



COLTON SCHOOL DISTRICT NO. 53
Clackamas County, Oregon

Financial Report

Year Ended June 30, 2015

ADMINISTRATION

Linda Johnson, Superintendent/Clerk

30429 S. Grays Hill Road
Colton, Oregon 97017

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COLTON SCHOOL DISTRICT NO. 53
CLACKAMAS COUNTY, OREGON

BOARD OF EDUCATION

TERM EXPIRES

Joe Nelson, Chair

June 30, 2015

Randy Johnson

June 30, 2017

Tim Behrens

June 30, 2015

Jeff Lorenzini

June 30, 2015

Sheryl Irving

June 30, 2017

Ken Raasch

Resigned April 13,2015

ADMINISTRATION

Linda Johnson, Superintendent/Clerk

30429 S. Grays Hill Road
Colton, Oregon 97017

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COLTON SCHOOL DISTRICT NO. 53
CLACKAMAS COUNTY, OREGON

TABLE OF CONTENTS

	<u>PAGE NUMBER</u>
FINANCIAL SECTION:	
INDEPENDENT AUDITORS' REPORT	1 - 3
MANAGEMENT'S DISCUSSION AND ANALYSIS	7-14
FINANCIAL STATEMENTS AND SCHEDULES:	
BASIC FINANCIAL STATEMENTS:	
Government-Wide Financial Statements:	
Statement of Net Position	16
Statement of Activities	17
Fund Financial Statements:	
Balance Sheet - Governmental Funds	18
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	19
Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
Statement of Fiduciary Net Position	22
Notes to the Basic Financial Statements	24 - 42
REQUIRED SUPPLEMENTARY INFORMATION	
Oregon Public Employees Retirement System Schedules - District's Proportionate Share of the Net Pension Liability and District Contributions	44
Schedule of Revenues, Expenditures and Changes in Fund Balance Actual to Budget	
General Fund	45
Grant Fund	46
Notes to the Supplementary Information	48 - 50
SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balance Actual to Budget	
Food Service Fund	52
Capital Projects Fund	53
Schedule of Additions, Deductions, and Changes in Balances Actual and Budget (Non-GAAP Budgetary Basis) - Student Body Fund	54
Schedule of Property Tax Transactions	55
Revenues by Function - All Governmental Funds	56
Expenditures by Function/Object - General Fund	57
Expenditures by Function/Object - Special Revenue Grant Fund	58
Expenditures by Function/Object - Capital Projects Fund	59
Expenditures by Function/Object - Trust and Agency Funds	60
Supplemental Information - As Required by The Oregon Department of Education	61
AUDITORS' COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATIONS	64 - 65

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INDEPENDENT AUDITORS' REPORT

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To the School Board
Colton School District No. 53
Clackamas County, Oregon

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Colton School District No. 53, Clackamas County, Oregon (District), as of and for the year ended June 30, 2015, 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 principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our 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 the District, as of June 30, 2015, and the respective change in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.



Change in Accounting Principle

As described in the notes to the financial statements, during the year ended June 30, 2015, the District adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Additionally, accounting principles generally accepted in the United States of America require that the General Fund and Grant Fund budgetary comparisons be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the General Fund and Grant Fund budgetary comparisons are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.



The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as defined in the table of contents, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Reports on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 22, 2015, on our consideration of the District's internal control over financial reporting and compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of 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.

Wilcox Arredondo & Co.

Certified Public Accountants
Canby, Oregon
December 22, 2015

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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COLTON SCHOOL DISTRICT NO. 53
CLACKAMAS COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2015

The management of the Colton School District No. 53, Clackamas County, Oregon (the District), offers readers this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with the basic financial statements and the notes to the basic financial statements, to enhance their understanding of the District's financial activities.

New Accounting Standards Implemented

The Governmental Accounting Standards Board (GASB) now requires all state and local governments to report their pension liabilities in the annual financial information. This new requirement, known as GASB 68, is intended to promote transparency, consistency and comparability of pension information reported by state and local governments and pension plans. Due to the implementation of GASB 68, the District required a restatement of the prior year net position resulting in a decrease of \$2,437,970 for 2014.

Financial Highlights

- The assets of the District in the government-wide financial statements were \$6,782,561, which is an increase of \$2,777,352, primarily due to the general obligation bond and the proportionate share of net pension asset as a result of the GASB 68 implementation. Net position of the District exceeded its liabilities at June 30, 2015 by \$3,233,355.
- The District's total net position decreased by \$771,854 for the fiscal year as compared to the prior year prior to the restatement. This was primarily due to the issuance of general obligation bond long-term debt.
- At June 30, 2015, the District's General Fund reported an ending fund balance of \$1,279,207. This represents a decrease of \$60,764 over the prior year. This decrease was due to expenditures exceeding resources to maintain the same level of service.

This discussion and analysis is intended to serve as an introduction to the Colton School District No. 53's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business.

- The *Statement of Net Position* presents information on all of the District's assets and liabilities, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.
- The *Statement of Activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). As is typical for a school district, the District has governmental activities, such as regular and special education programs, child nutrition services, transportation, administration and facilities improvements. The District currently does not have any business-type activities.

The government-wide financial statements can be found on pages 16-17 of this report.

COLTON SCHOOL DISTRICT NO. 53
CLACKAMAS COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2015

Fund Financial Statements are designed to demonstrate compliance with finance-related legal requirements overseeing the use of fund accounting. A *fund* is defined as a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities and objectives. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds. The School Board sets appropriations each year within every fund for instruction, support services, community services, facilities, debt service, transfers, contingency, and un-appropriated ending fund balance. These appropriations establish the legal limits for expenditures of the District as established by Oregon Revised Statutes.

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

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

The District has three major governmental funds: the General Fund, the Grant Fund, and the Capital Projects Fund. Information is presented in the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenue, Expenditures and Changes in Fund Balances for the major governmental funds.

The District adopts an annual appropriated budget for all of its funds as stated above. A budgetary comparison statement has been provided for each fund individually to demonstrate compliance with their budgets.

The basic governmental fund financial statements can be found on pages 16-22 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs.

The basic fiduciary fund financial statement can be found on page 22 of this report.

Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 24-42 of this report.

Government-Wide Financial Analysis

Statement of Net Position. As noted earlier, net position may serve over time as a useful indicator of the District's financial position. In the case of the District, assets exceeded liabilities by \$3,233,355 at the close of the most recent fiscal year.

COLTON SCHOOL DISTRICT NO. 53
CLACKAMAS COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2015

Government-Wide Financial Analysis (Continued)

Statement of Net Position (Continued)

Capital assets, which consist of the District's land, buildings, building improvements, land improvements, vehicles, and equipment, represent about 30.6% of total assets. Cash and cash equivalents represent 44.4% of total assets and are comprised primarily of investments placed with the State of Oregon Local Governmental Investment Pool. The remaining assets consist of receivables and the proportionate share of net pension. Investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding represent 57.4% of total net position. The District uses these capital assets for classrooms and supporting services for providing K-12 education; consequently, these assets are not available for future spending.

Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The District's long term liabilities due more than one year represent 73.4% of total liabilities and consist of bond debt services, capital leases and early retirement benefits. Current liabilities, representing about 26.6% of the District's total liabilities, consist almost entirely of payables on accounts, salaries and benefits, and the current portion of long-term debt.

	Governmental Activities		Increase (Decrease) from
	2015	2014 (1)	Fiscal 2014
Assets			
Current and other assets	\$ 4,704,346	\$ 1,948,407	\$ 2,755,939
Net capital assets	2,078,215	2,056,802	21,413
Total assets	<u>6,782,561</u>	<u>4,005,209</u>	<u>2,777,352</u>
Deferred Outflows of Resources			
Pensions	<u>621,001</u>	<u>573,255</u>	<u>47,746</u>
Liabilities			
Current and other liabilities	593,741	3,636,604	(3,042,863)
Long-term liabilities	<u>1,640,804</u>	<u>131,104</u>	<u>1,509,700</u>
Total liabilities	<u>2,234,545</u>	<u>3,767,708</u>	<u>(1,533,163)</u>
Deferred Inflows of Resources			
Pensions	<u>1,935,662</u>	<u>-</u>	<u>1,935,662</u>
Net Position			
Net investment in capital assets	1,854,346	1,916,144	(61,798)
Restricted	1,441,479	24,405	1,417,074
Unrestricted	<u>(62,470)</u>	<u>(1,129,793)</u>	<u>1,067,323</u>
Total net position	<u>\$ 3,233,355</u>	<u>\$ 810,756</u>	<u>\$ 2,422,599</u>

(1) Restated for GASB 68

COLTON SCHOOL DISTRICT NO. 53
CLACKAMAS COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2015

Government-Wide Financial Analysis (Continued)

Statement of Net Position (Continued)

As mentioned in the Financial Highlights, the increase in net capital assets was due to the implementation of GASB 68, as well as the general obligation bond received for capital projects. The District increased total liabilities with the long term general obligation bond. Assets were 3.5 times liabilities at June 30, 2015, compared to 5.3 at June 30, 2014.

Net position invested in capital assets represents illiquid resources that are long term in nature and decreased as noted previously in the Financial Highlights. Restricted net position represents amounts designated for specific purpose. Unrestricted net position is available for the continuing operation of the District

Statement of Activities & Changes in Net Position

	Governmental Activities		Increase (Decrease) from
	2015	2014	Fiscal 2014
Revenues			
Program revenues			
Charges for services	\$ 51,106	\$ 52,936	\$ (1,830)
Operating grants and contributions	478,799	498,582	(19,783)
Total program revenues	529,905	551,518	(21,613)
General revenues			
Property taxes	1,448,559	1,319,496	129,063
State school fund	4,344,805	4,306,165	38,640
Unrestricted local, state, and federal sources	440,555	149,165	291,390
Total general revenues	6,233,919	5,774,826	459,093
Total revenues	6,763,824	6,326,344	437,480
Expenses			
Instruction	2,121,855	3,448,918	(1,327,063)
Support services	2,025,929	3,209,543	(1,183,614)
Enterprise and community services	135,049	164,630	(29,581)
Facilities acquisition and construction	52,080	-	52,080
Interest on long-term debt	6,312	7,439	(1,127)
Total expenses	4,341,225	6,830,530	(2,489,305)
Increase (decrease) in net position	2,422,599	(504,186)	2,926,785
Net position, beginning of year	3,248,726	3,752,912	(504,186)
Restated per GASB 68 implementation	(2,437,970)	-	(2,437,970)
Net position, beginning of year	810,756	3,752,912	(2,942,156)
Net position, end of year	\$ 3,233,355	\$ 3,248,726	\$ (15,371)

COLTON SCHOOL DISTRICT NO. 53
CLACKAMAS COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2015

Government-Wide Financial Analysis (Continued)

Statement of Activities & Changes in Net Position (Continued)

The key elements of change in the District's net position for the year ended June 30, 2015, are as follows:

