

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
Gresham, Oregon

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Prepared by:
Business Office:

Jerry Jones, Chief Finance Officer

Gina Sanstrum, Finance Supervisor

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INTRODUCTORY SECTION

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Jim Schlachter, Superintendent

Gresham-Barlow School District No. 10Jt

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www.gresham.k12.or.us

Phone: (503) 618-2450
Fax: (503) 661-1589

October 20, 2010

Board of Directors
Gresham-Barlow School District 10JT
1331 NW Eastman Parkway
Gresham, OR 97030

In accordance with the provisions of Oregon Revised Statutes Sections 297.405 through 297.555, known as Municipal Audit Law, submitted herewith is the Comprehensive Annual Financial Report (CAFR) of Gresham-Barlow School District 10JT, Multnomah and Clackamas counties, Oregon for the year ended June 30, 2010.

This report was prepared by the Business Office of Gresham-Barlow School District 10JT. The responsibility for the completeness, fairness, and accuracy of the data presented and all accompanying disclosures rests with the District. To provide a reasonable basis for making these representations, the District's management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

INDEPENDENT AUDIT

The District's financial statements have been audited by Pauly, Rogers and Co., P. C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the District for the fiscal year ended June 30, 2010, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall basic financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the District's basic financial statements for the fiscal year ended June 30, 2010, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the Financial Section of this report, beginning on page 1.

The independent audit of the District's basic financial statements was part of a broader, federally mandated "Single Audit" designed to meet the special requirements of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the basic financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Single Audit Section of this report, beginning on page 92.

Management's Discussion and Analysis

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basis financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors, beginning on page 3.

THE DISTRICT

Gresham-Barlow School District 10JT is a unified District, established June 1, 1994, which includes the former Gresham Grade (established in 1884), Orient (established in 1853), Damascus Union (established in 1876), Barlow-Gresham Union High (established in 1902) School Districts, and that portion of Boring School District which was served by the Union High School District prior to unification. The Barlow-Gresham Union High School District Board of Directors remained the governing Board and the policies of the high school district remained intact. The District was given a new name and the Board of Directors was increased from a five-member Board to a seven-member Board.

The District is one of the ten largest districts in the State of Oregon. The District covers approximately 54 square miles serving the communities of Boring, Damascus, Gresham and Orient located in Multnomah and Clackamas Counties. The District area population has grown to approximately 80,000. The District enrollment boundaries include part of the City of Gresham, located in east Multnomah County approximately 12 miles east of Portland; it is the second largest city within the Portland metropolitan area and the fourth largest city in Oregon.

The District serves approximately 11,600 students in kindergarten through grade twelve, and presently operates eleven elementary schools, five middle schools and three high schools.

Seven Board members are elected, four to zoned positions and three at large from within the District, to four-year terms. The Board of Directors is the governing body and is exclusively responsible for its public decisions. The Board of Directors establishes the policies of the District, appoints the management of the District and is accountable for all fiscal matters, which significantly influence operations. The Board of Directors, together with seven appointed citizens, comprises the fourteen member Budget Committee. In addition, citizens take an active role in the District's schools through volunteer programs, advisory boards, site committees and parent groups.

The District is a fiscally independent taxing entity and is not a component of Multnomah or Clackamas Counties or any other government. As required by accounting principles generally accepted in the United States of America, all significant activities and organizations have been included in the financial statements. Component units, as established by GASB statement 14, are separate organizations that are included in the District's reporting entity because of the significance of their operational or financial relationships with the District. Three charter schools, Gresham Arthur Academy, Lewis and Clark Montessori and Gresham-Barlow Web Academy are component units of the District and are reported separately within the District's financial statements. The Center for Advanced Learning (CAL), a charter school, is reported by the District as a joint venture as described in notes to the financial statements (Note 13) and is therefore not considered to be a component unit of the District.

APPROPRIATIONS AND BUDGETARY CONTROLS

The Board is required to adopt a final budget by no later than the close of the fiscal year. The District's budget is governed by the Oregon Department of Revenue and supervised by the Tax Supervising and Conservation Commission to ensure that the District remains in compliance with Oregon Budget Law. The annual budget

serves as a management tool to enhance performance efficiency and effectiveness, a financial system to account for revenues and expenditures, and a control mechanism to ensure public money is spent as it is authorized. The budget also provides the authority to levy property taxes.

Consistent with Oregon law, expenditures are appropriated for each legally adopted annual operating budget at the following levels of control:

- Instruction
- Support Services
- Community Services
- Facilities acquisition and construction
- Debt Service
- Operating Contingencies/Fund Transfers

Budgetary appropriations may not be legally over-expended except in the case of reimbursable grant expenditures and trust monies which could not be reasonably estimated at the time the budget was adopted. After the original budget is adopted, the Board may approve appropriation transfers between levels of control. After budget approval, the Board may approve supplemental appropriations if any occurrence, condition or need exists which had not been anticipated at the time the budget was adopted. Supplemental budgets must be submitted, reviewed and certified, similar to the original budget, by the Tax Supervising and Conservation Commission, subsequent to approval by the Board.

ECONOMIC CONDITION AND LONG-TERM FINANCIAL PLANNING

The Office of Economic Analysis (OEA) reported that Oregon finished 2009 posting its seventh consecutive quarter of job losses with annual average job losses of 4.9% in the fourth quarter. The most recent Blue Chip Job Growth rankings place Oregon 44th in the nation for year-over-year job growth, a year ago Oregon ranked 38th. Oregon's unemployment rate reached a seasonally adjusted rate of 11.7% in March 2010. This is down from the seasonally adjusted rate of 12.2% recorded in March 2009. OEA projects an average employment decline for 2010 of 1.0 percent. Job growth is projected to improve in 2011 with a yearly average growth of 2.0 percent.

OEA reported that Oregon's population is estimated to have reached 3,823,460 in 2009, an increase of about 32,485 residents or .85% from 2008. According to the report, this is the first time in two decades that Oregon's population growth was lower than the U.S. average. Oregon's rate of growth between the 1990 and 2000 censuses was the eleventh highest in the nation. During the period between 2000 and 2004, however, the population growth rate was slow due to the struggling economy. Oregon's economic condition heavily influences the state's population growth. Its economy determines the ability to attract job seekers from other states and beyond. Over the next year or two, the rate of population growth in Oregon will likely decrease relative to the past few years. However, when the economy begins to recover from the current recession and job growth resumes, population growth will also increase. Oregon's population is anticipated to reach 4.096 million by 2015, with an annual rate of growth of 1.15% between 2009 and 2015. The K-12 population (aged 5-17) will show very slow growth which will translate into slow growth in school enrollments for the State. Over the last year this school-age population has actually declined in size.

District enrollment has been in decline for the last three years. District administration currently estimates a slight decline in enrollment for 2010-11 of less than one percent, understanding that additional enrollment in charter schools will result in even lower numbers of students in District schools. In addition, due to tight budgets around the state, the District anticipates a number of students will not be allowed to transfer into our schools from other districts as they have in the past. Due to the important relationship between funding and enrollment, the District will continue to carefully review future projections. The expansion of the regional urban

growth boundary (UGB) by approximately 14,500 acres in the Damascus and Springwater communities has not had the anticipated impact on enrollment. The District has spent considerable time and effort planning for the potential facility requirements of the projected growth. It is apparent the District will not need additional facilities in the near term. In fact, two schools in the Damascus area continue to decline in enrollment.

Currently the State has allocated \$6 billion for K-12 education for the 2009-11 biennium. This compares to an initial K-12 funding allocation for the current biennium of \$6.24 billion. This translates into a projected \$6,374 per student including transportation for 2010-11 compared to \$6,515 per student for 2008-09. Both current and future revenues available for the District remain uncertain. School districts all over the state are budgeting and planning for massive reductions resulting in higher class sizes, fewer opportunities for students and significant reductions in the number of adults necessary to adequately serve students.

As a result the District made \$11 million in reductions for 2009-10 in addition to the \$2 million made during 2008-09. The District reduced staff funded by the general fund by 114 FTE (full time equivalent). For example, counselors were reduced by one half, music and physical education specialists were reduced by one half per elementary school, classroom teachers, administrators, district office personnel and classified support staff thought the District were reduced. In addition, middle and high school athletics and activities were reduced by \$502,000, maintenance and capital improvements were reduced by \$970,000. Administrative, confidential and classified staff accepted a cost of living freeze for 2009-10.

These reductions were significant and designed to position the District through the second year of the biennium. As a result, the District's 2010-11 budget will generally carry forward current levels of staffing and maintain supplies and materials without further reductions. None of the reductions made were considered non-essential to District operations and will most likely have an impact on the District's operations in the coming years. Accounting for this impact, the District's 2010-11 budget was developed to strategically and responsibly allocate resources to support and sustain essential programs and practices that contribute to individual student achievement.

However in May the state economic forecast projected a shortfall of \$577 million prompting the governor to order across-the-board cuts to all state agencies. The District's share of this short-fall is projected at \$4.98 million. To make up this shortfall, the District will cut eight days to the school year, reduce staff by the equivalent of 18.5 positions through layoffs and a reduction in work hours and take \$1 million out of reserves.

MAJOR INITIATIVES AND RELEVANT FINANCIAL POLICIES

Gresham-Barlow is one of the largest school districts in the state, with a student population of more than 11,000, and speaking over 39 languages. "The mission of the Gresham-Barlow School District is to establish a world class education for all students through the consistent provision of quality programs which will prepare students to be lifelong learners and productive citizens." The mission is further defined with beliefs, goal statements and District commitments that support the mission. In addition, District administration established the following guiding principles to provide further direction as the declining economy set a reduction path mirrored around the state:

- Build a sustainable budget for the biennium in a transparent manner;
- Maintain a focus on the classroom and the core mission of education for the 21st century;
- Maintain a safe and secure environment for students and staff;
- Keep a focus on the long term by reducing programs, but not eliminating them when possible;
- Look for efficiencies while protecting proven initiatives to improve student performance;
- Consider equity when reducing programs, staff and opportunities for students;

- Under partnerships, grants, and Federal Stimulus money to maintain opportunities for students, retain staff and support the District's mission;
- Maintain stability while reducing services; and
- Communicate openly and often while respecting the needs of individuals.

As we look forward and discuss financial and economic difficulties and uncertainties, it is important to recognize our pride in recent accomplishments and our commitment to students, staff and patrons. Listed below are just a few of the recent accomplishments in our District:

- As a result of the dedicated work of students, teachers, administrators and staff, student performance continues to improve. Below are some of the indicators of success:
 - Six schools received an outstanding state report card rating;
 - Twelve schools received a satisfactory rating and one school was rated in need of improvement;
 - Student math scores in grades 7, 8 and 10 are above the state averages; and
 - Student reading scores in grades 7, 8, and 10 are above the state average.
- Gresham-Barlow School District's AVID (Advancement via Individual Determination) system graduated its first set of students in June 2010. AVID is a college-readiness system designed to increase the number of students who enroll in four-year colleges. Although AVID serves all students, it focuses on the least served students in the academic middle. Of this year's AVID graduates, 97 percent have been accepted into a college or four-year university. As a part of the AVID system, selected high school and middle school students enroll in their school's toughest classes, such as Advanced Placement or International Baccalaureate. The students receive support in an academic elective class-called AVID-taught within the school day by an AVID trained teacher.
- Gresham High School was awarded the Intel Science Stimulus Grant, a \$5,000 grant from Intel to support innovative science programs at the school. The school is one of just 10 Oregon schools to be awarded the grant from among 220 schools that submitted applications.
- Sam Barlow High School won the 2010 Oregon Academic Decathlon on February 20, 2010. The academic decathlon is considered the nation's premiere scholastic competition for high school students. This is the first time the school has won the event. The team went on to represent the state of Oregon at the national championship in Nebraska.
- The Environmental Protection Agency awarded Gresham-Barlow School District a 2010 Energy Star Sustained Excellence Award in recognition of its continued leadership in protecting our environment through energy efficiency. Schools in the District use 50% less energy than the national average resulting in utility cost avoidance of \$1.5 million last year, which equates to 25 teachers.

The District's capital improvement policy provides that the annual operating and capital budget will reflect the need to maintain and repair facilities to preserve the public's investment and minimize future costs of major renovation and/or replacement, to the extent that available funding will allow. The General Fund budget does not provide for an adequate level of annual facility maintenance requirements. The District will begin to draw on the limited dollars previously placed in the deferred maintenance/instruction capital improvement fund and the Measure 52 funds which have been set aside for additional instructional materials and equipment funding for deferred maintenance/capital improvements, and purchase of modular classrooms and/or property, as required. The last Bond 2000 issue has been totally expended and all projects completed as planned.

Awards

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Gresham-Barlow School District 10JT for its Comprehensive Annual Financial Report for the year ended June 30, 2009. This was the 18th consecutive year that the District has received this prestigious award. In order to be awarded a Certificate of Achievement, the District published an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

In addition, the Association of School Business Officials International (ASBO) awarded its Certificate of Excellence in Financial Reporting to Gresham-Barlow School District 10JT for its Comprehensive Annual Financial Report for the year ended June 30, 2009. This was the 16th consecutive year that the District has received this prestigious award.

Receiving this Award is recognition that the District has met the highest standards of excellence in school financial reporting as adopted by ASBO. The District believes that the current Comprehensive Annual Financial Report, which will be submitted to ASBO for review, will also conform to these standards.

ACKNOWLEDGMENTS

We wish to express our appreciation to the entire Business Office staff and members of other District departments who assisted in the preparation of this Comprehensive Annual Financial Report. We also wish to extend our appreciation to the members of the Board of Directors, the administrators, managers and employees of the District and citizens for their continued support and dedication to the financial operations of the District.



Jim Schlachter
Superintendent

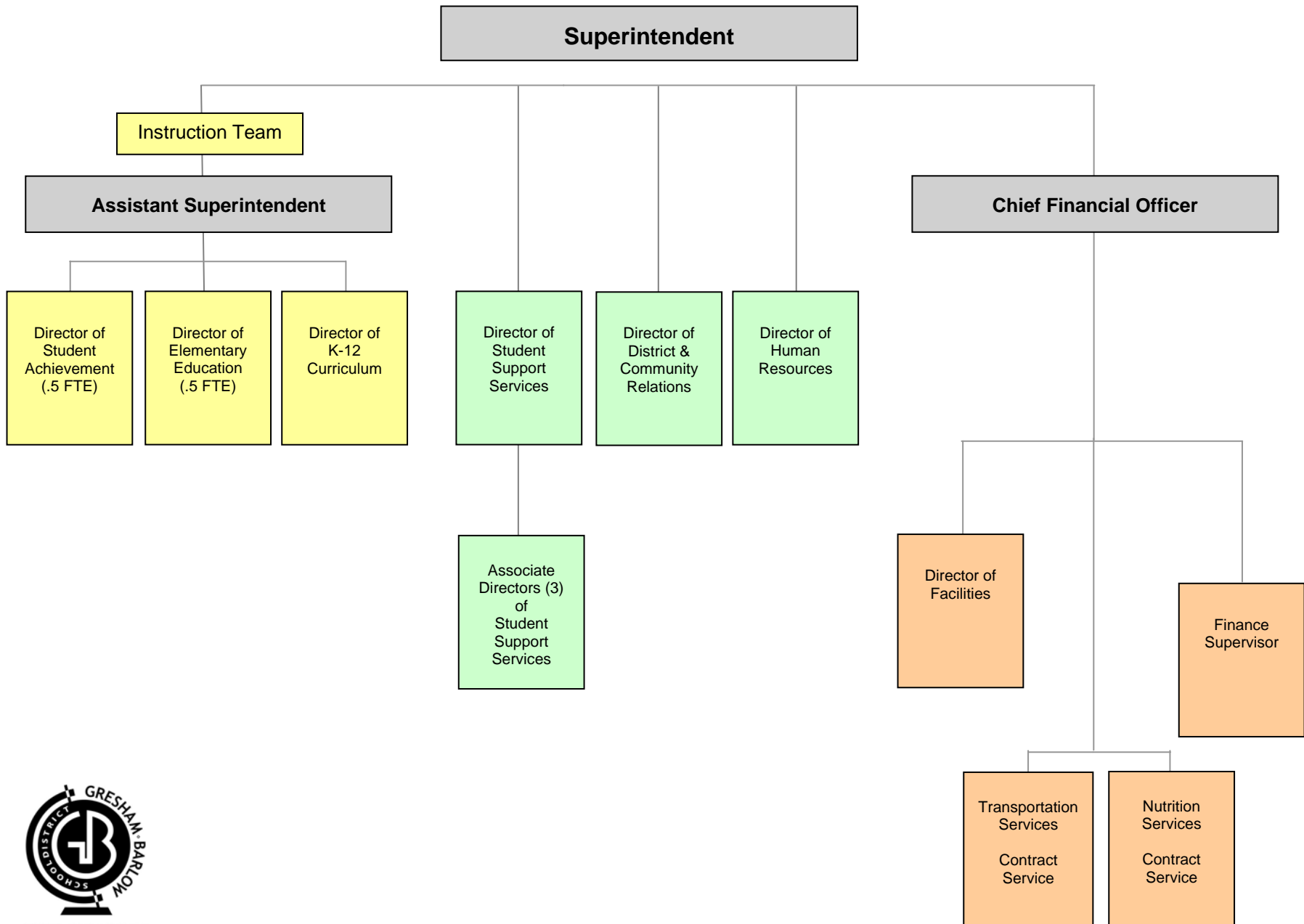


Jerry Jones
Assistant Superintendent/Chief Finance Officer



Gina Sanstrum
Finance Supervisor

2009-10 Superintendent's Cabinet – Organizational Chart



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Certificate of Achievement for Excellence in Financial Reporting

Presented to

Gresham-Barlow School
District No. 10JT, Oregon

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

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



A stylized handwritten signature in black ink.

President

A handwritten signature in black ink that reads "Jeffrey R. Emer".

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

GRESHAM-BARLOW SCHOOL DISTRICT 10JT

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2009

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

Eun Green

President

John D. Mueser

Executive Director

**Elected and Appointed Officials
Gresham-Barlow School District 10JT
Gresham, Oregon**

School Board as of June 30, 2010

Name	Zone	Term Expires
Kris Howatt, Chair 1558 NW 12 th Court Gresham, Oregon 97030-4922	Zone 3	June 30, 2011
Dale Clark, Vice Chair 10011 SE 257 th Drive Damascus, OR 97089-6310	At-Large	June 30, 2013
Dan Christenson 3472 NW Birdsdale Avenue Gresham, OR 97030	At-Large	June 30, 2011
Katherine J. Ruthruff 16200 SE Royer Road Damascus, OR 97015-8744	Zone 1	June 30, 2011
Kent Zook 5003 SE 16 th Drive Gresham, Oregon 97080	Zone 4	June 30, 2013
Matt O'Connell 302 SW Gabbert Road Gresham, OR 97080-5217	Zone 2	June 30, 2013
Carla Piluso 911 SW Miller Court Gresham, Oregon 97080	At-Large	June 30, 2013
John Miner Jim Schlachter Jerry Jones Gina Sanstrum	Superintendent and District Clerk Assistant Superintendent Chief Finance Officer and Deputy Clerk Finance Supervisor	
Administrative Office:	1331 NW Eastman Parkway Gresham, OR 97030-3825	

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

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PAULY, ROGERS AND CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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

September 24, 2010

To the Board of Directors
Gresham-Barlow School District No. 10JT
Gresham, Oregon

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, each major fund, the discreetly presented component units, and the aggregate remaining fund information of Gresham-Barlow School District No. 10JT, Gresham, Oregon, as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, the discreetly presented component units, and the aggregate remaining fund information of the Gresham-Barlow School District No. 10JT, Gresham, Oregon, at June 30, 2010, and the results of its operations and respective budgetary comparisons for the general fund, federal grants fund and other special revenue fund for the year then ended, in conformity with generally accepted accounting principles in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our reports dated September 24, 2010 on our consideration of the District's internal control structure and on its compliance with laws and regulations. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis on page 3 and Required Supplementary Information on pages 45-46 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Gresham-Barlow School District's basic financial statements. The accompanying schedule of expenditures of federal awards, as listed in the table of contents, is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements.

The introductory section, supplementary information including combining and individual nonmajor fund financial statements, other financial schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information, including the combining and individual nonmajor fund financial statements, other financial schedules (except as noted below on pages 68-69) and the schedule of expenditures of federal awards, as listed in the table of contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section, other financial schedules on pages 68-69, and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010**

As management of Gresham-Barlow School District 10JT (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2010. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our Transmittal Letter, which can be found on pages i – vi of this report.

FINANCIAL HIGHLIGHTS

- In the government-wide statements, the assets of the District exceeded its liabilities at June 30, 2010 by approximately \$53.7 million. Of this amount, \$27.7 million represents the District's investment in capital assets, net of related debt, \$2.3 million is restricted for debt service and capital projects and \$23.7 million, is unreserved and available to meet the District's ongoing obligations to citizens and creditors.
- For the fiscal year ended June 30, 2010, the District's total net assets increased by approximately \$2.4 million. This increase is primarily from an increase in cash and investments (\$2.7 million), an increase in receivables (\$.7 million), a decrease in bonds payable (\$3.4 million), offset by a decrease in capital assets (\$1.9 million) and prepaids (\$2.4 million).
- The District's governmental funds report combined ending fund balance of \$21.2 million, an increase of approximately \$3.4 million in comparison with the prior year. Approximately 65% of this total amount, \$13.9 million is available for spending at the District's discretion.
- At the end of the fiscal year, unreserved fund balance for the general fund was approximately \$13.6 million, or about 15% of total general fund expenditures.
- The District's total debt decreased by \$3.5 million (3.5%) during the 2009-10 fiscal year. Debt decreased due to scheduled debt service payments of \$4.45 million offset by \$.95 million to amortized prior year bond premiums and discounts.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management's Discussion and Analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

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

The *Statement of Net Assets.* The *statement of net assets* presents information on all of the assets and liabilities of the District at year end. Net assets are what remain after the liabilities have been paid or otherwise satisfied. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Activities*. The *statement of activities* presents information showing how the net assets of the District changed over the year by tracking revenues, expenses and other transactions that increase or reduce net assets. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

In the government-wide financial statements, the District's activities are shown in one category:

- *Governmental activities*. Most of the District's basic functions are shown here, such as regular and special education, child nutrition services, transportation, administration, and facilities acquisition and construction. These activities are primarily financed through property taxes, Oregon's State School Fund and other intergovernmental revenues.

The government-wide financial statements can be found on pages 13 and 14 of this report.

Fund financial statements. The *fund financial statements* provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Gresham-Barlow School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. The *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 spendable resources, as well as on balances of spendable resources available 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 government's near-term financing decisions. Both the governmental fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are reconciled to the government-wide Statements of Net Assets and Activities

The District maintains eight individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General, Federal Grant Fund and Other Special Revenue Fund, which are considered to be major funds. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided as Supplemental Information.

The basic governmental fund financial statements can be found on pages 15 and 17 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. 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 accounting used for fiduciary funds is the same as the government-wide financial statements, only in more detail.

The basic fiduciary fund financial statements can be found on pages 22-23 of this report.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 24-44 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the District's progress in funding its obligation to provide pension and other post employment benefits to its employees. Required Supplementary Information can be found on pages 45-46 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented as Supplementary Information on pages 47-48 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by approximately \$53.7 million at June 30, 2010.

Capital assets, which consist of the District's land, buildings, building improvements, construction in progress, vehicles, and equipment, represent about 50.2 percent of total assets. The remaining assets consist mainly of investments, cash, grant and property taxes receivable and prepaid PERS liability.

The District's largest liability (93.1 percent) is for the repayment of general obligation and PERS bonds. Current liabilities, representing about 10.5 percent (6.8 percent without the current portion of long-term debt) of the District's total liabilities, consist almost entirely of payables on accounts, payroll withholdings, the current portion compensated absences and the current portion of long-term debt.

A portion of the District's net assets (51.5 percent) reflects its investment in capital assets (e.g. land, buildings, vehicles, equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students and other District residents; consequently these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources (generally property taxes), since the capital assets themselves cannot be used to liquidate these liabilities.

Net Assets at June 30, 2010 and 2009 (in thousands)			
	Governmental Activities		Increase (Decrease) From Fiscal 2009
	2010	2009	
Current and other assets	\$ 78,001	\$ 76,978	\$ 1,023
Capital assets	78,659	80,624	(1,966)
Total assets	<u>156,660</u>	<u>157,602</u>	<u>(942)</u>
Current liabilities	10,716	10,293	423
Non-Current liabilities	92,260	96,003	(3,743)
Total liabilities	<u>102,976</u>	<u>106,296</u>	<u>(3,320)</u>
Net assets:			
Invested in capital assets, net of related debt	27,643	25,985	1,658
Restricted	2,323	4,992	(2,669)
Unrestricted	23,718	20,329	3,389
Total net assets	<u>\$ 53,684</u>	<u>\$ 51,306</u>	<u>\$ 2,378</u>

During the current fiscal year, the District's net assets increased by \$2.4 million. Invested in capital assets, net of related debt increased by \$1.7 million, while restricted decreased by \$2.7 million and unrestricted increased by \$3.4 million. Net capital assets increased due to an increase in current assets of \$1 million, a decrease in capital assets in excess of depreciation by \$1.9 million and an increase in current liabilities of \$.4 million, and a decrease in non-current liabilities of \$3.7 million. Unrestricted increased primarily due to \$3.4 million increase in General Fund balance. Restricted decreased primarily due a decrease in the amount reserved for debt service.

