

**WE EXPECT EXCELLENCE****WE INNOVATE****WE EMBRACE EQUITY****WE COLLABORATE**

COMPREHENSIVE ANNUAL FINANCIAL REPORT/AUDIT COMMITTEE PRESENTATION**POLICY ISSUE / SITUATION:**

The District Audit Committee met with the District's independent auditors in November to review the Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2016. The Committee Chair, Rob Drake, will present the CAFR to the School Board tonight.

BACKGROUND INFORMATION:

Audit committees play an important role in the private sector, facilitating communication between management, the independent auditors and the Board of Directors. In recent years, audit committees have also become increasingly common in the public sector. The Government Finance Officers Association (GFOA) recommends that every government, regardless of size, formally establish an audit committee or its equivalent.

The audit committee's primary responsibility is to oversee the financial reporting and disclosure process, including all aspects of the independent audit, from the selection of the auditor to the resolution of audit findings. The audit committee presents to the governing board and management an annual report of how the committee has discharged its duties and met its responsibilities.

Audit Committee Membership

Rob Drake, Citizen Member - Chair
Samiha Wahid, Citizen Member
John Ng, Budget Committee Member

Lisa Ard, Citizen Member
Eric Simpson, School Board Member
Anne Bryan, School Board Member

District representation on Committee:

Claire Hertz, Chief Financial Officer
Gayellyn Jacobson, Administrator for Fiscal Services
Jason Guchereau, Finance Manager

RECOMMENDATION:

It is recommended that the School Board receive the Comprehensive Annual Financial Report as presented by the District Audit Committee.

BE IT RESOLVED that the School Board of Beaverton School District hereby receives the Comprehensive Annual Financial Report for the year ended June 30, 2016 now on file in the Office of the Chief Financial Officer.

District Goal: WE empower all students to achieve post-high school success.

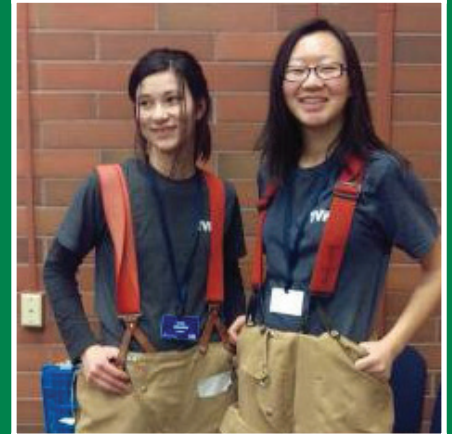
The Beaverton School District recognizes the diversity and worth of all individuals and groups. It is the policy of the Beaverton School District that there will be no discrimination or harassment of individuals or groups based on race, color, religion, gender, sexual orientation, gender identity, gender expression, national origin, marital status, age, veterans' status, genetic information or disability in any educational programs, activities or employment.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

for the year ended June 30, 2016



**are the Beaverton
School District**



District Goal: WE empower all students to achieve post-high school success.

BEAVERTON SCHOOL DISTRICT
Beaverton, Oregon

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Prepared by:
Business Services Department

Don Grotting
Superintendent of Schools

Claire Hertz
Chief Financial Officer



BEAVERTON SCHOOL DISTRICT
TABLE OF CONTENTS

	<u>Page</u>
<u>INTRODUCTORY SECTION:</u>	
Letter of Transmittal.....	i
Certificate of Achievement for Excellence in Financial Reporting Award.....	viii
Certificate of Excellence in Financial Reporting Award.....	ix
Organizational Chart.....	x
Appointed and Elected Officials.....	x
 <u>FINANCIAL SECTION:</u>	
<i>Independent Auditor's Report</i>	3
<i>Management's Discussion and Analysis</i>	9
<i>Basic Financial Statements:</i>	
Government-wide Financial Statements:	
Statement of Net Position.....	23
Statement of Activities.....	24
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	25
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position.....	26
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	27
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	28
Statement of Net Position - Proprietary Funds - Internal Service Funds.....	29
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds - Internal Service Funds.....	30
Statement of Cash Flows - Proprietary Funds - Internal Service Funds.....	31
Statement of Net Position - Fiduciary Fund.....	32
Statement of Changes in Net Position - Fiduciary Fund.....	33
Notes to Basic Financial Statements.....	34
<i>Required Supplementary Information:</i>	
Schedule of the Proportionate Share of the Net Pension Liability for PERS.....	71
Schedule of Contributions for PERS.....	71
Schedule of Funding Progress for Other Postemployment Benefits.....	72
Reconciliation of Budgetary to Reporting Funds	
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance (GAAP Basis) - General Fund.....	73
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis):	
General Fund.....	74
Pension Fund.....	75
Long-term Planning Fund.....	76

BEAVERTON SCHOOL DISTRICT
TABLE OF CONTENTS (Continued)

	<u>Page</u>
<u>FINANCIAL SECTION (Continued):</u>	
<i>Other Supplementary Information:</i>	
<i>Major Governmental Funds:</i>	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:	
Debt Service Fund.....	79
Capital Projects Fund.....	80
Reconciliation of Budgetary to Reporting Funds	
Combining Balance Sheet - General Fund.....	83
<i>Nonmajor Governmental Funds:</i>	
Combining Balance Sheet - Nonmajor Governmental Funds.....	87
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds.....	88
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:	
Student Body Fund.....	89
Special Purpose Fund.....	90
Categorical Fund.....	91
Grant Fund.....	92
Nutrition Services Fund.....	93
<i>Internal Service Funds:</i>	
Combining Statement of Net Position - Internal Service Funds.....	97
Combining Statement of Revenues, Expenses and Changes in Net Position - Internal Service Funds.....	98
Combining Statement of Cash Flows - Internal Service Funds.....	99
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:	
Insurance Reserve Fund.....	100
Workers' Compensation Fund.....	101
<i>Fiduciary Fund:</i>	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual:	
Private Purpose Trust Fund.....	105
<i>Other Financial Schedules:</i>	
Revenue Summary - All Funds.....	109
Expenditure Summaries:	
General Fund (100).....	111
Special Revenue Funds (200).....	113
Debt Service Fund (300).....	115
Capital Projects Fund (400).....	116
Internal Service Fund (600).....	117
Fiduciary Fund (700) - (Non-GAAP Basis).....	118

BEAVERTON SCHOOL DISTRICT
TABLE OF CONTENTS (Continued)

	<u>Page</u>
<u>FINANCIAL SECTION (Continued):</u>	
<i>Other Financial Schedules (Continued):</i>	
Supplemental Information as Required by the Oregon Department of Education.....	119
Supplemental Information as Required by Bond Disclosure Agreements.....	120
 <u>STATISTICAL SECTION:</u>	
Statistical Section Overview.....	121
<i>Financial Trends:</i>	
Net Position by Component - Last Ten Fiscal Years.....	123
Expenses, Program Revenues, and Net (Expense)/Revenue - Last Ten Fiscal Years.....	124
General Revenues and Total Change in Net Position - Last Ten Fiscal Years.....	125
Fund Balances, Governmental Funds - Last Ten Fiscal Years.....	126
Governmental Funds Revenues - Last Ten Fiscal Years.....	127
Governmental Funds Expenditures and Debt Service Ratio - Last Ten Fiscal Years.....	128
Other Financing Sources and Uses and Net Change in Fund Balances, Governmental Funds - Last Ten Fiscal Years.....	129
<i>Revenue Capacity:</i>	
Assessed Value and Real Market Value of Taxable Property - Last Ten Fiscal Years.....	130
Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years.....	131
Principal Property Taxpayers - Current Year and Nine Years Prior.....	132
Property Tax Levies and Collections - Last Ten Fiscal Years.....	133
<i>Debt Capacity:</i>	
Outstanding Debt By Type - Last Ten Fiscal Years.....	134
Direct and Overlapping Governmental Activities Debt.....	135
Legal Debt Margin Information - Last Ten Fiscal Years.....	136
<i>Demographic and Economic Information:</i>	
Demographic and Economic Statistics - Last Ten Calendar Years.....	137
Principal Employers for the Portland Metro Area - Current Year and Nine Years Prior.....	138
<i>Operating Information:</i>	
Full-Time Equivalent District Employees By Type - Last Ten Fiscal Years.....	139
Operating Statistics - Last Ten Fiscal Years.....	141
Capital Asset Information - Last Ten Fiscal Years.....	142
 <u>SINGLE AUDIT SECTION:</u>	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....	143
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	145
Schedule of Expenditures of Federal, State and Local Awards.....	147
Notes to Schedule of Expenditures of Federal, State and Local Awards.....	151
Schedule of Findings and Questioned Costs.....	153

BEAVERTON SCHOOL DISTRICT
TABLE OF CONTENTS (Continued)

	<u>Page</u>
<u>COMPLIANCE SECTION:</u>	
<i>Independent Auditor's Report Required by Oregon State Regulations</i>	
Independent Auditor's Report Required by Oregon State Regulations.....	157

INTRODUCTORY SECTION

WE are the Beaverton School District



District Goal: WE empower all students to achieve post-high school success.





WE EXPECT EXCELLENCE



WE INNOVATE



WE EMBRACE EQUITY



WE COLLABORATE

November 18, 2016

To Members of the Board of Education and Citizens of Beaverton School District:

The Comprehensive Annual Financial Report of Beaverton School District (“District”) for the fiscal year ended June 30, 2016 is hereby submitted. State law requires that an independent audit be made of all District funds within six months following the close of the fiscal year. This report is published to fulfill the requirement for the fiscal year ended June 30, 2016, and consists of management’s representations concerning the finances of the District together with the opinions of our auditor.

This report was prepared by the District's Business Services Department. Management assumes full responsibility for the completeness and reliability of the information contained in this report. The District’s management has established and maintains a comprehensive internal control framework put in place to protect assets from loss, theft or misuse. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance the financial statements are free of any material misstatements. The internal control structure is subject to periodic evaluation by management. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

These financial statements are presented 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).

Grove, Mueller & Swank, P.C., Certified Public Accountants, have issued an unmodified (“clean”) opinion on the Beaverton School District’s financial statements for the year ended June 30, 2016. The independent auditor’s report is located at the front of the financial section of this report.

FINANCIAL STATEMENT PRESENTATION

Designed to meet the needs of a broad spectrum of financial statement readers, this Comprehensive Annual Financial Report (CAFR) is divided into five major sections:

The *Introductory Section* includes this transmittal letter, the District's organizational chart and copies of certificates awarded for Beaverton School District's 2015 CAFR.

The *Financial Section* includes the Independent Auditor's Report, Management's Discussion and Analysis (MD&A), the basic financial statements including notes to the basic financial statements, required supplementary information, and supplementary information including the combining and individual fund financial statements.

The *Statistical Section* includes selected financial and demographic information, generally presented on a multi-year basis.

The *Single Audit Section* includes reports from the independent auditor regarding compliance requirements of the U.S. Office of Management and Budget (OMB) Uniform Guidance Compliance Supplement for major federal programs.

The *Compliance Section* contains the independent auditor's report required by the Minimum Standards for Audits of Oregon Municipal Corporations.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement 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 auditor.

PROFILE OF THE DISTRICT

Beaverton School District, a kindergarten through twelfth grade district, was formed July 1, 1960, following a successful vote for unification of twelve elementary school districts and one high school district.

The District is a financially independent, special-purpose municipal corporation exercising financial accountability for all public education within its boundaries. 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.

The District is located predominantly in Washington County, approximately 10 miles west of Portland, Oregon, and encompasses over 57 square miles of land. It serves the residents of the City of Beaverton and various outlying towns and municipalities and is the third largest school district in Oregon.

Student enrollment in the fall of 2015 was 40,725. October 1 enrollment counts are reported to the state in November of each year, allowing time for data entry and confirmation of student records. An enrolled student is defined as a student who attends one or more schools or programs within the District. Regardless of the number of schools or programs attended, each student is counted only once.

ENROLLMENT AND FACILITIES

<u>Grade Level</u>	<u>Number of Programs</u>	<u>Enrollment</u>
Elementary School Programs	33	18,345
Middle School Programs	20	9,200
High School Programs	11	11,588
Special Education Programs	-	1,157
Charter School Programs	2	435
Total Programs and Enrollment	<u>66</u>	<u>40,725</u>

Growing from an enrollment of 37,687 in 2007 to 40,725, the District has experienced a 8.1% growth in enrollment over the past ten years. According to a study prepared by the Population Research Center of Portland State University, the District will see continued enrollment growth, and is expected to reach an enrollment of 44,660 students by 2025.

The demographics of our school district reflect our rich cultural diversity. Our students speak more than 101 languages and dialects. The District's enrollment includes 50.5% of students of color, and 32.8% of students qualify for free and reduced lunch status.

The Beaverton School District Board, elected by a majority of the voting electorate, is the governing body responsible for the District's policy decisions. The seven-member Board has oversight responsibility and control over all activities related to the District. The Board is accountable for all fiscal matters that significantly influence operations.

District management includes a superintendent, two deputy superintendents, four chief officers, and 132 principals, vice-principals and district administrators. The District employs 3,962 full-time equivalent personnel, including principals, vice-principals, administrators, teachers, supervisors, secretarial staff, bus drivers, maintenance personnel, cafeteria staff and other support staff.

Under Oregon State law, school districts are independent municipal corporations empowered to provide elementary and secondary educational services for the children residing within their boundaries. The District discharges this responsibility by building, operating and maintaining school facilities, developing and maintaining approved educational programs and courses of study, including career/technical educational programs, and programs for English language learners and special needs students, and providing for transportation and feeding of students in accordance with District, State and Federal programs. This report includes all funds of the District.

ECONOMIC CONDITION

Located in northwestern Oregon, Washington County is one of the six counties that comprise the

Portland-Vancouver Primary Metropolitan Statistical Area (PMSA). The six counties are Washington, Multnomah, Clackamas, Yamhill and Columbia in Oregon, and Clark in Washington. According to the Oregon State Employment Department, Multnomah and Washington counties together have one-third of the State of Oregon's population. Washington County's three largest cities are Beaverton, Hillsboro and Tigard. Because the District lies within the PMSA, economic and demographic data is not available specifically for the District. Data is generally available for Washington County and for the PMSA.

Washington County covers 727 square miles and includes sixteen incorporated cities such as Beaverton, Hillsboro, Tigard and Tualatin, as well as a portion of the City of Portland.

The area's current economic base includes electronics, manufacturing, construction, wholesale trade, financial activities and health services. Of the approximately 38,000 employee high-tech industry jobs in Oregon, Washington County accounted for approximately 28,500 or 75% in the period ended June 30, 2016. Among the major electronics firms located in Washington County are Intel, Tektronix and Maxim Integrated Products.

A major manufacturing employer in the Beaverton area is Nike, an athletic footwear and apparel manufacturer. Its 286-acre world headquarters campus is located in Washington County, and according to the Beaverton Chamber of Commerce, it is Washington County's third leading employer with approximately 8,000 employees.

The Portland-Vancouver PMSA relies heavily on the manufacturing, high technology industries, wholesale trade and financial activities. According to the Oregon Employment Department, at the end of June 2016, the Portland-Vancouver PMSA unemployment rate was 5.0%, as compared to the Oregon unemployment rate of 4.8% and the nation's rate of 4.9%.

LONG-TERM FINANCIAL PLANNING

The District's unrestricted general fund balance (the total of the committed, assigned and unassigned components of fund balance) at year-end was 16.1 percent of total General Fund revenues. This amount is above the policy guidelines set by Board policy for budgetary and planning purposes (a minimum 5.0 percent of total actual revenues and an additional 5.0 percent sustainability fund). The reserves are maintained to absorb economic downturns, state revenue-sharing reductions and other revenue shortfalls, and will prudently be used when needed to provide stability of core programs and legally required activities.

With continued enrollment growth forecasted, the District has approved the issuance of \$680 million in general obligation bonds to support the construction of one high school, one middle school, one elementary school and land for an additional elementary school over the next eight years. As the average age of the District's buildings is in excess of 30 years, funds will also be used to rebuild and make extensive renovations to facilities throughout the District and enhance educational technology in the classroom.

MISSION STATEMENT AND PRIORITIES

The District Goal is: *WE empower all students to achieve post-high school success.*

The Beaverton School District Board adopted the Strategic Plan:

WE Expect Excellence

- WE teach students knowledge and skills for our evolving world
- WE seek, support and recognize our world-class employees

WE Innovate

- WE engage students with a variety of relevant and challenging learning experiences
- WE create learning environments that promote student achievement

WE Embrace Equity

- WE build honest, safe and inclusive relationships with our diverse students and their families
- WE provide needed support so that every student succeeds

WE Collaborate

- WE work and learn in teams to understand student needs and improve learning outcomes
- WE partner with the community to educate and serve our students

FINANCIAL INFORMATION

Accounting Policies. Governmental funds are used to account for the District's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available".) "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period.

Expenditures are recorded when the liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, interfund transactions and certain compensated absences and claims and judgments which are recognized as expenditures because they will be liquidated with expendable financial resources.

The assets and liabilities of the agency fund are recorded on the modified accrual basis of accounting. The agency fund consists of the Private-Purpose Trust Fund.

The financial transactions for the proprietary fund type are recorded on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded at the time they are earned and expenses are recorded at the time liabilities are incurred.

The accrual and modified accrual basis of accounting as utilized by Beaverton School District are in accordance with generally accepted accounting principles.

Budgetary Controls. The District is required by the State of Oregon to adopt an annual budget

for all funds subject to the requirements of Local Budget Law as outlined in the Oregon Revised Statutes 294.305 through 294.565, inclusive. The Oregon Local Budget Law requires the appointment of a budget committee to review and approve the budget. The budget committee consists of the seven members of the Board of Directors and seven electors of the District who are appointed by the Board of Directors. The administration proposes a budget to the budget committee, and the budget committee may modify or approve the proposed budget.

A summary of the approved budget, together with a notice of public hearing, is published on the District website and in a newspaper having general circulation in the District. A public hearing is held to receive comments from the public concerning the approved budget. The Board of Directors adopts the budget, makes appropriations, and levies taxes after the public hearing and before the beginning of the year for which the budget has been prepared. After adoption, the budget may be revised through procedures specified in State statute and Board policy.

Charter Schools. Oregon statute provides state funding for charter schools that flows through the district for schools that local boards of education have granted a charter. The District has two charter schools, Arco Iris Spanish Immersion School and Hope Chinese Charter School, in operation during the 2015-16 fiscal year.

Arco Iris has completed its sixth year of operations. The school educates 263 full-time students in grades 1-8 and has renewed its charter through 2021-22. The school reports net position of \$333,923.

Hope Chinese has completed its fourth year of operations. The school educates 172 full time students in grades K-4, and has renewed its charter through 2017-18. The school reports net position of \$851,228.

INDEPENDENT AUDIT

The Beaverton School District's financial statements have been audited by Grove, Mueller & Swank, 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, 2016, 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 their audit, that there was a reasonable basis for rendering an unmodified ("clean") opinion that the District's basic financial statements for the fiscal year ended June 30, 2016, are fairly presented in all material respects in conformity with U.S. GAAP. The independent auditor's report is presented as the first component of the Financial Section of this report.

The independent audit of the District's basic financial statements includes a 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 District's internal

control over financial reporting and on compliance and other matters, and on compliance related to the administration of federal awards. These reports are available in the Single Audit Section of this report.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Beaverton School District for its Comprehensive Annual Financial Report for the year ended June 30, 2015. This was the thirty-fifth consecutive year 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 complies with 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 Beaverton School District for its Comprehensive Annual Financial Report for the year ended June 30, 2015. The District has received this prestigious award for thirty-four consecutive years.

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.

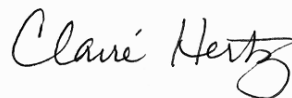
The preparation of the Comprehensive Annual Financial Report would not have been possible without the efficient and dedicated services of the entire staff of the Business Services Department. We would like to express our appreciation to all members of the department, who assisted and contributed to the preparation of this report.

We also thank the members of the School Board for their continued support and dedication to the financial operations of the School District.

Respectfully submitted,



Don Grotting
Superintendent of Schools



Claire Hertz
Chief Financial Officer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Beaverton School District
Oregon**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting Award
is presented to

Beaverton School District

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2015.**

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards.



A handwritten signature in black ink that reads 'Brenda Burkett'.

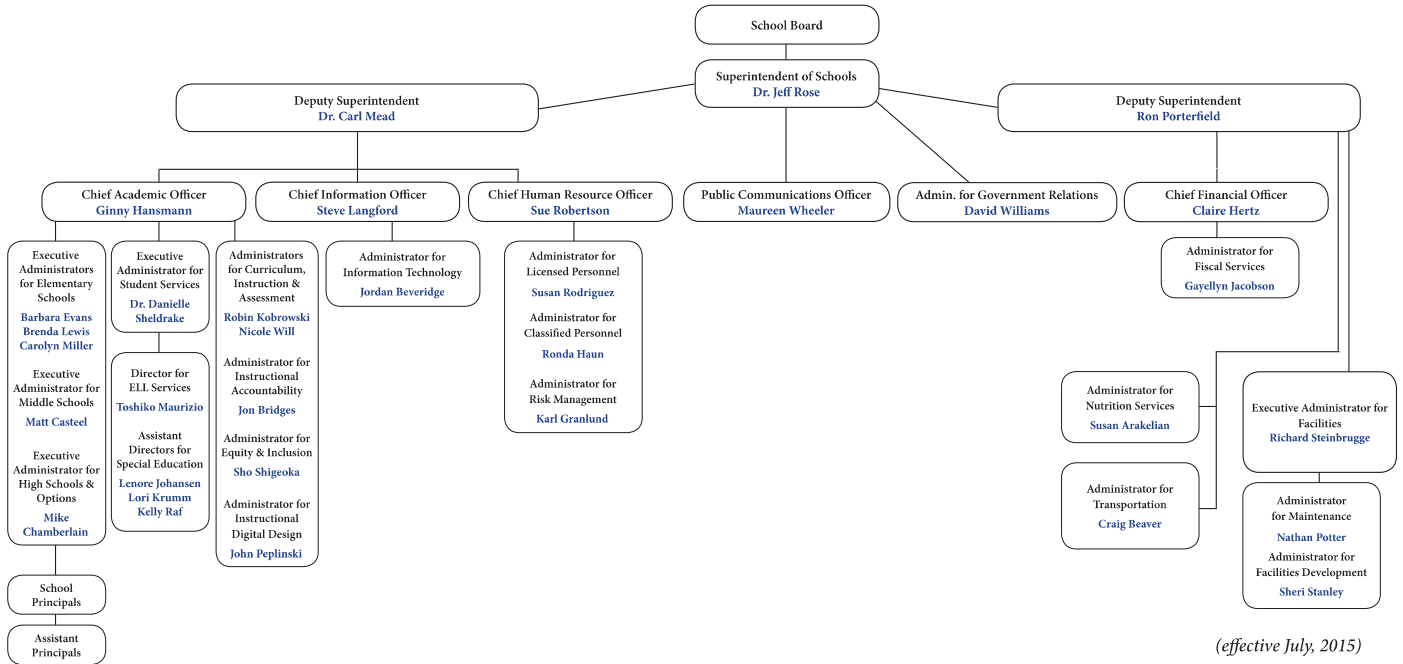
Brenda R. Burkett, CPA, CSBA, SFO
President

A handwritten signature in black ink that reads 'John D. Musso'.

John D. Musso, CAE, RSBA
Executive Director



Organizational Chart 2015-2016



BEAVERTON SCHOOL DISTRICT Appointed and Elected Officials

Administrative Office:

Jeff Rose
Don Grotting
Ron Porterfield
Steve Phillips
Carl Mead

16550 SW Merlo Road
Beaverton, Oregon 97003

Superintendent and Clerk (FY 2015-16)
Superintendent and Clerk (FY 2016-17)
Deputy Superintendent (FY 2015-16)
Deputy Superintendent (FY 2016-17)
Deputy Superintendent

School Board as of June 30, 2016

Name and Title	Term Expires
Anne Bryan, Chair	June 30, 2017
Linda Degman, Vice Chair	June 30, 2019
Susan Greenberg	June 30, 2017
LeeAnn Larsen	June 30, 2017
Eric Simpson	June 30, 2019
Becky Tymchuk	June 30, 2019
Donna Tyner	June 30, 2017

The above Board Members receive mail at the address below:

Beaverton School District
16550 SW Merlo Road
Beaverton OR 97003

FINANCIAL SECTION



WE
EXPECT
EXCELLENCE



INDEPENDENT AUDITOR'S REPORT





GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
475 Cottage Street NE, Suite 200, Salem, Oregon 97301
(503) 581-7788

INDEPENDENT AUDITOR'S REPORT

School Board
Beaverton School District
Beaverton, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Beaverton School District, Washington County, Oregon (the District) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Beaverton School District, Washington County, Oregon as of June 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A), the General Fund combining schedule, the budgetary comparison information, the schedule of the proportionate share of the net pension liability for PERS and the schedule of contributions for PERS, and the schedule of funding progress for other postemployment benefits be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required MD&A, the schedule of the proportionate share of the net pension liability for PERS, the schedule of contributions for PERS, and the schedule of funding progress for other postemployment benefits in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The General Fund combining schedule and budgetary comparison information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, other financial schedules, and statistical section, are presented for purposes of additional analysis and are not required parts of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules, other financial schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Reports on Other Legal and Regulatory Requirements

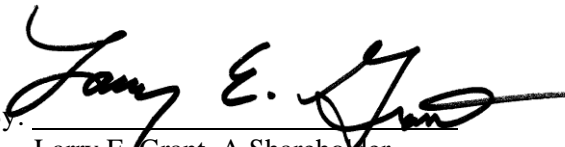
Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2016, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Other Reporting Required by Oregon Minimum Standards

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 18, 2016, on our consideration of the District's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

GROVE, MUELLER & SWANK, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

By: 
Larry E. Grant, A Shareholder
November 18, 2016



MANAGEMENT'S DISCUSSION AND ANALYSIS



**BEAVERTON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016**

As management of Beaverton School District (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, 2016. 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 - vii of this report.

NEW ACCOUNTING STANDARDS IMPLEMENTED

The District implemented Governmental Accounting Standards Board (GASB) Statement 72, *Fair Value Measurement and Application* (GASB No. 72), Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68* (GASB No. 73), GASB Statement No. 74 “*Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*” (GASB No. 74), and Statement No. 76 *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* (GASB No. 76) in fiscal year 2015-16. The District anticipates no financial impact as a result of implementing these statements. Additional information can be found in Footnote 17 of the financial statements.

FINANCIAL HIGHLIGHTS

- In the government-wide statements, the assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at June 30, 2016 by \$52.6 million (net position).
- The District's total net position decreased by \$96.7 million for the fiscal year, a 64.8 percent decline in the District's financial position as compared to the prior year.
- The District's governmental funds report combined ending fund balance of \$340.4 million, a decrease of \$137.5 million from the prior year. Approximately 12.6 percent of this total amount, \$43.0 million, is unassigned, available for appropriation at the District's discretion. The remaining fund balances are either nonspendable, restricted or committed: \$264.9 million for use on capital projects, \$3.5 million for debt service and the balance of \$29.0 million for other purposes.
- At the end of the current fiscal year, the unrestricted fund balance (the total of the committed and unassigned components of fund balance) for the General Fund was \$63.8 million, or about 16.1 percent of total General Fund revenue.
- Total cost of all the District's programs was \$591.7 million for the fiscal year, an increase of \$232.8 million (64.9 percent) from the prior year. The change in PERS net pension liability makes up a large portion of this increase.
- The District's total outstanding long-term debt decreased \$40.2 million (4.3 percent) during the 2015-16 fiscal year. Debt decreased by debt service payments and amortization of premiums. In addition to long-term debt, the District's total capital leases payable decreased by \$0.2 million (100.0 percent) with the final payment on the bus capital leases.

**BEAVERTON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016**

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 intended to furnish additional detail to support the basic financial statements themselves.

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

The Statement of Net Position. The *Statement of Net Position* focuses on resources available for future operations. In simple terms, this statement presents a snapshot view of what the District owns (assets), what it owes (liabilities), and the net difference (net position). Net position may be further separated into amounts restricted for specific purposes and unrestricted amounts. Overtime, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

In the government-wide financial statements, the District's activities are shown in one category as *governmental activities*. All of the District's basic functions are shown here, such as regular and special education, child nutrition services, transportation, and administration. 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 23 - 24 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 Beaverton 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 three categories: governmental funds, proprietary funds, and fiduciary funds. To be considered a major fund, the fund must meet criteria established by generally accepted accounting principles.

