
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, 2011. The Committee 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 should be 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 should present to the governing board and management an annual report of how the committee has discharged its duties and met its responsibilities. The GFOA recommends that this report be made public.

Audit Committee Membership

Sang Ahn – Chair

LeeAnn Larsen, School Board

Rob Drake

Tom Quillin, School Board

Cameron Irtifa, Budget Committee

Geoffery Dougall

District representation on Committee:

Claire Hertz, CFO

Gayellyn Jacobson, Budget Manager

André Schellhaas, Finance Manager

RECOMMENDATION:

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

(11-115) BE IT RESOLVED that the School Board of Beaverton School District hereby receives the Comprehensive Annual Financial Report for the year ended June 30, 2011 now on file in the Office of the Chief Financial Officer.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2011



Beaverton School District
16550 SW Merlo Road
Beaverton, Oregon 97006

BEAVERTON SCHOOL DISTRICT
Beaverton, Oregon

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Prepared by:
Business Services Department

Mr. Jeff Rose, Ed.D.
Superintendent

Ms. Claire Hertz
Chief Financial Officer

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BEAVERTON SCHOOL DISTRICT

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Introductory Section





Beaverton School District
16550 S.W. Merlo Road
Beaverton, Oregon 97006-5152
503-591-4310 • Fax: 503-591-4307

November 15, 2011

To Members of the Board of Education:

In accordance with the provisions of Oregon Revised Statutes, Sections 297.405 to 297.555 and 297.990, known as the Municipal Audit Law, it is required that an independent audit be made of all District funds within six months following the close of the fiscal year. Pursuant to this requirement, the Comprehensive Annual Financial Report of Beaverton School District (the District) for the fiscal year ended June 30, 2011 together with the audit opinion of our auditors are hereby submitted.

This report was prepared by the District's Business Services Department. The responsibility for the completeness, fairness, and accuracy of the data presented and all accompanying disclosures rests with the School District. We believe the financial statements and related information are stated fairly in all material aspects in reflecting the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain maximum understanding of the District's financial affairs have been included.

To provide a reasonable basis for making these representations, the District's management has established and maintains a comprehensive internal control framework that is designed both to protect assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. 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.

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 the table of contents, this transmittal letter, the District's organizational chart and copies of certificates awarded for Beaverton School District's 2010 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 independent auditors regarding compliance requirements of the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement for major federal programs.

The *Audit Comments and Disclosures Section* contain disclosures 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 auditors, beginning on page 7.

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 2010 was 38,823. 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	17,818
Middle School Programs	18	8,567
High School Programs	13	11,320
Special Education Programs	-	1,118
Total Programs and Enrollment	<u>64</u>	<u>38,823</u>

Growing from an enrollment of 34,291 in 2001 to 38,823, the District has experienced a 13% 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 increase by 8,500 students or an enrollment of 44,660 in 2025.

The Beaverton School District School Board, elected by a majority of the voting electorate, is the governing body responsible for the District's public 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.

The management staff includes a superintendent, two deputy superintendents, three chief officers, and 108 principals, vice-principals and district managers. The District employs 3,597 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 fund 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 nearly 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 eleven incorporated cities such as Beaverton, Hillsboro, Tigard and Tualatin, as well as a portion of the City of Portland. Careful land use management of residential and industrial growth has made it possible to preserve 75% of the County's agricultural and forest lands.

The area's current economic base includes electronics, manufacturing, construction, food processing, agriculture and timber. Of the approximately 36,600 employee high-tech industry jobs in Oregon, Washington County accounted for approximately 25,800 or 70.5% in the period ended June 30, 2011. 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 176-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 7,000 employees.

The Portland-Vancouver PMSA relies heavily on the manufacturing and high technology industries, businesses that have been weakened by the slow down in their industry. According to the Oregon Employment Department, at the end of June 2011, the Portland-Vancouver PMSA unemployment rate was 9.5%, as compared to the Oregon unemployment rate of 9.7% and the nation's rate of 9.3%.

LONG TERM FINANCIAL PLANNING

The District's unassigned fund balance in the General Fund (7.0 percent of total General Fund revenues) is greater than the amount set by Board policy for budgetary and planning purposes (a minimum 5.0 percent of total adopted revenues). The reserve is 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.

On November 7, 2006, District voters approved a capital construction bond measure authorizing the District to sell general obligation bonds in the amount of \$195 million. Bond proceeds were used for the construction of a new elementary school, a K-8 school, 100 additional classrooms at existing schools, and the creation of two new high school option programs. As the average age of the District's buildings is in excess of 30 years, funds were used to make extensive renovations to facilities throughout the District, for the

purchase of land for future construction, and to pay bond issuance costs.

With continued enrollment growth forecasted, in June 2010, the District issued a Facility Plan recommending two school facilities options by 2025: 1) three elementary schools, one middle school, two high schools, or 2) three elementary schools, one middle school, one high school and two options schools. The Plan included recommendations for additional school sites by 2025: one elementary, no middle, up to two high schools and up to two option schools.

MISSION STATEMENT AND PRIORITIES

The District Goal for 2010-2015 is that all students will show continuous progress toward their personal learning goals, developed in collaboration with teachers and parents, and will be prepared for post-secondary education and career success.

The Beaverton School District School Board adopted the 2010-15 Strategic Plan with a focus on individual student growth and achievement. Using the acronym THRIVE, the six areas of focus are:

Technology – employ 21st century technology to support student learning, innovation and excellence

High Quality Empowered Teaching Staff – hire, develop and retain qualified, committed and diverse staff

Respect for Human and Environmental Rights – safe and caring learning environments

Individual Student Growth – strengthen student learning through teacher collaboration, individualized instruction and common assessments

Volunteerism, Service and Engagement – connect parents and the community to our schools and our students to community life

Equity of Student Outcomes – develop a customized learning plan for every student that is relevant, current and challenging

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 hereafter to pay liabilities of the current period. Property tax revenue and proceeds from sale of property are not considered available and therefore are not recognized until received.

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 is 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.

Internal Accounting Controls. The accounting system incorporates reasonable safeguards for the assets of the District and the reliability of financial records. Internal controls are designed to provide an adequate safeguard of District assets recognizing the cost of controls should not exceed the benefits derived.

The management system recognizes the significance of internal controls that are incorporated in the accounting system. We believe the internal accounting controls adequately safeguard the assets and provide reasonable assurance of proper recording of all financial transactions.

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, 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 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.

RISK MANAGEMENT

The District is self-insured for property and liability (\$500,000 per occurrence) and worker's compensation (\$350,000 per occurrence) up to insurance policy deductible limits.

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, 2011, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall basic financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the District's basic financial statements for the fiscal year ended June 30, 2011, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the Financial Section of this report.

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

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, 2010. This was the thirtieth consecutive year that the District has received this prestigious award. In order to be awarded a Certificate of Achievement, the District published an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

In addition, the Association of School Business Officials International (ASBO) awarded its Certificate of Excellence in Financial Reporting to Beaverton School District for its Comprehensive Annual Financial Report for the year ended June 30, 2010. This was the twenty-ninth consecutive year that the District has received this prestigious award.

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

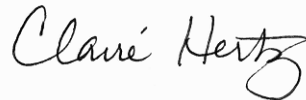
Many individuals throughout the District provided information needed for the preparation of this report. We wish to express our appreciation to the entire Business Services Department in particular for their efforts and contributions to our Comprehensive Annual Financial Report.

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,



Jeff Rose
Superintendent



Claire Hertz
Chief Financial Officer

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, 2010

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



Linda C. Davidson

President

Jeffrey R. Emer

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

BEAVERTON SCHOOL DISTRICT

**For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2010**

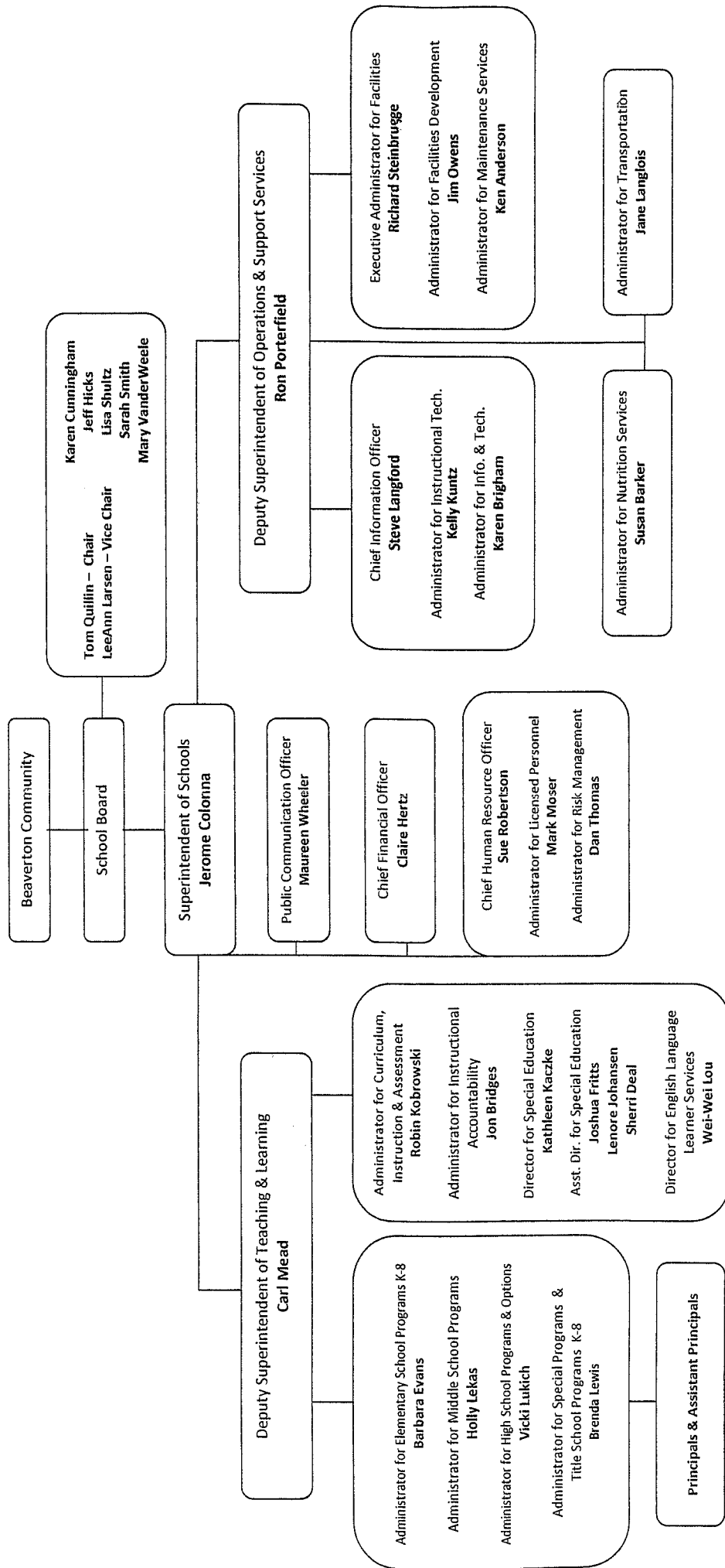
Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

President

Executive Director

Administrator Organizational Chart 2010-2011

(effective July 1, 2010)



To contact anyone in the organization, please call 503-591-8000.

**BEAVERTON SCHOOL DISTRICT
Appointed and Elected Officials**

Administrative Office:

16550 SW Merlo Road
Beaverton, Oregon 97006

Jerome Colonna
Jeff Rose
Ron Porterfield
Carl Mead

Superintendent and Clerk (FY 2010-11)
Superintendent and Clerk (FY 2011-12)
Deputy Superintendent
Deputy Superintendent

School Board as of June 30, 2011

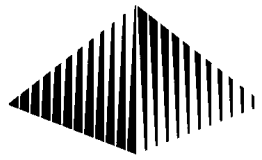
Name	Term Expires
Tom Quillin, Chair 16550 SW Merlo Road Beaverton OR 97006	June 30, 2013
LeeAnn Larsen, Vice Chair 16550 SW Merlo Road Beaverton OR 97006	June 30, 2013
Karen Cunningham 16550 SW Merlo Road Beaverton OR 97006	June 30, 2013
Sarah Smith 16550 SW Merlo Road Beaverton OR 97006	June 30, 2013
Jeff Hicks 16550 SW Merlo Road Beaverton OR 97006	June 30, 2011
Lisa Schultz 16550 SW Merlo Road Beaverton OR 97006	June 30, 2011
Mary VanderWeele 16550 SW Merlo Road Beaverton OR 97006	June 30, 2011

Financial Section



INDEPENDENT AUDITOR'S REPORT

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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
Washington County, Oregon
Beaverton, Oregon

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, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.


In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2011, on our consideration of the District's internal control over financial reporting and 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* and should be considered in assessing the results of our audit.

As described in the notes to the financial statements, during the year ended June 30, 2011, the District adopted the provisions of Governmental Accounting Standards Board Statement (GASBS) No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and GASBS No. 61, *The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34*.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A) (pages 7 through 17), the schedule of funding progress for other post-employment benefits (page 61), and the budgetary comparison information (pages 62 through 63) 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 MD&A and schedule of funding progress for other post-employment 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 budgetary comparison information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Beaverton School District's financial statements as a whole. 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 a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual fund financial statements and schedules, and the schedule of expenditure 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole. The introductory and statistical sections and other financial schedules 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.

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

By: 
Charles A. Swank, A Shareholder
November 15, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

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**BEAVERTON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011**

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, 2011. 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 - viii of this report.

FINANCIAL HIGHLIGHTS

- In the government-wide statements, the assets of the District exceeded its liabilities at June 30, 2011 by \$199.5 million (net assets). Of this amount, \$25.2 million (unrestricted net assets) may be used to meet the District's ongoing obligations to citizens and creditors in accordance with the District's fiscal policies.
- The District's total net assets increased by \$7.2 million for the fiscal year, a 3.8 percent improvement in the District's financial position as compared to the prior year.
- The District's governmental funds report combined ending fund balance of \$57.1 million, a decrease of \$18.6 million from the prior year. Approximately 37.7 percent of this total amount, \$21.5 million, is unrestricted, available for appropriation at the District's discretion. The remaining fund balances are either restricted or committed: \$22.3 million for use on capital projects, \$3.3 million, for debt service and the balance \$10.0 for other purposes.
- At the end of the fiscal year, the unassigned fund balance for the General Fund was \$20.2 million, or about 7.0 percent of total general fund revenue.
- Total cost of all the District's programs was \$378.6 million for the fiscal year, an increase of \$12.6 million (3.5 percent) from the prior year.
- The District's total long-term debt decreased by \$34.0 million (5.8 percent) during the 2010-11 fiscal year. The District entered into an additional capital lease of \$1.8 million. The District's debt was offset by debt service payments, and amortization of premiums, of \$34.0 million and capital lease payments of \$1.8 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The *Statement of Net Assets*. The *Statement of Net Assets* 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 assets). Net assets may be further separated into amounts restricted for specific purposes and unrestricted amounts. Over time,

**BEAVERTON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011**

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

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

Governmental activities. 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 21 and 22 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.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are reconciled to the government-wide Statements of Net Assets and Activities.

The District maintains ten individual governmental funds. Information is presented

**BEAVERTON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011**

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

separately in the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General, Grant, Debt Service, and Capital Projects Funds, all of which are considered to be major funds. Data from four of these governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided as Supplemental Information. Data from the remaining two funds is included as a separate General Fund Type presentation which can be found as Supplemental Information. This is a direct result of the District's implementation of Governmental Accounting Standards Board Statement No. 54, which was implemented during the 2010-11 fiscal year, in which two previously classified Special Revenue Funds were reclassified as General Funds. 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 23 and 25.

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 and for its printing services. 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 three 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 Supplemental Information in this report.

The basic proprietary fund financial statements are provided on pages 27 - 29 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the District, such as the Trust fund. Fiduciary funds are not reflected 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 basic fiduciary fund financial statements are located on pages 30 - 31 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 32 - 58 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *Required Supplementary Information* including budget to actual presentations for required major funds.

**BEAVERTON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$199.5 million at June 30, 2011.

Capital assets, which consist of the District's land, buildings, building improvements, construction-in-progress, vehicles, and equipment, represent 68.2 percent of total assets.

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

The District's largest liability (93.2 percent) is for the repayment of general obligation and limited tax pension obligation bonds. Other liabilities, representing about 6.8 percent of the District's total liabilities, consist principally of payables on accounts and salaries and benefits.

Most of the District's net assets (85.7 percent) 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. 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.

Beaverton School District Net Assets (in thousands)			
	Governmental Activities		Increase (Decrease) from Fiscal 2010
	June 30, 2011	June 30, 2010	
Capital assets	\$ 547,471	\$ 546,416 ¹	\$ 1,055
Current and other assets	255,260	280,661 ¹	(25,401)
Total assets	<u>802,730</u>	<u>827,077</u>	<u>(24,347)</u>
Long-term liabilities	562,497	595,062 ¹	(32,565)
Other liabilities	40,754	39,763 ¹	991
Total liabilities	<u>603,251</u>	<u>634,825</u>	<u>(31,574)</u>
Net assets:			
Invested in capital assets, net of related debt	188,503	168,112 ²	20,391
Restricted	5,433	7,008 ²	(1,575)
Unrestricted	5,544	17,132 ²	(11,588)
Total net assets	<u>\$ 199,480</u>	<u>\$ 192,252</u>	<u>\$ 7,228</u>

¹ 2010 has been categorized in accordance with the 2005 GAAFR

² 2010 has been restated due to GASB 54 implementation

**BEAVERTON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

During the current fiscal year, the District's overall financial position improved as indicated by an increase of \$7.2 million in net assets. Unrestricted net assets decreased by \$11.6 million. At the same time, the District's investment in capital assets, net of related debt, increased by \$20.4 million due to the completion of construction projects financed primarily by bond proceeds received in January 2007 and April 2009.

Governmental activities. The key elements of the change in the District's net assets for the years ended June 30, 2011 and June 30, 2010 are as follows:

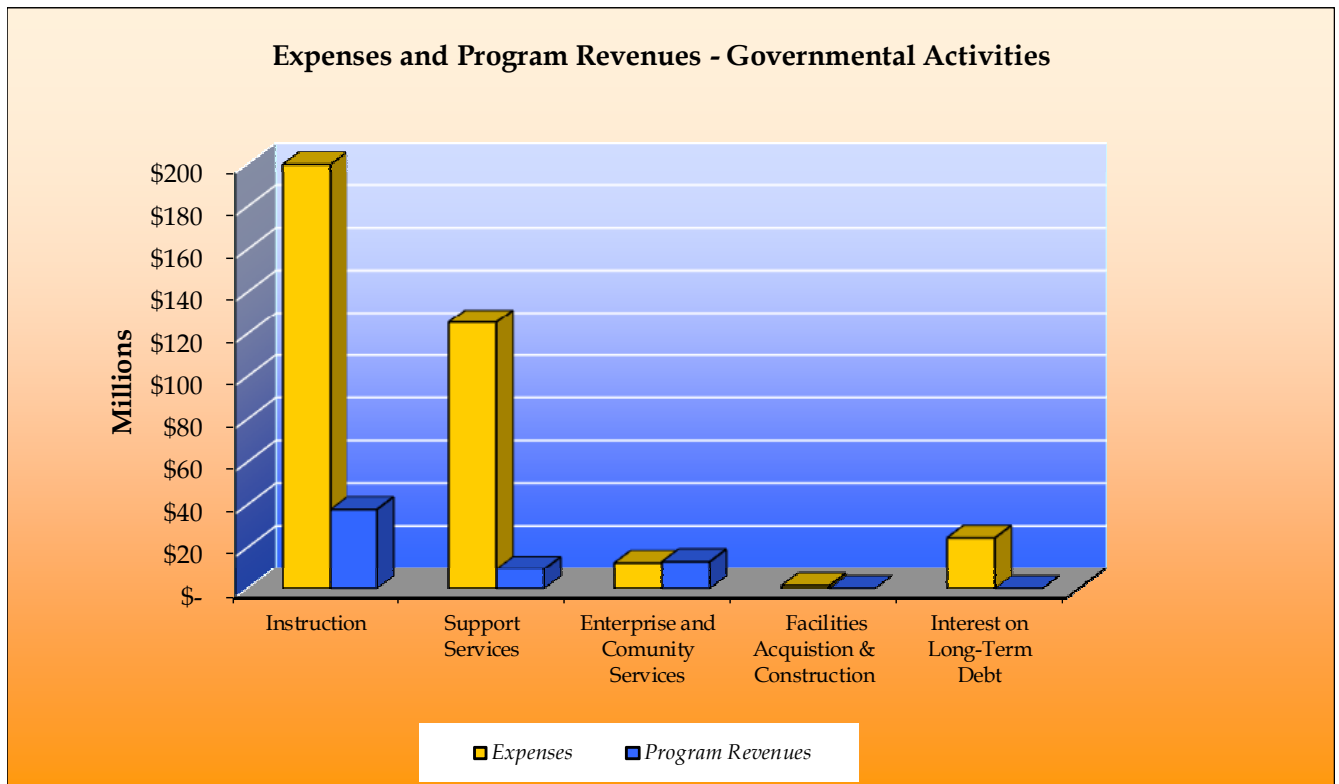
Beaverton School District Changes in Net Assets (in thousands) Year Ended June 30,			
	<u>Governmental Activities</u>		<u>Increase (Decrease)</u>
	<u>2011</u>	<u>2010</u>	
Revenues:			
Program revenues:			
Charges for services	\$ 14,920	\$ 14,522	\$ 398
Operating grants and contributions	45,695	41,722	3,973
Capital grants and contributions	560	1,384	(824)
General revenues:			
Property taxes	145,389	143,177	2,212
Local option taxes	-	11	(11)
Construction excise tax	1,181	1,344	(163)
State school fund	157,658	164,168	(6,510)
Other state and local sources	15,059	13,390	1,669
Earnings on investments	791	615	176
Miscellaneous	4,578	4,737	(159)
Total revenues	<u>385,829</u>	<u>385,070</u>	<u>759</u>
Expenses:			
Instruction	214,421	202,724	11,697
Support services	125,527	123,581	1,946
Enterprise and community services	12,768	12,390	378
Facilities services	1,332	1,101	231
Interest on long-term debt	24,552	26,185	(1,633)
Total expenses	<u>378,601</u>	<u>365,981</u>	<u>12,620</u>
Increase in net assets	7,228	19,089	(11,861)
Net assets – July 1	192,252	173,163	19,089
Net assets – June 30	<u>\$ 199,480</u>	<u>\$ 192,252</u>	<u>\$ 7,228</u>

¹ July 1, 2009 restated

**BEAVERTON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011**

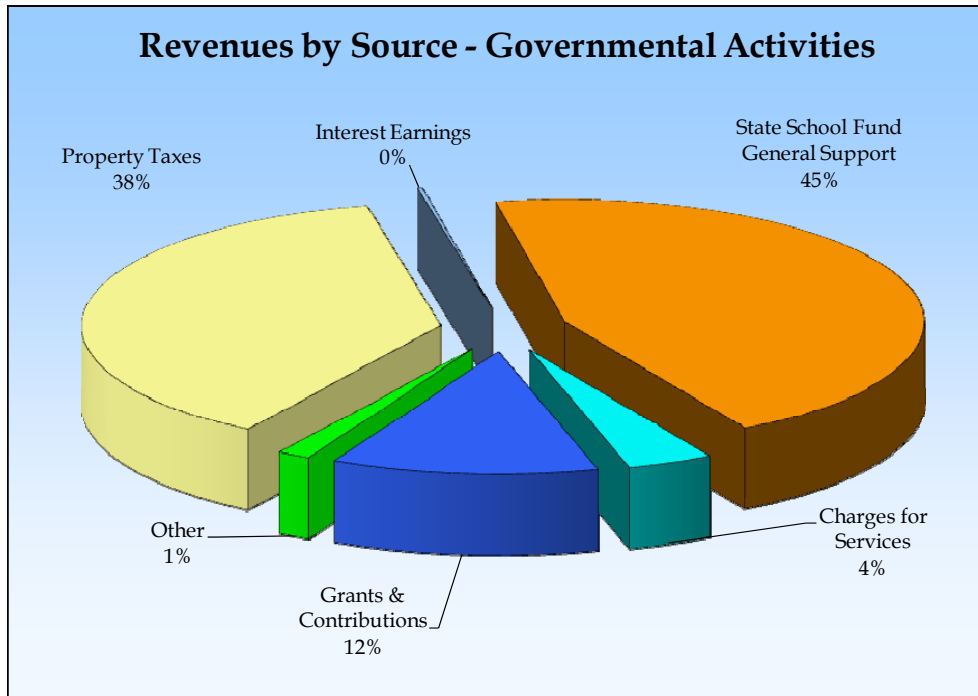
GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

- Operating grants and contributions increased by \$4.0 million (9.5 percent) in 2010-11 due to the Education Jobs and Medicaid Assistance Act of 2010.
- Property taxes increased by 1.5 percent overall during 2010-11 mostly due to an increase in collections to service the general obligation debt of the District.
- Oregon State School Fund revenues decreased by \$6.5 million (4.0 percent) during the year. This decrease is the result of a revenue shortfall of income tax collections and lottery proceeds by the State.
- Instruction expenses increased by \$11.7 million (5.8 percent) in 2010-11 due to increased staffing for enrollment and employee contractual agreements.
- Support services expenses were increased by only \$2.0 million (1.6 percent) in 2010-11 due to increase in employee contractual agreements.
- Interest on long-term debt decreased by \$1.6 million (6.2 percent) in 2010-11 due to paying down the general obligation debt.



