

**GREATER ALBANY PUBLIC SCHOOL DISTRICT  
LINN COUNTY, OREGON**

**2013-14**

**FINANCIAL REPORT**

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GREATER ALBANY PUBLIC SCHOOL DISTRICT  
LINN COUNTY, OREGON

BOARD OF EDUCATION

TERM EXPIRES

Frank Bricker, Board Chair

June 30, 2015

Jerry Boehme, Board Vice Chair

June 30, 2017

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June 30, 2017

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ADMINISTRATION

Maria Delapoer, Superintendent  
Russell Allen, Business Manager

718 7<sup>th</sup> Avenue SW  
Albany, Oregon 97321

GREATER ALBANY PUBLIC SCHOOL DISTRICT  
LINN COUNTY, OREGON

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GREATER ALBANY PUBLIC SCHOOL DISTRICT  
LINN COUNTY, OREGON

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December 22, 2014

## INDEPENDENT AUDITORS' REPORT

To the Board of Education  
Greater Albany Public School District  
Linn County, Oregon

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Greater Albany Public School District, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Basis for Qualified Opinion**

Management has not obtained an actuarial valuation of the post-employment benefit obligation related to the early retirement plan and implicit healthcare subsidy. Accounting principles generally accepted in the United States of America require that actuarially determined annual required contributions related to postemployment benefits, other than retirement benefits, attributable to employee services already rendered be recorded as expenses as employees earn the benefits, which, if not funded would increase the liabilities, reduce the net position, and change the expenses of the governmental activities. The amount by which this departure would affect net position, liabilities and expenses of the governmental activities is not reasonably determinable.

## **Qualified Opinions**

In our opinion, except for the effects of not providing an actuarially determined liability for postemployment benefits as described in the preceding paragraph, the 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 Greater Albany Public School District, as of June 30, 2014, and the respective changes in financial position and budgetary comparisons for the general fund and major special revenue funds, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

The budgetary comparison schedules presented as Required Supplementary Information, as listed in the table of contents, have 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 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, and in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary and other information, as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The 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 supplementary information, as listed in the table of contents, and the schedule of expenditures of federal expenditures are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, and the schedule of federal expenditures is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The listing of board members containing their term expiration dates, located before the table of contents, and the other information, as listed in the table of contents, 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.

**Reports on Other Legal and Regulatory Requirements**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2014 on our consideration of the internal control over financial reporting and on our tests of 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 22, 2014, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



MATTHEW GRAVES, CPA  
PAULY, ROGERS AND CO., P.C.

**GREATER ALBANY PUBLIC SCHOOL DISTRICT 8J  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**

Our discussion and analysis of Greater Albany Public School District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2014. Please read it in conjunction with the District's Financial Statements, which follows this MD&A.

**FINANCIAL HIGHLIGHTS**

- At June 30, 2014, the District's assets exceeded its liabilities by \$67,348,805.
- The District's net assets increased by \$4,143,218 during 2013-14.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The annual report consists of a series of financial statements that show information for the District as a whole, its funds, and its fiduciary responsibilities. The Statement of Net Assets and the Statement of Activities provides information about the activities of the District as a whole and presents a longer-term view of the District's finances. Our fund financial statements are included later in the financial report. For our governmental activities, these statements tell how we financed our services in the short-term as well as what remains for future spending. Fund statements also may give you some insights into the District's overall financial health. Fund financial statements also report the District's operations in more detail than the government-wide financial statements by providing information about the District's most significant fund, the general fund.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The government-wide financial statements present information on the District's finances in a manner similar to private sector businesses. One of the most important questions asked about the District is, "Is the District as a whole better off or worse off financially as a result of the year's activities?" The Statement of Net Assets and Statement of Activities report information on the District as a whole and its activities in a way that helps answer this question. We prepare these statements to include all assets and liabilities, using the accrual basis of accounting. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

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

The Statement of Activities shows revenues, expenses, and the change in net assets for the District as a whole. Revenues and expenses attributable to specific functions are segregated from general revenues, to display the extent to which general revenues support each function.

**FUND FINANCIAL STATEMENTS**

Governmental funds account for the same functions as are reported as governmental activities in the government-wide financial statements. The governmental fund reporting focuses on how money flows in and out of funds and the balances left at year end that are available for spending. They are reported using the accounting method called "modified accrual" accounting, which measures cash and all other financial assets that can be readily converted to cash. This information is essential for preparation of and compliance with annual budgets.



We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliations following the government statements. The notes to the financial statements provide additional information that is essential to a complete understanding of the data provided in the financial statements.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Total assets, liabilities and net assets were as follows:

	<u>2014</u>	<u>2013</u>	<u>% Change</u>
Assets			
Current and other assets	\$ 54,578,891	\$ 52,942,692	3.1%
Capital assets (net)	92,525,817	94,661,529	-2.3%
Total assets	<u>147,104,708</u>	<u>147,604,221</u>	<u>-0.3%</u>
Liabilities			
Other liabilities	9,725,271	8,045,989	20.9%
Long-term liabilities	70,031,607	76,352,645	-8.3%
Total liabilities	<u>79,756,878</u>	<u>84,398,634</u>	<u>-5.5%</u>
Net Position			
Investment in capital assets, net of related debt	59,048,172	61,183,884	-3.5%
Restricted	5,990,073	6,036,600	-0.8%
Unrestricted	2,309,586	(4,014,897)	-157.5%
Total Net Position	<u>\$ 67,347,831</u>	<u>\$ 63,205,587</u>	<u>6.6%</u>

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

	<u>2014</u>	<u>2013</u>	<u>% Change</u>
Revenues			
Charges for Services	\$ 559,191	\$ 2,387,316	-76.6%
Operating Grants	8,212,182	7,381,311	11.3%
General Revenues			
Property Taxes	28,120,348	26,542,096	5.9%
State Support	52,000,722	45,873,883	13.4%
Other Revenue	5,437,375	5,908,619	-8.0%
Total Revenues	<u>94,329,818</u>	<u>88,093,225</u>	<u>7.1%</u>
Expenses			
Instruction	53,501,324	52,207,312	2.5%
Support Services	28,774,748	28,771,484	0.0%
Community Services	3,418,006	3,384,099	1.0%
Interest on Long-Term Debt	4,493,496	3,513,753	27.9%
Total Expenses	<u>90,187,574</u>	<u>87,876,648</u>	<u>2.6%</u>
Change in Net Position	4,142,244	216,577	1812.6%
Net Position Beginning of Year	63,205,587	62,989,010	0.3%
Net Position End of Year	<u>\$ 67,347,831</u>	<u>\$ 63,205,587</u>	<u>6.6%</u>

## **FUND FINANCIAL ANALYSIS**

The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Unreserved fund balance measures the District's net resources available for appropriation in the next fiscal year. As of June 30, 2014, total fund balance of the governmental funds was \$16,194,618. These amounts are available to use, in accordance with applicable restrictions on the nature of the expenditures.

Summary of ending fund balances for the major governmental funds for 2014 and 2013 are as follows:

	<u>ENDING FUND BALANCE</u>		<u>CHANGE</u>
	<u>2014</u>	<u>2013</u>	
General Fund	\$ 10,235,019	\$ 8,934,063	\$ 1,300,956
Grants Fund	1,469,940	1,257,371	212,569
Debt Service Fund	69,447	(106,806)	176,253
Other Governmental	4,420,212	4,842,948	(422,736)
	<u>\$ 16,194,618</u>	<u>\$ 14,927,576</u>	<u>\$ 1,267,042</u>

### **CAPITAL ASSETS**

Please refer to the notes to basic financial statements for more detailed information regarding capital assets.

### **DEBT ADMINISTRATION**

Please refer to the notes to the basic financial statements for more detailed information regarding long-term debt.

### **2013-2014 BUDGET**

The State School Fund (made up of local and state funding sources) accounted for 87% of the General Fund revenue for the school district (98% if fund balance is excluded). District operations were helped tremendously by an 11% increase in funding from the 2011-13 to the 2013-15 biennium. In 2013-14 positions were added and programs restored, all while maintaining an \$8.9 million General Fund balance (10.8% of budget). The School District is further aware that the School Nutrition Services Fund is operating in a deficit and continues to work to reduce the fund deficit.

### **REQUESTS FOR INFORMATION**

Our financial report is designed to provide our taxpayers, parents, teachers, students, investors and creditors with an overview of the District's finances. If you have any questions about this report or need any clarification of information please contact the Business Office at the Greater Albany Public School District offices, located at 718 7<sup>th</sup> Avenue SW, Albany, Oregon 97321.

GREATER ALBANY PUBLIC SCHOOL DISTRICT  
LINN COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

**GREATER ALBANY PUBLIC SCHOOLS**  
**LINN COUNTY, OREGON**

**STATEMENT OF NET POSITION**  
**June 30, 2014**

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 20,787,438
Accounts Receivable	4,429,726
Property Taxes Receivable	2,803,083
Prepaid Assets	26,455,767
Supply Inventory	102,877
Capital Assets, non-depreciable	2,819,352
Capital Assets, depreciable (net of depreciation)	<u>89,706,465</u>
Total Assets	<u>147,104,708</u>
<b>Liabilities</b>	
Accounts Payable and Payroll Liabilities	9,549,920
Deposits Payable	43,910
Retainage Payable	45,568
Accrued Interest Payable	70,411
Unearned Revenue	15,462
Long-term Liabilities	
Due Within One Year	7,752,318
Due in More than One Year	<u>62,279,289</u>
Total Liabilities	<u>79,756,878</u>
<b>Net Position</b>	
Net Investment in Capital Assets	59,048,172
Restricted for	
Student Activities	691,591
Debt Service	1,482,143
Capital Projects	2,097,120
Grants	1,469,940
Other	249,279
Unrestricted	<u>2,309,586</u>
Total Net Position	<u><u>\$ 67,347,831</u></u>

See accompanying notes to basic financial statements.

**GREATER ALBANY PUBLIC SCHOOLS  
LINN COUNTY, OREGON**

**STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2014**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Instruction	\$ 53,501,324	\$ 93,120	\$ 4,111,557	\$ (49,296,647)
Support Services	28,774,748	-	1,727,880	(27,046,868)
Enterprise and Community Services	3,418,006	466,071	2,372,745	(579,190)
Interest on long-term debt	4,493,496	-	-	(4,493,496)
Total governmental activities	<u>\$ 90,187,574</u>	<u>\$ 559,191</u>	<u>\$ 8,212,182</u>	(81,416,201)
General Revenues				
Property Taxes				28,120,348
State Support				52,000,722
Earnings on Investment				167,213
Unrestricted Federal Revenue				852,474
Unrestricted Other Revenue				<u>4,417,688</u>
Total General Revenues				<u>85,558,445</u>
Change in Net Position				4,142,244
Net Position Beginning of Year				<u>63,205,587</u>
Net Position End of Year				<u>\$ 67,347,831</u>

See accompanying notes to basic financial statements.