**BEAVERTON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016**

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 Position and Activities.

The District maintains eight individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances for the General, Debt Service, and Capital Projects Funds, all of which are considered to be major funds. Data from the two additional General Fund type funds is included as a separate presentation, which can be found in the appropriate sections following the notes to the basic financial statements. Data from five of these governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided as Other Supplementary Information.

Additionally, the District adopts an annual appropriated budget for all funds as required by Oregon budget law. Budgetary comparison statements / schedules have been provided to demonstrate compliance elsewhere in this report.

The basic governmental fund financial statements can be found on pages 25 - 28.

Proprietary funds. The District maintains one proprietary fund type (internal service fund). The internal service fund is an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses its internal service funds to account for insurance claims and premiums. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

The District maintains two individual internal service funds. These funds are combined into a single, aggregated presentation in the basic financial statements. Individual fund data for the internal service funds is provided as Other Supplementary Information in this report.

**BEAVERTON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016**

The basic proprietary fund financial statements are provided on pages 29 - 31 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reported in the government-wide financial statements 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 that used for proprietary funds.

The District maintains one fiduciary fund. The fund is used to report resources held in trust for students to use for scholarships.

The basic fiduciary fund financial statements are located on pages 32 - 33 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 34 - 68 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *Required Supplementary Information (RSI)* including budget to actual presentations for required major funds. This information can be found on pages 71 - 76 of this report. *Other Supplementary Information*, presented on pages 79 - 120, includes combining statements for the nonmajor governmental funds, budgetary comparison for nonmajor and other funds, and other financial schedules.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, its assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$52.6 million at June 30, 2016.

Capital assets, which consist of the District's land, buildings, building improvements, construction in progress, vehicles and equipment, represent 60.6 percent of total assets.

The remaining assets consist mainly of cash and investments, grants, and property taxes receivable.

The District's largest liability (93.0 percent) is for the repayment of long-term debt and obligations including post-employment benefit obligations, the PERS net pension obligation, and all general obligation and limited tax pension obligation bonds. Other liabilities, representing about 7.0 percent of the District's total liabilities, consist principally of payables on accounts and accrued salaries and benefits.

**BEAVERTON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016**

Most of the District's net position (\$262.6 million) reflect its investment in capital assets (e.g. land, buildings, vehicles and equipment), less any related debt used to acquire those assets that is still outstanding and unspent bond proceeds. 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.

The District's restricted net position (\$5.3 million) reflects resources that are subject to external restrictions on how they may be used. The remaining balance in net position (negative \$215.3 million) is unrestricted.

Beaverton School District			
Net Position			
(in thousands)			
	Governmental Activities		
	June 30, 2015	June 30, 2016	Increase / (Decrease)
Capital assets	\$ 547,010	\$ 658,910	\$ 111,900
Current and other assets	605,150	428,169	(176,981)
Total assets	<u>1,152,160</u>	<u>1,087,079</u>	<u>(65,081)</u>
Deferred Outflows of Resources	<u>114,891</u>	<u>99,747</u>	<u>(15,144)</u>
Total assets and deferred outflows of resources	<u>1,267,051</u>	<u>1,186,826</u>	<u>(80,225)</u>
Long-term liabilities	941,863	1,020,940	79,077
Other liabilities	56,869	77,140	20,271
Total liabilities	<u>998,732</u>	<u>1,098,080</u>	<u>99,348</u>
Deferred Inflows of Resources	<u>119,008</u>	<u>36,166</u>	<u>(82,842)</u>
Total liabilities and deferred inflows of resources	<u>1,117,740</u>	<u>1,134,246</u>	<u>16,506</u>
Net position:			
Net investment in capital assets	263,555	262,580	(975)
Restricted	4,931	5,261	330
Unrestricted	(119,175)	(215,261)	(96,086)
Total net position	<u>\$ 149,311</u>	<u>\$ 52,580</u>	<u>\$ (96,731)</u>

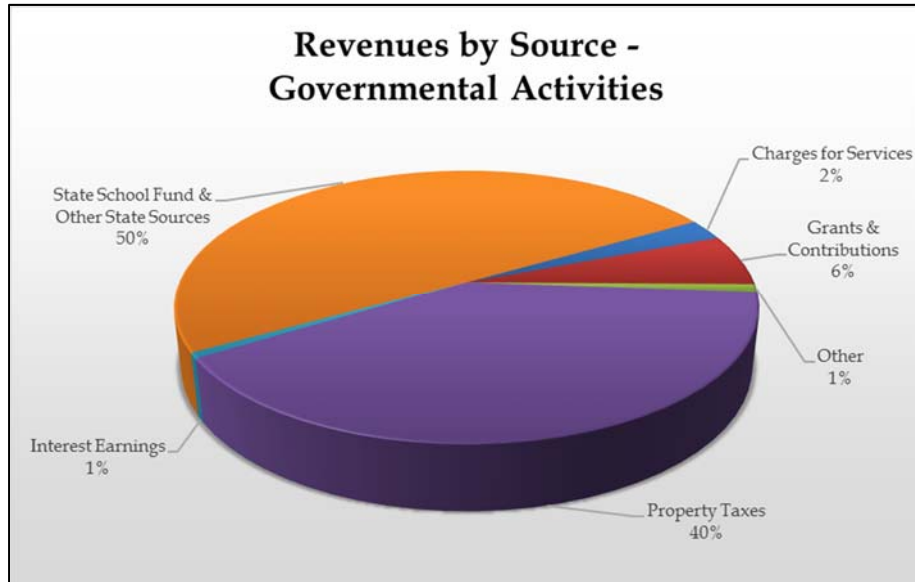
**BEAVERTON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016**

During the current fiscal year, the District's overall financial position changed as indicated by a decrease of \$96.7 million in net position. Unrestricted net position decreased by \$96.1 million due mainly to the change in the PERS Net Pension Liability. At the same time, the District's investment in capital assets, net of related debt, decreased by \$1.0 million due principally to payment of related debt during the year.

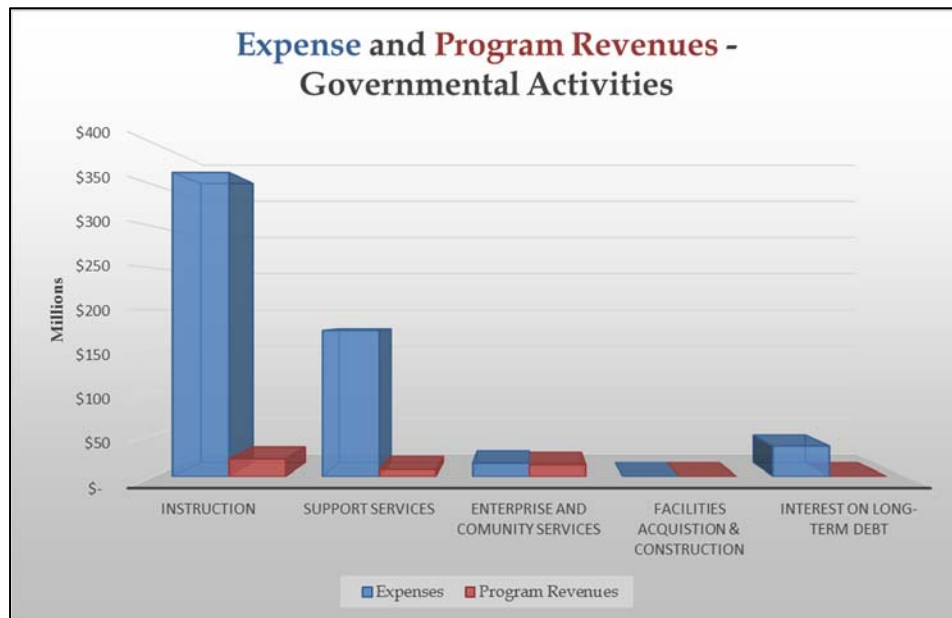
Governmental activities. During the 2015-16 fiscal year, the District's net position decreased by \$96.7 million. The key elements in this change are the following:

Beaverton School District Changes in Net Position Year Ended June 30, (in thousands)			
	<u>Governmental Activities</u>		<u>Increase / (Decrease)</u>
	<u>2015</u>	<u>2016</u>	
Revenues:			
Program revenues:			
Charges for services	\$ 15,285	\$ 12,252	\$ (3,033)
Operating grants and contributions	28,314	28,805	491
Capital grants and contributions	-	1,226	1,226
General revenues:			
Property taxes	190,589	198,226	7,637
Construction excise tax	2,996	3,069	73
State school fund	216,461	228,866	12,405
Other state and local sources	19,567	17,698	(1,869)
Earnings on investments	2,542	3,199	657
Miscellaneous	4,115	1,584	(2,531)
Total revenues	<u>479,869</u>	<u>494,925</u>	<u>15,056</u>
Expenses:			
Instruction	205,230	365,077	159,847
Support services	107,464	174,994	67,530
Enterprise and community services	11,784	15,426	3,642
Interest on long-term debt	34,414	36,159	1,745
Total expenses	<u>358,892</u>	<u>591,656</u>	<u>232,764</u>
Increase (decrease) in net position	120,977	(96,731)	(217,708)
Net position – July 1	<u>28,334</u>	<u>149,311</u>	<u>120,977</u>
Net position – June 30	<u>\$ 149,311</u>	<u>\$ 52,580</u>	<u>\$ (96,731)</u>

**BEAVERTON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016**



- Program revenues decreased by \$1.3 million in 2015-16 as a combination of a decrease of \$3.0 million in charges for services and an increase of \$1.7 million in grants and contributions.
- General revenues increased by \$16.4 million in 2015-16 due to increases from local option levy tax and state school fund.
- Instruction expense increased in 2015-16 both due to an increase in pension expense accompanying the PERS net pension asset and additional staffing hired to reduce class size.



**BEAVERTON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016**

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, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year.

At June 30, 2016, the District's governmental funds reported combined ending fund balances of \$340.4 million, a decrease of \$137.5 million in comparison with the prior year. Approximately \$297.4 million (87.4 percent) of the ending fund balances constitutes *nonspendable, restricted or committed balances*. Restricted or committed ending fund balances are constrained to specific purposes by bondholders or governing body, and \$43.0 million (12.6 percent) of the ending fund balances are unassigned and available for spending at the District's discretion. Of the fund balance, \$264.9 million or 77.8 percent is designated for capital projects, as authorized by voters and the Board, and an additional \$3.5 million (1.0 percent) is dedicated for debt service obligations.

General Fund. The General Fund is the chief operating fund of the District. As of June 30, 2016, committed fund balance was \$20.9 million to fund early retirement payments, long-term planning needs, and a stability fund. As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund revenues. At the end of the fiscal year, the General Fund balance was 16.1 percent of General Fund revenues. The fund balance increased by \$6.8 million due to increased revenue, underspending budgeted expenditures and planned restoration of reserves to meet the Board policy fund balance requirement.

Debt Service Fund. The Debt Service Fund has a total fund balance of \$3.5 million, all of which is set aside for the payment of debt service. The net increase in fund balance during the current year was \$0.1 million.

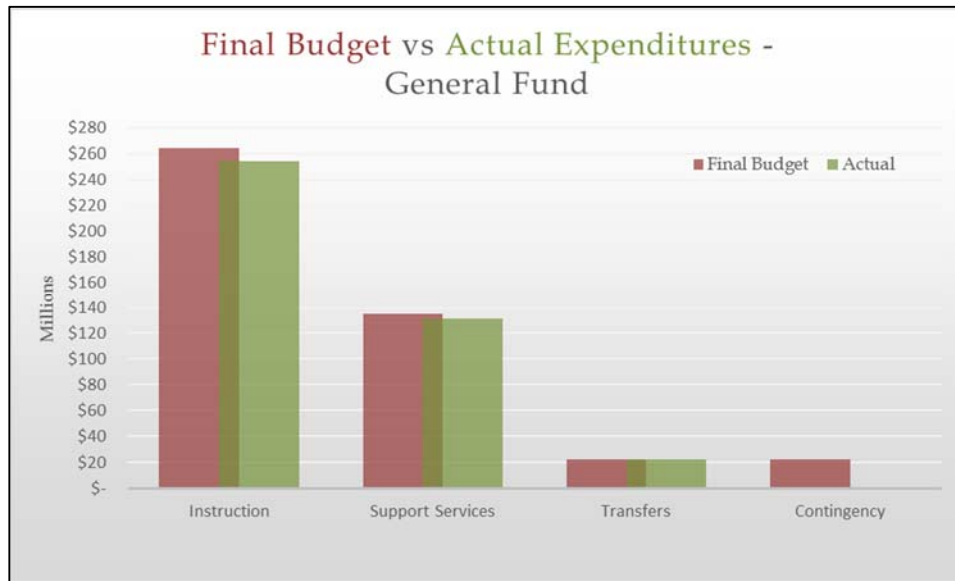
Capital Projects Fund. The Capital Projects Fund has a total fund balance of \$264.9 million, all of which is dedicated for ongoing capital projects. Capital expenditures reflect costs incurred as part of the Long Range Facilities Plan. All of the Capital Projects Fund balance is restricted or committed for capital improvements and repairs.

GENERAL FUND BUDGETARY HIGHLIGHTS

Original budget compared to final budget. During the year, there were two supplemental budgets with additional appropriations that were adopted for 2015-16.

**BEAVERTON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016**

Final budget compared to actual results. The most significant difference between estimated revenue and actual revenue was State and Local Sources. Estimated revenues were \$240.7 million and actual revenue was \$246.4 million with a difference of \$5.7 million. The increase of the revenue source was attributed to a prior year adjustment in state revenue.



CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The District's investment in capital assets includes land, buildings and improvements, vehicles and equipment, and construction in progress. As of June 30, 2016, the District had approximately \$658.9 million invested in capital assets, net of depreciation, as shown in the following table:

Beaverton School District Accumulated Capital Assets (net of accumulated depreciation) (in thousands)			
	June 30, 2015	June 30, 2016	Increase (Decrease)
Land	\$ 63,209	\$ 63,209	\$ -
Buildings and improvements	450,227	447,527	(2,700)
Vehicles and equipment	15,945	22,256	6,311
Construction in progress	17,629	125,918	108,289
Total capital assets, net of related accumulated depreciation	<u>\$ 547,010</u>	<u>\$ 658,910</u>	<u>\$ 111,900</u>

**BEAVERTON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016**

Additional information regarding the District's capital assets can be found in Note 6 on page 47 of this report.

Long-term debt. At the end of the current fiscal year, the District had total long-term debt outstanding of \$886.2 million, of the total \$903.0 million outstanding debt. The debt consisted of general obligation, full faith and credit obligation, pension bond debt, and unamortized premium.

State statutes limit the amount of general obligation debt a school district may issue to 7.95 percent of its total assessed value. The current debt limit is \$2.96 billion, which is significantly in excess of the District's outstanding general obligation debt.

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

Additional information on the District's long-term debt can be found in Notes 9 & 13 on pages 48 - 65 of this report.

Beaverton School District			
Outstanding Debt			
(in thousands)			
	June 30, 2015	June 30, 2016	Increase (Decrease)
General obligation bonds	\$ 589,344	\$ 563,109	\$ (26,235)
Pension obligation bonds	236,040	226,295	(9,745)
Full faith and credit obligation bonds	18,935	18,750	(185)
Unamortized premium	82,058	78,037	(4,021)
Other postemployment benefit obligation (OPEB)	15,289	16,767	1,478
Capital leases	197	-	(197)
	<u>\$ 941,863</u>	<u>\$ 902,958</u>	<u>\$ (38,905)</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Resources supporting District General Fund operations primarily reflect local and state revenues, with additional income representing federal, county and other sources. The largest segment is determined by the State School Fund formula. The majority of funding provided by the State to the District is based on the District's average daily membership of students.

**BEAVERTON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016**

Total student enrollment in 2015-16 increased from 2014-15. Slow continual growth trends are projected to continue in future years.

The state economic forecast reveals a slow, steady recovery and slow growth in State School funding for the District in the next few biennia.

The 2016-17 budget was based on a K-12 state funding level of \$6.65 billion, which is about 14% higher than the legislatively approved 2011-13 K-12 funding level. Local voters approved a local option levy in 2013-14 and it has restored 250 teaching positions reduced in previous years. The increased resource will continue through June 30 of 2018 to support additional classroom teachers in an effort to lower class sizes.

In June 2016, the board adopted the District budget for the fiscal year 2016-17. The adopted budget for the General Fund for the year ending June 30, 2017 is \$454.9 million.

The School Board has set policy that the District will target 5 percent of annual operating revenues as ending fund balance and an additional 5 percent to a rainy day fund reserve. The District will also budget an annual operating contingency equal to 5 percent of budgeted revenues. The 2016-17 beginning fund balance meets board policy requirements.

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 Finance Manager at 16550 SW Merlo Road, Beaverton, Oregon 97003.



BASIC FINANCIAL STATEMENTS



**BEAVERTON SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2016**

ASSETS:	
Cash and investments	\$ 410,189,407
Receivables	17,606,094
Inventories	374,522
Capital assets not being depreciated:	
Land	63,208,802
Construction in progress	125,917,792
Capital assets, net of accumulated depreciation:	
Buildings and improvements	447,527,503
Vehicles and equipment	22,255,658
TOTAL ASSETS	<u>1,087,079,778</u>
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred amount on refunding	1,923,744
PERS deferred outflows	97,822,952
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>99,746,696</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>1,186,826,474</u>
LIABILITIES:	
Accounts payable	27,971,558
Accrued salaries and benefits	39,955,680
Accrued interest payable	1,143,675
Unearned revenue	2,689,062
Accrued claims losses	2,520,000
Other accrued liabilities	2,860,279
General obligation and full faith and credit obligation bonds - due within one year	35,108,804
Bonds payable - limited tax pension obligation bonds - due within one year	10,825,000
Other postemployment benefit obligation	16,766,763
General obligation and full faith and credit obligation bonds - due in more than one year	624,787,179
Bonds payable - limited tax pension obligation bonds - due in more than one year	215,470,000
PERS net pension liability	117,982,257
TOTAL LIABILITIES	<u>1,098,080,257</u>
DEFERRED INFLOWS OF RESOURCES:	
PERS deferred inflows	36,166,451
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>36,166,451</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>1,134,246,708</u>
NET POSITION:	
Net investment in capital assets	262,579,965
Restricted for debt service	1,881,023
Restricted for student body	3,379,994
Unrestricted	(215,261,216)
TOTAL NET POSITION	<u>\$ 52,579,766</u>

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

**BEAVERTON SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Change in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental activities:					
Regular programs	\$ 278,194,402	\$ 6,964,291	\$ 2,883,044	\$ -	\$ (268,347,067)
Special programs	85,436,319	-	10,357,135	-	(75,079,184)
Summer school programs	1,446,450	-	317,481	-	(1,128,969)
Student support services	39,284,776	-	2,682,794	-	(36,601,982)
Instructional staff support	20,225,200	-	2,611,151	-	(17,614,049)
General administration support	2,325,564	-	-	-	(2,325,564)
School administration	34,893,849	-	235	-	(34,893,614)
Business support services	55,384,931	860,873	800,474	1,226,334	(52,497,250)
Central activities support	22,841,783	-	44,118	-	(22,797,665)
Supplemental retirement program	38,011	-	-	-	(38,011)
Food services	15,413,542	4,426,767	9,105,423	-	(1,881,352)
Community services	12,273	-	3,640	-	(8,633)
Interest on long-term debt	36,159,370	-	-	-	(36,159,370)
Total governmental activities	\$ 591,656,470	\$ 12,251,931	\$ 28,805,495	\$ 1,226,334	(549,372,710)
General revenues:					
Property taxes levied for general purposes					120,530,968
Local option taxes levied for general purposes					26,192,500
Property taxes levied for debt service					51,502,850
Construction excise tax					3,069,069
State school fund - general support					228,865,870
Common school fund					4,691,786
Unrestricted state and local sources					13,006,206
Earnings on investments					3,198,636
Gain on sale of capital asset					15,250
Miscellaneous					1,568,662
Total general revenues					452,641,797
CHANGE IN NET POSITION					(96,730,913)
NET POSITION, July 1, 2015					149,310,679
NET POSITION, June 30, 2016					\$ 52,579,766

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

**BEAVERTON SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016**

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
ASSETS					
Equity in pooled cash and investments	\$ 99,224,198	\$ 1,590,550	\$ 289,648,464	\$ 10,231,059	\$ 400,694,271
Cash with fiscal agent	2,034	41,639	300,000	-	343,673
Receivables	3,690,427	145,520	886,102	4,051,407	8,773,456
Property taxes receivable	6,349,541	2,454,599	-	-	8,804,140
Due from other funds	1,066,781	1,558,679	-	-	2,625,460
Inventories	-	-	-	374,522	374,522
TOTAL ASSETS	\$ 110,332,981	\$ 5,790,987	\$ 290,834,566	\$ 14,656,988	\$ 421,615,522
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 4,016,724	\$ -	\$ 23,435,337	\$ 412,872	\$ 27,864,933
Accrued salaries and benefits	34,922,292	-	41,738	1,852,417	36,816,447
Due to other funds	1,737,224	-	3,150	1,189,903	2,930,277
Unearned revenue	-	-	-	2,689,062	2,689,062
Other liabilities	10,549	-	2,493,180	356,550	2,860,279
TOTAL LIABILITIES	40,686,789	-	25,973,405	6,500,804	73,160,998
Deferred Inflows of Resources:					
Unavailable revenue - property taxes	5,814,487	2,260,248	-	-	8,074,735
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	46,501,276	2,260,248	25,973,405	6,500,804	81,235,733
Fund Balances:					
Nonspendable					
Inventories	-	-	-	287,230	287,230
Restricted					
Debt Service	-	764,450	-	-	764,450
Capital Projects	-	-	261,642,449	-	261,642,449
Student Body	-	-	-	3,379,994	3,379,994
Committed					
Debt Service	-	2,766,289	-	-	2,766,289
Capital Projects	-	-	3,218,712	-	3,218,712
Special Purpose	-	-	-	838,734	838,734
Categorical	-	-	-	688,591	688,591
Nutrition Services	-	-	-	2,961,635	2,961,635
Pension	109,890	-	-	-	109,890
Long-term Planning	20,742,528	-	-	-	20,742,528
Unassigned	42,979,287	-	-	-	42,979,287
TOTAL FUND BALANCES	63,831,705	3,530,739	264,861,161	8,156,184	340,379,789
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 110,332,981	\$ 5,790,987	\$ 290,834,566	\$ 14,656,988	\$ 421,615,522

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

**BEAVERTON SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION
JUNE 30, 2016**

TOTAL FUND BALANCES		\$ 340,379,789
Capital assets are not financial resources and therefore are not reported in the governmental funds:		
Cost	\$ 910,364,674	
Accumulated depreciation	<u>(251,454,919)</u>	658,909,755
A portion of the District's revenues are collected after year-end, but are not available soon enough to pay for the current year's operations, and therefore are not reported in the governmental funds.		8,074,735
Internal service funds are used by the District to charge the costs of insurance premiums and claims to the individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		6,841,597
Compensated absences are reported when earned as a liability in the Statement of Net Position while in the governmental funds only the portion that requires the use of current financial resources is reported as a liability.		(3,122,677)
Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest on long-term debt and capital lease is not accrued in the governmental funds, but rather is recognized as an expenditure when due. These liabilities consist of:		
Accrued interest payable	(1,143,675)	
Bonds payable and unamortized premium	<u>(886,190,983)</u>	(887,334,658)
Long-term pension assets / liabilities not payable in the current year are not reported as governmental fund liabilities. Actuarial changes create deferred outflows and inflows of resources. These consist of:		
PERS net pension liability	(117,982,257)	
PERS deferred outflow of resources	97,822,952	
PERS deferred inflows of resources	<u>(36,166,451)</u>	(56,325,756)
In 2015-16 bond refunding, a larger amount paid to the escrow agent than the premiums of the bonds being refunded that was recorded as interest expense. This deferred outflow of resources is recognized based on the schedule of maturities of the refunded bonds.		1,923,744
The liability for other postemployment benefits obligation due at June 30, 2014 is not recorded in the governmental funds, but it is accrued as an expense and a liability in the government-wide statements.		<u>(16,766,763)</u>
TOTAL NET POSITION		<u><u>\$ 52,579,766</u></u>

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

BEAVERTON SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
REVENUES:					
Property taxes	\$ 119,524,620	\$ 51,502,850	\$ -	\$ -	\$ 171,027,470
Local option levy	26,192,500	-	-	-	26,192,500
Construction excise tax	-	-	3,069,069	-	3,069,069
State and local sources	246,399,960	-	-	1,628,970	248,028,930
Federal sources	-	-	-	23,887,298	23,887,298
Charges for services	1,836,204	-	-	4,425,669	6,261,873
Rentals	599,906	-	32,520	1,098	633,524
Investment earnings	776,971	147,270	2,192,642	36,897	3,153,780
Extracurricular activities	-	-	-	5,356,534	5,356,534
Contributions and donations	16,716	-	11,410	2,926,373	2,954,499
Services to other funds	-	20,272,819	-	-	20,272,819
Recovery of prior years' expenditures	60,030	-	2,840	1,217	64,087
Other	1,149,628	-	1,226,798	666,555	3,042,981
Total revenues	396,556,535	71,922,939	6,535,279	38,930,611	513,945,364
EXPENDITURES:					
Current:					
Instruction	254,862,990	-	-	17,545,784	272,408,774
Support services	132,556,013	-	3,409,809	6,486,265	142,452,087
Enterprise and community services	-	-	-	13,664,440	13,664,440
Facilities acquisition and construction	-	-	147,364,486	353,935	147,718,421
Debt service					
Principal	-	36,742,349	-	-	36,742,349
Interest	-	36,726,785	-	-	36,726,785
Bond issuance costs	-	158,054	-	-	158,054
Total expenditures	387,419,003	73,627,188	150,774,295	38,050,424	649,870,910
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	9,137,532	(1,704,249)	(144,239,016)	880,187	(135,925,546)
OTHER FINANCING SOURCES (USES):					
Sale of or compensation for loss of capital assets	-	-	8,325	-	8,325
Transfers in	20,331,785	1,666,424	-	4,700	22,002,909
Transfers out	(22,635,371)	-	(1,097,838)	(4,700)	(23,737,909)
Issuance of refunding bonds	-	16,260,000	-	-	16,260,000
Premium on long-term debt issued	-	1,766,329	-	-	1,766,329
Payment to refunded bond escrow agent	-	(17,863,763)	-	-	(17,863,763)
TOTAL OTHER FINANCING SOURCES (USES)	(2,303,586)	1,828,990	(1,089,513)	-	(1,564,109)
NET CHANGE IN FUND BALANCES	6,833,946	124,741	(145,328,529)	880,187	(137,489,655)
FUND BALANCE, July 1, 2015	56,997,759	3,405,998	410,189,690	7,275,997	477,869,444
FUND BALANCE, June 30, 2016	\$ 63,831,705	\$ 3,530,739	\$ 264,861,161	\$ 8,156,184	\$ 340,379,789

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

**BEAVERTON SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016**

NET CHANGE IN FUND BALANCES \$ (137,489,655)

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

Governmental funds report capital outlay as expenditures. 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 outlay exceeded depreciation in the current period:

Net change in capital assets	\$ 126,008,956	
Less net change in accumulated depreciation	<u>(14,109,366)</u>	111,899,590

In the Statement of Activities, pension expense is adjusted based on the actuarially determined contribution changes:

Net change in PERS net pension liability / asset	(179,657,708)	
Net change in deferred outflow of resources	(11,998,207)	
Net change in deferred inflow of resources	<u>82,842,186</u>	(108,813,729)

Long-term debt proceeds and capital leases are reported as other financing sources in governmental funds. In the Statement of Net Position, however, this debt increases liabilities. Similarly, repayment of principal and amortization of bond premium are an expenditure in the governmental funds but reduce the liability in the Statement of Net Position. This is the amount by which repayments exceeded proceeds:

Debt issued	(162,566)	
Debt principal repaid	36,545,000	
Amortization expense	3,803,186	
Capital lease debt principal repaid	197,349	
Capital lease accrued interest	<u>933</u>	40,383,902

In refunding bonds, the amount of new bonds in excess of the refunded bonds is a deferred outflow of resources for the Statement of Activities, whereas it is recorded as an interest expense in the year of refunding.