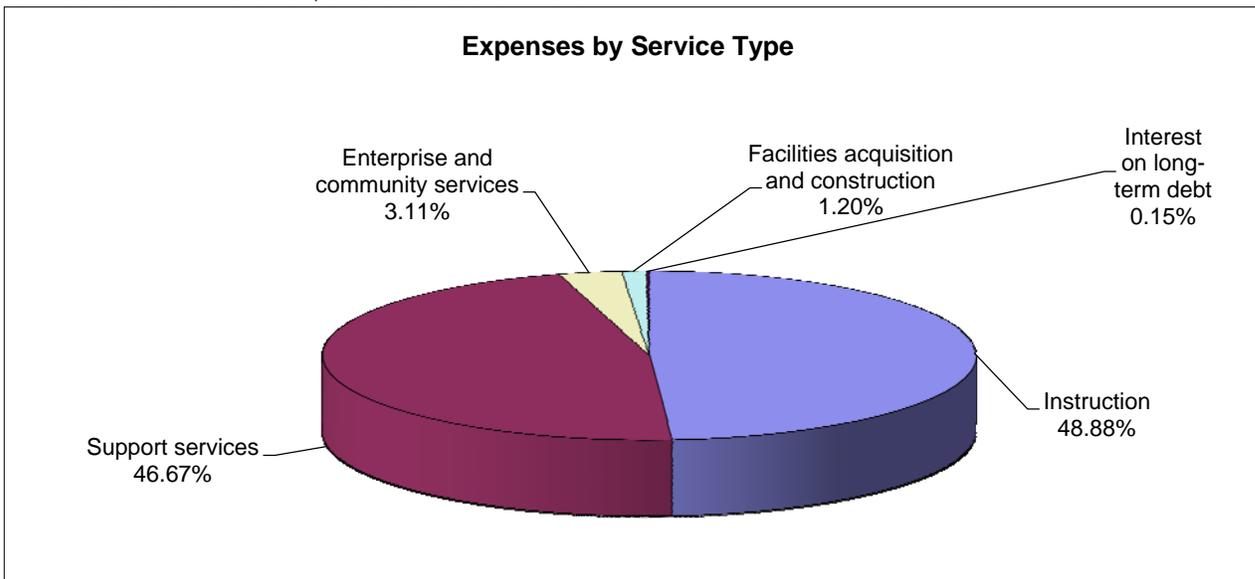
- Revenue from operating grants and contributions decreased by \$19,783 from funding reductions in State and Federal resources to fund K-12 education.
- State school fund showed an increase of \$38,640 due to the reimbursement for high cost disability students and growth in student population.
- Property taxes increased by \$129,063, due to increases from the tax levy. Other general revenues increased by \$291,390.
- Total revenues increased by \$437,480. Total expenses show a decrease of \$2,489,305, mainly due to the GASB 68 implementation in the amount of \$2,460,835.

Since the District's mission is to provide a free and appropriate public education for K-12 students within its boundaries, the District may not charge for its academic services. Charges for services stem from activities related to the School Lunch Program and participation fees for athletics.

Operating grants are comprised primarily of dollars allocated by the Federal Government and distributed by the State of Oregon. Reimbursements from the Federal School Lunch Program are also included.

General Revenues account for more than 92.2% of all resources. Property taxes of \$1,448,559 and State School Support Fund (SSSF) payments of \$4,344,805 are the largest group of resources. Each Oregon school district receives money from the state based upon an average weighted student membership formula (ADMw). The formula is allocated by multiplying a dollar rate per student established by the legislature every two-year period (bi-annum). All General Fund Ad Valorem Taxes, State School Support, Common School Fund and Federal Forest Fees are included in the SSSF formula. As a safety net, each district may utilize the highest ADMw from two of the most recent fiscal years in the calculation.

Expenses. Expenses related to governmental activities are presented in four broad functional categories in the following table. Costs of direct classroom instruction activities account for the majority of the total expenses of \$4,341,255. The other major component is support services which accounts for student, instructional staff, general and school administration, and business services.



COLTON SCHOOL DISTRICT NO. 53
CLACKAMAS COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2015

Government-Wide Financial Analysis (Continued)

Statement of Activities & Changes in Net Position (Continued)

	Total Cost of Services	Net Cost of Services
Instruction	\$ 2,121,855	\$ 1,823,638
Support services	2,025,929	1,958,481
Enterprise and community services	135,049	(29,191)
Facilities acquisition and construction	52,080	52,080
Interest on long-term debt	6,312	6,312
Total	\$ 4,341,225	\$ 3,811,320

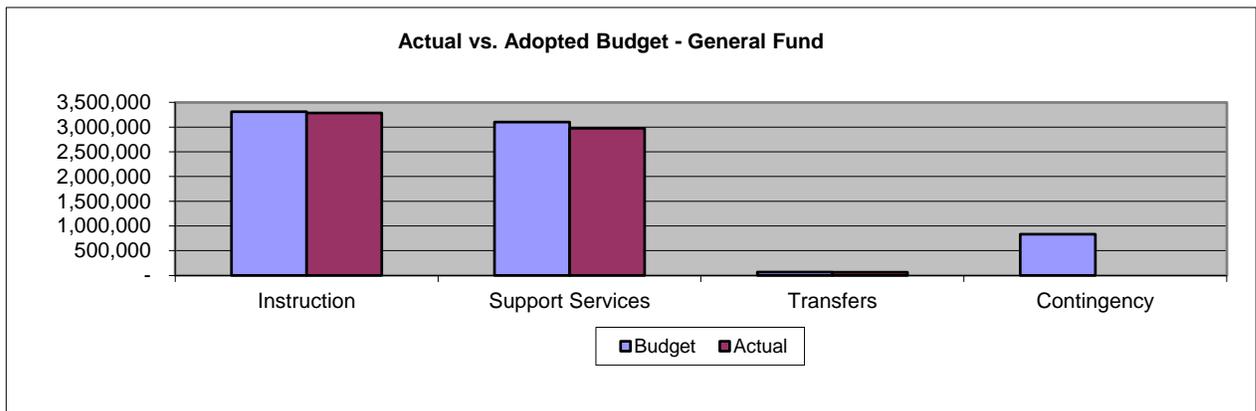
Financial Analysis of the District's Funds

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

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

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$2,720,686. Of this amount \$1,279,207 constitutes *unassigned fund balance*, which is available for spending at the District's discretion. Restricted fund balances established for capital bond projects, grants, contributions and technology represent the remaining balance.

General Fund Budgetary Highlights



The Board adopted the budget and made appropriations for the General Fund according to Oregon budget law. Appropriation transfers were made in the General Fund for the fiscal year ending June 30, 2015 and are reflected in the Schedule of Revenues, Expenditures and Changes in Fund Balance. All General Fund expenditures were within budget at year-end.

COLTON SCHOOL DISTRICT NO. 53
CLACKAMAS COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2015

General Fund Budgetary Highlights (Continued)

By resolution, the School Board transferred appropriations in the amount of \$92,446 from the contingency category to support services for the purchase of special education vans and to instruction for salary and benefit increases.

Capital Asset and Debt Administration

Capital assets. The District's investment in capital assets for its governmental activities as of June 30, 2015, amounts to \$2,078,214 (net of accumulated depreciation). This investment in capital assets includes land, buildings and site improvements, and vehicles and equipment. Capital assets for the prior year amounted to \$2,056,802 and reflect an increase of \$21,413.

	2015	2014	Increase (Decrease) from Fiscal 2014
Land	\$ 342,364	\$ 342,364	\$ -
Construction in progress	50,185	-	50,185
Buildings and site improvements	6,829,328	6,683,965	145,363
Less depreciation	(5,329,632)	(5,184,607)	(145,025)
Vehicles and equipment	1,441,245	1,402,904	38,341
Less depreciation	(1,255,275)	(1,187,824)	(67,451)
Capital assets (net of depreciation)	\$ 2,078,215	\$ 2,056,802	\$ 21,413

Additional information regarding the District's capital assets can be found in the notes to the basic financial statements on page 31.

Long-term debt. At the end of the current fiscal year, the District had total long-term debt outstanding of \$1,640,804. This amount represents the general obligation bond sold in February 2015, capital leases for the purchase of vehicles or the replacement of equipment and early retirement obligations. The District's total debt increased during the current fiscal year by \$1,431,878. This increase was attributed to the passing of Bond Measure 3-449 in November 2014, which resulted in the general obligation bond amount of \$1,490,000. Other attributed items include \$19,054 in reduction of principal payments on the capital leases and reduction of \$39,068 on early retirement obligations.

	June 30, 2015	June 30, 2014	Net Change
Capital Leases	\$ 121,604	\$ 140,658	\$ (19,054)
Early Retirement	29,200	68,268	(39,068)
GO Bond Series 2015	1,490,000	-	1,490,000
Total	\$ 1,640,804	\$ 208,926	\$ 1,431,878

COLTON SCHOOL DISTRICT NO. 53
CLACKAMAS COUNTY, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2015

Economic Factors and Next Year's Budget

Oregon school districts derive revenue from two primary sources: state aid and *Ad Valorem* property taxes. Over 69.7% of the Colton School District's General Fund revenues, excluding beginning cash, are provided by the State School Support Formula (SSSF) allocated on an average daily membership weighted (ADMw) and 23.2% from Ad Valorem taxes. The balance of the revenues for the General Fund is from charges for services, interest earnings, and grants, among other sources.

The Legislative Assembly, which meets on a biennial basis, is responsible for determining both the amount and allocation formula for education funding. Each student is given a factor as an enrolled student that is then adjusted differently for elementary school districts and high school districts, and subsequently adjusted to include additional factors such as English as a Second Language, Handicapped with an Individualized Education Plan, attending a remote small school, and Impoverished. This factor is totaled and multiplied times the average daily members for each student to equal the weighted average daily members (the "ADMw"). The formula allocates revenues to districts based on the ADMw for each district.

The State of Oregon legislature dedicated \$6.65 billion for the 2013-2015 biennium to K-12 education. The State of Oregon Governor has presented the budget for the 2015-2017 biennium, which includes \$7.4 billion to K-12 education. The increase in the budget is largely due to the implementation of full day kindergarten and the funding of approximately 28,500 additional ADMw for the state. The District continues to seek means to maintain expenditures within available resources. The District will be working with the community, staff, and the Board in developing the budget for 2015-16 fiscal year, using available reserves and incorporating other necessary reductions to create a balanced budget, as required by statute.

All of the District's regular teaching staff are represented by the Colton Education Association (CEA). The current bargaining agreement represents a three-year contract that expires June 30, 2017. The majority of all other employees are classified staff, e.g., instructional assistants, kitchen staff and custodians, and are members of the Oregon Employees Association. The bargaining contract governing classified staff members expires on June 30, 2017.

The District's Budget Committee and School Board considered all of these factors when preparing the District's budget for the 2015-16 fiscal year and will do so again when preparing the budget for the 2016-17 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the finances. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed to the District's business office at 30429 S. Grays Hill Road, Colton, OR, 97017.

BASIC FINANCIAL STATEMENTS

COLTON SCHOOL DISTRICT NO. 53
CLACKAMAS COUNTY, OREGON

STATEMENT OF NET POSITION
June 30, 2015

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 3,009,249
Receivables	353,709
Supply inventory	3,862
Proportionate share of net pension asset	1,337,526
Capital assets, net of depreciation	<u>2,078,215</u>
Total Assets	<u>6,782,561</u>
Deferred Outflows of Resources	
Pensions	<u>621,001</u>
Total Deferred Outflows of Resources	<u>621,001</u>
Liabilities	
Accounts payable	138,621
Unearned Revenue	55,787
Payroll liabilities	370,717
Vested compensated absences	28,616
Long-term liabilities:	
Due within one year	183,750
Due in more than one year	<u>1,457,054</u>
Total Liabilities	<u>2,234,545</u>
Deferred Inflows of Resources	
Pensions	<u>1,935,662</u>
Total Deferred Inflows of Resources	<u>1,935,662</u>
Net Position	
Net investment in capital assets	1,854,346
Restricted	1,441,479
Unrestricted	<u>(62,470)</u>
Total Net Position	<u><u>\$ 3,233,355</u></u>

See notes to the basic financial statements.

