



# COMPREHENSIVE ANNUAL FINANCIAL REPORT



for the year ended June 30, 2019



WE  
EXPECT EXCELLENCE



WE  
INNOVATE



WE  
EMBRACE EQUITY



WE  
COLLABORATE

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

Beaverton School District • 16550 SW Merlo Rd. • Beaverton, Oregon 97003 | [www.beaverton.k12.or.us](http://www.beaverton.k12.or.us)



# **BEAVERTON SCHOOL DISTRICT**

Beaverton, Oregon

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Prepared by:  
Business Services Department

Don Grotting  
Superintendent of Schools

Jim Scherzinger  
Chief Financial Officer

Jason Guchereau  
Finance Manager



**BEAVERTON SCHOOL DISTRICT**  
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# INTRODUCTORY SECTION







Beaverton School District  
16550 S.W. Merlo Road  
Beaverton, Oregon 97003  
503-356-4500



November 18, 2019

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, 2019 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, 2019 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, 2019. 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 2018 CAFR.

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

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

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



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

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

## PROFILE OF THE DISTRICT

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

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

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

Student enrollment in the fall of 2018 was 41,101. 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	34	17,672
Middle School Programs	20	9,379
High School Programs	11	11,840
Special Education Programs	-	1,567
Charter School Programs	2	643
Total Programs and Enrollment	67	41,101

Growing from an enrollment of 38,090 in fall of 2010 to 41,101, the District has experienced a 7.9 percent growth in enrollment over the past ten years. The District expects relatively flat enrollment over the next few years with projected enrollment of 41,292 in 2022-23 based on cohort survival history, current and projected housing development, and overall regional economics.

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 53.0 percent of students of color, and 35.6 percent of students qualify for free and reduced lunch status.

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

District management includes a superintendent, two deputy superintendents, four chief officers, and 146 principals, vice-principals and district administrators. The District employs 4,606 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-Hillsboro Primary Metropolitan Statistical Area (PVH-PMSA). The six counties are Washington, Multnomah, Clackamas, Yamhill and Columbia in Oregon, and Clark in Washington. According to the Population Research Center of Portland State University, Multnomah and Washington counties together have one-third of the State of Oregon's population. Washington County's three largest cities are Beaverton, Hillsboro and Tigard. Because the District lies within the PVH-PMSA, economic and demographic data is not available specifically for the District. Data is generally available for Washington County and for the PVH-PMSA.

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

Currently, manufacturing accounts for 17 percent of the total non-farm employment in the PVH-PMSA, while trade, transportation and utilities also account for 17 percent, government jobs 8 percent, professional and business services 19 percent, education and health services 12 percent, and leisure and hospitality 9 percent. A major manufacturing employer in the Beaverton area is Nike, an athletic footwear and apparel manufacturer with its 286-acre world headquarters campus located in Washington County.

The PVH-PMSA relies heavily on the manufacturing, high technology industries, wholesale trade and financial activities. According to the Oregon Employment Department, at the end of June 2019, the PVH-PMSA unemployment rate was 3.7 percent, as compared to the Oregon unemployment rate of 4.0 percent and the nation's rate of 3.7 percent.

## **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 9.0 percent of total General Fund revenues. This amount is below the policy guidelines set by Board policy for budgetary and planning purposes (a minimum 5.0 percent of total actual revenues and an additional 5.0 percent sustainability fund). The reserves are maintained to absorb economic downturns, state revenue-sharing reductions and other revenue shortfalls, and will prudently be used when needed to provide stability of core programs and legally required activities.

With continued enrollment growth forecasted, the District issued \$297.9 million in general obligation bonds in 2016-17 to support the construction of one high school, one middle school, one elementary school and the purchase of land for an additional elementary school over the next few years. These were the final issuance of the \$680 million bond measure passed by voters in May 2014. As the average age of the District's buildings is in excess of 30 years, funds will also be used to rebuild and make extensive renovations to facilities throughout the District and enhance educational technology in the classroom.

## **MISSION STATEMENT AND PRIORITIES**

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

The Beaverton School District Board adopted the Strategic Plan:

WE Expect Excellence

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

WE Innovate

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

WE Embrace Equity

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

WE Collaborate

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

## **FINANCIAL INFORMATION**

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

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

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

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

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

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

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

**Charter Schools.** Oregon statute provides state funding for charter schools that flows through the district for schools that local boards of education have granted a charter. The District has two charter schools, Arco Iris Spanish Immersion Charter School and Hope Chinese Charter School, in operation during the 2018-19 fiscal year.

Arco Iris has completed its ninth year of operations. The school educates 428 full-time students in grades 1-8 and has renewed its charter through 2021-22. The school reports net position of \$532,354 as of June 30, 2018.

Hope Chinese has completed its seventh year of operations. The school educates 276 full time students in grades K-7, and has renewed its charter through 2022-23. The school reports net position of \$671,150 as of June 30, 2018.

## **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, 2019, 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, 2019, 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 of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Beaverton School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018. This was the thirty-eighth consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the District must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy 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 fiscal year ended June 30, 2018. The District has achieved this prestigious award for thirty-seven consecutive years.

The Certificate of Excellence is recognition that the District has met the highest standards for financial reporting and accountability as adopted by ASBO. The District believes that the current Comprehensive Annual Financial Report continues to conform to these standards and will be submitting it to ASBO for review.

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,

A handwritten signature in cursive script, appearing to read "Don Grotting".

Don Grotting  
Superintendent of Schools

A handwritten signature in cursive script, appearing to read "Jim Scherzinger".

Jim Scherzinger  
Interim 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, 2018**

*Christopher P. Morill*

Executive Director/CEO



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

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

**Beaverton School District**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2018.**

The CAFR meets the criteria established for  
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'Tom Wohlleber'.

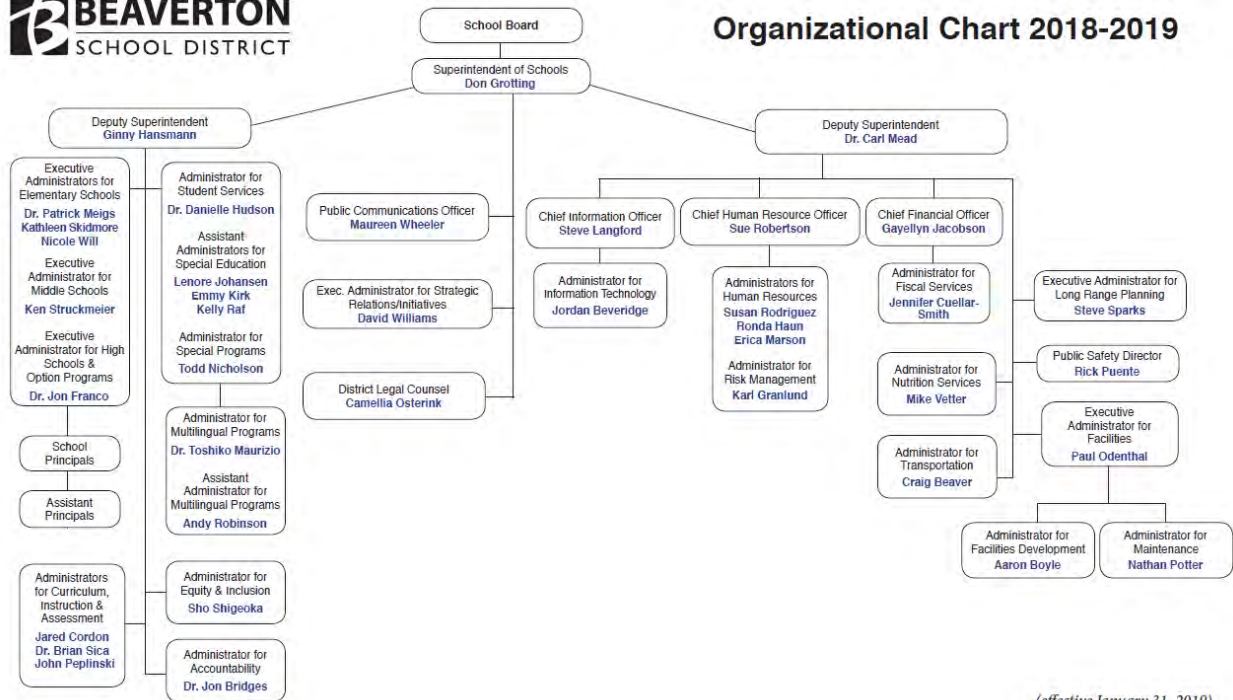
Tom Wohlleber, CSRM  
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis  
Executive Director



## Organizational Chart 2018-2019



(effective January 31, 2019)

## Beaverton School District Appointed and Elected Officials

Administrative Office:  
 16550 SW Merlo Road  
 Beaverton, OR 97003

<u>Name</u>	<u>Position</u>
Don Grotting	Superintendent
Carl Mead	Deputy Superintendent
Ginny Hansmann	Deputy Superintendent

## School Board as of June 30, 2019

<u>Name and Title</u>	<u>Term Expires</u>
Becky Tymchuk, Chair	June 30, 2019
Eric Simpson, Vice Chair	June 30, 2019
Susan Greenberg	June 30, 2021
Anne Bryan	June 30, 2021
Donna Tyner	June 30, 2021
LeeAnn Larsen	June 30, 2021
Tom Colett	June 30, 2019

The above Board Members receive mail at the address below:

Beaverton School District  
 16550 SW Merlo Road  
 Beaverton, OR 97003





# FINANCIAL SECTION

Financial Section





## **INDEPENDENT AUDITOR'S REPORT**







## ***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, 2019, 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, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A), and required supplementary information, as listed in the table of contents, 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 supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information (except as mentioned in the following paragraph) because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The combining schedule and budgetary comparison information presented as required supplementary information, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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, other supplementary information, as listed in the table of contents, 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, state and local awards is presented for purposes of additional analysis, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

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

## ***Reports on Other Legal and Regulatory Requirements***


### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2019, 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 solely 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 the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Other Reporting Required by Oregon Minimum Standards*

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 18, 2019, on our consideration of the District's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

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

By: 

Larry E. Grant, A Shareholder

November 18, 2019



## **MANAGEMENT'S DISCUSSION AND ANALYSIS**



**BEAVERTON SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

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, 2019. 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 1 - 9 of this report.

**NEW ACCOUNTING STANDARDS IMPLEMENTED**

The District implemented Governmental Accounting Standards Board (GASB) Statement No. 83, *Certain Asset Retirement Obligations* (GASB No. 83), and Statement 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* (GASB No. 88) in fiscal year 2018-19. The District anticipates no financial impact as a result of implementing GASB 83 and GASB 88. Additional information can be found in Footnote 17 of the financial statements.

**FINANCIAL HIGHLIGHTS**

- In the government-wide statements, the liabilities and deferred inflows of resources exceeded the assets and deferred outflows of resources by \$73.1 million (net position). This is a change of \$43.4 million compared to the prior year, when they exceeded by \$29.7 million.
- The District's governmental funds report combined ending fund balance of \$268.6 million, a decrease of \$93.8 million from the prior year. Approximately 6.3 percent of this total amount, \$16.9 million, was unassigned, available for appropriation at the District's discretion. The remaining fund balances are either nonspendable, restricted or committed: \$212.5 million for use on capital projects, \$3.4 million for debt service and the balance of \$35.8 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 \$41.3 million, or about 9.0 percent of total General Fund revenue.
- Total cost of all the District's programs was \$632.9 million for the fiscal year, an increase of \$38.9 million (6.5 percent) from the prior year.
- The District's total outstanding long-term debt and capital leases decreased by \$46.1 million (4.1 percent) during the 2018-19 fiscal year due to debt service payments and amortization of premiums.

**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

**BEAVERTON SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2019**  
**(CONTINUED)**

and unrestricted amounts. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

*The Statement of Activities.* 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 31 - 32 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.

**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 33 - 36.



**BEAVERTON SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

**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 37 - 39 of this report.

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

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

The basic fiduciary fund financial statements are located on pages 40 - 41 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 42 - 72 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 75 - 79 of this report. *Other Supplementary Information*, presented on pages 83 - 128, includes combining statements for the nonmajor governmental funds, budgetary comparison for nonmajor and other funds, and other financial schedules.

#### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Statement of Net Position.** As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, its liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources by \$73.1 million at June 30, 2019.

Capital assets, which consist of the District's land, buildings, building improvements, construction in progress, vehicles and equipment, represent 73.7 percent of total assets.

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

The District's largest liability (91.6 percent) is for the repayment of long-term debt and obligations including post-employment benefit obligations, the PERS net pension obligation, and all general obligation and limited tax pension obligation bonds due in more than one year. Other liabilities, representing about 8.4 percent of the District's total liabilities, consist principally of the debt and obligations due within one year, capital leases due within one year, payables on accounts, and accrued salaries and benefits.

**BEAVERTON SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2019**  
**(CONTINUED)**

Most of the District's net position (\$307.7 million) reflects its investment in capital assets (e.g. land, buildings, vehicles and equipment), less any related debt used to acquire those assets that is still outstanding and unspent bond proceeds. The District uses these capital assets to provide services to students and other District residents; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources (generally property taxes), since the capital assets themselves cannot be used to liquidate these liabilities.

The District's restricted net position (\$4.8 million) reflects resources that are subject to external restrictions on how they may be used. The remaining balance in net position (negative \$385.6 million) is unrestricted.

The breakdown of the Beaverton School District Net Position for Governmental Activities is as follows:

<b>Governmental Activities</b>	<b>June 30, 2019</b>	<b>June 30, 2018</b>	<b>Increase / (Decrease)</b>
Capital assets	\$ 984,219,520	\$ 917,764,280	\$ 66,455,240
Current and other assets	351,615,424	446,473,991	(94,858,567)
Total assets	1,335,834,944	1,364,238,271	(28,403,327)
Deferred outflows of resources	199,519,796	179,283,306	20,236,490
Total assets and deferred outflows of resources	1,535,354,740	1,543,521,577	(8,166,837)
Long-term liabilities	1,446,577,426	1,430,914,710	15,662,716
Other liabilities	133,205,899	128,013,896	5,192,003
Total liabilities	1,579,783,325	1,558,928,606	20,854,719
Deferred inflows of resources	28,642,060	14,244,449	14,397,611
Total liabilities and deferred inflows of resources	1,608,425,385	1,573,173,055	35,252,330
Net position:			
Net investment in capital assets	307,682,555	290,846,498	16,836,057
Restricted	4,800,662	3,532,119	1,268,543
Unrestricted	(385,553,862)	(324,030,095)	(61,523,767)
Total net position	\$ (73,070,645)	\$ (29,651,478)	\$ (43,419,167)

The District's overall financial position changed as indicated by a decrease of \$43.4 million in net position. Unrestricted net position decreased by \$61.5 million due mainly to the change in the PERS net pension liability. At the same time, the District's investment in capital assets, net of related debt, increased by \$16.8 million due principally to payment of related debt during the year.

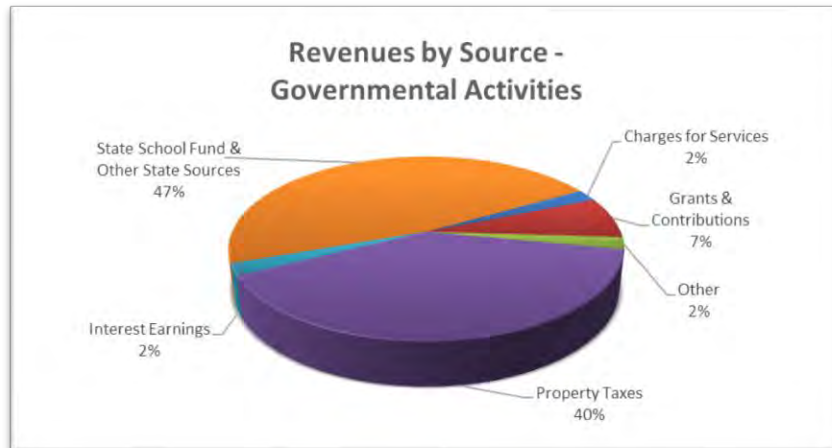
**BEAVERTON SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

**Governmental activities.** During the 2018-19 fiscal year, the District's net position decreased by \$43.4 million.

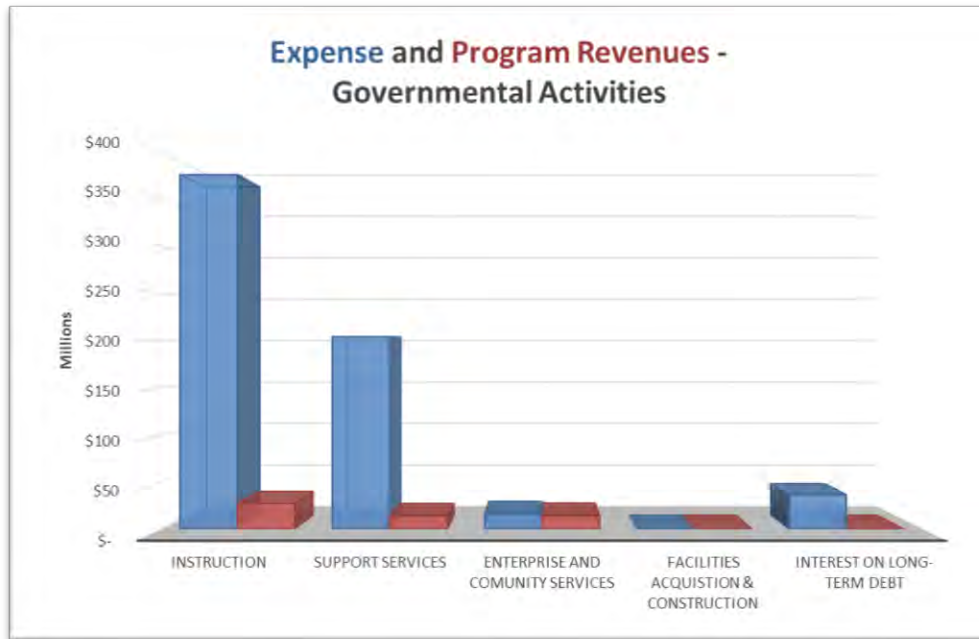
The key elements in this change are the following:

<b>Governmental Activities</b>	<b>June 30, 2019</b>	<b>June 30, 2018</b>	<b>Increase / (Decrease)</b>
<b>Revenues:</b>			
Program revenues:			
Charges for services	\$ 12,158,387	\$ 11,716,641	\$ 441,746
Operating grants and contributions	41,978,368	37,291,667	4,686,701
Capital grants and contributions	622,611	472,169	150,442
General revenues:			
Property taxes	199,492,128	187,038,021	12,454,107
Local option taxes	33,330,338	31,005,163	2,325,175
Construction excise tax	3,391,946	3,217,459	174,487
State school fund	257,695,444	258,157,569	(462,125)
Other state and local sources	19,717,597	21,452,058	(1,734,461)
Earnings on investments	12,172,451	4,943,574	7,228,877
Miscellaneous	8,889,895	7,232,558	1,657,337
Total revenues	589,449,165	562,526,879	26,922,286
<b>Expenses:</b>			
Instruction	376,093,532	354,196,558	21,896,974
Support services	204,487,372	190,885,022	13,602,350
Enterprise and community services	15,973,794	14,904,678	1,069,116
Interest on long-term debt	36,313,634	34,035,456	2,278,178
Total expenses	632,868,332	594,021,714	38,846,618
Increase (decrease) in net position	(43,419,167)	(31,494,835)	(11,924,332)
Net position – July 1 (as restated)	(29,651,478)	1,843,357	(31,494,835)
Net position – June 30	\$ (73,070,645)	\$ (29,651,478)	\$ (43,419,167)

- Program revenues increased by \$5.3 million in 2018-19 as a combination of an increase of \$0.4 million in charges for services and an increase of \$4.8 million in grants and contributions.
- General revenues increased by \$21.6 million in 2018-19 largely due to increases from local property taxes and earnings on investments.



**BEAVERTON SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**



**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

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

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

At June 30, 2019, the District's governmental funds reported combined ending fund balances of \$268.6 million, a decrease of \$93.8 million in comparison with the prior year. Approximately \$251.7 million (93.7 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 the governing body. Another \$16.9 million (6.3 percent) of the ending fund balances are unassigned and available for spending at the District's discretion. Of the fund balance, \$212.5 million (79.1 percent) is designated for capital projects, as authorized by voters and the Board, and an additional \$3.4 million (1.3 percent) is dedicated for debt service obligations.

**General Fund.** The General Fund is the chief operating fund of the District. As of June 30, 2019, committed fund balance was \$24.4 million to fund long-term planning needs and a stability fund. As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund revenues. At the end of the fiscal year, the General Fund balance was 9.0 percent of General Fund revenues. The fund balance decreased by \$11.2 million due to increased budgeted expenditures.

**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 fund balance increased from \$2.2 million due to the increase in property tax collections.

**BEAVERTON SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

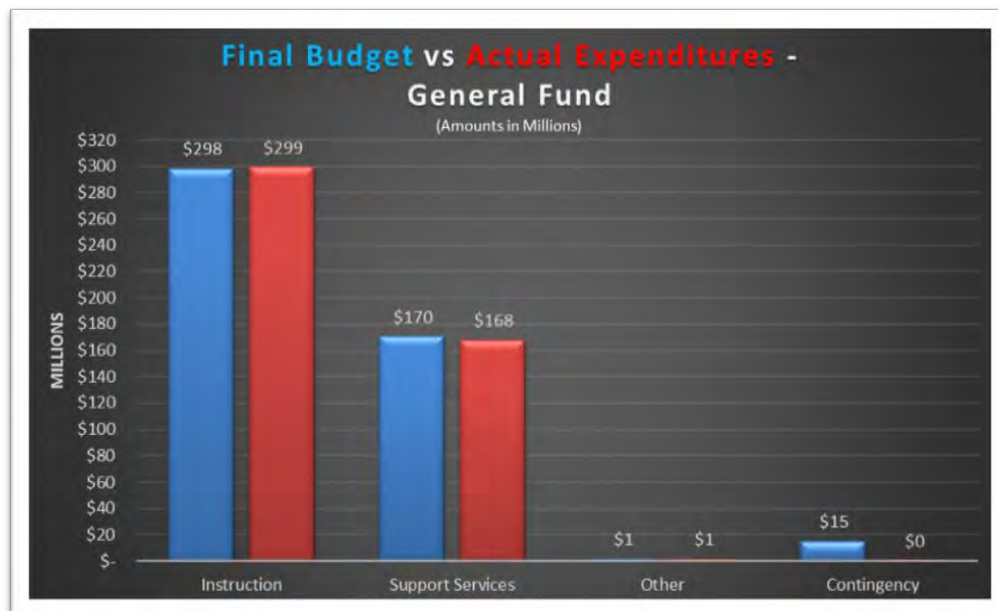
*Capital Projects Fund.* The Capital Projects Fund has a total fund balance of \$212.5 million, all of which is dedicated for ongoing capital projects. Capital expenditures reflect costs incurred as part of the Long Range Facilities Plan. All of the Capital Projects Fund balance is restricted or committed for capital improvements and repairs.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

*Original budget compared to final budget.* During the year, there were three supplemental budgets with additional appropriations that were adopted for 2018-19.