1,923,744

Recognition of the interest expense associated with the current year's portion of the deferred outflow of resources related to the bond refunding. This was recognized on the governmental financial statements in the year of refunding.

(5,069,577)

In the Statement of Activities, interest is accrued on long-term debt, whereas in the governmental funds it is recorded as an interest expenditure when due.

67,183

Certain revenues that do not meet the measurable and available criteria are not recognized in the current year in the governmental funds. In the Statement of Activities, they are recognized as revenue when earned.

1,006,348

Internal service funds are used by the District to charge the costs of insurance premiums and claims to the individual funds. The net income is reported with governmental activities.

1,177,012

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 expense when earned.

(337,594)

In the Statement of Activities, contributions for other postemployment benefits less than the actuarially determined contribution amount increase the other postemployment benefit obligation. In the governmental funds the entire contribution is recognized as an expenditure. This is the amount by which the obligation increased.

(1,478,137)

CHANGE IN NET POSITION

\$ (96,730,913)

**BEAVERTON SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
JUNE 30, 2016**

ASSETS

Current assets:

Cash and cash equivalents	\$ 9,151,463
Receivables	28,498
Due from other funds	305,746
	<hr/>
TOTAL ASSETS	9,485,707
	<hr/>

LIABILITIES

Current liabilities:

Accounts payable	106,625
Accrued claims losses	2,520,000
Accrued salaries and benefits	16,556
Due to other funds	929
	<hr/>
TOTAL LIABILITIES	2,644,110
	<hr/>

NET POSITION

Unrestricted	<hr/> 6,841,597
TOTAL NET POSITION	\$ 6,841,597
	<hr/> <hr/>

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

**BEAVERTON SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2016**

OPERATING REVENUES:	
State and local sources	\$ 20,380
Services to other funds	4,170,118
Recovery of prior years' expenditures	119,626
Other	53,477
	<hr/>
TOTAL OPERATING REVENUES	4,363,601
	<hr/>
OPERATING EXPENSES:	
Losses and claims	1,895,543
Insurance premiums and assessments	1,795,779
Salaries and benefits	873,499
Services, supplies and materials	401,624
	<hr/>
TOTAL OPERATING EXPENSES	4,966,445
	<hr/>
OPERATING INCOME (LOSS)	(602,844)
NONOPERATING REVENUE:	
Investment earnings	44,856
	<hr/>
TOTAL NONOPERATING REVENUES	44,856
	<hr/>
INCOME (LOSS) BEFORE TRANSFERS	(557,988)
TRANSFERS:	
Transfers in	1,735,000
	<hr/>
CHANGE IN NET POSITION	1,177,012
NET POSITION, July 1, 2015	5,664,585
	<hr/>
NET POSITION, June 30, 2016	\$ 6,841,597
	<hr/> <hr/>

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

**BEAVERTON SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2016**

CASH FLOWS FROM OPERATING ACTIVITIES:

Received for services	\$ 20,380
Received from interfund services provided	4,280,068
Received from recovery of prior years' expenditures	119,626
Paid for goods and services	(2,230,534)
Paid to claimants	(1,893,415)
Paid to employees	(295,499)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>626</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Transfer from other funds	<u>1,735,000</u>
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	1,735,000

CASH FLOWS FROM INVESTING ACTIVITIES:

Interest received	<u>44,856</u>
NET CASH FLOWS FROM INVESTING ACTIVITIES	44,856

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS 1,780,482

CASH AND CASH EQUIVALENTS, July 1, 2015 7,370,981

CASH AND CASH EQUIVALENTS, June 30, 2016 \$ 9,151,463

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:

Operating income (loss)	\$ (602,844)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Changes in assets and liabilities	
Receivables	88,496
Due from other funds	(32,516)
Accounts payable	(33,131)
Accrued claims losses	578,000
Accrued salaries and benefits	2,128
Due to other funds	493
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ 626</u></u>

**BEAVERTON SCHOOL DISTRICT
STATEMENT OF NET POSITION
FIDUCIARY FUND - PRIVATE PURPOSE TRUST FUND
JUNE 30, 2016**

ASSETS

Equity in pooled cash and investments	\$ 314,814
TOTAL ASSETS	<u>314,814</u>

LIABILITIES

Accounts payable	2,000
Scholarships payable	<u>43,000</u>
TOTAL LIABILITIES	<u>45,000</u>

NET POSITION

Held in trust for:	
Scholarships	<u>269,814</u>

TOTAL NET POSITION	<u><u>\$ 269,814</u></u>
---------------------------	--------------------------

**BEAVERTON SCHOOL DISTRICT
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUND - PRIVATE PURPOSE TRUST FUND
YEAR ENDED JUNE 30, 2016**

ADDITIONS:

Contributions and donations	\$ 100,720
Investment earnings	1,449
	<hr/>
Total additions	102,169
	<hr/>

DEDUCTIONS:

Scholarships	59,691
	<hr/>
Total deductions	59,691
	<hr/>

CHANGE IN NET POSITION	42,478
-------------------------------	--------

NET POSITION, July 1, 2015	227,336
	<hr/>

NET POSITION, June 30, 2016	\$ 269,814
	<hr/> <hr/>

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Beaverton School District (the District), a consolidation of several districts, was organized under provisions of Oregon Statutes pursuant to ORS Chapter 332 for the purpose of operating elementary and secondary schools. The District is governed by a separately elected seven-member Board which approves the administrative officials. The daily functioning of the District is under the supervision of the Superintendent. As required by generally accepted accounting principles, all activities of the District have been included in the basic financial statements.

The District qualifies as a primary government since it has a separately elected governing body, is a legally separate entity, and is fiscally independent. There are various governmental agencies and special service districts, which provide service within the District's boundaries. However, the District is not financially accountable for any of these entities, and therefore, none of them are considered component units or included in these basic financial statements.

The District has granted charter to two public charter schools, Arco Iris Spanish Immersion Charter School and Hope Chinese Charter School. These public charter schools are legally separate, tax-exempt organizations governed by their own board of directors, and their financial statements may be obtained by contacting their administrative offices.

Basis of Presentation

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District. These statements include the governmental financial activities of the overall District, except fiduciary activities. Eliminations have been made to minimize the double counting of internal activities, except that interfund services provided and used, are not eliminated in the process of consolidation. 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 or 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. 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. Certain functional expenditures contain an element of indirect cost.

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

Net position is reported as restricted when constraints placed on net position 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, proprietary 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 - is the District's primary operating fund and accounts for all revenues and expenditures except those required to be accounted for in another fund. This includes the Pension sub-fund to account for the accumulation of resources to be used for payments to employees who receive supplemental early retirement stipends and post-employment health care benefits and the Long-term Planning sub-fund to account for funds set aside for a specific purpose carrying over one year.

Debt Service Fund - provides for the payment of principal and interest on long-term general obligation debt, full faith and credit obligation debt, and pension obligation debt of governmental funds. Principal revenue sources are property taxes, construction excise tax, general fund transfer and charges to other funds.

Capital Projects Fund - accounts for activities related to the acquisition, construction, and equipping of facilities. Principal revenue sources are proceeds from the sale of bonds and interest earnings.

Additionally, the District reports the following fund types:

Special Revenue Funds account for revenue sources that are legally restricted to expenditures for specific purposes such as federal and state grants, classroom supplies and equipment, capital improvements, the receipts, disbursements and cash balances of the various schools' student body activity funds, individual school activity programs and revenues and expenditures for the food dispensing programs.

Internal Service Funds account for insurance services provided to other departments of the District on a cost-reimbursement basis.

Private-Purpose Trust Fund is used to account for scholarship resources held by the District in a fiduciary capacity for use by students. Disbursements from this fund are made in accordance with the trust and donor agreements.

Measurement Focus and Basis of Accounting

Government-wide, internal service, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District receives value without giving equal value in exchange, include state school fund support, property taxes, grants, entitlements and donations. On the accrual basis of accounting, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net positions 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, claims and judgments, and accrued vacation which are recognized as expenditures only when payment is due. 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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service funds are charges for insurance services. Operating expenses for internal service funds include the cost of materials and supplies, insurance premiums, losses and claims, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Cash, Cash Equivalents and Investments

The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less. Short-term investments are stated at cost, which approximates fair value.

The District's investments consist of corporate securities, U.S. Government Treasury securities, U.S. Government Agency securities, state and local government obligations, bank deposits and savings accounts, and the State of Oregon Treasurer's Local Government Investment Pool (LGIP). The District's investments are reported at fair value based upon quoted market rates. Changes in the fair value of investments are recorded as investment earnings. The LGIP is stated at cost which approximates fair value. Fair value of the LGIP is the same as the District's value in the pool shares.

The Oregon State Treasury administers the LGIP. It is an open-ended 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 funds. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon legislature established the Oregon Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury in the management and investment options of the LGIP.

Property Taxes Receivable

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 Position. 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, claims for reimbursement of costs under various federal and state grants, and investment interest. Amounts are periodically reviewed for collectability. At June 30, 2016, no allowance for doubtful accounts is considered necessary.

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 unearned revenue.

Inventories

Inventories consist of supplies held for sale. Inventories are charged as expenditures when consumed and are stated at cost using the first-in, first-out (FIFO) method. 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.

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 one year. 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
Vehicles and equipment	5 to 30 years

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position or fund balance that applies to a future period(s) so will *not* be recognized as an outflow of resources (expense/expenditure) until that time. The government has two items that arise only under a full accrual basis of accounting that qualify for reporting in this category. The statement of net position reports one type related to the net PERS pension liability and one type related to bond refunding. These amounts are deferred and recognized as an outflow of resources in the period that the amounts become available.

In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has two items that arise for reporting in this category. The balance sheet reports unavailable revenues from one source: property taxes. The statement of net position reports one type related to the net PERS pension liability. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Retirement Plans

Substantially all of the District's employees are participants in the State of Oregon Public Employees Retirement System (PERS). For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of PERS and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of

employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. GASB Statements 68 and 71 have been implemented as of July 1, 2014.

The 2003 Oregon Legislature passed PERS reform legislation and essentially created a new retirement plan for employees hired on or after August 29, 2003. These employees become members of the Oregon Public Service Retirement Plan (OPSRP). OPSRP is a hybrid retirement plan with two components: the Pension Program (defined benefit plan) and the Individual Account Program (defined contribution; established and maintained as a tax-qualified governmental defined contribution plan). OPSRP is administered by PERS.

In addition, until June 30, 2004, the District offered an early retirement incentive program to certified and eligible administrators at age fifty-eight with ten years of regular service who qualified for early retirement benefits which were funded at actuarially determined amounts and charged to expenses/expenditures.

The District has also offered other retirement benefits programs to eligible staff in 2011 and 2012. However, these plans are no longer active, as the eligibility period has past and all required benefits have been disbursed.

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

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 vacation pay is considered to be current as the District policy states that vacation will lapse if not taken within six months following the year end. It is accrued when earned in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only as they come due, for example, as a result of employee resignation and retirements.

Long-Term Debt

In the government-wide financial statements, long-term debt is reported as a liability in the Statement of Net Position. Bond premiums and discounts 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. Savings realized from advance refunding of debt are recorded as deferred outflows of resources and amortized over the remaining life of the related defeased debt.

In the fund financial statements, bond premiums and discounts, as well as bond issuance costs, are recognized when incurred and are 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. All principal and interest debt payments are paid by the Debt Service Fund.

Net Position

Net position is comprised of the various net earnings from operations, nonoperating revenues, expenses and contributions of capital. Net position is classified in the following three categories:

Net investment in capital assets – consists of all capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The District has unspent bond proceeds in the form of cash and investments to fund bond expenditures in subsequent years.

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

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

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 affect 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 expenses/expenditures during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The date to which events occurring after June 30, 2016, the date of the most recent statement of net position, has been evaluated for possible adjustment to the financial statements or disclosure is November 18, 2016, which is the date on which the financial statements were available to be issued.

Governmental Fund Balances

In the governmental financial statements, fund balances are reported in classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Governmental Fund type fund balances are classified as follows:

- Nonspendable - Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact. Resources in nonspendable form include inventories, prepaids and deposits, and assets held for resale.
- Restricted - Amounts that can be spent only for specific purposes when the constraints placed on the use of these resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed - Amounts that can be used only for specific purposes determined by a formal action of the School Board. The use of committed funds would be approved by resolution. The School Board can modify or rescind the commitment at any time through an amending resolution.
- Assigned - Amounts that are constrained by the District's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent is expressed when the School Board approves which resources should be "reserved" during the adoption of the annual budget. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body. The Superintendent and Chief Financial Officer have been granted the authority to assign fund balances, pursuant to School Board Resolution number 13-314.
- Unassigned - All amounts not included in other spendable classifications. This residual classification represents fund balance that has not been restricted, committed, or assigned within the General Fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

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

Definitions of Governmental Fund Types

The General Fund is used to account for all financial resources not accounted for in another fund. In addition, certain funds budgeted as Special Revenue Funds are reported as part of the General Fund because their source of funds is primarily transfers from the General Fund.

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt

service or capital projects. The term “proceeds of specific revenues sources” means that the revenue sources for the fund must be from restricted or committed sources, specifically that a substantial portion of the revenue must be from these sources and be expended in accordance with those requirements.

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years should also be reported in debt service funds.

Fund Balance Policy

School Board policy mandates that the District budget a minimum of 5.0 percent of its General Fund revenue as contingency, and that a 5.0 percent fund balance be maintained.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budget

A budget is prepared and legally adopted for each governmental fund type, proprietary fund type, and private-purpose trust fund on the modified accrual basis of accounting. The budgetary basis of accounting is the same as accounting principles generally accepted in the United States of America for the governmental fund types and private-purpose trust fund, except capital outlay expenditures, including items below the District's capitalization level, which are budgeted by major function in the governmental fund types. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations.

Appropriations are established at the major function level (instruction, support services, enterprise and community services, facilities acquisition and construction, debt service, operating contingency and transfers) for each fund. The detail budget document, however, is required to contain more specific, detailed information for the aforementioned expenditure categories. Unexpected additional resources may be added to the budget through the use of 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. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control (major function levels) with Board approval. During the year,

there were two supplemental budgets with additional appropriations that were adopted for 2015-16. Appropriations lapse at the end of each fiscal year.

3. CASH AND INVESTMENTS

The District maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the balance sheet as "Equity in pooled cash and investments." In addition, cash and investments are separately held by several of the District's funds.

Cash and investments are comprised of the following at June 30, 2016:

Cash with fiscal agent	\$	343,673
Deposits with banks		31,794,660
Investments		378,365,888
	\$	<u>410,504,221</u>

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

Statement of Net Position		
Cash and investments	\$	410,189,407
Statement of Net Position Fiduciary Funds		
Equity in pooled cash and investments		<u>314,814</u>
	\$	<u>410,504,221</u>

At year-end, the District's deposits with various financial institutions had a bank value of \$33,709,229 and a book value of \$32,138,333. All deposits not covered by FDIC insurance are covered by the Public Funds Collateralization Program (PFCP) of the State of Oregon. The PFCP is a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. Barring any exceptions, a bank depository is required to pledge collateral valued at 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. In the event of a participating bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities.

Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the District's deposits with financial institutions up to \$250,000 each for the aggregate of all non-interest bearing accounts and the aggregate of all interest bearing accounts at each institution. Deposits in excess of FDIC coverage with institutions with

BEAVERTON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

institutions participating in the Oregon Public Funds Collateralization Program (PFCP) are collateralized with securities held by the Federal Home Loan Bank of Seattle in the name of the institution. As of June 30, 2016, \$33,209,229 of the District's bank balances were exposed to custodial credit risk as they were collateralized with securities held by the pledging financial institution's agent, but not in the District's name.

As of June 30, 2016 the District held the following investments and maturities:

Investment Type	Fair Value	Weighted Average Maturity in Years	% of Investment Portfolio
U.S. Treasury securities	\$ 10,013,785	0.232	2.6%
U.S. Agency securities	172,786,252	0.624	45.7%
State and local government obligations	11,706,051	0.703	3.1%
Corporate securities	118,163,748	0.542	31.2%
Bank deposits and savings accounts	20,023,766	0.003	5.3%
Local Government Investment Pool	45,672,286	0.003	12.1%
	\$ 378,365,888	0.483	100.0%

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of an asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments in U.S. Treasury securities, U.S. Agency securities, state and local government obligations, and corporate securities are valued using quoted market prices (Level 1 inputs).

The "weighted average maturity in years" calculation assumes that all investments are held until maturity.

As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy limits investment as follows:

Investment Type	Maximum % of Portfolio	Maximum Length to Maturity
U.S. Treasury securities	100%	18 months operating funds, 3 years for capital project funds
U.S. Agency securities	100%	18 months operating funds, 3 years for capital project funds
State and local government obligations	30%	18 months operating funds, 3 years for capital project funds
Time certificates of deposits	50%	18 months
Repurchase agreements	25%	30 days
Bankers' acceptances	25%	6 months
Corporate securities	35%	18 months
Bank deposits and savings accounts	10%	N/A
Local Government Investment Pool	100%	N/A

BEAVERTON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

The maximum amount of pooled investments to be placed in the LGIP is limited by Oregon State Statues and will increase proportionately with the Portland Consumer Price Index. The limit can be temporarily exceeded for ten business days and does not apply either to pass-through funds or to funds invested on behalf of another governmental unit.

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the District 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, brokers/dealers, intermediaries and advisors with which the District will do business. All of the investments above, except for the investment in the LGIP which is not evidenced by securities, are held in safekeeping by the financial institution counterparty in the financial institution's general customer account name.

The District's credit risk policy, which adheres to State of Oregon law, is to limit its investments to the following: Issuers within Oregon must be rated "A" (bonds) or A-2 / P-2 (commercial paper) or better by Standard and Poor's, Moody's Investors 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.

At June 30, 2016, the District's investments were rated as follows:

Investment Type	Total	Highest Rating From			
		Moody's Investors Service or Standard & Poor's Corporation			
		Aaa/AAA	Aa/AA	A/A	Not Rated
U.S. Treasury securities	\$ 10,013,785	\$ 10,013,785	\$ -	\$ -	\$ -
U.S. Agency securities	172,786,252	172,786,252	-	-	-
State and local government obligations	11,706,051	-	11,706,051	-	-
Corporate securities	118,163,748	3,997,244	60,376,278	53,790,226	-
Bank deposits and savings accounts	20,023,766	-	-	-	20,023,766
Local Government Investment Pool	45,672,286	-	-	-	45,672,286
	<u>\$ 378,365,888</u>	<u>\$ 186,797,281</u>	<u>\$ 72,082,329</u>	<u>\$ 53,790,226</u>	<u>\$ 65,696,052</u>

The Oregon State Treasurer maintains the Oregon Short-Term Fund, of which the LGIP is a part and is not registered with the U.S. Securities and Exchange Commission. Participation by local governments is voluntary. The State of Oregon investment policies are governed by statute and the Oregon Investment Council. In accordance with Oregon Statute, funds are invested as a prudent investor would do, exercising reasonable care, skill and caution. The LGIP was created to offer a short-term investment alternative to Oregon local governments. The investments are regulated by the Oregon Short-Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). Separate financial statements for the Oregon Short-Term Fund are available from the Oregon State Treasurer. The State of Oregon LGIP is unrated for credit quality.

BEAVERTON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

The District's policy for investing in individual issuers varies depending on the type of investments. U.S. Treasury and Agency securities do not have restrictions regarding concentration with any one issuer. No more than 25% of the total portfolio of investments may be invested in a single issuer of bankers' acceptances. At the time of purchase, investments in corporate securities of any one issuer may not exceed 5% of the investment portfolio. At June 30, 2016, more than 5% of the District's portfolio was invested in Federal Home Loan Mortgage Corporation Discount Note, Federal Home Loan Bank Discount Notes, Federal Farm Credit Bank Discount Notes, and US Bank Note securities. These investments were 19.9%, 12.0%, 8.3%, and 5.8%, respectively, of the District's total investments.

4. RECEIVABLES

Receivables are comprised of the following as of June 30, 2016:

<u>Account</u>	<u>Amount</u>
Property taxes receivable	
General fund	\$ 6,349,541
Debt service fund	2,454,599
Total property taxes receivable	<u>8,804,140</u>
Grants receivable	
Other governmental funds	<u>3,799,568</u>
Total grants receivable	<u>3,799,568</u>
Interest and other receivables	
General fund	3,690,427
Debt service fund	145,520
Capital projects fund	886,102
Other governmental funds	251,839
Internal service funds	28,498
Total interest and other receivables	<u>5,002,386</u>
Total receivables	<u>\$ 17,606,094</u>

5. INTERFUND RECEIVABLES AND PAYABLES

The composition of interfund balances as of June 30, 2016 is as follows:

	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>
General fund	\$ 1,737,224	\$ 1,066,781
Debt service fund	-	1,558,679
Capital projects fund	3,150	-
Other governmental funds	1,189,903	-
Internal service funds	<u>929</u>	<u>305,746</u>
Total	<u>\$ 2,931,206</u>	<u>\$ 2,931,206</u>

BEAVERTON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

There is a \$1,066,781 interfund balance in the General Fund to fund reimbursable expenditures in the Grant Fund. The remaining \$1,864,425 interfund balances between funds are the result of payroll accruals at year end.

6. CAPITAL ASSETS

Capital assets activity for the year was as follows:

	Balance June 30, 2015	Additions	Reductions	Balance June 30, 2016
Capital assets not being depreciated:				
Land	\$ 63,208,802	\$ -	\$ -	\$ 63,208,802
Construction in progress	17,628,989	114,723,630	(6,434,827)	125,917,792
Total capital assets not being depreciated	<u>80,837,791</u>	<u>114,723,630</u>	<u>(6,434,827)</u>	<u>189,126,594</u>
Capital assets being depreciated:				
Buildings and improvements	668,433,753	14,254,132	(4,836,337)	677,851,548
Vehicles and equipment	35,084,174	8,989,334	(686,976)	43,386,532
Total capital assets being depreciated	<u>703,517,927</u>	<u>23,243,466</u>	<u>(5,523,313)</u>	<u>721,238,080</u>
Less accumulated depreciation for:				
Buildings and improvements	(218,206,602)	(14,954,864)	2,837,421	(230,324,045)
Vehicles and equipment	(19,138,951)	(2,569,355)	577,432	(21,130,874)
Total accumulated depreciation	<u>(237,345,553)</u>	<u>(17,524,219)</u>	<u>3,414,853</u>	<u>(251,454,919)</u>
Total capital assets being depreciated, net	<u>466,172,374</u>	<u>5,719,247</u>	<u>(2,108,460)</u>	<u>469,783,161</u>
Total capital assets, net	<u>\$ 547,010,165</u>	<u>\$ 120,442,877</u>	<u>\$ (8,543,287)</u>	<u>\$ 658,909,755</u>

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

Regular programs	\$ 8,975,701
Special programs	2,771,300
Summer school programs	54,176
Student support services	1,386,925
Instructional staff support	602,325
General administration support	71,467
School administration	1,239,843
Business support services	1,435,933
Central activities support	688,544
Food services	297,776
Community services	229
	<u>\$ 17,524,219</u>

7. COMPENSATED ABSENCES

The General Fund is the primary fund where the compensated absences liability is liquidated.

Activity for compensated absences for the year ended June 30, 2016, all of which are considered due within one year, as follows:

	Balance <u>June 30, 2015</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2016</u>
Compensated Absences	\$ 2,785,083	\$ 2,781,652	\$ (2,444,058)	\$ 3,122,677

8. CAPITAL LEASES

The District entered into lease purchase agreements as lessee for financing the acquisition of buses for student transportation. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the net present value of their future minimum lease payments as of the inception date. During the fiscal year, the final payment of \$200,388 on the capital lease obligations was made. There are no future lease payments. The leased buses have a cost of \$9.9 million and have a net book value of \$4.4 million and accumulated depreciation of \$5.6 million at June 30, 2016. Amortization expense of the period is included in the depreciation expense. The capital lease obligations were paid by the Debt Service Fund which is funded by a transfer from the General Fund.

9. LONG-TERM DEBT

Bonds Payable

General Obligation Bonds

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as 20-year serial bonds with equal amounts of principal maturing each year.

On January 24, 2007, the District issued \$149,090,000 in General Obligation Bonds, Series 2007 to finance capital construction and improvements. Interest rates on the bonds range from 4.125% to 5.00%, payable semiannually in June and December. Principal is paid annually in June, with a final maturity in June 2026. The Series 2007 Bonds maturing on or after June 1, 2017 are subject to redemption prior to maturity at a price of par plus accrued interest on or after June 1, 2016. The District refunded the Series 2007 Bonds maturing in 2017-2022 through an irrevocable trust escrow established in December 2012.

On April 2, 2009, the District issued \$42,810,000 in General Obligation Bonds, Series 2009 to finance the second phase of capital construction and improvements related to the \$195 million bond measure passed by voters on November 7, 2006. Interest rates on the bonds range from 3.00% to 5.00%, payable semiannually in June and December. Principal is paid annually in June, with a final maturity in June 2018. The Series 2009 Bonds are not subject to redemption prior to their maturities.

On August 25, 2011, the District issued \$42,175,000 in General Obligation Bonds, Series 2011 to refund Series 2001 Bonds, Series 2002 Bonds, and Series 2003 Bonds and obtain a savings in total debt service requirement. Interest rates on the bonds range from 2.00% to 5.00%, payable semiannually in June and December. Principal is paid annually in June, with a final maturity in June 2023. The Series 2011 Bonds maturing on or after June 15, 2022 are subject to redemption prior to maturity at a price of par plus accrued interest on or after June 15, 2021.

On December 11, 2012, the District issued \$33,075,000 in General Obligation Bonds, Series 2012A and \$126,325,000 in General Obligation Bonds, Series 2012B to refund Series 2004A Bonds and Series 2007 Bonds, and obtain a savings in total debt service requirement. Interest rates on the Series 2012A Bonds range from 0.362% to 1.717%. Interest on the Series 2012B Bonds range from 1.75% to 4.00%. Interest is payable semiannually in June and December. Principal is paid annually in June, with a final maturity in June 2019 and June 2026 for the Series 2012A Bonds and Series 2012B Bonds respectively. The Series 2012B Bonds maturing on or after June 15, 2023 are subject to redemption prior to maturity at a price of par plus accrued interest on or after June 15, 2022.

On August 7, 2014, the District issued \$20,393,784 in General Obligation Bonds, Series 2014A and \$361,755,000 in General Obligation Bonds, Series 2014B to finance the first phase of capital construction and improvements related to the \$680 million bond measure passed by voters on May 20, 2014. Interest rates on the Series 2014A Bonds range from 0.93% to 2.15%. Interest on the Series 2014B Bonds range from 2.00% to 5.00%. Interest is payable semiannually in June and December. Principal is paid annually in June, with a final maturity in June 2020 and June 2034 for the Series 2014A Bonds and Series 2014B Bonds respectively. The Series 2014B Bonds maturing on or after June 15, 2025 are subject to redemption prior to maturity at a price of par plus accrued interest on or after June 15, 2024.

Full Faith and Credit Obligation Bonds

On March 19, 2009 the District issued \$22,650,000 full faith and credit obligation bonds to provide funds for the construction of the Transportation Service Center, an option school auditorium, bus particulate traps and an option school remodel. Interest rates on the bonds range from 2.50% to 5.13% with a final maturity date of June 1, 2036. On April 27, 2016, the District issued \$16,260,000 full faith and credit obligation bonds, placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old obligations. Interest rates on the 2016 bonds range from 2.00% to 4.00% with a final maturity date of June 1, 2036.

Limited Tax Pension Obligation Bonds

On June 21, 2005 the District participated with thirteen Oregon school districts and two educational service districts in a pooled issuance of taxable pension obligation bonds to finance the District's estimated PERS unfunded actuarial liability. The District issued \$189,935,000 in debt as part of a pooled issuance of \$475,205,000. Except for the payment of its pension bond payments and additional charges when due, each school district has no obligation or liability to any other participating school district's pension bonds or liabilities to PERS.