Governmental activities. The key elements of the change in the District's net assets for the year ended June 30, 2010 are as follows:

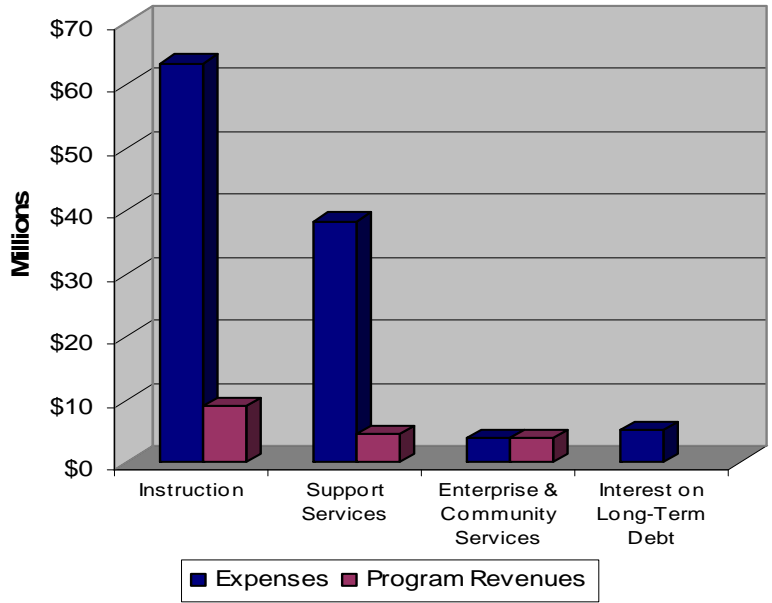
- General revenues increased by approximately \$2.3 million, mainly due to a increase in Federal Grants of approximately \$3.3 million, an increase in property tax collections of \$.8 million, an increase in the State School fund by \$.9 million, offset by the elimination of the school improvement fund of \$2.5 million.
- Governmental program expenses were decreased by about \$4.3 million. District licensed staff received a 1.75% for the first half of the year and a second 1.75% in the second half of the year for 2009-10 as part of the bargaining agreement covering the period from July 2008 to June 2011. These salary increases were offset by a cutting 114 positions resulting in a decrease of salary and benefits of approximately \$5.4 million. In addition middle and high school athletics and activities were reduced by

approximately \$360,000, maintenance and capital improvements were reduced by approximately \$1 million. These were offset by an increase in payments to charter schools by approximately \$.9 million.

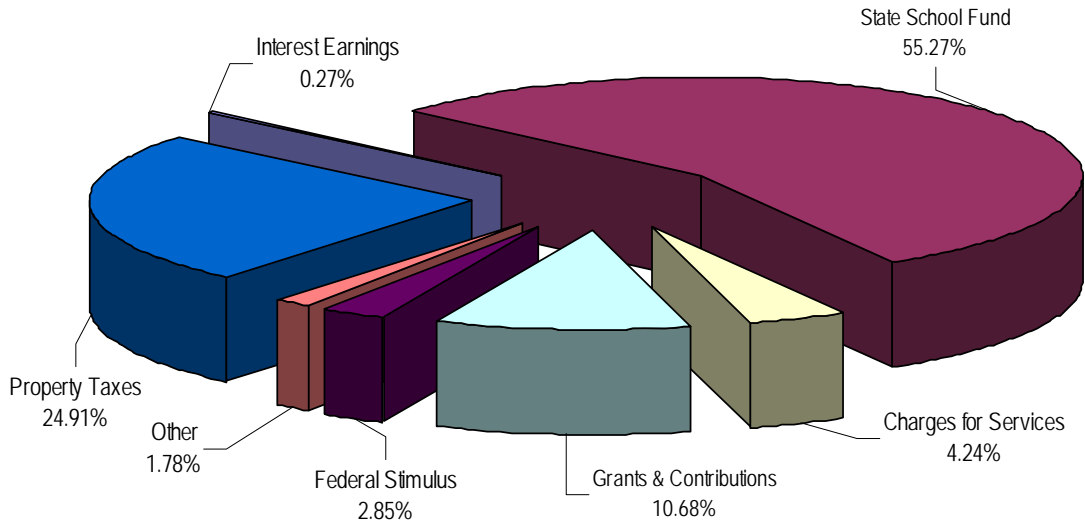
Changes in Net Assets
For the year ended June 30, 2010 and 2009
(in thousands)

	Governmental Activities		Increase (Decrease) from Fiscal 2009
	2010	2009	
Revenues:			
Program revenues:			
Charges for service	\$ 4,795	\$ 4,702	\$ 93
Operating grants and contributions	12,084	8,817	3,267
Capital grants and contributions	404	227	177
General revenues:			
Property taxes	28,178	27,404	774
State school fund – general support	62,536	61,607	929
Other federal, state and local sources	4,572	6,946	(2,374)
Earnings on investments	305	1,032	(727)
Other	264	137	127
Total revenues	113,138	110,872	2,266
Expenses:			
Instruction	63,483	65,333	(1,850)
Support services	38,305	40,844	(2,539)
Enterprise and community services	3,836	3,751	85
Interest on long-term debt	5,136	5,121	15
Total expenses	110,760	115,049	(4,289)
Increase in net assets	2,378	(4,177)	6,555
Net assets – July 1, as restated	51,306	55,483	(4,177)
Net assets – June 30	\$ 53,684	\$ 51,306	\$ 2,378

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

At June 30, 2010, the District's governmental funds reported combined ending fund balances of \$21.2 million, an increase of approximately \$3.4 million in comparison with the prior year. About \$13.9 million (65.5 percent) of the ending fund balance constitutes *unreserved ending fund balance*, which is available for spending at the government's discretion. About 4.5 percent of fund balance (\$948,887) is designated for capital projects. An additional \$1.77 million is designated for debt service obligations, \$3.3 million is designated for PERS litigation liabilities and \$1.26 million belongs to student groups.

General Fund. The General Fund is the chief operating fund of the District. As of June 30, 2010, unreserved fund balance was about \$13.56 million. As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Fund balance represents 15.35 percent of total General Fund expenditures. The fund balance increased by approximately \$3.4 during the current fiscal year compared to a \$2.9 million decrease during the 2008/09 fiscal year. This increase can primarily be attributed to \$6.56 million reduction in expenditures. Decreases in revenues and expenditures are a result of cuts in state revenues brought on by poor economic conditions. Major cuts in expenditures were necessary do to the cuts in state funding.

Federal Grant Fund. Revenues and expenditures in the Federal Grant Fund increased from \$5.9 million in 2008/09 fiscal year to over \$9 million for 2009/10. This \$3.1 million increase is primarily attributed to \$2.4 million in Federal Stimulus funds \$.4 million for a new 21st Century Schools Grant at Gresham High School and \$.2 million for a Charter School Grant for the Gresham Barlow Web Academy.

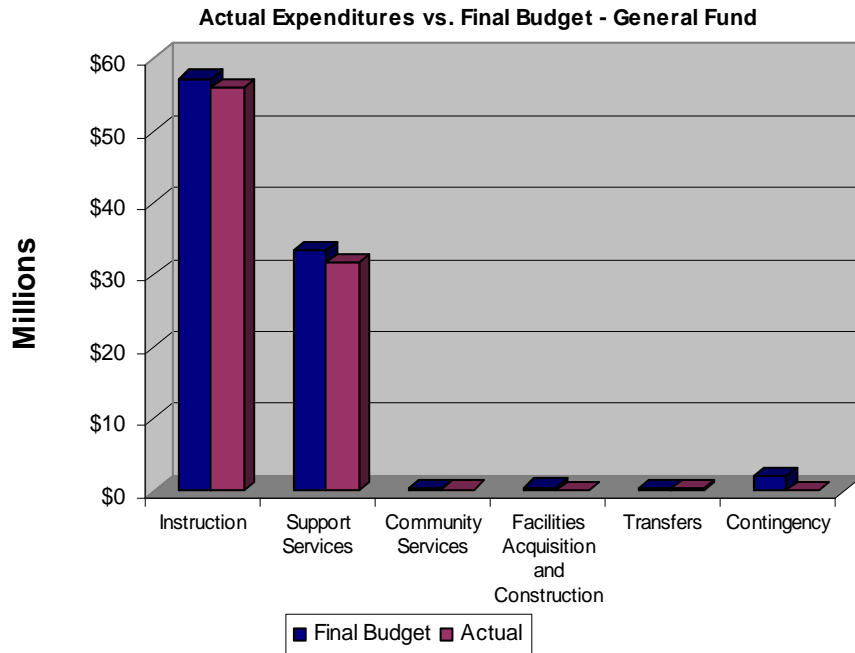
Other Special Revenue Fund. The Other Special Revenue Fund has a total fund balance of approximately \$4.6 million, approximately \$3.34 million is designated for increases due to PERS litigation that might reverse the cost-saving changes that PERS has made to the plan and for PERS litigation expenditures; approximately \$1.26 million belongs to student groups . The fund balance increased by \$91,594 during the fiscal year primarily due to interest earnings (\$24,143) on the PERS litigation fund balance and by an increase in the amount belonging to student groups (\$67,451).

Changes to fund balances in the other governmental funds can be attributed to a decrease in fund balance in the Food Service Fund of \$15,672, a decrease in fund balances in the Debt Service Funds of \$92,531 and an increase in the Capital Projects Fund of \$7,570.

GENERAL FUND BUDGETARY HIGHLIGHTS

Changes to the adopted budget for the fiscal year ended June 30, 2010 were not necessary. During the year, as shown in the chart, below, all General Fund expenditures were within budget. Variances noted

between instruction and support services budget and actual totals were not inconsistent with prior year experience, and reflect the District's conservative budget and spending practices.



CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The District's investment in capital assets includes land, buildings and improvements, vehicles and equipment. As of June 30, 2010, the District had invested approximately \$78.7 million in capital assets, net of depreciation, as shown in the following table:

Capital Assets (Net of Depreciation) June 30, 2010 and 2009 (in thousands)			
	Governmental Activities		Increase (Decrease) From Fiscal 2009
	2010	2009	
Land	\$ 6,010	\$ 6,010	\$ -
Construction in progress	536	536	-
Buildings and improvements	71,130	73,130	(2,000)
Vehicles & equipment	983	948	35
Total	<u>78,659</u>	<u>80,624</u>	<u>(1,965)</u>

During the year, the District's investment in capital assets decreased by approximately \$1.96 million. There were no major capital asset events for the year. Capital assets additions total \$554,716. Additions were offset by approximately \$ 2.5 million in depreciation expense. Additional information of the District's capital assets can be found in Note 4 on pages 32-33 of this report.

Long-term debt. At the end of the current fiscal year, the District had total bonded debt outstanding of approximately \$95.9 million, consisting of general obligation debt net of unamortized premium/discount.

During the current fiscal year, the District's total debt decreased by approximately \$3.5 million (3.5 percent). The decrease is the result of \$4.45 million in scheduled debt service payments offset by approximately \$.95 million in amortization of bond premium and discounts.

The District maintains an "A+" rating from Standard & Poor's and an "Aa2" rating from Moody's for non-insured general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 7.95 percent of its total real market valuation. The current debt limitation for the District is approximately \$599 million, which is significantly in excess of the District's outstanding general obligation debt.

Additional information on the District's long-term debt can be found in Note 5 on pages 33-35 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The most significant economic factor for the District is the State of Oregon's State School Fund. For the year ended June 30, 2010, the State School Fund – General Support provided 55.3 percent of the District's total resources and 68.2 percent of District's general fund resources. This is down from previous years as the State School Fund was cut due to a reduction in state revenues caused by the economic downturn. Some of the cuts were restored with Federal Stimulus. The District's 2010-2011 budget is based on \$6 billion in State Education funding for K-12 for the 2009-11 biennium. Senate Bill 5565 ensured that the full \$6 billion appropriated in 2009 would be available to K-12 school districts. With this allocation, Governor Kulongoski cautioned districts receiving these funds in preparing their 2010-11 budgets. The Governor wrote "Although we now see more encouraging signs of economic recovery as we begin to plan for the 2011-2013 biennium, new challenges are emerging, including an anticipated general fund shortfall of approximately 15 percent."

As stated in the introduction, in May the governor ordered across-the-board cuts to all state agencies due to a projected shortfall of \$577 million in state revenues. The District's share of the shortfall is projected at \$4.98 million, however the District chose to adopt the budget in June as planned. In July, the District cut eight days to the school year, reduced staff and plans to take \$1 million out of reserves in order to make up for the anticipated shortfall in revenues.

The District is anticipating a slight decrease in enrollment for 2010-2011. Additional enrollment in charter schools will result in lower numbers of students in District schools. The enrollment projection is based on the District's most recent demographic student population report and experience over the past couple of

years and is critical to our revenue projections, as the state bases our revenue on enrollment and special needs students.

The education of students is labor intensive, as reflected in the allocation of the financial resources of the district. For the 2010-11 budget, salaries and fringe benefits represent over 75% of the General Fund operating budget. The expenditures for salaries and fringe benefits are determined by contractual agreements and staffing policies and guidelines of the board, on the basis of projected enrollment, special student needs, and the conditions of employment established by collective bargaining agreements. For the year ended June 30, 2003 the ending fund balance of \$2 million, declined below the District's target of \$5 million. This was a deliberate action to lessen the impact of rising costs and uncertain revenues on the District's instructional programs. The District restored the ending fund balance for the fiscal year ended June 30, 2004 to \$8.8 million, \$11.6 million for the fiscal year ended June 30, 2005, \$15.7 million for the fiscal year ended June 30, 2006 and \$14 million for the fiscal year ended June 30, 2007, \$13.1 million for the fiscal year ended June 30, 2008, \$10.2 for the fiscal year ended June 30, 2009 and \$13.56 for the fiscal year ended June 30, 2010, as previously mentioned. The 2010-2011 budget anticipates an ending fund balance of at least \$7.16 million, (\$2 million in contingency and \$5.16 million in the amount reserved for next year.) Reserves were increased in anticipation of future state revenue shortfalls, the temporary nature of the ITAX and scheduled increases in public employee retirement costs.

The District's ability to house, educate and prepare students for the future and to maintain school facilities continues to be stretched significantly. The District is trying to adjust our expectations to the amount of revenue available. The increasing needs of students will continue to challenge educators to find creative ways to prepare them for the 21st Century.

REQUESTS FOR INFORMATION

This financial report is designed to present the user (citizens, taxpayers, investors, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District's Chief Finance Officer at 1331 NW Eastman Parkway, Gresham, Oregon 97030.

BASIC FINANCIAL STATEMENTS

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GRESHAM-BARLOW SCHOOL DISTRICT 10JT
STATEMENT OF NET ASSETS
JUNE 30, 2010

	Primary Government	Compenent Units		
	Governmental Activities	Gresham Arthur Academy	Lewis & Clark Montessori	Gresham-Barlow Web Academy
ASSETS:				
Cash and investments	\$ 23,626,846	\$ 182,535	\$ -	\$ 165,028
Receivables	5,174,105	-	12,273	13,084
Supply Inventories	182,164	-	-	-
Prepays, including PERS Liability	43,628,669	8,304	-	-
Bond issuance costs	674,927	-	-	-
Net pension asset	270,829	-	-	-
Equity interest in CAL	4,443,211	-	-	-
Capital assets, net				
Land	6,010,506	-	-	-
Construction in Progress	536,012	-	-	-
Buildings and improvements	71,129,930	-	-	-
Vehicles and equipment	982,873	76,856	18,169	7,109
TOTAL ASSETS	156,660,072	267,695	30,442	185,221
LIABILITIES:				
Accounts payable and other current payables	5,679,183	48,801	42,013	15,431
Accrued interest payable	183,064	-	-	-
Unearned revenue	599,469	-	-	-
Compensated absenses, due within one year	463,226	-	-	-
Bonds payable, net of unamortized premium/discount, due within one year	3,790,929	-	-	-
Noncurrent liabilities:				
Compensated absenses, due in more than one year	62,858	-	-	-
Net OPEB obligation	101,864	-	-	-
Bonds payable, net of unamortized premium/discount, due in more than one year	92,095,142	-	-	-
TOTAL LIABILITIES	102,975,735	48,801	42,013	15,431
NET ASSETS:				
Invested in capital assets, net of related debt	27,643,113	76,856	18,169	7,109
Restricted for:				
Debt service	1,374,537	-	-	-
Capital projects	948,887	-	-	-
Unrestricted	23,717,800	142,038	(29,740)	162,681
TOTAL NET ASSETS	\$ 53,684,337	\$ 218,894	\$ (11,571)	\$ 169,790

See notes to basic financial statements.

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
 STATEMENT OF ACTIVITIES
 YEAR ENDED JUNE 30, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense), Revenue and Changes in Net Assets	Gresham Arthur Academy	Component Units Lewis & Clark Montessori	Gresham-Barlow Web Academy
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities			
Governmental activities:								
Instruction:								
Regular programs	\$ 45,897,151	\$ 2,490,473	\$ 877,899	\$ 235,707	\$ (42,293,072)	\$ (438,106)	\$ (462,892)	\$ (299,052)
Special programs	17,550,276	149,775	5,020,277	168,200	(12,212,024)			
Summer school programs	35,779	16,400	11,554	-	(7,825)			
Total instruction	63,483,206	2,656,648	5,909,730	403,907	(54,512,921)			
Support Services:								
Student support services	5,928,050	18,265	1,014,274	-	(4,895,511)			
Instructional staff support	4,799,441	74,955	2,156,378	-	(2,568,108)			
General administration	860,098	-	1,779	-	(858,319)			
School administration	6,361,477	28,741	10,078	-	(6,322,658)			
Business support services	15,434,205	484,628	292,883	-	(14,656,694)			
Central activities	4,621,373	290,915	79,540	-	(4,250,918)			
Supplemental retirement program	300,000	-	-	-	(300,000)			
Total support services	38,304,644	897,504	3,554,932	-	(33,852,208)	(244,568)	(60,322)	(184,510)
Enterprise and Community Services:	3,836,382	1,241,200	2,619,783	-	24,601			
Interest on long-term debt	5,136,273	-	-	-	(5,136,273)			
Total governmental activities	\$ 110,760,505	\$ 4,795,352	\$ 12,084,445	\$ 403,907	(93,476,801)	(682,674)	(523,214)	(483,562)
General revenues:								
Property taxes levied for general purposes					22,241,298	-	-	-
Property taxes levied for debt service					5,937,248	-	-	-
State school fund - general support					62,535,975	695,800	461,590	628,035
Common school fund					1,230,366	-	-	-
County school fund					26,328	-	-	-
Multnomah County Income Taxes					59,254	-	-	-
Federal ARRA					3,229,489	-	-	25,317
Other unrestricted federal sources					26,376	-	-	-
Earnings on investments					304,554	62	-	-
Miscellaneous					263,843	-	19,034	-
Total general revenues					95,854,731	695,862	480,624	653,352
CHANGE IN NET ASSETS					2,377,930	13,188	(42,590)	169,790
Net assets - July 1, 2009, as restated					51,306,407	205,706	31,019	-
Net assets - June 30, 2010					\$ 53,684,337	\$ 218,894	\$ (11,571)	\$ 169,790

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

	General Fund	Federal Grant Fund	Other Special Revenue Fund	Other Governmental Funds	Total
ASSETS					
Equity in pooled cash and investments	\$ 16,002,698	\$ -	\$ 4,599,311	\$ 3,024,837	\$ 23,626,846
Receivables	2,427,809	1,951,405	-	794,891	5,174,105
Due from other funds	1,438,437	-	-	-	1,438,437
Inventory	141,207	-	-	40,957	182,164
TOTAL ASSETS	<u>\$ 20,010,151</u>	<u>\$ 1,951,405</u>	<u>\$ 4,599,311</u>	<u>\$ 3,860,685</u>	<u>\$ 30,421,552</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts, retainage, payroll and payroll withholding payables	\$ 5,157,559	\$ 350,366	\$ -	\$ 171,258	\$ 5,679,183
Deferred revenue	1,295,130	326,796	-	477,934	2,099,860
Due to other funds	-	1,274,243	-	164,194	1,438,437
TOTAL LIABILITIES	<u>6,452,689</u>	<u>1,951,405</u>	<u>-</u>	<u>813,386</u>	<u>9,217,480</u>
Fund Balances:					
Reserved for:					
Student activity groups	-	-	1,263,121	-	1,263,121
Capital expenditures	-	-	-	948,887	948,887
Retirement of long-term debt	-	-	-	1,770,506	1,770,506
PERS Litigation	-	-	3,336,190	-	3,336,190
Unreserved, reported in:					
General fund	13,557,462	-	-	-	13,557,462
Special revenue funds	-	-	-	327,906	327,906
Total fund balances	<u>13,557,462</u>	<u>-</u>	<u>4,599,311</u>	<u>3,047,299</u>	<u>21,204,072</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 20,010,151</u>	<u>\$ 1,951,405</u>	<u>\$ 4,599,311</u>	<u>\$ 3,860,685</u>	<u>\$ 30,421,552</u>

See notes to basic financial statements.

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET ASSETS
JUNE 30, 2010**

TOTAL FUND BALANCES		\$	21,204,072
Capital assets are not financial resources and therefore are not reported in the governmental funds:			
Cost	\$	125,012,016	
Accumulated depreciation		<u>(46,352,695)</u>	78,659,321
A portion of the District's property taxes are collected after year-end but are not available soon enough to pay for the current years' operations, and therefore are not reported as revenue in the governmental funds.			
			1,500,391
The unamortized portion of issuance costs is not available to pay for current period expenditures, and therefore, is not reported in the governmental funds.			
			674,927
Prepaid PERS UAL is not reported in the governmental funds.			
			43,628,669
The net pension asset is not reported as an asset in the governmental funds.			
			270,829
The net OPEB obligation is not reported as an asset in the governmental funds.			
			(101,864)
Equity interest in the Center for Advanced Learning (CAL) is not reported in the governmental funds.			
			4,443,211
Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest in long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due. These liabilities consist of:			
Accrued interest payable		(183,064)	
Bonds payable		(95,886,071)	
Compensated absences payable		<u>(526,084)</u>	<u>(96,595,219)</u>
TOTAL NET ASSETS			<u>\$ 53,684,337</u>

See notes to basic financial statements.

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010

	General Fund	Federal Grant Fund	Other Special Revenue Fund	Other Governmental Funds	Total
REVENUES:					
Property taxes	\$ 22,229,522	\$ -	\$ -	\$ 5,983,401	\$ 28,212,923
Other taxes	-	-	-	151,297	151,297
Federal sources	3,307,971	9,016,601	-	2,533,254	14,857,826
State and local sources	64,201,942	-	184,962	425,202	64,812,106
Charges for services	1,682,942	-	2,091,370	1,021,040	4,795,352
Investment earnings	245,170	-	27,526	31,858	304,554
TOTAL REVENUES	91,667,547	9,016,601	2,303,858	10,146,052	113,134,058
EXPENDITURES:					
Current:					
Instruction	55,961,612	5,521,272	2,132,330	208,743	63,823,957
Support services	31,831,739	3,272,360	78,504	316,766	35,499,369
Community services	213,819	33,229	-	3,570,362	3,817,410
Debt service:					
Principal	-	-	-	3,301,667	3,301,667
Interest	-	-	-	2,799,602	2,799,602
Capital outlay	314,001	189,740	1,430	49,545	554,716
TOTAL EXPENDITURES	88,321,171	9,016,601	2,212,264	10,246,685	109,796,721
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,346,376	-	91,594	(100,633)	3,337,337
OTHER FINANCING SOURCES (USES):					
Sale of capital assets	38,754	-	-	-	38,754
TOTAL OTHER FINANCING SOURCES (USES)	38,754	-	-	-	38,754
NET CHANGE IN FUND BALANCE	3,385,130	-	91,594	(100,633)	3,376,091
FUND BALANCE, July 1, 2009	10,172,332	-	4,507,717	3,147,932	17,827,981
FUND BALANCE, June 30, 2010	\$ 13,557,462	\$ -	\$ 4,599,311	\$ 3,047,299	\$ 21,204,072

See notes to basic financial statements.

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2010**

NET CHANGE IN FUND BALANCE \$ 3,376,091

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

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Expenditures for capital assets	\$ 554,716	
Less current year depreciation	<u>(2,519,913)</u>	(1,965,197)

In the Statement of Activities, the contributions to the Pension Trust Fund in excess of the actuarially determined contribution amount increased the net pension asset. In the governmental funds the entire contribution is recognized as an expenditure. This is the amount by which the net pension asset is increased:

Contribution to Pension Trust Fund	534,190	
Annual pension cost	<u>(515,557)</u>	18,633

In the Statement of Activities, the contributions to the Post Retirement Health Benefits Program in excess of the actuarially determined contribution amount increased the net OPEB asset. In the governmental funds the entire contribution is recognized as an expenditure. This is the amount by which the net OPEB asset is increased:

Contribution to Post Retirement Health Benefits	1,056,333	
Annual OPEB cost	<u>(1,110,561)</u>	(54,228)

Repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Assets:

Debt principal repaid (GO \$3,301,667, PERS \$1,146,454)		4,448,121
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Governmental funds report the effect of issuance costs, premiums, and discounts when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences:

Amortization of premium/(discount)	(951,284)	
Amortization of issuance costs	<u>(80,918)</u>	(1,032,202)

Amortization of prepaid PERS liability		(2,370,158)
--	--	-------------

Change in Equity Interest in Center for Advanced Learning (CAL)		(60,259)
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In the Statement of Activities interest is accrued on long-term debt, whereas in the governmental funds it is recorded as an interest expense when due.		39,951
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Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the Statement of Activities property taxes are recognized as revenue when levied.		(34,377)
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Compensated absences are recognized as an expenditure in the governmental funds when they are paid. In the Statement of Activities compensated absences are recognized as an expenditures when earned.		<u>11,555</u>
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CHANGE IN NET ASSETS	\$	<u>2,377,930</u>
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See notes to basic financial statements.

