



GLENDALE SCHOOL DISTRICT NO. 77

GLENDALE, OREGON

AUDIT REPORT

JUNE 30, 2014

**STEVE TUCHSCHERER, CPA, PC
Certified Public Accountant
A Professional Corporation**

GLENDALE SCHOOL DISTRICT NO. 77

**PO Box E
Glendale, Oregon 97442
(541) 832-2133**

DISTRICT OFFICIALS

HANK PERRY	Board Chair
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NEDRA MITCHELL	Vice-Chair
PO BOX 15, Glendale, OR 97442	
SAMANTHA CLINE	Director
4930 Azalea Glen Road, Glendale, OR 97442	
TRACY THACKERY	Director
192 Woodpath Lane, Azalea, OR 97410	
BILL BOAL	Director
PO Box 218, Glendale, OR 97442	
JUDITH DICKERSON	Director
1745 Quines Creek Road, Azalea, OR 97410	
RYAN OWENS	Director
PO Box 295, Glendale, OR 97442	

ADMINISTRATION

BRENYL SWANSON	Superintendent
10598 Azalea Glen Road, Glendale, OR 97442	
BARBARA TAYLOR	Business Manager
1871 NE Stephens Street, Roseburg, OR 97470	
LAURA SHIVERS	Ex-Business Manager
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Glendale School District No. 77
PO Box E
Glendale, Oregon 97442

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Glendale School District No. 77 as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's 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 standards 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

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 entity's 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 entity's internal control. Accordingly, I 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.

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

Opinions

In my opinion, 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 Glendale School District No. 77 as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 2 through 8 and 33 through 38 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. I have applied certain limited procedures to the

management's discussion and analysis in accordance with the auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

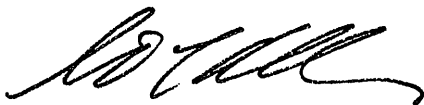
My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Glendale School District No. 77's basic financial statements. The combining and individual non-major fund financial statements and additional supporting schedules listed in the table of contents as Other Supplementary Information are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Glendale School District No. 77. 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 combining and individual non-major fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain other 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 my opinion, the combining and individual non-major fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements taken as a whole.

Other schedules listed in the table of contents as Additional Supporting Schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued our report dated December 19, 2014, on our consideration of the Glendale School District No. 77's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Glendale School District No. 77's internal control over financial reporting and compliance.



Steve Tuchscherer, CPA
December 19, 2014

MANAGEMENT'S DISCUSSION
AND ANALYSIS

GLENDALE SCHOOL DISTRICT NO. 77

Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2014 Unaudited

The discussion and analysis of Glendale School District's financial performance provides an overview of the District's financial activities for the fiscal year that ended June 30, 2014. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year ended June 30, 2014 are as follows:

- The District's net position increased by \$1,201,325 which represents an 87 percent increase from the previous year. This was largely due to cash increasing 173% from the prior year because of additional SSF money received for recalculated ADM due to the formation of a Charter School.
- General revenues accounted for \$4,650,523 in revenue, or 91.4 percent of all revenues. Program specific revenues in the form of charges for services, and grants and donations accounted for \$438,135 or 8.6 percent of total revenues of \$5,088,658.
- Total assets of governmental activities increased by \$1,010,016. The District's cash and cash equivalents in governmental funds increased by \$1,313,308; and amounts due from other governments decreased by \$87,665.
- The District had \$3,887,333 in expenses related to governmental activities, of which \$438,135 were expenses offset by program specific charges for services, grants and donations. General revenues (primarily from property taxes and state school support funds) of \$4,650,523 were not sufficient to provide for the remaining costs of these programs, resulting in a \$1,201,325 increase in net position.
- Total liabilities decreased by \$194,372. Principal payments on bonds payable and capital leases obligations were \$132,246 during the year.
- Among the governmental funds, the general fund had \$4,761,536 in revenues, which primarily consisted of state school support funds and property taxes. General Fund expenditures totaled \$4,536,230; including \$481,500 of interfund transfers out. The General Fund's fund balance increased \$225,306 to \$527,076 from \$301,770.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis introduces the District's basic financial statements. The basic financial statements include: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes additional supplementary information to supplement the basic financial statements.

Government-wide Financial Statements

The first of the government-wide statements is the *Statement of Net Position*. This is the District-wide statement of position presenting information that includes all of the District's assets and liabilities. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall economic health of the District would extend to other non-financial factors such as the condition of school buildings and other facilities and changes in the district's enrollment, which dictates the majority of revenue to be collected through the State Funding Formula.

GLENDALE SCHOOL DISTRICT NO. 77

Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2014 Unaudited

The second government-wide statement is the *Statement of Activities* which reports how the District's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the *Statement of Activities* is to show the financial reliance of the distinct activities or functions of the District that are primarily supported by intergovernmental revenues--principally state basic school support and property tax revenues. The governmental activities of the District include instruction, instructional support services, operation and maintenance of plant, student transportation, and non-instructional support services.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, Fund Financial Statements focus on the District's most significant funds rather than the District as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of individual budget versus actual statements and combining statements in a later section of this report.

At this time the District has two kinds of funds:

Governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. Unlike the government-wide financial statements, the fund financial statements report short-term fiscal accountability focusing on use of spendable resources during the year, and balances of spendable resources available at the end of the fiscal year. They are useful in evaluating whether the annual financing requirements of governmental programs such as regular and special education were financed in the short term and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental statement of assets, liabilities, and fund equities and the governmental fund statement of receipts, expenditures, and changes in fund balances provide reconciliation to government-wide statements to assist in understanding the differences between these two perspectives.

Fiduciary funds such as private-purpose trust funds for scholarships are reported in the fiduciary fund financial statements, but are excluded from government-wide reporting. Fiduciary fund financial statements report net position and changes in net position on a cash basis.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin immediately following the basic financial statements.

GLENDALE SCHOOL DISTRICT NO. 77

Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2014 Unaudited

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents as required supplementary information budgetary comparison statements for the General Fund, the Federal Fund and the Building Fund. The required supplementary information immediately follows the notes to the financial statements. Other supplementary information includes individual fund statements and schedules, and other schedules. These statements and schedules immediately follow the required supplementary information in this report.

Financial Analysis of the School District as a Whole

Recall that the Statement of Net Position provides the perspective of the District as a whole. Net position may serve over time as a useful indicator of a government's financial position.

The District's net position at fiscal year-end is \$2,578,796. This is a \$1,201,324 increase from last year's net position and represents a 87.21 percent increase from the previous year.

The following table provides a summary of the District's net position. Comparative information from the previous year is provided.

Summary of Net Position

	Governmental Activities		
	June 30, 2014	June 30, 2013	Percentage Change
Assets			
Current and Other Assets	\$ 1,928,948	\$ 706,663	173.0%
Capital Assets	1,884,929	2,097,198	-10.1%
Total Assets	<u>3,813,877</u>	<u>2,803,861</u>	<u>36.0%</u>
Liabilities			
Long-Term Liabilities	912,164	1,052,606	-13.3%
Other Liabilities	322,921	373,784	-13.6%
Total Liabilities	<u>1,235,085</u>	<u>1,426,390</u>	<u>-13.4%</u>
Net Position			
Invested in Capital Assets			
Net of Debt	907,918	987,941	-8.1%
Restricted for Debt Service	17,931	13,996	28.1%
Unrestricted	1,649,947	375,535	339.4%
Total Net Position	<u>\$ 2,575,796</u>	<u>\$ 1,377,472</u>	<u>87.0%</u>

GLENDALE SCHOOL DISTRICT NO. 77

**Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2014
Unaudited**

The following table shows the changes in net position. Prior year information is provided for comparative analysis of government-wide revenue and expense information.

Changes in Net Position

	<u>Governmental Activities</u>		
	<u>2013-14</u>	<u>2012-13</u>	<u>Percentage Change</u>
Revenues			
Program Revenues			
Charges for Services	\$ 46,003	\$ 59,626	-22.8%
Operating Grants and Contributions	392,132	454,173	-13.7%
General Revenues			
Property Taxes	906,672	851,714	6.5%
State Basic School Support	3,480,022	2,243,012	55.1%
Other	263,829	342,910	-23.1%
Total Revenues	<u>5,088,658</u>	<u>3,951,435</u>	28.8%
Program Expenses			
Instruction	2,001,685	2,274,516	-12.0%
Support Services	1,661,722	2,012,059	-17.4%
Community Services	189,000	164,187	15.1%
Interest on Long-Term Debt	34,926	44,088	-20.8%
Total Program Expenses	<u>3,887,333</u>	<u>4,494,850</u>	-13.5%
Change in Net Position	<u>\$ 1,201,325</u>	<u>\$ (543,415)</u>	-321.1%

The largest governmental activities program is instruction, which comprises 51.49 percent of expenses. Interest expense was slightly less than 1.0 percent of expenses.

The Statement of Activities shows the cost of program services and the charges for services, grants, and contributions offsetting those services. The following table shows, for governmental activity, the total cost of the four major functional activities of the District. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and District's taxpayers by each of these functions.

GLENDALE SCHOOL DISTRICT NO. 77

Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2014 Unaudited

Governmental Activities

	<u>2013-14</u>		<u>2012-13</u>	
	<u>Total Cost of Services</u>	<u>Net Cost (Profit) of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost (Profit) of Services</u>
Instruction	\$2,001,685	\$1,798,518	\$2,274,516	\$2,074,221
Support Services				
Students	94,257	33,714	141,216	73,423
Instructional Staff	32,633	6,904	72,222	17,992
General Administration	87,866	87,866	176,556	176,556
School Administration	317,054	317,054	319,187	319,187
Business Services	167,096	167,096	175,682	175,682
Operation & Maintenance of Plant Services	510,993	510,993	602,361	602,361
Student Transportation Services	354,742	354,742	345,573	345,573
Staff Services	3,855	3,855	4,135	4,135
Technology Services	93,226	93,226	175,127	137,878
Community Services	189,000	40,304	164,187	9,955
Interest on Long-Term Debt	34,926	34,926	44,088	44,088
Total Program Expenses	<u>\$3,887,333</u>	<u>\$3,449,198</u>	<u>\$4,494,850</u>	<u>\$3,981,051</u>

The dependence on property tax and state basic support revenues become apparent when analyzing what the net cost of each function is compared to the total cost. The higher the net cost is relative to total cost, the more dependent the District is on property tax, state school support and other general revenues. Over 89 percent of instruction activities are supported through property tax and state basic support. For all governmental activities general revenue support was 89 percent. Unrestricted state basic school support payments are by far the primary support of Glendale School District No. 77 students.

Financial Analysis of the District's Funds

Governmental Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the District's governmental funds is to provide information on short-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year. The financial performance of the District as a whole is reflected in its governmental funds.

As the District completed the year, its governmental funds reported a combined fund balance of \$1,670,624, an increase of \$1,287,214. The fund balance consists of non-spendable, restricted, committed, assigned and unassigned amounts. Of the current fund balances, \$5,777 is non-spendable, \$17,931 is restricted, \$339,101 is committed and \$1,307,815 is unassigned and available for spending at the District's discretion.

GLENDALE SCHOOL DISTRICT NO. 77

Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2014 Unaudited

Budgetary Highlights

Over the course of the year, the District adopted a resolution approving a supplemental budget of \$1,606,355 to its original adopted budget.

In the General Fund, revenues were budgeted and anticipated to be collected in the amount of \$4,711,651 during the fiscal year, not including the beginning fund balance. Actual revenues for the General Fund were \$4,761,536. General Fund spending of \$4,536,230 was \$475,421 below the \$5,011,651 budgeted amount. Under-spending of the budgeted amounts was spread relatively evenly in all function areas. The actual ending fund balance of \$527,076 was \$527,076 more than the budgeted ending fund balance.

In the Federal Funds, revenues were budgeted and anticipated to be collected in the amount of \$30,000 during the fiscal year. Actual revenues for the Federal Fund were \$3,000. Federal Fund budgeted expenditures totaled \$212,004 while actual expenditures equaled \$202,314. The ending fund balance was \$3,000.

The Curriculum Replacement Fund received \$200,000 in interfund transfers. No spending occurred or was budgeted in the Curriculum Replacement Fund

The Building Fund received \$300,000 in interfund transfers. No spending occurred or was budgeted in the Building Fund.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2014, the District has invested \$7,754,770 before depreciation in capital assets, including school buildings, athletic facilities, land, vehicles, and other equipment and furnishings. There were no additions or deletions to capital assets during the fiscal year.

Total depreciation expense for the year was \$212,269. Additional information on the District's capital assets can be found in Note 4 in the notes to the basic financial statements section of this report.