Bond proceeds were paid to the Oregon Public Employees Retirement System. An intercept agreement with the State of Oregon was required as a condition of issuance; therefore, a portion of State School Fund support is withheld on a monthly basis to repay debt. Funds are accumulated and invested by a trust officer and annual principal and interest payments are made each June 30, beginning June 2005 and ending June 2028. The bond interest rates range from 4.11% to 4.76%.

On February 26, 2015 the District issued \$79,220,000 taxable pension obligation bonds to finance District's estimated PERS unfunded actuarial liability. The bond proceeds were paid to the Oregon Public Employees Retirement System. No intercept agreement exists for the bonds issued in 2015. Annual principal and interest payments are made each June 30, beginning in June 2015 and ending June 2034. The bond interest rates range from 0.35% to 4.06%.

The District recorded the amounts deposited with PERS as a deferred outflow of resources, as required by GASB 68 for contributions made after the measurement date. The reduction in pension expense resulting from the side account will be reflected as a reduction in the District's proportionate share of the PERS net pension liability or an increase in the District's proportionate share of the PERS net pension asset.

Debt Activity

Long-term debt activity for the year ended June 30, 2016 is as follows:

	Balance July 1, 2015	Additions	Reductions	Balance June 30, 2016	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 589,343,784	\$ -	\$ 26,235,000	\$ 563,108,784	\$ 28,824,436
Pension obligation bonds	236,040,000	-	9,745,000	226,295,000	10,825,000
Full Faith & Credit obligations	18,935,000	16,260,000	16,445,000	18,750,000	635,000
Unamortized premium	82,057,819	1,766,329	5,786,949	78,037,199	5,649,368
Total bonds payable, net	<u>\$ 926,376,603</u>	<u>\$ 18,026,329</u>	<u>\$ 58,211,949</u>	<u>\$ 886,190,983</u>	

BEAVERTON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

Payments on the general obligation bonds are made by the Debt Service Fund from property taxes and earnings on investments. Payments on pension bonds are made by the Debt Service Fund from revenue from charges to other funds. The payments on the full faith and credit obligation bonds are made by the General Fund and Capital Projects Fund. Federal arbitrage restrictions apply to substantially all debt.

The following is a summary of long-term debt transactions of governmental activities for the year ended June 30, 2016:

Issue Date	Original Issue	Principal			Outstanding at June 30, 2016	Interest Rates
		Outstanding at June 30, 2015	Additions	Reductions		
<u>General Obligation Bonds:</u>						
January 24, 2007	\$ 149,090,000	\$ 6,720,000	\$ -	\$ 6,720,000	\$ -	4.13 - 5.00%
April 2, 2009	42,810,000	28,920,000	-	6,445,000	22,475,000	3.00 - 5.00%
August 25, 2011	42,175,000	27,000,000	-	2,860,000	24,140,000	5.00%
December 11, 2012	33,075,000	21,205,000	-	10,210,000	10,995,000	0.36 - 1.72%
December 11, 2012	126,325,000	125,335,000	-	-	125,335,000	1.75 - 4.00%
August 7, 2014	20,393,784	20,393,784	-	-	20,393,784	0.93 - 2.15%
August 7, 2014	361,755,000	359,770,000	-	-	359,770,000	2.00 - 5.00%
		589,343,784	-	26,235,000	563,108,784	
<u>Limited Tax Pension Obligation Bonds:</u>						
June 21, 2005	189,935,000	157,835,000	-	6,320,000	151,515,000	4.30 - 4.76%
February 26, 2015	79,220,000	78,205,000	-	3,425,000	74,780,000	0.35 - 4.06%
		236,040,000	-	9,745,000	226,295,000	
<u>Full Faith and Credit Obligation Bonds:</u>						
March 19, 2009	22,650,000	18,935,000	-	16,445,000	2,490,000	2.50 - 5.13%
April 27, 2016	16,260,000	-	16,260,000	-	16,260,000	2.00 - 4.00%
		18,935,000	16,260,000	16,445,000	18,750,000	
<u>Total G.O. and Pension Bonds</u>		844,318,784	16,260,000	52,425,000	808,153,784	
<u>Unamortized Premium</u>		82,057,819	1,766,329	5,786,949	78,037,199	
Total		\$ 926,376,603	\$ 18,026,329	\$ 58,211,949	\$ 886,190,983	

BEAVERTON SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2016

Debt Maturities

Future bond maturities are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2017	\$ 40,284,436	\$ 35,382,768	\$ 75,667,204
2018	43,554,513	34,447,954	78,002,467
2019	37,039,593	33,543,542	70,583,135
2020	40,945,242	31,695,277	72,640,519
2021	44,860,000	29,905,092	74,765,092
2022-2026	251,210,000	118,449,256	369,659,256
2027-2031	206,820,000	63,213,979	270,033,979
2032-2036	143,440,000	14,178,937	157,618,937
	<u>\$ 808,153,784</u>	<u>\$ 360,816,804</u>	<u>\$ 1,168,970,588</u>

Debt Defeased

On April 27, 2016, the District issued \$16,260,000 full faith and credit obligation bonds with interest rates ranging between 2.00% and 4.00%. The District issued the bonds to advance refund \$15,880,000 of the outstanding series 2009 full faith and credit obligation bonds with interest rates ranging between 4.625% and 5.125%. The District used the net proceeds along with other resources to purchase U.S. government securities. These securities were deposited in an irrevocable trust to provide for all future debt service on the refunded portion of the 2009 series bonds. As a result, the 2009 series bonds are considered defeased, and the District has removed the liability from its accounts. The trust account assets and the liabilities for the defeased obligations are not included in the District's basic financial statements. At June 30, 2016, the outstanding principal of the defeased bonds is \$15,880,000.

The advance refunding reduced total debt service payments over the next 20 years by nearly \$2.7 million. This results in an economic gain (the difference between the present value of the debt service payments on the old and new debt) of \$2.2 million.

10. INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2016 are as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
General fund	\$ 20,331,785	\$ 22,635,371
Debt service fund	1,666,424	-
Capital projects fund	-	1,097,838
Other governmental funds	4,700	4,700
Internal service fund	<u>1,735,000</u>	<u>-</u>
Total	<u>\$ 23,737,909</u>	<u>\$ 23,737,909</u>

The District made transfers from the General Fund in the amount of \$1,735,000 to the Internal Service Fund to fund property insurance premiums. Transfers were made from the Capital Projects Funds to the Debt Service Fund totaling \$1,097,838 to pay principal and interest payments on the full faith and credit obligations. The District also made transfers from the General Fund to the Debt Service Fund totaling \$568,586 to pay principal and interest payments on capital lease obligations for the purchase of buses and on the full faith and credit obligations. Within the General Fund, transfers totaling \$20,331,785 were made between the sub-funds, with funds going into the Long-term Planning Fund. A transfer was made from the Food Service Fund to the Special Purpose Fund totaling \$4,700 for volunteer donations.

11. EARLY RETIREMENT SUPPLEMENT PROGRAM

Early Retirement Plan 2004

Plan description - The District maintains a single-employer early retirement supplement program for its employees. This program covers all full-time certified, classified and eligible administrative personnel of the District who qualified prior to June 30, 2004, when the program was closed. The District does not issue a standalone report for this plan.

This program was established under separate collective bargaining agreements and provide provisions for early retirement after 30 years of service or age 58 with at least 10 years of continuous District service immediately preceding retirement. For eligible administrators, this optional early retirement program provides the employee with medical benefits are provided until age 62.

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

Funding policy – The benefits from this sunsetted 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 fully funded the obligation in the Pension Sub-Fund of the General Fund. The Pension Sub-Fund also accounts for resources and payments of post-employment health care benefits for early retirees. The available committed balance of the Pension Sub-Fund at June 30, 2016 is \$109,890. The District's total remaining estimated liability for both plans is \$58,000 and will end December 2017.

Contributions – Contributions were financed by a transfer from the General Fund. A transfer to the Pension Sub-Fund of \$500,000 was made in fiscal year 2014 to fully fund this program as well as an additional single-employer early retirement supplement program from 2012 which has been completed. There were also transfers of \$750,000 and \$1,050,000 in fiscal years 2013 and 2012, respectively, to fund both programs. Expenditures are recorded in the Pension Sub-Fund on the pay-as-you-go basis. The cost of these benefits for the Plan 2004 in fiscal years 2016, 2015, and 2014 was \$38,011, \$46,016, and \$58,131 respectively.

Program membership for Plan 2004 consisted of 183 retirees receiving benefits at July 1, 2006, the date of the last actuarial valuation. Retirees receiving early retirement supplement benefits totaled 2, 3, and 3 for fiscal years 2016, 2015, and 2014 respectively.

12. PENSION PLAN

Plan Overview Description

The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Comprehensive Annual Financial Report which can be found at:

http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx

Tier One / Tier Two Retirement Benefit Plan - ORS Chapter 238

Tier One / Tier Two Retirement Benefit Plan is closed to new members hired on or after August 29, 2003.

Pension Benefits – The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were

contributing before August 21, 1981) or a money match computation if it results in greater benefits.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

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

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

Disability Benefits – A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

Benefit Changes After Retirement – Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

Oregon Public Service Retirement Plan Pension Program (OPSRP DB) - ORS Chapter 238A

The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.

Pension Benefits – This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

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

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

Disability Benefits – A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Benefit Changes After Retirement – Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2013 actuarial valuation, which became effective July 1, 2015. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments, and their rates have been reduced.

Employer contributions for the year ended June 30, 2016 were \$20,427,165, excluding amounts to fund employer specific liabilities. Approximately \$20,273,000 was charged for the year

BEAVERTON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

ended June 30, 2016 as PERS benefits expenditures to be used for bond payments as they become due. Approximately \$108,814,000 was recognized as employer pension revenue during the reporting period.

At June 30, 2016, the District reported a net pension liability of \$117,982,257 for its proportionate share of the net pension liability. The pension liability was measured as of December 31, 2013, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2013, the District's proportion was 2.05 percent.

	Deferred Outflow of Resources	Deferred (Inflow) of Resources	Net
Differences between expected and actual experience	\$ 6,362,201	\$ -	
Changes of assumptions	-	-	
Net difference between projected and actual earnings on investments	-	(24,731,756)	
Changes in proportionate share	-	(11,434,695)	
Differences between employer contributions and employer's proportionate share of system contributions	<u>71,033,586</u>	<u>-</u>	
Subtotal - Amortized Deferrals	<u>77,395,787</u>	<u>(36,166,451)</u>	<u>\$ 41,229,336</u>
District contributions subsequent to measurement date	<u>20,427,165</u>	<u>-</u>	
Total deferred outflow (inflow) or resources	<u>\$ 97,822,952</u>	<u>\$ (36,166,451)</u>	<u>\$ 61,656,501</u>

Amounts reported as deferred outflows or inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal year ending June 30,	Amount
2017	\$ 3,258,085
2018	3,258,085
2019	3,258,085
2020	25,579,744
2021	5,875,337
Thereafter	<u>-</u>
Total	<u>\$ 41,229,336</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated May 23, 2016. Oregon PERS produces an independently audited CAFR which can be found at:

http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx.

Actuarial Valuations

The employer contribution rates effective July 1, 2015 through June 30, 2017, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), and (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

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

Actuarial Methods and Assumptions:

Valuation date	December 31, 2013
Measurement date	June 30, 2015
Experience Study	2014, published September 2015
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	2.75 percent
Long-term expected rate of return	7.75 percent
Discount rate	7.75 percent
Projected salary increases	3.75 percent
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision; blend based on service.
Mortality	<p>Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-backs as described in the valuation.</p> <p>Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation.</p> <p>Disabled retirees: Mortality rates are a percentage (65% for males, 90% for females) of the RP-2000 static combined disabled mortality sex-distinct table.</p>

(Source: June 30, 2015 PERS CAFR; page 57)

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations

and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2014 Experience Study which is reviewed for the four-year period ending December 31, 2014.

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

Depletion Date Projection – GASB 67 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan’s Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 67 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 67 (paragraph 43) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for Oregon PERS:

- Oregon PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 67 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan’s funded position.

Based on these circumstances, the detailed depletion date projections outlined in GASB 67 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

(Source: June 30, 2015 PERS CAFR; page 58)

Assumed Asset Allocation

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

(Source: June 30, 2015 PERS CAFR; page 76)

Long-Term Expected Rate of Return

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

(Source: June 30, 2015 PERS CAFR; page 56)

Asset Class	Target Allocation *	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Core Fixed Income	7.20%	4.70%	4.50%	6.60%
Short-Term Bonds	8.00	3.76	3.70	3.45
Intermediate-Term Bonds	3.00	4.23	4.10	5.15
High Yield Bonds	1.80	7.21	6.66	11.10
Large Cap US Equities	11.65	8.60	7.20	17.90
Mid Cap US Equities	3.88	9.38	7.30	22.00
Small Cap US Equities	2.27	10.38	7.45	26.40
Developed Foreign Equities	14.21	8.73	6.90	20.55
Emerging Market Equities	5.49	11.51	7.40	31.70
Private Equity	20.00	11.95	8.26	30.00
Hedge Funds / Absolute Return	5.00	6.46	6.01	10.00
Real Estate (Property)	13.75	7.27	6.51	13.00
Real Estate (REITS)	2.50	8.41	6.76	19.45
Commodities	1.25	7.71	6.07	19.70
Assumed Inflation - Mean			2.75%	2.00%

* Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, as revised December 18, 2012, and the revised allocation adopted at the Jun 26, 2013 OIC meeting.

(Source: June 30, 2015 PERS CAFR; page 57; Table 29)

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

	Decrease 1% 6.75%	Current Rate 7.75%	Increase 1% 8.75%
District's proportionate share of the net pension liability (asset)	\$ 284,745,787	\$ 117,982,257	\$ (22,555,588)

Additional disclosures related to Oregon PERS not applicable to specific employers are available online at the below website, or by contacting PERS at the following address: PO BOX 23700 Tigard, OR 97281-3700,

https://www.oregon.gov/pers/EMP/Pages/section/er_general_information/gasb-68.aspx

OPSRP Individual Account Program (OPSRP IAP)

Plan Description – ORS Chapter 238A created the Oregon Public Service Retirement Plan (OPSRP), which consists of the Defined Benefit Pension Program and the Individual Account Program (IAP). Membership includes public employees hired on or after August 29, 2003. PERS members retain their existing defined benefit plan accounts, but member contributions are deposited into the member’s IAP account. OPSRP is part of Oregon PERS, and is administered by the Oregon PERS Board.

Pension Benefits – An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. Upon retirement, a member of the OPSRP Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

Death Benefits – Upon the death of a non-retired member, the beneficiary receives in a lump sum the member’s account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Contributions – Employees of the District pay 6 percent of their covered payroll. The District did not make any optional contributions to member IAP accounts for the year ended June 30, 2016.

13. OTHER POSTEMPLOYMENT BENEFITS (OPEB)S

Postemployment 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 4,048 active and 198 retired members in the plan. Benefits and eligibility for members are established through the collective bargaining agreements and Oregon State law.

The District's post-retirement healthcare plan was established in accordance with Oregon Revised Statutes (ORS) 243.303. ORS stipulate 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 costs, 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 plan does not have a separate, audited GAAP-basis postemployment benefit plan report.

Funding policy – The benefit from this program is 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.

Annual OPEB cost and net OPEB obligation – The District's annual other postemployment benefit cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance within the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a closed period not to exceed thirty years.

BEAVERTON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

The following table shows the components of the OPEB obligation at the end of the year:

	2014	2015	2016
Annual required contribution	\$ 3,703,544	\$ 3,703,544	\$ 3,571,617
Interest on net pension obligation	403,264	470,108	496,880
Adjustment to annual required contribution	<u>(859,196)</u>	<u>(1,001,614)</u>	<u>(1,144,358)</u>
Annual OPEB cost	3,247,612	3,172,038	2,924,139
Contributions made	<u>(1,337,791)</u>	<u>(1,315,055)</u>	<u>(1,446,002)</u>
Increase in net OPEB obligation	1,909,821	1,856,983	1,478,137
Net OPEB obligation- beginning of year	<u>11,521,822</u>	<u>13,431,643</u>	<u>15,288,626</u>
Net OPEB obligation- end of year	<u><u>\$ 13,431,643</u></u>	<u><u>\$ 15,288,626</u></u>	<u><u>\$ 16,766,763</u></u>
Percentage of Annual OPEB Cost Contributed	41.2%	41.5%	49.5%

Funded status and funding progress – As of July 1, 2015, the most recent actuarial valuation date, for the periods ended June 30, 2016 and June 30, 2017; the District’s actuarial accrued liability (AAL) measured on an entry age basis for benefits was \$30,835,971, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$30,835,971. The covered payroll is \$243,813,517. The ratio of the total UAAL to annual covered payroll is 12.6%. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial methods and assumptions – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective and techniques designed to reduce short-term volatility were used.

In the July 1, 2015 actuarial valuation, the aggregate actuarial cost method was used. The aggregate method does not identify or separately amortize unfunded liabilities. Instead, for an unfunded plan the present value of all projected benefits is recognized in the normal cost calculation, which is effectively equivalent to financial statement recognition over the remaining projected future service career of current actives. In the 2015 valuation, this recognition period was 13.4 years. The actuarial assumptions included an investment return rate of 3.25 percent and a 50 percent assumption of participants who elect medical coverage at retirement. They also assume medical and prescription drug costs would increase at 1.7 percent inflation for the current year, followed by 6.9 percent inflation in the next few years before gradually grading down to an annual rate of 4.4 percent over sixty years which is

consistent with expectations for long-term health care cost inflation. The projected salary increases and cost of living adjustments are non-applicable as the benefits are unrelated to pay and are not linked to general 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 for its December 31, 2014 and December 31, 2015 actuarial valuations.

Tax Sheltered Annuity

The District offers its employees two tax deferred annuity programs established pursuant to Sections 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, 2016, 994 employees were participating in the 403(b) traditional plan, 193 employees were participating in the 403(b) Roth plan and 104 employees were participating in the 457(b) plan.

Retirement Health Insurance Account (RHIA)

Plan description - As a member of Oregon Public Employees Retirement System (OPERS), the District contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA resides with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

Funding policy - Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS, currently 0.53% Tier 1 and Tier 2 payroll and 0.45% of OPSRP of annual covered payroll. The OPERS Board of Trustees sets the employer contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The District's contributions to RHIA for the years ended June 30, 2014, 2015 and 2016 were approximately \$1,325,000, \$1,839,000, and \$1,162,000, which equaled the required contributions each year.

14. RISK MANAGEMENT

Self-Insurance

Internal Service Funds (Insurance Reserve and Workers' Compensation Funds) account for the costs incurred for workers' compensation claims, general liability claims, and property and fire losses.

The District provides currently for estimated losses to be incurred from pending claims and for claims incurred but not reported (IBNR). IBNR claims are claims that are incurred through the end of the fiscal year, but not reported until after that date. These liabilities are based on actuarial valuations or District estimates.

The District is self-insured for costs up to policy deductible limits as follows:

- General Liability and School Board errors and omissions - \$500,000 per occurrence
- Fire loss, property damage, all risk (theft, vandalism, etc.) - \$500,000 per occurrence
- Workers' compensation claims - \$400,000 per claim
- Long-term disability claims - payment of all claims for the first fifty-one months of disability for eligible administrator and classified staff. Eligible certified staff are fully insured for disability claims.

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 for which the District carries commercial insurance. The District does not engage in risk financing activities where the risk is greater than the self-insurance amounts. Settlements have not exceeded insurance coverage for the years ended June 30, 2014, 2015, and 2016. There have also been no reductions to the District's insurance coverage during the year. The District anticipates that all accrued claims losses will be paid within twelve months.

BEAVERTON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

Changes in the balances of claims liabilities at the end of the year are as follows:

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Accrued claims losses, July 1	\$ 2,228,071	\$ 1,861,000	\$ 1,942,000
Incurring claims, including an estimate of claims incurred but not reported (IBNR)	651,959	1,468,202	2,473,543
Claims payments	<u>(1,019,030)</u>	<u>(1,387,202)</u>	<u>(1,895,543)</u>
Accrued claim losses, June 30	<u>\$ 1,861,000</u>	<u>\$ 1,942,000</u>	<u>\$ 2,520,000</u>

15. SCHOOL FUNDING

The District is dependent on the State of Oregon for a substantial portion of its operating funds. Due to funding fluctuations at the State level, future funding for school districts is impacted by the economic growth statewide. The ultimate effect of this on the District's future operations is not yet determinable.

The largest segment is determined by the State School Fund formula, with the majority of funding provided by the State to the District based on the District's average daily membership of students (ADM_r). The State gives additional weightings for certain categories of individuals including students in poverty, students in ESL programs, and students on Individual Education Plans. The State then proportions the State School Fund based on the resulting weighted average daily membership (ADM_w) of the District compared that of the State. For 2015-16, the District had an estimated ADM_w of 48,691.30 within the State estimated ADM_w of 700,930. For 2014-15, these were 45,797.18 and 671,940, respectively.

16. COMMITMENTS AND CONTINGENCIES

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

The District is committed under various accepted bid agreements and contracts for approximately \$213.4 million for goods, services, and construction of facilities, as follows:

General fund	\$ 1,945,049
Capital projects fund	210,724,023
Other governmental funds	669,633
Internal service funds	<u>61,001</u>
Total	<u>\$ 213,399,706</u>

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.

17. NEW ACCOUNTING STANDARDS IMPLEMENTED

For the fiscal year ended June 30, 2016, the District implemented the following new accounting standards:

GASB Statement No. 72 *"Fair Value Measurement and Application."* The statement provides guidance on determining, accounting for, and reporting fair value measurements. The statement is effective for fiscal years beginning after June 15, 2015.

GASB Statement No. 73 *"Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68."* The statement establishes accounting and financial reporting requirements related to pensions provided by governments that are not within the scope of GASB Statement No. 68, extending that approach to all pensions. The statement is effective for fiscal years beginning after June 15, 2016. The District anticipates no financial impact as a result of implementing this statement.

GASB Statement No. 74 *"Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans."* The statement establishes accounting and financial reporting requirements related to other postemployment benefits plans, replacing GASB Statements No. 43 and No. 57. The statement is effective for fiscal years beginning after June 15, 2016. The District anticipates no financial impact as a result of implementing this statement.

GASB Statement No. 76 *"The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments."* The statement establishes the hierarchy of generally accepted accounting principles (GAAP) to two categories, superseding GASB Statement No. 55. The statement is effective for fiscal years beginning after June 15, 2015.

18. NEW PRONOUNCEMENTS

The District will implement new GASB pronouncements no later than the required fiscal year. Management has not determined the effect on the financial statements from implementing any of the following pronouncements.

GASB Statement No. 75 *"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions."* The statement establishes accounting and financial reporting requirements related to other postemployment benefits (OPEB), replacing GASB Statements No. 45 and No. 57. The statement is effective for fiscal years beginning after June 15, 2017.

GASB Statement No. 77 *“Tax Abatement Disclosures.”* The statement establishes accounting and reporting guidance on tax abatement agreements for governments. The statement is effective for fiscal years beginning after December 15, 2015.

GASB Statement No. 78 *“Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans.”* This Statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that meet certain criteria. The statement is effective for fiscal years beginning after December 15, 2015.

GASB Statement No. 79 *“Certain External Investment Pools and Pool Participants.”* This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The statement is effective for fiscal years beginning after December 15, 2015.

GASB Statement No. 80 *“Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14.”* This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The statement is effective for fiscal years beginning after June 15, 2016.

GASB Statement No. 81 *“Irrevocable Split-Interest Agreements.”* This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. The statement is effective for fiscal years beginning after December 15, 2016.

GASB Statement No. 82 *“Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73.”* This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The statement is effective for fiscal years beginning after June 15, 2016.

REQUIRED SUPPLEMENTARY INFORMATION



**BEAVERTON SCHOOL DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY FOR PERS
JUNE 30, 2016**

<u>Year Ended June 30,</u>	<u>Employer's proportion of the net pension liability (NPL)</u>	<u>Employer's proportionate share of the net pension liability (NPL)</u>	<u>Employer's covered payroll</u>	<u>NPL as a percentage of covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
2016	2.05%	\$ 117,982,257	\$ 243,813,517	48.4%	91.9%
2015	2.72%	(61,675,451)	219,944,988	-28.0%	103.6%
2014	2.72%	138,852,440	200,544,298	69.2%	92.0%

**BEAVERTON SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS FOR PERS
JUNE 30, 2016**

<u>Year Ended June 30,</u>	<u>Statutorily required contribution</u>	<u>Contributions in relation to the statutorily required contribution</u>	<u>Contribution deficiency (excess)</u>	<u>Employer's covered payroll</u>	<u>Contributions as a percent of covered payroll</u>
2016	\$ 20,427,165	\$ 20,427,165	\$ -	\$ 243,813,517	8.4%
2015	29,448,081	29,448,081	-	219,944,988	13.4%
2014	28,332,951	28,332,951	-	200,544,298	14.1%

BEAVERTON SCHOOL DISTRICT
SCHEDULE OF FUNDING PROGRESS FOR OTHER POSTEMPLOYMENT BENEFITS
JUNE 30, 2016

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liabilty (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
July 1, 2015	\$ -	\$ 30,835,971	\$ 30,835,971	0.0%	\$ 219,944,988	14.0%
July 1, 2013	-	31,047,373	31,047,373	0.0%	187,686,710	16.5%
July 1, 2011	-	28,686,568	28,686,568	0.0%	204,240,671	14.0%

**BEAVERTON SCHOOL DISTRICT
RECONCILIATION OF BUDGETARY TO REPORTING FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE (GAAP BASIS)
GENERAL FUND
YEAR ENDED JUNE 30, 2016**

	Budgetary Funds			Total (reported as General Fund)
	General Fund	Pension	Long-Term Planning	
REVENUES:				
Property taxes	\$ 119,524,620	\$ -	\$ -	\$ 119,524,620
Local option levy	26,192,500	-	-	26,192,500
State and local sources	246,399,960	-	-	246,399,960
Charges for services	1,836,204	-	-	1,836,204
Rentals	599,906	-	-	599,906
Investment earnings	764,387	938	11,646	776,971
Contributions and donations	16,716	-	-	16,716
Recovery of prior years' expenditures	60,030	-	-	60,030
Other	1,149,628	-	-	1,149,628
TOTAL REVENUES	396,543,951	938	11,646	396,556,535
EXPENDITURES:				
Current:				
Instruction	254,862,990	-	-	254,862,990
Support services	131,465,034	38,012	1,052,967	132,556,013
TOTAL EXPENDITURES	386,328,024	38,012	1,052,967	387,419,003
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	10,215,927	(37,074)	(1,041,321)	9,137,532
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	20,331,785	20,331,785
Transfers out	(22,635,371)	-	-	(22,635,371)
TOTAL OTHER FINANCING SOURCES (USES)	(22,635,371)	-	20,331,785	(2,303,586)
NET CHANGE IN FUND BALANCES	(12,419,444)	(37,074)	19,290,464	6,833,946
FUND BALANCE, July 1, 2015	55,398,731	146,964	1,452,064	56,997,759
FUND BALANCE, June 30, 2016	\$ 42,979,287	\$ 109,890	\$ 20,742,528	\$ 63,831,705

BEAVERTON SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (GAAP BASIS)
GENERAL FUND
YEAR ENDED JUNE 30, 2016

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
REVENUES:				
Property taxes	\$ 119,215,615	\$ 119,215,615	\$ 119,524,620	\$ 309,005
Local option levy	26,000,000	26,000,000	26,192,500	192,500
State and local sources	236,559,983	240,659,983	246,399,960	5,739,977
Charges for services	1,410,000	1,410,000	1,836,204	426,204
Rentals	450,000	450,000	599,906	149,906
Investment earnings	300,000	300,000	764,387	464,387
Contributions and donations	-	-	16,716	16,716
Recovery of prior years' expenditures	100,000	100,000	60,030	(39,970)
Other	1,060,000	1,060,000	1,149,628	89,628
Total revenues	385,095,598	389,195,598	396,543,951	7,348,353
EXPENDITURES:				
Instruction	263,902,524	264,302,524	254,862,990	9,439,534
Support services	134,980,067	134,980,067	131,465,034	3,515,033
Contingencies	21,654,418	22,154,418	-	22,154,418
Total expenditures	420,537,009	421,437,009	386,328,024	35,108,985
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(35,441,411)	(32,241,411)	10,215,927	42,457,338
OTHER FINANCING SOURCES (USES):				
Transfers out	(2,558,589)	(22,758,589)	(22,635,371)	123,218
TOTAL OTHER FINANCING SOURCES (USES)	(2,558,589)	(22,758,589)	(22,635,371)	123,218
NET CHANGE IN FUND BALANCE	(38,000,000)	(55,000,000)	(12,419,444)	42,580,556
FUND BALANCE, July 1, 2015	38,000,000	55,000,000	55,398,731	398,731
FUND BALANCE, June 30, 2016	\$ -	\$ -	\$ 42,979,287	\$ 42,979,287