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE- BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
REVENUES:				
Property taxes	\$ 21,427,925	\$ 21,427,925	\$ 22,229,522	\$ 801,597
State and local sources	67,025,973	67,025,973	65,884,884	(1,141,089)
Investment earnings	650,000	650,000	245,170	(404,830)
Federal sources	50,800	50,800	3,307,971	3,257,171
Total revenues	89,154,698	89,154,698	91,667,547	2,512,849
EXPENDITURES:				
Instruction	57,256,643	57,256,643	55,966,311	1,290,332
Support services	33,365,649	33,365,649	31,716,368	1,649,281
Community services	236,771	236,771	213,819	22,952
Facilities acquisition and constructor	500,000	500,000	124,673	375,327
Operating contingency	2,000,000	2,000,000	-	2,000,000
Total expenditures	93,359,063	93,359,063	88,021,171	5,337,892
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,204,365)	(4,204,365)	3,646,376	7,850,741
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	(300,000)	(300,000)	(300,000)	-
Proceeds from sale or loss of capital assets	5,000	5,000	38,754	33,754
NET CHANGE IN FUND BALANCE	(4,499,365)	(4,499,365)	3,385,130	(7,884,495)
FUND BALANCE, July 1, 2009	8,919,540	8,919,540	10,172,332	1,252,792
FUND BALANCE, June 30, 2010	\$ 4,420,175	\$ 4,420,175	\$ 13,557,462	\$ 9,137,287

See notes to basic financial statements.

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FEDERAL GRANT FUND
YEAR ENDED JUNE 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
REVENUES:				
Federal sources	\$ 12,107,161	\$ 12,107,161	\$ 9,016,601	\$ (3,090,560)
Total revenues	12,107,161	12,107,161	9,016,601	(3,090,560)
EXPENDITURES:				
Instruction	7,697,334	7,697,334	5,542,812	2,154,522
Support services	4,309,827	4,309,827	3,440,560	869,267
Community services	100,000	100,000	33,229	66,771
Total expenditures	12,107,161	12,107,161	9,016,601	3,090,560
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, July 1, 2009	-	-	-	-
FUND BALANCE, June 30, 2010	\$ -	\$ -	\$ -	\$ -

See notes to basic financial statements.

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 OTHER SPECIAL REVENUE FUND
 YEAR ENDED JUNE 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
REVENUES:				
Local sources	\$ 3,082,200	\$ 3,082,200	\$ 2,303,858	\$ (778,342)
Total revenues	<u>3,082,200</u>	<u>3,082,200</u>	<u>2,303,858</u>	<u>(778,342)</u>
EXPENDITURES:				
Instruction	3,956,800	3,956,800	2,133,760	1,823,040
Support services	<u>166,900</u>	<u>166,900</u>	<u>78,504</u>	<u>88,396</u>
Total expenditures	<u>4,123,700</u>	<u>4,123,700</u>	<u>2,212,264</u>	<u>1,911,436</u>
NET CHANGE IN FUND BALANCE	<u>(1,041,500)</u>	<u>(1,041,500)</u>	<u>91,594</u>	<u>1,133,094</u>
FUND BALANCE, July 1, 2009	<u>4,411,500</u>	<u>4,411,500</u>	<u>4,507,717</u>	<u>96,217</u>
FUND BALANCE, June 30, 2010	<u>\$ 3,370,000</u>	<u>\$ 3,370,000</u>	<u>\$ 4,599,311</u>	<u>\$ 1,229,311</u>

See notes to basic financial statements.

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
 STATEMENT OF FIDUCIARY NET ASSETS
 JUNE 30, 2010

	Pension Trust Funds		
	Early Retirement Fund	Post Retirement Fund	Agency Fund
ASSETS			
Cash and cash equivalents	\$ 750,799	\$ 383,650	\$ -
Receivables	-	-	2,483
TOTAL ASSETS	<u>750,799</u>	<u>383,650</u>	<u>2,483</u>
LIABILITIES			
Book overdraft	-	-	2,483
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>2,483</u>
NET ASSETS			
Held in trust for:			
Pension benefits	<u>750,799</u>	<u>383,650</u>	<u>-</u>
TOTAL NET ASSETS	<u>\$ 750,799</u>	<u>\$ 383,650</u>	<u>\$ -</u>

See notes to basic financial statements.

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 YEAR ENDED JUNE 30, 2010

	Pension Trust Funds	
	Early Retirement Fund	Post Retirement Fund
ADDITIONS:		
Contributions:		
Employer	\$ 534,190	\$ 300,000
Investment earnings	4,949	3,239
	<u>539,139</u>	<u>303,239</u>
DEDUCTIONS:		
Early retirement benefits	587,055	-
Health and welfare benefits	-	231,962
	<u>587,055</u>	<u>231,962</u>
Total deductions	<u>587,055</u>	<u>231,962</u>
CHANGE IN NET ASSETS	(47,916)	71,277
NET ASSETS, July 1, 2009	<u>798,715</u>	<u>312,373</u>
NET ASSETS, June 30, 2010	<u><u>\$ 750,799</u></u>	<u><u>\$ 383,650</u></u>

See notes to basic financial statements.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Gresham-Barlow School District 10JT (the District), was established on July 1, 1994 as the result of the unification of the former Gresham Grade, Orient, Damascus Union and Barlow-Gresham Union High School Districts. The elementary districts merged into Barlow-Gresham Union High School District. The Barlow-Gresham Union High School District Board of Directors remained the governing Board and the policies of the high school remained intact.

The District is governed by an elected seven-member board. The District is a special-purpose primary government exercising financial accountability for all public education within its boundaries. As required by generally accepted accounting principles, these financial statements present the District and any component units. Component units, as established by the Government Accounting Standards Board (GASB) Statement 39, are separate organizations that are included in the District's reporting entity because of the significance of their operational or financial relationships with the District. All significant activities and organizations with which the District exercises oversight responsibility have been considered for inclusion in the basic financial statements. The District has three discretely presented component units, Gresham-Barlow Web Academy Charter School, Gresham Arthur Academy Charter School and Lewis and Clark Montessori Charter School are included in the District's reporting entity because the District's Board has consent over the charter of the schools, and the exclusion from the District's financial statements would cause the District's financial statements to be misleading or incomplete. Detailed information about the charter school's budgetary compliance and compliance with laws and regulations is contained in the Component Unit Financial Reports of Gresham-Barlow Web Academy, Gresham Arthur Academy and Lewis and Clark Montessori School which are issued separately.

Basis of Presentation

Government-wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the District. These statements include the governmental financial activities of the overall District, except fiduciary activities. Eliminations have been made to minimize the double counting of internal 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. Eliminations have been made to minimize the double counting of internal activities in the Statement of Activities, however interfund services provided and used are not eliminated in the process of consolidation. 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 that are 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 are excluded from the government-wide financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Net assets are reported as restricted when constraints placed on net asset use are either externally restricted, imposed by creditors (such as through 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 is the District's primary operating fund and accounts for all revenues and expenditures except those required to be accounted for in another fund.

Federal Grant Fund – This fund accounts for revenues and expenditures of grants restricted for specific educational projects. Principal revenue sources are federal grants.

Other Special Revenue Fund – This fund accounts for the other special revenues from two primary sources: student activities and PERS litigation. The major sources of revenue are student participation fees and receipts from event admission charges for student activities and charges assessed as payroll expenditures to provide funding for future PERS increases due to litigation that might reverse the cost-saving changes that PERS has made to the plan, and for PERS litigation.

Additionally, the District reports the following fund types:

The pension trust fund accounts for the accumulation of resources to be used for payments to employees who receive supplemental early retirement stipends and post-employment health care benefits.

The Agency Fund accounts for pass-through grants where the District acts as fiscal agent or cash conduit and handles the payroll function for the Center for Advanced Learning, Gresham-Barlow Web Academy and Gresham-Barlow Education Foundation.

Measurement Focus and Basis of Accounting

Government-wide and pension trust 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,

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets 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.

Agency fund financial statements report only assets and liabilities and therefore, have no measurement focus. However the accrual basis of accounting is used to recognize receivables and payables.

Cash, Cash Equivalents and Investments

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

The District's investments consist of time certificates of deposit, banker's acceptances, commercial paper and U.S. Government Agency securities. Time certificates of deposits are stated at cost which approximates fair value. Investments, other than time certificates of deposit, that have a remaining maturity at the time of purchase of one year or less are stated at amortized cost. All other investments are state at fair value, or estimated fair value. The LGIP is stated at cost which is 99.56% of 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes Receivable

Property taxes are levied and become a lien on July 1. Collection dates are November 15, February 15, and May 15 following the lien date. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent. Uncollected property taxes are recorded on the statement of net assets. Uncollected taxes are deemed to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established. All property taxes receivable are due from property owners within the District.

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. All accounts receivable are current and no allowance for uncollectible accounts is made.

Interfund Receivables and Payables 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.

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. Grant monies received prior to the occurrence of qualifying expenditures are recorded as deferred revenue.

Supply Inventories

Inventories are charged as expenditures when purchased and are stated at cost using first-in, first-out (FIFO) method. Any donated inventories are stated at their estimated fair market value.

A portion of the inventory consists of donated United States Department of Agriculture (USDA) commodities. Commodities are recorded as expenditures when consumed and are stated at their fair market value based on guidelines provided by the USDA. Commodities on hand at year end are recorded as unearned revenue.

Intangible Assets

Intangible assets are recorded in accordance with GASB Statement No. 51. The capitalization threshold for intangible assets is \$50,000. There were no intangible assets as of June 30, 2010.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

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

Buildings and improvements	10 to 50 years
Equipment and vehicles	5 to 20 years
Land and construction in progress are not depreciated.	

Retirement Plans

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

In addition, licensed, classified employees (hired prior to July 1, 1999), administrative supervisors, (hired prior to July 1, 2005) and confidential employees (hired prior to July 1, 2009) with 15 years service with the District and reaching age 55 (10 years for administrative) or age 55 with 30 years of service with PERS, generally, are eligible for early retirement benefits. Payment of benefits is made from a fiduciary fund, which accumulates contributions made from the General Fund. These contributions are charged to expenditures based on actuarially determined amounts. Employer contributions to the Pension Trust Fund are recorded when due and the Board has made a formal commitment to provide contributions.

The District offers its employees tax deferred annuity plans established pursuant to Section 403(b) and Section 457(b) of the Internal Revenue Code.

Post Employment Health Care Benefits

Eligible administrative and confidential employees who elect early retirement are entitled to payment of group medical and dental insurance premiums up to specified maximum limits. Such costs are recorded as expenses in the Pension Trust Fund and funded as premiums become due.

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 have matured, for example, as a result of employee resignation and retirements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

Long-term Debt

In the government-wide financial statements long-term debt is reported as a liability in the Statement of Net Assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements bond premiums and discounts, as well as bond issuance costs, are recognized when incurred and not deferred. The face amount of the debt issued, premiums received on debt issuances, and discounts are reported as other financing sources and uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Budget

A budget is prepared and legally adopted for each governmental fund type and pension trust funds on the modified accrual basis of accounting. The agency fund is not required to be budgeted. A budget is prepared for two areas of the District's Capital Project Fund because the individual funds are associated with specific bond proceeds, however, the legal level of budgetary control is at the combined level. The budgetary basis of accounting is substantially the same as accounting principles generally accepted in the United States of America basis, except capital outlay expenditures, including items below the District's capitalization level, are budgeted by major function in governmental fund types, inventories are budgeted as expenditures when purchased and contributions to the Post Retirement Fund are budgeted as operating transfers. 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, 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 a supplemental budget and appropriation resolution. Supplemental budgets less than 10% of a fund's original budget may be adopted by the Board at a regular meeting. A supplemental budget greater than 10% of a fund's original budget requires hearings before the public, publication in newspapers and approval by the Board. Supplemental budgets must also be submitted, reviewed and certified, similar to the original budget, by the Multnomah County Tax Supervising and Conservation Commission. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control (major function levels) with Board approval.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budget (continued)

During the year, no appropriation transfers were made. Appropriations lapse at the end of each fiscal year. Expenditures of the various funds were within authorized appropriations.

Use of Estimates

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

2. CASH, DEPOSITS AND INVESTMENTS

Cash, deposits and investments are comprised of the following as of June 30, 2010, stated at cost which approximates fair value:

Cash on hand	\$ 879
Deposits banks	2,715,476
Time certificates of deposit	6,715,257
State of Oregon treasurer's investment pool	12,336,447
Investments	<u>2,990,753</u>
	<u>\$ 24,758,812</u>

Cash and investments are shown on the basic financial statements as:

Statement of Net Assets	
Equity in Cash and Investments	\$ 23,626,846
Statement of Fiduciary Funds Net Assets	
Equity in Cash and Investments	1,134,449
Book overdraft	<u>(2,483)</u>
	<u>\$ 24,758,812</u>

Interest rate risk. In accordance with its investment policy, the District manages its exposure to declines in fair values by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and investing operating funds primarily in shorter-term securities or short-term investment pools. The maximum maturity shall be the anticipated use of the cash or 18 months, whichever is shorter, unless the funds are being accumulated for a specific purpose, including future construction projects, and upon approval of the District, the maximum maturity date matches anticipated use of the funds.

2. CASH AND INVESTMENTS (CONTINUED)

As of June 30, 2010 the District held the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in months)			% of Portfolio
		Less than 3	3-18	18-59	
Local Government Investment Pool	\$ 12,336,447	\$ 12,336,447	\$ -	\$ -	80 %
U. S. Agencies	-	-	-	-	
Bankers Acceptance	2,995,158	-	2,995,158	-	20
	<u>\$ 15,331,605</u>	<u>\$ 12,336,447</u>	<u>\$ 2,995,158</u>	<u>-</u>	<u>100 %</u>

Credit risk. State law and the District's investment policy limits investments in corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs) and commercial paper to the top rating (top two if issued on Oregon business enterprises). The District's investment in U.S. Agency Securities were rated Aaa by Moody's Investors Service. The State treasurer's 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. The District's investment policy places no limit on the amount the District may invest in U. S. government agency securities and instrumentalities of government-sponsored corporations or the state treasurer's investment pool, however the policy limits investment to a single U. S government agency to 50% of surplus funds. The District's investment policy limits commercial paper to 35% of total investments with no more than 5% in a single corporate entity or its affiliates or subsidiaries. The District's investment policy also limits banker's acceptances to 50% of the total investment portfolio with no more than 25% of the total portfolio of investments in a single issuer. State and Local Government securities are limited to 25% of the total portfolio and to lawfully issued debt obligation or the agencies and instrumentalities of the States of Oregon, Washington, Idaho and California. The District policy, which adheres to State of Oregon law, is to limit its investment to issuers within Oregon with a rating of at least "A" (bond) or A-2/P-2 (commercial paper) or better by Standard and Poor's, Moody's Investor Service or any other nationally recognized statistical rating organization, issuers not in Oregon must be rated AA/Aa (bonds) or A-1/P-1 (commercial paper) or better.

Custodial credit risk – deposits. At year-end, the District's net carrying amount of deposits was \$9,430,733 and the bank balance was \$10,845,469. Of these deposits, \$1,024,173 was covered by federal depository insurance, the remainder is collateralized the Oregon Public Funds Collateralization Program (PFCP). Oregon Revised Statutes and District policy require depository institutions to maintain on deposit, with the collateral pool manager, securities having a value not less than 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized, or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. Currently all banks are required to post 100% collateral.

2. CASH AND INVESTMENTS (CONTINUED)

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District minimizes custodial credit risk by limiting investments to the types of securities allowed by law; and pre-qualifying the financial institutions, and broker/dealers with which the District will do business. The District's investment policy requires that all of the District's investments, except for the investment in the Local Government Investment Pool which is not evidenced by securities and the overnight sweep repurchase agreements, to be delivered to and held in third party safekeeping. The overnight sweep repurchase agreements were held in safekeeping by the financial institution counterparty in the financial institution's general customer account name. There was no overnight sweep balance at June 30, 2010.

3. RECEIVABLES

Receivables are comprised of the following as of June 30, 2010:

Property taxes	\$ 1,690,267
Grants	2,145,252
Common school fund	615,183
School Day Restoration	277,124
July Turnover with County Treasurer	196,463
Other	249,816
	<hr/>
Total	\$ 5,174,105

4. CAPITAL ASSETS

Capital assets activity for the year was as follows:

	2009	Increases	Decreases	2010
Capital assets not being depreciated:				
Land	\$ 6,010,506	\$ -	\$ -	\$ 6,010,506
Construction in progress	536,012	-	-	536,012
	<hr/>	<hr/>	<hr/>	<hr/>
Total capital assets not being depreciated	6,546,518	-	-	6,546,518
Capital assets being depreciated				
Buildings and improvements	112,279,999	384,974	-	112,664,973
Vehicles and equipment	5,671,544	169,742	(40,761)	5,800,525
	<hr/>	<hr/>	<hr/>	<hr/>
Total capital assets being depreciated	117,951,543	554,716	(40,761)	118,465,498
Less accumulated depreciation for:				
Buildings and improvements	(39,149,804)	(2,385,239)	-	(41,535,043)
Vehicles and equipment	(4,723,739)	(134,674)	40,761	(4,817,652)
	<hr/>	<hr/>	<hr/>	<hr/>
Total accumulated depreciation	(43,873,543)	(2,519,913)	40,761	(46,352,695)
Total capital assets being depreciated, net	74,078,000	(1,965,197)	-	72,112,803
Total capital assets, net	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$ 80,624,518	\$ (1,965,197)	\$ -	\$ 78,659,321

The beginning capital assets as of July 1, 2009 have been restated. See note 15.

4. CAPITAL ASSETS (CONTINUED)

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

<u>Program</u>	
Regular programs	\$ 2,329,874
Special programs	1,373
Student support services	419
Instructional programs	3,351
School administration	1,224
Business support services	156,790
Central activities	370
Enterprise and community services	26,512
Total	<u>\$ 2,519,913</u>

5. Long-Term Debt

Bonds Payable

General Obligation Bonds

General obligation bonds are direct obligations and pledge the full faith and credit of the District. The District issues general obligation bonds to provide funds for the acquisition and construction of District school facilities.

Changes in general obligation bonds outstanding are as follows:

<u>ISSUE DATE:</u>	<u>Original Issue</u>	<u>Outstanding July 1, 2009</u>	<u>Issued</u>	<u>Matured and Redeemed</u>	<u>Outstanding June 30, 2010</u>	<u>Interest Rates</u>
June 1, 1993	\$ 2,113,148	\$ 174,637	\$ -	\$ 106,667	\$ 67,970	5.55%
June 1, 2001	40,200,000	2,605,000	-	1,210,000	1,395,000	5.50
October 14, 2003	21,355,000	16,070,000	-	1,665,000	14,405,000	3.25-5.00
October 14, 2003	2,630,000	1,010,000	-	320,000	690,000	3.50-3.88
April 18, 2005	32,405,000	32,405,000	-	-	32,405,000	4.00-5.50
		<u>52,264,637</u>	<u>-</u>	<u>3,301,667</u>	<u>48,962,970</u>	
Unamortized premium		<u>3,571,704</u>	<u>-</u>	<u>368,471</u>	<u>3,203,233</u>	
Total		<u>\$ 55,836,341</u>	<u>\$ -</u>	<u>\$ 3,670,138</u>	<u>\$ 52,166,203</u>	

5. LONG-TERM DEBT (CONTINUED)

Pension Obligation Bonds

On October 31, 2002 and April 21, 2003, limited tax pension obligation bonds totaling \$35,758,403 and \$25,307,539, respectively, were issued to finance the District's unfunded actuarially accrued liability (UAL) with the State of Oregon Public Employees Retirement System (PERS). The issuance of the bonds was considered an advance refunding of the District's UAL and resulted in an estimated present value saving of approximately \$16 million over the life of the bonds. The actual savings realized by the District over the life of the bonds is uncertain because of the various legislative changes and legal issues pending with the PERS system which could impact the District's future required contribution rate.

Changes in pension obligation bonds outstanding are as follows:

ISSUE DATE:	Original Issue	Outstanding July 1, 2009	Issued	Matured and Redeemed	Outstanding June 30, 2010	Interest Rates
October 31, 2002	35,758,403	\$ 34,020,331	\$ -	\$ 517,037	\$ 33,503,294	4.55-5.55
April 21, 2003	25,307,539	22,730,739	-	629,417	22,101,322	4.54-5.71
		<u>56,751,070</u>	<u>-</u>	<u>1,146,454</u>	<u>55,604,616</u>	
Unamortized discount		<u>(13,204,503)</u>	<u>-</u>	<u>(1,319,755)</u>	<u>(11,884,748)</u>	
Total		<u>\$ 43,546,567</u>	<u>\$ -</u>	<u>\$ (173,301)</u>	<u>\$ 43,719,868</u>	

Future maturities are as follows:

Fiscal Year Ending June 30,	Principal	Interest
2011	\$ 4,742,213	\$ 5,440,586
2012	5,012,786	5,347,813
2013	4,953,397	5,339,345
2014	5,304,376	5,352,078
2015	5,651,367	5,367,813
2016-2020	31,215,734	27,168,081
2021-2025	28,337,713	14,360,261
2026-2028	19,350,000	1,971,427
Total	<u>\$ 104,567,586</u>	<u>\$ 70,347,404</u>

Outstanding issues are callable as follows:

- June 1, 1993 - at par beginning October 1, 2002
- June 1, 2001 - at par beginning June 15, 2011
- October 31, 2002 - at par beginning June 30, 2007
- October 14, 2003 - Series A at par beginning June 15, 2014

5. LONG-TERM DEBT (CONTINUED)

The April 21, 2003, October 14, 2003 Series B and April 18, 2005 bond issues are not callable.

In prior years, the District defeased general obligation bonds by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old obligations. As a result, the early refunding bonds are considered to be defeased. Accordingly, the trust account assets and the liabilities for the defeased obligations are not included in the District's basic financial statements. At June 30, 2010, \$33,340,000 of general obligation bonds outstanding are considered defeased.

Compensated Absences

<u>Outstanding 7/1/09</u>	<u>Additions</u>	<u>Payments</u>	<u>Outstanding 6/30/10</u>	<u>Due with one year</u>
\$537,639	\$456,546	\$468,101	\$526,084	\$463,226

Compensated absences are assumed to be used on a first in first out basis and are generally liquidated by the general fund. An estimate has been made to determine balances which are considered due within one year.

The general obligation bonds will be paid from general property tax revenues from the Debt Service Fund. The pension bonds will be paid from the general fund with reimbursements from charges to fringe benefits for all employees who qualify for the State of Oregon Public Employees Retirement System. Compensated absences will be paid from the general fund.

6. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Due to/from other funds at June 30, 2010 are as follows:

General fund	\$	1,438,437	
Major governmental funds			\$ 1,274,243
Non-major governmental funds			164,194
Total interfund receivables and payables	\$	<u>1,438,437</u>	\$ <u>1,438,437</u>

Amounts represent cash advanced by the General Fund for operations.

7. OPERATING LEASES

The District leases equipment, primarily copiers, under non-cancelable lease agreements. Operating lease expenses/expenditures totaled approximately \$231,000 for the year ended June 30, 2010. Future payments associated with operating leases are due as follows:

Fiscal Year Ending June 30,	Amount
2011	\$ 211,596
2012	175,228
2013	55,667
2014	29,939
2015	8,342
	<u>\$ 480,772</u>

8. OTHER POST EMPLOYMENT BENEFITS

Early Retirement

Plan Description - The District maintains a single employer early retirement supplement program for its employees. This program covers all full-time certificated and classified employees (hired prior to July 1, 1999) and administrative employees (hired prior to July 1, 2005) and confidential (hired prior to July 1, 2009) personnel of the District. The District does not issue a stand alone report for this plan.

These programs have been established under separate collective bargaining agreements and provide provisions for early retirement after 30 years of service or age 55 with at least 15 years of continuous District service (ten years for administrative) immediately preceding retirement. This optional early retirement program provides the employee with the following:

- For certificated employees, \$780 per month for the earlier of forty-eight months or until age 62.
- For classified or confidential employees, \$200 per month for the earlier of forty-eight months or until age 62.
- For administrators with between 10 and 15 years of service, \$350 per month for the earlier of forty-eight months or until age 62.
- For administrators with 15 or more years of service, \$400 per month for the earlier of forty-eight months or until age 62

Summary of significant accounting policies –The plan is accounted for in the Early Retirement Fund, which is reported on the accrual basis of accounting. The District's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Plan investments are a part of the District's investment pool, reported at fair value.

8. OTHER POST EMPLOYMENT BENEFITS

Early Retirement (Continued)

Funding Policy - The benefits from this program are fully paid by the District and, consequently, no contributions by employees are required. Although there is no obligation on the part of the District to fund these benefits in advance, the District has established an Early Retirement Fund to accumulate assets to pay these benefits in the future based on an actuarially determined rate.

Annual Pension Cost and Net Pension Obligation - The District's annual pension cost and net pension obligation (NPO) to the Early Retirement Fund for the current year and prior year were as follows:

	2010	2009	2008
Annual required contribution	\$ 492,283	\$ 625,353	\$ 625,353
Interest on net pension obligation	(10,088)	(7,965)	(4,213)
Adjustment to annual required contribution	33,362	24,086	12,739
Annual pension cost	515,557	641,474	633,879
Contributions made	(534,190)	(694,555)	(727,678)
Increase in net pension obligation	(18,633)	(53,081)	(93,799)
NPO (Asset) at beginning of year	(252,196)	(199,115)	(105,316)
NPO (Asset) at end of year	\$ (270,829)	\$ (252,196)	\$ (199,115)
Percentage of APC contributed	103.6%	108.3%	114.8%

Actuarial Methods and Assumptions - The annual required contribution (ARC) for the current year was determined as part of the July 1, 2009 actuarial valuation using the aggregate actuarial cost method, which does not identify nor separately amortize unfunded actuarial liabilities. The actuarial assumptions included (a) a rate of return on investment of present and future assets of 4% compounded annually; (b) no future increase in benefit payable from this program; and (c) no post-retirement benefit increases and an inflation rate of 2.75%. Assets of the Early Retirement Fund for these programs are valued at cost which approximates fair value.