Long-Term Debt

At June 30, 2014 the District had \$977,011 of bonded debt outstanding. Total long-term debt for capital leases payable at June 30, 2014 amounted to \$20,933.

An estimated liability of \$80,165 existed at the end of the fiscal year as a result of estimates future other post employment benefit (OPEB) obligations.

GLENDALE SCHOOL DISTRICT NO. 77

Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2014 Unaudited

Economic Factors and Next Year's Budget and Rates

The primary factor considered in developing the budget for next year was the District's continued trend in declining student population.

Budgeted expenditures in the General Fund increased 7.5 percent to \$4,182,296 in fiscal year 2014-2015. The amount anticipated for state school support funds increased 3.6 percent. The budget shows a beginning fund balance of \$300,000 and an ending fund balance of \$300,000 meaning no deficit spending for the current year, and sustainable expenditures in future years are due to board's decision to put aside extra ADM charter one-time revenue.

No new programs were added to the 2014-2015 budget.

The State's budget for the 2014-2015 biennium should meet the District's 2014-15 budgeted state basic school support revenues. The District continues to review the status of the various issues impacting its funding while scrutinizing all expenditures in order to minimize the negative impact of this financial uncertainty.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have any questions about this report or need additional information, contact the Business Office, Glendale School District No. 77, PO Box E, Glendale, Oregon 97442.

BASIC FINANCIAL
STATEMENTS

Government-Wide
Financial Statements

GLENDALE SCHOOL DISTRICT #77

STATEMENT OF NET POSITION

June 30, 2014

		<u>Governmental Activities</u>
<u>ASSETS:</u>		
Current Assets:		
Cash and Investments	\$ 1,780,287	
Property Taxes Receivable	109,307	
Due From Other Governments	33,577	
Inventory-Food, Supplies & Commodities	<u>5,777</u>	
Total Current Assets		1,928,948
Capital Assets:		
Land	70,514	
Land Improvements	144,034	
Buildings & Improvements	6,628,376	
Vehicles	808,605	
Equipment	103,241	
Less: Accumulated Depreciation	<u>(5,869,841)</u>	
Total Capital Assets, Net of Depreciation		<u>1,884,929</u>
Total Assets		\$ 3,813,877
<u>LIABILITIES:</u>		
Current Liabilities:		
Accounts Payable	\$ 200	
Payroll Liabilities	164,268	
Interest Payable	3,644	
Accrued Vacation Benefits	9,797	
Current Portion of Long-Term Liabilities:		
QSC Bond Payable	35,000	
Capital Leases Payable	40,012	
Bonds Payable	<u>70,000</u>	
Total Current Liabilities		322,921
Long-Term Liabilities:		
Noncurrent Portion of Long-Term Liabilities:		
QSC Bond Payable	371,066	
Capital Leases Payable	20,933	
Bonds Payable	440,000	
Net OPEB Obligation	<u>80,165</u>	
Total Long-Term Liabilities		<u>912,164</u>
Total Liabilities		\$ 1,235,085
<u>NET POSITION:</u>		
Invested in capital assets, net of related debt	\$ 907,918	
Restricted for Campus Activities	3,000	
Restricted for Debt Service	17,931	
Unrestricted	<u>1,649,947</u>	
Total Net Position		\$ 2,578,796

The accompanying notes to the basic financial statements are an integral part of this statement.

GLENDALE SCHOOL DISTRICT #77

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2014

		Program Revenues		Net (Expense) Revenue and Change in Net Position
	(Expenses)	Charges for Services	Operating Grants and Contributions	Governmental Activities
<u>GOVERNMENTAL ACTIVITIES:</u>				
Instruction				
Regular Instruction	\$ 1,438,225	\$ 31,704	\$ 67,791	\$ (1,338,730)
Special Programs	563,457	-	103,672	(459,785)
Summer School Program	3	-	-	(3)
Total Instruction	2,001,685	31,704	171,463	(1,798,518)
Support Services				
Students	94,257	-	60,543	(33,714)
Instructional Staff	32,633	-	25,729	(6,904)
General Administration	87,866	-	-	(87,866)
School Administration	317,054	-	-	(317,054)
Business Services	167,096	-	-	(167,096)
Operation & Maint. of Plant Services	510,993	-	-	(510,993)
Student Transportation Services	354,742	-	-	(354,742)
Staff Services	3,855	-	-	(3,855)
Technology Services	93,226	-	-	(93,226)
Total Support Services	1,661,722	-	86,272	(1,575,450)
Community Services	189,000	14,299	134,397	(40,304)
Interest on Long-Term Debt	34,926	-	-	(34,926)
Total Governmental Activities	\$ 3,887,333	\$ 46,003	\$ 392,132	\$ (3,449,198)

GENERAL REVENUES:

Property Taxes, levied for general purposes	816,410
Property Taxes, levied for debt services	90,262
Interest and Investment Earnings	3,522
Miscellaneous	139,639
Intermediate Revenues	23,299
State School Support available for general purposes	3,480,022
Common School Fund	28,621
State Timber Sales	24,033
Federal Forest Fees	44,715
Subtotal - General Revenues	4,650,523
Change in Net Position	1,201,325
Net Position, July 1, 2013	1,377,471
Net Position, June 30, 2014	\$ 2,578,796

The accompanying notes to the basic financial statements are an integral part of this statement.

Fund Financial Statements

Governmental Funds

GLENDALE SCHOOL DISTRICT #77

**BALANCE SHEET
GOVERNMENTAL FUNDS**

June 30, 2014

	General Fund	Federal Fund #201	Curriculum Replacement Fund #210	Building Fund #290	Component Unit High School Charter #702	Other Funds	Total Govern- mental Funds
<u>ASSETS:</u>							
Cash and Cash Equivalents	\$ 647,113	\$ -	\$ 200,000	\$ 300,000	\$ 248,524	\$ 384,650	\$ 1,780,287
Property Taxes Receivable	97,870	-	-	-	-	11,437	109,307
Due From Other Funds	5,075	-	-	-	-	-	5,075
Due from Other Governments	25,502	8,075	-	-	-	-	33,577
Inventory-Food, Supplies & Commodities	-	-	-	-	-	5,777	5,777
Total Assets	\$ 775,560	\$ 8,075	\$ 200,000	\$ 300,000	\$ 248,524	\$ 401,864	\$ 1,934,023
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</u>							
Liabilities:							
Accounts Payable	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200
Payroll Liabilities	164,268	-	-	-	-	-	164,268
Due to Other Funds	-	5,075	-	-	-	-	5,075
Total Liabilities	164,468	5,075	-	-	-	-	169,543
Deferred Inflows of Resources:							
Deferred Property Tax Revenue	84,018	-	-	-	-	9,842	93,860
Total Deferred Inflows of Resources	84,018	-	-	-	-	9,842	93,860
Fund Balances:							
Non-spendable	-	-	-	-	-	5,777	5,777
Restricted for:							
Debt Service	-	-	-	-	-	17,931	17,931
Committed for:							
Education Programs	-	3,000	-	-	-	36,101	39,101
Capital Improvements	-	-	-	300,000	-	-	300,000
Unassigned	527,076	-	200,000	-	248,524	332,215	1,307,815
Total Fund Balances	527,076	3,000	200,000	300,000	248,524	392,024	1,670,624
Total Liabilities, Deferred Inflows of Resources & Fund Balances	\$ 775,562	\$ 8,075	\$ 200,000	\$ 300,000	\$ 248,524	\$ 401,866	\$ 1,934,027

The accompanying notes to the basic financial statements are an integral part of this statement.

GLENDALE SCHOOL DISTRICT #77
RECONCILIATION OF THE BALANCE SHEET
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2014

Total Fund Balances - Governmental Funds \$ 1,670,624

Amounts reported for governmental activities in the Statement of Net Position are different because:

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

The cost of the assets is -	\$ 7,754,770	
The accumulated depreciation is -	<u>(5,869,841)</u>	
Net Value of Assets		1,884,929

Some liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.

Those liabilities consist of :

Interest payable	(3,644)
Net OPEB Obligation	(80,165)
Accrued Vacation Benefits	(9,797)

Property taxes receivable that will not be available to pay for current-period expenditures are deferred in the governmental funds. 93,860

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.

Long-term liabilities at year-end consist of :

QSC Bonds Payable	406,066	
Capital Leases Payable	60,945	
General Obligation Bonds	<u>510,000</u>	
Total Long-Term Liabilities		<u>(977,011)</u>

Net Position of Governmental Activities	\$ 2,578,796
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GLENDALE SCHOOL DISTRICT #77**Statement of Revenues, Expenditures,
and Changes in Fund Balances****GOVERNMENTAL FUNDS****For The Fiscal Year Ended June 30, 2014**

	General Fund #100	Federal Fund #201	Curriculum Replacement Fund #210	Building Fund #290	Component Unit High School Charter #702	Other Govern- mental Funds	Total Govern- mental Funds
REVENUES:							
Basic School Support Fund	\$ 3,435,052	\$ -	\$ -	\$ -	\$ -	\$ 44,970	\$ 3,480,022
Ad Valorem Taxes-Current Year	768,177	-	-	-	-	90,902	859,079
Ad Valorem Taxes-Prior Year	44,059	-	-	-	-	5,139	49,198
State Timber Revenue	24,033	-	-	-	-	-	24,033
Federal Forest Fees	44,715	-	-	-	-	-	44,715
Fees and Charges	2,149	-	-	-	-	39,637	41,786
Admissions to Co-Curricular	1,960	-	-	-	-	-	1,960
Interest on Investments	3,522	-	-	-	-	-	3,522
Donations	2,257	-	-	-	-	-	2,257
Miscellaneous Local Revenues	80,168	-	-	-	950	58,521	139,639
Common School Fund	28,621	-	-	-	-	-	28,621
Other Intermediate Revenues	23,299	-	-	-	-	-	23,299
Services Provided Other Funds	251,103	-	-	-	1,651,079	-	1,902,182
State Grants-In-Aid	51,434	3,000	-	-	-	-	54,434
Federal Reimbursement Grants	987	202,314	-	-	-	134,397	337,698
Total Revenues	4,761,536	205,314	-	-	1,652,029	373,566	6,992,445
EXPENDITURES:							
Instruction							
Regular Instruction	810,958	15,370	-	-	409,179	27,163	1,262,670
Special Programs	2,048,564	103,672	-	-	61,847	-	2,214,083
Support Services							
Students	32,987	60,543	-	-	578	-	94,108
Instructional Staff	9,854	22,729	-	-	-	-	32,583
General Administration	87,802	-	-	-	-	-	87,802
School Administration	199,139	-	-	-	368,802	-	567,941
Business Services	164,144	-	-	-	-	-	164,144
Operation & Maintenance of Plant Services	286,873	-	-	-	203,099	19,843	509,815
Student Transportation Services	317,328	-	-	-	-	43,440	360,768
Staff Services	3,855	-	-	-	-	-	3,855
Technology Services	93,226	-	-	-	-	-	93,226
Community Services	-	-	-	-	-	188,934	188,934
Debt Service	-	-	-	-	-	125,302	125,302
Total Expenditures	4,054,730	202,314	-	-	1,043,505	404,682	5,705,231
Excess (Deficiency) of Revenues Over Expenditures	706,806	3,000	-	-	608,524	(31,116)	1,287,214
OTHER FINANCING SOURCES (USES):							
Interfund Transfers In	-	-	200,000	300,000	-	341,500	841,500
Interfund Transfers Out	(481,500)	-	-	-	(360,000)	-	(841,500)
Total Other Financing Sources (Uses)	(481,500)	-	200,000	300,000	(360,000)	341,500	-
Net Change in Fund Balances	225,306	3,000	200,000	300,000	248,524	310,384	1,287,214
Fund Balances, July 1, 2013	301,770	-	-	-	-	81,640	383,410
Fund Balances, June 30, 2014	\$ 527,076	\$ 3,000	\$ 200,000	\$ 300,000	\$ 248,524	\$ 392,024	\$ 1,670,624

The accompanying notes to the basic financial statements are an integral part of this statement.