**BEAVERTON SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (GAAP BASIS)
PENSION FUND
YEAR ENDED JUNE 30, 2016**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
REVENUES:				
Investment earnings	\$ -	\$ -	\$ 938	\$ 938
Total revenues	-	-	938	938
EXPENDITURES:				
Support services	40,000	40,000	38,012	1,988
Contingencies	145,000	145,000	-	145,000
Total expenditures	185,000	185,000	38,012	146,988
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(185,000)	(185,000)	(37,074)	147,926
NET CHANGE IN FUND BALANCE	(185,000)	(185,000)	(37,074)	147,926
FUND BALANCE, July 1, 2015	185,000	185,000	146,964	(38,036)
FUND BALANCE, June 30, 2016	\$ -	\$ -	\$ 109,890	\$ 109,890

**BEAVERTON SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (GAAP BASIS)
LONG-TERM PLANNING FUND
YEAR ENDED JUNE 30, 2016**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
REVENUES:				
Investment earnings	\$ 5,000	\$ 5,000	\$ 11,646	\$ 6,646
Contributions and donations	250,000	250,000	-	(250,000)
Total revenues	255,000	255,000	11,646	(243,354)
EXPENDITURES:				
Instruction	50,000	50,000	-	50,000
Support services	1,052,600	2,152,600	1,052,967	1,099,633
Facilities acquisition and construction	150,000	150,000	-	150,000
Contingencies	-	19,100,000	-	19,100,000
Total expenditures	1,252,600	21,452,600	1,052,967	20,399,633
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(997,600)	(21,197,600)	(1,041,321)	20,156,279
OTHER FINANCING SOURCES (USES):				
Transfers in	253,600	20,453,600	20,331,785	(121,815)
TOTAL OTHER FINANCING SOURCES (USES)	253,600	20,453,600	20,331,785	(121,815)
NET CHANGE IN FUND BALANCE	(744,000)	(744,000)	19,290,464	20,034,464
FUND BALANCE, July 1, 2015	744,000	744,000	1,452,064	708,064
FUND BALANCE, June 30, 2016	\$ -	\$ -	\$ 20,742,528	\$ 20,742,528

OTHER SUPPLEMENTARY INFORMATION



**BEAVERTON SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2016**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
REVENUES:				
Property taxes	\$ 51,119,367	\$ 51,119,367	\$ 51,502,850	\$ 383,483
Investment earnings	65,000	65,000	147,270	82,270
Services to other funds	18,512,509	18,512,509	20,272,819	1,760,310
Total revenues	<u>69,696,876</u>	<u>69,696,876</u>	<u>71,922,939</u>	<u>2,226,063</u>
EXPENDITURES:				
Debt service:				
Principal	36,742,349	36,742,349	36,742,349	-
Interest	36,744,854	36,744,851	36,726,785	18,066
Bond issuance costs	-	162,570	158,054	4,516
Total expenditures	<u>73,487,203</u>	<u>73,649,770</u>	<u>73,627,188</u>	<u>22,582</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,790,327)</u>	<u>(3,952,894)</u>	<u>(1,704,249)</u>	<u>2,248,645</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	1,667,827	1,667,827	1,666,424	(1,403)
Issuance of refunding bonds	-	16,260,000	16,260,000	-
Premium on long-term debt issued	-	1,766,330	1,766,329	(1)
Payment to refunded bond escrow agent	-	(17,863,763)	(17,863,763)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,667,827</u>	<u>1,830,394</u>	<u>1,828,990</u>	<u>(1,404)</u>
NET CHANGE IN FUND BALANCE	<u>(2,122,500)</u>	<u>(2,122,500)</u>	<u>124,741</u>	<u>2,247,241</u>
FUND BALANCE, July 1, 2015	<u>2,122,500</u>	<u>2,122,500</u>	<u>3,405,998</u>	<u>1,283,498</u>
FUND BALANCE, June 30, 2016	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,530,739</u>	<u>\$ 3,530,739</u>

**BEAVERTON SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2016**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
REVENUES:				
Construction excise tax	\$ 2,420,000	\$ 2,420,000	\$ 3,069,069	\$ 649,069
Rentals	35,000	35,000	32,520	(2,480)
Investment earnings	1,511,000	1,511,000	2,192,642	681,642
Contributions and donations	1,500,000	1,500,000	11,410	(1,488,590)
Recovery of prior years' expenditures	-	-	2,840	2,840
Other	-	-	1,226,798	1,226,798
Total revenues	5,466,000	5,466,000	6,535,279	1,069,279
EXPENDITURES:				
Support services	4,412,162	5,412,162	3,409,809	2,002,353
Facilities acquisition and construction	176,310,603	196,310,603	147,364,486	48,946,117
Contingencies	233,170,397	212,170,397	-	212,170,397
Total expenditures	413,893,162	413,893,162	150,774,295	263,118,867
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(408,427,162)	(408,427,162)	(144,239,016)	264,188,146
OTHER FINANCING SOURCES (USES):				
Sale of or compensation for loss of capital assets	-	-	8,325	8,325
Transfers out	(1,097,838)	(1,097,838)	(1,097,838)	-
TOTAL OTHER FINANCING SOURCES (USES)	(1,097,838)	(1,097,838)	(1,089,513)	8,325
NET CHANGE IN FUND BALANCE	(409,525,000)	(409,525,000)	(145,328,529)	264,196,471
FUND BALANCE, July 1, 2015	409,525,000	409,525,000	410,189,690	664,690
FUND BALANCE, June 30, 2016	\$ -	\$ -	\$ 264,861,161	\$ 264,861,161

GENERAL FUND

These funds account for the accumulation of resources for particular activities or functions from designated sources. Funds included in this category combine into the General Fund in the combined basic financial statements and are:

General Fund - accounts for the basic financial operations of the District.

Pension Fund - accounts for the accumulation of resources to be used for payments to employees who earned supplemental early retirement stipends and post-employment health care benefits. Resources are contributed by the District's General Fund at actuarially determined amounts. These are special revenue funds in control of the District and not held in trust.

Long-Term Planning Fund - accounts for funds for capital equipment replacement and sustainability. Principal resources are transfers from other funds and state grants.



**BEAVERTON SCHOOL DISTRICT
RECONCILIATION OF BUDGETARY TO REPORTING FUNDS
COMBINING BALANCE SHEET
GENERAL FUND
JUNE 30, 2016**

	Budgetary Funds			Total (reported as General Fund)
	General Fund	Pension	Long-Term Planning	
ASSETS				
Equity in pooled cash and investments	\$ 78,367,427	\$ 109,890	\$ 20,746,881	\$ 99,224,198
Cash with fiscal agent	2,034	-	-	2,034
Receivables	3,690,427	-	-	3,690,427
Property taxes receivable	6,349,541	-	-	6,349,541
Due from other funds	1,066,781	-	-	1,066,781
TOTAL ASSETS	\$ 89,476,210	\$ 109,890	\$ 20,746,881	\$ 110,332,981
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 4,012,371	\$ -	\$ 4,353	\$ 4,016,724
Accrued salaries and benefits	34,922,292	-	-	34,922,292
Due to other funds	1,737,224	-	-	1,737,224
Other liabilities	10,549	-	-	10,549
TOTAL LIABILITIES	40,682,436	-	4,353	40,686,789
Deferred Inflows of Resources:				
Property tax revenue	5,814,487	-	-	5,814,487
TOTAL DEFERRED INFLOWS OF RESOURCES	5,814,487	-	-	5,814,487
Fund Balances:				
Committed	-	109,890	20,742,528	20,852,418
Unassigned	42,979,287	-	-	42,979,287
TOTAL FUND BALANCES	42,979,287	109,890	20,742,528	63,831,705
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 89,476,210	\$ 109,890	\$ 20,746,881	\$ 110,332,981



NONMAJOR GOVERNMENTAL FUNDS

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

Student Body Fund – accounts for the receipts, disbursements and cash balances of the various schools' student body activity funds.

Special Purpose Fund – accounts for the District's individual school activity programs. The major sources of revenue are contributions and miscellaneous revenue.

Categorical Fund – accounts for resources reserved for expenditures on classroom supplies and equipment, capital improvements and replacements. Principal revenue source is the State of Oregon facility grant.

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

Nutrition Services Fund – accounts for revenues and expenditures for the food dispensing programs. Principal revenue sources are sales of food and subsidies under the National School Lunch and Breakfast Programs received through the State of Oregon.



**BEAVERTON SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016**

	Special Revenue Funds					Total
	Student Body	Special Purpose	Categorical	Grant	Nutrition Services	
ASSETS						
Equity in pooled cash and investments	\$ 3,379,994	\$ 744,906	\$ 2,647,819	\$ -	\$ 3,458,340	\$ 10,231,059
Receivables	-	237,360	-	3,097,520	716,527	4,051,407
Inventories	-	-	-	-	374,522	374,522
TOTAL ASSETS	\$ 3,379,994	\$ 982,266	\$ 2,647,819	\$ 3,097,520	\$ 4,549,389	\$ 14,656,988
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ 71,474	\$ 17,826	\$ 220,616	\$ 102,956	\$ 412,872
Accrued salaries and benefits	-	67,890	-	1,075,368	709,159	1,852,417
Due to other funds	-	4,168	-	1,141,168	44,567	1,189,903
Unearned revenue	-	-	1,941,402	660,368	87,292	2,689,062
Other liabilities	-	-	-	-	356,550	356,550
TOTAL LIABILITIES	-	143,532	1,959,228	3,097,520	1,300,524	6,500,804
Fund Balances:						
Nonspendable	-	-	-	-	287,230	287,230
Restricted	3,379,994	-	-	-	-	3,379,994
Committed	-	838,734	688,591	-	2,961,635	4,488,960
TOTAL FUND BALANCES	3,379,994	838,734	688,591	-	3,248,865	8,156,184
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,379,994	\$ 982,266	\$ 2,647,819	\$ 3,097,520	\$ 4,549,389	\$ 14,656,988

**BEAVERTON SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016**

	Special Revenue Funds					Total
	Student Body	Special Purpose	Categorical	Grant	Nutrition Services	
REVENUES:						
State and local sources	\$ -	\$ -	\$ 19,422	\$ 1,345,882	\$ 263,666	\$ 1,628,970
Federal sources	-	-	-	14,962,424	8,924,874	23,887,298
Charges for services	-	-	-	-	4,425,669	4,425,669
Rentals	-	-	-	-	1,098	1,098
Investment earnings	-	-	20,605	-	16,292	36,897
Extracurricular activities	5,356,534	-	-	-	-	5,356,534
Contributions and donations	-	1,931,084	119,905	875,384	-	2,926,373
Recovery of prior years' expenditures	-	1,121	-	-	96	1,217
Other	-	666,518	-	-	37	666,555
Total revenues	5,356,534	2,598,723	159,932	17,183,690	13,631,732	38,930,611
EXPENDITURES:						
Instruction	4,843,404	1,690,676	-	11,011,704	-	17,545,784
Support services	-	562,202	14,874	5,896,990	12,199	6,486,265
Enterprise and community services	-	7,277	-	184,190	13,472,973	13,664,440
Facilities, acquisition and construction	-	175,382	87,747	90,806	-	353,935
Total expenditures	4,843,404	2,435,537	102,621	17,183,690	13,485,172	38,050,424
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	513,130	163,186	57,311	-	146,560	880,187
OTHER FINANCING SOURCES (USES):						
Transfers in	-	4,700	-	-	-	4,700
Transfers out	-	-	-	-	(4,700)	(4,700)
TOTAL OTHER FINANCING SOURCES (USES)	-	4,700	-	-	(4,700)	-
NET CHANGE IN FUND BALANCES	513,130	167,886	57,311	-	141,860	880,187
FUND BALANCE, July 1, 2015	2,866,864	670,848	631,280	-	3,107,005	7,275,997
FUND BALANCE, June 30, 2016	\$ 3,379,994	\$ 838,734	\$ 688,591	\$ -	\$ 3,248,865	\$ 8,156,184

**BEAVERTON SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
STUDENT BODY FUND
YEAR ENDED JUNE 30, 2016**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
REVENUES:				
Extracurricular activities	\$ 8,700,000	\$ 8,700,000	\$ 5,356,534	\$ (3,343,466)
Total revenues	<u>8,700,000</u>	<u>8,700,000</u>	<u>5,356,534</u>	<u>(3,343,466)</u>
EXPENDITURES:				
Instruction	<u>10,700,000</u>	<u>10,700,000</u>	<u>4,843,404</u>	<u>5,856,596</u>
Total expenditures	<u>10,700,000</u>	<u>10,700,000</u>	<u>4,843,404</u>	<u>5,856,596</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>513,130</u>	<u>2,513,130</u>
NET CHANGE IN FUND BALANCE	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>513,130</u>	<u>2,513,130</u>
FUND BALANCE, July 1, 2015	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,866,864</u>	<u>866,864</u>
FUND BALANCE, June 30, 2016	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,379,994</u></u>	<u><u>\$ 3,379,994</u></u>

**BEAVERTON SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
SPECIAL PURPOSE FUND
YEAR ENDED JUNE 30, 2016**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
REVENUES:				
Contributions and donations	\$ 2,325,493	\$ 2,325,493	\$ 1,931,084	\$ (394,409)
Recovery of prior years' expenditures	-	-	1,121	1,121
Other	2,200,000	2,200,000	666,518	(1,533,482)
Total revenues	4,525,493	4,525,493	2,598,723	(1,926,770)
EXPENDITURES:				
Instruction	2,666,415	2,666,415	1,690,676	975,739
Support services	774,078	774,078	562,202	211,876
Enterprise and community services	195,000	195,000	7,277	187,723
Facilities acquisition and construction	1,500,000	1,500,000	175,382	1,324,618
Total expenditures	5,135,493	5,135,493	2,435,537	2,699,956
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(610,000)	(610,000)	163,186	773,186
OTHER FINANCING SOURCES (USES):				
Transfers in	60,000	60,000	4,700	(55,300)
TOTAL OTHER FINANCING SOURCES (USES)	60,000	60,000	4,700	(55,300)
NET CHANGE IN FUND BALANCE	(550,000)	(550,000)	167,886	717,886
FUND BALANCE, July 1, 2015	550,000	550,000	670,848	120,848
FUND BALANCE, June 30, 2016	\$ -	\$ -	\$ 838,734	\$ 838,734

**BEAVERTON SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
CATEGORICAL FUND
YEAR ENDED JUNE 30, 2016**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
REVENUES:				
State and local sources	\$ -	\$ -	\$ 19,422	\$ 19,422
Investment earnings	25,000	25,000	20,605	(4,395)
Contributions and donations	400,000	400,000	119,905	(280,095)
Total revenues	<u>425,000</u>	<u>425,000</u>	<u>159,932</u>	<u>(265,068)</u>
EXPENDITURES:				
Support services	125,000	125,000	14,874	110,126
Facilities acquisition and construction	1,000,000	1,000,000	87,747	912,253
Total expenditures	<u>1,125,000</u>	<u>1,125,000</u>	<u>102,621</u>	<u>1,022,379</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(700,000)</u>	<u>(700,000)</u>	<u>57,311</u>	<u>757,311</u>
NET CHANGE IN FUND BALANCE	(700,000)	(700,000)	57,311	757,311
FUND BALANCE, July 1, 2015	<u>700,000</u>	<u>700,000</u>	<u>631,280</u>	<u>(68,720)</u>
FUND BALANCE, June 30, 2016	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 688,591</u>	<u>\$ 688,591</u>

**BEAVERTON SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
GRANT FUND
YEAR ENDED JUNE 30, 2016**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
REVENUES:				
State and local sources	\$ 949,436	\$ 949,436	\$ 1,345,882	\$ 396,446
Federal sources	24,592,724	24,592,724	14,962,424	(9,630,300)
Contributions and donations	1,111,374	1,111,374	875,384	(235,990)
Total revenues	<u>26,653,534</u>	<u>26,653,534</u>	<u>17,183,690</u>	<u>(9,469,844)</u>
EXPENDITURES:				
Instruction	15,031,824	15,031,824	11,011,704	4,020,120
Support services	10,807,009	10,807,009	5,896,990	4,910,019
Enterprise and community services	314,701	314,701	184,190	130,511
Facilities acquisition and construction	500,000	500,000	90,806	409,194
Total expenditures	<u>26,653,534</u>	<u>26,653,534</u>	<u>17,183,690</u>	<u>9,469,844</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, July 1, 2015	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, June 30, 2016	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**BEAVERTON SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
NUTRITION SERVICES FUND
YEAR ENDED JUNE 30, 2016**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
REVENUES:				
State and local sources	\$ 219,867	\$ 219,867	\$ 263,666	\$ 43,799
Federal sources	9,922,865	9,922,865	8,924,874	(997,991)
Charges for services	5,804,279	5,804,279	4,425,669	(1,378,610)
Rentals	-	-	1,098	1,098
Investment earnings	27,685	27,685	16,292	(11,393)
Recovery of prior years' expenditures	-	-	96	96
Other	-	-	37	37
Total revenues	<u>15,974,696</u>	<u>15,974,696</u>	<u>13,631,732</u>	<u>(2,342,964)</u>
EXPENDITURES:				
Support services	12,866	12,866	12,199	667
Enterprise and community services	16,754,165	16,754,165	13,472,973	3,281,192
Contingencies	2,526,069	2,526,069	-	2,526,069
Total expenditures	<u>19,293,100</u>	<u>19,293,100</u>	<u>13,485,172</u>	<u>5,807,928</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,318,404)</u>	<u>(3,318,404)</u>	<u>146,560</u>	<u>3,464,964</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(60,000)</u>	<u>(60,000)</u>	<u>(4,700)</u>	<u>55,300</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(60,000)</u>	<u>(60,000)</u>	<u>(4,700)</u>	<u>55,300</u>
NET CHANGE IN FUND BALANCE	<u>(3,378,404)</u>	<u>(3,378,404)</u>	<u>141,860</u>	<u>3,520,264</u>
FUND BALANCE, July 1, 2015	<u>3,378,404</u>	<u>3,378,404</u>	<u>3,107,005</u>	<u>(271,399)</u>
FUND BALANCE, June 30, 2016	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,248,865</u>	<u>\$ 3,248,865</u>



INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one District department to other District departments, on a cost reimbursement basis. Included are:

Insurance Reserve Fund - accounts for costs incurred by the District under its self-insurance programs, except workers' compensation, up to insurance policy deductible limits.

Workers' Compensation Fund - accounts for workers' compensation claims relating to on-the-job injuries up to insurance policy deductible limits.



**BEAVERTON SCHOOL DISTRICT
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 JUNE 30, 2016**

	<u>Insurance Reserve</u>	<u>Workers' Compensation</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 5,252,985	\$ 3,898,478	\$ 9,151,463
Receivables	455	28,043	28,498
Due from other funds	123,081	182,665	305,746
TOTAL ASSETS	<u>5,376,521</u>	<u>4,109,186</u>	<u>9,485,707</u>
LIABILITIES			
Current liabilities:			
Accounts payable	59,812	46,813	106,625
Accrued claims losses	763,000	1,757,000	2,520,000
Accrued salaries and benefits	62	16,494	16,556
Due to other funds	1	928	929
TOTAL LIABILITIES	<u>822,875</u>	<u>1,821,235</u>	<u>2,644,110</u>
NET POSITION			
Unrestricted	<u>4,553,646</u>	<u>2,287,951</u>	<u>6,841,597</u>
TOTAL NET POSITION	<u>\$ 4,553,646</u>	<u>\$ 2,287,951</u>	<u>\$ 6,841,597</u>

**BEAVERTON SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2016**

	Insurance Reserve	Workers' Compensation	Total
OPERATING REVENUES:			
State and local sources	\$ -	\$ 20,380	\$ 20,380
Services to other funds	1,755,063	2,415,055	4,170,118
Recovery of prior years' expenditures	5,402	114,224	119,626
Other	53,477	-	53,477
TOTAL OPERATING REVENUES	1,813,942	2,549,659	4,363,601
OPERATING EXPENSES:			
Losses and claims	593,810	1,301,733	1,895,543
Insurance premiums and assessments	1,701,419	94,360	1,795,779
Salaries and benefits	560,441	313,058	873,499
Services, supplies and materials	277,368	124,256	401,624
TOTAL OPERATING EXPENSES	3,133,038	1,833,407	4,966,445
OPERATING INCOME (LOSS)	(1,319,096)	716,252	(602,844)
NONOPERATING REVENUE:			
Investment earnings	23,610	21,246	44,856
INCOME (LOSS) BEFORE TRANSFERS	(1,295,486)	737,498	(557,988)
TRANSFERS:			
Transfers in	1,735,000	-	1,735,000
CHANGE IN NET POSITION	439,514	737,498	1,177,012
NET POSITION, July 1, 2015	4,114,132	1,550,453	5,664,585
NET POSITION, June 30, 2016	\$ 4,553,646	\$ 2,287,951	\$ 6,841,597

**BEAVERTON SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2016**

	Insurance Reserve	Workers' Compensation	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Received for services	\$ -	\$ 20,380	\$ 20,380
Received from interfund services provided	1,913,222	2,366,846	4,280,068
Received from recovery of prior years' expenditures	5,402	114,224	119,626
Paid for goods and services	(2,000,466)	(230,068)	(2,230,534)
Paid to claimants	(594,242)	(1,299,173)	(1,893,415)
Paid to employees	(333,441)	37,942	(295,499)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(1,009,525)	1,010,151	626
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfer from other funds	1,735,000	-	1,735,000
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	23,610	21,246	44,856
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	749,085	1,031,397	1,780,482
CASH AND CASH EQUIVALENTS, July 1, 2015	4,503,900	2,867,081	7,370,981
CASH AND CASH EQUIVALENTS, June 30, 2016	\$ 5,252,985	\$ 3,898,478	\$ 9,151,463
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (1,319,096)	\$ 716,252	\$ (602,844)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Changes in assets and liabilities			
Receivables	116,539	(28,043)	88,496
Due from other funds	(11,816)	(20,700)	(32,516)
Accounts payable	(21,679)	(11,452)	(33,131)
Accrued claims losses	227,000	351,000	578,000
Accrued salaries and benefits	(432)	2,560	2,128
Due to other funds	(41)	534	493
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (1,009,525)	\$ 1,010,151	\$ 626

**BEAVERTON SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
INSURANCE RESERVE FUND
YEAR ENDED JUNE 30, 2016**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
REVENUES:				
Investment earnings	\$ 10,000	\$ 10,000	\$ 23,610	\$ 13,610
Services to other funds	1,692,702	1,692,702	1,755,063	62,361
Recovery of prior years' expenditures	100,000	100,000	5,402	(94,598)
Other	35,000	35,000	53,477	18,477
Total revenues	1,837,702	1,837,702	1,837,552	(150)
EXPENDITURES:				
Support services	4,789,525	4,789,525	3,133,038	1,656,487
Facilities acquisition and construction	260,308	260,308	-	260,308
Contingencies	522,869	522,869	-	522,869
Total expenditures	5,572,702	5,572,702	3,133,038	2,439,664
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,735,000)	(3,735,000)	(1,295,486)	2,439,514
OTHER FINANCING SOURCES (USES):				
Transfers in	1,735,000	1,735,000	1,735,000	-
TOTAL OTHER FINANCING SOURCES (USES)	1,735,000	1,735,000	1,735,000	-
NET CHANGE IN FUND BALANCE	(2,000,000)	(2,000,000)	439,514	2,439,514
FUND BALANCE, July 1, 2015	2,000,000	2,000,000	4,114,132	2,114,132
FUND BALANCE, June 30, 2016	\$ -	\$ -	\$ 4,553,646	\$ 4,553,646

**BEAVERTON SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
WORKERS' COMPENSATION FUND
YEAR ENDED JUNE 30, 2016**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
REVENUES:				
State and local sources	\$ -	\$ -	\$ 20,380	\$ 20,380
Investment earnings	5,000	5,000	21,246	16,246
Services to other funds	2,371,692	2,371,692	2,415,055	43,363
Recovery of prior years' expenditures	100,000	100,000	114,224	14,224
Other	5,000	5,000	-	(5,000)
Total revenues	2,481,692	2,481,692	2,570,905	89,213
EXPENDITURES:				
Support services	2,135,063	2,135,063	1,833,407	301,656
Contingencies	846,629	846,629	-	846,629
Total expenditures	2,981,692	2,981,692	1,833,407	1,148,285
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(500,000)	(500,000)	737,498	1,237,498
NET CHANGE IN FUND BALANCE	(500,000)	(500,000)	737,498	1,237,498
FUND BALANCE, July 1, 2015	500,000	500,000	1,550,453	1,050,453
FUND BALANCE, June 30, 2016	\$ -	\$ -	\$ 2,287,951	\$ 2,287,951



FIDUCIARY FUND

This fund accounts for the District's scholarship program provided by bequests and donations. Included is:

Private Purpose Trust Fund - accounts for fund-raising and scholarship resources received and held by the District in a fiduciary capacity. Disbursements from this fund are made in accordance with the trust and fund-raising agreements.