Funding Status and Funding Progress - Because the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about funding progress has been prepared using the entry age actuarial cost method for that purpose, and the information presented is intended to serve as a surrogate for the funded status and funding progress of the plan. As of July 1, 2009, the most recent actuarial valuation date, the plan was 20.4% funded. The actuarial accrued liability for benefits was \$3.9 million, and the actuarial value of assets was \$798,715, resulting in an unfunded actuarial accrued liability (UAAL) of \$3.1 million. The covered payroll (annual payroll of active employees covered by the plan) was \$30.7 million, and the ratio of the UAAL to the covered payroll was 10.2%.

8. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Early Retirement (Continued)

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The funding policy for these programs provides for an actuarially determined periodic transfer of resources by the General Fund to the Early Retirement Fund. The transfer of resources is intended to be a constant dollar amount for each employee covered by the programs so that sufficient resources will be available to pay benefits when due. Costs of administering these programs are funded by the District.

Program membership consisted of the following at January 1, 2009:

Retirees currently receiving benefits	78
Active program members:	
Vested	103
Nonvested	326
	<u>507</u>

Post Employment Health Care Benefits

Plan Description - The District, as a result of collective bargaining agreements, offers post-employment medical benefits under a single-employer, defined benefit plan, to administrators and confidential employees upon retiring under the provisions of PERS and to instructors who retired prior to July 1, 1992. In addition to qualifying for PERS, retirees must elect early retirement under the District's early retirement program as described in the previous Note. For these retirees, the District provides payments for medical premiums and provides dental coverage to administrators until the earlier of 120 months or until age 65.

Prior to July 1, 1992, the program was also available to instructors. As a result of collective bargaining, increased benefits in the District's early retirement program, as described in the previous note, have replaced the post-employment health care benefits for instructions retiring on or after July 1, 1992. Benefits will continue for those instructors already receiving benefits, who retired prior to July 1, 1992. The District does not issue a stand-alone report for this plan.

Summary of significant accounting policies -The plan is accounted for in the Post Retirement Fund, which is reported on the accrual basis of accounting. The District's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Plan investments are a part of the District's investment pool, reported at fair value. Because the District has not transferred the assets to an insurance trust, the actuarial value of assets is zero.

8. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Post Employment Health Care Benefits (Continued)

Funding Policy - The benefits from this program are fully paid by the District and, consequently, no contributions by employees are required. Although there is no obligation on the part of the District to fund these benefits in advance, the District has established a Post Retirement Fund to accumulate assets to pay these benefits in the future; however the District does not contribute to the fund on an actuarially determined basis.

Annual Pension Cost and Net Pension Obligation - The District's annual other postemployment benefit cost is calculated based on the annual required contribution of the employer (ARC), and amount actuarially determined in accordance within the parameter of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the OPEB obligation at the end of the year:

	2010	2009
Annual required contribution	\$ 285,962	\$ 141,142
Interest on net pension obligation	(4,597)	-
Adjustment to annual required contribution	4,047	-
	<hr/>	<hr/>
Annual pension cost	285,412	141,142
Contributions made	(231,962)	(256,073)
	<hr/>	<hr/>
Increase in net pension obligation	53,450	(114,931)
OPEB (Asset) at beginning of year	(114,931)	-
	<hr/>	<hr/>
OPEB (Asset) at end of year	\$ (61,481)	\$ (114,931)
	<hr/>	<hr/>
Percentage of APC contributed	81.3%	181.4%

Actuarial Methods and Assumptions - The annual required contribution (ARC) for the current year was determined as part of the July 1, 2009 actuarial valuation using the projected unit credit method. The objective of this method is to fund each participant's benefits under the plans as they accrue. The unfunded accrued liability is amortized over an open period of 30 years as a percentage of payroll. The actuarial assumptions included (a) a rate of return on investment of present and future assets of 4% compounded annually and a 100% assumption of participants who elect medical coverage at retirement; (b) for employees who are not yet retired, the District paid cap is assumed to increase \$60 per month each year until retirement; and (c) no post-retirement benefit increases, an inflation rate of 2.75% and a payroll growth rate of 3.75%.

Funding Status and Funding Progress - As of July 1, 2009, the plan was 0% funded. The actuarial accrued liability for benefits was \$1,963,075, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,280,325. The covered payroll (annual payroll of active employees covered by the plan) was \$4,036,745, and the ratio of the UAAL to the covered payroll was 56.5%.

8. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Post Employment Health Care Benefits (Continued)

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The funding policy for these programs provides for an actuarially determined periodic transfer of resources by the General Fund to the Post Retirement Fund. The transfer of resources is intended to be a constant dollar amount for each employee covered by the programs so that sufficient resources will be available to pay benefits when due. Costs of administering these programs are funded by the District.

Program membership consisted of the following at January 1, 2009:

Retirees currently receiving benefits	29
Active program members:	
Vested	9
Nonvested	40
	<u>78</u>

Post Employment Health Insurance Subsidy

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

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

The District did not establish an irrevocable trust (or equivalent arrangement) to account for the plan. Instead, the activities of the plan are reported in the General Fund. The District does not issue a stand-alone report for this plan.

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

8. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Post Employment Health Insurance Subsidy (Continued)

Annual Pension Cost and Net Pension Obligation - The District's annual other postemployment benefit cost is calculated based on the annual required contribution of the employer (ARC), and amount actuarially determined in accordance within the parameter of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the OPEB obligation at the end of the year:

	2010	2009
Annual required contribution	\$ 824,371	\$ 852,128
Interest on net pension obligation	6,502	-
Adjustment to annual required contribution	(5,724)	-
	<hr/>	<hr/>
Annual pension cost	825,149	852,128
Contributions made	(824,371)	(689,561)
	<hr/>	<hr/>
Increase in net pension obligation	778	162,567
OPEB (Asset) at beginning of year	162,567	-
	<hr/>	<hr/>
OPEB (Asset) at end of year	\$ 163,345	\$ 162,567
	<hr/> <hr/>	<hr/> <hr/>
Percentage of APC contributed	99.9%	80.9%

Actuarial Methods and Assumptions – The annual required contribution (ARC) for the current year was determined as part of the July 1, 2009 actuarial valuation using the projected unit credit method. The objective of this method is to fund each participant's benefits under the plans as they accrue. The unfunded accrued liability is amortized over an open period of 30 years as a percentage of payroll. The actuarial assumptions included (a) a rate of return on investment of present and future assets of 4% compounded annually and a payroll growth rate of 3.75%, (b) a 50% assumption of participants who elect self-pay retiree medical coverage and a 100% assumption of participants who elect self-pay retiree life insurance coverage at retirement; (c) medical and prescription drug costs would increase at 9 percent inflation for the current year, grading down to annual rate of 5 percent after eight years and dental costs would increase at 5 percent inflation for the current year, grading down to annual rate of 4 percent after eight years, which is consistent with expectations for long-term health care cost inflation. The demographic assumptions, such as mortality rates, disability incidence rates, retirement rates and withdrawal rates, are the same as those used by Oregon PERS for School Districts.

Funding Status and Funding Progress – As of July 1, 2009, the plan was 0% funded. The actuarial accrued liability for benefits was \$10,417,117, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$10,417,117. The covered payroll (annual payroll of active employees covered by the plan) was \$52,093,617, and the ratio of the UAAL to the covered payroll was 20%. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

8. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Tax Sheltered Annuity

The District offers its employees a tax deferred annuity programs established pursuant to Section 403(b) and 457(b) of the Internal Revenue Code (the 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. As of June 30, 2010, approximately 350 employees were participating in the plan.

9. PENSION PLAN

Plan Description - The District contributes to two pension plans administered by Oregon PERS. The Oregon Public Employees Retirement Fund (OPERF) applies to the District's contribution for qualifying employees who were hired before August 29, 2003, and is a cost-sharing multiple-employer defined benefit pension plan. The Oregon Public Service Retirement Plan (OPSRP) is a hybrid successor plan to the OPERF and consists of two programs: 1) The Pension Program, the defined benefit portion of the plan, applies to qualifying District employees hired after August 29, 2003. Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service. 2) Beginning January 1, 2004, all PERS member contributions are directed into the Individual Account Program (IAP), the defined contributions portion of the plan. PERS members retain their existing PERS accounts, but any subsequent member contributions are deposited into the member's IAP, not the member's PERS account.

Both PERS plans provide retirement and disability benefits, post employment health care benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS is administered under Oregon Revised Statute (ORS) Chapter 238. ORS 238.620 establishes the Public Employees Retirement Board as the governing body of PERS. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report can be obtained by writing to PERS, P.O. Box 23700, Tigard, OR 97281-3700 or by calling 1-503-598-7377.

Funding Policy - Members of PERS are required to contribute 6% of their salary covered under the plan. As part of the collective bargaining agreement with the District's certified staff, the District paid or picked up the 6% employee contribution for employee covered under this contract. The District is required by ORS 238.225 to contribute at an actuarially determined rate. On October 31, 2002 and April 21, 2003 the District participated in the Oregon School Boards Association limited tax pension obligation bond issues to finance a portion of the estimated unfunded PERS actuarial liability (the "UAL"). The District borrowed \$35,758,403 and \$25,302,640, respectively, reducing the rate paid to PERS on Tier 1 and Tier 2 employees, effective July 1, 2003. On March 1, 2006 the District rate for OPSRP was adjusted as a result of PERS spreading the prepayment of the District's UAL to all participants including OPSRP. As of July 1, 2009 the rate for Tier 1 and Tier 2 employees was 1.24% the rate for OPSRP was 1.76%. The rate charged to all PERS eligible employee for bond payments was 6.75% of covered payroll for fiscal 2009-2010.

9. PENSION PLAN (CONTINUED).

The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature. The District's employer contributions to PERS for the years ended June 30, 2010, 2009, and 2008 were approximately \$4,427,700, \$7,376,700, and \$7,009,300, respectively, equal to the required contributions for each year. Of this, approximately \$3,681,200, \$3,746,300 and \$3,592,900 was charged for the years ended June 30, 2010, 2009 and 2008 respectively, as PERS benefit expenditures to be used for bond payments as they become due. In addition approximately \$2,236,000, \$2,246,225 and \$2,155,700 in employee contributions were paid or picked up by the District in fiscal 2010, 2009 and 2008, respectively.

10. PREPAID PERS LIABILITY

As a result of the issuance of the 2002 and 2003 Limited Pension Obligation Bonds, as described in Notes 5 and 9, the District has reported a Prepaid PERS Liability in the Statement of Net Assets. The prepaid liability is equal to the initial \$60,338,006 payment made to PERS from the bond proceeds, less accumulated amortization at June 30, 2010 of \$16,709,337. Annual amortization has been calculated based on the expected annual savings that was estimated at the time the bonds were sold.

11. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft or damage to and destruction of assets; errors and omissions; and natural disasters. The District purchases commercial insurance for all claims other than that represented by minimal deductible amounts per loss. Workers' compensation insurance is purchase on a retrospectively rated basis so that total insurance cost is ultimately in direct proportion to losses. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years and there have been no reductions in insurance coverage from the prior year. The District does not engage in risk financing activities where the risk is retained (self-insurance).

12. COMMITMENTS AND CONTINGENCIES

On July 1, 2004, the District entered into a contract for pupil transportation to extend through the 2013-2014 school year. The District may extend the contract for up to an additional four years in two year increments. The total cost to the District under this contract will vary depending upon the number of buses utilized each day. Expenditures under the contract for pupil transportation during fiscal 2010 were approximately \$4,753,700, including expenditures for gasoline and additional bus services not included in the computation of minimum annual costs.

In July 2005, the District entered into a one-year contract for food service management to extend through the 2005-06 school year. The contract may be renewed yearly upon mutual written agreement for up to four additional years. The contract was renewed on June 11, 2009 for the 2009-10 fiscal year. The total cost to the District under the contract will vary depending upon the number of meals served. Expenditures under the contact for fiscal 2010 were approximately \$3,108,000.

The District, in the regular course of business, is named as a defendant in various lawsuits. The likely outcome of these lawsuits is not presently determinable.

GRESHAM-BARLOW SCHOOL DISTRICT 10JT

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2010

13. JOINT VENTURE

The District has entered into an intergovernmental property agreement to build and operate a Center for Advanced Learning (CAL), a charter school. However, payment and ownership will be shared with the following Districts along with their share of ownership: Reynolds School District No. 7, 19.305%; Centennial School District no. 28J, 16.369%; Mt. Hood Community College, 15.058%; and Gresham-Barlow School District No. 10J, 49.268%. The District's investment in CAL at June 30, 2010 was \$4,443,211. The Center for Advanced Learning issues a publicly available financial report which may be obtained by writing: Administrator, The Center for Advanced Learning, 1484 NW Civic Drive, Gresham, OR 97030.

14. SCHOOL FUNDING

The District is dependent on the State of Oregon for a substantial portion of its operating funds. Due to funding uncertainties at the State level, future funding for school districts may be reduced. The ultimate effect of this possible reduction in funding on the District's future operations is not yet determinable.

The District participates in a number of federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The federal audits for these programs for the year ended June 30, 2010 have not been conducted. Accordingly, compliance with grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although such amounts are expected to be immaterial.

15. RESTATEMENTS

Restatements to capital assets and depreciation were required as of July 1, 2009, due to conversion to a new fixed assets system, assets were discovered in the roll that were not on previous reports. These building and improvements were purchased with bond proceeds in 2002 prior to GASB 34 requirements.

As a result of these corrections, the following restatements were made to ending net assets as of June 30, 2009:

Net Assets - June 30, 2009	\$ 39,368,775
Increase in capital assets	13,930,639
Increase in accumulated depreciation	1,993,007
Net Assets - June 30, 2009 restated	<u>\$ 51,306,407</u>

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REQUIRED SUPPLEMENTAL INFORMATION

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GRESHAM-BARLOW SCHOOL DISTRICT 10JT
 REQUIRED SUPPLEMENTARY INFORMATION
 EARLY RETIREMENT PROGRAM

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL) Entry Age	(b)-(a) AAL (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	((b-a)/c) UAAL as a Percentage of Covered Payroll
2010	\$ 750,799	\$ 3,919,169	\$ 3,168,370	19.2 %	\$ 25,921,978	12.2 %
2009	798,715	3,919,169	3,120,454	20.4	30,719,808	10.2
2008	685,634	4,764,481	4,078,847	14.4	27,987,638	14.6
2007	602,404	4,764,481	4,162,077	12.6	28,321,924	14.7
2006	549,883	5,725,034	5,175,151	9.6	32,796,874	15.8
2005	605,330	5,725,034	5,120,004	10.6	31,277,187	16.4
2004	830,703	5,673,765	4,843,062	14.6	31,715,962	15.3
2003	1,180,072	5,673,765	4,493,693	20.8	42,557,352	10.6
2002	1,397,469	5,939,005	4,541,536	23.5	43,924,004	10.3
2001	1,616,586	5,693,453	4,076,897	28.4	42,295,118	9.6

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2010	\$ 492,283	109 %
2009	625,353	111
2008	625,353	116
2007	706,668	103
2006	706,668	100
2005	637,808	115
2004	637,808	100
2003	644,357	100
2002	560,365	100
2001	640,648	100

The above data is based on actuarial valuations performed as of July 1, 2001, July 1, 2002, July 1, 2003, July 1, 2005, July 1, 2007 and July 1, 2009. Significant actuarial assumptions used in the valuation include (a) a rate of return on investment of present and future assets of 4.0% (6.5% July 1, 1999-July 1, 2003, 5.5% July 1, 2005 and 4.0% July 1, 2007) compounded annually, (b) no future increases in benefits payable from the program, (c) the actuarial cost method used is the Aggregate Actuarial Cost Method, which provides no unfunded actuarial accrued liability and no amortization added to the normal cost, (d) the asset valuation method is fair value, and (e) an inflation rate of 2.75%.

Covered payroll was estimated based on those employees covered by the Oregon Public Employees Retirement Fund (PERS) through fiscal 2003. In fiscal 2004 the District began charging early retirement costs as a percentage of payroll for those hired prior to July 1, 1999, hence the District now has a more accurate way to estimate "covered payroll."

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
 REQUIRED SUPPLEMENTARY INFORMATION

POST EMPLOYMENT HEALTH CARE BENEFIT PROGRAM

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b)-(a) AAL (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	((b-a)/c) UAAL as a Percentage of Covered Payroll
2009	\$ -	\$ 2,280,325	\$ 2,280,325	- %	\$ 4,036,745	56.5 %
2007	-	1,963,075	1,963,075	-	4,808,901	40.8

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2009	\$ 141,142	181.4 %
2007	-	-

POST EMPLOYMENT HEALTH INSURANCE SUBSIDY

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b)-(a) AAL (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	((b-a)/c) UAAL as a Percentage of Covered Payroll
2009	\$ -	\$ 10,417,117	\$ 10,417,117	- %	\$ 52,093,617	20.0 %
2007	-	8,766,708	8,766,708	-	48,950,495	17.9

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2009	\$ 852,128	80.9 %
2007	-	-

The above data is based on actuarial valuations performed as of July 1, 2007 and 2009. Funding requirements from the 2007 study were used for fiscal 2009, funding requirements from the 2009 study will be used for fiscal 2010 and 2011. Significant actuarial assumptions used in the valuation include (a) a rate of return on investment of present and future assets of 4.0%, compounded annually, and a 100% assumption of participants who elect medical coverage at retirement; b) for employees who are not yet retired, the District cap is assumed to increase \$60 per month until retirement; and c) no post-retirement benefit increases and an inflation rate of 2.75%. Actuarial Value of Assets are recorded at zero because the District does not use an insurance trust.

SUPPLEMENTAL INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

These funds account for revenues and expenditures restricted for specific educational projects, the District's food dispensing program, future capital equipment replacement, and student participation fees. Included are the following funds:

Food Services Fund – The program is funded by the sale of meal tickets and monies and food products received from the U. S. D. A. and the Oregon State Department of Education. The Board has contracted the operation of the food service to Sodexo, a nationwide food service contractor.

State and Other Grant Fund – This fund accounts for revenue and expenditures of grants restricted for specific educational projects. Principal revenue sources are state and local grants.

Debt Service Fund – This fund accounts for the payment of principal and interest on general obligation bonds issued by the individual districts prior to unification. The principal revenue sources are property taxes and earnings on investments.

Debt Service Fund (1996 and 2001 Bonds) – This fund accounts for the payment of principal and interest on the general obligation bonds issued in 1996 and 2001.

Capital Projects Fund – This fund accounts for financial resources that are used for the acquisition of land, construction of buildings, remodel, rehabilitation and/or major renovation of capital facilities, fixtures, new equipment and textbooks for program improvement, and educational technology. The principal financing sources are earnings on investments, transfers from the General Fund (Measure 52), rental fees on surplus land and surplus land sales.

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GRESHAM-BARLOW SCHOOL DISTRICT 10JT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2010

	Food Services Fund	State and Other Grant Fund	Debt Service Fund	Debt Service (1996 & 2001 Bond) Fund	Capital Projects Fund	Total
ASSETS						
Equity in pooled cash and investments	\$ 372,284	\$ -	\$ 204,828	\$ 1,472,937	\$ 974,788	\$ 3,024,837
Property taxes receivable	-	-	36,534	363,740	-	400,274
Accounts and other receivable	150,347	193,847	4,243	41,805	4,375	394,617
Inventories	40,957	-	-	-	-	40,957
TOTAL ASSETS	<u>\$ 563,588</u>	<u>\$ 193,847</u>	<u>\$ 245,605</u>	<u>\$ 1,878,482</u>	<u>\$ 979,163</u>	<u>\$ 3,860,685</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts and retainage payable	\$ 140,763	\$ -	\$ -	\$ -	\$ 30,276	\$ 171,039
Matured interest coupons payable	-	-	-	219	-	219
Unearned revenue	94,919	29,653	32,979	320,383	-	477,934
Due to other funds	-	164,194	-	-	-	164,194
TOTAL LIABILITIES	235,682	193,847	32,979	320,602	30,276	813,386
Fund Balances:						
Reserved for:						
Capital expenditures	-	-	-	-	948,887	948,887
Retirement of long-term debt	-	-	212,626	1,557,880	-	1,770,506
Unreserved, undesignated	327,906	-	-	-	-	327,906
TOTAL FUND BALANCES	<u>327,906</u>	<u>-</u>	<u>212,626</u>	<u>1,557,880</u>	<u>948,887</u>	<u>3,047,299</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 563,588</u>	<u>\$ 193,847</u>	<u>\$ 245,605</u>	<u>\$ 1,878,482</u>	<u>\$ 979,163</u>	<u>\$ 3,860,685</u>

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2010

	Food Services Fund	State and Other Grant Fund	Debt Service Fund	Debt Service (1996 & 2001 Bond) Fund	Capital Projects Fund	Total
REVENUES:						
Property taxes	\$ -	\$ -	\$ 535,455	\$ 5,447,946	\$ -	\$ 5,983,401
Other taxes	-	-	-	-	151,297	151,297
Federal grants	2,533,254	-	-	-	-	2,533,254
State and local sources	53,300	371,902	-	-	-	425,202
Charges for services	987,681	-	-	-	33,359	1,021,040
Miscellaneous	-	-	-	-	-	-
Investment earnings	-	-	2,355	22,982	6,521	31,858
TOTAL REVENUES	3,574,235	371,902	537,810	5,470,928	191,177	10,146,052
EXPENDITURES:						
Current:						
Instruction	-	89,330	-	-	119,413	208,743
Support services	-	282,572	-	-	34,194	316,766
Community services	3,570,362	-	-	-	-	3,570,362
Capital outlay	19,545	-	-	-	30,000	49,545
Debt Service:						
Principal	-	-	426,667	2,875,000	-	3,301,667
Interest	-	-	189,214	2,610,388	-	2,799,602
TOTAL EXPENDITURES	3,589,907	371,902	615,881	5,485,388	183,607	10,246,685
NET CHANGE IN FUND BALANCE	(15,672)	-	(78,071)	(14,460)	7,570	(100,633)
FUND BALANCE, July 1, 2009	343,578	-	290,697	1,572,340	941,317	3,147,932
FUND BALANCE, June 30, 2010	\$ 327,906	\$ -	\$ 212,626	\$ 1,557,880	\$ 948,887	\$ 3,047,299

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
SCHEDULE OF DETAILED REVENUES -
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
REVENUES:				
Local Sources:				
Current year taxes	\$ 20,950,425	\$ 20,950,425	\$ 21,540,319	\$ 589,894
Prior year taxes	475,000	475,000	686,534	211,534
Other taxes	2,500	2,500	2,669	169
Penalties and interest	20,000	20,000	5,203	(14,797)
Tuition	63,500	63,500	89,656	26,156
Investment earnings	650,000	650,000	239,967	(410,033)
Co-curricular activities	265,000	265,000	315,721	50,721
Community services activities	65,000	65,000	64,563	(437)
Rentals	200,000	200,000	188,636	(11,364)
Services provided to others	115,000	115,000	124,286	9,286
Fees charged to grants	340,000	340,000	405,025	65,025
Medicare Reimbursements	-	-	113,493	113,493
Miscellaneous	680,000	680,000	635,023	(44,977)
Total local sources	23,826,425	23,826,425	24,411,095	584,670
Intermediate Sources:				
County School Fund	30,000	30,000	26,328	(3,672)
County Income Tax	-	-	59,254	59,254
Other intermediate sources	-	-	74,277	74,277
Total intermediate sources	30,000	30,000	159,859	129,859
State Sources:				
State school fund	64,804,192	64,804,192	62,535,975	(2,268,217)
Common school fund	413,281	413,281	1,230,366	817,085
Drivers' education	30,000	30,000	22,281	(7,719)
Total state sources	65,247,473	65,247,473	63,788,622	(1,458,851)
Federal Sources:				
Child care development	25,000	25,000	27,990	2,990
Federal forest fees	25,800	25,800	26,376	576
Other federal sources	-	-	3,253,605	3,253,605
Total federal sources	50,800	50,800	3,307,971	3,257,171
TOTAL REVENUES	89,154,698	89,154,698	91,667,547	2,512,849
Other Financing Sources:				
Proceeds from sale or loss of capital assets	5,000	5,000	38,754	33,754
Total other financing sources	5,000	5,000	38,754	33,754
TOTAL REVENUES AND OTHER FINANCING SOURCES	89,159,698	89,159,698	91,706,301	2,546,603
FUND BALANCE, July 1, 2009	8,919,540	8,919,540	10,172,332	1,252,792
TOTAL REVENUES, OTHER FINANCING SOURCES AND FUND BALANCE	\$ 98,079,238	\$ 98,079,238	\$ 101,878,633	\$ 3,799,395

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
 SCHEDULE OF DETAILED EXPENDITURES -
 BUDGET AND ACTUAL
 GENERAL FUND
 YEAR ENDED JUNE 30, 2010

