

COMPREHENSIVE ANNUAL FINANCIAL REPORT

for the year ended June 30, 2015

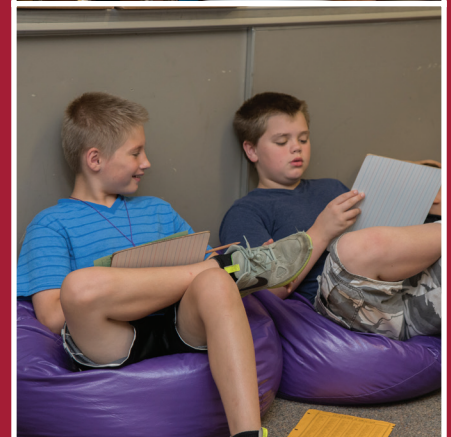


WE are the Beaverton
School District



District Goal: 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.

Beaverton School District • 16550 SW Merlo Rd. • Beaverton, Oregon 97003 | www.beaverton.k12.or.us



BEAVERTON SCHOOL DISTRICT
Beaverton, Oregon

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Prepared by:
Business Services Department

Jeff Rose, Ed.D.
Superintendent

Claire Hertz
Chief Financial Officer



BEAVERTON SCHOOL DISTRICT
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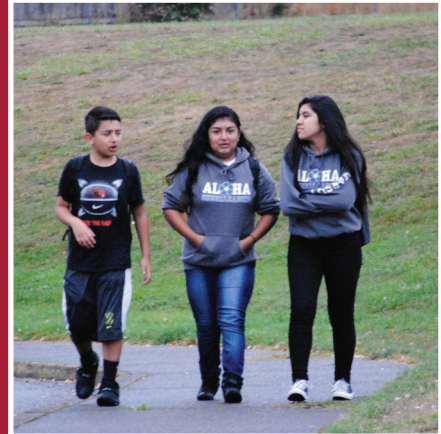
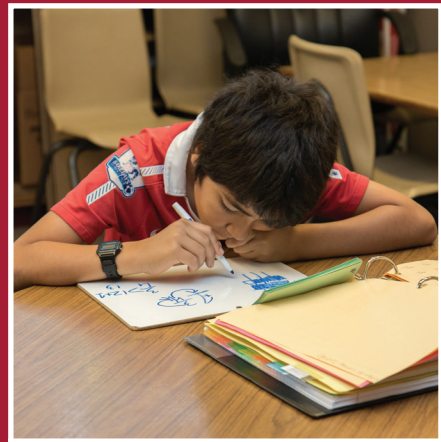


INTRODUCTORY SECTION

WE are the Beaverton School District



District Goal: 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.





WE EXPECT EXCELLENCE

WE INNOVATE



WE EMBRACE EQUITY



WE COLLABORATE



November 20, 2015

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

The Comprehensive Annual Financial Report of Beaverton School District (“District”) for the fiscal year ended June 30, 2015 is hereby submitted. State law requires that an independent audit be made of all District funds within six months following the close of the fiscal year. This report is published to fulfill the requirement for the fiscal year ended June 30, 2015, and consists of management’s representations concerning the finances of the District together with the opinions of our auditor.

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

These financial statements are presented to compile sufficient reliable information for the preparation of the District’s financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP).

Grove, Mueller & Swank, P.C., Certified Public Accountants, have issued an unmodified (“clean”) opinion on the Beaverton School District’s financial statements for the year ended June 30, 2015. The independent auditor’s report is located at the front of the financial section of this report.

FINANCIAL STATEMENT PRESENTATION

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

The *Introductory Section* includes this transmittal letter, the District’s organizational chart and copies of certificates awarded for Beaverton School District’s 2014 CAFR.

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

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

The *Single Audit Section* includes reports from the independent auditor regarding compliance requirements of the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement for major federal programs.

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

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

PROFILE OF THE DISTRICT

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

The District is a financially independent, special-purpose municipal corporation exercising financial accountability for all public education within its boundaries. As required by accounting principles generally accepted in the United States of America, all significant activities and organizations have been included in the financial statements.

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

Student enrollment in the fall of 2014 was 39,910. 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	17,919
Middle School Programs	20	9,067
High School Programs	11	11,405
Special Education Programs	-	1,157
Charter School Programs	2	362
Total Programs and Enrollment	66	39,910

Growing from an enrollment of 35,744 in 2005 to 39,910, the District has experienced a 11.7% growth in enrollment over the past ten years. According to a study prepared by the Population Research Center of Portland State University, the District will see continued enrollment growth, and is expected to reach an enrollment of 44,660 students by 2025.

The demographics of our school district reflect our rich cultural diversity. Our students speak more than 94 languages and dialects. The District's enrollment includes 50% of students of color, and 37% of students qualify for free and reduced lunch status.

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

District management includes a superintendent, two deputy superintendents, three chief officers, and 116 principals, vice-principals and district administrators. The District employs 3,491 full-time equivalent personnel, including principals, vice-principals, administrators, teachers, supervisors, secretarial staff, bus drivers, maintenance personnel, cafeteria staff and other support staff.

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

ECONOMIC CONDITION

Located in northwestern Oregon, Washington County is one of the six counties that comprise the Portland-Vancouver Primary Metropolitan Statistical Area (PMSA). The six counties are Washington, Multnomah, Clackamas, Yamhill and Columbia in Oregon, and Clark in

Washington. According to the Oregon State Employment Department, Multnomah and Washington counties together have 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 37,500 employee high-tech industry jobs in Oregon, Washington County accounted for approximately 28,000 or 74.7% in the period ended June 30, 2015. Among the major electronics firms located in Washington County are Intel, Tektronix and Maxim Integrated Products.

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

The Portland-Vancouver PMSA relies heavily on the manufacturing and high technology industries. According to the Oregon Employment Department, at the end of June 2015, the Portland-Vancouver PMSA unemployment rate was 5.4%, as compared to the Oregon unemployment rate of 5.5% and the nation's rate of 5.3%.

LONG-TERM FINANCIAL PLANNING

The District's unrestricted general fund balance (the total of the committed, assigned and unassigned components of fund balance) at year-end was 14.9 percent of total General Fund revenues. This amount is above the policy guidelines set by Board policy for budgetary and planning purposes (a minimum 5.0 percent of total actual revenues). 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.

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

MISSION STATEMENT AND PRIORITIES

The District Goal is: *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 Board adopted the Strategic Plan: WE recognize that reaching this goal requires work from all of us. WE want every student to graduate with many options and be prepared to:

Think: Creatively & Critically; Know: Master Content; Act: Self Direct & Collaborate; Go: Navigate Locally & Globally.

Our pillars of learning are: Excellence, Innovation, Equity and Collaboration.

FINANCIAL INFORMATION

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

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

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

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

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

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

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

through procedures specified in State statute and Board policy.

Charter Schools. Oregon statute provides state funding for charter schools that flows through the district for schools that local boards of education have granted a charter. The District has two charter schools, Arco Iris Spanish Immersion School and Hope Chinese Charter School, in operation during the 2014-15 fiscal year.

Arco Iris has completed its fifth year of operations. The school educates 249 full-time students in grades 1-7 and has renewed its charter through 2015-16. The school reports net position of \$301,691.

Hope Chinese has completed its third year of operations. The school educates 88 full time students in grades 1-3, 48 part time students in kindergarten and completed the third year of its first three-year charter. The school reports net position of \$539,351.

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, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall basic financial statement presentation. The independent auditor concluded, based upon their audit, that there was a reasonable basis for rendering an unmodified ("clean") opinion that the District's basic financial statements for the fiscal year ended June 30, 2015, are fairly presented in all material respects in conformity with U.S. GAAP. The independent auditor's report is presented as the first component of the Financial Section of this report.

The independent audit of the District's basic financial statements includes a federally mandated "Single Audit" designed to meet the special requirements of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the basic financial statements, but also on the District's internal control over financial reporting and on compliance and other matters, and on compliance related to the administration of federal awards. These reports are available in the Single Audit Section of this report.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Beaverton School District for its Comprehensive Annual Financial Report for the year ended June 30, 2014. This was the thirty-fourth consecutive year the District has received this prestigious award. In order to be awarded a Certificate of Achievement, the District published an easily readable and efficiently organized Comprehensive Annual Financial Report. This report complies with both generally accepted accounting principles and applicable legal requirements.

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

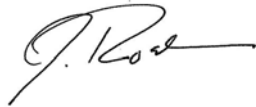
In addition, the Association of School Business Officials International (ASBO) awarded its Certificate of Excellence in Financial Reporting to Beaverton School District for its Comprehensive Annual Financial Report for the year ended June 30, 2014. The District has received this prestigious award for thirty-three consecutive years.

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

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

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

Respectfully submitted,



Jeff Rose
Superintendent



Claire Hertz
Chief Financial Officer



Government Finance Officers Association

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

Presented to

**Beaverton School District
Oregon**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award
is presented to*

Beaverton School District

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2014*

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



A handwritten signature in black ink, appearing to read 'M. Pepera', written over a horizontal line.

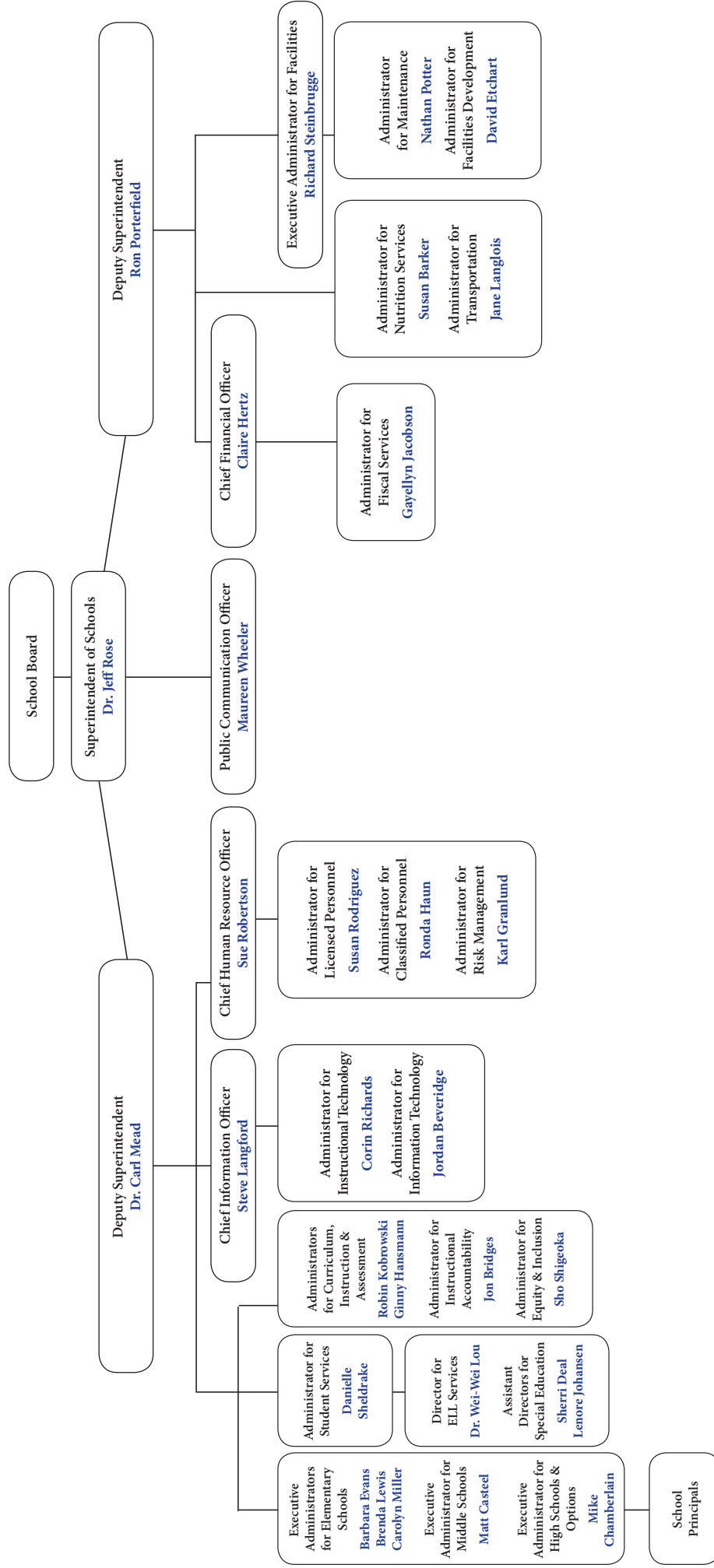
Mark C. Pepera, MBA, RSBO, SFO
President

A handwritten signature in black ink, appearing to read 'John D. Musso', written over a horizontal line.

John D. Musso, CAE, RSBA
Executive Director



Organizational Chart 2014-2015



(effective Feb. 4, 2015)

**BEAVERTON SCHOOL DISTRICT
Appointed and Elected Officials**

Administrative Office:

16550 SW Merlo Road
Beaverton, Oregon 97003

Jeff Rose
Ron Porterfield
Carl Mead

Superintendent and Clerk
Deputy Superintendent
Deputy Superintendent

School Board as of June 30, 2015

Name and Title	Term Expires
Mary VanderWeele, Chair	June 30, 2015
Jeff Hicks, Vice Chair	June 30, 2015
Donna Tyner	June 30, 2017
LeeAnn Larsen	June 30, 2017
Susan Greenberg	June 30, 2017
Linda Degman	June 30, 2015
Anne Bryan	June 30, 2017

The above Board Members receive mail at the address below:

Beaverton School District
16550 SW Merlo Road
Beaverton OR 97003



FINANCIAL SECTION



WE
EXPECT
EXCELLENCE



INDEPENDENT AUDITOR'S REPORT





GROVE, MUELLER & SWANK, P.C.

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

INDEPENDENT AUDITOR'S REPORT

School Board
Beaverton School District
Beaverton, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Beaverton School District, Washington County, Oregon (the District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Beaverton School District, Washington County, Oregon as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in the notes to the financial statements, in 2015, the District adopted new accounting guidance, GASB Statement No. 68, “*Accounting and Reporting for Pension Plans – an amendment of GASB Statement No. 27*” and GASB Statement No. 71, “*Pension Transition for Contributions Made Subsequent to the Measurement Date*”. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A) (pages 9 through 20), the General Fund combining schedule (page 71), the budgetary comparison information (pages 72 through 74), the schedule of the proportionate share of the net pension liability for PERS and the schedule of contributions for PERS (page 69), and the schedule of funding progress for other postemployment benefits (page 70) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required MD&A, the schedule of the proportionate share of the net pension liability for PERS, the schedule of contributions for PERS, and the schedule of funding progress for other postemployment benefits in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual fund financial statements and schedules (pages 77 through 103), other financial schedules (pages 107 through 118), and statistical section, are presented for purposes of additional analysis and are not required parts of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by 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 basic financial statements.

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

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

Reports on Other Legal and Regulatory Requirements

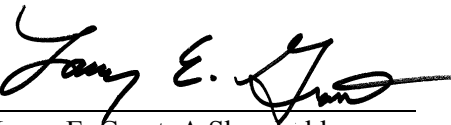
Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2015, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Other Reporting Required by Oregon Minimum Standards

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 20, 2015, on our consideration of the District's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

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

By: 
Larry E. Grant, A Shareholder
November 20, 2015



MANAGEMENT'S DISCUSSION AND ANALYSIS



**BEAVERTON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015**

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, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our Transmittal Letter, which can be found on pages i - vii of this report.

NEW ACCOUNTING STANDARDS IMPLEMENTED

The District implemented Governmental Accounting Standards Board (GASB) Statement 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* (GASB No. 68) and Statement 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB No. 68* (GASB No. 71) in fiscal year 2015. GASB No. 68 establishes new accounting and financial reporting requirements related to pensions provided by governments, while GASB 71 establishes guidance for contributions made after the measurement date of the net pension liability. The objective is to reflect the status of pensions on the governmental financial statements. The implementation of GASB No. 68 resulted in the reduction in the beginning net position by \$241.0 million.

GASB Statement 69, *Government Combinations and Disposals of Operations* provides guidance on accounting for and reporting government mergers, acquisitions, and disposals. The District had no such events.

FINANCIAL HIGHLIGHTS

- In the government-wide statements, the assets and deferred outflows of resources of the District exceeded its liabilities at June 30, 2015 by \$149.3 million (net position).
- The District's total net position decreased by \$109.3 million for the fiscal year, a 42.3 percent decline in the District's financial position as compared to the prior year prior to the restatement.
- The District's governmental funds report combined ending fund balance of \$477.9 million, an increase of \$431.2 million from the prior year. Approximately 11.6 percent of this total amount, \$55.4 million, is unassigned, available for appropriation at the District's discretion. The remaining fund balances are either nonspendable, restricted or committed: \$410.2 million for use on capital projects, \$3.4 million for debt service and the balance of \$8.9 million for other purposes.
- At the end of the current fiscal year, the unrestricted fund balance (the total of the committed and unassigned components of fund balance) for the General Fund was \$57.0 million, or about 14.9 percent of total General Fund revenue.
- Total cost of all the District's programs was \$358.9 million for the fiscal year, a decrease of \$30.5 million (7.8 percent) from the prior year.
- The District's total outstanding long-term debt increased by \$485.2 million (110.0 percent) during the 2014-15 fiscal year. Debt decreased by debt service payments and amortization of premiums while \$524.7 million in new debt was issued during the year. In addition to long-term debt, the District's total capital leases payable decreased by \$0.4 million (66.7 percent).

**BEAVERTON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015**

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

In the government-wide financial statements, the District's activities are shown in one category as *governmental activities*. All of the District's basic functions are shown here, such as regular and special education, child nutrition services, transportation, and administration. These activities are primarily financed through property taxes, Oregon's State School Fund and other intergovernmental revenues.

The government-wide financial statements can be found on pages 23 - 24 of this report.

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

**BEAVERTON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015**

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

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

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

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

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

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

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

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

**BEAVERTON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015**

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is the same as that used for proprietary funds.

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

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

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 34 - 65 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *Required Supplementary Information (RSI)* including budget to actual presentations for required major funds. This information can be found on pages 67 - 74 of this report. *Other Supplementary Information* presented on pages 75 - 118, includes combining statements for the nonmajor governmental funds, budgetary comparison for nonmajor and other funds, and other financial schedules.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$149.3 million at June 30, 2015.

Capital assets, which consist of the District's land, buildings, building improvements, construction in progress, vehicles and equipment, represent 47.5 percent of total assets.

The remaining assets consist mainly of cash and investments, PERS net pension asset, grants, and property taxes receivable.

The District's largest liability (94.3 percent) is for the repayment of long-term debt and obligations including post employment benefit obligations, all general obligation and limited tax pension obligation bonds. Other liabilities, representing about 5.7 percent of the District's total liabilities, consist principally of payables on accounts and accrued salaries and benefits.

**BEAVERTON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015**

Beaverton School District Net Position (in thousands)			
	Governmental Activities		Increase / (Decrease)
	June 30, 2014	June 30, 2015	
Capital assets	\$ 528,667	\$ 547,010	\$ 18,343
Current and other assets	229,430	605,150	375,720
Total assets	<u>758,097</u>	<u>1,152,160</u>	<u>394,063</u>
Deferred Outflows of Resources	-	114,891	114,891
Total assets and deferred outflows of resources	<u>758,097</u>	<u>1,267,051</u>	<u>508,954</u>
Long-term liabilities	455,212	941,863	486,651
Other liabilities	44,317	56,869	12,552
Total liabilities	<u>499,529</u>	<u>998,732</u>	<u>499,203</u>
Deferred Inflows of Resources	-	119,008	119,008
Total liabilities and deferred inflows of resources	<u>499,529</u>	<u>1,117,739</u>	<u>618,211</u>
Net position:			
Net investment in capital assets	251,818	263,555	11,737
Restricted	5,266	4,931	(335)
Unrestricted	1,484	(119,175)	(120,659)
Total net position as originally stated	<u>\$ 258,568</u>	<u>\$ 149,311</u>	<u>\$ (109,257)</u>

Most of the District's net position (\$263.6 million) reflect its investment in capital assets (e.g. land, buildings, vehicles and equipment), less any related debt used to acquire those assets that is still outstanding and unspent bond proceeds. The District uses these capital assets to provide services to students and other District residents; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources (generally property taxes), since the capital assets themselves cannot be used to liquidate these liabilities.

**BEAVERTON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015**

The District's restricted net position (\$4.9 million) reflects resources that are subject to external restrictions on how they may be used. The remaining balance in net position (negative \$119.2 million) is unrestricted.

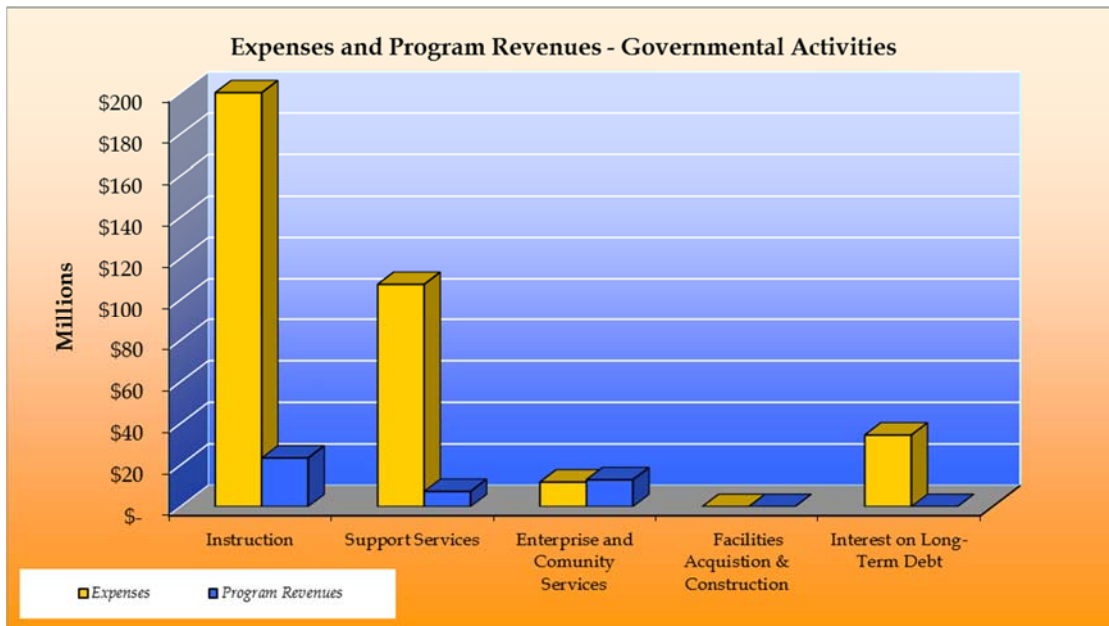
During the current fiscal year, the District's overall financial position changed as indicated by a decrease of \$109.3 million in net position. Unrestricted net position decreased by \$120.7 million due to restatement referred to in Footnote 13 on pages 53-58 of this report. At the same time, the District's investment in capital assets, net of related debt, increased by \$11.7 million due principally to payment of related debt during the year.