GLENDALE SCHOOL DISTRICT #77

**Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances**

GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For The Fiscal Year Ended June 30, 2014

Net Changes in Fund Balances - Total Governmental Funds		\$ 1,287,214
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense.		
Less current year depreciation	<u>\$ (212,269)</u>	(212,269)
Some property tax revenues will not be collected for several months after the District's fiscal year end and are therefore not considered "available" revenues in the governmental funds, instead these funds are shown as deferred inflows of resources.		
Deferred inflows of resources decreased by this amount this year	<u>(1,605)</u>	(1,605)
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
The net change in those payables is reconciled here.		
Vacation benefit payable	(2,764)	
Other post retirement benefits payable	(3,067)	
Interest payable	<u>1,570</u>	(4,261)
Repayment of bond principal and capital leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Retirement of principal is as follows:		
Capital Leases Payable	38,749	
Bonds Payable	<u>93,497</u>	<u>132,246</u>
Changes in Net Position of Governmental Assets		<u>\$ 1,201,325</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

Fund Financial Statements

Fiduciary Funds

GLENDALE SCHOOL DISTRICT #77
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2014

	Private- Purpose Trusts
<u>ASSETS:</u>	
Cash and Cash Equivalents	\$ 46,649
Total Assets	\$ 46,649
<u>NET POSITION:</u>	
Unrestricted Net Position	\$ -
Corpus Restricted for Scholarships	46,649
Total Net Position	\$ 46,649

The accompanying notes to the basic financial statements are an integral part of this statement.

GLENDALE SCHOOL DISTRICT #77
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Fiscal Year Ended June 30, 2014

	Private- Purpose Trusts
<u>ADDITIONS:</u>	
Interest Earned	\$ -
<u>DEDUCTIONS:</u>	
Scholarships and Grants Awarded	(500)
Change in Net Position	(500)
Net Position - July 1, 2013	47,149
Net Position - June 30, 2014	\$ 46,649

The accompanying notes to the basic financial statements are an integral part of this statement.

Notes to the Basic

Financial Statements

GLENDALE SCHOOL DISTRICT NO. 77

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2014

Glendale School District No. 77 was organized under the provisions of Oregon Statutes pursuant to ORS Chapter 332 for the purpose of operating elementary and secondary schools. The District is government by a separately elected seven-member Board of Directors who approve the administrative officials. The daily functioning of the District is under the supervision of the Superintendent. As required by generally accepted accounting principles, all activities of the District have been included in the basic financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The basic financial statements of Glendale School District No. 77 have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the government's accounting policies are described below.

A. Reporting Entity

In determining the financial reporting entity, Glendale School District No. 77 complies with Governmental Accounting Standards Board Statement 14, "The Financial Reporting Entity." The criteria for including organizations as component units within the District's reporting entity, include whether 1) the District appoints a voting majority of the organization's board; 2) the District is able to impose its will on the organization; 3) the organization has the potential to impose a financial benefit or burden on the District; and 4) there is fiscal dependency by the organization on the District.

Based on the fiscal dependency criteria above, Glendale School District No. 77 has no component units.

B. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District. Eliminations have been made to minimize the double counting of internal activities.

GLENDALE SCHOOL DISTRICT NO. 77
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.):

B. Basis of Presentation (Cont.)

Governmental activities include programs supported primarily by taxes, state school support payments, grants and other intergovernmental revenues. The District has no business type activities that rely, to a significant extent, on fees and charges for support. The District does reports fiduciary activities.

The statement of activities demonstrates the degree to which direct expenses of a given function are offset by program revenues. Direct expenses are those that are specifically associated with a program of function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements: During the fiscal year, the District segregates transactions related to certain school district functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds.

The fund financial statements provide reports on the financial condition and results of operations for governmental activities. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

General Fund - The General Fund is the main operating fund of the District. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General Fund expenditures are categorized by "Instruction" which is the direct teaching of students or the interaction between teacher and students. "Support Services" covers all the support activities for students, teachers, and facilities. Major activities in support services are transportation, maintenance of facilities (i.e. heating, phones, electricity, cleaning,) administration, counseling for students, and technology support.

Federal Fund - Accounted for in this fund are federal grant revenues and expenditures including Title I, Title IIa, Title IId, Title IV, and Title V, Title VI, IDEA, and Gaining Early Awareness and Readiness for Undergraduate Programs.

Curriculum Replacement Fund – This fund is used to set aside funds for student curriculum needs. The revenues in this fund are transfers in.

Building Fund – This fund accounts for the building operation and maintenance expenditures. The revenues in this fund are transfers in.

GLENDALE SCHOOL DISTRICT NO. 77
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

JUNE 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.):

C. Measurement Focus/Basis of Accounting:

Measurement focus refers to what is being measured; basis of accounting refers to when transactions are recognized in the financial records and reported on the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized when the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or within sixty days after year end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt which are reported when due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

The revenues susceptible to accrual are property taxes, charges for services, interest income and intergovernmental revenues. All other governmental fund revenues are recognized when received, as they are deemed immaterial. Deferred revenues arise when potential revenues do not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when the revenue recognition is met or when the District has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

D. Budgeting

The District budgets all funds as required by state law. The District budgets for all funds on a modified accrual basis. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total expenditures are controlled by annual appropriations at the following organizational levels: instruction, support services, community services, facilities acquisition and construction, and other expenditures. Appropriations lapse as of the fiscal year-end. A detailed budget document is required that contains more detailed information for the above-mentioned expenditure categories.

Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriations resolution. A supplemental budget may require hearings before the public, publications in newspapers, and approval by the District Board of Directors.

Original and supplemental budgets may be modified by the use of appropriations transfers between the levels of control. Such transfers require approval by the District Board of Directors.

GLENDALE SCHOOL DISTRICT NO. 77
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.):

D. Budgeting (Cont.)

Budget amounts shown in the budgetary comparison schedules include both the original and, when applicable, the revised amount. The combining fund financial statements and individual fund financial statements include, in the budget column, any revisions to the budget since original budget amounts were adopted.

E. Cash and Investments

Cash and cash equivalents include cash on hand, checking, savings and money market accounts and any short-term, highly liquid investments with initial maturity dates of three months or less.

The District has adopted an investment policy requiring compliance with Oregon statutes, which authorizes the District to invest in obligations of the United States, the agencies and instrumentalities of the United States and the State of Oregon, and numerous other investment instruments.

The District's investments may consist of time certificates of deposit, banker's acceptances, commercial paper, U.S. Government Agency securities, and the State of Oregon Treasurer's Local Government Investment Pool (LGIP). The District's investments are reported at fair value at year-end. Changes in the fair value of investments are recorded as investment earnings. The LGIP is stated at cost, which approximates fair value. Fair value of the LGIP is the same as the District's value in the pool shares.

The Oregon State Treasury administers the LGIP. It is an open-ended, non-load diversified portfolio offered to any agency, political subdivision or public corporation of the State that by law is made the custodian of, or has control of, any fund. The LGIP is included in the Oregon Short Term Fund (OSTF) which was established by the State Treasurer. In seeking to best serve local governments of Oregon, the Oregon legislature established the Oregon Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury in the management and investment options of the LGIP.

F. Property Taxes

Real and personal property taxes attach as an enforceable lien on property as of January 1. All taxes are levied as of the lien date and are payable in three installments on November 15, February 15, and May 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

G. Receivables

Uncollected property taxes and revenues from other sources that are earned but not received by the fiscal year end are reported as receivable in the current assets section in the government-wide statement of net position by the District. Government grant reimbursement and entitlement amounts for which all eligibility requirements imposed by the provider have been met, but which were not received by the fiscal year end, are reported as due from other governments in the current assets section in the government-wide statement of net position by the District. All receivables are considered fully collectible; consequently no allowance for uncollectible taxes has been established.

GLENDALE SCHOOL DISTRICT NO. 77
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.):

G. Receivables (Cont.)

Under the modified accrual basis of accounting used in the governmental fund financial statements, property taxes which have been collected within sixty days subsequent to year-end are considered measurable and available and are therefore recognized as revenue. All other property taxes receivable are offset by deferred inflows of resources and, accordingly, have not been recognized as revenue. All taxes are considered collectible; consequently no allowance for uncollectible taxes has been established. Government grant reimbursement and entitlement amounts for which all eligibility requirements imposed by the provider have been met, but which were not received by the fiscal year end, are reported as due from other governments in the fund financial statements by the District. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received.

H. Inventory

Food & supplies inventories in the Food Service Fund are valued at cost determined on the FIFO method. Commodities inventory in the Food Service Fund is valued at estimated fair market value. Inventory is treated as being expended when used rather than when purchased. Inventories of non-food service supplies are not considered significant. The District records the cost of non-food service supplies as expenses and expenditures when purchased rather than when used.

I. Capital Assets

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost, or estimated cost when original cost is not available. Donated capital assets are valued at their estimated fair market value on the date received. Maintenance and repairs of capital assets are not capitalized, but rather are charged to expenditures in the governmental funds. The District does not possess any infrastructure. The capitalization threshold used by the District as recommended by the State of Oregon is \$5,000.

In the government-wide financial statements, all reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the estimated useful lives as follows:

<u>Asset Class</u>	<u>Estimated Years of Useful Lives</u>
Buildings	20-50
Building Improvements	20-50
Land Improvements	15-25
Vehicles	10
Equipment	5-10

GLENDALE SCHOOL DISTRICT NO. 77
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.):

I. Capital Assets (Cont.)

In the governmental fund financial statements, capital assets are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets are not capitalized and related depreciation is not reported in the fund financial statements.

J. Compensated Absences and Accrued Liabilities

The liability for compensated absences reported in the government-wide statements consists of unpaid, accumulated annual vacation.

All payables and accrued liabilities are reported on the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full by current financial resources are reported as obligations of the funds.

K. Long-Term Obligations

All bonds payable and capital leases payable are recognized in the government-wide financial statements as a liability of the District. Amounts of the long-term debt due within the following fiscal year are included in the current liabilities section of the Statement of Net Position.

In the governmental fund financial statements, proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources. Principal and interest payments on bonded debt and capital lease payments are recorded as debt service in the expenditure section of the statement and schedules.

L. Equity Classifications:

Government-wide Statements

Equity is classified as net position, which represents the difference between assets and liabilities. Net position is displayed in three components:

- a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantor, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

GLENDALE SCHOOL DISTRICT NO. 77
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.):

L. Equity Classifications (Cont.)

Fund Financial Statements

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable: This classification includes amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- Restricted: This classification includes fund balance amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed: This classification includes fund balance amounts that are constrained for specific purpose that are internally imposed by the government through resolution of the highest level of decision making authority, the Board of Directors, and does not lapse at year-end.
- Assigned: This classification includes fund balance amounts that are intended to be used for specific purposes that are neither restricted nor committed. This intent can be expressed by the Board of Directors or through the Board of Directors delegating this responsibility to selected staff members or through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned: This classification includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories, and negative fund balances of other governmental funds.

The District would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

M. Deferred Inflows of Resources:

In the governmental funds, property taxes which have not been collected within sixty days subsequent to year-end are not considered measurable and available and are therefore not recognized as revenue, but rather as deferred inflows of resources.

GLENDALE SCHOOL DISTRICT NO. 77
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.):

N. Inter-Fund Transactions

In the fund financial statements, quasi-external transactions are accounted for as revenues or expenditures, while reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other inter-fund transactions are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other inter-fund transfers are reported as operating transfers.

O. Use of Estimates

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

2. CASH AND INVESTMENTS:

For discussion of deposit and investment policies and other related information, see Note 1.E.

The District follows the practice of aggregating the cash assets of various funds to maximize cash management efficiency and returns. Various restrictions on deposits and investments are imposed by state statutes. These restrictions are summarized at Note 1.E.

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

Deposits - All cash is deposited in compliance with Oregon statutes. The insurance and collateral requirements for deposits are established by banking regulations and Oregon law. FDIC insurance of \$250,000 applies to the deposits in each depository. Where balances continually exceed \$250,000, ORS 295 requires the depositor to verify that deposit accounts are only maintained at financial institutions on the list of qualified depositories found on the state treasurer's website. Qualifying depository banks must pledge securities with a particular value based on the bank's level of capitalization. The balances in excess of the FDIC insurance are considered exposed to custodial credit risk.

Custodial Credit Risk for Deposits - Custodial credit risk for deposits exists when, in the event of a depository failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk.

GLENDALE SCHOOL DISTRICT NO. 77
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2014

2. CASH AND INVESTMENTS (CONT.):

As of June 30, 2014, the reported amount of the District's deposits was \$1,066,720 and the bank balance was \$1,122,483. Of the bank balance, the entire amount was covered by federal depository insurance or by pledged securities with the qualifying depository banks.

Investments - Oregon statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. agencies, banker's acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the Local Governmental Investment Pool. The District has no credit risk policy or investment policy that would further limit its investment choices

Credit Risk - Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfill its obligations. As of June 30, 2014, the District's investment in the Oregon State Treasurer's Local Government Investment Pool (LGIP) was unrated.