**GREATER ALBANY PUBLIC SCHOOLS  
LINN COUNTY, OREGON**

**BALANCE SHEET - GOVERNMENTAL FUNDS  
June 30, 2014**

	GENERAL	GRANT FUNDS	DEBT SERVICE FUND	NON MAJOR GOVERNMENTAL	TOTALS
<b>ASSETS</b>					
Cash and Investments	\$ 15,873,491	\$ -	\$ -	\$ 4,913,947	\$ 20,787,438
Receivables					
Taxes	2,052,073	-	751,010	-	2,803,083
Accounts	520,151	3,488,153	7	421,415	4,429,726
Due From Other Funds	2,711,350	-	-	-	2,711,350
Supply Inventories	1,892	-	-	100,985	102,877
<b>Total Assets</b>	<b>\$ 21,158,957</b>	<b>\$ 3,488,153</b>	<b>\$ 751,017</b>	<b>\$ 5,436,347</b>	<b>\$ 30,834,474</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 1,066,760	\$ 30,591	\$ -	\$ 256,756	\$ 1,354,107
Payroll Liabilities	8,195,813	-	-	-	8,195,813
Due To Other Funds	-	1,972,160	69,290	669,900	2,711,350
Deposits Payable	-	-	-	43,910	43,910
Retainage	-	-	-	45,568	45,568
Deferred Revenue - Other	-	15,462	-	-	15,462
<b>Total Liabilities</b>	<b>9,262,573</b>	<b>2,018,213</b>	<b>69,290</b>	<b>1,016,134</b>	<b>12,366,210</b>
<b>DEFERRED INFLOWS</b>					
Unavailable Revenue - Property Taxes	1,661,368	-	612,280	-	2,273,648
<b>FUND BALANCE</b>					
Nonspendable	1,892	-	-	100,985	102,877
Restricted for:					
Student Activities	-	-	-	691,591	691,591
Debt Service	-	-	-	1,482,143	1,482,143
Capital Projects	-	-	-	2,097,120	2,097,120
Grants	-	1,469,940	-	-	1,469,940
Other	-	-	-	249,279	249,279
Committed	-	-	-	297,291	297,291
Unassigned	10,233,124	-	69,447	(498,196)	9,804,375
<b>Total Fund Balance</b>	<b>10,235,016</b>	<b>1,469,940</b>	<b>69,447</b>	<b>4,420,213</b>	<b>16,194,616</b>
<b>Total Liabilities, Deferred Inflows and Fund Balance</b>	<b>\$ 21,158,957</b>	<b>\$ 3,488,153</b>	<b>\$ 751,017</b>	<b>\$ 5,436,347</b>	<b>\$ 30,834,474</b>

See accompanying notes to basic financial statements.

**GREATER ALBANY PUBLIC SCHOOLS**  
**LINN COUNTY, OREGON**

**RECONCILIATION OF GOVERNMENTAL FUNDS**  
**BALANCE SHEET TO THE STATEMENT OF NET POSITION**  
**June 30, 2014**

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<b>Total Fund Balances</b>	\$	16,194,616
Amounts reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.		
Capital Assets, net		92,525,817
Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.		
		2,273,648
The unamortized portion of prepaid pension costs and bond issuance costs is not available to pay for current period expenditures and, therefore, is not reported in the governmental funds.		
Prepaid pension costs		26,455,767
Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest in long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due. These liabilities consist of:		
Accrued Interest Payable	\$	(70,411)
Bonds Payable		(66,198,871)
Capital Leases		(1,074,048)
Promissory Notes Payable		(1,143,138)
Post Retirement Obligation		<u>(1,615,549)</u>
		<u>(70,102,017)</u>
<b>Total Net Position</b>	\$	<u><u>67,347,831</u></u>

See accompanying notes to basic financial statements.

**GREATER ALBANY PUBLIC SCHOOLS  
LINN COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2014**

	GENERAL	GRANT FUNDS	DEBT SERVICE FUND	NON MAJOR GOVERNMENTAL	TOTAL
<b>REVENUES</b>					
Local Sources	\$ 21,083,674	\$ 436,348	\$ 7,731,816	\$ 6,577,073	\$ 35,828,911
Intermediate Sources	50,855	106,160	-	-	157,015
State Sources	52,585,950	171,880	-	433,955	53,191,785
Federal Sources	461,907	4,792,186	-	2,548,161	7,802,254
<b>Total Revenues</b>	<b>74,182,386</b>	<b>5,506,574</b>	<b>7,731,816</b>	<b>9,559,189</b>	<b>96,979,965</b>
<b>EXPENDITURES</b>					
Current:					
Instruction	47,406,661	3,014,148	-	2,015,365	52,436,174
Support Services	24,839,045	2,624,891	-	164,403	27,628,339
Enterprise and Community Services	-	1,115	-	3,348,842	3,349,957
Facilities Acquisition and Construction	30,286	5,463	-	561,195	596,944
Capital Outlay	242,843	98,503	-	804,503	1,145,849
Debt Service	-	-	7,555,563	3,661,565	11,217,128
<b>Total Expenditures</b>	<b>72,518,835</b>	<b>5,744,120</b>	<b>7,555,563</b>	<b>10,555,873</b>	<b>96,374,391</b>
Excess of Revenues Over (Under) Expenditure:	1,663,551	(237,546)	176,253	(996,684)	605,574
<b>OTHER FINANCING SOURCES (USES)</b>					
Lease Purchase Receipts (Refinance)	-	-	-	661,466	661,466
Transfers In	-	40,000	-	322,598	362,598
Transfers Out	(362,598)	-	-	-	(362,598)
<b>Total Other Financing Sources (Uses)</b>	<b>(362,598)</b>	<b>40,000</b>	<b>-</b>	<b>984,064</b>	<b>661,466</b>
<b>Net Change in Fund Balance</b>	<b>1,300,953</b>	<b>(197,546)</b>	<b>176,253</b>	<b>(12,620)</b>	<b>1,267,040</b>
<b>Beginning Fund Balance</b>	<b>8,934,063</b>	<b>1,667,486</b>	<b>(106,806)</b>	<b>4,432,833</b>	<b>14,927,576</b>
<b>Ending Fund Balance</b>	<b>\$ 10,235,016</b>	<b>\$ 1,469,940</b>	<b>\$ 69,447</b>	<b>\$ 4,420,213</b>	<b>\$ 16,194,616</b>

See accompanying notes to basic financial statements.



**GREATER ALBANY PUBLIC SCHOOLS**  
**LINN 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, 2014**

Net Change in Fund Balance	\$	1,267,040
<p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:</p>		
Capitalized Expenditures	\$	1,179,104
Capital Asset Disposals		-
Depreciation Expense		<u>(3,314,816)</u>
		(2,135,712)
<p>Long-term debt proceeds are reported as other financing sources in governmental funds. In the Statement of Net Position, 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 Position. This is the amount by which proceeds exceeded repayments:</p>		
New Debt Issued	\$	(661,466)
Principal Repaid		<u>6,702,318</u>
		6,040,852
<p>Governmental funds report the effect of issuance costs, premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.</p>		
Amortization of Prepaid Pension Asset		(1,763,718)
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.</p>		
Early Retirement		(82,959)
Bond Premium Amortization		351,388
<p>Miscellaneous Adjustments made to recognize certain expenses in the statement of activities that were not considered expenditures in the fund statements, and certain revenues that were not recorded in the fund statements.</p>		
		33,072
<p>Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds, and are instead recorded as deferred revenue. They are, however, recorded as revenues in the Statement of Activities.</p>		
		<u>432,281</u>
Change in Net Position	\$	<u><u>4,142,244</u></u>

See accompanying notes to basic financial statements.

GREATER ALBANY PUBLIC SCHOOL DISTRICT  
LINN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

REPORTING ENTITY

The Greater Albany Public School District functions as an operational education organization consisting of 19 elementary, secondary, and high schools. The District was organized under provisions of Oregon Statutes Chapter 332 for the purpose of operating elementary and secondary schools. The Greater Albany Public School District's Board of Education is the basic level of government, which has financial accountability and control over all activities within District boundaries. As required by generally accepted accounting principles, these financial statements present Greater Albany Public School District (the primary government) and would include any component units. Component units, as established by the Governmental Accounting Standards Board (GASB) Statement 39, are separate organizations that are included in the District's reporting because of the significance of their operational or financial relationships with the District. There are no component units.

BASIS OF PRESENTATION - FUND ACCOUNTING

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

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

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

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

All direct expenses are reported by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Interest of general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities. In the process of aggregating data for the Statement of Net Position 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.

GREATER ALBANY PUBLIC SCHOOL DISTRICT  
LINN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUND FINANCIAL STATEMENTS

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

GOVERNMENTAL FUND TYPES

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

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

The 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.

GRANT FUNDS

The Grants Fund includes Title I, IDEA, and other federally financed special project funds. The principal sources of revenue are grants from the federal and Oregon governmental agencies. The primary uses of revenue are salaries and supplies specifically requested with application for grant.

DEBT SERVICE FUND

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

GREATER ALBANY PUBLIC SCHOOL DISTRICT  
LINN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Additionally, the following funds are reported:

OTHER GOVERNMENTAL FUNDS

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

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

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

BUDGETS

A budget is prepared and legally adopted for each governmental fund type on the modified accrual basis of accounting in the main program categories required by Oregon Local Budget Law. The budgets for all budgeted funds are adopted on a basis consistent with generally accepted accounting principles in the United States of America except the property taxes received after year-end are not considered budgetary resources in the funds, inventory is expensed when purchased, compensated absences and post-employment benefits are expensed when paid instead of when incurred, capital outlay is recorded as an expenditure rather than capitalized, depreciation is not recorded on capital assets, and debt is expensed as paid instead of when incurred.

GREATER ALBANY PUBLIC SCHOOL DISTRICT  
LINN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BUDGETS (CONTINUED)

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

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

Expenditures cannot legally exceed the adopted appropriation levels except in the case of grants which could not be estimated at the time of budget adoption. Appropriations lapse at the fiscal year-end. Management may amend line items in the budget without Board approval as long as appropriation levels (the legal level of control) are not changed. Supplemental appropriations may occur if the Board approves them due to unforeseen circumstances which could not be determined at the time the budget was adopted.

Budget amounts shown in the basic financial statements reflect the original budgeted appropriation amounts and appropriation resolutions. Expenditures of the various funds were within authorized appropriations for the year ended June 30, 2014, except for the Grant Funds which over expended Enterprise and Community Services by \$1,115, the Debt Service Fund which over expended Debt Service by \$5,813, the Bus Replacement Fund which over expended Support Services by \$55,009, the Energy Conservation Fund which over expended Support Services by \$70,000, the School Lunch Fund which over expended Enterprise and Community Services by \$66,948 and the Capital Improvements Fund #1 which over expended Support Services by \$5,392.

PROPERTY TAXES RECEIVABLE

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

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

GRANTS

Unreimbursed expenditures due from grantor agencies are reflected in the basic financial statements as receivables and revenues. Grant revenues are recorded at the time eligible expenditures are incurred. Cash received from grantor agencies in excess of related grant expenditures are recorded as unearned revenue on the statement of net position and the balance sheet.

GREATER ALBANY PUBLIC SCHOOL DISTRICT  
LINN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

SUPPLY INVENTORIES

Supply inventories purchased are valued at the lower of invoice cost (first-in, first-out) or market. Supply inventories are recorded as expenditures when used, rather than when purchased.

RETIREMENT PLAN

Substantially all employees are participants in PERS. Contributions to PERS are made on a current basis as required by the plan and are charged to expenditures as funded. The Board of Directors, through contract negotiations, authorized offering of early retirement benefits to all non-temporary employees. Expenditures are recorded in the governmental funds as the incentive payments and related insurance premiums are incurred. The present value of future incentive payments and estimate insurance benefits is recorded in the Statement of Net Position.

