account (RHIA)

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 post-employment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to PERS, P.O. Box 23700, Tigard, Oregon 97281-3700, by calling (503) 598-7377, or by accessing the PERS website at <http://oregon.gov/PERS/>.

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

IV. OTHER INFORMATION (Continued)

C. Other Post-Employment Benefits (Continued)

3. Retirement Health Insurance Account (RHIA) (Continued)

Plan Description (Continued)

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

Funding Policy

Participating entities are contractually required to contribute to RHIA at a rate assessed each year by OPERS; currently 0.50% of covered payroll. The OPERS board of trustees sets the employer contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance within 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 30 years. The District's contributions to RHIA for the years ended June 30, 2010, 2011, and 2012 were \$76,874, \$86,479, and \$166,753, respectively, which equaled the required contributions each year.

D. Tax-Deferred Savings Plans

The District also offers its employees a tax-deferred annuity plan established pursuant to Section 403(b) of the Internal Revenue Code (IRC) and a deferred compensation plan established pursuant to Section 457 of the IRC. Contributions are made through salary reductions from participating employees up to the amount specified in the IRC. No contributions are required from the District except as agreed to by contract. As of June 30, 2012, 142 employees were participating in the plans.

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

IV. OTHER INFORMATION (Continued)

E. Restatements

Net Assets

Beginning net assets were restated as follows:

| Government-Wide Statements | Governmental Activities |
|------------------------------------------------|----------------------------|
| Net assets - beginning, as originally reported | \$ 66,801,035 |
| To correct amortized amount of bond premium | <u>(2,428,347)</u> |
| Net assets - beginning, as restated | <u>\$ 64,372,688</u> |

F. New Pronouncements

The Governmental Accounting Standards Board (GASB) has issued the following pronouncements that have future effective dates that will impact future financial presentations. Management has not currently determined what impact implementation of the following statements will have on future financial statements.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, will be effective for the District beginning with its fiscal year ending June 30, 2013, though earlier application is encouraged. This statement will standardize the presentation of deferred outflows and inflows of resources and their effects on net position.

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, will be effective for the District beginning with its fiscal year ending June 30, 2013, though earlier application is encouraged. This statement incorporates into the GASB's authoritative literature, certain accounting and financial reporting guidance that is included in the Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure, issued on or before November 30, 1989 that does not conflict with or contradict GASB pronouncements.

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, will be effective for the District beginning with its fiscal year ending June 30, 2013. This statement modifies certain requirements for inclusion of component units in the financial reporting entity and amends the criteria for reporting component units as if they were part of the primary government (that is, blending) in certain circumstances.

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

IV. OTHER INFORMATION (Continued)

G. Subsequent Events

Management has evaluated subsequent events through December 10, 2012, which was the date that the financial statements were available to be issued.

1. Sale of Fairplay School

The Fairplay School is currently in the process of being sold to the Corvallis Waldorf School at a price of \$450,000. Estimated closing date of sale is July 1, 2013. An underground storage tank will be removed before the sale closes at an estimated cost of \$10,000.

REQUIRED SUPPLEMENTARY INFORMATION

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

SCHEDULES OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS

OTHER POST-EMPLOYMENT HEALTH BENEFITS

Schedule of Funding Progress

| Actuarial Valuation Date | (a) Actuarial Value of Assets | (b) Actuarial Accrued Liability (AAL) | (b)-(a) Unfunded Actuarial Accrued Liability (UAAL) | (a/b) Funded Ratio | (c) Covered Payroll | ((b-a)/c) UAAL as a Percentage of Covered Payroll |
|--------------------------------|----------------------------------------|------------------------------------------------|-----------------------------------------------------------------|--------------------------|-----------------------------|------------------------------------------------------------|
| 2010 | \$ - | \$ 6,902,128 | \$ 6,902,128 | 0% | \$ 29,104,038 | 23.72% |
| 2011 | \$ - | \$ 5,417,733 | \$ 5,417,733 | 0% | \$ 32,176,363 | 16.84% |
| 2012 | \$ - | \$ 5,417,733 | \$ 5,417,733 | 0% | \$ 31,380,474 | 17.26% |

Schedule of Employer Contributions

| Year Ended June 30 | Annual Required Contribution | Percentage Contributed | Net Pension Obligation (Asset) |
|--------------------------|------------------------------------|---------------------------|--------------------------------------|
| 2010 | \$ 574,012 | 82.20% | \$ 320,118 |
| 2011 | \$ 442,285 | 211.80% | \$ 86,651 |
| 2012 | \$ 516,078 | 89.65% | \$ 146,204 |

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

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

GENERAL FUND

For the Year Ended June 30, 2012

| | <u>Original and Final Budget</u> | <u>Actual GAAP Basis</u> | <u>Variance with Final Budget Over (Under)</u> |
|------------------------------------------------------------------|------------------------------------------|----------------------------------|--------------------------------------------------------|
| REVENUES | | | |
| Local revenue | \$ 27,641,000 | \$ 27,804,361 | \$ 163,361 |
| Intermediate revenue | 240,000 | 281,575 | 41,575 |
| State revenue | 23,107,822 | 23,700,398 | 592,576 |
| Federal revenue | <u>74,299</u> | <u>63,694</u> | <u>(10,605)</u> |
| Total revenues | <u>51,063,121</u> | <u>51,850,028</u> | <u>786,907</u> |
| EXPENDITURES | | | |
| Current | | | |
| Instruction | 32,621,179 | 32,539,963 | (81,216) |
| Support services | 21,669,474 | 21,151,201 | (518,273) |
| Enterprise and community services | 92,800 | 80,711 | (12,089) |
| Facilities acquisition and construction | 1 | - | (1) |
| Contingency | <u>3,820,341</u> | <u>-</u> | <u>(3,820,341)</u> |
| Total expenditures | <u>58,203,795</u> | <u>53,771,875</u> | <u>(4,431,920)</u> |
| Excess (deficiency) of revenues over (under) expenditures | (7,140,674) | (1,921,847) | 5,218,827 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers out | <u>(5)</u> | <u>-</u> | <u>(5)</u> |
| Net change in fund balance | (7,140,679) | (1,921,847) | 5,218,832 |
| Fund balance - beginning | <u>9,692,879</u> | <u>10,171,758</u> | <u>478,879</u> |
| Fund balance - ending | <u>\$ 2,552,200</u> | <u>\$ 8,249,911</u> | <u>\$ 5,697,711</u> |

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

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

GRANTS FUND

For the Year Ended June 30, 2012

| | <u>Original and Final Budget</u> | <u>Actual GAAP Basis</u> | <u>Variance with Final Budget Over (Under)</u> |
|------------------------------------------------------------------|------------------------------------------|----------------------------------|--------------------------------------------------------|
| REVENUES | | | |
| Local revenue | \$ 50,000 | \$ 36,111 | \$ (13,889) |
| Intermediate revenue | 100,000 | - | (100,000) |
| State revenue | 100,000 | 14,900 | (85,100) |
| Federal revenue | <u>3,500,000</u> | <u>2,540,854</u> | <u>(959,146)</u> |
| Total revenues | <u>3,750,000</u> | <u>2,591,865</u> | <u>(1,158,135)</u> |
| EXPENDITURES | | | |
| Current | | | |
| Instruction | 4,750,000 | 2,181,088 | (2,568,912) |
| Support services | 1,150,000 | 739,883 | (410,117) |
| Enterprise and community services | 50,000 | 42,552 | (7,448) |
| Facilities acquisition and construction | <u>50,000</u> | <u>41,027</u> | <u>(8,973)</u> |
| Total expenditures | <u>6,000,000</u> | <u>3,004,550</u> | <u>(2,995,450)</u> |
| Excess (deficiency) of revenues over (under) expenditures | (2,250,000) | (412,685) | 1,837,315 |
| Fund balance - beginning | <u>2,250,000</u> | <u>2,364,088</u> | <u>114,088</u> |
| Fund balance - ending | <u>\$ -</u> | <u>\$ 1,951,403</u> | <u>\$ 1,951,403</u> |

OTHER SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

June 30, 2012

| | Special Revenue Funds | | | |
|--------------------------------------|-----------------------|-----------------------|--------------------------|--------------------------|
| | Food Service | Designated Revenue | Designated Facilities | Student Body Activity |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 454,276 | \$ 661,217 | \$ 755,629 | \$ 508,648 |
| Accounts receivable | 323,300 | 110,453 | 161,999 | - |
| Note receivable | 849 | - | - | - |
| Inventories | 143,634 | - | - | - |
| Total assets | \$ 922,059 | \$ 771,670 | \$ 917,628 | \$ 508,648 |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities | | | | |
| Accounts payable | \$ 24,163 | \$ 18,726 | \$ 140,921 | \$ 12,467 |
| Accrued liabilities | - | - | 3,237 | - |
| Deferred revenue | 31,228 | - | - | - |
| Total liabilities | 55,391 | 18,726 | 144,158 | 12,467 |
| Fund balances | | | | |
| Assigned | | | | |
| Food service program | 866,668 | - | - | - |
| Contracts and programs | - | 752,944 | - | - |
| Facilities improvements | - | - | 773,470 | - |
| Student body activities | - | - | - | 496,181 |
| Early retirement incentives | - | - | - | - |
| Total fund balances | 866,668 | 752,944 | 773,470 | 496,181 |
| Total liabilities and fund balances | \$ 922,059 | \$ 771,670 | \$ 917,628 | \$ 508,648 |

| Special Revenue Funds | | Capital Projects Fund | Total Nonmajor Governmental Funds |
|-----------------------|---------------------|-----------------------|-----------------------------------|
| District Donation | Early Retirement | New Schools Bond | |
| \$ 12,333 | \$ 1,497,703 | \$ 12,450 | \$ 3,902,256 |
| - | - | - | 595,752 |
| - | - | - | 849 |
| - | - | - | 143,634 |
| <u>\$ 12,333</u> | <u>\$ 1,497,703</u> | <u>\$ 12,450</u> | <u>\$ 4,642,491</u> |
| | | | |
| \$ 12,333 | \$ - | \$ 12,450 | \$ 221,060 |
| - | - | - | 3,237 |
| - | - | - | 31,228 |
| <u>12,333</u> | <u>-</u> | <u>12,450</u> | <u>255,525</u> |
| | | | |
| - | - | - | 866,668 |
| - | - | - | 752,944 |
| - | - | - | 773,470 |
| - | - | - | 496,181 |
| - | 1,497,703 | - | 1,497,703 |
| <u>-</u> | <u>1,497,703</u> | <u>-</u> | <u>4,386,966</u> |
| | | | |
| <u>\$ 12,333</u> | <u>\$ 1,497,703</u> | <u>\$ 12,450</u> | <u>\$ 4,642,491</u> |

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended June 30, 2012

| | Special Revenue Funds | | | |
|--------------------------------------------------------------|-----------------------|-----------------------|--------------------------|--------------------------|
| | Food Service | Designated Revenue | Designated Facilities | Student Body Activity |
| REVENUES | | | | |
| Local revenue | \$ 1,266,535 | \$ 758,533 | \$ 654,057 | \$ 1,075,507 |
| Intermediate revenue | - | 344,865 | - | - |
| State revenue | 24,370 | - | - | - |
| Federal revenue | <u>1,362,127</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total revenues | <u>2,653,032</u> | <u>1,103,398</u> | <u>654,057</u> | <u>1,075,507</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Instruction | - | 793,298 | - | 892,751 |
| Support services | - | 99,574 | 1,499 | 62,448 |
| Enterprise and community services | 2,851,086 | 108,430 | - | - |
| Facilities acquisition and construction | <u>-</u> | <u>-</u> | <u>663,670</u> | <u>-</u> |
| Total expenditures | <u>2,851,086</u> | <u>1,001,302</u> | <u>665,169</u> | <u>955,199</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(198,054)</u> | <u>102,096</u> | <u>(11,112)</u> | <u>120,308</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | 405,755 | - |
| Transfers out | <u>-</u> | <u>(405,755)</u> | <u>-</u> | <u>-</u> |
| Total other financing sources (uses) | <u>-</u> | <u>(405,755)</u> | <u>405,755</u> | <u>-</u> |
| Net change in fund balances | (198,054) | (303,659) | 394,643 | 120,308 |
| Fund balances - beginning | <u>1,064,722</u> | <u>1,056,603</u> | <u>378,827</u> | <u>375,873</u> |
| Fund balances - ending | <u>\$ 866,668</u> | <u>\$ 752,944</u> | <u>\$ 773,470</u> | <u>\$ 496,181</u> |

| <u>Special Revenue Funds</u> | | Total |
|------------------------------|---------------------|---------------------|
| District | Early | Nonmajor |
| <u>Donation</u> | <u>Retirement</u> | <u>Governmental</u> |
| | | <u>Funds</u> |
| \$ 464,789 | \$ 553,602 | \$ 4,773,023 |
| - | - | 344,865 |
| - | - | 24,370 |
| - | - | <u>1,362,127</u> |
| <u>464,789</u> | <u>553,602</u> | <u>6,504,385</u> |
| 366,682 | - | 2,052,731 |
| 36,838 | 938,328 | 1,138,687 |
| 61,269 | - | 3,020,785 |
| - | - | <u>663,670</u> |
| <u>464,789</u> | <u>938,328</u> | <u>6,875,873</u> |
| - | <u>(384,726)</u> | <u>(371,488)</u> |
| - | - | 405,755 |
| - | - | <u>(405,755)</u> |
| - | - | - |
| - | <u>(384,726)</u> | <u>(371,488)</u> |
| - | <u>1,882,429</u> | <u>4,758,454</u> |
| <u>\$ -</u> | <u>\$ 1,497,703</u> | <u>\$ 4,386,966</u> |

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

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

FOOD SERVICE FUND

For the Year Ended June 30, 2012

| | <u>Original and Final Budget</u> | <u>Actual GAAP Basis</u> | <u>Variance with Final Budget Over (Under)</u> |
|--------------------------------------------------------------|------------------------------------------|----------------------------------|--------------------------------------------------------|
| REVENUES | | | |
| Local revenue | \$ 1,093,799 | \$ 1,266,535 | \$ 172,736 |
| State revenue | 23,000 | 24,370 | 1,370 |
| Federal revenue | <u>1,711,100</u> | <u>1,362,127</u> | <u>(348,973)</u> |
| Total revenues | <u>2,827,899</u> | <u>2,653,032</u> | <u>(174,867)</u> |
| EXPENDITURES | | | |
| Current | | | |
| Enterprise and community services | 2,827,900 | 2,851,086 | 23,186 |
| Contingency | <u>645,100</u> | <u>-</u> | <u>(645,100)</u> |
| Total expenditures | <u>3,473,000</u> | <u>2,851,086</u> | <u>(621,914)</u> |
| Excess (deficiency) of revenues over (under) expenditures | (645,101) | (198,054) | 447,047 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | <u>1</u> | <u>-</u> | <u>(1)</u> |
| Net change in fund balance | (645,100) | (198,054) | 447,046 |
| Fund balance - beginning | <u>645,100</u> | <u>1,064,722</u> | <u>419,622</u> |
| Fund balance - ending | <u>\$ -</u> | <u>\$ 866,668</u> | <u>\$ 866,668</u> |

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

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

DESIGNATED REVENUE FUND

For the Year Ended June 30, 2012

| | Original Budget | Final Budget | Actual GAAP Basis | Variance with Final Budget Over (Under) |
|--------------------------------------------------------------|--------------------|-----------------|-------------------------|-----------------------------------------------|
| REVENUES | | | | |
| Local revenue | \$ 638,000 | \$ 638,000 | \$ 758,533 | \$ 120,533 |
| Intermediate revenue | 399,999 | 399,999 | 344,865 | (55,134) |
| Total revenues | 1,037,999 | 1,037,999 | 1,103,398 | 65,399 |
| EXPENDITURES | | | | |
| Current | | | | |
| Instruction | 963,500 | 963,500 | 793,298 | (170,202) |
| Support services | 240,800 | 240,800 | 99,574 | (141,226) |
| Enterprise and community services | 157,700 | 157,700 | 108,430 | (49,270) |
| Facilities acquisition and construction | 1,000 | 1,000 | - | (1,000) |
| Total expenditures | 1,363,000 | 1,363,000 | 1,001,302 | (361,698) |
| Excess (deficiency) of revenues over (under) expenditures | (325,001) | (325,001) | 102,096 | 427,097 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 1 | 1 | - | (1) |
| Transfers out | (100,000) | (405,756) | (405,755) | 1 |
| Total other financing sources (uses) | (99,999) | (405,755) | (405,755) | - |
| Net change in fund balance | (425,000) | (730,756) | (303,659) | 427,097 |
| Fund balance - beginning | 425,000 | 730,756 | 1,056,603 | 325,847 |
| Fund balance - ending | \$ - | \$ - | \$ 752,944 | \$ 752,944 |

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

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

DESIGNATED FACILITIES FUND

For the Year Ended June 30, 2012

| | Original Budget | Final Budget | Actual GAAP Basis | Variance with Final Budget Over (Under) |
|--------------------------------------------------------------|--------------------|-----------------|-------------------------|-----------------------------------------------|
| REVENUES | | | | |
| Local revenue | \$ 725,502 | \$ 725,502 | \$ 654,057 | \$ (71,445) |
| EXPENDITURES | | | | |
| Current | | | | |
| Support services | 226,001 | 226,001 | 1,499 | (224,502) |
| Facilities acquisition and construction | 799,001 | 1,104,757 | 663,670 | (441,087) |
| Contingency | 100,000 | 100,000 | - | (100,000) |
| Total expenditures | 1,125,002 | 1,430,758 | 665,169 | (765,589) |
| Excess (deficiency) of revenues over (under) expenditures | (399,500) | (705,256) | (11,112) | 694,144 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 100,000 | 405,756 | 405,755 | (1) |
| Net change in fund balance | (299,500) | (299,500) | 394,643 | 694,143 |
| Fund balance - beginning | 299,500 | 299,500 | 378,827 | 79,327 |
| Fund balance - ending | \$ - | \$ - | \$ 773,470 | \$ 773,470 |

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

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

STUDENT BODY ACTIVITY FUND

For the Year Ended June 30, 2012

| | <u>Original and Final Budget</u> | <u>Actual GAAP Basis</u> | <u>Variance with Final Budget Over (Under)</u> |
|--------------------------------------------------------------|------------------------------------------|----------------------------------|--------------------------------------------------------|
| REVENUES | | | |
| Local revenue | \$ 1,150,000 | \$ 1,075,507 | \$ (74,493) |
| EXPENDITURES | | | |
| Current | | | |
| Instruction | 1,300,000 | 892,751 | (407,249) |
| Support services | <u>100,000</u> | <u>62,448</u> | <u>(37,552)</u> |
| Total expenditures | <u>1,400,000</u> | <u>955,199</u> | <u>(444,801)</u> |
| Excess (deficiency) of revenues over (under) expenditures | (250,000) | 120,308 | 370,308 |
| Fund balance - beginning | <u>250,000</u> | <u>375,873</u> | <u>125,873</u> |
| Fund balance - ending | <u>\$ -</u> | <u>\$ 496,181</u> | <u>\$ 496,181</u> |

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

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

DISTRICT DONATION FUND

For the Year Ended June 30, 2012

| | <u>Original and Final Budget</u> | <u>Actual GAAP Basis</u> | <u>Variance with Final Budget Over (Under)</u> |
|--------------------------------------------------------------|------------------------------------------|----------------------------------|--------------------------------------------------------|
| REVENUES | | | |
| Local revenue | \$ 700,000 | \$ 464,789 | \$ (235,211) |
| EXPENDITURES | | | |
| Current | | | |
| Instruction | 450,000 | 366,682 | (83,318) |
| Support services | 150,000 | 36,838 | (113,162) |
| Enterprise and community services | 99,999 | 61,269 | (38,730) |
| Facilities acquisition and construction | <u>1</u> | <u>-</u> | <u>(1)</u> |
| Total expenditures | <u>700,000</u> | <u>464,789</u> | <u>(235,211)</u> |
| Excess (deficiency) of revenues over (under) expenditures | - | - | - |
| Fund balance - beginning | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