At June 30, 2014, the District's investments in financial institutions are as follows:

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Credit Rating</u>
Oregon State Treasurer's Local Government Investment Pool (LGIP)	\$ 760,115	N/A
Total Investments	<u>\$ 760,115</u>	

Investments in the LGIP and federal agency notes do not require disclosure credit rating quality.

Concentration of Credit Risk - An increased risk of loss occurs as more investments are acquired from one issuer. This results in a concentration of credit risk. The District places no limit on the amount that may be invested in any one issuer. More than 5 percent of the District's investments are in the Oregon State Treasurer's Local Government Investment Pool (LGIP). This investment is 100% of the District's total investments.

GLENDALE SCHOOL DISTRICT NO. 77
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2014

3. RECEIVABLES:

Receivables as of the end of the year for the District's individual major funds and non-major funds in the aggregate are as follows:

	General Fund	Federal Fund	Other Funds	Total
Property Tax Receivable	\$ 97,870	\$ -	\$ 11,437	\$ 109,307
Due from Other Governments	25,502	8,075	-	33,577
Total	<u>\$ 123,372</u>	<u>\$ 8,075</u>	<u>\$ 11,437</u>	<u>\$ 142,884</u>

4. CAPITAL ASSETS:

The following is a summary of capital asset activity for the fiscal year ended June 30, 2014:

Governmental Activities	June 30, 2013	Additions	Deletions	June 30, 2014
Assets not being depreciated:				
Land	\$ 70,514	\$ -	\$ -	\$ 70,514
Assets being depreciated:				
Land Improvements	144,034	-	-	144,034
Buildings & Improvements	6,628,376	-	-	6,628,376
Vehicles	808,605	-	-	808,605
Equipment	103,241	-	-	103,241
Total Depreciable Assets	7,684,256	-	-	7,684,256
Less: Accumulated Depreciation				
Land Improvements	109,944	4,036	-	113,980
Buildings & Improvements	4,813,901	169,384	-	4,983,285
Vehicles	636,140	37,185	-	673,325
Equipment	97,587	1,664	-	99,251
Total Accumulated Depreciation	<u>5,657,572</u>	<u>212,269</u>	<u>-</u>	<u>5,869,841</u>
Net Value of Capital Assets Being Depreciated	<u>2,026,684</u>	<u>(212,269)</u>	<u>-</u>	<u>1,814,415</u>
Total Governmental Activities--				
Net Value of Capital Assets	<u>\$ 2,097,198</u>	<u>\$ (212,269)</u>	<u>\$ -</u>	<u>\$ 1,884,929</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	
Instruction - Regular Programs	\$ 174,195
Support Services--Operation & Maintenance	889
Support Services--Student Transportation	37,185
Total depreciation expense - governmental activities	<u>\$ 212,269</u>

GLENDALE SCHOOL DISTRICT NO. 77
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

JUNE 30, 2014

5. LONG-TERM DEBT:

A summary of debt transactions for the year ended June 30, 2014 is as follows:

	<u>Outstanding Balance July 1, 2013</u>	<u>Matured</u>	<u>Retired</u>	<u>Outstanding Balance June 30, 2014</u>	<u>Due Within One Year</u>
General Obligation Bond, Series 2000 for Building Repairs and Improvements					
Original Balance \$990,000					
Dated July 15, 2000					
Interest Rate - 5.150% to 5.625%					
Principal	\$ 570,000	\$ -	\$ 60,000	\$ 510,000	\$ 70,000
Interest	-	31,805	31,805	-	28,565
Totals	570,000	31,805	91,805	510,000	98,565
QSCB loan with Bank of New York Mellon Series 2010A Flex Fund Program					
Original Balance \$540,000					
Dated July 1, 2010					
Interest Rate - 5.2043%					
Principal	\$ 439,563	\$ -	\$ 33,497	\$ 406,066	\$ 35,000
Interest	-	-	-	-	22,876
Totals	439,563	-	33,497	406,066	57,876
Lease Purchase Agreement with De Lage Public Finance LLC for Purchase of a Blue Bird Bus					
Original Balance \$98,149					
Dated January 12, 2011					
Interest Rate					
Principal	\$ 60,143	\$ -	\$ 19,175	\$ 40,968	\$ 20,035
Interest	-	2,697	2,697	-	1,837
Totals	60,143	2,697	21,872	40,968	21,872
Lease Purchase Agreement with Bank of America National for Purchase of a Blue Bird Bus					
Original Balance \$95,751					
Dated December 16, 2009					
Interest Rate - 4.97%					
Principal	\$ 39,551	\$ -	\$ 19,574	\$ 19,977	\$ 19,977
Interest	-	1,994	1,994	-	1,021
Totals	39,551	1,994	21,568	19,977	20,998
TOTAL DEBT AGREEMENTS:					
Principal	\$ 1,109,257	\$ -	\$ 132,246	\$ 977,011	\$ 145,012
Interest	-	36,496	36,496	-	54,299
Totals	\$ 1,109,257	\$ 36,496	\$ 168,742	\$ 977,011	\$ 199,311

GLENDALE SCHOOL DISTRICT NO. 77
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2014

5. LONG-TERM DEBT (CONT.):

The debt service requirements on the above debt is as follows:

	Fiscal Year Ended June 30,	Principal	Interest	Total
General Obligation Bond	2015	70,000	28,565	98,565
	2016	75,000	24,750	99,750
	2017	80,000	20,531	100,531
	2018	85,000	16,031	101,031
	2019	95,000	11,250	106,250
	2020	105,000	5,906	110,906
Totals		<u>\$ 510,000</u>	<u>\$107,033</u>	<u>\$ 617,033</u>
Capital Leases	2015	40,012	2,858	42,870
	2016	20,933	939	21,872
Totals		<u>\$ 60,945</u>	<u>\$ 3,797</u>	<u>\$ 64,742</u>
Flex Fund Bonds	2015	35,000	-	35,000
	2016	36,000	-	36,000
	2017	36,000	-	36,000
	2018	36,000	-	36,000
	2019	36,000	-	36,000
	2020-2024	188,000	-	188,000
2025	38,000	-	38,000	
		<u>\$ 405,000</u>	<u>\$ -</u>	<u>405,000</u>

For further detail on debt service, see the 'Schedule of Long Term Debt Transactions' and 'Schedule of Future Requirements for Retirement of Long Term' in the Supplemental Data section of this report.

6. PENSION PLAN:

Plan Description - The District contributes to two pension plans administered by the Oregon Public Employees Retirement System (PERS). The Oregon Public Employees Retirement Fund (OPERF) applies to the District's contribution for qualifying employees who were hired before August 29, 2003, and is a cost-sharing multiple-employer defined benefit pension plan. The Oregon Public Service Retirement Plan (OPSRP) is a hybrid successor plan to the OPERF and consists of two programs: The Pension Program, the defined benefit portion of the plan, applies to qualifying District employees hired after August 29, 2003, and to inactive employees who return to employment following a six-month or greater break in service. Benefits

GLENDALE SCHOOL DISTRICT NO. 77
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

JUNE 30, 2014

6. PENSION PLAN (CONT.):

are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service. Beginning January 1, 2004, all PERS member contributions go into the Individual Account Program (IAP), the defined contribution portion of the plan. PERS members retain their existing PERS accounts, but any future member contributions are deposited into the member's IAP, not the member's PERS account.

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

Funding Policy - Members of PERS are required to contribute 6.00% of their salary covered under the plan; however, the district contributes the members' portion, which is invested in the OPSRP Individual Account Program. The District is required by ORS 238.225 to contribute at an actuarially determined rate for the qualifying employees under the OPERF plan, and a general service rate for the qualifying employees under the OPSRP plan. The OPERF and the OPSRP rates in effect for the year ended June 30, 2014 were 22.29% and 20.29% respectively. Districts began contributing 1.35% of subject wages to reduce the Unfunded Accrued Liability (UAL). The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature.

Annual Pension Cost - The District's contributions to PERS, including contributions made on behalf of the employees, for the years ending June 30, 2012, 2013, and 2014 were \$415,527, \$386,601, and \$326,129 respectively, which equaled the required contribution for the year.

7. OTHER POST-EMPLOYMENT BENEFITS:

Oregon Public Employees Retirement Systems' (PERS) Retiree Health Insurance Account (RHIA)

Plan Description

The District contributes to the Oregon Public Employees Retirement Systems' (PERS) Retiree Health Insurance Account (RHIA), a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the Oregon Public Employees Retirement Board (OPERB). The plan, which was established under Oregon Revised Statutes 238.420, provides a payment of up to \$60 per month towards the costs of health insurance for eligible PERS retirees. RHIA post-employment benefits are set by state statute. A comprehensive annual financial report of the funds administered by the OPERB may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, OR 97281-3700, by calling (503) 598- 7377, or by accessing the PERS web site at <http://oregon.gov/PERS/>.

Funding Policy

Participating employers are contractually required to contribute at a rate assessed bi-annually by the OPERB, currently 0.59% of annual covered payroll. The OPERB sets the employer contribution rate based on the

GLENDALE SCHOOL DISTRICT NO. 77
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2014

7. OTHER POST-EMPLOYMENT BENEFITS (CONT.):

annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The District's contributions to PERS' RHIA for the year ended June 30, 2014, was \$10,998, which equaled the required contributions for the year.

The District's annual other post-employment benefit cost (expense) is calculated based on the annual required contribution of the employer, an amount actuarially determined in accordance within the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the fiscal year ending June 30, 2014, the amount actually contributed to the plans, and changes in the District's net OPEB obligation:

Annual required contribution	\$ 28,713
Interest on net OPEB obligation	3,662
Adjustment to the annual required contribution	<u>(18,311)</u>
Annual OPEB cost (expense)	14,064
Contributions made	<u>10,998</u>
Increase in net OPEB obligation	3,067
Net OPEB obligation, beginning of year	<u>77,098</u>
Net OPEB obligation, end of year	<u><u>\$ 80,165</u></u>

8. CONTINGENT LIABILITIES:

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

The potential effects of an illegal act or of material revenue derived from transactions involving illegal acts or significant unusual risks may constitute a liability of the applicable fund. The District expects such liability amount, if any, to be immaterial.

The District is not currently named as a defendant in any pending or threatened litigation.

GLENDALE SCHOOL DISTRICT NO. 77
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2014

9. COMMODITIES RECEIVED IN FOOD SERVICE FUND:

During the year the District received USDA commodities. Fair market value of the amount of commodities used during the 2013-2014 fiscal year is \$7,952. The amount is reflected as federal revenue received and as a food expenditure in the Food Service Fund in the financial statements. Fair market value is determined by the Oregon Department of Education.

10. RISK MANAGEMENT:

The District is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters. The District is joined together with other school district and special districts in the state, which are members of Special Districts of Oregon (SDOA). SDOA oversees the Special Districts Insurance Services Trust, a public entity risk pool currently operating as a common risk management and insurance program for member governments. The District has an annually renewable contract to pay SDOA an annual premium for its general liability, property liability, automobile liability, boiler and machinery, comprehensive crime, and umbrella insurance coverage.

The District carries commercial insurance for all other losses, including workers' compensation and employee health and accident insurance. Premiums to the health insurance company are paid through a combination of employer contributions and payroll withholdings for eligible employees.

The District came under the State Unemployment Act as of July 1, 1974. The District has elected to pay State Unemployment insurance to the State of Oregon to pay for any claims paid to former employees.

There have been no significant reductions in coverage from the prior years and settlements have not exceeded insurance coverage in the past three years.

11. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS:

Interfund balances at June 30, 2014 consisted of the following individual fund receivable and payables:

	Due From Other Funds	Due To Other Funds
General Fund #100	\$ 5,075	\$ -
Federal Funds #201	-	5,075
Total	\$ 5,075	\$ 5,075

The debtor funds will repay the general fund upon receipt of grant proceeds receivable at June 30, 2014.