Governmental activities. During the 2014-15 fiscal year, the District's net position decreased by \$109.3 million. The key elements in this change are the following:

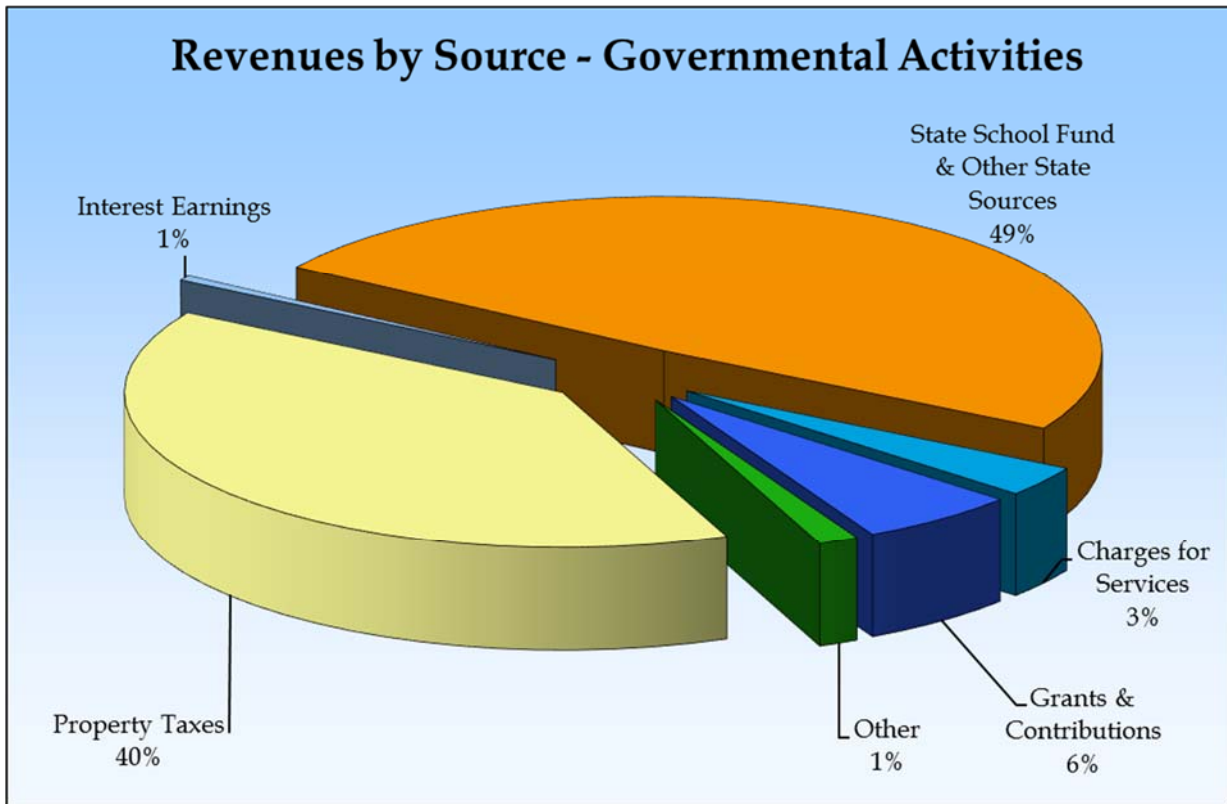
Beaverton School District Changes in Net Position (in thousands) Year Ended June 30,			
	<u>Governmental Activities</u>		<u>Increase / (Decrease)</u>
	<u>2014</u>	<u>2015</u>	
Revenues:			
Program revenues:			
Charges for services	\$ 15,141	\$ 15,285	\$ 144
Operating grants and contributions	29,592	28,314	(1,278)
Capital grants and contributions	-	-	-
General revenues:			
Property taxes	179,376	190,589	11,213
Construction excise tax	2,407	2,996	589
State school fund	199,569	216,461	16,892
Other state and local sources	15,648	19,567	3,919
Earnings on investments	518	2,542	2,024
Miscellaneous	2,529	4,115	1,586
Total revenues	<u>444,780</u>	<u>479,869</u>	<u>35,089</u>
Expenses:			
Instruction	234,356	205,230	(29,126)
Support services	126,018	107,464	(18,554)
Enterprise and community services	12,902	11,784	(1,118)
Interest on long-term debt	16,164	34,414	18,250
Total expenses	<u>389,440</u>	<u>358,892</u>	<u>(30,548)</u>
Increase in net position	55,340	120,977	65,637
Net position - July 1 as restated	203,228	28,334	(174,894)
Net position - June 30	<u>\$ 258,568</u>	<u>\$ 149,311</u>	<u>\$ (109,257)</u>

**BEAVERTON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015**

- Program revenues decreased by \$1.1 million in 2014-15 mainly due to a decrease in operating grants and contributions.
- General revenues increased by \$36.2 million in 2014-15 due to increases from local option levy tax and state school fund.
- Instruction expenditures increased in 2014-15 and were offset by the reduction in pension expense accompanying the PERS net pension asset even over additional staffing hired to reduce class size.
- Interest on long-term debt increased by \$18.3 million (112.9 percent) in 2014-15 due to the adjustment to interest expense for refunded bonds premium that occurred in 2012-13 and the pension bonds issued in 2015.



**BEAVERTON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015**



FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

At June 30, 2015, the District's governmental funds reported combined ending fund balances of \$477.9 million, an increase of \$431.2 million in comparison with the prior year. Approximately \$422.5 million (88.4 percent) of the ending fund balances constitutes *nonspendable, restricted or committed balances*. Restricted or committed ending fund balances are constrained to specific purposes by bondholders or governing body, and \$55.4 million (11.6 percent) of the ending fund balances are unassigned and available for spending at the District's discretion. Of the fund balance, \$410.2 million or 85.8 percent is designated for capital projects, as authorized by voters and the Board, and an additional \$3.4 million (0.7 percent) is dedicated for debt service obligations.

**BEAVERTON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015**

General Fund. The General Fund is the chief operating fund of the District. As of June 30, 2015, committed fund balance was \$1.6 million to fund early retirement payments and long-term planning needs. As a measure of the fund’s liquidity, it may be useful to compare total fund balance to total fund revenues. At the end of the fiscal year, the General Fund balance was 14.9 percent of General Fund revenues. The fund balance increased by \$24.9 million due to increased revenue, underspending budgeted expenditures and planned restoration of reserves to meet the Board policy fund balance requirement.

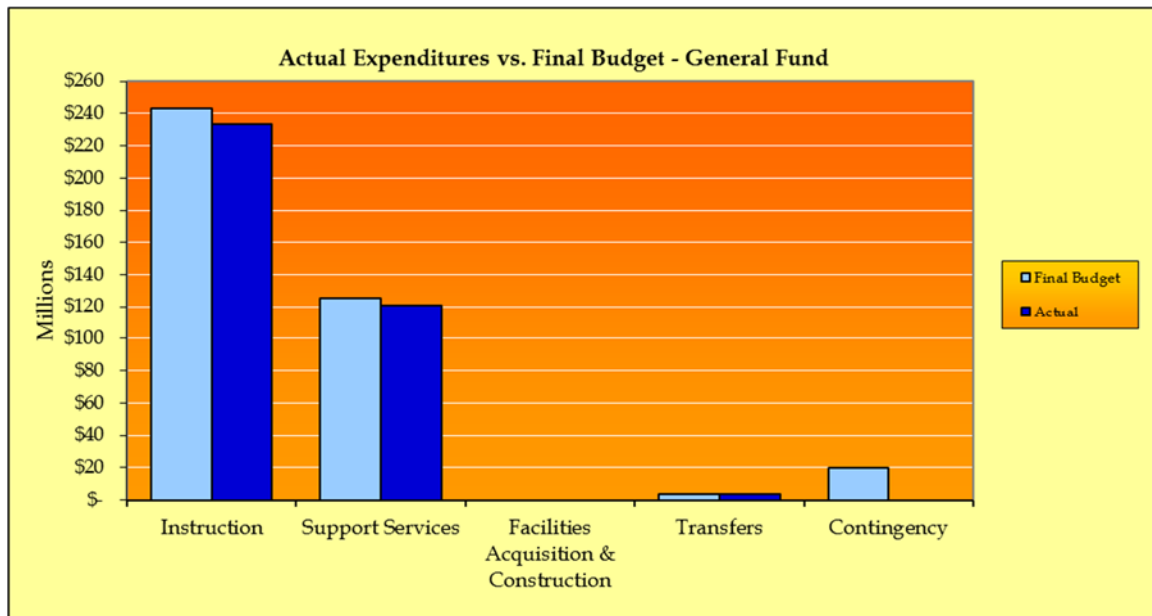
Debt Service Fund. The Debt Service Fund has a total fund balance of \$3.4 million, all of which is set aside for the payment of debt service. The net increase in fund balance during the current year was \$2.0 million.

Capital Projects Fund. The Capital Projects Fund has a total fund balance of \$410.2 million, all of which is dedicated for ongoing capital projects. Capital expenditures reflect costs incurred as part of the Long Range Facilities Plan. All of the Capital Projects Fund balance is restricted or committed for capital improvements and repairs.

GENERAL FUND BUDGETARY HIGHLIGHTS

Original budget compared to final budget. During the year there was one supplemental budget that included one additional appropriation and one appropriation transfer to increase the original estimated revenues and appropriations due to higher revenues received.

Final budget compared to actual results. The most significant difference between estimated revenue and actual revenue was State and Local Sources. Estimated revenues were \$226.5 million and actual revenue was \$235.9 million with a difference of \$9.4 million. The increase of the revenue source was attributed to a prior year adjustment in state revenue.



**BEAVERTON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The District's investment in capital assets includes land, buildings and improvements, vehicles and equipment, and construction in progress. As of June 30, 2015, the District had approximately \$547.0 million invested in capital assets, net of depreciation, as shown in the following table:

Beaverton School District Accumulated Capital Assets (net of accumulated depreciation) (in thousands)			
	June 30, 2014	June 30, 2015	Increase (Decrease)
Land	\$ 62,200	\$ 63,209	\$ 1,009
Buildings and improvements	450,400	450,227	(173)
Vehicles and equipment	15,062	15,945	883
Construction in progress	1,005	17,629	16,624
Total capital assets, net of related accumulated depreciation	\$ 528,667	\$ 547,010	\$ 18,343

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

Long-term debt. At the end of the current fiscal year, the District had total long-term debt outstanding of \$926.4 million, of the total \$941.9 million outstanding debt. The debt consisted of general obligation, full faith and credit obligation, pension bond debt, and unamortized premium.

State statutes limit the amount of general obligation debt a school district may issue to 7.95 percent of its total assessed value. The current debt limit is \$2.8 billion, which is significantly in excess of the District's outstanding general obligation debt.

**BEAVERTON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015**

Beaverton School District Outstanding Debt (in thousands)			
	June 30, 2014	June 30, 2015	Increase (Decrease)
General obligation bonds	\$ 233,560	\$ 589,344	\$ 355,784
Pension obligation bonds	163,375	236,040	72,665
Full faith and credit obligation bonds	19,480	18,935	(545)
Unamortized premium	24,782	82,058	57,276
Other postemployment benefit obligation (OPEB)	13,432	15,289	1,857
Capital leases	583	197	(386)
	\$ 455,212	\$ 941,863	\$ 486,651

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

Additional information on the District's long-term debt can be found in Notes 9, 10 & 14 on pages 48 - 61 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Resources supporting District General Fund operations primarily reflect local and state revenues, with additional income representing federal, county and other sources. The largest segment, is determined by the State School Fund formula. The majority of funding provided by the State to the District is based on the District's average daily membership of students. Total student enrollment in 2014-15 increased from 2013-14. Slow continual growth trends are projected to continue in future years.

The state economic forecast reveals a slow, steady recovery and slow growth in State School funding for the District in the next few biennia. The District will implement a full day kindergarten program in 2015-16 and the Legislature has increased funding to support the implementation.

The 2015-16 budget was based on a K-12 state funding level of \$6.65 billion, which is about 14% higher than the legislatively approved 2011-13 K-12 funding level. Local voters approved a local option levy in 2013-14 and it has restored 250 teaching positions reduced in previous years. The increased resource will continue through June 30 of 2018 to support additional classroom teachers in an effort to lower class sizes.

**BEAVERTON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015**

In June 2015, the board adopted the District budget for the fiscal year 2015-16. The adopted budget for the General Fund for the year ending June 30, 2016 is \$423.1 million.

The School Board has set policy that the District will target 5 percent of annual operating revenues as ending fund balance and an additional 5 percent to a rainy day fund reserve. The District will also budget an annual operating contingency equal to 5 percent of budgeted revenues. The 2015-16 beginning fund balance meets board policy requirements.

REQUESTS FOR INFORMATION

This financial report is designed to present the user (citizens, taxpayers, investors, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District's Finance Manager at 16550 SW Merlo Road, Beaverton, Oregon 97003.

BASIC FINANCIAL STATEMENTS



**BEAVERTON SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015**

ASSETS:

Cash and investments	\$ 524,552,169
Receivables	18,508,573
Inventories	414,047
PERS net pension asset	61,675,451
Capital assets not being depreciated:	
Land	63,208,802
Construction in progress	17,628,989
Capital assets, net of accumulated depreciation:	
Buildings and improvements	450,227,151
Vehicles and equipment	15,945,223
TOTAL ASSETS	1,152,160,405

DEFERRED OUTFLOWS OF RESOURCES:

Deferred amount on refunding	5,069,577
PERS deferred outflows	109,821,159
TOTAL DEFERRED OUTFLOWS OF RESOURCES	114,890,736
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	1,267,051,141

LIABILITIES:

Accounts payable	12,595,055
Accrued salaries and benefits	37,363,262
Accrued interest payable	1,211,791
Unearned revenue	3,421,804
Accrued claims losses	1,942,000
Other accrued liabilities	335,335
Capital leases payable - due within one year	197,349
General obligation and full faith and credit obligation bonds - due within one year	32,485,639
Bonds payable - limited tax pension obligation bonds - due within one year	9,745,000
Other postemployment benefit obligation	15,288,626
General obligation and full faith and credit obligation bonds - due in more than one year	657,850,964
Bonds payable - limited tax pension obligation bonds - due in more than one year	226,295,000
TOTAL LIABILITIES	998,731,825

DEFERRED INFLOWS OF RESOURCES:

PERS deferred inflows	119,008,637
TOTAL DEFERRED INFLOWS OF RESOURCES	119,008,637
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	1,117,740,462

NET POSITION:

Net investment in capital assets	263,555,013
Restricted for debt service	2,063,774
Restricted for student body	2,866,864
Unrestricted	(119,174,972)
TOTAL NET POSITION	\$ 149,310,679

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

**BEAVERTON SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Change in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental activities:				
Regular programs	\$ 151,695,546	\$ 10,217,286	\$ 2,248,949	\$ (139,229,311)
Special programs	52,710,940	-	10,486,827	(42,224,113)
Summer school programs	823,881	-	440,693	(383,188)
Student support services	21,318,056	-	2,201,803	(19,116,253)
Instructional staff support	10,122,238	-	2,594,256	(7,527,982)
General administration support	1,453,617	-	-	(1,453,617)
School administration	19,465,092	-	-	(19,465,092)
Business support services	41,631,222	877,606	1,585,970	(39,167,646)
Central activities support	13,373,047	-	32,611	(13,340,436)
Supplemental retirement program	100,893	-	-	(100,893)
Food services	11,736,797	4,190,202	8,665,444	1,118,849
Community services	47,469	-	57,573	10,104
Interest on long-term debt	34,413,599	-	-	(34,413,599)
	<u>\$ 358,892,397</u>	<u>\$ 15,285,094</u>	<u>\$ 28,314,126</u>	<u>(315,293,177)</u>
General revenues:				
				114,933,952
				24,213,931
				51,440,929
				2,997,116
				216,460,563
				3,796,074
				15,770,697
				2,541,728
				200
				4,114,307
				<u>436,269,497</u>
				CHANGE IN NET POSITION
				120,976,320
				NET POSITION, July 1, 2014 as originally reported
				258,568,166
				Restatement (see Note 19)
				(230,233,807)
				<u>NET POSITION, July 1, 2014 as restated</u>
				28,334,359
				NET POSITION, June 30, 2015
				<u>\$ 149,310,679</u>

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

**BEAVERTON SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015**

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
ASSETS					
Equity in pooled cash and investments	\$ 89,303,499	\$ 1,661,558	\$ 418,044,230	\$ 8,038,910	\$ 517,048,197
Cash with fiscal agent	2,034	30,957	100,000	-	132,991
Receivables	3,673,577	132,908	1,712,369	5,053,694	10,572,548
Property taxes receivable	5,580,796	2,238,235	-	-	7,819,031
Due from other funds	101,927	1,372,644	-	-	1,474,571
Inventories	-	-	-	414,047	414,047
TOTAL ASSETS	\$ 98,661,833	\$ 5,436,302	\$ 419,856,599	\$ 13,506,651	\$ 537,461,385
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 2,397,693	\$ -	\$ 9,638,304	\$ 419,302	\$ 12,455,299
Accrued salaries and benefits	32,697,156	-	27,449	1,839,146	34,563,751
Due to other funds	1,527,524	-	1,156	218,685	1,747,365
Unearned revenue	-	-	-	3,421,804	3,421,804
Other liabilities	3,618	-	-	331,717	335,335
TOTAL LIABILITIES	36,625,991	-	9,666,909	6,230,654	52,523,554
Deferred Inflows of Resources:					
Unavailable revenue - property taxes	5,038,083	2,030,304	-	-	7,068,387
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	41,664,074	2,030,304	9,666,909	6,230,654	59,591,941
Fund Balances:					
Nonspendable					
Inventories	-	-	-	290,613	290,613
Restricted					
Debt Service	-	1,245,261	-	-	1,245,261
Capital Projects	-	-	407,078,800	-	407,078,800
Student Body	-	-	-	2,866,864	2,866,864
Committed					
Debt Service	-	2,160,737	-	-	2,160,737
Capital Projects	-	-	3,110,890	-	3,110,890
Special Purpose	-	-	-	670,848	670,848
Categorical	-	-	-	631,280	631,280
Nutrition Services	-	-	-	2,816,392	2,816,392
Pension	146,964	-	-	-	146,964
Long-term Planning	1,452,064	-	-	-	1,452,064
Unassigned	55,398,731	-	-	-	55,398,731
TOTAL FUND BALANCES	56,997,759	3,405,998	410,189,690	7,275,997	477,869,444
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 98,661,833	\$ 5,436,302	\$ 419,856,599	\$ 13,506,651	\$ 537,461,385

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

**BEAVERTON SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION
JUNE 30, 2015**

TOTAL FUND BALANCES		\$ 477,869,444
Capital assets are not financial resources and therefore are not reported in the governmental funds:		
Cost	\$ 784,355,718	
Accumulated depreciation	<u>(237,345,553)</u>	547,010,165
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.		7,068,387
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 position.		5,664,585
Compensated absences are reported when earned as a liability in the Statement of Net Position while in the governmental funds only the portion that requires the use of current financial resources is reported as a liability.		(2,785,083)
Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest on long-term debt and capital lease is not accrued in the governmental funds, but rather is recognized as an expenditure when due. These liabilities consist of:		
Accrued interest payable	(1,211,791)	
Bonds payable	(926,376,603)	
Capital leases payable	<u>(197,349)</u>	(927,785,743)
Long-term pension assets / liabilities not payable in the current year are not reported as governmental fund liabilities. Actuarial changes create deferred outflows and inflows of resources. These consist of:		
PERS net pension asset	61,675,451	
PERS deferred outflow of resources	109,821,159	
PERS deferred inflows of resources	<u>(119,008,637)</u>	52,487,973
In 2012-13 bond refunding, a larger amount paid to the escrow agent than the premiums of the bonds being refunded that was recorded as interest expense. This deferred outflow of resources is recognized based on the schedule of maturities of the refunded bonds.		5,069,577
The liability for other postemployment benefits obligation due at June 30, 2014 is not recorded in the governmental funds, but it is accrued as an expense and a liability in the government-wide statements.		<u>(15,288,626)</u>
TOTAL NET POSITION		<u><u>\$ 149,310,679</u></u>

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

BEAVERTON SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
REVENUES:					
Property taxes	\$ 115,080,801	\$ 51,440,929	\$ -	\$ -	\$ 166,521,730
Local option levy	24,213,931	-	-	-	24,213,931
Construction excise tax	-	-	2,997,116	-	2,997,116
State and local sources	235,883,251	-	-	1,263,007	237,146,258
Federal sources	-	-	-	24,331,919	24,331,919
Charges for services	4,020,374	-	-	4,188,510	8,208,884
Rentals	600,830	-	26,790	1,692	629,312
Investment earnings	462,122	81,253	1,946,247	22,767	2,512,389
Extracurricular activities	-	-	-	6,446,898	6,446,898
Contributions and donations	10,886	-	496,584	1,929,783	2,437,253
Services to other funds	-	15,993,367	-	-	15,993,367
Recovery of prior years' expenditures	33,772	-	1,934,109	-	1,967,881
Other	1,711,386	-	455	621,606	2,333,447
Total revenues	382,017,353	67,515,549	7,401,301	38,806,182	495,740,385
EXPENDITURES:					
Current:					
Instruction	233,200,384	-	-	19,259,192	252,459,576
Support services	121,322,593	-	4,882,550	5,786,715	131,991,858
Enterprise and community services	-	-	-	13,341,410	13,341,410
Facilities acquisition and construction	-	-	41,830,681	760,795	42,591,476
Debt service					
Principal	-	33,850,765	-	-	33,850,765
Interest	-	33,567,947	-	-	33,567,947
Bond issuance costs	-	544,615	-	-	544,615
Total expenditures	354,522,977	67,963,327	46,713,231	39,148,112	508,347,647
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	27,494,376	(447,778)	(39,311,930)	(341,930)	(12,607,262)
OTHER FINANCING SOURCES (USES):					
Sale of or compensation for loss of capital assets	-	-	200	-	200
Transfers in	1,251,661	1,864,791	-	4,600	3,121,052
Transfers out	(3,882,439)	-	(1,464,013)	(4,600)	(5,351,052)
Issuance of debt	-	-	382,148,784	-	382,148,784
Premium on long-term debt issued	-	-	63,295,961	-	63,295,961
PERS issuance of debt	-	79,220,000	-	-	79,220,000
PERS UAL lump sum payment	-	(78,670,639)	-	-	(78,670,639)
TOTAL OTHER FINANCING SOURCES (USES)	(2,630,778)	2,414,152	443,980,932	-	443,764,306
NET CHANGE IN FUND BALANCES	24,863,598	1,966,374	404,669,002	(341,930)	431,157,044
FUND BALANCE, July 1, 2014	32,134,161	1,439,624	5,520,688	7,617,927	46,712,400
FUND BALANCE, June 30, 2015	\$ 56,997,759	\$ 3,405,998	\$ 410,189,690	\$ 7,275,997	\$ 477,869,444

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

**BEAVERTON SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015**

NET CHANGE IN FUND BALANCES \$ 431,157,044

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

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

Net change in capital assets	\$ 32,779,553	
Less net change in accumulated depreciation	<u>(14,436,750)</u>	18,342,803

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

Net change in PERS net pension liability / asset	200,527,891	
Net change in deferred outflow of resources	81,488,208	
Net change in deferred inflow of resources	<u>(119,008,637)</u>	163,007,462

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

Debt issued	(524,664,745)	
Debt principal repaid	33,465,000	
Amortization expense	<u>6,019,934</u>	(485,179,811)

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

(5,743,867)

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.

