

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

FINANCIAL REPORT
For the Year Ended June 30, 2011

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LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

BOARD OF DIRECTORS AS OF JUNE 30, 2011

<u>NAME</u>	<u>TERM EXPIRES</u>
Jeff Hendrickson, Position 1	June 30, 2013
Don Beck, Position 2	June 30, 2013
Carl West, Position 3	June 30, 2011
Dorman Harry, Position 4	June 30, 2013
Michelle Holman, Position 5	June 30, 2011

All board members receive mail at the address below:

ADMINISTRATION

Kyle Tucker, Superintendent
Deborah Peterson, Deputy Clerk

10868 East Mapleton Road
Mapleton, Oregon 97453

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LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

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LANE COUNTY, OREGON

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PAULY, ROGERS AND CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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

November 4, 2011

To the Board of Directors
Lane County School District No. 32
Lane County, Oregon

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Lane County School District No. 32, as of and for the year ended June 30, 2011, which collectively comprise the basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Lane County School District No. 32, at June 30, 2011 and the changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The Supplementary Information, including budgetary comparison schedules (which are required supplementary information for major governmental funds) as listed in the Table of Contents, is presented for purposes of additional analysis and are not a required part of the basic financial statements. The Supplementary Information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole, except as noted below.

The Supplemental Information, on pages 36 through 41, are presented as supplemental schedules for the Oregon Department of Education, and are not a required part of the basic financial statements. We have applied certain limited procedures, which consisted principally of inquiries of management about this supplementary information. However, we did not audit the information and do not express an opinion on them.

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

MAPLETON SCHOOL DISTRICT #32
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011

As management of Mapleton School District #32 (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2011.

FINANCIAL HIGHLIGHTS

- In the government-wide statements, the assets of the District exceeded its liabilities on June 30, 2011 by \$1,367,212. The District's governmental funds report a combined ending fund balance of \$1,179,704 on June 30, 2011. At the end of the fiscal year unreserved fund balance for the General Fund was \$520,332 which represents 25% of the total General Fund expenditures. On June 30, 2011 the District's total long-term liabilities totaled \$645,165.
- The total cost of all District programs was \$2,516,932 for the fiscal year, an increase of \$13,119.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist 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 of the assets and liabilities of the District as of the date on the statement. Net assets are those remaining after the liabilities have been paid off or otherwise satisfied. 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** will present information showing how the net assets of the District change over the future years by tracking revenues, expenses and other transactions that increase or reduce net assets. Revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

In the **government-wide financial statements**, the District's activities are shown in one category as governmental activities. The governmental activities include services related to education K-12. These activities are primarily financed through property taxes, Oregon's State School Fund, and other intergovernmental revenues.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or

objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The District maintains four funds: the General Fund, Other Programs, the Other Governmental Funds, and the QZAB Fund. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for all four funds.

Notes to the Financial Statements. The notes 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 financial statements can be found on pages 14-24 of this report.

Government-Wide Financial Analysis

Statement of Net Assets. As noted earlier, net assets may serve as a useful indicator of a government's financial position over time. Total Assets, Liabilities and net assets were as follows:

	June 30, 2010	June 30, 2011	Total Change
Assets			
Current Assets	\$ 1,404,021	\$ 1,292,436	\$ (111,585)
Capital Assets	\$ 853,772	\$ 800,660	\$ (53,112)
Total Assets	\$ 2,257,793	\$ 2,093,096	\$ (164,697)
Liabilities			
Current Liabilities	\$ 128,420	\$ 80,719	\$ (47,701)
Long Term Liabilities	\$ 666,597	\$ 645,165	\$ (21,432)
Total Liabilities	\$ 795,017	\$ 725,884	\$ (69,133)
Net Assets			
Invested in Capital Assets	\$ 187,175	\$ 155,495	\$ (31,680)
Restricted Assets	\$ 424,706	\$ 615,282	\$ 190,576
Unrestricted Assets	\$ 850,895	\$ 596,435	\$ (254,460)
Total Assets	\$ 1,462,776	\$ 1,367,212	\$ (95,564)

Capital assets, which consist of the District's land and buildings, vehicles, and equipment, represent 39% of total assets. The remaining assets consist of cash and investments, and receivables.

A large portion of the District's net assets reflects its investment in capital assets (e.g. land, buildings, vehicles and equipment). The District uses the capital assets to provide services to students and other District residents; consequently these assets are not available for future spending. Although the District's investment in its 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 (generally property taxes), since the capital assets themselves cannot be used to liquidate these liabilities

The District's revenues and expenses for the last two years were as follows:

	June 30, 2010	June 30, 2011	Net Change
Revenues			
Local Sources	\$ 665,154	\$ 641,033	\$ (24,121)
Intermediate Sources	\$ 815	\$ 2,573	\$ 1,758
State Sources	\$ 1,375,573	\$ 1,379,891	\$ 4,318
Federal Sources	\$ 486,156	\$ 401,494	\$ (84,662)
Total Revenues	<u>\$ 2,527,698</u>	<u>\$ 2,424,991</u>	<u>\$ (102,707)</u>
Expenditures			
Instruction	\$ 1,361,768	\$ 1,378,352	\$ 16,584
Support Services	\$ 1,081,833	\$ 1,080,382	\$ (1,451)
Community Services	\$ 92,251	\$ 95,474	\$ 3,223
Capital Outlay	\$ 120	\$ 120	\$ -
Other Objects	\$ -	\$ -	\$ -
Total Expenditures	<u>\$ 2,535,972</u>	<u>\$ 2,554,328</u>	<u>\$ 18,356</u>
Net Change in Fund Balance:	\$ (8,274)	\$ (129,337)	\$ (121,063)

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.

The focus of the District's **governmental funds** is to provide information on relatively short-term cash flow and funding for future basic services. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year.

On June 30, 2011 the District's governmental funds reported combined ending fund balances of \$1,179,704.

The **General Fund** is the chief operating fund of the District. As of June 30, 2011 unreserved fund balance was \$520,332 while total assets reached \$632,626.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's budget is prepared according to Oregon law and is based on accounting for transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

The net change in the General Fund Balance for the year ending June 30, 2010 and 2011, respectively is as follows:

	June 30, 2010	June 30, 2011	Net Change
Revenues			
Local Sources	\$ 598,846	\$ 590,192	\$ (8,654)
Intermediate Sources	\$ 815	\$ 2,573	\$ 1,758
State Sources	\$ 1,369,970	\$ 1,349,132	\$ (20,838)
Federal Sources	\$ 94,537	\$ 50,201	\$ (44,336)
Other Sources	\$ -	\$ -	\$ -
Total Assets	\$ 2,064,168	\$ 1,992,098	\$ (72,070)
Expenditures			
Instruction	\$ 1,016,347	\$ 1,085,119	\$ 68,772
Support Services	\$ 1,012,584	\$ 1,025,660	\$ 13,076
Community Services	\$ 4,000	\$ -	\$ (4,000)
Capital Outlay	\$ -	\$ -	\$ -
Other Objects	\$ 13,336	\$ -	\$ (13,336)
Total Expenditures	\$ 2,046,267	\$ 2,110,779	\$ 64,512
Transfer (Out)	\$ (22,728)	\$ (36,835)	\$ (14,107)
Net Change in Fund Balance:	\$ (4,827)	\$ (155,516)	\$ (150,689)

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The District's investment in capital assets includes land, buildings and improvement, site improvements, vehicles and equipment. As of June 30, 2011 the District had invested over \$800,600 in capital assets. Depreciation expense for the year totaled \$53,112. There were no capital asset additions that met the capitalization criterion.