**BEAVERTON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)



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 resource's available for spending at the end of a fiscal year.

To further enhance this analysis, the District implemented GASB Statement No. 54 for fiscal year ended June 30, 2011. This GASB reporting requirement requires an analysis and breakdown of ending fund balance for governmental fund types between five new fund balance categories. For more information on the details behind each fund balance category see Note 1 on pages 39 and 40 of this report.

At June 30, 2011, the District's governmental funds reported combined ending fund balances of \$57.1 million, a decrease of \$18.6 million in comparison with the prior year. Approximately \$36.9 million (64.7 percent) of the ending fund balances constitutes *nonspendable, restricted or committed ending fund balance*, which is constrained to specific purposes by bondholders and higher levels of government, and \$20.2 million (35.3 percent) of the ending fund balances are unassigned and available for spending at the District's discretion. Of the fund balance, 39.0 percent or \$22.3 million is designated for capital projects, as authorized by voters, and an additional \$3.3 million (5.8 percent) is designated for debt service obligations.

**BEAVERTON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (CONTINUED)

General Fund. The General Fund is the chief operating fund of the District. As of June 30, 2011, unassigned fund balance was \$21.5 million. As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund revenues. The Fund balance is 8.0 percent of General Fund Revenues. The fund balance decreased by \$6.7 million primarily due to a State School Fund revenue shortfall.

Debt Service Fund. The Debt Service Fund has a total fund balance of \$3.3 million, all of which is set aside for the payment of debt service. The slight net decrease in fund balance during the current year was \$.1 million (2.1 percent).

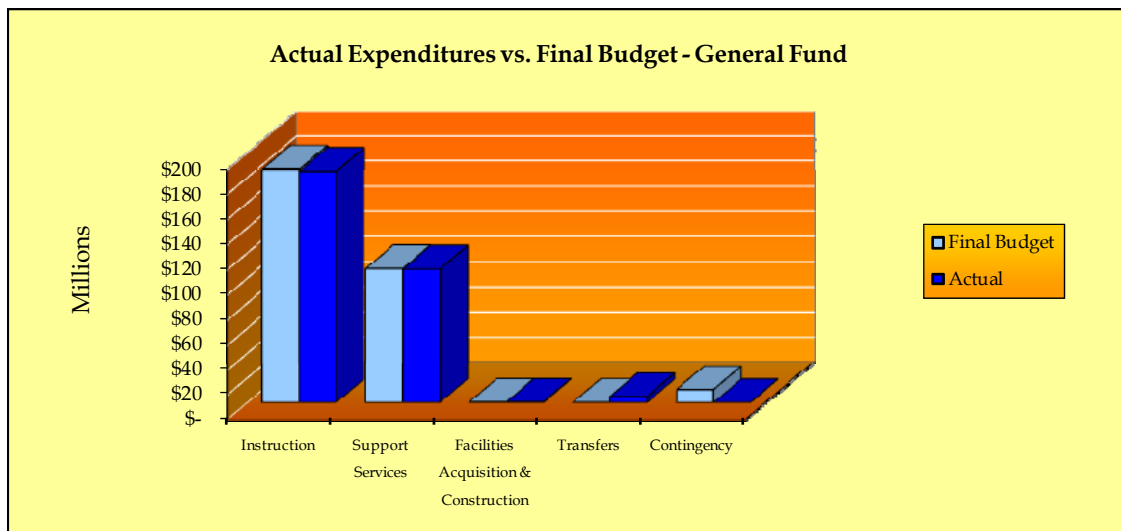
Capital Projects Fund. The Capital Projects Fund has a total fund balance of \$22.3 million, all of which is dedicated for ongoing capital projects, as authorized by District voters in the November 2006 election. The fund balance decreased by \$12.3 million during the current fiscal year due to a construction schedule for expenditures for land, new construction, additions and other improvements.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board approved appropriation transfers to the budget for the fiscal year ended June 30, 2011. The following changes were made:

An appropriation transfer of \$1.9 million was made from contingency to support services in support of a bus lease purchase.

Revenues were \$2.2 million higher than budget primarily attributable to an increase of \$7.4 million in the federal Education Jobs and Medicaid Assistance Act of 2010 and a decrease of \$6.1 million in State School Fund revenue due to a decline in income tax collections at the state level. Expenditures were \$12.6 million less than budgeted due substantially to the District not needing to appropriate the remaining contingency of \$10.5 million to fund operations during the year.



**BEAVERTON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011**

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.

- During the year, the District's investment in capital assets, net of accumulated depreciation increased by nearly \$1.0 million. The major capital asset events, net of disposals, for the year include the completion of numerous school renovation projects .

As of June 30, 2011 the District's investment in capital assets, net of accumulated depreciation, is over \$547 million, as shown in the following table:

Beaverton School District Accumulated Assets (net of accumulated depreciation) (in thousands)			
	June 30, 2011	June 30, 2010	Increase (Decrease)
Land	\$ 50,452	\$ 50,452	\$ -
Buildings and improvements	476,392	473,680	2,712
Vehicles & equipment	18,845	18,648	197
Construction in progress	1,781	3,636	(1,855)
Total capital assets, net of related accumulated depreciation	\$ 547,470	\$ 546,416	\$ 1,054

Additional information regarding the District's capital assets can be found in Note 5 on page 45 of this report.

Long-term debt. At the end of the current fiscal year, the District had total debt outstanding of \$554.8 million. The debt consisted of general obligation, full faith and credit obligation, pension obligation debt, net of unamortized premium/discount, and capital leases.

State statutes limit the amount of general obligation debt a school district may issue to 7.95 percent of its total real market value. The current debt margin for the District is over \$2.5 billion, which is significantly in excess of the District's outstanding general obligation debt.

During the current fiscal year, as shown in the following table, the District's total debt decreased by \$34.0 million (5.8 percent). The decrease is a result an increase of \$1.8 million in capital leases offset of principal payments of \$34.0 million and amortization expense of about \$1.8 million.

**BEAVERTON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011**

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Beaverton School District Outstanding Debt (in thousands)			
	<u>June 30, 2011</u>	<u>June 30, 2010</u>	<u>Increase (Decrease)</u>
General obligation bonds	\$ 341,575	\$ 370,250	\$ (28,675)
Pension obligation bonds	175,870	178,815	(2,945)
Full faith and credit obligation bonds	22,040	22,595	(555)
Unamortized premium	11,186	13,007	(1,821)
Capital leases	4,080	4,056	24
	<u>\$ 554,751</u>	<u>\$ 588,723</u>	<u>\$ (33,972)</u>

The District maintains an "AA-" 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 6 & 7 on pages 46 - 49 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The most significant economic factor for the District is the State of Oregon's State School Fund. For the year ended June 30, 2011, the State School Fund - General Support provided over 49 percent of the District's General Fund program resources. The District is expecting one percent less revenue from the State School Fund for the year ended June 30, 2012, based on current projections for the 2011-13 biennium from the State of Oregon Legislative Revenue Office. The state economic forecast reveals a slow recovery and flat State School funding for the District in the next few biennia.

The costs of salaries and related benefits are expected to increase slightly in 2012-13, based on a lower than usual attrition rate, possible furlough days and a lower number of new employees. Employees will receive a 1.0 percent increase in salary in addition to salary step increases which are based on length of service with the District. Health insurance costs are anticipated to have double digit increases in premium rates.

The District expects slow enrollment growth as a result of the uncertain housing market and high unemployment rates. Enrollment increased by 724 students during the year ended June 30, 2011. The District is 266 students below projections with a total enrollment of 38,519 at the start of the 2011-12 school year.

The District has also analyzed its financial holdings and doesn't anticipate any liquidity problems in the next 12 months.

**BEAVERTON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET (CONTINUED)

The District's Budget Committee and School Board have considered all of these factors while preparing the District's budget for the 2010-11 fiscal year.

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

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 97006.

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BASIC FINANCIAL STATEMENTS

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**BEAVERTON SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2011**

ASSETS:

Cash and investments	\$ 76,872,597
Receivables	24,027,041
Inventories	405,275
Deferred charges	2,668,094
Prepaid PERS unfunded actuarial liability	151,286,627
Capital assets not being depreciated:	
Land	50,451,665
Construction in progress	1,781,290
Capital assets, net of accumulated depreciation:	
Buildings and improvements	476,392,427
Vehicles and equipment	18,845,423
TOTAL ASSETS	<u>802,730,439</u>

LIABILITIES:

Accounts payable	5,052,282
Accrued salaries and benefits	30,370,195
Accrued interest payable	1,596,097
Unearned revenue	907,430
Accrued claims losses	2,545,325
Other accrued liabilities	282,342
Long-term liabilities:	
Capital leases payable - due within one year	1,868,250
General obligation and full faith and credit obligation bonds - due within one year	34,346,023
Bonds payable - Limited tax pension obligation bonds - due within one year	3,525,000
Other postemployment benefit obligation	7,746,561
Capital leases payable - due in more than one year	2,211,701
General obligation and full faith and credit obligation bonds - due in more than one year	340,454,517
Bonds payable - Limited tax pension obligation bonds - due in more than one year	172,345,000
TOTAL LIABILITIES	<u>603,250,723</u>

NET ASSETS:

Invested in capital assets, net of related debt	188,502,503
Restricted for debt service	3,030,099
Restricted for student body	2,403,075
Unrestricted	5,544,039
TOTAL NET ASSETS	<u>\$ 199,479,716</u>

See notes to basic financial statements.

**BEAVERTON SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2011**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Change in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental activities:					
Regular programs	\$ 155,823,545	\$ 9,341,231	\$ 12,764,765	\$ -	\$ (133,717,549)
Special programs	58,135,083	-	15,389,607	-	(42,745,476)
Summer school programs	462,055	-	409,097	-	(52,958)
Student support services	24,318,965	-	3,129,411	-	(21,189,554)
Instructional staff support	16,324,138	-	4,071,900	-	(12,252,238)
General administration support	1,527,173	-	-	-	(1,527,173)
School administration	22,373,286	-	-	-	(22,373,286)
Business support services	44,761,271	841,385	992,822	560,751	(42,366,313)
Central activities support	16,137,172	-	213,856	-	(15,923,316)
Supplemental retirement program	85,307	-	-	-	(85,307)
Nutrition services	12,590,877	4,690,790	8,009,402	-	109,315
Community services	140,908	46,188	714,044	-	619,324
Custody and care of children services	37,083	-	-	-	(37,083)
Facilities services	1,332,465	-	-	-	(1,332,465)
Interest on long-term debt	24,552,195	-	-	-	(24,552,195)
Total governmental activities	\$ 378,601,523	\$ 14,919,594	\$ 45,694,904	\$ 560,751	(317,426,274)
General revenues:					
Property taxes levied for general purposes					100,540,188
Local option taxes levied for general purposes					32
Property taxes levied for debt service					44,848,328
Construction excise tax					1,180,614
State school fund - general support					157,658,272
Common school fund					3,419,944
Unrestricted state and local sources					11,638,640
Earnings on investments					790,559
Miscellaneous					4,577,759
Total general revenues					324,654,336
CHANGE IN NET ASSETS					7,228,062
Net assets - July 1, 2010					192,251,654
Net assets - June 30, 2011					\$ 199,479,716

See notes to basic financial statements.

**BEAVERTON SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011**

	General Fund	Grant Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
ASSETS						
Equity in pooled cash and investments	\$ 38,326,788	\$ -	\$ 1,931,818	\$ 22,725,820	\$ 8,905,003	\$ 71,889,429
Cash with fiscal agent	2,033	-	24,960	100,000	-	126,993
Receivables	9,983,833	5,540,731	182,291	128,726	2,115,391	17,950,972
Property taxes receivable	4,186,168	-	1,853,695	-	-	6,039,863
Due from other funds	2,766,143	-	877,191	-	-	3,643,334
Inventories	-	-	-	-	395,505	395,505
TOTAL ASSETS	\$ 55,264,965	\$ 5,540,731	\$ 4,869,955	\$ 22,954,546	\$ 11,415,899	\$ 100,046,096
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 3,388,439	\$ 383,516	\$ -	\$ 658,774	\$ 429,358	\$ 4,860,087
Accrued salaries and benefits	25,540,658	1,815,236	-	651	598,138	27,954,683
Due to other funds	936,792	2,858,131	-	6	26,822	3,821,751
Deferred revenue	3,542,353	-	1,568,602	-	-	5,110,955
Unearned revenue	320,269	483,848	-	-	103,313	907,430
Other liabilities	17,484	-	-	-	264,858	282,342
TOTAL LIABILITIES	33,745,995	5,540,731	1,568,602	659,431	1,422,489	42,937,248
Fund Balances:						
Nonspendable	-	-	-	-	395,505	395,505
Restricted	-	-	1,461,497	19,912,189	2,403,075	23,776,761
Committed	1,362,113	-	1,839,856	2,382,926	7,194,830	12,779,725
Unassigned	20,156,857	-	-	-	-	20,156,857
TOTAL FUND BALANCES	21,518,970	-	3,301,353	22,295,115	9,993,410	57,108,848
TOTAL LIABILITIES AND FUND BALANCES	\$ 55,264,965	\$ 5,540,731	\$ 4,869,955	\$ 22,954,546	\$ 11,415,899	\$ 100,046,096

See notes to basic financial statements.

**BEAVERTON SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET ASSETS
JUNE 30, 2011**

TOTAL FUND BALANCES		\$	57,108,848
Capital assets are not financial resources and therefore are not reported in the governmental funds:			
Cost	\$	722,547,525	
Accumulated depreciation		<u>(175,145,008)</u>	547,402,517
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.			5,110,955
The unamortized portion of issuance costs is not reported as an asset in the governmental funds.			2,668,094
Internal service funds are used by the District to charge the costs of printing services and 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 assets.			2,401,681
Compensated absences are reported when earned as a liability in the Statement of Net Assets while in the governmental funds only the portion that requires the use of current financial resources is reported as a liability.			(2,405,857)
Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest on long-term debt and capital lease are not accrued in the governmental funds, but rather are recognized as an expenditure when due. These liabilities consist of:			
Accrued interest payable		(1,596,097)	
Bonds payable		(550,670,540)	
Capital leases payable		<u>(4,079,951)</u>	(556,346,588)
PERS Unfunded Actuarial Liability (UAL) was prepaid in 2004-05 and recorded as an expenditure in the governmental fund financial statements. The prepaid asset will be reduced as the bond is paid.			151,286,627
The liability for other postemployment benefits obligation due at June 30, 2011 is not recorded in the governmental funds, but it is accrued as an expense and a liability in the government-wide statements.			<u>(7,746,561)</u>
TOTAL NET ASSETS		\$	<u><u>199,479,716</u></u>

See notes to basic financial statements.

**BEAVERTON SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011**

	General Fund	Grant Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
REVENUES:						
Property taxes	\$ 100,733,615	\$ -	\$ 44,926,141	\$ -	\$ -	\$ 145,659,756
Construction excise tax	-	-	-	1,180,614	-	1,180,614
Federal sources	11,632,432	24,423,087	-	-	7,890,362	43,945,881
State and local sources	170,426,488	2,139,693	-	-	711,426	173,277,607
Charges for services	3,191,630	-	-	-	11,119,381	14,311,011
Rentals	503,466	-	-	100,938	4,179	608,583
Investment earnings	344,862	-	104,813	275,021	34,105	758,801
Contributions and donations	11,402	834,109	-	8,891	894,621	1,749,023
Recovery of prior years' expenditures	298,302	-	-	639,824	-	938,126
Services to other funds	-	-	11,869,835	-	-	11,869,835
Other	1,828,838	-	-	767,152	722,401	3,318,391
TOTAL REVENUES	288,971,035	27,396,889	56,900,789	2,972,440	21,376,475	397,617,628
EXPENDITURES:						
Current:						
Instruction	184,859,973	17,397,128	-	-	6,887,632	209,144,733
Support services	107,949,558	9,096,099	-	170,683	1,211,930	118,428,270
Enterprise and community services	102,003	129,126	-	-	12,340,979	12,572,108
Facilities acquisition and construction	354,551	774,536	-	13,866,431	512,208	15,507,726
Debt service:						
Principal	-	-	33,994,798	-	-	33,994,798
Interest	-	-	26,637,751	-	-	26,637,751
TOTAL EXPENDITURES	293,266,085	27,396,889	60,632,549	14,037,114	20,952,749	416,285,386
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,295,050)	-	(3,731,760)	(11,064,674)	423,726	(18,667,758)
OTHER FINANCING SOURCES (USES):						
Transfers in	714,882	-	3,662,563	-	-	4,377,445
Transfers out	(4,919,215)	-	-	(1,213,230)	-	(6,132,445)
Capital leases	1,844,111	-	-	-	-	1,844,111
TOTAL OTHER FINANCING SOURCES (USES)	(2,360,222)	-	3,662,563	(1,213,230)	-	89,111
NET CHANGE IN FUND BALANCES	(6,655,272)	-	(69,197)	(12,277,904)	423,726	(18,578,647)
FUND BALANCES, July 1, 2010	26,486,138	-	3,370,550	34,573,019	11,257,788	75,687,495
Restatement of fund balance, beginning of year	1,688,104	-	-	-	(1,688,104)	-
FUND BALANCES, July 1, 2010, as restated	28,174,242	-	3,370,550	34,573,019	9,569,684	75,687,495
FUND BALANCES, June 30, 2011	\$ 21,518,970	\$ -	\$ 3,301,353	\$ 22,295,115	\$ 9,993,410	\$ 57,108,848

See notes to basic financial statements.

**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, 2011**

NET CHANGE IN FUND BALANCES \$ (18,578,647)

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:

Expenditures for capital assets	\$ 14,370,060	
Less current year depreciation	(13,311,056)	1,059,004

Long-term debt proceeds are reported as other financing sources in governmental funds. In the Statement of Net Assets, however, issuing long-term debt increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Assets. This is the amount by which repayments exceeded proceeds:

Debt principal repaid	32,175,000	
Amortization expense	1,821,023	33,996,023

The PERS UAL was prepaid in 2004-05 and recorded as an expenditure in the governmental financial statements. The prepaid asset is being amortized over the life of the pension obligation bonds. (6,392,914)

Governmental funds report the effect of issuance costs as expenses whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences. (252,055)

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. 269,308

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. (271,208)

Internal service funds are used by the District to charge the costs of printing services and insurance premiums and claims to the individual funds. The net income is reported with governmental activities. (1,286,910)

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. 120,996

Capital lease proceeds are recorded as an other financing source in governmental funds. This debt, however, increases liabilities in the Statement of Net Assets.

Debt issued	(1,844,111)	
Debt principal repaid	1,819,798	
Accrued interest	(4,775)	(29,088)

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. (1,406,447)

CHANGE IN NET ASSETS \$ 7,228,062

See notes to basic financial statements.

**BEAVERTON SCHOOL DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
JUNE 30, 2011**

ASSETS

Current assets:

Cash and cash equivalents	\$ 4,856,175
Receivables	36,206
Due from other funds	178,819
Inventory	<u>9,770</u>
Total current assets	5,080,970

Capital assets, net of accumulated depreciation	<u>68,288</u>
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TOTAL ASSETS	<u><u>5,149,258</u></u>
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LIABILITIES

Current liabilities:

Accounts payable	192,195
Accrued claims losses	2,545,325
Accrued salaries and benefits	9,655
Due to other funds	<u>402</u>

TOTAL CURRENT LIABILITIES	<u><u>2,747,577</u></u>
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NET ASSETS

Invested in capital assets	68,288
Unrestricted	<u>2,333,393</u>

TOTAL NET ASSETS	<u><u>\$ 2,401,681</u></u>
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See notes to basic financial statements.