GLENDALE SCHOOL DISTRICT NO. 77
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2014

11. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONT.):

Interfund transfers for the year ended June 30, 2014 were as follows:

	Transfers <u>Out</u>	Transfers <u>In</u>
General Fund #100	\$ 481,500	-
High School Charter Fund #702	360,000	-
Curriculum Replacement Fund #210	-	200,000
Bus Replacement Fund #220	-	95,000
Technology Fund #230	-	100,000
Extra Curricular Fund #261	-	120,000
Building Fund #290	-	300,000
QSCB Loan Fund # 301	-	26,500
Total	<u>\$ 841,500</u>	<u>\$ 841,500</u>

12. DEFICIT FUND BALANCE:

Deficit fund balances in individual funds for the year ended June 30, 2014 occurred as follows:

<u>Fund</u>	<u>Fund Balance</u>
Food Service Fund #280	\$ (37,487)

13. FUND BALANCE COMPARISONS:

<u>Fund</u>	Actual <u>June 30, 2014</u>	Budgeted <u>July 1, 2014</u>
General Fund #100	\$ 527,076	\$ 300,000
Federal Fund #201	3,000	-
Curriculum Replacement Fund #210	200,000	200,000
Bus Replacement Fund #220	95,000	95,000
Technology Fund #230	100,000	100,000
Student Body Fund #260	36,101	40,000
Extra Curricular Fund #261	120,000	120,000
Food Service Fund #280	(37,487)	-
Building Fund #290	300,000	-
Maintenance Fund #291	60,479	360,000
Debt Service Fund #300	17,456	7,500
QSCB Debt Service Fund #301	475	-
Gregory Scholarship Fund #700	46,649	47,149
High School Charter Fund #702	248,524	120,000

REQUIRED
SUPPLEMENTARY
INFORMATION

GLENDALE SCHOOL DISTRICT #77

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

GENERAL FUND #100

For the Fiscal Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>(Budgetary</u> <u>Basis)</u> <u>(See Note 1)</u>	<u>Variance</u> <u>with</u> <u>Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Revenues from Local Sources:				
Ad Valorem Taxes-Current Year	778,000	778,000	768,177	(9,823)
Ad Valorem Taxes-Prior Year	22,000	22,000	44,059	22,059
Interest on Investments	3,500	3,500	3,522	22
Admissions to Extra-curricular	4,000	4,000	1,960	(2,040)
Fees (User)	-	-	2,035	2,035
Towel Fees	-	-	33	33
Library Fines	-	-	81	81
Donations	-	-	2,257	2,257
Serrvices Provided to Other Funds	251,103	251,103	251,103	-
Miscellaneous Revenues	100,000	100,000	80,168	(19,832)
Total Local Revenues	1,158,603	1,158,603	1,153,395	(5,208)
Revenues from Intermediate Sources:				
County School Fund	5,000	5,000	3,201	(1,799)
Revenue for/on Behalf of District	20,000	20,000	20,098	98
Total Intermediate Revenues	25,000	25,000	23,299	(1,701)
Revenues from State Sources:				
Basic School Support Fund	2,331,138	3,394,095	3,435,052	40,957
State Timber Revenue	50,000	50,000	24,033	(25,967)
Common School Fund	25,453	25,453	28,621	3,168
Blind or Visually Impaired Support Grant	-	58,500	51,434	(7,066)
Total State Revenues	2,406,591	3,528,048	3,539,140	11,092
Revenues from Federal Sources:				
Federal Forest Fees	-	-	44,715	44,715
ARRA State Fiscal Stabilization Fund	-	-	987	987
Total Federal Revenues	-	-	45,702	45,702
Total Revenues	3,590,194	4,711,651	4,761,536	49,885
Total Expenditures	3,890,194	5,011,651	4,536,230	(475,421)
Excess (Deficiency) of Revenues Over Expenditures	(300,000)	(300,000)	225,306	525,306
Fund Balance - July 1, 2013	\$ 300,000	\$ 300,000	\$ 301,770	\$ 1,770
Fund Balance - June 30, 2014	\$ -	\$ -	\$ 527,076	\$ 527,076

GLENDALE SCHOOL DISTRICT #77

SCHEDULE OF EXPENDITURES

GENERAL FUND #100

For the Fiscal Year Ended June 30, 2014

	Actual Amounts (Budgetary Basis - See Note 1)							Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Salaries 100	Employee Benefits 200	Purchased Services 300	Supplies		Transfers 700	Total	Original	Final	
				Materials 400	Other Objects 600					
<u>INSTRUCTION:</u>										
Regular Programs:										
#1111 Primary, K-5	\$ 307,840	\$ 204,425	\$ 7,939	\$ 2,021	\$ -	\$ -	\$ 522,225	\$ 525,210	\$ 525,210	\$ (2,985)
#1121 Middle School	152,956	96,552	7,397	1,159	100	-	258,164	269,838	269,838	(11,674)
#1122 Middle School Extracurricular	-	-	863	-	150	-	1,013	-	-	1,013
#1131 High School	-	-	20	-	725	-	745	-	-	745
#1132 High School Extracurricular	24,212	3,549	-	1,050	-	-	28,811	-	-	28,811
Special Programs:										
#1252 Elementary Sp Ed	95,075	84,190	1,960	4,014	-	-	185,239	179,378	179,378	5,861
#1257 Jr/ Hs Sp Ed	66,955	47,645	444	355	-	-	115,399	123,531	123,531	(8,132)
#1258 Special Ed Coord	18,000	9,101	4,766	-	-	-	31,867	33,095	33,095	(1,228)
#1260 PVI/PHI	-	-	64,980	-	-	-	64,980	30,000	30,000	34,980
#1280 Alternative Education	-	-	1,651,079	-	-	-	1,651,079	1,166,181	1,709,579	(58,500)
Total Instruction	665,038	445,462	1,739,448	8,599	975	-	2,859,522	2,327,233	2,870,631	(11,109)
<u>SUPPORT SERVICES:</u>										
Students:										
#2120 Guidance Services	-	-	1,768	-	-	-	1,768	250	250	1,518
#2130 Health Services	-	-	606	-	-	-	606	4,750	4,750	(4,144)
#2143 School Psych	-	-	30,613	-	-	-	30,613	30,613	30,613	-
Instructional Staff:										
#2210 Improvement of Instruct. Services	-	-	1,714	826	-	-	2,540	10,000	10,000	(7,460)
#2222 Library/ Media Services	-	-	-	3,067	4,105	-	7,172	14,173	14,173	(7,001)
#2240 Staff Development	-	-	132	10	-	-	142	4,000	4,000	(3,858)
General Administration:										
#2310 Board of Education Services	-	-	22,074	120	9,110	-	31,304	30,050	30,050	1,254
#2320 Executive Administrative Services	36,000	18,203	1,641	59	595	-	56,498	62,249	62,249	(5,751)
School Administration:										
#2410 Office of the Principal Services	117,924	77,202	1,041	1,164	1,808	-	199,139	192,696	192,696	6,443
Business:										
#2520 Fiscal Services	79,523	36,723	36,807	35	4,349	-	157,437	183,432	183,432	(25,995)
#2528 Risk Management Services	-	-	-	-	6,707	-	6,707	12,000	12,000	(5,293)
#2540 Operation and Maintenance of Plant Services										
Care & Upkeep of Buildings	83,337	60,961	91,175	6,242	39,462	-	281,177	262,445	262,445	18,732
Other Plant Operation & Maint.	-	-	-	5,696	-	-	5,696	6,000	6,000	(304)
#2550 Student Transportation Services										
Student Transportation	131,428	113,670	35,968	36,262	-	-	317,328	335,894	335,894	(18,566)
Central Activities:										
#2574 Printing, Publishing & Duplication	-	-	3,855	-	-	-	3,855	4,750	4,750	(895)
#2660 Technology Services	-	-	88,902	3,889	435	-	93,226	132,112	132,112	(38,886)
Total Support Services	448,212	306,759	316,296	57,370	66,571	-	1,195,208	1,285,414	1,285,414	(90,206)
Transfers to Other Funds	-	-	-	-	-	481,500	481,500	26,500	481,500	-
Contingency	-	-	-	-	-	-	-	251,047	374,106	(374,106)
Total Expenditures	\$ 1,113,250	\$ 752,221	\$ 2,055,744	\$ 65,969	\$ 67,546	\$ 481,500	\$ 4,536,230	\$ 3,890,194	\$ 5,011,651	\$ (475,421)

GLENDALE SCHOOL DISTRICT #77

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

FEDERAL FUNDS #201

For the Fiscal Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>(Budgetary</u> <u>Basis)</u> <u>(See Note 1)</u>	<u>Variance</u> <u>with</u> <u>Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Revenues from State Sources:				
Other State Grants	\$ 30,000	\$ 30,000	\$ 3,000	\$ (27,000)
Total Revenues from State Sources	30,000	30,000	3,000	(27,000)
Revenues from Federal Sources:				
Title I Grant	121,756	121,756	103,672	(18,084)
Rural Education Achievement Program (REAP)	-	-	15,370	15,370
IDEA Grant	60,247	60,247	60,543	296
GEAR-UP Grant	-	-	22,729	22,729
Total Revenues from Federal Sources	182,004	182,004	202,314	20,311
Total Revenues	212,004	212,004	205,314	(6,690)
<u>EXPENDITURES:</u>				
Instruction				
#1111 REAP Grant				
Supplies and Materials	-	-	2,872	2,872
#1140 Pre-Kindergarten Programs				
Salaries	-	-	6,141	6,141
Employee Benefits	-	-	6,357	6,357
#1272 Title 1 - Title 1, Title IIa, Title V, REAP, K-3				
Salaries	60,594	60,594	52,650	(7,944)
Employee Benefits	61,162	61,162	51,022	(10,140)
Total Instruction	121,756	121,756	119,042	(2,714)
Support Services				
#2140 Psychological Services - IDEA -				
Salaries	28,738	28,738	28,369	(369)
Employee Benefits	31,509	31,509	32,174	665
#2210 Improvement of Instruct. Services - State Grants				
Salaries	12,500	12,500	10,242	(2,258)
Employee Benefits	4,221	4,221	3,012	(1,209)
Purchased Services	10,279	10,279	8,204	(2,075)
Supplies and Materials	3,000	3,000	1,271	(1,729)
Total Support Services	90,247	90,247	83,272	(6,975)
Total Expenditures	212,004	212,004	202,314	(9,689)
Excess (Deficiency) of Revenues Over Expenditures	-	-	3,000	3,000
Fund Balance - July 1, 2013	-	-	-	-
Fund Balance - June 30, 2014	\$ -	\$ -	\$ 3,000	\$ 3,000

GLENDALE SCHOOL DISTRICT #77

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual**

CURRICULUM REPLACEMENT FUND #210

For the Fiscal Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u>
			<u>(Budgetary</u>	<u>Budget</u>
			<u>Basis)</u>	<u>Positive</u>
			<u>(See Note 1)</u>	<u>(Negative)</u>
<u>REVENUES:</u>				
Revenues from State Sources:				
Unrestricted Grants-In-Aid	-	-	-	-
Total Revenues from State Sources	-	-	-	-
Total Revenues	-	-	-	-
<u>EXPENDITURES:</u>				
Support Services				
#2210 Curriculum Development				
Total Support Services	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
<u>OTHER FINANCING SOURCES:</u>				
Operating Transfers In	-	200,000	200,000	-
Total Other Financing Sources	-	200,000	200,000	-
Net Change in Fund Balance	-	200,000	200,000	-
Fund Balance - July 1, 2013	-	-	-	-
Fund Balance - June 30, 2014	\$ -	\$ 200,000	\$ 200,000	\$ -

GLENDALE SCHOOL DISTRICT #77

**Schedule of Revenues, Expenditures
and Changes in Fund Balance-Budget and Actual**

BUILDING FUND #290

For the Fiscal Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis) (See Note 1)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Revenues from State Sources:				
State Grants	\$ -	\$ -	\$ -	\$ -
Total Revenues from State Sources	-	-	-	-
Total Revenues	-	-	-	-
EXPENDITURES:				
Support Services				
#2540 Operational /Maintenance of Plant:				
Supplies & Materials	-	-	-	-
Total Support Services	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
OTHER FINANCING SOURCES:				
Operating Transfers In	-	300,000	300,000	-
Total Other Financing Sources	-	300,000	300,000	-
Net Change in Fund Balance	-	300,000	300,000	-
Fund Balance - July 1, 2013	-	-	-	-
Fund Balance - June 30, 2014	\$ -	\$ 300,000	\$ 300,000	\$ -

GLENDALE SCHOOL DISTRICT #77

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual**

HIGH SCHOOL CHARTER FUND #702

(A Component Unit)