(578,927)

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.

(146,849)

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

1,759,651

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.

(171,791)

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

Debt principal repaid	385,765	
Accrued interest	<u>1,823</u>	387,588

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.

(1,856,983)

CHANGE IN NET POSITION \$ 120,976,320

**BEAVERTON SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
JUNE 30, 2015**

ASSETS

Current assets:

Cash and cash equivalents	\$ 7,370,981
Receivables	116,994
Due from other funds	<u>273,230</u>

TOTAL ASSETS	<u>7,761,205</u>
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LIABILITIES

Current liabilities:

Accounts payable	139,756
Accrued claims losses	1,942,000
Accrued salaries and benefits	14,428
Due to other funds	<u>436</u>

TOTAL LIABILITIES	<u>2,096,620</u>
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NET POSITION

Unrestricted	<u>5,664,585</u>
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TOTAL NET POSITION	<u><u>\$ 5,664,585</u></u>
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**BEAVERTON SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2015**

OPERATING REVENUES:	
State and local sources	\$ 17,614
Services to other funds	3,762,742
Recovery of prior years' expenditures	158,141
Other	<u>63,256</u>
TOTAL OPERATING REVENUES	<u>4,001,753</u>
OPERATING EXPENSES:	
Losses and claims	1,387,202
Insurance premiums and assessments	1,795,779
Salaries and benefits	897,697
Services, supplies and materials	<u>420,761</u>
TOTAL OPERATING EXPENSES	<u>4,501,439</u>
OPERATING INCOME (LOSS)	(499,686)
NONOPERATING REVENUE:	
Investment earnings	<u>29,337</u>
INCOME (LOSS) BEFORE TRANSFERS	(470,349)
TRANSFERS:	
Transfers in	<u>2,230,000</u>
CHANGE IN NET POSITION	1,759,651
NET POSITION, July 1, 2014	<u>3,904,934</u>
NET POSITION, June 30, 2015	<u><u>\$ 5,664,585</u></u>

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

**BEAVERTON SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2015**

CASH FLOWS FROM OPERATING ACTIVITIES:	
Received for services	\$ 17,614
Received from interfund services provided	3,719,265
Received from recovery of prior years' expenditures	158,141
Paid for goods and services	(2,172,859)
Paid to claimants	(1,382,686)
Paid to employees	(816,697)
	<hr/>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(477,222)
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Transfer from other funds	2,230,000
	<hr/>
 CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest received	29,337
	<hr/>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,782,115
CASH AND CASH EQUIVALENTS, July 1, 2014	5,588,866
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CASH AND CASH EQUIVALENTS, June 30, 2015	\$ 7,370,981
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 RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating income (loss)	\$ (499,686)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Changes in assets and liabilities	
Receivables	(61,325)
Due from other funds	(45,333)
Accounts payable	43,681
Accrued claims losses	81,000
Accrued salaries and benefits	4,516
Due to other funds	(75)
	<hr/>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (477,222)
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The notes to financial statements are an integral part of this statement.

**BEAVERTON SCHOOL DISTRICT
STATEMENT OF NET POSITION
FIDUCIARY FUND - PRIVATE PURPOSE TRUST FUND
JUNE 30, 2015**

ASSETS

Equity in pooled cash and investments	\$ 263,336
TOTAL ASSETS	<u>263,336</u>

LIABILITIES

Accounts payable	3,000
Scholarships payable	<u>33,000</u>
TOTAL LIABILITIES	<u>36,000</u>

NET POSITION

Held in trust for:	
Scholarships	<u>227,336</u>

TOTAL NET POSITION	<u><u>\$ 227,336</u></u>
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The notes to financial statements are an integral part of this statement.

**BEAVERTON SCHOOL DISTRICT
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUND - PRIVATE PURPOSE TRUST FUND
YEAR ENDED JUNE 30, 2015**

ADDITIONS:

Contributions and donations	\$ 77,190
Investment earnings	<u>967</u>
Total additions	<u>78,157</u>

DEDUCTIONS:

Scholarships	<u>62,183</u>
Total deductions	<u>62,183</u>

CHANGE IN NET POSITION 15,974

NET POSITION, July 1, 2014 211,362

NET POSITION, June 30, 2015 \$ 227,336

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

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

Basis of Presentation

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District. These statements include the governmental financial activities of the overall District, except fiduciary activities. Eliminations have been made to minimize the double counting of internal activities, except that interfund services provided and used, are not eliminated in the process of consolidation. Governmental activities are financed primarily through property taxes, intergovernmental revenues, and charges for services.

The Statement of Activities presents a comparison between direct expenses and program revenues for each of its functions or programs. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to that function. Eliminations have been made to minimize the double counting of internal activities in the Statement of Activities. Program revenues include: (1) charges to students or others for tuition, fees, rentals, material, supplies or services provided, (2) operating grants and contributions and (3) capital grants and contributions. Revenues that are not classified as program revenues, including property taxes and state support, are presented as general revenues. Certain functional expenditures contain an element of indirect cost.

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

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

Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

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

Additionally, the District reports the following fund types:

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

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

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

Measurement Focus and Basis of Accounting

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

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

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

Cash, Cash Equivalents and Investments

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

The District's investments consist of corporate securities, U.S. Government 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 funds. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon legislature established the Oregon Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury in the management and investment options of the LGIP.

Property Taxes Receivable

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

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

Accounts and Other Receivables

Accounts and other receivables are comprised primarily of State school support, claims for reimbursement of costs under various federal and state grants, and investment interest. Amounts are periodically reviewed for collectability. At June 30, 2015, no allowance for doubtful accounts is considered necessary.

Grants

Unreimbursed expenditures due from grantor agencies are reflected in the basic financial statements as receivables and revenues. Grant revenues are recorded at the time eligible expenditures are incurred. Grant monies received prior to the occurrence of qualifying expenditures are recorded as unearned revenue.

Inventories

Inventories consist of supplies held for sale. Inventories are charged as expenditures when consumed and are stated at cost using the first-in, first-out (FIFO) method. A portion of the inventory consists of donated United States Department of Agriculture (USDA) commodities. Commodities are recorded as expenditures when consumed and are stated at their fair market value based on guidelines provided by the USDA. Commodities on hand at year-end are recorded as unearned revenue.

Capital Assets

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

Buildings and improvements	10 to 50 years
Vehicles and equipment	5 to 30 years

Deferred Outflows/Inflows of Resources

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

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

Retirement Plans

Substantially all of the District's employees are participants in the State of Oregon Public Employees Retirement System (PERS). For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of PERS and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. GASB Statements 68 and 71 have been implemented as of July 1, 2014.

The 2003 Oregon Legislature passed PERS reform legislation and essentially created a new retirement plan for employees hired on or after August 29, 2003. These employees become

members of the Oregon Public Service Retirement Plan (OPSRP). OPSRP is a hybrid retirement plan with two components: the Pension Program (defined benefit plan) and the Individual Account Program (defined contribution; established and maintained as a tax-qualified governmental defined contribution plan). OPSRP is administered by PERS.

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

In 2011, the District offered a retirement benefits program to eligible certified, classified and administrative staff, with the exception of the Superintendent, who have completed a minimum of five years of regular service and were PERS eligible. This plan is no longer active, as all required benefits have been disbursed.

In 2012, the District offered a new early retirement benefits program to eligible certified staff that have completed a minimum of five years of regular service and were PERS eligible. The plan is being funded and is being 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.

Long-Term Debt

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

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

Net Position

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

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

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

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

Use of Estimates

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

Subsequent Events

The date to which events occurring after June 30, 2015, the date of the most recent statement of net position, has been evaluated for possible adjustment to the financial statements or disclosure is November 20, 2015, which is the date on which the financial statements were available to be issued.

Governmental Fund Balances

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

Governmental Fund type fund balances are classified as follows:

- Nonspendable - Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be

maintained intact. Resources in nonspendable form include inventories, prepaids and deposits, and assets held for resale.

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

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

Definitions of Governmental Fund Types

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

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term “proceeds of specific revenues sources” means that the revenue sources for the fund must be from restricted or committed sources, specifically that a substantial portion of the revenue must be from these sources and be expended in accordance with those requirements.

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

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

Fund Balance Policy

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budget

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

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

Supplemental budgets less than 10% of a fund's original budget may be adopted by the Board at a regular meeting. A supplemental budget greater than 10% of a fund's original budget requires hearings before the public, publication in newspapers and approval by the Board. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control (major function levels) with Board approval. During the year, there was one supplemental budget that included one additional appropriation and one appropriation transfer. Appropriations lapse at the end of each fiscal year.

3. CASH AND INVESTMENTS

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

Cash and investments are comprised of the following at June 30, 2015:

Cash with fiscal agent	\$	132,991
Deposits with banks		20,981,449
Investments		503,701,065
		<hr/>
	\$	524,815,505
		<hr/> <hr/>

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

Statement of Net Position		
Cash and investments	\$	524,552,169
Statement of Net Position Fiduciary Funds		
Equity in pooled cash and investments		263,336
		<hr/>
	\$	524,815,505
		<hr/> <hr/>

At year-end, the District's deposits with various financial institutions had a bank value of \$23,019,180 and a book value of \$21,114,440. All deposits not covered by FDIC insurance are covered by the Public Funds Collateralization Program (PFCP) of the State of Oregon. The PFCP is a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. Barring any exceptions, a bank depository is required to pledge collateral valued at 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized, or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. In the event of a participating bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities.

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

BEAVERTON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
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the institution. As of June 30, 2015, \$22,519,180 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, 2015 the District held the following investments and maturities:

Investment Type	Fair Value	Weighted Average Maturity in Years	% of Investment Portfolio
Corporate securities	\$ 138,919,669	1.039	27.5%
Local Government Investment Pool	45,644,771	0.003	9.1%
State and local government obligations	11,917,177	1.178	2.4%
U.S. Agency securities	307,219,448	1.126	61.0%
	\$ 503,701,065	1.013	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%	6 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 Statues and will increase proportionately with the Portland Consumer Price Index. The limit can be temporarily exceeded for ten business days and does not apply either to pass-through funds or to funds invested on behalf of another governmental unit.

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District minimizes custodial credit risk by limiting investments to the types of securities allowed by law; and pre-qualifying the financial institutions, brokers/dealers, intermediaries and advisors with which the District will do

BEAVERTON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
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business. All of the investments above, except for the investment in the LGIP which is not evidenced by securities, are held in safekeeping by the financial institution counterparty in the financial institution's general customer account name.

The District's credit risk policy, which adheres to State of Oregon law, is to limit its investments to the following: Issuers within Oregon must be rated "A" (bonds) or A-2 / P-2 (commercial paper) or better by Standard and Poor's, Moody's Investors Service or any other nationally recognized statistical rating organization, issuers not in Oregon must be rated AA / Aa (bonds) or A-1 / P-1 (commercial paper) or better.

At June 30, 2015, the District's investments were rated as follows:

Investment Type	Total	Highest Rating From			
		Moody's Investors Service or Standard & Poor's Corporation			
		Aaa/AAA	Aa/AA	A/A	Not Rated
Corporate securities	\$ 138,919,669	\$ 4,008,892	\$ 82,764,738	\$ 52,146,039	\$ -
Local Government Investment Pool	45,644,771	-	-	-	45,644,771
State and local government obligations	11,917,177	-	11,917,177	-	-
U.S. Agency securities	307,219,448	307,219,448	-	-	-
	<u>\$ 503,701,065</u>	<u>\$ 311,228,340</u>	<u>\$ 94,681,915</u>	<u>\$ 52,146,039</u>	<u>\$ 45,644,771</u>

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

The District's policy for investing in individual issuers varies depending on the type of investments. U.S. Treasury and Agency securities do not have restrictions regarding concentration with any one issuer. No more than 25% of the total portfolio of investments may be invested in a single issuer of bankers' acceptances. At the time of purchase, investments in corporate securities of any one issuer may not exceed 5% of the investment portfolio. At June 30, 2015, more than 5% of the District's portfolio was invested in Federal Home Loans Bank Discount Note, Federal Home Loan Mortgage Corporation Discount Note, Federal National Mortgage Association Discount Note, and Federal Farm Credit Bank Discount Note securities. These investments were 19.5%, 15.6%, 15.5%, and 7.9%, respectively, of the District's total investments.

BEAVERTON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

4. RECEIVABLES

Receivables are comprised of the following as of June 30, 2015:

<u>Account</u>	<u>Amount</u>
Property taxes receivable	
General fund	\$ 5,580,796
Debt service fund	2,238,235
Total property taxes receivable	<u>7,819,031</u>
Grants receivable	
Other governmental funds	<u>4,730,196</u>
Interest and other receivables	
General fund	3,673,577
Debt service fund	132,908
Capital projects fund	1,712,369
Other governmental funds	323,498
Internal service funds	<u>116,994</u>
Total interest and other receivables	<u>5,959,346</u>
Total receivables	<u><u>\$ 18,508,573</u></u>

5. INTERFUND RECEIVABLES AND PAYABLES

The composition of interfund balances as of June 30, 2015 is as follows:

	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>
General fund	\$ 1,527,524	\$ 101,927
Debt service fund	-	1,372,644
Capital projects fund	1,156	-
Other governmental funds	218,685	-
Internal service funds	<u>436</u>	<u>273,230</u>
Total	<u><u>\$ 1,747,801</u></u>	<u><u>\$ 1,747,801</u></u>

There is a \$101,927 interfund balance in the General Fund to fund reimbursable expenditures in the Grant Fund. The remaining \$1,645,874 interfund balances between funds are the result of payroll accruals at year end.

BEAVERTON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

6. CAPITAL ASSETS

Capital assets activity for the year was as follows:

	Balance June 30, 2014	Additions	Reductions	Balance June 30, 2015
Capital assets not being depreciated:				
Land	\$ 62,199,704	\$ 1,009,098	\$ -	\$ 63,208,802
Construction in progress	1,004,999	17,611,275	(987,285)	17,628,989
Total capital assets not being depreciated	<u>63,204,703</u>	<u>18,620,373</u>	<u>(987,285)</u>	<u>80,837,791</u>
Capital assets being depreciated:				
Buildings and improvements	654,663,218	14,244,635	(474,100)	668,433,753
Vehicles and equipment	33,708,244	3,584,030	(2,208,100)	35,084,174
Total capital assets being depreciated	<u>688,371,462</u>	<u>17,828,665</u>	<u>(2,682,200)</u>	<u>703,517,927</u>
Less accumulated depreciation for:				
Buildings and improvements	(204,262,727)	(14,323,886)	380,011	(218,206,602)
Vehicles and equipment	(18,646,076)	(2,317,368)	1,824,493	(19,138,951)
Total accumulated depreciation	<u>(222,908,803)</u>	<u>(16,641,254)</u>	<u>2,204,504</u>	<u>(237,345,553)</u>
Total capital assets being depreciated, net	<u>465,462,659</u>	<u>1,187,411</u>	<u>(477,696)</u>	<u>466,172,374</u>
Total capital assets, net	<u>\$ 528,667,362</u>	<u>\$ 19,807,784</u>	<u>\$ (1,464,981)</u>	<u>\$ 547,010,165</u>

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

Regular programs	\$ 8,446,343
Special programs	2,792,055
Summer school programs	58,533
Student support services	1,280,179
Instructional staff support	469,244
General administration support	62,176
School administration	1,193,600
Business support services	1,482,892
Central activities support	552,727
Food services	300,359
Community services	3,146
	<u>\$ 16,641,254</u>

BEAVERTON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

7. COMPENSATED ABSENCES

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

Activity for compensated absences for the year ended June 30, 2015, all of which are considered due within one year, as follows:

	Balance <u>June 30, 2014</u>	Additions	Reductions	Balance <u>June 30, 2015</u>
Compensated Absences	\$ 2,613,292	\$ 2,620,651	\$ (2,448,860)	\$ 2,785,083

8. OPERATING LEASES

The District entered into an operating lease agreement as lessee for financing of computers. The total cost for this lease amounted to \$551,932 for the year ended June 30, 2015. There are no future payments associated with this or any other operating leases.

9. 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 decreased from \$0.6 million to \$0.2 million due to an offset by principal payments of \$0.4 million. The leased buses have a cost of \$9.9 million and have a net book value of \$5.1 million and accumulated depreciation of \$4.8 million at June 30, 2015. Amortization expense of the period is included in the depreciation expense. The capital lease obligations are paid by the Debt Service Fund which is funded by a transfer from the General Fund.

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

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 197,349	\$ 3,039	\$ 200,388

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

Limited Tax Pension Obligation Bonds

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

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

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

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

BEAVERTON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

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

	Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 233,560,000	\$ 382,148,784	\$ 26,365,000	\$ 589,343,784	\$ 26,235,000
Pension obligation bonds	163,375,000	79,220,000	6,555,000	236,040,000	9,745,000
Full Faith & Credit obligations	19,480,000	-	545,000	18,935,000	565,000
Unamortized premium	24,781,792	63,295,961	6,019,934	82,057,819	5,685,639
Total bonds payable, net	\$ 441,196,792	\$ 524,664,745	\$ 39,484,934	\$ 926,376,603	

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

The following is a summary of long-term debt transactions of governmental activities for the year ended June 30, 2015:

Issue Date	Original Issue	Principal			Outstanding at June 30, 2015	Interest Rates
		Outstanding at June 30, 2014	Additions	Reductions		
General Obligation Bonds:						
November 10, 2005	\$ 49,470,000	\$ 5,000,000	\$ -	\$ 5,000,000	\$ -	5.00%
January 24, 2007	149,090,000	13,200,000	-	6,480,000	6,720,000	4.13 - 5.00%
April 2, 2009	42,810,000	28,920,000	-	-	28,920,000	3.00 - 5.00%
August 25, 2011	42,175,000	29,765,000	-	2,765,000	27,000,000	5.00%
December 11, 2012	33,075,000	31,340,000	-	10,135,000	21,205,000	0.36 - 1.72%
December 11, 2012	126,325,000	125,335,000	-	-	125,335,000	1.75 - 4.00%
August 7, 2014	20,393,784	-	20,393,784	-	20,393,784	0.93 - 2.15%
August 7, 2014	361,755,000	-	361,755,000	1,985,000	359,770,000	2.00 - 5.00%
		<u>233,560,000</u>	<u>382,148,784</u>	<u>26,365,000</u>	<u>589,343,784</u>	
Limited Tax Pension Obligation Bonds:						
June 21, 2005	189,935,000	163,375,000	-	5,540,000	157,835,000	4.30 - 4.76%
February 26, 2015	79,220,000	-	79,220,000	1,015,000	78,205,000	0.35 - 4.06%
		<u>163,375,000</u>	<u>79,220,000</u>	<u>6,555,000</u>	<u>236,040,000</u>	
Full Faith and Credit Obligation Bonds:						
March 19, 2009	22,650,000	19,480,000	-	545,000	18,935,000	2.50 - 5.13%
Total G.O. and Pension Bonds		<u>416,415,000</u>	<u>461,368,784</u>	<u>33,465,000</u>	<u>844,318,784</u>	
Unamortized Premium		<u>24,781,792</u>	<u>63,295,961</u>	<u>6,019,934</u>	<u>82,057,819</u>	
Total		<u>\$ 441,196,792</u>	<u>\$ 524,664,745</u>	<u>\$ 39,484,934</u>	<u>\$ 926,376,603</u>	

BEAVERTON SCHOOL DISTRICT
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Future bond maturities are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2016	\$ 36,545,000	\$ 36,741,812	\$ 73,286,812
2017	40,234,436	35,570,903	75,805,339
2018	43,504,513	34,637,092	78,141,605
2019	36,984,593	33,734,180	70,718,773
2020	40,890,242	31,887,564	72,777,806
2021-2025	238,750,000	129,938,759	368,688,759
2026-2030	222,620,000	74,516,129	297,136,129
2031-2035	183,495,000	23,577,551	207,072,551
2036-2040	1,295,000	66,369	1,361,369
	<u>\$ 844,318,784</u>	<u>\$ 400,670,359</u>	<u>\$ 1,244,989,143</u>

Outstanding issues are callable as follows:

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, 2015, \$128,745,000 of general obligation bonds outstanding are considered defeased.

11. INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2015 are as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
General fund	\$ 1,251,661	\$ 3,882,439
Debt service fund	1,864,791	-
Capital projects fund	-	1,464,013
Other governmental funds	4,600	4,600
Internal service fund	2,230,000	-
Total	<u>\$ 5,351,052</u>	<u>\$ 5,351,052</u>

The District made transfers from the General Fund in the amount of \$2,230,000 to the Internal Service Fund to fund property insurance premiums. Transfers were made from the Capital Projects Funds to the Debt Service Fund totaling \$1,464,013 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 \$400,778 to pay principal and interest payments on capital lease obligations for the purchase of buses. Within the General Fund, transfers totaling \$1,251,661 were made between the sub-funds, with funds going into the Long-term Planning Fund. A transfer was made from the Food Service Fund to the Special Purpose Fund totaling \$4,600 for volunteer donations.

12. EARLY RETIREMENT

Plan description - The District maintains two single-employer early retirement supplement program for its employees.

Plan description 2004 - 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 administrators, medical benefits are provided until age 62.

Plan description 2012 - A new early retirement benefits program was established during the fiscal year 2011-12. The plan is, in substance, a single employer defined benefit plan established under collective bargaining agreements. The incentive is available to the licensed employee group only who qualified prior to June 30, 2012, when the program was closed. The District does not issue a standalone report for this plan.

Employees must have five plus years of Beaverton School District experience and be eligible for PERS. There is no survivor option. Licensed employees who qualify will receive \$900 monthly for two years.

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

Funding policy - The benefits from these sunsetted programs are fully paid by the District and, consequently, no contributions by employees are required. Although there is no

obligation on the part of the District to fund these benefits in advance, the District fully funded the obligation in the Pension Sub-Fund of the General Fund. The Pension Sub-Fund also accounts for resources and payments of post-employment health care benefits for early retirees. The available committed balance of the Pension Sub-Fund at June 30, 2015 is \$146,964. The District's total remaining estimated liability for both plans is \$92,000 and will end December 2017.

Contributions - Contributions are financed by a transfer from the General Fund. A transfer to the Pension Sub-Fund of \$500,000 was made in fiscal year 2014 to fully fund the programs; there were transfers of \$750,000 and \$1,050,000 in fiscal years 2013 and 2012, respectively. Expenditures are recorded in the Pension Sub-Fund on the pay-as-you-go basis. The cost of these benefits in fiscal years 2015, 2014, and 2013 were \$145,163, \$764,112, and \$1,291,171 respectively.