Long-term debt. At the end of the current fiscal year, the District had a total debt outstanding of \$645,165 consisting of the QZAB debt and a lease-to-purchase bus. There are three years left on the QZAB debt with payment of \$46,154 and two more years on the bus purchase at an annual payment of \$22,190 and \$22,975.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The most significant economic factor for the District is the State of Oregon's State School Fund Formula. The formula consists of a General Purpose Grant, a Transportation Grant, and certain local revenues. The state or Oregon's State School Fund formula is awarded on a per pupil basis. When the district's student count goes up, then our state revenue from the formula goes up, likewise, when the student count goes down our state revenue will decrease. Over the course of the last couple of years our student population has remained stable. Although our student count has remained stable the state of Oregon's financial crisis has impacted the dollars per pupil and has greatly reduced the District's funding from the state.

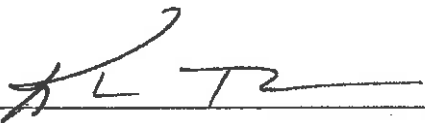
As a result of the state shortfall and the increase in PERS rates for the 2011-2013 biennium, the District is now operating on a four day school week in an effort to maintain the current staffing levels.

Salary and benefit costs increase annual based on negotiated contracts. There were six furlough days built into salary costs for the 2010-11 school year.

The District's Budget Committee and School Board considered all of these factors while preparing the District's annual budget.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances and to demonstrate the District's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District's Business Manager, at 10868 E. Mapleton Rd., Mapleton, OR 97453.



Kyle Tucker, Superintendent

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LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

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LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

STATEMENT OF NET ASSETS
June 30, 2011

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and Investments	\$ 747,893
Cash with Fiscal Agent	471,941
Receivables - Taxes	35,821
Receivables - Other	22,410
Supply Inventories	14,371
Capital Assets:	
Land	46,410
Buildings, Improvements and Equipment, net of depreciation	<u>754,250</u>
Total Assets	<u>2,093,096</u>
LIABILITIES	
Accounts Payable	5,414
Payroll Liabilities	61,519
Accrued Compensated Absences	13,786
Noncurrent Liabilities:	
Due within one year	22,190
Due in more than one year	<u>622,975</u>
Total Liabilities	<u>725,884</u>
NET ASSETS	
Invested in Capital Assets, net of related debt	155,495
Restricted for:	
Future Debt Payments	471,941
Student Body	56,046
Transportation	45,921
Food Service	27,096
Other Programs	10,920
Scholarship	3,358
Unrestricted	<u>596,435</u>
Total Net Assets	<u>\$ 1,367,212</u>

See accompanying notes to basic financial statements

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2011

FUNCTIONS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
Instruction	\$ 1,378,352	\$ 4,547	\$ 253,276	\$ (1,120,529)
Supporting Services	1,080,382	-	33,207	(1,047,175)
Community Services	95,474	9,174	80,015	(6,285)
Facilities Acquisition and Construction	120	-	-	(120)
Total Governmental Activities	\$ 2,554,328	\$ 13,721	\$ 366,498	(2,174,109)

General Revenues

Property Taxes Levied for General Purposes	547,010
Earnings on Investment	15,459
Other Local	64,843
State Revenue Sharing	1,379,891
Unrestricted Intermediate	2,573
Unrestricted Federal	34,996
Total General Revenues	2,044,772
Changes in Net Assets	(129,337)
Prior Period Adjustment	33,773
Net Assets - Beginning	1,462,776
Net Assets - Ending	\$ 1,367,212

See accompanying notes to basic financial statements

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2011

	GENERAL	QZAB FUND	OTHER PROGRAMS	OTHER GOVERNMENTAL FUNDS	TOTALS
ASSETS					
Cash and Investments	\$ 565,142	\$ 471,941	\$ 8,661	\$ 174,090	\$ 1,219,834
Property Taxes Receivables	35,821	-	-	-	35,821
Other Receivables	17,730	-	2,259	2,421	22,410
Supply Inventories	13,933	-	-	438	14,371
Total Assets	\$ 632,626	\$ 471,941	\$ 10,920	\$ 176,949	\$ 1,292,436
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 5,414	\$ -	\$ -	\$ -	\$ 5,414
Payroll Liabilities	61,519	-	-	-	61,519
Deferred Revenue	31,428	-	-	-	31,428
Total Liabilities	98,361	-	-	-	98,361
Fund Balances (Defecit):					
Nonspendable	13,933	-	-	438	14,371
Restricted for:					
Future Debt Payments	-	471,941	-	-	471,941
Student Body	-	-	-	56,046	56,046
Transportation	-	-	-	45,921	45,921
Food Service	-	-	-	27,096	27,096
Other Programs	-	-	10,920	-	10,920
Scholarship	-	-	-	3,358	3,358
Assigned	-	-	-	44,090	44,090
Unassigned	520,332	-	-	-	520,332
Total Fund Balances	534,265	471,941	10,920	176,949	1,194,075
Total Liabilities and Fund Balances	\$ 632,626	\$ 471,941	\$ 10,920	\$ 176,949	\$ 1,292,436

See accompanying notes to basic financial statements

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
June 30, 2011

Total Fund Balances - Governmental Funds		\$	1,194,075
The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in government accounting. The Statement of Net Assets includes those capital assets among the assets of the District as a whole.			
Net Capital Assets			800,660
Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Assets.			
Long-Term Liabilities			
Accrued Vacation	\$	(13,786)	
Capital Lease Payable		(45,165)	
QZAB Note Payable		<u>(600,000)</u>	(658,951)
Deferred revenue related to property taxes			<u>31,428</u>
Ending Net Assets		\$	<u><u>1,367,212</u></u>