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net positions that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government on has no item that qualifies for reporting in the category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

CAPITAL ASSETS

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

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

GREATER ALBANY PUBLIC SCHOOL DISTRICT  
LINN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

LONG-TERM OBLIGATIONS

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

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.

GREATER ALBANY PUBLIC SCHOOL DISTRICT  
LINN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUND EQUITY (CONTINUED)

- 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.

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.

NET POSITION

Net position comprises the various net earnings from operations, non-operating revenues, expenses and contributions of capital. Net position are classified in the following three categories:

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

Restricted – consists of external constraints placed on asset use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. There is restricted net position for debt service and capital projects.

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

2. CASH AND INVESTMENTS

DEPOSITS

Deposits with financial institutions include bank demand deposits. The total bank balance per the bank statements on June 30, 2014 is \$451,226. Oregon Revised Statutes requires deposits be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury.

INVESTMENTS

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, 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, 2014.



GREATER ALBANY PUBLIC SCHOOL DISTRICT  
LINN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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2. CASH AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

Amounts in the State Treasurer’s Local Government Investment Pool are not required to be collateralized. As of June 30, 2014 the fair value of the position in the LGIP approximates the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements.

Cash and Investments at June 30, 2014, (recorded at fair value) consisted of:

Cash and Investments:	
Petty Cash	\$ 21,020
Demand Deposits	(1,694,360)
Investments	<u>22,460,778</u>
 Total	 <u>\$ 20,787,438</u>

There were 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>3-18</u>	<u>18-59</u>
State Treasurer's Investment Pool	\$ 22,460,778	\$ 22,460,778	\$ -	\$ -

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 – 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.

Credit Risk – Investments

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

Concentration of Credit Risk

At June 30, 2014, 100% of total investments were in the State Treasurer’s Investment Pool. State statutes do not limit the percentage of investments in either of these instruments.

GREATER ALBANY PUBLIC SCHOOL DISTRICT  
LINN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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3. ACCOUNTS/GRANTS RECEIVABLE

Special revenue fund grants receivable are comprised of claims for reimbursement of costs under various federal and state grant programs.

4. CAPITAL ASSETS

The changes in capital assets for the year ended June 30, 2014 are as follows:

	Restated Capital Assets 7/1/2013	Additions	Deletions	Capital Assets 6/30/2014
Land (non depreciable)	\$ 2,819,352	\$ -	\$ -	\$ 2,819,352
Depreciable				
Buildings & Improvements	120,368,904	256,672	-	120,625,576
Equipment & Vehicles	5,054,616	851,115	-	5,905,731
Site Improvements	5,157,866	94,089	-	5,251,955
Construction in Progress	116,840	-	(22,773)	94,067
	133,517,578	1,201,876	(22,773)	134,696,681
Accumulated Depreciation				
Buildings & Improvements	(34,938,640)	(2,650,685)	-	(37,589,325)
Equipment & Vehicles	(3,020,802)	(145,339)	-	(3,166,141)
Site Improvements	(921,598)	(518,792)	-	(1,440,390)
	(38,881,040)	(3,314,816)	-	(42,195,856)
Subtotal, Net Depreciable				89,681,473
Totals	\$ 94,636,538			\$ 92,500,825

Accumulated Depreciation was allocated to the functions as followed:

Instruction	\$ 2,083,791
Support Services	1,097,899
Enterprise and Community Services	133,126
Total	\$ 3,314,816

GREATER ALBANY PUBLIC SCHOOL DISTRICT  
LINN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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**5. OPERATING LEASES**

There are many operating leases in effect for various pieces of office equipment. The total operating lease expense, including maintenance fees, for the year ended June 30, 2014 was \$270,400. The future minimum lease payments are as follows:

Year	<u>Lease Payment</u>
2015	\$ 119,427
2016	92,587
2017	73,960
2018	70,062
2019	51,036
2020	10,711
Total	<u>\$ 417,783</u>

**6. LONG-TERM DEBT**

**BONDS PAYABLE:**

**General Obligation Bonds**

General obligation bonds are issued to provide funds for the acquisition and construction of major capital facilities. The original amount of general obligation bonds issued in prior years is \$100,885,000.

On December 20, 2006, the General Obligation Bonds, Series 2006 was issued for \$55,000,000, with interest rates ranging from 3.85-5.0%.

**Pension Obligation Bonds**

In 2004, \$45,885,000 of limited tax pension obligation bonds were issued to finance the unfunded actuarially accrued liability (UAL) with the State of Oregon Public Employees Retirement System (PERS). The issuance of the bonds was considered an advance refunding of the UAL. The actual savings realized over the life of the bonds is uncertain because of the various legislative changes and legal issues pending with the PERS system which could impact the future required contribution rate.

Changes in bonds outstanding are as follows:

<u>Issue Date</u>	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Outstanding July 1, 2013</u>	<u>Issued</u>	<u>Matured And Redeemed</u>	<u>Outstanding June 30, 2014</u>
Series 2004	3.25-5.528	\$ 45,885,000	\$ 42,875,000	\$ -	\$ 1,050,000	\$ 41,825,000
Series 2006	3.85-5.00	55,000,000	27,795,000	-	6,175,000	21,620,000
			<u>\$ 70,670,000</u>	<u>\$ -</u>	<u>\$ 7,225,000</u>	<u>\$ 63,445,000</u>

GREATER ALBANY PUBLIC SCHOOL DISTRICT  
LINN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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6. LONG-TERM DEBT (CONTINUED)

BONDS PAYABLE (CONTINUED):

Future maturities of bonds are payable as follows:

Fiscal Year <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2015	7,915,000	3,339,924
2016	8,650,000	2,947,633
2017	9,440,000	2,514,798
2018	1,930,000	2,050,726
2019	2,200,000	1,949,922
2020-24	15,935,000	7,628,849
2025-28	<u>17,375,000</u>	<u>2,287,486</u>
Total	63,445,000	<u>\$ 22,719,338</u>
Premium	<u>1,054,162</u>	
Total	<u>\$ 64,499,162</u>	

Qualified Zone Academy Bonds (QZAB) Series 2004 and Series 2007

\$2,750,000 of Qualified Zone Academy Bonds were issued in previous years. There are annual payments totaling \$96,773 through July 1, 2020 on the first bond issue with a 0% interest rate, and payments of \$62,500 through 2023 on the second bond issue with a 5.79% interest rate, for the year ended June 30, 2014.

NOTES PAYABLE:

1993 Financing Agreement

In 1993, a Bancroft note payable for \$168,482 to the City of Albany was incurred. The principal payments on the note are due semi-annually, in varying amounts, through 2014, with an interest rate of 6.05%. As of June 30, 2014 the 1993 Financing Agreement was paid in full.

Future maturities of QZAB are as follows:

	<u>QZAB</u>
2015	\$ 159,273
2016	159,273
2017	159,273
2018	159,273
2019	159,273
2020-23	<u>346,773</u>
Total	<u>\$ 1,143,138</u>

GREATER ALBANY PUBLIC SCHOOL DISTRICT  
LINN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. LONG-TERM DEBT (CONTINUED)

CAPITAL LEASES

Various lease agreements have been entered into with interest rates varying from 3.0% to 5.3%. These agreements qualify as capital leases for accounting purposes and have been recorded at the present value of the future minimum lease payments as of the inception date in the Statement of Net Position.

Year Ending June 30,	CAPITAL LEASES		
	Principal	Interest	Total
2015	358,063	28,159	386,222
2016	340,876	28,264	369,140
2017	268,154	21,370	289,524
2018	238,801	15,738	254,539
2019	244,014	10,526	254,540
2020-22	273,850	11,567	285,417
	<u>\$ 1,723,758</u>	<u>\$ 115,624</u>	<u>\$ 1,839,382</u>

Total long-term liability activity for the year ended June 30, 2014 was as follows:

	Beginning Balance	Additons	Reductions	Ending Balance	Due Within One Year
Bonds Payable	\$ 70,670,000	\$ -	\$ 7,225,000	\$ 63,445,000	\$ 7,915,000
Qualified Zone Ac Bonds	1,307,992	-	164,854	1,143,138	159,273
Capital Leases	1,436,513	649,709	362,464	1,723,758	358,063
Notes Payable	5,581	-	5,581	-	-
Early Retirement	1,532,590	1,068,904	985,945	1,615,549	-
Bond Premium	1,405,550	-	351,388	1,054,162	-
Total Long-term Liabilities	<u>\$ 76,358,226</u>	<u>\$ 1,718,613</u>	<u>\$ 9,095,232</u>	<u>\$ 68,981,607</u>	<u>\$ 8,432,336</u>

7. PREPAID PENSION COSTS

As a result of the issuance of the 2004 Limited Tax Pension Obligation Bonds, a Prepaid PERS Liability is reported in the Statement of Net Position. The prepaid costs are equal to the initial \$44,169,629 payment made to PERS from the bond proceeds, less accumulated amortization at June 30, 2014 of \$17,713,862. Annual amortization is being calculated on a straight-line basis over the life of the pension obligation bonds.

GREATER ALBANY PUBLIC SCHOOL DISTRICT  
LINN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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8. RETIREMENT PLAN

Contributions are made to the Oregon Public Employees Retirement Fund (OPERF), a cost-sharing multiple-employer defined benefit pension plan administered by the Oregon Public Employees Retirement System (PERS). PERS provides retirement and disability benefits, post-employment health care benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries.

PERS is administered under Oregon Revised Statute (ORS) Chapter 238. ORS 238.620 establishes the Public Employees Retirement Board as the governing body of PERS. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report can be obtained by writing to PERS, P.O. Box 23700, Tigard, OR 97281-3700 or by calling 1-503-598-7377.

Members of PERS are required to contribute 6% of their salary covered under the plan. The District is required by ORS 238.225 to contribute at an actuarially determined rate. The employer contribution rate effective July 1, 2013 was 14.44% of salary covered under the plan for Tier 1 and Tier 2 employees and 12.44% for employees covered under the Oregon Public Services Retirement Plan (OPSRP). In June, 2004 the District participated in the Oregon School Boards Association limited tax pension obligation bond issues to finance a portion of the estimated unfunded PERS actuarial liability (the "UAL"). The District borrowed \$45,885,000 reducing the rate paid to PERS on Tier 1 and Tier 2 employees.

The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature. Contributions to PERS for the year ended June 30, 2014, 2013 and 2012 were approximately \$10,149,102, \$8,794,174 and \$8,719,645 respectively, and were equal to the required contributions for each year.

9. EARLY RETIREMENT PLAN

There is an early retirement plan for qualified employees. Expenditures are recorded as the incentive payments and related insurance premiums are incurred. In order to qualify for the plan, an employee must be eligible for retirement under PERS. Eligible employees will be paid for a specified time. The amount of compensation per month is equal to 1% of the contractual yearly salary the retiree would have received if fully employed with the District, along with related insurance premiums. Early retirement program costs are recorded as expenditures and funded on a pay as you go basis. The actuarial present value of vested and non-vested accumulated benefits is not available. At June 30, 2014, the estimated liability is \$1,615,649, which has been accrued in the statement of net position. Total expenses for the year ending June 30, 2014 were \$1,068,904.