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

EARLY RETIREMENT FUND

For the Year Ended June 30, 2012

| | <u>Original and Final Budget</u> | <u>Actual GAAP Basis</u> | <u>Variance with Final Budget Over (Under)</u> |
|--------------------------------------------------------------|------------------------------------------|----------------------------------|--------------------------------------------------------|
| REVENUES | | | |
| Local revenue | \$ 545,650 | \$ 553,602 | \$ 7,952 |
| EXPENDITURES | | | |
| Current | | | |
| Support services | 1,083,000 | 938,328 | (144,672) |
| Contingency | <u>200,000</u> | <u>-</u> | <u>(200,000)</u> |
| Total expenditures | <u>1,283,000</u> | <u>938,328</u> | <u>(344,672)</u> |
| Excess (deficiency) of revenues over (under) expenditures | (737,350) | (384,726) | 352,624 |
| Fund balance - beginning | <u>1,350,000</u> | <u>1,882,429</u> | <u>532,429</u> |
| Fund balance - ending | <u>\$ 612,650</u> | <u>\$ 1,497,703</u> | <u>\$ 885,053</u> |

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

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

DEBT SERVICE FUND

For the Year Ended June 30, 2012

| | <u>Original and Final Budget</u> | <u>Actual GAAP Basis</u> | <u>Variance with Final Budget Over (Under)</u> |
|--------------------------------------------------------------|------------------------------------------|----------------------------------|--------------------------------------------------------|
| REVENUES | | | |
| Local revenue | \$ 8,392,411 | \$ 8,665,011 | \$ 272,600 |
| EXPENDITURES | | | |
| Debt service | <u>8,452,412</u> | <u>8,452,412</u> | <u>-</u> |
| Excess (deficiency) of revenues over (under) expenditures | (60,001) | 212,599 | 272,600 |
| Fund balance - beginning | <u>60,001</u> | <u>389,831</u> | <u>329,830</u> |
| Fund balance - ending | <u>\$ -</u> | <u>\$ 602,430</u> | <u>\$ 602,430</u> |

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

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

PERS DEBT SERVICE FUND

For the Year Ended June 30, 2012

| | <u>Original and Final Budget</u> | <u>Actual GAAP Basis</u> | <u>Variance with Final Budget Over (Under)</u> |
|--------------------------------------------------------------|------------------------------------------|----------------------------------|--------------------------------------------------------|
| REVENUES | | | |
| Local revenue | \$ 2,015,580 | \$ 2,105,441 | \$ 89,861 |
| EXPENDITURES | | | |
| Debt service | <u>2,005,580</u> | <u>2,005,580</u> | <u>-</u> |
| Excess (deficiency) of revenues over (under) expenditures | 10,000 | 99,861 | 89,861 |
| Fund balance - beginning | <u>2,000,000</u> | <u>2,247,280</u> | <u>247,280</u> |
| Fund balance - ending | <u>\$ 2,010,000</u> | <u>\$ 2,347,141</u> | <u>\$ 337,141</u> |

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS -
 BUDGET AND ACTUAL

INSURANCE FUND

For the Year Ended June 30, 2012

| | <u>Original and Final Budget</u> | <u>Actual GAAP Basis</u> | <u>Variance with Final Budget Over (Under)</u> |
|----------------------------------------------------------|------------------------------------------|----------------------------------|--------------------------------------------------------|
| REVENUES | | | |
| Local revenue | \$ 11,223,000 | \$ 11,787,025 | \$ 564,025 |
| EXPENSES | | | |
| Current | | | |
| Support services | <u>14,810,002</u> | <u>11,035,505</u> | <u>(3,774,497)</u> |
| Excess (deficiency) of revenues over (under) expenses | (3,587,002) | 751,520 | 4,338,522 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | <u>1</u> | <u>-</u> | <u>(1)</u> |
| Change in net assets | (3,587,001) | 751,520 | 4,338,521 |
| Net assets - beginning | <u>3,587,001</u> | <u>6,157,083</u> | <u>2,570,082</u> |
| Net assets - ending | <u>\$ -</u> | <u>\$ 6,908,603</u> | <u>\$ 6,908,603</u> |

CAPITAL ASSET SCHEDULES

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

COMPARATIVE SCHEDULE OF CAPITAL ASSETS USED IN
OPERATION OF GOVERNMENTAL FUNDS BY SOURCE

For the Year Ended June 30, 2012

| | 2012 | 2011 |
|-------------------------------------------------------------|----------------|----------------|
| General Government Capital Assets | | |
| Land | \$ 2,629,247 | \$ 2,629,247 |
| Buildings and site improvements | 130,262,653 | 129,768,437 |
| Vehicles and equipment | 3,718,691 | 3,614,863 |
| Construction in progress | 263,685 | 53,204 |
| Total general government capital assets | \$ 136,874,276 | \$ 136,065,751 |
| Investments in Governmental Capital Assets by Source | | |
| General fund | \$ 42,355,078 | \$ 42,309,870 |
| Special revenue funds | 2,411,024 | 1,647,707 |
| Capital projects fund | 92,108,174 | 92,108,174 |
| Total investments in governmental capital assets by source | \$ 136,874,276 | \$ 136,065,751 |

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY

For the Year Ended June 30, 2012

| | <u>Land</u> | <u>Buildings and Site Improvements</u> | <u>Vehicles and Equipment</u> | <u>Construction in Progress</u> | <u>Total</u> |
|------------------------------------------------|------------------------|------------------------------------------------|-----------------------------------|-------------------------------------|---------------------------|
| General government capital assets | | | | | |
| Instruction | \$ - | \$ - | \$ 1,639,689 | \$ - | \$ 1,639,689 |
| Support services | - | 117,656 | 1,814,895 | - | 1,932,551 |
| Community services | - | - | 141,804 | - | 141,804 |
| Facilities acquisition | <u>2,629,247</u> | <u>130,144,997</u> | <u>122,303</u> | <u>263,685</u> | <u>133,160,232</u> |
| Total general government capital assets | <u>\$2,629,247</u> | <u>\$ 130,262,653</u> | <u>\$ 3,718,691</u> | <u>\$ 263,685</u> | <u>\$ 136,874,276</u> |

OTHER FINANCIAL SCHEDULES

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

SCHEDULE OF BOND REDEMPTION AND INTEREST REQUIREMENT -

GENERAL OBLIGATION BONDS

| Year Ending June 30 | New School Construction - 2003 Issue | | | Refunding Bond - 2007 Issue | | |
|------------------------|--------------------------------------|-------------------|---------------------|-----------------------------|----------------------|----------------------|
| | Principal | Interest | Total | Principal | Interest | Total |
| 2013 | \$ 3,995,000 | \$ 149,813 | \$ 4,144,813 | \$ 2,035,000 | \$ 2,473,400 | \$ 4,508,400 |
| 2014 | - | - | - | 6,445,000 | 2,392,000 | 8,837,000 |
| 2015 | - | - | - | 7,000,000 | 2,069,750 | 9,069,750 |
| 2016 | - | - | - | 7,575,000 | 1,719,750 | 9,294,750 |
| 2017 | - | - | - | 8,160,000 | 1,341,000 | 9,501,000 |
| 2018 | - | - | - | 5,755,000 | 933,000 | 6,688,000 |
| 2019 | - | - | - | 6,210,000 | 645,250 | 6,855,250 |
| 2020 | - | - | - | 6,695,000 | 334,750 | 7,029,750 |
| Total | <u>\$ 3,995,000</u> | <u>\$ 149,813</u> | <u>\$ 4,144,813</u> | <u>\$ 49,875,000</u> | <u>\$ 11,908,900</u> | <u>\$ 61,783,900</u> |

Total General Obligation Bonds

| Principal | Interest | Total |
|----------------------|----------------------|----------------------|
| \$ 6,030,000 | \$ 2,623,213 | \$ 8,653,213 |
| 6,445,000 | 2,392,000 | 8,837,000 |
| 7,000,000 | 2,069,750 | 9,069,750 |
| 7,575,000 | 1,719,750 | 9,294,750 |
| 8,160,000 | 1,341,000 | 9,501,000 |
| 5,755,000 | 933,000 | 6,688,000 |
| 6,210,000 | 645,250 | 6,855,250 |
| <u>6,695,000</u> | <u>334,750</u> | <u>7,029,750</u> |
| <u>\$ 53,870,000</u> | <u>\$ 12,058,713</u> | <u>\$ 65,928,713</u> |

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

SCHEDULE OF BOND REDEMPTION AND INTEREST REQUIREMENT -

PERS UAL LIMITED TAX PENSION BONDS

| Year Ending June 30 | PERS UAL Limited Tax Pension Bond - 2002 Issue | | | PERS UAL Limited Tax Pension Bond - 2005 Issue | | |
|------------------------|------------------------------------------------|----------------------|----------------------|------------------------------------------------|------------------|-------------------|
| | Principal | Interest | Total | Principal | Interest | Total |
| 2013 | \$ 434,662 | \$ 1,227,171 | \$ 1,661,833 | \$ 310,000 | \$ 32,403 | \$ 342,403 |
| 2014 | 455,877 | 1,300,956 | 1,756,833 | 230,000 | 18,893 | 248,893 |
| 2015 | 472,190 | 1,379,643 | 1,851,833 | 145,000 | 8,727 | 153,727 |
| 2016 | 486,698 | 1,470,135 | 1,956,833 | 50,000 | 2,260 | 52,260 |
| 2017 | 495,754 | 1,566,080 | 2,061,834 | - | - | - |
| 2018 | 504,378 | 1,667,455 | 2,171,833 | - | - | - |
| 2019 | 511,665 | 1,775,168 | 2,286,833 | - | - | - |
| 2020 | 517,135 | 1,889,698 | 2,406,833 | - | - | - |
| 2021 | - | 956,383 | 956,383 | - | - | - |
| 2022 | 1,835,000 | 911,833 | 2,746,833 | - | - | - |
| 2023 | 2,075,000 | 811,275 | 2,886,275 | - | - | - |
| 2024 | 2,330,000 | 697,358 | 3,027,358 | - | - | - |
| 2025 | 2,605,000 | 568,043 | 3,173,043 | - | - | - |
| 2026 | 2,900,000 | 423,465 | 3,323,465 | - | - | - |
| 2027 | 3,225,000 | 262,515 | 3,487,515 | - | - | - |
| 2028 | 1,505,000 | 83,528 | 1,588,528 | - | - | - |
| Total | <u>\$ 20,353,359</u> | <u>\$ 16,990,706</u> | <u>\$ 37,344,065</u> | <u>\$ 735,000</u> | <u>\$ 62,283</u> | <u>\$ 797,283</u> |

| Total PERS UAL Limited Tax Pension Bonds | | | Total of all bond issues | | |
|------------------------------------------|----------------------|----------------------|--------------------------|----------------------|----------------------|
| Principal | Interest | Total | Principal | Interest | Total |
| \$ 744,662 | \$ 1,259,574 | \$ 2,004,236 | \$ 6,774,662 | \$ 3,882,787 | \$ 10,657,449 |
| 685,877 | 1,319,849 | 2,005,726 | 7,130,877 | 3,711,849 | 10,842,726 |
| 617,190 | 1,388,370 | 2,005,560 | 7,617,190 | 3,458,120 | 11,075,310 |
| 536,698 | 1,472,395 | 2,009,093 | 8,111,698 | 3,192,145 | 11,303,843 |
| 495,754 | 1,566,080 | 2,061,834 | 8,655,754 | 2,907,080 | 11,562,834 |
| 504,378 | 1,667,455 | 2,171,833 | 6,259,378 | 2,600,455 | 8,859,833 |
| 511,665 | 1,775,168 | 2,286,833 | 6,721,665 | 2,420,418 | 9,142,083 |
| 517,135 | 1,889,698 | 2,406,833 | 7,212,135 | 2,224,448 | 9,436,583 |
| - | 956,383 | 956,383 | - | 956,383 | 956,383 |
| 1,835,000 | 911,833 | 2,746,833 | 1,835,000 | 911,833 | 2,746,833 |
| 2,075,000 | 811,275 | 2,886,275 | 2,075,000 | 811,275 | 2,886,275 |
| 2,330,000 | 697,358 | 3,027,358 | 2,330,000 | 697,358 | 3,027,358 |
| 2,605,000 | 568,043 | 3,173,043 | 2,605,000 | 568,043 | 3,173,043 |
| 2,900,000 | 423,465 | 3,323,465 | 2,900,000 | 423,465 | 3,323,465 |
| 3,225,000 | 262,515 | 3,487,515 | 3,225,000 | 262,515 | 3,487,515 |
| 1,505,000 | 83,528 | 1,588,528 | 1,505,000 | 83,528 | 1,588,528 |
| <u>\$ 21,088,359</u> | <u>\$ 17,052,989</u> | <u>\$ 38,141,348</u> | <u>\$ 74,958,359</u> | <u>\$ 29,111,702</u> | <u>\$104,070,061</u> |

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

REVENUE SUMMARY - ALL FUNDS

June 30, 2012

| Revenue from Local Sources | Fund 100 | Fund 200 | Fund 300 |
|-------------------------------------------------------|----------------------|---------------------|----------------------|
| 1110 Ad Valorem Taxes Levied by District | \$ 22,704,584 | \$ - | \$ 8,641,629 |
| 1120 Local Option Ad Valorem Taxes Levied by District | 4,519,836 | - | - |
| 1130 Construction Excise Tax | - | 501,910 | - |
| 1500 Earnings on Investments | 131,345 | 15,221 | 41,532 |
| 1600 Food Service | - | 1,251,579 | - |
| 1700 Extracurricular Activities | - | 1,071,655 | - |
| 1800 Community Services Activities | - | 30,939 | - |
| 1910 Rentals | 103,575 | 28,116 | - |
| 1920 Contributions and Donations From Private Sources | - | 464,788 | - |
| 1940 Services Provided Other Local Education Agencies | 19,619 | - | - |
| 1960 Recovery of Prior Years' Expenditure | 128,599 | - | - |
| 1970 Services Provided Other Funds | 50,000 | 1,303 | 2,087,291 |
| 1980 Fees Charged to Grants | 108,525 | - | - |
| 1990 Miscellaneous | 38,278 | 890,021 | - |
| Total Revenue from Local Sources | \$ 27,804,361 | \$ 4,255,532 | \$ 10,770,452 |

| Revenue from Intermediate Sources | Fund 100 | Fund 200 | Fund 300 |
|------------------------------------------------|-------------------|-------------------|-----------------|
| 2101 County School Funds | \$ 115,144 | \$ - | \$ - |
| 2200 Restricted Revenue | 166,431 | 344,865 | - |
| Total Revenue from Intermediate Sources | \$ 281,575 | \$ 344,865 | \$ - |

| Revenue from State Sources | Fund 100 | Fund 200 | Fund 300 |
|---------------------------------------------|----------------------|------------------|-----------------|
| 3101 State School Fund - General Support | \$ 21,392,277 | \$ - | \$ - |
| 3102 State School Fund - School Lunch Match | - | 16,892 | - |
| 3103 Common School Fund | 823,044 | - | - |
| 3199 Other Unrestricted Grants-in-Aid | 92,346 | - | - |
| 3299 Other Restricted Grants-in-Aid | 1,392,731 | 22,378 | - |
| Total Revenue from State Sources | \$ 23,700,398 | \$ 39,270 | \$ - |

| Revenue from Federal Sources | Fund 100 | Fund 200 | Fund 300 |
|----------------------------------------------------------------------------|------------------|---------------------|-----------------|
| 4200 Unrestricted Revenue From the Federal Government Through the State | \$ - | \$ 1,244,496 | \$ - |
| 4500 Restricted Revenue From the Federal Government Through the State | 18,984 | 2,540,854 | - |
| 4801 Federal Forest Fees | 35,088 | - | - |
| 4899 Other Revenue in Lieu of Taxes | 9,622 | - | - |
| 4900 Revenue for/on Behalf of the District | - | 117,631 | - |
| Total Revenue from Federal Sources | \$ 63,694 | \$ 3,902,981 | \$ - |

| Revenue from Other Sources | Fund 100 | Fund 200 | Fund 300 |
|-----------------------------------------|----------------------|---------------------|---------------------|
| 5200 Interfund Transfers | \$ - | \$ 405,755 | \$ - |
| 5400 Resources - Beginning Fund Balance | 10,171,758 | 5,240,113 | 2,637,111 |
| Total Revenue from Other Sources | \$ 10,171,758 | \$ 5,645,868 | \$ 2,637,111 |

| | | | |
|---------------------|----------------------|----------------------|----------------------|
| Grand Totals | \$ 62,021,786 | \$ 14,188,516 | \$ 13,407,563 |
|---------------------|----------------------|----------------------|----------------------|

| Fund 600 | Fund 700 |
|----------------------|---------------------|
| \$ - | \$ - |
| - | - |
| - | - |
| 25,601 | 15,872 |
| - | - |
| - | - |
| - | - |
| - | - |
| - | 530,635 |
| - | - |
| 1,050 | - |
| 11,747,189 | - |
| - | - |
| 13,185 | 540,649 |
| \$ 11,787,025 | \$ 1,087,156 |

| Fund 600 | Fund 700 |
|-------------|-------------|
| \$ - | \$ - |
| - | - |
| \$ - | \$ - |

| Fund 600 | Fund 700 |
|-------------|-------------|
| \$ - | \$ - |
| - | - |
| - | - |
| - | - |
| - | - |
| \$ - | \$ - |

| Fund 600 | Fund 700 |
|-------------|-------------|
| \$ - | \$ - |
| - | - |
| - | - |
| - | - |
| - | - |
| \$ - | \$ - |

| Fund 600 | Fund 700 |
|---------------------|---------------------|
| \$ - | \$ - |
| 6,157,083 | 2,317,455 |
| \$ 6,157,083 | \$ 2,317,455 |

| | |
|----------------------|---------------------|
| \$ 17,944,108 | \$ 3,404,611 |
|----------------------|---------------------|

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

EXPENDITURE SUMMARY - GENERAL FUND

June 30, 2012

Instruction Expenditures

| | Totals | Object 100 | Object 200 |
|---------------------------------------------------------------|----------------------|----------------------|----------------------|
| 1111 Elementary, K-5 or K-6 | \$ 11,493,068 | \$ 7,068,706 | \$ 3,941,975 |
| 1121 Middle/Junior High Programs | 5,594,173 | 3,294,320 | 1,809,477 |
| 1122 Middle/Junior High School Extracurricular | 8,191 | 6,316 | 1,875 |
| 1131 High School Programs | 7,834,258 | 4,824,582 | 2,610,884 |
| 1132 High School Extracurricular | 758,394 | 544,116 | 191,504 |
| 1210 Programs for the Talented and Gifted | 3,652 | 1,220 | 138 |
| 1220 Restrictive Programs for Students with Disabilities | 1,664,797 | 967,843 | 696,143 |
| 1250 Less Restrictive Programs for Students with Disabilities | 2,800,466 | 1,722,267 | 1,064,748 |
| 1280 Alternative Education | 1,222,022 | 413,629 | 251,309 |
| 1291 English Second Language Programs | 1,160,942 | 693,181 | 437,935 |
| Total Instruction Expenditures | \$ 32,539,963 | \$ 19,536,180 | \$ 11,005,988 |