	Actual			
	Salaries and Benefits	Materials and Services	Capital Outlay	Other Objects
EXPENDITURES:				
Instruction:				
Primary programs	\$ 11,192,981	\$ 187,243	\$ -	\$ -
Intermediate programs	5,972,093	119,332	-	-
Middle school programs	10,862,063	259,182	-	236
High school programs	13,350,947	579,271	4,699	17,929
Preschool programs	261,114	11,354	-	575
Talented and gifted programs	42,007	937	-	75
Restrictive programs	2,568,016	466,719	-	-
Resource rooms	4,059,338	76,772	-	-
Remediation	40,968	91,565	-	-
Title I	5,041	4,804	-	-
Alternative education	339,624	2,844,210	-	-
Designated programs	2,556,550	25,289	-	-
Summer school programs	21,302	4,075	-	-
Total instruction	51,272,044	4,670,753	4,699	18,815
Support services:				
Attendance and social work services	853,174	146,223	-	-
Guidance services	2,244,433	10,534	-	1,226
Health services	317,132	13,909	-	-
Psychological services	406,719	18,132	-	-
Speech pathology and audiology services	591,362	82,107	-	-
Service direction - student support services	435,899	56,614	-	2,384
Improvement of instruction services	813,813	45,956	-	14,884
Educational media services	1,054,905	92,879	-	-
Assessment and testing	210,416	62,592	-	760
Instructional staff development	489,555	30,729	-	-
Board of education services	-	252,634	-	11,496
Executive administration services	534,839	38,313	-	11,873
Office of the principal services	6,375,705	230,319	6,868	36,084
Fiscal services	764,018	103,853	-	422,063
Operation and maintenance of plant services	3,675,383	3,646,708	165,761	63
Student transportation services	64,217	4,821,029	-	-
Internal services	84,764	256,436	12,000	-
Planning and development services	-	-	-	-
Information services	177,235	33,278	-	665
Staff services	543,498	58,123	-	6,617
Technology services	1,176,519	143,337	-	400
Records management	-	3,457	-	-
Other central support	58,547	3,929	-	-
Total support services	20,872,133	10,151,091	184,629	508,515

Actual	Budget		Variance with Final Budget Positive (Negative)
	Adopted	Final	
\$ 11,380,224	\$ 12,377,861	\$ 12,333,913	\$ 953,689
6,091,425	6,419,560	6,419,560	328,135
11,121,481	11,251,114	11,185,404	63,923
13,952,846	14,041,415	14,151,073	198,227
273,043	261,065	261,065	(11,978)
43,019	44,220	44,220	1,201
3,034,735	2,977,859	2,977,859	(56,876)
4,136,110	3,961,569	3,961,569	(174,541)
132,533	133,685	133,685	1,152
9,845	8,000	8,000	(1,845)
3,183,834	3,193,635	3,193,635	9,801
2,581,839	2,541,548	2,541,548	(40,291)
25,377	45,112	45,112	19,735
<u>55,966,311</u>	<u>57,256,643</u>	<u>57,256,643</u>	<u>1,290,332</u>
999,397	1,089,889	1,089,889	90,492
2,256,193	2,537,199	2,537,199	281,006
331,041	359,971	359,971	28,930
424,851	429,990	429,990	5,139
673,469	686,076	686,076	12,607
494,897	492,231	492,231	(2,666)
874,653	892,469	892,469	17,816
1,147,784	1,147,529	1,147,529	(255)
273,768	268,754	268,754	(5,014)
520,284	562,450	562,450	42,166
264,130	161,000	161,000	(103,130)
585,025	618,114	618,114	33,089
6,648,976	6,358,897	6,358,897	(290,079)
1,289,934	1,412,624	1,412,624	122,690
7,487,915	7,961,054	7,942,054	454,139
4,885,246	5,623,680	5,642,680	757,434
353,200	333,673	333,673	(19,527)
-	26,000	26,000	26,000
211,178	200,702	200,702	(10,476)
608,238	739,062	739,062	130,824
1,320,256	1,349,729	1,349,729	29,473
3,457	50,415	50,415	46,958
62,476	64,141	64,141	1,665
<u>31,716,368</u>	<u>33,365,649</u>	<u>33,365,649</u>	<u>1,649,281</u>

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
 SCHEDULE OF DETAILED EXPENDITURES -
 BUDGET AND ACTUAL (Continued)
 GENERAL FUND
 YEAR ENDED JUNE 30, 2010

	Actual			
	Salaries and Benefits	Materials and Services	Capital Outlay	Other
Community services:				
Community services	\$ 131,647	\$ 20,485	\$ -	\$ 1,120
Civic services	58,497	2,070	-	-
Total community services	190,144	22,555	-	1,120
Facilities acquisition and construction				
Building acquisition and construction	-	-	124,673	-
Total facilities acquisition and construction	-	-	124,673	-
OPERATING CONTINGENCY	-	-	-	-
TOTAL EXPENDITURES	\$ 72,334,321	\$ 14,844,399	\$ 314,001	\$ 528,450

OTHER FINANCING USES:

Transfers out

UNAPPROPRIATED ENDING FUND BALANCE

TOTAL EXPENDITURES AND OTHER FINANCING USES

Actual	Budget		Variance with Final Budget Positive (Negative)
	Total	Adopted	
\$ 153,252	\$ 159,648	\$ 159,648	\$ 6,396
60,567	77,123	77,123	16,556
213,819	236,771	236,771	22,952
124,673	500,000	500,000	375,327
124,673	500,000	500,000	375,327
-	2,000,000	2,000,000	2,000,000
<u>\$ 88,021,171</u>	<u>\$ 93,359,063</u>	<u>\$ 93,359,063</u>	<u>\$ 5,337,892</u>
300,000	300,000	300,000	-
13,557,462	4,420,175	4,420,175	9,137,287
<u>\$ 101,878,633</u>	<u>\$ 98,079,238</u>	<u>\$ 98,079,238</u>	<u>\$ 3,799,395</u>

**GRESHAM-BARLOW SCHOOL DISTRICT 10JT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOOD SERVICES FUND
YEAR ENDED JUNE 30, 2010**

	Budget		Actual	Variance with Final budget Positive (Negative)
	Adopted	Final		
REVENUES:				
Charges for services:				
Food services sales	\$ 1,460,000	\$ 1,460,000	\$ 987,681	\$ (472,319)
State sources:				
State school fund - school lunch match	46,000	46,000	42,114	(3,886)
Other state sources	-	-	11,186	11,186
Total state sources	<u>46,000</u>	<u>46,000</u>	<u>53,300</u>	<u>7,300</u>
Federal sources:				
Received through state agencies	2,000,000	2,000,000	2,314,597	314,597
Food distribution	250,000	250,000	218,657	(31,343)
Total federal sources	<u>2,250,000</u>	<u>2,250,000</u>	<u>2,533,254</u>	<u>283,254</u>
TOTAL REVENUES	<u>3,756,000</u>	<u>3,756,000</u>	<u>3,574,235</u>	<u>(181,765)</u>
EXPENDITURES:				
Community services*:				
Food preparation and dispensing services:				
Salaries and benefits	7,431	7,431	-	7,431
Materials and services	4,148,569	4,148,569	3,559,058	589,511
Other	-	-	11,304	(11,304)
Capital Outlay	-	-	19,545	(19,545)
TOTAL EXPENDITURES	<u>4,156,000</u>	<u>4,156,000</u>	<u>3,589,907</u>	<u>566,093</u>
NET CHANGE IN FUND BALANCE	<u>(400,000)</u>	<u>(400,000)</u>	<u>(15,672)</u>	<u>384,328</u>
FUND BALANCE, July 1, 2009	<u>400,000</u>	<u>400,000</u>	<u>343,578</u>	<u>(56,422)</u>
FUND BALANCE, June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 327,906</u>	<u>\$ 327,906</u>

* Appropriation level

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
 SCHEDULE OF DETAILED REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FEDERAL GRANT FUND
 YEAR ENDED JUNE 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
REVENUES:				
Federal Sources:				
Received through state agencies	\$ 12,107,161	\$ 12,107,161	\$ 8,998,015	\$ (3,109,146)
Received through other sources	-	-	18,586	18,586
Total federal sources	12,107,161	12,107,161	9,016,601	(3,090,560)
EXPENDITURES:				
Instruction	7,697,334	7,697,334	5,542,812	2,154,522
Support Services	4,309,827	4,309,827	3,440,560	869,267
Community Services	100,000	100,000	33,229	66,771
Total expenditures	12,107,161	12,107,161	9,016,601	3,090,560
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, July 1, 2009	-	-	-	-
FUND BALANCE, June 30, 2010	\$ -	\$ -	\$ -	\$ -

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
 SCHEDULE OF DETAILED EXPENDITURES -
 BUDGET AND ACTUAL
 FEDERAL GRANT FUND
 YEAR ENDED JUNE 30, 2010

	Actual			
	Salaries and Benefits	Materials and Services	Capital Outlay	Other Objects
EXPENDITURES:				
INSTRUCTION*:				
Elementary programs	\$ 3,743	\$ 206,669	\$ -	\$ 9,507
Middle school programs	741	35,621	-	-
High school programs	20,158	287,514	21,540	11,622
Restrictive programs	347,520	116,004	-	-
Resource rooms	565,722	306,845	-	-
Remediation	305	17,464	-	817
Title 1	2,621,812	904,219	-	53,435
Other programs	-	-	-	-
Summer school - special programs	11,382	172	-	-
Total instruction	<u>3,571,383</u>	<u>1,874,508</u>	<u>21,540</u>	<u>75,381</u>
SUPPORT SERVICES*:				
Attendance and social work	10,100	-	-	465
Guidance services	168,027	5,296	-	10
Health services	903	33,677	-	-
Psychological services	350	5,794	-	-
Speech pathology and audiology services	468,219	5,307	-	-
Service direction-student support services	29,737	4,055	-	254
Improvement of instruction services	156,561	35,849	-	-
Instructional staff development	1,717,904	188,493	-	56,814
State and federal relations	-	1,779	-	-
Executive administrative services	-	-	-	-
Office of the principal services	-	-	-	10,078
Fiscal services	-	-	-	290,325
Operation and maintenance of plant services	-	2,373	168,200	-
Student transportation	-	450	-	-
Planning and development services	2,284	27,398	-	1,000
Information services	4,758	49	-	-
Technology services	3,275	40,776	-	-
Total support services	<u>2,562,118</u>	<u>351,296</u>	<u>168,200</u>	<u>358,946</u>
COMMUNITY SERVICES*:	<u>5,791</u>	<u>27,438</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>\$ 6,139,292</u>	<u>\$ 2,253,242</u>	<u>\$ 189,740</u>	<u>\$ 434,327</u>

*Appropriation level

Actual		Budget		Variance with Final Budget Positive (Negative)
Total	Adopted	Final		
\$ 219,919	\$ 225,000	\$ 225,000	\$ 5,081	
36,362	-	-	(36,362)	
340,834	306,500	306,500	(34,334)	
463,524	1,228,009	1,228,009	764,485	
872,567	2,010,306	2,010,306	1,137,739	
18,586	20,000	20,000	1,414	
3,579,466	3,562,519	3,562,519	(16,947)	
-	300,000	300,000	300,000	
11,554	45,000	45,000	33,446	
<u>5,542,812</u>	<u>7,697,334</u>	<u>7,697,334</u>	<u>2,154,522</u>	
10,565	-	-	(10,565)	
173,333	237,870	192,870	19,537	
34,580	-	-	(34,580)	
6,144	7,000	7,000	856	
473,526	432,255	432,255	(41,271)	
34,046	21,914	21,914	(12,132)	
192,410	685,264	663,701	471,291	
1,963,211	2,594,543	2,625,806	662,595	
1,779	-	-	(1,779)	
-	-	10,000	10,000	
10,078	-	-	(10,078)	
290,325	330,981	330,981	40,656	
170,573	-	-	(170,573)	
450	-	-	(450)	
30,682	-	9,000	(21,682)	
4,807	-	4,800	(7)	
44,051	-	11,500	(32,551)	
<u>3,440,560</u>	<u>4,309,827</u>	<u>4,309,827</u>	<u>869,267</u>	
<u>33,229</u>	<u>100,000</u>	<u>100,000</u>	<u>66,771</u>	
<u>\$ 9,016,601</u>	<u>\$ 12,107,161</u>	<u>\$ 12,107,161</u>	<u>\$ 3,090,560</u>	

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 STATE AND OTHER GRANT FUND
 YEAR ENDED JUNE 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
REVENUES:				
Revenues from local sources:				
Private donations	\$ 13,000	\$ 13,000	\$ 3,196	\$ (9,804)
Miscellaneous	-	-	-	-
Total local sources	<u>13,000</u>	<u>13,000</u>	<u>3,196</u>	<u>(9,804)</u>
Revenues from intermediate sources:				
ESD apportionment	306,043	306,043	337,390	31,347
Other intermediate sources	155,000	155,000	31,316	(123,684)
Total intermediate sources	<u>461,043</u>	<u>461,043</u>	<u>368,706</u>	<u>(92,337)</u>
TOTAL REVENUES	<u>474,043</u>	<u>474,043</u>	<u>371,902</u>	<u>(102,141)</u>
EXPENDITURES:				
Instruction:*				
Elementary programs:				
Materials and services	<u>13,000</u>	<u>13,000</u>	<u>1,671</u>	<u>11,329</u>
High school programs:				
Materials and services	<u>-</u>	<u>-</u>	<u>1,525</u>	<u>(1,525)</u>
Restrictive programs:				
Materials and services	<u>64,849</u>	<u>64,849</u>	<u>86,134</u>	<u>(21,285)</u>
Other special programs:				
Materials and services	<u>75,000</u>	<u>75,000</u>	<u>-</u>	<u>75,000</u>
Total instruction	<u>152,849</u>	<u>152,849</u>	<u>89,330</u>	<u>63,519</u>
Support services:*				
Psychological testing:				
Salaries and benefits	241,194	241,194	217,838	23,356
Materials and services	-	-	29,818	(29,818)
Total support services	<u>241,194</u>	<u>241,194</u>	<u>247,656</u>	<u>(6,462)</u>

(Continued on next page)

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
 STATE AND OTHER GRANT FUND
 YEAR ENDED JUNE 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
EXPENDITURES (Continued):				
Speech pathology:				
Materials and services	-	-	34,424	(34,424)
Improvement of instruction services:				
Materials and services	75,000	75,000	-	75,000
Instructional staff development:				
Materials and services	5,000	5,000	492	4,508
Total support services	321,194	321,194	282,572	38,622
TOTAL EXPENDITURES	474,043	474,043	371,902	102,141
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, July 1, 2009	-	-	-	-
FUND BALANCE, June 30, 2010	\$ -	\$ -	\$ -	\$ -

*Appropriation level

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 OTHER SPECIAL REVENUE FUND
 YEAR ENDED JUNE 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
REVENUES:				
Local sources:				
Admissions and activity fees	\$ 1,916,700	\$ 1,916,700	\$ 1,404,794	\$ (511,906)
Fund raising activities	764,300	764,300	628,185	(136,115)
Contributions	211,250	211,250	184,962	(26,288)
Miscellaneous	105,425	105,425	58,391	(47,034)
Total local sources	2,997,675	2,997,675	2,276,332	(721,343)
Investment earnings	84,525	84,525	27,526	(56,999)
TOTAL REVENUES	3,082,200	3,082,200	2,303,858	(778,342)
EXPENDITURES:				
Instruction:*				
Regular programs:				
Elementary programs:				
Materials and services	361,700	361,700	151,273	210,427
Other	76,500	76,500	52,164	24,336
	438,200	438,200	203,437	234,763
Middle school programs:				
Materials and services	726,000	726,000	329,474	396,526
Other	126,000	126,000	87,544	38,456
	852,000	852,000	417,018	434,982
High school programs:				
Materials and services	2,054,100	2,054,100	1,017,477	1,036,623
Capital Outlay	25,000	25,000	1,430	23,570
Other	587,500	587,500	494,398	93,102
	2,666,600	2,666,600	1,513,305	1,153,295
Total instruction	\$ 3,956,800	\$ 3,956,800	\$ 2,133,760	\$ 1,823,040

(Continued on next page)

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
 OTHER SPECIAL REVENUE FUND
 YEAR ENDED JUNE 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
EXPENDITURES (Continued):				
Support services:*				
Office of the principal:				
Materials and services	\$ 45,700	\$ 45,700	\$ 28,741	\$ 16,959
Student transportation:				
Materials and services	121,200	121,200	49,763	71,437
Total support services	166,900	166,900	78,504	88,396
TOTAL EXPENDITURES	4,123,700	4,123,700	2,212,264	1,911,436
NET CHANGE IN FUND BALANCE	(1,041,500)	(1,041,500)	91,594	1,133,094
FUND BALANCE, July 1, 2009	4,411,500	4,411,500	4,507,717	96,217
FUND BALANCE, June 30, 2010	\$ 3,370,000	\$ 3,370,000	\$ 4,599,311	\$ 1,229,311

*Appropriation level

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 DEBT SERVICE FUND
 YEAR ENDED JUNE 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
REVENUES:				
Property taxes	\$ 529,122	\$ 529,122	\$ 535,455	\$ 6,333
Investment earnings	6,500	6,500	2,355	(4,145)
TOTAL REVENUES	<u>535,622</u>	<u>535,622</u>	<u>537,810</u>	<u>2,188</u>
EXPENDITURES:				
Debt service:*				
Principal	426,668	426,668	426,667	1
Interest	189,213	189,213	189,214	(1)
	<u>615,881</u>	<u>615,881</u>	<u>615,881</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(80,259)	(80,259)	(78,071)	2,188
FUND BALANCE, July 1, 2009	<u>268,000</u>	<u>268,000</u>	<u>290,697</u>	<u>22,697</u>
FUND BALANCE, June 30, 2010	<u>\$ 187,741</u>	<u>\$ 187,741</u>	<u>\$ 212,626</u>	<u>\$ 24,885</u>

*Appropriation level

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
DEBT SERVICE FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - PRIOR DISTRICTS' DEBT
YEAR ENDED JUNE 30, 2010

	ORIENT DISTRICT 6-300			DAMASCUS DISTRICT 26			TOTALS PRIOR DISTRICTS' DEBT (TO PAGE 59)		
	ADOPTED/ FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	ADOPTED/ FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	ADOPTED/ FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:									
Taxes	\$ 171,000	\$ 174,156	\$ 3,156	\$ 358,122	\$ 361,299	\$ 3,177	\$ 529,122	\$ 535,455	\$ 6,333
Investment income	4,000	1,238	(2,762)	2,500	1,117	(1,383)	6,500	2,355	(4,145)
Total revenues	175,000	175,394	394	360,622	362,416	1,794	535,622	537,810	2,188
EXPENDITURES:									
Debt Service*:									
Principal	106,668	106,667	1	320,000	320,000	-	426,668	426,667	1
Interest	153,332	153,333	(1)	35,881	35,881	-	189,213	189,214	(1)
	260,000	260,000	-	355,881	355,881	-	615,881	615,881	-
NET CHANGE IN FUND BALANCE	(85,000)	(84,606)	394	4,741	6,535	1,794	(80,259)	(78,071)	2,188
FUND BALANCE, July 1, 2009	260,000	273,811	13,811	8,000	16,886	8,886	268,000	290,697	22,697
FUND BALANCE, June 30, 2010	\$ 175,000	\$ 189,205	\$ 14,205	\$ 12,741	\$ 23,421	\$ 10,680	\$ 187,741	\$ 212,626	\$ 24,885

*Appropriation level

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 DEBT SERVICE FUND (1996 AND 2001 BONDS)
 YEAR ENDED JUNE 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
REVENUES:				
Property taxes	\$ 5,364,526	\$ 5,364,526	\$ 5,447,946	\$ 83,420
Investment earnings	55,000	55,000	22,982	(32,018)
TOTAL REVENUES	<u>5,419,526</u>	<u>5,419,526</u>	<u>5,470,928</u>	<u>51,402</u>
EXPENDITURES:				
Debt service:*				
Principal	2,875,000	2,875,000	2,875,000	-
Interest	2,610,388	2,610,388	2,610,388	-
	<u>5,485,388</u>	<u>5,485,388</u>	<u>5,485,388</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(65,862)	(65,862)	(14,460)	51,402
FUND BALANCE, July 1, 2009	<u>1,310,000</u>	<u>1,310,000</u>	<u>1,572,340</u>	<u>262,340</u>
FUND BALANCE, June 30, 2010	<u>\$ 1,244,138</u>	<u>\$ 1,244,138</u>	<u>\$ 1,557,880</u>	<u>\$ 313,742</u>

*Appropriation level

GRESHAM-BARLOW SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 CAPITAL PROJECTS FUNDS
 YEAR ENDED JUNE 30, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
REVENUES:				
Construction Excise Tax	\$ 150,000	\$ 150,000	\$ 151,297	\$ 1,297
Investment earnings	60,000	60,000	6,521	(53,479)
Miscellaneous	150,000	150,000	33,359	(116,641)
TOTAL REVENUES	360,000	360,000	191,177	(168,823)
EXPENDITURES:				
Instruction:*				
Regular programs:				
Elementary school programs:				
Materials and services	60,000	60,000	119,413	(59,413)
High school programs:				
Materials and services	60,000	60,000	-	60,000
Total instruction	120,000	120,000	119,413	587
Support Services:*				
Operation and maintenance of plant services:				
Materials and services	450,000	450,000	-	450,000
Technology services:				
Materials and services	80,000	80,000	34,194	45,806
Total support services	530,000	530,000	34,194	495,806
Facilities Acquisition and Construction:*				
Site acquisition and development services:				
Capital outlay	450,000	450,000	30,000	420,000
Total facilities acquisition and construction	450,000	450,000	30,000	420,000
Debt Service:*				
Interest	105,000	105,000	-	105,000
TOTAL EXPENDITURES	1,205,000	1,205,000	183,607	1,021,393
NET CHANGE IN FUND BALANCE	(845,000)	(845,000)	7,570	(1,190,216)
FUND BALANCE, July 1, 2009	845,000	845,000	941,317	96,317
FUND BALANCE, June 30, 2010	\$ -	\$ -	\$ 948,887	\$ 948,887

FIDUCIARY FUNDS

These funds account for the District's early retirement and post-employment health care benefits, and scholarship programs provided by bequests and donations. Included are:

Pension Trust Fund – The Early Retirement Fund accounts for the accumulation of resources to be used for payments to employees who receive supplemental early retirement stipends. The Post Retirement Fund accounts for the accumulation of resources to be used to pay post-employment medical care benefits (OPEB). Resources for the early retirement fund are charged to other funds as a percent of payroll based on actuarial valuations. Resources are contributed to the Post Retirement Fund through a transfer from the general fund. Both funds are budgeted together as the Pension Trust Fund.

Agency Fund – accounts for the receipts and disbursements associated with the processing of payroll for the Center for Advanced Learning and to account for “pass-through” grants where the District acts as fiscal agent or cash conduit.