**BEAVERTON SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2011**

OPERATING REVENUES:	
Charges for services	\$ 1,514,856
Recovery of prior years' expenditures	257,958
Other	<u>63,284</u>
TOTAL OPERATING REVENUES	<u>1,836,098</u>
OPERATING EXPENSES:	
Losses and claims	1,588,783
Insurance premiums and assessments	2,036,869
Salaries and benefits	736,302
Services, supplies and materials	541,919
Facilities acquisition and construction	1,976
Depreciation	<u>3,917</u>
TOTAL OPERATING EXPENSES	<u>4,909,766</u>
OPERATING LOSS	(3,073,668)
NONOPERATING REVENUE:	
Investment earnings	<u>31,758</u>
LOSS BEFORE TRANSFERS	(3,041,910)
Transfers in	<u>1,755,000</u>
CHANGE IN NET ASSETS	(1,286,910)
NET ASSETS, July 1, 2010	<u>3,688,591</u>
NET ASSETS, June 30, 2011	<u><u>\$ 2,401,681</u></u>

See notes to basic financial statements.

**BEAVERTON SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2011**

CASH FLOWS FROM OPERATING ACTIVITIES:	
Received for services	\$ 237,919
Received from recovery of prior years' expenditures	257,958
Received from interfund services provided	1,238,986
Paid for goods and services	(2,506,966)
Paid to claimants	(1,588,783)
Paid to employees	(729,286)
	<hr/>
NET CASH USED BY OPERATING ACTIVITIES	(3,090,172)
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Transfer from other funds	1,755,000
	<hr/>
 CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest received	31,758
	<hr/>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,303,414)
CASH AND CASH EQUIVALENTS, JULY 1, 2010	6,159,589
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CASH AND CASH EQUIVALENTS, JUNE 30, 2011	\$ 4,856,175
	<hr/> <hr/>
 RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:	
Operating loss	\$ (3,073,668)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation expense	3,917
Changes in assets and liabilities:	
Receivables	(33,297)
Inventory	1,554
Due from other funds	(68,308)
Accounts payable	72,244
Due to other funds	370
Accrued salaries and benefits	7,016
	<hr/>
NET CASH USED BY OPERATING ACTIVITIES	\$ (3,090,172)
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See notes to basic financial statements.

**BEAVERTON SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
JUNE 30, 2011**

	Private Purpose Trust Fund
ASSETS	
Equity in pooled cash and investments	<u>\$ 303,283</u>
TOTAL ASSETS	<u>303,283</u>
LIABILITIES	
Scholarships payable:	
Due within one year	<u>49,738</u>
TOTAL LIABILITIES	<u>49,738</u>
NET ASSETS	
Held in trust for:	
Scholarships	<u>253,545</u>
TOTAL NET ASSETS	<u><u>\$ 253,545</u></u>

See notes to basic financial statements.

**BEAVERTON SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND
YEAR ENDED JUNE 30, 2011**

	Private Purpose Trust Fund
	<u> </u>
ADDITIONS:	
Contributions:	
Donations	\$ 72,970
Investment earnings	<u> 932</u>
Total additions	<u> 73,902</u>
DEDUCTIONS:	
Scholarships	<u> 66,499</u>
CHANGE IN NET ASSETS	7,403
NET ASSETS, July 1, 2010	<u> 246,142</u>
NET ASSETS, June 30, 2011	<u><u> \$ 253,545</u></u>

See notes to basic financial statements.

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 a public charter school, Arco Iris Spanish Immersion Charter School. This public charter school is a legally separate, tax-exempt organization governed by its own board of directors and its financial statements may be obtained by its administrative office.

The District has early implemented GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*. The Statement provided requirements for including, presenting, and disclosing information about component units and equity interest transactions of a financial reporting entity. The implementation has no effect on the District's financial statement. The District has no component units that meet the criteria for reporting under GASB 61.

Basis of Presentation

Government-wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the District. These statements include the governmental financial activities of the overall District, except fiduciary activities. Eliminations have been made to minimize the double counting of internal activities, 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Government-wide Financial Statements (Continued)

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

Fund Financial Statements

The fund financial statements provide information about the District's funds including those of a fiduciary nature. Separate statements for each fund category (governmental, 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.

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

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 classroom supplies and equipment, capital improvements, long-term planning, the receipts, disbursements and cash balances of the various schools' student body activity funds and 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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

The 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 assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs and then general revenues. Agency funds have no measurement focus and only report assets and liabilities and use the accrual basis of accounting.

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 printing and 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 time certificates of deposit, corporate securities, U.S. Government Agency securities, and the State of Oregon Treasurer's Local Government Investment Pool (LGIP). The District's investments are reported at fair value. 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 fund. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon legislature established the Oregon Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury in the management and investment options of the LGIP.

Property Taxes Receivable

Property taxes are levied and become a lien on July 1. Collection dates are November 15, February 15, and May 15 following the lien date. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

Uncollected property taxes are recorded on the Statement of Net Assets. Uncollected taxes are deemed to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established. All property taxes receivable are due from property owners within the District.

Accounts and Other Receivables

Accounts and other receivables are comprised primarily of State school support, claims for reimbursement of costs under various federal and state grants, and investment interest. Amounts are periodically reviewed for collectability. At June 30, 2011, 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Pension Assets

The District also reports a PERS asset which represents the District's unamortized balance of the prepaid unfunded actuarial liability at June 30, 2011. The pension asset is equal to payments made from the issuance of pension bonds less accumulated amortization calculated on the straight-line method over the life of the pension obligation bonds.

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
Equipment	5 to 30 years

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Self-Insurance (Continued)

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 - \$350,000 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.

Retirement Plans

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

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 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-Term Debt

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

In the fund financial statements, bond premiums and discounts, as well as bond issuance costs, are recognized when incurred and 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.

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 one appropriation transfer was made. Appropriations lapse at the end of each fiscal year.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2011, the date of the most recent statement of net assets, have been evaluated for possible adjustment to the financial statements or disclosure is November 15, 2011, which is the date on which the financial statements were available.

Governmental Fund Balances

In the year ended June 30, 2011, the District adopted GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*. 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 School Board can modify or rescind the commitment at any time through taking a similar formal action.
- 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. The District’s Chief Financial Officer uses that information to determine whether those resources should be classified as assigned or unassigned for presentation in the District’s Annual Financial Report.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Balances (Continued)

- 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.

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.

The provisions of GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions* modified the definitions of the fund types and requires that Special Revenue Funds whose primary source of funding is transfers from the General Fund be reported as part of the General Fund. Therefore, in the Governmental Funds Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances, the Long-Term Planning and Pension Funds have been combined with the General Fund.

Use of Restricted Resources

When an expense is incurred that can be paid using either restricted or unrestricted resources (net assets), the District's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the District's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications—committed and then assigned fund balances before using unassigned fund balances.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Balances (Continued)

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. 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, 2011:

Cash with fiscal agent	\$ 126,993
Petty cash	3,243
Deposits with banks	3,910,305
Time certificates of deposit	14,064
Investments	73,121,275
	<u>\$ 77,175,880</u>

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

Statement of Net Assets	
Cash and investments	\$ 76,872,597
Statement of Net Assets Fiduciary Funds	
Equity in pooled cash and investments	303,283
	<u>\$ 77,175,880</u>

At year-end, the District's deposits with various financial institutions had a bank value of \$4,748,761 and a book value of \$4,040,541. 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.

BEAVERTON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

2. CASH AND INVESTMENTS (CONTINUED)

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 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, 2011 \$3,973,821 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, 2011 the District held the following investments and maturities:

Investment Type	Fair Value	Weighted Average Maturity in Years	% of Investment Portfolio
Corporate securities	\$ 9,264,493	0.373	12.7 %
Local Government Investment Pool	42,311,152	0.003	57.8
U.S. Agency securities	21,545,630	0.248	29.5
	\$ 73,121,275	0.122	100.0 %

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
Bankers' acceptances	25%	18 months
Corporate securities	35%	18 months
Local Government Investment Pool	100%	1 day
State and local government obligations	30%	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
U.S. Treasury securities	100%	18 months operating funds, 3 years for capital project funds

The maximum amount of pooled investments to be placed in the LGIP is limited by Oregon State Statutes 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.

2. CASH AND INVESTMENTS (CONTINUED)

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. 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 custodial 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, 2011, the District's investments were rated as follows:

Investment Type	Highest Rating From				
	Total	Moody's Investors Service or Standard & Poor's Corporation			
		Aaa/AAA	Aa/AA	A/A	Not Rated
Corporate securities	\$ 9,264,493	\$ -	\$ 6,359,510	\$ 2,904,983	\$ -
Local Government Investment Pool	42,311,152	-	-	-	42,311,152
U.S. Agency securities	21,545,630	21,545,630	-	-	-
	<u>\$ 73,121,275</u>	<u>\$ 21,545,630</u>	<u>\$ 6,359,510</u>	<u>\$ 2,904,983</u>	<u>\$ 42,311,152</u>

The Oregon State Treasurer maintains the Oregon Short-Term Fund, of which the LGIP is a part. 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 Statutes, funds are invested as a prudent investor would do, exercising reasonable care, skill and caution. 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 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. Investments in corporate securities of any one issuer may not exceed 5% of the investment portfolio. At June 30, 2011, more than 5% of the District's portfolio was invested in Federal Home Loan Bank, Federal Farm Credit Bank, and Federal National Mortgage Association's securities. These investments were 18.7%, 7.4%, and 3.4%, respectively, of the District's total investments.

BEAVERTON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

3. RECEIVABLES

Receivables are comprised of the following as of June 30, 2011:

<u>Account</u>	<u>Amount</u>
Property taxes receivable	
General Fund	\$ 4,186,168
Debt Service	<u>1,853,695</u>
Total property taxes receivable	<u>6,039,863</u>
Grants receivable	
Grant Fund	5,540,731
Other Governmental Funds	<u>2,005,356</u>
Total grants receivable	<u>7,546,087</u>
Interest and other	
General Fund	9,983,833
Debt Service Fund	182,291
Capital Projects Fund	128,726
Other Governmental Funds	110,035
Internal Service Funds	<u>36,206</u>
Total interest and other receivables	<u>10,441,091</u>
Total receivables	<u><u>\$ 24,027,041</u></u>

4. INTERFUND RECEIVABLES AND PAYABLES

The composition of interfund balances as of June 30, 2011 is as follows:

	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>
General Fund	\$ 936,792	\$ 2,766,143
Grant Fund	2,858,131	-
Debt Service Fund	-	877,191
Capital Projects Fund	6	-
Other Governmental Funds	26,822	-
Internal Service Funds	<u>402</u>	<u>178,819</u>
Total	<u><u>\$ 3,822,153</u></u>	<u><u>\$ 3,822,153</u></u>

There is a \$2,766,143 interfund balance in the General Fund to fund reimbursable expenditures in the Grant Fund. The remaining \$1,056,010 interfund balances between funds are the result of payroll accruals at year end.

BEAVERTON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

5. CAPITAL ASSETS

Capital assets activity for the year was as follows:

	Balance July 1, 2010	Additions	Reductions	Balance June 30, 2011
Capital assets not being depreciated:				
Land	\$ 50,451,665	\$ -	\$ -	\$ 50,451,665
Construction in progress	3,636,175	1,627,434	(3,482,319)	1,781,290
Total capital assets not being depreciated	<u>54,087,840</u>	<u>1,627,434</u>	<u>(3,482,319)</u>	<u>52,232,955</u>
Capital assets being depreciated:				
Buildings and improvements	622,402,567	16,386,232	(45,246)	638,743,553
Vehicles and equipment	31,802,273	2,730,805	(2,856,588)	31,676,490
Total capital assets being depreciated	<u>654,204,840</u>	<u>19,117,037</u>	<u>(2,901,834)</u>	<u>670,420,043</u>
Less accumulated depreciation for:				
Buildings and improvements	(148,722,896)	(13,684,186)	55,956	(162,351,126)
Vehicles and equipment	(13,154,067)	(1,838,496)	2,161,496	(12,831,067)
Total accumulated depreciation	<u>(161,876,963)</u>	<u>(15,522,682)</u>	<u>2,217,452</u>	<u>(175,182,193)</u>
Total capital assets being depreciated, net	<u>492,327,877</u>	<u>3,594,355</u>	<u>(684,382)</u>	<u>495,237,850</u>
Total capital assets, net	<u>\$ 546,415,717</u>	<u>\$ 5,221,789</u>	<u>\$ (4,166,701)</u>	<u>\$ 547,470,805</u>

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

Regular programs	\$ 7,621,637
Special programs	2,640,408
Summer school programs	24,836
Student support services	1,167,306
Instructional staff support	700,073
General administration support	65,195
School administration	1,137,813
Business support services	1,490,177
Central activities support	384,963
Nutrition services	282,513
Community services	7,761
	<u>\$ 15,522,682</u>

BEAVERTON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

6. CAPITAL LEASES

The District entered into lease 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, capital lease obligations increased from \$4,055,638 to \$4,079,951 due to an additional contract of \$1,844,111 and an offset by principal payments of \$1,819,798. The leased buses were purchased for \$9,912,164 and have a net book value of \$7,908,955 and accumulated depreciation of \$2,003,209 at June 30, 2011. The capital lease obligations are paid by a transfer from the General Fund to the Debt Service Fund.

Future minimum lease obligations and the net present value of these minimum lease payments are as follows:

Fiscal Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 1,868,250	\$ 98,396	\$ 1,966,646
2013	1,103,282	51,551	1,154,833
2014	525,304	27,306	552,610
2015	385,764	15,012	400,776
2016	<u>197,351</u>	<u>3,040</u>	<u>200,391</u>
Total	<u>\$ 4,079,951</u>	<u>\$ 195,305</u>	<u>\$ 4,275,256</u>

7. 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.

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 high school remodel. Interest rates on the bonds range from 2.50% to 5.13% and the final maturity date is June 1, 2036.

7. LONG-TERM DEBT (CONTINUED)

Bonds Payable (Continued)

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%. The District recorded the amounts deposited with PERS as a prepayment of its actuarial obligation, and accounts for the payment of principal and interest as a pension expense annually. The prepayment is being amortized over the life of the bonds based on the straight-line method. This method most closely recognizes the remaining prepaid asset.

Long-term liability activity for the year ended June 30, 2011 is as follows:

	Balance July 1, 2010	Additions	Reductions	Balance June 30, 2011	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 370,250,000	\$ -	\$ 28,675,000	\$ 341,575,000	\$ 31,515,000
Pension obligation bonds	178,815,000	-	2,945,000	175,870,000	3,525,000
Full Faith & Credit obligation bonds	22,595,000	-	555,000	22,040,000	1,010,000
Unamortized premium	13,006,563	-	1,821,023	11,185,540	
Total bonds payable, net	<u>\$ 584,666,563</u>	<u>\$ -</u>	<u>\$ 33,996,023</u>	<u>\$ 550,670,540</u>	

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.

BEAVERTON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

7. LONG-TERM DEBT (CONTINUED)

Bonds Payable (Continued)

The following is a summary of long-term debt transactions of governmental activities for the year ended June 30, 2011:

<u>Issue Date</u>	<u>Original Issue</u>	<u>Principal</u>			<u>Outstanding at June 30, 2011</u>	<u>Interest Rates</u>
		<u>Outstanding at June 30, 2010</u>	<u>Additions</u>	<u>Reductions</u>		
<u>General Obligation Bonds:</u>						
January 9, 2001	\$ 40,000,000	\$ 5,960,000	\$ -	\$ 1,900,000	\$ 4,060,000	4.10 - 4.40%
March 14, 2002	55,000,000	10,585,000	-	2,480,000	8,105,000	4.00 - 4.40%
November 13, 2003	54,780,000	42,405,000	-	2,490,000	39,915,000	3.00 - 5.00%
October 21, 2004	104,530,000	63,690,000	-	8,390,000	55,300,000	4.50 - 5.00%
December 2, 2004	27,800,000	14,620,000	-	5,590,000	9,030,000	5.00 %
November 10, 2005	49,470,000	44,030,000	-	2,700,000	41,330,000	4.00 - 5.00%
January 24, 2007	149,090,000	148,760,000	-	515,000	148,245,000	4.13 - 5.00%
April 2, 2009	42,810,000	40,200,000	-	4,610,000	35,590,000	3.00 - 5.00%
		<u>370,250,000</u>	<u>-</u>	<u>28,675,000</u>	<u>341,575,000</u>	
<u>Limited Tax Pension Obligation Bonds:</u>						
June 21, 2005	189,935,000	178,815,000	-	2,945,000	175,870,000	4.18 - 4.76%
<u>Full Faith and Credit Obligation Bonds:</u>						
March 19, 2009	22,650,000	22,595,000	-	555,000	22,040,000	2.50 - 5.13%
<u>Total G.O. and Pension Bonds</u>		<u>571,660,000</u>	<u>-</u>	<u>32,175,000</u>	<u>539,485,000</u>	
<u>Unamortized Premium</u>		<u>13,006,563</u>	<u>-</u>	<u>1,821,023</u>	<u>11,185,540</u>	
Total		<u>\$ 584,666,563</u>	<u>\$ -</u>	<u>\$ 33,996,023</u>	<u>\$ 550,670,540</u>	

BEAVERTON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

7. LONG-TERM DEBT (CONTINUED)

Bonds Payable (Continued)

Future bond maturities are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2012	\$ 36,050,000	\$ 25,066,256	\$ 61,116,256
2013	39,560,000	23,396,270	62,956,270
2014	43,195,000	21,541,089	64,736,089
2015	29,715,000	19,466,789	49,181,789
2016	32,810,000	18,048,430	50,858,430
2017-2021	142,575,000	67,886,676	210,461,676
2022-2026	174,110,000	34,524,246	208,634,246
2027-2031	35,200,000	4,312,996	39,512,996
2032-2036	6,270,000	1,481,901	7,751,901
	<u>\$ 539,485,000</u>	<u>\$ 215,724,653</u>	<u>\$ 755,209,653</u>

Outstanding issues are callable as follows:

- November 13, 2003 - at par plus accrued interest beginning May 1, 2013
- October 21, 2004 - at par plus accrued interest beginning December 1, 2014
- January 24, 2007 - at par plus accrued interest beginning June 1, 2016
- March 19, 2009 - at par plus accrued interest beginning June 1, 2020

In prior years, the District defeased general obligation bonds by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old obligations. As a result, the early refunded bonds are considered to be defeased. Accordingly, the trust account assets and the liabilities for the defeased obligations are not included in the District's basic financial statements. At June 30, 2011, \$28,140,000 of general obligation bonds outstanding are considered defeased.

BEAVERTON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

8. INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2011 are as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 123,594	\$ 4,795,621
Debt Service Fund	3,662,563	-
Capital Projects Fund	-	1,213,230
Other Governmental Funds	591,288	123,594
Internal Service Fund	1,755,000	-
Total	<u>\$ 6,132,445</u>	<u>\$ 6,132,445</u>

The District made transfers from the General Fund in the amount of \$1,755,000 to the Internal Service Fund to fund property insurance premiums, and \$591,288 to Other Governmental Funds. This amount was used to finance replacement of copiers, computers and other technology related equipment. Transfers were made from both the General and Capital Projects Funds to the Debt Service Fund totaling \$367,633 and \$1,213,230, respectively, 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 \$2,081,700 to pay principal and interest payments on capital lease obligations for the purchase of buses. Finally, the District transferred \$123,594 from Other Governmental Funds to the General Fund to provide resources for prioritized funding requests.

9. OTHER POSTEMPLOYMENT BENEFITS (OPEBS)

Early Retirement

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.

These programs were 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. This optional early retirement program provides the employee with the following:

- For eligible certified employees who retired after June 30, 1996 and before June 30, 2004, a monthly stipend of \$700 is provided for up to four years or until age 65, whichever comes earlier; however, separate District paid medical benefits are not covered.

9. OTHER POSTEMPLOYMENT BENEFITS (OPEBs)(CONTINUED)

Early Retirement (Continued)

- For eligible administrators, a monthly stipend of \$475 is provided until age 62. In addition, medical benefits are provided for eligible administrators.

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 plan.

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 Fund. The Pension Fund also accounts for resources and payment of post-employment health care benefits for early retirees. The available balance of the Pension Fund at June 30, 2011 is \$734,421. The District's total estimated liability is \$362,000 and will end December 2017.

Contributions - Contributions are financed by a transfer from the General Fund. No transfers to the Pension Fund were necessary in fiscal years 2011, 2010, and 2009. Expenditures are recorded in the Pension Fund on the pay-as-you-go basis. The cost of these benefits in fiscal years 2011, 2010, and 2009 were \$85,019, \$81,193, and \$174,403 respectively.

Program membership consisted of 183 retirees receiving benefits at July 1, 2006, the date of the last actuarial valuation. Retirees receiving benefits totaled 7, 8, and 18 for fiscal years 2011, 2010, and 2009 respectively.

Postemployment Health Insurance Subsidy

The District implemented GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (OPEB) for the fiscal year ended June 30, 2008. This implementation allows the District to report its liability for other postemployment benefits consistent with established generally accepted accounting principles and to reflect an actuarially determined liability for the present value of projected future benefits for retired and active employees on the financial statements.

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 3,897 active and 261 retired members in the plan. Benefits and eligibility for members are established through the collective bargaining agreements and Oregon State law.

9. OTHER POSTEMPLOYMENT BENEFITS (OPEBs)(CONTINUED)

Postemployment Health Insurance Subsidy (Continued)

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 postemployment health insurance subsidy plan does not have a separate, audited GAAP-basis postemployment benefit plan report.

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

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Annual required contribution	\$ 3,255,710	\$ 3,255,710	\$ 4,511,147
Interest on net pension obligation	253,605	185,888	-
Adjustment to annual required contribution	<u>(426,370)</u>	<u>(312,522)</u>	<u>-</u>
Annual OPEB cost	3,082,945	3,129,076	4,511,147
Contributions made	<u>(1,676,498)</u>	<u>(1,436,162)</u>	<u>(2,187,547)</u>
Increase in net OPEB obligation	1,406,447	1,692,914	2,323,600
Net OPEB obligation- beginning of year	<u>6,340,114</u>	<u>4,647,200</u>	<u>2,323,600</u>
Net OPEB obligation- end of year	<u>\$ 7,746,561</u>	<u>\$ 6,340,114</u>	<u>\$ 4,647,200</u>

9. OTHER POST EMPLOYMENT BENEFITS (OPEBs)(CONTINUED)

Postemployment Health Insurance Subsidy (Continued)

The District's annual OPEB cost, the contribution, the percentage of annual OPEB cost contributed to the plans, and the net OPEB obligation for 2011 were as follows:

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>Annual</u> <u>OPEB cost</u>	<u>Contribution</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
2008	\$4,511,147	\$ 2,187,547	48%	\$2,323,600
2009	4,511,147	2,187,547	48%	4,647,200
2010	3,129,076	1,436,162	46%	6,340,114
2011	3,082,945	1,676,498	54%	7,746,561

Funded status and funding progress – As of July 1, 2008, the most recent actuarial valuation date, for the periods ended June 30, 2010 and June 30, 2011; the District's actuarial accrued liability (AAL) for benefits was \$27,059,208, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$27,059,208. The covered payroll is \$204,197,983. The ratio of the total UAAL to annual covered payroll is 13.3%. 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.