Support Services Expenditures

| | Totals | Object 100 | Object 200 |
|--------------------------------------------------|----------------------|---------------------|---------------------|
| 2110 Attendance and Social Work Services | \$ 744,725 | \$ 407,796 | \$ 334,595 |
| 2120 Guidance Services | 1,610,565 | 950,912 | 645,825 |
| 2130 Health Services | 225,625 | 37,991 | 32,766 |
| 2140 Psychological Services | 60,970 | - | - |
| 2150 Speech Pathology and Audiology Services | 642,477 | 383,510 | 208,699 |
| 2160 Other Student Treatment Services | 128,125 | 80,684 | 46,374 |
| 2190 Service Direction, Student Support Services | 545,373 | 348,219 | 178,977 |
| 2210 Improvement of Instruction Services | 944,712 | 578,220 | 291,273 |
| 2220 Educational Media Services | 646,802 | 338,598 | 254,833 |
| 2230 Assessment and Testing | 169,686 | 89,819 | 66,573 |
| 2240 Instructional Staff Development | 183,823 | 91,749 | 36,837 |
| 2310 Board of Education Services | 119,858 | 81 | 7 |
| 2320 Executive Administration Services | 339,392 | 212,863 | 98,963 |
| 2410 Office of the Principal Services | 3,977,023 | 2,480,014 | 1,362,682 |
| 2510 Direction of Business Support Services | 158,501 | 104,059 | 51,870 |
| 2520 Fiscal Services | 543,371 | 295,706 | 157,610 |
| 2540 Operation and Maintenance of Plant Services | 5,484,017 | 1,728,834 | 1,186,823 |
| 2550 Student Transportation Services | 2,371,707 | 38,719 | 23,637 |
| 2570 Internal Services | 56,350 | 25,743 | 23,756 |
| 2630 Information Services | 128,159 | 85,608 | 41,260 |
| 2640 Staff Services | 446,487 | 239,135 | 130,379 |
| 2660 Technology Services | 1,082,803 | 417,469 | 232,486 |
| 2700 Supplemental Retirement Program | 540,650 | 370,650 | 170,000 |
| Total Support Services Expenditures | \$ 21,151,201 | \$ 9,306,379 | \$ 5,576,225 |

Enterprise and Community Services Expenditures

| | Totals | Object 100 | Object 200 |
|-------------------------------------------------------------|------------------|-------------------|-------------------|
| 3300 Community Services | \$ 80,711 | \$ 15,994 | \$ 3,687 |
| Total Enterprise and Community Services Expenditures | \$ 80,711 | \$ 15,994 | \$ 3,687 |

Grand Total

| | | | |
|--------------------|----------------------|----------------------|----------------------|
| Grand Total | \$ 53,771,875 | \$ 28,858,553 | \$ 16,585,900 |
|--------------------|----------------------|----------------------|----------------------|

| Object 300 | Object 400 | Object 500 | Object 600 |
|-------------------|---------------------|-----------------|-----------------|
| \$ 122,634 | \$ 359,753 | \$ - | \$ - |
| 53,673 | 435,557 | - | 1,146 |
| - | - | - | - |
| 53,727 | 336,970 | 8,000 | 95 |
| 17,653 | 5,121 | - | - |
| 289 | 2,005 | - | - |
| 782 | 29 | - | - |
| 7,282 | 6,169 | - | - |
| 544,665 | 12,419 | - | - |
| 4,039 | 25,787 | - | - |
| \$ 804,744 | \$ 1,183,810 | \$ 8,000 | \$ 1,241 |

| Object 300 | Object 400 | Object 500 | Object 600 |
|---------------------|-------------------|------------------|-------------------|
| \$ 1,449 | \$ 885 | \$ - | \$ - |
| 4,966 | 8,687 | - | 175 |
| 153,259 | 1,609 | - | - |
| 60,970 | - | - | - |
| 47,074 | 3,194 | - | - |
| 1,067 | - | - | - |
| 17,210 | 117 | - | 850 |
| 10,591 | 62,157 | - | 2,471 |
| 3,308 | 50,063 | - | - |
| 2,861 | 9,342 | - | 1,091 |
| 42,193 | 6,766 | - | 6,278 |
| 64,636 | 5,757 | - | 49,377 |
| 18,682 | 7,222 | - | 1,662 |
| 62,208 | 55,097 | - | 17,022 |
| 1,382 | 737 | - | 453 |
| 58,271 | 10,762 | - | 21,022 |
| 1,789,514 | 316,567 | 13,289 | 448,990 |
| 2,307,651 | 1,700 | - | - |
| 6,809 | 22 | - | 20 |
| 605 | 306 | - | 380 |
| 24,936 | 48,606 | - | 3,431 |
| 236,173 | 158,858 | 37,718 | 99 |
| - | - | - | - |
| \$ 4,915,815 | \$ 748,454 | \$ 51,007 | \$ 553,321 |

| Object 300 | Object 400 | Object 500 | Object 600 |
|---------------------|---------------------|------------------|-------------------|
| \$ - | \$ - | \$ - | \$ 61,030 |
| \$ - | \$ - | \$ - | \$ 61,030 |
| \$ 5,720,559 | \$ 1,932,264 | \$ 59,007 | \$ 615,592 |

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

EXPENDITURE SUMMARY - SPECIAL REVENUE FUNDS

June 30, 2012

Instruction Expenditures

| | Totals | Object 100 | Object 200 |
|---------------------------------------------------------------|---------------------|---------------------|-------------------|
| 1111 Elementary, K-5 or K-6 | \$ 446,797 | \$ 96,328 | \$ 49,787 |
| 1121 Middle/Junior High Programs | 104,673 | 6,069 | 577 |
| 1122 Middle/Junior High School Extracurricular | 138,398 | 9,070 | 1,709 |
| 1131 High School Programs | 505,436 | 106,107 | 35,851 |
| 1132 High School Extracurricular | 945,087 | 118,287 | 22,392 |
| 1210 Programs for the Talented and Gifted | 1,383 | - | - |
| 1220 Restrictive Programs for Students with Disabilities | 8,718 | 4,173 | 1,025 |
| 1250 Less Restrictive Programs for Students with Disabilities | 1,120,040 | 579,471 | 483,638 |
| 1272 Title I | 921,139 | 515,068 | 284,931 |
| 1280 Alternative Education | 9,825 | 2,592 | 683 |
| 1291 English Second Language Programs | 879 | 812 | 67 |
| 1299 Other Programs | 16,279 | 12,501 | 3,778 |
| 1400 Summer School Programs | 15,165 | 12,224 | 2,894 |
| Total Instruction Expenditures | \$ 4,233,819 | \$ 1,462,702 | \$ 887,332 |

Support Services Expenditures

| | Totals | Object 100 | Object 200 |
|--------------------------------------------------|-------------------|-------------------|-------------------|
| 2110 Attendance and Social Work Services | \$ 87,210 | \$ 42,514 | \$ 29,810 |
| 2120 Guidance Services | 35,940 | - | - |
| 2130 Health Services | 6,077 | - | - |
| 2140 Psychological Services | 14,543 | 11,068 | 3,475 |
| 2150 Speech Pathology and Audiology Services | 4,403 | 1,161 | 357 |
| 2160 Other Student Treatment Services | 3,839 | - | - |
| 2190 Service Direction, Student Support Services | 42,054 | 18,897 | 22,962 |
| 2210 Improvement of Instruction Services | 208,956 | 123,858 | 63,055 |
| 2220 Educational Media Services | 8,264 | - | - |
| 2240 Instructional Staff Development | 178,048 | 80,680 | 18,945 |
| 2310 Board of Education Services | 65 | - | - |
| 2410 Office of the Principal Services | (19,398) | - | - |
| 2540 Operation and Maintenance of Plant Services | 94,478 | 366 | 53 |
| 2550 Student Transportation Services | 87,060 | - | - |
| 2640 Staff Services | 10,250 | - | - |
| 2660 Technology Services | 69,927 | 27,331 | 16,184 |
| 2690 Other Support Services - Central | 108,526 | - | - |
| 2700 Supplemental Retirement Program | - | - | - |
| Total Support Services Expenditures | \$ 940,242 | \$ 305,875 | \$ 154,841 |

Enterprise and Community Services Expenditures

| | Totals | Object 100 | Object 200 |
|-------------------------------------------------------------|---------------------|---------------------|-------------------|
| 3100 Food Services | \$ 2,851,086 | \$ 901,563 | \$ 766,013 |
| 3300 Community Services | 212,251 | 126,488 | 43,914 |
| Total Enterprise and Community Services Expenditures | \$ 3,063,337 | \$ 1,028,051 | \$ 809,927 |

Facilities Acquisition and Construction Expenditures

| | Totals | Object 100 | Object 200 |
|-------------------------------------------------------------------|-------------------|-------------------|-------------------|
| 4150 Building Acquisition, Construction, and Improvement Services | \$ 704,697 | \$ - | \$ - |
| Total Facilities Acquisition and Construction Expenditures | \$ 704,697 | \$ - | \$ - |

Other Uses Expenditures

| | Totals | Object 100 | Object 200 |
|--------------------------------------|---------------------|---------------------|---------------------|
| 5200 Transfers of Funds | \$ 405,755 | \$ - | \$ - |
| Total Other Uses Expenditures | \$ 405,755 | \$ - | \$ - |
| Grand Total | \$ 9,347,850 | \$ 2,796,628 | \$ 1,852,100 |

| Object 300 | Object 400 | Object 500 | Object 600 | Object 700 |
|-------------------|---------------------|------------------|------------------|-------------|
| \$ 62,742 | \$ 237,805 | \$ - | \$ 135 | \$ - |
| 37,317 | 60,710 | - | - | - |
| 82,349 | 44,824 | - | 446 | - |
| 103,394 | 232,460 | 14,000 | 13,624 | - |
| 301,896 | 415,295 | 8,589 | 78,628 | - |
| 263 | 1,120 | - | - | - |
| 219 | 3,301 | - | - | - |
| 4,601 | 52,330 | - | - | - |
| 33,895 | 87,215 | - | 30 | - |
| 1,611 | 4,939 | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | 47 | - | - | - |
| \$ 628,287 | \$ 1,140,046 | \$ 22,589 | \$ 92,863 | \$ - |

| Object 300 | Object 400 | Object 500 | Object 600 | Object 700 |
|-------------------|------------------|-------------|-------------------|-------------|
| \$ 13,564 | \$ 662 | \$ - | \$ 660 | \$ - |
| 35,940 | - | - | - | - |
| 6,077 | - | - | - | - |
| - | - | - | - | - |
| 290 | 2,595 | - | - | - |
| - | 3,839 | - | - | - |
| 75 | 120 | - | - | - |
| 14,674 | 7,369 | - | - | - |
| - | 8,264 | - | - | - |
| 76,303 | 2,120 | - | - | - |
| - | 65 | - | - | - |
| 1,008 | (20,406) | - | - | - |
| 38,313 | 55,746 | - | - | - |
| 87,060 | - | - | - | - |
| 21 | 10,229 | - | - | - |
| 3,719 | 22,693 | - | - | - |
| - | - | - | 108,526 | - |
| - | - | - | - | - |
| \$ 277,044 | \$ 93,296 | \$ - | \$ 109,186 | \$ - |

| Object 300 | Object 400 | Object 500 | Object 600 | Object 700 |
|------------|--------------|------------|------------|------------|
| \$ 44,352 | \$ 1,041,600 | \$ 36,031 | \$ 61,527 | \$ - |
| 23,104 | 16,715 | - | 2,030 | - |

\$ 67,456 \$ 1,058,315 \$ 36,031 \$ 63,557 \$ -

| Object 300 | Object 400 | Object 500 | Object 600 | Object 700 |
|------------|------------|------------|------------|------------|
| \$ - | \$ - | \$ 704,697 | \$ - | \$ - |

\$ - \$ - \$ 704,697 \$ - \$ -

| Object 300 | Object 400 | Object 500 | Object 600 | Object 700 |
|-------------------|---------------------|-------------------|-------------------|-------------------|
| \$ - | \$ - | \$ - | \$ - | \$ 405,755 |
| \$ - | \$ - | \$ - | \$ - | \$ 405,755 |
| \$ 972,787 | \$ 2,291,657 | \$ 763,317 | \$ 265,606 | \$ 405,755 |

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

EXPENDITURE SUMMARY - DEBT SERVICE FUNDS

June 30, 2012

| | Totals | Object 600 |
|--------------------------------------|--------------------------|--------------------------|
| Other Uses Expenditures | | |
| 5100 Debt Service | \$ 10,457,992 | \$ 10,457,992 |
| Total Other Uses Expenditures | \$ 10,457,992 | \$ 10,457,992 |
| Grand Total | \$ 10,457,992 | \$ 10,457,992 |

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

EXPENDITURE SUMMARY - INTERNAL SERVICE FUND

June 30, 2012

Support Services Expenditures

2520 Fiscal Services

2540 Operation and Maintenance of Plant Services

Total Support Services Expenditures

Grand Total

| Totals | Object 100 | Object 200 |
|----------------------|------------------|------------------|
| \$ 10,919,642 | \$ 97,252 | \$ 50,343 |
| 115,863 | - | - |
| \$ 11,035,505 | \$ 97,252 | \$ 50,343 |
| \$ 11,035,505 | \$ 97,252 | \$ 50,343 |

| Object 300 | Object 400 | Object 600 |
|-------------------|-------------------|----------------------|
| \$ 173,093 | \$ 15,108 | \$ 10,583,846 |
| 115,863 | - | - |
| \$ 288,956 | \$ 15,108 | \$ 10,583,846 |
| \$ 288,956 | \$ 15,108 | \$ 10,583,846 |

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

EXPENDITURE SUMMARY - FIDUCIARY FUND

June 30, 2012

Instruction Expenditures

1131 High School Programs

| | Totals | Object 100 | Object 200 |
|---------------------------------------|---------------|-------------------|-------------------|
| | \$ 8 | \$ - | \$ - |
| Total Instruction Expenditures | \$ 8 | \$ - | \$ - |

Support Services Expenditures

2550 Student Transportation Services

2700 Supplemental Retirement Program

| | Totals | Object 100 | Object 200 |
|--------------------------------------------|-------------------|-------------------|-------------------|
| | \$ 1,899 | \$ - | \$ - |
| | 938,328 | 766,321 | 172,007 |
| Total Support Services Expenditures | \$ 940,227 | \$ 766,321 | \$ 172,007 |

Enterprise and Community Services Expenditures

3300 Community Services

Total Enterprise and Community Services Expenditures

| | Totals | Object 100 | Object 200 |
|-------------------------------------------------------------|-------------------|-------------------|-------------------|
| | \$ 521,796 | \$ 5,981 | \$ 1,769 |
| Total Enterprise and Community Services Expenditures | \$ 521,796 | \$ 5,981 | \$ 1,769 |

Grand Total

| | | | |
|--------------------|---------------------|-------------------|-------------------|
| Grand Total | \$ 1,462,031 | \$ 772,302 | \$ 173,776 |
|--------------------|---------------------|-------------------|-------------------|

| Object 300 | Object 400 | Object 600 |
|-------------|-------------|-------------|
| \$ 8 | \$ - | \$ - |
| \$ 8 | \$ - | \$ - |

| Object 300 | Object 400 | Object 600 |
|-----------------|-------------|-------------|
| \$ 1,899 | \$ - | \$ - |
| - | - | - |
| \$ 1,899 | \$ - | \$ - |

| Object 300 | Object 400 | Object 600 |
|-------------------|-----------------|-----------------|
| \$ 503,643 | \$ 4,830 | \$ 5,573 |
| \$ 503,643 | \$ 4,830 | \$ 5,573 |
| \$ 505,550 | \$ 4,830 | \$ 5,573 |

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

SCHEDULE OF PROPERTY TAX TRANSACTIONS - GENERAL FUND

For the Year Ended June 30, 2012

| Tax Year | Taxes Receivable July 1, 2011 | 2011-2012 Levy | Adjustments | Collections | Taxes Receivable June 30, 2012 |
|-----------------------------------------------|-------------------------------------|-------------------|--------------|---------------|--------------------------------------|
| 2011-2012 | \$ - | \$ 27,743,987 | \$ (679,044) | \$ 26,425,317 | \$ 639,626 |
| 2010-2011 | 687,220 | - | (20,394) | 412,937 | 253,889 |
| 2009-2010 | 553,236 | - | (8,011) | 144,421 | 400,804 |
| 2008-2009 | 138,400 | - | (10,258) | 87,851 | 40,291 |
| 2007-2008 | 54,940 | - | (2,380) | 36,494 | 16,066 |
| 2006-2007 | 14,436 | - | (3,019) | 2,130 | 9,287 |
| 2005-2006 | 8,185 | - | (1,192) | 1,360 | 5,633 |
| Prior | 69,991 | - | (975) | 18,563 | 50,453 |
| Subtotal - Prior | 1,526,408 | - | (46,229) | 703,756 | 776,423 |
| Total | \$ 1,526,408 | \$ 27,743,987 | \$ (725,273) | 27,129,073 | \$ 1,416,049 |
| Add: | | | | | |
| Other taxes and interest | | | | 122,620 | |
| Adjustments | | | | (948) | |
| Total available | | | | 27,250,745 | |
| Accrual of current receivables: | | | | | |
| June 30, 2011 | | | | (131,594) | |
| June 30, 2012 | | | | 105,269 | |
| Total property tax revenues (budgetary basis) | | | | \$ 27,224,420 | |

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

SCHEDULE OF PROPERTY TAX TRANSACTIONS - DEBT SERVICE FUND

For the Year Ended June 30, 2012

| Tax Year | Taxes Receivable July 1, 2011 | 2011-2012 Levy | Adjustments | Collections | Taxes Receivable June 30, 2012 |
|-----------------------------------------------|-------------------------------------|-------------------|--------------|--------------|--------------------------------------|
| 2011-2012 | \$ - | \$ 8,882,127 | \$ (279,668) | \$ 8,398,886 | \$ 203,573 |
| 2010-2011 | 214,589 | - | (6,391) | 128,853 | 79,345 |
| 2009-2010 | 168,358 | - | (2,475) | 43,932 | 121,951 |
| 2008-2009 | 36,463 | - | (3,148) | 27,737 | 5,578 |
| 2007-2008 | 17,449 | - | (755) | 11,588 | 5,106 |
| 2006-2007 | 5,566 | - | (1,161) | 821 | 3,584 |
| 2005-2006 | 3,302 | - | (481) | 547 | 2,274 |
| Prior | 3,533 | - | (58) | 874 | 2,601 |
| Subtotal - Prior | 449,260 | - | (14,469) | 214,352 | 220,439 |
| Total | \$ 449,260 | \$ 8,882,127 | \$ (294,137) | 8,613,238 | \$ 424,012 |
| Add: | | | | | |
| Other taxes and interest | | | | 37,612 | |
| Adjustments | | | | (1,440) | |
| Total available | | | | 8,649,410 | |
| Accrual of current receivables: | | | | | |
| June 30, 2011 | | | | (40,764) | |
| June 30, 2012 | | | | 32,983 | |
| Total property tax revenues (budgetary basis) | | | | \$ 8,641,629 | |

STATISTICAL SECTION

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information the District's financial report relates to the services the District provides and the activities it performs.