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GRESHAM-BARLOW SCHOOL DISTRICT 10JT
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
 PENSION TRUST FUND
 YEAR ENDED JUNE 30, 2010

	Budget		Actual	Variance with Final Budget
	Adopted	Final		Positive (Negative)
REVENUES:				
Contributions	\$ 300,000	\$ 300,000	\$ 300,000	\$ -
Charges for Services	685,000	685,000	534,190	(150,810)
Investment earnings	25,000	25,000	8,188	(16,812)
TOTAL REVENUES	1,010,000	1,010,000	842,378	(167,622)
EXPENDITURES:				
Support services:*				
Supplemental retirement program:				
Salaries and benefits	2,045,000	2,045,000	819,017	1,225,983
Operating contingency*	-	-	-	-
TOTAL EXPENDITURES	2,045,000	2,045,000	819,017	1,225,983
NET CHANGE IN FUND BALANCE	(1,035,000)	(1,035,000)	23,361	1,058,361
FUND BALANCE, July 1, 2009	1,035,000	1,035,000	1,111,088	76,088
FUND BALANCE, June 30, 2010	\$ -	\$ -	\$ 1,134,449	\$ 1,134,449

*Appropriation level

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUND
 YEAR ENDED JUNE 30, 2010

	<u>BALANCES</u> <u>JULY 1, 2009</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCES</u> <u>JUNE 30, 2010</u>
ASSETS				
Cash and investments	\$ -	\$ 1,554,237	\$ 1,554,237	\$ -
Accounts Receivable	315,404	2,483	315,404	2,483
Total Assets	<u>\$ 315,404</u>	<u>\$ 1,556,720</u>	<u>\$ 1,869,641</u>	<u>\$ 2,483</u>
LIABILITIES				
Book overdraft	\$ 315,404	\$ 2,483	\$ 315,404	\$ 2,483
Accounts payable	-	-	-	-
Due to agencies	-	-	-	-
Total Liabilities	<u>\$ 315,404</u>	<u>\$ 2,483</u>	<u>\$ 315,404</u>	<u>\$ 2,483</u>

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OTHER FINANCIAL SCHEDULES

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GRESHAM-BARLOW SCHOOL DISTRICT 10JT
 SCHEDULE OF BOND REDEMPTION AND INTEREST REQUIREMENTS
 June 30, 2010

DATE	Gresham-Barlow #10JT 2005 Refunding Series		PERS Bonds 2003 Series		PERS Bonds 2002 Series		Gresham-Barlow #10JT 2001 Series	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2010-11	\$ -	\$ 1,728,550	\$ 562,530	\$ 1,760,244	\$ 646,713	\$ 1,059,556	\$ 1,395,000	\$ 69,750
2011-12	1,540,000	1,728,550	604,890	1,842,884	662,896	1,133,373	-	-
2012-13	1,715,000	1,647,700	640,403	1,937,371	672,994	1,213,274	-	-
2013-14	1,910,000	1,557,663	671,677	2,046,096	682,699	1,303,569	-	-
2014-15	2,115,000	1,457,387	698,239	2,164,535	683,128	1,403,141	-	-
2015-16	2,340,000	1,346,350	714,911	2,292,863	685,195	1,511,073	-	-
2016-17	2,575,000	1,223,500	728,542	2,434,232	685,705	1,620,564	-	-
2017-18	4,420,000	1,088,438	742,557	2,585,218	682,234	1,739,035	-	-
2018-19	4,825,000	856,387	753,543	2,744,231	677,872	1,863,497	-	-
2019-20	5,250,000	603,075	761,002	2,911,772	674,173	1,992,096	-	-
2020-21	5,715,000	314,325	2,380,000	1,472,774	669,426	2,126,843	-	-
2021-22	-	-	2,705,000	1,341,874	666,333	2,264,935	-	-
2022-23	-	-	3,050,000	1,193,640	666,954	2,409,315	-	-
2023-24	-	-	3,425,000	1,026,195	2,465,000	756,269	-	-
2024-25	-	-	3,835,000	836,107	2,760,000	617,984	-	-
2025-26	-	-	4,275,000	623,265	3,080,000	461,216	-	-
2026-27	-	-	4,745,000	386,003	3,420,000	286,272	-	-
2027-28	-	-	2,210,000	122,655	1,620,000	92,016	-	-
TOTALS	\$ 32,405,000	\$ 13,551,925	\$ 33,503,294	\$ 29,721,959	\$ 22,101,322	\$ 23,854,028	\$ 1,395,000	\$ 69,750

DATE	Gresham-Barlow #10JT 2003 Refunding Series A		Orient #6 1993 Refunding Series		Damascus #26 2003 Refunding Series B		Total Requirements All Issues	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2010-11	\$ 1,735,000	\$ 689,975	\$ 67,970	\$ 107,030	\$ 335,000	\$ 25,481	\$ 4,742,213	\$ 5,440,586
2011-12	1,850,000	629,250	-	-	355,000	13,756	5,012,786	5,347,813
2012-13	1,925,000	541,000	-	-	-	-	4,953,397	5,339,345
2013-14	2,040,000	444,750	-	-	-	-	5,304,376	5,352,078
2014-15	2,155,000	342,750	-	-	-	-	5,651,367	5,367,813
2015-16	2,285,000	235,000	-	-	-	-	6,025,106	5,385,286
2016-17	2,415,000	120,750	-	-	-	-	6,404,247	5,399,046
2017-18	-	-	-	-	-	-	5,844,791	5,412,691
2018-19	-	-	-	-	-	-	6,256,415	5,464,115
2019-20	-	-	-	-	-	-	6,685,175	5,506,943
2020-21	-	-	-	-	-	-	8,764,426	3,913,942
2021-22	-	-	-	-	-	-	3,371,333	3,606,809
2022-23	-	-	-	-	-	-	3,716,954	3,602,955
2023-24	-	-	-	-	-	-	5,890,000	1,782,464
2024-25	-	-	-	-	-	-	6,595,000	1,454,091
2025-26	-	-	-	-	-	-	7,355,000	1,084,481
2026-27	-	-	-	-	-	-	8,165,000	672,275
2027-28	-	-	-	-	-	-	3,830,000	214,671
TOTALS	\$ 14,405,000	\$ 3,003,475	\$ 67,970	\$ 107,030	\$ 690,000	\$ 39,237	104,567,586	70,347,404

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
SCHEDULE OF PROPERTY TAX TRANSACTIONS
For the Year Ended June 30, 2010

<u>General Fund:</u>	<u>TAXES UNCOLLECTED JUNE 30, 2009</u>	<u>ADD LEVY AS EXTENDED BY ASSESSOR</u>	<u>DEDUCT DISCOUNTS ALLOWED</u>	<u>ADD INTEREST</u>	<u>ADD (DEDUCT) CANCELLATION AND ADJUSTMENTS</u>	<u>DEDUCT COLLECTIONS</u>	<u>TAXES UNCOLLECTED JUNE 30, 2010</u>
Total General Fund Levies							
2009-2010		\$ 22,862,710	\$ 556,759	\$ 9,902	\$ (103,677)	\$ 21,470,841	\$ 741,335
2008-09	\$ 810,394	-	-	31,025	(37,176)	480,375	323,868
2007-08	270,739	-	-	22,128	(10,983)	140,891	140,993
2006-07	108,766	-	-	16,297	(5,877)	68,948	50,238
2005-06	41,314	-	-	10,603	(1,129)	41,943	8,845
2004-05 & Prior	32,242	-	-	2,106	(541)	9,218	24,589
Total Prior	1,263,455	-	-	82,159	(55,706)	741,375	548,533
Total	\$ 1,263,455	\$ 22,862,710	\$ 556,759	\$ 92,061	\$ (159,383)	\$ 22,212,216	\$ 1,289,868
Multnomah County							
2009-2010		\$ 19,213,408	468,978	\$ 8,855	\$ (95,478)	\$ 18,051,993	\$ 605,814
2008-09	\$ 659,019	-	-	25,276	(34,604)	386,065	263,626
2007-08	224,252	-	-	18,717	(10,215)	117,618	115,136
2006-07	94,555	-	-	13,761	(5,322)	58,323	44,671
2005-06	36,049	-	-	9,762	(548)	38,192	7,071
2004-05 & Prior	33,122	-	-	1,738	236	8,490	26,606
Total Prior	1,046,997	-	-	69,254	(50,453)	608,688	457,110
Total	\$ 1,046,997	\$ 19,213,408	\$ 468,978	\$ 78,109	\$ (145,931)	\$ 18,660,681	\$ 1,062,924
Clackamas County							
2009-2010		\$ 3,649,302	\$ 87,781	\$ 1,047	\$ (8,199)	\$ 3,418,848	\$ 135,521
2008-09	\$ 151,375	-	-	5,749	(2,572)	94,310	60,242
2007-08	46,487	-	-	3,411	(768)	23,273	25,857
2006-07	14,211	-	-	2,536	(555)	10,625	5,567
2005-06	5,265	-	-	841	(581)	3,751	1,774
2004-05 & Prior	(880)	-	-	368	(777)	728	(2,017)
Total Prior	216,458	-	-	12,905	(5,253)	132,687	91,423
Total	\$ 216,458	\$ 3,649,302	\$ 87,781	\$ 13,952	\$ (13,452)	\$ 3,551,535	\$ 226,944
Debt Service Fund:							
Total Debt Service Levies							
2009-2010		\$ 6,095,479	\$ 148,313	\$ 2,571	\$ (26,558)	\$ 5,723,557	\$ 199,622
2008-09	\$ 233,461	-	-	8,934	(10,215)	138,907	93,273
2007-08	114,025	-	-	9,725	(4,831)	61,890	57,029
2006-07	55,330	-	-	7,870	(2,853)	33,322	27,025
2005-06	17,854	-	-	4,664	(475)	18,433	3,610
2004-05 & Prior	23,301	-	-	736	(198)	4,124	19,715
Total Prior	443,971	-	-	31,929	(18,572)	256,676	200,652
Total	\$ 443,971	\$ 6,095,479	\$ 148,313	\$ 34,500	\$ (45,130)	\$ 5,980,233	\$ 400,274

(Continued on next page)

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
 SCHEDULE OF PROPERTY TAX TRANSACTIONS (Continued)
 For the Year Ended June 30, 2010

Debt Service Fund (Continued):

	TAXES UNCOLLECTED JUNE 30, 2009	ADD LEVY AS EXTENDED BY ASSESSOR	DEDUCT DISCOUNTS ALLOWED	ADD INTEREST	ADD (DEDUCT) CANCELLATION AND ADJUSTMENTS	DEDUCT COLLECTIONS	TAXES UNCOLLECTED JUNE 30, 2010	
Multnomah County								
2009-2010		\$ 4,770,669	\$ 116,447	\$ 2,199	\$ (23,581)	\$ 4,482,417	\$ 150,423	
2008-09	\$ 175,842	-	-	6,747	(9,236)	103,011	70,342	
2007-08	98,832	-	-	8,252	(4,504)	51,837	50,743	
2006-07	46,396	-	-	6,747	(2,607)	28,618	21,918	
2005-06	16,000	-	-	4,332	(244)	16,952	3,136	
2004-05 & Prior	13,259	-	-	569	130	3,795	10,163	
Total Prior	350,329	-	-	26,647	(16,461)	204,213	156,302	
Total	\$ 350,329	\$ 4,770,669	\$ 116,447	\$ 28,846	\$ (40,042)	\$ 4,686,630	\$ 306,725	
Clackamas County								
2009-2010		\$ 1,324,810	\$ 31,866	\$ 372	\$ (2,977)	\$ 1,241,140	\$ 49,199	
2008-09	\$ 57,619	-	-	2,187	(979)	35,896	22,931	
2007-08	15,193	-	-	1,473	(327)	10,053	6,286	
2006-07	8,934	-	-	1,123	(246)	4,704	5,107	
2005-06	1,854	-	-	332	(231)	1,481	474	
2004-05 & Prior	10,042	-	-	167	(328)	329	9,552	
Total Prior	93,642	-	-	5,282	(2,111)	52,463	44,350	
Total	\$ 93,642	\$ 1,324,810	\$ 31,866	\$ 5,654	\$ (5,088)	\$ 1,293,603	\$ 93,549	
						General Fund	Debt Service Fund	
Cash collections							\$ 22,212,216	\$ 5,980,233
Accrual of current receivables:								
June 30, 2010							142,839	46,912
June 30, 2009							(128,202)	(44,456)
Total property tax							22,226,853	5,982,689
Other taxes								
County sales tax							-	-
Tax offsets							2,669	712
Total other taxes							2,669	712
Total Revenue							\$ 22,229,522	\$ 5,983,401

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
 COMPARATIVE SCHEDULE OF STUDENT ACTIVITY FUNDS BY SCHOOL
 June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Gresham Union High School: Cash and investments	<u>\$ 290,814</u>	<u>\$ 336,169</u>
Sam Barlow High School: Cash and investments	<u>536,401</u>	<u>434,523</u>
Springwater Trail High School Cash and investments	<u>27,774</u>	<u>27,223</u>
Clear Creek Middle School: Cash and investments	<u>77,966</u>	<u>74,720</u>
Damascus Middle School: Cash and investments	<u>43,698</u>	<u>39,712</u>
Dexter McCarty Middle School: Cash and investments	<u>48,004</u>	<u>44,231</u>
Gorden Russell Middle School: Cash and investments	<u>76,658</u>	<u>75,502</u>
West Orient Middle School: Cash and investments	<u>46,096</u>	<u>46,345</u>
Deep Creek Elementary School: Cash and investments	<u>7,960</u>	<u>9,874</u>
East Gresham Elementary School Cash and investments	<u>4,901</u>	<u>5,398</u>
East Orient Grade School: Cash and investments	<u>13,986</u>	<u>8,425</u>
Hall Elementary School: Cash and investments	<u>13,132</u>	<u>14,741</u>
Highland Elementary School: Cash and investments	<u>10,038</u>	<u>9,226</u>
Hogan Cedars Elementary School Cash and investments	<u>22,094</u>	<u>20,942</u>
Hollydale Elementary School: Cash and investments	<u>5,197</u>	<u>5,949</u>
Kelly Creek Elementary School: Cash and investments	<u>9,340</u>	<u>12,387</u>
North Gresham Grade School: Cash and investments	<u>13,561</u>	<u>13,118</u>
Powell Valley Grade School: Cash and investments	<u>7,345</u>	<u>8,709</u>
West Gresham Grade School Cash and investments	<u>8,156</u>	<u>8,476</u>
Total	<u>\$ 1,263,121</u>	<u>\$ 1,195,670</u>

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
 SUPPLEMENTAL INFORMATION AS REQUIRED
 BY THE OREGON STATE DEPARTMENT OF EDUCATION
 YEAR ENDED JUNE 30, 2010

A. Energy bills for heating - all funds:				<u>Objects 325 and 326</u>
Please enter your expenditures for electricity		Function 2540	\$	1,338,042
& heating fuel for these Functions & Objects.		Function 2550		-
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	\$ 72,018
1140	Pre-kindergarten	2550	Pupil transportation	
1300	Continuing education	3100	Food service	
1400	Summer school	3300	Community services	

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STATISTICAL SECTION

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

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	70
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue sources, the property tax.	76
Debt Capacity These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	80
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	82
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	84

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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GRESHAM-BARLOW SCHOOL DISTRICT 10JT
NET ASSETS BY COMPONENT
LAST EIGHT FISCAL YEARS
(accrual basis of accounting)

	2009-10 ⁽¹⁾	2008-09 ⁽¹⁾⁽²⁾	2007-08 ⁽¹⁾	2006-07 ⁽¹⁾	2005-06 ⁽¹⁾	2004-05 ⁽¹⁾	2003-04 ⁽¹⁾	2002-03 ⁽¹⁾
Governmental activities:								
Invested in capital assets, net or related debt:								
Restricted	\$ 27,643,113	\$ 25,985,197	\$ 12,850,499	\$ 8,324,531	\$ 3,615,611	\$ (1,187,672)	\$ (1,875,848)	\$ 971,251
Unrestricted	2,323,424	4,991,939	7,588,096	10,259,006	12,559,787	15,893,573	17,951,158	21,858,323
Total primary government net assets	<u>\$ 23,717,800</u>	<u>20,329,271</u>	<u>23,107,608</u>	<u>23,841,655</u>	<u>25,592,314</u>	<u>20,198,110</u>	<u>16,395,254</u>	<u>2,711,409</u>
	<u>\$ 53,684,337</u>	<u>\$ 51,306,407</u>	<u>\$ 43,546,203</u>	<u>\$ 42,425,192</u>	<u>\$ 41,767,712</u>	<u>\$ 34,904,011</u>	<u>\$ 32,470,564</u>	<u>\$ 25,540,983</u>

(1) The district began to report accrual information when it implemented GASB Statement 34 in 2002-2003

(2) As restated, see note 15 on page 44.

Source: Gresham-Barlow School District 10JT financial records

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
 CHANGES IN NET ASSETS, LAST EIGHT YEARS
 (accrual basis of accounting)

	2009-10 ⁽¹⁾	2008-09 ⁽¹⁾	2007-08 ⁽¹⁾	2006-07 ⁽¹⁾	2005-06 ⁽¹⁾	2004-05 ⁽¹⁾	2003-04 ⁽¹⁾	2002-03 ⁽¹⁾
Expenses								
Governmental activities:								
Instruction:								
Regular programs	\$ 45,897,151	\$ 49,652,048	\$ 49,823,751	\$ 47,809,488	\$ 47,352,268	\$ 45,310,801	\$ 43,790,488	\$ 40,483,251
Special programs	17,550,276	15,627,129	13,805,383	12,917,518	12,382,269	10,875,852	9,656,940	7,870,364
Adult/Continuing programs	-	-	-	-	-	272	2,238	995
Summer school programs	35,779	53,740	60,793	61,653	89,678	127,871	90,738	109,709
Total instruction	63,483,206	65,332,917	63,689,927	60,788,659	59,824,215	56,314,796	53,540,404	48,464,319
Support services:								
Student support services	5,928,050	6,789,371	6,745,334	6,241,911	6,316,366	5,336,690	4,716,557	4,432,160
Instructional staff support	4,799,441	4,050,962	4,195,903	4,041,777	3,576,011	3,290,140	2,755,722	2,844,957
General administration	860,098	868,546	665,759	693,776	643,711	885,333	613,573	752,421
School administration	6,361,477	7,074,493	7,057,092	6,710,075	6,497,445	6,030,978	5,876,970	5,581,368
Business support services	15,434,205	15,368,094	14,935,319	13,920,197	13,721,317	17,480,102	14,267,010	12,037,320
Central activities	4,621,373	6,392,442	6,276,653	5,948,619	5,742,203	4,557,426	4,429,602	1,319,635
Supplemental retirement program	300,000	300,000	300,000	300,000	369,550	269,550	239,450	780,000
Total support services	38,304,644	40,843,908	40,176,060	37,856,355	36,866,603	37,850,219	32,898,884	27,747,861
Enterprise and community services	3,836,382	3,751,276	3,664,382	3,420,469	3,227,090	3,153,327	3,247,953	3,721,762
Interest on long-term debt	5,136,273	5,121,596	5,151,722	5,203,913	5,400,279	4,260,378	5,740,482	5,476,117
Total primary government expenses	\$ 110,760,505	\$ 115,049,697	\$ 112,682,091	\$ 107,269,396	\$ 105,318,187	\$ 101,578,720	\$ 95,427,723	\$ 85,410,059
Program Revenues								
Governmental activities:								
Charges fro services:								
Regular programs	\$ 2,490,473	\$ 2,660,125	\$ 2,859,102	\$ 2,973,074	\$ 3,416,613	\$ 3,436,593	\$ 3,572,920	\$ 2,602,563
Other instruction activities	166,175	100,568	181,743	290,368	366,445	301,863	660,590	606,425
Support services	897,504	603,320	752,460	769,184	970,084	978,908	731,195	209,959
Enterprise and community services	1,241,200	1,337,930	1,571,961	1,482,185	1,434,083	1,544,529	1,605,074	1,556,976
Operating grants and contributions	12,084,445	8,816,914	7,656,704	7,632,200	7,583,032	6,384,261	6,268,199	6,335,276
Capital grants and contributions	403,907	227,399	18,429	175,795	759,928	505,347	375,080	1,449,694
Total primary government program revenues	\$ 17,283,704	\$ 13,746,256	\$ 13,040,399	\$ 13,322,806	\$ 14,530,185	\$ 13,151,501	\$ 13,213,058	\$ 12,760,893
Net (Expense)/Revenue								
Total primary government net expense	\$ (93,476,801)	\$ (101,303,441)	\$ (99,641,692)	\$ (93,946,590)	\$ (90,788,002)	\$ (88,427,219)	\$ (82,214,665)	\$ (72,649,166)

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
 CHANGES IN NET ASSETS, LAST EIGHT YEARS
 (accrual basis of accounting)

	2009-10(1)	2008-09 ⁽¹⁾	2007-08 ⁽¹⁾	2006-07 ⁽¹⁾	2005-06 ⁽¹⁾	2004-05 ⁽¹⁾	2003-04 ⁽¹⁾	2002-03 ⁽¹⁾
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Property taxes levied for general purposes	\$ 22,241,298	\$ 21,322,714	\$ 20,494,301	\$ 19,674,688	\$ 18,900,462	\$ 17,883,392	\$ 17,148,033	\$ 17,124,653
Property taxes levied for debt service	5,937,248	6,081,408	8,865,489	9,482,930	8,233,935	8,622,968	8,463,876	8,601,206
State school fund - general support	62,535,975	61,607,549	64,716,534	60,237,660	57,064,850	52,406,480	55,045,128	44,650,077
State school fund - school improvement fund	-	2,512,333	2,538,558	-	-	-	-	44,961
School day restoration fund	-	1,036,259	-	-	-	-	-	-
Common school fund	1,230,366	998,554	1,300,412	1,145,972	1,075,954	905,268	299,246	723,689
Multnomah county income taxes	59,254	-	693,052	976,584	10,727,048	10,154,220	7,680,030	-
Unrestricted state and local sources	26,328	30,379	33,029	752,431	30,944	29,593	28,202	29,630
Federal forest fees	26,376	30,291	34,823	31,835	33,544	32,168	31,448	17,918
Other federal sources	3,229,489	2,337,828	-	-	-	-	334	-
Earnings on investments	304,554	1,031,904	1,970,692	2,193,201	1,530,462	707,332	318,816	458,407
Miscellaneous	263,843	136,794	115,813	108,769	54,504	63,409	129,133	-
Proceeds from refunding bonds	-	-	-	-	-	55,836	-	594,000
Special item - original issue discount on PERS bonds(2)	-	-	-	-	-	-	-	19,222,768
Special item - adjustment to capital assets(2)	-	-	-	-	-	-	-	(5,885,880)
Total primary government	<u>\$ 95,854,731</u>	<u>\$ 97,126,013</u>	<u>\$ 100,762,703</u>	<u>\$ 94,604,070</u>	<u>\$ 97,651,703</u>	<u>\$ 90,860,666</u>	<u>\$ 89,144,246</u>	<u>\$ 85,581,429</u>
Change in Net Assets								
Total primary government	<u>\$ 2,377,930</u>	<u>\$ (4,177,428)</u>	<u>\$ 1,121,011</u>	<u>\$ 657,480</u>	<u>\$ 6,863,701</u>	<u>\$ 2,433,447</u>	<u>\$ 6,929,581</u>	<u>\$ 12,932,263</u>

(1) The district began to report accrual information when it implemented GASB Statement 34 in 2002-2003.

(2) These adjustments were made in fiscal 03/04 as a restatement of 02/03.

Source: Gresham-Barlow School District 10JT financial records.

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
 FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (modified accrual basis of accounting)

	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-2002	2000-2001
General Fund										
Reserved									\$ -	\$ 153,697
Unreserved	\$ 13,557,462	\$ 10,172,332	\$ 13,085,912	\$ 13,977,440	\$ 15,698,518	\$ 11,624,186	\$ 8,761,754	\$ 2,016,387	5,499,893	5,066,944
Total general fund	<u>\$ 13,557,462</u>	<u>\$ 10,172,332</u>	<u>\$ 13,085,912</u>	<u>\$ 13,977,440</u>	<u>\$ 15,698,518</u>	<u>\$ 11,624,186</u>	<u>\$ 8,761,754</u>	<u>\$ 2,016,387</u>	<u>\$ 5,499,893</u>	<u>\$ 5,220,641</u>
All Other Governmental Funds										
Reserved for:										
Inventories										\$ 401,727
Student activity groups	\$ 1,263,121	\$ 1,195,670	\$ 1,086,687	\$ 1,175,052	\$ 1,204,096	\$ 952,115	\$ 976,487	\$ 871,103	\$ 813,386	682,938
Retirement of long-term debt	1,770,506	1,863,037	1,812,245	1,736,011	1,295,451	1,906,079	1,513,647	1,595,435	1,477,362	1,686,836
Capital expenditures(1)	948,887	941,317	1,327,472	2,069,306	3,272,288	3,615,785	4,998,709	6,462,211	18,407,109	42,156,891
PERS litigation	3,336,190	3,312,047	3,244,703	3,095,725	2,940,634	2,017,675	1,156,144	-	-	-
Unreserved, reported in:										
Special revenue funds	327,906	343,578	477,741	448,333	471,800	425,330	273,647	156,563	67,414	130,956
Total all other governmental funds	<u>\$ 7,646,610</u>	<u>\$ 7,655,649</u>	<u>\$ 7,948,848</u>	<u>\$ 8,524,427</u>	<u>\$ 9,184,269</u>	<u>\$ 8,916,984</u>	<u>\$ 8,918,634</u>	<u>\$ 9,085,312</u>	<u>\$ 20,765,271</u>	<u>\$ 45,059,348</u>

(1) Reserved for capital expenditures fluctuate from years when bonds are sold in anticipation of capital construction to years where capital expenditures are made.

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
 GOVERNMENTAL FUNDS REVENUES
 Last Ten Years
 (modified accrual basis of accounting)

REVENUES:	<u>2009-10</u>	<u>2008-09</u>
Local sources:		
Current year's taxes (1)	\$ 27,283,404	\$ 26,455,833
Prior years' taxes (1)	926,138	697,641
Other taxes	154,678	122,402
Tuition	89,656	131,770
Earnings on investments	304,554	1,031,904
Cafeteria sales of meals and catering	987,681	1,118,106
Co-curricular and community activities	2,413,263	2,584,273
Miscellaneous	1,622,085	1,276,963
Sale of homes constructed by student for resale	-	-
Services to other LEA's	124,286	67,907
Total local sources	<u>33,905,745</u>	<u>33,486,799</u>
Intermediate sources:		
County school fund	26,328	30,379
County income tax (ITAX)	59,254	-
MESD reimbursement/apportionments	337,390	393,676
Other	105,593	34,090
Total intermediate sources	<u>528,565</u>	<u>458,145</u>
State sources:		
State school support fund (2)	62,578,089	61,649,658
Common school fund	1,230,366	998,554
Drivers' education	22,281	16,572
Other state sources	11,186	3,559,253
Total state sources	<u>63,841,922</u>	<u>66,224,037</u>
Federal sources:		
Forest fees	26,376	30,291
Federal grants	11,577,845	8,084,276
Other federal sources	3,253,605	2,337,828
Total federal sources	<u>14,857,826</u>	<u>10,452,395</u>
 Total revenues	 <u>\$ 113,134,058</u>	 <u>\$ 110,621,376</u>

- (1) Revenues are recognized when susceptible to accrual.
- (2) Includes state replacement/transportation reimbursement and basic school support. Increase in state support and decrease in property taxes are due to the partial replacement of property tax revenue lost as a result of the State's Constitutional Property Tax Limitation.
- (3) Addition of PERS Litigation fund for 2003-04 to 2005-06. Items recorded in co-curricular moved to miscellaneous in 2003-04 to 2005-06.