COLTON SCHOOL DISTRICT NO. 53
CLACKAMAS COUNTY, OREGON

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2015

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Instruction	\$ 2,121,855	\$ -	\$ 298,217	\$ (1,823,638)
Support Services	2,025,929	-	67,448	(1,958,481)
Enterprise and Community Services	135,049	51,106	113,134	29,191
Facilities Acquisition and Construction	52,080	-	-	(52,080)
Interest on long-term debt	6,312	-	-	(6,312)
Total governmental activities	<u>\$ 4,341,225</u>	<u>\$ 51,106</u>	<u>\$ 478,799</u>	<u>(3,811,320)</u>
General Revenues				
				1,448,559
				93,227
				122,994
				4,401,319
				3,091
				<u>164,729</u>
				<u>6,233,919</u>
				2,422,599
				<u>810,756</u>
				<u>\$ 3,233,355</u>

See notes to the basic financial statements.

COLTON SCHOOL DISTRICT NO. 53
CLACKAMAS COUNTY, OREGON

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2015

	GENERAL FUND	GRANT FUND	CAPITAL PROJECTS	OTHER GOVERNMENTAL FOOD SERVICE	TOTAL
ASSETS					
Cash and Investments	\$ 1,584,841	\$ -	\$ 1,424,408	\$ -	\$ 3,009,249
Receivables:					
Accounts	106,054	141,300	-	14,113	261,467
Due from Other Funds	29,002	-	-	-	29,002
Property Taxes	92,242	-	-	-	92,242
Supply Inventory	-	-	-	3,862	3,862
Total Assets	<u>\$ 1,812,139</u>	<u>\$ 141,300</u>	<u>\$ 1,424,408</u>	<u>\$ 17,975</u>	<u>\$ 3,395,822</u>
LIABILITIES					
Accounts Payable	\$ 81,206	\$ 23,332	\$ 33,905	\$ 178	\$ 138,621
Due to Other Funds	-	13,363	-	15,639	29,002
Payroll Liabilities	370,717	-	-	-	370,717
Unearned Revenue - Grants	-	55,787	-	-	55,787
Total Liabilities	<u>451,923</u>	<u>92,482</u>	<u>33,905</u>	<u>15,817</u>	<u>594,127</u>
DEFERRED INFLOWS OF RESOURCES					
Unearned Revenue - Property Taxes	81,009	-	-	-	81,009
Total Deferred Inflows of Resources	<u>81,009</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>81,009</u>
FUND BALANCE					
Restricted for Grants	-	48,818	-	-	48,818
Restricted for Capital Projects	-	-	1,390,503	-	1,390,503
Restricted for Nutrition Services	-	-	-	2,158	2,158
Unassigned	1,279,207	-	-	-	1,279,207
Total Fund Balance	<u>1,279,207</u>	<u>48,818</u>	<u>1,390,503</u>	<u>2,158</u>	<u>2,720,686</u>
Total Liabilities, Fund Balance, and Deferred Inflows of Resources	<u>\$ 1,812,139</u>	<u>\$ 141,300</u>	<u>\$ 1,424,408</u>	<u>\$ 17,975</u>	<u>\$ 3,395,822</u>

See notes to the basic financial statements.

COLTON SCHOOL DISTRICT NO. 53
CLACKAMAS COUNTY, OREGON

RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION

June 30, 2015

Total Fund Balances		\$ 2,720,686
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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 as assets in the governmental funds.

Capital Assets	8,663,122	
Depreciation	<u>(6,584,907)</u>	2,078,215

Certain items are prepaid or not available to pay for current period expenditures and are deferred or not reported in the governmental funds:

Proportionate share of net pension asset	1,337,526	
Deferred outflows of resources related to pensions	621,001	
Property taxes earned but not available	<u>81,009</u>	2,039,536

Certain items not due and payable in the current period are not reported in the governmental funds:

Compensated Absences	(28,616)	
Post Retirement	(29,200)	
Capital Leases	(121,604)	
Bond	(1,490,000)	
Deferred inflows of resources related to pensions	<u>(1,935,662)</u>	<u>(3,605,082)</u>

Total Net Position		<u>\$ 3,233,355</u>
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COLTON SCHOOL DISTRICT NO. 53
CLACKAMAS COUNTY, OREGON

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2015

	GENERAL FUND	GRANT FUND	CAPITAL PROJECTS	OTHER GOVERNMENTAL FOOD SERVICE	TOTAL
REVENUES:					
Local Sources:					
Taxes	\$ 1,446,462	\$ -	\$ -	\$ -	\$ 1,446,462
Other Local Sources	90,459	47,939	2,768	51,106	192,272
Intermediate Sources	122,994	-	-	-	122,994
State Sources	4,401,319	23,748	-	2,916	4,427,983
Federal Sources	3,091	294,504	-	109,692	407,287
	<u>6,064,325</u>	<u>366,191</u>	<u>2,768</u>	<u>163,714</u>	<u>6,596,998</u>
Total Revenues					
EXPENDITURES:					
Current:					
Instruction	3,285,231	298,217	-	-	3,583,448
Support Services	2,775,246	34,121	-	-	2,809,367
Enterprise and Community Services	-	525	-	170,471	170,996
Facility Acquisition and Construction	-	-	52,080	-	52,080
Capital Outlay:					
Support Services	203,975	-	-	-	203,975
Facility Acquisition and Construction	-	-	50,185	-	50,185
Debt Service	-	-	83,978	-	83,978
	<u>6,264,452</u>	<u>332,863</u>	<u>186,243</u>	<u>170,471</u>	<u>6,954,029</u>
Total Expenditures					
Excess of Revenues Over, (Under) Expenditures	<u>(200,127)</u>	<u>33,328</u>	<u>(183,475)</u>	<u>(6,757)</u>	<u>(357,031)</u>
OTHER FINANCING SOURCES, (USES):					
Capital Lease Proceeds	58,612	-	-	-	58,612
Insurance Proceeds	146,589	-	18,140	-	164,729
Bond Proceeds	-	-	1,490,000	-	1,490,000
Transfers In	-	-	65,838	-	65,838
Transfers Out	(65,838)	-	-	-	(65,838)
	<u>139,363</u>	<u>-</u>	<u>1,573,978</u>	<u>-</u>	<u>1,713,341</u>
Total Other Financing Sources, (Uses)					
Net Change in Fund Balance	(60,764)	33,328	1,390,503	(6,757)	1,356,310
Beginning Fund Balance	1,339,971	15,490	-	8,915	1,364,376
Ending Fund Balance	<u>\$ 1,279,207</u>	<u>\$ 48,818</u>	<u>\$ 1,390,503</u>	<u>\$ 2,158</u>	<u>\$ 2,720,686</u>

See notes to the basic financial statements.

COLTON SCHOOL DISTRICT NO. 53
CLACKAMAS COUNTY, OREGON

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

For the Year Ended June 30, 2015

Net Change in Fund Balance \$ 1,356,310

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

Capital outlays are reported in governmental funds as expenditures. However, in the
Statement of Activities, the cost of those assets is allocated over their estimated useful
lives as depreciation expense. In the current period, these amounts are:

Capital asset additions/deletions	233,889
Depreciation expense	(212,476)

Accrual of proportionate share of the net pension asset is not reported as an
expenditure in the governmental funds. 2,460,835

Compensated absences are not accrued in the governmental funds. 13,822

Accrual of post retirement benefits are not reported as expenditures in the
governmental funds. 39,068

Payments on capital leases and new capital leases are recorded as a change in
liabilities on the statement of net position. 19,054

Bond proceeds are recorded as revenues in the governmental funds, but as an
increase in liabilities in the statement of net position. (1,490,000)

Because some property taxes will not be collected for several months after the District's
fiscal year ends, they are not considered as "available" revenues in the governmental
funds, and are instead recorded as deferred revenue. They are, however, recorded
as revenues in the Statement of Activities. 2,097

Change in Net Position \$ 2,422,599

COLTON SCHOOL DISTRICT NO. 53
CLACKAMAS COUNTY, OREGON

STATEMENT OF FIDUCIARY NET POSITION
June 30, 2015

	<u>AGENCY FUND</u>
ASSETS:	
Cash and Investments	<u>\$ 98,432</u>
Total Assets	<u><u>\$ 98,432</u></u>
LIABILITIES AND NET ASSETS:	
Liabilities:	
Due to Student Organizations	<u>\$ 98,432</u>
Total Liabilities	<u>98,432</u>
Net Position:	
Restricted	<u>-</u>
Total Net Position	<u>-</u>
Total Liabilities and Net Position	<u><u>\$ 98,432</u></u>

See notes to the basic financial statements.

NOTES TO THE FINANCIAL STATEMENTS

COLTON SCHOOL DISTRICT NO. 53
CLACKAMAS COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

REPORTING ENTITY

The Colton School District No. 53 (the District) is a municipal corporation governed by an elected five-member board. The District qualifies as a primary government since it has a separately elected body, is a legally separate entity, and is fiscally independent. There are various governmental agencies and special districts, which provide service within the District's boundaries, however, the District is not financially accountable for any of these entities, and therefore none of them are considered component units or included in these basic financial statements.

BASIS OF PRESENTATION

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

The Statement of Net Position and the Statement of Activities display information about the District. These statements include the governmental financial activities of the overall District, except fiduciary activities. Governmental activities are financed primarily through property taxes, intergovernmental revenues, and charges for services.

The Statement of Activities presents a comparison between direct expenses and program revenues for each of its functions/programs. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to that function. Program revenues include: (1) charges to students or others for tuition, fees, rentals, material, supplies, or services provided, (2) operating grants and contributions and (3) capital grants and contributions. Revenues not classified as program revenues, including property taxes and state support, are presented as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter is excluded from the governmental-wide financial statements.

Net position is reported restricted when constraints placed on the net position use are either externally restricted, imposed by creditors (such as grantors, contributors or laws) or through constitutional provisions or enabling resolutions.

FUND FINANCIAL STATEMENTS

The fund financial statements provide information about the District's funds including those of a fiduciary nature. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as other governmental funds.

The District reports the following major governmental funds:

General Fund – This fund accounts for all revenues and expenditures except for those required to be accounted for in another fund. The principal revenue sources are property taxes and an apportionment from the State of Oregon.

Grant Fund – The Grant Fund accounts for revenues and expenditures of grants restricted for specific education programs. Principal revenue sources are federal and state grants.

COLTON SCHOOL DISTRICT NO. 53
CLACKAMAS COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Projects Fund – The Capital Projects Fund accounts for revenues and expenditures related to the acquisition and construction of capital assets. The primary revenue source is lease and bond proceeds.

Additionally, the district reports the following fund type:

Agency Fund - The Agency Fund is used to account for fundraising resources held by the district in a fiduciary capacity for use by students. Disbursements from this fund are made in accordance with the fundraising agreements.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

BUDGETS

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

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

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

COLTON SCHOOL DISTRICT NO. 53
CLACKAMAS COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expenditures cannot legally exceed the adopted appropriation levels except in the case of grants which could not be estimated at the time of budget adoption. Appropriations lapse at the fiscal year-end. Management may amend line items in the budget without Board approval as long as appropriation levels (the legal level of control) are not changed. Supplemental appropriations may occur if the Board approves them due to unforeseen circumstances that could not be determined at the time the budget was adopted. Budget amounts shown in the required supplementary data reflect the original and final budgeted appropriation amounts. All expenditures were within authorized appropriations except for the following: Grant Fund, which overspent the support services appropriation by \$1,063 and the Food Service Fund, which overspent the Enterprise and Community Services appropriation by \$295.

CASH AND INVESTMENTS

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

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

PROPERTY TAXES RECEIVABLE

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

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

GRANTS

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

ACCOUNTS AND OTHER RECEIVABLES

Accounts and other receivables are comprised primarily of State school support and claims for reimbursement of costs under various federal and state grants.