FINANCIAL TRENDS

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

REVENUES AND OTHER FINANCING SOURCES BY SOURCE
(BUDGETARY BASIS) - LAST TEN FISCAL YEARS

GENERAL FUND

For the Year Ended June 30, 2012

| | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|
| Local revenue | | | | |
| Current year's taxes | \$ 22,095,674 | \$ 21,460,033 | \$ 20,412,348 | \$ 20,121,626 |
| Current year's local option taxes | 4,378,597 | 4,860,893 | 5,489,512 | 4,485,404 |
| Prior year's taxes | 608,910 | 503,659 | 430,005 | 338,418 |
| Prior year's local option taxes | 141,239 | 119,828 | 85,401 | 44,340 |
| Tuition | - | - | 19,474 | - |
| Interest | 131,345 | 93,130 | 195,479 | 455,933 |
| Rentals | 103,574 | 83,546 | 82,040 | 78,658 |
| Miscellaneous | <u>345,022</u> | <u>308,906</u> | <u>348,190</u> | <u>344,865</u> |
| Total local revenue | <u>27,804,361</u> | <u>27,429,995</u> | <u>27,062,449</u> | <u>25,869,244</u> |
| Intermediate revenue | | | | |
| County school fund | 115,144 | 97,831 | 86,322 | 183,338 |
| Other revenues | <u>166,431</u> | <u>172,128</u> | <u>166,666</u> | <u>148,174</u> |
| Total intermediate revenue | <u>281,575</u> | <u>269,959</u> | <u>252,988</u> | <u>331,512</u> |
| State revenue | | | | |
| State school support fund | 21,392,277 | 21,509,888 | 23,494,565 | 24,454,394 |
| Common school fund | 823,044 | 774,269 | 798,224 | 1,099,137 |
| Targeted school funds | 1,392,731 | - | - | 1,389,797 |
| Other revenue from state sources | <u>92,346</u> | <u>176,239</u> | <u>129,203</u> | <u>599,538</u> |
| Total state revenue | <u>23,700,398</u> | <u>22,460,396</u> | <u>24,421,992</u> | <u>27,542,866</u> |
| Federal revenue | | | | |
| Federal grants | 18,984 | 1,992,743 | - | - |
| Federal forest fees | 35,087 | 56,621 | 66,189 | 74,916 |
| Other revenue from federal sources | <u>9,623</u> | <u>9,014</u> | <u>1,775,229</u> | <u>1,287,206</u> |
| Total federal revenue | <u>63,694</u> | <u>2,058,378</u> | <u>1,841,418</u> | <u>1,362,122</u> |
| Other financing sources | | | | |
| Transfers in | - | - | - | - |
| Sale of assets | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total other financing sources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance - beginning | <u>10,171,758</u> | <u>12,834,129</u> | <u>11,713,576</u> | <u>10,111,274</u> |
| Fund balance - ending | <u>\$ 62,021,786</u> | <u>\$ 65,052,857</u> | <u>\$ 65,292,423</u> | <u>\$ 65,217,018</u> |

⁽¹⁾ This schedule includes only revenues and transfers of the General Fund. The General Fund accounts for general operating revenues and transfers of the District.

| <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 19,425,514 | \$ 18,642,561 | \$ 18,309,163 | \$ 17,528,367 | \$ 16,688,736 | \$ 16,013,879 |
| 3,925,886 | - | - | 1,635,691 | 1,265,992 | 1,407,952 |
| 362,233 | 340,862 | 301,226 | 353,584 | 266,344 | 534,385 |
| - | 12,218 | 24,419 | 28,680 | 114,502 | - |
| - | 36,928 | 25,490 | 8,620 | 19,738 | 43,707 |
| 1,042,441 | 1,099,714 | 761,378 | 410,492 | 184,581 | 132,320 |
| 80,908 | 216,819 | 203,908 | 157,767 | 121,232 | 98,883 |
| <u>379,224</u> | <u>375,982</u> | <u>412,804</u> | <u>403,688</u> | <u>328,122</u> | <u>519,606</u> |
| <u>25,216,206</u> | <u>20,725,084</u> | <u>20,038,388</u> | <u>20,526,889</u> | <u>18,989,247</u> | <u>18,750,732</u> |
| 95,330 | 316,763 | 249,742 | 154,596 | 465,764 | 53,584 |
| <u>149,245</u> | <u>142,886</u> | <u>138,576</u> | <u>145,238</u> | <u>151,250</u> | <u>135,150</u> |
| <u>244,575</u> | <u>459,649</u> | <u>388,318</u> | <u>299,834</u> | <u>617,014</u> | <u>188,734</u> |
| 25,586,017 | 24,826,415 | 23,832,791 | 20,878,552 | 24,453,450 | 22,134,950 |
| 870,814 | 788,781 | 389,504 | 778,894 | 232,745 | 591,926 |
| 1,382,617 | - | - | - | - | - |
| <u>101,514</u> | <u>9,673</u> | <u>57</u> | <u>51,947</u> | <u>12,534</u> | <u>36,850</u> |
| <u>27,940,962</u> | <u>25,624,869</u> | <u>24,222,352</u> | <u>21,709,393</u> | <u>24,698,729</u> | <u>22,763,726</u> |
| - | - | - | - | - | - |
| 83,439 | 84,630 | 87,996 | 84,847 | 78,940 | 85,157 |
| <u>17,860</u> | <u>17,742</u> | <u>16,644</u> | <u>16,957</u> | <u>19,573</u> | <u>18,740</u> |
| <u>101,299</u> | <u>102,372</u> | <u>104,640</u> | <u>101,804</u> | <u>98,513</u> | <u>103,897</u> |
| - | - | 117,946 | - | - | - |
| <u>2,002</u> | <u>20,745</u> | <u>590</u> | <u>5,799</u> | <u>-</u> | <u>-</u> |
| <u>2,002</u> | <u>20,745</u> | <u>118,536</u> | <u>5,799</u> | <u>-</u> | <u>-</u> |
| <u>10,182,245</u> | <u>7,885,631</u> | <u>4,620,643</u> | <u>3,897,557</u> | <u>1,244,003</u> | <u>2,525,975</u> |
| <u>\$ 63,687,289</u> | <u>\$ 54,818,350</u> | <u>\$ 49,492,877</u> | <u>\$ 46,541,276</u> | <u>\$ 45,647,506</u> | <u>\$ 44,333,064</u> |

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

EXPENDITURES AND TRANSFERS BY PROGRAM
(BUDGETARY BASIS) - LAST TEN FISCAL YEARS

GENERAL FUND

For the Year Ended June 30, 2012

| | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> |
|------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Instruction | | | | | |
| Regular programs | | | | | |
| Primary, K-5 | \$ 11,493,072 | \$ 11,497,765 | \$ 11,015,626 | \$ 11,126,991 | \$ 11,415,549 |
| Middle school | 5,602,361 | 5,558,731 | 5,425,454 | 5,685,916 | 5,513,988 |
| High school | 8,592,641 | 8,823,378 | 8,172,030 | 8,485,644 | 8,427,494 |
| Special programs | | | | | |
| Restrictive disability programs | 1,664,796 | 1,813,646 | 1,662,028 | 1,313,530 | 1,492,423 |
| Learning resource rooms | 2,800,472 | 3,073,064 | 2,608,108 | 2,876,667 | 2,494,158 |
| Alternative education | 787,595 | 755,305 | 1,155,536 | 1,180,237 | 1,152,111 |
| Charter school | 434,431 | 332,753 | - | - | - |
| Other | <u>1,164,595</u> | <u>1,265,609</u> | <u>1,183,691</u> | <u>1,117,764</u> | <u>1,060,858</u> |
| Total instruction | <u>32,539,963</u> | <u>33,120,251</u> | <u>31,222,473</u> | <u>31,786,749</u> | <u>31,556,581</u> |
| Support services | | | | | |
| Students | | | | | |
| Attendance and social work | 744,725 | 671,157 | 555,439 | 598,797 | 541,878 |
| Guidance | 1,610,565 | 1,745,263 | 1,704,299 | 1,659,618 | 1,592,619 |
| Health | 225,654 | 112,551 | 178,759 | 159,782 | 123,070 |
| Psychological | 60,970 | 106,544 | 174,349 | 244,025 | 289,781 |
| Speech and pathology | 642,477 | 502,283 | 553,235 | 564,689 | 562,540 |
| Other student treatment services | 128,124 | 150,033 | 143,550 | 102,230 | 126,145 |
| Service direction, student support services | 545,371 | 471,391 | 522,953 | 392,980 | 402,216 |
| Instructional services and educational media | | | | | |
| Improvement of instruction | 944,712 | 933,704 | 889,069 | 880,984 | 725,661 |
| Educational media | 646,802 | 716,413 | 716,092 | 787,151 | 743,412 |
| Assessment and testing | 169,687 | 56,463 | 4,010 | 92,437 | 50,372 |
| Instructional staff development | 183,818 | 154,022 | 167,175 | 177,479 | 461,063 |
| General administration | | | | | |
| Board of education | 119,857 | 199,837 | 97,084 | 124,999 | 148,805 |
| Executive administration | 339,392 | 345,573 | 334,154 | 322,618 | 306,829 |
| School administration | 3,977,020 | 3,990,330 | 3,878,282 | 3,684,088 | 3,545,589 |
| Business support services | | | | | |
| Business services | 701,872 | 746,860 | 727,184 | 637,585 | 591,210 |
| Facilities operation | 5,540,355 | 6,261,277 | 5,721,352 | 5,986,638 | 5,763,786 |
| Pupil transportation | 2,371,704 | 2,264,899 | 2,239,967 | 2,191,614 | 2,109,924 |
| Central services | 1,657,446 | 1,761,555 | 1,623,649 | 1,605,354 | 1,753,122 |
| Supplemental retirement program | <u>540,650</u> | <u>503,000</u> | <u>878,000</u> | <u>1,378,000</u> | <u>2,000,000</u> |
| Total support services | <u>21,151,201</u> | <u>21,693,155</u> | <u>21,108,602</u> | <u>21,591,068</u> | <u>21,838,022</u> |
| Enterprise and community services | 80,711 | 67,694 | 127,221 | 125,625 | 109,734 |
| Facilities acquisition | - | - | - | - | 71,678 |
| Debt service | - | - | - | - | - |
| Total general fund expenditures and transfers | <u>\$ 53,771,875</u> | <u>\$ 54,881,100</u> | <u>\$ 52,458,296</u> | <u>\$ 53,503,442</u> | <u>\$ 53,576,015</u> |

⁽¹⁾ This schedule includes only expenditures and transfers of the General Fund. The General Fund accounts for the operating revenue and transfers out of the District.

| <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 9,181,209 | \$ 8,443,534 | \$ 8,106,808 | \$ 8,025,899 | \$ 8,373,010 |
| 4,422,061 | 3,873,889 | 3,801,206 | 3,862,818 | 4,319,869 |
| 6,633,097 | 6,283,896 | 6,046,885 | 6,312,060 | 6,955,589 |
| 834,893 | 709,991 | 698,381 | 816,771 | 762,751 |
| 2,293,567 | 2,197,500 | 2,438,065 | 2,633,966 | 2,718,161 |
| 718,004 | 691,065 | 648,319 | 534,071 | 563,676 |
| - | - | - | - | - |
| <u>846,675</u> | <u>755,464</u> | <u>745,943</u> | <u>788,687</u> | <u>728,039</u> |
| <u>24,929,506</u> | <u>22,955,339</u> | <u>22,485,607</u> | <u>22,974,272</u> | <u>24,421,095</u> |
| 634,667 | 658,893 | 615,823 | 715,643 | 827,065 |
| 1,008,771 | 922,454 | 854,547 | 909,276 | 963,946 |
| 39,617 | 38,993 | 33,530 | 41,914 | 40,790 |
| 232,828 | 237,686 | 93,865 | 160,249 | 110,633 |
| 461,549 | 388,765 | 256,408 | 256,436 | 341,355 |
| 108,082 | 93,996 | 69,021 | 231,003 | 396,487 |
| 313,751 | 292,939 | 187,193 | - | - |
| 373,259 | 232,808 | 223,207 | 406,840 | 469,823 |
| 662,794 | 679,146 | 679,921 | 717,310 | 815,060 |
| 28,228 | 8,590 | 6,999 | 4,392 | 11,543 |
| 242,896 | 219,445 | 206,859 | 190,805 | 253,800 |
| 109,355 | 93,318 | 222,406 | 139,868 | 163,062 |
| 307,401 | 341,914 | 303,637 | 332,218 | 368,066 |
| 3,175,065 | 3,252,417 | 2,993,177 | 2,718,713 | 3,021,211 |
| 579,717 | 563,267 | 588,168 | 569,116 | 569,641 |
| 5,331,527 | 5,392,089 | 4,907,227 | 4,758,763 | 5,341,084 |
| 1,923,654 | 1,935,065 | 1,652,432 | 1,587,216 | 1,465,651 |
| 1,644,257 | 1,260,256 | 1,190,720 | 1,184,147 | 1,270,855 |
| <u>2,400,000</u> | <u>1,895,000</u> | <u>4,237,150</u> | <u>2,650,000</u> | <u>2,080,001</u> |
| <u>19,577,418</u> | <u>18,507,041</u> | <u>19,322,290</u> | <u>17,573,909</u> | <u>18,510,073</u> |
| 108,001 | 114,063 | 109,736 | 107,592 | 105,908 |
| 13,611 | - | - | - | - |
| <u>7,569</u> | <u>30,804</u> | <u>-</u> | <u>37,726</u> | <u>56,044</u> |
| <u>\$ 44,636,105</u> | <u>\$ 41,607,247</u> | <u>\$ 41,917,633</u> | <u>\$ 40,693,499</u> | <u>\$ 43,093,120</u> |

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

CONDENSED STATEMENT OF NET ASSETS - LAST TEN FISCAL YEARS

For the Year Ended June 30, 2012

| | 2012 | 2011 | 2010 | 2009 |
|-------------------------------------------------|---------------|---------------|---------------|---------------|
| Assets | | | | |
| Current and other assets | \$ 29,834,637 | \$ 30,610,324 | \$ 41,672,146 | \$ 37,707,761 |
| Restricted assets | 996,970 | 798,328 | 608,800 | 454,214 |
| Capital assets, net of accumulated depreciation | 94,733,579 | 98,160,211 | 100,655,405 | 102,243,356 |
| Other non-current assets | 28,484,381 | 26,706,582 | 19,920,504 | 21,314,965 |
| Total assets | 154,049,567 | 156,275,445 | 162,856,855 | 161,720,296 |
| Liabilities | | | | |
| Current liabilities | 12,193,011 | 3,798,836 | 9,587,588 | 12,120,128 |
| Noncurrent liabilities | 76,029,870 | 88,103,921 | 94,904,364 | 102,197,795 |
| Total liabilities | 88,222,881 | 91,902,757 | 104,491,952 | 114,317,923 |
| Net assets | | | | |
| Invested in capital assets, net of related debt | 35,992,307 | 35,573,378 | 32,990,512 | 29,640,240 |
| Restricted | 881,427 | 667,069 | 464,253 | 175,498 |
| Unrestricted | 28,952,952 | 28,132,241 | 24,910,138 | 17,586,635 |
| Total net assets | \$ 65,826,686 | \$ 64,372,688 | \$ 58,364,903 | \$ 47,402,373 |

| <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 37,259,493 | \$ 38,931,814 | \$ 37,498,705 | \$ 43,308,089 | \$ 77,403,203 | \$ 95,833,277 |
| 927,437 | 791,000 | 689,582 | 541,339 | 329,578 | 215,104 |
| 101,465,718 | 98,113,332 | 95,369,464 | 84,088,771 | 50,871,966 | 21,529,091 |
| <u>22,709,424</u> | <u>24,103,883</u> | <u>25,498,342</u> | <u>26,892,801</u> | <u>23,341,719</u> | <u>24,324,050</u> |
| <u>162,362,072</u> | <u>161,940,029</u> | <u>159,056,093</u> | <u>154,831,000</u> | <u>151,946,466</u> | <u>141,901,522</u> |
| 12,092,468 | 11,772,038 | 10,925,285 | 7,762,229 | 11,645,754 | 7,893,391 |
| <u>109,023,103</u> | <u>116,936,567</u> | <u>120,153,360</u> | <u>126,899,171</u> | <u>120,393,378</u> | <u>121,980,145</u> |
| <u>121,115,571</u> | <u>128,708,605</u> | <u>131,078,645</u> | <u>134,661,400</u> | <u>132,039,132</u> | <u>129,873,536</u> |
| 26,038,450 | 27,845,759 | 21,942,674 | 18,646,654 | 16,276,200 | 12,370,874 |
| - | - | - | - | 2,573,368 | 1,785,935 |
| <u>15,208,051</u> | <u>5,385,665</u> | <u>6,034,774</u> | <u>1,522,946</u> | <u>1,057,766</u> | <u>(2,129,823)</u> |
| <u>\$ 41,246,501</u> | <u>\$ 33,231,424</u> | <u>\$ 27,977,448</u> | <u>\$ 20,169,600</u> | <u>\$ 19,907,334</u> | <u>\$ 12,026,986</u> |