*Final budget compared to actual results.* The most significant differences between estimated revenue and actual revenue were Property Taxes, State and Local Sources, and Investment Earnings. Estimated Property Tax revenues were \$136.1 million and actual revenue was \$140.2 million with a difference of \$4.1 million. The increase of the revenue source was attributed to an increase in property values. Estimated State and Local Sources revenues were \$279.6 million and actual revenue was \$276.7 million with a difference of (\$2.8) million. The decrease of the revenue source was due to an adjustment to the State School Fund for the projected increase in local property taxes to prevent a negative adjustment in the future. Estimated Investment Earnings revenues were \$1.0 million and actual revenue was \$3.3 million due to an increase in bond yield compared to estimates.

The most significant difference between estimated expenditures and actual expenditures were Instruction and Support Services. Estimated Instruction expenditures were \$298.0 million compared to the actual expenditures of \$299.2 million. This was significantly higher than the adopted budget of \$288.6 million. Estimated Support Services expenditures were \$170.3 million compared to the actual expenditures of \$167.7 million. These variations are attributed to an incorrect estimate of salaries that were used in the original budgeting process and an incorrect split between the effects of those between Instruction and Support Services in the final supplemental budget.



**BEAVERTON SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

**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, 2019, the District had approximately \$984.2 million invested in capital assets, net of depreciation, as shown in the following table:

<b>Capital Asset</b>	<b>June 30, 2019</b>	<b>June 30, 2018</b>	<b>Increase / (Decrease)</b>
Land	\$ 71,475,001	\$ 71,449,746	\$ 25,255
Buildings and improvements	807,441,009	774,132,908	33,308,101
Vehicles and equipment	27,551,984	25,416,119	2,135,865
Construction in progress	77,751,526	46,765,507	30,986,019
Total capital assets, net of related accumulated depreciation	<u>\$ 984,219,520</u>	<u>\$ 917,764,280</u>	<u>\$ 66,455,240</u>

Additional information regarding the District's capital assets can be found in Note 5 on page 53 of this report.

**Long-term debt.** At the end of the current fiscal year, the District had total long-term debt outstanding of \$1,071.4 million, of the total \$1,073.5 million outstanding debt. The debt consisted of general obligation bonds, full faith and credit obligation bonds, pension obligation bonds, capital leases and unamortized premium.

State statutes limit the amount of general obligation debt a school district may issue to 7.95 percent of its total real market value. The current debt limit is \$3.99 billion, which is significantly in excess of the District's outstanding general obligation debt.

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

Additional information on the District's long-term debt can be found in Notes 8 and 9 on pages 54 - 57 of this report.

<b>Debt Type</b>	<b>June 30, 2019</b>	<b>June 30, 2018</b>	<b>Increase / (Decrease)</b>
General obligation bonds	\$ 775,435,507	\$ 800,970,100	\$ (25,534,593)
Pension obligation bonds	191,240,000	203,740,000	(12,500,000)
Full faith and credit obligation bonds	16,765,000	17,455,000	(690,000)
Unamortized premium	87,985,332	94,836,131	(6,850,799)
Capital leases	2,079,181	2,607,191	(528,010)
Total debt	<u>\$ 1,073,505,020</u>	<u>\$ 1,119,608,422</u>	<u>\$ (46,103,402)</u>

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

Resources supporting District General Fund operations primarily reflect local and state revenues, with additional income representing federal, county and other sources. The largest segment is determined by the State School Fund formula. Most of the funding provided by the State to the District is based on the District's average daily membership of students. Total student enrollment in 2018-19 increased from 2017-18 by 95. Slow continual growth trends are projected to continue in next few future years.

**BEAVERTON SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2019  
(CONTINUED)**

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

The 2019-20 budget was based on a K-12 state funding level of \$9.0 billion for the 2019-21 biennium. It includes a local option levy that was renewed in May 2018 that will continue through June 2023. This local option provides 288 teaching positions in an effort to reduce class sizes. The budget also included a large increase in benefit costs for increase in the PERS contribution rates.

In June 2019, the board adopted the District budget for the fiscal year 2019-20. The adopted budget for the General Fund for the year ending June 30, 2020 is \$515.6 million. This is an increase of \$27.3 million from the 2018-19 adopted budget.

The School Board has set policy that the District will target 5.0 percent of annual operating revenues as ending fund balance and an additional 5.0 percent to a rainy-day fund reserve. The District will also budget an annual operating contingency equal to 5.0 percent of budgeted revenues. The 2019-20 budget has an approved transfer from the rainy-day fund reserve to balance the budget with a target 5.0 percent of annual operating revenues as an ending fund balance. The District policy allows for a three-year plan to replenish the reserve.

**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, 2019

**ASSETS:**

Cash and investments	\$	329,783,078
Receivables		18,502,827
Inventories		493,950
OPEB net asset - RHIA		2,835,569
Capital assets not being depreciated:		
Land		71,475,001
Construction in progress		77,751,526
Capital assets, net of accumulated depreciation:		
Buildings and improvements		807,441,009
Vehicles and equipment		27,551,984
<b>TOTAL ASSETS</b>		<b>1,335,834,944</b>

**DEFERRED OUTFLOWS OF RESOURCES:**

PERS deferred outflows		196,747,019
OPEB deferred outflows		2,772,777
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>		<b>199,519,796</b>

**TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES**

**1,535,354,740**

**LIABILITIES:**

Accounts payable		23,882,799
Accrued salaries and benefits		40,274,083
Compensated absences		5,875,652
Accrued interest payable		3,016,279
Unearned revenue		2,748,489
Accrued claims losses		3,152,000
Other accrued liabilities		3,141,016
Capital leases payable - due within one year		1,104,540
General obligation and full faith and credit obligation bonds - due within one year		36,401,041
Limited tax pension obligation bonds - due within one year		13,610,000
Capital leases payable - due in more than one year		974,641
General obligation and full faith and credit obligation bonds - due in more than one year		843,784,798
Limited tax pension obligation bonds - due in more than one year		177,630,000
PERS net pension liability		393,909,116
OPEB total liability - PHIS		30,278,871
<b>TOTAL LIABILITIES</b>		<b>1,579,783,325</b>

**DEFERRED INFLOWS OF RESOURCES:**

PERS deferred inflows		25,626,067
OPEB deferred inflows		3,015,993
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>		<b>28,642,060</b>

**TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES**

**1,608,425,385**

**NET POSITION:**

Net investment in capital assets		307,682,555
Restricted for debt service		1,172,594
Restricted for student body		3,628,068
Unrestricted		(385,553,862)
<b>TOTAL NET POSITION</b>	<b>\$</b>	<b>(73,070,645)</b>

**BEAVERTON SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES**  
YEAR ENDED JUNE 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Regular programs	\$ 279,440,871	\$ 5,428,180	\$ 8,545,137	\$ -	\$ (265,467,554)
Special programs	95,302,554	-	12,609,602	-	(82,692,952)
Summer school programs	1,350,107	-	550,662	-	(799,445)
Student support services	48,475,828	-	4,260,564	-	(44,215,264)
Instructional staff support	21,880,138	-	2,882,336	-	(18,997,802)
General administration support	2,293,158	-	-	-	(2,293,158)
School administration	38,378,126	-	-	-	(38,378,126)
Business support services	65,984,943	1,251,795	3,891,125	622,611	(60,219,412)
Central activities support	27,475,179	275,383	376,657	-	(26,823,139)
Food services	15,965,965	5,203,029	8,855,968	-	(1,906,968)
Community services	7,829	-	6,317	-	(1,512)
Interest on long-term debt	36,313,634	-	-	-	(36,313,634)
Total governmental activities	<u>\$ 632,868,332</u>	<u>\$ 12,158,387</u>	<u>\$ 41,978,368</u>	<u>\$ 622,611</u>	<u>(578,108,966)</u>
General revenues:					
Property taxes levied for general purposes					137,034,319
Local option taxes levied for general purposes					33,330,338
Property taxes levied for debt service					62,457,809
Construction excise tax					3,391,946
State school fund - general support					257,695,444
Common school fund					4,499,398
Unrestricted state and local sources					15,218,199
Earnings on investments					12,172,451
Gain on sale of capital asset					284,741
Miscellaneous					<u>8,605,154</u>
Total general revenues					<u>534,689,799</u>
<b>CHANGE IN NET POSITION</b>					<b>(43,419,167)</b>
NET POSITION, July 1, 2018					<u>(29,651,478)</u>
NET POSITION, June 30, 2019					<u><u>\$ (73,070,645)</u></u>

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

**BEAVERTON SCHOOL DISTRICT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2019**

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
<b>ASSETS</b>					
Equity in pooled cash and investments	\$ 75,332,882	\$ 1,228,612	\$ 232,329,892	\$ 13,024,425	\$ 321,915,811
Cash with fiscal agent	2,025	229,577	300,000	-	531,602
Receivables	4,169,470	156,566	1,801,524	8,612,477	14,740,037
Property taxes receivable	2,763,102	999,153	-	-	3,762,255
Due from other funds	3,285,015	1,648,743	-	-	4,933,758
Inventories	-	-	-	493,950	493,950
<b>TOTAL ASSETS</b>	<b>\$ 85,552,494</b>	<b>\$ 4,262,651</b>	<b>\$ 234,431,416</b>	<b>\$ 22,130,852</b>	<b>\$ 346,377,413</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND</b>					
<b>FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 2,795,261	\$ -	\$ 19,107,630	\$ 1,453,286	\$ 23,356,177
Accrued salaries and benefits	37,406,201	-	68,496	2,761,202	40,235,899
Due to other funds	1,775,377	-	3,534	3,432,788	5,211,699
Unearned revenue	-	-	-	2,748,489	2,748,489
Other liabilities	13,881	-	2,752,283	374,852	3,141,016
<b>TOTAL LIABILITIES</b>	<b>41,990,720</b>	<b>-</b>	<b>21,931,943</b>	<b>10,770,617</b>	<b>74,693,280</b>
Deferred Inflows of Resources:					
Unavailable revenue - property taxes	2,277,151	825,001	-	-	3,102,152
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF</b>	<b>44,267,871</b>	<b>825,001</b>	<b>21,931,943</b>	<b>10,770,617</b>	<b>77,795,432</b>
<b>RESOURCES</b>					
Fund Balances:					
Nonspendable					
Inventories	-	-	-	493,950	493,950
Restricted					
Debt Service Fund	-	3,363,872	-	-	3,363,872
Capital Projects Fund	-	-	205,728,055	-	205,728,055
Student Body Fund	-	-	-	3,628,068	3,628,068
Committed					
Debt Service Fund	-	73,778	-	-	73,778
Capital Projects Fund	-	-	6,771,418	-	6,771,418
Special Purpose Fund	-	-	-	1,754,025	1,754,025
Categorical Fund	-	-	-	2,726,046	2,726,046
Nutrition Services Fund	-	-	-	2,758,146	2,758,146
Long-term Planning Fund	24,369,523	-	-	-	24,369,523
Unassigned	16,915,100	-	-	-	16,915,100
<b>TOTAL FUND BALANCES</b>	<b>41,284,623</b>	<b>3,437,650</b>	<b>212,499,473</b>	<b>11,360,235</b>	<b>268,581,981</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF</b>	<b>\$ 85,552,494</b>	<b>\$ 4,262,651</b>	<b>\$ 234,431,416</b>	<b>\$ 22,130,852</b>	<b>\$ 346,377,413</b>
<b>RESOURCES, AND FUND BALANCES</b>					

The notes to basic 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, 2019**

<b>TOTAL FUND BALANCES</b>		\$	268,581,981
Capital assets are not financial resources and therefore are not reported in the governmental funds:			
Cost	\$	1,292,511,329	
Accumulated depreciation		<u>(308,291,809)</u>	984,219,520
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.			
			3,102,152
Internal service funds are used by the District to charge the costs of insurance premiums and claims to the individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.			
			3,897,335
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.			
			(5,875,652)
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		(3,016,279)	
Bonds payable and unamortized premium		(1,071,425,839)	
Capital leases payable		<u>(2,079,181)</u>	(1,076,521,299)
Long-term pension assets / liabilities not payable in the current year are not reported as governmental fund liabilities. Actuarial changes create deferred outflows and inflows of resources. These consist of:			
PERS net pension liability		(393,909,116)	
PERS deferred outflow of resources		196,747,019	
PERS deferred inflows of resources		<u>(25,626,067)</u>	(222,788,164)
Long-term other postemployment benefits obligation 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:			
Total OPEB asset		2,835,569	
Total OPEB liability		(30,278,871)	
OPEB deferred outflow of resources		2,772,777	
OPEB deferred inflows of resources		<u>(3,015,993)</u>	(27,686,518)
<b>TOTAL NET POSITION</b>		\$	<u><u>(73,070,645)</u></u>

**BEAVERTON SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2019**

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
<b>REVENUES:</b>					
Property taxes	\$ 140,178,404	\$ 62,457,808	\$ -	\$ -	\$ 202,636,212
Local option levy	33,330,338	-	-	-	33,330,338
Construction excise tax	-	-	3,391,946	-	3,391,946
State and local sources	276,742,980	-	-	9,618,889	286,361,869
Federal sources	-	-	-	25,888,701	25,888,701
Charges for services	3,258,808	-	-	8,508,767	11,767,575
Rentals	1,019,361	-	29,160	2,160	1,050,681
Investment earnings	3,250,566	811,194	7,850,696	133,994	12,046,450
Contributions and donations	6,053	-	833,853	4,515,572	5,355,478
Services to other funds	-	19,535,532	-	-	19,535,532
Recovery of prior years' expenditures	96,697	1,518	6,473,096	8,550	6,579,861
Other	1,275,857	-	622,611	1,583,991	3,482,459
<b>Total revenues</b>	<b>459,159,064</b>	<b>82,806,052</b>	<b>19,201,362</b>	<b>50,260,624</b>	<b>611,427,102</b>
<b>EXPENDITURES:</b>					
Current:					
Instruction	299,248,953	-	-	22,782,358	322,031,311
Support services	169,415,319	-	2,272,436	8,970,297	180,658,052
Enterprise and community services	-	-	-	14,886,084	14,886,084
Facilities acquisition and construction	27,169	-	100,091,738	3,370,970	103,489,877
Debt service					
Principal	1,059,150	38,724,593	-	-	39,783,743
Interest	102,522	44,172,298	-	-	44,274,820
<b>Total expenditures</b>	<b>469,853,113</b>	<b>82,896,891</b>	<b>102,364,174</b>	<b>50,009,709</b>	<b>705,123,887</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(10,694,049)</b>	<b>(90,839)</b>	<b>(83,162,812)</b>	<b>250,915</b>	<b>(93,696,785)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Sale of or compensation for loss of capital assets	15,200	-	257,673	-	272,873
Transfers in	3,042,521	1,328,900	-	3,900	4,375,321
Transfers out	(4,122,215)	-	(1,159,206)	(3,900)	(5,285,321)
Issuance of capital leases	531,140	-	-	-	531,140
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(533,354)</b>	<b>1,328,900</b>	<b>(901,533)</b>	<b>-</b>	<b>(105,987)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(11,227,403)</b>	<b>1,238,061</b>	<b>(84,064,345)</b>	<b>250,915</b>	<b>(93,802,772)</b>
<b>FUND BALANCE, July 1, 2018</b>	<b>52,512,026</b>	<b>2,199,589</b>	<b>296,563,818</b>	<b>11,109,320</b>	<b>362,384,753</b>
<b>FUND BALANCE, June 30, 2019</b>	<b>\$ 41,284,623</b>	<b>\$ 3,437,650</b>	<b>\$ 212,499,473</b>	<b>\$ 11,360,235</b>	<b>\$ 268,581,981</b>

The notes to basic 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, 2019**

**NET CHANGE IN FUND BALANCES** \$ (93,802,772)

*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	\$	
Less net change in accumulated depreciation		66,455,240

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

Net change in PERS net pension liability / asset	(65,551,091)	
Net change in deferred outflow of resources	20,791,304	
Net change in deferred inflow of resources	(13,610,456)	(58,370,243)

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

Debt principal repaid	38,724,593	
Amortization expense	6,850,799	
Capital lease issued	(531,140)	
Capital lease debt principal repaid	1,059,150	46,103,402

In refunding bonds, the amount of new bonds in excess of the refunded bonds is a deferred outflow of resources for the Statement of Activities, whereas it is recorded as an interest expense in the year of refunding. (645,480)

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. 1,755,867

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. (3,144,085)

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. (2,002,000)

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. (142,875)

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

Net change in total OPEB liability / asset	1,070,268	
Net change in deferred outflow of resources	90,666	
Net change in deferred inflow of resources	(787,155)	373,779

**CHANGE IN NET POSITION** **\$ (43,419,167)**



**BEAVERTON SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS**  
**JUNE 30, 2019**

**ASSETS**

Current assets:

Cash and cash equivalents	\$ 7,335,665
Receivables	535
Due from other funds	<u>279,676</u>

<b>TOTAL ASSETS</b>	<u><u>7,615,876</u></u>
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**LIABILITIES**

Current liabilities:

Accounts payable	526,622
Accrued claims losses	3,152,000
Accrued salaries and benefits	38,184
Due to other funds	<u>1,735</u>

<b>TOTAL LIABILITIES</b>	<u><u>3,718,541</u></u>
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**NET POSITION**

Unrestricted	<u>3,897,335</u>
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<b>TOTAL NET POSITION</b>	<u><u>\$ 3,897,335</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, 2019**

**OPERATING REVENUES:**

Services to other funds	\$ 3,897,317
Recovery of prior years' expenditures	240,927
Other	<u>61,880</u>

<b>TOTAL OPERATING REVENUES</b>	<u><u>4,200,124</u></u>
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**OPERATING EXPENSES:**

Losses and claims	2,809,479
Insurance premiums and assessments	2,079,340
Salaries and benefits	1,334,208
Services, supplies and materials	840,878
Facilities acquisition and construction	<u>174,219</u>

<b>TOTAL OPERATING EXPENSES</b>	<u><u>7,238,124</u></u>
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<b>OPERATING INCOME (LOSS)</b>	(3,038,000)
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**NONOPERATING REVENUE:**

Investment earnings	<u>126,000</u>
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<b>TOTAL NONOPERATING REVENUES</b>	<u><u>126,000</u></u>
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<b>INCOME (LOSS) BEFORE TRANSFERS</b>	(2,912,000)
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**TRANSFERS:**

Transfers in	<u>910,000</u>
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<b>TOTAL TRANSFERS</b>	<u><u>910,000</u></u>
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<b>CHANGE IN NET POSITION</b>	(2,002,000)
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<b>NET POSITION, July 1, 2018</b>	<u><u>5,899,335</u></u>
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<b>NET POSITION, June 30, 2019</b>	<u><u>\$ 3,897,335</u></u>
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**BEAVERTON SCHOOL DISTRICT**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2019**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Received from interfund services provided	\$ 3,965,975
Received from recovery of prior years' expenditures	240,927
Paid for goods and services	(3,321,783)
Paid to claimants	(2,804,948)
Paid to employees	(872,208)

**NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES** (2,792,037)

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:**

Transfer from other funds	910,000
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**NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES** 910,000

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Interest received	126,000
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**NET CASH FLOWS FROM INVESTING ACTIVITIES** 126,000

**NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS** (1,756,037)

**CASH AND CASH EQUIVALENTS, July 1, 2018** 9,091,702

**CASH AND CASH EQUIVALENTS, June 30, 2019** \$ 7,335,665

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

Operating income (loss)	\$ (3,038,000)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Changes in assets and liabilities	
Receivables	19,246
Due from other funds	(13,134)
Accounts payable	(227,346)
Accrued claims losses	462,000
Accrued salaries and benefits	4,531
Due to other funds	666

**NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES** \$ (2,792,037)

**BEAVERTON SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
 FIDUCIARY FUND - PRIVATE PURPOSE TRUST FUND  
 JUNE 30, 2019

**ASSETS**

Equity in pooled cash and investments	\$ 382,316
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<b>TOTAL ASSETS</b>	<u>382,316</u>
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**LIABILITIES**

Accounts payable	5,500
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Scholarships payable	<u>34,500</u>
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<b>TOTAL LIABILITIES</b>	<u>40,000</u>
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**NET POSITION**

Held in trust for:	
Scholarships	<u>342,316</u>

<b>TOTAL NET POSITION</b>	<u><u>\$ 342,316</u></u>
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**BEAVERTON SCHOOL DISTRICT**  
**STATEMENT OF CHANGES IN NET POSITION**  
 FIDUCIARY FUND - PRIVATE PURPOSE TRUST FUND  
 YEAR ENDED JUNE 30, 2019

**ADDITIONS:**

Contributions and donations	\$ 92,985
Investment earnings	<u>6,611</u>
Total additions	<u>99,596</u>

**DEDUCTIONS:**

Scholarships	<u>62,900</u>
Total deductions	<u>62,900</u>

<b>CHANGE IN NET POSITION</b>	36,696
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<b>NET POSITION, July 1, 2018</b>	<u>305,620</u>
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<b>NET POSITION, June 30, 2019</b>	<u><u>\$ 342,316</u></u>
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**BEAVERTON SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
JUNE 30, 2019

**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 Oregon Revised Statutes (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.