See accompanying notes to basic financial statements

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2011

	GENERAL	QZAB	OTHER PROGRAMS	OTHER GOVERNMENTAL FUNDS	TOTALS
REVENUES					
Local Sources	\$ 590,192	\$ 10,400	\$ -	\$ 42,544	\$ 643,136
Intermediate Sources	2,573	-	-	-	2,573
State Sources	1,349,132	-	-	30,759	1,379,891
Federal Sources	50,201	-	267,806	83,487	401,494
Total Revenues	1,992,098	10,400	267,806	156,790	2,427,094
EXPENDITURES					
Instruction	1,085,119	-	235,733	26,018	1,346,870
Supporting Services	1,025,660	-	27,081	23,907	1,076,648
Community Services	-	-	179	93,115	93,294
Facilities Acquisition	-	-	-	120	120
Total Expenditures	2,110,779	-	262,993	143,160	2,516,932
Excess of Revenues Over (Under) Expenditures	(118,681)	10,400	4,813	13,630	(89,838)
OTHER FINANCING SOURCES (USES)					
Transfers - Net	(36,835)	36,835	-	-	-
Net Change in Fund Balance	(155,516)	47,235	4,813	13,630	(89,838)
Prior Period Adjustment	33,773	-	-	-	33,773
Beginning Fund Balance	642,075	424,706	6,107	162,881	1,235,769
Ending Fund Balance	<u>\$ 520,332</u>	<u>\$ 471,941</u>	<u>\$ 10,920</u>	<u>\$ 176,511</u>	<u>\$ 1,179,704</u>

Reconciliation to Total Fund Balances (p.10)

Reserve for Inventory:

General Fund	13,933
Other Governmental Funds	438
Total Fund Balances	<u>\$ 1,194,075</u>

See accompanying notes to basic financial statements

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2011

Total Net Changes in Fund Balances - Total Governmental Funds	\$ (89,838)
<p>Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. Additions to capital leases is an expense for the Statement of Net Assets but not the Governmental Funds.</p>	
Long-Term Debt Principal Payments	21,432
<p>Compensated absences are recognized as an expenditure in the governmental funds when they are paid. In the Statement of Activities the net payment represents a reduction in liability.</p>	
	(5,717)
<p>Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is capitalized and allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeds depreciation.</p>	
Less Depreciation Expense	(53,112)
<p>Property tax in the Statement of Activities differs from the amount reported on the governmental funds. In the governmental funds, which are on the modified accrual basis, the District recognizes a deferred revenue for all property taxes levied but not available to satisfy current obligations; however, in the Statement of Activities, there is no deferred revenue and the full property tax receivable is accrued.</p>	
	<u>(2,102)</u>
Change in net assets of governmental activities	<u>\$ (129,337)</u>

See accompanying notes to basic financial statements

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Basic Financial Statements of Lane County School District No. 32 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the accounting policies are described below.

A. REPORTING ENTITY

The Lane County School District No. 32 is a municipal corporation governed by an elected five-member board, organized under provisions of Oregon Statutes Chapter 332 for the purpose of providing kindergarten through high school education. Accounting principles generally accepted in the United States of America require that these financial statements present Lane County School District No. 32 (the primary government) and all component units, if any. Component units, as established by the Governmental Accounting Standards Board (GASB) Statement 39, are separate organizations that are included in the reporting entity because of the significance of their operational or financial relationships with the District. There are no component units.

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION

Government Wide Financial Statements (GWFS)

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) display information about the reporting government as a whole.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses of assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with GASB Statement No. 33 "Accounting and Financial Reporting for Non-Exchange Transactions." Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

All direct expenses are reported by function in the Statement of Activities. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Program revenues derive directly from the program itself or from parties outside the taxpayers or citizenry, as a whole. Program revenues reduce the cost of the function to be financed from general revenues and include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

In the process of aggregating data for the Statement of Net Assets and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities.

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION
(CONTINUED)

Fund Financial Statements

The accounts are organized and operated on the basis of funds. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions.

Governmental Fund Types

Governmental funds are used to account for general governmental activities. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, interfund transactions and certain compensated absences which are recognized as expenditures because they will be liquidated with expendable financial resources.

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

The following major governmental funds are reported:

General Fund

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

QZAB Fund

This fund accounts for the earnings and reserve activity for funds needed to pay the Qualified Zone Academy Bond at maturity.

Other Programs Fund

This fund accounts for revenues and expenditures of federal grants.

The following non-major governmental funds are reported:

Other Governmental Funds

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

Interfund Transfers

The interfund transfers reported on the combined statement of revenues, expenditures and changes in fund balances are operating transfers. Operating transfers are legally authorized transfers from a fund receiving revenue to the fund where they are to be expended.

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION
(CONTINUED)

Property Taxes

Ad valorem property taxes are levied and become a lien on all taxable property as of July 1. Property taxes are payable on November 15. Collection dates are November 15, February 15, and May 15. Discounts are allowed if the amount due is received by November 15. Property taxes unpaid and outstanding on May 16 are considered delinquent. Property taxes are collected from taxpayers by the Lane County Department of Assessment and Taxation and are remitted to the District.

Uncollected property taxes are shown in the balance sheet. Uncollected taxes are deemed by management to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established.

Grants

Grants are recognized as revenue in the accounting period in which they become both measurable and available and in which all eligibility requirements have been met. When expenditure is the prime factor for determining eligibility, the revenue is recognized when the expenditure is made. Cash received from grantor agencies in excess of related grant expenditures is recorded as a liability on the combined balance sheet.

Inventories of Supplies

Inventories are valued at cost (first-in, first-out method). Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased in the government-wide statements but expensed when purchased in the fund statements.

Accounts Receivable

The accounts receivable are all current and are considered by management to be fully collectible. Therefore, no provision for uncollectable accounts has been made.

Capital Assets

Capital assets, which include land, buildings and improvements, and equipment, are reported in the government-wide financial statements. Capital assets are defined as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at their estimated fair market value on the date donated. The cost of routine maintenance and repairs that do not add to the value of the assets or materially extend asset lives are charged to expenditures as incurred and not capitalized. The capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and Improvements	15 to 50 years
Furniture	20 years
Vehicles and Equipment	5 to 15 years

Use of Estimates

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

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION
(CONTINUED)

Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the governmental activities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. As permitted by GASB Statement No. 34, the cost of bond issuance will be amortized prospectively from the date of adoption of GASB Statement No. 34.

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

Retirement Plans

Substantially all employees are participants in the Public Employees Retirement System (PERS). Contributions to PERS are made on a current basis as required by the plan and are charged to expenditures as funded.

Accrued Compensated Absences

Accumulated accrued compensated absences for vacation pay are recorded as liabilities in the government-wide financial statements as the entire amount is expected to be liquidated with expendable available resources. Accumulated sick pay does not vest and therefore, no expense is recorded until leave is taken.

Net Assets

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

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

Restricted – consists of external constraints placed on net assets used by creditors, grantors, contributors or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. There are restricted net assets for Future Debt Payments, Student Body, Transportation, Food Service, Other Programs and Scholarships.

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

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

C. FUND EQUITY

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

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

There were no committed fund balances as of June 30, 2011.

The District will establish an unassigned targeted minimum fund balance of ten percent of the annual operating revenues of the General Fund.

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

A budget is prepared and legally adopted for each governmental fund in accordance with Oregon Local Budget Law. These budgets are all prepared using the modified accrual basis of accounting. The budgetary basis of accounting is substantially the same as generally accepted accounting principles in the United States of America with the exception that capital outlay expenditures are expensed when purchased, depreciation is not recorded, inventories of supplies are budgeted as expenditures when purchased, debt and compensated absences are expensed when paid, and property taxes received greater than 60 days after year-end are not considered budgetary resources in the funds.