10. SELF-INSURANCE

Public liability and property damage claims are self-insured for the first \$100,000 of any accident and for the amount, if any, in excess of stated policy limits. The District carries liability insurance for amounts not otherwise self-insured. Estimated losses on claims are charged to expense in the period the loss is determinable.

There is also self-insurance for benefits to unemployed former employees through participation in a risk pool. One percent of payroll is contributed to the pool. Contributions in excess of actual unemployment benefits paid are held in the Insurance Reserve Fund.

GREATER ALBANY PUBLIC SCHOOL DISTRICT  
LINN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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11. DEFERRED COMPENSATION PLAN

A deferred compensation plan is available to employees wherein they may execute an individual agreement with for amounts earned by them to not be paid until a future date when certain circumstances are met. These circumstances are: termination by reason of death, disability, resignation, or retirement. The deferred compensation plan is one which is authorized under IRC Section 457 and has been approved in its specifics by a private ruling from the Internal Revenue Service. The assets of the plan are held by the administrator for the sole benefit of the plan participants and are not considered assets or liabilities.

12. OTHER POST EMPLOYMENT BENEFITS

PLAN DESCRIPTION

A single-employer retiree benefit plan is operated that provides postemployment health, dental vision and life insurance benefits to eligible employees and their spouses. There are active and retired members in the plan. Benefits and eligibility for members are established through the collective bargaining agreements.

The post-retirement healthcare plan was established in accordance with Oregon Revised Statutes (ORS) 243.303. ORS stipulated 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 cost, 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.

No irrevocable trust (or equivalent arrangement) was established to account for the plan.

No actuarial valuation was completed for the year ended June 30, 2014, and therefore no annual required contribution has been calculated.

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 to fund these benefits in advance.

13. 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 carried for other risks of loss including excess liability, workers' compensation, boiler and machinery, public official bond and employee dishonesty and contractors license bond coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

GREATER ALBANY PUBLIC SCHOOL DISTRICT  
LINN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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14. COMMITMENTS AND CONTINGENCIES

A number of federally assisted grant programs are participated in. These programs are subject to program compliance audits by the grantors or their representatives. The federal audits for these programs for the year ended June 30, 2014 have not been conducted. Accordingly, compliance with grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although amounts are expected to be immaterial.

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

15. PROPERTY TAX LIMITATIONS

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

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

16. INTERGOVERNMENTAL AGENCY

In 1993 an intergovernmental agreement was entered into to build, operate, and maintain the Linn Regional Fueling Facility (LRFF) along with Linn County, the City of Albany, Linn-Benton Community College, and Linn-Benton-Lincoln Education Service District. The agreement specified that the land and improvements constituting the regional fueling facility shall be owned by Linn County and that the capital costs of designing and building the facility will be repaid by all parties through surcharges and capital cost payments. The capital cost payments will end when the total capital cost of the facility has been reached.

After Five years of participation in the agreement, a party becomes vested as a capital cost shareholder. If, after the five-year point, a party withdraws from the agreement, the other parties agree to pay the withdrawing party an amount equal to 80% of that party's total capital cost payments. Operation and maintenance costs are shared by the parties proportionately in accordance with each party's usage of the facility. These costs are covered through surcharges and fees set by the Linn Regional Fueling Facility Board.



GREATER ALBANY PUBLIC SCHOOL DISTRICT  
LINN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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**16. INTERGOVERNMENTAL AGENCY (CONTINUED)**

There is no equity interest in the Facility, and therefore does not report an equity interest in the basic financial statements. At June 30, 2014, the Linn Regional Fueling Facility's equity balance as reported in its audited financial statement totaled \$84,187. A copy of the Linn Regional Fueling Facility's audit report may be obtained from Linn County.

**17. INTERFUND TRANSFERS AND BALANCES**

The composition of interfund transfers is as follows:

<b>Transfers Out:</b>	
General Fund	<u>\$ 362,598</u>
Total	<u>\$ 362,598</u>
<b>Transfers In:</b>	
Grant Funds	\$ 40,000
Non Major Governmental	<u>322,598</u>
Total	<u>\$ 362,598</u>

The internal transfers are budgeted and recorded to show legal and operational commitments between funds such as cost sharing.

GREATER ALBANY PUBLIC SCHOOL DISTRICT  
LINN COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

**GREATER ALBANY PUBLIC SCHOOLS  
LINN COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2014**

<u>GENERAL FUND</u>				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
<b>REVENUES</b>				
Local Sources	\$ 20,652,000	\$ 20,652,000	\$ 21,083,674	\$ 431,674
Intermediate Sources	15,000	15,000	50,855	35,855
State Sources	50,265,905	50,265,905	52,585,950	2,320,045
Federal Sources	-	-	461,907	461,907
<b>Total Revenues</b>	<b>70,932,905</b>	<b>70,932,905</b>	<b>74,182,386</b>	<b>3,249,481</b>
<b>EXPENDITURES</b>				
Instruction	47,902,544	47,902,544 (1)	47,406,661	495,883
Support Services	24,999,771	24,999,771 (1)	24,902,727	97,044
Facilities Acquisition and Construction	250,000	250,000 (1)	209,447	40,553
Contingency	2,500,000	2,500,000 (1)	-	2,500,000
<b>Total Expenditures</b>	<b>75,652,315</b>	<b>75,652,315</b>	<b>72,518,835</b>	<b>3,133,480</b>
Excess of Revenues Over (Under) Expenditures	(4,719,410)	(4,719,410)	1,663,551	6,382,961
<b>OTHER FINANCING SOURCES (USES)</b>				
Gain (Loss) on Sale of Fixed Assets	2,500	2,500	-	(2,500)
Transfers Out	(363,598)	(363,598) (1)	(362,598)	1,000
<b>Total Other Financing Sources (Uses)</b>	<b>(361,098)</b>	<b>(361,098)</b>	<b>(362,598)</b>	<b>(1,500)</b>
<b>Net Change in Fund Balance</b>	<b>(5,080,508)</b>	<b>(5,080,508)</b>	<b>1,300,953</b>	<b>6,381,461</b>
Beginning Fund Balance	8,540,766	8,540,766	8,934,063	393,297
<b>Ending Fund Balance</b>	<b>\$ 3,460,258</b>	<b>\$ 3,460,258</b>	<b>\$ 10,235,016</b>	<b>\$ 6,774,758</b>

(1) Appropriation Level

**GREATER ALBANY PUBLIC SCHOOLS  
LINN COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2014**

	<u>GRANT FUNDS</u>			VARIANCE
	<u>ORIGNIAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
Local Sources	\$ 946,300	\$ 946,300	\$ 436,348	\$ (509,952)
Intermediate Sources	75,000	75,000	106,160	31,160
State Sources	1,092,600	1,092,600	171,880	(920,720)
Federal Sources	5,310,130	5,310,130	4,792,186	(517,944)
<b>Total Revenues</b>	<b>7,424,030</b>	<b>7,424,030</b>	<b>5,506,574</b>	<b>(1,917,456)</b>
<b>EXPENDITURES</b>				
Instruction	4,297,750	4,297,750 (1)	3,050,443	1,247,307
Support Services	3,166,280	3,166,280 (1)	2,639,154	527,126
Enterprise and Community Services	-	- (1)	1,115	(1,115)
Facilities Acquisition and Construction	-	- (1)	53,408	(53,408)
<b>Total Expenditures</b>	<b>7,464,030</b>	<b>7,464,030</b>	<b>5,744,120</b>	<b>1,719,910</b>
Excess of Revenues Over (Under) Expenditures	(40,000)	(40,000)	(237,546)	(197,546)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	40,000	40,000	40,000	-
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>(197,546)</b>	<b>(197,546)</b>
<b>Beginning Fund Balance</b>	<b>-</b>	<b>-</b>	<b>1,667,486</b>	<b>1,667,486</b>
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,469,940</b>	<b>\$ 1,469,940</b>

(1) Appropriation Level

GREATER ALBANY PUBLIC SCHOOL DISTRICT  
LINN COUNTY, OREGON

SUPPLEMENTARY INFORMATION

**GREATER ALBANY PUBLIC SCHOOLS  
LINN COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2014**

<u>DEBT SERVICE FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Local Sources	\$ 7,549,750	\$ 7,549,750	\$ 7,731,816	\$ 182,066
EXPENDITURES				
Debt Service	<u>7,549,750</u>	<u>7,549,750</u>	<u>(1) 7,555,563</u>	<u>(5,813)</u>
Net Change in Fund Balance	-	-	176,253	176,253
Beginning Fund Balance	<u>-</u>	<u>-</u>	<u>(106,806)</u>	<u>(106,806)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69,447</u>	<u>\$ 69,447</u>

(1) Appropriation Level

**GREATER ALBANY PUBLIC SCHOOLS  
LINN COUNTY, OREGON**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2014**

	STUDENT ACTIVITY FUND	BUS REPLACEMENT FUND	ENERGY CONSERVATION FUND	E-RATE FUNDING FUND
<b>ASSETS</b>				
Cash and Investments	\$ 713,218	\$ 112,993	\$ 229,866	\$ 369,798
Accounts Receivable	10,355	-	-	-
Inventory	-	-	-	-
<b>Total Assets</b>	<b>\$ 723,573</b>	<b>\$ 112,993</b>	<b>\$ 229,866</b>	<b>\$ 369,798</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Deposits Payable	\$ -	\$ -	\$ -	\$ -
Accounts Payable	31,982	-	-	120,519
Retainage	-	-	45,568	-
Due to Other Funds	-	-	-	-
<b>Total Liabilities</b>	<b>31,982</b>	<b>-</b>	<b>45,568</b>	<b>120,519</b>
<b>Fund Balances</b>				
Nonspendable	-	-	-	-
<b>Restricted for:</b>				
Student Activities	691,591	-	-	-
Debt Service	-	-	-	-
Capital Projects	-	-	-	-
Other	-	-	-	249,279
Committed	-	112,993	184,298	-
Unassigned	-	-	-	-
	<b>691,591</b>	<b>112,993</b>	<b>184,298</b>	<b>249,279</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 723,573</b>	<b>\$ 112,993</b>	<b>\$ 229,866</b>	<b>\$ 369,798</b>

SCHOOL LUNCH FUND	PERS REFINANCE SERVICE	CAPITAL IMPROVEMENT FUND #1	CONSTRUCTION EXCISE TAX CAPTIAL FUND	TOTAL
\$ -	\$ 1,482,143	\$ -	\$ 2,005,929	\$ 4,913,947
257,022	-	150,000	4,038	421,415
100,985	-	-	-	100,985
<u>\$ 358,007</u>	<u>\$ 1,482,143</u>	<u>\$ 150,000</u>	<u>\$ 2,009,967</u>	<u>\$ 5,436,347</u>
\$ 43,910	\$ -	\$ -	\$ -	\$ 43,910
104,255	-	-	-	256,756
-	-	-	-	45,568
607,053	-	62,847	-	669,900
755,218	-	62,847	-	1,016,134
100,985	-	-	-	100,985
-	-	-	-	691,591
-	1,482,143	-	-	1,482,143
-	-	87,153	2,009,967	2,097,120
-	-	-	-	249,279
-	-	-	-	297,291
(498,196)	-	-	-	(498,196)
(397,211)	1,482,143	87,153	2,009,967	4,420,213
<u>\$ 358,007</u>	<u>\$ 1,482,143</u>	<u>\$ 150,000</u>	<u>\$ 2,009,967</u>	<u>\$ 5,436,347</u>