**BEAVERTON SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL
PRIVATE PURPOSE TRUST FUND
YEAR ENDED JUNE 30, 2016**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
REVENUES:				
Investment earnings	\$ -	\$ -	\$ 1,449	\$ 1,449
Contributions and donations	100,000	100,000	100,720	720
Total revenues	100,000	100,000	102,169	2,169
EXPENDITURES:				
Enterprise and community services	400,000	400,000	49,691	350,309
Total expenditures	400,000	400,000	49,691	350,309
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(300,000)	(300,000)	52,478	352,478
NET CHANGE IN FUND BALANCE	(300,000)	(300,000)	52,478	352,478
FUND BALANCE, July 1, 2015	300,000	300,000	260,336	(39,664)
FUND BALANCE, June 30, 2016	\$ -	\$ -	\$ 312,814	\$ 312,814
RECONCILIATION TO GAAP BASIS:				
FUND BALANCE, June 30, 2016			\$ 312,814	
Scholarships payable			(43,000)	
NET POSITION, June 30, 2016			\$ 269,814	



OTHER FINANCIAL SCHEDULES



**BEAVERTON SCHOOL DISTRICT
REVENUE SUMMARY - ALL FUNDS
YEAR ENDED JUNE 30, 2016**

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 600	Fund 700	Total
Local Sources							
1111 Current year taxes	\$ 118,150,334	\$ -	\$ 50,893,791	\$ -	\$ -	\$ -	\$ 169,044,125
1112 Prior year taxes	1,342,583	-	597,634	-	-	-	1,940,217
1114 Payments in lieu of property taxes	31,703	-	11,425	-	-	-	43,128
1121 Current year local option levy	26,012,392	-	-	-	-	-	26,012,392
1122 Prior year local option levy	180,108	-	-	-	-	-	180,108
1130 Construction excise tax	-	-	-	3,069,069	-	-	3,069,069
1410 Fees - transportation	228,447	-	-	-	-	-	228,447
1500 Earnings on investments	764,387	49,481	147,270	2,192,642	44,856	1,449	3,200,085
1600 Food service sales	-	4,425,669	-	-	-	-	4,425,669
1710 Admissions	183,296	-	-	-	-	-	183,296
1740 Fees - district events	1,424,461	-	-	-	-	-	1,424,461
1760 Fund raising	-	478,250	-	-	-	-	478,250
1790 Extracurricular activities	-	5,356,534	-	-	-	-	5,356,534
1910 Rentals	599,906	1,098	-	32,520	-	-	633,524
1920 Contributions	16,716	2,926,373	-	11,410	-	100,721	3,055,220
1960 Recovery of prior years' expenditures	60,030	1,217	-	2,840	119,625	-	183,712
1970 Services to other funds	-	-	20,272,819	-	4,170,118	-	24,442,937
1980 Fees charged to grants	558,484	-	-	-	-	-	558,484
1990 Miscellaneous	306,125	188,304	-	1,226,798	53,477	-	1,774,704
1994 Third party billing	278,094	-	-	-	-	-	278,094
1995 Proceeds from the sale of capital assets	6,925	-	-	-	-	-	6,925
Total local sources	150,143,991	13,426,926	71,922,939	6,535,279	4,388,076	102,170	246,519,381
Intermediate Sources							
2101 County school fund	907,487	-	-	-	-	-	907,487
2102 ESD apportionment	9,393,895	-	-	-	-	-	9,393,895
2200 Restricted revenue	-	152,348	-	-	-	-	152,348
2910 Strategic investment program	-	1,254	-	-	-	-	1,254
Total intermediate sources	10,301,382	153,602	-	-	-	-	10,454,984
State Sources							
3101 State school fund	228,865,870	-	-	-	-	-	228,865,870
3102 State school fund match	-	124,100	-	-	-	-	124,100
3103 Common school fund	4,691,786	-	-	-	-	-	4,691,786
3199 Other unrestricted grants-in-aid	2,540,922	19,422	-	-	20,380	-	2,580,724
3299 Other restricted grants-in-aid	-	1,331,846	-	-	-	-	1,331,846
Total state sources	236,098,578	1,475,368	-	-	20,380	-	237,594,326

**BEAVERTON SCHOOL DISTRICT
REVENUE SUMMARY - ALL FUNDS (Continued)
YEAR ENDED JUNE 30, 2016**

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 600	Fund 700	Total
Federal Sources							
4300 Restricted direct from federal	\$ -	\$ 259,439	\$ -	\$ -	\$ -	\$ -	\$ 259,439
4500 Restricted through state	-	22,668,549	-	-	-	-	22,668,549
4700 Federal grants	-	64,650	-	-	-	-	64,650
4910 Commodities	-	894,660	-	-	-	-	894,660
Total federal sources	-	23,887,298	-	-	-	-	23,887,298
Other Sources							
5110 Proceeds from the sale of bonds	-	-	16,260,000	-	-	-	16,260,000
5120 Proceeds from bond premium	-	-	1,766,329	-	-	-	1,766,329
5200 Transfers in	-	20,336,485	1,666,424	-	1,735,000	-	23,737,909
5300 Sale/compensation for loss of capital assets	-	-	-	8,325	-	-	8,325
Total other sources	-	20,336,485	19,692,753	8,325	1,735,000	-	41,772,563
TOTAL REVENUES	\$ 396,543,951	\$ 59,279,679	\$ 91,615,692	\$ 6,543,604	\$ 6,143,456	\$ 102,170	\$ 560,228,552

BEAVERTON SCHOOL DISTRICT
GENERAL FUND (100) EXPENDITURE SUMMARY
YEAR ENDED JUNE 30, 2016

Instruction	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	Total
1110 Elementary programs	\$ 61,745,227	\$ 31,647,305	\$ 304,266	\$ 4,952,691	\$ -	\$ 2,699	\$ -	\$ 98,652,188
1120 Middle school programs	26,414,065	13,087,812	102,109	803,913	-	2,782	-	40,410,681
1130 High school programs	36,318,704	17,354,182	1,078,349	1,537,955	10,237	56,424	-	56,355,851
1210 Talented and gifted programs	206,432	59,797	4,127	100,159	-	6,227	-	376,742
1220 Restrictive programs	10,751,890	7,670,819	877,098	55,130	-	-	-	19,354,937
1250 Resource rooms	6,943,378	3,408,960	44	25,047	-	-	-	10,377,429
1280 Alternative education	1,746,151	914,900	3,909,245	306,494	-	1,994	-	6,878,784
1290 Designated programs	13,522,854	6,817,809	785,133	384,017	-	138,216	-	21,648,029
1410 Summer school - elementary school	15,747	5,156	7,057	6,099	-	-	-	34,059
1420 Summer school - middle school	64,396	18,192	23,870	4,201	-	-	-	110,659
1430 Summer school - high school	297,616	83,133	16,937	7,477	-	-	-	405,163
1460 Summer school programs	163,568	42,976	13,042	13,389	-	-	-	232,975
1490 Other summer school	-	-	24,458	1,035	-	-	-	25,493
Total instruction	158,190,028	81,111,041	7,145,735	8,197,607	10,237	208,342	-	254,862,990
Support services								
2110 Attendance and social work services	1,785,147	1,364,537	103,202	64,968	-	749	-	3,318,603
2120 Guidance services	7,679,417	4,072,219	170,001	65,190	-	185	-	11,987,012
2130 Health services	1,235,992	695,163	18,299	27,199	14,000	-	-	1,990,653
2140 Psychological services	2,246,040	1,061,949	5,609	25,688	-	-	-	3,339,286
2150 Speech pathology and audiology services	2,645,639	1,295,965	1,628	14,813	-	2,925	-	3,960,970
2190 Service direction - student support services	2,177,300	1,028,702	263,115	247,090	-	81,598	-	3,797,805
2210 Improvement of instruction services	1,666,893	753,097	72,293	69,589	-	78,958	-	2,640,830
2220 Educational media services	3,191,504	2,008,243	31,237	613,358	-	688	-	5,845,030
2230 Assessment and testing	269,495	217,483	4,112	409,173	-	-	-	900,263
2240 Instructional staff development	2,097,538	1,385,125	661,082	148,678	-	48,082	-	4,340,505
2310 Board of education services	-	-	145,406	8,892	-	19,924	-	174,222
2320 Executive administration services	938,364	441,878	164,016	32,808	-	29,482	-	1,606,548
2410 Office of the principal services	15,583,590	8,795,705	81,254	279,190	39,339	15,290	-	24,794,368
2490 Other support services - school administration	1,666,066	824,577	87,919	208,002	-	4,106	-	2,790,670
2510 Direction of business support services	190,537	99,315	18,735	13,645	-	1,069	-	323,301
2520 Fiscal services	1,022,296	539,342	107,316	17,609	10,587	9,850	-	1,707,000
2540 Operation and maintenance of plant services	10,427,414	6,420,810	8,199,064	1,659,646	227,401	13,616	-	26,947,951
2550 Student transportation services	7,935,589	6,198,949	350,957	1,422,468	-	3,900	-	15,911,863
2570 Internal services	393,802	238,378	673,522	78,840	3,757	1,240	-	1,389,539
2620 Planning and development services	279,513	135,359	60,833	15,757	-	-	-	491,462
2630 Information services	404,079	221,554	78,992	24,690	-	2,538	-	731,853
2640 Staff services	1,654,931	768,835	199,883	116,783	-	6,770	-	2,747,202
2660 Technology services	4,123,065	2,146,974	1,353,667	2,057,842	44,509	2,041	-	9,728,098
Total support services	69,614,211	40,714,159	12,852,142	7,621,918	339,593	323,011	-	131,465,034

**BEAVERTON SCHOOL DISTRICT
GENERAL FUND (100) EXPENDITURE SUMMARY (Continued)
YEAR ENDED JUNE 30, 2016**

	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	Total
Other uses								
5200 Transfers of funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,635,371	\$ 22,635,371
Total other uses	-	-	-	-	-	-	22,635,371	22,635,371
TOTAL EXPENDITURES	<u>\$ 227,804,239</u>	<u>\$ 121,825,200</u>	<u>\$ 19,997,877</u>	<u>\$ 15,819,525</u>	<u>\$ 349,830</u>	<u>\$ 531,353</u>	<u>\$ 22,635,371</u>	<u>\$ 408,963,395</u>

BEAVERTON SCHOOL DISTRICT
SPECIAL REVENUE FUNDS (200) EXPENDITURE SUMMARY
YEAR ENDED JUNE 30, 2016

Instruction	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	Total
1110 Elementary programs	\$ 51,326	\$ 11,140	\$ 215,752	\$ 1,118,297	\$ 16,493	\$ 209	\$ -	\$ 1,413,217
1120 Middle school programs	68,712	14,277	111,523	878,099	-	62	-	1,072,673
1130 High school programs	280,420	42,629	371,846	3,605,413	16,944	3,842	-	4,321,094
1220 Restrictive programs	1,931,649	1,107,814	898,499	20,576	-	-	-	3,958,538
1250 Resource rooms	671,120	337,779	-	-	-	-	-	1,008,899
1270 Educationally disadvantaged	2,613,308	1,525,187	286,399	353,575	-	237	-	4,778,706
1280 Alternative education	1,516	343	9,671	25,513	-	110	-	37,153
1290 Designated programs	168,645	79,811	199,019	163,625	22,286	4,636	-	638,022
1410 Summer school - elementary school	63,472	17,694	-	-	-	-	-	81,166
1490 Other summer school	148,946	39,945	25,219	22,206	-	-	-	236,316
Total instruction	5,999,114	3,176,619	2,117,928	6,187,304	55,723	9,096	-	17,545,784
Support services	253,121	142,269	96,844	10,044	-	-	-	502,278
2110 Attendance and social work services	595	87	75	21	-	-	-	778
2120 Guidance services	6,156	5,844	-	-	-	-	-	12,000
2130 Health services	26,527	15,511	-	-	-	-	-	42,038
2140 Psychological services	870,284	457,763	-	-	-	-	-	1,328,047
2150 Speech pathology and audiology services	369,989	164,192	241,699	35,143	-	-	-	811,023
2190 Service direction - student support services	450,957	162,677	371,164	13,005	-	-	-	997,803
2210 Improvement of instruction services	1,276	362	10,737	152,120	-	-	-	164,495
2220 Educational media services	-	-	-	29,919	-	-	-	29,919
2230 Assessment and testing	702,450	295,048	565,341	120,247	-	58,632	-	1,741,718
2240 Instructional staff development	216	19	2,675	6,492	4,000	198	-	13,600
2410 Office of the principal services	8,421	3,778	-	-	-	558,484	-	570,683
2520 Fiscal services	-	-	16,476	7,943	-	-	-	24,419
2540 Operation and maintenance of plant services	-	-	4,813	-	901,560	-	-	906,373
2550 Student transportation services	-	-	149,977	717	223	-	-	150,917
2570 Internal services	-	-	-	10,336	-	-	-	10,336
2630 Information services	127,824	61,194	-	-	-	-	-	189,018
2640 Staff services	-	-	38,423	5,364	-	-	-	43,787
2660 Technology services	-	-	-	-	-	-	-	-
2700 Supplemental retirement program	-	38,011	-	-	-	-	-	38,011
Total support services	2,817,816	1,346,755	1,498,224	391,351	905,783	617,314	-	7,577,243

**BEAVERTON SCHOOL DISTRICT
SPECIAL REVENUE FUNDS (200) EXPENDITURE SUMMARY (Continued)
YEAR ENDED JUNE 30, 2016**

	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	Total
Enterprise and community services								
3110 Service area direction	\$ 871,485	\$ 473,215	\$ 23,238	\$ 911,518	\$ -	\$ 1,287	\$ -	\$ 2,280,743
3120 Food preparation and dispensing services	3,150,218	2,407,643	83,909	5,432,794	2,306	170	-	11,077,040
3140 Food services - summer school	121,243	33,179	10,175	131,142	-	-	-	295,739
3360 Welfare activities services	2,484	531	-	-	-	-	-	3,015
3390 Other community services	707	164	6,015	915	-	100	-	7,901
Total enterprise and community services	4,146,137	2,914,732	123,337	6,476,369	2,306	1,557	-	13,664,438
Facilities acquisition and construction								
4150 Building acquisition, construction and improvement services	-	-	95,579	25,122	233,235	-	-	353,936
Total facilities acquisition and construction	-	-	95,579	25,122	233,235	-	-	353,936
Other uses								
5200 Transfers of funds	-	-	-	-	-	-	4,700	4,700
Total other uses	-	-	-	-	-	-	4,700	4,700
TOTAL EXPENDITURES	\$ 12,963,067	\$ 7,438,106	\$ 3,835,068	\$ 13,080,146	\$ 1,197,047	\$ 627,967	\$ 4,700	\$ 39,146,101

BEAVERTON SCHOOL DISTRICT
 DEBT SERVICE FUND (300) EXPENDITURE SUMMARY
 YEAR ENDED JUNE 30, 2016

	Object 300	Object 600	Total
Other uses			
5110 Debt Service	\$ 158,054	\$ 91,332,897	\$ 91,490,951
Total other uses	158,054	91,332,897	91,490,951
TOTAL EXPENDITURES	\$ 158,054	\$ 91,332,897	\$ 91,490,951

**BEAVERTON SCHOOL DISTRICT
CAPITAL PROJECTS FUND (400) EXPENDITURE SUMMARY
YEAR ENDED JUNE 30, 2016**

	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	Total
Support services								
2550 Student transportation services	\$ -	\$ -	\$ 5,221	\$ 5,894	\$ 3,372,310	\$ -	\$ -	\$ 3,383,425
2620 Planning and development services	18,513	7,871	-	-	-	-	-	26,384
Total support services	18,513	7,871	5,221	5,894	3,372,310	-	-	3,409,809
Facilities acquisition and construction								
4110 Service area direction	2,426,910	1,121,636	67,430	95,790	-	4,384,419	-	8,096,185
4150 Building acquisition, construction and improvement services	-	-	13,064,466	934,108	102,243,032	5,236,098	-	121,477,704
4180 Other capital items	7,498	17,289	771,176	15,028,726	1,965,158	750	-	17,790,597
Total facilities acquisition and construction	2,434,408	1,138,925	13,903,072	16,058,624	104,208,190	9,621,267	-	147,364,486
Other uses								
5200 Transfers of funds	-	-	-	-	-	-	1,097,838	1,097,838
Total other uses	-	-	-	-	-	-	1,097,838	1,097,838
TOTAL EXPENDITURES	\$ 2,452,921	\$ 1,146,796	\$ 13,908,293	\$ 16,064,518	\$ 107,580,500	\$ 9,621,267	\$ 1,097,838	\$ 151,872,133

**BEAVERTON SCHOOL DISTRICT
INTERNAL SERVICE FUND (600) EXPENDITURE SUMMARY
YEAR ENDED JUNE 30, 2016**

	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Total
Support services							
2320 Executive administration services	\$ 55,951	\$ 20,269	\$ 45,622	\$ -	-	\$ -	\$ 121,842
2410 Office of the principal services	-	-	-	150	-	-	150
2640 Staff services	153,078	85,740	53,407	-	-	-	292,225
2690 Other support services	384,260	174,200	218,867	81,479	2,100	3,691,322	4,552,228
Total support services	593,289	280,209	317,896	81,629	2,100	3,691,322	4,966,445
TOTAL EXPENDITURES	\$ 593,289	\$ 280,209	\$ 317,896	\$ 81,629	\$ 2,100	\$ 3,691,322	\$ 4,966,445

BEAVERTON SCHOOL DISTRICT
 FIDUCIARY FUND (700) EXPENDITURE SUMMARY (NON-GAAP BASIS)
 YEAR ENDED JUNE 30, 2016

	Object 300	Object 400	Total
Enterprise and community services			
3390 Other community services	\$ 33,500	\$ 16,191	\$ 49,691
Total enterprise and community services	33,500	16,191	49,691
TOTAL EXPENDITURES	\$ 33,500	\$ 16,191	\$ 49,691

**BEAVERTON SCHOOL DISTRICT
 SUPPLEMENTAL INFORMATION AS REQUIRED
 BY THE OREGON DEPARTMENT OF EDUCATION
 YEAR ENDED JUNE 30, 2016**

A Energy Bill for Heating - All Funds:
 Please enter your expenditures for electricity
 & heating fuel for these Functions & Objects.

	Objects 325 & 326
Function 2540	\$ 4,252,885
Function 2550	-

B Replacement of Equipment - General Fund:

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

Exclude these functions:

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

Exclude these functions:

2550 Pupil Transportation
 3100 Food Service
 3300 Community Services
 4150 Construction

\$ 118,661

**BEAVERTON SCHOOL DISTRICT
SUPPLEMENTAL INFORMATION AS REQUIRED
BY BOND DISCLOSURE AGREEMENTS
GENERAL FUND ADOPTED BUDGETS
FOR FISCAL YEARS 2015-16 AND 2016-17**

	Fiscal Years	
	2015-16	2016-17
<u>Resources</u>		
Local Sources	\$ 148,535,615	\$ 157,547,000
Intermediate Sources	14,479,000	8,360,904
State Sources	226,180,983	247,717,113
Miscellaneous	55,000,000	41,228,876
Total Resources	<u>\$ 444,195,598</u>	<u>\$ 454,853,893</u>
<u>Expenditures</u>		
Salaries	\$ 229,348,107	\$ 248,588,379
Associated Payroll Costs	125,471,784	136,273,507
Purchased Services	21,483,636	22,997,269
Supplies and Materials	22,232,705	19,260,409
Capital Outlay	238,213	231,595
Other Objects	508,146	549,342
Transfers	22,758,589	4,210,694
Other Uses of Funds	22,154,418	22,742,698
Total Expenditures	<u>\$ 444,195,598</u>	<u>\$ 454,853,893</u>

STATISTICAL SECTION



WE
INNOVATE



Statistical Section

STATISTICAL SECTION OVERVIEW

This section provides further details as a context for a better understanding of the financial statements.

<u>Contents</u>	<u>Page</u>
<i>Financial Trends</i> These schedules contain trend information to help the reader understand how financial performance has changed over time.	123
<i>Revenue Capacity</i> These schedules contain information to help the reader assess the Beaverton School District's most significant local revenue sources, state school fund and property taxes.	130
<i>Debt Capacity</i> These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the ability to issue additional debt in the future.	134
<i>Demographic and Economic Information</i> These schedules offer demographic and economic indicators to help the reader understand the environment within which the School District's financial activities take place.	137
<i>Operating Information</i> These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	139

Sources: The information in these schedules is derived from the comprehensive annual financial reports for fiscal years ended June 30, 2007-16, unless otherwise noted. Beaverton School District implemented GASB Statement 44 in fiscal year 2006 and implemented GASB Statement 63 in Fiscal Year 2013.



BEAVERTON SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental activities										
Net investment in capital assets	\$ 262,579,965	\$ 263,555,013	\$ 251,817,765	\$ 218,858,636	\$ 210,353,998	\$ 188,502,503	\$ 168,112,175	\$ 152,810,342	\$ 129,859,453	\$ 113,625,361
Restricted	5,261,017	4,930,638	5,266,089	5,322,870	6,435,958	5,433,174	7,007,695	2,403,428	5,934,773	5,877,081
Unrestricted	(215,261,216)	(119,174,972)	1,484,312	(20,953,952)	(12,888,743)	5,544,039	17,131,784	15,908,625	23,913,941	39,758,965
Total primary government net position	\$ 52,579,766	\$ 149,310,679	\$ 258,568,166	\$ 203,227,554	\$ 203,901,213	\$ 199,479,716	\$ 192,251,654	\$ 171,122,395	\$ 159,708,167	\$ 159,261,407

Note: Fiscal year 2013 net position was restated due to GASB 65.

BEAVERTON SCHOOL DISTRICT
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenses										
Governmental activities:										
Regular programs	\$ 278,194,402	\$ 151,695,546	\$ 171,453,815	\$ 155,558,206	\$ 165,967,152	\$ 155,823,545	\$ 147,327,559	\$ 140,652,507	\$ 139,998,945	\$ 131,244,534
Special programs	85,436,319	52,710,940	62,155,870	61,313,169	58,727,067	58,135,083	55,074,926	52,117,226	53,781,655	46,411,445
Summer school programs	1,446,450	823,881	746,800	361,380	424,405	462,055	321,879	779,413	705,112	449,093
Students support services	39,284,776	21,318,056	25,864,345	24,276,743	25,290,719	24,318,965	23,424,865	22,610,312	22,499,120	19,532,229
Instructional staff support	20,225,200	10,122,238	10,435,278	9,523,879	14,046,573	16,324,138	15,908,765	20,347,527	19,634,716	19,224,287
General administration support	2,325,564	1,453,617	1,560,440	1,452,533	1,453,474	1,527,173	1,563,192	1,832,985	1,424,567	1,368,558
School administration	34,893,849	19,465,092	24,474,041	23,328,668	22,895,754	22,373,286	22,098,423	23,114,665	23,208,163	21,364,187
Business support services	55,384,931	41,631,222	46,057,995	44,054,090	43,878,022	44,761,271	45,919,247	45,243,492	44,903,541	39,716,079
Central activities support	22,841,783	13,373,047	16,829,201	15,898,939	15,304,425	16,137,172	14,583,749	14,509,009	14,976,455	12,136,465
Supplemental retirement	38,011	100,893	796,395	1,364,077	712,529	85,307	82,494	179,037	-	487,566
Nutrition services	15,413,542	11,736,797	12,763,646	12,801,512	12,620,976	12,590,877	12,178,818	11,898,361	11,984,452	10,878,879
Community services	12,273	47,469	138,592	128,385	67,660	140,908	120,909	130,491	112,324	106,333
Custody and care of children services	-	-	-	-	37,544	37,083	90,857	86,772	87,337	80,725
Facilities Services	-	-	-	-	-	1,332,465	1,100,757	585,880	-	-
Interest on long-term debt	36,159,370	34,413,599	16,163,540	35,719,584	24,764,671	24,552,195	26,185,245	24,991,499	25,316,093	22,701,185
Total primary government expenses	591,656,470	358,892,397	389,439,958	385,781,165	386,190,971	378,601,523	365,981,685	359,079,176	358,632,480	325,701,565
Program Revenues										
Governmental activities:										
Charges for services										
Instruction	6,964,291	10,217,286	10,098,793	10,003,939	9,571,654	9,341,231	8,222,022	1,014,574	1,108,135	1,361,346
Support services	860,873	877,606	904,645	878,076	821,016	841,385	1,405,269	1,791,522	1,083,008	624,570
Enterprise and community services	4,426,767	4,190,202	4,137,738	4,335,594	4,690,877	4,736,978	4,894,440	5,054,123	5,332,832	5,159,982
Operating grants and contributions	28,805,495	28,314,126	29,592,463	26,430,911	28,815,557	45,694,904	41,722,109	30,898,351	22,888,821	20,058,967
Capital grants and contributions	1,226,334	-	-	-	-	560,751	1,384,570	5,933,674	993,093	3,085,597
Total primary government program revenues	42,283,760	43,599,220	44,733,639	41,648,520	43,899,104	61,175,249	57,628,410	44,692,244	31,405,889	30,290,462
Net (Expense)/Revenue										
Total primary government net expense	\$ (549,372,710)	\$ (315,293,177)	\$ (344,706,319)	\$ (344,132,645)	\$ (342,291,867)	\$ (317,426,274)	\$ (308,353,275)	\$ (314,386,932)	\$ (327,226,591)	\$ (295,411,103)

Note: Fiscal year 2013 net position was restated due to GASB 65.

BEAVERTON SCHOOL DISTRICT
GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Net (Expense)/Revenue										
Total primary government net expense	\$ (549,372,710)	\$ (315,293,177)	\$ (344,706,319)	\$ (344,132,645)	\$ (342,291,867)	\$ (317,426,274)	\$ (308,353,275)	\$ (314,386,932)	\$ (327,256,591)	\$ (295,411,103)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes levied for general purposes	120,530,968	114,933,952	110,583,679	106,074,191	104,258,668	100,540,188	97,635,238	94,730,145	89,855,636	85,231,015
Local option taxes levied for general purposes	26,192,500	24,213,931	19,060,210	-	-	32	10,757	39,316	54,801	263,290
Property taxes levied for debt service	51,502,850	51,440,929	49,732,072	47,152,740	48,141,562	44,848,328	45,541,764	37,766,753	39,095,179	28,975,739
Construction excise tax	3,069,069	2,997,116	2,407,510	1,863,969	1,157,042	1,180,614	1,343,893	1,113,898	313,311	-
State school fund	228,863,870	216,460,563	199,569,316	172,475,674	167,737,344	157,658,272	164,168,392	171,866,019	173,257,834	162,075,476
Common school fund	4,691,786	3,796,074	3,537,242	3,655,130	3,262,020	3,419,944	3,487,822	2,833,379	3,757,889	3,247,263
Unrestricted state and local sources	13,006,206	15,770,697	12,110,552	8,490,373	17,833,330	11,638,640	9,902,461	12,158,536	10,433,342	7,932,886
Earnings on investments	3,198,636	2,541,728	517,574	503,144	617,642	790,559	614,622	3,444,218	9,631,356	1,424,131
Gain on sale of capital asset	15,250	200	767,803	-	-	-	-	-	-	-
Miscellaneous	1,568,662	4,114,307	1,760,973	3,243,765	3,705,756	4,577,759	4,737,257	1,848,896	1,274,003	11,148,982
Total primary government	452,641,797	436,269,497	400,046,931	343,458,986	346,713,364	324,654,336	327,442,206	325,801,160	327,673,351	300,298,782
Change in Net Position										
Total primary government	\$ (96,730,913)	\$ 120,976,320	\$ 55,340,612	\$ (673,659)	\$ 4,421,497	\$ 7,228,062	\$ 19,088,931	\$ 11,414,228	\$ 446,760	\$ 4,887,679

Note: Fiscal year 2013 net position was restated due to GASB 65.

**BEAVERTON SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

(modified accrual basis of accounting)

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Fund										
Unreserved	\$ 20,852,418	\$ 1,599,028	\$ 789,822	\$ 969,517	\$ 1,612,745	\$ 1,362,113	\$ 1,688,104	\$ 17,182,975	\$ 9,708,337	\$ 16,311,004
Committed	42,979,287	55,398,731	31,344,339	7,550,548	7,969,481	20,156,857	26,486,138	-	-	-
Unassigned	63,831,705	56,997,759	32,134,161	8,520,065	9,582,226	21,518,970	26,486,138	17,182,975	9,708,337	16,311,004
Total general fund	\$ 127,663,410	\$ 124,035,518	\$ 141,268,322	\$ 25,040,130	\$ 29,164,452	\$ 43,037,940	\$ 64,660,380	\$ 34,368,950	\$ 19,416,674	\$ 32,633,008
All Other Governmental Funds										
Unreserved, reported in:										
Debt service fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,403,428	\$ 5,934,773	\$ 5,877,081
Capital projects funds	-	-	-	-	-	-	-	72,864,172	80,339,282	150,332,989
Special revenue funds	-	-	-	-	-	-	-	13,812,287	20,345,523	26,640,016
Non-spendable	287,230	290,613	391,594	346,922	363,240	395,505	383,175	-	-	-
Restricted	265,786,893	411,190,925	4,679,163	15,246,617	21,458,042	23,776,761	36,964,939	-	-	-
Committed	10,473,961	9,390,147	9,507,482	8,485,568	8,130,111	11,417,612	10,165,139	-	-	-
Total all other governmental funds	\$ 276,548,084	\$ 420,871,685	\$ 14,578,239	\$ 24,079,107	\$ 29,951,393	\$ 35,589,878	\$ 49,201,357	\$ 89,079,887	\$ 106,619,578	\$ 182,850,086

Note: GASB Statement No. 54 was implemented in fiscal year 2011. Fiscal year 2010 balances were restated.