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Budgetary Information (Continued)

The budgeting process begins by appointing Budget Committee members in early fall. Budget recommendations are developed by management through spring, with the Budget Committee meeting and approving the budget document in late spring. Public notices of the budget hearing are generally published in May or June, and the hearing is held in June. The budget is adopted, appropriations are made and the tax levy is declared no later than June 30. Expenditure budgets are appropriated at the major function level (instruction, support services, community services, debt service, contingency and transfers) for each fund. Expenditure appropriations may not legally be overexpended, except in the case of grant receipts which could not be reasonably estimated at the time the budget was adopted.

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 the fund's original budget may be adopted by the Board of Directors at a regular meeting. A supplemental budget greater than 10% of the fund's original budget requires hearings before the public, publication in newspapers and approval by the Board. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control (major function levels). Such transfers require approval by the Board.

Budget amounts shown in the basic financial statements include the original budget amounts and appropriation transfers approved by the Board. Appropriations lapse at the end of each fiscal year.

For the year ended June 30, 2011, expenditures of the various funds were within authorized appropriation levels, except transfers out exceeded appropriations in the General Fund and the QZAB Fund by \$1 and \$9,319 respectively. Community Services expenditures in the Food Service Fund also exceeded appropriations by \$1,044.

3. CASH AND CASH EQUIVALENTS

A. DEPOSITS

Deposits with financial institutions are comprised of bank demand deposits. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury. At June 30, 2011 all depository accounts were held at approved depositories identified by the Treasury.

At fiscal year end, cash and equivalents were as follows:

Deposit with Financial Institutions:	
Local Government Investment Pool	\$ 573,095
Demand Deposits	174,798
Cash with Fiscal Agent (see note 6)	<u>471,941</u>
 Total Cash and Investments	 <u>\$ 1,219,834</u>

Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the deposits may not be returned. There is no deposit policy for custodial credit risk. As of June 30, 2011, \$307,229 of the bank balance of \$740,249 was covered by FDIC, and the remaining balance was adequately collateralized.

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

3. CASH AND CASH EQUIVALENTS (CONTINUED)

B. INVESTMENTS

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

The State Treasurer's Local Government Investment Pool is not registered with the U.S. Securities and Exchange Commission as an investment company. The Oregon Revised Statutes and the Oregon Investment Council govern the State's investment policies. The State Treasurer is the investment officer for the Council and is responsible for all funds in the State Treasury. These funds must be invested, and the investments managed, as a prudent investor would, exercising reasonable care, skill and caution. Investments in the Fund are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board (OSTFB), which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund was in compliance with all portfolio guidelines at June 30, 2011.

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

There were had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in months)</u>	
		<u>Less than 3</u>	<u>More than 3</u>
State Treasurer's Investment Pool	\$ 573,095	\$ 573,095	\$ -
Total	<u>\$ 573,095</u>	<u>\$ 573,095</u>	<u>\$ -</u>

Interest Rate Risk

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. There are no investments that have a maturity date beyond three months.

Credit Risk

Oregon Revised Statutes does not limit investments as to credit rating for securities purchased from US Government Agencies or USGSE. The State Investment Pool is not rated.

Concentration of Credit Risk

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

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

4. RECEIVABLES

Receivables at June 30, 2011 consist of the following:

- A. Property taxes receivable represent delinquent amounts due for property taxes levied in the current and prior years.
- B. Grants receivable represent amounts due for claims for reimbursement of costs under various Federal grant programs.

5. CAPITAL ASSETS

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

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
Land	\$ 46,410	\$ -	\$ -	\$ 46,410
Total Non-Depreciable	46,410	-	-	46,410
Buildings and Improvements	8,532,860	-	-	8,532,860
Equipment	213,957	-	-	213,957
Vehicles	481,903	-	-	481,903
Total Depreciable	9,228,720	-	-	9,228,720
Accumulated Depreciation:				
Buildings and Improvements	(7,985,064)	(21,162)	-	(8,006,226)
Equipment	(197,080)	(4,331)	-	(201,411)
Vehicles	(239,215)	(27,619)	-	(266,834)
Total Accumulated Depreciation	(8,421,359)	(53,112)	-	(8,474,471)
Government Activities:				
Capital Assets, net	\$ 853,772			\$ 800,660

Depreciation was allocated to the following functions:

Instruction	\$ 28,423
Support Services	22,720
Enterprise and Community Services	1,969
Total	\$ 53,112

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. LONG-TERM DEBT

The following changes occurred in the long-term debts during the fiscal year ending June 30, 2011:

	<u>Outstanding July 1, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding June 30, 2011</u>	<u>Within One Year</u>
QZAB Note Payable	\$ 600,000	\$ -	\$ -	\$ 600,000	\$ -
Capital Leases	66,597	-	21,432	45,165	22,190
Total	<u>\$ 666,597</u>	<u>\$ -</u>	<u>\$ 21,432</u>	<u>\$ 645,165</u>	<u>\$ 22,190</u>

In June 2001, an installment purchase agreement was entered into with the Siuslaw Valley Bank (the Bank). The purpose of the loan was to provide financing for equipment purchases as well as general renovation and improvement of the high school, middle school and elementary school. The agreement is structured so as to qualify as a "Qualified Zone Academy Bond" or "QZAB" pursuant to Section 1397E of the Internal Revenue Code.

The terms of the installment purchase agreement requires annual deposits of \$46,154, beginning June 20, 2002, through June 20, 2014. The payments are deposited into a certificate of deposit account in the name of the District. On June 20, 2014 the Bank is to receive a \$600,000 balloon payment, which is the sum of the annual deposits, in payment of the debt and the District will receive 2.27% interest earned over the life of the certificate of deposit. The balance of the certificate of deposit account and deposits in transit as of June 30, 2011 was \$471,941. There is no interest payable on this installment purchase agreement.

In July 2008, an installment purchase agreement was entered into with the Blue Bird Financial Services. The purpose of the loan was for the lease of a bus for student transportation.

The terms of the installment purchase agreements requires annual payments that vary from year to year as noted below beginning February 26, 2009 for five years, with an interest rate of 5%.

Future maturities of long-term debt are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>QZAB</u>	<u>Capital Lease</u>
2012	\$ -	\$ 22,190
2013	-	22,975
2014	<u>600,000</u>	<u>-</u>
Total	<u>\$ 600,000</u>	<u>\$ 45,165</u>

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. PROPERTY TAX LIMITATION

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

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

8. DEFINED BENEFIT PENSION PLAN

Plan Description

Contributions are made to two pension plans administered by the Oregon Public Employees Retirement System (PERS). The Oregon Public Employees Retirement Fund (OPERF) applies to the contributions 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, the defined benefit portion of the plan, applies to qualifying employment following a six-month or greater break in service. Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service. Beginning January 1, 2004, all PERS member contributions go into the Individual Account Program (IAP), the defined contributions portion of the plan. PERS members retain their existing PERS accounts, but any future contributions are deposited into the member's IAP, not the member's PERS account.