Program membership for Plan 2004 consisted of 183 retirees receiving benefits at July 1, 2006, the date of the last actuarial valuation. Retirees receiving early retirement supplement benefits totaled 3, 3, and 5 for fiscal years 2015, 2014, and 2013 respectively. Program membership for Plan 2012 receiving benefits totaled 57 in both fiscal years 2015 and 2014.

13. PENSION PLAN

Plan Description

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

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

PERS Pension (Chapter 238)

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

Pension Benefits. The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if it results in greater benefits.

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

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

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

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

Oregon Public Service Retirement Plan Pension Program (OPSRP DB)

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

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

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

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

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

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

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

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

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2011 actuarial valuation, which became effective July 1, 2013. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2015 were \$29,448,081, excluding amounts to fund employer specific liabilities, as well as a payment of \$78,670,639 funded by the limited tax pension obligation bonds. Approximately \$15,998,000 was charged for the year ended June 30, 2015 as PERS benefits expenditures to be used for bond payments as they become due. Approximately \$84,337,000 was recognized as employer pension revenue during the reporting period.

At June 30, 2015, the District reported a net pension asset of \$61,675,451 for its proportionate share of the net pension asset. The pension asset was measured as of December 31, 2012, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2012, the District's proportion was 2.72 percent.

**PERS Schedule of Pension Amounts under GASB 68
 June 30, 2015**

	Deferred Outflow of Resources	Deferred (Inflow) of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on investments	-	(119,008,637)
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,702,439	-
Subtotal - Amortized Deferrals	-	(117,306,198)
District contributions subsequent to measurement date	108,118,720	-
Net deferred outflow (inflow) of resources		\$ (9,187,478)

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

Fiscal year ending June 30,	Amount
2016	\$ (29,382,063)
2017	(29,382,063)
2018	(29,382,063)
2019	(29,382,063)
2020	222,054
Thereafter	-
Total	\$ (117,306,198)

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated July 29, 2015. Oregon PERS produces an independently audited CAFR which can be found at:

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

Actuarial Valuations

The employer contribution rates effective July 1, 2013 through June 30, 2015, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), and (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

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

Actuarial Methods and Assumptions:

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

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

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

expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

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

	Decrease 1%	Current Rate	Increase 1%
	6.75%	7.75%	8.75%
District's proportionate share of the net pension liability (asset)	\$ 130,606,328	\$ (61,675,451)	\$ (224,300,736)

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

http://www.oregon.gov/pers/EMP/docs/er_general_information/opers_gasb_68_disclosure_information_revised.pdf

14. OTHER POSTEMPLOYMENT BENEFITS (OPEB)S

Postemployment Health Insurance Subsidy

Plan description - The District operates a single-employer retiree benefit plan that provides postemployment health, dental, vision and life insurance benefits to eligible employees and their spouses. There are 4,489 active and 284 retired members in the plan. Benefits and eligibility for members are established through the collective bargaining agreements and Oregon State law.

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

The District did not establish an irrevocable trust (or equivalent arrangement) to account for the plan. Instead, the activities of the plan are reported in the General Fund. The plan does not have a separate, audited GAAP-basis postemployment benefit plan report.

Funding policy - The benefit from this program is paid by the retired employees on a self-pay basis and the required contribution is based on projected pay-as-you go financing

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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:

	2013	2014	2015
Annual required contribution	\$ 3,691,789	\$ 3,703,544	\$ 3,703,544
Interest on net pension obligation	339,409	403,264	470,108
Adjustment to annual required contribution	(709,912)	(859,196)	(1,001,614)
Annual OPEB cost	<u>3,321,286</u>	<u>3,247,612</u>	<u>3,172,038</u>
Contributions made	(1,496,864)	(1,337,791)	(1,315,055)
Increase in net OPEB obligation	1,824,422	1,909,821	1,856,983
Net OPEB obligation- beginning of year	9,697,400	11,521,822	13,431,643
Net OPEB obligation- end of year	<u>\$ 11,521,822</u>	<u>\$ 13,431,643</u>	<u>\$ 15,288,626</u>
Percentage of Annual OPEB Cost Contributed	45.1%	41.2%	41.5%

Funded status and funding progress – As of July 1, 2013, the most recent actuarial valuation date, for the periods ended June 30, 2014 and June 30, 2015; the District’s actuarial accrued liability (AAL) measured on an entry age basis for benefits was \$31,047,373, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$31,047,373. The covered payroll is \$200,544,300. The ratio of the total UAAL to annual covered payroll is 15.5%. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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

In the July 1, 2013 actuarial valuation, the aggregate actuarial cost method was used. The aggregate method does not identify or separately amortize unfunded liabilities. Instead, for an unfunded plan the present value of all projected benefits is recognized in the normal cost

calculation, which is effectively equivalent to financial statement recognition over the remaining projected future service career of current actives. In the 2013 valuation, this recognition period was 13.4 years. The actuarial assumptions included an investment return rate of 3.5 percent and a 60 percent assumption of participants who elect medical coverage at retirement. They also assume medical and prescription drug costs would increase at 11.10 percent inflation for the current year, gradually grading down to an annual rate of 4.7 percent over seventy years which is consistent with expectations for long-term health care cost inflation. The projected salary increases and cost of living adjustments are non-applicable as the benefits are unrelated to pay and are not linked to general inflation. The demographic assumptions, such as mortality rates, disability incidence rates, retirement rates, and withdrawal rates, are the same as those used by Oregon PERS for school districts for its December 31, 2013 actuarial valuation.

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, 2015, 987 employees were participating in the 403(b) traditional plan, 169 employees were participating in the 403(b) Roth plan and 96 employees were participating in the 457(b) plan.

Retirement Health Insurance Account (RHIA)

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

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

receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS, currently 0.59% Tier 1 and Tier 2 payroll and 0.49% 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, 2013, 2014 and 2015 were approximately \$1,279,000, \$1,325,000 and \$1,839,000, which equaled the required contributions each year.

15. RISK MANAGEMENT

Self-Insurance

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

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

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

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

The District is exposed to various risks of loss related to torts; theft or damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. The District does not engage in risk financing activities where the risk is greater than the self-insurance amounts. Settlements have not exceeded insurance coverage for the years ended June 30, 2013, 2014, and 2015. There have also been no reductions to the District's insurance coverage during the year. The District anticipates that all accrued claims losses will be paid within twelve months.

BEAVERTON SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>
Accrued claims losses, July 1	\$ 2,545,325	\$ 2,228,071	\$ 1,861,000
Included claims, including an estimate of claims incurred but not reported (IBNR)	1,159,456	651,959	1,468,202
Claims payments	<u>(1,476,710)</u>	<u>(1,019,030)</u>	<u>(1,387,202)</u>
Accrued claim losses, June 30	<u>\$ 2,228,071</u>	<u>\$ 1,861,000</u>	<u>\$ 1,942,000</u>

16. SCHOOL FUNDING

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

17. COMMITMENTS AND CONTINGENCIES

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

The District is committed under various accepted bid agreements and contracts for approximately \$37.9 million for goods, services, and construction of facilities, as follows:

General fund	\$ 533,743
Capital projects fund	36,910,769
Other governmental funds	352,450
Internal service funds	<u>91,289</u>
Total	<u>\$ 37,888,251</u>

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

18. SUBSEQUENT EVENTS

Changes in PERS Plan Provisions Subsequent to Measurement Date: The Oregon Supreme Court on April 30, 2015, ruled in the Moro decision, that the provisions of Senate Bill 861, signed into law in October 2013, that limited the post-retirement COLA on benefits accrued prior to the signing of the law were unconstitutional. Benefits could be modified prospectively, but not retrospectively. As a result, those who retired before the bills were passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a 2% increase annually. PERS will make restoration payments to those benefit recipients. PERS members who have accrued benefits before and after the effective dates of the 2013 legislation will have a blended COLA rate when they retire. Oregon Public Employees Retirement System Notes to the Schedules of Employer Allocations and Pension Amounts by Employer As of and for the Fiscal Year Ended June 30, 2014. This is a change in benefit terms subsequent to the measurement date of June 30, 2014, which will be reflected in the next year's actuarial valuations. The impact of the Moro decision on the total pension liability and employer's net pension liability (asset) has not been fully determined. However, PERS' third-party actuaries have estimated the impact of the Moro decision under one possible methodology, estimating that the overall \$2.267 billion net pension asset would be a \$2.650 billion net pension liability.

19. RESTATEMENT OF PRIOR YEAR NET POSITION

The District had previously recorded the funds in excess of refunded bonds premium as interest expense in 2012-13. Per GASB 65, these should have been recorded as a deferred outflow of resources and recognized as expense over the remaining life of the refunded bonds. A restatement of the prior year net position was required to record the remaining deferred outflow of resources as of June 30, 2014.

Also, due to the implementation of GASB 68 a restatement of the prior year net position was required to remove the Prepaid PERS unfunded actuarial liability, record the PERS net pension liability, and record the PERS deferred outflows associated with contributions.

The total restatement is as follows:

Net Position - July 1, 2014 as originally reported		\$ 258,568,166
Removal of Prepaid PERS unfunded actuarial liability	\$ (130,527,762)	
Addition of PERS net pension liability	(138,852,440)	
Addition of PERS deferred outflows	28,332,951	
Addition of Deferred amount on refunding	10,813,444	
Total Restatement		<u>(230,233,807)</u>
Net Positon - July 1, 2014 as restated		<u>\$ 28,334,359</u>

20. NEW ACCOUNTING STANDARDS IMPLEMENTED

For the fiscal year ended June 30, 2015, the District implemented the following new accounting standards:

GASB Statement No. 68 *“Accounting and Reporting for Pension Plans – an amendment of GASB Statement No. 27.”* The statement establishes accounting and financial reporting requirements related to pensions provided by governments. The implementation of GASB 68 resulted in the reduction in the beginning Net Position by \$241,047,251.

GASB Statement No. 69 *“Government Combinations and Disposals of Operations.”* The statement provides guidance on accounting for and reporting government mergers, acquisitions, transfers of operations and disposal. The District had no events that were affected.

GASB Statement No. 71 *“Pension Transition for Contributions Made Subsequent to the Measurement Date.”* The statement amends transition provisions of GASB Statement No. 68, establishes accounting and financial reporting standards for recognition of contributions made between the measurement date of the net pension liability and implementation of GASB Statement No. 68. See Note 19 for the breakdown of implications of GASB Statement No. 68 and No. 71.

21. NEW PRONOUNCEMENTS

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

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

GASB Statement No. 73 *“Pension Transition for Contributions Made Subsequent to the Measurement Date Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68.”* The statement establishes accounting and financial reporting requirements related to pensions provided by governments that are not within the scope of GASB Statement No. 68, extending that approach to all pensions. The statement is effective for fiscal years beginning after June 15, 2016.

GASB Statement No. 74 *“Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans.”* The statement establishes accounting and financial reporting requirements related to other postemployment benefits plans, replacing GASB Statements No. 43 and No. 57. The statement is effective for fiscal years beginning after June 15, 2016.

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

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

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



REQUIRED SUPPLEMENTARY INFORMATION



**BEAVERTON SCHOOL DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY FOR PERS
JUNE 30, 2015**

Year Ended June 30,	Employer's proportion of the net pension liability (NPL)	Employer's proportionate share of the net pension liability (NPL)	Employer's covered payroll	NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2015	2.72%	\$ (61,675,451)	\$ 219,944,988	-28.0%	103.6%
2014	2.72%	138,852,440	200,544,298	69.2%	92.0%

**BEAVERTON SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS FOR PERS
JUNE 30, 2015**

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

BEAVERTON SCHOOL DISTRICT
SCHEDULE OF FUNDING PROGRESS FOR OTHER POSTEMPLOYMENT BENEFITS
JUNE 30, 2015

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liabilty (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
July 1, 2008	\$ -	\$ 27,059,208	\$ 27,059,208	0%	\$ 197,716,946	14%
July 1, 2011	-	28,686,568	28,686,568	0%	201,453,676	14%
July 1, 2013	-	31,047,373	31,047,373	0%	200,544,300	15%

**BEAVERTON SCHOOL DISTRICT
RECONCILIATION OF BUDGETARY TO REPORTING FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE (GAAP BASIS)
GENERAL FUND
YEAR ENDED JUNE 30, 2015**

	Budgetary Funds			Total (reported as General Fund)
	General Fund	Pension	Long-Term Planning	
REVENUES:				
Property taxes	\$ 115,080,801	\$ -	\$ -	\$ 115,080,801
Local option levy	24,213,931	-	-	24,213,931
State and local sources	235,883,251	-	-	235,883,251
Charges for services	4,020,374	-	-	4,020,374
Rentals	600,830	-	-	600,830
Investment earnings	458,367	862	2,893	462,122
Contributions and donations	10,886	-	-	10,886
Recovery of prior years' expenditures	33,772	-	-	33,772
Other	1,711,386	-	-	1,711,386
TOTAL REVENUES	382,013,598	862	2,893	382,017,353
EXPENDITURES:				
Current:				
Instruction	233,200,384	-	-	233,200,384
Support services	120,876,383	145,163	301,047	121,322,593
TOTAL EXPENDITURES	354,076,767	145,163	301,047	354,522,977
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	27,936,831	(144,301)	(298,154)	27,494,376
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	1,251,661	1,251,661
Transfers out	(3,882,439)	-	-	(3,882,439)
TOTAL OTHER FINANCING SOURCES (USES)	(3,882,439)	-	1,251,661	(2,630,778)
NET CHANGE IN FUND BALANCES	24,054,392	(144,301)	953,507	24,863,598
FUND BALANCE, July 1, 2014	31,344,339	291,265	498,557	32,134,161
FUND BALANCE, June 30, 2015	\$ 55,398,731	\$ 146,964	\$ 1,452,064	\$ 56,997,759

**BEAVERTON SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (GAAP BASIS)
GENERAL FUND
YEAR ENDED JUNE 30, 2015**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
REVENUES:				
Property taxes	\$ 114,504,930	\$ 114,504,930	\$ 115,080,801	\$ 575,871
Local option levy	19,000,000	19,000,000	24,213,931	5,213,931
State and local sources	226,482,905	226,482,905	235,883,251	9,400,346
Charges for services	3,848,652	3,848,652	4,020,374	171,722
Rentals	455,000	455,000	600,830	145,830
Investment earnings	300,000	300,000	458,367	158,367
Contributions and donations	6,000	6,000	10,886	4,886
Recovery of prior years' expenditures	100,000	100,000	33,772	(66,228)
Other	2,191,500	2,191,500	1,711,386	(480,114)
Total revenues	366,888,987	366,888,987	382,013,598	15,124,611
EXPENDITURES:				
Instruction	243,314,224	243,314,224	233,200,384	10,113,840
Support services	125,666,936	125,666,936	120,876,383	4,790,553
Contingencies	19,624,449	19,624,449	-	19,624,449
Total expenditures	388,605,609	388,605,609	354,076,767	34,528,842
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(21,716,622)	(21,716,622)	27,936,831	49,653,453
OTHER FINANCING SOURCES (USES):				
Transfers out	(3,883,378)	(3,883,378)	(3,882,439)	939
NET CHANGE IN FUND BALANCE	(25,600,000)	(25,600,000)	24,054,392	49,654,392
FUND BALANCE, July 1, 2014	25,600,000	25,600,000	31,344,339	5,744,339
FUND BALANCE, June 30, 2015	\$ -	\$ -	\$ 55,398,731	\$ 55,398,731

**BEAVERTON SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (GAAP BASIS)
PENSION FUND
YEAR ENDED JUNE 30, 2015**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
REVENUES:				
Investment earnings	\$ -	\$ -	\$ 862	\$ 862
Total revenues	-	-	862	862
EXPENDITURES:				
Support services	659,475	659,475	145,163	514,312
Contingencies	120,000	120,000	-	120,000
Total expenditures	779,475	779,475	145,163	634,312
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(779,475)	(779,475)	(144,301)	635,174
OTHER FINANCING SOURCES (USES):				
Transfers in	500,000	500,000	-	(500,000)
NET CHANGE IN FUND BALANCE	(279,475)	(279,475)	(144,301)	135,174
FUND BALANCE, July 1, 2014	279,475	279,475	291,265	11,790
FUND BALANCE, June 30, 2015	\$ -	\$ -	\$ 146,964	\$ 146,964

**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, 2015**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
REVENUES:				
Investment earnings	\$ -	\$ -	\$ 2,893	\$ 2,893
Contributions and donations	270,000	270,000	-	(270,000)
Total revenues	270,000	270,000	2,893	(267,107)
EXPENDITURES:				
Instruction	50,000	50,000	-	50,000
Support services	1,547,600	1,547,600	301,047	1,246,553
Facilities acquisition and construction	150,000	150,000	-	150,000
Total expenditures	1,747,600	1,747,600	301,047	1,446,553
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,477,600)	(1,477,600)	(298,154)	1,179,446
OTHER FINANCING SOURCES (USES):				
Transfers in	747,600	747,600	1,251,661	504,061
NET CHANGE IN FUND BALANCE	(730,000)	(730,000)	953,507	1,683,507
FUND BALANCE, July 1, 2014	730,000	730,000	498,557	(231,443)
FUND BALANCE, June 30, 2015	\$ -	\$ -	\$ 1,452,064	\$ 1,452,064

OTHER SUPPLEMENTARY INFORMATION



**BEAVERTON SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2015**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
REVENUES:				
Property taxes	\$ 50,189,310	\$ 50,189,310	\$ 51,440,929	\$ 1,251,619
Investment earnings	70,000	70,000	81,253	11,253
Services to other funds	12,732,102	14,632,102	15,993,367	1,361,265
Total revenues	<u>62,991,412</u>	<u>64,891,412</u>	<u>67,515,549</u>	<u>2,624,137</u>
EXPENDITURES:				
Debt service:				
Principal	33,850,765	33,850,765	33,850,765	-
Interest	31,693,438	33,593,438	33,567,947	25,491
Bond issuance costs	-	-	544,615	(544,615)
Total expenditures	<u>65,544,203</u>	<u>67,444,203</u>	<u>67,963,327</u>	<u>(519,124)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,552,791)</u>	<u>(2,552,791)</u>	<u>(447,778)</u>	<u>2,105,013</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	1,864,791	1,864,791	1,864,791	-
PERS issuance of debt	-	80,000,000	79,220,000	(780,000)
PERS UAL lump sum payment	-	(80,000,000)	(78,670,639)	1,329,361
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,864,791</u>	<u>1,864,791</u>	<u>2,414,152</u>	<u>549,361</u>
NET CHANGE IN FUND BALANCE	<u>(688,000)</u>	<u>(688,000)</u>	<u>1,966,374</u>	<u>2,654,374</u>
FUND BALANCE, July 1, 2014	<u>688,000</u>	<u>688,000</u>	<u>1,439,624</u>	<u>751,624</u>
FUND BALANCE, June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,405,998</u>	<u>\$ 3,405,998</u>

**BEAVERTON SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2015**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
REVENUES:				
Construction excise tax	\$ 1,800,000	\$ 1,800,000	\$ 2,997,116	\$ 1,197,116
Rentals	35,000	35,000	26,790	(8,210)
Investment earnings	2,556,000	2,556,000	1,946,247	(609,753)
Contributions and donations	4,000,000	4,000,000	496,584	(3,503,416)
Recovery of prior years' expenditures	1,820,000	1,820,000	1,934,109	114,109
Other	-	-	455	455
Total revenues	10,211,000	10,211,000	7,401,301	(2,809,699)
EXPENDITURES:				
Support services	525,987	7,225,987	4,882,550	2,343,437
Facilities acquisition and construction	465,256,000	458,556,000	41,830,681	416,725,319
Total expenditures	465,781,987	465,781,987	46,713,231	419,068,756
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(455,570,987)	(455,570,987)	(39,311,930)	416,259,057
OTHER FINANCING SOURCES (USES):				
Sale of or compensation for loss of capital assets	-	-	200	200
Transfers out	(1,464,013)	(1,464,013)	(1,464,013)	-
Issuance of debt	450,000,000	450,000,000	382,148,784	(67,851,216)
Premium on long-term debt issued	-	-	63,295,961	63,295,961
TOTAL OTHER FINANCING SOURCES (USES)	448,535,987	448,535,987	443,980,932	(4,555,055)
NET CHANGE IN FUND BALANCE	(7,035,000)	(7,035,000)	404,669,002	411,704,002
FUND BALANCE, July 1, 2014	7,035,000	7,035,000	5,520,688	(1,514,312)
FUND BALANCE, June 30, 2015	\$ -	\$ -	\$ 410,189,690	\$ 410,189,690

GENERAL FUND

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

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

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

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



**BEAVERTON SCHOOL DISTRICT
RECONCILIATION OF BUDGETARY TO REPORTING FUNDS
COMBINING BALANCE SHEET
GENERAL FUND
JUNE 30, 2015**

	Budgetary Funds			Total (reported as General Fund)
	General Fund	Pension	Long-Term Planning	
ASSETS				
Equity in pooled cash and investments	\$ 87,685,298	\$ 146,964	\$ 1,471,237	\$ 89,303,499
Cash with fiscal agent	2,034	-	-	2,034
Receivables	3,673,577	-	-	3,673,577
Property taxes receivable	5,580,796	-	-	5,580,796
Due from other funds	101,927	-	-	101,927
TOTAL ASSETS	\$ 97,043,632	\$ 146,964	\$ 1,471,237	\$ 98,661,833
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 2,378,520	\$ -	\$ 19,173	\$ 2,397,693
Accrued salaries and benefits	32,697,156	-	-	32,697,156
Due to other funds	1,527,524	-	-	1,527,524
Other liabilities	3,618	-	-	3,618
TOTAL LIABILITIES	36,606,818	-	19,173	36,625,991
Deferred Inflows of Resources:				
Property tax revenue	5,038,083	-	-	5,038,083
Fund Balances:				
Committed	-	146,964	1,452,064	1,599,028
Unassigned	55,398,731	-	-	55,398,731
TOTAL FUND BALANCES	55,398,731	146,964	1,452,064	56,997,759
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 97,043,632	\$ 146,964	\$ 1,471,237	\$ 98,661,833