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

CHANGES IN NET ASSETS - LAST TEN FISCAL YEARS

For the Year Ended June 30, 2012

| | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> |
|-----------------------------------------|---------------------|---------------------|----------------------|---------------------|
| Program revenues | | | | |
| Charges for services | | | | |
| Instruction | \$ 2,526,933 | \$ 1,476,721 | \$ 1,469,496 | \$ 1,546,985 |
| Support services | 836,668 | 1,011,828 | 1,035,376 | 128,658 |
| Enterprise and community services | 131,148 | 127,332 | 134,998 | 1,357,289 |
| Operating grants and contributions | | | | |
| Instruction | 2,912,226 | 4,838,728 | 6,035,884 | 6,777,942 |
| Support services | 1,943,376 | 3,315,427 | 4,252,760 | - |
| Enterprise and community services | 317,025 | 417,226 | 554,498 | 1,168,689 |
| Facilities acquisition and construction | - | - | - | - |
| Total program revenues | <u>8,667,376</u> | <u>11,187,262</u> | <u>13,483,012</u> | <u>10,979,563</u> |
| General revenues | | | | |
| Property taxes | 35,778,834 | 35,394,977 | 34,966,360 | 32,489,763 |
| State school fund | 22,801,900 | 21,527,205 | 23,511,852 | 24,454,394 |
| Common school fund | 823,044 | 774,269 | 798,224 | 1,099,137 |
| Unrestricted state and local revenue | 501,910 | 180,406 | 126,026 | 870,771 |
| Investment earnings | 226,649 | 247,029 | 377,005 | 856,899 |
| Gain on sale of capital assets | - | 24,878 | - | - |
| Miscellaneous | 241,697 | 1,757,745 | 1,530,618 | 1,169,176 |
| Total general revenues | <u>60,374,034</u> | <u>59,906,509</u> | <u>61,310,085</u> | <u>60,940,140</u> |
| Total revenues | <u>69,041,410</u> | <u>71,093,771</u> | <u>74,793,097</u> | <u>71,919,703</u> |
| Program expenses | | | | |
| Instruction | 37,057,203 | 33,705,813 | 31,916,004 | 32,906,224 |
| Support services | 19,895,700 | 25,523,086 | 22,487,360 | 23,699,624 |
| Enterprise and community services | 3,113,790 | 2,906,333 | 2,932,024 | 2,740,637 |
| Facilities acquisition and construction | 3,409,000 | 3,361,692 | 1,898,024 | 1,650,277 |
| Interest expense | 4,111,719 | 4,409,440 | 4,597,155 | 4,767,069 |
| Total program expenses | <u>67,587,412</u> | <u>69,906,364</u> | <u>63,830,567</u> | <u>65,763,831</u> |
| Change in net assets | <u>\$ 1,453,998</u> | <u>\$ 1,187,407</u> | <u>\$ 10,962,530</u> | <u>\$ 6,155,872</u> |

| <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|---------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|
| \$ 1,693,899 | \$ 1,291,236 | \$ 1,206,680 | \$ 1,220,914 | \$ 121,232 | \$ 43,707 |
| 130,908 | 266,819 | 253,908 | 204,767 | 19,738 | - |
| 1,412,368 | 1,550,741 | 1,629,883 | 1,612,847 | 1,372,125 | 1,442,885 |
| 6,117,235 | 4,962,617 | 4,542,398 | 4,383,800 | 3,047,901 | 2,116,829 |
| - | - | - | - | 1,384,881 | 933,931 |
| 1,057,061 | 1,230,759 | 1,018,092 | 901,552 | 1,129,316 | 854,109 |
| - | - | - | - | - | - |
| <u>10,411,471</u> | <u>9,302,172</u> | <u>8,650,961</u> | <u>8,323,880</u> | <u>7,075,193</u> | <u>5,391,461</u> |
| 31,354,094 | 26,348,817 | 26,087,601 | 29,230,724 | 25,502,724 | 18,671,119 |
| 25,604,779 | 24,826,415 | 23,832,791 | 20,878,552 | 24,453,450 | 20,545,236 |
| 870,814 | 788,781 | 389,504 | 778,894 | 232,745 | 591,926 |
| 301,643 | 429,058 | 1,339,496 | 1,529,619 | 1,379,069 | 413,593 |
| 2,124,384 | 2,263,094 | 1,635,100 | 1,497,842 | 1,023,994 | 863,752 |
| - | - | - | - | - | - |
| <u>1,105,049</u> | <u>3,570,687</u> | <u>2,559,094</u> | <u>3,174,045</u> | <u>2,181,128</u> | <u>3,159,806</u> |
| <u>61,360,763</u> | <u>58,226,852</u> | <u>55,843,586</u> | <u>57,089,676</u> | <u>54,773,110</u> | <u>44,245,432</u> |
| <u>71,772,234</u> | <u>67,529,024</u> | <u>64,494,547</u> | <u>65,413,556</u> | <u>61,848,303</u> | <u>49,636,893</u> |
| 33,423,150 | 28,597,354 | 28,022,844 | 25,277,298 | 22,595,706 | 27,878,467 |
| 20,749,456 | 21,255,617 | 18,885,751 | 24,422,402 | 23,793,005 | 18,832,932 |
| 2,901,915 | 2,778,232 | 2,263,043 | 2,627,201 | 2,056,599 | 628,817 |
| 1,754,768 | 1,769,180 | 1,451,488 | 211,907 | 660,652 | 2,377,293 |
| <u>4,927,618</u> | <u>7,874,665</u> | <u>6,063,573</u> | <u>4,469,010</u> | <u>4,861,993</u> | <u>2,454,535</u> |
| <u>63,756,907</u> | <u>62,275,048</u> | <u>56,686,699</u> | <u>57,007,818</u> | <u>53,967,955</u> | <u>52,172,044</u> |
| <u>\$ 8,015,327</u> | <u>\$ 5,253,976</u> | <u>\$ 7,807,848</u> | <u>\$ 8,405,738</u> | <u>\$ 7,880,348</u> | <u>\$ (2,535,151)</u> |

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

FUND BALANCES OF GOVERNMENTAL FUNDS - LAST TEN FISCAL YEARS

For the Year Ended June 30, 2012

| | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> |
|---------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
| General Fund | | | | |
| Assigned | | | | |
| Designated for operating contingency | \$ 1,276,100 | \$ 1,344,488 | \$ 1,350,000 | \$ 1,350,000 |
| Designated for PERS litigation contingency | - | - | - | - |
| Designated for local option levy reserve | - | 1,592,777 | 2,442,735 | 2,897,435 |
| Designated for targeted expenditures | - | 431,125 | 848,180 | 1,370,000 |
| Designated for rainy day fund | 3,341,500 | 2,688,976 | 2,249,700 | 2,700,000 |
| Designated for unappropriated ending fund balance | 2,552,200 | 2,688,976 | 250,000 | 250,000 |
| Unassigned | <u>1,080,111</u> | <u>1,425,416</u> | <u>5,443,514</u> | <u>3,146,141</u> |
| Total general fund balances | <u>8,249,911</u> | <u>10,171,758</u> | <u>12,584,129</u> | <u>11,713,576</u> |
| All other governmental funds | | | | |
| Special revenue funds | 4,386,966 | 4,758,454 | 4,288,773 | 4,306,819 |
| Grants funds | 1,951,403 | 2,364,088 | 2,364,088 | - |
| Capital projects funds | - | - | - | 376,759 |
| Debt service funds | <u>2,949,571</u> | <u>2,637,111</u> | <u>8,530,779</u> | <u>6,109,227</u> |
| Total other governmental fund balances | <u>9,287,940</u> | <u>9,759,653</u> | <u>15,183,640</u> | <u>10,792,805</u> |
| Total fund balance | <u>\$ 17,537,851</u> | <u>\$ 19,931,411</u> | <u>\$ 27,767,769</u> | <u>\$ 22,506,381</u> |

⁽¹⁾ General Fund 2003 is GAAP Basis; General fund budgetary basis was \$1,244,003; difference is the State Revenue accrual not recognized on GAAP Basis.

| <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 1,350,000 | \$ 1,600,000 | \$ 1,100,000 | \$ - | \$ - | \$ - |
| - | - | 1,400,000 | - | - | - |
| 840,000 | - | - | - | - | - |
| 1,852,000 | 3,035,000 | 1,652,000 | - | - | - |
| 2,700,000 | - | - | - | - | - |
| 250,000 | - | - | - | - | - |
| <u>3,119,274</u> | <u>5,547,245</u> | <u>3,733,631</u> | <u>4,620,643</u> | <u>3,897,557</u> | <u>(345,711)</u> |
| <u>10,111,274</u> | <u>10,182,245</u> | <u>7,885,631</u> | <u>4,620,643</u> | <u>3,897,557</u> | <u>(345,711)</u> |
| 4,528,821 | 4,318,131 | 3,326,696 | 3,508,415 | 2,907,526 | 2,671,710 |
| - | - | - | - | - | - |
| 2,671,147 | 6,990,641 | 10,216,994 | 22,203,940 | 54,966,073 | 84,045,628 |
| <u>5,287,587</u> | <u>4,105,109</u> | <u>3,490,433</u> | <u>3,316,931</u> | <u>2,045,403</u> | <u>964,789</u> |
| <u>12,487,555</u> | <u>15,413,881</u> | <u>17,034,123</u> | <u>29,029,286</u> | <u>59,919,002</u> | <u>87,682,127</u> |
| <u>\$ 22,598,829</u> | <u>\$ 25,596,126</u> | <u>\$ 24,919,754</u> | <u>\$ 33,649,929</u> | <u>\$ 63,816,559</u> | <u>\$ 87,336,416</u> |

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS - LAST TEN FISCAL YEARS

For the Year Ended June 30, 2012

| | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> |
|--------------------------------------------------------------|-----------------------|-----------------------|---------------------|--------------------|
| REVENUES | | | | |
| Local revenue | \$ 43,383,947 | \$ 45,162,611 | \$ 44,942,528 | \$ 42,569,864 |
| Intermediate revenue | 626,440 | 771,646 | 543,399 | 604,811 |
| State revenue | 23,739,668 | 22,488,952 | 26,804,441 | 27,677,831 |
| Federal revenue | <u>3,966,675</u> | <u>7,090,015</u> | <u>7,193,241</u> | <u>5,380,839</u> |
| Total revenues | <u>71,716,730</u> | <u>75,513,224</u> | <u>79,483,609</u> | <u>76,233,345</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Instruction | 36,773,782 | 37,541,262 | 36,222,886 | 36,267,455 |
| Support services | 23,029,771 | 24,801,535 | 24,195,042 | 24,722,939 |
| Enterprise and community services | 3,144,048 | 2,900,641 | 2,927,181 | 2,799,022 |
| Facilities acquisition and construction | - | - | - | 196,253 |
| Debt service | | | | |
| Principal | 6,397,566 | 7,670,535 | 5,680,594 | 5,318,329 |
| Interest | 4,060,426 | 4,256,610 | 4,438,721 | 4,565,499 |
| Capital outlay | <u>704,697</u> | <u>576,499</u> | <u>507,797</u> | <u>2,458,329</u> |
| Total expenditures | <u>74,110,290</u> | <u>77,747,082</u> | <u>73,972,221</u> | <u>76,327,826</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(2,393,560)</u> | <u>(2,233,858)</u> | <u>5,511,388</u> | <u>(94,481)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 405,755 | - | - | - |
| Transfers out | (405,755) | - | - | - |
| Issuance of debt | - | - | - | - |
| Payments to escrow agent | - | - | - | - |
| Proceeds from the sale of assets | <u>-</u> | <u>147,500</u> | <u>-</u> | <u>2,033</u> |
| Total other financing sources (uses) | <u>-</u> | <u>147,500</u> | <u>-</u> | <u>2,033</u> |
| Special item sources (uses) | | | | |
| Lump sum payment to PERS | <u>-</u> | <u>(6,000,000)</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | <u>\$ (2,393,560)</u> | <u>\$ (8,086,358)</u> | <u>\$ 5,511,388</u> | <u>\$ (92,448)</u> |
| Debt service as a percentage of noncapital expenditures | 14.2% | 15.5% | 13.8% | 13.4% |

| <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|-----------------------|-------------------|-----------------------|------------------------|------------------------|----------------------|
| \$ 43,127,507 | \$ 38,585,672 | \$ 36,579,372 | \$ 39,967,747 | \$ 35,271,040 | \$ 27,356,485 |
| 487,098 | 680,443 | 609,495 | 452,889 | 617,014 | 356,279 |
| 28,275,489 | 25,648,815 | 25,233,149 | 22,952,503 | 27,136,343 | 22,508,644 |
| <u>4,543,773</u> | <u>4,952,651</u> | <u>4,350,653</u> | <u>4,061,206</u> | <u>3,754,982</u> | <u>2,946,980</u> |
| <u>76,433,867</u> | <u>69,867,581</u> | <u>66,772,669</u> | <u>67,434,345</u> | <u>66,779,379</u> | <u>53,168,388</u> |
| 36,495,373 | 29,969,907 | 28,892,936 | 28,184,040 | 27,978,592 | 28,362,329 |
| 25,025,168 | 22,700,547 | 21,667,634 | 29,122,020 | 21,423,413 | 46,660,084 |
| 2,944,778 | 2,778,232 | 2,886,547 | 2,627,201 | 2,494,942 | 2,396,657 |
| 698,671 | 905,305 | 1,479,610 | 1,884,737 | 3,076,623 | 3,136,416 |
| 4,982,405 | 5,309,635 | 3,650,000 | 3,703,597 | 2,455,017 | 497,814 |
| 4,689,946 | 4,139,446 | 5,813,216 | 4,782,669 | 5,872,456 | 996,299 |
| <u>4,598,143</u> | <u>3,740,202</u> | <u>11,116,539</u> | <u>31,928,050</u> | <u>27,001,466</u> | <u>1,192,240</u> |
| <u>79,434,484</u> | <u>69,543,274</u> | <u>75,506,482</u> | <u>102,232,314</u> | <u>90,302,509</u> | <u>83,241,839</u> |
| <u>(3,000,617)</u> | <u>324,307</u> | <u>(8,733,813)</u> | <u>(34,797,969)</u> | <u>(23,523,130)</u> | <u>(30,073,451)</u> |
| - | - | 117,946 | - | - | - |
| - | - | (117,946) | - | - | - |
| - | 60,749,821 | - | 4,620,000 | - | 112,616,281 |
| - | (60,418,501) | - | - | - | - |
| <u>3,320</u> | <u>20,745</u> | <u>3,638</u> | <u>11,339</u> | <u>3,273</u> | <u>4,059</u> |
| <u>3,320</u> | <u>352,065</u> | <u>3,638</u> | <u>4,631,339</u> | <u>3,273</u> | <u>112,620,340</u> |
| - | - | - | - | - | - |
| <u>\$ (2,997,297)</u> | <u>\$ 676,372</u> | <u>\$ (8,730,175)</u> | <u>\$ (30,166,630)</u> | <u>\$ (23,519,857)</u> | <u>\$ 82,546,889</u> |
| 12.9% | 14.4% | 14.7% | 12.1% | 13.2% | 1.8% |

REVENUE CAPACITY

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

ASSESSED VALUES OF TAXABLE PROPERTY WITHIN CORVALLIS SCHOOL DISTRICT BOUNDARIES
LAST TEN FISCAL YEARS

For the Year Ended June 30, 2012

| Year Ending June 30 | Real Property | Personal Property | Public Utility | Total Assessed Value | Total Direct Tax Rate | Real Market Taxable Value | Assessed Value as a % of Actual Value |
|------------------------|------------------|----------------------|-------------------|----------------------------|-----------------------------|---------------------------------|---------------------------------------------|
| 2012 | \$ 4,940,211,136 | \$ 161,948,679 | \$ 135,848,370 | \$ 5,238,008,185 | 7.65 | \$ 7,208,123,702 | 73% |
| 2011 | 4,793,853,294 | 156,682,133 | 134,078,720 | 5,084,614,147 | 7.65 | 7,222,456,095 | 70% |
| 2010 | 4,581,101,159 | 173,475,743 | 130,639,830 | 4,885,216,732 | 7.67 | 7,544,560,225 | 65% |
| 2009 | 4,493,229,366 | 182,294,930 | 87,139,690 | 4,762,663,986 | 7.22 | 7,571,150,272 | 63% |
| 2008 | 4,325,607,127 | 160,070,535 | 88,693,230 | 4,574,370,892 | 7.25 | 7,060,558,658 | 65% |
| 2007 | 4,149,708,456 | 161,274,896 | 83,794,390 | 4,394,777,742 | 6.16 | 6,496,148,417 | 68% |
| 2006 | 4,064,554,510 | 171,905,750 | 83,462,263 | 4,319,922,523 | 6.24 | 5,541,584,337 | 78% |
| 2005 | 3,907,012,286 | 147,812,688 | 98,579,222 | 4,153,404,196 | 7.15 | 5,318,250,583 | 78% |
| 2004 | 3,695,118,143 | 161,465,577 | 85,045,668 | 3,941,629,388 | 7.13 | 4,754,939,971 | 83% |
| 2003 | 3,576,982,228 | 165,828,828 | 93,504,353 | 3,836,315,409 | 5.46 | 4,739,351,863 | 81% |

Notes

Beginning July 1, 1997 property taxes were based on an assessed value. Assessed value is defined as the lower of "maximum assessed value" or "real market value." For the 1997-98 tax year, "maximum assessed value" was set at the 1995-96 real market value less 10%. Assessed value for later years is limited to 3% annual increases.

The net levy is the actual imposed tax after adjustments and constitutional property tax limitations due to the passing of Measure 5 in 1990 and Measure 50 in 1997.

Source

Benton County Assessment Department; Linn County Tax Assessor's Office

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

DIRECT AND OVERLAPPING PROPERTY TAX RATES - LAST TEN FISCAL YEARS

For the Year Ended June 30, 2012

District Direct Rates

| Year Ending June 30 | General Tax Permanent Rate | Local Option | 1999 Aquatic Center Remodel Bond | 2003 Construction Bond | Total Direct Tax Rate |
|------------------------|-------------------------------|-----------------|----------------------------------------|------------------------------|--------------------------|
| 2012 | 4.46 | 1.50 | N/A | 1.69 | 7.65 |
| 2011 | 4.46 | 1.50 | 0.16 | 1.53 | 7.65 |
| 2010 | 4.46 | 1.50 | 0.19 | 1.52 | 7.67 |
| 2009 | 4.46 | 1.20 | 0.16 | 1.40 | 7.22 |
| 2008 | 4.46 | 1.10 | 0.18 | 1.51 | 7.25 |
| 2007 | 4.46 | - | 0.18 | 1.52 | 6.16 |
| 2006 | 4.46 | - | 0.19 | 1.59 | 6.24 |
| 2005 | 4.46 | 0.83 | 0.20 | 1.66 | 7.15 |
| 2004 | 4.46 | 0.76 | 0.21 | 1.70 | 7.13 |
| 2003 | 4.46 | 0.79 | 0.21 | - | 5.46 |

Overlapping Total Property Tax Rates

| Year Ending June 30 | City of Corvallis | Benton County | Linn-Benton ESD | Linn-Benton Community College | Benton County Library |
|------------------------|----------------------|------------------|--------------------|-------------------------------------|--------------------------|
| 2012 | 6.09 | 2.21 | 0.30 | 0.68 | 0.39 |
| 2011 | 5.59 | 2.85 | 0.30 | 0.67 | 0.39 |
| 2010 | 5.63 | 2.80 | 0.30 | 0.68 | 0.39 |
| 2009 | 5.64 | 3.11 | 0.30 | 0.68 | 0.39 |
| 2008 | 5.62 | 2.47 | 0.30 | 0.67 | 0.39 |
| 2007 | 5.64 | 2.47 | 0.30 | 0.68 | 0.39 |
| 2006 | 5.65 | 2.50 | 0.30 | 0.69 | 0.39 |
| 2005 | 5.60 | 2.50 | 0.30 | 0.68 | 0.39 |
| 2004 | 5.68 | 2.87 | 0.30 | 0.68 | 0.39 |
| 2003 | 5.72 | 2.85 | 0.30 | 0.69 | 0.39 |

Notes

The permanent and local option tax rates are determined by the State of Oregon Constitution and State Statues. Existing districts cannot increase their permanent rate authority. Local option levies are limited to five years for operations and ten years for capital projects. Elections for local option levies must meet the double majority election test, except in the November general election in even numbered years. Rates for debt service are set based on each year's requirements.

In 1996-97, property tax limitation Measure 5 was approved. In November 1996 voters approved Measure 47 to cap property tax revenues for school districts at \$5.00 per thousand of assessed value excluding local-option and debt service levies.