COLTON SCHOOL DISTRICT NO. 53
CLACKAMAS COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

SUPPLY INVENTORIES

School food and other cafeteria supplies are stated at average invoice cost. Commodities purchased from the United States Department of Agriculture in the Food Service Fund are included in the District's inventories at USDA wholesale value. The District accounts for the inventory based on the consumption method. Under the consumption method, inventory is recorded when purchased and expenditures/expenses are recorded when inventory items are used. Donated commodities consumed during the year are reported as revenues and expenditures.

CAPITAL ASSETS

Capital assets are recorded at original cost or estimated original cost. Donated capital assets are recorded at their estimated fair market value on the date donated. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Interest incurred during construction is not capitalized. The cost of routine maintenance and repairs that do not add to the value of the assets or materially extend asset lives are charged to expenditures as incurred and not capitalized. Capital assets are depreciated using the straight-line method over the following useful lives: Building and Improvements over 10 to 50 years, and Vehicles and Equipment over 3 to 30 years.

INTERFUND PAYABLES AND RECEIVABLES AND TRANSFERS

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

RETIREMENT PLANS

Most of the District employees participate in Oregon Public Employees Retirement System (PERS). For the purpose of measuring the pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of PERS and addition to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value. PERS requires plan contributions on a current basis. Contributions are recorded as expenditures in individual funds as funded. The District also offers its employees a tax deferred annuity plan established pursuant to Section 403(b) of the Internal Revenue Code. Contributions are made through salary reductions from participating employees up to the amounts specified in the Code. No contributions are required from the District.

POST EMPLOYMENT BENEFITS

Eligible administrative and certified employees who elect early retirement are entitled to a stipend up to a specified maximum limit for a specified number of months. Such costs are recorded as expenses in the General Fund and funded when stipends are paid.

COMPENSATED ABSENCES

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

COLTON SCHOOL DISTRICT NO. 53
CLACKAMAS COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NET POSITION

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

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

Restricted – consists of external constraints placed on position use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

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

FUND BALANCES

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

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

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position and/or fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District reports deferred outflows of resources related to pensions in the statement of net position.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has an item, which arises under the modified accrual basis of accounting that qualifies for reporting in this category. This item, unavailable revenue from property taxes, is only reported on the governmental funds balance sheet in the General Fund. The amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The District also reports deferred inflows of resources related to pensions in the statement of net position.

COLTON SCHOOL DISTRICT NO. 53
CLACKAMAS COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

USE OF ESTIMATES

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

2. CASH AND INVESTMENTS

DEPOSITS

Deposits with financial institutions include bank demand and money market deposits. The balances in these accounts according to the District records total \$521,976 as of June 30, 2015. The bank statement records reflect a balance of \$637,633 at year end.

Custodial Credit Risk – Deposits. Custodial credit risk for deposits is the risk that, in the event of bank failure, the District's deposits may be lost. Deposits with financial institutions are comprised of bank demand deposits. The combined total bank balance is \$637,633. Of these deposits, \$250,000 was covered by federal depository insurance. As required by Oregon Revised Statutes, deposits in excess of federal depository insurance were held at qualified depository for public funds. All qualified depositories for public funds are included in the multiple financial institution collateral pool that is maintained by and in the name of the Office of the State Treasurer. As a result the District has no exposure for custodial credit risk for deposits with financial institutions at year end.

INVESTMENTS

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

The State Treasurer's Local Government Investment Pool is not registered with the U.S. Securities and Exchange Commission as an investment company. The Oregon Revised Statutes and the Oregon Investment Council govern the state's investment policies. The State Treasurer is the investment officer for the Council and is responsible for all funds in the State Treasury. These funds must be invested, and the investments managed, as a prudent investor would, exercising reasonable care, skill and caution. Investments in the Fund are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board (OSTFB), which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund was in compliance with all portfolio guidelines at June 30, 2015.

Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. There is no material difference between the fair value of the District's position in the State Treasurer's Local Government Investment Pool and the value of the pool shares at June 30, 2015. There were no known violations of legal or contractual provisions for deposits and investments during the fiscal year.

COLTON SCHOOL DISTRICT NO. 53
CLACKAMAS COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2015

2. CASH AND INVESTMENTS (CONTINUED)

Cash and Investments at June 30, 2015 (recorded at fair value) consist of:

Demand Deposits: Checking	\$ 521,976
Petty Cash	101
Investments	<u>2,585,604</u>
	<u><u>\$ 3,107,681</u></u>
Reported in:	
Governmental Funds	\$ 3,009,249
Fiduciary Funds	<u>98,432</u>
	<u><u>\$ 3,107,681</u></u>

The District had the following investments and maturities:

Investment Type	Fair Value	Investment Maturity (in months)		
		Less than 3	3 - 17	18- 59
State Treasurer's Investment Pool	\$ 2,585,604	\$ -	\$ 2,585,604	\$ -
Total	<u>\$ 2,585,604</u>	<u>\$ -</u>	<u>\$ 2,585,604</u>	<u>\$ -</u>

Interest Rate Risk

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that has been submitted to and reviewed by the OSTFB. The District does not have any investments that have a maturity date.

Credit Risk

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

Concentration of Credit Risk

At June 30, 2015, the District had 100% of total investments in the State Treasurer's Investment Pool. State statutes do not limit the percentage of investments in this instrument. Oregon Revised Statutes require no more than 25 percent of the monies of local government to be invested in bankers' acceptances of any qualified financial institution. At June 30, 2015, the District was in compliance with all percentage restrictions.

3. ACCOUNTS/GRANTS RECEIVABLE

Special revenue fund grants receivable is comprised of claims for reimbursement of costs under various federal and state grant programs. Amounts are periodically reviewed for collectability. At June 30, 2015, no allowance for doubtful accounts is considered necessary.

COLTON SCHOOL DISTRICT NO. 53
CLACKAMAS COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2015

4. CAPITAL ASSETS

The changes in capital assets for the year ended June 30, 2015 are as follows:

	Governmental Capital Assets 7/1/2014	Additons	Deletions	Governmental Capital Assets 6/30/2015
Capital Assets Not Being Depreciated:				
Land (non depreciable)	\$ 342,364	\$ -	\$ -	\$ 342,364
Construction in Progress	-	50,185	-	50,185
Total Capital Assets Not Being Depreciated	342,364	50,185	-	392,549
Capital Assets Being Depreciated:				
Buildings	6,683,965	145,363	-	6,829,328
Equipment and Vehicles	1,402,904	58,612	(20,271)	1,441,245
Total Capital Assets Being Depreciated	8,086,869	203,975	(20,271)	8,270,573
Less Accumulated Depreciation for:				
Buildings	(5,184,607)	(145,025)	-	(5,329,632)
Equipment and Vehicles	(1,187,824)	(67,451)	-	(1,255,275)
Total Accumulated Depreciation	(6,372,431)	(212,476)	-	(6,584,907)
Total Capital Assets Being Depreciated, Net	1,714,438	(8,501)	(20,271)	1,685,666
Total Capital Assets, Net	\$ 2,056,802	\$ 41,684	\$ (20,271)	\$ 2,078,215

Depreciation was allocated to the functions as followed:

Instruction	\$ 2,400
Support Services	210,076
Total	\$ 212,476

Equipment with a cost of approximately \$515,025 is financed under capital leases. Accumulated depreciation allocated to this equipment is approximately \$397,242.

5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Due from/to Other Funds amounts are comprised of the following at June 30, 2015:

	Due from Other Funds	Due to Other Funds
Major Governmental Funds		
General Fund	\$ 29,002	\$ -
Grant Fund	-	13,363
Non Major Funds		
Food Service Fund	-	15,639
Totals	\$ 29,002	\$ 29,002

A cash pool account is utilized in the General Fund to make cash available to all other funds. The above interfund balances reflect the receivable and payable balances at June 30, 2015 associated with the use of this cash pool.

COLTON SCHOOL DISTRICT NO. 53
CLACKAMAS COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2015

5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

Interfund transfers were made to provide resources to the Capital Projects Fund as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 65,838
Capital Projects Fund	65,838	-
Totals	<u>\$ 65,838</u>	<u>\$ 65,838</u>

6. PENSION PLAN

OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Plan Description. The District participates in the Oregon Public Employees Retirement System (OPERS), a cost-sharing multiple-employer defined benefit plan. OPERS provides retirement, disability, and death benefits to plan members and their beneficiaries.

All benefits of OPERS are established by the Oregon Legislature pursuant to Oregon Revised Statutes (ORS) Chapters 238 and 238A. The plan complies with Internal Revenue Service rules prescribed in 401(a). The Oregon Legislature has delegated the authority to the Public Employees Retirement Board (PERB) to administer and manage the system. OPERS issues a publicly available financial report that can be obtained at: http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx.

OPERS prepares their financial statements in accordance with GASB statements and generally accepted accounting principles. The accrual basis of accounting is used for all funds. Contributions are recognized when due, pursuant to legal (or statutory) requirements. Benefits are recognized in the month they are earned and withdrawals are recognized in the month they are due and payable. Investments are recognized at fair value, the amount at which financial instruments could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

There are currently two programs within OPERS, with eligibility determined by the date of employment. Those employed prior to August 29, 2003 are OPERS Program members, and benefits are provided based on whether a member qualifies for Tier One or Tier Two described below. Those employed on or after August 29, 2003 are Oregon Public Service Retirement Plan (OPSRP) Program members. OPERS is a hybrid retirement plan with two components: 1) the Pension Program (defined benefit; established and maintained as a tax-qualified governmental defined benefit plan), and 2) the Individual Account Program (IAP) (defined contribution; established and maintained as a tax-qualified governmental defined contribution plan).

The 1995 Legislature created a second tier of benefits for those who became OPERS Program members after 1995 but before August 29, 2003. The second tier does not have the Tier One assumed earnings rate guarantee.

Beginning January 1, 2004, all employees who were active members of OPERS became members of the OPSRP IAP Program. OPERS plan member contributions (the employee contribution, whether made by the employee or "picked-up" by the employer) go into the IAP portion of OPSRP. OPERS plan members retain their existing OPERS accounts; however, member contributions after January 1, 2004 are deposited in the member's IAP, not into the member's OPERS account.

COLTON SCHOOL DISTRICT NO. 53
CLACKAMAS COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2015

6. PENSION PLAN (CONTINUED)

TIER ONE/TIER TWO RETIREMENT BENEFIT PLAN (CHAPTER 238)

Pension Benefits. The PERS retirement allowance is payable monthly for life. It may be selected from thirteen retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer. General service employees may retire after reaching age 55. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60.

The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

Death Benefits. Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- the member was employed by a PERS employer at the time of death,
- the member died within 120 days after termination of PERS-covered employment,
- the member died as a result of injury sustained while employed in a PERS-covered job, or
- the member was on an official leave of absence from a PERS-covered job at the time of death.

Disability Benefits. A member with ten or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 when determining the monthly benefit.

Benefit Changes after Retirement. Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments.

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

OPSRP PENSION PROGRAM (CHAPTER 238A)

Pension Benefits – The OPSRP Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. For general service employees benefits are calculated with the following formula: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

A member of the OPSRP Pension Program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

COLTON SCHOOL DISTRICT NO. 53
CLACKAMAS COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2015

6. PENSION PLAN (CONTINUED)

Death Benefits. Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

Disability Benefits. A member who has accrued ten or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Benefit Changes after Retirement. Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

CONTRIBUTIONS

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans.