**BEAVERTON SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
JUNE 30, 2019

**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.

**BEAVERTON SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
JUNE 30, 2019

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. These short-term investments are stated at cost, which approximates fair value.

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

The Oregon State Treasury administers the LGIP. It is an open-ended no-load diversified portfolio offered to any agency, political subdivision or public corporation of the State that by law is made the custodian of, or has control of, any funds. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon legislature established the Oregon Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury in the management and investment options of the LGIP.

**Property Taxes Receivable**

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

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



**BEAVERTON SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
JUNE 30, 2019

**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, 2019, 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.

**Capital Assets**

Capital assets are recorded at original or estimated original cost. Donated capital assets are recorded at their acquisition 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 OPEB liability and one type related to the net PERS pension liability. 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 three 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 OPEB liability and 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.

**BEAVERTON SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
JUNE 30, 2019

**Retirement Plans and Other Post-Employment Benefits**

Substantially all of the District's employees are participants in the 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.

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, the District has other post-employment benefit plans for employees. As a member of PERS, the District contributes to the Retirement Health Insurance Accounts (RHIA) for eligible District employees. This plan was established by the Oregon Legislature. The District also has a Postemployment Health Insurance Subsidy (PHIS) plan that provides postemployment insurance for eligible employees and their spouses. This plan was established by the District in accordance with ORS 243.303.

The District offers its employees tax deferred annuity plans established pursuant to Section 403(b) and 457(b) of the Internal Revenue Code. Contributions are made through salary reductions from participating employees up to the amounts specified in the Code. The District makes contributions for active administrators as part of their benefit package but is not responsible for any amount postemployment. Employees are immediately vested in their own contributions, any District contributions, and earnings on those contributions. There are no forfeitures on any of these plans. The plans are administrated by Carruth Compliance Consulting.

Benefit terms for the active administrators, including contribution requirements, are established in the agreement with the Association of Beaverton School Administrators and may be amended in future agreements. For each employee, the District is required to contribute \$100 per month that may be used to purchase a retirement financial product and to contribute 5 percent of salary to the 403(b) plan. For the year ended June 30, 2019, the total of these District contributions was \$925,548.

**Compensated Absences**

It is the District's policy to permit employees to accumulate earned, but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the District. All vacation pay is considered to be current as the District policy states that vacation will lapse if not taken within six months following the year end. It is accrued when earned in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only as they come due, for example, as a result of employee resignation and retirements.

**Long-Term Debt**

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

**BEAVERTON SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
JUNE 30, 2019

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.

**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.

**BEAVERTON SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
JUNE 30, 2019

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.

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. An additional 5.0 percent fund balance is maintained in a sustainability fund to support long-term financial stability and can only be accessed through Board action to moderate future revenue declines.

**BEAVERTON SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
JUNE 30, 2019

**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 percent of a fund's original budget may be adopted by the Board at a regular meeting. A supplemental budget greater than 10 percent of a fund's original budget requires hearings before the public, publication in newspapers and approval by the Board. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control (major function levels) with Board approval. During the year, there were three supplemental budgets with additional appropriations that were adopted for 2018-19. Appropriations lapse at the end of each fiscal year.

**Over-Expenditure of Appropriations**

The Board approves appropriations at the major function level for each fund. For the year ended June 30, 2019, expenditures exceeded appropriations as follows:

<u>Major Function Level</u>	<u>Appropriation</u>	<u>Expenditure</u>	<u>Variance</u>
General Fund - Instruction	\$ 297,966,996	\$ 299,248,953	\$ (1,281,957)

The District increased appropriations within the General Fund through a supplemental budget during the year to provide for additional salary and benefit expenditures anticipated within both the Instruction and Support Services functions. It was later determined that a portion of these Support Services additional expenditures were Instruction related, which resulted in an over-expenditure in the General Fund Instruction function in the amount of \$1,281,957.

**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.

**BEAVERTON SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
JUNE 30, 2019

Cash and investments are comprised of the following at June 30, 2019:

Cash with fiscal agent	\$	531,602
Petty cash		402
Deposits with banks		27,602,477
Investments		302,030,913
	\$	<u>330,165,394</u>

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

Statement of Net Position		
Cash and investments	\$	329,783,078
Statement of Net Position - Fiduciary Funds		
Equity in pooled cash and investments		382,316
	\$	<u>330,165,394</u>

At year-end, the District's deposits with various financial institutions had a bank value of \$30,763,303 and a book value of \$27,602,477. 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 percent protected. Barring any exceptions, a bank depository is required to pledge collateral valued at 10 percent of their quarter-end public fund deposits if they are well capitalized, 25 percent of their quarter-end public fund deposits if they are adequately capitalized, or 110 percent of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110 percent 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 demand deposits and the aggregate of all time deposits at each institution. Deposits in excess of FDIC coverage with institutions with institutions participating in the Oregon Public Funds Collateralization Program (PFCP) are collateralized with securities held by the Federal Home Loan Bank of Seattle in the name of the institution. As of June 30, 2019 \$30,263,303 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, 2019 the District held the following investments and maturities:

Investment Type	Fair Value	Weighted Average Maturity in Years	Percent of Investment Portfolio
U.S. Treasury securities	\$ 26,463,126	1.318	8.8%
U.S. Agency securities	148,265,824	0.581	49.1%
State and local government obligations	1,000,370	0.173	0.3%
Corporate indebtedness	78,399,743	0.753	26.0%
Local Government Investment Pool (LGIP)	47,901,850	0.003	15.8%
	<u>\$ 302,030,913</u>	<u>0.597</u>	<u>100.0%</u>

**BEAVERTON SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
JUNE 30, 2019

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

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

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

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District minimizes custodial credit risk by limiting investments to the types of securities allowed by law; and pre-qualifying the financial institutions, brokers/dealers, intermediaries and advisors with which the District will do business. All of the investments above, except for the investment in the LGIP which is not evidenced by securities and the investment in over-night (sweep) commercial paper of the tied to the district bank account, are held in safekeeping by a 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.

**BEAVERTON SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
JUNE 30, 2019

At June 30, 2019, the District's investments were rated by either Moody's or Standard and Poor's as follows:

Investment Type	Total	Aaa/AAA	Aa/AA	A/A	Not Rated
U.S. Treasury securities	\$ 26,463,126	\$ 26,463,126	\$ -	\$ -	\$ -
U.S. Agency securities	148,265,824	148,265,824	-	-	-
State and local government obligations	1,000,370	-	1,000,370	-	-
Corporate indebtedness	78,399,743	30,049,951	43,351,452	4,998,340	-
Local Government Investment Pool (LGIP)	47,901,850	-	-	-	47,901,850
	<u>\$ 302,030,913</u>	<u>\$ 204,778,901</u>	<u>\$ 44,351,822</u>	<u>\$ 4,998,340</u>	<u>\$ 47,901,850</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. No more than 35 percent of the total portfolio of investments may be invested in any single U.S. government agency. No more than 10 percent of the total portfolio 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 percent of the investment portfolio. At June 30, 2019, more than 5 percent of the District's portfolio was invested in Federal Home Loan Mortgage Corporation Discount Notes, Federal Home Loan Bank Discount Notes, and US Bank corporate indebtedness. These investments were 26.43%, 10.99%, and 5.01%, respectively, of the District's total investments.

**4. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The composition of interfund balances as of June 30, 2019 is as follows:

	Due to Other Funds	Due from Other Funds
General fund	\$ 1,775,377	\$ 3,285,015
Debt service fund	-	1,648,743
Capital projects fund	3,534	-
Other governmental funds	3,432,788	-
Internal service funds	1,735	279,676
Total	<u>\$ 5,213,434</u>	<u>\$ 5,213,434</u>

There is a \$3,285,015 interfund balance in the General Fund to fund reimbursable expenditures in the Grant Fund. The remaining \$1,928,419 interfund balances between funds are the result of payroll accruals at year-end.



**BEAVERTON SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
JUNE 30, 2019

Interfund transfers for the year ended June 30, 2019 are as follows:

	Transfer in	Transfer out
General fund	\$ 3,042,521	\$ 4,122,215
Debt service fund	1,328,900	-
Capital projects fund	-	1,159,206
Other governmental funds	3,900	3,900
Internal service fund	910,000	-
Total	<u>\$ 5,285,321</u>	<u>\$ 5,285,321</u>

Transfers were made from the Capital Projects Funds to the Debt Service Fund totaling \$1,159,206 and from the General Fund to the Debt Service Fund totaling \$169,694 to pay principal and interest payments on the full faith and credit obligations. Within the General Fund, transfers totaling \$2,980,551 were made between the sub-funds, with funds going into the Long-term Planning Fund. The General Fund also transferred \$910,000 into the Insurance Reserve Fund to support the internal service fund. A transfer was made from the Pension Fund for \$61,970 to the General Fund to return the funds remaining after the completion of all early retirement programs. A transfer was made from the Food Service Fund to the Special Purpose Fund totaling \$3,900 for volunteer donations.

**5. CAPITAL ASSETS**

Capital assets activity for the year was as follows:

	Balance June 30, 2018	Additions	Reductions	Balance June 30, 2019
Capital assets not being depreciated:				
Land	\$ 71,449,746	\$ 25,255	\$ -	\$ 71,475,001
Construction in progress	46,765,507	67,787,768	(36,801,749)	77,751,526
Total capital assets not being depreciated	<u>118,215,253</u>	<u>67,813,023</u>	<u>(36,801,749)</u>	<u>149,226,527</u>
Capital assets being depreciated:				
Buildings and improvements	1,037,117,364	62,516,714	(8,494,905)	1,091,139,173
Vehicles and equipment	51,250,600	5,383,806	(4,488,777)	52,145,629
Total capital assets being depreciated	<u>1,088,367,964</u>	<u>67,900,520</u>	<u>(12,983,682)</u>	<u>1,143,284,802</u>
Less accumulated depreciation for:				
Buildings and improvements	(262,984,456)	(25,057,643)	4,343,935	(283,698,164)
Vehicles and equipment	(25,834,481)	(4,888,145)	6,128,981	(24,593,645)
Total accumulated depreciation	<u>(288,818,937)</u>	<u>(29,945,788)</u>	<u>10,472,916</u>	<u>(308,291,809)</u>
Total capital assets being depreciated, net	<u>799,549,027</u>	<u>37,954,732</u>	<u>(2,510,766)</u>	<u>834,992,993</u>
Total capital assets, net	<u>\$ 917,764,280</u>	<u>\$ 105,767,755</u>	<u>\$ (39,312,515)</u>	<u>\$ 984,219,520</u>

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

Regular programs	\$ 14,721,520
Special programs	4,712,296
Summer school programs	80,313
Student support services	2,584,336
Instructional staff support	1,074,311
General administration support	122,678
School administration	2,139,360
Business support services	2,688,531
Central activities support	1,303,296
Food services	519,009
Community services	138
	<u>\$ 29,945,788</u>

**BEAVERTON SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
JUNE 30, 2019

**6. RECEIVABLES**

Receivables are comprised of the following as of June 30, 2019:

Account	General Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Internal Service Funds	Total
Property taxes receivable	\$ 2,763,102	\$ 999,153	\$ -	\$ -	\$ -	\$ 3,762,255
Grants receivable	-	-	-	8,195,397	-	8,195,397
Interest and other receivables	4,169,470	156,566	1,801,524	417,080	535	6,545,175
	<u>\$ 6,932,572</u>	<u>\$ 1,155,719</u>	<u>\$ 1,801,524</u>	<u>\$ 8,612,477</u>	<u>\$ 535</u>	<u>\$ 18,502,827</u>

**7. LONG-TERM LIABILITIES**

Long-term liabilities activity for the year ended June 30, 2019 is as follows:

	Balance June 30, 2018	Additions	Reductions	Balance June 30, 2019	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 800,970,100	\$ -	\$ 25,534,593	\$ 775,435,507	\$ 28,835,242
Pension obligation bonds	203,740,000	-	12,500,000	191,240,000	13,610,000
Full faith & credit obligations	17,455,000	-	690,000	16,765,000	715,000
Unamortized premium	94,836,131	-	6,850,799	87,985,332	6,850,799
Total bonds payable, net	1,117,001,231	-	45,575,392	1,071,425,839	50,011,041
Capital leases	2,607,191	531,140	1,059,150	2,079,181	1,104,540
Net pension liability	328,358,025	65,551,091	-	393,909,116	-
OPEB total liability	29,531,275	2,993,418	2,245,822	30,278,871	-
	<u>\$ 1,477,497,722</u>	<u>\$ 69,075,649</u>	<u>\$ 48,880,364</u>	<u>\$ 1,497,693,007</u>	<u>\$ 51,115,581</u>

**8. 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. The Oregon State Statute establishes a legal debt limit for the District of 7.95% of real market value. The debt limit for the year ended June 30, 2019 was \$3.99 billion.

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

On December 11, 2012, the District issued \$33,075,000 in General Obligation Bonds, Series 2012A and \$126,325,000 in General Obligation Bonds, Series 2012B to refund Series 2004A Bonds and Series 2007 Bonds, and obtain a savings in total debt service requirement. Interest rates on the Series 2012A Bonds range from 0.36% to 1.72%. Interest on the Series 2012B Bonds range from 1.75% to 4.00%. Interest is payable semiannually in June

**BEAVERTON SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
JUNE 30, 2019

and December. Principal is paid annually in June, with a final maturity in June 2019 and June 2026 for the Series 2012A Bonds and Series 2012B Bonds respectively. The Series 2012B Bonds maturing on or after June 15, 2023 are subject to redemption prior to maturity at a price of par plus accrued interest on or after June 15, 2022.

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

On May 11, 2017, the District issued \$38,990,000 in General Obligation Bonds, Series 2017A, \$76,483,176 in General Obligation Bonds, Series 2017B, \$32,980,000 in General Obligation Bonds, Series 2017C, and \$149,397,089 in General Obligation Bonds, Series 2017D to finance the second phase of capital construction and improvements related to the \$680 million bond measure passed by voters on May 20, 2014. Principal is paid in June, with a final maturity in June 2028 for the Series 2017A Bonds, June 2034 for the Series 2017B Bonds, June 2035 for the Series 2017C Bonds, and June 2036 for the Series 2017D Bonds.

The Series 2017A are taxable bonds with interest rates from 1.49% to 3.23%. Interest is payable semiannually in June and December for the Series 2017A Bonds. The Series 2017A Bonds maturing on June 15, 2028 are subject to redemption prior to maturity at a price of par plus accrued interest on or after June 15, 2027.

The Series 2017B are deferred interest bonds with interest rates from 3.57% to 4.13%. Interest on the Series 2017B Bonds is payable only at maturity. The Series 2017B Bonds are subject to redemption prior to maturity at a price of 100 percent of the accreted par value on the redemption date on or after June 15, 2027.

The Series 2017C are current interest bonds with an interest rate of 5.00%. Interest is payable semiannually in June and December for the Series 2017C Series Bonds. The Series 2017C Bonds maturing in 2028 and 2035 are subject to redemption prior to maturity at a price of par plus accrued interest on or after June 15, 2027.

The Series 2017D are convertible deferred interest bonds with an interest rate of 5.00%. The Series 2017D Bonds will convert into current interest bonds in June 2018, after which interest will be payable semiannually in June and December. The 2017D Series Bonds maturing in 2035 and 2036 are subject to redemption prior to maturity at a price of 100 percent of accreted par value plus accrued interest on or after June 15, 2027.

**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%.

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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%.

**Full Faith and Credit Obligation Bonds**

On March 19, 2009, the District issued \$22,650,000 full faith and credit obligation bonds to provide funds for the construction of the Transportation Service Center, an option school auditorium, bus particulate traps and an option school remodel. Interest rates on the bonds range from 2.50% to 5.13% with a final maturity date of June 1, 2036.

On April 27, 2016, the District issued \$16,260,000 full faith and credit obligation bonds, placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old obligations. Interest rates on the 2016 bonds range from 2.00% to 4.00% with a final maturity date of June 1, 2036.

**Debt Activity**

The following is a summary of long-term debt transactions of governmental activities for the year ended June 30, 2019:

Issue Date	Original Issue	Principal			Outstanding at June 30, 2019	Interest Rates
		Outstanding at June 30, 2018	Additions	Reductions		
General Obligation Bonds:						
August 25, 2011	\$ 42,175,000	\$ 18,005,000	\$ -	\$ 3,275,000	\$ 14,730,000	2.0 - 5.0%
December 11, 2012	33,075,000	1,630,000	-	1,630,000	-	0.4 - 1.7%
December 11, 2012	126,325,000	111,305,000	-	7,395,000	103,910,000	1.8 - 4.0%
August 7, 2014	20,393,784	12,409,835	-	11,549,593	860,242	0.9 - 2.2%
August 7, 2014	361,755,000	359,770,000	-	-	359,770,000	2.0 - 5.0%
May 11, 2017	38,990,000	38,990,000	-	1,685,000	37,305,000	1.5 - 3.2%
May 11, 2017	76,483,176	76,483,176	-	-	76,483,176	3.6 - 4.1%
May 11, 2017	32,980,000	32,980,000	-	-	32,980,000	5.0%
May 11, 2017	149,397,089	149,397,089	-	-	149,397,089	5.0%
		800,970,100	-	25,534,593	775,435,507	
Limited Tax Pension Obligation Bonds:						
June 21, 2005	189,935,000	136,295,000	-	9,035,000	127,260,000	4.1 - 4.8%
February 26, 2015	79,220,000	67,445,000	-	3,465,000	63,980,000	0.4 - 4.1%
		203,740,000	-	12,500,000	191,240,000	
Full Faith and Credit Obligation Bonds:						
March 19, 2009	22,650,000	1,295,000	-	635,000	660,000	2.5 - 5.1%
April 27, 2016	16,260,000	16,160,000	-	55,000	16,105,000	2.0 - 4.0%
		17,455,000	-	690,000	16,765,000	
Total General Obligation and Pension Bonds:		1,022,165,100	-	38,724,593	983,440,507	
Unamortized Premium		94,836,131	-	6,850,799	87,985,332	
Total		\$ 1,117,001,231	\$ -	\$ 45,575,392	\$ 1,071,425,839	

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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.

**Future Debt Maturities**

Future bond maturities are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2020	\$ 43,160,242	\$ 42,301,557	\$ 85,461,799
2021	47,635,000	40,471,591	88,106,591
2022	52,345,000	38,427,933	90,772,933
2023	50,065,000	36,147,683	86,212,683
2024	54,372,969	34,387,430	88,760,399
2025-2029	312,638,012	138,395,022	451,033,034
2030-2034	280,313,499	118,582,235	398,895,734
2035-2039	142,910,785	18,481,815	161,392,600
	<u>\$ 983,440,507</u>	<u>\$ 467,195,266</u>	<u>\$ 1,450,635,773</u>

**9. CAPITAL LEASES**

The District entered into a master lease purchase agreement as lessee for financing the acquisition of teacher computers that qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the net present value of their future minimum lease payments as of the inception date. The computers had a cost of \$3.4 million with an annual payment of \$873,366. Since the computers did not reach the thresholds for capitalization, no capital assets or depreciation was recorded. The capital lease obligations were paid from the General Fund.

The District also entered into a master equity lease agreement as lessee for financing the acquisition of vehicles. The first set of vehicles were delivered in 2017-18 with a total cost of approximately \$976,000 and were capitalized over the life of the lease. The second set of vehicles were delivered in 2018-19 with a total cost of approximately \$531,000 and were capitalized over the life of the lease. The capital lease obligations were paid from the General Fund. As of June 30, 2019, the third set of vehicles had been ordered but not delivered to the District under this agreement, therefore, no accounting entries were recorded.

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2020	\$ 1,104,540	\$ 82,917	\$ 1,187,457
2021	253,491	60,601	314,092
2022	268,921	45,170	314,091
2023	334,892	28,143	363,035
2024	117,337	7,964	125,301
	<u>\$ 2,079,181</u>	<u>\$ 224,795</u>	<u>\$ 2,303,976</u>

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**10. PENSION PLAN**

**Plan Overview Description**

The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to 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/financials/Actuarial-Financial-Information.aspx>

If the link is expired, please contact the Oregon PERS for this information.

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

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

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

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

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

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

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

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**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 Defined Pension Program (OPSRP DB) - ORS Chapter 238A**

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

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

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

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

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

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

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

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

**Contributions**

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2015 actuarial valuation, which became effective July 1, 2017. 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, 2019 were \$40,290,000 excluding amounts to fund employer specific liabilities. Approximately \$19,546,000 was charged for the year ended June 30, 2019 as PERS benefits expenditures to be used for bond payments as they become due. Approximately \$58,370,000 was recognized as employer pension expense during the reporting period.

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At June 30, 2019, the District reported a net pension liability of \$393,909,116 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016, rolled forward to a measurement date of June 30, 2018. 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 June 30, 2018, the District's proportion was 2.60 percent, which was an increase of 0.16 from its proportion measured as of June 30, 2017.

	Deferred Outflow of Resources	Deferred (Inflow) of Resources	Net
Differences between expected and actual experience	\$ 13,399,610	\$ -	
Changes of assumptions	91,583,122	-	
Net difference between projected and actual earnings on investments	-	(17,491,791)	
Changes in proportionate share	29,075,034	(3,638,313)	
Differences between employer contributions and employer's proportionate share of system contributions	22,399,722	(4,495,963)	
Subtotal - Amortized Deferrals	156,457,488	(25,626,067)	\$ 130,831,421
District contributions subsequent to measurement date	40,289,531	-	40,289,531
Total deferred outflow (inflow) of resources	<u>\$ 196,747,019</u>	<u>\$ (25,626,067)</u>	<u>\$ 171,120,952</u>

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

Fiscal year ending June 30,	Amount
2020	\$ 110,319,928
2021	47,264,127
2022	1,906,685
2023	8,676,260
2024	2,953,952
Total	<u>\$ 171,120,952</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated March 4, 2019, which can be found at:

<http://www.oregon.gov/pers/emp/pages/GASB.aspx>

Oregon PERS produces an independently audited CAFR which can be found at:

<http://www.oregon.gov/PERS/pages/financials/Actuarial-Financial-Information.aspx>

**Actuarial Valuations**

The employer contribution rates effective July 1, 2017 through June 30, 2019, 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, 2016
Measurement date	June 30, 2018
Experience Study	2016, published September 2017
Actuarial assumptions:	
Inflation rate	2.50 percent
Long-term expected rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increases	3.50 percent
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25% / 0.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	<p><b>Healthy retirees and beneficiaries:</b>  RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p><b>Active members:</b>  RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p><b>Disabled retirees:</b>  RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.</p>

(Source: June 30, 2018 Oregon PERS CAFR; Table 28; page 69)

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 2016 Experience Study which is reviewed for the four-year period ending December 31, 2016.