	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01
\$	28,487,476	\$ 28,400,913	\$ 26,450,202	\$ 25,841,593	\$ 24,826,267	\$ 24,757,745	\$ 26,174,716	\$ 22,025,936
	738,543	756,009	709,337	734,975	854,299	850,996	793,389	586,493
	3,066	2,091	11,362	17,647	13,649	8,373	18,781	19,156
	101,995	95,363	74,099	83,212	74,887	114,253	226,229	193,067
	1,970,692	2,193,201	1,530,462	710,306	318,816	458,407	1,646,990	1,150,004
	1,342,787	1,267,433	1,222,947	1,337,707	1,364,314	1,317,905	1,372,896	1,305,083
	2,768,737	2,816,170	2,814,115	2,807,962	2,730,977	2,490,589	2,785,533	2,585,097
	1,390,437	1,638,537	2,627,078	2,476,110	2,735,208	1,688,113	463,535	450,917
	-	-	-	-	-	-	288,336	-
	93,940	148,776	103,442	111,411	150,930	164,125	150,641	84,899
	<u>36,897,673</u>	<u>37,318,493</u>	<u>35,543,044</u>	<u>34,120,923</u>	<u>33,069,347</u>	<u>31,850,506</u>	<u>33,921,046</u>	<u>28,400,652</u>
	33,029	752,431	30,944	29,593	28,202	29,630	31,964	23,348
	693,052	976,584	10,727,248	10,154,220	7,680,030	-	-	-
	393,676	372,798	275,925	265,768	331,100	376,322	398,591	464,162
	103,314	27,199	29,173	5,216	-	7,167	115,140	37,500
	<u>1,223,071</u>	<u>2,129,012</u>	<u>11,063,290</u>	<u>10,454,797</u>	<u>8,039,332</u>	<u>413,119</u>	<u>545,695</u>	<u>525,010</u>
	64,759,317	60,280,569	57,107,816	52,448,464	55,085,111	44,688,019	49,369,321	47,363,804
	1,300,412	1,145,972	1,075,954	905,268	299,246	723,689	349,234	903,108
	32,191	34,230	20,700	23,250	26,850	46,350	52,350	54,479
	2,539,708	52,277	78,080	9,448	-	1,039,398	2,211,117	1,734,300
	<u>68,631,628</u>	<u>61,513,048</u>	<u>58,282,550</u>	<u>53,386,430</u>	<u>55,411,207</u>	<u>46,497,456</u>	<u>51,982,022</u>	<u>50,055,691</u>
	34,823	31,835	33,544	25,000	31,448	17,918	19,705	12,693
	6,854,770	6,887,477	6,986,082	5,796,789	5,606,520	5,408,768	4,749,699	3,716,400
	383	843	200	-	334	179	88,145	-
	<u>6,889,976</u>	<u>6,920,155</u>	<u>7,019,826</u>	<u>5,821,789</u>	<u>5,638,302</u>	<u>5,426,865</u>	<u>4,857,549</u>	<u>3,729,093</u>
\$	<u>113,642,348</u>	<u>107,880,708</u>	<u>111,908,710</u>	<u>103,783,939</u>	<u>102,158,188</u>	<u>84,187,946</u>	<u>91,306,312</u>	<u>82,710,446</u>

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
 GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO

Last Ten Years
 (modified accrual basis of accounting)

EXPENDITURES:	2009-2010	2008-2009
Instruction:		
Regular programs:		
Elementary programs	\$ 18,016,089	\$ 20,484,039
Middle school programs	11,574,861	12,216,685
High school programs(3)	15,780,841	16,327,056
Preschool programs	273,043	276,672
Special programs:		
Talented and gifted	43,019	25,898
Restrictive programs	3,584,393	4,075,638
Emotionally/physically handicapped)	-	-
Less restrictive programs for students with disabilities (formerly resource rooms)	5,008,678	4,024,602
Early intervention	-	28,588
Remediation	151,119	213,778
Title 1	3,589,311	2,606,401
Alternative education	3,183,834	2,420,667
Designated programs (formerly other special programs)	2,581,838	2,768,084
Summer school	36,931	55,415
Total instruction	<u>63,823,957</u>	<u>65,523,523</u>
Supporting services:		
Pupils:		
Attendance and social work	1,009,962	1,112,266
Guidance and counseling services	2,429,526	3,326,801
Health services	365,621	319,806
Psychological testing services	678,651	669,573
Speech pathology services	1,181,419	1,155,075
Special services administration	528,943	509,297
Instructional staff		
Improvement of instruction	1,067,063	1,420,791
Educational media services	1,147,784	1,311,879
Assessment, testing and educational history	273,768	350,307
Instructional staff development	2,484,252	1,103,987
General administration	850,669	895,409
Special services administration	-	-
School administration	6,680,927	7,403,844
Business:		
Fiscal services	1,580,259	1,612,933
Facilities acquisition and construction	-	-
Operation and maintenance of plant	7,324,527	8,606,572
Student transportation services	4,935,459	4,912,122
Internal services	341,200	341,127
Early retirement	300,000	300,000
Central(2)	2,319,339	2,794,155
Total supporting services	<u>35,499,369</u>	<u>38,145,944</u>
Community services:		
Food services	3,570,362	3,468,876
Other community services	247,048	262,529
Total community services	<u>3,817,410</u>	<u>3,731,405</u>
Capital outlay:		
Facilities acquisition/construction	154,673	1,500
Other capital outlay	400,043	319,680
Total capital outlay	<u>554,716</u>	<u>321,180</u>
Debt service:		
Principal	3,301,667	3,188,511
Interest	2,799,602	2,917,837
Total debt service	<u>6,101,269</u>	<u>6,106,348</u>
Total	<u>\$ 109,796,721</u>	<u>\$ 113,828,400</u>
Debt service as a percentage of non-capital expenditures	5.59%	5.38%

(1) Some function detail for years prior to GASB Statement 34 implementation have been estimated.

(2) Increase in 2002-03 was due to pre-payment of a portion of the District's unfunded PERS actuarial liability (the "UAL") plus PERS bond issuance costs in the amount of \$61,010,397.

(3) High school programs in 2001-2002 increased due to the addition to expenditures, the cost of two homes sold that were constructed by a high school class and in inventory. The program was subsequently discontinued.

(4) Beginning in 2003-2004 the stipend program was charged as a percentage of payroll to the functions where staff was paid.

	2007-2008	2006-2007	2005-2006	2004-2005	2003-2004	2002-2003	2001-2002(1)	2000-2001(1)
\$	20,394,722	\$ 19,909,784	\$ 19,412,974	\$ 18,454,522	\$ 17,030,756	\$ 15,660,923	\$ 16,076,962	\$ 15,615,250
	12,055,478	11,393,607	11,477,577	10,959,396	10,644,968	9,283,279	9,826,272	9,390,887
	16,673,901	15,781,790	15,610,903	15,082,126	14,727,639	13,752,610	15,072,557	13,808,155
	274,533	265,345	265,059	252,073	236,036	215,341	214,117	330,617
	52,388	27,123	30,277	19,829	24,438	13,542	69,429	80,022
	3,998,316	4,112,503	4,029,143	3,666,734	3,343,720	3,519,713	3,511,005	2,903,314
	-	-	-	-	-	-	-	-
	3,832,603	3,752,579	3,297,893	3,022,688	2,726,666	2,230,258	2,352,530	2,221,505
	1,460	5,498	20,353	-	80,070	203,682	153,846	25,282
	223,315	189,782	90,226	64,964	58,730	58,747	57,982	59,354
	1,859,197	1,921,924	2,030,715	1,922,180	1,764,696	748,847	578,441	700,254
	1,853,891	1,246,893	1,344,155	963,019	750,107	282,910	516,870	435,363
	2,469,013	2,116,307	1,873,753	1,541,425	1,190,337	957,990	855,194	633,587
	62,162	63,449	92,060	130,450	93,320	109,717	74,657	54,228
	<u>63,750,979</u>	<u>60,786,584</u>	<u>59,575,088</u>	<u>56,079,406</u>	<u>52,671,483</u>	<u>47,037,559</u>	<u>49,359,862</u>	<u>46,257,818</u>
	1,227,526	1,339,572	1,362,917	723,706	354,914	279,568	157,756	185,854
	3,245,741	2,843,224	3,006,606	2,829,205	2,708,019	2,600,907	2,708,917	2,435,831
	264,118	253,285	223,388	196,539	129,862	143,670	173,090	152,877
	630,896	591,211	588,144	513,574	505,959	472,646	451,006	419,005
	1,150,561	986,992	903,811	832,341	792,871	656,776	897,642	789,995
	507,174	488,540	452,779	431,821	397,732	379,523	265,678	293,249
	1,321,191	1,103,093	1,018,177	1,098,543	1,017,808	1,105,748	1,663,482	1,579,010
	1,277,157	1,375,311	1,335,368	1,343,366	1,107,969	1,083,023	1,379,276	1,333,518
	365,209	350,424	309,934	191,357	63,530	78,957	104,356	95,239
	1,380,841	1,339,569	1,003,832	343,199	606,556	597,652	457,228	511,053
	778,135	737,861	659,219	1,295,556	636,656	644,776	567,174	735,304
	-	-	-	-	-	-	-	-
	7,381,293	7,003,438	6,792,005	6,364,971	6,097,414	5,648,020	5,566,471	5,364,944
	1,517,460	1,463,618	1,388,817	1,576,028	1,430,427	1,299,561	1,122,543	819,920
	-	2,358	26,976	-	-	-	-	-
	8,204,984	7,634,492	7,554,921	7,778,709	6,998,214	6,080,412	6,119,866	5,875,069
	4,981,996	4,579,878	4,532,254	4,320,189	4,547,946	4,314,301	4,420,366	4,198,320
	321,842	315,884	325,668	303,287	325,736	352,761	308,372	271,653
	300,000	300,000	369,550	269,550	239,450	780,000	671,608	720,500
	2,640,278	2,308,806	2,215,263	1,729,479	1,523,843	62,388,314	1,909,547	1,146,382
	<u>37,496,402</u>	<u>35,017,556</u>	<u>34,069,629</u>	<u>32,141,420</u>	<u>29,484,906</u>	<u>88,906,615</u>	<u>28,944,378</u>	<u>26,927,723</u>
	3,402,847	3,147,299	2,986,113	2,901,147	2,751,734	2,592,235	2,624,788	2,378,788
	242,123	243,867	211,300	227,815	470,147	1,108,117	941,628	821,615
	<u>3,644,970</u>	<u>3,391,166</u>	<u>3,197,413</u>	<u>3,128,962</u>	<u>3,221,881</u>	<u>3,700,352</u>	<u>3,566,416</u>	<u>3,200,403</u>
	1,164,900	1,671,342	1,408,422	1,450,435	2,227,938	16,694,178	24,919,636	2,308,529
	111,490	210,016	481,493	99,012	195,727	199,132	96,263	444,392
	<u>1,276,390</u>	<u>1,881,358</u>	<u>1,889,915</u>	<u>1,549,447</u>	<u>2,423,665</u>	<u>16,893,310</u>	<u>25,015,899</u>	<u>2,752,921</u>
	5,920,000	5,960,000	5,510,000	5,195,000	4,920,000	4,075,000	4,130,000	3,898,264
	3,020,764	3,264,637	3,520,901	3,144,099	3,720,896	4,460,719	4,756,300	2,804,450
	<u>8,940,764</u>	<u>9,224,637</u>	<u>9,030,901</u>	<u>8,339,099</u>	<u>8,640,896</u>	<u>8,535,719</u>	<u>8,886,300</u>	<u>6,702,714</u>
\$	<u>115,109,505</u>	<u>110,301,301</u>	<u>107,762,946</u>	<u>101,238,334</u>	<u>96,442,831</u>	<u>165,073,555</u>	<u>115,772,855</u>	<u>85,841,579</u>
	7.85%	8.51%	8.53%	8.37%	9.19%	5.76%	9.79%	8.07%

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
 OTHER FINANCING SOURCES AND USES AND NET CHANGE IN FUND BALANCES
 LAST TEN FISCAL YEARS
 (modified accrual basis of accounting)

	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-2002	2000-2001
Excess of revenues over (under) expenditures	\$ 3,337,337	\$ (3,207,024)	\$ (1,467,157)	\$ (2,420,593)	\$ 4,145,764	\$ 2,545,605	\$ 5,715,357	\$ (80,885,609)	\$ (24,466,543)	\$ (3,131,133)
Other Financing Sources (Uses)										
General Long-term debt issued	-	-	-	-	-	32,460,836	24,020,590	61,013,401	-	40,371,667
Premium on debt issued	-	-	-	-	-	3,700,664	1,307,199	-	-	-
Payments to refunded bond escrow	-	-	-	-	-	(36,105,664)	(25,221,139)	-	-	-
Assets acquired under capital leases	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	38,754	245	50	39,673	195,853	259,341	756,682	4,708,743	451,718	203,153
Transfers in	-	-	-	-	220,000	-	-	-	-	700,000
Transfers out	-	-	-	-	(220,000)	-	-	-	-	(700,000)
Total other financing sources (uses)	38,754	245	50	39,673	195,853	315,177	863,332	65,722,144	451,718	40,574,820
Net change in fund balances	<u>\$ 3,376,091</u>	<u>\$ (3,206,779)</u>	<u>\$ (1,467,107)</u>	<u>\$ (2,380,920)</u>	<u>\$ 4,341,617</u>	<u>\$ 2,860,782</u>	<u>\$ 6,578,689</u>	<u>\$ (15,163,465)</u>	<u>\$ (24,014,825)</u>	<u>\$ 37,443,687</u>

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 Last Ten Fiscal Years

FISCAL YEAR	PROPERTY VALUE ASSESSED VALUATION(1)				TOTAL DIRECT TAX RATE(2)	PROPERTY VALUE TRUE CASH VALUATION(1)				RATIO OF ASSESSED VALUATION TO TRUE CASH VALUATION
	REAL PROPERTY	PERSONAL PROPERTY	PUBLIC UTILITY PROPERTY	TOTAL		REAL PROPERTY	PERSONAL PROPERTY	PUBLIC UTILITY PROPERTY	TOTAL	
2009-10	\$ 4,801,708,917	\$ 111,816,750	\$ 181,458,890	\$ 5,094,984,557	\$ 5.62	\$ 7,243,951,660	\$ 112,838,609	\$ 181,540,671	\$ 7,538,330,940	67.6 %
2008-09	4,648,285,952	121,218,173	125,844,240	4,895,348,365	5.69	7,814,487,254	122,051,905	126,358,154	8,062,897,313	60.7
2007-08	4,430,421,338	119,211,440	127,900,970	4,677,533,748	6.53	7,374,288,255	119,903,109	129,713,058	7,623,904,422	61.4
2006-07	4,258,201,774	103,338,804	116,175,520	4,477,716,098	6.75	6,468,452,934	103,975,373	116,835,689	6,689,263,996	66.9
2005-06	4,095,519,388	92,226,625	138,749,561	4,326,495,574	6.54	5,789,245,251	92,761,230	138,749,561	6,020,756,042	71.9
2004-05	3,901,301,123	91,481,926	128,891,380	4,121,674,429	6.77	5,244,488,620	91,969,707	128,892,322	5,465,350,649	75.4
2003-04	3,717,076,377	89,753,209	127,211,996	3,934,041,582	6.77	4,931,362,070	93,165,478	133,053,099	5,157,580,647	76.3
2002-03	3,635,060,015	99,308,018	156,998,806	3,891,366,839	6.84	4,754,346,505	117,357,187	162,572,883	5,034,276,575	77.3
2001-02	3,917,432,057	235,729,495	122,950,337	4,276,111,889	6.61	4,916,251,842	295,832,971	154,298,738	5,366,383,551	79.7
2000-01	NA	NA	NA	3,790,193,267	6.24	4,528,236,311	141,801,600	183,309,705	4,853,347,616	78.1

(1) Multnomah County Tax Supervising and Conservation Commission, Multnomah and Clackamas Counties.

(2) per \$1,000 of assessed value.

NA=not available

GRESHAM-BARLOW SCHOOL DISTRICT 10JT

LARGEST TAXPAYERS WITHIN DISTRICT
CURRENT AND NINE YEARS AGO

	2010		2001	
	ASSESSED VALUATION	PERCENTAGE OF TOTAL DISTRICT'S ASSESSED VALUATION	ASSESSED VALUATION	PERCENTAGE OF TOTAL DISTRICT'S ASSESSED VALUATION
<u>PRIVATE ENTERPRISES</u>				
Microchip Technology Inc	\$ 119,014,700	2.34 %		
Semiconductor Components	48,962,970	0.96		
Comcast Corporation	41,771,800	0.82		
GE Capital	35,869,630	0.70		
Westlake Gresham Center LLC	24,564,760	0.48	\$ 11,462,140	0.30 %
Holly Ridge Associates	22,904,050	0.45		
PKI Gresham Town Fair LLC	19,933,790	0.39		
Fred Meyer Stores Inc	16,703,330	0.33	12,657,050	0.33
EOR Oregon LLC	16,514,530	0.32		
Mutual Materials Company	15,892,340	0.31		
Fujitsu Microelectronics			394,364,420	10.40
LSI Logic Corporation			104,896,590	2.77
US West Wireless LLC			34,071,684	0.90
Sunnyside LLC			16,450,380	0.43
CT Retail Properties Finance			15,158,150	0.40
BOC Group Inc			12,243,260	0.32
Heatherwood Apt Assoc LT			11,608,220	0.31
Pan Pacific LLC			11,222,560	0.30
<u>PUBLIC UTILITIES</u>				
Portland General Electric Co.	45,768,000	0.90	37,919,600	1.00
Verizon Communications	51,195,200	1.00	-	-
GTE Northwest	-	-	37,799,212	1.00
SUB TOTAL	459,095,100	9.01	699,853,266	18.46
ALL OTHER TAXPAYERS	4,635,889,457	90.99	3,090,340,001	81.54
TOTAL	\$ 5,094,984,557	100.00 %	\$ 3,790,193,267	100.00 %

Source: Multnomah County Department of Assessment and Taxation

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Years

	Dollars per \$1,000 True Cash Value									
	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01
DIRECT:										
Gresham-Barlow School District 10JT (1)	\$ 5.62	\$ 5.69	\$ 6.53	\$ 6.75	\$ 6.54	\$ 6.77	\$ 6.77	\$ 6.84	\$ 6.61	\$ 6.24
Orient School district #6 Bond (2)	0.34	0.53	0.55	0.59	0.61	0.65	0.69	0.73	0.77	0.77
Damascus Union School District #26 Bond (2)	0.77	0.73	0.75	0.75	0.76	0.65	0.91	0.95	0.91	0.92
Gresham Grade School #4 Bond (2)	0.00	0.02	0.82	0.86	0.88	0.97	0.88	0.94	0.77	0.81
Gresham-Barlow School District Bond (2)	1.09	1.14	1.18	1.37	1.13	1.28	1.36	1.37	1.31	0.91
Overlapping:										
Tri-Met Service District	0.09	0.08	0.09	0.10	0.12	0.11	0.11	0.12	0.14	0.13
Port of Portland	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07
Multnomah ESD	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46
Mt. Hood Community College	0.49	0.49	0.49	0.49	0.49	0.50	0.51	0.52	0.51	0.52
Clackamas Community College	0.55	0.74	0.74	0.73	0.77	0.78	0.74	0.74	0.86	0.62
City of Gresham	3.61	3.61	3.69	3.80	3.80	3.96	3.79	3.92	3.93	3.92
City of Damascus	3.30	3.30	3.30	3.30	3.30	0.00	0.00	0.00	0.00	0.00
Metropolitan Service District	0.44	0.40	0.43	0.28	0.28	0.28	0.29	0.28	0.32	0.34
Multnomah County	5.40	5.39	5.42	5.29	5.31	5.28	5.27	5.17	5.21	5.31
Clackamas County	2.86	2.79	2.86	2.87	2.40	2.82	2.82	2.83	2.97	2.97
Boring Fire district 59	2.38	2.38	2.38	2.38	2.38	2.38	2.38	2.38	2.38	2.38
Sunrise Water Authority	0.00	0.00	0.00	0.03	0.00	0.00	0.00	0.00	0.00	0.06
Estacada Library Bond	0.00	0.12	0.12	0.13	0.14	0.00	0.00	0.00	0.00	0.00
Vector control	0.03	0.03	0.03	0.00	0.03	0.01	0.01	0.01	0.01	0.01
	<u>19.68</u>	<u>19.86</u>	<u>20.08</u>	<u>19.93</u>	<u>19.55</u>	<u>16.65</u>	<u>16.45</u>	<u>16.50</u>	<u>16.86</u>	<u>16.79</u>
Totals*	<u>\$ 25.30</u>	<u>\$ 25.55</u>	<u>\$ 26.61</u>	<u>\$ 26.68</u>	<u>\$ 26.09</u>	<u>\$ 23.42</u>	<u>\$ 23.22</u>	<u>\$ 23.34</u>	<u>\$ 23.47</u>	<u>\$ 23.03</u>

*Numbers in totals do not reflect the actual tax rate fro any one property, but are the results of the potential combination of taxing units within District boundaries.

(1) This is a weighted average rate as limited by ballot measure 5. Actual rates may vary by tax codes and lots because of differing compression.

(2) Rates, although included in the weighted average above, are presented for comparison only and are not included in the totals. Debt levies were not consolidated upon merger. Instead, the debt levies are assessed depending upon the former District's boundary lines.

N/A - Not Available

Source: Multnomah and Clackamas Counties Departments of Assessment and Taxation.

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
PROPERTY TAX LEVIES AND COLLECTION
Last Ten Years

FISCAL YEAR ENDED JUNE 30	TOTAL TAX LEVY FOR FISCAL YEAR			COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE	
	GENERAL FUND	DEBT SERVICE FUND	TOTAL	AMOUNT	PERCENTAGE OF LEVY		AMOUNT	PERCENTAGE OF LEVY
2009-10	\$ 22,864,871	\$ 6,095,480	\$ 28,960,351	\$ 28,019,394	96.8 %	\$ -	\$ 28,019,394	96.8 %
2008-09	21,975,158	6,264,837	28,239,995	27,196,140	96.3	626,714	27,822,854	98.5
2007-08	21,046,857	9,103,905	30,150,762	29,242,468	97.0	710,272	29,952,740	99.3
2006-07	20,190,083	9,731,694	29,921,777	29,110,173	97.3	734,341	29,844,514	99.7
79 2005-06	19,444,539	8,488,095	27,932,634	27,167,229	97.3	752,950	27,920,179	100.0
2004-05	18,508,058	8,930,726	27,438,784	26,654,097	97.1	775,959	27,430,056	100.0
2003-04	17,637,608	8,680,592	26,318,200	25,507,720	96.9	803,975	26,311,695	100.0
2002-03	17,461,922	8,882,893	26,344,815	24,816,915	94.2	1,522,043	26,338,958	100.0
2001-02	18,957,115	8,912,786	27,869,901	26,867,865	96.4	997,315	27,865,180	100.0
2000-01	16,957,723	6,484,116	23,441,839	22,570,981	96.3	867,924	23,438,905	100.0

Source: Multnomah and Clackamas County Departments of Assessment and Taxation.

(1) Tax collections include discounts, interest and other adjustments.

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
RATIOS OF GENERAL BONDED DEBT OUTSTANDING AND LEGAL DEBT MARGIN
Last Ten Fiscal Years

FISCAL YEAR	GENERAL BONDED DEBT OUTSTANDING					RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUATION
	GENERAL OBLIGATION BONDS	PENSION OBLIGATION BONDS	TOTAL	LESS DEBT SERVICE FUND	NET GENERAL BONDED DEBT	
	2009-10	\$ 48,962,970	\$ 55,604,616	\$ 104,567,586	\$ 1,770,506	
2008-09	52,264,637	56,751,070	109,015,707	1,863,037	107,152,670	2.19%
2007-08	55,453,148	57,819,503	113,272,651	1,812,245	111,460,406	2.38%
2006-07	61,373,148	58,798,179	120,171,327	1,736,011	118,435,316	2.64%
2005-06	67,333,148	59,678,100	127,011,248	1,295,451	125,715,797	2.91%
2004-05	72,843,148	60,441,092	133,284,240	1,906,079	131,378,161	3.19%
2003-04	78,973,148	60,880,890	139,854,038	1,513,647	138,340,391	3.52%
2002-03	82,883,148	61,065,942	143,949,090	1,595,435	142,353,655	3.66%
2001-02	86,958,148	-	86,958,148	1,477,362	85,480,786	2.00%
2000-01	91,008,148	-	91,008,148	1,686,836	89,321,312	2.36%

Legal Debt Margin Calculation for Fiscal Year 2010:

Real Market Value	\$ 7,538,330,940
Debt Limit (7.95%)(1)	599,297,310
Amount of Debt Applicable to Debt Limit	(102,797,080)
Legal Debt Margin	\$ 494,729,724

FISCAL YEAR	RATIO OF NET GENERAL BONDED DEBT TO TRUE CASH VALUE	RATIO OF NET GENERAL BONDED DEBT TO PERSONAL INCOME	NET GENERAL BONDED DEBT PER CAPITA	LEGAL DEBT LIMIT(1)	LEGAL DEBT MARGIN(2)	RATIO OF LEGAL DEBT MARGIN TO DEBT LIMIT
2009-10	1.36%	N/A	\$ 1,294	\$ 599,297,310	\$ 494,729,724	82.55%
2008-09	1.33%	3.28%	1,353	641,000,336	531,984,629	82.99%
2007-08	1.46%	3.51%	1,428	606,100,402	492,827,751	81.31%
2006-07	1.77%	3.88%	1,540	531,796,488	411,625,161	77.40%
2005-06	2.09%	4.48%	1,666	478,650,105	351,638,857	73.46%
2004-05	2.40%	4.86%	1,772	434,495,377	301,211,137	69.32%
2003-04	2.68%	5.33%	1,877	410,027,661	270,173,623	65.89%
2002-03	2.83%	5.62%	1,954	400,224,988	256,275,898	64.03%
2001-02	1.59%	3.47%	1,188	426,627,492	339,669,344	79.62%
2000-01	1.84%	3.89%	1,258	385,841,135	294,832,987	76.41%

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

(1) ORS 328.245 establishes a parameter of bonded indebtedness for school districts. Aggregates are governed by real market values of all taxable properties within the District bases on the following: (A) For each grade from kindergarten to eighth for which the District operates schools, fifty-five one-hundredths of one of one percent (.0055) of real market value. (B) For each grade from ninth to twelfth for which the District operates schools, seventy-five one-hundredths of one percent (.0075) of real market value. Allowable percent of real market value: (A) Kindergarten through eighth grade, 9 x .0055 = 4.95% (B) Ninth through twelfth grade, 4 x .0075 = 3.00% or 7.95% of real market value. Real market value data can be found on page 72:

Assessed Value and Actual Value of Taxable Property.

(2) The legal debt margin is the District's available borrowing authority under ORS 328.245 and is calculated by subtracting the net debt applicable to the legal debt limit from the legal debt limit.

(3) Demographic and Economic Statistics can be found on page 83 for personal income and population data. Assessed Value and True Cash Value can be found on page 77.

Sources: Portland State University, Population Research Center and Multnomah and Clackamas Counties Departments of Assessment and Taxation.