Source

Benton County Assessment Department

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

PRINCIPAL PROPERTY TAX PAYERS FOR BENTON COUNTY - CURRENT AND NINE YEARS AGO

For the Year Ended June 30, 2012

| Taxpayer | 2012 (Current year) | | | 2003 (Nine years ago) | | |
|-----------------------------------|-------------------------|------|-----------------------------------|-------------------------|------|-----------------------------------|
| | Taxable Assessed Value | Rank | % of Total Taxable Assessed Value | Taxable Assessed Value | Rank | % of Total Taxable Assessed Value |
| Ten largest taxpayers | | | | | | |
| Hewlett Packard Company | \$ 408,815,741 | 1 | 6.00% | \$ 492,279,134 | 1 | 10.08% |
| Comcast Corporation | 38,988,900 | 2 | 0.57% | - | | |
| Pacificorp | 34,086,000 | 3 | 0.50% | 21,660,100 | 5 | 0.44% |
| NW Natural Gas | 33,139,100 | 4 | 0.49% | 21,630,500 | 4 | 0.44% |
| Starker Forests Inc | 22,940,610 | 5 | 0.34% | 18,333,048 | 7 | 0.38% |
| Evanite Fiber Corporation | 22,744,443 | 6 | 0.33% | 24,989,523 | 3 | 0.51% |
| Qwest Corporation | 20,037,800 | 7 | 0.29% | 38,439,155 | 2 | 0.79% |
| Avery Investments LLC | 18,030,026 | 8 | 0.26% | 14,787,110 | 8 | 0.30% |
| Witham Hill Oaks Apartments LLC | 14,660,235 | 9 | 0.22% | - | | |
| Suncor Partners LLC | 11,453,752 | 10 | 0.17% | - | | |
| Accu Fab Systems Inc | - | | | 10,813,715 | 10 | 0.22% |
| Jones, Jerry G. etal | - | | | 11,235,850 | 9 | 0.23% |
| Pioneer Telephone Coop | - | | | 16,135,260 | 6 | 0.33% |
| Subtotal of ten largest taxpayers | <u>624,896,607</u> | | <u>9.17%</u> | <u>670,303,395</u> | | <u>13.73%</u> |
| All other taxpayers | <u>6,187,025,386</u> | | <u>90.83%</u> | <u>4,213,509,509</u> | | <u>86.27%</u> |
| Total all taxpayers | <u>\$ 6,811,921,993</u> | | <u>100.00%</u> | <u>\$ 4,883,812,904</u> | | <u>100.00%</u> |

Source

Benton County Assessment Department
Corvallis School District 509J 2003 CAFR

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

PROPERTY TAX LEVIES AND COLLECTIONS - LAST TEN FISCAL YEARS

For the Year Ended June 30, 2012

| Year Ending June 30 | Total Extended Tax Levy | Current Tax Collections | Current Tax Collections as a % of Current Levy | Delinquent Tax Collections | Total Tax Collections | Total Tax Collections as a % of Current Levy |
|------------------------|----------------------------|----------------------------|------------------------------------------------------|-------------------------------|--------------------------|-------------------------------------------------------|
| 2012 | \$ 36,626,105 | \$ 34,824,203 | 95.1% | \$ 918,109 | \$ 35,742,312 | 97.6% |
| 2011 | 36,232,808 | 34,397,971 | 94.9% | 744,552 | 35,142,523 | 97.0% |
| 2010 | 34,933,033 | 33,706,540 | 96.5% | 693,510 | 34,400,050 | 98.5% |
| 2009 | 32,460,699 | 31,578,582 | 97.3% | 519,919 | 32,098,501 | 98.9% |
| 2008 | 31,358,743 | 30,675,470 | 97.8% | 513,044 | 31,188,514 | 99.5% |
| 2007 | 26,148,198 | 25,570,879 | 97.8% | 452,333 | 26,023,212 | 99.5% |
| 2006 | 26,138,321 | 25,618,287 | 98.0% | 400,893 | 26,019,180 | 99.5% |
| 2005 | 27,077,651 | 26,531,246 | 98.0% | 473,424 | 27,004,670 | 99.7% |
| 2004 | 25,534,102 | 24,954,885 | 97.7% | 552,364 | 25,507,249 | 99.9% |
| 2003 | 19,176,677 | 18,100,041 | 94.4% | 663,267 | 18,763,308 | 97.8% |

Notes

Collections are defined as actual receipts including interest

Amounts are based upon the tax collection year July 1 to June 30. Revenues as recorded in the financial statements are recognized when measurable and available

Source

District Comprehensive Annual Financial Report

| Uncollected Taxes | Uncollected Taxes as a % of Current Levy |
|----------------------|---------------------------------------------------|
| \$ 1,840,063 | 5.0% |
| 1,975,669 | 5.5% |
| 1,866,952 | 5.3% |
| 1,403,981 | 4.3% |
| 1,094,596 | 3.5% |
| 1,008,886 | 3.9% |
| 925,097 | 3.5% |
| 917,842 | 3.4% |
| 927,454 | 3.6% |
| 931,979 | 4.9% |

DEBT CAPACITY

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

RATIOS OF OUTSTANDING DEBT BY TYPE - LAST TEN FISCAL YEARS

For the Year Ended June 30, 2012

General Bonded Debt

| Year Ending June 30 | General Obligation Bonds Outstanding ¹ | % of Actual Taxable Value of Property ² | Per Student ³ | Per Capita ⁴ |
|------------------------|---------------------------------------------------------|----------------------------------------------------------|--------------------------|-------------------------|
| 2012 | \$ 53,870,000 | 1.03% | \$ 8,581 | N/A |
| 2011 | 59,475,000 | 1.17% | 9,222 | 692 |
| 2010 | 64,695,000 | 1.32% | 9,885 | 753 |
| 2009 | 69,515,000 | 1.46% | 10,446 | 842 |
| 2008 | 73,955,000 | 1.63% | 11,007 | 904 |
| 2007 | 78,045,000 | 1.78% | 11,555 | 962 |
| 2006 | 83,505,000 | 1.93% | 12,148 | 1,042 |
| 2005 | 87,155,000 | 2.10% | 12,593 | 1,097 |
| 2004 | 90,710,000 | 2.30% | 12,843 | 1,149 |
| 2003 | 93,065,000 | 2.43% | 12,982 | 1,172 |

Other Governmental Activities Debt

| Year Ending June 30 | City of Corvallis Street Assessment and Small Scale Energy Loan Programs | Total District | Per Student ³ | Per Capita ⁴ |
|------------------------|-----------------------------------------------------------------------------------|-------------------|--------------------------|-------------------------|
| 2012 | \$ - | \$ 53,870,000 | \$ 8,581 | N/A |
| 2011 | - | 59,475,000 | 9,222 | 692 |
| 2010 | - | 64,695,000 | 9,885 | 753 |
| 2009 | - | 69,515,000 | 10,446 | 842 |
| 2008 | - | 73,955,000 | 11,007 | 904 |
| 2007 | - | 78,045,000 | 11,555 | 962 |
| 2006 | 7,510 | 83,512,510 | 12,149 | 1,043 |
| 2005 | 36,860 | 87,191,860 | 12,598 | 1,097 |
| 2004 | 64,419 | 90,774,419 | 12,852 | 1,150 |
| 2003 | 96,788 | 93,161,788 | 12,995 | 1,173 |

Notes

¹Details regarding the District's outstanding debt can be found in the notes to the financial statements.

²See the Schedule of Assessed Values of Taxable Property for property value data.

³Student enrollment data can be found in Schedule of Demographic and Economic Statistics

⁴Per capita is calculated using the population data listed in the Schedule of Demographic and Economic Statistics.

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of June 30, 2012

| Overlapping Issuer | Net Property Tax Backed Debt ¹ | % | Overlapping Debt |
|-----------------------------------------------|----------------------------------------------|--------|----------------------|
| Benton County | \$ 1,480,000 | 74.88% | \$ 1,108,224 |
| Benton County School District 17J (Philomath) | 38,794,735 | 0.19% | 73,710 |
| City of Corvallis | 6,800,000 | 99.37% | 6,757,160 |
| Linn-Benton Community College | <u>10,915,670</u> | 38.95% | <u>4,251,653</u> |
| Total net property tax backed debt | <u>\$ 57,990,405</u> | | |
| Subtotal, overlapping debt | | | <u>12,190,747</u> |
| Direct district net property tax backed debt | | | <u>53,870,000</u> |
| Total direct and overlapping debt | | | <u>\$ 66,060,747</u> |

¹Net property tax backed debt includes all General Obligation (GO) bonds and Limited-tax GO bonds, less Self-supporting Unlimited-tax (GO) and Self-supporting Limited-tax GO debt.

Overlapping debt is calculated by State Treasurer by shared market value

Source

Municipal Debt Advisory Commission, State of Oregon

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

LEGAL DEBT MARGIN INFORMATION - LAST TEN FISCAL YEARS

For the Year Ended June 30, 2012

| | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> |
|-------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
| Real Market Value | \$ 7,208,123,702 | \$ 7,222,456,095 | \$ 7,544,560,225 | \$ 7,571,150,272 |
| Debt Limit | 573,045,834 | 574,185,260 | 599,792,538 | 601,906,447 |
| Total net debt applicable to limit | <u>53,267,571</u> | <u>59,085,168</u> | <u>64,479,643</u> | <u>69,339,502</u> |
| Legal debt margin | <u>519,778,263</u> | <u>515,100,092</u> | <u>535,312,895</u> | <u>532,566,945</u> |
| Total net debt applicable to the limit as a % of debt limit | 10.25% | 11.47% | 12.05% | 13.02% |

Legal Debt Margin Calculation for Fiscal Year 2012

| | |
|---------------------------------------------|-----------------------|
| Real Market Value | \$ 7,208,123,702 |
| Debt limit (7.95%) ¹ | 573,045,834 |
| Amount of debt applicable to debt limit: | |
| General obligation bonded debt | 53,870,000 |
| Less amount available in debt service funds | <u>602,429</u> |
| Amount of debt applicable to debt limit | <u>53,267,571</u> |
| Legal debt margin | <u>\$ 519,778,263</u> |

1ORS 328.245 establishes a parameter of bonded indebtedness for school districts. Aggregates are governed by real market values of all taxable properties within the district based on the following:

- (A) For each grade from kindergarten to eighth for which the district operates schools, fifty-five one-hundredths of one percent (.0055) of the real market value.
- (B) For each grade from ninth to twelfth for which the district operates schools, seventy-five one-hundredths of one percent (.0075) of the real market value.

Therefore, the allowable percentage of real market value is calculated as:

| | |
|--------------------------------------------------|--------------|
| (A) Kindergarten through eighth grade, 9 x .0055 | 4.95% |
| (B) Ninth through twelfth, 4 x .0075 | <u>3.00%</u> |
| Allowable percentage | <u>7.95%</u> |

| <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| \$ 7,060,558,658 | \$ 6,496,148,417 | \$ 5,541,584,337 | \$ 5,318,250,583 | \$ 4,754,939,971 | \$ 4,739,351,863 |
| 561,314,413 | 516,443,799 | 440,555,955 | 422,800,921 | 378,017,728 | 376,778,473 |
| <u>73,225,147</u> | <u>77,474,734</u> | <u>83,025,237</u> | <u>86,808,627</u> | <u>90,534,628</u> | <u>92,881,993</u> |
| <u>488,089,266</u> | <u>438,969,065</u> | <u>357,530,718</u> | <u>335,992,294</u> | <u>287,483,100</u> | <u>283,896,480</u> |
| 15.00% | 17.65% | 23.22% | 25.84% | 31.49% | 32.72% |

DEMOGRAPHIC AND ECONOMIC INFORMATION

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

DEMOGRAPHIC AND ECONOMIC STATISTICS - LAST TEN CALENDAR YEARS

For the Year Ended June 30, 2012

| Year Ending June 30 | Benton County Population | Personal Income (Thousands) | Per Capita Personal Income | Unemployment Rate | 509J Enrollment | OSU Enrollment |
|------------------------|--------------------------------|-----------------------------------|----------------------------------|----------------------|--------------------|-------------------|
| 2012 | N/A | N/A | N/A | 6.2% | 6,278 | 24,977 |
| 2011 | 85,928 | N/A | N/A | 6.6% | 6,449 | 23,761 |
| 2010 | 85,527 | 3,193,015 | 37,333 | 7.3% | 6,553 | 21,969 |
| 2009 | 82,605 | 3,132,559 | 37,922 | 7.9% | 6,663 | 20,320 |
| 2008 | 81,775 | 3,087,387 | 37,755 | 4.5% | 6,729 | 19,753 |
| 2007 | 81,151 | 2,953,718 | 36,398 | 4.1% | 6,754 | 19,362 |
| 2006 | 80,110 | 2,800,361 | 34,956 | 4.7% | 6,874 | 19,236 |
| 2005 | 79,452 | 2,642,224 | 33,256 | 4.9% | 6,921 | 19,162 |
| 2004 | 78,949 | 2,719,294 | 34,444 | 5.4% | 7,063 | 18,979 |
| 2003 | 79,398 | 2,615,787 | 32,945 | 5.8% | 7,169 | 18,789 |

Notes

N/A - Data unavailable at time of printing

509J Enrollment is as of September 30th, kindergartners counted as whole. Does not include charter school or YES House.

Benton County population estimates are continually revised as more data becomes available from the US Census Bureau.

Source

Oregon Employment Department, Workforce Analyst

Oregon State University

US Census Bureau

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

PRINCIPAL EMPLOYERS FOR THE CORVALLIS AREA - CURRENT AND NINE YEARS AGO

For the Year Ended June 30, 2012

| Employer | 2012 (Current year) | | | 2003 (Nine years ago) | | |
|-----------------------------------|---------------------|------|-----------------------|-----------------------|------|-----------------------|
| | Employees | Rank | % of Total Employment | Employees | Rank | % of Total Employment |
| Ten largest taxpayers | | | | | | |
| Oregon State University | 9,277 | 1 | 23.99% | 8,802 | 1 | 22.68% |
| Samaritan Health Services | 2,722 | 2 | 7.04% | 1,300 | 3 | 3.35% |
| Hewlett Packard | 1,700 | 3 | 4.40% | 3,400 | 2 | 8.76% |
| Corvallis School District 509J | 574 | 4 | 1.48% | 568 | 4 | 1.46% |
| Corvallis Clinic | 535 | 5 | 1.38% | 555 | 5 | 1.43% |
| CH2M Hill | 410 | 6 | 1.06% | 385 | 9 | 0.99% |
| City of Corvallis | 402 | 7 | 1.04% | 426 | 7 | 1.10% |
| Benton County | 402 | 8 | 1.04% | 389 | 8 | 1.00% |
| Fiserv ¹ | 238 | 9 | 0.62% | 320 | 10 | 0.82% |
| ATS Systems Oregon | 200 | 10 | 0.52% | 0 | | |
| Suislaw National Forest | <u>0</u> | | 0.00% | <u>463</u> | 6 | 1.19% |
| Subtotal of ten largest employers | <u>16,460</u> | | <u>42.57%</u> | <u>16,608</u> | | <u>42.78%</u> |
| All other employers | <u>22,210</u> | | <u>57.43%</u> | <u>22,210</u> | | <u>57.22%</u> |
| Total Corvallis area employment | <u>38,670</u> | | <u>100.00%</u> | <u>38,818</u> | | <u>100.00%</u> |

Notes

⁽¹⁾Fiserv was formally known as Summit Information Systems

Total employment is for the Corvallis Metropolitan Area (MSA) which is Benton County

Source

City of Corvallis

OPERATING INFORMATION

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

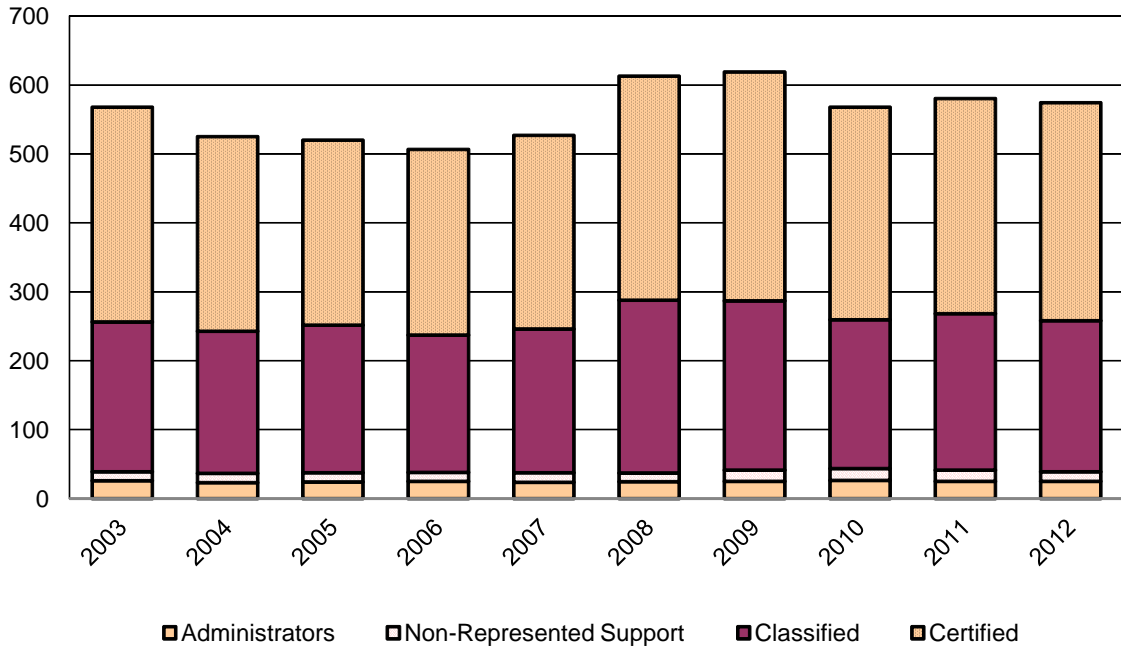
NUMBER OF FULL TIME EQUIVALENT (FTE) EMPLOYEES - GENERAL FUND
LAST TEN FISCAL YEARS

For the Year Ended June 30, 2012

| <u>Year Ending June 30</u> | <u>Certified</u> | <u>Classified</u> | <u>Non-represented Support</u> | <u>Administrators</u> | <u>Total</u> |
|--------------------------------|------------------|-------------------|------------------------------------|-----------------------|--------------|
| 2012 | 316.0 | 219.1 | 14.0 | 24.9 | 574.0 |
| 2011 | 312.2 | 227.1 | 16.3 | 24.7 | 580.3 |
| 2010 | 308.2 | 216.1 | 17.3 | 26.0 | 567.6 |
| 2009 | 331.7 | 245.7 | 16.3 | 24.9 | 618.6 |
| 2008 | 325.2 | 251.0 | 12.3 | 24.4 | 612.9 |
| 2007 | 280.6 | 208.6 | 14.0 | 23.4 | 526.6 |
| 2006 | 268.9 | 199.4 | 13.2 | 24.6 | 506.1 |
| 2005 | 268.4 | 214.0 | 13.4 | 24.0 | 519.8 |
| 2004 | 282.0 | 206.3 | 13.4 | 23.0 | 524.7 |
| 2003 | 311.7 | 217.2 | 13.0 | 25.6 | 567.5 |

Source
School District Records

Number of FTE Employees - General Fund



CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

OPERATING STATISTICS - LAST TEN FISCAL YEARS

For the Year Ended June 30, 2012

| Year Ending June 30 | General Fund Expenditures | Enrollment | Cost per Pupil | % Change | Certified Staff |
|------------------------|------------------------------|------------|-------------------|-------------|--------------------|
| 2012 | 53,771,874 | 6,278 | \$ 8,565 | 0.6% | 316.0 |
| 2011 | 54,881,099 | 6,448 | 8,511 | 6.3% | 312.2 |
| 2010 | 52,458,294 | 6,553 | 8,005 | -0.3% | 308.2 |
| 2009 | 53,503,442 | 6,663 | 8,030 | 0.9% | 331.7 |
| 2008 | 53,576,016 | 6,729 | 7,962 | 20.5% | 327.5 |
| 2007 | 44,636,104 | 6,757 | 6,606 | 7.7% | 280.6 |
| 2006 | 41,607,246 | 6,781 | 6,136 | 0.0% | 268.9 |
| 2005 | 41,917,633 | 6,835 | 6,133 | 4.5% | 267.4 |
| 2004 | 40,693,499 | 6,933 | 5,870 | -3.3% | 281.8 |
| 2003 | 43,093,120 | 7,097 | 6,072 | 0.9% | 311.7 |

Notes

Student enrollment figures are as of October 1 and kindergartners are counted as whole.

Does not include Muddy Creek Charter School or YES House.