**Discount Rate** – The discount rate used to measure the total pension liability was 7.20 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

**Depletion Date Projection** – GASB 67 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan’s Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative

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expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 67 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 67 (paragraph 43) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

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

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

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

*(Source: June 30, 2018 PERS CAFR; page 68)*

**Assumed Asset Allocation**

Asset Class / Strategy	OIC Policy Range	Current Year Target
Cash	0.0 – 3.0%	0.0%
Debt Securities	15.0 – 25.0%	20.0%
Public Equity	32.5 – 42.5%	37.5%
Real Estate	9.5 – 15.5%	12.5%
Private Equity	13.5 – 21.5%	17.5%
Alternative Equity	0.0 – 12.5%	12.5%
Opportunity Portfolio	0.0 – 3.0%	0.0%
Total		100.0 %

*(Source: June 30, 2018 Oregon PERS CAFR; page 98)*

**Long-Term Expected Rate of Return**

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

*(Source: June 30, 2018 Oregon PERS CAFR; page 68)*

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Asset Class	Target Allocation		Annual Arithmetic Return		Compound Annual (Geometric) Return		Standard Deviation
Core Fixed Income	8.00	%	3.59	%	3.49	%	4.55 %
Short-Term Bonds	8.00		3.42		3.38		2.70
Bank / Leveraged Loans	3.00		5.34		5.09		7.50
High Yield Bonds	1.00		6.90		6.45		10.00
Large / Mid Cap US Equities	15.75		7.45		6.30		16.25
Small Cap US Equities	1.31		8.49		6.69		20.55
Micro Cap US Equities	1.31		9.01		6.80		22.90
Developed Foreign Equities	13.13		8.21		6.71		18.70
Emerging Market Equities	4.13		10.53		7.45		27.35
Non-US Small Cap Equities	1.88		8.67		7.01		19.75
Private Equity	17.50		11.45		7.82		30.00
Real Estate (Property)	10.00		6.15		5.51		12.00
Real Estate (REITS)	2.50		8.26		6.37		21.00
Hedge Fund of Funds - Diversified	2.50		4.36		4.09		7.80
Hedge Fund - Event-Driven	0.63		6.21		5.86		8.90
Timber	1.88		6.37		5.62		13.00
Farmland	1.88		6.90		6.15		13.00
Infrastructure	3.75		7.54		6.60		14.65
Commodities	1.88		5.43		3.84		18.95
Assumed Inflation - Mean					2.50	%	1.85 %

(Source: June 30, 2018 Oregon PERS CAFR; Table 31; page 72)

**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 7.20 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 or 1-percentage-point higher than the current rate.

	Decrease 1% 6.20%	Current Rate 7.20%	Increase 1% 8.20%
District's proportionate share of the net pension liability / (asset)	\$ 658,296,550	\$ 393,909,116	\$ 175,678,927

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

<http://www.oregon.gov/pers/Pages/index.aspx>

**OPSRP Individual Account Program (OPSRP IAP)**

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

**Pension Benefits** – An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. Upon retirement, a member of the OPSRP IAP may receive the amounts in his or her employee account, rollover account, and vested

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employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

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

**Contributions** – Employees of the District pay 6 percent of their covered payroll. The District did not make any optional contributions to member IAP accounts for the year ended June 30, 2019.

**11. OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

The District offers a postemployment health insurance subsidy and tax shelter annuity and contributes to a retirement health insurance account through Oregon PERS. The breakdown of the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB are:

	Postemployment Health Insurance Subsidy	Postemployment Health Insurance Account	Net
Total OPEB Liability	\$ 30,278,871	\$ -	\$ 30,278,871
Total OPEB Asset	-	2,835,569	2,835,569
OPEB Deferred Outflows of Resources	1,485,036	1,287,741	2,772,777
OPEB Deferred Inflows of Resources	2,219,078	796,915	3,015,993

**Postemployment Health Insurance Subsidy (PHIS)**

**Plan description** – The District operates a single-employer defined benefit plan that provides postemployment health, dental, vision and life insurance benefits to eligible employees and their spouses. Benefits and eligibility for members are established through the collective bargaining agreements and Oregon State law. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75. The District's post-retirement healthcare plan was established in accordance with 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.

**Benefits Provided** – Eligible retirees and their dependents under age 65 are allowed to continue to enroll in the same health care coverage as offered to active employees. The retiree's coverage selection is available only upon retirement although coverage can continue until the retiree's age 65. The spouse's coverage is available until the spouse's age 65 but also must be selected at the time of retirement. Following the retiree's death or attainment of age 65, the retiree's spouse can continue full coverage until the spouse's age 65. The retiree or surviving spouse is responsible for paying the full premium at the applicable tier. 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 subsidy. Eligibility is determined by:

- For administrators and classified members, the employee must retire with an immediate service or disability retirement benefit under the Oregon PERS.
- For certified members, the employee must retire with an immediate service benefit under OPERS, or be eligible for a benefit under the District's Long Term Disability program.

**BEAVERTON SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
JUNE 30, 2019

**Employees covered by benefit terms** – As of June 30, 2019, there are 4,874 active and 182 retired members in the plan.

**Total OPEB Liability**

The District's total OPEB liability of \$30,278,871 was determined by an actuarial valuation as of July 1, 2017, adjusted to a measurement date of June 30, 2018.

**Actuarial assumptions and other inputs**

The total OPEB liability measured as of June 30, 2018 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Valuation date	July 1, 2017
Measurement date	June 30, 2018
Inflation	2.50%
Projected salary growth	2.75%
Discount rate	3.58%
Withdrawal, retirement, and mortality rates	December 31, 2016 Oregon PERS valuation
Election and lapse rates	50% of eligible employees 42.5% spouse coverage 4% annual lapse rate
Actuarial cost method	Entry Age Normal Level Percent of Pay
Demographic Assumptions:	
Mortality	RP-2014 sex-distinct base tables, as specified below. Mortality improvement is projected on a generational basis with the Unisex Social Security Data scale. <b>Healthy members:</b> RP-2014 Employee and Healthy Annuitant tables, white collar with a one year setback <b>Disabled Retirees:</b> RP-2014 Disabled Annuitant tables, no collar adjustment or setback <b>Male Dependents:</b> RP-2014 Healthy Annuitant male table 50% blue collar / 50% white collar, set back 12 months <b>Female Dependents:</b> RP-2014 Healthy Annuitant female table 50% blue collar / 50% white collar, no set back
Disability	Percentage of the 1985 Class 1 Rates: 35% with a 0.18% cap; Ordinary Disability only; no duty disability assumed
Retirement	Based on Oregon PERS assumptions. Annual rates are based on age, Tier / ORSRP, and duration of service

**Discount Rate** – Under GASB 75, unfunded plans must use a discount rate that reflects a 20-year tax-exempt municipal bond yield or index rate. The discount rate in effect for the June 30, 2019 reporting date is 3.87%, reflecting the Bond Buyer 20-Year General Obligation Bond Index at the time of the valuation.

**BEAVERTON SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
JUNE 30, 2019

**Health Care Cost Trend** – The actuarial calculations used an assumption that medical costs will increase 5.80% in the first year, 6.10% in the second year, and varying from 6.50% to 4.30% over the remainder of the projection period. These trends are based on a model circulated by the Society of Actuaries that considers current trends in health care costs, the potential impacts of certain well-defined aspects of the Affordable Care Act, and long-term constraints on trend such as growth in per capita income. It also assumes that dental costs will increase by 4.00% in each future year.

**Changes in the Total OPEB Liability**

	Increase (Decrease) Total OPEB Liability
Balance as of June 30, 2018	\$ 29,531,275
Changes for the year:	
Service cost	1,894,069
Interest on total OPEB liability	1,099,349
Effect of assumptions changes or inputs	(798,548)
Benefit payments	(1,447,274)
Balance as of June 30, 2019	<u>\$ 30,278,871</u>

The effects of assumptions changes or inputs reflect a change in the discount rate from 3.58% to 3.87% in 2019.

**Sensitivity**

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the total OPEB liability of the District for the Postemployment Health Insurance Subsidy, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87%) or 1-percentage-point higher (4.87%) than the current discount rate:

	1% Decrease 2.87%	Current Discount Rate	1% Increase 4.87%
Total OPEB liability	\$ 33,119,833	\$ 30,278,871	\$ 27,691,632

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.* The following presents the total OPEB liability of the District for the Postemployment Health Insurance Subsidy, as well as what the total OPEB liability would be if it were calculated using a health care cost trend rates that are 1-percentage-point lower (4.90% decreasing to 3.30%) or 1-percentage-point higher (6.90% decreasing to 5.30%) than the current trend rates:

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB liability	\$ 26,807,795	\$ 30,278,871	\$ 34,420,317

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2019, the District recognized an OPEB expense of \$1,171,418 related to the PHIS OPEB. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**BEAVERTON SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
JUNE 30, 2019

	Deferred Outflow of Resources	Deferred (Inflow) of Resources	Net
Differences between expected and actual experience	\$ -	\$ -	
Changes of assumptions	-	(2,219,078)	
Subtotal - Amortized Deferrals	-	(2,219,078)	\$ (2,219,078)
District contributions subsequent to measurement date	1,485,036	-	1,485,036
Total deferred outflow (inflow) of resources	<u>\$ 1,485,036</u>	<u>\$ (2,219,078)</u>	<u>\$ (734,042)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the PHIS OPEB will be recognized in OPEB expense as follows:

Fiscal year ending June 30,	Amount
2020	\$ 1,148,072
2021	(336,964)
2022	(336,964)
2023	(336,964)
2024	(336,964)
Thereafter	(534,258)
Total	<u>\$ (734,042)</u>

**Retirement Health Insurance Account (RHIA)**

**Plan description** - As a member of Oregon PERS, 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. 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 hired on or after August 29, 2003. 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, P.O. Box 23700, Tigard, OR 97281-3700.

**Benefits** - RHIA pays a \$60 monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees.

**Contributions** - 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 0.50% of Tier 1 and Tier 2 payroll and 0.43% of OPSRP of annual covered payroll. The OPERS Board of Trustees sets the employer contribution rate based on the annual required contribution (ARC) of the employers,

**BEAVERTON SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
JUNE 30, 2019

an amount actuarially determined. 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, 2019, 2018, and 2017, were approximately \$1,282,000, \$1,225,000, and \$1,216,000 which equaled the required contributions each year.

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At June 30, 2019, the District reported an asset of \$2,835,569 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date. The District's proportion of the net OPEB liability was based on the District's actual, legally required contributions made during the fiscal year being compared to the total actual contributions made in the fiscal year by all employers. The District's proportionate share as of the measurement date is 2.54%, changed from 2.44% for the prior measurement date.

For the year ended June 30, 2019, the District recognized OPEB expense reduction of \$1,545,197 related to the RHIA OPEB. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to the RHIA OPEB from the following sources:

	Deferred Outflow of Resources	Deferred (Inflow) of Resources	Net
Differences between expected and actual experience	\$ -	\$ (160,699)	
Changes of assumptions	-	(8,997)	
Net difference between projected and actual earnings on investments	-	(611,343)	
Changes in proportionate share	6,193	(15,876)	
Differences between employer contributions and employer's proportionate share of system contributions	-	-	
Subtotal - Amortized Deferrals	6,193	(796,915)	\$ (790,722)
District contributions subsequent to measurement date	1,281,548	-	1,281,548
Total deferred outflow (inflow) of resources	<u>\$ 1,287,741</u>	<u>\$ (796,915)</u>	<u>\$ 490,826</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the RHIA OPEB will be recognized in OPEB expense as follows:

Fiscal year ending June 30,	Amount
2020	\$ 1,020,985
2021	(261,658)
2022	(207,727)
2023	(60,774)
Total	<u>\$ 490,826</u>

**Actuarial assumptions and other inputs**

The total OPEB liability measured as of June 30, 2018 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:



**BEAVERTON SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
JUNE 30, 2019

Valuation date	December 31, 2016
Measurement date	June 30, 2018
Experience Study	2016, published July 26, 2017
Actuarial assumptions:	
Actuarial cost method	Entry Age Normal
Inflation rate	2.50%
Long-term expected rate of return	7.20%
Discount rate	7.20%
Projected salary increases	3.50%
Retiree healthcare participation	Healthy retirees: 38% Disabled retirees: 20%
Healthcare cost trend rate	Not applicable. Statute stipulates \$60 monthly payment for healthcare insurance.
Mortality	<b>Healthy retirees and beneficiaries:</b> RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation. <b>Active members:</b> Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. <b>Disabled retirees:</b> Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 Sex-distinct, generational per Scale BB, disabled mortality table.

(Source: June 30, 2018 Oregon PERS CAFR; Table 28; page 71)

**Discount Rate**

The discount rate used to measure the total OPEB liability at June 30, 2018 was 7.20 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA 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 OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Long-Term Expected Rate of Return**

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. For more information on the long-term expected rate of return for each major asset class, calculated using both the arithmetic and geometric means, see the breakdown in Footnote 10.

(Source: June 30, 2018 Oregon PERS CAFR; page 70)

**BEAVERTON SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
JUNE 30, 2019

**Sensitivity Analysis**

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the total OPEB liability of the District for the Retirement Health Insurance Account, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20%) or 1-percentage-point higher (8.20%) than the current discount rate:

	Decrease 1% 6.20%	Current Rate 7.20%	Increase 1% 8.20%
District's net OPEB liability (asset)	<u>\$ (1,651,007)</u>	<u>\$ (2,835,569)</u>	<u>\$ (3,843,869)</u>

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.* The total OPEB asset of the District for the Retirement Health Insurance Account is \$2,835,569. The ORS stipulates a \$60 monthly payment, so there would be no change to the total OPEB liability if it were calculated using health care cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rates.

**12. 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, 2019, all of which are considered due within one year, as follows:

	Balance June 30, 2018	Additions	Reductions	Balance June 30, 2019
Compensated Absences	<u>\$ 5,732,777</u>	<u>\$ 6,596,303</u>	<u>\$ (6,453,428)</u>	<u>\$ 5,875,652</u>

**13. 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

**BEAVERTON SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
JUNE 30, 2019

engage in risk financing activities where the risk is greater than the self-insurance amounts. Settlements exceeded insurance coverage once in the year ended June 30, 2019 but did not exceed insurance coverage for the years ended June 30, 2018 and 2017. 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.

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

	2019	2018	2017
Accrued claims losses, July 1	\$ 2,690,000	\$ 2,631,000	\$ 2,520,000
Incurring claims, including an estimate of claims incurred but not reported (IBNR)	3,321,039	2,308,199	1,610,516
Claims payments	(2,859,039)	(2,249,199)	(1,499,516)
Accrued claim losses, June 30	<u>\$ 3,152,000</u>	<u>\$ 2,690,000</u>	<u>\$ 2,631,000</u>

**14. SCHOOL FUNDING**

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

The largest segment is determined by the State School Fund formula, with the majority of funding provided by the State to the District based on the District's average daily membership of students (ADMr). The State gives additional weightings for certain categories of individuals including students in poverty, students in ESL programs, and students on Individual Education Plans. The State then proportions the State School Fund based on the resulting weighted average daily membership (ADMw) of the District compared to that of the State totals. For 2018-19, the District had an estimated extended ADMw of 48,493 within the Statewide estimated ADMw of 703,759. For 2017-18, these were 48,743 and 706,295, respectively.

**15. TAX ABATEMENTS**

**Washington County Tax Abatements**

The District's property tax revenues were reduced by approximately \$349,000 under agreements entered into by Washington County for the fiscal year ended June 30, 2019.

**16. COMMITMENTS AND CONTINGENCIES**

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

The District is committed under various accepted bid agreements and contracts for approximately \$82.3 million for goods, services, and construction of facilities, as follows:

**BEAVERTON SCHOOL DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
JUNE 30, 2019

General fund	\$ 2,533,255
Capital projects fund	75,916,448
Other governmental funds	3,541,322
Internal service funds	318,633
Total	<u>\$ 82,309,658</u>

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

**17. NEW ACCOUNTING STANDARDS IMPLEMENTED**

For the fiscal year ended June 30, 2019, the District implemented the following new accounting standards:

GASB Statement No. 83 *"Certain Asset Retirement Obligations."* This Statement establishes criteria for determining the timing and pattern or recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations.

GASB Statement No. 88 *"Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements."* This Statement addresses the definition of debt and specifies required essential information related to debt for disclosure in the notes to the financial statements.

**18. NEW PRONOUNCEMENTS**

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

GASB Statement No. 84 *"Fiduciary Activities."* This Statement establishes criteria and guidance for identifying fiduciary activities of all state and local governments for accounting and financial reporting purposes, as well as the reporting requirements for these fiduciary funds. The statement is effective for fiscal years beginning after December 15, 2018.

GASB Statement No. 87 *"Leases."* This Statement addresses the accounting and financial reporting for leases by governments, requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases. The statement is effective for fiscal years beginning after December 15, 2019.

GASB Statement No. 89 *"Accounting for Interest Cost Incurred before the End of a Construction Period."* This Statement establishes the accounting requirements for interest costs incurred before the end of a construction period, which previously were included in the historical cost of a capital asset. The statement is effective for fiscal years beginning after December 15, 2019.

GASB Statement No. 90 *"Majority Equity Interest – An Amendment of GASB Statements No. 14 and No. 61."* This Statement defines the majority equity interest and specifies the treatment of majority equity interest in a legally separate organization, either as an investment or as a component unit based on the factors. The statement is effective for fiscal years beginning after December 15, 2018.

GASB Statement No. 91 *"Conduit Debt Obligations."* This Statement clarifies the definition of conduit debt obligations and establishes the required accounting and note disclosures. The statement is effective for fiscal years beginning after December 15, 2020.

## **REQUIRED SUPPLEMENTARY INFORMATION**



**BEAVERTON SCHOOL DISTRICT**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY FOR PERS**  
JUNE 30, 2019

Year Ended June 30,	Employer's proportion of the net pension liability (NPL)	Employer's proportionate share of the net pension liability (NPL) <sup>1</sup>	Covered payroll <sup>2</sup>	NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2019 <sup>6</sup>	2.60%	\$ 393,909,116	\$ 281,116,984	140.1%	82.1%
2018	2.44%	328,358,025	266,160,397	123.4%	83.1%
2017 <sup>5</sup>	2.24%	336,425,374	243,813,517	138.0%	80.5%
2016 <sup>4</sup>	2.05%	117,982,257	219,944,988	53.6%	91.9%
2015 <sup>3</sup>	2.72%	(61,675,451)	200,544,298	-30.8%	103.6%
2014	2.72%	138,852,440	187,686,710	74.0%	92.0%

**BEAVERTON SCHOOL DISTRICT**  
**SCHEDULE OF CONTRIBUTIONS FOR PERS**  
JUNE 30, 2019

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percent of covered payroll
2019	\$ 40,289,531	\$ 40,289,531	\$ -	\$ 293,946,783	13.7%
2018	37,341,000	37,341,000	-	281,116,984	13.3%
2017	21,355,242	21,355,242	-	266,160,397	8.0%
2016	20,427,165	20,427,165	-	243,813,517	8.4%
2015	29,448,081	29,448,081	-	219,944,988	13.4%
2014	28,332,951	28,332,951	-	200,544,298	14.1%

**Notes:**

These schedules are required to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

<sup>1</sup> The amounts presented for each fiscal year were actuarially determined at December 31 and rolled forward to the measurement date.

<sup>2</sup> Amounts for covered payroll use the prior year's data to match the measurement date used by the pension plan for each fiscal year.

<sup>3</sup> The June 30, 2015 NPL reflects benefit changes from the Senate Bills 822 and 861.

<sup>4</sup> The June 30, 2016 NPL reflects benefit changes from the Oregon Supreme Court's ruling in *Moro v. State of Oregon*, which overturned portions of Senate Bills 822 and 861.

<sup>5</sup> The June 30, 2017 NPL reflects assumption changes reducing inflation rate from 2.75% to 2.50%, the long-term expected rate of return from 7.75% to 7.50%, the discount rate from 7.75% to 7.50% and the projected salary increases from 3.75% to 3.50%.

<sup>6</sup> The June 30, 2019 NPL reflects assumption changes reducing the long-term expected rate of return from 7.50% to 7.20% and the discount rate from 7.50% to 7.20%.

**BEAVERTON SCHOOL DISTRICT**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY FOR RHIA**  
JUNE 30, 2019

Year Ended June 30,	District's proportion of the net OPEB liability	District's proportionate share of the net OPEB liability (NOL) <sup>1</sup>	Covered payroll <sup>2</sup>	NOL as a percentage of covered-employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2019	2.54%	\$ (2,835,569)	\$ 281,116,984	-1.0%	124.0%
2018	2.44%	(1,017,705)	266,160,397	-0.4%	108.9%
2017	2.39%	648,737	243,813,517	0.3%	94.1%

**BEAVERTON SCHOOL DISTRICT**  
**SCHEDULE OF CONTRIBUTIONS FOR RHIA**  
JUNE 30, 2019

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percent of covered payroll
2019	\$ 1,281,500	\$ 1,281,500	\$ -	\$ 293,946,783	0.4%
2018	1,225,000	1,225,000	-	281,116,984	0.4%
2017	1,216,000	1,216,000	-	266,160,397	0.5%

**Notes:**

These schedules are required to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

<sup>1</sup> The amounts presented for each fiscal year were actuarially determined at December 31 and rolled forward to the measurement date.

<sup>2</sup> Amounts for covered payroll use the prior year's data to match the measurement date used by the pension plan for each fiscal year.