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

Funding Policy

Members of PERS are required to contribute 6.00% of their salary covered under the plan, which is invested in the OPSRP Individual Account Program. ORS 238.225 requires contributions 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 the OPSRP rates in effect for the year ending June 30, 2011 are 14.22% and 14.74%, respectively. The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature.

Annual Pension Cost

Contributions made to PERS for the years ending June 30, 2011, 2010 and 2009 were \$244,067, \$287,072 and \$286,817, respectively, equal to the required contributions for each year.

Due to the small number of employees eligible for post-employment insurance no actuarial study is necessary and management has determined, based upon the small impact on the state wide pool, that no material implicit rate subsidy exists and there is no OPEB obligation for implicit post-employment benefits.

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. RISK MANAGEMENT

There is exposure to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Commercial insurance is purchased to minimize its exposure to these risks. Settled claims have not exceeded this commercial coverage.

10. COMMITMENTS AND CONTINGENCIES

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

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor agencies cannot be determine at this time, although management expects such amounts, if any, to be immaterial.

11. PRIOR PERIOD ADJUSTMENT

A prior period adjustment was made in the amount of \$33,773 in the General Fund for a voided check from the prior year. The check was written and expensed in the prior year for services provided. Upon further review it was discovered that the amount owed was less than the check amount. The check was then voided and a new check was issued during the year ended June 30, 2011.

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LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

Major Fund Budgetary Basis Schedules

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LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2011

GENERAL FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Local Sources	\$ 583,780	\$ 583,780	\$ 590,192	\$ 6,412
Intermediate Sources	1,428	1,428	2,573	1,145
State Sources	1,347,569	1,347,569	1,349,132	1,563
Federal Sources	75,250	75,250	50,201	(25,049)
Total Revenue	<u>2,008,027</u>	<u>2,008,027</u>	<u>1,992,098</u>	<u>(15,929)</u>
EXPENDITURES				
Instruction	1,129,782	1,129,782 (1)	1,085,119	44,663
Support Services	1,138,937	1,138,937 (1)	1,025,660	113,277
Community Services	12,000	12,000 (1)	-	12,000
Operating Contingency	151,155	151,155 (1)	-	151,155
Total Expenditures	<u>2,431,874</u>	<u>2,431,874</u>	<u>2,110,779 (2)</u>	<u>321,095</u>
Excess of Revenues Over (Under) Expenditures	<u>(423,847)</u>	<u>(423,847)</u>	<u>(118,681)</u>	<u>(337,024)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	9,319	9,319
Transfers Out	(46,153)	(46,153) (1)	(46,154)	(1)
Total Other Financing Sources (Uses)	<u>(46,153)</u>	<u>(46,153)</u>	<u>(36,835)</u>	<u>9,318</u>
Net Change in Fund Balance	<u>(470,000)</u>	<u>(470,000)</u>	<u>(155,516)</u>	<u>(327,706)</u>
Prior Period Adjustment	-	-	33,773	33,773
Beginning Fund Balance	<u>570,000</u>	<u>570,000</u>	<u>642,075</u>	<u>72,075</u>
Ending Fund Balance	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 520,332</u>	<u>\$ 420,332</u>

(1) Appropriation level

(2) Included in expenditures is the required state revenue match of \$759 the district must spend out of state monies on food service for National School Lunch Support in order to meet the general cash assistance match.

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 ACTUAL AND BUDGET
 For the Year Ended June 30, 2011

OTHER PROGRAMS

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Federal Sources	\$ 497,784	\$ 497,784	\$ 267,806	\$ (229,978)
Total Revenues	497,784	497,784	267,806	(229,978)
EXPENDITURES				
Instruction	385,071	385,071 (1)	235,733	149,338
Support Services	112,313	112,313 (1)	27,081	85,232
Community Services	400	400 (1)	179	221
Total Expenditures	497,784	497,784	262,993	234,791
Net Change in Fund Balance	-	-	4,813	4,813
Beginning Fund Balance	-	-	6,107	6,107
Ending Fund Balance	\$ -	\$ -	\$ 10,920	\$ 10,920

(1) Appropriation level

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

SUPPLEMENTARY INFORMATION

**Combining and Individual Nonmajor Funds
and Other Financial Schedules**

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LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 ACTUAL AND BUDGET
 For the Year Ended June 30, 2011

OZAB FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES				
Local Sources	\$ 10,000	\$ 10,000	\$ 10,400	\$ 400
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>10,400</u>	<u>400</u>
EXPENDITURES				
Support Services	433,461	433,461 (1)	-	433,461
Total Expenditures	<u>433,461</u>	<u>433,461</u>	<u>-</u>	<u>433,461</u>
Excess of Revenues Over, (Under) Expenditures	<u>(423,461)</u>	<u>(423,461)</u>	<u>10,400</u>	<u>433,861</u>
Other Finances Sources, (Uses):				
Transfers In	46,154	46,154	46,154	-
Transfers Out	-	-	(9,319)	(9,319)
Total Other Financing Sources, (Uses)	<u>46,154</u>	<u>46,154</u>	<u>36,835</u>	<u>(9,319)</u>
Net Change in Fund Balance	<u>(377,307)</u>	<u>(377,307)</u>	<u>47,235</u>	<u>424,542</u>
Beginning Fund Balance	<u>377,307</u>	<u>377,307</u>	<u>424,706</u>	<u>47,399</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 471,941</u>	<u>\$ 471,941</u>
(1) Appropriation level				

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2011

	<u>TRANS- PORTATION RESERVE</u>	<u>FOOD SERVICE</u>	<u>STUDENT BODY</u>
ASSETS			
Cash and Investments	\$ 45,921	\$ 24,675	\$ 56,046
Other Receivables	-	2,421	-
Supply Inventories	-	438	-
Total Assets	<u>\$ 45,921</u>	<u>\$ 27,534</u>	<u>\$ 56,046</u>
LIABILITIES AND FUND BALANCES			
Liabilities:	\$ -	\$ -	\$ -
Accounts Payable	-	-	-
Deferred Revenue	-	-	-
Total Liabilities	-	-	-
Fund Balances:			
Nonspendable	-	438	-
Restricted	45,921	27,096	56,046
Assigned	-	-	-
Total Fund Balances	<u>45,921</u>	<u>27,534</u>	<u>56,046</u>
Total Liabilities and Fund Balances	<u>\$ 45,921</u>	<u>\$ 27,534</u>	<u>\$ 56,046</u>

<u>SCHOLAR- SHIP</u>	<u>CAPITAL IMPROVEMENT</u>	<u>TOTALS</u>
\$ 3,358	\$ 44,090	\$ 174,090
-	-	2,421
-	-	438
<u>\$ 3,358</u>	<u>\$ 44,090</u>	<u>\$ 176,949</u>
\$ -	\$ -	\$ -
-	-	-
-	-	-
3,358	-	438
-	44,090	132,421
<u>3,358</u>	<u>44,090</u>	<u>44,090</u>
<u>3,358</u>	<u>44,090</u>	<u>176,949</u>
<u>\$ 3,358</u>	<u>\$ 44,090</u>	<u>\$ 176,949</u>