**GREATER ALBANY PUBLIC SCHOOLS  
LINN COUNTY, OREGON**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2014**

	STUDENT ACTIVITY FUND	BUS REPLACEMENT FUND	ENERGY CONSERVATION FUND	E-RATE FUNDING FUND
<b>REVENUES</b>				
Local Sources	\$ 1,979,898	\$ 3,993	\$ 204,030	\$ 469
State Sources	-	395,870	-	-
Federal Sources	-	-	-	-
<b>Total Revenues</b>	<b>1,979,898</b>	<b>399,863</b>	<b>204,030</b>	<b>469</b>
<b>EXPENDITURES</b>				
Instruction	1,821,585	-	-	193,780
Support Services	92,299	715,009	-	66,712
Enterprise and Community Services	-	-	-	-
Facilities Acquisition and Construction	-	441,526	70,000	-
Debt Service	-	-	289,814	-
<b>Total Expenditures</b>	<b>1,913,884</b>	<b>1,156,535</b>	<b>359,814</b>	<b>260,492</b>
Excess of Revenues Over (Under) Expenditures	66,014	(756,672)	(155,784)	(260,023)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	98,000	100,000	-
Loan Proceeds	-	661,466	-	-
<b>Total Other Financing Sources, (Uses)</b>	<b>-</b>	<b>759,466</b>	<b>100,000</b>	<b>-</b>
Net Change in Fund Balance	66,014	2,794	(55,784)	(260,023)
Beginning Fund Balances	625,577	110,199	240,082	509,302
Ending Fund Balances	<u>\$ 691,591</u>	<u>\$ 112,993</u>	<u>\$ 184,298</u>	<u>\$ 249,279</u>

SCHOOL LUNCH FUND	PERS REFINANCE FUND	CAPITAL IMPROVEMENT FUND #1	CONSTRUCTION EXCISE TAX CAPTIAL FUND	TOTAL
\$ 667,261	\$ 3,082,429	\$ 31,155	\$ 607,838	\$ 6,577,073
12,561	-	25,524	-	433,955
2,548,161	-	-	-	2,548,161
<u>3,227,983</u>	<u>3,082,429</u>	<u>56,679</u>	<u>607,838</u>	<u>9,559,189</u>
-	-	-	-	2,015,365
-	-	5,392	-	879,412
3,348,842	-	-	-	3,348,842
-	-	25,524	113,639	650,689
-	3,371,751	-	-	3,661,565
<u>3,348,842</u>	<u>3,371,751</u>	<u>30,916</u>	<u>113,639</u>	<u>10,555,873</u>
(120,859)	(289,322)	25,763	494,199	(996,684)
124,598	-	-	-	322,598
-	-	-	-	661,466
<u>124,598</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>984,064</u>
3,739	(289,322)	25,763	494,199	(12,620)
<u>(400,950)</u>	<u>1,771,465</u>	<u>61,390</u>	<u>1,515,768</u>	<u>4,432,833</u>
<u>\$ (397,211)</u>	<u>\$ 1,482,143</u>	<u>\$ 87,153</u>	<u>\$ 2,009,967</u>	<u>\$ 4,420,213</u>

**GREATER ALBANY PUBLIC SCHOOLS  
LINN COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2014**

STUDENT ACTIVITY FUND

	<u>ORIGNIAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
Local Sources	\$ 1,996,000	\$ 1,996,000	\$ 1,979,898	\$ (16,102)
Total Revenues	<u>1,996,000</u>	<u>1,996,000</u>	<u>1,979,898</u>	<u>(16,102)</u>
<b>EXPENDITURES</b>				
Instruction	2,031,040	2,031,040 (1)	1,821,585	209,455
Support Services	98,320	98,320 (1)	92,299	6,021
Contingency	200,000	200,000 (1)	-	200,000
Total Expenditures	<u>2,329,360</u>	<u>2,329,360</u>	<u>1,913,884</u>	<u>415,476</u>
Excess of Revenues Over (Under) Expenditures	(333,360)	(333,360)	66,014	399,374
Net Change in Fund Balance	(333,360)	(333,360)	66,014	399,374
Beginning Fund Balance	<u>575,000</u>	<u>575,000</u>	<u>625,577</u>	<u>50,577</u>
Ending Fund Balance	<u>\$ 241,640</u>	<u>\$ 241,640</u>	<u>\$ 691,591</u>	<u>\$ 449,951</u>

(1) Appropriation Level

**GREATER ALBANY PUBLIC SCHOOLS  
LINN COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2014**

<u>BUS REPLACEMENT FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
Local Sources	\$ -	\$ -	\$ 3,993	\$ 3,993
State Sources	335,000	335,000	395,870	60,870
<b>Total Revenues</b>	<u>335,000</u>	<u>335,000</u>	<u>399,863</u>	<u>64,863</u>
<b>EXPENDITURES</b>				
Support Services	660,000	660,000 (1)	715,009	(55,009)
Debt Service	445,000	445,000 (1)	441,526 (2)	3,474
<b>Total Expenditures</b>	<u>1,105,000</u>	<u>1,105,000</u>	<u>1,156,535</u>	<u>(51,535)</u>
Excess of Revenues Over (Under) Expenditures	(770,000)	(770,000)	(756,672)	116,398
<b>OTHER FINANCING SOURCES (USES)</b>				
Lease Purchase Proceeds	660,000	660,000	661,466	1,466
Gain (Loss) on Sale of Fixed Assets	2,000	2,000	-	(2,000)
Transfers In	98,000	98,000	98,000	-
<b>Total Other Financing Sources (Uses)</b>	<u>760,000</u>	<u>760,000</u>	<u>759,466</u>	<u>(534)</u>
Net Change in Fund Balance	(10,000)	(10,000)	2,794	12,794
Beginning Fund Balance	10,000	10,000	110,199	100,199
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 112,993</u>	<u>\$ 112,993</u>

(1) Appropriation Level

(2) Exempt from Oregon Budget Law per ORS 294.338(4)

**GREATER ALBANY PUBLIC SCHOOLS**  
**LINN COUNTY, OREGON**

**SCHEDULE OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2014**

ENERGY CONSERVATION FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
<b>REVENUES</b>				
Local Sources	\$ -	\$ -	\$ 204,030	\$ 204,030
State Sources	170,000	170,000	-	(170,000)
Total Revenues	170,000	170,000	204,030	34,030
<b>EXPENDITURES</b>				
Support Services	-	-	70,000	(70,000)
Facilities Acquisition and Construction	70,000	70,000 (1)	-	70,000
Debt Service	306,000	306,000 (1)	289,814	16,186
Contingency	19,000	19,000 (1)	-	19,000
Total Expenditures	395,000	395,000	359,814	35,186
Excess of Revenues Over (Under) Expenditures	(225,000)	(225,000)	(155,784)	69,216
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	100,000	100,000	100,000	-
Total Other Financing Sources (Uses)	100,000	100,000	100,000	-
Net Change in Fund Balance	(125,000)	(125,000)	(55,784)	69,216
Beginning Fund Balance	125,000	125,000	240,082	115,082
Ending Fund Balance	\$ -	\$ -	\$ 184,298	\$ 184,298

(1) Appropriation Level

**GREATER ALBANY PUBLIC SCHOOLS  
LINN COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2014**

<u>E-RATE FUNDING FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>				
Local Sources	\$ 125,000	\$ 125,000	\$ 469	\$ (124,531)
<b>EXPENDITURES</b>				
Instruction	345,000	345,000 (1)	193,780	151,220
Support Services	275,000	275,000 (1)	66,712	208,288
Contingency	60,000	60,000 (1)	-	60,000
Total Expenditures	<u>680,000</u>	<u>680,000</u>	<u>260,492</u>	<u>419,508</u>
Net Change in Fund Balance	(555,000)	(555,000)	(260,023)	294,977
Beginning Fund Balance	<u>600,000</u>	<u>600,000</u>	<u>509,302</u>	<u>(90,698)</u>
Ending Fund Balance	<u>\$ 45,000</u>	<u>\$ 45,000</u>	<u>\$ 249,279</u>	<u>\$ 204,279</u>

(1) Appropriation Level

**GREATER ALBANY PUBLIC SCHOOLS  
LINN COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2014**

	<u>SCHOOL LUNCH FUND</u>			VARIANCE
	ORIGNIAL BUDGET	FINAL BUDGET	ACTUAL	POSITIVE (NEGATIVE)
<b>REVENUES</b>				
Local Sources	\$ 635,133	\$ 635,133	\$ 667,261	\$ 32,128
State Sources	-	-	12,561	12,561
Federal Sources	2,572,163	2,572,163	2,548,161	(24,002)
Total Revenues	<u>3,207,296</u>	<u>3,207,296</u>	<u>3,227,983</u>	<u>20,687</u>
<b>EXPENDITURES</b>				
Enterprise and Community Services	3,281,894	3,281,894 (1)	3,348,842	(66,948)
Contingency	50,000	50,000 (1)	-	50,000
Total Expenditures	<u>3,331,894</u>	<u>3,331,894</u>	<u>3,348,842</u>	<u>(16,948)</u>
Excess of Revenues Over (Under) Expenditures	(124,598)	(124,598)	(120,859)	3,739
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	124,598	124,598	124,598	-
Net Change in Fund Balance	-	-	3,739	3,739
Beginning Fund Balance	-	-	(400,950)	(400,950)
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (397,211)</u>	<u>\$ (397,211)</u>

(1) Appropriation Level

**GREATER ALBANY PUBLIC SCHOOLS  
LINN COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2014**

	<u>PERS REFINANCE FUND</u>			
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES				
Local Sources	\$ 2,876,990	\$ 2,876,990	\$ 3,082,429	\$ 205,439
EXPENDITURES				
Debt Service	3,371,760	3,371,760 (1)	3,371,751	9
Total Expenditures	3,371,760	3,371,760	3,371,751	9
Net Change in Fund Balance	(494,770)	(494,770)	(289,322)	205,448
Beginning Fund Balance	1,800,000	1,800,000	1,771,465	(28,535)
Ending Fund Balance	<u>\$ 1,305,230</u>	<u>\$ 1,305,230</u>	<u>\$ 1,482,143</u>	<u>\$ 176,913</u>

(1) Appropriation Level



**GREATER ALBANY PUBLIC SCHOOLS  
LINN COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2014**

CAPITAL IMPROVEMENT FUND #1

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
<b>REVENUES</b>				
Local Sources	\$ -	\$ -	\$ 31,155	\$ 31,155
State Sources	-	-	25,524	25,524
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>56,679</b>	<b>(56,679)</b>
<b>EXPENDITURES</b>				
Support Services	-	-	5,392	(5,392)
Facilities Acquisition and Construction	45,000	45,000 (1)	25,524	19,476
<b>Total Expenditures</b>	<b>45,000</b>	<b>45,000</b>	<b>30,916</b>	<b>14,084</b>
<b>Net Change in Fund Balance</b>	<b>(45,000)</b>	<b>(45,000)</b>	<b>25,763</b>	<b>70,763</b>
<b>Beginning Fund Balance</b>	<b>45,000</b>	<b>45,000</b>	<b>61,390</b>	<b>16,390</b>
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 87,153</b>	<b>\$ 87,153</b>