**BEAVERTON SCHOOL DISTRICT**  
**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY - PHIS**  
**JUNE 30, 2019**  
(DOLLAR AMOUNTS IN THOUSANDS)

Year Ended June 30,	Service Cost	Interest	Change of Benefit Terms	Difference between expected and actual results	Changes of assumptions or other inputs	Benefit payments	Net change in total OPEB liability
2019	\$ 1,894	\$ 1,099	\$ -	\$ -	\$ (798)	\$ (1,447)	\$ 748
2018	2,102	894	-	-	(1,998)	(1,460)	(462)

**BEAVERTON SCHOOL DISTRICT**  
**SCHEDULE OF TOTAL OPEB LIABILITY AND RELATED RATIOS - PHIS**  
**JUNE 30, 2019**  
(DOLLAR AMOUNTS IN THOUSANDS)

Year Ended June 30,	Total OPEB liability beginning	Net change in total OPEB liability	Total OPEB liability ending	Covered employee payroll <sup>2</sup>	Total OPEB liability as percentage of covered payroll	Discount Rate
2019	\$ 29,531	\$ 748	\$ 30,279	\$ 281,117	10.8%	3.87%
2018	29,993	(462)	29,531	266,160	11.1%	3.58%
2017	-	-	29,993	243,814	12.3%	2.85%

**Notes:**

These schedules are required to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

*Changes of assumptions.* Changes of assumptions and other inputs reflect the effects of changes to the discount rate each period.

<sup>1</sup> The amounts presented for each fiscal year were actuarially determined at July 1 of odd years and rolled forward to the measurement date.

<sup>2</sup> Amounts for covered employee payroll use the prior year's data to match the measurement date used by the pension plan for each fiscal year.

**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, 2019**

	Budgetary Funds			Total (reported as General Fund)
	General Fund	Pension	Long-Term Planning	
<b>REVENUES:</b>				
Property taxes	\$ 140,178,404	\$ -	\$ -	\$ 140,178,404
Local option levy	33,330,338	-	-	33,330,338
State and intermediate sources	276,742,980	-	-	276,742,980
Charges for services	2,983,425	-	275,383	3,258,808
Rentals	1,019,361	-	-	1,019,361
Investment earnings	3,204,239	-	46,327	3,250,566
Contributions and donations	6,053	-	-	6,053
Recovery of prior years' expenditures	96,697	-	-	96,697
Other	1,275,857	-	-	1,275,857
<b>TOTAL REVENUES</b>	<b>458,837,354</b>	<b>-</b>	<b>321,710</b>	<b>459,159,064</b>
<b>EXPENDITURES:</b>				
Current:				
Instruction	299,248,953	-	-	299,248,953
Support services	167,650,312	-	1,765,007	169,415,319
Facilities acquisition and construction	27,169	-	-	27,169
Debt service:				
Principal	1,059,150	-	-	1,059,150
Interest	102,522	-	-	102,522
<b>TOTAL EXPENDITURES</b>	<b>468,088,106</b>	<b>-</b>	<b>1,765,007</b>	<b>469,853,113</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(9,250,752)</b>	<b>-</b>	<b>(1,443,297)</b>	<b>(10,694,049)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of or compensation for loss of capital assets	15,200	-	-	15,200
Transfers in	61,970	-	2,980,551	3,042,521
Transfers out	(4,060,245)	(61,970)	-	(4,122,215)
Issuance of capital leases	531,140	-	-	531,140
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(3,451,935)</b>	<b>(61,970)</b>	<b>2,980,551</b>	<b>(533,354)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(12,702,687)</b>	<b>(61,970)</b>	<b>1,537,254</b>	<b>(11,227,403)</b>
<b>FUND BALANCE, July 1, 2018</b>	<b>29,617,787</b>	<b>61,970</b>	<b>22,832,269</b>	<b>52,512,026</b>
<b>FUND BALANCE, June 30, 2019</b>	<b>\$ 16,915,100</b>	<b>\$ -</b>	<b>\$ 24,369,523</b>	<b>\$ 41,284,623</b>

**BEAVERTON SCHOOL DISTRICT**
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**
**GENERAL FUND**
**YEAR ENDED JUNE 30, 2019**

	Budget			Variance with
	Adopted	Final	Actual	Final Budget
REVENUES:				
Property taxes	\$ 136,100,000	\$ 136,100,000	\$ 140,178,404	\$ 4,078,404
Local option levy	32,482,500	32,482,500	33,330,338	847,838
State and intermediate sources	279,563,769	279,563,769	276,742,980	(2,820,789)
Charges for services	2,800,000	2,800,000	2,983,425	183,425
Rentals	902,000	902,000	1,019,361	117,361
Investment earnings	990,000	990,000	3,204,239	2,214,239
Contributions and donations	-	-	6,053	6,053
Recovery of prior years' expenditures	50,000	50,000	96,697	46,697
Other	1,375,000	1,375,000	1,275,857	(99,143)
Total revenues	454,263,269	454,263,269	458,837,354	4,574,085
EXPENDITURES:				
Instruction	288,616,996	297,966,996	299,248,953	(1,281,957)
Support services	169,491,416	170,291,416	167,650,312	2,641,104
Facilities acquisition and construction	-	50,000	27,169	22,831
Debt service:				
Principal	-	1,072,750	1,059,150	13,600
Interest	-	100,000	102,522	(2,522)
Contingencies	24,416,413	14,766,413	-	14,766,413
Total expenditures	482,524,825	484,247,575	468,088,106	16,159,469
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(28,261,556)	(29,984,306)	(9,250,752)	20,733,554
OTHER FINANCING SOURCES (USES):				
Sale of or compensation for loss of capital assets	-	-	15,200	15,200
Transfers in	65,000	65,000	61,970	(3,030)
Transfers out	(5,803,444)	(4,080,694)	(4,060,245)	20,449
Issuance of capital leases	1,000,000	1,000,000	531,140	(468,860)
TOTAL OTHER FINANCING SOURCES (USES)	(4,738,444)	(3,015,694)	(3,451,935)	(436,241)
NET CHANGE IN FUND BALANCE	(33,000,000)	(33,000,000)	(12,702,687)	20,297,313
FUND BALANCE, July 1, 2018	33,000,000	33,000,000	29,617,787	(3,382,213)
FUND BALANCE, June 30, 2019	\$ -	\$ -	\$ 16,915,100	\$ 16,915,100

**Note:** GAAP serves as the basis of budgeting.



## **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, 2019**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
<b>REVENUES:</b>				
Property taxes	\$ 60,110,191	\$ 60,110,191	\$ 62,457,808	\$ 2,347,617
Investment earnings	100,000	100,000	811,194	711,194
Services to other funds	17,650,400	17,650,400	19,535,532	1,885,132
Recovery of prior years' expenditures	-	-	1,518	1,518
<b>Total revenues</b>	<b>77,860,591</b>	<b>77,860,591</b>	<b>82,806,052</b>	<b>4,945,461</b>
<b>EXPENDITURES:</b>				
Debt service:				
Principal	38,724,593	38,724,593	38,724,593	-
Interest	44,174,898	44,174,898	44,172,298	2,600
<b>Total expenditures</b>	<b>82,899,491</b>	<b>82,899,491</b>	<b>82,896,891</b>	<b>2,600</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(5,038,900)</b>	<b>(5,038,900)</b>	<b>(90,839)</b>	<b>4,948,061</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,328,900	1,328,900	1,328,900	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,328,900</b>	<b>1,328,900</b>	<b>1,328,900</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(3,710,000)</b>	<b>(3,710,000)</b>	<b>1,238,061</b>	<b>4,948,061</b>
<b>FUND BALANCE, July 1, 2018</b>	<b>3,710,000</b>	<b>3,710,000</b>	<b>2,199,589</b>	<b>(1,510,411)</b>
<b>FUND BALANCE, June 30, 2019</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,437,650</b>	<b>\$ 3,437,650</b>

**BEAVERTON SCHOOL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**CAPITAL PROJECTS FUND**  
**YEAR ENDED JUNE 30, 2019**

	Budget			Variance with
	Adopted	Final	Actual	Final Budget
<b>REVENUES:</b>				
Construction excise tax	\$ 3,690,000	\$ 3,690,000	\$ 3,391,946	\$ (298,054)
Rentals	35,000	35,000	29,160	(5,840)
Investment earnings	3,011,000	3,011,000	7,850,696	4,839,696
Contributions and donations	500,000	500,000	833,853	333,853
Recovery of prior years' expenditures	-	-	6,473,096	6,473,096
Other	-	-	622,611	622,611
Total revenues	7,236,000	7,236,000	19,201,362	11,965,362
<b>EXPENDITURES:</b>				
Support services	5,526,998	5,526,998	2,272,436	3,254,562
Facilities acquisition and construction	260,144,959	260,144,959	100,091,738	160,053,221
Contingencies	49,482,837	49,482,837	-	49,482,837
Total expenditures	315,154,794	315,154,794	102,364,174	212,790,620
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(307,918,794)</b>	<b>(307,918,794)</b>	<b>(83,162,812)</b>	<b>224,755,982</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of or compensation for loss of capital assets	100,000	100,000	257,673	157,673
Transfers out	(1,159,206)	(1,159,206)	(1,159,206)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,059,206)</b>	<b>(1,059,206)</b>	<b>(901,533)</b>	<b>157,673</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(308,978,000)</b>	<b>(308,978,000)</b>	<b>(84,064,345)</b>	<b>224,913,655</b>
<b>FUND BALANCE, July 1, 2018</b>	<b>308,978,000</b>	<b>308,978,000</b>	<b>296,563,818</b>	<b>(12,414,182)</b>
<b>FUND BALANCE, June 30, 2019</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 212,499,473</b>	<b>\$ 212,499,473</b>



## **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****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL****PENSION FUND****YEAR ENDED JUNE 30, 2019**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	\$ (65,000)	\$ (65,000)	\$ (61,970)	\$ 3,030
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(65,000)</u>	<u>(65,000)</u>	<u>(61,970)</u>	<u>3,030</u>
<b>NET CHANGE IN FUND BALANCE</b>	(65,000)	(65,000)	(61,970)	3,030
<b>FUND BALANCE, July 1, 2018</b>	<u>65,000</u>	<u>65,000</u>	<u>61,970</u>	<u>(3,030)</u>
<b>FUND BALANCE, June 30, 2019</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**BEAVERTON SCHOOL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**LONG-TERM PLANNING FUND**  
**YEAR ENDED JUNE 30, 2019**

	Budget			Variance with
	Adopted	Final	Actual	Final Budget
<b>REVENUES:</b>				
Charges for services	\$ -	\$ -	\$ 275,383	\$ 275,383
Investment earnings	5,000	5,000	46,327	41,327
Contributions and donations	250,000	250,000	-	(250,000)
Total revenues	255,000	255,000	321,710	66,710
<b>EXPENDITURES:</b>				
Instruction	150,000	150,000	-	150,000
Support services	3,705,000	3,705,000	1,765,007	1,939,993
Facilities acquisition and construction	225,000	225,000	-	225,000
Contingencies	22,201,279	22,201,279	-	22,201,279
Total expenditures	26,281,279	26,281,279	1,765,007	24,516,272
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(26,026,279)	(26,026,279)	(1,443,297)	24,582,982
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	3,001,000	3,001,000	2,980,551	(20,449)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	3,001,000	3,001,000	2,980,551	(20,449)
<b>NET CHANGE IN FUND BALANCE</b>	(23,025,279)	(23,025,279)	1,537,254	24,562,533
<b>FUND BALANCE, July 1, 2018</b>	23,025,279	23,025,279	22,832,269	(193,010)
<b>FUND BALANCE, June 30, 2019</b>	\$ -	\$ -	\$ 24,369,523	\$ 24,369,523

**BEAVERTON SCHOOL DISTRICT**
**RECONCILIATION OF BUDGETARY TO REPORTING FUNDS - COMBINING BALANCE SHEET**
**GENERAL FUND**
**JUNE 30, 2019**

	Budgetary Funds			Total
	General Fund	Pension	Long-Term Planning	(reported as General Fund)
ASSETS				
Equity in pooled cash and investments	\$ 50,955,297	\$ -	\$ 24,377,585	\$ 75,332,882
Cash with fiscal agent	2,025	-	-	2,025
Receivables	4,167,190	-	2,280	4,169,470
Property taxes receivable	2,763,102	-	-	2,763,102
Due from other funds	3,285,015	-	-	3,285,015
TOTAL ASSETS	\$ 61,172,629	\$ -	\$ 24,379,865	\$ 85,552,494
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 2,784,919	\$ -	\$ 10,342	\$ 2,795,261
Accrued salaries and benefits	37,406,201	-	-	37,406,201
Due to other funds	1,775,377	-	-	1,775,377
Other liabilities	13,881	-	-	13,881
TOTAL LIABILITIES	41,980,378	-	10,342	41,990,720
Deferred Inflows of Resources:				
Property tax revenue	2,277,151	-	-	2,277,151
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	44,257,529	-	10,342	44,267,871
Fund Balances:				
Committed	-	-	24,369,523	24,369,523
Unassigned	16,915,100	-	-	16,915,100
TOTAL FUND BALANCES	16,915,100	-	24,369,523	41,284,623
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 61,172,629	\$ -	\$ 24,379,865	\$ 85,552,494



## **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, 2019**

	Special Revenue Funds					Total
	Student Body	Special Purpose	Categorical	Grant	Nutrition Services	
<b>ASSETS</b>						
Equity in pooled cash and investments	\$ 3,659,954	\$ 1,641,652	\$ 4,959,336	\$ -	\$ 2,763,483	\$ 13,024,425
Receivables	-	406,510	-	6,759,160	1,446,807	8,612,477
Inventories	-	-	-	-	493,950	493,950
<b>TOTAL ASSETS</b>	<u>\$ 3,659,954</u>	<u>\$ 2,048,162</u>	<u>\$ 4,959,336</u>	<u>\$ 6,759,160</u>	<u>\$ 4,704,240</u>	<u>\$ 22,130,852</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 21,876	\$ 147,206	\$ 4,380	\$ 1,203,667	\$ 76,157	\$ 1,453,286
Accrued salaries and benefits	5,713	115,254	535	1,605,294	1,034,406	2,761,202
Due to other funds	394	5,884	36	3,373,898	52,576	3,432,788
Unearned revenue	-	-	2,228,339	520,150	-	2,748,489
Other liabilities	3,903	25,793	-	56,151	289,005	374,852
<b>TOTAL LIABILITIES</b>	<u>31,886</u>	<u>294,137</u>	<u>2,233,290</u>	<u>6,759,160</u>	<u>1,452,144</u>	<u>10,770,617</u>
Fund Balances:						
Nonspendable	-	-	-	-	493,950	493,950
Restricted	3,628,068	-	-	-	-	3,628,068
Committed	-	1,754,025	2,726,046	-	2,758,146	7,238,217
Assigned	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>3,628,068</u>	<u>1,754,025</u>	<u>2,726,046</u>	<u>-</u>	<u>3,252,096</u>	<u>11,360,235</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 3,659,954</u>	<u>\$ 2,048,162</u>	<u>\$ 4,959,336</u>	<u>\$ 6,759,160</u>	<u>\$ 4,704,240</u>	<u>\$ 22,130,852</u>

**BEAVERTON SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2019**

	Special Revenue Funds					Total
	Student Body	Special Purpose	Categorical	Grant	Nutrition Services	
<b>REVENUES:</b>						
State and intermediate sources	\$ -	\$ -	\$ 593,708	\$ 8,746,725	\$ 278,456	\$ 9,618,889
Federal sources	-	-	-	17,165,360	8,723,341	25,888,701
Charges for services	3,303,668	4,230	-	-	5,200,869	8,508,767
Rentals	-	-	-	-	2,160	2,160
Investment earnings	-	-	87,710	-	46,284	133,994
Contributions and donations	1,017,655	2,919,347	250,339	321,282	6,949	4,515,572
Recovery of prior years' expenditures	-	8,550	-	-	-	8,550
Other	52,265	1,290,941	237,681	-	3,104	1,583,991
<b>Total revenues</b>	<b>4,373,588</b>	<b>4,223,068</b>	<b>1,169,438</b>	<b>26,233,367</b>	<b>14,261,163</b>	<b>50,260,624</b>
<b>EXPENDITURES:</b>						
Instruction	4,277,639	2,202,896	621,110	15,680,713	-	22,782,358
Support services	-	545,983	143,024	8,266,902	14,388	8,970,297
Enterprise and community services	-	1,213	-	131,995	14,752,876	14,886,084
Facilities, acquisition and construction	-	832,856	384,357	2,153,757	-	3,370,970
<b>Total expenditures</b>	<b>4,277,639</b>	<b>3,582,948</b>	<b>1,148,491</b>	<b>26,233,367</b>	<b>14,767,264</b>	<b>50,009,709</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>95,949</b>	<b>640,120</b>	<b>20,947</b>	<b>-</b>	<b>(506,101)</b>	<b>250,915</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	-	3,900	-	-	-	3,900
Transfers out	-	-	-	-	(3,900)	(3,900)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>3,900</b>	<b>-</b>	<b>-</b>	<b>(3,900)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>95,949</b>	<b>644,020</b>	<b>20,947</b>	<b>-</b>	<b>(510,001)</b>	<b>250,915</b>
<b>FUND BALANCE, July 1, 2018</b>	<b>3,532,119</b>	<b>1,110,005</b>	<b>2,705,099</b>	<b>-</b>	<b>3,762,097</b>	<b>11,109,320</b>
<b>FUND BALANCE, June 30, 2019</b>	<b>\$ 3,628,068</b>	<b>\$ 1,754,025</b>	<b>\$ 2,726,046</b>	<b>\$ -</b>	<b>\$ 3,252,096</b>	<b>\$ 11,360,235</b>

**BEAVERTON SCHOOL DISTRICT****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL****STUDENT BODY FUND****YEAR ENDED JUNE 30, 2019**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
<b>REVENUES:</b>				
Charges for services	\$ 7,500,000	\$ 7,500,000	\$ 3,303,668	\$ (4,196,332)
Contributions and donations	200,000	200,000	1,017,655	817,655
Other	-	-	52,265	52,265
Total revenues	7,700,000	7,700,000	4,373,588	(3,326,412)
<b>EXPENDITURES:</b>				
Instruction	10,200,000	10,200,000	4,277,639	5,922,361
Support services	500,000	500,000	-	500,000
Total expenditures	10,700,000	10,700,000	4,277,639	6,422,361
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(3,000,000)	(3,000,000)	95,949	3,095,949
<b>NET CHANGE IN FUND BALANCE</b>	(3,000,000)	(3,000,000)	95,949	3,095,949
<b>FUND BALANCE, July 1, 2018</b>	3,000,000	3,000,000	3,532,119	532,119
<b>FUND BALANCE, June 30, 2019</b>	\$ -	\$ -	\$ 3,628,068	\$ 3,628,068

**BEAVERTON SCHOOL DISTRICT**
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**
**SPECIAL PURPOSE FUND**
**YEAR ENDED JUNE 30, 2019**

	Budget			Variance with
	Adopted	Final	Actual	Final Budget
<b>REVENUES:</b>				
Charges for services	\$ -	\$ -	\$ 4,230	\$ 4,230
Contributions and donations	8,600,000	8,600,000	2,919,347	(5,680,653)
Recovery of prior years' expenditures	-	-	8,550	8,550
Other	2,100,000	2,100,000	1,290,941	(809,059)
Total revenues	10,700,000	10,700,000	4,223,068	(6,476,932)
<b>EXPENDITURES:</b>				
Instruction	4,455,751	4,455,751	2,202,896	2,252,855
Support services	754,249	754,249	545,983	208,266
Enterprise and community services	200,000	200,000	1,213	198,787
Facilities acquisition and construction	6,750,000	6,750,000	832,856	5,917,144
Total expenditures	12,160,000	12,160,000	3,582,948	8,577,052
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,460,000)</b>	<b>(1,460,000)</b>	<b>640,120</b>	<b>2,100,120</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	10,000	10,000	3,900	(6,100)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>10,000</b>	<b>10,000</b>	<b>3,900</b>	<b>(6,100)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(1,450,000)</b>	<b>(1,450,000)</b>	<b>644,020</b>	<b>2,094,020</b>
<b>FUND BALANCE, July 1, 2018</b>	<b>1,450,000</b>	<b>1,450,000</b>	<b>1,110,005</b>	<b>(339,995)</b>
<b>FUND BALANCE, June 30, 2019</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,754,025</b>	<b>\$ 1,754,025</b>

**BEAVERTON SCHOOL DISTRICT****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL****CATEGORICAL FUND****YEAR ENDED JUNE 30, 2019**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
<b>REVENUES:</b>				
State and intermediate sources	\$ 2,500,000	\$ 2,500,000	\$ 593,708	\$ (1,906,292)
Investment earnings	25,000	25,000	87,710	62,710
Contributions and donations	1,000,000	1,000,000	250,339	(749,661)
Other	-	-	237,681	237,681
Total revenues	3,525,000	3,525,000	1,169,438	(2,355,562)
<b>EXPENDITURES:</b>				
Instruction	2,260,000	2,260,000	621,110	1,638,890
Support services	1,165,000	1,165,000	143,024	1,021,976
Facilities acquisition and construction	3,100,000	3,100,000	384,357	2,715,643
Total expenditures	6,525,000	6,525,000	1,148,491	5,376,509
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(3,000,000)	(3,000,000)	20,947	3,020,947
<b>NET CHANGE IN FUND BALANCE</b>	(3,000,000)	(3,000,000)	20,947	3,020,947
<b>FUND BALANCE, July 1, 2018</b>	3,000,000	3,000,000	2,705,099	(294,901)
<b>FUND BALANCE, June 30, 2019</b>	\$ -	\$ -	\$ 2,726,046	\$ 2,726,046

**BEAVERTON SCHOOL DISTRICT****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GRANT FUND**

YEAR ENDED JUNE 30, 2019

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
<b>REVENUES:</b>				
State and intermediate sources	\$ 12,544,447	\$ 12,544,447	\$ 8,746,725	\$ (3,797,722)
Federal sources	28,371,143	28,371,143	17,165,360	(11,205,783)
Contributions and donations	1,582,129	1,582,129	321,282	(1,260,847)
Total revenues	42,497,719	42,497,719	26,233,367	(16,264,352)
<b>EXPENDITURES:</b>				
Instruction	23,905,649	23,905,649	15,680,713	8,224,936
Support services	12,391,019	12,391,019	8,266,902	4,124,117
Enterprise and community services	710,990	710,990	131,995	578,995
Facilities acquisition and construction	5,490,061	5,490,061	2,153,757	3,336,304
Total expenditures	42,497,719	42,497,719	26,233,367	16,264,352
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
<b>FUND BALANCE, July 1, 2018</b>	-	-	-	-
<b>FUND BALANCE, June 30, 2019</b>	\$ -	\$ -	\$ -	\$ -