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2011

	TRANS- PORTATION RESERVE	FOOD SERVICE	STUDENT BODY
REVENUES			
Local Sources	\$ 316	\$ 9,174	\$ 30,875
State Sources	30,000	759	-
Federal Sources	-	83,487	-
Total Revenues	30,316	93,420	30,875
EXPENDITURES			
Instruction	-	-	26,018
Support Services	23,907	-	-
Community Services	-	91,915	-
Facilities Acquisition	-	-	-
Total Expenditures	23,907	91,915	26,018
Net Change in Fund Balance	6,409	1,505	4,857
Beginning Fund Balance	39,512	25,591	51,189
Ending Fund Balance	\$ 45,921	\$ 27,096	\$ 56,046

<u>SCHOLAR- SHIP</u>	<u>CAPITAL IMPROVEMENT</u>	<u>TOTALS</u>
\$ 1,952	\$ 227	\$ 42,544
-	-	30,759
-	-	83,487
<u>1,952</u>	<u>227</u>	<u>156,790</u>
-	-	26,018
-	-	23,907
1,200	-	93,115
-	120	120
<u>1,200</u>	<u>120</u>	<u>143,160</u>
752	107	13,630
<u>2,606</u>	<u>43,983</u>	<u>162,881</u>
<u>\$ 3,358</u>	<u>\$ 44,090</u>	<u>\$ 176,511</u>

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2011

TRANSPORTATION RESERVE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Local Sources	\$ 500	\$ 500	\$ 316	\$ (184)
State Sources	30,000	30,000	30,000	-
Total Revenues	<u>30,500</u>	<u>30,500</u>	<u>30,316</u>	<u>(184)</u>
EXPENDITURES				
Support Services	24,150	24,150 (1)	23,907	243
Total Expenditures	<u>24,150</u>	<u>24,150</u>	<u>23,907</u>	<u>243</u>
Net Change in Fund Balance	6,350	6,350	6,409	59
Beginning Fund Balance	<u>34,400</u>	<u>34,400</u>	<u>39,512</u>	<u>5,112</u>
Ending Fund Balance	<u>\$ 40,750</u>	<u>\$ 40,750</u>	<u>\$ 45,921</u>	<u>\$ 5,171</u>

(1) Appropriation level

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 ACTUAL AND BUDGET
 For the Year Ended June 30, 2011

FOOD SERVICE FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES				
Local Sources	\$ 12,871	\$ 12,871	\$ 9,174	\$ (3,697)
State Sources	-	-	759	759
Federal Sources	66,000	66,000	83,487	17,487
Total Revenues	<u>78,871</u>	<u>78,871</u>	<u>93,420</u>	<u>14,549</u>
EXPENDITURES				
Community Services	90,871	90,871 (1)	91,915	(1,044)
Total Community Services	<u>90,871</u>	<u>90,871</u>	<u>91,915</u>	<u>(1,044)</u>
Net Change in Fund Balance	(12,000)	(12,000)	1,505	13,505
Beginning Fund Balance	<u>12,000</u>	<u>12,000</u>	<u>25,591</u>	<u>13,591</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,096</u>	<u>\$ 27,096</u>

(1) Appropriation level

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 ACTUAL AND BUDGET
 For the Year Ended June 30, 2011

STUDENT BODY ACCOUNTS

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES				
Local Sources	\$ 15,715	\$ 15,715	\$ 30,875	\$ 15,160
Total Revenues	<u>15,715</u>	<u>15,715</u>	<u>30,875</u>	<u>15,160</u>
EXPENDITURES				
Instruction	<u>60,000</u>	<u>60,000 (1)</u>	<u>26,018</u>	<u>33,982</u>
Total Expenditures	<u>60,000</u>	<u>60,000</u>	<u>26,018</u>	<u>33,982</u>
Net Change in Fund Balance	(44,285)	(44,285)	4,857	49,142
Beginning Fund Balance	<u>44,285</u>	<u>44,285</u>	<u>51,189</u>	<u>6,904</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,046</u>	<u>\$ 56,046</u>

(1) Appropriation level

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 ACTUAL AND BUDGET
 For the Year Ended June 30, 2011

SCHOLARSHIP FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES				
Local Sources	\$ 7,377	\$ 7,377	\$ 1,952	\$ (5,425)
Total Revenues	<u>7,377</u>	<u>7,377</u>	<u>1,952</u>	<u>(5,425)</u>
EXPENDITURES				
Community Services	10,000	10,000 (1)	1,200	8,800
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>1,200</u>	<u>8,800</u>
Net Change in Fund Balance	(2,623)	(2,623)	752	3,375
Beginning Fund Balance	<u>2,623</u>	<u>2,623</u>	<u>2,606</u>	<u>(17)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,358</u>	<u>\$ 3,358</u>

(1) Appropriation level

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**2010 - 11 DISTRICT AUDIT REVENUE SUMMARY
MAPLETON SCHOOL DISTRICT**

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
Revenue from Local Sources							
1110 Ad Valorem Taxes Levied by District	\$ 547,910						
1120 Local Option Ad Valorem Taxes Levied by District							
1130 Construction Excise Tax							
1190 Penalties and Interest on Taxes							
1200 Rev from Local Gov'tl Units Other Than Districts							
1310 Regular Day School Tuition							
1320 Adult/Continuing Education Tuition							
1330 Summer School Tuition							
1400 Local & Federal Sources							
1500 Earnings on Investments	\$ 4,741	\$ 318		\$ 10,627			
1600 Food Service		\$ 9,174					
1700 Extracurricular Activities	\$ 4,547						
1800 Community Services Activities							
1910 Rentals							
1920 Contributions and Donations From Private Sources		\$ 1,950					
1930 Rental or Lease Payments From Private Contractors							
1940 Services Provided Other Local Education Agencies							
1950 Textbook Sales and Rentals							
1960 Recovery of Prior Years' Expenditure							
1970 Services Provided Other Funds							
1980 Fees Charged to Grants							
1990 Miscellaneous	\$ 33,894	\$ 30,875					
Total Revenue from Local Sources	\$ 590,192	\$ 42,317	\$	\$ 10,627	\$	\$	\$

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
Revenue from Intermediate Sources							
2101 County School Funds	\$ 2,573						
2102 Education Service District Apportionment							
2105 Natural Gas, Oil, and Mineral Receipts							
2199 Other Intermediate Sources							
2200 Restricted Revenue							
2800 Revenue in Lieu of Taxes							
2900 Revenue for/on Behalf of the District							
Total Revenue from Intermediate Sources	\$ 2,573	\$	\$	\$	\$	\$	\$