(1) Appropriation Level

**GREATER ALBANY PUBLIC SCHOOLS  
LINN COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2014**

CONSTRUCTION EXCISE TAX CAPITAL FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Local Sources	\$ 200,000	\$ 200,000	\$ 607,838	\$ 407,838
EXPENDITURES				
Support Services	25,000	25,000 (1)	-	25,000
Facilities Acquisition and Construction	1,350,000	1,350,000 (1)	113,639	1,236,361
Contingency	125,000	125,000 (1)	-	125,000
Total Expenditures	1,500,000	1,500,000	113,639	1,386,361
Excess of Revenues Over (Under) Expenditures	(1,300,000)	(1,300,000)	494,199	1,794,199
Net Change in Fund Balance	(1,300,000)	(1,300,000)	494,199	1,794,199
Beginning Fund Balance	1,300,000	1,300,000	1,515,768	215,768
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,009,967</u>	<u>\$ 2,009,967</u>

(1) Appropriation Level

**GREATER ALBANY PUBLIC SCHOOLS  
LINN COUNTY, OREGON**

**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES  
OF TAXES UNCOLLECTED  
For the Year Ended June 30, 2014**

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED 7/1/2013	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/14
<b>GENERAL FUND:</b>						
<b>CURRENT:</b>						
2013-14	\$ 22,195,944	575,011	28,491	11,765	20,795,118	\$ 866,071
<b>PRIOR YEARS:</b>						
2012-13	836,970	(28)	(48,308)	27,226	325,163	490,753
2011-12	322,287	(10)	140,893	31,675	156,066	338,799
2010-11	148,300	-	149,485	43,758	136,437	205,106
2009-10	58,541	-	88,458	32,188	81,031	98,156
Prior	41,845	-	(704)	9,790	14,222	36,709
Total Prior	1,407,943	(38)	329,824	144,637	712,919	1,169,523
Total General Fund	\$ 23,603,887	\$ 574,973	\$ 358,315	\$ 156,402	\$ 21,508,037	\$ 2,035,594

RECONCILIATION OF REVENUE:

	GENERAL FUND
Cash Collections by County Treasurer Above	\$ 21,508,037
Accrual of Receivables:	
June 30, 2013	(227,623)
June 30, 2014	374,226
Total Revenue	\$ 21,654,640

**GREATER ALBANY PUBLIC SCHOOLS  
LINN COUNTY, OREGON**

**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES  
OF TAXES UNCOLLECTED  
For the Year Ended June 30, 2014**

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED 7/1/2013	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/14
<b>DEBT SERVICE FUND:</b>						
<b>CURRENT:</b>						
2013-14	\$ 8,540,558	\$ 221,225	\$ 10,545	\$ 4,523	\$ 8,000,705	\$ 333,696
<b>PRIOR YEARS:</b>						
2012-13	300,386	(11)	(15,134)	9,837	117,586	177,514
2011-12	112,773	(3)	52,759	11,315	55,783	121,067
2010-11	10,051	-	97,681	15,815	49,334	74,213
2009-10	4,469	-	49,076	11,706	29,490	35,761
Prior	3,205	-	6,655	2,387	3,488	8,759
Total Prior	430,884	(14)	191,037	51,060	255,681	417,314
Total Debt Service Fund	\$ 8,971,442	\$ 221,211	\$ 201,582	\$ 55,583	\$ 8,256,386	\$ 751,010
<b>RECONCILIATION OF REVENUE:</b>						<b>DEBT SERVICE FUND</b>
Cash Collections by County Treasurer Above						\$ 8,256,386
Accrual of Receivables:						
June 30, 2013						(81,991)
June 30, 2014						138,730
Total Revenue						\$ 8,313,125

GREATER ALBANY PUBLIC SCHOOL DISTRICT  
LINN COUNTY, OREGON

OTHER INFORMATION

**GREATER ALBANY PUBLIC SCHOOLS**  
**SCHEDULE OF REVENUE BY FUNCTION - ALL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 600
<b>Revenue from Local Sources</b>					
1110 Ad Valorem Taxes Levied by District	\$20,040,993	\$0	\$7,718,336	\$0	\$0
1120 Local Option Ad Valorem Taxes Levied from District	\$0	\$0	\$0	\$0	\$0
1130 Construction Excise Tax Revenue	\$0	\$0	\$0	\$566,210	\$0
1310 Regular Day School Tuition	\$67,759	\$0	\$0	\$0	\$0
1320 Adult/Continuing Education Tuition	\$0	\$0	\$0	\$0	\$0
1330 Summer School Tuition	\$0	\$0	\$0	\$0	\$0
1400 Transportation Fees	\$73,781	\$19	\$0	\$0	\$0
1500 Earnings on Investments	\$105,481	\$3,995	\$13,481	\$44,256	\$0
1600 Food Service	\$0	\$466,072	\$0	\$0	\$0
1700 Extracurricular Activities	\$0	\$1,966,441	\$0	\$0	\$0
1800 Community Services Activities	\$0	\$0	\$0	\$0	\$0
1910 Rentals	\$93,120	\$0	\$0	\$0	\$0
1920 Contributions and Donations From Private Sources	\$0	\$25,415	\$0	\$0	\$0
1930 Rental or Lease Payments From Private Contractors	-\$34	\$0	\$0	\$0	\$0
1940 Services Provided Other Local Education Agencies	\$0	\$0	\$0	\$0	\$0
1950 Textbook Sales and Rentals	\$0	\$0	\$0	\$0	\$0
1960 Recovery of Prior Years' Expenditure	\$0	\$0	\$0	\$0	\$0
1970 Services Provided Other Funds	\$0	\$0	\$3,082,429	\$0	\$0
1980 Fees Charged to Grants	\$71,388	\$0	\$0	\$0	\$0
1990 Miscellaneous	\$631,188	\$830,057	\$0	\$28,525	\$0
<b>Total Revenue from Local Sources</b>	\$21,083,676	\$3,291,998	\$10,814,245	\$638,991	\$0
<b>Revenue from Intermediate Sources</b>					
2101 County School Funds	\$50,855	\$0	\$0	\$0	\$0
2102 Education Service District Appointment	\$0	\$0	\$0	\$0	\$0
2105 Natural Gas, Oil, and Mineral Receipts	\$0	\$0	\$0	\$0	\$0
2199 Other Intermediate Sources	\$0	\$0	\$0	\$0	\$0
2200 Restricted Revenue	\$0	\$106,160	\$0	\$0	\$0
2800 Revenue in Lieu of Taxes	\$0	\$0	\$0	\$0	\$0
<b>Total Revenue from Intermediate Sources</b>	\$50,855	\$106,160	\$0	\$0	\$0
<b>Revenue from State Sources</b>					
3101 State School Fund - General Support	\$49,908,068	\$0	\$0	\$0	\$0
3102 State School Fund - School Lunch Match	\$0	\$0	\$0	\$0	\$0
3103 Common School Fund	\$874,438	\$0	\$0	\$0	\$0
3104 State Managed County Timber	\$358,633	\$0	\$0	\$0	\$0
3199 Other Unrestricted Grants-in-Aid	\$1,191,063	\$0	\$0	\$0	\$0
3204 Driver Education	\$0	\$0	\$0	\$0	\$0
3222 State School Fund (SSF) Transportation Equipment	\$0	\$395,870	\$0	\$0	\$0
3299 Other Restricted Grants-in-Aid	\$253,748	\$184,441	\$0	\$25,524	\$0
3800 Revenue in Lieu of Taxes	\$0	\$0	\$0	\$0	\$0
3900 Revenue for/on Behalf of the District	\$0	\$0	\$0	\$0	\$0
<b>Total Revenue from State Sources</b>	\$52,585,950	\$580,311	\$0	\$25,524	\$0
<b>Revenue from Federal Sources</b>					
4100 Unrestricted Revenue Direct From the Federal Government	\$0	\$0	\$0	\$0	\$0
4200 Unrestricted Revenue From the Federal Government Through the State	\$0	\$0	\$0	\$0	\$0
4300 Restricted Revenue From the Federal Government	\$0	\$0	\$0	\$0	\$0
4500 Restricted Revenue From the Federal Government Through the State	\$0	\$6,402,831	\$0	\$0	\$0
4700 Grants-In-Aid From the Federal Government Through Other Intermediate Agencies	\$0	\$762,099	\$0	\$0	\$0
4801 Federal Forest Fees	\$461,907	\$0	\$0	\$0	\$0
4802 Impact Aid to School Districts for Operation (PL 874)	\$0	\$0	\$0	\$0	\$0
4803 Coos Bay Wagon Road Funds	\$0	\$0	\$0	\$0	\$0
4899 Other Revenue in Lieu of Taxes	\$0	\$0	\$0	\$0	\$0
4900 Revenue for/on Behalf of the District	\$0	\$175,416	\$0	\$0	\$0
<b>Total Revenue from Federal Sources</b>	\$461,907	\$7,340,347	\$0	\$0	\$0
<b>Revenue from Other Sources</b>					
5100 Long Term Debt Financing Sources	\$0	\$661,466	\$0	\$0	\$0
5200 Interfund Transfers	\$0	\$362,598	\$0	\$0	\$0
5300 Sale of or Compensation for Loss of Fixed Assets	\$0	\$0	\$0	\$0	\$0
5400 Resources - Beginning Fund Balance	\$8,934,063	\$2,751,697	\$1,664,658	\$1,577,159	\$0
<b>Total Revenue from Other Sources</b>	\$8,934,063	\$3,775,761	\$1,664,658	\$1,577,159	\$0
<b>Grand Totals</b>	\$83,116,451	\$15,094,576	\$12,478,903	\$2,241,674	\$0