**BEAVERTON SCHOOL DISTRICT**
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**
**NUTRITION SERVICES FUND**
**YEAR ENDED JUNE 30, 2019**

	Budget			Variance with
	Adopted	Final	Actual	Final Budget
<b>REVENUES:</b>				
State and intermediate sources	\$ 266,524	\$ 266,524	\$ 278,456	\$ 11,932
Federal sources	9,724,782	9,724,782	8,723,341	(1,001,441)
Charges for services	5,790,088	5,790,088	5,200,869	(589,219)
Rentals	-	-	2,160	2,160
Investment earnings	20,000	20,000	46,284	26,284
Contributions and donations	-	-	6,949	6,949
Recovery of prior years' expenditures	200	200	-	(200)
Other	7,200	7,200	3,104	(4,096)
Total revenues	15,808,794	15,808,794	14,261,163	(1,547,631)
<b>EXPENDITURES:</b>				
Support services	14,749	14,749	14,388	361
Enterprise and community services	16,559,136	16,559,136	14,752,876	1,806,260
Contingencies	2,893,949	2,893,949	-	2,893,949
Total expenditures	19,467,834	19,467,834	14,767,264	4,700,570
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(3,659,040)</b>	<b>(3,659,040)</b>	<b>(506,101)</b>	<b>3,152,939</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(10,000)	(10,000)	(3,900)	6,100
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(10,000)</b>	<b>(10,000)</b>	<b>(3,900)</b>	<b>6,100</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(3,669,040)</b>	<b>(3,669,040)</b>	<b>(510,001)</b>	<b>3,159,039</b>
<b>FUND BALANCE, July 1, 2018</b>	<b>3,669,040</b>	<b>3,669,040</b>	<b>3,762,097</b>	<b>93,057</b>
<b>FUND BALANCE, June 30, 2019</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,252,096</b>	<b>\$ 3,252,096</b>





### **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, 2019

	Insurance Reserve	Workers' Compensation	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 3,187,847	\$ 4,147,818	\$ 7,335,665
Receivables	391	144	535
Due from other funds	149,054	130,622	279,676
<b>TOTAL ASSETS</b>	<b>3,337,292</b>	<b>4,278,584</b>	<b>7,615,876</b>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	337,823	188,799	526,622
Accrued claims losses	1,387,000	1,765,000	3,152,000
Accrued salaries and benefits	9,039	29,145	38,184
Due to other funds	603	1,132	1,735
<b>TOTAL LIABILITIES</b>	<b>1,734,465</b>	<b>1,984,076</b>	<b>3,718,541</b>
<b>NET POSITION</b>			
Unrestricted	1,602,827	2,294,508	3,897,335
<b>TOTAL NET POSITION</b>	<b>\$ 1,602,827</b>	<b>\$ 2,294,508</b>	<b>\$ 3,897,335</b>

**BEAVERTON SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2019

	Insurance Reserve	Workers' Compensation	Total
<b>OPERATING REVENUES:</b>			
Services to other funds	\$ 2,133,723	\$ 1,763,594	\$ 3,897,317
Recovery of prior years' expenditures	181,693	59,234	240,927
Other	61,880	-	61,880
<b>TOTAL OPERATING REVENUES</b>	<b>2,377,296</b>	<b>1,822,828</b>	<b>4,200,124</b>
<b>OPERATING EXPENSES:</b>			
Losses and claims	1,081,392	1,728,087	2,809,479
Insurance premiums and assessments	1,942,340	137,000	2,079,340
Salaries and benefits	729,608	604,600	1,334,208
Services, supplies and materials	689,037	151,841	840,878
Facilities acquisition and construction	174,219	-	174,219
<b>TOTAL OPERATING EXPENSES</b>	<b>4,616,596</b>	<b>2,621,528</b>	<b>7,238,124</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(2,239,300)</b>	<b>(798,700)</b>	<b>(3,038,000)</b>
<b>NONOPERATING REVENUE:</b>			
Investment earnings	49,819	76,181	126,000
<b>TOTAL NONOPERATING REVENUES</b>	<b>49,819</b>	<b>76,181</b>	<b>126,000</b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>(2,189,481)</b>	<b>(722,519)</b>	<b>(2,912,000)</b>
<b>TRANSFERS:</b>			
Transfers in	910,000	-	910,000
<b>TOTAL TRANSFERS</b>	<b>910,000</b>	<b>-</b>	<b>910,000</b>
<b>CHANGE IN NET POSITION</b>	<b>(1,279,481)</b>	<b>(722,519)</b>	<b>(2,002,000)</b>
<b>NET POSITION, July 1, 2018</b>	<b>2,882,308</b>	<b>3,017,027</b>	<b>5,899,335</b>
<b>NET POSITION, June 30, 2019</b>	<b>\$ 1,602,827</b>	<b>\$ 2,294,508</b>	<b>\$ 3,897,335</b>

**BEAVERTON SCHOOL DISTRICT**  
**COMBINING STATEMENT OF CASH FLOWS**  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2019

	Insurance Reserve	Workers' Compensation	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Received from interfund services provided	\$ 2,189,834	\$ 1,776,141	\$ 3,965,975
Received from recovery of prior years' expenditures	181,693	59,234	240,927
Paid for goods and services	(3,172,254)	(149,529)	(3,321,783)
Paid to claimants	(1,079,723)	(1,725,225)	(2,804,948)
Paid to employees	(217,608)	(654,600)	(872,208)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	(2,098,058)	(693,979)	(2,792,037)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Transfer from other funds	910,000	-	910,000
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	910,000	-	910,000
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest received	49,819	76,181	126,000
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	49,819	76,181	126,000
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(1,138,239)	(617,798)	(1,756,037)
<b>CASH AND CASH EQUIVALENTS, July 1, 2018</b>	4,326,086	4,765,616	9,091,702
<b>CASH AND CASH EQUIVALENTS, June 30, 2019</b>	<u>\$ 3,187,847</u>	<u>\$ 4,147,818</u>	<u>\$ 7,335,665</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ (2,239,300)	\$ (798,700)	\$ (3,038,000)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Changes in assets and liabilities			
Receivables	1,612	17,634	19,246
Due from other funds	(7,537)	(5,597)	(13,134)
Accounts payable	(366,658)	139,312	(227,346)
Accrued claims losses	512,000	(50,000)	462,000
Accrued salaries and benefits	1,669	2,862	4,531
Due to other funds	156	510	666
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>\$ (2,098,058)</u>	<u>\$ (693,979)</u>	<u>\$ (2,792,037)</u>

**BEAVERTON SCHOOL DISTRICT**
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**
**INSURANCE RESERVE FUND**
**YEAR ENDED JUNE 30, 2019**

	Budget			Variance with
	Adopted	Final	Actual	Final Budget
<b>REVENUES:</b>				
Investment earnings	\$ 18,000	\$ 18,000	\$ 49,819	\$ 31,819
Services to other funds	2,054,430	2,054,430	2,133,723	79,293
Recovery of prior years' expenditures	120,000	120,000	181,693	61,693
Other	35,000	35,000	61,880	26,880
Total revenues	2,227,430	2,227,430	2,427,115	199,685
<b>EXPENDITURES:</b>				
Support services	4,966,034	4,966,034	4,442,377	523,657
Facilities acquisition and construction	360,308	360,308	174,219	186,089
Contingencies	1,036,088	1,036,088	-	1,036,088
Total expenditures	6,362,430	6,362,430	4,616,596	1,745,834
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(4,135,000)	(4,135,000)	(2,189,481)	1,945,519
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	910,000	910,000	910,000	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	910,000	910,000	910,000	-
<b>NET CHANGE IN FUND BALANCE</b>	(3,225,000)	(3,225,000)	(1,279,481)	1,945,519
<b>FUND BALANCE, July 1, 2018</b>	3,225,000	3,225,000	2,882,308	(342,692)
<b>FUND BALANCE, June 30, 2019</b>	\$ -	\$ -	\$ 1,602,827	\$ 1,602,827

**BEAVERTON SCHOOL DISTRICT****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL****WORKERS' COMPENSATION FUND****YEAR ENDED JUNE 30, 2019**

	Budget		Actual	Variance with Final Budget
	Adopted	Final		
<b>REVENUES:</b>				
Investment earnings	\$ 21,000	\$ 21,000	\$ 76,181	\$ 55,181
Services to other funds	1,685,436	1,685,436	1,763,594	78,158
Recovery of prior years' expenditures	80,000	80,000	59,234	(20,766)
Total revenues	1,786,436	1,786,436	1,899,009	112,573
<b>EXPENDITURES:</b>				
Support services	2,535,627	2,735,627	2,621,528	114,099
Contingencies	1,250,809	1,050,809	-	1,050,809
Total expenditures	3,786,436	3,786,436	2,621,528	1,164,908
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(2,000,000)	(2,000,000)	(722,519)	1,277,481
<b>NET CHANGE IN FUND BALANCE</b>	(2,000,000)	(2,000,000)	(722,519)	1,277,481
<b>FUND BALANCE, July 1, 2018</b>	2,000,000	2,000,000	3,017,027	1,017,027
<b>FUND BALANCE, June 30, 2019</b>	\$ -	\$ -	\$ 2,294,508	\$ 2,294,508





### **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, 2019**

	Budget			Variance with
	Adopted	Final	Actual	Final Budget
<b>REVENUES:</b>				
Contributions and donations	\$ 75,000	\$ 75,000	\$ 92,985	\$ 17,985
Investment earnings	-	-	6,611	6,611
Total revenues	75,000	75,000	99,596	24,596
<b>EXPENDITURES:</b>				
Enterprise and community services	400,000	400,000	62,400	337,600
Total expenditures	400,000	400,000	62,400	337,600
<b>EXCESS (DEFICIENCY) OF REVENUES OVER</b>				
<b>(UNDER) EXPENDITURES</b>	(325,000)	(325,000)	37,196	362,196
<b>NET CHANGE IN FUND BALANCE</b>	(325,000)	(325,000)	37,196	362,196
<b>FUND BALANCE, July 1, 2018</b>	325,000	325,000	339,620	14,620
<b>FUND BALANCE, June 30, 2019</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 376,816</u>	<u>\$ 376,816</u>

**RECONCILIATION TO GAAP BASIS:**

<b>FUND BALANCE, June 30, 2019</b>	\$ 376,816
Scholarships payable	<u>(34,500)</u>
<b>NET POSITION, June 30, 2019</b>	<u>\$ 342,316</u>



## **OTHER FINANCIAL SCHEDULES**



**BEAVERTON SCHOOL DISTRICT**  
**REVENUE SUMMARY - ALL FUNDS**  
**YEAR ENDED JUNE 30, 2019**

	Fund 100	Fund 200	Fund 300	Fund 400
<b>Local Sources</b>				
1111 Current year taxes	\$ 136,113,363	\$ -	\$ 60,649,520	\$ -
1112 Prior year taxes	1,099,862	-	482,242	-
1114 Payments in lieu of property taxes	2,965,179	-	1,326,047	-
1121 Current year local option levy	32,736,575	-	-	-
1122 Prior year local option levy	593,763	-	-	-
1130 Construction excise tax	-	-	-	3,391,946
1300 Tuition from individuals	29,400	-	-	-
1312 Tuition from other districts within the state	874,109	-	-	-
1410 Transportation fees from individuals	203,274	-	-	-
1500 Earnings on investments	3,204,239	180,321	811,194	7,850,696
1600 Food service sales	-	5,200,869	-	-
1710 Admissions	221,705	311,264	-	-
1740 Fees - district events	1,654,937	2,593,622	-	-
1750 Commissions	-	18,526	-	-
1760 Fund raising	-	1,785,361	-	-
1910 Rentals	1,019,361	2,160	-	29,160
1920 Contributions	6,053	4,515,572	-	833,853
1950 Textbook sales	-	49,328	-	-
1960 Recovery of prior years' expenditures	96,697	8,550	1,518	6,473,096
1970 Services to other funds	-	-	19,535,531	-
1980 Fees charged to grants	623,804	-	-	-
1990 Miscellaneous	582,855	409,173	-	622,611
1994 Third party billing	57,330	-	-	-
1995 Proceeds from the sale of capital assets	11,868	-	-	-
Total local sources	182,094,374	15,074,746	82,806,052	19,201,362
<b>Intermediate Sources</b>				
2101 County school fund	1,009,377	-	-	-
2102 ESD apportionment	10,785,646	-	-	-
2104 ESD apportionment - preschool	354,087	-	-	-
2200 Restricted revenue	-	342,040	-	-
Total intermediate sources	12,149,110	342,040	-	-
<b>State Sources</b>				
3101 State school fund	257,695,444	-	-	-
3102 State school fund match	-	122,286	-	-
3103 Common school fund	4,499,398	-	-	-
3199 Other unrestricted grants-in-aid	2,353,095	593,708	-	-
3299 Other restricted grants-in-aid	45,933	8,560,854	-	-
Total state sources	264,593,870	9,276,848	-	-
<b>Federal Sources</b>				
4300 Restricted direct from federal	-	146,279	-	-
4500 Restricted through state	-	24,728,876	-	-
4700 Federal grants	-	110,616	-	-
4910 Commodities	-	902,929	-	-
Total federal sources	-	25,888,700	-	-
<b>Other Sources</b>				
5160 Proceeds from capital leases	531,140	-	-	-
5200 Transfers in	61,970	2,984,451	1,328,900	-
5300 Sale/compensation for loss of capital assets	15,200	-	-	257,673
Total other sources	608,310	2,984,451	1,328,900	257,673
<b>TOTAL REVENUES</b>	<b>\$ 459,445,664</b>	<b>\$ 53,566,785</b>	<b>\$ 84,134,952</b>	<b>\$ 19,459,035</b>

Continued on next page.

**BEAVERTON SCHOOL DISTRICT**  
**REVENUE SUMMARY - ALL FUNDS (Continued)**  
**YEAR ENDED JUNE 30, 2019**

	Fund 600	Fund 700	Total
<b>Local Sources</b>			
1111 Current year taxes	\$ -	\$ -	\$ 196,762,883
1112 Prior year taxes	-	-	1,582,104
1114 Payments in lieu of property taxes	-	-	4,291,226
1121 Current year local option levy	-	-	32,736,575
1122 Prior year local option levy	-	-	593,763
1130 Construction excise tax	-	-	3,391,946
1300 Tuition from individuals	-	-	29,400
1312 Tuition from other districts within the state	-	-	874,109
1410 Transportation fees from individuals	-	-	203,274
1500 Earnings on investments	126,000	6,611	12,179,061
1600 Food service sales	-	-	5,200,869
1710 Admissions	-	-	532,969
1740 Fees - district events	-	-	4,248,559
1750 Commissions	-	-	18,526
1760 Fund raising	-	-	1,785,361
1910 Rentals	-	-	1,050,681
1920 Contributions	-	92,985	5,448,463
1950 Textbook sales	-	-	49,328
1960 Recovery of prior years' expenditures	240,926	-	6,820,787
1970 Services to other funds	3,897,317	-	23,432,848
1980 Fees charged to grants	-	-	623,804
1990 Miscellaneous	61,881	-	1,676,520
1994 Third party billing	-	-	57,330
1995 Proceeds from the sale of capital assets	-	-	11,868
Total local sources	<u>4,326,124</u>	<u>99,596</u>	<u>303,602,254</u>
<b>Intermediate Sources</b>			
2101 County school fund	-	-	1,009,377
2102 ESD apportionment	-	-	10,785,646
2104 ESD apportionment - preschool	-	-	354,087
2200 Restricted revenue	-	-	342,040
Total intermediate sources	<u>-</u>	<u>-</u>	<u>12,491,150</u>
<b>State Sources</b>			
3101 State school fund	-	-	257,695,444
3102 State school fund match	-	-	122,286
3103 Common school fund	-	-	4,499,398
3199 Other unrestricted grants-in-aid	-	-	2,946,803
3299 Other restricted grants-in-aid	-	-	8,606,787
Total state sources	<u>-</u>	<u>-</u>	<u>273,870,718</u>
<b>Federal Sources</b>			
4300 Restricted direct from federal	-	-	146,279
4500 Restricted through state	-	-	24,728,876
4700 Federal grants	-	-	110,616
4910 Commodities	-	-	902,929
Total federal sources	<u>-</u>	<u>-</u>	<u>25,888,700</u>
<b>Other Sources</b>			
5160 Proceeds from capital leases	-	-	531,140
5200 Transfers in	910,000	-	5,285,321
5300 Sale/compensation for loss of capital assets	-	-	272,873
Total other sources	<u>910,000</u>	<u>-</u>	<u>6,089,334</u>
<b>TOTAL REVENUES</b>	<u><u>\$ 5,236,124</u></u>	<u><u>\$ 99,596</u></u>	<u><u>\$ 621,942,156</u></u>



**BEAVERTON SCHOOL DISTRICT**  
**GENERAL FUND (100) EXPENDITURE SUMMARY**  
**YEAR ENDED JUNE 30, 2019**

	Object 100	Object 200	Object 300	Object 400
<b>Instruction</b>				
1110 Elementary programs	\$ 68,585,751	\$ 37,480,658	\$ 92,885	\$ 2,483,311
1120 Middle school programs	30,468,930	16,056,714	60,248	1,213,773
1130 High school programs	43,505,498	21,842,664	1,200,435	2,038,810
1140 Pre-kindergarten programs	461,607	334,495	-	81,897
1210 Talented and gifted programs	199,690	66,102	3,492	6,521
1220 Restrictive programs	13,782,141	9,950,579	1,541,436	74,023
1250 Resource rooms	7,136,485	3,790,437	1,497	334
1280 Alternative education	1,979,795	1,100,017	6,572,858	234,500
1290 Designated programs	16,439,017	8,837,401	599,988	94,775
1410 Summer school - elementary school	22,487	6,075	4,921	8,505
1420 Summer school - middle school	1,062	291	-	-
1430 Summer school - high school	314,079	97,453	2,063	8,381
1460 Summer school programs	98,886	26,524	33,999	1,144
<b>Total instruction</b>	<b>182,995,428</b>	<b>99,589,410</b>	<b>10,113,822</b>	<b>6,245,974</b>
<b>Support services</b>				
2110 Attendance and social work services	3,157,561	2,408,432	334,362	199,149
2120 Guidance services	9,471,075	5,275,826	244,130	68,428
2130 Health services	1,711,353	1,014,948	34,623	28,643
2140 Psychological services	2,736,453	1,394,597	4,546	31,432
2150 Speech pathology and audiology services	3,992,638	2,057,933	137,925	12,777
2190 Service direction - student support services	2,454,544	1,297,949	258,703	264,058
2210 Improvement of instruction services	1,858,945	911,161	18,851	4,463
2220 Educational media services	4,546,147	2,976,384	28,886	554,319
2230 Assessment and testing	120,455	77,297	2,360	205,860
2240 Instructional staff development	2,503,804	1,516,073	756,364	176,482
2310 Board of education services	-	-	142,488	7,951
2320 Executive administration services	1,137,311	538,471	53,052	16,040
2410 Office of the principal services	19,453,037	11,258,617	94,473	389,999
2490 Other support services - school administration	1,547,018	818,964	55,911	94,427
2510 Direction of business support services	264,916	131,828	8,923	10,029
2520 Fiscal services	1,375,598	727,306	138,846	27,648
2540 Operation and maintenance of plant services	14,358,413	8,993,860	9,945,201	1,694,190
2550 Student transportation services	9,858,559	8,129,825	326,602	1,774,160
2570 Internal services	523,191	321,234	470,692	41,667
2620 Planning and development services	349,556	181,398	63,333	13,479
2630 Information services	539,993	314,225	11,853	19,487
2640 Staff services	2,215,288	1,297,944	197,472	117,051
2660 Technology services	5,295,632	2,944,502	1,333,462	1,627,267
<b>Total support services</b>	<b>89,471,487</b>	<b>54,588,774</b>	<b>14,663,058</b>	<b>7,379,006</b>
<b>Facilities acquisition and construction</b>				
4150 Building acquisition, construction and improvement services	-	-	-	-
<b>Total facilities acquisition and construction</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other uses</b>				
5110 Debt Service	-	-	-	-
5200 Transfers of funds	-	-	-	-
<b>Total other uses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 272,466,915</b>	<b>\$ 154,178,184</b>	<b>\$ 24,776,880</b>	<b>\$ 13,624,980</b>

Continued on next page.