In the July 1, 2008 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a discount rate of 4 percent and a 75 percent assumption of participants who elect medical coverage at retirement. They also assume medical and prescription drug costs would increase at 7.6 percent inflation for the current year, grading down to an annual rate of 4.5 percent after twenty years which is consistent with expectations for long-term health care cost inflation. The demographic assumptions, such as mortality rates, disability incidence rates, retirement rates, and withdrawal rates, are the same as those used by Oregon PERS for school districts.

9. OTHER POST EMPLOYMENT BENEFITS (OPEBs)(CONTINUED)

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, 2011, 1,186 employees were participating in the 403(b) traditional plan, 65 employees were participating in the 403(b) Roth plan and 139 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 reside 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.

9. OTHER POST EMPLOYMENT BENEFITS (OPEBs)(CONTINUED)

Retirement Health Insurance Account (RHIA) (Continued)

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS, currently 0.29% Tier 1 and Tier 2 payroll and 0.19% 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, 2011, 2010 and 2009 were approximately \$685,000, \$648,000 and \$797,000, which equaled the required contributions each year.

10. PENSION PLAN

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

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

Funding policy - Members of PERS are required to contribute 6.00% of their salary covered under the plan, which is invested in the OPSRP Individual Account Program. The District is required by ORS 238.225 to contribute at an actuarially determined rate for the qualifying employees under the OPERF plan, and a general service rate for the qualifying employees under the OPSRP plan. The OPERF rate in effect for the year ended June 30, 2011 was 5.39%. The OPSRP rates in effect for the year ended June 30, 2011 was 5.91%. The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature.

BEAVERTON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

10. PENSION PLAN (CONTINUED)

Annual pension cost - The District's contributions to PERS for the years ending June 30, 2011, 2010, and 2009 were approximately \$10,899,000, \$10,842,000 and \$16,910,000, respectively, which equaled the required contribution for the year. During the 2004-05 year the District issued limited tax pension obligation bonds, the proceeds of which were used to finance its estimated unfunded actuarial liability (See Note 7).

11. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft or damage to and destruction of assets; errors and omissions; and natural disasters 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 each of the three years ended June 30, 2011. There have 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.

Changes in the balances of claims liabilities for the fiscal years ended June 30, 2011 and 2010 are as follows:

	<u>2011</u>	<u>2010</u>
Accrued claim losses, July 1	\$ 2,545,325	\$ 2,545,324
Incurred claims, including an estimate of claims incurred but not reported (IBNR)	1,588,783	1,113,105
Claim payments	<u>(1,588,783)</u>	<u>(1,113,105)</u>
Accrued claim losses, June 30	<u>\$ 2,545,325</u>	<u>\$ 2,545,325</u>

12. RESTATEMENT OF BEGINNING FUND BALANCE

The District has restated its June 30, 2010 fund balance to the retrospective classification of fund balance categories that resulted by implementation of GASB Statement No. 54. The following discloses the restatement of fund balance as of the beginning of the fiscal year:

	<u>General Fund</u>	<u>Nonmajor Funds</u>
Fund balances, beginning of the year, as previously reported	\$ 26,486,138	\$ 11,257,788
Restatement	<u>1,688,104</u>	<u>(1,688,104)</u>
Fund balances, beginning of the year, as restated	<u>\$ 28,174,242</u>	<u>\$ 9,569,684</u>

BEAVERTON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

13. RECLASSIFICATION OF BEGINNING FUND BALANCE

Also as a result of the implementation of GASB Statement No. 54 the District has reclassified its July 1, 2010 fund balances to reflect the retrospective classification of fund balances to the categories introduced by the Statement. The following discloses the reclassification of fund balances as of the beginning of the fiscal year:

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Fund	Total
Fund balance at July 1, 2010 as previously reported:					
Unreserved, reported in:					
General fund	\$ 26,486,138	\$ -	\$ -	\$ -	\$ 26,486,138
Debt service fund	-	3,370,550	-	-	3,370,550
Capital Projects fund	-	-	34,573,019	-	34,573,019
Special revenue funds	1,688,104	-	-	9,569,684	11,257,788
Total fund balances	<u>\$ 28,174,242</u>	<u>\$ 3,370,550</u>	<u>\$ 34,573,019</u>	<u>\$ 9,569,684</u>	<u>\$ 75,687,495</u>
Fund balance at July 1, 2010, as reclassified					
Fund balances:					
Non-spendable	\$ -	\$ -	\$ -	\$ 383,175	\$ 383,175
Restricted for:					
Debt Service	-	3,238,859	-	-	3,238,859
Capital projects	-	-	31,603,659	-	31,603,659
Student body	-	-	-	2,122,421	2,122,421
Committed for:					
Debt Service	-	131,691	-	-	131,691
Capital projects	-	-	2,969,360	-	2,969,360
Special Purpose	-	-	-	379,695	379,695
Categorical	-	-	-	5,020,164	5,020,164
Nutrition services	-	-	-	1,664,229	1,664,229
Pension fund	815,284	-	-	-	815,284
Long-term planning	872,820	-	-	-	872,820
Unassigned	26,486,138	-	-	-	26,486,138
Total fund balances	<u>\$ 28,174,242</u>	<u>\$ 3,370,550</u>	<u>\$ 34,573,019</u>	<u>\$ 9,569,684</u>	<u>\$ 75,687,495</u>

BEAVERTON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

14. BUDGET COMPLIANCE

Excess of expenditures over appropriations – Oregon law prohibits expenditures in excess of board approved appropriations. The board approves appropriations for each fund by major function. For the year ended June 30, 2011, expenditures exceeded appropriations as follows:

<u>Nutrition Services Fund</u>	<u>Appropriation</u>	<u>Expenditure</u>	<u>Variance</u>
Enterprise and community services	\$ 12,042,007	\$ 12,296,060	\$ (254,053)

15. SCHOOL FUNDING

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

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.

In an effort to minimize layoffs, the District opened a short window to offer a two-year retirement incentive to employees. The incentive will start in fiscal year July 1, 2011 and end June 30, 2013. The estimated cost of the incentive is \$1.4 million.

The District is committed under various accepted bid agreements and contracts for approximately \$3.9 million for goods, services, and construction of facilities.

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. SUBSEQUENT EVENT

The District issued refunding bonds subsequent to June 30, 2011. On August 25, 2011, the District issued \$42,175,000 of General Obligation Refunding Bonds with interest rates of 2% to 5% to advance refund the following series of General Obligation Bonds.

<u>Bonds</u>	<u>Dated</u>	<u>Maturities Refunded</u>	<u>Principal Amount Refunded</u>
Series 2001	1/9/2001	2012, 2013	\$ 4,060,000
Series 2002	3/14/2002	2013, 2014	5,520,000
Series 2003	11/13/2003	2014 - 2023	34,630,000
			<u>\$ 44,210,000</u>

REQUIRED SUPPLEMENTARY INFORMATION

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**BEAVERTON SCHOOL DISTRICT
SCHEDULE OF FUNDING PROGRESS FOR
OTHER POSTEMPLOYMENT BENEFITS
JUNE 30, 2011**

<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>
June 30, 2008	\$ -	\$ 38,056,842	\$ 38,056,842	- %	\$ 182,557,765	21%
June 30, 2009	-	38,056,842	38,056,842	-	197,716,946	19%
June 30, 2010	-	27,059,208	27,059,208	-	195,670,266	14%
June 30, 2011	-	27,059,208	27,059,208	-	204,197,983	13%

**BEAVERTON SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (GAAP BASIS)
GENERAL FUND
YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
REVENUES:				
Property taxes	\$ 99,789,556	\$ 99,789,556	\$ 100,733,615	\$ 944,059
State and local sources	176,455,118	176,455,118	170,320,078	(6,135,040)
Federal sources	4,203,977	4,203,977	11,632,432	7,428,455
Charges for services	3,394,931	3,394,931	3,191,630	(203,301)
Rentals	445,000	445,000	503,466	58,466
Investment earnings	330,000	330,000	336,105	6,105
Recovery of prior years' expenditures	-	-	298,302	298,302
Other	2,010,000	2,010,000	1,840,240	(169,760)
Total revenues	286,628,582	286,628,582	288,855,868	2,227,286
EXPENDITURES:				
Instruction	186,572,372	186,572,372	184,859,973	1,712,399
Support services	105,632,904	107,482,904	107,142,709	340,195
Facilities acquisition and construction	361,787	361,787	354,551	7,236
Contingencies	12,390,112	10,540,112	-	10,540,112
Total expenditures	304,957,175	304,957,175	292,357,233	12,599,942
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(18,328,593)	(18,328,593)	(3,501,365)	14,827,228
OTHER FINANCING SOURCES (USES):				
Transfers in	124,214	124,214	123,594	(620)
Transfers out	(4,795,621)	(4,795,621)	(4,795,621)	-
Capital leases	-	-	1,844,111	1,844,111
TOTAL OTHER FINANCING SOURCES (USES)	(4,671,407)	(4,671,407)	(2,827,916)	1,843,491
NET CHANGE IN FUND BALANCE	(23,000,000)	(23,000,000)	(6,329,281)	16,670,719
FUND BALANCE, July 1, 2010	23,000,000	23,000,000	26,486,138	3,486,138
FUND BALANCE, June 30, 2011	\$ -	\$ -	\$ 20,156,857	\$ 20,156,857

**BEAVERTON SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (GAAP BASIS)
GRANT FUND
YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
REVENUES:				
Federal sources	\$ 41,891,844	\$ 41,891,844	\$ 24,423,087	\$ (17,468,757)
State and local sources	1,811,724	1,811,724	2,139,693	327,969
Contributions and donations	2,017,482	2,017,482	834,109	(1,183,373)
TOTAL REVENUES	45,721,050	45,721,050	27,396,889	(18,324,161)
EXPENDITURES:				
Instruction	22,342,673	22,342,673	17,397,128	4,945,545
Support services	21,312,955	21,312,955	9,096,099	12,216,856
Enterprise and community services	255,422	255,422	129,126	126,296
Facilities acquisition and construction	1,810,000	1,810,000	774,536	1,035,464
TOTAL EXPENDITURES	45,721,050	45,721,050	27,396,889	18,324,161
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, July 1, 2010	-	-	-	-
FUND BALANCE, June 30, 2011	\$ -	\$ -	\$ -	\$ -

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OTHER SUPPLEMENTARY INFORMATION

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**BEAVERTON SCHOOL DISTRICT
RECONCILIATION OF BUDGETARY TO REPORTING FUNDS
COMBINING BALANCE SHEET
GENERAL FUND
JUNE 30, 2011**

	Budgetary Funds			Total (reported as General Fund)
	General Fund	Pension	Long-Term Planning	
ASSETS				
Equity in pooled cash and investments	\$ 36,919,193	\$ 734,421	\$ 673,174	\$ 38,326,788
Cash with fiscal agent	2,033	-	-	2,033
Accounts receivable	9,983,833	-	-	9,983,833
Property taxes receivable	4,186,168	-	-	4,186,168
Due from other funds	2,766,143	-	-	2,766,143
TOTAL ASSETS	\$ 53,857,370	\$ 734,421	\$ 673,174	\$ 55,264,965
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 3,342,957	\$ -	\$ 45,482	\$ 3,388,439
Accrued salaries and benefits	25,540,658	-	-	25,540,658
Due to other funds	936,792	-	-	936,792
Deferred revenue	3,542,353	-	-	3,542,353
Unearned revenue	320,269	-	-	320,269
Other liabilities	17,484	-	-	17,484
TOTAL LIABILITIES	33,700,513	-	45,482	33,745,995
Fund Balances:				
Committed	-	734,421	627,692	1,362,113
Unassigned	20,156,857	-	-	20,156,857
TOTAL FUND BALANCES	20,156,857	734,421	627,692	21,518,970
TOTAL LIABILITIES AND FUND BALANCES	\$ 53,857,370	\$ 734,421	\$ 673,174	\$ 55,264,965

**BEAVERTON SCHOOL DISTRICT
RECONCILIATION OF BUDGETARY TO REPORTING FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GENERAL FUND
YEAR ENDED JUNE 30, 2011**

	Budgetary Funds			Total (reported as General Fund)
	General Fund	Pension	Long-Term Planning	
REVENUES:				
Property taxes	\$ 100,733,615	\$ -	\$ -	\$ 100,733,615
Federal sources	11,632,432	-	-	11,632,432
State and local sources	170,320,078	-	106,410	170,426,488
Charges for services	3,191,630	-	-	3,191,630
Rentals	503,466	-	-	503,466
Investment earnings	336,105	4,156	4,601	344,862
Contributions and donations	11,402	-	-	11,402
Recovery of prior years' expenditures	298,302	-	-	298,302
Other	1,828,838	-	-	1,828,838
TOTAL REVENUES	288,855,868	4,156	111,011	288,971,035
EXPENDITURES:				
Current:				
Instruction	184,859,973	-	-	184,859,973
Support services	107,142,709	85,019	721,830	107,949,558
Enterprise and community services	-	-	102,003	102,003
Facilities, acquisition and construction	354,551	-	-	354,551
TOTAL EXPENDITURES	292,357,233	85,019	823,833	293,266,085
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,501,365)	(80,863)	(712,822)	(4,295,050)
OTHER FINANCING SOURCES (USES):				
Transfers in	123,594	-	591,288	714,882
Transfers out	(4,795,621)	-	(123,594)	(4,919,215)
Capital leases	1,844,111	-	-	1,844,111
TOTAL OTHER FINANCING SOURCES (USES)	(2,827,916)	-	467,694	(2,360,222)
NET CHANGE IN FUND BALANCES	(6,329,281)	(80,863)	(245,128)	(6,655,272)
FUND BALANCES, July 1, 2010	26,486,138	815,284	872,820	28,174,242
FUND BALANCES, June 30, 2011	\$ 20,156,857	\$ 734,421	\$ 627,692	\$ 21,518,970

**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, 2011**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
REVENUES:				
State and local sources	\$ 106,000	\$ 106,000	\$ 106,410	\$ 410
Investment earnings	20,000	20,000	4,601	(15,399)
Contributions and donations	200,000	200,000	-	(200,000)
TOTAL REVENUES	326,000	326,000	111,011	(214,989)
EXPENDITURES:				
Instruction	50,000	50,000	-	50,000
Support services	1,417,288	1,417,288	721,830	695,458
Enterprise and community services	300,000	300,000	102,003	197,997
Facilities acquisition and construction	100,000	100,000	-	100,000
TOTAL EXPENDITURES	1,867,288	1,867,288	823,833	1,043,455
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,541,288)	(1,541,288)	(712,822)	828,466
OTHER FINANCING SOURCES:				
Transfers in	591,288	591,288	591,288	-
Transfers out	(124,213)	(124,213)	(123,594)	619
TOTAL OTHER FINANCING SOURCES (USES)	467,075	467,075	467,694	619
NET CHANGE IN FUND BALANCE	(1,074,213)	(1,074,213)	(245,128)	829,085
FUND BALANCE, July 1, 2010	1,074,213	1,074,213	872,820	(201,393)
FUND BALANCE, June 30, 2011	\$ -	\$ -	\$ 627,692	\$ 627,692

**BEAVERTON SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (GAAP BASIS)
PENSION FUND
YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
REVENUES:				
Investment earnings	\$ 5,000	\$ 5,000	\$ 4,156	\$ (844)
EXPENDITURES:				
Support services	258,632	258,632	85,019	173,613
Operating contingency	565,592	565,592	-	565,592
TOTAL EXPENDITURES	824,224	824,224	85,019	739,205
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(819,224)	(819,224)	(80,863)	(738,361)
FUND BALANCE, July 1, 2010	819,224	819,224	815,284	(3,940)
FUND BALANCE, June 30, 2011	\$ -	\$ -	\$ 734,421	\$ 734,421

**BEAVERTON SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
REVENUES:				
Property taxes	\$ 44,614,588	\$ 44,614,588	\$ 44,926,141	\$ 311,553
Investment earnings	75,000	75,000	104,813	29,813
Services to other funds	10,802,953	10,802,953	11,869,835	1,066,882
TOTAL REVENUES	55,492,541	55,492,541	56,900,789	1,408,248
EXPENDITURES:				
Debt service:				
Principal	34,115,810	34,115,810	33,994,798	121,012
Interest	26,666,366	26,666,366	26,637,751	28,615
TOTAL EXPENDITURES	60,782,176	60,782,176	60,632,549	149,627
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(5,289,635)	(5,289,635)	(3,731,760)	1,557,875
OTHER FINANCING SOURCES (USES):				
Transfer in	3,662,563	3,662,563	3,662,563	-
NET CHANGE IN FUND BALANCE	(1,627,072)	(1,627,072)	(69,197)	1,557,875
FUND BALANCE, July 1, 2010	2,620,000	2,620,000	3,370,550	750,550
FUND BALANCE, June 30, 2011	\$ 992,928	\$ 992,928	\$ 3,301,353	\$ 2,308,425

**BEAVERTON SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
REVENUES:				
Construction excise tax	\$ 400,000	\$ 400,000	\$ 1,180,614	\$ 780,614
Investment earnings	822,000	822,000	275,021	(546,979)
Rentals	168,000	168,000	100,938	(67,062)
Contributions and donations	1,300,000	1,300,000	8,891	(1,291,109)
Recovery of prior years' expenditures	-	-	639,824	639,824
Other	-	-	767,152	767,152
TOTAL REVENUE	2,690,000	2,690,000	2,972,440	282,440
EXPENDITURES:				
Support services	2,293,048	2,293,048	170,683	2,122,365
Facilities acquisition and construction	37,399,900	37,399,900	13,866,431	23,533,469
TOTAL EXPENDITURES	39,692,948	39,692,948	14,037,114	25,655,834
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(37,002,948)	(37,002,948)	(11,064,674)	25,938,274
OTHER FINANCING SOURCES (USES):				
Transfer out	(1,213,230)	(1,213,230)	(1,213,230)	-
Issuance of debt	14,150,000	14,150,000	-	(14,150,000)
TOTAL OTHER FINANCING SOURCES (USES)	12,936,770	12,936,770	(1,213,230)	(14,150,000)
NET CHANGE IN FUND BALANCE	(24,066,178)	(24,066,178)	(12,277,904)	11,788,274
FUND BALANCE, July 1, 2010	24,066,178	24,066,178	34,573,019	10,506,841
FUND BALANCE, June 30, 2011	\$ -	\$ -	\$ 22,295,115	\$ 22,295,115

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.

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.

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**BEAVERTON SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2011**

	Special Revenue Funds				Total
	Student Body	Special Purpose	Categorical	Nutrition Services	
ASSETS					
Equity in pooled cash and investments	\$ 2,403,075	\$ 451,638	\$ 4,792,019	\$ 1,258,271	\$ 8,905,003
Receivables	-	29,784	19,446	2,066,161	2,115,391
Inventories	-	-	-	395,505	395,505
TOTAL ASSETS	\$ 2,403,075	\$ 481,422	\$ 4,811,465	\$ 3,719,937	\$ 11,415,899
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 48,685	\$ 85,790	\$ 294,883	\$ 429,358
Accrued salaries and benefits	-	52,957	-	545,181	598,138
Due to other funds	-	2,722	-	24,100	26,822
Unearned revenue	-	-	-	103,313	103,313
Other liabilities	-	-	-	264,858	264,858
TOTAL LIABILITIES	-	104,364	85,790	1,232,335	1,422,489
Fund Balances:					
Nonspendable	-	-	-	395,505	395,505
Restricted	2,403,075	-	-	-	2,403,075
Committed	-	377,058	4,725,675	2,092,097	7,194,830
TOTAL FUND BALANCES	2,403,075	377,058	4,725,675	2,487,602	9,993,410
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,403,075	\$ 481,422	\$ 4,811,465	\$ 3,719,937	\$ 11,415,899

**BEAVERTON SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011**

	Special Revenue Funds				Total
	Student Body	Special Purpose	Categorical	Nutrition Services	
REVENUES:					
Federal sources	\$ -	\$ -	\$ -	\$ 7,890,362	\$ 7,890,362
State and local sources	-	172	560,751	150,503	711,426
Charges for services	6,382,403	46,188	-	4,690,790	11,119,381
Rentals	-	-	-	4,179	4,179
Investment earnings	-	2,137	25,165	6,803	34,105
Contributions and donations	-	894,621	-	-	894,621
Other	-	146,789	572,034	3,578	722,401
TOTAL REVENUES	6,382,403	1,089,907	1,157,950	12,746,215	21,376,475
EXPENDITURES:					
Instruction	6,101,749	785,883	-	-	6,887,632
Support services	-	261,742	940,231	9,957	1,211,930
Enterprise and community services	-	44,919	-	12,296,060	12,340,979
Facilities, acquisition and construction	-	-	512,208	-	512,208
TOTAL EXPENDITURES	6,101,749	1,092,544	1,452,439	12,306,017	20,952,749
NET CHANGE IN FUND BALANCES	280,654	(2,637)	(294,489)	440,198	423,726
FUND BALANCES, July 1, 2010	2,122,421	379,695	5,020,164	2,047,404	9,569,684
FUND BALANCES, June 30, 2011	\$ 2,403,075	\$ 377,058	\$ 4,725,675	\$ 2,487,602	\$ 9,993,410

**BEAVERTON SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
STUDENT BODY FUND
YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
REVENUES:				
Extracurricular activities	\$ 8,700,000	\$ 8,700,000	\$ 6,382,403	\$ (2,317,597)
EXPENDITURES:				
Instruction	10,700,000	10,700,000	6,101,749	4,598,251
EXCESS OF REVENUES OVER EXPENDITURES	(2,000,000)	(2,000,000)	280,654	2,280,654
FUND BALANCE, July 1, 2010	2,000,000	2,000,000	2,122,421	122,421
FUND BALANCE, June 30, 2011	\$ -	\$ -	\$ 2,403,075	\$ 2,403,075

**BEAVERTON SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL PURPOSE FUND
YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
REVENUES:				
Charges for services	\$ 105,760	\$ 105,760	\$ 46,188	\$ (59,572)
Investment earnings	20,000	20,000	2,137	(17,863)
Contributions and donations	1,000,000	1,000,000	894,621	(105,379)
Other	886,645	886,645	146,961	(739,684)
TOTAL REVENUES	2,012,405	2,012,405	1,089,907	(922,498)
EXPENDITURES:				
Instruction	1,505,741	1,505,741	785,883	719,858
Support services	399,546	399,546	261,742	137,804
Enterprise and community services	257,685	257,685	44,919	212,766
Facilities acquisition and construction	499,433	499,433	-	499,433
TOTAL EXPENDITURES	2,662,405	2,662,405	1,092,544	1,569,861
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND NET CHANGE IN FUND BALANCE	(650,000)	(650,000)	(2,637)	647,363
FUND BALANCE, July 1, 2010	650,000	650,000	379,695	(270,305)
FUND BALANCE, June 30, 2011	\$ -	\$ -	\$ 377,058	\$ 377,058

**BEAVERTON SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CATEGORICAL FUND
YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
REVENUES:				
State and local sources	\$ 500,000	\$ 500,000	\$ 560,751	\$ 60,751
Investment earnings	118,000	118,000	25,165	(92,835)
Other	1,175,000	1,175,000	572,034	(602,966)
TOTAL REVENUES	1,793,000	1,793,000	1,157,950	(635,050)
EXPENDITURES:				
Support services	4,374,456	4,374,456	940,231	3,434,225
Facilities acquisition and construction	3,467,568	3,467,568	512,208	2,955,360
TOTAL EXPENDITURES	7,842,024	7,842,024	1,452,439	6,389,585
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND NET CHANGE IN FUND BALANCE	(6,049,024)	(6,049,024)	(294,489)	5,754,535
FUND BALANCE, July 1, 2010	6,049,024	6,049,024	5,020,164	(1,028,860)
FUND BALANCE, June 30, 2011	\$ -	\$ -	\$ 4,725,675	\$ 4,725,675

**BEAVERTON SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
NUTRITION SERVICES FUND
YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
REVENUES:				
Federal sources	\$ 6,993,964	\$ 6,993,964	\$ 7,890,362	\$ 896,398
State and local sources	155,999	155,999	150,503	(5,496)
Charges for services	5,015,422	5,015,422	4,690,790	(324,632)
Rentals	-	-	4,179	4,179
Investment earnings	19,641	19,641	6,803	(12,838)
Other	-	-	3,578	3,578
TOTAL REVENUES	12,185,026	12,185,026	12,746,215	561,189
EXPENDITURES:				
Support services	12,103	12,103	9,957	2,146
Enterprise and community services	12,042,007	12,042,007	12,296,060	(254,053)
Contingencies	1,138,145	1,138,145	-	1,138,145
TOTAL EXPENDITURES	13,192,255	13,192,255	12,306,017	886,238
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND NET CHANGE IN FUND BALANCE				
	(1,007,229)	(1,007,229)	440,198	1,447,427
FUND BALANCE, July 1, 2010	1,007,229	1,007,229	2,047,404	1,040,175
FUND BALANCE, June 30, 2011	\$ -	\$ -	\$ 2,487,602	\$ 2,487,602

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:

Printing Services Fund - accounts for the user fees and printing costs incurred by the District's Printing Services Department.