**GREATER ALBANY PUBLIC SCHOOLS  
SCHEDULE OF EXPENDITURES BY FUNCTION/OBJECT  
FOR THE YEAR ENDED JUNE 30, 2014**

**Fund: 100 - General Fund**

<b>Instruction Expenditures</b>								
Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	
1111 Primary, K-3	\$17,197,979	\$10,559,056	\$6,085,907	\$93,368	\$459,648	\$0	\$0	\$0
1112 Intermediate Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1113 Elementary Extracurricular	\$55	\$0	\$0	\$0	\$55	\$0	\$0	\$0
1121 Middle/Junior High Programs	\$7,846,166	\$4,790,446	\$2,621,184	\$44,807	\$389,728	\$0	\$0	\$0
1122 Middle/Junior High School Extracurricular	\$29,088	\$20,692	\$7,005	\$0	\$1,390	\$0	\$0	\$0
1131 High School Programs	\$9,771,037	\$5,947,297	\$3,229,157	\$65,149	\$527,904	\$0	\$1,530	\$0
1132 High School Extracurricular	\$621,870	\$411,122	\$140,760	\$69,989	\$0	\$0	\$0	\$0
1140 Pre-Kindergarten Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1210 Programs for the Talented and Gifted	\$29,754	\$19,442	\$9,370	\$256	\$685	\$0	\$0	\$0
1220 Restrictive Programs for Students with Disabilities	\$4,225,072	\$2,416,341	\$1,692,617	\$77,910	\$38,204	\$0	\$0	\$0
1250 Less Restrictive Programs for Students with Disabilities	\$4,495,972	\$2,716,668	\$1,757,089	\$964	\$21,251	\$0	\$0	\$0
1260 Early Intervention	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1271 Remediation	\$80,166	\$51,277	\$17,336	\$77	\$11,477	\$0	\$0	\$0
1272 Title I	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1280 Alternative Education	\$1,808,962	\$558,142	\$305,079	\$788,816	\$156,925	\$0	\$0	\$0
1291 English Second Language Programs	\$1,300,539	\$791,575	\$491,244	\$2,133	\$15,586	\$0	\$0	\$0
1300 Adult/Continuing Education Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1400 Summer School Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Instruction Expenditures</b>	\$47,406,661	\$28,282,059	\$16,356,750	\$1,143,468	\$1,622,854	\$0	\$1,530	\$0
<b>Support Services Expenditures</b>								
Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	
2110 Attendance and Social Work Services	\$318,404	\$170,513	\$104,368	\$43,524	\$0	\$0	\$0	\$0
2120 Guidance Services	\$1,580,028	\$985,777	\$581,510	\$9,782	\$2,713	\$0	\$245	\$0
2130 Health Services	\$96,798	\$53,164	\$39,855	\$545	\$3,234	\$0	\$0	\$0
2140 Psychological Services	\$60,592	\$32,647	\$22,603	\$733	\$4,609	\$0	\$0	\$0
2150 Speech Pathology and Audiology Services	\$819,134	\$536,091	\$251,231	\$27,459	\$3,515	\$0	\$837	\$0
2160 Other Student Treatment Services	\$36,731	\$22,627	\$14,104	\$0	\$0	\$0	\$0	\$0
2190 Service Direction, Student Support Services	\$221,033	\$140,623	\$71,188	\$890	\$7,147	\$0	\$1,185	\$0
2210 Improvement of Instruction Services	\$507,600	\$305,119	\$143,145	\$23,806	\$28,131	\$0	\$7,399	\$0
2220 Educational Media Services	\$687,654	\$333,793	\$261,384	\$0	\$92,476	\$0	\$0	\$0
2230 Assessment & Testing	\$175,897	\$117,250	\$45,189	\$12,845	\$613	\$0	\$0	\$0
2240 Instructional Staff Development	\$178,102	\$76,486	\$14,439	\$78,564	\$8,543	\$0	\$69	\$0
2310 Board of Education Services	\$283,463	\$0	\$0	\$124,319	\$1,472	\$0	\$157,672	\$0
2320 Executive Administration Services	\$536,667	\$358,874	\$152,910	\$7,745	\$5,787	\$0	\$11,351	\$0
2410 Office of the Principal Services	\$6,021,872	\$3,899,736	\$1,940,716	\$67,509	\$89,854	\$0	\$24,056	\$0
2490 Other Support Services - School Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2510 Direction of Business Support Services	\$259,345	\$174,320	\$81,534	\$1,321	\$1,419	\$0	\$751	\$0
2520 Fiscal Services	\$596,019	\$325,213	\$208,909	\$49,474	\$10,199	\$0	\$2,225	\$0
2540 Operation and Maintenance of Plant Services	\$6,292,321	\$2,111,606	\$1,196,742	\$2,139,917	\$639,092	\$11,569	\$193,395	\$0
2550 Student Transportation Services	\$3,748,465	\$1,796,193	\$982,622	\$128,654	\$708,278	\$27,658	\$105,060	\$0
2570 Internal Services	\$72,799	\$31,366	\$21,073	\$20,360	\$0	\$0	\$0	\$0
2610 Direction of Central Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	\$68,345	\$53,000	\$14,869	\$0	\$476	\$0	\$0	\$0
2630 Information Services	\$426	\$404	\$22	\$0	\$0	\$0	\$0	\$0
2640 Staff Services	\$621,417	\$388,141	\$149,286	\$75,796	\$6,809	\$0	\$1,386	\$0
2660 Technology Services	\$733,671	\$295,373	\$156,507	\$226,400	\$30,036	\$24,455	\$900	\$0
2670 Records Management Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2690 Other Support Services - Central	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2700 Supplemental Retirement Program	\$985,945	\$767,528	\$218,417	\$0	\$0	\$0	\$0	\$0
<b>Total Support Services Expenditures</b>	\$24,902,727	\$12,975,845	\$6,672,623	\$3,039,643	\$1,644,403	\$63,682	\$506,530	\$0
<b>Enterprise and Community Services Expenditures</b>								
Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	
3100 Food Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3200 Other Enterprise Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3300 Community Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3500 Custody and Care of Children Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Enterprise and Community Services Expenditures</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Facilities Acquisition and Construction Expenditures</b>								
Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	
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 Services	\$209,447	\$129	\$40	\$13,736	\$15,795	\$179,161	\$585	\$0
4190 Other Facilities Construction Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Facilities Acquisition and Construction Expenditures</b>	\$209,447	\$129	\$40	\$13,736	\$15,795	\$179,161	\$585	\$0
<b>Other Uses Expenditures</b>								
Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	
5100 Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5200 Transfers of Funds	\$362,598	\$0	\$0	\$0	\$0	\$0	\$0	\$362,598
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
<b>Total Other Uses Expenditures</b>	\$362,598	\$0	\$0	\$0	\$0	\$0	\$0	\$362,598
<b>Grand Total</b>	\$72,881,433	\$41,258,033	\$23,029,413	\$4,196,848	\$3,283,052	\$242,843	\$508,645	\$362,598

**GREATER ALBANY PUBLIC SCHOOLS**  
**SCHEDULE OF EXPENDITURES BY FUNCTION/OBJECT**  
**FOR THE YEAR ENDED JUNE 30, 2014**

**Fund: 200 - Special Revenue Fund**

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
<b>Instruction Expenditures</b>								
1111 Primary, K-3	\$201,057	\$138,382	\$1,253	\$0	\$61,421	\$0	\$0	\$0
1112 Intermediate Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1113 Elementary Extracurricular	\$239,291	\$2,271	\$187	\$23,122	\$213,134	\$0	\$577	\$0
1121 Middle/Junior High Programs	\$103,441	\$0	\$0	\$672	\$102,769	\$0	\$0	\$0
1122 Middle/Junior High School Extracurricular	\$219,178	\$4,382	\$989	\$8,885	\$203,318	\$0	\$1,605	\$0
1131 High School Programs	\$119,333	\$1,971	\$264	\$695	\$80,108	\$36,295	\$0	\$0
1132 High School Extracurricular	\$1,350,303	\$79,984	\$18,945	\$349,727	\$881,049	\$0	\$20,599	\$0
1140 Pre-Kindergarted Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1210 Programs for the Talented and Gifted	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1220 Restrictive Programs for Students with Disabilities	\$711,486	\$465,435	\$239,006	\$4,221	\$2,823	\$0	\$0	\$0
1250 Less Restrictive Programs for Students with Disabilities	\$210,490	\$89,886	\$57,140	\$63,464	\$0	\$0	\$0	\$0
1260 Early Intervention	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1271 Remediation	\$16,409	\$11,620	\$3,598	\$0	\$1,191	\$0	\$0	\$0
1272 Title I	\$1,731,951	\$1,055,621	\$575,579	\$31,405	\$69,346	\$0	\$0	\$0
1280 Alternative Education	\$135,649	\$86,510	\$36,418	\$1,724	\$10,897	\$0	\$100	\$0
1291 English Second Language Programs	\$27,219	\$9,738	\$4,352	\$1,965	\$11,163	\$0	\$0	\$0
1292 Teen Parent Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1293 Migrant Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1400 Summer School Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Instruction Expenditures</b>	<b>\$5,065,808</b>	<b>\$1,945,801</b>	<b>\$937,731</b>	<b>\$485,881</b>	<b>\$1,637,220</b>	<b>\$36,295</b>	<b>\$22,881</b>	<b>\$0</b>
<b>Support Services Expenditures</b>								
2110 Attendance and Social Work Services	\$604,656	\$328,087	\$219,034	\$20,995	\$36,431	\$0	\$110	\$0
2120 Guidance Services	\$54,137	\$17,709	\$15,311	\$20,851	\$265	\$0	\$0	\$0
2130 Health Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2140 Psychological Services	\$103,977	\$67,335	\$36,227	\$414	\$0	\$0	\$0	\$0
2150 Speech Pathology and Audiology Services	\$174,694	\$124,520	\$45,543	\$462	\$1,929	\$0	\$2,240	\$0
2160 Other Student Treatment Services	\$249	\$0	\$0	\$0	\$249	\$0	\$0	\$0
2190 Service Direction, Student Support Services	\$308,655	\$209,519	\$85,897	\$11,453	\$1,192	\$0	\$595	\$0
2210 Improvement of Instruction Services	\$354,768	\$194,894	\$78,132	\$59,703	\$22,040	\$0	\$0	\$0
2220 Educational Media Services	\$5,098	\$0	\$0	\$0	\$0	\$5,098	\$0	\$0
2230 Assessment & Testing	\$1,500	\$1,173	\$327	\$0	\$0	\$0	\$0	\$0
2240 Instructional Staff Development	\$575,281	\$358,481	\$109,209	\$103,881	\$3,709	\$0	\$0	\$0
2310 Board of Education Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2320 Executive Administration Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2410 Office of the Principal Services	\$38,493	\$26,998	\$11,496	\$0	\$0	\$0	\$0	\$0
2490 Other Support Services - School Administration	\$249,146	\$184,674	\$60,326	\$3,310	\$836	\$0	\$0	\$0
2510 Direction of Business Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2520 Fiscal Services	\$89,305	\$0	\$0	\$0	\$17,917	\$0	\$71,388	\$0
2540 Operation and Maintenance of Plant Services	\$130,691	\$1,032	\$294	\$83,260	\$36,940	\$9,165	\$0	\$0
2550 Student Transportation Services	\$782,674	\$6,709	\$2,038	\$58,918	\$0	\$715,009	\$0	\$0
2570 Internal Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2610 Direction of Central Support Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2640 Staff Services	\$50,878	\$33,983	\$15,536	\$600	\$759	\$0	\$0	\$0
2660 Technology Services	\$58,970	\$0	\$0	\$14,766	\$44,204	\$0	\$0	\$0
2670 Records Management Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2690 Other Support Services - Central	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2700 Supplemental Retirement Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Support Services Expenditures</b>	<b>\$3,583,173</b>	<b>\$1,555,112</b>	<b>\$679,371</b>	<b>\$378,615</b>	<b>\$166,470</b>	<b>\$729,272</b>	<b>\$74,333</b>	<b>\$0</b>
<b>Enterprise and Community Services Expenditures</b>								
3100 Food Services	\$3,348,842	\$1,012,980	\$679,839	\$1,651,091	\$4,933	\$0	\$0	\$0
3200 Other Enterprise Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3300 Community Services	\$1,115	\$0	\$0	\$1,115	\$0	\$0	\$0	\$0
3500 Custody and Care of Children Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Enterprise and Community Services Expenditures</b>	<b>\$3,349,957</b>	<b>\$1,012,980</b>	<b>\$679,839</b>	<b>\$1,652,206</b>	<b>\$4,933</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Facilities Acquisition and Construction Expenditures</b>								
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 Services	\$53,408	\$0	\$0	\$1,287	\$4,175	\$47,945	\$0	\$0
4190 Other Facilities Construction Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Facilities Acquisition and Construction Expenditures</b>	<b>\$53,408</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,287</b>	<b>\$4,175</b>	<b>\$47,945</b>	<b>\$0</b>	<b>\$0</b>
<b>Other Uses Expenditures</b>								
5100 Debt Service	\$731,341	\$0	\$0	\$0	\$0	\$0	\$731,341	\$0
5200 Transfers of Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5300 Appointment 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
<b>Total Other Uses Expenditures</b>	<b>\$731,341</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$731,341</b>	<b>\$0</b>
<b>Grand Total</b>	<b>\$12,783,687</b>	<b>\$4,513,893</b>	<b>\$2,296,941</b>	<b>\$2,517,988</b>	<b>\$1,812,798</b>	<b>\$813,512</b>	<b>\$828,554</b>	<b>\$0</b>