GRESHAM-BARLOW SCHOOL DISTRICT 10JT

DIRECT AND OVERLAPPING GROSS BONDED DEBT

June 30, 2010

GOVERNMENTAL UNIT	2009-2010 REAL MARKET VALUATION	GROSS (1) BONDED DEBT	NET (2) DIRECT DEBT	PERCENT WITHIN SCHOOL DISTRICT(3)	OVERLAPPING	
					GROSS (1) BONDED DEBT	NET (2) DIRECT DEBT
<u>DIRECT DEBT</u>						
Gresham-Barlow School District	\$ 7,538,330,940	\$ 104,567,586	\$ 48,962,970	100.00%	\$ 104,567,586	\$ 48,962,970
<u>OVERLAPPING GOVERNMENT</u>						
City of Troutdale	1,602,574,459	8,570,000	8,570,000	2.5118	215,261	215,261
Clackamas County	54,443,394,601	106,525,000	79,370,000	2.3553	2,508,983	1,869,402
Clackamas Community College	39,181,851,197	87,770,000	34,840,000	0.0039	3,423	1,359
East Multnomah Soil & Water Conservation	73,327,429,367	905,000	905,000	8.5400	77,287	77,287
Multnomah County	105,028,015,063	313,903,160	104,685,000	5.9624	18,716,162	6,241,738
Metropolitan Service District	208,138,998,272	230,868,356	163,533,356	3.4884	8,053,612	5,704,698
Multnomah ESD	106,531,713,752	36,235,000	-	7.0819	2,566,126	-
Mt. Hood Community College	31,912,101,328	67,377,483	16,730,000	23.6366	15,925,746	3,954,403
Port of Portland	228,377,750,177	71,421,466	-	3.3035	2,359,408	-
Lusted Water Authority	137,158,620	900,000	900,000	100.0000	900,000	900,000
Tri-Metropolitan Service District	207,106,827,948	27,960,000	27,960,000	3.1967	893,797	893,797
City of Gresham	9,633,110,431	67,715,998	23,469,998	60.2907	40,826,449	14,150,226
TOTAL OVERLAPPING	1,065,420,925,215	1,020,151,463	460,963,354		93,046,256	34,008,171
TOTAL	\$ 1,072,959,256,155	\$ 1,124,719,049	\$ 509,926,324		\$ 197,613,842	\$ 82,971,141

Source: Municipal Debt Advisory Commission, State of Oregon.

(1) Gross bonded debt includes all bonds backed by a general obligation pledge including self-supporting general obligation bonds and limited tax debt.

(2) Net direct debt including all tax-supported bonds. Self-supporting bonds are excluded.

(3) The percentage of overlapping debt is estimated using taxable assessed property values. Applicable percentages are estimated by determining the portion of the District's taxable assessed value that is within the government's boundaries and dividing by the District's total assessed value. These percentages are calculated by the State of Oregon Municipal Debt Advisory Commission.

GRESHAM-BARLOW SCHOOL DISTRICT 10JT

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

<u>FISCAL YEAR</u>	<u>POPULATION (ESTIMATED) (1)</u>	<u>PERSONAL INCOME (thousands of dollars) (ESTIMATED) (3)</u>	<u>PER CAPITA PERSONAL INCOME (2)</u>	<u>UNEMPLOYMENT RATE (2)</u>
2009-2010	79,462	\$ N/A	\$ N/A	10.7 %
2008-2009	79,179	3,263,917	41,222	11.5
2007-2008	78,054	3,178,359	40,720	5.5
2006-2007	76,900	3,049,931	39,661	5.1
2005-2006	75,448	2,803,723	37,161	5.6
2004-2005	74,150	2,705,289	36,484	6.6
2003-2004	73,686	2,595,737	35,227	8.0
2002-2003	72,870	2,531,795	34,744	9.1
2001-2002	71,935	2,460,177	34,200	7.7
2000-2001	70,977	2,294,190	32,323	6.3

(1) Population Research Center, Portland State University
(estimated based on City of Gresham's projected population increases since the 2000 Census)

(2) Employment Division, Research and Statistics, State of Oregon (For Multnomah County)

(3) Estimated using per capital information and estimated population.

GRESHAM-BARLOW SCHOOL DISTRICT 10JT

PRINCIPAL EMPLOYERS

CURRENT AND NINE YEARS AGO

EMPLOYER	2010			2001		
	Employees	Rank	Percentage of total employment(1)	Employees	Rank	Percentage of total employment(1)
Mt. Hood Community College	1,448	1	3.12 %	1,300	1	2.78 %
Gresham-Barlow School District	1,152	2	2.48	1,059	2	2.27
Legacy Mt. Hood Medical Center	601	3	1.30	515	6	1.10
City of Gresham	569	4	1.23	559	5	1.20
ON Semiconductor	504	5	1.09	-	-	-
Microchip Technology	348	6	0.75	-	-	-
Fred Meyer Inc	197	7	0.42			
Winco Foods	181	8	0.39			
Kaiser Permanente	140	9	0.30	N/A		N/A
First Student	137	10	0.30	N/A		N/A
Fujitsu Microelectronics	-		-	904	4	1.93
LSI Logic	-		-	1,000	3	2.14
Total	<u>5,277</u>		<u>11.38 %</u>	<u>5,337</u>		<u>11.42 %</u>

Source: City of Gresham, Community and Economic Development Department and United States Department of Labor, Bureau of Labor and Statistics.

(1)The District does not have records on employers within its jurisdiction and was unable to find a resource for its jurisdiction. The District used total employment for the City of Gresham as reported by the Bureau of Labor and Statistics.

The District took the City's top 25 list and was able to use this information to obtain those top ten within the District's jurisdiction.

N/A-not available. The city's records for 2001 only includes the ten employers. Of those only six are within the District's jurisdiction.

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01
Instruction:										
Primary programs	152.6	171.0	174.6	170.9	169.7	168.3	164.6	161.1	164.7	162.1
Intermediate programs(1)	75.8	87.4	86.9	94.9	91.9	87.2	82.5	79.1	81.9	80.4
Middle school programs	124.8	132.1	130.5	129.6	129.9	133.3	133.4	131.3	133.8	137.0
High school programs	148.7	159.9	163.6	162.1	160.8	158.3	158.9	165.8	171.4	163.1
Preschool programs	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.6	8.9	9.9
Talented and gifted programs	-	-	-	-	-	-	-	0.2	0.2	0.2
Restrictive programs	50.5	58.6	59.8	63.9	63.4	60.3	56.6	51.4	46.9	43.4
Resource rooms	82.4	67.7	68.8	70.0	66.7	62.3	58.9	47.4	46.9	43.7
Remediation	-	1.2	1.2	0.8	-	-	-	-	-	-
Title I	39.0	39.5	27.9	29.4	30.3	36.2	35.3	15.0	15.5	15.2
Alternative education	5.4	6.0	6.5	5.4	6.5	6.6	5.7	6.1	6.1	7.7
Designated programs	39.5	44.0	42.6	40.4	37.0	33.0	24.4	17.7	13.9	8.8
Total instruction	725.2	773.9	768.9	773.9	762.7	752.0	726.8	681.7	690.2	671.5
Support services:										
Attendance and social work services	16.5	17.3	13.3	15.1	13.1	8.3	7.3	5.3	7.4	4.6
Guidance services	34.9	44.0	45.5	43.4	42.4	40.7	40.7	40.0	37.9	39.4
Health services	4.6	3.6	3.6	3.6	3.6	3.6	2.3	-	-	-
Psychological services	7.1	7.3	7.4	7.4	7.4	6.4	6.4	6.3	5.8	4.8
Speech pathology and audiology services	14.0	17.2	16.3	15.6	14.7	13.1	14.1	12.1	13.0	8.5
Service direction - student support services	4.2	4.2	4.2	4.2	4.2	4.7	4.7	3.5	3.0	3.3
Improvement of instruction services	7.4	10.3	8.1	8.6	8.0	8.3	8.4	11.1	10.0	9.5
Educational media services	19.8	21.7	22.5	25.8	25.7	26.5	24.9	25.6	25.5	25.5
Assessment and testing	2.2	3.0	3.0	3.0	2.8	2.5	0.8	1.6	1.6	-
Instructional staff development	1.3	2.3	2.3	2.2	2.4	-	0.5	0.5	1.3	0.5
Executive administration services	4.0	4.5	4.3	4.0	4.0	4.0	4.0	4.0	5.0	5.0
Office of the principal services	71.6	87.7	86.7	85.9	83.8	81.3	81.2	78.4	78.5	75.5
Fiscal services	8.8	9.9	9.9	9.9	10.0	10.0	10.0	10.0	10.0	10.0
Operations and maintenance of plant services	59.0	68.5	70.5	72.2	71.0	76.0	68.0	68.5	70.4	70.0
Student transportation services	4.0	0.5	0.5	0.5	0.5	-	-	-	-	-
Internal services	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0
Planning and development services	-	-	-	-	-	-	-	0.2	-	-
Information services	2.0	2.0	2.0	2.0	1.8	1.5	1.0	2.3	2.3	2.3
Staff services	7.0	7.0	7.0	7.0	6.0	6.0	6.0	6.0	6.0	6.0
Technology services	19.1	26.0	25.4	21.5	20.7	17.0	16.5	14.2	5.0	4.0
Other central support	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	-	-
Total support services	289.5	339.0	334.5	333.9	324.1	311.9	299.8	292.6	284.7	270.9
Community services:										
Food preparation and dispensing	0.1	0.1	0.1	0.1	0.1	0.1	-	-	-	-
Community services	2.0	2.0	2.0	1.5	1.9	2.0	1.9	2.0	0.4	1.4
Civic services	-	-	0.6	0.9	1.0	1.0	1.0	1.4	1.4	0.4
Other community services	-	-	-	-	-	-	-	0.5	1.5	-
Total community services	2.1	2.1	2.7	2.5	3.0	3.1	2.9	3.9	3.3	1.8
Total FTE	1,016.8	1,115.0	1,106.1	1,110.3	1,089.8	1,067.0	1,029.5	978.2	978.2	944.2

Source: Gresham-Barlow School District Adopted Budget

GRESHAM-BARLOW SCHOOL DISTRICT 10JT

LICENSED PROFESSIONAL SALARY PLAN

YEAR ENDED JUNE 30, 2010

LEVEL	BACHELORS	BACHELORS +45	BACHELORS +75 MASTERS	BACHELORS +105 MASTERS +23
1	34,615	38,026	39,257	42,752
2	36,321	39,659	40,971	44,499
3	38,110	41,364	42,762	46,315
4	39,989	43,142	44,633	48,207
5	41,958	44,998	46,585	50,171
6	44,022	46,931	48,622	52,221
7	46,192	48,951	52,242	55,953
8	48,466	51,056	52,968	56,575
9	50,852	53,251	55,284	58,886
10	53,358	55,540	57,701	61,290
11		57,929	60,225	63,791
12		60,420	62,858	66,398
13			65,608	69,109

LICENCED STAFF PER LEVEL AND EDUCATION IN FULL-TIME EQUIVALENT EMPLOYEES-JUNE 2010

LEVEL	BACHELORS	BACHELORS +45	BACHELORS +75 MASTERS	BACHELORS +105 MASTERS +23	TOTAL
1	3.00	1.00	3.00	2.50	9.50
2	2.00	0.00	16.00	2.00	20.00
3	4.00	1.00	16.80	4.00	25.80
4	8.00	0.00	14.20	7.25	29.45
5	4.50	2.17	10.94	8.50	26.11
6	5.50	0.00	26.83	15.00	47.33
7	5.00	2.00	12.50	13.00	32.50
8	2.83	0.00	15.00	8.00	25.83
9	2.00	1.00	6.50	14.00	23.50
10	17.00	0.00	12.00	14.17	43.17
11		5.00	7.25	14.50	26.75
12		29.50	6.50	15.60	51.60
13			57.50	190.51	248.01
Total	53.83	41.67	205.02	309.03	609.55

Source: Gresham-Barlow School District Human Resources Department

GRESHAM-BARLOW SCHOOL DISTRICT 10JT

OPERATING STATISTICS

Last Ten Fiscal Years

FISCAL YEAR	STUDENT ENROLLMENT	AVERAGE DAILY MEMBERSHIP	COST PER PUPIL(1)			TEACHING STAFF (4)	PUPIL-TEACHER RATIO (2)	NUMBER OF STUDENTS GRADUATED(3)			
			K-8	9-12	ALL			GRESHAM HIGH SCHOOL	BARLOW HIGH SCHOOL	SPRING-WATER TRAIL	FARISS
			2009-2010	11,925	11,694			\$ 7,997	\$ 8,331	\$ 8,109	609.6
2008-2009	12,007	11,682	8,292	8,326	8,311	659.9	18.20	339	374	31	-
2007-2008	12,116	11,590	8,145	8,216	8,177	660.7	18.34	388	339	26	-
2006-2007	12,123	11,515	7,581	7,885	7,686	659.2	18.39	355	353	30	-
2005-2006	12,095	11,740	7,718	7,216	7,556	661.0	18.30	374	356	40	-
2004-2005	12,125	11,628	7,205	7,313	7,246	646.9	18.74	365	367	23	-
2003-2004	11,828	11,364	6,158	6,492	6,271	635.2	18.62	359	391	11	-
2002-2003	11,697	11,133	6,032	6,084	6,057	624.7	18.72	317	360	-	1
2001-2002	11,655	11,176	6,379	6,884	6,549	614.6	18.96	331	371	-	13
2000-2001	11,355	10,892	6,050	6,626	6,248	610.4	18.60	255	322	-	4

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FISCAL YEAR	NUMBER OF TYPE A LUNCES SERVED			NUMBER OF BREAKFASTS SERVED		
	PAID	FREE	REDUCED PRICE	PAID	FREE	REDUCED PRICE
2009-2010	364,163	536,262	103,422	79,085	210,632	38,105
2008-2009	424,169	465,425	101,554	74,188	188,178	26,921
2007-2008	457,480	423,957	110,027	76,481	177,323	30,149
2006-2007	452,255	396,267	113,070	67,638	148,571	25,861
2005-2006	449,093	423,552	100,081	63,567	155,854	24,125
2004-2005	442,373	403,632	96,347	92,468	160,837	25,773
2003-2004	429,777	360,699	93,343	89,621	151,420	26,497
2002-2003	437,582	309,459	78,050	14,033	37,617	4,802
2001-2002	422,619	284,237	74,476	N/A	N/A	N/A
2000-2001	462,105	287,219	76,803	N/A	N/A	N/A

(1) Cost per pupil is calculated by the District using actual expenditures on the budgetary basis, excluding capital outlay and debt service and offset by payments received for tuition (i.e., outdoor school, driver's education) and non-reimbursable transportation.

(2) Enrollment to Teacher Ratio

(3) Fariss, an alternative school, was closed with the opening of Springwater Trail High School.

(4) Includes all licensed staff, not just classroom teachers, (i.e., counselors, special education, librarians).

N/A-Not Available

Sources: Gresham Barlow School District Human Resources Department, Food Service Department, High Schools, Enrollment and Attendance Records.

GRESHAM-BARLOW SCHOOL DISTRICT 10JT

CAPITAL ASSET INFORMATION
LAST TEN FISCAL YEARS

	2010	2009	2008	2007	2006(1)	2005	2004	2003	2002	2001
SCHOOLS										
ELEMENTARY										
BUILDINGS	11	11	11	11	11	11	11	11	11	10
SQUARE FEET	649,635	649,667	647,667	647,667	642,267	642,267	634,916	634,916	634,916	568,584
CAPACITY	5,353	5,353	5,353	5,353	5,293	5,345	5,230	5,230	5,230	4,705
ENROLLMENT	5,081	5,261	5,261	5,261	5,261	5,171	4,958	4,987	4,920	4,913
MIDDLE										
BUILDINGS	5	5	5	5	5	5	5	5	5	5
SQUARE FEET	470,257	470,257	470,257	470,257	470,257	470,257	470,257	470,257	470,257	458,777
CAPACITY	2,943	2,943	2,943	2,943	2,943	2,925	2,925	2,925	2,925	2,775
ENROLLMENT	2,946	2,912	2,912	2,912	2,912	2,998	3,086	3,005	3,047	2,899
HIGH										
BUILDINGS	3	3	3	3	3	3	3	3	3	2
SQUARE FEET	564,577	564,577	564,577	564,577	564,577	564,577	564,577	564,577	564,577	496,000
CAPACITY	3,170	3,170	3,170	3,170	3,170	3,150	3,150	3,150	3,150	3,150
ENROLLMENT(2)	3,769	3,899	3,899	3,899	3,899	3,928	3,761	3,681	3,688	3,543
ADMINISTRATIVE										
BUILDINGS	1	1	1	1	1	1	1	1	1	1
SQUARE FEET	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
OPERATIONS AND MAINTENANCE										
BUILDINGS	1	1	1	1	1	1	1	1	1	1
SQUARE FEET	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
OTHER										
SQUARE FEET	44,000	44,000	44,000	44,000	44,000	44,000	44,000	48,000	48,000	48,000
ATHLETICS										
FOOTBALL FIELDS	3	3	3	3	3	3	3	3	3	3
SOCCER FIELDS	4	4	4	4	4	4	4	4	4	4
FOOTBALL/SOCCER FIELDS	2	2	2	2	2	2	2	2	2	2
BASEBALL/SOFTBALL	20	20	20	20	20	20	20	20	20	18
SWIMMING POOLS	2	2	2	2	2	2	2	2	2	2
PLAYGROUNDS	16	16	16	16	16	16	16	16	16	15

(1) Long-range planning for building capacity was conducted on a building by building and room by room basis to develop optimal capacity information.

(2) Does not include Adult Living Program.

Source: Gresham-Barlow School District Facilities Department

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AUDIT COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATIONS

Oregon Administrative Rules 162-10-050 through 162-10-320 incorporated in the *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy, enumerate the financial statements, schedules, and comments and disclosures required in all audit reports. The required statements and schedules are set forth in the preceding sections of this report. Required comments and disclosures related to the audit of such statements and schedules are set forth in the following pages.

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PAULY, ROGERS AND CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

-
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Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the Gresham-Barlow School District 10JT, Gresham, Oregon as of and for the year ended June 30, 2010, and have issued our report thereon dated September 24, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

Compliance

As part of obtaining reasonable assurance about whether the 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.**
- **Schedule of Accountability of Elected Officials.**

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

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the 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 internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of internal control over financial reporting.

This report is intended solely for the information and use of the Board of Directors and management of Gresham-Barlow School District 10JT, Gresham, Oregon and the Oregon Secretary of State, and is not intended to be and should not be used by anyone other than these parties.

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

SINGLE AUDIT SECTION

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Gresham-Barlow School District 10JT
 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2010

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Entity Number</u>	<u>Period Covered</u>	<u>Expenditures</u>
U.S. Department of Education				
Passed through Oregon Department of Education:				
Title I Grants to Local Educational Agencies	84.010	16554	07/01/09 - 09/30/10	\$ 2,503,925 (1)
	84.010	16471	07/01/09 - 09/30/10	12,255 (1)
	84.010	12784	07/01/08 - 06/30/10	482,994 (1)
	84.389	15656	02/17/09 - 09/30/10	1,110,991 (1)
	84.389	16909	02/17/09 - 09/30/10	6,133 (1)
	84.387	15521	02/17/09 - 09/30/10	10,565
	84.377	18078	09/01/09 - 09/30/10	26,136
	84.389	17996	09/01/09 - 09/30/11	31,547 (1)
Safe and Drug Free Schools and Communities - State Grant	84.186	17056	07/01/09 - 09/30/10	36,988
	84.186	14041	07/01/08 - 12/15/09	9,962
Title IID - Education thru Technology	84.318	16338	07/01/09 - 09/30/10	25,583
	84.318	13197	07/01/08 - 09/30/09	4,870
Title III - Language Instruction	84.365	16226	07/01/09 - 09/30/10	133,478
	84.365	13904	07/01/08 - 06/30/10	33,695
Title IIA - Teacher Quality	84.367	16749	07/01/09 - 09/30/10	348,583
	84.367	13008	07/01/08 - 06/30/10	206,614
	84.367	18438	10/01/09 - 04/30/10	500
Special Education - Grants to States	84.027	17756	07/01/09 - 12/31/10	702,483 (1)
	84.027	18511	10/01/09 - 09/30/10	305 (1)
	84.027	18274	09/01/09 - 06/30/10	2,700 (1)
	84.027	17460	08/01/09 - 06/30/10	5,765 (1)
	84.027	13626	07/01/08 - 12/31/09	581,007 (1)
	84.027	14602	01/01/09 - 09/30/09	2,914 (1)
	84.391	15195	02/17/09 - 09/30/11	1,245,400 (1)
Vocational Education - Basic Grants to States	84.048	15334	07/01/09 - 09/30/10	100,432
	84.243	15334	07/01/09 - 09/30/10	14,122
	84.243	12330	07/01/08 - 09/30/09	13,879
	84.048	12330	07/01/08 - 09/30/09	27,754
21st Century Community Learning	84.287	16105	07/01/09 - 09/30/10	416,692 (1)
	84.287	16925	07/01/09 - 09/30/10	331,373 (1)
	84.287	12504	07/01/08 - 09/30/09	96,735 (1)
Charter Schools Title V-B	84.282	16183	07/23/09 - 07/31/10	229,176 (1)
	84.282	14528	12/11/08 - 07/31/09	16,283 (1)
	84.282	17664	07/01/09 - 05/18/10	216,176 (1)
State Fiscal Stabilization Fund-ARRA	84.394	17321	07/01/09 - 06/30/10	3,229,489 (1)
Total U.S. Department of Education				12,217,504

(1) Indicates major programs

Gresham-Barlow School District 10JT
 Schedule of Expenditures of Federal Awards (Continued)
 Year Ended June 30, 2010

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Entity Number</u>	<u>Period Covered</u>	<u>Expenditures</u>
U.S. Department of Health & Human Services				
Passed through Oregon Employment Department				
Child Care and Development Block Grant	93.575	#CCD 065091	09/01/09 - 06/30/10	27,990
Teen Parent Quality Improvement	93.575	17593	07/01/09 - 06/30/10	<u>10,000</u>
Total U.S. Department of Health & Human Services				<u>37,990</u>
U.S. Department of Justice				
Passed through City of Gresham Police:				
Juvenile Accountability Incentive Block Grant	16.523		06/01/03-06/30/10	<u>18,586</u>
Total U.S. Department of Justice				<u>18,586</u>
U.S. Department of Agriculture:				
Passed through Oregon Department of Education:				
Food Donation	10.550		07/01/09 - 06/30/10	218,657
Child Nutrition Cluster:				
School Breakfast Program	10.553		07/01/09 - 06/30/10	437,611 (1)
National School Lunch Program	10.555		07/01/09 - 06/30/10	1,797,246 (1)
NSLP Child Care Food	10.558		07/01/09 - 06/30/10	27,876
Summer Food	10.559		07/01/09 - 06/30/10	51,864 (1)
Passed through Clackamas County, Oregon				
Federal Forest Fees	10.665		07/01/08 - 06/30/09	<u>26,376</u>
Total U.S. Department of Agriculture				<u>2,559,630</u>
U.S. Federal Surplus Property Program				
Passed through Oregon Department of Administrative Services				
Surplus Property	39.003		07/01/09 - 06/30/10	<u>24,116</u>
Total U.S. Federal Surplus Property Program				<u>24,116</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE				<u><u>\$ 14,857,826</u></u>



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September 24, 2010

To the Board of Directors
Gresham-Barlow School District 10JT
1331 NW Eastman Parkway
Gresham, Oregon 97030

**Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards***

We have audited the financial statements of Gresham-Barlow School District 10JT as of and for the year ended June 30, 2010, and have issued our report thereon dated September 24, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Gresham-Barlow School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

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



PAULY, ROGERS AND CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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September 24, 2010

To the Board of Directors
Gresham-Barlow School District 10JT
1331 NW Eastman Parkway
Gresham, Oregon 97030

Independent Auditors' Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133

Compliance

We have audited the compliance of Gresham-Barlow School District 10JT with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2010. Gresham-Barlow School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Gresham-Barlow School District's management. Our responsibility is to express an opinion on Gresham-Barlow School District's compliance based on our audit.

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

In our opinion, Gresham-Barlow School District 10JT complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

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

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

there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

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

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

GRESHAM-BARLOW SCHOOL DISTRICT 10JT
GRESHAM, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditors’ Results

Financial Statements

Type of Auditors’ report issued:	Unqualified
Internal control over financial reporting:	
• Material weakness(es) identified?	___ Yes <u> X </u> No
• Significant deficiency(ies) identified that are not considered to be material weaknesses	___ Yes <u> X </u> None reported
Noncompliance material to financial statements noted?	___ Yes <u> X </u> No

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	___ Yes <u> X </u> No
• Significant deficiency(ies) identified that are not considered to be material weaknesses	___ Yes <u> X </u> None reported
Type of auditors’ report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	___ Yes <u> X </u> No

Identification of major programs

<u>CFDA Number(s):</u> <u>84.010 and 84.389</u> <u>84.027 and 84.391</u> <u>84.287</u> <u>84.282</u> <u>84.394</u> <u>10.553, 10.555, and 10.559</u>	<u>Name of Federal Program:</u> <u>Title I, Part A Cluster</u> <u>Special Education Cluster</u> <u>Twenty-First Century Community Learning Centers</u> <u>Charter Schools Title V-B</u> <u>SFSF – Education State Grants, Recovery Act</u> <u>Child Nutrition Cluster</u>
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Dollar threshold used to distinguish between type A and type B programs:	<u>\$ 445,735</u>
Auditee qualified as low-risk auditee?	<u> X </u> Yes ___ No

NOTES TO SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS

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

Section II – Financial Statement Findings

None reported

Section III – Federal Award Findings and Question Costs

None Reported