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.

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**BEAVERTON SCHOOL DISTRICT
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
JUNE 30, 2011**

	Printing Services	Insurance Reserve	Workers' Compensation	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 442,264	\$ 2,368,589	\$ 2,045,322	\$ 4,856,175
Receivables	3,823	15,103	17,280	36,206
Due from other funds	-	90,709	88,110	178,819
Inventory	9,770	-	-	9,770
TOTAL CURRENT ASSETS	455,857	2,474,401	2,150,712	5,080,970
Capital assets, net of accumulated depreciation	68,288	-	-	68,288
TOTAL ASSETS	524,145	2,474,401	2,150,712	5,149,258
LIABILITIES				
Current liabilities:				
Accounts payable	6,703	185,297	195	192,195
Accrued claims losses	-	1,085,615	1,459,710	2,545,325
Accrued salaries and benefits	-	426	9,229	9,655
Due to other funds	-	25	377	402
TOTAL LIABILITIES	6,703	1,271,363	1,469,511	2,747,577
NET ASSETS				
Invested in capital assets	68,288	-	-	68,288
Unrestricted	449,154	1,203,038	681,201	2,333,393
TOTAL NET ASSETS	\$ 517,442	\$ 1,203,038	\$ 681,201	\$ 2,401,681

**BEAVERTON SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2011**

	Printing Services	Insurance Reserve	Workers' Compensation	Total
OPERATING REVENUES:				
Charges for services	\$ 241,671	\$ 1,090,329	\$ 182,856	\$ 1,514,856
Recovery of prior years' expenditures	35,214	122,771	99,973	257,958
Other	-	53,531	9,753	63,284
TOTAL OPERATING REVENUES	276,885	1,266,631	292,582	1,836,098
OPERATING EXPENSES:				
Losses and claims	-	444,453	1,144,330	1,588,783
Insurance premiums and assessments	-	1,969,019	67,850	2,036,869
Salaries and benefits	60,080	338,854	337,368	736,302
Services, supplies and materials	154,027	325,966	61,926	541,919
Facilities acquisition and construction	-	1,976	-	1,976
Depreciation	3,917	-	-	3,917
TOTAL OPERATING EXPENSES	218,024	3,080,268	1,611,474	4,909,766
OPERATING INCOME (LOSS)	58,861	(1,813,637)	(1,318,892)	(3,073,668)
NONOPERATING REVENUE:				
Investment earnings	2,166	15,222	14,370	31,758
INCOME (LOSS) BEFORE TRANSFERS	61,027	(1,798,415)	(1,304,522)	(3,041,910)
Transfers in	-	1,755,000	-	1,755,000
CHANGE IN NET ASSETS	61,027	(43,415)	(1,304,522)	(1,286,910)
NET ASSETS, July 1, 2010	456,415	1,246,453	1,985,723	3,688,591
NET ASSETS, June 30, 2011	\$ 517,442	\$ 1,203,038	\$ 681,201	\$ 2,401,681

BEAVERTON SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2011

	Printing Services	Insurance Reserve	Workers' Compensation	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Received for services	\$ 237,919	\$ -	\$ -	\$ 237,919
Received from recovery of prior years' expenditures	35,214	122,771	99,973	257,958
Received from interfund services provided	-	1,108,997	129,989	1,238,986
Paid for goods and services	(155,074)	(2,219,525)	(132,367)	(2,506,966)
Paid to claimants	-	(444,453)	(1,144,330)	(1,588,783)
Paid to employees	(60,080)	(338,543)	(330,663)	(729,286)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	57,979	(1,770,753)	(1,377,398)	(3,090,172)
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfer from other funds	-	1,755,000	-	1,755,000
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	2,166	15,222	14,370	31,758
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	60,145	(531)	(1,363,028)	(1,303,414)
CASH AND CASH EQUIVALENTS, JULY 1, 2010	382,119	2,369,120	3,408,350	6,159,589
CASH AND CASH EQUIVALENTS, JUNE 30, 2011	\$ 442,264	\$ 2,368,589	\$ 2,045,322	\$ 4,856,175
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ 58,861	\$ (1,813,637)	\$ (1,318,892)	\$ (3,073,668)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	3,917	-	-	3,917
Changes in assets and liabilities:				
Receivables	(3,752)	(12,370)	(17,175)	(33,297)
Inventory	1,554	-	-	1,554
Due from other funds	-	(22,511)	(45,797)	(68,308)
Accounts payable	(2,601)	77,436	(2,591)	72,244
Due to other funds	-	18	352	370
Accrued salaries and benefits	-	311	6,705	7,016
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 57,979	\$ (1,770,753)	\$ (1,377,398)	\$ (3,090,172)

**BEAVERTON SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL
PRINTING SERVICES FUND
YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
REVENUES:				
Charges for services	\$ 400,000	\$ 400,000	\$ 241,671	\$ (158,329)
Investment earnings	5,000	5,000	2,166	(2,834)
Recovery of prior years' expenditures	-	-	35,214	35,214
TOTAL REVENUES	405,000	405,000	279,051	(125,949)
EXPENDITURES:				
Support services	482,466	482,466	218,024	264,442
NET CHANGE IN FUND BALANCES	(77,466)	(77,466)	61,027	138,493
FUND BALANCE, July 1, 2010	77,466	77,466	74,729	(2,737)
FUND BALANCE, June 30, 2011	\$ -	\$ -	\$ 135,756	\$ 135,756
RECONCILIATION TO GAAP BASIS:				
FUND BALANCE, June 30, 2011			\$ 135,756	
Contributed assets			381,686	
NET ASSETS, June 30, 2011			\$ 517,442	

**BEAVERTON SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
INSURANCE RESERVE FUND
YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
REVENUES:				
Charges for services	\$ 1,049,954	\$ 1,049,954	\$ 1,090,329	\$ 40,375
Investment earnings	-	-	15,222	15,222
Recovery of prior years' expenditures	-	-	122,771	122,771
Other	-	-	53,531	53,531
TOTAL REVENUES	1,049,954	1,049,954	1,281,853	231,899
EXPENDITURES:				
Instruction	52,020	52,020	1,640	50,380
Support services	3,347,807	3,347,807	3,076,652	271,155
Facilities acquisition and construction	260,308	260,308	1,976	258,332
Operating contingency	16,658	16,658	-	16,658
TOTAL EXPENDITURES	3,676,793	3,676,793	3,080,268	596,525
DEFICIENCY OF REVENUES OVER EXPENDITURES	(2,626,839)	(2,626,839)	(1,798,415)	828,424
OTHER FINANCING SOURCES:				
Transfers in	1,755,000	1,755,000	1,755,000	-
NET CHANGE IN FUND BALANCES	(871,839)	(871,839)	(43,415)	828,424
FUND BALANCE, July 1, 2010	871,839	871,839	1,246,453	374,614
FUND BALANCE, June 30, 2011	\$ -	\$ -	\$ 1,203,038	\$ 1,203,038

**BEAVERTON SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
WORKERS' COMPENSATION FUND
YEAR ENDED JUNE 30, 2011**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
REVENUES:				
Charges for services	\$ 650,000	\$ 650,000	\$ 182,856	\$ (467,144)
Investment earnings	15,000	15,000	14,370	(630)
Recovery of prior years' expenditures	-	-	99,973	99,973
Other	-	-	9,753	9,753
TOTAL REVENUES	665,000	665,000	306,952	(358,048)
EXPENDITURES:				
Support services	1,617,902	1,617,902	1,611,474	6,428
Operating contingency	1,104,094	1,104,094	-	1,104,094
TOTAL EXPENDITURES	2,721,996	2,721,996	1,611,474	1,110,522
DEFICIENCY OF REVENUES OVER EXPENDITURES AND NET CHANGE IN FUND BALANCE	(2,056,996)	(2,056,996)	(1,304,522)	752,474
FUND BALANCE, July 1, 2010	2,056,996	2,056,996	1,985,723	(71,273)
FUND BALANCE, June 30, 2011	\$ -	\$ -	\$ 681,201	\$ 681,201

FIDUCIARY FUNDS

These funds account for the District's scholarship programs provided by bequests and donations. Included are:

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.

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**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, 2011**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
REVENUES:				
Contributions and donations	\$ 29,500	\$ 29,500	\$ 72,970	\$ 43,470
Investment earnings	1,450	1,450	932	(518)
Miscellaneous	-	-	-	-
TOTAL REVENUES	30,950	30,950	73,902	42,952
EXPENDITURES:				
Enterprise and community services	354,303	354,303	69,761	284,542
NET CHANGE IN FUND BALANCE	(323,353)	(323,353)	4,141	327,494
FUND BALANCE, July 1, 2010	323,353	323,353	299,142	(24,211)
FUND BALANCE, June 30, 2011	\$ -	\$ -	\$ 303,283	\$ 303,283

RECONCILIATION TO GAAP BASIS:

FUND BALANCE, June 30, 2011	\$ 303,283
Scholarships payable	(49,738)
NET ASSETS, June 30, 2011	\$ 253,545

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OTHER FINANCIAL SCHEDULES

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**BEAVERTON SCHOOL DISTRICT
REVENUE SUMMARY - ALL FUNDS
YEAR ENDED JUNE 30, 2011**

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 600	Fund 700	Total
Local Sources							
1111 Current year taxes	\$ 98,378,116	\$ -	\$ 43,816,171	\$ -	\$ -	\$ -	\$ 142,194,287
1112 Prior year taxes	2,355,369	-	1,109,926	-	-	-	3,465,295
1114 Payments in lieu of property taxes	98	-	44	-	-	-	142
1122 Prior year local option levy	32	-	-	-	-	-	32
1130 Construction excise tax	-	-	-	1,180,614	-	-	1,180,614
1300 Tuition	1,706,283	-	-	-	-	-	1,706,283
1411 Fees - transportation	232,802	-	-	-	-	-	232,802
1510 Investment earnings	336,105	42,862	104,813	275,021	31,758	932	791,491
1600 Food service sales	-	4,690,790	-	-	-	-	4,690,790
1712 Admissions	233,188	-	-	-	-	-	233,188
1744 Fees - district events	1,019,357	-	-	-	-	-	1,019,357
1751 Commissions	9,747	-	-	-	-	-	9,747
1762 Fund raising	-	145,939	-	-	-	-	145,939
1790 Extracurricular activities	-	6,382,403	-	-	-	-	6,382,403
1810 Preschool services	-	46,188	-	-	-	-	46,188
1912 Rentals	503,466	4,179	-	100,938	-	-	608,583
1920 Contributions	11,402	1,728,730	-	8,891	3,076	72,970	1,825,069
1960 Recovery of prior years' expenditures	298,302	5,024	-	639,824	257,958	-	1,201,108
1971 Printing services	-	-	-	-	241,671	-	241,671
1972 Services to other funds	-	-	11,869,835	-	1,273,185	-	13,143,020
1980 Fees charged to grants	795,937	-	-	-	-	-	795,937
1990 Miscellaneous	695,691	571,438	-	767,152	60,208	-	2,094,489
1994 Third party billing	323,165	-	-	-	-	-	323,165
1995 Proceeds from the sale of capital assets	4,298	-	-	-	-	-	4,298
Total local sources	106,903,358	13,617,553	56,900,789	2,972,440	1,867,856	73,902	182,335,898
Intermediate Sources							
2101 County school fund	798,126	-	-	-	-	-	798,126
2102 ESD apportionment	6,022,127	106,410	-	-	-	-	6,128,537
2200 Restricted revenue	-	1,015,208	-	-	-	-	1,015,208
2910 Strategic investment program	206,920	-	-	-	-	-	206,920
Total intermediate sources	7,027,173	1,121,618	-	-	-	-	8,148,791
State Sources							
3101 State school fund	157,658,272	-	-	-	-	-	157,658,272
3102 State school fund match	-	126,639	-	-	-	-	126,639
3103 Common school fund	3,419,944	-	-	-	-	-	3,419,944
3199 Other unrestricted grants-in-aid	1,245,041	560,923	-	-	-	-	1,805,964
3299 Other restricted grants-in-aid	969,648	1,148,349	-	-	-	-	2,117,997
Total state sources	163,292,905	1,835,911	-	-	-	-	165,128,816
Federal Sources							
4300 Restricted direct from federal	-	1,775,391	-	-	-	-	1,775,391
4500 Restricted through state	11,632,432	29,700,211	-	-	-	-	41,332,643
4910 Commodities	-	837,847	-	-	-	-	837,847
Total federal sources	11,632,432	32,313,449	-	-	-	-	43,945,881
Other Sources							
5160 Proceeds from capital leases	1,844,111	-	-	-	-	-	1,844,111
5200 Transfers in	123,594	591,288	3,662,563	-	1,755,000	-	6,132,445
Total other sources	1,967,705	591,288	3,662,563	-	1,755,000	-	7,976,556
TOTAL REVENUES	\$ 290,823,573	\$ 49,479,819	\$ 60,563,352	\$ 2,972,440	\$ 3,622,856	\$ 73,902	\$ 407,535,942

**BEAVERTON SCHOOL DISTRICT
GENERAL FUND (100) EXPENDITURE SUMMARY
YEAR ENDED JUNE 30, 2011**

Instruction	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	Total
1110 Elementary programs	\$ 47,410,241	\$ 19,292,852	\$ 120,888	\$ 1,768,799	\$ -	\$ 533	\$ -	\$ 68,593,313
1120 Middle school programs	23,121,008	9,414,889	49,554	755,128	-	187	-	33,340,766
1130 High school programs	29,312,201	11,418,931	533,005	1,593,111	-	41,871	-	42,899,119
1210 Talented and gifted programs	219,691	55,561	34,590	56,885	-	258	-	366,985
1220 Restrictive programs	8,805,415	5,358,038	491,349	52,318	-	-	-	14,707,120
1250 Resource rooms	4,850,709	2,278,993	-	-	-	-	-	7,129,702
1280 Alternative education	1,203,155	501,789	1,804,007	47,676	-	-	-	3,556,627
1290 Designated programs	9,614,347	4,300,018	185,687	89,613	-	70,916	-	14,260,581
1460 Summer school programs	1,122	216	2,240	2,182	-	-	-	5,760
Total instruction	124,537,889	52,621,287	3,221,320	4,365,712	-	113,765	-	184,859,973
Support services								
2110 Attendance and social work services	1,621,656	1,043,449	69,745	27,266	-	2,434	-	2,764,550
2120 Guidance services	5,505,936	2,362,108	17,351	46,781	-	1,148	-	7,933,324
2130 Health services	1,044,800	442,285	11,010	13,502	-	-	-	1,511,597
2140 Psychological services	1,786,881	669,938	7,541	26,972	-	-	-	2,491,332
2150 Speech pathology and audiology services	2,142,429	823,238	1,631	19,939	-	1,400	-	2,988,637
2190 Service direction - student support services	1,300,526	528,417	489,716	168,765	8,002	153,661	-	2,649,087
2210 Improvement of instruction services	2,154,093	753,723	69,063	18,859	-	70,237	-	3,065,975
2220 Educational media services	4,339,978	2,022,779	66,839	512,751	-	200	-	6,942,547
2230 Assessment and testing	133,817	50,746	7,297	188,767	-	-	-	380,627
2240 Instructional staff development	69,316	796,540	14,817	13,931	-	-	-	894,604
2310 Board of education services	-	-	146,431	11,660	-	19,479	-	177,570
2320 Executive administration services	805,048	274,256	147,785	84,696	-	5,834	-	1,317,619
2410 Office of the principal services	13,789,822	5,767,651	205,602	329,163	-	10,798	-	20,103,036
2490 Other support services - school administration	1,172,352	406,718	75,399	16,202	-	23,049	-	1,693,720
2510 Direction of business support services	137,071	44,142	7,622	15,476	-	738	-	205,049
2520 Fiscal services	922,051	408,526	134,608	15,541	-	7,307	-	1,488,033
2540 Operation and maintenance of plant services	9,420,283	4,447,054	7,432,344	1,393,435	15,520	26,518	-	22,735,154
2550 Student transportation services	7,722,481	5,090,389	242,919	1,924,440	1,844,111	3,024	-	16,827,364
2570 Internal services	385,394	192,180	624,370	105,325	-	5,868	-	1,313,137
2620 Planning and development services	339,634	119,128	25,732	8,019	-	3,307	-	495,820
2630 Information services	289,130	106,351	17,034	8,759	-	835	-	422,109
2640 Staff services	1,252,102	513,170	129,791	70,236	-	200	-	1,965,499
2660 Technology services	2,729,193	1,148,350	2,246,839	636,507	13,268	2,162	-	6,776,319
Total support services	59,063,993	28,011,138	12,191,486	5,656,992	1,880,901	338,199	-	107,142,709
Facilities acquisition and construction								
4110 Service area direction	229,437	84,629	34,267	4,749	-	1,469	-	354,551
Other uses								
5200 Transfers of funds	-	-	-	-	-	-	4,795,621	4,795,621
TOTAL EXPENDITURES	\$ 183,831,319	\$ 80,717,054	\$ 15,447,073	\$ 10,027,453	\$ 1,880,901	\$ 453,433	\$ 4,795,621	\$ 297,152,854