BEAVERTON SCHOOL DISTRICT
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Federal sources:										
Federal grants	\$ 14,962,424	\$ 15,797,793	\$ 14,572,186	\$ 15,786,503	\$ 18,209,732	\$ 36,055,519	\$ 32,479,021	\$ 22,966,422	\$ 15,402,495	\$ 13,816,650
Food services	8,924,874	8,534,126	8,307,010	8,100,523	8,253,743	7,890,362	7,315,965	6,476,041	5,947,121	5,476,602
Total federal sources	23,887,298	24,331,919	22,879,196	23,887,026	26,463,475	43,945,881	39,794,986	29,442,463	21,349,616	19,293,252
State and intermediate sources:										
State school support	232,618,495	218,446,776	201,133,195	174,134,811	178,776,160	164,851,674	170,175,911	182,178,041	176,212,759	166,196,365
Common school fund	4,691,786	3,796,074	3,537,242	3,655,130	3,262,020	126,639	124,261	2,833,379	3,757,889	3,247,263
Nutrition services	263,666	156,832	158,702	163,368	150,503	150,503	152,866	126,938	133,309	133,309
Other	10,454,984	14,746,576	10,387,971	6,687,868	6,644,011	8,148,791	8,490,207	7,653,250	8,287,664	6,764,285
Total state and intermediate sources	248,028,931	237,146,258	215,217,110	184,641,177	188,832,694	173,277,607	178,943,245	192,791,608	188,391,621	176,341,222
Local sources:										
Ad valorem taxes	171,027,470	166,521,730	159,534,598	153,682,815	150,618,996	145,659,724	142,849,247	131,218,334	128,162,210	114,187,597
Local option levy	26,192,500	24,213,931	19,060,210	989	1,233	32	10,757	39,316	54,801	263,290
Food service sales	4,425,669	4,188,510	4,137,738	4,335,594	4,642,615	4,690,790	4,804,659	4,952,460	5,256,072	5,155,080
Interest and other income	37,754,679	35,445,125	33,485,753	27,556,044	26,936,013	25,942,763	25,114,830	9,510,706	14,578,333	14,208,913
Other revenues	2,628,817	3,892,912	1,151,631	2,071,823	3,179,995	4,100,831	4,136,871	11,021,749	9,704,797	17,071,530
Total local sources	242,029,135	234,262,208	217,369,930	187,647,265	185,378,852	180,394,140	176,916,364	156,742,565	157,756,213	150,886,410
Total revenues	\$ 513,945,364	\$ 495,740,385	\$ 455,466,236	\$ 396,175,468	\$ 400,675,021	\$ 397,617,628	\$ 395,654,595	\$ 378,976,636	\$ 367,497,450	\$ 346,520,884

**BEAVERTON SCHOOL DISTRICT
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS**

(modified accrual basis of accounting)

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Instruction	\$ 272,408,774	\$ 252,459,576	\$ 227,532,904	\$ 207,207,837	\$ 218,652,203	\$ 209,144,733	\$ 196,896,644	\$ 188,542,067	\$ 188,329,573	\$ 176,790,381
Student personnel services	31,090,493	27,894,246	25,123,920	23,332,596	24,593,504	23,722,270	22,768,827	22,134,153	21,848,902	19,387,314
Instructional media services	6,009,525	4,233,576	3,428,633	3,403,331	6,737,873	7,052,598	7,046,696	7,172,032	7,146,052	7,254,632
Instruction and curriculum development services	4,568,815	4,180,073	4,122,174	3,280,985	3,060,568	4,933,657	4,825,938	7,567,589	8,842,212	9,353,046
Instructional staff training	6,082,223	4,116,070	2,642,056	2,475,496	3,787,847	3,934,336	3,630,603	5,125,872	3,125,866	2,553,112
Board of education	174,222	184,223	104,179	166,447	131,476	177,570	105,529	275,864	184,538	172,757
General administration	1,606,548	1,473,662	1,423,055	1,236,521	1,284,038	1,317,619	1,420,229	1,522,419	1,203,654	1,196,802
School administration	27,598,638	25,689,396	23,727,536	22,394,165	22,225,585	21,808,208	21,439,584	22,682,452	22,462,904	21,228,944
Fiscal services	2,600,984	4,641,006	2,257,450	2,057,740	2,276,466	2,499,882	2,631,837	2,948,368	2,336,876	2,685,069
Central services	15,508,597	13,450,587	13,445,566	12,643,189	12,684,917	12,809,288	14,755,944	15,294,568	13,927,923	10,898,286
Student transportation services	20,201,661	19,809,756	16,701,748	15,830,750	15,648,651	17,251,379	15,049,227	17,079,625	17,112,898	15,326,487
Operation and maintenance of plant	26,972,370	26,274,101	24,441,755	23,399,588	23,506,371	22,836,444	23,201,941	23,507,619	23,653,905	22,377,493
Supplemental retirement	38,011	145,163	764,112	1,291,171	704,595	85,019	81,193	-	-	500,000
Community services	13,664,440	13,341,409	12,714,904	12,715,302	12,554,327	12,572,108	12,235,486	12,010,508	12,047,652	11,170,622
Capital outlay	147,718,421	42,591,476	16,608,797	6,889,659	5,679,030	15,507,726	42,237,995	82,949,169	78,045,230	21,846,308
Facilities acquisition/construction	-	-	-	-	-	-	-	-	-	-
Other capital outlay	-	-	-	-	-	-	-	-	-	-
Debt service	36,742,349	33,850,765	45,375,306	41,348,283	38,323,249	33,994,798	29,744,444	27,335,773	22,480,622	22,434,588
Principal	36,726,785	33,567,947	19,620,481	22,468,382	24,746,840	26,637,751	28,548,173	26,076,306	29,254,294	21,105,620
Interest	158,054	544,615	1,013,347	1,013,347	281,899	281,899	-	-	-	-
Bond issuance costs	649,870,910	508,347,647	440,034,576	403,154,789	416,879,439	416,285,386	426,620,290	462,224,384	452,003,101	366,281,461
Total expenditures	\$ 126,008,956	\$ 32,779,553	\$ 15,481,603	\$ 7,199,924	\$ 6,305,864	\$ 14,370,060	\$ 41,748,748	\$ 86,305,084	\$ 79,848,844	\$ 23,776,623
Expenditures for capital assets	14.02%	14.18%	15.31%	16.12%	15.36%	15.09%	15.15%	14.21%	13.90%	12.71%
Debt service as a percentage of noncapital expenditures										

**BEAVERTON SCHOOL DISTRICT
OTHER FINANCING SOURCES AND USES AND NET CHANGE IN FUND BALANCES,
GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**
(modified accrual basis of accounting)

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Excess of revenues over / (under) expenditures	\$ (135,925,546)	\$ (12,607,262)	\$ 15,431,660	\$ (6,979,321)	\$ (16,204,418)	\$ (18,667,758)	\$ (30,965,695)	\$ (83,247,748)	\$ (84,505,651)	\$ (23,448,224)
Other Financing Sources (Uses)										
Sale of or compensation for loss of capital assets	8,325	200	767,803	6,312	-	-	-	-	-	-
Transfers in	22,002,909	3,121,052	2,373,991	3,177,796	6,929,535	4,377,445	6,412,278	18,422,773	11,063,733	6,484,832
Transfers out	(23,737,909)	(5,351,052)	(4,460,226)	(4,177,796)	(8,564,535)	(6,132,445)	(8,062,278)	(19,622,773)	(12,083,733)	(7,684,832)
Capital leases	-	-	-	-	-	1,844,111	-	2,837,449	2,692,476	2,536,141
Issuance of debt	-	461,368,784	-	-	-	-	-	65,460,000	-	149,090,000
Premium on long-term debt issued	-	63,295,961	-	-	-	-	-	3,355,265	-	2,491,750
PEKS UAL lump sum payment	-	(78,670,639)	-	-	-	-	-	-	-	-
Refunding bonds issued	16,260,000	-	-	159,400,000	42,175,000	-	-	-	-	-
Refunding bonds premium	1,766,329	-	-	20,961,752	5,668,811	-	-	-	-	-
Payment to refunded bond escrow agent	(17,863,763)	-	-	(179,342,751)	(47,560,061)	-	-	-	-	-
Total other financing sources (uses)	(1,564,109)	443,764,306	(1,318,432)	25,313	(1,351,250)	89,111	(1,650,000)	70,452,714	1,672,476	152,917,891
Net change in fund balances	\$ (137,489,655)	\$ 431,157,044	\$ 14,113,228	\$ (6,954,008)	\$ (17,555,668)	\$ (18,578,647)	\$ (32,615,695)	\$ (12,795,034)	\$ (82,833,175)	\$ 129,469,667

**BEAVERTON SCHOOL DISTRICT
 ASSESSED VALUE AND REAL MARKET VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS**

Fiscal Year	Assessed Value		Total Taxable Value	Total Direct Rate ^a	Real Market Value		Total Real Market Value	Assessed Value as a percentage of RMV
	Residential Property	Personal Property			Residential Property	Personal Property		
2016	\$ 25,474,574,888	\$ 827,083,328	\$ 26,301,658,216	\$ 7.957	\$ 36,434,229,379	\$ 827,083,328	\$ 37,261,312,707	70.59 %
2015	24,377,039,678	766,409,601	25,143,449,279	8.037	33,933,616,189	766,409,601	34,700,025,790	72.46
2014	23,358,556,710	756,361,921	24,114,918,631	8.054	30,645,539,168	756,361,921	31,401,901,089	76.79
2013	22,579,021,200	742,141,580	23,321,162,780	6.775	28,888,144,155	742,141,580	29,630,285,735	78.71
2012	21,897,521,030	719,492,406	22,617,013,436	6.860	29,322,657,487	719,492,406	30,042,149,893	75.28
2011	21,269,293,890	698,324,971	21,967,618,861	6.784	30,622,355,726	698,324,971	31,320,680,697	70.14
2010	20,647,926,140	694,175,279	21,342,101,419	6.879	32,405,737,871	694,175,279	33,099,913,150	64.48
2009	19,879,698,122	756,844,311	20,636,542,433	6.564	34,596,844,797	756,844,311	35,353,689,108	58.37
2008	18,840,746,410	714,828,590	19,555,575,000	6.736	33,577,338,341	714,828,590	34,292,166,931	57.03
2007	17,890,649,550	677,600,693	18,568,250,243	6.290	30,455,125,534	677,600,693	31,132,726,227	59.64

^a Per \$1,000 of assessed value.

Source: Washington County Dept. of Assessment & Taxation

**BEAVERTON SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**
(rate per \$1,000 of assessed value)

Fiscal Year	District Direct Rates			Overlapping Rates													
	General Purposes	Local Option	Bonds	Total	Portland Community College	City of Hillsboro	City of Portland	City of Tigard	Tualatin Hills Park & Recreation	Tualatin Valley Fire & Rescue	City of Beaverton	Washington County	Metro Service District	Tri-Met	Port of Portland	Multnomah County	NW Regional ESD
2016	\$ 4,693	\$ 1,250	\$ 2,014	\$ 7,957	\$ 0.586	\$ 5,387	\$ 7,763	\$ 6,283	\$ 1,625	\$ 2,108	\$ 4,377	\$ 2,838	\$ 0.388	\$ -	\$ 0.070	\$ 4,487	\$ 0.154
2015	4,693	1,250	2,094	8,037	0.722	5,387	7,892	4,178	1,717	1,891	4,377	2,838	0.459	-	0.070	4,491	0.154
2014	4,693	1,250	2,111	8,054	0.734	5,387	7,980	3,376	1,728	1,906	4,376	2,968	0.467	-	0.070	4,511	0.154
2013	4,693	-	2,082	6,775	0.665	7,541	7,363	6,350	1,730	1,915	4,238	2,970	0.404	-	0.070	5,424	0.154
2012	4,693	-	2,167	6,860	0.598	6,464	7,688	3,795	1,739	1,930	4,179	2,974	0.315	-	0.070	5,440	0.154
2011	4,693	-	2,091	6,784	0.636	5,387	7,808	2,722	1,743	1,883	4,203	2,980	0.409	0.088	0.070	5,385	0.154
2010	4,693	-	2,186	6,879	0.633	5,387	7,824	2,727	1,734	1,895	4,199	2,984	0.437	0.086	0.070	5,403	0.154
2009	4,693	-	1,871	6,564	0.503	5,387	7,392	2,688	1,429	1,843	4,115	2,984	0.398	0.080	0.070	5,394	0.154
2008	4,693	-	2,043	6,736	0.505	4,767	7,110	2,739	1,434	1,869	4,184	3,033	0.429	0.086	0.070	5,233	0.154
2007	4,693	-	1,597	6,290	0.489	4,767	7,813	2,727	1,443	1,819	4,212	2,449	0.278	0.097	0.070	5,295	0.154

The permanent and local option tax rates are determined by the State of Oregon Constitution and State Statutes. Existing districts cannot increase their permanent rate authority. Local option levies are limited to five years for operations and ten years for capital projects. Elections for local option levies must meet the double majority election test, except in the November general election in even numbered years. Rates for debt service are set based on each year's requirements.

Source: Washington Co. and Multnomah Co. Departments of Assessment and Taxation.

**BEAVERTON SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS PRIOR**

Taxpayer	June 2016					June 2007						
	Beaverton School District			Washington County		Beaverton School District			Washington County			
	Taxable Assessed Value	Rank	% of Total Taxable Value	Taxable Assessed Value	Rank	Taxable Assessed Value	Rank	% of Total Taxable Value	Taxable Assessed Value	Rank	% of Total Taxable Value	
Nike, Inc.	\$ 508,961,335	1	1.94 %	\$ 661,926,149	2	1.16 %	\$ 363,109,344	1	1.96 %	\$ 333,402,254	3	0.85 %
PPR Washington Square LLC	122,455,555	5	0.47	142,625,935	10	0.25	88,651,665	9	0.48			
FS Business Parks LP			-				96,770,507	6	0.52			
Maxim Integrated Products, Inc.	114,027,620	6	0.43				123,831,590	5	0.67	152,395,039	7	0.39
Beaverton LLC	92,143,920	8	0.35				50,954,660	10	0.27			
Bernard Properties LLC	67,040,330	9	0.25									
WRPV XI Lasalle Beaverton LLC	56,873,970	10	0.22									
Intel												
Pacific Realty Associates				2,218,043,675	1	3.90				1,043,164,799	1	2.67
Novellus Systems, Inc.				339,535,573	4	0.60				245,937,009	6	0.63
ERP Operating Ltd Partnership							108,787,770	4	0.59	105,490,595	10	0.27
Tektronix Inc							135,098,946	3	0.73	108,787,770	9	0.28
Genentech Inc.				165,225,810	9	0.29				135,416,474	8	0.35
Public Utilities												
Comcast Corporation	170,816,800	2	0.65	314,888,200	5	0.55						
Portland General Electric Co.	162,845,000	3	0.62	478,753,431	3	0.84	100,498,110	8	0.54	317,363,394	4	0.81
Northwest Natural Gas	135,652,100	4	0.52	319,249,270	6	0.56	92,378,900	7	0.50	262,931,030	5	0.67
Frontier Communications (formerly Verizon Local Wireline & Cable TV Operations)	90,914,000	7	0.35	190,166,000	7	0.33						
Verizon Communications							173,163,700	2	0.93	352,920,852	2	0.90
Subtotal of Ten Largest Taxpayers	1,521,730,630		5.79	177,142,000	8	0.31	1,333,245,192		7.18	3,057,809,196		7.83
All Other Taxpayers	24,779,927,586		94.21	51,903,336,197		91.20	17,235,005,051		92.82	36,004,682,183		92.17
Total Assessed Value of Tax District	\$ 26,301,658,216		100.00 %	\$ 56,910,892,240		100.00 %	\$ 18,568,250,243		100.00 %	\$ 39,062,491,379		100.00 %

Source: Washington County Department of Assessment & Taxation

Note: Ranked based on taxes levied.

**BEAVERTON SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year	Taxes Levied for the Fiscal Year ⁽¹⁾	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years ⁽²⁾	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2016	\$ 202,813,119	\$ 193,825,317	95.57 %	\$ -	\$ 193,825,317	95.57 %
2015	195,294,087	186,692,754	95.60	1,576,522	188,269,276	96.40
2014	183,560,233	174,630,884	95.14	2,482,031	177,112,915	96.49
2013	157,726,841	150,601,309	95.48	2,635,469	153,236,778	97.15
2012	155,139,570	147,593,679	95.14	2,342,760	149,936,439	96.65
2011	148,921,305	140,983,744	94.67	2,664,471	143,648,215	96.46
2010	146,696,578	138,507,814	94.42	3,923,496	142,431,310	97.09
2009	135,514,754	127,776,537	94.29	4,334,115	132,110,652	97.49
2008	131,816,688	125,156,223	94.95	3,225,979	128,382,202	97.39
2007	117,082,726	111,488,243	95.22	2,500,476	113,988,719	97.36

⁽¹⁾ Amounts are based upon the tax collection year July 1 to June 30.

⁽²⁾ Collections in subsequent years includes current year revenue received for taxes levied in prior years.

Source: Washington County Department of Assessment and Taxation and Beaverton School District financial records.

**BEAVERTON SCHOOL DISTRICT
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

(dollars in thousands, except per capita)

Fiscal Year	Net General Bonded Debt					Total Debt							
	General Obligation Bonds	Un-amortized Premium	Less Amount Available for Repayment	General Bonded Debt	As Percentage of Actual Value of Property	Per Capita ^a	Pension Obligation Bonds ^b	FFC Obligation Bonds	Capital Leases	Primary Government	As Percentage of Taxable Value	As Percentage of Personal Income ^a	Per Capita ^a
2016	\$ 563,109	\$ 78,037	\$ (1,881)	\$ 639,265	1.716 %	\$ 2,334	\$ 226,295	\$ 18,750	\$ -	\$ 886,191	3.369 %	n/a	\$ 3,236
2015	589,344	82,057	(2,064)	669,337	1.929	2,488	236,040	18,935	197	926,573	3.685	n/a	3,444
2014	233,560	24,782	(2,323)	256,019	0.815	971	163,375	19,480	583	441,780	1.832	1.680 %	1,675
2013	272,895	28,192	(2,591)	298,496	1.007	1,156	168,195	20,175	1,108	490,565	2.104	1.975	1,900
2012	307,620	13,948	(3,939)	317,629	1.057	1,233	172,345	21,030	2,212	517,155	2.287	2.127	2,008
2011	341,575	11,186	(3,030)	349,731	1.117	1,372	175,870	22,040	4,080	554,751	2.525	2.407	2,176
2010	370,250	13,007	(3,371)	379,886	1.148	1,506	178,815	22,595	4,056	588,722	2.800	2.727	2,333
2009	395,935	14,828	(2,403)	408,360	1.162	1,645	181,225	22,650	5,650	620,288	3.000	2.925	2,499
2008	377,140	13,137	(5,935)	384,342	1.138	1,565	183,135	-	4,223	577,635	3.000	3.104	2,316
2007	397,880	14,616	(5,877)	406,619	1.325	1,685	184,025	-	2,536	599,057	3.200	3.219	2,447

^aSee Demographic and Economic Statistics for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

^b Pension Obligation Bonds are not included in the Net General Bonded Debt since they are not repaid directly with property tax dollars.

n/a - Information not available as of printing.

**BEAVERTON SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2016**

<u>Governmental Unit</u>	<u>Net Property-tax Backed Debt Outstanding^a</u>	<u>Percent Within School District</u>	<u>Estimated Share of Direct and Overlapping Debt^b</u>
Beaverton School District	\$ 808,153,784	100.00 %	\$ 886,190,983 ^c
City of Beaverton	722,076	98.24	709,358
Tualatin Hills Park and Recreation District	86,871,694	96.94	84,217,417
Washington City Enhanced Patrol Dist.	90,020	82.64	74,391
Tualatin Valley Fire and Rescue	52,000,000	51.80	26,936,208
Washington County	53,679,570	47.43	25,459,737
Portland Community College	335,095,000	19.57	65,584,458
City of Tigard	24,708,242	16.93	4,183,105
Metro	199,855,000	15.58	31,133,412
City of Hillsboro	34,975,000	11.63	4,067,802
Multnomah County	160,509,766	0.12	192,612
City of Portland	194,580,568	0.10	187,770
Hillsboro School District	269,460,000	0.02	44,191
Hillsboro School District - Bond	4,583,144	0.02	752
Subtotal, overlapping debt			242,791,213
Total direct and overlapping debt			\$ 1,128,982,196

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the District. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

^a Net Property-tax Backed Debt is Gross Property-tax Backed Debt less Self-supporting Unlimited-tax GO debt and less Self-supporting Full Faith & Credit debt.

^b Overlapping Debt is calculated by using Net Property-tax Backed Debt times Percent Overlapping that are provided by Oregon State Treasury, Debt Management Division.

^c Includes unamortized premium of \$78,037,199

Source: State of Oregon - Office of the Treasurer

**BEAVERTON SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Legal Debt Margin Calculation for Fiscal Year 2016

Real Market Value	\$ 37,261,312,707
Debt Limit (7.95% of Real Market Value ¹)	2,962,274,360
Debt Applicable to Limit	563,109,000
Legal Debt Margin	<u>\$ 2,399,165,360</u>

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2016	\$ 2,962,274,360	\$ 563,109,000	\$ 2,399,165,360	19.01 %
2015	2,758,652,050	589,344,000	2,169,308,050	21.36
2014	2,496,451,137	233,560,000	2,262,891,137	9.36
2013	2,355,607,716	272,895,000	2,082,712,716	11.58
2012	2,388,350,916	307,620,000	2,080,730,916	12.88
2011	2,489,994,115	341,575,000	2,148,419,115	13.72
2010	2,631,443,095	370,250,000	2,261,193,095	14.07
2009	2,810,618,284	395,935,000	2,414,683,284	14.09
2008	2,726,227,271	377,140,000	2,349,087,271	13.83
2007	2,475,051,735	397,880,000	2,077,171,735	16.08

¹ ORS 328.245 establishes a parameter of bonded indebtedness for school districts. Aggregates are governed by real market value of all taxable properties within the District based on:

For each grade from kindergarten to eighth for which the District operates schools, fifty-five one-hundredths of one percent (.0055) of the real market value. ^A

For each grade from ninth to twelfth for which the District operates schools, seventy-five one-hundredths of one percent (.0075) of the real market value. ^B

Allowable Percentage of Real Market Value:

^A Kindergarten through eighth grade, 9 x .0055

^B Ninth through twelfth grade, 4 x .0075

Allowable Percentage

4.95%
<u>3.00%</u>
<u><u>7.95%</u></u>

**BEAVERTON SCHOOL DISTRICT
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN CALENDAR YEARS**

Calendar Year	Population ^a	Personal Income ^b	Per Capita	Unemployment Rate ^c
	<i>Estimated</i>	<i>(In Thousands)</i>	Personal Income	<i>(Washington County)</i>
2016	273,845	n/a	n/a	n/a
2015	269,023	n/a	n/a	4.8 %
2014	263,778	\$ 26,299,466	\$ 46,713	5.7
2013	258,199	24,839,911	44,757	6.3
2012	257,562	24,314,346	44,396	7.1
2011	254,914	23,042,656	42,639	7.7
2010	252,293	21,586,715	40,606	9.1
2009	248,264	21,205,286	39,465	9.1
2008	249,399	21,185,612	40,188	9.3
2007	244,767	19,945,179	38,371	5.2

Notes:

n/a - Information not available as of printing.

^a Bureau of Economic and Business Research and BSD estimates based on PSU Population Research Center data.

^b U.S. Department of Commerce, Bureau of Economic Analysis.

^c Oregon Labor Market, Labor Force Data for Washington County. Not seasonally adjusted.

**BEAVERTON SCHOOL DISTRICT
PRINCIPAL EMPLOYERS FOR THE PORTLAND METRO AREA
CURRENT AND NINE YEARS PRIOR**

<u>Employer</u>	December 31, 2015			December 31, 2006		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Ten Largest Employers						
Intel Corp.	18,600	1	1.60 %	16,740	1	1.58 %
Providence Health System	16,139	2	1.39	14,639	3	1.38
Oregon Health & Science University	14,963	3	1.29	11,500	4	1.08
Kaiser Permanente Northwest	11,898	4	1.03	8,221	6	0.77
Fred Meyer Stores	10,813	5	0.93	8,500	5	0.80
Legacy Health System	8,700	6	0.75	8,196	7	0.77
Nike Inc.	8,500	7	0.73	7,648	8	0.72
Portland Public Schools	6,135	8	0.53			
Multnomah County	5,995	9	0.52			
City of Portland	5,481	10	0.47			
Precision Castparts				15,384	2	1.45
Wells Fargo				4,873	9	0.46
Greenbriar Cos. Inc.				3,972	10	0.37
Subtotal of Ten Largest Employers	107,224		9.25	99,673		9.39
All Other Employers	1,052,237		90.75	962,205		90.61
Total Portland PMSA* Employment	1,159,461		100.00 %	1,061,878		100.00 %

¹ Portland MSA is the Portland-Vancouver-Hillsboro Metropolitan Statistical Area which includes Multnomah, Washington, Clackamas, Columbia and Yamhill counties in Oregon, as well as Clark and Skamania counties in Washington.

Source: Portland Business Journal Book of Lists and Oregon Employment Department Labor Market Information System (OLMIS)

**BEAVERTON SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS**

	2016 Salary Range		Full-time Equivalent Employees as of June 30,										% Change	
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2015 to 2016	2015 to 2016		
<u>Instruction</u>														
Certified	\$ 39,988	\$ 82,059	1,446.03	1,319.92	1,578.05	1,582.68	1,572.87	1,590.00	1,611.53	1,568.92	10.28	%		
Support	25,728	53,358	109.28	98.51	77.65	76.30	78.03	85.60	92.31	94.00	23.55			
<u>Special Programs</u>														
Certified	39,988	82,059	383.86	393.41	397.72	436.59	435.50	420.10	436.05	405.39	1.92			
Support	25,728	67,274	213.81	223.06	259.69	256.25	278.56	263.54	268.64	241.62	3.45			
Administration	101,728	200,797	-	-	1.00	1.00	1.00	3.00	3.00	3.00	-			
<u>Student Support Services</u>														
Certified	39,988	82,059	176.58	170.80	183.67	188.86	196.46	192.22	184.11	178.51	11.01			
Support	23,625	116,792	66.59	64.44	76.72	76.00	69.22	70.96	68.70	65.53	16.84			
Administration	101,728	200,797	3.97	3.89	2.97	3.47	5.00	3.88	3.94	4.00	25.00			
<u>Instructional Staff Support</u>														
Certified	39,988	82,059	20.34	16.27	71.82	101.09	99.01	146.59	122.66	123.74	62.93			
Support	25,728	61,647	43.60	43.58	32.82	32.80	36.36	36.74	37.09	33.93	4.93			
Administration	101,728	200,797	2.96	2.96	2.00	2.00	3.00	3.00	3.00	2.00	(2.09)			
<u>General Administration Support</u>														
Support	25,728	144,073	5.03	1.53	5.03	5.00	5.17	6.00	5.45	5.09	-			
Administration	101,728	200,797	2.75	2.75	3.00	3.00	3.00	3.00	3.00	3.00	34.94			
<u>School Administration</u>														
Certified	39,988	82,059	12.37	15.20	12.93	10.86	10.38	15.05	18.42	14.67	1.80			
Support	25,728	61,647	103.83	103.10	104.35	106.86	104.61	106.25	103.23	99.35	6.08			
Administration	101,728	200,797	88.56	83.75	89.30	91.40	91.38	96.73	95.42	90.81	6.48			
<u>Business Support Services</u>														
General Business														
Support	25,728	90,696	14.99	12.31	16.34	18.09	18.45	18.34	17.80	16.44	3.29			
Administration	101,728	200,797	2.00	1.41	1.00	1.00	1.43	2.00	2.00	2.00	-			
Facilities														
Support	27,630	90,696	201.63	190.54	206.19	212.52	213.67	209.38	200.21	201.91	2.70			
Administration	101,728	200,797	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-			
Transportation														
Support	25,728	90,696	170.05	169.00	176.72	180.72	179.98	194.33	190.31	178.80	(1.20)			
Administration	101,728	200,797	1.25	1.25	1.00	1.00	1.00	1.00	1.00	1.00	-			
Other Administration Support														
Support	32,902	78,073	8.78	8.00	9.67	10.00	9.75	10.52	10.63	11.99	9.19			
<u>Central Support Services</u>														
Certified	39,988	82,059	4.20	4.52	5.29	5.30	4.49	5.50	5.50	5.75	11.11			
Support	25,728	94,321	67.09	60.00	60.87	66.87	68.44	69.80	64.14	57.82	26.18			
Administration	101,728	200,797	7.00	7.00	6.51	7.00	7.90	8.00	7.96	7.11	3.96			

**BEAVERTON SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE (Continued)
LAST TEN FISCAL YEARS**

	2016 Salary Range		2016	2015	2014	2013	Full-time Equivalent Employees as of June 30,				% Change		
							2012	2011	2010	2009	2008	2007	2015 to 2016
Food Services													
Support	\$ 21,521	\$ 53,789	101.15	100.46	102.07	97.83	103.01	103.55	103.19	99.15	94.90	96.74	0.69 %
Administration	101,728	200,797	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-
Community Services & Custody and Care of Children Services													
Certified	39,988	82,059	-	0.38	0.37	0.52	0.53	0.54	0.53	0.54	0.54	0.54	(100.00)
Support	23,625	94,321	-	-	1.35	1.11	1.69	1.55	2.49	1.25	1.25	1.26	-
Facilities Acquisition and Construction													
Certified	39,988	82,059	4.19	1.00	-	-	-	-	-	-	-	-	319.49
Support	60,734	90,696	29.48	17.05	4.50	3.57	3.14	10.49	14.20	15.62	15.60	6.47	72.89
Administration	101,728	200,797	0.99	1.00	1.91	1.16	1.00	1.81	2.00	2.00	1.92	1.71	(1.18)
Total			5,819.21	5,506.42	5,282.75	5,118.39	5,505.68	5,607.78	5,629.24	5,691.25	5,680.50	5,532.27	

	Number of Teachers
Bachelor's Salary Range	\$ 39,988 \$ 75,603
Master's Salary Range	\$ 43,414 \$ 82,059
Average Teacher Salary	\$ 64,514

Notes:

Full-time certified employees of the district are employed for 193 days, at eight hours per day or 1,544 hours per year. Total work hours by certified employees are divided by 1,544 to obtain full-time-equivalent employment. Full-time-equivalent employment for all other positions is determined based on 2,080 hours per year (52 weeks, five days at eight hours).