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
Revenue from State Sources							
3101 State School Fund - General Support	\$ 1,275,922	\$ 30,000					
3102 State School Fund - School Lunch Match		\$ 759					
3103 Common School Fund	\$ 16,224						
3104 State Managed County Timber							
3199 Other Unrestricted Grants-in-Aid	\$ 52,169						
3204 Driver Education							
3222 State School Fund (SSF) Transportation Equipment							
3299 Other Restricted Grants-in-Aid	\$ 4,817						
3800 Revenue in Lieu of Taxes							
3900 Revenue for/on Behalf of the District							
Total Revenue from State Sources	\$ 1,349,132	\$ 30,759	\$	\$	\$	\$	\$

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
Revenue from Federal Sources							
4100 Unrestricted Revenue Direct From the Federal Government							
4200 Unrestricted Revenue From the Federal Government Through the State							
4300 Restricted Revenue From the Federal Government							
4500 Restricted Revenue From the Federal Government Through the State	\$ 29,748	\$ 351,293					
4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies							
4801 Federal Forest Fees	\$ 20,453						
4802 Impact Aid to School Districts for Operation (PL 874)							
4803 Coos Bay Wagon Road Funds							
4899 Other Revenue in Lieu of Taxes							
4900 Revenue for/on Behalf of the District							
Total Revenue from Federal Sources	\$ 50,201	\$ 351,293	\$	\$	\$	\$	\$

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 500	Fund 600	Fund 700
Revenue from Other Sources							
5100 Long Term Debt Financing Sources							
5200 Interfund Transfers	\$ 8,319			\$ 48,154			
5300 Sale of or Compensation for Loss of Fixed Assets							
5400 Resources - Beginning Fund Balance	\$ 842,075	\$ 125,005		\$ 488,689			
Total Revenue from Other Sources	\$ 651,394	\$ 125,005	\$	\$ 514,843	\$	\$	\$

Grand Totals	\$ 2,643,492	\$ 549,374	\$	\$ 525,470	\$	\$	\$
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**2010-11 DISTRICT AUDIT EXPENDITURE SUMMARY
MAPLETON SCHOOL DISTRICT**

Fund: 100 - General Fund

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Instruction Expenditures								
1111 Primary, K-3	\$218,039	\$136,158	\$75,520	\$0	\$6,361	\$0	\$0	\$0
1112 Intermediate Programs	\$151,990	\$89,366	\$53,752	\$1,305	\$7,567	\$0	\$0	\$0
1121 Middle/Junior High Programs	\$117,892	\$73,623	\$39,462	\$275	\$4,532	\$0	\$0	\$0
1122 Middle/Junior High School Extracurricular	\$14,934	\$10,099	\$3,738	\$873	\$124	\$0	\$100	\$0
1131 High School Programs	\$343,173	\$210,331	\$114,779	\$601	\$17,402	\$0	\$60	\$0
1132 High School Extracurricular	\$78,682	\$44,352	\$19,555	\$4,548	\$8,066	\$0	\$2,161	\$0
1210 Programs for the Talented and Gifted	\$1,106	\$792	\$314	\$0	\$0	\$0	\$0	\$0
1250 Less Restrictive Programs for Students with Disabilities	\$159,303	\$62,589	\$20,374	\$74,542	\$1,798	\$0	\$0	\$0
1280 Alternative Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1400 Summer School Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Instruction Expenditures	\$1,085,119	\$627,310	\$327,494	\$82,144	\$45,850	\$0	\$2,321	\$0
Support Services Expenditures								
2110 Attendance and Social Work Services	\$28,149	\$19,566	\$8,583	\$0	\$0	\$0	\$0	\$0
2115 Student Safety	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2120 Guidance Services	\$14,292	\$9,734	\$4,558	\$0	\$0	\$0	\$0	\$0
2130 Health Services	\$2,551	\$0	\$0	\$1,375	\$1,136	\$0	\$40	\$0
2140 Psychological Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2150 Speech Pathology and Audiology Services	\$37,895	\$24,492	\$12,556	\$0	\$847	\$0	\$0	\$0
2160 Other Student Treatment Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2190 Service Direction, Student Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2210 Improvement of Instruction Services	\$11,933	\$0	\$11,933	\$0	\$0	\$0	\$0	\$0
2220 Educational Media Services	\$475	\$0	\$0	\$475	\$0	\$0	\$0	\$0
2221 Service Area/Long Distance Learning	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2230 Assessment & Testing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2240 Instructional Staff Development	\$99	\$0	\$0	\$0	\$99	\$0	\$0	\$0
2310 Board of Education Services	\$16,152	\$0	\$0	\$16,120	\$32	\$0	\$0	\$0
2320 Executive Administration Services	\$119,103	\$69,825	\$38,712	\$5,955	\$2,474	\$0	\$2,137	\$0
2410 Office of the Principal Services	\$223,641	\$136,941	\$72,223	\$12,567	\$1,484	\$0	\$426	\$0
2520 Fiscal Services	\$86,181	\$43,498	\$37,850	\$3,042	\$807	\$0	\$984	\$0
2540 Operation and Maintenance of Plant Services	\$284,141	\$106,249	\$38,454	\$93,598	\$13,059	\$0	\$32,781	\$0
2550 Student Transportation Services	\$149,657	\$80,211	\$27,489	\$8,723	\$26,586	\$0	\$6,648	\$0
2640 Staff Services	\$85	\$0	\$0	\$85	\$0	\$0	\$0	\$0
2660 Technology Services	\$44,304	\$400	\$226	\$39,127	\$4,551	\$0	\$0	\$0
2700 Supplemental Retirement Program	\$7,002	\$6,504	\$498	\$0	\$0	\$0	\$0	\$0
Total Support Services Expenditures	\$1,025,660	\$497,420	\$253,082	\$181,067	\$51,075	\$0	\$43,016	\$0
Enterprise and Community Services Expenditures								
3300 Community Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Enterprise and Community Services Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Facilities Acquisition and Construction Expenditures								
4110 Service Area Direction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4120 Site Acquisition and Development Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4150 Building Acquisition, Construction, and Improvement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4190 Other Facilities Construction Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Facilities Acquisition and Construction Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Uses Expenditures								
5100 Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5200 Transfers of Funds	\$46,154	\$46,154	\$0	\$0	\$0	\$0	\$0	\$0
5300 Apportionment of Funds by ESD	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5400 PERS UAL Bond Lump Sum	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Uses Expenditures	\$46,154	\$46,154	\$0	\$0	\$0	\$0	\$0	\$0
Grand Total	\$2,156,933	\$1,170,884	\$580,576	\$263,211	\$96,925	\$0	\$45,337	\$0