Employer contribution rates during the period were based on the December 31, 2011 actuarial valuation as subsequently modified by 2013 legislated changes in benefit provisions. The rates based on a percentage of payroll, first became effective July 1, 2013. The District's contractually required contribution rate for the year ended June 30, 2015 was 22.29% of eligible payroll for Tier 1/Tier 2 members and 20.29% of eligible payroll for OPSRP members. Employer contributions for the year ended June 30, 2015 were \$781,652.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions. At June 30, 2015, the District reported a net pension asset of \$1,337,526 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2014, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2012. The District's proportion of the net pension asset was based on the District's projected long-term contribution effort to the Plan with the total projected long-term contribution effort of all employers, actuarially determined. At June 30, 2014 the District's proportion was 0.06%.

For the year ended June 30, 2015, the District recognized a negative pension expense of \$1,233,023. At June 30, 2015, the District reported deferred outflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 1,935,662
Changes in proportion and differences between employer contributions and proportionate share of contributions	25,902	
District contributions subsequent to the measurement date	595,019	
Net deferred outflow (inflow) of resources	\$ 620,921	\$ 1,935,662

COLTON SCHOOL DISTRICT NO. 53
CLACKAMAS COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2015

6. PENSION PLAN (CONTINUED)

\$595,019 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported by the District as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in subsequent years as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2016	\$ (638,004)
2017	(638,004)
2018	(638,004)
2019	4,252
	<u>\$ (1,909,760)</u>

ACTUARIAL METHODS AND ASSUMPTIONS

Actuarial Valuations. The employer contribution rates effective July 1, 2013, through June 30, 2015, were set using the projected unit credit actuarial cost method.

For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

COLTON SCHOOL DISTRICT NO. 53
CLACKAMAS COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2015

6. PENSION PLAN (CONTINUED)

Actuarial Assumptions. The total pension liability in the December 31, 2012 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

Valuation Date	December 31, 2012 rolled forward to June 30, 2014.
Experience Study Report	2012, published September 18, 2013
Actuarial cost method	Entry Age Normal
Amortization method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years.
Asset valuation method	Market value of assets
Actuarial assumptions:	
Inflation rate	2.75 percent
Investment rate of return	7.75 percent
Projected salary increases	3.75 percent overall payroll growth; salaries for individuals are assumed to grow at 3.75 percent plus assumed rates of merit/longevity increases based on service
Mortality	<p>Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-backs as described in the valuation.</p> <p>Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation.</p> <p>Disabled retirees: Mortality rates are a percentage (65% for males, 90% for females) of the RP-2000 static combined disabled mortality sex-distinct table.</p>

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2012 Experience Study which reviewed experience for the four-year period ending on December 31, 2012.

Discount Rate. The discount rate used to measure the total pension liability was 7.75 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

COLTON SCHOOL DISTRICT NO. 53
CLACKAMAS COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2015

6. PENSION PLAN (CONTINUED)

Depletion Date Projection. GASB 67 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/A or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses.

Assumed Asset Allocation

Asset Class/Strategy	Low Range	High Range	OIC Target
Cash	0.0%	3.0%	0.0%
Debt Securities	15.0%	25.0%	20.0%
Public Equity	32.5%	42.5%	37.5%
Private Equity	16.0%	24.0%	20.0%
Real Estate	9.5%	15.5%	12.5%
Alternative Equity	0.0%	10.0%	10.0%
Opportunity Portfolio	0.0%	3.0%	0.0%
Total			100.0%

Long-Term Expected Rate of Return. To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2013 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

COLTON SCHOOL DISTRICT NO. 53
CLACKAMAS COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2015

6. PENSION PLAN (CONTINUED)

Asset Class	Target	Compound Annual Return (Geometric)
Core Fixed Income	7.20%	4.50%
Short-Term Bonds	8.00%	3.70%
Intermediate-Term Bonds	3.00%	4.10%
High Yield Bonds	1.80%	6.66%
Large Cap US Equities	11.65%	7.20%
Mid Cap US Equities	3.88%	7.30%
Small Cap US Equities	2.27%	7.45%
Developed Foreign Equities	14.21%	6.90%
Emerging Foreign Equities	5.49%	7.40%
Private Equity	20.00%	8.26%
Opportunity Funds/Absolute Return	5.00%	6.01%
Real Estate (Property)	13.75%	6.51%
Real Estate (REITS)	2.50%	6.76%
Commodities	7.71%	6.07%
Assumed Inflation - Mean		2.75%

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage point higher (8.75% percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
District's proportionate share of the net pension liability (asset)	\$ 2,832,406	\$ (1,337,526)	\$ (4,864,320)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report. The effect of OPERS on the District's net position has been determined on the same basis used by OPERS.

Changes in Plan Provisions Effecting the Roll Forward. Senate Bill 822, signed into law in May 2013, eliminated the SB 656/HB 3349 tax remedy payments for benefit recipients who are not subject to Oregon income tax, because they do not reside in Oregon, and limited the 2013 post-retirement COLA to 1.5% of annual benefit.

COLTON SCHOOL DISTRICT NO. 53
CLACKAMAS COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2015

6. PENSION PLAN (CONTINUED)

Senate Bill 861, signed into law in October 2013, limited the post-retirement COLA for years beyond 2013 to 1.25% on the first \$60,000 of annual benefit and 0.15% on annual benefits above \$60,000.

Senate Bill 862, signed into law in October 2013, makes targeted changes such as allowing garnishment of PERS benefits for convicted felons. These changes do not significantly affect System liabilities and were not reflected in the valuation.

For GASB 67 and 68, the total pension liability must be calculated based on the benefit terms legally in effect as of the relevant fiscal year-end for the plan. Due to the timing of the benefit changes, this means only Senate Bill 822 is reflected in the June 30, 2013 total pension liability, but that the combined effects of Senate Bills 822 and 861 are reflected in the June 30, 2014 total pension liability. The decrease in the total pension liability resulting from Senate Bill 861, measured as of June 30, 2014, created a \$2,423.6 million reduction in System pension liabilities.

Changes Subsequent to Measurement Date. In April 2015, the Oregon Supreme Court decision in *Moro v. State of Oregon* stated that the reduced COLA amounts provided by Senate Bills 822 and 861 (both passed in 2013) only apply to benefits earned after the effective date of the legislation. As a result of this decision, the total pension liability is estimated to increase by \$4,920 million. The District's proportionate share (.06%) of this increase is \$2.95 million. If this change had occurred prior to the measurement date, the District's statement of net position would reflect a net pension liability of \$1.61 million versus a pension asset of \$1.34 million.

7. LONG-TERM OBLIGATIONS

GENERAL OBLIGATION BONDS

On February 11, 2015, the District issued \$1,490,000 of general obligation bonds with an interest rate of 2.09% that mature on June 15, 2025. These bonds were issued to provide funds for the acquisition, construction and improvement of major capital facilities within the District. General obligation bonds are direct obligations of and pledge the full faith and credit of the District.

CAPITAL LEASES

The District has four capital leases: 1) 2007 bus lease for six buses; 2) 2014 bus lease for 1 bus; 3) 2014 van lease; 4) 2015 van lease. The 2007 bus lease requires annual payments of \$52,725 through the June 30, 2016 fiscal year. The 2014 bus lease requires annual payments of \$7,947 through the June 30, 2020 fiscal year. The 2014 van lease requires payments of \$4,054 annually, through the June 30, 2019 fiscal year with final payments of \$1,689 due in the June 30, 2020 fiscal year. The 2015 van lease requires payments of \$4,022 annually, through the June 30, 2019 fiscal year with final payments of 3,352 in the June 30, 2020 fiscal year.

EARLY RETIREMENT

The District maintains an early retirement supplement program for its employees. The plan is, in substance, a single employer defined benefit pension plan established under collective bargaining agreements. The optional early retirement program provides eligible employees a monthly stipend of \$400-\$500. Eligible employees must have ten years of employment with the District and be eligible for retirement under PERS rules.

As of June 30, 2015, five employees are receiving benefits under the Plan. Early retirement program costs are recorded as expenditures and funded on a pay as you go basis. Total plan expenditures for the 2014-15 fiscal year were \$19,600. The District estimates its early retirement liability on June 30, 2015 to be \$29,200. The District plans to fund this obligation through annual appropriations. The actuarial present value of vested and non-vested accumulated benefits cannot be estimated.

COLTON SCHOOL DISTRICT NO. 53
CLACKAMAS COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2015

7. LONG-TERM OBLIGATIONS (CONTINUED)

Long-term obligation activity for the year ended June 30, 2015 is as follows:

	Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015	Due Within One Year
G.O. Bonds (2014)	\$ -	\$ 1,490,000	\$ -	\$ 1,490,000	\$ 146,867
Capital Leases	140,658	58,612	(77,666)	121,604	68,748
Early Retirement	68,268	-	(39,068)	29,200	14,400
Total	\$ 208,926	\$ 1,548,612	\$ (116,734)	\$ 1,640,804	\$ 230,015

All long-term debt obligations are payable from the General Fund, Capital Projects Fund, and Debt Service Fund.

Future maturities of bonds are payable as follows:

Years	G.O. Bonds (2015)	Interest	Total
2015-2016	\$ 105,000	\$ 41,867	\$ 146,867
2016-2017	120,000	28,947	148,947
2017-2018	130,000	26,439	156,439
2018-2019	140,000	23,722	163,722
2019-2020	145,000	20,796	165,796
2021-2025	850,000	54,966	904,966
Total	\$ 1,490,000	\$ 196,736	\$ 1,686,736

Future maturities of early retirement obligations and capital leases are as follows:

Years	Early Retirement	Capital Leases	Total
2015-2016	\$ 14,400	\$ 68,748	\$ 83,148
2016-2017	9,600	16,024	25,624
2017-2018	5,200	16,024	21,224
2018-2019	-	16,024	16,024
2019-2020	-	12,653	12,653
Total	\$ 29,200	\$ 129,473	\$ 158,673

8. COMPENSATED ABSENCES

Compensated absences are assumed to be used on a first in first out basis; therefore, all outstanding balances are considered due within one year of June 30, 2015. This benefit is paid primarily from the General Fund.

	Outstanding Balance 7/1/2014	Additions	Payments	Outstanding Balance 6/30/2015
Compensated Absences	\$ 42,438	\$ 11,456	\$ (25,278)	\$ 28,616

COLTON SCHOOL DISTRICT NO. 53
CLACKAMAS COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2015

9. COMMITMENTS AND CONTINGENCIES

The amounts of grant revenue reflected in the financial statements are subject to audit and adjustment by grantor agencies, principally the federal government. Any costs that are questioned or recommended to be disallowed which ultimately result in disallowed claims may become a liability of the District. The amount, if any, of costs which may be disallowed by the grantor cannot be determined at this time, although District management expects such amounts, if any, to be immaterial.

10. PROPERTY TAX LIMITATIONS

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

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

11. SCHOOL FUNDING

The District is dependent on the State of Oregon for a substantial portion of its operating funds. State funding is determined through state wide revenue projections and is paid to individual school districts based on pupil counts and other factors in the state school fund revenue formula. Since these projections and pupil counts fluctuate they can cause the District to either have increases or decreases in revenue. Due to these uncertainties at the State level, the future effect on the District's operations is not yet determinable.

12. RISK MANAGEMENT

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

13. ADOPTION OF GASB STATEMENT NO. 68

During the year, the District adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. GASB Statement No. 68 establishes standards for measuring and recognizing liabilities, deferred outflows or resources, deferred inflows of resources and expenses/expenditures. GASB 71 addresses an issue regarding application of the transition provisions of GASB Statement 68.