NONMAJOR GOVERNMENTAL FUNDS

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

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

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

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

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

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



**BEAVERTON SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015**

	Special Revenue Funds					Total
	Student Body	Special Purpose	Categorical	Grant	Nutrition Services	
ASSETS						
Equity in pooled cash and investments	\$ 2,866,864	\$ 483,656	\$ 2,897,594	\$ -	\$ 1,790,796	\$ 8,038,910
Receivables	-	317,676	-	2,505,429	2,230,589	5,053,694
Inventories	-	-	-	-	414,047	414,047
TOTAL ASSETS	\$ 2,866,864	\$ 801,332	\$ 2,897,594	\$ 2,505,429	\$ 4,435,432	\$ 13,506,651
LIABILITIES AND FUND BALANCES						
BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ 80,849	\$ 16,024	\$ 189,186	\$ 133,243	\$ 419,302
Accrued salaries and benefits	-	46,636	-	1,094,509	698,001	1,839,146
Due to other funds	-	2,999	-	173,654	42,032	218,685
Unearned revenue	-	-	2,250,290	1,048,080	123,434	3,421,804
Other liabilities	-	-	-	-	331,717	331,717
TOTAL LIABILITIES	-	130,484	2,266,314	2,505,429	1,328,427	6,230,654
Fund Balances:						
Nonspendable	-	-	-	-	290,613	290,613
Restricted	2,866,864	-	-	-	-	2,866,864
Committed	-	670,848	631,280	-	2,816,392	4,118,520
TOTAL FUND BALANCES	2,866,864	670,848	631,280	-	3,107,005	7,275,997
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,866,864	\$ 801,332	\$ 2,897,594	\$ 2,505,429	\$ 4,435,432	\$ 13,506,651

**BEAVERTON SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015**

	Special Revenue Funds					Total
	Student Body	Special Purpose	Categorical	Grant	Nutrition Services	
REVENUES:						
State and local sources	\$ -	\$ 1,500	\$ -	\$ 1,104,675	\$ 156,832	\$ 1,263,007
Federal sources	-	-	-	15,797,793	8,534,126	24,331,919
Charges for services	-	-	-	-	4,188,510	4,188,510
Rentals	-	-	-	-	1,692	1,692
Investment earnings	-	-	11,909	-	10,858	22,767
Extracurricular activities	6,446,898	-	-	-	-	6,446,898
Contributions and donations	-	1,339,805	147,455	442,523	-	1,929,783
Other	-	621,606	-	-	-	621,606
Total revenues	6,446,898	1,962,911	159,364	17,344,991	12,892,018	38,806,182
EXPENDITURES:						
Instruction	6,523,419	1,465,867	-	11,269,906	-	19,259,192
Support services	-	413,637	15,743	5,344,973	12,362	5,786,715
Enterprise and community services	-	6,036	-	188,890	13,146,484	13,341,410
Facilities, acquisition and construction	-	-	219,573	541,222	-	760,795
Total expenditures	6,523,419	1,885,540	235,316	17,344,991	13,158,846	39,148,112
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES						
	(76,521)	77,371	(75,952)	-	(266,828)	(341,930)
OTHER FINANCING SOURCES (USES):						
Transfers in	-	4,600	-	-	-	4,600
Transfers out	-	-	-	-	(4,600)	(4,600)
TOTAL OTHER FINANCING SOURCES (USES)	-	4,600	-	-	(4,600)	-
NET CHANGE IN FUND BALANCES						
	(76,521)	81,971	(75,952)	-	(271,428)	(341,930)
FUND BALANCE, July 1, 2014	2,943,385	588,877	707,232	-	3,378,433	7,617,927
FUND BALANCE, June 30, 2015	\$ 2,866,864	\$ 670,848	\$ 631,280	\$ -	\$ 3,107,005	\$ 7,275,997

**BEAVERTON SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
STUDENT BODY FUND
YEAR ENDED JUNE 30, 2015**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
REVENUES:				
Extracurricular activities	\$ 8,700,000	\$ 8,700,000	\$ 6,446,898	\$ (2,253,102)
EXPENDITURES:				
Instruction	10,700,000	10,700,000	6,523,419	4,176,581
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>(76,521)</u>	<u>1,923,479</u>
NET CHANGE IN FUND BALANCE	(2,000,000)	(2,000,000)	(76,521)	1,923,479
FUND BALANCE, July 1, 2014	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,943,385</u>	<u>943,385</u>
FUND BALANCE, June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,866,864</u>	<u>\$ 2,866,864</u>

**BEAVERTON SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
SPECIAL PURPOSE FUND
YEAR ENDED JUNE 30, 2015**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
REVENUES:				
State and local sources	\$ -	\$ -	\$ 1,500	\$ 1,500
Investment earnings	2,000	2,000	-	(2,000)
Contributions and donations	2,443,493	2,443,493	1,339,805	(1,103,688)
Other	2,200,000	2,200,000	621,606	(1,578,394)
Total revenues	<u>4,645,493</u>	<u>4,645,493</u>	<u>1,962,911</u>	<u>(2,682,582)</u>
EXPENDITURES:				
Instruction	2,599,036	2,599,036	1,465,867	1,133,169
Support services	841,457	841,457	413,637	427,820
Enterprise and community services	195,000	195,000	6,036	188,964
Facilities acquisition and construction	1,500,000	1,500,000	-	1,500,000
Total expenditures	<u>5,135,493</u>	<u>5,135,493</u>	<u>1,885,540</u>	<u>3,249,953</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(490,000)</u>	<u>(490,000)</u>	<u>77,371</u>	<u>567,371</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	<u>60,000</u>	<u>60,000</u>	<u>4,600</u>	<u>(55,400)</u>
NET CHANGE IN FUND BALANCE	<u>(430,000)</u>	<u>(430,000)</u>	<u>81,971</u>	<u>511,971</u>
FUND BALANCE, July 1, 2014	<u>430,000</u>	<u>430,000</u>	<u>588,877</u>	<u>158,877</u>
FUND BALANCE, June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 670,848</u>	<u>\$ 670,848</u>

**BEAVERTON SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
CATEGORICAL FUND
YEAR ENDED JUNE 30, 2015**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
REVENUES:				
Investment earnings	\$ 25,000	\$ 25,000	\$ 11,909	\$ (13,091)
Contributions and donations	200,000	200,000	147,455	(52,545)
Total revenues	225,000	225,000	159,364	(65,636)
EXPENDITURES:				
Support services	50,000	50,000	15,743	34,257
Facilities acquisition and construction	825,000	825,000	219,573	605,427
Total expenditures	875,000	875,000	235,316	639,684
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(650,000)	(650,000)	(75,952)	574,048
NET CHANGE IN FUND BALANCE	(650,000)	(650,000)	(75,952)	574,048
FUND BALANCE, July 1, 2014	650,000	650,000	707,232	57,232
FUND BALANCE, June 30, 2015	\$ -	\$ -	\$ 631,280	\$ 631,280

**BEAVERTON SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
GRANT FUND
YEAR ENDED JUNE 30, 2015**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
REVENUES:				
State and local sources	\$ 598,126	\$ 598,126	\$ 1,104,675	\$ 506,549
Federal sources	24,627,832	24,627,832	15,797,793	(8,830,039)
Contributions and donations	1,163,536	1,163,536	442,523	(721,013)
Total revenues	<u>26,389,494</u>	<u>26,389,494</u>	<u>17,344,991</u>	<u>(9,044,503)</u>
EXPENDITURES:				
Instruction	13,512,107	13,512,107	11,269,906	2,242,201
Support services	10,447,270	10,447,270	5,344,973	5,102,297
Enterprise and community services	582,817	582,817	188,890	393,927
Facilities acquisition and construction	1,847,300	1,847,300	541,222	1,306,078
Total expenditures	<u>26,389,494</u>	<u>26,389,494</u>	<u>17,344,991</u>	<u>9,044,503</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, July 1, 2014	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**BEAVERTON SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
NUTRITION SERVICES FUND
YEAR ENDED JUNE 30, 2015**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
REVENUES:				
State and local sources	\$ 219,867	\$ 219,867	\$ 156,832	\$ (63,035)
Federal sources	9,887,865	9,887,865	8,534,126	(1,353,739)
Charges for services	5,804,279	5,804,279	4,188,510	(1,615,769)
Rentals	-	-	1,692	1,692
Investment earnings	27,685	27,685	10,858	(16,827)
Total revenues	<u>15,939,696</u>	<u>15,939,696</u>	<u>12,892,018</u>	<u>(3,047,678)</u>
EXPENDITURES:				
Support services	13,027	13,027	12,362	665
Enterprise and community services	17,199,705	17,199,705	13,146,484	4,053,221
Contingencies	670,140	670,140	-	670,140
Total expenditures	<u>17,882,872</u>	<u>17,882,872</u>	<u>13,158,846</u>	<u>4,724,026</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,943,176)</u>	<u>(1,943,176)</u>	<u>(266,828)</u>	<u>1,676,348</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(60,000)</u>	<u>(60,000)</u>	<u>(4,600)</u>	<u>55,400</u>
NET CHANGE IN FUND BALANCE	<u>(2,003,176)</u>	<u>(2,003,176)</u>	<u>(271,428)</u>	<u>1,731,748</u>
FUND BALANCE, July 1, 2014	<u>2,003,176</u>	<u>2,003,176</u>	<u>3,378,433</u>	<u>1,375,257</u>
FUND BALANCE, June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,107,005</u>	<u>\$ 3,107,005</u>



INTERNAL SERVICE FUNDS

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

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

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



**BEAVERTON SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2015**

	<u>Insurance Reserve</u>	<u>Workers' Compensation</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 4,503,900	\$ 2,867,081	\$ 7,370,981
Receivables	116,994	-	116,994
Due from other funds	111,265	161,965	273,230
TOTAL ASSETS	<u>4,732,159</u>	<u>3,029,046</u>	<u>7,761,205</u>
LIABILITIES			
Current liabilities:			
Accounts payable	81,491	58,265	139,756
Accrued claims losses	536,000	1,406,000	1,942,000
Accrued salaries and benefits	494	13,934	14,428
Due to other funds	42	394	436
TOTAL LIABILITIES	<u>618,027</u>	<u>1,478,593</u>	<u>2,096,620</u>
NET POSITION			
Unrestricted	<u>4,114,132</u>	<u>1,550,453</u>	<u>5,664,585</u>
TOTAL NET POSITION	<u>\$ 4,114,132</u>	<u>\$ 1,550,453</u>	<u>\$ 5,664,585</u>

**BEAVERTON SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2015**

	Insurance Reserve	Workers' Compensation	Total
OPERATING REVENUES:			
State and local sources	\$ -	\$ 17,614	\$ 17,614
Services to other funds	1,586,295	2,176,447	3,762,742
Recovery of prior years' expenditures	120,541	37,600	158,141
Other	63,256	-	63,256
TOTAL OPERATING REVENUES	<u>1,770,092</u>	<u>2,231,661</u>	<u>4,001,753</u>
OPERATING EXPENSES:			
Losses and claims	337,019	1,050,183	1,387,202
Insurance premiums and assessments	1,701,419	94,360	1,795,779
Salaries and benefits	526,841	370,856	897,697
Services, supplies and materials	312,789	107,972	420,761
TOTAL OPERATING EXPENSES	<u>2,878,068</u>	<u>1,623,371</u>	<u>4,501,439</u>
OPERATING INCOME (LOSS)	(1,107,976)	608,290	(499,686)
NONOPERATING REVENUE:			
Investment earnings	18,699	10,638	29,337
INCOME (LOSS) BEFORE TRANSFERS	(1,089,277)	618,928	(470,349)
TRANSFERS:			
Transfers in	2,230,000	-	2,230,000
CHANGE IN NET POSITION	1,140,723	618,928	1,759,651
NET POSITION, July 1, 2014	<u>2,973,409</u>	<u>931,525</u>	<u>3,904,934</u>
NET POSITION, June 30, 2015	<u>\$ 4,114,132</u>	<u>\$ 1,550,453</u>	<u>\$ 5,664,585</u>

**BEAVERTON SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2015**

	Insurance Reserve	Workers' Compensation	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Received for services	\$ -	\$ 17,614	\$ 17,614
Received from interfund services provided	1,532,653	2,186,612	3,719,265
Received from recovery of prior years' expenditures	120,541	37,600	158,141
Paid for goods and services	(2,027,867)	(144,992)	(2,172,859)
Paid to claimants	(336,525)	(1,046,161)	(1,382,686)
Paid to employees	(503,841)	(312,856)	(816,697)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(1,215,039)	737,817	(477,222)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfer from other funds	2,230,000	-	2,230,000
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	18,699	10,638	29,337
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,033,660	748,455	1,782,115
CASH AND CASH EQUIVALENTS, July 1, 2014	3,470,240	2,118,626	5,588,866
CASH AND CASH EQUIVALENTS, June 30, 2015	\$ 4,503,900	\$ 2,867,081	\$ 7,370,981
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (1,107,976)	\$ 608,290	\$ (499,686)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Changes in assets and liabilities			
Receivables	(107,377)	46,052	(61,325)
Due from other funds	(9,563)	(35,770)	(45,333)
Accounts payable	(13,659)	57,340	43,681
Accrued claims losses	23,000	58,000	81,000
Accrued salaries and benefits	494	4,022	4,516
Due to other funds	42	(117)	(75)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (1,215,039)	\$ 737,817	\$ (477,222)

**BEAVERTON SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
INSURANCE RESERVE FUND
YEAR ENDED JUNE 30, 2015**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
REVENUES:				
Investment earnings	\$ 10,000	\$ 10,000	\$ 18,699	\$ 8,699
Services to other funds	1,505,959	1,505,959	1,586,295	80,336
Recovery of prior years' expenditures	100,000	100,000	120,541	20,541
Other	36,838	36,838	63,256	26,418
Total revenues	1,652,797	1,652,797	1,788,791	135,994
EXPENDITURES:				
Instruction	52,020	52,020	258	51,762
Support services	4,753,385	4,753,385	2,877,810	1,875,575
Facilities acquisition and construction	260,308	260,308	-	260,308
Contingencies	722,084	722,084	-	722,084
Total expenditures	5,787,797	5,787,797	2,878,068	2,909,729
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,135,000)	(4,135,000)	(1,089,277)	3,045,723
OTHER FINANCING SOURCES (USES):				
Transfers in	2,235,000	2,235,000	2,230,000	(5,000)
NET CHANGE IN FUND BALANCE	(1,900,000)	(1,900,000)	1,140,723	3,040,723
FUND BALANCE, July 1, 2014	1,900,000	1,900,000	2,973,409	1,073,409
FUND BALANCE, June 30, 2015	\$ -	\$ -	\$ 4,114,132	\$ 4,114,132

**BEAVERTON SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
WORKERS' COMPENSATION FUND
YEAR ENDED JUNE 30, 2015**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
REVENUES:				
State and local sources	\$ -	\$ -	\$ 17,614	\$ 17,614
Investment earnings	5,000	5,000	10,638	5,638
Services to other funds	2,147,257	2,147,257	2,176,447	29,190
Recovery of prior years' expenditures	100,000	100,000	37,600	(62,400)
Other	5,000	5,000	-	(5,000)
Total revenues	<u>2,257,257</u>	<u>2,257,257</u>	<u>2,242,299</u>	<u>(14,958)</u>
EXPENDITURES:				
Support services	2,055,503	2,055,503	1,623,371	432,132
Contingencies	561,754	561,754	-	561,754
Total expenditures	<u>2,617,257</u>	<u>2,617,257</u>	<u>1,623,371</u>	<u>993,886</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(360,000)</u>	<u>(360,000)</u>	<u>618,928</u>	<u>978,928</u>
NET CHANGE IN FUND BALANCE	<u>(360,000)</u>	<u>(360,000)</u>	<u>618,928</u>	<u>978,928</u>
FUND BALANCE, July 1, 2014	<u>360,000</u>	<u>360,000</u>	<u>931,525</u>	<u>571,525</u>
FUND BALANCE, June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,550,453</u>	<u>\$ 1,550,453</u>



FIDUCIARY FUND

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

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



**BEAVERTON SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (NON-GAAP BASIS) AND ACTUAL
PRIVATE PURPOSE TRUST FUND
YEAR ENDED JUNE 30, 2015**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
REVENUES:				
Investment earnings	\$ -	\$ -	\$ 967	\$ 967
Contributions and donations	100,000	100,000	77,190	(22,810)
Total revenues	100,000	100,000	78,157	(21,843)
EXPENDITURES:				
Enterprise and community services	400,000	400,000	82,183	317,817
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(300,000)	(300,000)	(4,026)	295,974
NET CHANGE IN FUND BALANCE	(300,000)	(300,000)	(4,026)	295,974
FUND BALANCE, July 1, 2014	300,000	300,000	264,362	(35,638)
FUND BALANCE, June 30, 2015	\$ -	\$ -	\$ 260,336	\$ 260,336
RECONCILIATION TO GAAP BASIS:				
FUND BALANCE, June 30, 2015			\$ 260,336	
Scholarships payable			(33,000)	
NET POSITION, June 30, 2015			\$ 227,336	



OTHER FINANCIAL SCHEDULES



**BEAVERTON SCHOOL DISTRICT
REVENUE SUMMARY - ALL FUNDS
YEAR ENDED JUNE 30, 2015**

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 600	Fund 700	Total
Local Sources							
1111 Current year taxes	\$ 113,229,552	\$ -	\$ 50,616,671	\$ -	\$ -	\$ -	\$ 163,846,223
1112 Prior year taxes	1,894,952	-	818,208	-	-	-	2,653,160
1114 Payments in lieu of property taxes	16,297	-	6,050	-	-	-	22,347
1121 Current year local option levy	24,072,347	-	-	-	-	-	24,072,347
1122 Prior year local option levy	141,584	-	-	-	-	-	141,584
1130 Construction excise tax	-	-	-	2,997,116	-	-	2,997,116
1300 Tuition	2,015,246	-	-	-	-	-	2,015,246
1410 Fees - transportation	249,986	-	-	-	-	-	249,986
1500 Earnings on Investments	458,367	26,522	81,253	1,946,247	29,338	967	2,542,694
1600 Food service sales	-	4,188,510	-	-	-	-	4,188,510
1710 Admissions	276,776	-	-	-	-	-	276,776
1740 Fees - district events	1,478,366	-	-	-	-	-	1,478,366
1760 Fund raising	-	408,417	-	-	-	-	408,417
1790 Extracurricular activities	-	6,446,898	-	-	-	-	6,446,898
1910 Rentals	600,830	1,692	-	26,790	-	-	629,312
1920 Contributions	10,886	1,929,782	-	496,584	-	77,190	2,514,442
1960 Recovery of prior years' expenditures	33,772	-	-	1,934,109	158,141	-	2,126,022
1970 Services to other funds	-	-	15,993,367	-	3,762,742	-	19,756,109
1980 Fees charged to grants	516,303	-	-	-	-	-	516,303
1990 Miscellaneous	1,096,434	213,190	-	455	63,255	-	1,373,334
1994 Third party billing	98,649	-	-	-	-	-	98,649
Total local sources	146,130,347	13,215,011	67,515,549	7,401,301	4,013,476	78,157	238,353,841
Intermediate Sources							
2101 County school fund	1,084,916	-	-	-	-	-	1,084,916
2102 ESD apportionment	9,706,441	-	-	-	-	-	9,706,441
2199 Other intermediate sources	3,679,017	-	-	-	-	-	3,679,017
2200 Restricted revenue	-	276,202	-	-	-	-	276,202
Total intermediate sources	14,470,374	276,202	-	-	-	-	14,746,576
State Sources							
3101 State school fund	216,460,563	-	-	-	-	-	216,460,563
3102 State school fund match	-	124,970	-	-	-	-	124,970
3103 Common school fund	3,796,074	-	-	-	-	-	3,796,074
3199 Other unrestricted grants-in-aid	1,156,240	1,500	-	-	17,614	-	1,175,354
3299 Other restricted grants-in-aid	-	860,335	-	-	-	-	860,335
Total state sources	221,412,877	986,805	-	-	17,614	-	222,417,296

**BEAVERTON SCHOOL DISTRICT
REVENUE SUMMARY - ALL FUNDS (Continued)
YEAR ENDED JUNE 30, 2015**

	Fund 100	Fund 200	Fund 300	Fund 400	Fund 600	Fund 700	Total
Federal Sources							
4300 Restricted direct from federal	-	1,042,729	-	-	-	-	1,042,729
4500 Restricted through state	-	22,503,519	-	-	-	-	22,503,519
4700 Federal grants	-	108,000	-	-	-	-	108,000
4910 Commodities	-	677,671	-	-	-	-	677,671
Total federal sources	-	24,331,919	-	-	-	-	24,331,919
Other Sources							
5110 Proceeds from the sale of bonds	-	-	79,220,000	382,148,784	-	-	461,368,784
5120 Proceeds from bond premium	-	-	-	63,295,961	-	-	63,295,961
5200 Transfers in	-	1,256,261	1,864,791	-	2,230,000	-	5,351,052
5300 Sale/compensation for loss of capital assets	-	-	-	200	-	-	200
Total other sources	-	1,256,261	81,084,791	445,444,945	2,230,000	-	530,015,997
TOTAL REVENUES	\$ 382,013,598	\$ 40,066,198	\$ 148,600,340	\$ 452,846,246	\$ 6,261,090	\$ 78,157	\$ 1,029,865,629

BEAVERTON SCHOOL DISTRICT
GENERAL FUND (100) EXPENDITURE SUMMARY
YEAR ENDED JUNE 30, 2015

Instruction	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	Total
1110 Elementary programs	\$ 53,958,603	\$ 29,650,297	\$ 113,947	\$ 1,502,085	\$ 546	\$ 1,141	\$ -	\$ 85,226,619
1120 Middle school programs	23,971,163	12,893,118	56,376	1,043,423	-	553	-	37,964,633
1130 High school programs	33,353,822	17,323,169	868,417	1,234,819	6,612	42,417	-	52,829,256
1210 Talented and gifted programs	200,650	66,818	19,104	92,829	-	2,771	-	382,172
1220 Restrictive programs	10,015,996	7,601,179	1,372,415	70,822	-	40	-	19,060,452
1250 Resource rooms	6,689,948	3,665,444	-	-	-	-	-	10,355,392
1280 Alternative education	1,636,043	919,852	3,471,228	271,844	-	1,482	-	6,300,449
1290 Designated programs	12,622,963	6,967,038	567,560	120,006	-	120,348	-	20,397,915
1410 Summer school - elementary school	8,364	2,560	1,643	3,110	-	-	-	15,677
1420 Summer school - middle school	72,953	21,727	24,503	6,666	-	96	-	125,945
1430 Summer school - high school	309,706	93,514	16,855	5,764	-	-	-	425,839
1460 Summer school programs	81,940	24,150	8,214	543	-	-	-	114,847
1490 Other summer school	84	26	1,011	67	-	-	-	1,188
Total instruction	142,922,235	79,228,892	6,521,273	4,351,978	7,158	168,848	-	233,200,384
Support services								
2110 Attendance and social work services	1,081,890	988,073	68,376	32,470	572	1,050	-	2,172,431
2120 Guidance services	6,908,629	3,924,433	38,894	47,923	-	573	-	10,920,452
2130 Health services	1,122,496	668,731	10,720	14,401	7,800	-	-	1,824,148
2140 Psychological services	2,019,860	1,065,874	5,435	19,723	-	-	-	3,110,892
2150 Speech pathology and audiology services	2,593,154	1,367,791	21,925	16,906	-	3,375	-	4,003,151
2190 Service direction - student support services	1,910,784	996,456	261,327	475,795	-	12,922	-	3,657,284
2210 Improvement of instruction services	1,454,310	664,959	82,789	56,817	-	75,527	-	2,334,402
2220 Educational media services	2,186,117	1,523,090	48,033	424,436	-	60	-	4,181,736
2230 Assessment and testing	256,047	193,394	3,859	248,445	-	-	-	701,745
2240 Instructional staff development	983,118	955,849	301,337	192,367	-	102,161	-	2,534,832
2310 Board of education services	-	-	156,007	8,100	-	20,116	-	184,223
2320 Executive administration services	768,307	415,329	167,472	101,333	-	20,239	-	1,472,680
2410 Office of the principal services	14,439,090	8,809,454	62,672	191,505	-	6,672	-	23,509,393
2490 Other support services - school administration	1,329,706	706,153	26,231	8,606	-	-	-	2,070,696
2510 Direction of business support services	181,788	101,445	7,411	17,990	-	6,082	-	314,716
2520 Fiscal services	990,867	551,268	184,390	18,069	-	27,397	-	1,771,991
2540 Operation and maintenance of plant services	9,865,449	6,438,472	8,075,102	1,679,541	165,183	8,124	-	26,231,871
2550 Student transportation services	8,183,291	6,672,683	212,691	1,787,649	37,837	4,343	-	16,898,494
2570 Internal services	361,026	224,921	723,040	72,131	1,272	1,154	-	1,383,544
2620 Planning and development services	262,293	137,856	9,358	490	-	-	-	409,997
2630 Information services	370,224	210,180	11,099	34,882	-	1,638	-	628,023
2640 Staff services	1,287,867	687,541	162,242	91,806	-	2,374	-	2,231,830
2660 Technology services	3,231,242	1,796,291	1,249,321	1,960,910	88,565	1,523	-	8,327,852
Total support services	61,787,555	39,100,243	11,889,731	7,502,295	301,229	295,330	-	120,876,383