Source

School District Records

| <u>Pupil/Teacher Ratio</u> | <u>Student Attendance %</u> | <u>Free/Reduced Lunch %</u> |
|--------------------------------|-------------------------------------|-------------------------------------|
| 19.87 | 98.8% | 37.0% |
| 20.65 | 97.2% | 35.7% |
| 21.26 | 93.7% | 35.0% |
| 20.09 | 93.9% | 36.0% |
| 20.55 | 92.9% | 33.0% |
| 24.08 | 93.6% | 32.0% |
| 25.22 | 93.0% | 32.0% |
| 25.56 | 93.4% | 30.0% |
| 24.60 | 93.4% | 27.0% |
| 22.77 | 93.3% | 27.0% |

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

OPERATING STATISTICS - LAST FIVE FISCAL YEARS

For the Year Ended June 30, 2012

| Schools | Year Built | 2012 | 2011 | 2010 | 2009 | 2008 |
|--------------------------|------------|--------|--------|--------|--------|--------|
| Adams | 1962 | | | | | |
| Square Feet - Structural | | 46,063 | 46,063 | 46,063 | 46,063 | 46,063 |
| Square Feet - Temp/Mod | | 2,558 | 2,558 | 2,558 | 2,558 | 2,558 |
| Square Feet | | 48,621 | 48,621 | 48,621 | 48,621 | 48,621 |
| Enrollment | | 363 | 390 | 411 | 417 | 445 |
| Franklin | 1947 | | | | | |
| Square Feet - Structural | | 35,944 | 35,944 | 35,944 | 35,944 | 35,944 |
| Square Feet | | 35,944 | 35,944 | 35,944 | 35,944 | 35,944 |
| Enrollment | | 343 | 329 | 320 | 324 | 333 |
| Jefferson | 1960 | | | | | |
| Square Feet - Structural | | 37,915 | 37,915 | 37,915 | 37,915 | 37,915 |
| Square Feet - Temp/Mod | | 2,240 | 2,240 | 2,240 | 2,240 | 2,240 |
| Square Feet | | 40,155 | 40,155 | 40,155 | 40,155 | 40,155 |
| Enrollment | | 313 | 329 | 331 | 347 | 322 |
| Garfield | 1955 | | | | | |
| Square Feet - Structural | | 43,676 | 43,676 | 43,676 | 43,676 | 43,676 |
| Square Feet - Temp/Mod | | 3,116 | 3,116 | 3,116 | 3,116 | 3,116 |
| Square Feet | | 46,792 | 46,792 | 46,792 | 46,792 | 46,792 |
| Enrollment | | 385 | 380 | 369 | 377 | 380 |
| Hoover | 1968 | | | | | |
| Square Feet - Structural | | 40,300 | 40,300 | 40,300 | 40,300 | 40,300 |
| Square Feet - Temp/Mod | | 4,602 | 4,602 | 4,602 | 4,602 | 4,602 |
| Square Feet | | 44,902 | 44,902 | 44,902 | 44,902 | 44,902 |
| Enrollment | | 413 | 419 | 405 | 410 | 406 |
| Mt View | 1954 | | | | | |
| Square Feet - Structural | | 47,470 | 47,470 | 47,470 | 47,470 | 47,470 |
| Square Feet - Temp/Mod | | 3,588 | 3,588 | 3,588 | 3,588 | 3,588 |
| Square Feet | | 51,058 | 51,058 | 51,058 | 51,058 | 51,058 |
| Enrollment | | 313 | 344 | 362 | 376 | 421 |
| Wilson | 1962 | | | | | |
| Square Feet - Structural | | 39,901 | 39,901 | 39,901 | 39,901 | 39,901 |
| Square Feet | | 39,901 | 39,901 | 39,901 | 39,901 | 39,901 |
| Enrollment | | 345 | 369 | 379 | 346 | 316 |
| Lincoln | 1949 | | | | | |
| Square Feet - Structural | | 35,986 | 35,986 | 35,986 | 35,986 | 35,986 |
| Square Feet - Temp/Mod | | 3,659 | 3,659 | 3,659 | 3,659 | 3,659 |
| Square Feet | | 39,645 | 39,645 | 39,645 | 39,645 | 39,645 |
| Enrollment | | 348 | 325 | 388 | 425 | 444 |

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

OPERATING STATISTICS - LAST FIVE FISCAL YEARS

For the Year Ended June 30, 2012

| Schools | Year Built | 2012 | 2011 | 2010 | 2009 | 2008 |
|-------------------------|------------|---------|---------|---------|---------|---------|
| Cheldelin | 1967 | | | | | |
| Square Feet | | 106,699 | 106,699 | 106,699 | 106,699 | 106,699 |
| Enrollment | | 543 | 598 | 615 | 640 | 588 |
| Linus Pauling | 2004 | | | | | |
| Square Feet | | 131,327 | 131,327 | 131,327 | 131,327 | 131,327 |
| Enrollment | | 697 | 724 | 698 | 692 | 704 |
| Corvallis High | 2005 | | | | | |
| Square Feet | | 252,352 | 252,352 | 252,352 | 252,352 | 252,352 |
| Enrollment | | 1,196 | 1,154 | 1,216 | 1,263 | 1,330 |
| Crescent Valley High | 1971 | | | | | |
| Square Feet | | 247,071 | 247,071 | 247,071 | 247,071 | 247,071 |
| Enrollment | | 1,019 | 1,088 | 1,052 | 1,046 | 1,037 |
| Harding Center | 1923/1976 | | | | | |
| Square Feet | | 37,441 | 37,441 | 37,441 | 37,441 | 37,441 |
| Administrative | 1963 | | | | | |
| Square Feet | | 32,750 | 32,750 | 32,750 | 32,750 | 32,750 |
| Physical Plant | 1963 | | | | | |
| Square Feet | | 33,400 | 33,400 | 33,400 | 33,400 | 33,400 |
| Western View Center | 1988 | | | | | |
| Square Feet- Structural | | 6,400 | 6,400 | 6,400 | 6,400 | 6,400 |
| Square Feet- Temp/Mod | | 1,592 | 1,592 | 1,592 | 1,592 | 1,592 |
| Square Feet | | 7,992 | 7,992 | 7,992 | 7,992 | 7,992 |

Source
 School District Records

**AUDIT COMMENTS AND DISCLOSURES REQUIRED BY
STATE REGULATIONS**



KOONTZ, PERDUE, BLASQUEZ & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

Board of Directors
Corvallis School District 509J
Corvallis, Oregon 97339

We have audited the basic financial statements of Corvallis School District 509J as of and for the year ended June 30, 2012, and have issued our report thereon dated December 10, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

Compliance

As part of obtaining reasonable assurance about whether Corvallis School District 509J's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes, as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0320 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 statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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:

Accounting records

Deposit of public funds with financial institutions (ORS Chapter 295)

Indebtedness limitations, restrictions, and repayment

Budgets legally required (ORS Chapter 294)

Insurance and fidelity bonds in force or required by law

Programs funded from outside sources

Authorized investment of surplus funds (ORS Chapter 294)

Public contracts and purchasing (ORS Chapters 279A, 279B, 279C)

State school fund factors and calculation

In connection with our testing, nothing came to our attention that caused us to believe the District was not in substantial compliance with certain provisions of laws, contracts, and grants, including the provisions of Oregon Revised Statutes, as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except for the following:

1. The District expended funds in excess of the amounts appropriated, which is in violation of ORS 294.100. The following appropriations were over-expended for the year ended June 30, 2012:

| <u>Fund</u> | <u>Function</u> | <u>Appropriations</u> | <u>Expenditures</u> | <u>Excess</u> |
|--------------|-----------------------------------|-----------------------|---------------------|---------------|
| Food Service | Enterprise and community services | \$ 2,827,900 | \$ 2,851,086 | \$ 23,186 |

2. The District was not in compliance with regards to public contracts and purchasing requirements. The District did not obtain three informal bids on two separate purchases, which is in violation of ORS 297.

OAR 162-010-0230 Internal Control

In planning and performing our audit, we considered the District’s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control over financial reporting.

This report is intended solely for the information and use of the board of directors and management of Corvallis School District 509J and the Oregon Secretary of State, and is not intended to be, and should not be used by anyone other than these parties.

Koontz, Perdue, Blasquez & Co., P.C.
 Koontz, Perdue, Blasquez & Co., P.C

December 10, 2012

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

SUPPLEMENTAL INFORMATION REQUIRED BY OREGON DEPARTMENT OF EDUCATION

For the Year Ended June 30, 2012

Part A is needed for computing Oregon's full allocation for ESEA, Title I, and other Federal Funds for Education.

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

| | |
|---------------|----------------------------|
| | Objects 325 and 326 |
| Function 2540 | \$ 1,047,891 |
| Function 2550 | \$ - |

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

| |
|------|
| \$ - |
|------|

Exclude these functions:

1113, 1122, and 1132 Co-curricular Activities
 1140 Pre-Kindergarten
 1300 Continuing Education
 1400 Summer School

Exclude these functions:

4150 Construction
 2550 Pupil Transportation
 3100 Food Service
 3300 Community Services

SINGLE AUDIT SECTION

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2012

| Federal Grantor, Pass through Grantor, Program Title | CFDA | Grant Period | Expenditures |
|---------------------------------------------------------|--------|---------------------|------------------|
| <u>U.S. Department of Education</u> | | | |
| Passed through Oregon State Department of Education | | | |
| Title I, Part A Cluster* | | | |
| Title I D - Yes House | 84.010 | 07/01/11 - 09/30/12 | \$ 37,579 |
| Title IA/D - NCLB | 84.010 | 07/01/11 - 09/30/12 | 1,046,775 |
| Title IA/D - NCLB | 84.010 | 07/01/10 - 06/30/12 | <u>75,409</u> |
| Total Title I, Part A Cluster | | | <u>1,159,763</u> |
| Special Education Cluster* | | | |
| IDEA Enhancement | 84.027 | 10/01/11 - 09/30/12 | 7,957 |
| Extended Assessment Training | 84.027 | 09/01/11 - 06/30/12 | 900 |
| IDEA Special Education, SPR&I | 84.027 | 08/01/11 - 06/30/12 | 4,277 |
| IDEA Part B, Section 611 | 84.027 | 07/01/10 - 09/30/12 | 18,830 |
| IDEA Part B, Section 611 | 84.027 | 07/01/11 - 09/30/12 | 979,306 |
| IDEA Part B, Section 619 Preschool | 84.173 | 07/01/10 - 09/30/12 | <u>6,512</u> |
| Total Special Education Cluster | | | <u>1,017,782</u> |
| State Fiscal Stabilization Cluster | | | |
| Ed Jobs - ARRA | 84.410 | 08/10/10 - 09/30/12 | <u>18,984</u> |
| EBISS | 84.323 | 10/01/10 - 09/30/11 | <u>1,505</u> |
| EBISS | 84.323 | 08/01/11 - 06/30/12 | <u>8,197</u> |
| Title III - English Language Acquisition | 84.365 | 07/01/10 - 06/30/12 | <u>15,575</u> |
| Title III - English Language Acquisition | 84.365 | 07/01/11 - 09/30/12 | <u>53,126</u> |
| Title IIA - Teacher Quality | 84.367 | 07/01/11 - 09/30/12 | <u>159,040</u> |
| Title IIA - Teacher Quality | 84.367 | 07/01/10 - 06/30/12 | <u>84,817</u> |
| Total U.S. Department of Education | | | <u>2,518,789</u> |
| <u>U.S. Department of Agriculture</u> | | | |
| Passed through Benton and Linn Counties | | | |
| School and Roads Cluster | | | |
| Federal Forest Fees | 10.665 | 07/01/11 - 06/30/12 | <u>35,088</u> |
| Passed through Oregon State Department of Education | | | |
| Child Nutrition Cluster* | | | |
| Food Commodities | 10.555 | 07/01/11 - 06/30/12 | 117,164 |
| School Breakfast Program | 10.553 | 07/01/11 - 06/30/12 | 254,670 |
| National School Lunch Program | 10.555 | 07/01/11 - 06/30/12 | 750,145 |
| Summer Food Service Program for Children | 10.559 | 07/01/11 - 06/30/12 | 105,494 |
| Food Commodities - Summer Food Service Program | 10.559 | 07/01/11 - 06/30/12 | <u>467</u> |
| Total Child Nutrition Cluster | | | <u>1,227,940</u> |
| Childcare Food | 10.558 | 07/01/11 - 06/30/12 | <u>134,188</u> |
| Total U.S. Department of Agriculture | | | <u>1,397,216</u> |

*Major program

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2012

| Federal Grantor, Pass through Grantor, Program Title | CFDA | Grant Period | Expenditures |
|--------------------------------------------------------------------------|--------|---------------------|---------------------|
| <u>U.S. Department of Highway Planning and Construction</u> | | | |
| Passed through State Department of Transportation | | | |
| Highway Planning and Construction Cluster | | | |
| Safe Routes to School | 20.205 | 10/01/10 - 09/30/11 | \$ 5,145 |
| Safe Routes to School | 20.205 | 10/01/11 - 09/30/12 | <u>31,518</u> |
| Total U.S. Department of Highway Planning and Construction | | | <u>36,663</u> |
| <u>U.S. Department of the Interior, Fish and Wildlife Service</u> | | | |
| Passed through Benton County | | | |
| Partners for Fish and Wildlife - pmt in lieu of taxes | 15.631 | 07/01/11 - 06/30/12 | <u>9,622</u> |
| <u>Corporation for National and Community Service</u> | | | |
| Passed through State Department of Education | | | |
| Learn and Serve Competitive | 94.004 | 09/01/10 - 06/30/12 | <u>4,386</u> |
| Total expenditures of federal awards | | | <u>\$ 3,966,676</u> |

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2012

I. PURPOSE OF SCHEDULE

The schedule of expenditures of federal awards is a supplementary schedule to Corvallis School District 509J's basic financial statements and is presented for additional analysis. Because the schedule presents only a selected portion of the activities of the District, it is not intended to and does not present the financial position, changes in net assets, nor the operating funds' revenues and expenses.

II. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

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

B. Federal Financial Assistance

Pursuant to the Single Audit Act of 1984 and OMB Circular A-133, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance, or direct appropriations. Accordingly, non-monetary federal assistance, including federal surplus property, is included in federal financial assistance and, therefore, is reported on the schedule of expenditures of federal awards, if applicable. Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts between the state and federal government for which the federal government procures tangible goods or services are not considered to be federal financial assistance.

C. Major Programs

The Single Audit Act of 1984 and OMB Circular A-133 establish criteria to be used in defining major federal financial assistance programs. Major programs for the District are those programs selected for testing by the auditor using a risk assessment model, as well as certain minimum expenditure requirements, as outlined in OMB Circular A-133. Programs with similar requirements may be grouped into a cluster for testing purposes. Major programs include Title I, Part A Cluster, CFDA 84.010, Special Education Cluster CFDA 84.027, and 84.173, and Child Nutrition Cluster, 10.553, 10.555, and 10.559.

D. Reporting Entity

The reporting entity is fully described in the notes to the District's basic financial statements. Additionally, the schedule of expenditures of federal awards includes all federal programs administered by the District for the year ended June 30, 2012.

E. Revenue and Expenditure Recognition

The receipt and expenditure of federal awards are accounted for under the modified accrual basis of accounting.



KOONTZ, PERDUE, BLASQUEZ & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
Corvallis School District 509J
Corvallis, Oregon 97339

We have audited the basic financial statements of Corvallis School District 509J and Inavale Community Partners, Inc., dba Muddy Creek Charter School, its discretely presented component unit, as of and for the year ended June 30, 2012, and have issued our report thereon dated December 10, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of Corvallis School District 509J is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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

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 significant deficiencies or material weaknesses, as defined above. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Corvallis School District 509J’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying schedule of findings and questioned costs as item 12-01, as well as the following:


1. The District expended funds in excess of the amounts appropriated, which is in violation of ORS 294.100. The following appropriations were over-expended for the year ended June 30, 2012:

| <u>Fund</u> | <u>Function</u> | <u>Appropriations</u> | <u>Expenditures</u> | <u>Excess</u> |
|--------------|-----------------------------------|-----------------------|---------------------|---------------|
| Food Service | Enterprise and community services | \$ 2,827,900 | \$ 2,851,086 | \$ 23,186 |

2. The District was not in compliance with regards to public contracts and purchasing requirements. The District did not obtain three informal bids on two separate purchases, which is in violation of ORS 297.

The District’s responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the District’s responses and, accordingly, we express no opinion on them.

This report is intended solely for the information of management, the Oregon Division of Audits, the Oregon Department of Education, and federal awarding agencies and pass-through entities, and is not intended to be, and should not be used by anyone other than these specified parties.



Koontz, Perdue, Blasquez & Co., P.C

Albany, Oregon
December 10, 2012



KOONTZ, PERDUE, BLASQUEZ & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Directors
Corvallis School District 509J
Corvallis, Oregon 97339

Compliance

We have audited the compliance of Corvallis School District 509J with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2012. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Corvallis School District 509J's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, Corvallis School District 509J complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

The management of Corvallis School District 509J is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Corvallis School District 509J's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis.

A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance; such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis.

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

This report is intended solely for the information of management, the Oregon Division of Audits, the Oregon Department of Education, and federal awarding agencies and pass-through entities, and is not intended to be, and should not be used by anyone other than these specified parties.

Koontz, Perdue, Blasquez & Co., P.C.

Koontz, Perdue, Blasquez & Co., P.C

Albany, Oregon
December 10, 2012

CORVALLIS SCHOOL DISTRICT 509J
Benton County, Oregon

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2012

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

| | |
|---------------------------------------------------------------------------------|-------------|
| Type of auditor's opinion issued: | Unqualified |
| Internal control over financial reporting: | |
| • Material weaknesses identified? | No |
| • Significant deficiencies identified not considered to be material weaknesses? | Yes |
| Noncompliance material to financial statements noted? | No |

Federal Awards

| | |
|------------------------------------------------------------------------------------------------------------------|-------------|
| Internal control over major programs: | |
| • Material weaknesses identified? | No |
| • Significant deficiencies identified not considered to be material weaknesses? | Yes |
| Type of auditor's report issued on compliance for major programs: | Unqualified |
| Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)? | Yes |

Identification of major programs:

| <i>CFDA Number(s)</i> | <i>Name of Federal Program or Cluster</i> |
|------------------------------|--------------------------------------------------|
| 84.010 | Title I, Part A Cluster |
| 84.027, 84.173 | Special Education Cluster |
| 10.553, 10.555, 10.559 | Child Nutrition Cluster |

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

SECTION II – FEDERAL AWARD FINDINGS

| <u>Finding Number</u> | <u>Finding</u> |
|-------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 12-01 | The District failed to obtain Private School Participation letters from two private schools. |
| Condition: | The District failed to send Private School Participation letters. |
| Prevalence: | Entity-wide |
| Criteria: | Districts are required to send out letters to all private schools to inquire whether they want to participate in obtaining federal funding. |
| Questioned costs: | None |
| Effect: | Single Audit Finding |
| Recommendations: | We recommend that the District follow procedures developed in regards to Private School Participation. |
| Management's response: | District staff will reaffirm and document search techniques to ensure all possible schools are contacted. In addition, the District has developed a new form letter that will be sent as a final notice to schools in cases where no response has been received. |

SECTION IV – CORRECTIVE ACTION PLAN

| <u>Finding Number</u> | <u>Finding</u> |
|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 12-01 | District staff will reaffirm and document search techniques to ensure all possible schools are contacted. In addition, the District has developed a new form letter that will be sent as a final notice to schools in cases where no response has been received. |



Corvallis

SCHOOL DISTRICT

XI.D. Administrative Regulation IICA-AR - Field Trips and Special Events -
Revision - For Information

Corvallis School District 509J
Board of Directors

BOARD MEETING DATE: January 14, 2013

FOR INFORMATION

SUBJECT: Administrative Regulation IICA-AR—Field Trips and Special Events—Revision—
For Information

Issue: We last updated this administrative regulation IICA-AR—Field Trips and Special Events in 2008. It was reviewed for current practice and updated to include:

- The district's Permission for use of Private Vehicle form should be completed prior to an individual transporting students in a private vehicle; and
- Should any student require the administration of medications of any type, then staff trained in administering those specific types of medications will accompany the trip.

Options Considered: Not revising the administrative regulation.