**BEAVERTON SCHOOL DISTRICT
SPECIAL REVENUE FUNDS (200) EXPENDITURE SUMMARY
YEAR ENDED JUNE 30, 2011**

Instruction	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	Total
1110 Elementary programs	\$ 174,089	\$ 33,478	\$ 21,200	\$ 893,096	\$ 6,777	\$ -	\$ -	\$ 1,128,640
1120 Middle school programs	102,117	17,635	31,672	913,587	-	-	-	1,065,011
1130 High school programs	169,653	25,371	83,265	4,594,784	6,613	7,013	-	4,886,699
1210 Programs for talented & gifted	7,725	1,483	2,250	423	-	-	-	11,881
1220 Restrictive programs	2,475,207	1,015,751	1,015,711	80,663	-	-	-	4,587,332
1250 Resource rooms	1,833,768	835,089	-	-	-	-	-	2,668,857
1260 Early intervention	67,357	12,229	1,112	1,020	-	-	-	81,718
1270 Educationally disadvantaged	5,331,373	2,274,789	351,753	682,541	-	5,108	-	8,645,564
1280 Alternative education	28,379	5,210	23,789	54,657	-	2,000	-	114,035
1290 Designated programs	303,151	113,731	74,454	160,401	-	-	-	651,737
1430 Summer School - high school	114,859	21,854	442	5,453	-	-	-	142,608
1440 Summer School - primary K-3	-	-	1,200	-	-	-	-	1,200
1460 Special programs summer school	128,993	24,307	-	-	-	-	-	153,300
1490 Other summer school	91,780	19,373	24,549	10,476	-	-	-	146,178
Total instruction	10,828,451	4,400,300	1,631,397	7,397,101	13,390	14,121	-	24,284,760
Support services								
2110 Attendance and social work services	143,071	57,417	24,980	6,028	-	-	-	231,496
2120 Guidance services	372,609	147,708	13,461	2,446	-	-	-	536,224
2130 Health services	6,976	3,885	176,137	-	-	-	-	186,998
2140 Psychological services	190,180	75,256	-	-	-	-	-	265,436
2150 Speech pathology and audiology services	625,384	270,592	-	-	-	-	-	895,976
2190 Service direction - student support services	621,381	145,364	453,387	47,481	-	-	-	1,267,613
2210 Improvement of instruction services	655,183	243,393	528,420	60,059	-	-	-	1,487,055
2220 Educational media services	41,153	7,745	22,109	39,044	-	-	-	110,051
2240 Instructional staff development	1,816,831	491,862	411,079	264,089	-	55,871	-	3,039,732
2410 Office of the principal services	1,424	211	4,263	5,054	-	-	-	10,952
2490 Other support services - school administration	-	-	-	500	-	-	-	500
2520 Fiscal services	7,332	2,625	-	-	-	796,843	-	806,800
2540 Operation and maintenance of plant services	17,334	6,925	34,311	12,562	12,410	-	-	83,542
2550 Student transportation services	-	-	-	-	271,080	-	-	271,080
2570 Internal services	-	-	219,019	734,925	41,933	-	-	995,877
2620 Planning and development services	4,195	885	2,918	2,928	-	-	-	10,926
2630 Information services	-	-	-	9,084	-	-	-	9,084
2640 Staff services	2,310	646	667	-	-	1,465	-	5,088
2660 Technology services	-	-	271,553	192,228	351,648	-	-	815,429
2700 Supplemental retirement program	7,100	77,919	-	-	-	-	-	85,019
Total support services	4,512,463	1,532,433	2,162,304	1,376,428	677,071	854,179	-	11,114,878
Enterprise and community services								
3110 Service area direction	745,914	294,279	29,398	853,901	-	480	-	1,923,972
3120 Food preparation and dispensing services	2,864,362	1,759,038	92,882	5,323,692	-	5,767	-	10,045,741
3140 Food services - summer school	103,898	21,746	4,559	196,144	-	-	-	326,347
3190 Other food services	-	-	-	77,849	24,154	-	-	102,003
3360 Welfare activities services	-	-	-	2,487	-	-	-	2,487
3370 Nonpublic school students	30,088	12,518	-	-	-	-	-	42,606
3390 Other community services	56,452	27,086	5,716	3,338	-	-	-	92,592
3500 Custody and care of children	19,387	16,973	-	-	-	-	-	36,360
Total enterprise and community services	3,820,101	2,131,640	132,555	6,457,411	24,154	6,247	-	12,572,108
Facilities acquisition and construction								
4150 Building acquisition, construction, and improvement services	6,790	5,202	158,544	11,423	1,103,331	1,454	-	1,286,744
Other uses								
5200 Transfers of funds	-	-	-	-	-	-	123,594	123,594
TOTAL EXPENDITURES	\$ 19,167,805	\$ 8,069,575	\$ 4,084,800	\$ 15,242,363	\$ 1,817,946	\$ 876,001	\$ 123,594	\$ 49,382,084

BEAVERTON SCHOOL DISTRICT
 DEBT SERVICE FUND (300) EXPENDITURE SUMMARY
 YEAR ENDED JUNE 30, 2011

	Object 600	Total
Other Uses		
5110 Debt Service	\$ 60,632,549	\$ 60,632,549

**BEAVERTON SCHOOL DISTRICT
CAPITAL PROJECTS FUND (400) EXPENDITURE SUMMARY
YEAR ENDED JUNE 30, 2011**

	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	Total
Support services								
2540 Operation and maintenance of plant services	\$ 3,024	\$ 321	\$ 8,837	\$ 5,566	\$ -	\$ -	\$ -	\$ 17,748
2550 Student transportation services	-	-	3,345	-	149,590	-	-	152,935
Total support services	<u>3,024</u>	<u>321</u>	<u>12,182</u>	<u>5,566</u>	<u>149,590</u>	<u>-</u>	<u>-</u>	<u>170,683</u>
Facilities acquisition and construction								
4110 Service area direction	702,096	240,820	3,964	1,011	-	90,000	-	1,037,891
4150 Building acquisition, construction, and improvement services	-	-	1,460,028	17,795	11,300,611	50,106	-	12,828,540
Total facilities acquisition and construction	<u>702,096</u>	<u>240,820</u>	<u>1,463,992</u>	<u>18,806</u>	<u>11,300,611</u>	<u>140,106</u>	<u>-</u>	<u>13,866,431</u>
Other uses								
5200 Transfers of funds	-	-	-	-	-	-	1,213,230	1,213,230
TOTAL EXPENDITURES	<u>\$ 705,120</u>	<u>\$ 241,141</u>	<u>\$ 1,476,174</u>	<u>\$ 24,372</u>	<u>\$ 11,450,201</u>	<u>\$ 140,106</u>	<u>\$ 1,213,230</u>	<u>\$ 15,250,344</u>

**BEAVERTON SCHOOL DISTRICT
INTERNAL SERVICE FUND (600) EXPENDITURE SUMMARY
YEAR ENDED JUNE 30, 2011**

	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Total
Instruction							
1110 Elementary programs	\$ -	\$ -	\$ -	\$ 1,640	\$ -	\$ -	\$ 1,640
Total instruction	-	-	-	1,640	-	-	1,640
Support services							
2410 Office of the principal services	-	-	-	1,808	-	-	1,808
2550 Student transportation services	4,399	4,127	-	-	-	-	8,526
2570 Internal services	39,306	20,774	108,747	45,280	-	3,917	218,024
2640 Staff services	108,514	46,183	142,149	-	-	12	296,858
2690 Other support services	341,520	115,336	204,221	38,074	-	3,625,640	4,324,791
Total support services	493,739	186,420	455,117	85,162	-	3,629,569	4,850,007
Facilities acquisition and construction							
4150 Building acquisition, construction, and improvement services	-	-	-	1,976	-	-	1,976
TOTAL EXPENDITURES	\$ 493,739	\$ 186,420	\$ 455,117	\$ 88,778	\$ -	\$ 3,629,569	\$ 4,853,623

**BEAVERTON SCHOOL DISTRICT
 FIDUCIARY FUND (700) EXPENDITURE SUMMARY (NON-GAAP BASIS)
 YEAR ENDED JUNE 30, 2011**

	Object 300	Object 400	Total
Enterprise and community services			
3390 Other community services	\$ 53,786	\$ 15,975	\$ 69,761

**BEAVERTON SCHOOL DISTRICT
SCHEDULE OF PROPERTY TAX TRANSACTIONS
YEAR ENDED JUNE 30, 2011**

	<u>Tax Year</u>	<u>Uncollected July 1, 2010</u>	<u>Levy as Extended by Assessor</u>	<u>Discounts Allowed</u>	<u>Interest</u>	<u>Adjustments</u>	<u>Collections</u>	<u>Uncollected June 30, 2011</u>
<u>GENERAL FUND</u>								
Current	2010-11		\$ 102,984,913	\$ (2,622,215)	\$ 35,823	\$ (468,618)	\$ (97,495,713)	\$ 2,434,190
Prior	2009-10	\$ 2,788,730		564	118,791	(54,458)	(1,841,505)	1,012,122
	2008-09	1,065,528	-	666	98,285	(49,215)	(608,100)	507,164
	2007-08	380,777	-	110	71,661	(16,024)	(306,331)	130,193
	2006-07	96,643	-	2	22,117	(4,089)	(79,400)	35,273
	2005-06	27,903	-	1	3,811	(11,769)	-	19,946
	2004-05 & prior	65,455	-	8	6,720	(18,005)	(6,898)	47,280
	Rounding adjustments	-	-	-	-	266	(266)	-
Total prior		<u>4,425,036</u>	<u>-</u>	<u>1,351</u>	<u>321,385</u>	<u>(153,294)</u>	<u>(2,842,500)</u>	<u>1,751,978</u>
TOTAL GENERAL FUND		<u>\$ 4,425,036</u>	<u>\$ 102,984,913</u>	<u>\$ (2,620,864)</u>	<u>\$ 357,208</u>	<u>\$ (621,912)</u>	<u>\$ (100,338,213)</u>	<u>\$ 4,186,168</u>
<u>DEBT SERVICE FUND</u>								
Current	2010-11		\$ 45,936,492	\$ (1,169,641)	\$ 15,979	\$ (209,027)	\$ (43,488,031)	\$ 1,085,772
	2009-10	\$ 1,300,756		264	55,408	(25,401)	(858,938)	472,089
Prior	2008-09	424,651	-	265	39,170	(19,614)	(242,350)	202,122
	2007-08	165,577	-	48	31,161	(6,968)	(133,205)	56,613
	2006-07	32,778	-	1	7,502	(1,387)	(26,930)	11,964
	2005-06	8,365	-	-	1,142	(3,528)	-	5,979
	2004-05 & prior	22,282	-	3	2,723	(3,057)	(2,795)	19,156
	Rounding adjustments	-	-	-	-	(44)	44	-
Total prior		<u>1,954,409</u>	<u>-</u>	<u>581</u>	<u>137,106</u>	<u>(59,999)</u>	<u>(1,264,174)</u>	<u>767,923</u>
TOTAL DEBT SERVICE FUND		<u>\$ 1,954,409</u>	<u>\$ 45,936,492</u>	<u>\$ (1,169,060)</u>	<u>\$ 153,085</u>	<u>\$ (269,026)</u>	<u>\$ (44,752,205)</u>	<u>\$ 1,853,695</u>

**BEAVERTON SCHOOL DISTRICT
 SUPPLEMENTAL INFORMATION AS REQUIRED
 BY THE OREGON DEPARTMENT OF EDUCATION
 YEAR ENDED JUNE 30, 2011**

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

	Objects 325 & 326
Function 2540	\$ 4,186,186
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

\$ -

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Statistical Section



Statistical Section



STATISTICAL SECTION

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

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how financial performance has changed over time.	107
Revenue Capacity 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.	114
Debt Capacity 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.	118
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the School District's financial activities take place.	121
Operating Information 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.	124

Sources: The information in these schedules is derived from the comprehensive annual financial reports for fiscal years ended June 30, 2002-11, unless otherwise noted. Beaverton School District implemented GASB Statement 34 in fiscal year 2002 and implemented GASB Statement 44 in Fiscal Year 2006.

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

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Governmental activities										
Invested in capital assets, net of related debt	\$ 188,502,503	\$ 168,112,175	\$ 152,810,342	\$ 129,859,453	\$ 113,625,361	\$ 95,062,500	\$ 65,783,381	\$ 50,166,323	\$ 43,893,392	\$ 34,840,724
Restricted	5,433,174	7,007,695	2,403,428	5,934,773	5,877,081	6,562,852	5,351,360	10,204,317	7,905,625	7,768,766
Unrestricted	5,544,039	17,131,784	15,908,625	23,913,941	39,758,965	52,748,376	69,831,853	77,963,210	36,658,675	44,570,035
Total primary government net assets	\$ 199,479,716	\$ 192,251,654	\$ 171,122,395	\$ 159,708,167	\$ 159,261,407	\$ 154,373,728	\$ 140,966,594	\$ 138,333,850	\$ 88,457,692	\$ 87,179,525

Note: Due GASB No. 54 fiscal year 2010 balances have been restated.

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

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Expenses										
Governmental activities:										
Regular programs	\$ 155,823,545	\$ 147,327,559	\$ 140,652,507	\$ 139,998,945	\$ 131,244,534	\$ 127,935,548	\$ 117,748,753	\$ 106,719,154	\$ 108,131,818	\$ 104,391,097
Special programs	58,135,083	55,074,926	52,117,226	53,781,655	46,411,445	43,377,052	39,227,850	32,824,283	31,581,346	30,460,846
Summer school programs	462,055	321,879	779,413	705,112	449,093	343,300	242,194	217,154	289,131	310,171
Students support services	24,318,965	23,424,865	22,610,312	22,499,120	19,532,229	17,613,338	16,966,790	14,194,868	14,964,633	14,299,266
Instructional staff support	16,324,138	15,908,765	20,347,527	19,634,716	19,224,287	15,404,364	10,952,671	9,011,823	9,222,690	9,883,189
General administration support	1,527,173	1,563,192	1,832,985	1,424,567	1,368,558	1,356,456	1,246,810	1,201,086	1,140,662	1,160,870
School administration	22,373,286	22,098,423	23,114,665	23,208,163	21,364,187	18,740,016	16,693,789	15,321,028	14,966,199	14,120,824
Business support services	44,761,271	45,919,247	45,243,492	44,903,541	39,716,079	37,829,661	36,230,408	31,971,889	32,576,006	33,773,862
Central activities support	16,137,172	14,583,749	14,509,009	14,976,455	12,136,465	11,531,533	9,188,418	7,196,213	6,399,144	7,501,701
Supplemental retirement	85,307	82,494	179,037	-	487,566	1,366,735	922,885	1,476,534	1,319,409	2,000,000
Nutrition services	12,590,877	12,178,818	11,898,361	11,984,452	10,878,879	10,171,307	9,989,142	9,537,845	9,179,890	8,506,936
Community services	140,908	120,909	130,491	112,324	106,333	139,645	126,210	159,111	111,736	-
Custody and care of children services	37,083	90,857	86,772	87,337	80,725	79,169	65,708	65,033	53,281	-
Facilities Services	1,332,465	1,100,757	585,880	-	-	-	-	-	-	182,240
Interest on long-term debt	24,552,195	26,185,245	24,991,499	25,316,093	22,701,185	23,267,733	21,288,330	12,806,272	13,618,296	12,522,666
Total primary government expenses	378,601,523	365,981,685	359,079,176	358,632,480	325,701,565	309,155,857	280,889,958	242,702,293	243,554,241	239,113,668
Program Revenues										
Governmental activities:										
Charges for services										
Instruction	9,341,231	8,222,022	1,014,574	1,108,135	1,361,346	1,085,648	1,540,343	1,411,263	1,566,076	2,827,512
Support services	841,385	1,405,269	1,791,522	1,083,008	624,570	89,677	81,664	333,172	433,233	630,542
Enterprise and community services	4,736,978	4,894,440	5,054,123	5,332,832	5,159,982	5,233,973	5,523,185	5,358,166	5,253,832	5,126,377
Operating grants and contributions	45,694,904	41,722,109	30,898,351	22,888,821	20,058,967	20,474,626	21,629,614	18,325,139	14,293,220	12,326,748
Capital grants and contributions	560,751	1,384,570	5,933,674	993,093	3,085,597	861,888	83,783	945,862	622,404	643,115
Total primary government program revenues	61,175,249	57,628,410	44,692,244	31,405,889	30,290,462	27,745,812	28,858,589	26,373,602	22,168,765	21,554,294
Net (Expense)/Revenue										
Total primary government net expense	\$ (317,426,274)	\$ (308,353,275)	\$ (314,386,932)	\$ (327,226,591)	\$ (295,411,103)	\$ (281,410,045)	\$ (252,031,369)	\$ (216,328,691)	\$ (221,385,476)	\$ (217,559,374)

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

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Net (Expense)/Revenue										
Total primary government net expense	\$ (317,426,274)	\$ (308,353,275)	\$ (314,386,932)	\$ (327,226,591)	\$ (295,411,103)	\$ (281,410,045)	\$ (252,031,369)	\$ (216,328,691)	\$ (221,385,476)	\$ (217,559,374)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes levied for general purposes	100,540,188	97,635,238	94,730,145	89,855,636	85,231,015	81,140,182	76,679,466	73,043,378	70,585,644	67,746,192
Local option taxes levied for general purposes	32	10,757	39,316	54,801	263,290	21,111,336	290,906	17,951,531	-	-
Property taxes levied for debt service	44,848,328	45,541,764	37,766,753	39,095,179	28,975,739	30,785,798	31,022,313	28,154,398	28,012,647	24,108,688
Construction excise tax	1,180,614	1,343,893	1,113,898	313,311	-	-	-	-	-	-
State school fund	157,658,272	164,168,392	171,866,019	173,257,834	162,075,476	141,588,593	130,056,624	138,912,496	110,557,301	135,438,000
Common school fund	3,419,944	3,487,822	2,833,379	3,757,889	3,247,263	2,877,013	2,535,781	831,259	2,000,775	939,968
Unrestricted state and local sources	11,638,640	9,902,461	12,158,536	10,433,342	7,932,886	6,894,581	6,155,175	4,708,987	3,170,979	1,606,323
Earnings on investments	790,559	614,622	3,444,218	9,631,356	1,424,131	6,320,153	5,212,090	1,275,197	1,722,908	3,228,923
Miscellaneous	4,577,759	4,737,257	1,848,896	1,274,003	11,148,982	4,099,523	2,711,758	1,496,522	2,528,506	507,276
Total primary government	324,654,336	327,442,206	325,801,160	327,673,351	300,298,782	294,817,179	254,664,113	266,373,768	218,578,760	233,575,370
Change in Net Assets										
Total primary government	\$ 7,228,062	\$ 19,088,931	\$ 11,414,228	\$ 446,760	\$ 4,887,679	\$ 13,407,134	\$ 2,632,744	\$ 50,045,077	\$ (2,806,716)	\$ 16,015,996

**BEAVERTON SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**
(modified accrual basis of accounting)

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Fund										
Unreserved	\$ -	\$ -	\$ 17,182,975	\$ 9,708,337	\$ 16,311,004	\$ 26,750,246	\$ 34,874,198	\$ 42,781,430	\$ 11,501,177	\$ 23,463,351
Committed	1,362,113	1,688,104	-	-	-	-	-	-	-	-
Unassigned	20,156,857	26,486,138	-	-	-	-	-	-	-	-
Total general fund	\$ 21,518,970	\$ 26,486,138	\$ 17,182,975	\$ 9,708,337	\$ 16,311,004	\$ 26,750,246	\$ 34,874,198	\$ 42,781,430	\$ 11,501,177	\$ 23,463,351
All Other Governmental Funds										
Reserved for inventories	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 211,032	\$ 178,613	\$ 154,761	\$ 103,329	\$ 260,470
Unreserved, reported in:										
Debt service fund	-	-	2,403,428	5,934,773	5,877,081	6,562,852	5,351,360	10,204,317	10,296,738	10,961,375
Capital projects funds	-	-	72,864,172	80,339,282	150,332,989	13,016,390	50,922,847	61,963,592	28,748,170	70,486,769
Special revenue funds	-	-	13,812,287	20,345,523	26,640,016	23,150,903	21,948,289	23,406,526	15,440,442	15,528,304
Non-spendable	395,505	383,175	-	-	-	-	-	-	-	-
Restricted	23,776,761	36,964,939	-	-	-	-	-	-	-	-
Committed	11,417,612	10,165,139	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 35,589,878	\$ 49,201,357	\$ 89,079,887	\$ 106,619,578	\$ 182,850,086	\$ 42,941,177	\$ 78,401,109	\$ 95,729,196	\$ 54,588,679	\$ 97,236,918

Note: GASB 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									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Federal sources:										
Federal grants	\$ 36,055,519	\$ 32,479,021	\$ 22,966,422	\$ 15,402,495	\$ 13,816,650	\$ 14,641,622	\$ 13,762,221	\$ 11,205,537	\$ 8,498,299	\$ 8,630,029
Food services	7,890,362	7,315,965	6,476,041	5,947,121	5,476,602	5,061,998	4,808,336	4,333,519	3,854,996	3,436,987
Total federal sources	<u>43,945,881</u>	<u>39,794,986</u>	<u>29,442,463</u>	<u>21,349,616</u>	<u>19,293,252</u>	<u>19,703,620</u>	<u>18,570,557</u>	<u>15,539,056</u>	<u>12,353,295</u>	<u>12,067,016</u>
State and intermediate sources:										
State school support	164,851,674	170,175,911	182,178,041	176,212,759	166,196,365	142,052,184	129,714,366	138,603,657	110,450,915	128,955,222
Common school fund	126,639	124,261	2,833,379	3,757,889	3,247,263	2,877,013	2,535,780	831,259	2,000,775	939,968
Nutrition services	150,503	152,866	126,938	133,309	133,309	131,728	133,102	132,775	136,100	133,940
Other	8,148,791	8,490,207	7,653,250	8,287,664	6,764,285	5,201,625	5,487,010	4,260,689	2,374,423	7,428,386
Total state and intermediate sources	<u>173,277,607</u>	<u>178,943,245</u>	<u>192,791,608</u>	<u>188,391,621</u>	<u>176,341,222</u>	<u>150,262,550</u>	<u>137,870,258</u>	<u>143,828,380</u>	<u>114,962,213</u>	<u>137,457,516</u>
Local sources:										
Ad valorem taxes	145,659,724	142,849,247	131,218,334	128,162,210	114,187,597	113,729,273	110,140,999	103,442,033	101,791,357	93,052,630
Local option levy	32	10,757	39,316	54,801	263,290	21,111,336	-	17,951,530	-	-
Food service sales	4,690,790	4,804,659	4,952,460	5,256,072	5,155,080	5,155,262	5,458,185	5,298,164	5,201,155	5,126,377
Interest and other income	25,942,763	25,114,830	9,510,706	15,141,413	14,208,913	21,743,467	9,444,129	5,387,212	3,575,644	6,562,880
Other revenues	5,944,942	4,136,871	11,021,749	11,276,968	17,071,530	1,474,718	1,687,007	1,329,671	2,766,078	651,956
Total local sources	<u>182,238,251</u>	<u>176,916,364</u>	<u>156,742,565</u>	<u>159,891,464</u>	<u>150,886,410</u>	<u>163,214,056</u>	<u>126,730,320</u>	<u>133,408,610</u>	<u>113,334,234</u>	<u>105,393,843</u>
Total revenues	<u>\$ 399,461,739</u>	<u>\$ 395,654,595</u>	<u>\$ 378,976,636</u>	<u>\$ 369,632,701</u>	<u>\$ 346,520,884</u>	<u>\$ 333,180,226</u>	<u>\$ 283,171,135</u>	<u>\$ 292,776,046</u>	<u>\$ 240,649,742</u>	<u>\$ 254,918,375</u>

**BEAVERTON SCHOOL DISTRICT
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS**
(modified accrual basis of accounting)