**BEAVERTON SCHOOL DISTRICT
GENERAL FUND (100) EXPENDITURE SUMMARY (Continued)
YEAR ENDED JUNE 30, 2015**

	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	Total
Other uses								
5200 Transfers of funds	-	-	-	-	-	-	3,882,439	3,882,439
Total other uses	-	-	-	-	-	-	3,882,439	3,882,439
TOTAL EXPENDITURES	\$ 204,709,790	\$ 118,329,135	\$ 18,411,004	\$ 11,854,273	\$ 308,387	\$ 464,178	\$ 3,882,439	\$ 357,959,206

BEAVERTON SCHOOL DISTRICT
SPECIAL REVENUE FUNDS (200) EXPENDITURE SUMMARY
YEAR ENDED JUNE 30, 2015

Instruction	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	Total
1110 Elementary programs	\$ 49,122	\$ 12,888	\$ 154,327	\$ 1,061,422	\$ 37,359	\$ 100	\$ -	\$ 1,315,218
1120 Middle school programs	55,087	14,124	84,754	794,268	-	304	-	948,557
1130 High school programs	197,646	47,549	213,382	5,513,002	22,524	21,330	-	6,015,433
1220 Restrictive programs	1,643,785	975,545	433,105	19,542	-	-	-	3,071,977
1250 Resource rooms	598,801	322,545	-	-	-	-	-	921,346
1270 Educationally disadvantaged	3,283,825	1,896,800	197,555	434,812	-	149	-	5,813,141
1280 Alternative education	4,470	1,002	17,024	8,539	-	-	-	31,035
1290 Designated programs	189,689	82,999	196,120	232,381	-	623	-	701,812
1410 Summer school - elementary school	31,436	9,648	-	-	-	-	-	41,084
1430 Summer School - high school	7,037	1,733	-	-	-	-	-	8,770
1460 Special programs summer school	18,507	5,569	-	-	-	-	-	24,076
1490 Other summer school	243,263	72,127	37,246	14,128	-	-	-	366,764
Total instruction	6,322,668	3,442,529	1,333,513	8,078,094	59,883	22,506	-	19,259,193
Support services								
2110 Attendance and social work services	209,200	109,647	18,666	10,999	-	50	-	348,562
2120 Guidance services	26,067	12,963	-	1,208	-	-	-	40,238
2130 Health services	18,767	17,182	166	862	-	-	-	36,977
2140 Psychological services	70,800	39,870	-	-	-	-	-	110,670
2150 Speech pathology and audiology services	690,422	377,205	-	-	-	-	-	1,067,627
2190 Service direction - student support services	260,532	132,933	207,990	359	-	-	-	601,814
2210 Improvement of instruction services	321,981	121,536	581,177	16,806	-	-	-	1,041,500
2220 Educational media services	-	-	25,000	26,840	-	-	-	51,840
2230 Assessment and testing	-	-	72,773	29,653	-	-	-	102,426
2240 Instructional staff development	997,673	395,843	153,776	33,946	-	-	-	1,581,238
2320 Executive administration services	-	-	926	56	-	-	-	982
2410 Office of the principal services	-	-	4,648	4,060	500	99	-	9,307
2520 Fiscal services	8,235	4,126	-	-	-	516,303	-	528,664
2540 Operation and maintenance of plant services	-	-	4,171	14,782	23,277	-	-	42,230
2550 Student transportation services	-	-	41,137	15,469	-	1,175	-	57,781
2570 Internal services	-	-	134,788	1,565	18,367	-	-	154,720
2630 Information services	-	-	-	7,903	-	-	-	7,903
2640 Staff services	135,066	62,075	-	-	-	332	-	197,473
2660 Technology services	228	72	57,883	47,628	-	-	-	105,811
2700 Supplemental retirement program	95,400	49,763	-	-	-	-	-	145,163
Total support services	2,834,371	1,323,215	1,303,101	212,136	42,144	517,959	-	6,232,926

**BEAVERTON SCHOOL DISTRICT
SPECIAL REVENUE FUNDS (200) EXPENDITURE SUMMARY (Continued)
YEAR ENDED JUNE 30, 2015**

	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	Total
Enterprise and community services								
3110 Service area direction	791,037	442,854	16,761	683,519	-	1,481	-	1,935,652
3120 Food preparation and dispensing services	3,046,121	2,446,095	84,026	5,416,470	-	152	-	10,992,864
3140 Food services - summer school	130,923	37,919	14,297	154,291	-	-	-	337,430
3190 Other food services	-	-	-	11,855	-	-	-	11,855
3360 Welfare activities services	14,573	1,740	-	1,281	-	-	-	17,594
3370 Nonpublic school students	25,699	14,430	-	-	-	-	-	40,129
3390 Other community services	1,285	416	1,668	891	-	1,625	-	5,885
Total enterprise and community services	4,009,638	2,943,454	116,752	6,268,307	-	3,258	-	13,341,409
Facilities acquisition and construction								
4150 Building acquisition, construction and improvement services	6,901	3,398	87,615	1,176	646,217	15,487	-	760,794
Total facilities acquisition and construction	6,901	3,398	87,615	1,176	646,217	15,487	-	760,794
Other uses								
5200 Transfers of funds	-	-	-	-	-	-	4,600	4,600
Total other uses	-	-	-	-	-	-	4,600	4,600
TOTAL EXPENDITURES	\$ 13,173,578	\$ 7,712,596	\$ 2,840,981	\$ 14,559,713	\$ 748,244	\$ 559,210	\$ 4,600	\$ 39,598,922

**BEAVERTON SCHOOL DISTRICT
DEBT SERVICE FUND (300) EXPENDITURE SUMMARY
YEAR ENDED JUNE 30, 2015**

	Object 300	Object 600	Total
Other uses			
5110 Debt Service	\$ -	\$ 67,418,712	\$ 67,418,712
5400 PERSONAL bond lump sum	544,615	78,670,639	79,215,254
Total other uses	544,615	146,089,351	146,633,966
TOTAL EXPENDITURES	<u>\$ 544,615</u>	<u>\$ 146,089,351</u>	<u>\$ 146,633,966</u>

**BEAVERTON SCHOOL DISTRICT
CAPITAL PROJECTS FUND (400) EXPENDITURE SUMMARY
YEAR ENDED JUNE 30, 2015**

	Object 100	Object 200	Object 300	Object 400	Object 500	Object 600	Object 700	Total
Support services								
2510 Fiscal services	\$ -	\$ -	\$ 2,025,635	\$ -	\$ -	\$ -	\$ -	\$ 2,025,635
2550 Student transportation services	-	-	113	-	2,853,368	-	-	2,853,481
2570 Internal services	-	-	3,434	-	-	-	-	3,434
Total support services	-	-	2,029,182	-	2,853,368	-	-	4,882,550
Facilities acquisition and construction								
4110 Service area direction	1,347,697	642,265	687,933	310,643	73,582	3,870,197	-	6,932,317
4150 Building acquisition, construction and improvement services	-	-	9,150,290	498,709	15,880,433	919,664	-	26,449,096
4180 Other capital items	105,452	39,573	383,462	7,220,389	698,892	1,500	-	8,449,268
Total facilities acquisition and construction	1,453,149	681,838	10,221,685	8,029,741	16,652,907	4,791,361	-	41,830,681
Other uses								
5200 Transfers of funds	-	-	-	-	-	-	1,464,013	1,464,013
Total other uses	-	-	-	-	-	-	1,464,013	1,464,013
TOTAL EXPENDITURES	\$ 1,453,149	\$ 681,838	\$ 12,250,867	\$ 8,029,741	\$ 19,506,275	\$ 4,791,361	\$ 1,464,013	\$ 48,177,244

**BEAVERTON SCHOOL DISTRICT
INTERNAL SERVICE FUND (600) EXPENDITURE SUMMARY
YEAR ENDED JUNE 30, 2015**

Instruction	Object 100	Object 200	Object 300	Object 400	Object 600	Total
1120 Middle school programs	\$ 190	\$ 68	-	-	-	\$ 258
Total instruction	190	68	-	-	-	258
Support services						
2320 Executive administration services	53,104	22,874	35,885	2,864	-	114,727
2640 Staff services	131,467	76,357	61,324	-	55,470	324,618
2690 Other support services	423,709	189,928	243,269	77,419	3,127,511	4,061,836
Total support services	608,280	289,159	340,478	80,283	3,182,981	4,501,181
TOTAL EXPENDITURES	\$ 608,470	\$ 289,227	\$ 340,478	\$ 80,283	\$ 3,182,981	\$ 4,501,439

BEAVERTON SCHOOL DISTRICT
 FIDUCIARY FUND (700) EXPENDITURE SUMMARY (NON-GAAP BASIS)
 YEAR ENDED JUNE 30, 2015

	Object 300	Object 400	Total
Enterprise and community services			
3390 Other community services	\$ 60,500	\$ 21,683	\$ 82,183
Total enterprise and community services	60,500	21,683	82,183
TOTAL EXPENDITURES	\$ 60,500	\$ 21,683	\$ 82,183

**BEAVERTON SCHOOL DISTRICT
SCHEDULE OF PROPERTY TAX TRANSACTIONS
YEAR ENDED JUNE 30, 2015**

	<u>Tax Year</u>	<u>Uncollected July 1, 2014</u>	<u>Levy as Extended by Assessor</u>	<u>Discounts Allowed</u>	<u>Interest</u>	<u>Adj.</u>	<u>Collections</u>	<u>Uncollected June 30, 2015</u>
GENERAL FUND								
Current	2014-15	\$ -	\$ 142,693,150	\$ (3,774,748)	\$ 35,372	\$ (139,148)	\$ (136,408,519)	\$ 2,406,107
Prior	2013-14	2,631,706	-	(4,891)	78,377	(36,030)	(1,463,022)	1,206,140
	2012-13	1,102,879	-	(1,443)	50,342	(62,881)	(348,707)	740,190
	2011-12	800,937	-	(1,230)	77,523	(108,838)	(322,629)	445,763
	2010-11	554,288	-	(1,077)	36,485	(112,476)	(107,873)	369,347
	2009-10	389,967	-	9	11,129	(8,066)	(33,759)	359,280
	2008-09 & prior	73,924	-	4	17,925	(1,719)	(41,205)	48,929
	Rounding adj.	-	-	-	-	(71)	71	-
Total prior		5,553,701	-	(8,628)	271,781	(330,081)	(2,317,124)	3,169,649
TOTAL GENERAL FUND		\$ 5,553,701	\$ 142,693,150	\$ (3,783,376)	\$ 307,153	\$ (469,229)	\$ (138,725,643)	\$ 5,575,756
DEBT SERVICE FUND								
Current	2014-15	\$ -	\$ 52,600,937	\$ (1,391,484)	\$ 13,039	\$ (51,294)	\$ (50,284,235)	\$ 886,963
Prior	2013-14	1,009,016	-	(1,875)	30,050	(13,814)	(560,933)	462,444
	2012-13	490,359	-	(641)	22,383	(27,958)	(155,041)	329,102
	2011-12	369,954	-	(568)	35,808	(50,272)	(149,023)	205,899
	2010-11	247,241	-	(481)	16,274	(50,170)	(48,117)	164,747
	2009-10	181,894	-	4	5,191	(3,762)	(15,746)	167,581
	2008-09 & prior	31,164	-	1	7,143	(2,388)	(16,422)	19,498
	Rounding adj.	-	-	-	-	126	(126)	-
Total prior		2,329,628	-	(3,560)	116,849	(148,238)	(945,408)	1,349,271
TOTAL DEBT SERVICE FUND		\$ 2,329,628	\$ 52,600,937	\$ (1,395,044)	\$ 129,888	\$ (199,532)	\$ (51,229,643)	\$ 2,236,234

**BEAVERTON SCHOOL DISTRICT
 SUPPLEMENTAL INFORMATION AS REQUIRED
 BY THE OREGON DEPARTMENT OF EDUCATION
 YEAR ENDED JUNE 30, 2015**

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

	Objects 325 & 326
Function 2540	\$ 4,222,361
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

\$ 32,058

STATISTICAL SECTION



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Statistical Section

STATISTICAL SECTION OVERVIEW

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.	121
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.	128
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.	132
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.	135
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.	137

Sources: The information in these schedules is derived from the comprehensive annual financial reports for fiscal years ended June 30, 2006-15, unless otherwise noted. Beaverton School District implemented GASB Statement 44 in fiscal year 2006 and implemented GASB Statement 63 in Fiscal Year 2013.



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

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental activities										
Net investment in capital assets	\$ 263,555,013	\$ 251,817,765	\$ 218,858,636	\$ 210,353,998	\$ 188,502,503	\$ 168,112,175	\$ 152,810,342	\$ 129,859,453	\$ 113,625,361	\$ 95,062,500
Restricted	4,930,638	5,266,089	5,322,870	6,435,958	5,433,174	7,007,695	2,403,428	5,934,773	5,877,081	6,562,852
Unrestricted	(119,174,972)	1,484,312	(20,953,952)	(12,888,743)	5,544,039	17,131,784	15,908,625	23,913,941	39,758,965	52,748,376
Total primary government net position	\$ 149,310,679	\$ 258,568,166	\$ 203,227,554	\$ 203,901,213	\$ 199,479,716	\$ 192,251,654	\$ 171,122,395	\$ 159,708,167	\$ 159,261,407	\$ 154,373,728

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

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

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses										
Governmental activities:										
Regular programs	\$ 151,695,546	\$ 171,453,815	\$ 155,558,206	\$ 165,967,152	\$ 155,823,545	\$ 147,327,559	\$ 140,652,507	\$ 139,998,945	\$ 131,244,534	\$ 127,935,548
Special programs	52,710,940	62,155,870	61,313,169	58,727,067	58,135,083	55,074,926	52,117,226	53,781,655	46,411,445	43,377,052
Summer school programs	823,881	746,800	361,380	424,405	462,055	321,879	779,413	705,112	449,093	343,300
Students support services	21,318,056	25,864,345	24,276,743	25,290,719	24,318,965	23,424,865	22,610,312	22,499,120	19,532,229	17,613,338
Instructional staff support	10,122,238	10,435,278	9,523,879	14,046,573	16,324,138	15,908,765	20,347,527	19,634,716	19,224,287	15,404,364
General administration support	1,453,617	1,560,440	1,452,533	1,453,474	1,527,173	1,563,192	1,832,985	1,424,567	1,368,558	1,356,456
School administration	19,465,092	24,474,041	23,328,668	22,895,754	22,373,286	22,098,423	23,114,665	23,208,163	21,364,187	18,740,016
Business support services	41,631,222	46,057,995	44,054,090	43,878,022	44,761,271	45,919,247	45,243,492	44,903,541	39,716,079	37,829,661
Central activities support	13,373,047	16,829,201	15,898,939	15,304,425	16,137,172	14,583,749	14,509,009	14,976,455	12,136,465	11,531,533
Supplemental retirement	100,893	796,395	1,364,077	712,529	85,307	82,494	179,037	-	487,566	1,366,735
Nutrition services	11,736,797	12,763,646	12,801,512	12,620,976	12,590,877	12,178,818	11,898,361	11,984,452	10,878,879	10,171,307
Community services	47,469	138,592	128,385	67,660	140,908	120,909	130,491	112,324	106,333	139,645
Custody and care of children services	-	-	-	37,544	37,083	90,857	86,772	87,337	80,725	79,169
Facilities Services	-	-	-	-	1,332,465	1,100,757	585,880	-	-	-
Interest on long-term debt	34,413,599	16,163,540	35,719,584	24,764,671	24,552,195	26,185,245	24,991,499	25,316,093	22,701,185	23,267,733
Total primary government expenses	358,892,397	389,439,958	385,781,165	386,190,971	378,601,523	365,981,685	359,079,176	358,632,480	325,701,565	309,155,857
Program Revenues										
Governmental activities:										
Charges for services										
Instruction	10,217,286	10,098,793	10,003,939	9,571,654	9,341,231	8,222,022	1,014,574	1,108,135	1,361,346	1,085,648
Support services	877,606	904,645	878,076	821,016	841,385	1,405,269	1,791,522	1,083,008	624,570	89,677
Enterprise and community services	4,190,202	4,137,738	4,335,594	4,690,877	4,736,978	4,894,440	5,054,123	5,332,832	5,159,982	5,233,973
Operating grants and contributions	28,314,126	29,592,463	26,430,911	28,815,557	45,694,904	41,722,109	30,898,351	22,888,821	20,058,967	20,474,626
Capital grants and contributions	-	-	-	-	560,751	1,384,570	5,933,674	993,093	3,085,597	861,888
Total primary government program revenues	43,599,220	44,733,639	41,648,520	43,899,104	61,175,249	57,628,410	44,692,244	31,405,889	30,290,462	27,745,812
Net (Expense)/Revenue										
Total primary government net expense	\$ (315,293,177)	\$ (344,706,319)	\$ (344,132,645)	\$ (342,291,867)	\$ (317,426,274)	\$ (308,353,275)	\$ (314,386,932)	\$ (327,226,591)	\$ (295,411,103)	\$ (281,410,045)

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

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

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Net (Expense)/Revenue										
Total primary government net expense	\$ (315,293,177)	\$ (344,706,319)	\$ (344,132,645)	\$ (342,291,867)	\$ (317,426,274)	\$ (308,353,275)	\$ (314,386,932)	\$ (327,226,591)	\$ (295,411,103)	\$ (281,410,045)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes levied for general purposes	114,933,952	110,583,679	106,074,191	104,258,668	100,540,188	97,635,238	94,730,145	89,855,636	85,231,015	81,140,182
Local option taxes levied for general purposes	24,213,931	19,060,210	-	-	32	10,757	39,316	54,801	263,290	21,111,336
Property taxes levied for debt service	51,440,929	49,732,072	47,152,740	48,141,562	44,848,328	45,541,764	37,766,753	39,095,179	28,975,739	30,785,798
Construction excise tax	2,997,116	2,407,510	1,863,969	1,157,042	1,180,614	1,343,893	1,113,898	313,311	-	-
State school fund	216,460,563	199,569,316	172,475,674	167,737,344	157,658,272	164,168,392	171,866,019	173,257,834	162,075,476	141,588,593
Common school fund	3,796,074	3,537,242	3,655,130	3,262,020	3,419,944	3,487,822	2,833,379	3,757,889	3,247,263	2,877,013
Unrestricted state and local sources	15,770,697	12,110,552	8,490,373	17,833,330	11,638,640	9,902,461	12,158,536	10,433,342	7,932,886	6,894,581
Earnings on investments	2,541,728	517,574	503,144	617,642	790,559	614,622	3,444,218	9,631,356	1,424,131	6,320,153
Gain on sale of capital asset	200	767,803	-	-	-	-	-	-	-	-
Miscellaneous	4,114,307	1,760,973	3,243,765	3,705,756	4,577,759	4,737,257	1,848,896	1,274,003	11,148,982	4,099,523
Total primary government	436,269,497	400,046,931	343,458,986	346,713,364	324,654,336	327,442,206	325,801,160	327,673,351	300,298,782	294,817,179
Change in Net Position										
Total primary government	\$ 120,976,320	\$ 55,340,612	\$ (673,659)	\$ 4,421,497	\$ 7,228,062	\$ 19,088,931	\$ 11,414,228	\$ 446,760	\$ 4,887,679	\$ 13,407,134

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

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

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Fund										
Unreserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,182,975	\$ 9,708,337	\$ 16,311,004	\$ 26,750,246
Non-spendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	1,599,028	789,822	969,517	1,612,745	1,362,113	1,688,104	-	-	-	-
Unassigned	55,398,731	31,344,339	7,550,548	7,969,481	20,156,857	26,486,138	-	-	-	-
Total general fund	\$ 56,997,759	\$ 32,134,161	\$ 8,520,065	\$ 9,582,226	\$ 21,518,970	\$ 26,486,138	\$ 17,182,975	\$ 9,708,337	\$ 16,311,004	\$ 26,750,246
All Other Governmental Funds										
Reserved for inventories	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 211,032
Unreserved, reported in:										
Debt service fund	-	-	-	-	-	-	2,403,428	5,934,773	5,877,081	6,562,852
Capital projects funds	-	-	-	-	-	-	72,864,172	80,339,282	150,332,989	13,016,390
Special revenue funds	-	-	-	-	-	-	13,812,287	20,345,523	26,640,016	23,150,903
Non-spendable	290,613	391,594	346,922	363,240	395,505	383,175	-	-	-	-
Restricted	411,190,925	4,679,163	15,246,617	21,458,042	23,776,761	36,964,939	-	-	-	-
Committed	9,390,147	9,507,482	8,485,568	8,130,111	11,417,612	10,165,139	-	-	-	-
Total all other governmental funds	\$ 420,871,685	\$ 14,578,239	\$ 24,079,107	\$ 29,951,393	\$ 35,589,878	\$ 49,201,357	\$ 89,079,887	\$ 106,619,578	\$ 182,850,086	\$ 42,941,177

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

**BEAVERTON SCHOOL DISTRICT
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS**

(modified accrual basis of accounting)