Involvement: District office staff, Risk Management

Consequences: The current administrative regulation is missing components of private vehicle permission and administration of medications.

Cost Impact: None

CONTACT PERSON(S): Karen Selander, Kerry Richey

FIELD TRIPS AND SPECIAL EVENTS

Field trip procedures are established as follows:

1. Requests for field trip approval (including state playoffs, tournaments, and invitationals):
 - a. Applications for field trips of more than 48 hours duration should be submitted to the superintendent's office 30 days prior to the trip;
 - b. Applications for field trips in duration of less than 48 hours should be submitted to the superintendent's office 14 days prior to the trip;
 - c. Applications for walking trips that require no transportation should be submitted to the office of the principal before the trip for approval. A copy of this request will be filed with the superintendent's designee by the principal.
 - d. The district's Permission for use of Private Vehicle form should be completed prior to an individual transporting students in a private vehicle.
2. Prior written parent permission must be secured for any field trip. In some cases blanket parental permission could be secured in advance of a specific series of field trips which are a part of a regularly required class program, such as local trips taken by the agriculture class or preholiday performance of the band or choir;
3. At least one staff member with a current first aid card will accompany the field trip. This requirement may increase based on the number of students participating (one trained staff member/sixty students). Should any student require the administration of medications of any type, then staff trained in administering those specific types of medications will accompany the trip.
4. **Transportation rules:**
 - a. The person in charge of the field trip will brief all participants on transportation carrier rules;
 - b.5. At least two adult chaperones will accompany each transportation carrier. The principal may reduce or increase this requirement based on the number of students participating and the mode of transportation;
 - c.6. Chaperones should be seated in a dispersal manner in order to maintain control;

- d.7. Student behavior is the responsibility of the chaperones, but the carrier operator will offer assistance if a question of safety is involved;
 - e.8. Route, stops, etc., will be planned before the trip and communicated to the carrier before leaving the school. The planned itinerary should be filed with the principal's office prior to the trip;
 - f.9. The person in charge should count students after each stop;
 - g.10. Once a trip begins, students are to stay with their assigned carrier unless specifically instructed otherwise by a chaperone. Students must have prior permission before leaving the group with parents or other relatives who must identify themselves to the person in charge;
- 5.11. In planning a trip:
- a. The capacity of the carrier should be considered. In the case of buses or other traffic vehicles, all passengers must be seated in accordance with law or regulation;
 - b. The ability of students to pay will be taken into consideration:
 - 1) If a student is unable to pay part or all of the field trip expenses, the staff will ensure that arrangements for payment are made in such a way that the student is not caused embarrassment;
 - 2) If fund raising for events is necessary, the group as a whole will be engaged in fund raising, not just those needing financial assistance.
- 6.12. Standards for student conduct and discipline apply during a field trip;
- 7.13. On overnight trips, students will stay only in accommodations approved by the faculty member in charge of the trip;
- 8.14. All participants should remember they are representatives of Corvallis School District 509J and should conduct themselves accordingly in grooming, dress, conversation and actions;
- 9.15. Walking field trips and bicycle field trips are permitted so long as adequate supervision is provided and students are instructed in safety measures;
- 10.16. Supervision will be arranged by the teacher and approved by the principal:
- a. Nonlicensed staff, parents, and volunteers may assist in supervision;
 - b. The teacher(s) in charge will be responsible for informing assistants of their duties.
- 11.17. The use of privately owned vehicles by paid staff and volunteers to transport students will be authorized only by the building principal:

- a. Liability insurance must be carried by the owners of private vehicles;
- b. The principal will inform the owners of private vehicles that in case of accident the driver's own insurance company is primarily responsible and that Corvallis School District insurance is responsible for damages in excess of the individual's insurance;
- c. Each volunteer will be given a copy of the Corvallis School District Explanation of District Insurance in Regard to Nonpaid Volunteers prior to the first activity for which they are driving.



Corvallis

SCHOOL DISTRICT

XI.E. Board Policy IICC - Volunteers - Revised - First Reading

Corvallis School District 509J
Board of Directors

BOARD MEETING DATE: January 14, 2013

FOR INFORMATION

SUBJECT:

Board Policy IICC—Volunteers—Revised—First Reading
Administrative Regulation—IICC-AR—Volunteers—Revised—For Information

Issue: Our district welcomes volunteers from among students' parents and other community patrons. We have updated our processes to include a criminal history background check which is now completed online. Our turnaround time for "clearing" those background checks has gone from 4-6 weeks to less than one week. The volunteer application is now more school and user friendly.

Options Considered: Not revising the policy or administrative regulation

Involvement: Human Resources staff, school operations assistants

Consequences: Forms and process remain outdated.

Cost Impact: None

CONTACT PERSON(S): Jennifer Duvall, Kerry Richey

Volunteers

Citizens who voluntarily contribute their time and talents to the improvement and enrichment of the public schools instructional and other programs are valuable assets. The Board encourages constructive participation of groups and individuals in the school to perform appropriate tasks during and after school hours under the direction and supervision of district personnel.

Each school is responsible for the recruitment, use, coordination and training of volunteers. These assignments will be carried out as directed or delegated by the principal and/or designee. Every effort should be made to use volunteer resources in a manner which will ensure maximum contribution to the safety, welfare and educational growth of students.

Nonexempt employees¹ may be permitted to volunteer to perform services for the district provided the volunteer activities do not involve the same or similar type of services² as the employee's regularly assigned duties. In the event a nonexempt employee volunteers to perform services for the district that are the same or similar as the employee's regularly assigned duties, the Board recognizes that under the Fair Labor Standards Act (FLSA), overtime or compensatory time must be provided.³

Each volunteer will complete a Volunteer Application form and a criminal history background check. ~~Criminal History Verification of Applicants form.~~

Violation of confidentiality or privacy rights of another individual is strictly prohibited.

END OF POLICY

Legal References:

ORS Chapter 243
ORS 326.607

ORS 332.107
OAR 839-020-0005

¹ There are three types of FLSA exemptions: those for executive, administrative, and professional employees. Generally employees who are exempt under the executive, administrative, or professional exceptions must primarily perform executive, administrative, or professional duties at least 50 percent of the employee's time.

² Instructional assistant duties are generally viewed to be the same type of service, supervising and instructing students, as coaching.

³ Districts should review with legal counsel the use of non-exempt employees in extracurricular activity positions such as coaching and advisors for cheerleading and other district-sponsored activities for FLSA district impacts.

Legal References continued:

Equal Access Act, P.L. 98-377, Title III, U.S.C. Title 20, Sections 4071-4074, 98 Stat. 1302.

Westside Community Board of Education v. Mergens, 496 U.S. 226, 110 S. Ct. 2356 (1990).

Fair Labor Standards Act of 1938, as amended, 29 U.S.C. Sections 206 and 207

Cross References:

Policy GCDA/GDDA - Criminal Records Checks/Fingerprinting

Policy GBJ—Weapons in the Schools—Employees



Corvallis

SCHOOL DISTRICT

XI.F. Administrative Regulation - IICC-AR - Volunteers - Revised - For
Information

VOLUNTEERS

The district encourages maximum involvement of volunteers. This involvement promotes good school-community relations and allows us to enhance our educational program. The presence of volunteers encourages caring and respectful communication between youth and adults and it also allows the volunteer to share his/her knowledge about the educational process in Corvallis public schools with the community.

The Board encourages constructive participation of groups and individuals in the school to perform appropriate tasks during and after school hours under the direction and supervision of district personnel. Every effort should be made to use volunteer resources in a manner which will ensure maximum contribution to the safety, welfare and educational growth of students.

1. Volunteers must:
 - a. Complete the Volunteer Application form;
 - b. Complete the criminal history background check form and have on file a Criminal History Verification of Applicant form;
 - c. If transporting students in a privately owned vehicle, volunteers must complete the Permission for Use of Private Vehicle form and be approved by the building principal. (Refer to and comply with Board policy EEAE and administrative regulation EEAE-AR).
2. Criminal history background checks ~~History Verification of Applicant form~~ will be processed for all volunteers. This background check must be cleared before the person may volunteer. Any confirmed criminal record or falsification of any answer on the criminal history background check shall subject the individual to termination as a volunteer.
~~only for "regular" volunteers; that is, volunteers who work with students on a continuing basis throughout the school year and/or on overnight events, including Outdoor School, coaches and activity supervisors.
For those volunteers who volunteer for a single specific trip or activity, the forms will need to be completed; however, they will not be processed.~~
3. All applications should be retained by school year for five years. ~~kept in alphabetical order, by school year. Applications should be kept on site for five years.~~
4. Programs and instances that would require a volunteer to complete the volunteer process would include, but not be limited to:

- a. Any time a volunteer works one-on-one with a student in the absence of a supervisor;
 - b. Mentoring program;
 - c. Student shadowing program, when contact is primarily one-on-one;
 - d. Lunch buddy program;
 - e. Field trips.
5. Programs that may not require the volunteer process could include, but not be limited to:
- a. When as part of an educational program, a student is volunteering in a school or business; i.e., students volunteering in a business setting, school offices or administration building;
 - b. When a class or group of students assists another classroom of students in a supervised environment; i.e., ESL assisting another class of students.
6. Volunteers will not meet or take students off campus.
7. Volunteers will not work with students one-on-one outside of normal school hours. The exception is if there is an agreement arranged between the parent/guardian and the volunteer. The district views this arrangement as an agreement between the parent/guardian and volunteer, and not a district responsibility.
8. Nonexempt district employees may not volunteer to perform services on behalf of the district unless they are considered “bona fide volunteers.” An employee is a bona fide volunteer if:
- a. The employee’s services are offered freely and without pressure or coercion, direct or implied, from the district; and
 - b. The employee does not engage in the same or similar type of volunteer services as he/she performs in his/her regular job.

As provided by law, nonexempt employees will not be permitted to volunteer to perform their regular work duties or the same type of duties off the clock and without compensation. The requirements of the Fair Labor Standards Act (FLSA) cannot be waived by the employee or the district. Nonexempt employees who volunteer to perform services for the district will be required to complete the district’s Volunteer Agreement form verifying that they are volunteering to perform services and such services are not performed in the course of their regular employment.



Volunteer Application

BUILDING: _____

Our district welcomes volunteers from among students' parents and other community patrons. District administrative procedures require that volunteers complete a Volunteer Application and criminal history background check which can be found at the following link. We appreciate your help and understanding with this process.
<http://www.csd509j.net/enus/districtinformation/departmentsservices/volunteeropportunities.aspx>

While working at school, volunteers may be exposed to information and overhear conversations that should be kept confidential. It is vital that volunteers understand the importance of not sharing with others what they see and hear at school. Any questions, concerns, or comments about confidential information should be directed to the building principal.

Name: _____ **Home Phone:** _____

Address: _____ **Alternate Phone:** _____

City/State/Zip: _____ **Email Address:** _____

PERSONS TO NOTIFY IN CASE OF EMERGENCY

| | | |
|-------|---------------------|-------|
| _____ | _____ | _____ |
| Name | Relationship to You | Phone |
| _____ | _____ | _____ |
| Name | Relationship to You | Phone |

VOLUNTEER AGREEMENT

I, _____ agree to volunteer for Corvallis School District 509J and agree to the following:
(please initial each statement).

- _____ I understand I may learn things of a confidential nature while volunteering, and I agree I will maintain absolute confidentiality regarding staff and students.
- _____ I have full knowledge of any risks involved in this activity.
- _____ I am physically fit and sufficiently trained to participate in this activity.
- _____ I will follow all policies and procedures applicable to this activity.
- _____ I understand that I have no medical coverage as a volunteer if I am hurt or injured.
- _____ I understand that as a volunteer, I am not covered by the district's workers compensation.
- _____ I agree to complete a criminal history background check that will be processed by the Corvallis School District.
- _____ I agree to check in and out through the office every time I come to school to volunteer. I will return my volunteer badge to the school office before I leave campus.
- _____ If I am under 18 years of age, my parent/guardian approves my participation. (Parent initial here)_____

I hereby certify that this application contains no misrepresentations or falsifications and that the information given is true and complete to the best of my knowledge and belief. I understand that misrepresentation or omission of facts called for in this application is cause for cancellation of the application and/or dismissal from the program. I authorize Corvallis School District 509J to make any necessary and appropriate investigations to verify the information contained herein.

Signature of Applicant

Date

Received By

SCHOOL VOLUNTEER OPPORTUNITIES*

Grade Level Preferred: K 1 2 3 4 5 6 7 8 9 10 11 12

Do you speak Spanish? Yes No Do you speak another language? If so, what? _____

What days/hours can you serve? Indicate specific time, morning or afternoon:

| Time | Monday | Tuesday | Wednesday | Thursday | Friday |
|------|--------|---------|-----------|----------|--------|
| AM | | | | | |
| PM | | | | | |

Additional comments regarding availability: _____

VOLUNTEER ASSIGNMENTS (Please indicate areas of interest)

| | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> Instruction ___ General Classroom ___ Computer ___ Language Arts Tutor ___ Mathematics Tutor ___ English-As-A-Second Language Tutor ___ Bi-Lingual Tutor/Interpreter ___ Talented & Gifted (TAG) ___ Vocational Education ___ Learning Resource Center ___ Special Needs Education | <input type="checkbox"/> Cafeteria ___ Lunchroom Facilitator ___ Food Server <input type="checkbox"/> Clerical ___ Duplicating ___ Filing ___ Telephoning ___ Typing <input type="checkbox"/> Resource Person Subject Area _____ ___ Other _____ | <input type="checkbox"/> Special Projects ___ Arts & Crafts ___ Bulletin Board ___ Calligraphy ___ Display Case ___ Drama ___ Music ___ Child Care ___ Field Trip |
| <input type="checkbox"/> Library ___ Mending & Binding ___ Shelving & Cataloging ___ Storytelling | <input type="checkbox"/> Publishing Center | <input type="checkbox"/> Playground |

*This page may be modified for school use

RETURN THIS FORM TO YOUR SCHOOL SECRETARY

There has been a growing need to ensure the well-being of our students. We must request that you complete the attached *Criminal History Verification of Applicants (rev. 6/02)* form so that we can do a background check. We appreciate your help and understanding in this process.

NAME _____ **DRIVER'S LICENSE** _____
ADDRESS _____ **HOME PHONE** _____
CITY/STATE/ZIP _____ **WORK PHONE** _____
EDUCATIONAL BACKGROUND _____
E-MAIL ADDRESS _____

College degree students complete the following program status:
 MAT Pre-MAT



Corvallis

SCHOOL DISTRICT

XI.G. Achievement Compact Advisory Committee Minutes - January 7, 2013

MINUTES
Meeting of the
ACHIEVEMENT COMPACT ADVISORY COMMITTEE
Corvallis School District 509J

The meeting was called to order at 4:05 p.m. in the superintendent's office of the Central Administration Building, 1555 SW 35th Street, Corvallis, Oregon.

Due notice had been published.

Attending: Erin Prince, Superintendent; Kevin Bogatin, Assistant Superintendent; Marsha Lincoln, CEA President (Teacher); Matt Boring, High School Principal; Jeff Brew, Elementary Principal; Eric Wright, High School Assistant Principal; Leigh Santy, Elementary Principal/ELL Coordinator

The purpose of the meeting was to review the 2012 Achievement Compact and begin development of a preliminary 2013-2014 compact. A preliminary recommendation must be presented to the board no later than February 1, 2013.

1. Reviewed letter dated December 17, 2012 from Rudy Crew, Chief Education Officer outlining the achievement compact process.
2. Reviewed the 2012-2013 Achievement Compact revised in October 2012.
 - A. Concerns
 - i. Need to see the raw data
 - ii. Local Priorities
 - a. We will be giving the ACT Explore to 9th graders, rather than 8th. Do we continue to keep this on the compact? Do we want to have four measures in 9th grade?
3. Recommendations
 - A. Local Priority should better reflect mastery and proficiency. This needs to be easily tracked.
 - B. We should be looking intact groups. Troubled by the fact that compact goals are not growth based (i.e. 3rd grade success in 11-12 does not impact the success of 3rd graders in 12-13).
 - C. The School Improvement Planning process was revised in 2012 to better align to the goals in the Achievement Compact. Those SIPs outline strategies and targets with the goal of meeting the compact achievement targets.

The meeting was adjourned at approximately 5:30 p.m.

Prepared By: Kevin Bogatin



Corvallis

SCHOOL DISTRICT

XII. EXECUTIVE SESSION - The Board will meet in Executive session at 5:15 p.m. under ORS 192.660(2)(d) - To consult with persons designated for labor negotiations.

XIII. ADJOURNMENT

*All times are approximate.

Note: The Chair of the Board may alter the order of business as they deem proper and necessary.



Corvallis

SCHOOL DISTRICT

Agendas – Agendas and supporting materials are available online at <https://v3.boardbook.org/Public/PublicHome.aspx?ak=1000829> a few days before each School Board meeting. For more information, please contact Kim Nelson at kimberly.nelson@corvallis.k12.or.us.

Communication With The School Board – Communication with the Board can be made by telephone, letter, e-mail and public testimony. Letters may be addressed to individual Board members or the Board as a whole and sent to 1555 SW 35th Street, Corvallis, OR 97333. E-mail may be sent to schoolboard@corvallis.k12.or.us and will be sent to all board members simultaneously as well as to key District Office staff. For more information, please contact Kim Nelson at kimberly.nelson@corvallis.k12.or.us.

Consolidated Action Agenda – The purpose of the consolidated action agenda is to expedite action on routine agenda items. All agenda items that are not held for discussion at the request of a Board member or staff member will be approved/accepted as written as part of the consolidated motion. Items designated or held for discussion will be acted upon individually.

Public Comment –

Guidelines are at: <https://www.csd509j.net/about-us/school-board/provide-input-and-be-informed/>

Executive Session – Permissible purposes of Executive Sessions include: ORS 192.660(2)(a) – Employment of Public Officers, Employees and Agents; ORS 192.660(2)(b) – Discipline of Public Officers and Employees; ORS 192.660(2)(d) – Labor Negotiator Consultations; ORS 192.660(2)(e) – Real Property Transactions; ORS 192.660(2)(f) – Exempt Public Records; ORS 192.660(2)(h) – Legal Counsel; ORS 192.660(2)(i) – Performance Evaluations of Public Officers and Employees; ORS 192.660(2)(j) – Public Investments.

Grievance Process - ORS 192.705

Grievances alleging a violation by a governing body of provisions in Public Meetings Law may be submitted in writing to Kim Nelson at kim.nelson@corvallis.k12.or.us or submitted between 8:00 am – 5:00 pm Monday through Friday at 1555 SW 35th Street, Corvallis, OR 97333. Additional information is available on the district website.

| SCHOOL BOARD MEMBERS | | | |
|-----------------------------|--------------|-------------------------------|--------------|
| Judah Largent | 541-231-8415 | Terese Jones, Co-Vice Chair | 541-230-1673 |
| Sami Al-Abdrabbuh | 541-283-6611 | Shauna Tominey, Co-Vice Chair | 541-829-8411 |
| Chris Hawkins | 541-602-2045 | Luhui Whitebear, Chair | 541-714.3305 |
| Bernie Wang | 541-704-7298 | | |

| EXECUTIVE STAFF MEMBERS | |
|------------------------------------------------------------------------|--------------|
| Ryan Noss, Superintendent | 541-757-5841 |
| Melissa Harder, Assistant Superintendent / Human Resources Director | 541-766-4857 |
| Lauren Wolfe, Finance Director | 541-757-5874 |
| Byron Bethards, Student Growth & Experience Director | 541-757-5470 |
| Kim Patten, Operations Director | 541-757-3849 |
| Kim Nelson, Executive Assistant to the Superintendent; Board Secretary | 541-757-5841 |