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Instruction	\$ 209,144,733	\$ 196,896,644	\$ 188,542,067	\$ 188,329,573	\$ 176,790,381	\$ 166,708,094	\$ 148,860,060	\$ 131,333,468	\$ 132,760,466	\$ 130,018,795
Pupil personnel services	23,722,270	22,768,827	22,134,153	21,848,902	19,387,314	17,327,799	16,934,964	14,186,742	14,938,329	14,306,641
Instructional media services	7,052,598	7,046,696	7,172,032	7,146,052	7,254,632	6,392,841	6,260,522	5,671,181	5,000,170	5,492,814
Instruction and curriculum development services	4,933,657	4,825,938	7,567,589	8,842,212	9,353,046	5,362,684	3,042,110	2,299,282	2,399,644	2,483,751
Instructional staff training	3,934,336	3,630,603	5,125,872	3,125,866	2,553,112	3,418,579	1,631,324	977,351	1,661,743	2,063,960
Board of education	177,570	105,529	275,864	184,538	172,757	124,018	133,601	143,304	196,317	108,120
General administration	1,317,619	1,420,229	1,522,419	1,203,654	1,196,802	1,215,448	1,111,301	953,862	942,178	1,048,627
School administration	21,808,208	21,439,584	22,682,452	22,462,904	21,228,944	18,406,389	16,644,872	15,288,210	14,904,928	14,130,343
Fiscal services	2,499,882	2,631,837	2,948,368	2,336,876	2,685,069	1,921,401	1,866,135	1,858,116	1,962,240	2,695,644
Central services	12,809,288	14,755,944	15,294,568	13,927,923	10,898,286	10,746,320	10,168,642	8,523,260	7,787,758	9,286,699
Pupil transportation services	17,251,379	15,049,227	17,079,625	17,112,898	15,326,487	13,195,270	12,064,717	11,045,645	11,353,341	10,208,464
Operation and maintenance of plant	22,836,444	23,201,941	23,507,619	23,653,905	22,377,493	22,959,195	20,545,643	16,500,476	15,869,968	17,140,982
Supplemental retirement	85,019	81,193	-	-	500,000	1,160,000	901,565	2,000,000	2,000,000	2,000,000
Community services	12,572,108	12,235,486	12,010,508	12,047,652	11,170,622	10,520,259	10,077,303	9,730,906	9,191,452	8,447,333
Capital outlay	15,507,726	42,237,995	82,949,169	78,045,230	21,846,308	54,214,334	20,142,844	3,031,221	4,832,961	6,274,002
Facilities acquisition/ construction	-	-	-	-	-	4,328	-	22,646,732	40,807,550	23,713,699
Other capital outlay	-	-	-	-	-	-	-	-	-	-
Debt service	33,994,798	29,744,444	27,335,773	22,480,622	22,434,588	20,145,000	22,395,000	15,590,000	14,305,000	12,005,000
Principal	26,637,751	28,548,173	26,076,306	29,254,294	21,105,620	21,545,175	14,229,248	13,053,849	14,366,111	11,952,299
Interest	-	-	-	-	-	272,879	2,156,265	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-	-	-
Total expenditures	<u>\$ 416,285,386</u>	<u>\$ 426,620,290</u>	<u>\$ 462,224,384</u>	<u>\$ 452,003,101</u>	<u>\$ 366,281,461</u>	<u>\$ 375,640,014</u>	<u>\$ 309,166,117</u>	<u>\$ 274,833,605</u>	<u>\$ 295,280,155</u>	<u>\$ 273,377,172</u>
Expenditures for capital assets	\$ 14,369,964	\$ 41,748,748	\$ 86,305,084	\$ 79,848,844	\$ 23,776,623	\$ 56,029,870	\$ 21,873,413	\$ 25,129,119	\$ 45,177,340	\$ 29,832,501
Debt service as a percentage of noncapital expenditures	15.09%	15.15%	14.21%	13.90%	12.71%	13.13%	13.50%	11.47%	11.46%	9.84%

**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									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Excess of revenues over (under) expenditures	\$ (18,667,758)	\$ (30,968,573)	\$ (83,247,748)	\$ (84,505,651)	\$ (23,448,224)	\$ (42,459,788)	\$ (25,994,981)	\$ 17,942,441	\$ (54,630,413)	\$ (18,458,797)
Other Financing Sources (Uses)										
General long-term debt issued	-	-	-	-	-	-	332,627,545	56,027,248	-	54,714,815
Transfers in	4,377,445	6,412,278	18,422,773	11,063,733	6,484,832	9,855,761	8,734,822	12,677,389	2,443,913	3,108,574
Transfers out	(6,132,445)	(8,062,278)	(19,622,773)	(12,083,733)	(7,684,832)	(11,255,761)	(10,134,822)	(14,057,389)	(2,423,913)	(3,088,574)
Capital leases	1,844,111	-	2,837,449	2,692,476	2,536,141	-	-	-	-	-
Issuance of debt	-	2,878	65,460,000	-	149,090,000	-	-	-	-	-
PERS UAL lump sum payment	-	-	-	-	-	-	(188,467,154)	-	-	-
Premium on long-term debt issued	-	-	3,355,265	-	2,491,750	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-	49,470,000	-	-	-	-
Bond premium	-	-	-	-	-	3,342,941	-	-	-	-
Bond refunding principal	-	-	-	-	-	(49,040,000)	(133,275,000)	-	-	-
Bond refunding interest	-	-	-	-	-	(3,497,037)	(8,725,729)	-	-	-
Total other financing sources (uses)	89,111	(1,647,122)	70,452,714	1,672,476	152,917,891	(1,124,096)	759,662	54,647,248	20,000	54,734,815
Net change in fund balances	\$ (18,578,647)	\$ (32,615,695)	\$ (12,795,034)	\$ (82,833,175)	\$ 129,469,667	\$ (43,583,884)	\$ (25,235,319)	\$ 72,589,689	\$ (54,610,413)	\$ 36,276,018

**BEAVERTON SCHOOL DISTRICT
 ASSESSED VALUE AND REAL MARKET VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS**
(in thousands of dollars)

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		
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
2006	16,966,445,698	656,320,613	17,622,766,311	7.976	24,457,151,531	656,328,649	25,113,480,180	70.17
2005	16,072,163,801	676,100,709	16,748,264,510	6.597	22,023,686,581	676,100,709	22,699,787,290	73.78
2004	15,278,975,133	705,947,091	15,984,922,224	8.010	20,836,937,638	705,953,664	21,542,891,302	74.20
2003	14,583,452,321	804,238,376	15,387,690,697	6.558	19,399,697,246	804,238,819	20,203,936,065	76.16
2002	13,896,521,558	803,918,524	14,700,440,082	6.367	18,454,182,485	803,919,565	19,258,102,050	76.33

^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	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
2011	\$ 4.6930	\$ -	\$ 2.0911	\$ 6.7841	\$ 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	4.6930	-	2.186	6.8793	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	4.6930	-	1.871	6.5643	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	4.6930	-	2.043	6.7358	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	4.6930	-	1.5970	6.2900	4.767	7.813	2.727	1.443	1.819	4.212	2.449	0.278	0.097	0.070	5.295	0.154
2006	4.6930	1.5000	1.7830	7.9760	4.767	7.918	2.715	1.451	1.822	4.014	2.840	0.284	0.119	0.070	5.307	0.154
2005	4.6930	-	1.9038	6.5968	4.767	7.979	2.698	1.455	1.826	4.104	2.873	0.284	0.110	0.070	5.279	0.154
2004	4.6930	1.5000	1.8172	8.0102	4.767	8.189	2.678	1.464	1.827	3.974	2.896	0.290	0.108	0.070	5.272	0.154
2003	4.6930	-	1.8654	6.5584	4.767	6.966	2.901	1.462	1.821	3.607	2.915	0.284	0.124	0.070	5.174	0.154
2002	4.6930	-	1.6736	6.3666	4.767	6.720	2.580	1.470	1.830	3.320	2.960	0.320	0.140	0.070	5.210	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**

<u>Taxpayer</u>	June 2011			June 2002		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Value
Intel	\$ 1,086,959,550	1	3.28 %			
Nike, Inc.	431,605,315	2	1.30	\$ 248,031,909	1	1.69 %
Pacific Realty Associates	301,956,704	5	0.91			
Genentech Inc.	231,546,750	7	0.70	162,534,180	3	1.11
Maxim Integrated Products, Inc.	137,021,824	9	0.41	155,523,630	4	1.06
Tektronix, Inc.	128,237,247	10	0.39	43,083,850	10	0.29
PPR Washington Square LLC				50,006,720	8	0.34
Talcott Realty I Limited Partnership				91,528,020	6	0.62
Amberjack Ltd.				45,104,466	9	0.31
IBM Corporation						
<u>Public Utilities</u>						
Portland General Electric Co.	390,952,730	3	1.18	103,992,300	5	0.71
Frontier Communications (formerly Verizon)	371,640,200	4	1.12	187,893,097	2	1.28
Northwest Natural Gas	282,171,220	6	0.85	75,252,900	7	0.51
Comcast Corporation	213,072,700	8	0.64			
Subtotal of Ten Largest Taxpayers	3,575,164,240		10.80	1,162,951,072		7.92
All Other Taxpayers	29,524,748,910		89.20	12,742,597,248		92.08
Total Assessed Value of Tax District	\$ 33,099,913,150		100.00 %	\$ 13,905,548,320		100.00 %

Source: Washington County Department of Assessment & Taxation

**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	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 148,921,305	\$ 140,983,744	94.67 %	\$ 4,076,674	\$ 145,060,418	97.41 %
2010	146,696,578	138,507,814	94.42	3,491,842	141,999,656	96.80
2009	135,514,754	127,776,537	94.29	2,746,675	130,523,212	96.32
2008	131,816,688	125,156,223	94.95	2,532,422	127,688,645	96.87
2007	117,082,726	111,488,243	95.22	2,499,575	113,987,818	97.36
2006	136,250,808	129,582,128	95.11	3,354,729	132,936,857	97.57
2005	110,578,642	104,969,221	94.93	2,436,379	107,405,600	97.13
2004	122,925,379	116,177,565	94.51	2,572,482	118,750,047	96.60
2003	101,039,286	95,475,768	94.49	2,299,073	97,774,841	96.77
2002	93,828,115	88,742,927	94.58	2,268,295	91,011,222	97.00

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

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	General				FFC		Pension		Un-		Capital			Net General Bonded Debt			Total Debt				
	Obligation		Bonds		Obligation		Bonds		amortized		Leases		As a Percentage		As		Percentage				
	Bonds		Bonds		Bonds		Bonds		Premium		Leases		Value of Property	of Actual	Debt	Per Capita ^a	Primary Government	Percentage of Taxable Value	Income ^a	Per Capita ^a	
2011	\$ 341,575		\$ 175,870		\$ 22,040		\$ 11,186		\$ 4,080		\$ 352,761		0.000011	%	n/a		\$ 554,751	0.0025	%	n/a	n/a
2010	370,250		178,815		22,595		13,007		4,056		383,257		0.000012		\$ 1,519		588,722	0.0028	%	0.028	\$ 2,333
2009	395,935		181,225		22,650		14,828		5,650		410,763		0.000012		1,655		620,288	0.0030		0.029	2,499
2008	377,140		183,135		-		13,137		4,223		390,277		0.000011		1,565		577,635	0.0030		0.031	2,316
2007	397,880		184,025		-		14,616		2,536		412,496		0.000013		1,685		599,057	0.0032		0.032	2,447
2006	267,395		187,700		-		13,597		-		280,992		0.000011		1,195		468,692	0.0027		0.027	1,994
2005	284,875		189,935		-		10,789		-		295,664		0.000013		1,283		485,599	0.0029		0.030	2,107
2004	308,215		-		-		1,425		-		309,640		0.000014		1,365		309,640	0.0019		0.020	1,365
2003	269,025		-		-		250		-		269,275		0.000013		1,205		269,275	0.0017		0.018	1,205
2002	283,330		-		-		314		-		283,644		0.000015		1,374		283,644	0.0019		0.019	1,374

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

n/a - Information not available as of printing.

**BEAVERTON SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2011**

<u>Governmental Unit</u>	Net Property-tax Backed Debt Outstanding	Percent Within School District	Estimated Share of Direct and Overlapping Debt
Beaverton School District	\$ 539,485,000	100.00 %	\$ 539,485,000
Tualatin Hills Park and Recreation District	70,790,000	96.81	68,535,268
Tualatin Valley Fire and Rescue	49,865,000	51.97	25,915,788
Washington County	20,030,000	47.57	9,528,892
Portland Community College	199,390,000	20.07	40,022,957
City of Tigard	32,300,000	16.84	5,438,674
Tri-Met	9,800,000	16.20	1,588,041
Metro	158,020,000	16.10	25,437,902
City of Hillsboro	8,870,000	11.91	1,056,763
Multnomah County	104,660,000	0.15	154,687
City of Portland	142,065,000	0.11	156,840
Subtotal, overlapping debt			177,835,812
Total direct and overlapping debt			\$ 717,320,812

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.

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

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

Source: State of Oregon - Office of the Treasurer

**BEAVERTON SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**
(dollars in thousands)

Legal Debt Margin Calculation for Fiscal Year 2011

Real Market Value	\$ 31,320,680,697
Debt limit (7.95% of real market value ¹)	2,489,994,115
Debt applicable to limit	341,575,000
Legal debt margin	<u>\$ 2,148,419,115</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
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
2006	1,996,521,674	267,395,000	1,729,126,674	13.39
2005	1,804,633,090	284,875,000	1,519,758,090	15.79
2004	1,712,659,859	308,215,000	1,404,444,859	18.00
2003	1,606,212,917	269,025,000	1,337,187,917	16.75
2002	1,531,019,113	283,330,000	1,247,689,113	18.51

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:

^A 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.

^B 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.

Allowable Percentage of Real Market Value:

^A Kindergarten through eighth grade, 9 x .0055	4.95%
^B Ninth through twelfth grade, 4 x .0075	3.00%
Allowable Percentage	<u><u>7.95%</u></u>

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

Calendar Year	Population ^a <i>Estimated</i>	Personal Income ^b <i>(thousands of dollars)</i>		Per Capita Personal Income	Unemployment Rate ^c <i>(Washington County)</i>
		\$	n/a		
2011	254,914		n/a	n/a	n/a
2010	252,293	\$ 21,205,286		39,465	9.1 %
2009	248,264	21,185,612		40,188	9.3
2008	249,399	19,945,179		38,371	5.2
2007	244,767	18,607,666		36,259	4.3
2006	235,100	17,337,966		34,626	4.4
2005	230,500	16,120,965		33,069	5.2
2004	226,900	15,418,518		32,140	6.2
2003	223,500	14,972,521		31,690	7.4
2002	206,505	14,843,915		32,075	6.9

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
MAJOR EMPLOYMENT INDUSTRIES
CURRENT AND NINE YEARS PRIOR**

<u>Employer</u>	December 31, 2010			December 31, 2001		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Trade, transportation and utilities: Wholesale trade, Retail trade, Transportation and utilities	46,632	1	19.87 %	45,843	2	20.06 %
Manufacturing Wood and Lumber, Metals, Food, Rubber/Plastic, Computer and Electronic, Machinery, Other	41,041	2	17.49	50,872	1	22.26
Professional and business services	33,879	3	14.44	34,296	3	15.01
Healthcare and social assistance	23,930	4	10.20	15,533	4	6.80
Government	22,549	5	9.61	16,517	5	7.23
Leisure and hospitality	19,453	6	8.29	16,607	10	7.27
Financial activities Finance, insurance, real estate	13,667	7	5.82	13,140	7	5.75
Construction	10,484	8	4.47	12,591	6	5.51
Information Publishing, Telecommunications, Other (broadcasting, ISP, etc.)	7,802	9	3.32	8,688	8	3.80
Other services (agriculture, repairs, misc.)	7,373	10	3.14	7,265	9	3.18
Educational services	4,591	11	1.96	3,551	11	1.55
Natural resources and mining	3,254	12	1.39	3,607	12	1.58
Total Employment	234,655		100.00 %	228,510		100.00 %

Source: Oregon Employment Department Labor Market Information System (OLMIS) at www.qualityinfo.org/olmis/CEP

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

	2011 Salary Range		Full-time Equivalent Employees as of June 30,										% Change 2010 to 2011	
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002				
<u>Instruction</u>														
Certified	\$ 37,169	\$ 74,219	1,582.68	1,572.87	1,590.00	1,611.53	1,568.92	1,548.12	1,497.08	1,397.15	1,405.42	1,407.28	0.62	%
Support	27,765	35,451	76.30	78.03	85.60	92.31	94.00	79.34	74.16	65.99	71.62	91.61	(2.22)	
<u>Special Programs</u>														
Certified	37,169	74,219	436.59	436.50	420.10	436.05	405.39	372.76	374.10	321.07	305.82	288.09	0.25	
Support	24,005	71,777	256.25	278.56	263.54	268.64	241.62	248.79	231.25	198.04	200.34	215.85	(8.01)	
Administration	97,272	117,823	1.00	1.00	3.00	3.00	3.00	1.95	1.00	0.62	2.40	2.00	-	
<u>Student Support Services</u>														
Certified	37,169	74,219	188.86	196.46	192.22	184.11	178.51	161.48	155.69	138.06	149.09	150.64	(3.87)	
Support	22,042	84,619	76.00	69.22	70.96	68.70	65.53	62.02	58.46	56.33	55.63	61.54	9.79	
Administration	97,272	117,823	3.47	5.00	3.88	3.94	4.00	3.00	2.78	2.80	2.92	2.16	(30.59)	
<u>Instructional Staff Support</u>														
Certified	37,169	74,219	101.09	99.01	146.59	122.66	123.74	96.63	61.53	58.29	64.00	66.89	2.10	
Support	24,005	62,956	32.80	36.36	36.74	37.09	33.93	32.14	32.09	31.35	36.38	35.49	(9.79)	
Administration	113,110	117,823	2.00	3.00	3.00	3.00	2.00	2.00	2.00	2.00	3.60	6.00	(33.33)	
<u>General Administration Support</u>														
Support	35,167	134,420	5.00	5.17	6.00	5.45	5.09	4.81	4.36	3.00	3.00	3.00	(3.22)	
Administration	129,112	194,197	3.00	3.00	3.00	3.00	3.00	3.00	2.84	2.87	4.13	3.00	-	
<u>School Administration</u>														
Certified	37,169	74,219	10.86	10.38	15.05	18.42	14.67	6.00	7.40	5.50	4.00	3.50	4.62	
Support	24,005	62,130	106.86	104.61	106.25	103.23	99.35	93.78	92.90	88.25	84.63	75.52	2.15	
Administration	94,913	129,543	91.40	91.38	96.73	95.42	90.81	85.90	83.11	82.43	82.17	82.35	0.03	
<u>Business Support Services</u>														
General Business	24,005	84,619	18.09	18.45	18.34	17.80	16.44	15.88	15.76	15.83	16.40	16.40	(1.95)	
Support	106,386	134,491	1.00	1.43	2.00	2.00	2.00	1.88	1.91	2.00	2.00	2.00	(29.95)	
<u>Facilities</u>														
Support	22,184	84,619	212.52	213.67	209.38	200.21	201.91	195.79	193.96	186.24	185.78	195.25	(0.54)	
Administration	107,473	129,543	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.54	3.00	-	
<u>Transportation</u>														
Support	22,184	84,619	180.72	179.98	194.33	190.31	178.80	177.84	166.41	163.78	168.14	165.44	0.41	
Administration	106,386	110,818	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.90	1.00	1.66	-	
<u>Other Administration Support</u>														
Support	22,042	72,842	10.00	9.75	10.52	10.63	11.99	10.61	9.97	10.14	10.92	10.88	2.56	
<u>Central Support Services</u>														
Certified	37,169	74,219	5.30	4.49	5.50	5.50	5.75	6.92	6.12	5.77	5.69	6.26	18.05	
Support	24,005	88,001	66.87	68.44	69.80	64.14	57.82	54.38	52.20	47.44	47.28	50.05	(2.30)	
Administration	97,621	134,491	7.00	7.90	8.00	7.96	7.11	6.62	7.00	7.02	8.00	8.00	(11.38)	
<u>Food Services</u>														
Support	20,079	50,185	103.55	103.19	99.15	94.90	96.74	93.10	91.63	93.01	95.36	93.14	0.35	
Administration	106,386	110,818	1.00	1.00	1.00	1.00	1.00	1.00	0.49	1.00	1.00	1.00	-	
<u>Community Services & Custody and Care of Children Services</u>														
Certified	37,169	74,219	0.54	0.53	0.54	0.54	0.54	0.64	1.04	0.94	1.14	-	1.05	
Support	22,042	88,001	1.55	2.49	1.25	1.25	1.26	1.26	1.26	1.25	0.97	-	(37.83)	
<u>Facilities Acquisition and Construction</u>														
Support	24,005	71,777	10.49	14.20	15.62	15.60	6.47	5.18	4.65	3.76	4.47	4.06	(26.10)	
Administration	107,473	129,543	1.81	2.00	2.00	1.92	1.71	1.00	1.00	-	-	0.83	(9.57)	
Total			3,596.78	3,619.24	3,682.25	3,672.50	3,525.27	3,376.10	3,236.54	2,994.82	3,025.82	3,052.87		

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	Operating Expenditures ^a		Cost per Student		Percentage Change		Expenses ^b		Cost per Student		Percentage Change		Certified Staff ^c	Student-Certified Staff Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
	Enrollment		per Student	Student	Change	Change	Expenditures ^a	Student	per Student	Change	Change	Change	Certified Staff	Ratio	Meals
2011	38,571	\$ 340,145,111	\$ 8,819	\$ 416,285,386	1.97 %	(4.61) %	10,793	10,793	2,326	16.58	39.8 %	2,326	16.58	39.8 %	
2010	37,706	326,089,678	8,648	426,620,290	(0.12)	(7.90)	11,314	11,314	2,319	16.26	38.8	2,319	16.26	38.8	
2009	37,613	325,688,733	8,659	462,049,981	1.55	2.70	12,284	12,284	2,370	16.44	35.8	2,370	16.44	35.8	
2008	37,789	322,222,955	8,527	452,003,101	6.80	23.07	11,961	11,961	2,379	15.95	32.8	2,379	15.95	32.8	
2007	37,687	300,894,945	7,984	366,281,461	4.70	(5.18)	9,719	9,719	2,298	16.64	31.7	2,298	16.64	31.7	
2006	36,646	279,458,298	7,626	375,640,014	10.06	19.74	10,251	10,251	2,193	17.10	30.0	2,193	17.10	30.0	
2005	36,116	250,242,760	6,929	309,166,117	11.01	10.04	8,560	8,560	2,103	17.91	31.0	2,103	17.91	31.0	
2004	35,328	220,511,803	6,242	274,833,605	(0.23)	(6.95)	7,779	7,779	1,927	18.95	28.0	1,927	18.95	28.0	
2003	35,320	220,968,533	6,256	295,280,155	(1.07)	6.11	8,360	8,360	1,935	18.75	24.0	1,935	18.75	24.0	
2002	34,699	219,432,172	6,324	273,377,172	n/a	n/a	7,879	7,879	1,923	17.96	22.0	1,923	17.96	22.0	

Notes:

^aOperating expenditures are all governmental fund expenditures less debt service and capital outlays.

^bExpenses include capital projects and debt service activity.