The data presented has been updated to reflect actuals. In prior years, the data presented was budgeted information.

Source: Beaverton School District records.

**BEAVERTON SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	Enrollment	ADMw	Operating Expenditures ^a	Cost		Expenses ^b	Cost per Student	Percentage Change	Cost		Certified Staff	Percentage Change	Certified Staff	Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
				per Student	per Student				Change	Change					
2016	40,725	48,691.30	\$ 428,525,301	\$ 10,522	5.57 %	\$ 649,818,276	15,956	25.27 %	2,436	16.72	37.3 %				
2015	39,910	45,797.18	397,792,844	9,967	9.87	508,347,647	12,737	14.36	2,222	17.96	39.3				
2014	39,509	45,087.84	358,429,992	9,072	7.92	440,034,576	11,138	8.92	2,044	19.33	38.7				
2013	39,427	44,796.05	331,435,118	8,406	(5.62)	403,154,789	10,225	(4.21)	1,921	20.53	39.4				
2012	39,054	44,823.44	347,848,421	8,907	1.64	416,879,439	10,674	(0.47)	2,250	17.36	40.6				
2011	38,814	44,647.62	340,145,111	8,763	2.36	416,285,386	10,725	(4.24)	2,326	16.69	39.8				
2010	38,090	43,933.45	326,089,678	8,561	(1.13)	426,620,290	11,200	(8.86)	2,319	16.43	38.8				
2009	37,613	43,471.30	325,688,733	8,659	1.55	462,224,384	12,289	2.74	2,370	16.44	35.8				
2008	37,789	43,419.90	322,222,955	8,527	6.80	452,003,101	11,961	23.07	2,379	15.95	32.8				
2007	37,687	43,361.30	300,894,945	7,984	4.70	366,281,461	9,719	(5.18)	2,298	16.64	31.7				

Notes:

- ^a Operating expenditures are all governmental fund expenditures less debt service and capital outlays.
 - ^b Expenses include capital projects and debt service activity.
 - ^c Includes classroom, music, physical education, special education teachers, and counselors.
- n/a - Information not available as of printing.

Source: Beaverton School District records.

**BEAVERTON SCHOOL DISTRICT
CAPITAL ASSET INFORMATION
LAST TEN FISCAL YEARS**

	Fiscal Year										Average Age of Buildings (in years)
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	
SCHOOLS											
Elementary											
Buildings	33	33	33	33	33	33	33	32	32	32	47
Square feet	2,012,047	2,012,047	2,012,047	2,012,047	2,012,047	2,012,047	2,012,047	1,865,333	1,874,720	1,874,720	
Capacity	21,377	21,312	21,189	21,207	21,207	21,225	21,140	19,849	19,162	18,954	
Enrollment	18,345	17,919	17,987	17,952	17,917	17,818	17,445	17,801	17,693	17,572	
Percent used	86%	84%	85%	85%	84%	84%	83%	90%	92%	93%	
Middle											
Buildings	8	8	8	8	8	8	8	8	8	8	41
Square feet	1,016,538	1,016,538	1,016,538	1,016,538	1,016,538	1,016,538	1,016,538	1,016,538	1,024,714	1,038,458	
Capacity	8,520	8,394	8,254	8,254	8,254	8,247	8,225	8,190	8,176	8,110	
Enrollment	9,200	9,067	8,870	8,842	8,734	8,567	8,405	8,124	8,265	8,293	
Percent used	108%	108%	107%	107%	106%	104%	102%	99%	101%	102%	
High											
Buildings	9	9	9	9	9	9	9	9	7	7	54
Square feet	1,653,308	1,653,308	1,653,308	1,665,108	1,665,108	1,665,108	1,664,726	1,544,724	1,435,263	1,435,263	
Capacity	12,322	12,306	12,302	12,374	12,374	12,354	12,351	11,823	10,696	10,515	
Enrollment	11,588	11,405	11,262	11,227	11,340	11,311	11,055	11,688	11,831	11,822	
Percent used	94%	93%	92%	91%	92%	92%	90%	99%	111%	112%	
Other											
Buildings	2	2	2	2	2	2	2	3	3	3	31
Square feet	40,607	40,607	40,607	40,607	40,607	40,607	40,607	50,607	50,607	50,607	
ADMINISTRATIVE											
Buildings	1	1	1	1	1	1	1	1	1	1	44
Square feet	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	
TRANSPORTATION											
Garages/Buildings	4	4	4	4	4	4	4	4	4	4	39
Buses	311	357	318	317	317	317	300	320	320	303	

Source: Beaverton School District Annual District Statistics.

SINGLE AUDIT SECTION



WE
EMBRACE
EQUITY





GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
475 Cottage Street NE, Suite 200, Salem, Oregon 97301
(503) 581-7788

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

School Board
Beaverton School District
Beaverton, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Beaverton School District, Washington County, Oregon, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 18, 2016.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from 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*.

Purpose of this Report

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


CERTIFIED PUBLIC ACCOUNTANTS

November 18, 2016



GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
475 Cottage Street NE, Suite 200, Salem, Oregon 97301
(503) 581-7788

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

School Board
Beaverton School District
Beaverton, Oregon

Report on Compliance for Each Major Federal Program

We have audited Beaverton School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2016. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 the 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, Beaverton School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control over Compliance

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

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

Purpose of this Report

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


CERTIFIED PUBLIC ACCOUNTANTS

November 18, 2016

**BEAVERTON SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL, STATE, AND LOCAL AWARDS
SPECIAL PROGRAMS FUND
YEAR ENDED JUNE 30, 2016**

Program Title	Federal CFDA Number	Pass Through Entity Number	Period Covered	Grant Amount	2015-16 Revenue and Expenditures
U.S. Department of Education					
Direct:					
Title VII - Indian Education	84.060	S060A152500	07/01/15 - 06/30/16	\$ 40,494	\$ 40,494
					<u>40,494</u>
Investing in Innovation (i3) (SFSF) - ARRA	84.396	U396C100900	10/01/10 - 09/30/15	4,041,659	218,945
					<u>218,945</u>
Total Direct					<u>259,439</u>
Passed through Oregon Department of Education:					
Title I, Part A					
Title I Grants to Local Educational Agencies	84.010	28082	07/01/13 - 09/30/15	5,092,349	55,628
Title I Grants to Local Educational Agencies	84.010	35925	07/01/15 - 09/30/16	5,414,679	4,678,190
Title I Grants to Local Educational Agencies	84.010	32534	07/01/14 - 09/30/16	5,777,527	231,651
Total Title I, Part A					<u>4,965,469</u>
Title IC - Migrant Education					
Title IC - Migrant Education - State Grant Program	84.011	29952	07/01/13 - 09/30/15	222,922	1,611
Title IC - Migrant Education - State Grant Program	84.011	33574	07/01/14 - 09/30/15	11,613	3,544
Title IC - Migrant Education - State Grant Program	84.011	35098	04/15/15 - 09/30/15	60,979	45,127
Title IC - Migrant Education - State Grant Program	84.011	33593	07/01/14 - 09/30/16	239,141	35,645
Title IC - Migrant Education - State Grant Program	84.011	37730	07/01/15 - 09/30/16	9,852	7,084
Title IC - Migrant Education - State Grant Program	84.011	40007	04/01/16 - 09/30/16	47,554	8,713
Title IC - Migrant Education - State Grant Program	84.011	37711	07/01/15 - 09/30/16	207,370	196,796
Total Title IC - Migrant Education					<u>298,520</u>
Title IIA - Improving Teacher Quality					
Title IIA - Improving Teacher Quality State Grants	84.367	32858	07/01/14 - 09/30/16	815,962	114,013
Title IIA - Improving Teacher Quality State Grants	84.367	28594	07/01/13 - 09/30/15	812,291	33,590
Title IIA - Improving Teacher Quality State Grants	84.367	35543	04/01/15 - 06/30/17	30,881	16,071
Title IIA - Improving Teacher Quality State Grants	84.367	36122	07/01/15 - 09/30/16	801,127	707,724
Total Title IIA - Improving Teacher Quality					<u>871,398</u>
Title III - English Language Acquisition					
Title III - English Language Acquisition State Grants	84.365	32307	07/01/14 - 09/30/16	649,431	185,868
Title III - English Language Acquisition State Grants	84.365	35017	07/01/14 - 09/30/16	2,500	913
Title III - English Language Acquisition State Grants	84.365	36305	07/01/15 - 09/30/16	628,902	321,079
Total Title III - English Language Acquisition					<u>507,860</u>
Career and Technical Education					
Career and Technical Education - Basic Grants to States	84.048	36398	07/01/15 - 09/30/16	272,956	249,807
Total Career and Technical Education					<u>249,807</u>
School Improvement Grants					
School Improvement (Section 1003-g)	84.377	28052	07/01/13 - 09/30/15	488,131	52,989
Total School Improvement Grants					<u>52,989</u>
Special Education Cluster					
Special Education Grants to States	84.027	28397	07/01/13 - 09/30/15	6,214,264	31,619
Special Education Grants to States	84.027	38736	08/19/15 - 08/30/15	935	-
Special Education Grants to States	84.027	33224	07/01/14 - 09/30/16	6,449,729	1,408,318
Special Education Grants to States	84.027	36811	07/01/15 - 09/30/17	6,522,240	5,870,735
Special Education Grants to States	84.027	37799	07/01/15 - 06/30/16	18,932	18,932
Special Education Grants to States	84.027	33644	10/01/14 - 09/30/15	21,218	20,424
Special Education Grants to States	84.027	35731	07/01/15 - 06/30/16	15,300	15,300
Special Education Grants to States	84.027	39835	04/25/16 - 04/27/16	90	-
Special Education Grants to States	84.027	40244	06/20/16 - 06/22/16	112	112
Special Education Grants to States	84.027	38269	10/01/15 - 09/30/16	21,218	758
Total Special Education					<u>7,366,198</u>
Special Education Preschool Grants	84.173	37128	07/01/15 - 09/30/17	24,337	19,537
Special Education Preschool Grants	84.173	33413	07/01/14 - 09/30/16	21,441	9,605
Total Special Education Preschool					<u>29,142</u>
Total Special Education Cluster (IDEA)					<u>7,395,340</u>

See additional information in the Notes to Schedule of Expenditures of Federal, State, and Local Awards.

**BEAVERTON SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL, STATE, AND LOCAL AWARDS (continued)
SPECIAL PROGRAMS FUND
YEAR ENDED JUNE 30, 2016**

Program Title	Federal CFDA Number	Pass Through Entity Number	Period Covered	Grant Amount	2015-16 Revenue and Expenditures
U.S. Department of Education (continued)					
Passed through Oregon Department of Education (continued):					
Statewide Data Systems					
Statewide Data Systems, Recovery Act RDWP ARRA	84.384	25099	05/01/12 - open	\$ 99,993	\$ 15,103
Total Statewide Data Systems					<u>15,103</u>
Total U.S. Department of Education					<u><u>14,356,486</u></u>
U.S. Department of Health & Human Services					
Passed through Administration for Children and Families					
CCDF Cluster					
Child Care and Development Block Grant	93.575	9931 (14-039)	07/01/13 - 06/30/17	540,000	214,509
Total CCDF Cluster					<u>214,509</u>
Total U.S. Department of Health & Human Services					<u><u>214,509</u></u>
U.S. Department of Agriculture					
Passed through Oregon Department of Education:					
Child Nutrition Cluster:					
School Breakfast Program	10.553	N/A	07/01/15 - 06/30/16	1,449,596	1,449,596
National School Lunch Program	10.555	N/A	07/01/15 - 06/30/16	5,882,971	5,882,971
National School Lunch Program Commodities	10.555	N/A	07/01/15 - 06/30/16	892,610	892,610
Summer Food Service Program for Children	10.559	N/A	07/01/15 - 06/30/16	374,684	374,684
Summer Food Service Program Commodities	10.559	N/A	07/01/15 - 06/30/16	2,050	2,050
Total Child Nutrition Cluster					<u>8,601,911</u>
Child and Adult Food Care Program	10.558	N/A	07/01/15 - open	25,087	9,982
Child and Adult Food Care Program	10.558	N/A	07/01/15 - 06/30/16	326,997	322,964
					<u>332,946</u>
Fresh Fruits and Vegetable - Vose	10.582	36576	07/01/15 - 09/30/15	4,318	2,209
Fresh Fruits and Vegetable - Vose	10.582	38564	10/01/15 - 06/30/16	24,446	24,446
Fresh Fruits and Vegetable - Vose	10.582	39875	10/01/15 - 06/30/16	6,900	6,166
Fresh Fruits and Vegetable - William Walker	10.582	36577	07/01/15 - 09/30/15	3,275	1,994
Fresh Fruits and Vegetable - William Walker	10.582	38565	10/01/15 - 06/30/16	18,541	18,540
Fresh Fruits and Vegetable - William Walker	10.582	39874	10/01/15 - 06/30/16	5,234	4,002
					<u>57,357</u>
Total U.S. Department of Agriculture					<u><u>8,992,214</u></u>
U.S. Department of Transportation					
Passed through Metro					
Federal Transit Cluster					
Federal Transit - Formula Grants (Urbanized Area)	20.507	933347	07/01/15 - 06/30/17	158,000	64,650
Total Federal Transit Cluster					<u>64,650</u>
Total Federal Awards					<u><u>\$ 23,887,298</u></u>
State and local awards:					
State Farm YAB Grant (Terra Nova)	N/A	N/A	07/01/11 - open	\$ 64,080	\$ 2,454
Intel STEM Highland Park	N/A	N/A	05/20/14 - open	10,000	-
Lowe's AHS Library Shelving Project	N/A	N/A	04/11/16 - 04/11/18	19,379	-
MACC Resilient Border Router	N/A	N/A	01/01/09 - open	46,698	5,364
Confucius Classroom	N/A	N/A	03/01/14 - open	29,820	3,031
Verizon Science & Technology	N/A	N/A	03/27/14 - open	5,000	990
AHS Building Construction Tech	N/A	39030	12/01/15 - 06/30/16	2,263	2,263
Investigations in the Properties of CCD	N/A	N/A	04/30/14 - open	7,000	977
Beaverton High ASPIRE	N/A	N/A	09/16/13 - open	3,000	544
Hatfield Family Music	N/A	N/A	05/08/13 - open	11,000	33
Washington County Kindergarten Partnership Innovation	N/A	CA 16-0269	10/01/15 - 06/30/17	185,110	1,576
IB Testing	N/A	N/A	06/01/16 - 06/30/16	94,505	94,505
BVT Together Youth Enhancement	N/A	N/A	07/01/09 - open	21,782	243
Educator Effectiveness/CCSS	N/A	30442	01/02/14 - 06/30/15	476,893	128,475
ETIC UO Science	N/A	N/A	04/01/13 - open	10,000	356

See additional information in the Notes to Schedule of Expenditures of Federal, State, and Local Awards.

**BEAVERTON SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL, STATE, AND LOCAL AWARDS (continued)
SPECIAL PROGRAMS FUND
YEAR ENDED JUNE 30, 2016**

Program Title	Federal CFDA Number	Pass Through Entity Number	Period Covered	Grant Amount	2015-16 Revenue and Expenditures
State and local awards (continued):					
SPED Seaside Training	N/A	40244	06/20/16 - 06/22/16	\$ 761	\$ 655
ELWC Washington County Early Learning Community Hub	N/A	16-0120	01/01/16 - 06/30/17	255,000	74,691
ELL Outcome Advisory Group	N/A	38161	07/01/15 - 06/30/17	4,000	667
SRHS Marketing	N/A	39037	12/01/15 - 06/30/16	7,354	7,354
AHS Automotive Mechanics	N/A	39031	12/01/15 - 06/30/16	10,748	10,748
Farm to School	N/A	38835	07/01/15 - 06/30/17	124,560	123,192
Oregon FIRST Robotics	N/A	37003	08/07/15 - 06/30/16	15,500	15,500
Regional Data Warehouse 12-13	N/A	25099	05/01/12 - open	215,493	3,423
Arts for Learning Matching Funds	N/A	N/A	10/01/10 - 09/30/15	796,000	28,905
AHS Marketing	N/A	39032	12/01/15 - 06/30/16	2,000	2,000
UO: ROOTS Research	N/A	N/A	09/01/13 - open	59,996	-
BEF: Stoller Extended Day	N/A	N/A	07/01/15 - 06/30/16	6,700	6,700
BEF: Summer School Bethany, Terra Linda, Rock Creek	N/A	N/A	04/08/15 - 09/30/15	30,000	21,732
BEF: Five Oaks Extended Day	N/A	N/A	07/01/15 - 06/30/16	6,000	5,175
Kaiser: Child Healthcare Program	N/A	N/A	06/01/09 - open	12,000	12,000
Ovation STEM grant	N/A	N/A	07/01/14 - 06/30/15	10,000	17
CEYP "Tax Credit" Donations	N/A	N/A	10/01/02 - open	114,300	4,776
BHS ORTOP Oregon Robotics	N/A	N/A	12/01/15 - 12/31/16	13,100	3,473
Advance ELP Standards Professional Learning	N/A	35570	04/04/14 - 06/30/15	15,000	15,000
Advance Accelerated College Credit	N/A	35601	06/17/14 - 06/30/15	24,218	24,218
Aspire Oregon	N/A	N/A	01/14/11 - open	4,000	-
MACC	N/A	N/A	02/01/14 - open	39,267	-
ACT Plan Reimbursement	N/A	N/A	06/27/16 - 06/30/16	29,919	29,919
WHS Restaurant/Food Services	N/A	39042	12/01/15 - 06/30/16	13,011	13,011
2005 Strategic Investment	N/A	N/A	02/11/05 - open	228,660	1,254
Mentor Grant	N/A	38084	07/01/15 - 06/30/17	542,200	542,200
Interim/Formative Assessment	N/A	31458	07/01/14 - open	130,541	-
SRHS Nike Innovation	N/A	N/A	12/12/15 - 12/31/16	20,000	1,149
BEF: Ridgewood, Cedar Mill, Raleigh Park	N/A	N/A	04/08/15 - 09/30/15	30,000	21,185
SHS Nike Innovation	N/A	N/A	12/08/15 - 12/31/16	20,000	4,298
BEF: McKinley Jumpstart to First Summer Program	N/A	N/A	04/08/15 - 09/30/15	10,000	10,000
Gray Family Foundation Outdoor School	N/A	N/A	07/01/14 - open	32,000	1,162
CTE Revitalization SHS	N/A	38787	01/01/16 - 06/30/17	325,642	1,002
HS2 Student Leadership	N/A	39435	02/10/16 - 06/30/17	1,050	1,050
SHS Student Leadership	N/A	39436	02/10/16 - 06/30/17	1,050	1,050
WHS Student Leadership	N/A	39437	02/10/16 - 06/30/17	1,050	1,050
Intel Science Fair	N/A	N/A	07/01/14 - open	12,876	-
Child Care 3 Star Rating	N/A	N/A	04/01/16 - open	1,500	-
BHS Marketing	N/A	39034	12/01/15 - 06/30/16	20,931	20,931
SRHS Design Technology Curriculum, Murdock	N/A	N/A	05/31/16 - 04/01/18	7,000	-
BEF: Future Bus	N/A	N/A	05/14/16 - open	20,000	-
BHS Allied Health Diagnostic	N/A	39033	12/01/15 - 06/30/16	25,456	25,407
ELWC Washington County Early Learning Community Hub	N/A	N/A	09/04/14 - 12/31/15	147,750	74,082
VROOM Early Brain Development	N/A	N/A	11/15/15 - 06/30/16	2,000	2,000
WHS CAD Drafting	N/A	39041	12/01/15 - 06/30/16	3,394	3,394
MACC	N/A	N/A	01/01/14 - open	44,772	-
BEF: Highland Park Extended Day	N/A	N/A	07/01/15 - 06/30/16	9,914	9,607
BEF: Mountain View Extended Day	N/A	N/A	07/01/15 - 06/30/16	9,600	9,600
BEF: Meadow Park Extended Day	N/A	N/A	07/01/15 - 06/30/16	7,500	6,205
Nike NSIF AVID Training	N/A	N/A	02/01/16 - 06/15/17	336,096	240,723
Nike Autism Consultants	N/A	N/A	07/01/11 - open	10,000	878
Washington Mutual: ELL Learning Communities	N/A	N/A	10/05/04 - open	25,000	1,281
Post School Outcomes Training	N/A	39835	04/25/16 - 04/27/16	310	-
WHS Digital Communication	N/A	39040	12/01/15 - 06/30/16	2,263	2,051
Summer Meals and Afterschool Meals/Snacks	N/A	39826	04/22/16 - 09/23/16	19,501	-
BHS ASPIRE	N/A	N/A	07/01/14 - open	3,000	-
Vose Verizon STEM	N/A	N/A	01/11/16 - 06/30/18	20,000	2,779
Intel: Lead the Way Health and Science High School	N/A	N/A	11/17/10 - open	14,960	49
GAPS Foundation	N/A	N/A	11/28/12 - open	1,799	394
Advance Culturally Responsive Pedagogy	N/A	35438	04/01/14 - 06/30/15	28,345	28,345
Outdoor School Gray Family Foundation	N/A	N/A	09/17/15 - 06/30/16	43,000	36,360
CTE Revitalization HS2	N/A	30766	01/01/14 - 06/30/15	354,267	11,091
FirstTech Future Ready Bus Project	N/A	N/A	02/19/16 - 02/17/17	35,000	35,000
Intel Science Fair	N/A	N/A	07/01/13 - open	8,600	-
HS2 CTE PreEngineering	N/A	39035	12/01/15 - 06/30/16	30,547	30,547
SHS CTE Computer Engineering	N/A	39038	12/01/15 - 06/30/16	8,485	8,485
SRHS Computer Engineering	N/A	39036	12/01/15 - 06/30/16	4,526	4,526
SHS CTE Marketing	N/A	39039	12/01/15 - 06/30/16	44,690	39,319
NSIF Nike School Innovation Fund	N/A	N/A	03/24/15 - 06/15/16	380,085	330,525

See additional information in the Notes to Schedule of Expenditures of Federal, State, and Local Awards.

**BEAVERTON SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL, STATE, AND LOCAL AWARDS (continued)
SPECIAL PROGRAMS FUND
YEAR ENDED JUNE 30, 2016**

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Entity Number</u>	<u>Period Covered</u>	<u>Grant Amount</u>	<u>2015-16 Revenue and Expenditures</u>
State and local awards (continued):					
BEF: Greenway Extended Day	N/A	N/A	07/01/15 - 06/30/16	\$ 5,000	\$ 5,000
BEF: Terra Linda, Bethany, Rock Creek Summer School	N/A	N/A	04/07/16 - 09/30/16	30,000	14,614
BEF: Cedar Mill, Ridgewood, West TV Summer School	N/A	N/A	04/07/16 - 09/30/16	30,000	9,845
BEF: Raleigh Park Summer School	N/A	N/A	04/07/16 - 09/30/16	10,000	3,790
BEF: Cedar Park Extended Day	N/A	N/A	07/01/15 - 06/30/16	7,500	6,713
BEF: Conestoga Extended Day	N/A	N/A	07/01/15 - 06/30/16	9,750	9,509
BEF: Five Oaks Extended Day ALC	N/A	N/A	01/01/15 - 06/30/15	5,000	4,888
BEF: Whitford Extended Day	N/A	N/A	07/01/15 - 06/30/16	14,000	14,000
Total State and Local Awards					\$ 2,221,265
Total Federal, State, and Local Awards					\$ 26,108,563

See additional information in the Notes to Schedule of Expenditures of Federal, State, and Local Awards.

BEAVERTON SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL, STATE, AND LOCAL AWARDS
YEAR ENDED JUNE 30, 2016

PURPOSE OF THE SCHEDULE

The accompanying Schedule of Expenditures of Federal, State and Local Awards (the "Schedule") includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and OMB Circular A-87 *Cost Principles for State, Local and Indian Tribal Governments*, where applicable, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate

The District has not elected to use the 10 percent de minimis indirect cost rate as allowed under Uniform Guidance.

Federal Financial Assistance

Pursuant to Uniform Guidance, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance or direct appropriations. Accordingly, non-monetary federal assistance, including federal surplus property, is included in federal financial assistance and, therefore, is reported on the Schedule, if applicable. Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts between the state and federal government for which the federal government procures tangible goods or services are not considered to be federal financial assistance.

Major Programs

Uniform Guidance establishes criteria to be used in defining major federal financial assistance programs. Major programs for the District are those programs selected for testing by the auditor using a risk-assessment model, as well as certain minimum expenditure requirements, as outlined in Uniform Guidance. Programs with similar requirements may be grouped into a cluster for testing purposes.

BEAVERTON SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL, STATE, AND LOCAL AWARDS
YEAR ENDED JUNE 30, 2016

Reporting Entity

The reporting entity is fully described in notes to the financial statements. The Schedule includes all federal programs administered by the District for the year ended June 30, 2016.

Revenue and Expenditure Recognition

The receipt and expenditure of federal awards are accounted for under the modified accrual basis of accounting. Revenues are recorded when measurable and available. Expenditures are recorded when the liability is incurred. Donated commodities are valued at their estimated fair value.

BEAVERTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2016

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major federal programs:

CFDA Number(s)

Name of Federal Program or Cluster

84.010	Title I Grants to Local Educational Agencies
84.367	Title IIA Improving Teacher Quality State Grants
84.396	SFSF-Investing in Innovation (i3) Fund (ARRA)

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

FINANCIAL STATEMENT FINDINGS

None.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

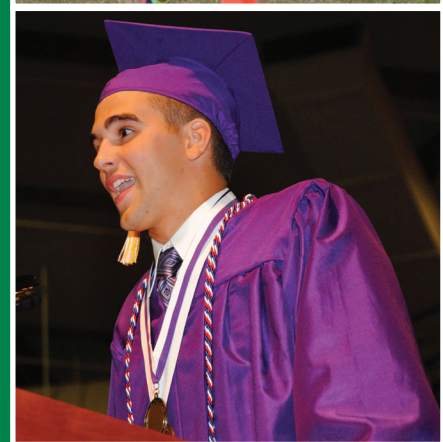
None.



COMPLIANCE SECTION



WE
COLLABORATE



**INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS**

Oregon Administrative Rules 162-10-000 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 independent auditor's report and comments and disclosures related to the audit of such statements and schedules are set forth in the following pages.





GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
475 Cottage Street NE, Suite 200, Salem, Oregon 97301
(503) 581-7788

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

School Board
Beaverton School District
Beaverton, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the basic financial statements of Beaverton School District, Washington County, Oregon (the District) as of and for the year ended June 30, 2016, and have issued our report thereon dated November 18, 2016.

Compliance and Other Matters

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

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

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

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


Internal Control

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Restriction on Use

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

GROVE, MUELLER & SWANK, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

By: 
Larry E. Grant, A Shareholder
November 18, 2016