**BEAVERTON SCHOOL DISTRICT**  
**GENERAL FUND (100) EXPENDITURE SUMMARY (Continued)**  
**YEAR ENDED JUNE 30, 2019**

	Object 500	Object 600	Object 700	Total
<b>Instruction</b>				
1110 Elementary programs	\$ 7,703	\$ 1,132	\$ -	\$ 108,651,440
1120 Middle school programs	3,934	5,537	-	47,809,136
1130 High school programs	3,780	80,728	-	68,671,915
1140 Pre-kindergarten programs	-	-	-	877,999
1210 Talented and gifted programs	-	2,240	-	278,045
1220 Restrictive programs	-	-	-	25,348,179
1250 Resource rooms	-	-	-	10,928,753
1280 Alternative education	-	-	-	9,887,170
1290 Designated programs	16,394	182,871	-	26,170,446
1410 Summer school - elementary school	-	-	-	41,988
1420 Summer school - middle school	-	-	-	1,353
1430 Summer school - high school	-	-	-	421,976
1460 Summer school programs	-	-	-	160,553
<b>Total instruction</b>	<b>31,811</b>	<b>272,508</b>	<b>-</b>	<b>299,248,953</b>
<b>Support services</b>				
2110 Attendance and social work services	-	1,111	-	6,100,615
2120 Guidance services	-	60	-	15,059,519
2130 Health services	7,517	-	-	2,797,084
2140 Psychological services	-	-	-	4,167,028
2150 Speech pathology and audiology services	-	-	-	6,201,273
2190 Service direction - student support services	-	9,869	-	4,285,123
2210 Improvement of instruction services	-	86,508	-	2,879,928
2220 Educational media services	-	659	-	8,106,395
2230 Assessment and testing	-	1,510	-	407,482
2240 Instructional staff development	-	66,412	-	5,019,135
2310 Board of education services	-	22,438	-	172,877
2320 Executive administration services	-	6,320	-	1,751,194
2410 Office of the principal services	36,463	13,280	-	31,245,869
2490 Other support services - school administration	-	3,150	-	2,519,470
2510 Direction of business support services	-	2,700	-	418,396
2520 Fiscal services	-	115,260	-	2,384,658
2540 Operation and maintenance of plant services	1,038,719	35,329	-	36,065,712
2550 Student transportation services	-	3,621	-	20,092,767
2570 Internal services	215	922	-	1,357,921
2620 Planning and development services	-	699	-	608,465
2630 Information services	-	1,395	-	886,953
2640 Staff services	-	4,583	-	3,832,338
2660 Technology services	84,253	4,994	-	11,290,110
<b>Total support services</b>	<b>1,167,167</b>	<b>380,820</b>	<b>-</b>	<b>167,650,312</b>
<b>Facilities acquisition and construction</b>				
4150 Building acquisition, construction and improvement services	27,169	-	-	27,169
<b>Total facilities acquisition and construction</b>	<b>27,169</b>	<b>-</b>	<b>-</b>	<b>27,169</b>
<b>Other uses</b>				
5110 Debt Service	-	1,161,672	-	1,161,672
5200 Transfers of funds	-	-	4,060,245	4,060,245
<b>Total other uses</b>	<b>-</b>	<b>1,161,672</b>	<b>4,060,245</b>	<b>5,221,917</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,226,147</b>	<b>\$ 1,815,000</b>	<b>\$ 4,060,245</b>	<b>\$ 472,148,351</b>

**BEAVERTON SCHOOL DISTRICT**  
**SPECIAL REVENUE FUNDS (200) EXPENDITURE SUMMARY**  
**YEAR ENDED JUNE 30, 2019**

	Object 100	Object 200	Object 300	Object 400
<b>Instruction</b>				
1110 Elementary programs	\$ 45,778	\$ 13,018	\$ 211,854	\$ 868,957
1120 Middle school programs	148,904	40,953	712,388	503,022
1130 High school programs	1,290,611	480,682	614,488	4,392,492
1140 Pre-kindergarten programs	-	-	-	9,477
1220 Restrictive programs	2,050,030	1,322,417	4,358	23,347
1250 Resource rooms	851,076	489,435	-	65
1270 Educationally disadvantaged	3,329,979	1,991,448	542,562	551,864
1280 Alternative education	25,578	9,301	4,929	1,799
1290 Designated programs	462,318	217,172	226,531	422,136
1410 Summer school - elementary school	65,958	18,643	3,550	398
1420 Summer school - middle school	1,916	370	-	1,698
1490 Other summer school	283,974	86,317	80,005	8,013
<b>Total instruction</b>	<b>8,556,122</b>	<b>4,669,756</b>	<b>2,400,665</b>	<b>6,783,268</b>
<b>Support services</b>				
2110 Attendance and social work services	938,913	713,766	207,283	9,161
2120 Guidance services	76,760	44,120	-	2,562
2130 Health services	-	-	52,159	364
2140 Psychological services	20,624	14,292	-	-
2150 Speech pathology and audiology services	294,359	141,580	-	-
2190 Service direction - student support services	513,681	248,793	989,168	1,477
2210 Improvement of instruction services	804,963	334,546	98,938	19,089
2220 Educational media services	-	-	12,419	265,709
2230 Assessment and testing	1,357	377	-	33,995
2240 Instructional staff development	709,816	273,320	566,888	23,051
2410 Office of the principal services	-	-	4,049	24,637
2520 Fiscal services	9,777	4,611	-	-
2540 Operation and maintenance of plant services	287	79	582	1,718
2550 Student transportation services	-	-	64,808	-
2570 Internal services	-	-	45,673	220
2630 Information services	-	-	53	5,190
2640 Staff services	222,004	99,472	-	-
2660 Technology services	5,274	1,596	66,759	565,944
<b>Total support services</b>	<b>3,597,815</b>	<b>1,876,552</b>	<b>2,108,779</b>	<b>953,117</b>
<b>Enterprise and community services</b>				
3110 Service area direction	975,210	534,270	61,958	913,547
3120 Food preparation and dispensing services	3,971,805	3,022,729	87,426	4,964,391
3140 Food services - summer school	147,602	44,169	4,154	111,957
3390 Other community services	1,354	460	3,764	1,952
<b>Total enterprise and community services</b>	<b>5,095,971</b>	<b>3,601,628</b>	<b>157,302</b>	<b>5,991,847</b>
<b>Facilities acquisition and construction</b>				
4150 Building acquisition, construction and improvement services	25,445	3,671	516,714	168,499
<b>Total facilities acquisition and construction</b>	<b>25,445</b>	<b>3,671</b>	<b>516,714</b>	<b>168,499</b>
<b>Other uses</b>				
5200 Transfers of funds	-	-	-	-
<b>Total other uses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 17,275,353</b>	<b>\$ 10,151,607</b>	<b>\$ 5,183,460</b>	<b>\$ 13,896,731</b>

Continued on the next page.

**BEAVERTON SCHOOL DISTRICT**  
**SPECIAL REVENUE FUNDS (200) EXPENDITURE SUMMARY (Continued)**  
**YEAR ENDED JUNE 30, 2019**

	Object 500	Object 600	Object 700	Total
<b>Instruction</b>				
1110 Elementary programs	\$ 33,666	\$ 3,319	\$ -	\$ 1,176,592
1120 Middle school programs	19,027	1,779	-	1,426,073
1130 High school programs	173,333	41,695	-	6,993,301
1140 Pre-kindergarten programs	-	-	-	9,477
1220 Restrictive programs	-	1,945	-	3,402,097
1250 Resource rooms	-	-	-	1,340,576
1270 Educationally disadvantaged	-	-	-	6,415,853
1280 Alternative education	-	-	-	41,607
1290 Designated programs	97,119	665	-	1,425,941
1410 Summer school - elementary school	-	-	-	88,549
1420 Summer school - middle school	-	-	-	3,984
1490 Other summer school	-	-	-	458,309
<b>Total instruction</b>	<b>323,145</b>	<b>49,403</b>	<b>-</b>	<b>22,782,359</b>
<b>Support services</b>				
2110 Attendance and social work services	-	-	-	1,869,123
2120 Guidance services	-	-	-	123,442
2130 Health services	-	-	-	52,523
2140 Psychological services	-	-	-	34,916
2150 Speech pathology and audiology services	-	-	-	435,939
2190 Service direction - student support services	-	-	-	1,753,119
2210 Improvement of instruction services	-	500	-	1,258,036
2220 Educational media services	-	-	-	278,128
2230 Assessment and testing	-	-	-	35,729
2240 Instructional staff development	-	2,816	-	1,575,891
2410 Office of the principal services	-	561	-	29,247
2520 Fiscal services	-	623,804	-	638,192
2540 Operation and maintenance of plant services	-	-	-	2,666
2550 Student transportation services	1,545,547	-	-	1,610,355
2570 Internal services	-	-	-	45,893
2630 Information services	-	-	-	5,243
2640 Staff services	-	-	-	321,476
2660 Technology services	25,219	594	-	665,386
<b>Total support services</b>	<b>1,570,766</b>	<b>628,275</b>	<b>-</b>	<b>10,735,304</b>
<b>Enterprise and community services</b>				
3110 Service area direction	-	1,611	-	2,486,596
3120 Food preparation and dispensing services	34,220	3,505	-	12,084,076
3140 Food services - summer school	-	-	-	307,882
3390 Other community services	-	-	-	7,530
<b>Total enterprise and community services</b>	<b>34,220</b>	<b>5,116</b>	<b>-</b>	<b>14,886,084</b>
<b>Facilities acquisition and construction</b>				
4150 Building acquisition, construction and improvement services	2,559,783	96,858	-	3,370,970
<b>Total facilities acquisition and construction</b>	<b>2,559,783</b>	<b>96,858</b>	<b>-</b>	<b>3,370,970</b>
<b>Other uses</b>				
5200 Transfers of funds	-	-	65,870	65,870
<b>Total other uses</b>	<b>-</b>	<b>-</b>	<b>65,870</b>	<b>65,870</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 4,487,914</b>	<b>\$ 779,652</b>	<b>\$ 65,870</b>	<b>\$ 51,840,587</b>

**BEAVERTON SCHOOL DISTRICT**  
**DEBT SERVICE FUND (300) EXPENDITURE SUMMARY**  
YEAR ENDED JUNE 30, 2019

	<u>Object 600</u>	<u>Total</u>
Other uses		
5110 Debt Service	<u>\$ 82,896,891</u>	<u>\$ 82,896,891</u>
Total other uses	<u>82,896,891</u>	<u>82,896,891</u>
<b>TOTAL EXPENDITURES</b>	<u><b>\$ 82,896,891</b></u>	<u><b>\$ 82,896,891</b></u>

**BEAVERTON SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUNDS (400) EXPENDITURE SUMMARY**  
**YEAR ENDED JUNE 30, 2019**

	Object 100	Object 200	Object 300	Object 400
Support services				
2190 Service direction - student support services	\$ -	\$ -	\$ 16,600	\$ -
2550 Student transportation services	-	-	-	-
2620 Planning and development services	152,850	79,521	125	-
Total support services	152,850	79,521	16,725	-
Facilities acquisition and construction				
4110 Service area direction	3,095,435	1,513,497	78,775	150,344
4150 Building acquisition, construction and improvement services	51,939	10,965	7,467,663	2,451,594
4180 Other capital items	-	-	124,619	4,954,041
Total facilities acquisition and construction	3,147,374	1,524,462	7,671,057	7,555,979
Other uses				
5200 Transfers of funds	-	-	-	-
Total other uses	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 3,300,224</b>	<b>\$ 1,603,983</b>	<b>\$ 7,687,782</b>	<b>\$ 7,555,979</b>

Continued on the next page.

**BEAVERTON SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUNDS (400) EXPENDITURE SUMMARY (Continued)**  
**YEAR ENDED JUNE 30, 2019**

	Object 500	Object 600	Object 700	Total
Support services				
2190 Service direction - student support services	\$ -	\$ -	\$ -	\$ 16,600
2550 Student transportation services	2,023,341	-	-	2,023,341
2620 Planning and development services	-	-	-	232,496
Total support services	2,023,341	-	-	2,272,437
Facilities acquisition and construction				
4110 Service area direction	-	5,931,432	-	10,769,483
4150 Building acquisition, construction and improvement services	69,743,988	4,106,989	-	83,833,138
4180 Other capital items	410,456	-	-	5,489,116
Total facilities acquisition and construction	70,154,444	10,038,421	-	100,091,737
Other uses				
5200 Transfers of funds	-	-	1,159,206	1,159,206
Total other uses	-	-	1,159,206	1,159,206
<b>TOTAL EXPENDITURES</b>	<b>\$ 72,177,785</b>	<b>\$ 10,038,421</b>	<b>\$ 1,159,206</b>	<b>\$ 103,523,380</b>

**BEAVERTON SCHOOL DISTRICT**  
**INTERNAL SERVICE FUND (600) EXPENDITURE SUMMARY**  
**YEAR ENDED JUNE 30, 2019**

	Object 100	Object 200	Object 300	Object 400
Support services				
2320 Executive administration services	\$ 66,904	\$ 28,061	\$ 9,263	\$ -
2640 Staff services	211,012	122,235	54,351	-
2690 Other support services	628,786	277,210	645,377	93,686
Total support services	906,702	427,506	708,991	93,686
Facilities acquisition and construction				
4150 Building acquisition, construction and improvement services	-	-	-	-
Total facilities acquisition and construction	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 906,702</b>	<b>\$ 427,506</b>	<b>\$ 708,991</b>	<b>\$ 93,686</b>

Continued on the next page.



**BEAVERTON SCHOOL DISTRICT**  
**INTERNAL SERVICE FUND (600) EXPENDITURE SUMMARY (Continued)**  
**YEAR ENDED JUNE 30, 2019**

	<u>Object 500</u>	<u>Object 600</u>	<u>Total</u>
Support services			
2320 Executive administration services	\$ -	\$ -	\$ 104,228
2640 Staff services	-	150	387,748
2690 Other support services	<u>35,961</u>	<u>4,890,909</u>	<u>6,571,929</u>
Total support services	<u>35,961</u>	<u>4,891,059</u>	<u>7,063,905</u>
Facilities acquisition and construction			
4150 Building acquisition, construction and improvement services	<u>174,219</u>	<u>-</u>	<u>174,219</u>
Total facilities acquisition and construction	<u>174,219</u>	<u>-</u>	<u>174,219</u>
<b>TOTAL EXPENDITURES</b>	<u><u>\$ 210,180</u></u>	<u><u>\$ 4,891,059</u></u>	<u><u>\$ 7,238,124</u></u>

**BEAVERTON SCHOOL DISTRICT**  
**FIDUCIARY FUND (700) EXPENDITURE SUMMARY (NON-GAAP BASIS)**  
**YEAR ENDED JUNE 30, 2019**

	<u>Object 300</u>	<u>Total</u>
Enterprise and community services		
3390 Other community services	<u>\$          62,400</u>	<u>\$          62,400</u>
Total enterprise and community services	<u>          62,400</u>	<u>          62,400</u>
<b>TOTAL EXPENDITURES</b>	<u><u>\$          62,400</u></u>	<u><u>\$          62,400</u></u>

**BEAVERTON SCHOOL DISTRICT****SUPPLEMENTAL INFORMATION AS REQUIRED BY THE OREGON DEPARTMENT OF EDUCATION**

YEAR ENDED JUNE 30, 2019

**A Energy Bill for Heating - All Funds:**

Please enter your expenditures for electricity, heating fuel, and water & sewage for these Functions & Objects.

	Objects 325, 326, & 327
Function 2540	\$ 7,391,701
Function 2550	-

**B Replacement of Equipment - General Fund:**

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

\$	53,270
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Exclude these functions:

- 1113 Elementary Co-curricular Activities
- 1122 Middle School Co-curricular Activities
- 1132 High School Co-curricular Activities
- 1140 Pre-Kindergarten
- 1300 Continuing Education
- 1400 Summer School
- 2550 Pupil Transportation
- 3100 Food Service
- 3300 Community Services
- 4150 Construction

**BEAVERTON SCHOOL DISTRICT**  
**SUPPLEMENTAL INFORMATION AS REQUIRED BY BOND DISCLOSURE AGREEMENTS**  
**GENERAL FUND ADOPTED BUDGETS**  
**FOR FISCAL YEARS 2018-19 AND 2019-20**

	Fiscal Years	
	2018-19	2019-20
<b><u>Resources</u></b>		
Local Sources	\$ 174,699,500	\$ 185,040,100
Intermediate Sources	12,455,000	11,982,643
State Sources	267,108,769	282,884,046
Miscellaneous	34,065,000	35,713,036
Total Resources	<u>\$ 488,328,269</u>	<u>\$ 515,619,825</u>
<b><u>Expenditures</u></b>		
Salaries	\$ 270,162,996	\$ 267,884,758
Associated Payroll Costs	152,529,093	172,735,290
Purchased Services	26,275,991	28,033,398
Supplies and Materials	17,675,924	14,582,929
Capital Outlay	1,068,000	660,000
Other Objects	1,769,158	2,375,821
Transfers	4,080,694	4,347,342
Other Uses of Funds	14,766,413	25,000,287
Total Expenditures	<u>\$ 488,328,269</u>	<u>\$ 515,619,825</u>

# STATISTICAL SECTION

Statistical Section





## **STATISTICAL SECTION OVERVIEW**

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

<b><u>Contents</u></b>	<b><u>Page</u></b>
<i>Financial Trends</i> These schedules contain trend information to help the reader understand how financial performance has changed over time.	131
<i>Revenue Capacity</i> These schedules contain information to help the reader assess the Beaverton School District's most significant local revenue sources, state school fund and property taxes.	138
<i>Debt Capacity</i> These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the ability to issue additional debt in the future.	142
<i>Demographic and Economic Information</i> These schedules offer demographic and economic indicators to help the reader understand the environment within which the School District's financial activities take place.	145
<i>Operating Information</i> These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	147

**Sources:** The information in these schedules is derived from the comprehensive annual financial reports for fiscal years ended June 30, 2010-19, unless otherwise noted.





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

		Fiscal Year									
		2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental activities											
Net investment in capital assets	\$	307,682,555	\$ 290,846,498	\$ 268,188,162	\$ 262,579,965	\$ 263,555,013	\$ 251,817,765	\$ 218,858,636	\$ 210,353,998	\$ 188,502,503	\$ 168,112,175
Restricted		4,800,662	3,532,119	3,748,594	5,261,017	4,930,638	5,266,089	5,322,870	6,435,958	5,433,174	7,007,695
Unrestricted		(385,553,862)	(324,030,095)	(270,093,399)	(215,261,216)	(119,174,972)	1,484,312	(20,953,952)	(12,888,743)	5,544,039	17,131,784
Total primary government net position	\$	(73,070,645)	\$ (29,651,478)	\$ 1,843,357	\$ 52,579,766	\$ 149,310,679	\$ 258,568,166	\$ 203,227,554	\$ 203,901,213	\$ 199,479,716	\$ 192,251,654

Note:

Fiscal year 2017 was restated due to GASB 75.  
 Fiscal year 2015 was restated due to GASB 68.  
 Fiscal year 2013 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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Expenses</b>										
Governmental activities:										
Regular programs	\$ 279,440,871	\$ 261,781,198	\$ 251,640,423	\$ 278,194,402	\$ 151,695,546	\$ 171,453,815	\$ 155,558,206	\$ 165,967,152	\$ 155,823,545	\$ 147,327,559
Special programs	95,302,554	90,816,316	81,559,619	85,436,319	52,710,940	62,155,870	61,313,169	58,727,067	58,135,083	55,074,926
Summer school programs	1,350,107	1,599,044	1,202,441	1,446,450	823,881	746,800	361,380	424,405	462,055	321,879
Students support services	48,475,828	43,245,977	38,745,667	39,284,776	21,318,056	25,864,345	24,276,743	25,290,719	24,318,965	23,424,865
Instructional staff support	21,880,138	21,579,054	20,507,887	20,225,200	10,122,238	10,435,278	9,523,879	14,046,573	16,324,138	15,908,765
General administration support	2,293,158	2,233,419	2,144,094	2,325,564	1,453,617	1,560,440	1,452,533	1,453,474	1,527,173	1,563,192
School administration	38,378,126	36,716,727	33,442,147	34,893,849	19,465,092	24,474,041	23,328,668	22,895,754	22,373,286	22,098,423
Business support services	65,984,943	62,356,966	56,468,112	55,384,931	41,631,222	46,057,995	44,054,090	43,878,022	44,761,271	45,919,247
Central activities support	27,475,179	24,743,049	21,562,471	22,841,783	13,373,047	16,829,201	15,898,939	15,304,425	16,137,172	14,583,749
Supplemental retirement	-	9,830	39,736	38,011	100,893	796,395	1,364,077	712,529	85,307	82,494
Food services	15,965,965	14,889,225	14,006,876	15,413,542	11,736,797	12,763,646	12,801,512	12,620,976	12,590,877	12,178,818
Community services	7,829	15,453	4,571	12,273	47,469	138,592	128,385	67,660	140,908	120,909
Custody and care of children services	-	-	-	-	-	-	-	37,544	37,083	90,857
Facilities	-	-	-	-	-	-	-	-	1,332,465	1,100,757
Interest on long-term debt	36,313,634	34,035,456	30,307,560	36,159,370	34,413,599	16,163,540	35,719,584	24,764,671	24,552,195	26,185,245
Total primary government expenses	632,868,332	594,021,714	551,631,604	591,656,470	358,892,397	389,439,958	385,781,165	386,190,971	378,601,523	365,981,685
<b>Program Revenues</b>										
Governmental activities:										
Charges for services										
Instruction	5,428,180	5,270,449	6,031,333	6,964,291	10,217,286	10,098,793	10,003,939	9,571,654	9,341,231	8,222,022
Support services	1,527,178	1,562,046	1,428,741	860,873	877,606	904,645	878,076	821,016	841,385	1,405,269
Enterprise and community services	5,203,029	4,884,146	4,431,211	4,426,767	4,190,202	4,137,738	4,335,594	4,690,877	4,736,978	4,894,440
Operating grants and contributions	41,978,368	37,291,667	30,565,670	28,805,495	28,314,126	29,592,463	26,430,911	28,815,557	45,694,904	41,722,109
Capital grants and contributions	622,611	472,169	361,917	1,226,334	-	-	-	-	560,751	1,384,570
Total primary government program revenues	54,759,366	49,480,477	42,818,872	42,283,760	43,599,220	44,733,639	41,648,520	43,899,104	61,175,249	57,628,410
<b>Net (Expense)/Revenue</b>										
Total primary government net expense	\$ (578,108,966)	\$ (544,541,237)	\$ (508,812,732)	\$ (549,372,710)	\$ (315,293,177)	\$ (344,706,319)	\$ (344,132,645)	\$ (342,291,867)	\$ (317,426,274)	\$ (308,353,275)

Note:  
Fiscal year 2017 was restated due to GASB 75.  
Fiscal year 2015 was restated due to GASB 68.  
Fiscal year 2013 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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Net (Expense) / Revenue</b>										
Total primary government net expense	\$ (578,108,966)	\$ (544,541,237)	\$ (508,812,732)	\$ (549,372,710)	\$ (315,293,177)	\$ (344,706,319)	\$ (344,132,645)	\$ (342,291,867)	\$ (317,426,274)	\$ (308,353,275)
<b>General Revenues and Other Changes in Net Position</b>										
<b>Position</b>										
Governmental activities:										
Taxes										
Property taxes levied for general purposes	137,034,319	128,140,820	125,870,990	120,530,968	114,933,952	110,583,679	106,074,191	104,258,668	100,540,188	97,635,238
Local option taxes levied for general purposes	33,330,338	31,005,163	28,882,071	26,192,500	24,213,931	19,060,210	-	-	32	10,757
Property taxes levied for debt service	62,457,809	58,897,201	52,900,525	51,502,850	51,440,929	49,732,072	47,152,740	48,141,562	44,848,328	45,541,764
Construction excise tax	3,391,946	3,217,459	3,829,430	3,069,069	2,997,116	2,407,510	1,863,969	1,157,042	1,180,614	1,343,893
State school fund	257,695,444	258,157,569	231,739,269	228,865,870	216,460,563	199,569,316	172,475,674	167,737,344	157,658,272	164,168,392
Common school fund	4,499,398	4,191,413	5,011,850	4,691,786	3,796,074	3,537,242	3,655,130	3,262,070	3,419,944	3,487,822
Unrestricted state and local sources	15,218,199	17,260,645	14,767,326	13,006,206	15,770,697	12,110,552	8,490,373	17,833,330	11,638,640	9,902,461
Earnings on investments	12,172,451	4,943,574	2,351,393	3,198,636	2,541,728	517,574	503,144	617,642	790,559	614,622
Gain on sale of capital asset	284,741	298,016	139,540	15,250	200	767,803	-	-	-	-
Miscellaneous	8,605,154	6,934,542	2,377,106	1,568,662	4,114,307	1,760,973	3,243,765	3,705,756	4,577,759	4,737,257
Total primary government	534,689,799	513,046,402	467,869,500	452,641,797	436,269,497	400,046,931	343,458,986	346,713,364	324,654,336	327,442,206
<b>Change in Net Position</b>										
Total primary government	\$ (43,419,167)	\$ (31,494,835)	\$ (40,943,232)	\$ (96,730,913)	\$ 120,976,320	\$ 55,340,612	\$ (673,659)	\$ 4,421,497	\$ 7,228,062	\$ 19,088,931

Note: Fiscal year 2017 was restated due to GASB 75.  
Fiscal year 2015 was restated due to GASB 68.  
Fiscal year 2013 was restated due to GASB 65.