^cIncludes classroom, music, physical education, special education teachers, counselors and librarians.
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)	
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002		
Schools												
Elementary												
Buildings	33	33	32	32	32	31	31	31	30	30	30	42
Square feet	2,012,047	2,012,047	1,865,333	1,874,720	1,874,720	1,768,674	1,768,674	1,768,674	1,658,392	1,658,392	1,658,392	
Capacity	21,225	21,140	19,849	19,162	18,954	17,809	17,548	17,587	17,772	17,582	17,582	
Enrollment	18,130	18,073	17,801	17,693	17,572	16,968	16,647	16,177	16,280	16,316	16,316	
Percent used	85%	85%	90%	92%	93%	95%	95%	92%	92%	93%	93%	
Middle												
Buildings	9	9	9	8	8	8	8	8	8	8	8	36
Square feet	1,092,123	1,092,123	1,088,018	1,024,714	1,038,458	1,038,458	1,038,458	1,038,458	1,038,458	1,038,458	1,038,458	
Capacity	9,053	9,031	8,829	8,176	8,110	8,121	8,072	8,219	8,268	8,038	8,038	
Enrollment	8,787	8,130	8,124	8,265	8,293	8,221	8,359	8,346	8,394	8,093	8,093	
Percent used	97%	90%	92%	101%	102%	101%	104%	102%	102%	101%	101%	
High												
Buildings	8	8	8	7	7	7	7	7	7	7	7	49
Square feet	1,589,523	1,589,141	1,469,139	1,435,263	1,435,263	1,435,263	1,435,263	1,435,263	1,435,263	1,435,263	1,435,263	
Capacity	11,548	11,545	11,184	10,696	10,515	10,350	10,293	10,208	10,173	9,962	9,962	
Enrollment	11,654	11,503	11,688	11,831	11,822	11,457	11,110	10,805	10,613	10,290	10,290	
Percent used	101%	100%	105%	111%	112%	111%	108%	106%	104%	103%	103%	
Other												
Buildings	2	2	3	3	3	3	3	3	3	3	3	26
Square feet	40,607	40,607	50,607	50,607	50,607	50,607	50,607	50,607	50,607	50,607	50,607	
Administrative												
Buildings	1	1	1	1	1	1	1	1	1	1	1	39
Square feet	36,000	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	3	1	1	1	1	34
Buses	317	300	320	320	303	283	271	252	249	244	244	

Source: Beaverton School District Annual District Statistics.

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Single Audit Section





GROVE, MUELLER & SWANK, P.C.

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

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
Washington County, Oregon
Beaverton, Oregon

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Beaverton School District, Washington County, Oregon, as of and for the year ended June 30, 2011, which collectively comprise the Beaverton School District's basic financial statements and have issued our report thereon dated November 15, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

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

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

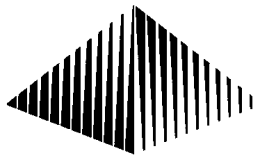
As part of obtaining reasonable assurance about whether Beaverton School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and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

We noted certain matters that we reported to management of Beaverton School District, in a separated letter dated November 15, 2011.

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


CERTIFIED PUBLIC ACCOUNTANTS

November 15, 2011



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 WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

School Board
Beaverton School District
Washington County, Oregon
Beaverton, Oregon

Compliance

We have audited Beaverton School District, Washington County, Oregon's (the District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2011. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that could have a direct and material effect on are applicable to each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

Management of Beaverton School District, Washington County, Oregon, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance 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, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

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


CERTIFIED PUBLIC ACCOUNTANTS

November 15, 2011

BEAVERTON SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND LOCAL AWARDS
SPECIAL PROGRAMS FUND
YEAR ENDED JUNE 30, 2011

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Entity Number</u>	<u>Period Covered</u>	<u>Grant Amount</u>	<u>2010-11 Revenue and Expenditures</u>
U.S. Department of Education					
Direct:					
Fund for the Improvement of Education	84.215L	S215L070415	10/01/07 - 09/30/12	\$ 4,086,818	\$ 1,018,649
	84.215L	V215L052239	07/01/05 - 07/30/10	924,721	13,688
	84.215X	U215X080121	07/01/08 - 06/30/11	999,382	254,987
					<u>1,287,324</u>
Investing in Innovation (i3) (SFSF) - ARRA	84.396	U396C	10/1/10 - 09/30/15	4,041,659	488,067
Total Direct:					<u><u>1,775,391</u></u>
Passed through Oregon Department of Education:					
Title I, Part A Cluster					
Title I Grants to Local Educational Agencies	84.010	16497	07/01/09 - 06/30/11	5,805,115	718,590
	84.010	19361	07/01/10 - 09/30/11	6,315,071	5,560,744
	84.010	21198	11/01/10 - 06/30/11	11,675	11,675
					<u>6,291,009</u>
Title I Grants to Local Educational Agencies - ARRA	84.389	15603	02/17/09 - 08/31/11	4,719,171	2,573,043
Title I, Part A Cluster Total					<u>8,864,052</u>
Title IC - Migrant Education - State Grant Program					
	84.011	19269	07/01/10 - 09/30/11	195,186	120,774
	84.011	16191	07/01/09 - 09/30/11	144,357	49,647
	84.011	19250	07/01/10 - 09/30/11	17,565	-
	84.011	17598	07/01/09 - 09/30/10	19,650	530
	84.011	19079	03/01/10 - 08/31/10	9,245	6,077
	84.011	21613	05/01/11 - 08/31/11	17,018	5,998
					<u>183,026</u>
Title IIA - Improving Teacher Quality State Grants					
	84.367	19564	07/01/10 - 09/30/11	1,141,307	856,532
	84.367	16692	07/01/09 - 06/30/11	1,160,435	493,106
	84.367	18044	10/01/09 - 09/30/10	12,721	745
	84.367	17903	09/01/09 - 07/31/10	65,000	-
	84.367	19214	06/01/10 - 06/30/11	30,000	28,320
	84.367	21210	11/01/11 - 06/30/11	87,000	87,000
	84.367	19291	07/10/10 - 09/30/10	13,700	12,717
	84.367	20548	09/14/10 - 08/30/11	10,000	9,118
					<u>1,487,538</u>
Title III - English Language Acquisition Grants					
	84.365	20151	07/01/10 - 09/30/11	713,060	533,980
	84.365	16209	07/01/09 - 06/30/11	724,648	248,682
	84.365	18652	07/01/10 - 09/30/10	36,144	19,518
					<u>802,180</u>
Title IV - Safe and Drug-Free Schools and Communities State Grants					
	84.186	16999	07/01/09 - 06/30/11	114,173	27,993
Title IVB - 21st Century Community Learning Centers					
	84.287	19313	07/01/10 - 09/30/11	158,885	148,869
	84.287	16881	07/01/09 - 09/30/10	238,328	8,390
					<u>157,259</u>
Advanced Placement Program (IB)					
	84.330	N/A	07/01/10 - 06/30/11	13,626	13,461
Career and Technical Education - Basic Grants to States					
	84.048	19136	07/01/10 - 09/30/11	304,518	292,843
	84.048	15323	07/01/09 - 09/30/10	284,156	7,883
					<u>300,726</u>
Education Jobs Fund					
	84.410	20732	08/10/10 - 09/30/12	7,499,173	7,499,173
Educational Technology State Grants Cluster					
Educational Technology State Grants	84.318	16281	07/01/09 - 09/30/10	51,026	2,485
Education Technology State Grants, ARRA					
Educational Technology State Grants	84.386	18348	12/01/09 - 06/30/12	275,000	73,374
Cluster Total					<u>75,859</u>
Education of Homeless Children and Youth Cluster					
Education of Homeless Children and Youth, ARRA	84.387	15498	02/17/09 - 09/30/11	63,504	43,107

BEAVERTON SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND LOCAL AWARDS
SPECIAL PROGRAMS FUND
YEAR ENDED JUNE 30, 2011

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Entity Number</u>	<u>Period Covered</u>	<u>Grant Amount</u>	<u>2010-11 Revenue and Expenditures</u>
School Improvement Grants School Improvement 1003-G Year 1	84.377	22313	06/01/11 - 09/30/12	\$ 450,000	\$ -
Special Education Cluster (IDEA) Special Education Grants to States	84.027	20250	07/01/10 - 09/30/12	5,933,373	4,802,709
	84.027	17709	07/01/09 - 12/31/10	5,963,743	1,588,864
	84.027	18452	10/01/09 - 09/30/10	20,600	11,741
	84.027	19915	08/01/10 - 06/30/11	14,463	14,463
	84.027	18768	07/01/09 - 09/30/10	11,427	11,265
	84.027	21458	09/30/10 - 06/30/11	14,400	14,400
	84.027	21255	10/01/10 - 09/30/11	21,218	8,827
	84.173	21922	07/01/10 - 09/30/12	22,537	-
					<u>6,452,269</u>
Special Education Grants to States-ARRA Special Education Cluster Total	84.391	15138	07/01/09 - 09/30/11	7,297,616	<u>3,510,598</u> <u>9,962,867</u>
State Fiscal Stabilization Fund Cluster State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act-ARRA State Fiscal Stabilization Cluster Fund Total	84.394	20944	02/17/09 - 09/30/11	4,133,259	<u>4,133,259</u> <u>4,133,259</u>
Tech-Prep Education	84.243	19136	07/01/10 - 09/30/11	35,915	34,941
	84.243	15323	07/01/09 - 09/30/10	35,079	974
					<u>35,915</u>
Passed through University of Oregon MSIP Intervention U of O	84.305	224001B	09/01/10 - 08/31/11	151,960	<u>107,083</u>
Total U.S. Department of Education					<u><u>35,468,889</u></u>
U.S. Department of Health & Human Services					
Passed through Oregon Department of Human Services: Vocational Rehabilitation Cluster Rehabilitation Services - Vocational Rehabilitation Grants Vocational Rehabilitation Cluster Total	84.126	129620	07/01/09 - 06/30/11	106,715	<u>85,124</u> <u>85,124</u>
Passed through Oregon Employment Department: CCDF Cluster Child Care and Development Block Grant	93.575	#CCD 095063	07/01/10 - 06/30/11	62,000	<u>62,000</u>
Total U.S. Department of Health & Human Services					<u>147,124</u>
U.S. Department of Labor					
Passed through Oregon Youth Conservation Corps OYEI Terra Nova Greenhouse Total U.S. Department of Labor	17.259	N/A	06/23/10 - 06/01/11	11,111	<u>8,333</u> <u>8,333</u>
U.S. Department of Energy					
Passed through Oregon Department of Energy State Energy Program Grant - ARRA ARRA - HVAC Upgrades - Special Education Building ARRA - Lighting Projects - High Schools ARRA - Lighting Projects - Middle Schools ARRA - Lighting Projects - Elementary Schools	81.041	SEP 10-1013	06/26/09 - 02/15/12	37,200	1,188
	81.041	SEP 10-1157	07/01/09 - 07/30/10	115,128	4,787
	81.041	SEP 10-1158	07/01/09 - 07/30/10	182,172	17,099
	81.041	SEP 10-1159	07/01/09 - 07/30/10	119,040	79,862
					<u>102,936</u>
Total U.S. Department of Energy					<u>102,936</u>
U.S. Department of Transportation					
Passed through Oregon Department of Transportation Highway Planning and Construction Cluster Highway Planning and Construction Highway Planning and Construction	20.205	HU-09-10-14	10/01/10 - 09/30/12	50,700	25,141
	20.205	HU-10-10-14	10/10/09 - 09/30/10	9,381	8,119
					<u>33,260</u>
Total U.S. Department of Transportation					<u>33,260</u>

BEAVERTON SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND LOCAL AWARDS
 SPECIAL PROGRAMS FUND
 YEAR ENDED JUNE 30, 2011

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Entity Number</u>	<u>Period Covered</u>	<u>Grant Amount</u>	<u>2010-11 Revenue and Expenditures</u>
U.S. Environmental Protection Agency					
Passed through Oregon Department of Environmental Quality					
ARRA - State Clean Diesel Grant	66.040	DEQ# 060-10	01/20/10 - 09/30/10	\$ 325,000	\$ 271,080
Total U.S. Environmental Protection Agency					271,080
U.S. Department of Agriculture:					
Passed through Oregon Department of Education:					
Child Nutrition Cluster:					
School Breakfast Program	10.553	N/A	07/01/10- 06/30/11	1,310,777	1,310,777
National School Lunch Program	10.555	N/A	07/01/10- 06/30/11	6,058,809	6,058,809
Summer Food Service Program for Children	10.559	N/A	07/01/10- 06/30/11	358,433	358,433
Child Nutrition Cluster Total					<u>7,728,019</u>
Food and Nutrition					
Child Care - Food Program	10.558	N/A	07/01/10- 06/30/11	162,345	162,345
					<u>162,345</u>
Passed through Oregon Youth Conservation Corps.					
ODCC Workforce Development - ARRA	10.688	GRNT0613	06/01/10 - 08/31/10	31,981	23,895
Total U.S. Department of Agriculture					7,914,259
FEDERAL GRANTS					43,945,881
State and local awards:					
Aspire Oregon	N/A	N/A	01/14/11 - 08/14/11	4,000	-
BEF: Aloha High School Learning Team Summit	N/A	N/A	07/01/10 - 06/30/11	10,000	10,000
BEF: Bonny Slope Homework Club	N/A	N/A	07/01/10 - 06/30/11	5,000	4,475
BEF: Five Oak Extended Day	N/A	N/A	07/01/10 - 06/30/11	6,000	5,725
BEF: Highland Park Steam 4 All	N/A	N/A	07/01/10 - 06/30/11	6,000	5,943
BEF: ISB Freshman Seminar	N/A	N/A	07/01/10 - 06/30/11	10,000	9,828
BEF: Kinnaman Summer School	N/A	N/A	07/01/10 - 06/30/11	10,000	10,000
BEF: Kinnaman Summer School	N/A	N/A	06/01/11 - 09/30/11	10,000	-
BEF: Stoller Extended Day	N/A	N/A	07/01/10 - 06/30/11	4,000	4,000
BEF: Springville Extended Day	N/A	N/A	07/01/10 - 06/30/11	945	281
BEF: Beaver Acres Summer Sounds	N/A	N/A	07/01/10 - 09/30/10	9,463	8,512
BEF: Homework Club	N/A	N/A	07/01/10 - 06/30/11	5,000	3,871
BEF: HSHS Homework Club	N/A	N/A	07/01/09 - 06/30/10	8,000	1,513
BEF: Meadow Park Extended Day	N/A	N/A	07/01/10 - 06/30/11	6,000	4,983
BEF: Cedar Park Extended Day	N/A	N/A	07/01/10 - 06/30/11	4,000	1,912
BEF: Conestoga Extended Day	N/A	N/A	07/01/10 - 06/30/11	4,000	3,200
BEF: Mountain View Extended Day	N/A	N/A	07/01/10 - 06/30/11	6,000	5,477
BEF: Whitford Extended Day	N/A	N/A	07/01/10 - 06/30/11	6,000	5,878
BEF: Springville Literacy Learning	N/A	N/A	06/01/11 - 09/30/11	8,276	1,200
BEF: McKay Wolf Camp	N/A	N/A	06/01/11 - 09/30/11	9,870	1,292
BEF: Raleigh Hills Targeting with Technology	N/A	N/A	06/01/11 - 09/30/11	6,854	-
CEYP "Tax Credit" Donations	N/A	N/A	10/01/02 - open	114,300	3,519
ETIC: HS2 Leading the Way	N/A	N/A	09/18/07 - 06/30/11	115,000	41,859
Healthy Kids Program	N/A	N/A	01/10/10 - 06/30/11	176,992	176,992
Health Sciences Outdoor School	N/A	N/A	01/01/11 - 06/30/11	7,738	7,738
Intel: Lead the Way Health and Science High School	N/A	N/A	11/17/10 - 06/30/11	14,960	7,582
Intel : Science Fair	N/A	N/A	07/01/08 - 06/30/11	13,582	1,090
Intel : Science Fair	N/A	N/A	07/01/09 - 06/30/11	8,140	3,755
Intel : Science Fair	N/A	N/A	07/01/10 - 06/30/11	7,540	3,316
Kaiser: Child Healthcare Program	N/A	N/A	06/01/09 - open	20,000	10,861
MACC: Enhanced Internet Filter	N/A	N/A	01/01/09 - open	104,400	104,400
MACC: Router Upgrades	N/A	N/A	12/06/07 - open	39,205	11,833
MACC: Router Upgrade/PCN	N/A	N/A	07/01/08 - open	90,787	17,417
MACC: PCN Router Upgrade	N/A	N/A	07/01/10 - 06/30/11	50,392	50,392
MACC PEG-PCN Program	N/A	N/A	01/20/10 - open	50,146	11,215
Mentoring Teachers	N/A	17686	08/01/09 - 06/30/11	301,000	241,373
Nike Year 4	N/A	N/A	07/01/10 - 09/21/11	600,000	508,339
Nike Year 3	N/A	N/A	07/01/09 - 06/30/10	600,000	25,906
NSIF Leadership Grant	N/A	N/A	01/01/11 - 08/30/11	3,500	3,500
NWRESD: Autism	N/A	N/A	07/01/10 - 06/30/11	629,300	719,200
NWRESD: Reeves Consortium	N/A	N/A	09/01/09 - 06/30/11	64,445	64,445
WA County ESD - E-Rate	N/A	N/A	Not Restricted	804,485	-
Outward Bound: Expeditionary Learning	N/A	N/A	07/01/06 - 08/31/11	92,460	43,403
O.E.M. Seismic Upgrade Oak Hills	N/A	SRGP10S104	06/21/10 - 06/21/12	120,600	120,600
O.E.M. Seismic Upgrade Cooper Mtn.	N/A	SRGP10S101	04/24/10 - 06/21/12	162,640	140,873
O.E.M. Seismic Upgrade Elmonica	N/A	SRGP10S102	04/24/10 - 06/21/12	200,200	183,100
O.E.M. Seismic Upgrade McKay	N/A	SRGP10S103	04/24/10 - 06/21/12	320,035	227,027
OLN: Oregon Leadership Network	N/A	17669	09/01/09 - 07/31/10	95,000	3,858
Regional Data Warehouse - ETL Support	N/A	12158	03/01/08 - open	73,414	15,559
Regional Data Warehouse #2	N/A	15091	04/16/09 - open	1,527	-

BEAVERTON SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND LOCAL AWARDS
SPECIAL PROGRAMS FUND
YEAR ENDED JUNE 30, 2011

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Entity Number</u>	<u>Period Covered</u>	<u>Grant Amount</u>	<u>2010-11 Revenue and Expenditures</u>
Regional Data Warehouse Sustainability	N/A	19208	07/01/10 - 06/30/11	\$ 40,664	\$ -
Regional Data Warehouse Sustainability Phase 2	N/A	22090	03/01/11 - 06/30/11	78,595	-
SB622 - Tech	N/A	N/A	06/13/01 - Open	833,340	6,170
2005 Strategic Investment	N/A	N/A	02/11/05 - open	228,660	-
Terra Nova Summer Program	N/A	75012	08/23/10 - 06/30/11	16,800	7,000
Washington County: After School Programs (4 schools)	N/A	N/A	07/01/10 - 06/30/11	33,761	20,175
Washington County: Community Learning Center Evaluation	N/A	N/A	07/01/09 - 06/30/11	2,000	1,909
Washington County: Family Resource Center	N/A	N/A	07/01/09 - 06/30/10	85,142	85,142
Washington County: Mental Health Integration	N/A	N/A	07/01/09 - 02/28/11	30,000	9,017
Washington County: Youth Summit	N/A	N/A	12/01/10 - 06/30/11	12,000	3,428
Washington Mutual: ESL Parental Involvement	N/A	N/A	11/17/03 - open	35,000	16
Washington Mutual: ELL Learning Communities	N/A	N/A	10/05/04 - open	25,000	-
Washington Mutual: Spanish-Speaking Community Liason	N/A	N/A	11/30/05 - open	15,000	109
OYCC 2011 Summer Conservation Corps Grant	N/A	GRNT0695	06/01/11 - 10/14/11	11,111	1,934
OCF Environmental Education Program	N/A	N/A	07/01/11-opem	25,000	1,660
OVRs: Youth in Transition (State-funded piece)	N/A	129620	07/01/09 - 06/30/11	28,882	-
Total State and local projects/grants					2,973,802
TOTAL Federal, State and Local Awards					\$ 46,919,683

Notes:

1. This schedule is presented on the modified accrual basis of accounting.
2. Donated commodities are valued at their estimated fair value

BEAVERTON SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND LOCAL AWARDS
YEAR ENDED JUNE 30, 2011

PURPOSE OF THE SCHEDULE

The accompanying Schedule of Expenditures of Federal, State and Local Awards (the "Schedule") is a supplementary schedule to the District financial statements and is presented for purposes of additional analysis. Because the Schedule presents only a selected portion of the activities of the District, it is not intended to and does not present the financial position, changes in fund balances, or the operating funds' revenues, expenditures and changes in position of the District.

SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

FEDERAL FINANCIAL ASSISTANCE

Pursuant to the Single Audit Act Amendments of 1996 and OMB Circular A-133, 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

The Single Audit Act Amendments of 1996 and OMB Circular A-133 establish 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 OMB Circular A-133. Programs with similar requirements may be grouped into a cluster for testing purposes.

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, 2011.

REVENUE AND EXPENDITURE RECOGNITION

The receipt and expenditure of federal awards are accounted for using the modified accrual basis of accounting. Revenues are recognized when measurable and available. Expenditures are recorded when the liability is incurred.

BEAVERTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2011

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unqualified
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?	None reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555 & 10.559	Child Nutrition Cluster
84.010 & 84.389	Title I, Part A Cluster (ARRA)
84.027, 84.391 & 84.173	Special Education Cluster (IDEA/ARRA)
84.394	State Fiscal Stabilization Fund Cluster (ARRA)
84.396	Investing in Innovation (i3) Fund (ARRA)
84.410	Education Jobs Fund

Dollar threshold used to distinguish between type A and type B programs:	\$1,318,376
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Auditee qualified as low-risk auditee?	Yes
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FINANCIAL STATEMENT FINDINGS

None.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

Audit Comments/Disclosures



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.

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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

Board of Directors
Beaverton School District
Beaverton, Oregon

We have audited the basic financial statements of Beaverton School District, Washington County, Oregon as of and for the year ended June 30, 2011, and have issued our report thereon dated November 15, 2011. 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.

Compliance

As part of obtaining reasonable assurance about whether Beaverton School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial 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.

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

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

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

OAR 162-10-0230 Internal Control

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Beaverton School District (the District) as of and for the year ended June 30, 2011 in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.


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

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

We noted certain matters that we reported to management of Beaverton School District, Washington County, Oregon, in a separate letter dated November 15, 2011.

This report is intended solely for the information and use of management, the Audit Committee and School Board of 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: 

Charles A. Swank, A Shareholder
November 15, 2011