GREATER ALBANY PUBLIC SCHOOLS  
 SCHEDULE OF EXPENDITURES BY FUNCTION/OBJECT  
 FOR THE YEAR ENDED JUNE 30, 2014

**Fund: 300 - Debt Service Fund**

**Other Uses Expenditures**

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	\$10,927,314	\$0	\$0	\$0	\$0	\$0	\$10,927,314	\$0
5200 Transfers of Funds	\$0	\$0	\$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
<b>Total Other Uses Expenditures</b>	\$10,927,314	\$0	\$0	\$0	\$0	\$0	\$10,927,314	\$0
<b>Grand Total</b>	\$10,927,314	\$0	\$0	\$0	\$0	\$0	\$10,927,314	\$0

**GREATER ALBANY PUBLIC SCHOOLS  
SCHEDULE OF EXPENDITURES BY FUNCTION/OBJECT  
FOR THE YEAR ENDED JUNE 30, 2014**

**Fund: 400 - Capital Construction Funds**

**Support Services Expenditures**

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2540 Operation and Maintenance of Plant Services	\$5,392	\$0	\$0	\$5,392	\$0	\$0	\$0	\$0
<b>Total Support Services Expenditures</b>	<b>\$5,392</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,392</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Facilities Acquisition and Construction Expenditures**

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4120 Site Acquisition and Development Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4150 Building Acquisition, Construction, and Improvement Services	\$139,163	\$0	\$0	\$36,582	\$11,341	\$89,494	\$1,746	\$0
4190 Other Facilities Construction Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Facilities Acquisition and Construction Expenditures</b>	<b>\$139,163</b>	<b>\$0</b>	<b>\$0</b>	<b>\$36,582</b>	<b>\$11,341</b>	<b>\$89,494</b>	<b>\$1,746</b>	<b>\$0</b>

**Other Uses Expenditures**

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5200 Transfers of Funds	\$0	\$0	\$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
<b>Total Other Uses Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Grand Total**

<b>Grand Total</b>	<b>\$144,555</b>	<b>\$0</b>	<b>\$0</b>	<b>\$41,974</b>	<b>\$11,341</b>	<b>\$89,494</b>	<b>\$1,746</b>	<b>\$0</b>
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**GREATER ALBANY PUBLIC SCHOOLS  
LINN COUNTY, OREGON**

**SUPPLEMENTAL INFORMATION  
As Required by The Oregon Department of Education - Form 3211-C  
For the Year Ended June 30, 2014**

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<b>A.</b>	Energy bills for heating - all funds:		Objects 325 and 326
		Function 2540	\$ -
		Function 2550	7,013
<b>B.</b>	Replacement of equipment - General Fund: Include all General Fund expenditures in Object 542, except for the following exclusions: Exclude these functions:		Amount
	1113, 1122 & 1132 Co-curricular activities	4150	
	1140 Pre-kindergarten	2550	
	1300 Continuing education	3100	
	1400 Summer school	3300	
		Construction	\$ 9,165
		Pupil transportation	
		Food service	
		Community services	

Form 581-3211-C

GREATER ALBANY PUBLIC SCHOOL DISTRICT  
LINN COUNTY, OREGON

INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS



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### **Independent Auditors' Report Required by Oregon State Regulations**

We have audited the basic financial statements of the Greater Albany Public School District as of and for the year ended June 30, 2014, and have issued our report thereon dated December 22, 2014. 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 the basic financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

- **Deposit of public funds with financial institutions (ORS Chapter 295)**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **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 Greater Albany Public School District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except as follows:

1. Expenditures of the various funds were within authorized appropriations except as noted on page 13

**OAR 162-10-0230 Internal Control**

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

We noted matters involving the internal control structure and its operation that we consider to be significant deficiencies under standards established by the American Institute of Certified Public Accountants, which are noted in the schedule of findings and questioned costs on page 54.

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



MATTHEW GRAVES, CPA  
PAULY, ROGERS AND CO., P.C.

GREATER ALBANY PUBLIC SCHOOL DISTRICT  
LINN COUNTY, OREGON

GRANT COMPLIANCE REVIEW

**GREATER ALBANY PUBLIC SCHOOLS  
ALBANY, OREGON**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
As required by the Oregon Department of Education  
For the Year Ended June 30, 2014**

Federal Grantor/Pass Through Grantor/ Program Title	Federal CFDA Number	Fund	Grant Period	Original Program or grant amount	Expenditures
<b>US. DEPARTMENT OF EDUCATION</b>					
<b>Passed Through the Oregon Department of Education</b>					
Title I, Part A Cluster					
Title I Grants to Local Educational Agencies	84.010	201	07/01/12 - 09/30/14	2,074,953	324,516
	84.010	201	07/01/13 - 09/30/14	2,257,281	1,504,776
	84.010	231	08/01/12 - 09/30/13	22,100	10,621
	84.010	231	07/01/13 - 09/30/14	40,238	32,938
	84.010	231	09/01/13 - 09/30/14	40,000	33,485
	84.010	206	07/01/13 - 09/30/14	54,237	54,237
Title I, Part A Cluster Total					<u>1,960,572</u>
Title IIA - Improving Teacher Quality State Grants					
	84.367	202	07/01/12 - 09/30/14	323,682	118,503
	84.367	202	07/01/13 - 09/30/14	297,873	184,611
					<u>303,114</u>
Title III, English Language Acquisition Grants					
	84.365	203	07/01/12 - 09/30/14	61,517	8,287
	84.365	203	07/01/13 - 09/30/14	63,535	63,535
					<u>71,822</u>
School Improvement Grants					
School Improvement 1003-G Year 3	84.377	255	07/01/13 - 09/30/14	207,686	191,518
Special Education Cluster (IDEA)					
Special Education Grants to States	84.027	210	07/01/12 - 09/30/14	1,470,739	274,955 *
	84.027	210	07/01/13 - 09/30/15	1,377,332	996,473 *
	84.027	216	07/01/13 - 06/30/14	2,700	2,700 *
	84.027	212	10/01/13 - 09/30/14	12,731	12,731 *
	84.027	215	08/01/13 - 06/30/14	4,618	4,618 *
	84.173	211	07/01/13 - 09/30/15	15,312	- *
Special Education Cluster Total					<u>1,291,477</u>
ARRA - Early Childhood Matters	93.708	229	03/01/12 - 08/30/13	1,500	1,500
<b>Passed Through Linn Benton Lincoln ESD</b>					
Autism Agreement	84.027	228	07/01/13 - 06/30/14	132,318	132,318 *
Extended Assessment	84.027	224	07/01/13 - 06/30/14	1,702	1,702 *
					<u>134,020</u>
<b>Passed Through Linn-Benton Community College</b>					
Career and Technical Education (Perkins)	84.048	208	10/01/13 - 09/30/14	69,347	69,347
<b>Passed Through The ChalkBoard Project</b>					
Teacher Incentive Fund Grant	84.385A	242	10/01/12 - 09/30/14	614,995	367,448
Teacher Incentive Fund Grant	84.385A	242	10/01/13 - 09/30/14	614,995	272,512
					<u>639,960</u>



**GREATER ALBANY PUBLIC SCHOOLS  
ALBANY, OREGON**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
As required by the Oregon Department of Education  
For the Year Ended June 30, 2013**

<b>Passed Through Willamette ESD</b>					
Title IC	84.011	207	07/01/13 - 06/30/14	14,500	14,500
<b>Passed Through Oregon Department of Human Services</b>					
YTP Grant	84.126a	213	07/01/13 - 06/30/14	50,409	50,409
<b>Total U.S. Department of Education</b>					<u><u>4,728,239</u></u>
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>					
<b>Passed Through the Oregon Department of Education</b>					
Child Nutrition Cluster					
School Breakfast Program	10.553		07/01/13 - 06/30/14	656,297	656,297
National School Lunch Program	10.555		07/01/13 - 06/30/14	1,778,806	1,778,806
Summer Food Service Program for Children	10.559		07/01/13 - 06/30/14	57,714	57,714
Child Nutrition Cluster Total					<u><u>2,492,817</u></u>
Food and Nutrition					
Child Care - Food Program	10.558		07/01/13 - 06/30/14	53,253	53,253
<b>Passed Through Linn County</b>					
Federal Forest Fees	10.665		07/01/13 - 06/30/14		458,467
<b>Passed Through Benton County</b>					
Federal Forest Fees	10.665		07/01/13 - 06/30/14		3,441
<b>Total U.S. Department of Agriculture</b>					<u><u>3,007,978</u></u>
<b>TOTALS</b>					<u><u>7,736,217</u></u>

\* Indicates major programs



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December 22, 2014

To the Board of Education  
Greater Albany Public School District  
Linn County, Oregon

**INDEPENDENT AUDITOR'S 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***

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Greater Albany Public School District as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated December 22, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of internal control.

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 financial statements will not be prevented, or detected and corrected on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.


Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the financial statements are free from material misstatement, we performed tests of 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



MATTHEW GRAVES, CPA  
PAULY, ROGERS AND CO., P.C.



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December 22, 2014

To the Board of Education  
Greater Albany Public School District  
Linn County, Oregon

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

**Report on Compliance for Each Major Federal Program**

We have audited Greater Albany Public School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2014. The major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the major federal programs based on our audit of the types of compliance requirements referred to above. 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 and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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 on compliance for each major federal program. However, our audit does not provide a legal determination of compliance.

**Opinion on Each Major Federal Program**

In our opinion, Greater Albany Public School District, complied, in all material respects, with the types of compliance 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, 2014.

## Report on Internal Control Over Compliance

Management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



MATTHEW GRAVES, CPA  
PAULY, ROGERS AND CO., P.C.

GREATER ALBANY PUBLIC SCHOOL DISTRICT  
LINN COUNTY, OREGON

SCHEDULE FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2014

**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

***Financial Statements***

Type of Auditors’ report issued:

Modified

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified that are not considered to be material weaknesses  Yes  None reported

Any audit findings disclosed relating to the financial statements which are required to be reported in accordance with GAGAS, A-133 S505(d)(2)

Yes  No

Noncompliance material to financial statements noted?

Yes  No

***Federal Awards***

Internal control over major programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified that are not considered to be material weaknesses  Yes  None reported

Type of auditors’ report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?

Yes  No

**CFDA NUMBER**

84.027

**NAME OF FEDERAL PROGRAM CLUSTER**

Special Education Grant Cluster

Dollar threshold used to distinguish between type A and type B programs:

\$ 300,000

Auditee qualified as low-risk auditee?

Yes  No

**NOTES TO SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS**

**BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

GREATER ALBANY PUBLIC SCHOOL DISTRICT  
LINN COUNTY, OREGON

SCHEDULE FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2014

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

None Reported.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONS COSTS:**

None Reported.

**SECTION IV – SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS:**

None Reported.