The implementation of GASB Statements 68 and 71 resulted in the restatement of the beginning net position of the governmental activities in the government-wide financial statements as follows:

COLTON SCHOOL DISTRICT NO. 53
CLACKAMAS COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
For the Year Ended June 30, 2015

13. ADOPTION OF GASB STATEMENT NO. 68 (CONTINUED)

Net position at June 30, 2014	\$ 3,248,726
Net pension liability at measurement date	(3,011,225)
Employer contributions for fiscal year 2014	540,056
Deferred outflows - District's contributions made during fiscal year 2014	<u>33,199</u>
Net position at June 30, 2014 restated	<u>\$ 810,756</u>

REQUIRED SUPPLEMENTARY INFORMATION

COLTON SCHOOL DISTRICT NO. 53
CLACKAMAS COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
For the Year Ended June 30, 2015

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Fiscal Year Ended	(a) District's Proportion of the Net Pension Liability (NPL)	(b) District's Proportionate Share of the Net Pension Liability (NPL)	(c) District's Covered Payroll	(b/c) NPL as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2014	0.05900723%	\$ 3,011,225	\$ 3,057,219	98.50%	91.97%
6/30/2015	0.05900723%	\$ (1,337,526)	\$ 3,093,880	-43.23%	103.60%

SCHEDULE OF DISTRICT CONTRIBUTIONS

Fiscal Year Ended	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percent of Covered Payroll
6/30/2014	\$ 540,056	\$ 540,056	\$ -	\$ 3,057,219	17.66%
6/30/2015	\$ 587,802	\$ 587,802	\$ -	\$ 3,093,880	19.00%

COLTON SCHOOL DISTRICT NO. 53
CLACKAMAS COUNTY, OREGON

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2015

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Local Sources	\$ 1,411,115	\$ 1,616,257	\$ 1,536,921	\$ (79,336)
Intermediate Sources	40,000	40,000	122,994	82,994
State Sources	4,338,080	4,338,080	4,401,319	63,239
Federal Sources	-	-	3,091	3,091
Total Revenues	<u>5,789,195</u>	<u>5,994,337</u>	<u>6,064,325</u>	<u>69,988</u>
EXPENDITURES:				
Instruction	3,280,384	3,311,374 (1)	3,285,231	26,143
Support Services	2,844,471	3,104,161 (1)	2,979,221	124,940
Contingency	927,397	834,951 (1)	-	834,951
Total Expenditures	<u>7,052,252</u>	<u>7,250,486</u>	<u>6,264,452</u>	<u>986,034</u>
Excess of Revenues Over, (Under) Expenditures	(1,263,057)	(1,256,149)	(200,127)	1,056,022
OTHER FINANCING SOURCES, (USES):				
Capital Lease Proceeds	-	-	58,612	58,612
Insurance Proceeds	-	-	146,589	146,589
Transfers Out	(60,990)	(67,898) (1)	(65,838)	2,060
Total Other Financing Sources, (Uses)	<u>(60,990)</u>	<u>(67,898)</u>	<u>139,363</u>	<u>207,261</u>
Net Change in Fund Balance	(1,324,047)	(1,324,047)	(60,764)	1,263,283
Beginning Fund Balance	<u>1,324,047</u>	<u>1,324,047</u>	<u>1,339,971</u>	<u>15,924</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,279,207</u>	<u>\$ 1,279,207</u>

(1) Appropriation level

COLTON SCHOOL DISTRICT NO. 53
CLACKAMAS COUNTY, OREGON

GRANT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2015

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Local Sources	\$ 100,000	\$ 105,000	\$ 47,939	\$ (57,061)
State Sources	3,600	8,600	23,748	15,148
Federal Sources	277,441	302,441	294,504	(7,937)
Total Revenues	381,041	416,041	366,191	(49,850)
EXPENDITURES:				
Instruction	282,283	312,283 (1)	298,217	14,066
Support Services	28,058	33,058 (1)	34,121	(1,063)
Community Services	700	700 (1)	525	175
Facilities Acquisition and Construction	70,000	70,000 (1)	-	70,000
Total Expenditures	381,041	416,041	332,863	83,178
Net Change in Fund Balance	-	-	33,328	33,328
Beginning Fund Balance	-	-	15,490	15,490
Ending Fund Balance	\$ -	\$ -	\$ 48,818	\$ 48,818

(1) Appropriation level

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

COLTON SCHOOL DISTRICT NO. 53
CLACKAMAS COUNTY, OREGON

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2015

1. EMPLOYEE RETIREMENT PENSION BENEFITS

CHANGES IN PLAN PROVISIONS SUBSEQUENT TO MEASUREMENT DATE

On April 30, 2015, the Oregon Supreme Court ruled that the provisions of Senate Bill 861, signed into law in October 2013, which limited the post-retirement COLA on benefits accrued prior to the signing of the law was unconstitutional. Benefits could be modified prospectively, but not retrospectively. As a result, those who retired before Senate Bill 861 passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a two percent increase annually. OPERS will make restoration payments to eligible recipients.

OPERS members who have accrued benefits before and after the effective dates of the 2013 legislation will have a blended COLA rate when they retire.

This is a change in benefit terms subsequent to the measurement date of June 30, 2014, and not included in the net pension liability (asset) proportionate shares provided to employers in June 2015.

It is estimated that this change will increase net pension liability by \$2.95 Million.

CHANGES IN ASSUMPTIONS

A summary of key changes implemented since the December 31, 2011 valuation are described briefly below. Additional detail and a comprehensive list of changes in methods and assumptions can be found in the 2012 Experience Study for the System, which was published on September 18, 2013, and can be found at: <http://www.oregon.gov/pers/docs/2012ExptudyUpdated.pdf>.

CHANGES IN ACTUARIAL METHODS AND ALLOCATION PROCEDURES

Actuarial Cost Method. The Actuarial Cost Method was changed from the Projected Unit Credit (PUC) Cost Method to the Entry Age Normal (EAN) Cost Method. This change will allow OPERS to use the same cost method for contribution rate calculations as required for financial reporting under GASB Statements No. 67 and 68.

Tier 1/Tier 2 Unfunded Actuarial Liability (UAL) amortization - In combination with the change in cost method, the OPERS Board chose to re-amortize the outstanding Tier 1/Tier 2 UAL as of December 31, 2013 over a closed period of 20 years as a level percentage of projected payroll. Gains and losses between subsequent rate-setting valuations will be amortized over a closed 20-year period from the valuation in which they are first recognized.

Contribution Rate Stabilization Method. The "grade-in range" over which the rate collar gradually doubles was modified so that the collar doubles as funded status (excluding side accounts) decreases from 70 to 60 percent or increases from 130 to 140 percent. Previously the ranges had been 80 to 70 percent and 120 to 130 percent. The modification to the grade-in range was made in combination with the change to actuarial cost method, as discussed at the July 2013 OPERS Board public meeting.

Allocation of Liability for Service Segments. For purposes of allocating Tier 1/Tier 2 members' actuarial accrued liability among multiple employers, the valuation uses a weighted average of the Money Match methodology and the Full Formula methodology used by OPERS when the member retires. The weights are determined based on the prevalence of each formula among the current Tier 1/Tier 2 population. For the December 31, 2010 and December 31, 2011 valuations, the Money Match was weighted 40 percent for General Service members and 10 percent for Police and Fire members. For the December 31, 2012 and December 31, 2013 valuations, this weighting has been adjusted to 30 percent for General Service members and 5 percent for Police and Fire members, based on a projection of the proportion of liability attributable to Money Match benefits at those valuation dates.

COLTON SCHOOL DISTRICT NO. 53
CLACKAMAS COUNTY, OREGON

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
For the Year Ended June 30, 2015

1. EMPLOYEE RETIREMENT PENSION BENEFITS (CONTINUED)

CHANGES IN ECONOMIC ASSUMPTIONS

Investment Return and Interest Crediting. The assumed investment return and interest crediting to both regular and variable account balances was reduced to 7.75 percent. Previously, the assumed investment return and interest crediting to regular account balances was 8 percent and the assumed interest crediting to variable account balances was 8.25 percent.

OPSRP Administrative Expenses. Assumed administrative expenses for the OPSRP System were reduced from \$6.6 million per year to \$5.5 million per year.

Healthcare Cost Inflation. The healthcare cost inflation for the maximum Retiree Health Insurance Premium Account (RHIPA) subsidy was updated based on analysis performed by Milliman's healthcare actuaries. This analysis includes the consideration of the excise tax that will be introduced in 2018 by the Patient Protection and Affordable Care Act.

CHANGES IN DEMOGRAPHIC ASSUMPTIONS

Healthy Mortality. The healthy mortality assumption is based on the RP2000 generational mortality tables with group-specific class and setback adjustments. The group-specific adjustments have been updated to more closely match recently observed system experience.

Disabled Mortality. The disabled mortality assumption base was changed from the RP2000 healthy tables to the RP2000 disabled tables. Gender-specific adjustments were applied to align the assumption with recently observed system experience. RP2000 are mortality tables developed by the Society of Actuaries for the Secretary of Treasury.

Disability, Retirement from Active Status, and Termination. Rates for disability, retirement from active status, and termination were adjusted. Termination rates were changed from being indexed upon age to being indexed upon duration from hire date.

CHANGES IN SALARY INCREASE ASSUMPTIONS

Merit Increases, Unused Sick Leave, and Vacation Pay. Unused sick leave and vacation pay rates were adjusted.

Retiree Healthcare Participation. The RHIA participation rate for healthy retirees was reduced from 48 to 45 percent. The RHIPA participation rate was changed from a uniform rate of 13 percent to a service-based table of rates. (Source: December 31, 2012 OPERS Actuarial Valuation p.89)

2. BUDGET

A budget is prepared and legally adopted for the General Fund and Grant Fund on the modified accrual basis of accounting. The budgetary basis of accounting is the same as accounting principles generally accepted in the United States of America basis for the governmental fund types, proprietary fund type and private purpose trust fund type. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations.

Appropriations are established at the major function level (instruction, support services, enterprise and community services, facilities acquisition and construction, debt service, operating contingency and transfers) for each fund. The detail budget document, however, is required to contain more specific, detailed information for the aforementioned expenditure categories. Unexpected additional resources may be added to the budget through the use of supplemental budget and appropriation resolution. Appropriations lapse at the end of each fiscal year.

COLTON SCHOOL DISTRICT NO. 53
CLACKAMAS COUNTY, OREGON

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
For the Year Ended June 30, 2015

2. BUDGET (CONTINUED)

Supplemental budgets less than 10% of fund's budget may be adopted by the Board at a regular meeting. A supplemental budget greater than 10% of a fund's original budget requires hearing before the public, publication in newspapers and approval by the Board. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control (major function levels) with Board approval. During the year, there were two amendments to the General Fund and one for the Grant Fund. All expenditures were within authorized appropriations except for the Grant Fund, which overspent the support services appropriation by \$1,063.