For the Fiscal Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Revenue from Local Sources				
Contributions & Donations	\$ -	\$ -	\$ 300	\$ 300
Services Provided to Other Funds	-	-	1,651,079	1,651,079
Miscellaneous	-	-	650	650
Total Local Revenues	-	-	1,652,029	1,652,029
Revenues from State Sources:				
Unrestricted Grants-In-Aid	1,166,181	1,651,079	-	(1,651,079)
Total Revenues from State Sources	1,166,181	1,651,079	-	(1,651,079)
Total Revenues	1,166,181	1,651,079	1,652,029	950
EXPENDITURES:				
Instruction:				
#1131 High School Programs				
Salaries	222,040	222,040	217,972	(4,068)
Employee Benefits	141,094	141,094	119,367	(21,727)
Purchased Services	17,500	17,500	14,535	(2,965)
Supplies & Materials	39,500	39,500	20,744	(18,756)
Capital Outlay	-	-	560	560
Other Objects	500	500	-	(500)
#1132 High School Extracurricular				
Salaries	-	-	9,214	9,214
Employee Benefits	-	-	4,634	4,634
Purchased Services	-	-	17,099	17,099
Supplies & Materials	85,000	85,000	3,316	(81,684)
Other Objects	-	-	1,738	1,738
#1280 Alternative Educaiton				
Purchased Services	57,250	57,250	61,847	4,597
Total Instruction	562,884	562,884	471,026	(91,858)
Support Services:				
#2120 Guidance Sevices				
Purchased Services	328	328	328	-
#2130 Health Services				
Supplies & Materials	500	500	-	(500)
Other Oblects	-	-	250	250
#2219 Other Improvement of Instruction Services				
Supplies & Materials	5,000	5,000	-	(5,000)
#2410 Office of the Principal Services				
Salaries	69,359	69,359	67,809	(1,550)
Employee Benefits	45,570	45,570	43,733	(1,837)
Supplies & Materials	1,000	1,000	815	(185)
Other Oblects	250	250	-	(250)
#2490 Other Support Services - School Administration				
Purchased Services	251,102	251,102	251,103	1
Other Oblects	-	-	5,342	5,342
#2540 Operation & Maintenance of Plant Services				
Salaries	68,277	68,277	61,541	(6,736)
Employee Benefits	57,161	57,161	53,823	(3,338)
Purchased Services	95,750	95,750	81,572	(14,178)
Supplies & Materials	9,000	9,000	6,163	(2,837)
Total Support Services	603,297	603,297	572,479	(30,818)
Contingency	-	124,898	-	(124,898)
Total Expenditures	1,166,181	1,291,079	1,043,505	(122,676)
Excess (Deficiency) of Revenues Over Expenditures	-	360,000	608,524	248,524
OTHER FINANCING SOURCES (USES):				
Operating Transfers Out	-	(360,000)	(360,000)	-
Total Other Financing Sources	-	(360,000)	(360,000)	-
Fund Balance - July 1, 2013	-	-	-	-
Fund Balance - June 30, 2014	\$ -	\$ 360,000	\$ 248,524	\$ 248,524

OTHER
SUPPLEMENTARY
INFORMATION

Combining and Individual Fund
Financial Statements of Non-Major Funds

Additional Supporting Schedules

Non-Major

Governmental Funds

GLENDALE SCHOOL DISTRICT #77

COMBINING BALANCE SHEET

ALL NON-MAJOR GOVERNMENTAL FUNDS

June 30, 2014

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Total</u>
<u>ASSETS:</u>			
Cash and Investments	\$ 368,316	\$ 16,334	\$ 384,650
Taxes Receivable	-	11,437	11,437
Inventories	5,777	-	5,777
Total Assets	\$ 374,093	\$ 27,771	\$ 401,864
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</u>			
LIABILITIES:			
Current Liabilities:			
Account Payable	\$ -	\$ -	\$ -
Total Liabilities	-	-	-
DEFERRED INFLOWS OF RESOURCES:			
Deferred Property Tax Revenue	-	9,842	9,842
Total Deferred Inflows of Resources	-	9,842	9,842
FUND BALANCE:			
Non-spendable	5,777	-	5,777
Restricted for:			
Debt Service	-	17,931	17,931
Committed for:			
Education Programs	36,101	-	36,101
Unassigned	332,215	-	332,215
Total Fund Balance	374,093	17,931	392,024
Total Liabilities, Deferred Inflows of Resources & Fund Balances	\$ 374,093	\$ 27,773	\$ 401,866

GLENDALE SCHOOL DISTRICT #77

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances

ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE

For the Fiscal Year Ended June 30, 2014

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Totals (Memorandum Only)</u>
<u>REVENUES:</u>			
Revenues from:			
Basic School Support Fund	\$ 44,970	\$ -	\$ 44,970
Ad Valorem Taxes-Current Year	-	90,902	90,902
Ad Valorem Taxes-Prior Year	-	5,139	5,139
Fees and Charges	39,637	-	39,637
Miscellaneous Local Revenues	51,825	6,696	58,521
Federal Reimbursement Grants	134,397	-	134,397
Total Revenues	270,829	102,737	373,566
<u>EXPENDITURES:</u>			
Instruction			
Regular Instruction	27,163	-	27,163
Support Services			
Operation & Maintenance of Plant Services	19,843	-	19,843
Student Transportation Services	43,440	-	43,440
Enterprise and Community Services	188,934	-	188,934
Other Uses	-	125,302	125,302
Total Expenditures	279,380	125,302	404,682
Excess (Deficiency) of Revenues Over Expenditure	(8,551)	(22,565)	(31,116)
<u>OTHER FINANCING SOURCES (USES):</u>			
Operating Transfers In	315,000	26,500	341,500
Total Other Financing Sources (Uses)	315,000	26,500	341,500
Net Change in Fund Balance	306,449	3,935	310,384
Fund Balance - July 1, 2013	67,644	13,996	81,640
Fund Balance - June 30, 2014	\$ 374,093	\$ 17,931	\$ 392,024

Non-Major

Special Revenue Funds

GLENDALE SCHOOL DISTRICT #77

COMBINING BALANCE SHEET

NON-MAJOR SPECIAL REVENUE FUNDS

June 30, 2014

	Bus Replacement Fund #220	Technology Fund #230	Student Body Fund #260	Extra Curricular Fund #261	Food Service Fund #280	Maintenance Fund #291	Total
<u>ASSETS:</u>							
Cash and Investments	\$ 95,000	\$ 100,000	\$ 36,101	\$ 120,000	\$ (43,264)	\$ 60,479	\$ 368,316
Inventories-Food, Supplies and Commodities	-	-	-	-	5,777	-	5,777
Total Assets	95,000	100,000	36,101	120,000	\$ (37,487)	\$ 60,479	374,093
<u>LIABILITIES & FUND BALANCE:</u>							
LIABILITIES:							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	-	-	-	-	-	-	-
FUND BALANCE:							
Non-spendable	-	-	-	-	5,777	-	5,777
Committed for:							
Education Programs	-	-	36,101	-	-	-	36,101
Unassigned	95,000	100,000	-	120,000	(43,264)	60,479	332,215
Total Fund Balance	95,000	100,000	36,101	120,000	(37,487)	60,479	374,093
Total Liabilities and Fund Balance	\$ 95,000	\$ 100,000	\$ 36,101	\$ 120,000	\$ (37,487)	\$ 60,479	\$ 374,093

GLENDALE SCHOOL DISTRICT #77

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance

NON-MAJOR SPECIAL REVENUE FUNDS

For the Fiscal Year Ended June 30, 2014

	Bus Replace- ment Fund #220	Technology Fund #230	Student Body Fund #260	Extra Curricular Fund #261	Food Service Fund #280	Maintenance Fund #291	Totals
REVENUES:							
Basic School Support Fund	\$ 43,440	\$ -	\$ -	\$ -	\$ 1,530	\$ -	\$ 44,970
Fees and Charges	-	-	25,338	-	14,299	-	39,637
Miscellaneous Local Revenues	-	-	-	-	625	51,200	51,825
Federal Reimbursement Grants	-	-	-	-	134,397	-	134,397
Total Revenues	43,440	-	25,338	-	150,851	51,200	270,829
EXPENDITURES:							
Instruction							
Regular Instruction	-	-	27,163	-	-	-	27,163
Support Services							
Operation & Maint. of Plant Services	-	-	-	-	-	19,843	19,843
Student Transportation Services	43,440	-	-	-	-	-	43,440
Enterprise & Community Services	-	-	-	-	188,934	-	188,934
Total Expenditures	43,440	-	27,163	-	188,934	19,843	279,380
Excess (Deficiency) of Revenues Over Expenditures	-	-	(1,825)	-	(38,083)	31,357	(8,551)
OTHER FINANCING SOURCES (USES):							
Operating Transfers In	95,000	100,000	-	120,000	-	-	315,000
Total Other Financing Sources (Uses)	95,000	100,000	-	120,000	-	-	315,000
Net Change in Fund Balances	95,000	100,000	(1,825)	120,000	(38,083)	31,357	306,449
Fund Balance - July 1, 2013	-	-	37,926	-	596	29,122	67,644
Fund Balance- June 30, 2014	\$ 95,000	\$ 100,000	\$36,101	\$ 120,000	\$(37,487)	\$ 60,479	\$374,093

GLENDALE SCHOOL DISTRICT #77

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

BUS REPLACEMENT FUND #220

For the Fiscal Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES:</u>				
Revenues from State Sources:				
Bus Depreciation Support	\$ 39,074	\$ 39,074	\$ 43,440	\$ 4,366
Unrestricted Grants-In-Aid	4,366	4,366	-	(4,366)
Total Revenues from State Sources	43,440	43,440	43,440	-
Total Revenues	43,440	43,440	43,440	-
<u>EXPENDITURES:</u>				
Support Services				
#2550 Student Transportation Services:				
Other Objects - Bus Lease Purchase Principle	38,749	38,749	38,749	-
Other Objects - Bus Lease Purchase Interest	4,691	4,691	4,691	-
Total Support Services	43,440	43,440	43,440	-
Total Expenditures	43,440	43,440	43,440	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
<u>OTHER FINANCING SOURCES (USES):</u>				
Operating Transfers In	-	95,000	95,000	-
Total Other Financing Sources	-	95,000	95,000	-
Net Change in Fund Balance	-	95,000	95,000	-
Fund Balance - July 1, 2013	-	-	-	-
Fund Balance - June 30, 2014	\$ -	\$ 95,000	\$ 95,000	\$ -

GLENDALE SCHOOL DISTRICT #77

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual**

TECHNOLOGY FUND #230

For the Fiscal Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u>
			<u>(Budgetary</u>	<u>Budget</u>
			<u>Basis)</u>	<u>Positive</u>
			<u>(See Note 1)</u>	<u>(Negative)</u>
<u>REVENUES:</u>				
Revenues from State Sources:				
Unrestricted Grants-In-Aid	-	-	-	-
Total Revenues from State Sources	-	-	-	-
Total Revenues	-	-	-	-
<u>EXPENDITURES:</u>				
Support Services				
#2660 Technology Services	-	-	-	-
Total Support Services	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
<u>OTHER FINANCING SOURCES (USES):</u>				
Operating Transfers In	-	100,000	100,000	-
Total Other Financing Sources	-	100,000	100,000	-
Net Change in Fund Balance	-	100,000	100,000	-
Fund Balance - July 1, 2013	-	-	-	-
Fund Balance - June 30, 2014	\$ -	\$ 100,000	\$ 100,000	\$ -

GLENDALE SCHOOL DISTRICT #77

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual**

STUDENT BODY FUND #260

For the Fiscal Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Revenues from Local Sources:				
Admissions	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)
Fees	5,000	5,000	-	(5,000)
Club Fund Raising	200,000	200,000	25,338	(174,662)
Contributions	40,000	40,000	-	(40,000)
Total Revenues from Local Sources	250,000	250,000	25,338	(224,662)
Total Revenues	250,000	250,000	25,338	(224,662)
<u>EXPENDITURES:</u>				
Instruction:				
#1122 Middle/Junior High School Extracurricular				
Purchased Services	-	-	1,905	1,905
#1132 High School Extracurricular				
Salaries			1,989	1,989
Employee Benefits			164	164
Purchased Services	-	-	3,545	3,545
Supplies and Materials	265,000	265,000	19,560	(245,440)
Total Instruction	265,000	265,000	27,163	(237,837)
Total Expenditures	265,000	265,000	27,163	(237,837)
Excess (Deficiency) of Revenues Over Expenditures	(15,000)	(15,000)	(1,825)	13,175
Fund Balance - July 1, 2013	40,000	40,000	37,926	(2,074)
Fund Balance - June 30, 2014	\$ 25,000	\$ 25,000	\$ 36,101	\$ 11,101

GLENDALE SCHOOL DISTRICT #77

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual**

EXTRA CURRICULAR FUND #261

For the Fiscal Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u>
			<u>(Budgetary</u>	<u>Budget</u>
			<u>Basis)</u>	<u>Positive</u>
			<u>(See Note 1)</u>	<u>(Negative)</u>
<u>REVENUES:</u>				
Revenues from State Sources:				
Unrestricted Grants-In-Aid	-	-	-	-
Total Revenues from State Sources	-	-	-	-
Total Revenues	-	-	-	-
<u>EXPENDITURES:</u>				
Support Services				
#2210 Curriculum Development				
Total Support Services	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
<u>OTHER FINANCING SOURCES (USES):</u>				
Operating Transfers In	-	120,000	120,000	-
Total Other Financing Sources	-	120,000	120,000	-
Net Change in Fund Balance	-	120,000	120,000	-
Fund Balance - July 1, 2013	-	-	-	-
Fund Balance - June 30, 2014	\$ -	\$ 120,000	\$ 120,000	\$ -