**2010-11 DISTRICT AUDIT EXPENDITURE SUMMARY
MAPLETON SCHOOL DISTRICT**

Fund: 200 - Special Revenue

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
Instruction Expenditures								
1111 Primary, K-3	\$							
1112 Intermediate Programs	\$							
1113 Elementary Extracurricular	\$							
1121 Middle/Junior High Programs	\$ 22,258			\$ 22,258				
1122 Middle/Junior High School Extracurricular	\$							
1131 Local & Federal Sources	\$ 3,761			\$ 3,761				
1132 High School Extracurricular	\$							
1140 Pre-Kindergarten Programs	\$							
1210 Programs for the Talented and Gifted	\$							
1220 Restrictive Programs for Students with Disabilities	\$							
1250 Less Restrictive Programs for Students with Disabilities	\$ 75,337	\$ 55,514	\$ 19,823					
1260 Early Intervention	\$							
1271 Remediation	\$							
1272 Title I	\$ 71,658	\$ 51,012	\$ 20,122		\$ 524			
1280 Alternative Education	\$							
1291 English Second Language Programs	\$							
1292 Teen Parent Program	\$							
1293 Migrant Education	\$							
1294 Youth Corrections Education	\$							
1299 Other Programs	\$ 88,737	\$ 46,936	\$ 12,486	\$ 21,302	\$ 8,013			
1300 Adult/Continuing Education Programs	\$							
1400 Summer School Programs	\$							
Total Instruction Expenditures	\$ 261,751	\$ 153,462	\$ 52,431	\$ 47,321	\$ 8,537	\$	\$	\$
Support Services Expenditures								
2110 Attendance and Social Work Services	\$							
2120 Guidance Services	\$							
2130 Health Services	\$							
2140 Psychological Services	\$							
2150 Speech Pathology and Audiology Services	\$							
2160 Other Student Treatment Services	\$							
2190 Service Direction, Student Support Services	\$							
2210 Improvement of Instruction Services	\$ 2,258				\$ 2,258			
2220 Educational Media Services	\$ 16,307	\$ 12,334	\$ 3,973					
2230 Assessment & Testing	\$							
2240 Instructional Staff Development	\$ 2,395	\$ 734	\$ 394	\$ 1,189	\$ 78			
2310 Board of Education Services	\$							
2320 Executive Administration Services	\$							
2410 Office of the Principal Services	\$							
2490 Other Support Services - School Administration	\$							
2510 Direction of Business Support Services	\$							
2520 Fiscal Services	\$							
2540 Operation and Maintenance of Plant Services	\$							
2550 Student Transportation Services	\$ 29,907			\$ 29,787			\$ 120	
2570 Internal Services	\$							
2610 Direction of Central Support Services	\$							
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$ 121	\$ 121						
2630 Information Services	\$							
2640 Staff Services	\$							
2660 Technology Services	\$							
2670 Records Management Services	\$							
2690 Other Support Services - Central	\$							
2700 Supplemental Retirement Program	\$							
Total Support Services Expenditures	\$ 50,988	\$ 13,189	\$ 4,367	\$ 30,976	\$ 2,338	\$	\$ 120	\$
Enterprise and Community Services Expenditures								
3100 Food Services	\$							
3200 Other Enterprise Services	\$							
3300 Community Services	\$ 93,294	\$ 30,298	\$ 10,369	\$ 1,841	\$ 50,367		\$ 419	
3500 Custody and Care of Children Services	\$							
Total Enterprise and Community Services Expenditures	\$ 93,294	\$ 30,298	\$ 10,369	\$ 1,841	\$ 50,367	\$	\$ 419	\$
Facilities Acquisition and Construction Expenditures								
4110 Service Area Direction	\$							
4120 Site Acquisition and Development Services	\$							
4150 Building Acquisition, Construction, and Improvement Services	\$							
4190 Other Facilities Construction Services	\$							
Total Facilities Acquisition and Construction Expenditures	\$	\$	\$	\$	\$	\$	\$	\$
Other Uses Expenditures								
5100 Debt Service	\$							
5200 Transfers of Funds	\$							
5300 Apportionment of Funds by ESD	\$							
5400 PERS UAL Bond Lump Sum	\$							
Total Other Uses Expenditures	\$	\$	\$	\$	\$	\$	\$	\$
Grand Total	\$ 406,033	\$ 196,949	\$ 67,167	\$ 80,138	\$ 61,240	\$	\$ 539	\$

MAPLETON SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2011

Federal Grantor Pass through Grantor	Program Title	Grant Period	CFDA Number	Grant Amount	2010-11 Revenues	2010-11 Expenditures
US Department of Education - Special Revenue Fund:						
	Rural Education Achievement Programs: (REAP)	2010-11	84.358	\$ 16,307	\$ 16,307	\$ 16,307
Passed through Oregon State Department of Education:						
	Title IA	2010-11	84.010	71,837	71,837	71,837
				<u>71,837</u>	<u>71,837</u>	<u>71,837</u>
	Title IIA Improving Teacher Quality: (REAP)	2010-11	84.367	12,336	12,336	12,336
	IDEA Part B	2010-12 2009-11	84.027 84.027	55,370 3,986	55,370 3,986	59,356 -
				<u>59,356</u>	<u>59,356</u>	<u>59,356</u>
	Title IID Enhancing Education	2009-11	84.318	875	875	875
	IDEA Enhancement Grant:	2010-11	84.027	1,591	121	121
	SPR&I	2010-11	84.027	1,174	1,174	1,174
	21st Century Community Learning Centers:	2010-11	84.287	87,561	87,561	87,561
	SFSF - ARRA	2009-11	84.394	30,603	29,748	29,748
	IDEA - ARRA		81.391		15,982	15,982
	Ed Jobs - ARRA	2010-12	84.41	53,967	-	-
Passed through Lane County ESD:						
	Carl Perkins:	2010-11	81.243	2,500	2,258	2,258
Total US Department of Education				343,205	297,555	297,555
US Department of Agriculture - Special Revenue Fund:						
Passed through Oregon State Department of Education:						
	National School Lunch	2010-11	10.555	-	67,856	67,856
	CACFP After School Program	2010-11	10.558	-	10,163	10,163
	Fresh Fruit and Vegetable Program	2010-11	10.582	5,365	5,467	5,467
		2010-10	10.582	608	-	-
				<u>5,973</u>		
Total Special Revenue Funds				343,205	83,486	83,486
Direct Federal Grants - General Fund:						
	Federal Forest Fees			-	20,453	20,453
Total Federal Financial Assistant:				\$ 343,205	\$ 401,494	\$ 401,494

LANE COUNTY SCHOOL DISTRICT NO. 32
LANE COUNTY, OREGON

INDEPENDENT AUDITORS' REPORT
REQUIRED BY OREGON STATE REGULATIONS

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PAULY, ROGERS AND CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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

November 4, 2011

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of Lane County School District No. 32 as of and for the year ended June 30, 2011, and have issued our report thereon dated November 4, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether Lane County School District No. 32's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

- **Deposit of public funds with financial institutions (ORS Chapter 295)**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **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 Lane County School District No. 32 was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations except as follows:

1. The Contingency and Unappropriated items on form ED-2 and ED-3 did not agree with form ED-1.
2. Expenditures of the various funds were within authorized appropriations except as noted on page 19.

OAR 162-10-0230 Internal Control

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

We noted a matter involving the internal control structure and its operation that we consider to be significant deficiency under standards established by the American Institute of Certified Public Accountants, which is noted in our management letter dated November 4, 2011.

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

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