SUPPLEMENTARY INFORMATION

COLTON SCHOOL DISTRICT NO. 53
 CLACKAMAS COUNTY, OREGON

FOOD SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 ACTUAL AND BUDGET
 For the Year Ended June 30, 2015

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Local Sources	\$ 57,200	\$ 57,200	\$ 51,106	\$ (6,094)
State Sources	2,200	2,200	2,916	716
Federal Sources	98,100	109,100	109,692	592
Total Revenues	<u>157,500</u>	<u>168,500</u>	<u>163,714</u>	<u>(4,786)</u>
EXPENDITURES:				
Enterprise and Community Services	<u>159,176</u>	<u>170,176 (1)</u>	<u>170,471</u>	<u>(295)</u>
Total Expenditures	<u>159,176</u>	<u>170,176</u>	<u>170,471</u>	<u>(295)</u>
Excess of Revenues Over, (Under) Expenditures and Net Change in Fund Balance	(1,676)	(1,676)	(6,757)	(5,081)
Beginning Fund Balance	<u>1,676</u>	<u>1,676</u>	<u>8,915</u>	<u>7,239</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,158</u>	<u>\$ 2,158</u>

(1) Appropriation level

COLTON SCHOOL DISTRICT NO. 53
CLACKAMAS COUNTY, OREGON

CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2015

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Local Sources	\$ -	\$ -	\$ 2,768	\$ 2,768
Total Resources	-	-	2,768	2,768
EXPENDITURES:				
Facilities Acquisition and Construction	-	1,490,000	102,265	1,387,735
Debt Service	60,990	86,798 (1)	83,978	2,820
Total Expenditures	60,990	1,576,798	186,243	1,390,555
Excess of Revenues Over, (Under) Expenditures	(60,990)	(1,576,798)	(183,475)	1,393,323
OTHER FINANCING SOURCES, (USES):				
Bond Proceeds	-	1,490,000	1,490,000	-
Insurance Proceeds	-	18,900	18,140	(760)
Transfers In	60,990	67,898	65,838	(2,060)
Total Other Financing Sources, (Uses)	60,990	1,576,798	1,573,978	(2,820)
Net Change in Fund Balance	-	-	1,390,503	1,390,503
Beginning Fund Balance	-	-	-	-
Ending Fund Balance	\$ -	\$ -	\$ 1,390,503	\$ 1,390,503

(1) Appropriation level

COLTON SCHOOL DISTRICT NO. 53
 CLACKAMAS COUNTY, OREGON

STUDENT BODY FUND

SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN BALANCES
 ACTUAL AND BUDGET - NON-GAAP BUDGETARY BASIS
 For the Year Ended June 30, 2015

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
ADDITIONS:				
Total Additions	\$ 170,000	\$ 170,000	\$ 165,061	\$ (4,939)
DEDUCTIONS:				
Total Instruction	<u>255,000</u>	<u>255,000 (1)</u>	<u>156,131</u>	<u>98,869</u>
Excess of Additions Over, (Under) Deductions	(85,000)	(85,000)	8,930	93,930
Beginning Balance	<u>85,000</u>	<u>85,000</u>	<u>89,502</u>	<u>4,502</u>
Ending Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 98,432</u>	<u>\$ 98,432</u>

(1) Appropriation level

COLTON SCHOOL DISTRICT NO. 53
CLACKAMAS COUNTY, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS
For the Year Ended June 30, 2015

GENERAL FUND

Tax Roll Year	Balance July 1, 2014	2014-2015 Tax Levy	Less Discounts	Net Adjustments	Interest	Collections	Balance June 30, 2015
2014-2015	\$ -	\$ 1,482,959	\$ (38,025)	\$ (2,116)	\$ 630	\$ 1,408,861	\$ 34,587
2013-2014	33,924	-	11	(609)	1,444	17,708	17,062
2012-2013	19,597	-	1	(93)	1,490	8,418	12,577
2011-2012	14,159	-	2	(124)	1,975	7,673	8,339
2010-2011	8,640	-	2	(120)	1,123	3,729	5,916
Prior	9,211	-	-	(426)	794	2,130	7,449
	<u>\$ 85,531</u>	<u>\$ 1,482,959</u>	<u>\$ (38,009)</u>	<u>\$ (3,488)</u>	<u>\$ 7,456</u>	1,448,519	<u>\$ 85,930</u>
Undistributed tax collections, June 30, 2015						4,920	
Undistributed tax collections, June 30, 2014						(6,977)	
Revenue Turned Over to General Fund						<u>\$ 1,446,462</u>	

COLTON SCHOOL DISTRICT NO. 53
CLACKAMAS COUNTY, OREGON

2014-15 EXPENDITURES BY FUNCTION/OBJECT-GENERAL FUND

General Fund

Instruction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Primary, K-3	\$ 966,991	\$ 537,837	\$ 358,837	\$ 6,350	\$ 63,878	\$ -	\$ 89	\$ -
1112 Intermediate Programs	-	-	-	-	-	-	-	-
1113 Elementary Extracurricular	-	-	-	-	-	-	-	-
1121 Middle/Junior High Programs	650,090	368,554	256,457	5,015	20,010	-	54	-
1122 Middle/Junior High School Extracurricular	18,076	13,246	2,833	1,294	703	-	-	-
1131 High School Programs	989,642	565,290	361,102	8,456	49,009	-	5,786	-
1132 High School Extracurricular	99,692	59,055	11,959	13,871	10,486	-	4,321	-
1210 Programs for the Talented and Gifted	6,885	5,050	1,835	-	-	-	-	-
1220 Restrictive Programs for Students with Disabilities	327,330	-	-	327,330	-	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	203,510	132,786	70,308	408	8	-	-	-
1260 Early Intervention	-	-	-	-	-	-	-	-
1271 Remediation	-	-	-	-	-	-	-	-
1272 Title I	-	-	-	-	-	-	-	-
1280 Alternative Education	9,469	-	-	9,469	-	-	-	-
1291 English Second Language Programs	13,547	9,220	4,139	188	-	-	-	-
1292 Teen Parent Program	-	-	-	-	-	-	-	-
1293 Migrant Education	-	-	-	-	-	-	-	-
1294 Youth Corrections Education	-	-	-	-	-	-	-	-
1299 Other Programs	-	-	-	-	-	-	-	-
1300 Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400 Summer School Programs	-	-	-	-	-	-	-	-
Total Instruction Expenditures	\$ 3,285,231	\$ 1,691,038	\$ 1,067,470	\$ 372,380	\$ 144,094	\$ -	\$ 10,250	\$ -

Support Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	\$ 44,082	\$ -	\$ -	\$ 44,082	\$ -	\$ -	\$ -	\$ -
2120 Guidance Services	72,497	46,148	26,250	-	100	-	-	-
2130 Health Services	2,033	1,237	434	-	362	-	-	-
2140 Psychological Services	76,701	42,587	33,009	1,104	-	-	-	-
2150 Speech Pathology and Audiology Services	65,716	43,026	22,504	-	186	-	-	-
2160 Other Student Treatment Services	-	-	-	-	-	-	-	-
2190 Service Direction, Student Support Services	-	-	-	-	-	-	-	-
2210 Improvement of Instruction Services	35,807	11,196	16,186	8,424	-	-	-	-
2220 Educational Media Services	75,963	36,312	32,719	382	5,498	-	1,051	-
2230 Assessment & Testing	2,766	2,020	746	-	-	-	-	-
2240 Instructional Staff Development	-	-	-	-	-	-	-	-
2310 Board of Education Services	54,074	-	-	29,285	2,528	-	22,261	-
2320 Executive Administration Services	204,495	131,313	66,209	1,607	2,735	-	2,631	-
2410 Office of the Principal Services	494,412	300,661	177,966	13,217	1,875	-	694	-
2490 Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510 Direction of Business Support Services	-	-	-	-	-	-	-	-
2520 Fiscal Services	280,124	144,562	107,659	15,409	6,805	-	5,689	-
2540 Operation and Maintenance of Plant Services	863,991	210,515	168,791	376,953	29,030	-	78,701	-
2550 Student Transportation Services	566,027	219,423	163,574	21,029	84,703	58,612	18,686	-
2570 Internal Services	-	-	-	-	-	-	-	-
2610 Direction of Central Support Services	-	-	-	-	-	-	-	-
2620 Planning, Research, Development, Evaluation Services, Grant	-	-	-	-	-	-	-	-
2630 Information Services	-	-	-	-	-	-	-	-
2640 Staff Services	-	-	-	-	-	-	-	-
2660 Technology Services	106,846	46,633	35,329	22,481	1,803	-	600	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	19,692	1,200	18,492	-	-	-	-	-
Total Support Services Expenditures	\$ 2,965,225	\$ 1,236,834	\$ 869,868	\$ 533,974	\$ 135,626	\$ 58,612	\$ 130,313	\$ -

Enterprise and Community Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	-	-	-	-	-	-	-	-
3500 Custody and Care of Children Services	-	-	-	-	-	-	-	-
Total Enterprise and Community Services Expenditures	\$ -							

Facilities Acquisition and Construction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4120 Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150 Building Acquisition, Construction, and Improvement Services	-	-	-	-	-	-	-	-
4190 Other Facilities Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures	\$ -							

Other Uses Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5200 Transfers of Funds	65,838	-	-	-	-	-	-	65,838
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures	\$ 65,838	\$ -	\$ 65,838					

Grand Total

Grand Total	\$ 6,316,295	\$ 2,927,872	\$ 1,937,337	\$ 906,353	\$ 279,719	\$ 58,612	\$ 140,563	\$ 65,838
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2014-15 EXPENDITURES BY FUNCTION/OBJECT-SPECIAL REVENUE FUND

Special Revenue Grants Funds

Instruction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Primary, K-3	\$ 67,709	\$ 40,174	\$ 26,871	\$ -	\$ 664	\$ -	\$ -	\$ -
1112 Intermediate Programs	-	-	-	-	-	-	-	-
1113 Elementary Extracurricular	-	-	-	-	-	-	-	-
1121 Middle/Junior High Programs	750	370	130	-	250	-	-	-
1122 Middle/Junior High School Extracurricular	-	-	-	-	-	-	-	-
1131 High School Programs	9,070	-	-	3,130	5,940	-	-	-
1132 High School Extracurricular	1,590	-	-	-	630	-	960	-
1210 Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220 Restrictive Programs for Students with Disabilities	103,620	-	-	103,620	-	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	29,375	14,075	14,460	-	840	-	-	-
1260 Early Intervention	-	-	-	-	-	-	-	-
1271 Remediation	-	-	-	-	-	-	-	-
1272 Title I	86,103	56,238	29,260	250	355	-	-	-
1280 Alternative Education	-	-	-	-	-	-	-	-
1291 English Second Language Programs	-	-	-	-	-	-	-	-
1292 Teen Parent Program	-	-	-	-	-	-	-	-
1293 Migrant Education	-	-	-	-	-	-	-	-
1294 Youth Corrections Education	-	-	-	-	-	-	-	-
1299 Other Programs	-	-	-	-	-	-	-	-
1300 Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400 Summer School Programs	-	-	-	-	-	-	-	-
Total Instruction Expenditures	\$ 298,217	\$ 110,857	\$ 70,721	\$ 107,000	\$ 8,679	\$ -	\$ 960	\$ -

Support Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2120 Guidance Services	1,500	1,110	390	-	-	-	-	-
2130 Health Services	-	-	-	-	-	-	-	-
2140 Psychological Services	-	-	-	-	-	-	-	-
2150 Speech Pathology and Audiology Services	-	-	-	-	-	-	-	-
2160 Other Student Treatment Services	-	-	-	-	-	-	-	-
2190 Service Direction, Student Support Services	-	-	-	-	-	-	-	-
2210 Improvement of Instruction Services	14,125	171	23	2,593	11,338	-	-	-
2220 Educational Media Services	-	-	-	-	-	-	-	-
2230 Assessment & Testing	-	-	-	-	-	-	-	-
2240 Instructional Staff Development	16,530	9,172	844	2,914	3,600	-	-	-
2310 Board of Education Services	-	-	-	-	-	-	-	-
2320 Executive Administration Services	-	-	-	-	-	-	-	-
2410 Office of the Principal Services	-	-	-	-	-	-	-	-
2490 Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510 Direction of Business Support Services	-	-	-	-	-	-	-	-
2520 Fiscal Services	1,405	-	-	1,405	-	-	-	-
2540 Operation and Maintenance of Plant Services	-	-	-	-	-	-	-	-
2550 Student Transportation Services	561	402	159	-	-	-	-	-
2570 Internal Services	-	-	-	-	-	-	-	-
2610 Direction of Central Support Services	-	-	-	-	-	-	-	-
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-	-	-	-	-	-	-	-
2630 Information Services	-	-	-	-	-	-	-	-
2640 Staff Services	-	-	-	-	-	-	-	-
2660 Technology Services	-	-	-	-	-	-	-	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	-	-	-	-	-	-	-	-
Total Support Services Expenditures	\$ 34,121	\$ 10,855	\$ 1,416	\$ 6,912	\$ 14,938	\$ -	\$ -	\$ -