GLENDALE SCHOOL DISTRICT #77

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

FOOD SERVICE FUND #280

For the Fiscal Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis) (See Note 1)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Revenues from Local Sources:				
Lunch Sales	\$ 40,060	\$ 40,060	\$ 14,299	\$ (25,761)
Miscellaneous Revenues	4,000	4,000	625	(3,375)
Total Local Revenues	44,060	44,060	14,924	(29,136)
Revenues from State Sources:				
Basic School Support Fund	3,000	3,000	1,530	(1,470)
Total State Revenues	3,000	3,000	1,530	(1,470)
Revenues from Federal Sources:				
School Nutrition - Lunch	120,000	120,000	81,374	(38,626)
School Nutrition - Breakfast	50,000	50,000	45,071	(4,929)
Commodities	8,000	8,000	7,952	(48)
Total Federal Revenues	178,000	178,000	134,397	(43,603)
Total Revenues	225,060	225,060	150,851	(74,209)
<u>EXPENDITURES:</u>				
Enterprise and Community Services:				
#3110 Food Services - Service Area Direction:				
Salaries	61,420	61,420	56,674	(4,746)
Employee Benefits	46,940	46,940	46,969	29
Purchased Services	11,100	11,100	8,578	(2,522)
Supplies and Materials	109,000	109,000	74,932	(34,068)
Other Objects	1,600	1,600	1,781	181
Total Enterprise and Community Services	230,060	230,060	188,934	(41,126)
Total Expenditures	230,060	230,060	188,934	(41,126)
Excess (Deficiency) of Revenues Over Expenditures	(5,000)	(5,000)	(38,083)	(33,083)
Fund Balance - July 1, 2013	5,000	5,000	596	(4,404)
Fund Balance - June 30, 2014	\$ -	\$ -	\$ (37,487)	\$ (37,487)

GLENDALE SCHOOL DISTRICT #77

Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual

MAINTENANCE FUND #291

For the Fiscal Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis) (See Note 1)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Revenues from Local Sources:				
Miscellaneous Revenues	\$ -	\$ -	\$ 51,200	\$ 51,200
Total Revenues from Local Sources	-	-	51,200	51,200
Total Revenues	-	-	51,200	51,200
EXPENDITURES:				
Support Services				
#2540 Operation /Maintenance of Plant:				
Purchased Services	20,000	20,000	19,342	(658)
Supplies and Materials	10,000	10,000	501	(9,499)
Total Support Services	30,000	30,000	19,843	(10,157)
Total Expenditures	30,000	30,000	19,843	(10,157)
Excess (Deficiency) of Revenues Over Expenditures	(30,000)	(30,000)	31,357	61,357
Fund Balance - July 1, 2013	30,000	30,000	29,122	(878)
Fund Balance - June 30, 2014	\$ -	\$ -	\$ 60,479	\$ 60,479

Debt Service Funds

GLENDALE SCHOOL DISTRICT #77

COMBINING BALANCE SHEET

NON-MAJOR DEBT SERVICE FUNDS

June 30, 2014

	Debt Service Fund #300	QSCB Debt Service Fund #301	Total
<u>ASSETS:</u>			
Cash and Investments	\$ 15,860	\$ 474	\$ 16,334
Taxes Receivable	11,437	-	11,437
Total Assets	\$ 27,297	\$ 474	\$ 27,771
<u>LIABILITIES & FUND EQUITY:</u>			
LIABILITIES:			
Current Liabilities:			
Deferred Revenues	\$ 9,842	\$ -	\$ 9,842
Total Liabilities	9,842	-	9,842
FUND BALANCE:			
Fund Balance:			
Restricted for:			
Debt Service	17,456	475	17,931
Total Fund Balance	17,456	475	17,931
Total Liabilities and Fund Balance	\$ 27,298	\$ 475	\$ 27,773

GLENDALE SCHOOL DISTRICT #77

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances

NON-MAJOR DEBT SERVICE FUNDS

For the Fiscal Year Ended June 30, 2014

	Debt Service Fund #300	QSCB Debt Service Fund #301	Total
<u>REVENUES:</u>			
Revenues from:			
Ad Valorem Taxes-Current Year	\$ 90,902	\$ -	\$ 90,902
Ad Valorem Taxes-Prior Year	5,139	-	5,139
Miscellaneous	-	6,696	6,696
Total Revenues	96,041	6,696	102,737
<u>EXPENDITURES:</u>			
Other Uses - Debt Service	91,805	33,497	125,302
Total Expenditures	91,805	33,497	125,302
Excess (Deficiency) of Revenues Over Expenditures	4,236	(26,801)	(22,565)
<u>OTHER FINANCING SOURCES (USES):</u>			
Operating Transfers In	-	26,500	26,500
Total Other Financing Sources (Uses)	-	26,500	26,500
Net Change in Fund Balance	4,236	(301)	3,935
Fund Balance - July 1, 2013	13,220	776	13,996
Fund Balance - June 30, 2014	\$ 17,456	\$ 475	\$ 17,931

GLENDALE SCHOOL DISTRICT #77

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

DEBT SERVICE FUND #300

(A Non-Major Fund)

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES:</u>				
Revenues from Local Sources:				
Ad Valorem Taxes-Current Year	\$ 88,805	\$ 88,805	\$ 90,902	\$ 2,097
Ad Valorem Taxes-Prior Year	3,000	3,000	5,139	2,139
Total Revenues	91,805	91,805	96,041	4,236
<u>EXPENDITURES:</u>				
Other Uses:				
#5110 Debt Service:				
#610 Principal Redemption	60,000	60,000	60,000	-
#620 Interest	31,805	31,805	31,805	-
Total Other Uses	91,805	91,805	91,805	-
Total Expenditures	91,805	91,805	91,805	-
Excess (Deficiency) of Revenues Over Expenditure	-	-	4,236	4,236
Fund Balance - July 1, 2013	-	-	13,220	13,220
Fund Balance - June 30, 2014	\$ -	\$ -	\$ 17,456	\$ 17,456

GLENDALE SCHOOL DISTRICT #77

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

QSCB DEBT SERVICE FUND #301

(A Non-Major Fund)

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES:</u>				
Revenues from Local Sources:				
Miscellaneous	\$ 8,500	\$ 8,500	\$ 6,696	(1,804)
Total Revenues	8,500	8,500	6,696	(1,804)
<u>EXPENDITURES:</u>				
Other Uses:				
#5110 Debt Service:				
#610 Principal Redemption	35,000	35,000	33,497	(1,503)
Total Uses	35,000	35,000	33,497	(1,503)
Total Expenditures	35,000	35,000	33,497	(1,503)
Excess (Deficiency) of Revenues Over Expenditures	(26,500)	(26,500)	(26,801)	(301)
<u>OTHER FINANCING SOURCES (USES):</u>				
Operating Transfers In	26,500	26,500	26,500	-
Total Other Financing Sources (Uses)	26,500	26,500	26,500	-
Net Change in Fund Balance	-	-	(301)	(301)
Fund Balance - July 1, 2013	-	-	776	776
Fund Balance - June 30, 2014	\$ -	\$ -	\$ 475	\$ 174

Fiduciary Funds

GLENDALE SCHOOL DISTRICT #77

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual**

GREGORY SCHOLARSHIP FUND #700 -- NON-EXPENDABLE TRUST FUND

For the Fiscal Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis) (See Note 1)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Revenues from Local Sources:				
Interest on Investments	\$ 500	\$ 500	\$ -	\$ (500)
Total Revenues	500	500	-	(500)
<u>EXPENDITURES:</u>				
Support Services - Business:				
#2529 Fiscal Services				
Other Fiscal Services - Supplies & Materials	500	500	500	-
Total Support Services	500	500	500	-
Total Expenditures	500	500	500	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	(500)	(500)
Fund Balance - July 1, 2013	47,149	47,149	47,149	-
Fund Balance - June 30, 2014	\$ 47,149	\$ 47,149	\$ 46,649	\$ (500)

Additional Supporting Schedules

GLENDALE SCHOOL DISTRICT #77
SCHEDULE OF PROPERTY TAX TRANSACTIONS
For the Fiscal Year Ended June 30, 2014

	General Fund Permanent Rate Tax, Subject to Measure 5	Bond Levy Tax, Outside Measure 5 Limits	Total
Assessed Valuation, 2013-14 Tax Roll	\$ 186,208,826	\$ 186,208,826	\$186,208,826
General Fund Permanent Rate Levy, Per One Thousand Dollars	4.7431		4.7431
General Obligation Bond Levy Rate, Per One Thousand Dollars		0.5244	0.5244
Amount Levy Rates Will Raise	883,207	97,648	980,855
Loss Due to Measure 5 Compression	(60,105)	-	(60,105)
Forestland & Western Oregon Small Tract Add		918	918
Roll Corrections & Omitted Property	-	1,159	1,159
Net Tax Levy	<u>\$ 823,102</u>	<u>\$ 99,725</u>	<u>\$ 922,827</u>

Tax Year	Uncollected Balance July 1, 2013	Tax Collector's Adjustments Increase (Decrease)	Collections During the Year	Uncollected Balance June 30, 2014
2013-14	\$ 922,827	\$ (24,479)	\$ 851,844	\$ 46,505
2012-13	47,977	(787)	21,882	25,308
2011-12	28,327	1,750	11,202	18,875
2010-11	20,127	3,099	11,416	11,810
2009-10	11,891	2,127	10,393	3,624
2008-09	2,124	407	1,240	1,290
2007-08 & Prior	1,458	1,726	1,288	1,896
Total Cash Collections	<u>\$ 1,034,730</u>	<u>\$ (16,157)</u>	<u>\$ 909,265</u>	<u>\$ 109,308</u>

Less Accrued Revenue - June 30, 2012	(16,437)
Add Accrued Revenue - June 30, 2013	15,449
Total Property Tax Revenues - Modified Accrual Method	<u>\$ 908,277</u>

Summary by Fund -

Modified Accrual Method (Budget Basis)	Current	Prior	Total	Receivable
General Fund	\$ 768,177	\$ 44,059	\$ 812,236	\$ 97,870
Debt Service Fund	90,902	5,139	96,041	11,437
Totals - Modified Accrual Method (Budget Basis)	<u>\$ 859,079</u>	<u>\$ 49,198</u>	<u>\$ 908,277</u>	<u>\$ 109,307</u>

GLENDALE SCHOOL DISTRICT #77

SCHEDULE OF FUND EXPENDITURES AND APPROPRIATIONS

For the Fiscal Year Ended June 30, 2014

	<u>Expenditures</u>	<u>Appropriations</u>	<u>Over/(Under) Appropriations</u>
GENERAL FUND #100			
Instruction	\$ 2,859,522	\$ 2,870,631 *	\$ (11,109)
Support Services	1,195,208	1,285,414	(90,206)
Transfers	481,500	481,500 *	-
Contingency	-	374,106 *	(374,106)
FEDERAL FUND #201			
Instruction	119,042	121,756	(2,714)
Support Services	83,272	90,247	(6,975)
BUS REPLACEMENT FUND #220			
Support Services	43,440	43,440	-
STUDENT BODY FUND #260			
Instruction	27,163	265,000	(237,837)
FOOD SERVICE FUND #280			
Enterprise and Community Services	188,934	230,060	(41,126)
MAINTENANCE FUND #291			
Support Services	19,843	30,000	(10,157)
DEBT SERVICE FUND #300			
Other Uses	91,805	91,805	-
QSCB DEBT SERVICE FUND #301			
Other Uses	33,497	35,000	(1,503)
GREGORY SCHOLARSHIP FUND #700			
Support Services	500	500	-
HIGH SCHOOL CHARTER FUND #702			
Instruction	471,026	562,884	(91,858)
Support Services	572,479	603,297	(30,818)
Transfers	360,000	360,000 *	-
Contingency	-	124,898 *	(124,898)
TOTAL ALL FUNDS	<u>\$ 6,547,231</u>	<u>\$ 7,570,539</u>	<u>\$ (1,023,307)</u>

RECAP:

Original Budget Appropriation	5,964,184
* Supplemental Budget Resolution #2013-14-03	<u>1,606,355</u>
Total Budget Appropriations	<u>\$ 7,570,539</u>

* Supplemental Budget Resolution #2013-14-03 increased appropriations in the General Fund as follows: Instruction by \$543,398, Transfers by \$455,000, and Contingency by \$123,059; in the High School Charter Fund as follows: Transfers by \$360,000, and Contingency by \$124,898.