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Federal sources:										
Federal grants	\$ 15,797,793	\$ 14,572,186	\$ 15,786,503	\$ 18,209,732	\$ 36,055,519	\$ 32,479,021	\$ 22,966,422	\$ 15,402,495	\$ 13,816,650	\$ 14,641,622
Food services	8,534,126	8,307,010	8,100,523	8,253,743	7,890,362	7,315,965	6,476,041	5,947,121	5,476,602	5,061,998
Total federal sources	<u>24,331,919</u>	<u>22,879,196</u>	<u>23,887,026</u>	<u>26,463,475</u>	<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>
State and intermediate sources:										
State school support	218,446,776	201,133,195	174,134,811	178,776,160	164,851,674	170,175,911	182,178,041	176,212,759	166,196,365	142,052,184
Common school fund	3,796,074	3,537,242	3,655,130	3,262,020	126,639	124,261	2,833,379	3,757,889	3,247,263	2,877,013
Nutrition services	156,832	158,702	163,368	150,503	150,503	152,866	126,938	133,309	133,309	131,728
Other	14,746,576	10,387,971	6,687,868	6,644,011	8,148,791	8,490,207	7,653,250	8,287,664	6,764,285	5,201,625
Total state and intermediate sources	<u>237,146,258</u>	<u>215,217,110</u>	<u>184,641,177</u>	<u>188,832,694</u>	<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>
Local sources:										
Ad valorem taxes	166,521,730	159,534,598	153,682,815	150,618,996	145,659,724	142,849,247	131,218,334	128,162,210	114,187,597	113,729,273
Local option levy	24,213,931	19,060,210	989	1,233	32	10,757	39,316	54,801	263,290	21,111,336
Food service sales	4,188,510	4,137,738	4,335,594	4,642,615	4,690,790	4,804,659	4,952,460	5,256,072	5,155,080	5,155,262
Interest and other income	35,445,125	33,485,753	27,556,044	26,936,013	25,942,763	25,114,830	9,510,706	14,578,333	14,208,913	21,743,467
Other revenues	3,892,912	1,151,631	2,071,823	3,179,995	4,100,831	4,136,871	11,021,749	9,704,797	17,071,530	1,474,718
Total local sources	<u>234,262,208</u>	<u>217,369,930</u>	<u>187,647,265</u>	<u>185,378,852</u>	<u>180,394,140</u>	<u>176,916,364</u>	<u>156,742,565</u>	<u>157,756,213</u>	<u>150,886,410</u>	<u>163,214,056</u>
Total revenues	<u>\$ 495,740,385</u>	<u>\$ 455,466,236</u>	<u>\$ 396,175,468</u>	<u>\$ 400,675,021</u>	<u>\$ 397,617,628</u>	<u>\$ 395,654,595</u>	<u>\$ 378,976,636</u>	<u>\$ 367,497,450</u>	<u>\$ 346,520,884</u>	<u>\$ 333,180,226</u>

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

(modified accrual basis of accounting)

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Instruction	\$ 252,459,576	\$ 227,532,904	\$ 207,207,837	\$ 218,652,203	\$ 209,144,733	\$ 196,896,644	\$ 188,542,067	\$ 188,329,573	\$ 176,790,381	\$ 166,708,094
Student personnel services	27,894,246	25,123,920	23,332,596	24,593,504	23,722,270	22,768,827	22,134,153	21,848,902	19,387,314	17,327,799
Instructional media services	4,233,576	3,428,633	3,403,331	6,737,873	7,052,598	7,046,696	7,172,032	7,146,052	7,254,632	6,392,841
Instruction and curriculum development services	4,180,073	4,122,174	3,280,985	3,060,568	4,933,657	4,825,938	7,567,589	8,842,212	9,353,046	5,362,684
Instructional staff training	4,116,070	2,642,056	2,475,496	3,787,847	3,934,336	3,630,603	5,125,872	3,125,866	2,553,112	3,418,579
Board of education	184,223	104,179	166,447	131,476	177,570	105,529	275,864	184,538	172,757	124,018
General administration	1,473,662	1,423,055	1,236,521	1,284,038	1,317,619	1,420,229	1,522,419	1,203,654	1,196,802	1,215,448
School administration	25,589,396	23,727,536	22,394,165	22,225,585	21,808,208	21,439,584	22,682,452	22,462,904	21,228,944	18,406,389
Fiscal services	4,641,006	2,257,450	2,057,740	2,276,466	2,499,882	2,631,837	2,948,368	2,336,876	2,685,069	1,921,401
Central services	13,450,587	13,445,566	12,643,189	12,684,917	12,809,288	14,755,944	15,294,568	13,927,923	10,898,286	10,746,320
Student transportation services	19,809,756	16,701,748	15,830,750	15,648,651	17,251,379	15,049,227	17,079,625	17,112,898	15,326,487	13,195,270
Operation and maintenance of plant	26,274,101	24,441,755	23,399,588	23,506,371	22,836,444	23,201,941	23,507,619	23,653,905	22,377,493	22,959,195
Supplemental retirement	145,163	764,112	1,291,171	704,595	85,019	81,193	-	-	500,000	1,160,000
Community services	13,341,409	12,714,904	12,715,302	12,554,327	12,572,108	12,235,486	12,010,508	12,047,652	11,170,622	10,520,259
Capital outlay										
Facilities acquisition/ construction	42,591,476	16,608,797	6,889,659	5,679,030	15,507,726	42,237,995	82,949,169	78,045,230	21,846,308	54,214,334
Other capital outlay	-	-	-	-	-	-	-	-	-	4,328
Debt service										
Principal	33,850,765	45,375,306	41,348,283	38,323,249	33,994,798	29,744,444	27,335,773	22,480,622	22,434,588	20,145,000
Interest	33,567,947	19,620,481	22,468,382	24,746,840	26,637,751	28,548,173	26,076,306	29,254,294	21,105,620	21,545,175
Bond issuance costs	544,615	-	1,013,347	281,899	-	-	-	-	-	272,879
Total expenditures	<u>\$ 508,347,647</u>	<u>\$ 440,034,576</u>	<u>\$ 403,154,789</u>	<u>\$ 416,879,439</u>	<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>
Expenditures for capital assets	\$ 32,779,553	\$ 15,481,603	\$ 7,199,924	\$ 6,305,864	\$ 14,370,060	\$ 41,748,748	\$ 86,305,084	\$ 79,848,844	\$ 23,776,623	\$ 56,029,870
Debt service as a percentage of noncapital expenditures	14.18%	15.31%	16.12%	15.36%	15.09%	15.15%	14.21%	13.90%	12.71%	13.13%

**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									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Excess of revenues over (under) expenditures	\$ (12,607,262)	\$ 15,431,660	\$ (6,979,321)	\$ (16,204,418)	\$ (18,667,758)	\$ (30,965,695)	\$ (83,247,748)	\$ (84,505,651)	\$ (23,448,224)	\$ (42,459,788)
Other Financing Sources (Uses)										
Sale of or compensation for loss of capital assets	200	767,803	6,312	-	-	-	-	-	-	-
Transfers in	3,121,052	2,373,991	3,177,796	6,929,535	4,377,445	6,412,278	18,422,773	11,063,733	6,484,832	9,855,761
Transfers out	(5,351,052)	(4,460,226)	(4,177,796)	(8,564,535)	(6,132,445)	(8,062,278)	(19,622,773)	(12,083,733)	(7,684,832)	(11,255,761)
Capital leases	-	-	-	-	1,844,111	-	2,837,449	2,692,476	2,536,141	-
Issuance of debt	461,368,784	-	-	-	-	-	65,460,000	-	149,090,000	-
PERS UAL lump sum payment	(78,670,639)	-	-	-	-	-	-	-	-	-
Premium on long-term debt issued	63,295,961	-	-	-	-	-	3,355,265	-	2,491,750	-
Refunding bonds issued	-	-	159,400,000	42,175,000	-	-	-	-	-	49,470,000
Bond premium	-	-	20,961,752	5,668,811	-	-	-	-	-	3,342,941
Bond refunding principal	-	-	(158,885,000)	(44,210,000)	-	-	-	-	-	(49,040,000)
Bond refunding interest	-	-	(20,457,751)	(3,350,061)	-	-	-	-	-	(3,497,037)
Total other financing sources (uses)	443,764,306	(1,318,432)	25,313	(1,351,250)	89,111	(1,650,000)	70,452,714	1,672,476	152,917,891	(1,124,096)
Net change in fund balances	\$ 431,157,044	\$ 14,113,228	\$ (6,954,008)	\$ (17,555,668)	\$ (18,578,647)	\$ (32,615,695)	\$ (12,795,034)	\$ (82,833,175)	\$ 129,469,667	\$ (43,583,884)

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

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

^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)

Overlapping Rates

Fiscal Year	District Direct Rates		Overlapping Rates										Port of Multnomah County	Regional ESD		
	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	
2015	\$ 4.693	\$ 1.250	\$ 8.037	\$ 0.722	\$ 5.387	\$ 7.892	\$ 4.178	\$ 1.717	\$ 1.891	\$ 4.377	\$ 2.838	\$ 0.459	\$ -	\$ 0.070	\$ 4.491	\$ 0.154
2014	4.693	1.250	8.054	0.734	5.387	7.980	3.376	1.728	1.906	4.376	2.968	0.467	-	0.070	4.511	0.154
2013	4.693	-	6.775	0.665	7.541	7.363	6.350	1.730	1.915	4.238	2.970	0.404	-	0.070	5.424	0.154
2012	4.693	-	6.860	0.598	6.464	7.688	3.795	1.739	1.930	4.179	2.974	0.315	0.058	0.070	5.440	0.154
2011	4.693	-	6.784	0.636	5.387	7.808	2.722	1.743	1.883	4.203	2.980	0.409	0.088	0.070	5.385	0.154
2010	4.693	-	6.879	0.633	5.387	7.824	2.727	1.734	1.895	4.199	2.984	0.437	0.086	0.070	5.403	0.154
2009	4.693	-	6.564	0.503	5.387	7.392	2.688	1.429	1.843	4.115	2.984	0.398	0.080	0.070	5.394	0.154
2008	4.693	-	6.736	0.505	4.767	7.110	2.739	1.434	1.869	4.184	3.033	0.429	0.086	0.070	5.233	0.154
2007	4.693	-	6.290	0.489	4.767	7.813	2.727	1.443	1.819	4.212	2.449	0.278	0.097	0.070	5.295	0.154
2006	4.693	1.500	7.976	0.495	4.767	7.918	2.715	1.451	1.822	4.014	2.840	0.284	0.119	0.070	5.307	0.154

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

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

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

Taxpayer	June 2015						June 2006					
	Beaverton School District			Washington County			Beaverton School District			Washington County		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Value
Nike, Inc.	\$ 448,011,063	1	1.78 %	\$ 588,016,502	2	1.10 %	\$ 367,976,542	1	2.09 %	\$ 335,317,372	3	0.90 %
PPR Washington Square LLC	119,009,428	5	0.47	138,610,228	10	0.26	70,402,377	9	0.40			
PS Business Parks LP	103,695,691	7	0.41				135,731,878	3	0.77	135,673,130	8	0.37
Maxim Integrated Products, Inc.	116,922,300	8	0.47				110,835,060	7	0.63	138,010,589	7	0.37
Beaverton LLC	90,898,710	9	0.36									
Bernard Properties LLC	63,502,480	10	0.25				48,483,780	10	0.28			
Intel				1,268,747,218	1	2.37				1,028,384,362	1	2.77
Pacific Realty Associates				323,845,870	5	0.61				230,766,266	6	0.62
Novellus Systems, Inc.										125,557,640	10	0.34
ERP Operating Ltd Partnership							106,545,030	4	0.60			
Tektronix Inc							127,854,765	5	0.73			
Genentech Inc.				156,283,590	8	0.29				128,112,549	9	0.34
Public Utilities												
Comcast Corporation	165,841,300	2	0.66	305,716,500	4	0.57						
Portland General Electric Co.	141,762,266	3	0.56	438,565,853	3	0.82	116,940,461	6	0.66	316,442,605	4	0.85
Northwest Natural Gas	134,736,800	4	0.54	313,709,270	6	0.59	90,084,600	8	0.51	254,597,400	5	0.69
Frontier Communications	114,366,000	6	0.45	242,410,000	7	0.45	170,946,443	2	0.97	345,771,255	2	0.93
(formerly Verizon Local Wireline & Cable TV Operations)												
Verizon Communications				147,694,000	9	0.28						
Subtotal of Ten Largest Taxpayers	1,498,746,038		5.96	3,923,599,031		7.33	1,345,800,936		7.64	3,038,633,168		8.18
All Other Taxpayers	23,644,703,241		94.04	49,592,262,919		92.67	16,276,965,375		92.36	34,116,228,467		91.82
Total Assessed Value of Tax District	\$ 25,143,449,279		100.00 %	\$ 53,515,861,950		100.00 %	\$ 17,622,766,311		100.00 %	\$ 37,154,861,635		100.00 %

Source: Washington County Department of Assessment & Taxation

Note: Ranked based on taxes levied.

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

Fiscal Year	Taxes Levied for the Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years (2)	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	\$ 195,294,087	\$ 186,692,754	95.60 %	-	\$ 186,692,754	95.60 %
2014	183,560,233	174,630,884	95.14	2,023,955	176,654,839	96.24
2013	157,726,841	150,601,309	95.48	2,229,414	152,830,723	96.90
2012	155,139,570	147,593,679	95.14	2,192,022	149,785,701	96.55
2011	148,921,305	140,983,744	94.67	2,629,540	143,613,284	96.44
2010	146,696,578	138,507,814	94.42	3,879,925	142,387,739	97.06
2009	135,514,754	127,776,537	94.29	4,334,115	132,110,652	97.49
2008	131,816,688	125,156,223	94.95	3,225,979	128,382,202	97.39
2007	117,082,726	111,488,243	95.22	2,500,476	113,988,719	97.36
2006	136,250,808	129,582,128	95.11	2,615,381	132,197,509	97.03

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

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

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

**BEAVERTON SCHOOL DISTRICT
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**
(dollars in thousands, except per capita)

Fiscal Year	General				Net General Bonded Debt			Pension			FFC			Capital Leases			Primary Government			Total Debt		
	Obligation Bonds	Un-amortized Premium	Less Amount Available for Repay.	General Bonded Debt	As a Percentage of Actual Value of Property	Per Capita ^a	Obligation Bonds	Obligation Bonds	Obligation Bonds	Bonds	Obligation Bonds	Bonds	Obligation Bonds	Bonds	Leases	Government	Government	Government	As Percentage of Taxable Value	Percentage of Personal Income ^a	Per Capita ^a	
2015	\$ 589,344	\$ 82,057	\$ (2,064)	\$ 669,337	1.929 %	\$ 2,488	\$ 236,040	\$ 18,935	\$ 197	\$ 926,573	3.685 %	n/a	\$ 3,444									
2014	233,560	24,782	(2,323)	256,019	0.815	971	163,375	19,480	583	441,780	1.832	n/a	1,675									
2013	272,895	28,192	(2,591)	298,496	1.007	1,156	168,195	20,175	1,108	490,565	2.104	1.975 %	1,900									
2012	307,620	13,948	(3,939)	317,629	1.057	1,233	172,345	21,030	2,212	517,155	2.287	2.127	2,008									
2011	341,575	11,186	(3,030)	349,731	1.117	1,372	175,870	22,040	4,080	554,751	2.525	2.407	2,176									
2010	370,250	13,007	(3,371)	379,886	1.148	1,506	178,815	22,595	4,056	588,722	2.800	2.727	2,333									
2009	395,935	14,828	(2,403)	408,360	1.162	1,645	181,225	22,650	5,650	620,288	3.000	2.925	2,499									
2008	377,140	13,137	(5,935)	384,342	1.138	1,565	183,135	-	4,223	577,635	3.000	3.104	2,316									
2007	397,880	14,616	(5,877)	406,619	1.325	1,685	184,025	-	2,536	599,057	3.200	3.219	2,447									
2006	267,395	13,597	(6,563)	274,429	1.119	1,195	187,700	-	-	468,692	2.700	2.703	1,994									

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

n/a - Information not available as of printing.

**BEAVERTON SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2015**

<u>Governmental Unit</u>	Net Property-tax Backed Debt Outstanding	Percent Within School District	Estimated Share of Direct and Overlapping Debt
Beaverton School District	\$ 844,318,784	100.00 %	\$ 926,376,603 ^a
City of Beaverton	786,938	98.22	772,968
Tualatin Hills Park and Recreation District	90,832,785	96.93	88,041,039
Tualatin Valley Fire and Rescue	55,020,000	51.99	28,606,053
Washington County	19,890,000	47.83	9,513,288
Portland Community College	160,095,000	20.16	32,272,110
City of Tigard	24,775,000	17.07	4,229,885
Metro	193,205,000	16.06	31,020,995
City of Hillsboro	33,885,000	12.13	4,111,199
Multnomah County	171,825,000	0.12	208,424
City of Portland	126,830,000	0.10	131,776
Hillsboro School District	297,100,000	0.02	48,130
Subtotal, overlapping debt			198,955,867
Total direct and overlapping debt			\$ 1,125,332,470

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.

^a Includes unamortized premium of \$82,057,819

Source: State of Oregon - Office of the Treasurer

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

Legal Debt Margin Calculation for Fiscal Year 2015

Real Market Value	\$ 34,700,025,790
Debt limit (7.95% of real market value ¹)	2,758,652,050
Debt applicable to limit	589,344,000
Legal debt margin	<u>\$ 2,169,308,050</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
2015	\$ 2,758,652,050	\$ 589,344,000	\$ 2,169,308,050	21.36 %
2014	2,496,451,137	233,560,000	2,262,891,137	9.36
2013	2,355,607,716	272,895,000	2,082,712,716	11.58
2012	2,388,350,916	307,620,000	2,080,730,916	12.88
2011	2,489,994,115	341,575,000	2,148,419,115	13.72
2010	2,631,443,095	370,250,000	2,261,193,095	14.07
2009	2,810,618,284	395,935,000	2,414,683,284	14.09
2008	2,726,227,271	377,140,000	2,349,087,271	13.83
2007	2,475,051,735	397,880,000	2,077,171,735	16.08
2006	1,996,521,674	267,395,000	1,729,126,674	13.39

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>7.95%</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>
2015	269,023	n/a	n/a	n/a
2014	263,778	n/a	n/a	5.7 %
2013	258,199	\$ 24,839,911	\$ 44,757	6.3
2012	257,562	24,314,346	44,396	7.1
2011	254,914	23,042,656	42,639	7.7
2010	252,293	21,586,715	40,606	9.1
2009	248,264	21,205,286	39,465	9.1
2008	249,399	21,185,612	40,188	9.3
2007	244,767	19,945,179	38,371	5.2
2006	235,100	18,607,666	36,259	4.3

Notes:

n/a - Information not available as of printing.

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

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

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

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

<u>Employer</u>	December 31, 2014			December 31, 2005		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
Ten Largest Employers						
Intel Corp.	17,500	1	1.56 %	15,500	1	1.51 %
U.S. Federal Government	17,500	1	1.56			
Providence Health System	15,239	3	1.36	14,007	2	1.36
Oregon Health & Science University	14,616	4	1.30	11,400	4	1.11
Kaiser Permanente Northwest	11,881	5	1.06	7,797	8	0.76
Legacy Health System	10,436	6	0.93	7,900	7	0.77
Fred Meyer Stores	10,237	7	0.91	9,663	5	0.94
City of Portland	8,558	8	0.76	8,000	6	0.78
Nike Inc.	8,000	9	0.71	6,100	9	0.59
Portland Public Schools	6,266	10	0.56			
Wells Fargo				4,285	10	0.42
Safeway Inc., Portland Division				13,453	3	1.31
Subtotal of Ten Largest Employers	120,233		10.69	98,105		9.53
All Other Employers	1,004,084		89.31	931,180		90.47
Total Portland PMSA¹ Employment	1,124,317		100.00 %	1,029,285		100.00 %

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

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

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

	Full-time Equivalent Employees as of June 30,										% Change 2014 to 2015		
	2015 Salary Range	2015	2014	2013	2012	2011	2010	2009	2008	2007		2006	
<u>Instruction</u>													
Certified	\$ 39,108 - \$ 80,253	1,569.59	1,446.03	1,319.92	1,578.05	1,582.68	1,572.87	1,590.00	1,611.53	1,568.92	1,548.12	8.54 %	
Support	25,162 - 52,184	103.02	109.28	98.51	77.65	76.30	78.03	85.60	92.31	94.00	79.34	(5.73)	
<u>Special Programs</u>													
Certified	39,108 - 80,253	413.00	383.86	393.41	397.72	436.59	435.50	420.10	436.05	405.39	372.76	7.59	
Support	25,162 - 65,794	228.23	213.81	225.06	259.69	256.25	278.56	263.54	268.64	241.62	248.79	6.75	
Administration	99,490 - 193,000	-	-	-	1.00	1.00	1.00	3.00	3.00	3.00	1.95	100.00	
<u>Student Support Services</u>													
Certified	39,108 - 80,253	192.58	176.58	170.80	183.67	188.86	196.46	192.22	184.11	178.51	161.48	9.06	
Support	23,105 - 114,222	73.55	66.59	64.44	76.72	76.00	69.22	70.96	68.70	65.53	62.02	10.45	
Administration	99,490 - 193,000	4.00	3.97	3.89	2.97	3.47	5.00	3.88	3.94	4.00	3.00	0.79	
<u>Instructional Staff Support</u>													
Certified	39,108 - 80,253	31.99	20.34	16.27	71.82	101.09	99.01	146.59	122.66	123.74	96.63	57.26	
Support	25,162 - 60,290	45.51	43.60	43.38	32.82	32.80	36.36	36.74	37.09	33.93	32.14	4.39	
Administration	99,490 - 193,000	3.00	2.96	2.96	2.00	2.00	3.00	3.00	3.00	2.00	2.00	1.35	
<u>General Administration Support</u>													
Support	25,162 - 140,903	5.30	5.03	1.53	5.03	5.00	5.17	6.00	5.45	5.09	4.81	5.46	
Administration	99,490 - 193,000	2.75	2.75	2.75	3.00	3.00	3.00	3.00	3.00	3.00	3.00	-	
<u>School Administration</u>													
Certified	39,108 - 80,253	9.20	12.37	15.20	12.93	10.86	10.38	15.05	18.42	14.67	6.00	(25.65)	
Support	25,162 - 60,290	103.84	103.83	103.10	104.35	106.86	104.61	106.25	103.23	99.35	93.78	0.01	
Administration	99,490 - 193,000	97.35	88.56	83.75	89.30	91.40	91.38	96.73	95.42	90.81	85.90	9.92	
<u>Business Support Services</u>													
General Business													
Support	25,162 - 88,700	16.36	14.99	12.31	16.34	18.09	18.45	18.34	17.80	16.44	15.88	9.13	
Administration	99,490 - 193,000	2.00	2.00	1.41	1.00	1.00	1.43	2.00	2.00	2.00	1.88	-	
Facilities													
Support	27,022 - 88,700	208.91	201.63	190.54	206.19	212.52	213.67	209.38	200.21	201.91	195.79	3.61	
Administration	99,490 - 193,000	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	100.00	
Transportation													
Support	25,162 - 88,700	167.57	170.05	169.00	176.72	180.72	179.98	194.33	190.31	178.80	177.84	(1.46)	
Administration	99,490 - 193,000	1.25	1.25	1.25	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	
Other Administration Support													
Support	32,178 - 76,355	7.70	8.78	8.00	9.67	10.00	9.75	10.52	10.63	11.99	10.61	(12.32)	
<u>Central Support Services</u>													
Certified	39,108 - 80,253	4.50	4.20	4.52	5.29	5.30	4.49	5.50	5.50	5.75	6.92	7.14	
Support	25,162 - 92,245	69.50	67.09	60.00	60.87	66.87	68.44	69.80	64.14	57.82	54.38	3.60	
Administration	99,490 - 193,000	7.82	7.00	7.00	6.51	7.00	7.90	8.00	7.96	7.11	6.62	11.76	
<u>Food Services</u>													
Support	21,047 - 50,687	100.46	102.07	97.83	103.01	103.55	103.19	99.15	94.90	96.74	93.10	(1.58)	
Administration	99,490 - 193,000	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	
<u>Community Services & Custody and Care of Children Services</u>													
Certified	39,108 - 80,253	0.38	0.37	0.52	0.53	0.54	0.53	0.54	0.54	0.54	0.64	2.12	
Support	23,105 - 92,245	-	1.35	1.11	1.69	1.55	2.49	1.25	1.25	1.26	1.26	(100.00)	
<u>Facilities Acquisition and Construction</u>													
Certified	39,108 - 80,253	1.00	-	-	-	-	-	-	-	-	-	100.00	
Support	59,398 - 88,700	17.05	4.50	3.57	3.14	10.49	14.20	15.62	15.60	6.47	5.18	278.89	
Administration	99,490 - 193,000	1.00	1.91	1.16	1.00	1.81	2.00	2.00	1.92	1.71	1.00	(47.60)	
Total		3,491.42	3,268.75	3,105.39	3,493.68	3,596.78	3,619.24	3,682.25	3,672.90	3,525.27	3,376.10		
											Number of Teachers		
											297.00		
											1925.00		
											\$ 65,576		

Notes:
Full-time certified employees of the district are employed for 195 days, at eight hours per day or 1,544 hours per year. Total work hours by certified employees are divided by 1,544 to obtain full-time equivalent employment. Full-time equivalent employment for all other positions is determined based on 2,080 hours per year (52 weeks, five days at eight hours).
The data presented has been updated to reflect actuals. In prior years, the data presented was budgeted information.
Source: Beaverton School District records.