Enterprise and Community Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	\$ 170,471	\$ 44,296	\$ 20,814	\$ 3,256	\$ 94,769	\$ -	\$ 7,336	\$ -
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	525	-	-	-	58	-	467	-
3500 Custody and Care of Children Services	-	-	-	-	-	-	-	-
Total Enterprise and Community Services Expenditures	\$ 170,996	\$ 44,296	\$ 20,814	\$ 3,256	\$ 94,827	\$ -	\$ 7,803	\$ -

Facilities Acquisition and Construction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4120 Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150 Building Acquisition, Construction, and Improvement Services	-	-	-	-	-	-	-	-
4190 Other Facilities Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures	\$ -							

Other Uses Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5200 Transfers of Funds	-	-	-	-	-	-	-	-
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures	\$ -							

Grand Total

\$ 503,334	\$ 166,008	\$ 92,951	\$ 117,168	\$ 118,444	\$ -	\$ 8,763	\$ -
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2014-15 EXPENDITURES BY FUNCTION/OBJECT-CAPITAL PROJECTS FUND

Capital Projects Fund

Instruction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Primary, K-3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1112 Intermediate Programs	-	-	-	-	-	-	-	-
1113 Elementary Extracurricular	-	-	-	-	-	-	-	-
1121 Middle/Junior High Programs	-	-	-	-	-	-	-	-
1122 Middle/Junior High School Extracurricular	-	-	-	-	-	-	-	-
1131 High School Programs	-	-	-	-	-	-	-	-
1132 High School Extracurricular	-	-	-	-	-	-	-	-
1210 Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220 Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1260 Early Intervention	-	-	-	-	-	-	-	-
1271 Remediation	-	-	-	-	-	-	-	-
1272 Title I	-	-	-	-	-	-	-	-
1280 Alternative Education	-	-	-	-	-	-	-	-
1291 English Second Language Programs	-	-	-	-	-	-	-	-
1292 Teen Parent Program	-	-	-	-	-	-	-	-
1293 Migrant Education	-	-	-	-	-	-	-	-
1294 Youth Corrections Education	-	-	-	-	-	-	-	-
1299 Other Programs	-	-	-	-	-	-	-	-
1300 Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400 Summer School Programs	-	-	-	-	-	-	-	-
Total Instruction Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Support Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2120 Guidance Services	-	-	-	-	-	-	-	-
2130 Health Services	-	-	-	-	-	-	-	-
2140 Psychological Services	-	-	-	-	-	-	-	-
2150 Speech Pathology and Audiology Services	-	-	-	-	-	-	-	-
2160 Other Student Treatment Services	-	-	-	-	-	-	-	-
2190 Service Direction, Student Support Services	-	-	-	-	-	-	-	-
2210 Improvement of Instruction Services	-	-	-	-	-	-	-	-
2220 Educational Media Services	-	-	-	-	-	-	-	-
2230 Assessment & Testing	-	-	-	-	-	-	-	-
2240 Instructional Staff Development	-	-	-	-	-	-	-	-
2310 Board of Education Services	-	-	-	-	-	-	-	-
2320 Executive Administration Services	-	-	-	-	-	-	-	-
2410 Office of the Principal Services	-	-	-	-	-	-	-	-
2490 Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510 Direction of Business Support Services	-	-	-	-	-	-	-	-
2520 Fiscal Services	-	-	-	-	-	-	-	-
2540 Operation and Maintenance of Plant Services	-	-	-	-	-	-	-	-
2550 Student Transportation Services	-	-	-	-	-	-	-	-
2570 Internal Services	-	-	-	-	-	-	-	-
2610 Direction of Central Support Services	-	-	-	-	-	-	-	-
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-	-	-	-	-	-	-	-
2630 Information Services	-	-	-	-	-	-	-	-
2640 Staff Services	-	-	-	-	-	-	-	-
2660 Technology Services	-	-	-	-	-	-	-	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	-	-	-	-	-	-	-	-
Total Support Services Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Enterprise and Community Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	-	-	-	-	-	-	-	-
3500 Custody and Care of Children Services	-	-	-	-	-	-	-	-
Total Enterprise and Community Services Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Facilities Acquisition and Construction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4120 Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150 Building Acquisition, Construction, and Improvement Services	102,265	-	-	101,176	-	1,040	50	-
4190 Other Facilities Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures	\$ 102,265	\$ -	\$ -	\$ 101,176	\$ -	\$ 1,040	\$ 50	\$ -

Other Uses Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	\$ 83,978	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 83,978	\$ -
5200 Transfers of Funds	-	-	-	-	-	-	-	-
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures	\$ 83,978	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 83,978	\$ -

Grand Total

Grand Total	\$ 186,243	\$ -	\$ -	\$ 101,176	\$ -	\$ 1,040	\$ 84,028	\$ -
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COLTON SCHOOL DISTRICT NO. 53
CLACKAMAS COUNTY, OREGON

2014-15 EXPENDITURES BY FUNCTION/OBJECT-TRUST AND AGENCY

Trust and Agency Funds

Instruction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
1111 Primary, K-3	\$ 17,154	\$ -	\$ -	\$ -	\$ 17,154	\$ -	\$ -	\$ -
1112 Intermediate Programs	-	-	-	-	-	-	-	-
1113 Elementary Extracurricular	-	-	-	-	-	-	-	-
1121 Middle/Junior High Programs	-	-	-	-	-	-	-	-
1122 Middle/Junior High School Extracurricular	27,615	-	-	-	27,615	-	-	-
1131 High School Programs	-	-	-	-	-	-	-	-
1132 High School Extracurricular	111,362	-	-	-	111,362	-	-	-
1210 Programs for the Talented and Gifted	-	-	-	-	-	-	-	-
1220 Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1250 Less Restrictive Programs for Students with Disabilities	-	-	-	-	-	-	-	-
1260 Early Intervention	-	-	-	-	-	-	-	-
1271 Remediation	-	-	-	-	-	-	-	-
1272 Title I	-	-	-	-	-	-	-	-
1280 Alternative Education	-	-	-	-	-	-	-	-
1291 English Second Language Programs	-	-	-	-	-	-	-	-
1292 Teen Parent Program	-	-	-	-	-	-	-	-
1293 Migrant Education	-	-	-	-	-	-	-	-
1294 Youth Corrections Education	-	-	-	-	-	-	-	-
1299 Other Programs	-	-	-	-	-	-	-	-
1300 Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
1400 Summer School Programs	-	-	-	-	-	-	-	-
Total Instruction Expenditures	\$ 156,131	\$ -	\$ -	\$ -	\$ 156,131	\$ -	\$ -	\$ -

Support Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
2110 Attendance and Social Work Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2120 Guidance Services	-	-	-	-	-	-	-	-
2130 Health Services	-	-	-	-	-	-	-	-
2140 Psychological Services	-	-	-	-	-	-	-	-
2150 Speech Pathology and Audiology Services	-	-	-	-	-	-	-	-
2160 Other Student Treatment Services	-	-	-	-	-	-	-	-
2190 Service Direction, Student Support Services	-	-	-	-	-	-	-	-
2210 Improvement of Instruction Services	-	-	-	-	-	-	-	-
2220 Educational Media Services	-	-	-	-	-	-	-	-
2230 Assessment & Testing	-	-	-	-	-	-	-	-
2240 Instructional Staff Development	-	-	-	-	-	-	-	-
2310 Board of Education Services	-	-	-	-	-	-	-	-
2320 Executive Administration Services	-	-	-	-	-	-	-	-
2410 Office of the Principal Services	-	-	-	-	-	-	-	-
2490 Other Support Services - School Administration	-	-	-	-	-	-	-	-
2510 Direction of Business Support Services	-	-	-	-	-	-	-	-
2520 Fiscal Services	-	-	-	-	-	-	-	-
2540 Operation and Maintenance of Plant Services	-	-	-	-	-	-	-	-
2550 Student Transportation Services	-	-	-	-	-	-	-	-
2570 Internal Services	-	-	-	-	-	-	-	-
2610 Direction of Central Support Services	-	-	-	-	-	-	-	-
2620 Planning, Research, Development, Evaluation Services, Grant Writing and Statistical Services	-	-	-	-	-	-	-	-
2630 Information Services	-	-	-	-	-	-	-	-
2640 Staff Services	-	-	-	-	-	-	-	-
2660 Technology Services	-	-	-	-	-	-	-	-
2670 Records Management Services	-	-	-	-	-	-	-	-
2690 Other Support Services - Central	-	-	-	-	-	-	-	-
2700 Supplemental Retirement Program	-	-	-	-	-	-	-	-
Total Support Services Expenditures	\$ -							

Enterprise and Community Services Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
3100 Food Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3200 Other Enterprise Services	-	-	-	-	-	-	-	-
3300 Community Services	-	-	-	-	-	-	-	-
3500 Custody and Care of Children Services	-	-	-	-	-	-	-	-
Total Enterprise and Community Services Expenditures	\$ -							

Facilities Acquisition and Construction Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
4110 Service Area Direction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4120 Site Acquisition and Development Services	-	-	-	-	-	-	-	-
4150 Building Acquisition, Construction, and Improvement Services	-	-	-	-	-	-	-	-
4190 Other Facilities Construction Services	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Expenditures	\$ -							

Other Uses Expenditures

	Totals	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700
5100 Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5200 Transfers of Funds	-	-	-	-	-	-	-	-
5300 Apportionment of Funds by ESD	-	-	-	-	-	-	-	-
5400 PERS UAL Bond Lump Sum	-	-	-	-	-	-	-	-
Total Other Uses Expenditures	\$ -							

Grand Total

Grand Total	\$ 156,131	\$ -	\$ -	\$ -	\$ 156,131	\$ -	\$ -	\$ -
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COLTON SCHOOL DISTRICT NO. 53
 CLACKAMAS COUNTY, OREGON

SUPPLEMENTAL INFORMATION
 As Required by The Oregon Department of Education
 For the Year Ended June 30, 2015

A.	Energy bills for heating - all funds:		<u>Objects 325 and 326</u>
		Function 2540	\$ 156,498
		Function 2550	3,707
B.	Replacement of equipment - General Fund:		<u>Amount</u>
	Include all General Fund expenditures in Object 542, except for the following exclusions:		
	Exclude these functions:		
	1113, 1122 & 1132	Co-curricular activities 4150	Construction \$ -
	1140	Pre-kindergarten 2550	Pupil transportation
	1300	Continuing education 3100	Food service
	1400	Summer school 3300	Community services

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AUDITORS' COMMENTS AND DISCLOSURES REQUIRED
BY STATE REGULATION



COLTON SCHOOL DISTRICT NO. 53
INDEPENDENT AUDITORS' REPORT
REQUIRED BY OREGON STATE REGULATIONS

We have audited the basic financial statements of the Colton School District No. 53, Clackamas County, Oregon (District) as of and for the year ended June 30, 2015, and have issued our report thereon dated December 22, 2015. 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 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 except for the following:

1. Our audit testing revealed expenditures exceeding appropriations in the Support Services function by \$1,063 in the Grant Fund. The Food Service Fund expenditures exceeded appropriations in the Enterprise and Community Services function by \$295. These items are disclosed in Note 1 of the financial statements.

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's internal control over financial reporting.



A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

We noted certain matters that we reported to management of the District in a separate letter dated December 22, 2015.

Purpose of this Report

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

Wilcox Arredondo & Co.

Certified Public Accountants
Canby, Oregon
December 22, 2015

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