GLENDALE SCHOOL DISTRICT #77
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2014

	Outstanding Balance July 1, 2013	Matured	Retired	Outstanding Balance June 30, 2014	Due Within One Year
General Obligation Bond, Series 2000 for Building Repairs and Improvements					
Original Balance \$990,000					
Dated July 15, 2000					
Interest Rate - 5.150% to 5.625%					
Principal	\$ 570,000	\$ -	\$ 60,000	\$ 510,000	\$ 70,000
Interest	-	31,805	31,805	-	28,565
Totals	570,000	31,805	91,805	510,000	98,565
QSCB loan with Bank of New York Mellon Series 2010A Flex Fund Program					
Original Balance \$540,000					
Dated July 1, 2010					
Interest Rate - 5.2043%					
Principal	439,563	-	33,497	406,066	35,000
Interest	-	-	-	-	22,876
Totals	439,563	-	33,497	406,066	57,876
Lease Purchase Agreement with De Lage Public Finance LLC for Purchase of a Blue Bird Bus					
Original Balance \$98,149					
Dated January 12, 2011					
Interest Rate					
Principal	60,143	-	19,175	40,968	20,035
Interest	-	2,697	2,697	-	1,837
Totals	60,143	2,697	21,872	40,968	21,872
Lease Purchase Agreement with Bank of America National for Purchase of a Blue Bird Bus					
Original Balance \$95,751					
Dated December 16, 2009					
Interest Rate - 4.97%					
Principal	39,551	-	19,574	19,977	19,977
Interest	-	1,994	1,994	-	1,021
Totals	39,551	1,994	21,568	19,977	20,998
TOTAL DEBT AGREEMENTS:					
Principal	1,109,257	-	132,246	977,011	145,012
Interest	-	36,496	36,496	-	54,299
Totals	\$ 1,109,257	\$ 36,496	\$ 168,742	\$ 977,011	\$ 199,311

GLENDALE SCHOOL DISTRICT #77
SCHEDULE OF FUTURE REQUIREMENTS FOR
RETIREMENT OF LONG-TERM DEBT
For the Fiscal Year Ended June 30, 2013

	Fiscal Year Ended June 30,	Total	Principal	Interest	Coupon Interest Rate
General Obligation Bond, Series 2000 for Building Repairs and Improvements - Original Balance \$990,000 Dated July 15, 2000	2015	98,565	70,000	28,565	5.45%
	2016	99,750	75,000	24,750	5.63%
	2017	100,531	80,000	20,531	5.63%
	2018	101,031	85,000	16,031	5.63%
	2019	106,250	95,000	11,250	5.63%
	2020	110,906	105,000	5,906	5.63%
Totals		617,033	510,000	107,033	
				Interest paid by Federal Subsidy	
QSCB Series 2010A Original Balance: \$540,000 Dated July 1, 2010	2015	35,000	35,000	22,876	
	2016	36,000	36,000	19,200	
	2017	36,000	36,000	19,200	
	2018	36,000	36,000	18,200	
	2019	36,000	36,000	18,200	
	2020	36,000	36,000	18,200	
	2021	38,000	38,000	10,450	
	2022	38,000	38,000	10,450	
	2023	38,000	38,000	10,450	
	2024	38,000	38,000	10,450	
	2025	38,000	38,000	10,450	
Totals		405,000	405,000	168,126	
Lease Purchase Agreement with De Lage Public Finance, LLC for Lease/Purchase of Blue Bird Bus Original Balance \$98,149 January 12, 2011	2015	21,872	20,035	1,837	
	2016	21,872	20,933	939	
Totals		43,744	40,968	2,776	
Lease Purchase Agreement with Bank of America National for Purchase of Bus Original Balance \$95,751	2015	21,568	19,977	1,021	4.97%
Totals		21,568	19,977	1,021	4.97%
Total Future Requirements for Long-Term Debt		\$ 1,087,345	\$ 975,945	\$ 278,956	

INDEPENDENT

AUDITOR'S

COMMENTS

GLENDALE SCHOOL DISTRICT NO. 77
AUDITOR'S COMMENTS AND DISCLOSURES
REQUIRED BY STATE REGULATION
JUNE 30, 2014

To the Governing Body of the Glendale School District No. 77
Glendale, Oregon

We have audited the basic financial statements of the Glendale School District as of and for the year ended June 30, 2014, and have issued our report thereon dated December 19, 2014. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the Glendale School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

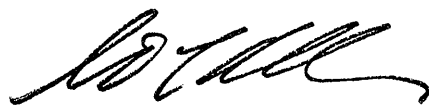
- **Deposit of public funds with financial institutions (ORS Chapter 295).**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Authorized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

In connection with our testing nothing came to our attention that caused us to believe the District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

OAR 162-10-0230 Internal Control

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

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



Steve Tuchscherer, CPA, PC
Roseburg, Oregon
December 19, 2014

SINGLE AUDIT SECTION

GLENDALE SCHOOL DISTRICT #77

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the YEAR ENDED June 30, 2014

Federal Grantor/Pass Through Grantor/ Program Title	Grant Fund	Federal CFDA Number	Grant Period	Original Program or grant amount	Receivable/ Deferred Revenue June 30, 2013	Cash Received	Expenditures	Receivable/ Deferred Revenue June 30, 2014
US. DEPARTMENT OF EDUCATION								
Passed Through Oregon Department of Education:								
Title I - Grants to Local Education Agencies	Federal Fund	84.010	2013-14	105,979	-	103,672	103,672	-
Title I - School Improvement	Federal Fund	84.010	2011-12		-	-	-	-
Total Title I				105,979	-	103,672	103,672	-
Title II-A Improving Teacher Quality	Federal Fund	84.367	2013-14	19,446	-	-	-	-
IDEA - Special Education Grants to States	Federal Fund	84.027A	2012-13	-	-	13	13	-
IDEA - Special Education Grants to States	Federal Fund	84.027A	2013-14	57,515	-	57,515	57,515	-
IDEA - Enhancement & Extended Assessment Training	Federal Fund	84.027A	2013-14	1,591	-	-	-	-
IDEA - SPR & I	Federal Fund	84.027A	2013-14	1,190	-	1,190	1,190	-
Special Education Preschool Grant	Federal Fund	84.173	2013-14	233	-	233	233	-
Total IDEA				60,529	-	58,951	58,951	-
Rural Education Achievement Program	Federal Fund	84.358	2011-12	23,571	(23,571)	23,571	-	-
Rural Education Achievement Program	Federal Fund	84.358	2012-13	20,853	(20,853)	20,853	-	-
Rural Education Achievement Program	Federal Fund	84.358	2013-14	15,370	-	15,370	15,370	-
Passed through Oregon University System:								
Gaining Early Awareness and Readiness for Undergraduate Programs	Federal Fund	84.334	2012-13	54,230	(34,506)	34,506	-	-
Gaining Early Awareness and Readiness for Undergraduate Programs	Federal Fund	84.334	2013-14	30,000	-	22,729	22,729	-
Total Gaining Early Awareness and Readiness for Undergraduate Programs				54,230	(34,506)	34,506	-	-
Total U.S. Department of Education				\$ 329,978	\$ (78,930)	\$ 279,652	\$ 200,722	\$ -
DEPARTMENT OF HEALTH AND HUMAN SERVICES								
ARRA - Head Start	General Fund	93.708	2013-14	-	-	987	987	-
Total Department of Health and Human Services				\$ -	\$ -	\$ 987	\$ 987	\$ -
U.S. DEPARTMENT OF AGRICULTURE								
Passed Through Oregon Department of Education:								
Commodities	* Food Service	10.550	2013-14	7,952	-	7,952	7,952	-
National School Lunch - Breakfast	* Food Service	10.553	2013-14	44,387	-	44,387	44,387	-
National School Lunch - Breakfast	* Food Service	10.553	2012-13	48,559	(8,318)	8,318	-	-
National School Lunch - Section 4	* Food Service	10.555	2013-14	81,374	-	81,374	81,374	-
National School Lunch - Section 5	* Food Service	10.555	2012-13	85,540	(14,035)	14,035	-	-
Total National School Lunch Program	* Food Service	10.579	2011-12	267,812	(22,353)	156,066	133,713	-
Passed Through Douglas County:								
School and Roads - Grants to States	General Fund	10.665	2013-14	44,715	-	44,715	44,715	-
Total U.S. Department of Agriculture				312,527	(22,353)	200,781	178,428	-
TOTALS				\$ 642,505	\$ (101,283)	\$ 481,420	\$ 380,137	\$ -

This schedule is prepared using the modified accrual basis of accounting

RECONCILIATION TO REVENUE:

Cash Receipts	\$ 481,420
Grants Receivable/Deferred Revenue Beginning of Year	(101,283)
Grants Receivable/Deferred Revenue End of Year	-
Federal Revenue Recognized per Schedule Above	\$ 380,137

* major program



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*

To the Board of Directors
Glendale School District No. 77

I have audited, 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 the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Glendale School District No. 77, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Glendale School District No. 77's basic financial statements and have issued our report thereon dated December 19, 2014

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered Glendale School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Glendale School District's internal control. Accordingly, I do not express an opinion on the effectiveness of Glendale School District's 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. 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.

My 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 significant deficiencies or material weaknesses. Given these limitations, during my audit I did not identify any deficiencies in internal control that I 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 Glendale School District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance 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 my audit, and accordingly, I do not express such an opinion. The results of my 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 organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Steve Tuchscherer, CPA
December 19, 2014



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

To the Board of Directors
Glendale School District No. 77

Report on Compliance for Each Major Federal Program

I have audited Glendale School District No. 77'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 Glendale School District No. 77's major federal programs for the year ended June 30, 2014. Glendale School District No. 77's 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

My responsibility is to express an opinion on compliance for each of Glendale School District No. 77's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my 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 I 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 Glendale School District No. 77's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of Glendale School District No. 77's compliance.

Opinion on Each Major Federal Program

In my opinion, Glendale School District No. 77 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

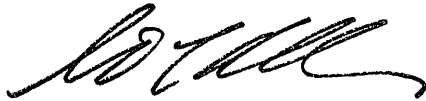
The management of Glendale School District No. 77 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit, I considered Glendale School District No. 77's internal control 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, I do not express an opinion on the effectiveness of Glendale School District No. 77's internal control over compliance.

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

ontrol 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.

My 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. I did not identify any deficiencies in internal control over compliance that I 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 my 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.



Steve Tuchscherer, CPA
December 19, 2014

GLENDALE SCHOOL DISTRICT NO. 77
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2014

Section I—Summary of Auditor’s Results

1. The auditor’s report expresses an unqualified opinion on the financial statements of Glendale School District No. 77.
2. No material weaknesses or reportable conditions related to the financial statement audit were identified which are required to be reported in accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Glendale School District No. 77 were disclosed during the audit.
4. No significant deficiencies in internal control were disclosed by the audit of the financial statements.
5. No significant deficiencies in internal controls over major programs were disclosed by the audit.
6. The auditor’s report on compliance for the major federal award program expresses an unqualified opinion.
7. The audit did not disclose any findings that are required to be reported.
8. The program tested as a major program was National School Lunch cluster, CFDA 10.550, 10.553, 10.555, and 10.579.
9. The threshold for distinguishing between Type A and B programs was \$300,000.
10. The District was determined to be a low-risk auditee.

Section II—Financial Statements Findings

No findings related to the financial statements are reported for the year ended June 30, 2014.

Section III—Findings and Questioned Costs for Federal Awards.

No matters were reported relating to significant deficiencies, material weaknesses, or instances of noncompliance related to the financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

Section IV—Summary Schedule of Prior Audit Findings

There were no findings or questioned costs for the year ended June 30, 2013.

GLENDALE SCHOOL DISTRICT #77

Oregon Department of Education Form 581-3211-C

For the Fiscal Year Ended June 30, 2014

SUPPLEMENTAL INFORMATION, 2013-2014

Part A is needed for computing Oregon's full allocation for ESEA, Title 1 & other Federal Funds for Education

B. Energy Bills for Heating - All Funds:

Please enter your expenditures for electricity
& heating fuel for these Functions & Objects.

	Objects 325 & 326
Function 2540	\$ 120,619
Function 2550	\$ 11,031

C. Replacement of Equipment - General Fund:

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

Exclude these functions:

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

Exclude these functions:

4150 Construction
2550 Pupil Transportation
3100 Food Service
3300 Community Services

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Form 581-3211-C (Rev 5/04)