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

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost per Student		Percentage Change	Expenses ^b	Cost per Student	Percentage Change	Certified Staff ^c	Student-Certified Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
			Cost per Student	Cost per Student							
2015	39,910	\$ 397,792,844	\$ 9,967	\$ 12,737	9.87 %	\$ 508,347,647	\$ 12,737	14.36 %	2,222	17.96	39.3 %
2014	39,509	358,429,992	9,072	11,138	7.92	440,034,576	11,138	8.92	2,044	19.33	38.7
2013	39,427	331,435,118	8,406	10,225	(5.62)	403,154,789	10,225	(4.21)	1,921	20.53	39.4
2012	39,054	347,848,421	8,907	10,674	1.64	416,879,439	10,674	(0.47)	2,250	17.36	40.6
2011	38,814	340,145,111	8,763	10,725	2.36	416,285,386	10,725	(4.24)	2,326	16.69	39.8
2010	38,090	326,089,678	8,561	11,200	(1.13)	426,620,290	11,200	(8.86)	2,319	16.43	38.8
2009	37,613	325,688,733	8,659	12,289	1.55	462,224,384	12,289	2.74	2,370	16.44	35.8
2008	37,789	322,222,955	8,527	11,961	6.80	452,003,101	11,961	23.07	2,379	15.95	32.8
2007	37,687	300,894,945	7,984	9,719	4.70	366,281,461	9,719	(5.18)	2,298	16.64	31.7
2006	36,646	279,458,298	7,626	10,251	10.06	375,640,014	10,251	19.74	2,193	17.10	30.0

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, and counselors.

n/a - Information not available as of printing.

Source: Beaverton School District records.

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

	Fiscal Year										Average Age of Buildings (in years)
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	
Schools											
Elementary											
Buildings	33	33	33	33	33	33	32	32	32	31	46
Square feet	2,012,047	2,012,047	2,012,047	2,012,047	2,012,047	2,012,047	1,865,333	1,874,720	1,874,720	1,768,674	
Capacity	21,312	21,189	21,207	21,207	21,225	21,140	19,849	19,162	18,954	17,809	
Enrollment	17,919	17,987	17,952	17,917	17,818	17,445	17,801	17,693	17,572	16,968	
Percent used	84%	85%	85%	84%	84%	83%	90%	92%	93%	95%	
Middle											
Buildings	8	8	8	8	8	8	8	8	8	8	40
Square feet	1,016,538	1,016,538	1,016,538	1,016,538	1,016,538	1,016,538	1,016,538	1,024,714	1,038,458	1,038,458	
Capacity	8,394	8,254	8,254	8,254	8,247	8,225	8,190	8,176	8,110	8,121	
Enrollment	9,067	8,870	8,842	8,734	8,567	8,405	8,124	8,265	8,293	8,221	
Percent used	108%	107%	107%	106%	104%	102%	99%	101%	102%	101%	
High											
Buildings	9	9	9	9	9	9	9	7	7	7	53
Square feet	1,653,308	1,653,308	1,665,108	1,665,108	1,665,108	1,664,726	1,544,724	1,435,263	1,435,263	1,435,263	
Capacity	12,306	12,302	12,374	12,374	12,354	12,351	11,823	10,696	10,515	10,350	
Enrollment	11,405	11,262	11,227	11,340	11,311	11,055	11,688	11,831	11,822	11,457	
Percent used	93%	92%	91%	92%	92%	90%	99%	111%	112%	111%	
Other											
Buildings	2	2	2	2	2	2	3	3	3	3	30
Square feet	40,607	40,607	40,607	40,607	40,607	40,607	50,607	50,607	50,607	50,607	
Administrative											
Buildings	1	1	1	1	1	1	1	1	1	1	43
Square feet	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	
Transportation											
Garages/Buildings	4	4	4	4	4	4	4	4	4	4	38
Buses	357	318	317	317	317	300	320	320	303	283	

Source: Beaverton School District Annual District Statistics.



SINGLE AUDIT SECTION

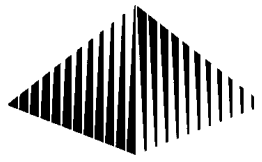


WE
EMBRACE
EQUITY



District Goal: 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.





GROVE, MUELLER & SWANK, P.C.

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

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

School Board
Beaverton School District
Beaverton, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Beaverton School District, Washington County, Oregon, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 10, 2015.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

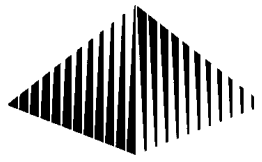
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Purpose of this Report

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


CERTIFIED PUBLIC ACCOUNTANTS

November 20, 2015



GROVE, MUELLER & SWANK, P.C.

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

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

School Board
Beaverton School District
Beaverton, Oregon

Report on Compliance for Each Major Federal Program

We have audited Beaverton School District's compliance with the types of compliance requirements described in the *OMB 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, 2015. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, Beaverton School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS

November 20, 2015

BEAVERTON SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND LOCAL AWARDS
SPECIAL PROGRAMS FUND
YEAR ENDED JUNE 30, 2015

Program Title	Federal CFDA Number	Pass Through Entity Number	Period Covered	Grant Amount	2014-15 Revenue and Expenditures
U.S. Department of Education					
Direct:					
Title VII - Indian Education Grants to Local Education Agencies	84.060	S060A142500	07/01/14 - 06/30/15	\$ 35,716	\$ 35,716
					35,716
Investing in Innovation (i3) (SFSF) - ARRA Total Direct	84.396C	U396C100900	10/01/10 - 09/30/15	4,041,659	588,102
					623,818
Passed through Oregon Department of Education					
Title I, Part A					
Title I Grants to Local Educational Agencies	84.010	28082	07/01/13 - 09/30/14	5,092,349	525,221
Title I Grants to Local Educational Agencies	84.010	32534	07/01/14 - 09/30/15	5,777,527	5,494,527
Total Title I, Part A					6,019,748
Title IC - Migrant Education					
Title IC - Migrant Education - State Grant Program	84.011	29952	07/01/13 - 09/30/15	222,922	70,540
Title IC - Migrant Education - State Grant Program	84.011	33574	07/01/14 - 09/30/15	11,613	8,069
Title IC - Migrant Education - State Grant Program	84.011	33593	07/01/14 - 09/30/15	239,141	187,998
Title IC - Migrant Education - State Grant Program	84.011	35098	04/15/15 - 09/30/15	60,979	15,852
Title IC - Migrant Education - State Grant Program	84.011	31051	04/15/14 - 09/30/14	67,731	51,123
					333,582
Title IC - Migrant Education - Coordination Program	84.144	31051	04/15/14 - 09/30/14	1,995	570
Total Title IC - Migrant Education					334,152
Title IIA - Improving Teacher Quality					
Title IIA - Improving Teacher Quality State Grants	84.367	32858	07/01/14 - 09/30/15	815,962	701,949
Title IIA - Improving Teacher Quality State Grants	84.367	28594	07/01/13 - 09/30/15	812,291	67,477
Title IIA - Improving Teacher Quality State Grants	84.367	29406	08/12/13 - 06/30/15	46,586	14,076
Title IIA - Improving Teacher Quality State Grants	84.367	27164	11/01/12 - 09/01/14	60,000	30,594
Total Title IIA - Improving Teacher Quality					814,096
Title III - English Language Acquisition					
Title III - English Language Acquisition State Grants	84.365	32307	07/01/14 - 09/30/15	649,431	463,563
Title III - English Language Acquisition State Grants	84.365	35017	07/01/14 - 09/30/16	2,500	1,587
Title III - English Language Acquisition State Grants	84.365	29990	07/01/13 - 09/30/14	682,323	308,750
Total Title III - English Language Acquisition					773,900
Career and Technical Education					
Career and Technical Education - Basic Grants to States	84.048	31751	07/01/14 - 09/30/15	288,889	288,889
Career and Technical Education - Basic Grants to States	84.048	27358	07/01/13 - 09/30/14	260,122	4,881
Total Career and Technical Education					293,770
School Improvement Grants					
School Improvement Grant	84.377	28052	07/01/13 - 09/30/15	488,131	130,484
Total School Improvement Grants					130,484

BEAVERTON SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND LOCAL AWARDS
SPECIAL PROGRAMS FUND
YEAR ENDED JUNE 30, 2015

Program Title	Federal CFDA Number	Pass Through Entity Number	Period Covered	Grant Amount	2014-15 Revenue and Expenditures
Special Education Cluster					
Special Education Grants to States	84.027	28397	07/01/13 - 09/30/15	\$ 6,214,264	\$ 897,347
Special Education Grants to States	84.027	33224	07/01/14 - 09/30/16	6,449,729	5,037,965
Special Education Grants to States	84.027	26637	07/01/12 - 09/30/14	6,773,724	24,791
Special Education Grants to States	84.027	32029	08/01/14 - 06/30/15	15,664	15,664
Special Education Grants to States	84.027	33644	10/01/14 - 09/30/15	21,218	794
Special Education Grants to States	84.027	31813	07/01/14 - 06/30/15	9,900	9,900
Special Education Grants to States	84.027	35378	06/14/15 - 06/30/15	1,772	785
Special Education Grants to States	84.027	29718	10/01/13 - 09/30/14	21,218	20,316
Total Special Education					6,007,562
Special Education Preschool Grants	84.173	28810	07/01/13 - 09/30/15	24,779	13,173
Special Education Preschool Grants	84.173	33413	07/01/14 - 09/30/16	21,441	11,836
Total Special Education Preschool					25,009
Total Special Education Cluster (IDEA)					6,032,571
Passed through Hillsboro School District					
Education of Homeless Children and Youth					
Education of Homeless Children and Youth	84.196	N/A	07/01/14 - 06/30/15	13,184	13,184
Total Education of Homeless Children and Youth					13,184
Statewide Data Systems					
Statewide Data Systems, Recovery Act RDWP ARRA	84.384	25099	05/01/12 - open	99,993	34,667
Total Statewide Data Systems					34,667
Total U.S. Department of Education					14,446,572
U.S. Department of Health & Human Services					
Direct					
Affordable Care Act (ACA) Grants for Capital Development in Health Centers	93.526	13-3984019	12/01/12 - 11/30/14	500,000	418,911
Total ACA Capital Development in Health Centers					418,911
Passed through Oregon Department of Education					
Administration for Children and Families					
CCDF Cluster					
Child Care and Development Block Grant	93.575	9931	07/01/13 - 06/30/15	540,000	126,159
Total CCDF Cluster					126,159
Total U.S. Department of Health & Human Services					545,070
U.S. Department of Agriculture Food and Nutrition Services					
Passed through Oregon Department of Education					
Child Nutrition Cluster					
School Breakfast Program	10.553	N/A	07/01/14- 06/30/15	1,453,584	1,453,584
National School Lunch Program	10.555	N/A	07/01/14- 06/30/15	5,745,103	5,745,103
Commodities	10.555	N/A	07/01/14- 06/30/15	674,953	674,954
Summer Food Service Program for Children	10.559	N/A	07/01/14- 06/30/15	418,585	418,585
Commodities	10.559	N/A	07/01/14- 06/30/15	2,717	2,717
Total Child Nutrition Cluster					8,294,943

**BEAVERTON SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND LOCAL AWARDS
SPECIAL PROGRAMS FUND
YEAR ENDED JUNE 30, 2015**

Program Title	Federal CFDA Number	Pass Through Entity Number	Period Covered	Grant Amount	2014-15 Revenue and Expenditures
Child and Adult Care Food Program	10.558	N/A	07/01/13- 06/30/15	\$ 25,087	\$ 12,548
Child and Adult Care Food Program	10.558	N/A	07/01/14- 06/30/15	239,184	239,184
					<u>251,732</u>
Fresh Fruits and Vegetable - Vose	10.582	33170	07/01/14 - 09/30/14	3,774	3,610
Fresh Fruits and Vegetable - Vose	10.582	34516	10/01/14 - 06/30/15	33,962	28,861
Fresh Fruits and Vegetable - William Walker	10.582	33055	07/01/14 - 09/30/14	3,127	3,127
Fresh Fruits and Vegetable - William Walker	10.582	34517	10/01/14 - 06/30/15	27,060	26,186
					<u>61,784</u>
Total U.S. Department of Agriculture Food and Nutrition Services					<u>8,608,459</u>
U.S. Department of Housing and Urban Development					
Passed through City of Beaverton					
CDBG - Entitlement Grants					
Beaverton High Center Project	14.218	N/A	07/15/13 - 12/15/14	108,000	108,000
Total CDBG - Entitlement Grants					<u>108,000</u>
Total Federal Awards					<u>24,331,919</u>
State and local awards					
State Farm YAB Grant (Terra Nova)	N/A	N/A	07/01/11 - open	64,080	7,241
Intel STEM Highland Park	N/A	N/A	05/20/14 - open	10,000	9,769
MACC Resilient Border Router	N/A	N/A	01/01/09 - open	46,698	1,625
Intel Digital Dreaming Technology	N/A	N/A	11/01/14 - 06/30/15	1,250	1,250
Confucius Classroom	N/A	N/A	03/01/14 - open	29,820	7,183
Verizon Science & Technology	N/A	N/A	03/27/14 - open	5,000	1,981
Investigations in the Properties of CCD	N/A	N/A	04/30/14 - open	7,000	5,182
Hatfield Family Music	N/A	N/A	05/08/13 - 06/30/15	11,000	3,743
Educator Institute - Salem (received grant 8/11/14)	N/A	32467	06/16/14 - 06/27/14	800	800
Educator Effectiveness/CCSS	N/A	30442	01/02/14 - 06/30/15	476,893	179,375
Educator Institute - Seaside	N/A	33202	08/06/14 - 08/08/14	1,696	1,228
Project PAR U of O	N/A	N/A	10/01/14 - 05/31/15	6,472	3,261
Farm to School	N/A	30692	10/01/13 - 04/30/15	60,500	58,099
Oregon FIRST Robotics	N/A	31964	07/01/14 - 06/30/15	11,500	11,225
Arts for Learning Matching Funds	N/A	N/A	10/01/10 - 09/30/15	796,000	146,607
BEF: Vose Summer Go Green!	N/A	N/A	06/23/14 - 07/24/14	7,700	1,205
BEF: Mountain View Extended Day	N/A	N/A	07/01/14 - 06/30/15	5,500	4,448
UO: ROOTS Research	N/A	N/A	09/01/13 - open	59,996	2,045
BEF: McKinley Jumpstart to First Summer Program	N/A	N/A	06/23/14 - 07/24/14	10,000	10,000
BEF: HS2 Computer Rebuild	N/A	N/A	12/01/14 - 06/30/15	10,000	9,825
BEF: Cedar Park Extended Day	N/A	N/A	07/01/14 - 06/30/15	2,500	2,315
BEF: Meadow Park Extended Day	N/A	N/A	10/03/14 - 06/30/15	3,500	3,500
BEF: Summer School Bethany, Terra Linda, Rock Creek	N/A	N/A	04/08/15 - 09/30/15	30,000	8,268
BEF: Five Oaks Extended Day	N/A	N/A	07/01/14 - 06/30/15	5,500	3,150
Kaiser: Child Healthcare Program	N/A	N/A	06/01/09 - open	35,949	35,949
Ovation STEM grant	N/A	N/A	07/01/14 - 06/30/15	10,000	9,983
CEYP "Tax Credit" Donations	N/A	N/A	10/01/02 - open	114,300	18,025
MSIP Intervention U of O	N/A	224001B	07/01/14 - 06/30/15	46,210	21,160
ACT Plan Reimbursement	N/A	N/A	04/01/15 - 06/30/15	30,345	29,653
Interim/Formative Assessments	N/A	31458	07/01/14 - open	130,541	69,108
BEF: Ridgewood Summer Academy	N/A	N/A	04/08/15 - 09/30/15	30,000	8,815

BEAVERTON SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND LOCAL AWARDS
SPECIAL PROGRAMS FUND
YEAR ENDED JUNE 30, 2015

Program Title	Federal CFDA Number	Pass Through Entity Number	Period Covered	Grant Amount	2014-15 Revenue and Expenditures
Gray Family Foundation Outdoor School	N/A	N/A	07/01/14 - 09/30/15	\$ 32,000	\$ 30,838
Professional Learning Conf - District PLT	N/A	33967	09/01/14 - 10/31/14	6,472	158
Intel STEM	N/A	N/A	07/01/13 - open	15,000	2,929
Intel	N/A	N/A	07/01/14 - open	12,876	10,142
ELWC Washington County Early Learning Community Hub	N/A	N/A	09/04/14 - 06/30/15	124,060	73,668
BEF: Conestoga Extended Day	N/A	N/A	07/01/14 - 06/30/15	2,500	727
BEF: Chehalem Summer	N/A	N/A	06/23/14 - 07/27/14	6,500	3,895
BEF: Aloha Huber Math Plus Reinforcement	N/A	N/A	06/23/14 - 06/30/15	6,566	6,566
BEF: C Mill, R Park & Ridgewood Summer Program	N/A	N/A	06/16/14 - 08/15/14	24,000	24,000
BEF: Highland Park Extended Day	N/A	N/A	07/01/14 - 06/30/15	3,500	3,500
BEF: Whitford Extended Day	N/A	N/A	10/03/14 - 06/30/15	3,500	3,138
UO: NumberShire K	N/A	N/A	01/05/15 - 05/31/15	6,391	3,198
MACC: Router Upgrade/PCN	N/A	N/A	07/01/08 - open	90,787	997
ELP Standards Professional Learning	N/A	31015	04/04/14 - 06/30/15	34,071	34,071
Summer-After School Expansion	N/A	31338	04/15/14 - 09/22/14	19,973	11,436
BHS ASPIRE	N/A	N/A	07/01/14 - open	3,000	1,795
WCC Mentor from Hillsboro School District	N/A	N/A	07/01/14 - 06/30/15	186,321	179,349
Intel: Lead the Way Health and Science High School	N/A	N/A	11/17/10 - open	14,960	1,453
IB Testing Program	N/A	N/A	07/01/14 - 06/30/15	86,336	86,336
Culturally Responsive Pedagogy	N/A	31291	04/01/14 - 06/30/15	49,961	49,961
Outdoor School Gray Family Foundation	N/A	N/A	10/01/13 - open	10,800	846
Professional Learning Conf - District PLT	N/A	34710	01/01/15 - 03/31/15	18,979	969
CTE Revitalization HS2	N/A	30766	01/01/14 - 06/30/15	354,267	285,412
District PLT June 2015	N/A	35164	05/01/15 - 06/30/15	8,256	344
Washington County: Beaverton Health Center Marketing	N/A	N/A	05/01/14 - 06/30/15	5,000	1,028
Intel Science Fair	N/A	N/A	07/01/13 - open	8,600	531
Highland Park Fuel up to Play	N/A	N/A	01/01/15 - open	1,966	1,966
Nike - NSIF Vision	N/A	N/A	03/24/15 - 06/15/16	380,085	49,560
BEF: Five Oaks Extended Day	N/A	N/A	01/01/15 - 06/30/15	5,000	112
BEF: Stoller Extended Day	N/A	N/A	07/01/14 - 06/30/15	2,500	2,255
Total State and Local Awards					<u>1,547,198</u>
TOTAL Federal, State and Local Awards					<u>\$ 25,879,117</u>

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, 2015

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, 2015.

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. Donated commodities are valued at their estimated fair value.

BEAVERTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
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:

CFDA Number(s)

Name of Federal Program or Cluster

10.553, 10.555 & 10.559	Child Nutrition Cluster
10.558	Child and Adult Care Food Program
84.396	SFSF-Investing in Innovation (i3) Fund (ARRA)
93.526	Affordable Care Act (ACA) Grants for Capital Development in Health Centers

Dollar threshold used to distinguish between type A and type B programs:	\$729,958
Auditee qualified as low-risk auditee?	Yes

FINANCIAL STATEMENT FINDINGS

None.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

COMPLIANCE SECTION

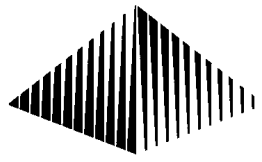


WE
COLLABORATE



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

Oregon Administrative Rules 162-10-000 through 162-10-320 incorporated in the *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy; enumerate the financial statements, schedules, and comments and disclosures required in all audit reports. The required statements and schedules are set forth in the preceding sections of this report. Required independent auditor's report and comments and disclosures related to the audit of such statements and schedules are set forth in the following pages.



GROVE, MUELLER & SWANK, P.C.

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

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

School Board
Beaverton School District
Beaverton, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the basic financial statements of Beaverton School District, Washington County, Oregon (the District) as of and for the year ended June 30, 2015, and have issued our report thereon dated November 20, 2015.

Compliance and Other Matters

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

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

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

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


Internal Control

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

Restriction on Use

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

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

By: 
Larry E. Grant, A Shareholder
November 20, 2015