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

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Fund										
Committed	\$ 24,369,523	\$ 22,852,024	\$ 21,717,173	\$ 20,852,418	\$ 1,599,028	\$ 789,822	\$ 969,517	\$ 1,612,745	\$ 1,362,113	\$ 1,688,104
Unassigned	16,915,100	29,660,002	38,054,174	42,979,287	55,398,731	31,344,339	7,550,548	7,969,481	20,156,857	26,486,138
Total general fund	\$ 41,284,623	\$ 52,512,026	\$ 59,771,347	\$ 63,831,705	\$ 56,997,759	\$ 32,134,161	\$ 8,520,065	\$ 9,582,226	\$ 21,518,970	\$ 28,174,242
All Other Governmental Funds										
Non-spendable	\$ 493,950	\$ 515,050	\$ 287,514	\$ 287,230	\$ 290,613	\$ 391,594	\$ 346,922	\$ 363,240	\$ 395,505	\$ 383,175
Restricted	212,719,995	292,398,364	385,241,999	265,786,893	411,190,925	4,679,163	15,246,617	21,458,042	23,776,761	36,964,939
Committed	14,083,413	16,959,313	14,172,144	10,473,961	9,390,147	9,507,482	8,485,568	8,130,111	11,417,612	10,165,139
Total all other governmental funds	\$ 227,297,358	\$ 309,872,727	\$ 399,701,657	\$ 276,548,084	\$ 420,871,685	\$ 14,578,239	\$ 24,079,107	\$ 29,951,393	\$ 35,589,878	\$ 47,513,253

Note: Fiscal year 2010 balances were restated due to GASB 54.

**BEAVERTON SCHOOL DISTRICT  
GOVERNMENTAL FUNDS REVENUES**

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Federal sources:										
Federal grants	\$ 17,165,360	\$ 15,435,149	\$ 15,698,266	\$ 14,962,424	\$ 15,797,793	\$ 14,572,186	\$ 15,786,503	\$ 18,209,732	\$ 36,055,519	\$ 32,479,021
Food services	8,723,341	8,735,018	8,708,590	8,924,874	8,534,126	8,307,010	8,100,523	8,253,743	7,890,362	7,315,965
Total federal sources	25,888,701	24,170,167	24,406,856	23,887,298	24,331,919	22,879,196	23,887,026	26,463,475	43,945,881	39,794,986
State and intermediate sources:										
State school support	269,092,864	269,283,471	238,165,429	232,618,495	218,446,776	201,133,195	174,134,811	178,776,160	164,851,674	170,175,911
Common school fund	4,499,398	4,191,413	5,011,850	4,691,786	3,796,074	3,537,242	3,655,130	3,262,020	126,639	124,261
Nutrition services	278,456	269,558	239,864	263,666	156,832	158,702	163,368	150,503	150,503	152,866
Other	12,491,151	12,114,483	10,102,679	10,454,984	14,746,576	10,387,971	6,687,868	6,644,011	8,148,791	8,490,207
Total state and intermediate sources	286,361,869	285,858,925	253,519,822	248,028,931	237,146,258	215,217,110	184,641,177	188,832,694	173,277,607	178,943,245
Local sources:										
Ad valorem taxes	202,636,213	189,669,800	177,968,234	171,027,470	166,521,730	159,534,598	153,682,815	150,618,996	145,659,724	142,849,247
Local option levy	33,330,338	31,005,163	28,882,071	26,192,500	24,213,931	19,060,210	989	1,233	32	10,757
Food service sales	5,200,869	4,879,170	4,429,825	4,425,669	4,188,510	4,137,738	4,335,594	4,642,615	4,690,790	4,804,659
Interest and other income	49,053,759	42,133,781	37,522,902	37,754,679	35,445,125	33,485,753	27,556,044	26,936,013	25,942,763	25,114,830
Other revenues	8,955,353	6,975,911	2,477,371	2,628,817	3,892,912	1,151,631	2,071,823	3,179,995	4,100,831	4,136,871
Total local sources	299,176,532	274,663,825	251,280,403	242,029,135	234,262,208	217,369,930	187,647,265	185,378,852	180,394,140	176,916,364
Total revenues	\$ 611,427,102	\$ 584,692,917	\$ 529,207,081	\$ 513,945,364	\$ 495,740,385	\$ 455,456,236	\$ 396,175,468	\$ 400,675,021	\$ 397,617,628	\$ 395,654,595

**BEAVERTON SCHOOL DISTRICT  
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO**

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Instruction	\$ 322,031,311	\$ 310,493,539	\$ 287,283,072	\$ 272,408,774	\$ 252,459,576	\$ 227,532,904	\$ 207,207,837	\$ 218,652,203	\$ 209,144,733	\$ 196,896,644
Student personnel services	42,879,704	38,482,256	34,603,010	31,090,493	27,894,246	25,123,920	23,332,596	24,593,504	23,722,270	22,768,827
Instructional media services	8,384,523	7,827,668	7,337,588	6,009,525	4,233,576	3,428,633	3,403,331	6,737,873	7,052,598	7,046,696
Instruction and curriculum development services	4,597,774	4,389,348	4,315,206	4,568,815	4,180,073	4,122,174	3,280,985	3,060,568	4,933,657	4,825,938
Instructional staff training	6,595,026	7,286,415	6,853,937	6,082,223	4,116,070	2,642,056	2,475,496	3,787,847	3,934,336	3,630,603
Board of education	172,877	137,183	188,592	174,222	184,223	104,179	166,447	131,476	177,570	105,529
General administration	1,751,194	1,746,456	1,647,132	1,606,548	1,473,662	1,423,055	1,236,521	1,284,038	1,317,619	1,420,229
School administration	33,794,586	32,552,290	29,703,235	27,598,638	25,589,396	23,727,536	22,394,165	22,225,585	21,808,208	21,439,584
Fiscal services	3,441,246	2,937,041	4,335,365	2,600,984	4,641,006	2,257,450	2,057,740	2,276,466	2,499,882	2,631,837
Central services	19,246,281	18,196,198	16,508,280	15,508,597	13,450,587	13,445,566	12,643,189	12,684,917	12,809,288	14,755,944
Student transportation services	23,726,463	22,430,200	20,085,388	20,201,661	19,809,756	16,701,748	15,830,750	15,648,651	17,251,379	15,049,227
Operation and maintenance of plant	36,068,378	34,784,379	30,174,482	26,972,370	26,274,101	24,441,755	23,399,588	23,506,371	22,836,444	23,201,941
Supplemental retirement	-	9,830	39,736	38,011	145,163	764,112	1,291,171	704,595	85,019	81,193
Community services	14,886,084	14,045,480	13,160,253	13,664,440	13,341,409	12,714,904	12,715,302	12,554,327	12,572,108	12,235,486
Capital outlay	-	-	-	-	-	-	-	-	-	-
Facilities acquisition/construction	103,489,877	105,693,226	208,045,840	147,718,421	42,591,476	16,608,797	6,889,659	5,679,030	15,507,726	42,237,995
Debt service	-	-	-	-	-	-	-	-	-	-
Principal	39,783,743	44,497,060	41,157,802	36,742,349	33,850,765	45,375,306	41,348,283	38,323,249	33,994,798	29,744,444
Interest	44,274,820	37,526,453	35,381,003	36,726,785	33,567,947	19,620,481	22,468,382	24,746,840	26,637,751	28,548,173
Bond issuance costs	-	-	-	158,054	544,615	-	1,013,347	281,899	-	-
Total expenditures	\$ 705,123,887	\$ 683,035,022	\$ 740,819,921	\$ 649,870,910	\$ 508,347,647	\$ 440,034,576	\$ 403,154,789	\$ 416,879,439	\$ 416,285,386	\$ 426,620,290
Expenditures for capital assets	\$ 85,928,112	\$ 99,226,762	\$ 196,991,781	\$ 126,008,956	\$ 32,779,553	\$ 15,481,603	\$ 7,199,924	\$ 6,305,864	\$ 14,370,060	\$ 41,748,748
Debt service as a percentage of noncapital expenditures	13.58%	14.05%	14.07%	14.02%	14.18%	15.31%	16.12%	15.36%	15.09%	15.15%

**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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Excess of revenues over / (under) expenditures</b>	\$ (93,696,785)	\$ (98,342,105)	\$ (211,612,841)	\$ (135,925,546)	\$ (12,607,262)	\$ 15,431,660	\$ (6,979,321)	\$ (16,204,418)	\$ (18,667,758)	\$ (30,965,695)
<b>Other Financing Sources / (Uses)</b>										
Sale of or compensation for loss of capital assets	272,873	277,750	138,684	8,325	200	767,803	6,312	-	-	-
Transfers in	4,375,321	3,228,905	3,427,609	22,002,909	3,121,052	2,373,991	3,177,796	6,929,535	4,377,445	6,412,278
Transfers out	(5,285,321)	(3,228,905)	(4,427,609)	(23,737,909)	(5,351,052)	(4,460,226)	(4,177,796)	(8,564,535)	(6,132,445)	(8,062,278)
Capital leases	531,140	976,104	3,447,000	-	-	-	-	-	1,844,111	-
Issuance of debt	-	-	297,850,265	-	461,368,784	-	-	-	-	-
Premium on long-term debt issued	-	-	30,270,107	-	63,295,961	-	-	-	-	-
PERS UAL lump sum payment	-	-	-	-	(78,670,639)	-	-	-	-	-
Refunding bonds issued	-	-	-	16,260,000	-	-	159,400,000	42,175,000	-	-
Refunding bonds premium	-	-	-	1,766,329	-	-	20,961,752	5,668,811	-	-
Payment to refunded bond escrow agent	-	-	-	(17,863,763)	-	-	(179,342,751)	(47,560,061)	-	-
<b>Total other financing sources / (uses)</b>	(105,987)	1,253,854	330,706,056	(1,564,109)	443,764,306	(1,318,432)	25,313	(1,351,250)	89,111	(1,650,000)
<b>Net change in fund balances</b>	\$ (93,802,772)	\$ (97,088,251)	\$ 119,093,215	\$ (137,489,655)	\$ 431,157,044	\$ 14,113,228	\$ (6,954,008)	\$ (17,555,668)	\$ (18,578,647)	\$ (32,615,695)

**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 <sup>a</sup>	Real Market Value <sup>b</sup>		Total Real Market Value	Assessed Value as a percentage of RMV
	Residential Property	Personal Property			Residential Property	Personal Property		
2019	\$ 28,627,341,458	\$ 917,599,262	\$ 29,544,940,720	\$ 8.021	\$ 49,251,421,850	\$ 917,814,310	\$ 50,169,236,160	58.89 %
2018	27,980,980,946	892,997,589	28,873,978,535	8.053	45,500,522,954	892,997,589	46,393,520,543	62.24
2017	26,724,297,636	852,885,982	27,577,183,618	7.921	40,875,891,989	852,885,982	41,728,777,971	66.09
2016	25,474,574,888	827,083,328	26,301,658,216	7.957	36,434,229,379	827,083,328	37,261,312,707	70.59
2015	24,377,039,678	766,409,601	25,143,449,279	8.037	33,933,616,189	766,409,601	34,700,025,790	72.46
2014	23,358,556,710	756,361,921	24,114,918,631	8.054	30,645,539,168	756,361,921	31,401,901,089	76.79
2013	22,579,021,200	742,141,580	23,321,162,780	6.775	28,888,144,155	742,141,580	29,630,285,735	78.71
2012	21,897,521,030	719,492,406	22,617,013,436	6.860	29,322,657,487	719,492,406	30,042,149,893	75.28
2011	21,269,293,890	698,324,971	21,967,618,861	6.784	30,622,355,726	698,324,971	31,320,680,697	70.14
2010	20,647,926,140	694,175,279	21,342,101,419	6.879	32,405,737,871	694,175,279	33,099,913,150	64.48

<sup>a</sup> Per \$1,000 of assessed value.

<sup>b</sup> Real Market Value is the actual value, based on what a property would sell for in a competitive market if the property were used in its highest and best use.

Source: Washington County Dept. of Assessment & Taxation



**BEAVERTON SCHOOL DISTRICT**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**

LAST TEN FISCAL YEARS

(rate per \$1,000 of assessed value)

Fiscal Year	District Direct Rates				Overlapping Rates																										
	General Purpose	Local Option	Bonds	Total	Portland Community College			City of Hillsboro		City of Portland		City of Tigard		Tualatin Hills Park & Recreation		Tualatin Valley Fire & Rescue		City of Beaverton		Washington County		Metro Service District		Tri-Met		Port of Portland		Multnomah County		NW Regional ESD	
2019	\$ 4.693	\$ 1.250	\$ 2.078	\$ 8.021	\$ 0.687	\$ 5.387	\$ 7.980	\$ 2.863	\$ 1.624	\$ 2.084	\$ 4.426	\$ 2.958	\$ 0.473	\$ -	\$ 0.070	\$ 4.393	\$ 0.154														
2018	4.693	1.250	2.110	8.053	0.605	5.387	7.884	2.871	1.611	2.078	4.376	2.958	0.409	-	0.070	4.393	0.154														
2017	4.693	1.250	1.978	7.921	0.679	5.387	7.971	4.967	1.619	2.098	4.375	2.959	0.397	-	0.070	4.393	0.154														
2016	4.693	1.250	2.014	7.957	0.586	5.387	7.763	6.283	1.625	2.108	4.377	2.838	0.388	-	0.070	4.487	0.154														
2015	4.693	1.250	2.094	8.037	0.722	5.387	7.892	4.178	1.717	1.891	4.377	2.838	0.459	-	0.070	4.491	0.154														
2014	4.693	1.250	2.111	8.054	0.734	5.387	7.980	3.376	1.728	1.906	4.376	2.968	0.467	-	0.070	4.511	0.154														
2013	4.693	-	2.082	6.775	0.665	7.541	7.363	6.350	1.730	1.915	4.238	2.970	0.404	-	0.070	5.424	0.154														
2012	4.693	-	2.167	6.860	0.598	6.464	7.688	3.795	1.739	1.930	4.179	2.974	0.315	0.058	0.070	5.440	0.154														
2011	4.693	-	2.091	6.784	0.636	5.387	7.808	2.722	1.743	1.883	4.203	2.980	0.409	0.088	0.070	5.385	0.154														
2010	4.693	-	2.186	6.879	0.633	5.387	7.824	2.727	1.734	1.895	4.199	2.984	0.437	0.086	0.070	5.403	0.154														

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

	June 2019						June 2010					
	Beaverton School District			Washington County			Beaverton School District			Washington County		
	Taxable Assessed Value	Rank	% of Total Taxable Value	Taxable Assessed Value	Rank	% of Total Taxable Value	Taxable Assessed Value	Rank	% of Total Taxable Value	Taxable Assessed Value	Rank	% of Total Taxable Value
<u>Taxpayer</u>												
Nike, Inc.	\$ 842,271,175	1	2.9 %	\$ 1,093,542,161	2	1.7 %	\$ 370,795,271	1	1.7 %	\$ 429,873,425	3	0.9 %
Nike, IHM Inc.	190,649,200	2	0.6									
PPR Washington Square LLC	127,640,638	6	0.4	149,777,028	10	0.2	102,668,371	9	0.5			
Maxim Intergrated Products Inc.	110,401,140	7	0.4				108,698,930	8	0.5	155,112,058	8	0.3
Harsch Investment Properties, LLC	80,170,634	8	0.3									
Beaverton LLC	98,069,390	9	0.3									
Providence Health System-Oregon	80,591,987	10	0.3				77,837,107	10	0.4			
Intel				2,078,052,359	1	3.2				1,053,477,587	1	2.3
Pacific Realty Associates				393,578,781	4	0.6				294,193,459	5	0.6
Genentech Inc.				212,360,480	8	0.3						
Tektronix Inc							132,387,235	4	0.6	132,746,367	9	0.3
PS Business Parks LP							104,442,466	6	0.5	104,442,466	10	0.2
Lam Research Corporation				169,942,151	9	0.3						
<u>Public Utilities</u>												
Portland General Electric Co.	161,269,143	3	0.5	562,421,042	3	0.9	127,814,120	3	0.6	355,703,920	4	0.8
Comcast Corporation	156,093,100	4	0.5	256,677,200	6	0.4	118,369,800	5	0.6	212,605,300	7	0.5
Northwest Natural Gas	152,480,000	5	0.5	363,827,660	5	0.6	105,638,700	7	0.5	300,943,530	6	0.7
Verizon Communications				235,898,000	7	0.4	174,938,900	2	0.8	436,478,049	2	1.0
Subtotal of Ten Largest Taxpayers	1,999,636,407		6.8	5,516,076,862		8.5	1,423,590,900		6.7	3,475,576,161		7.7
All Other Taxpayers	27,545,304,313		93.2	59,458,235,870		91.5	19,918,510,519		93.3	41,923,906,401		92.3
Total Assessed Value of Tax District	\$29,544,940,720		100.0 %	\$64,974,312,732		100.0 %	\$21,342,101,419		100.0 %	\$45,399,482,562		100.0 %

**Note:** Ranked based on taxes levied.

**Source:** Washington County Department of Assessment & Taxation

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

Fiscal Year	Taxes Levied for the Fiscal Year <sup>(1)</sup>	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years <sup>(2)</sup>	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2019	\$ 237,745,442	\$ 228,218,302	95.99 %	\$ -	\$ 228,218,302	95.99 %
2018	227,729,017	217,437,442	95.48	2,228,168	219,665,610	96.46
2017	213,119,699	203,451,291	95.46	2,230,206	205,681,497	96.51
2016	202,813,119	193,825,317	95.57	2,538,949	196,364,266	96.82
2015	195,294,087	186,692,754	95.60	3,216,221	189,908,975	97.24
2014	183,560,233	174,630,884	95.14	3,730,437	178,361,321	97.17
2013	157,726,841	150,601,309	95.48	3,334,194	153,935,503	97.60
2012	155,139,570	147,593,679	95.14	2,805,615	150,399,294	96.94
2011	148,921,305	140,983,744	94.67	3,130,786	144,114,530	96.77
2010	146,696,578	138,507,814	94.42	4,373,783	142,881,597	97.40

<sup>(1)</sup> Amounts are based upon the tax collection year July 1 to June 30, without adjustments for uncollectable or settlements that occur subsequently.

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

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

**BEAVERTON SCHOOL DISTRICT  
OUTSTANDING DEBT BY TYPE**

LAST TEN FISCAL YEARS

(dollars in thousands, except per capita)

Fiscal Year	Net General Bonded Debt										Total Debt			
	General Obligation Bonds	Un-amortized Premium	Less Amount Available for Repayment	General Bonded Debt	As Percentage of Actual Value		Pension Obligation Bonds <sup>b</sup>	FFC Obligation Bonds	Capital Leases	Primary Government	As Percentage of Taxable Value		As Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
2019	\$ 775,436	\$ 87,985	\$ (1,193)	\$ 862,228	1.719 %	2,963	\$ 191,240	\$ 16,765	\$ 2,079	\$ 1,073,505	3.633 %	n/a	\$ 3,689	
2018	800,970	94,836	-	895,806	1.931	3,132	203,740	17,455	2,607	1,119,608	3.878	n/a	3,915	
2017	832,135	101,044	(570)	932,609	2.235	3,329	215,470	18,115	2,574	1,169,338	4.240	3.463 %	4,174	
2016	563,109	78,037	(1,881)	639,265	1.716	2,334	226,295	18,750	-	886,191	3.369	2.805	3,236	
2015	589,344	82,057	(2,064)	669,337	1.929	2,488	236,040	18,935	197	926,573	3.685	3.108	3,444	
2014	233,560	24,782	(2,323)	256,019	0.815	971	163,375	19,480	583	441,780	1.832	1.680	1,675	
2013	272,895	28,192	(2,591)	298,496	1.007	1,156	168,195	20,175	1,108	490,565	2.104	1.975	1,900	
2012	307,620	13,948	(3,939)	317,629	1.057	1,233	172,345	21,030	2,212	517,155	2.287	2.127	2,008	
2011	341,575	11,186	(3,030)	349,731	1.117	1,372	175,870	22,040	4,080	554,751	2.525	2.407	2,176	
2010	370,250	13,007	(3,371)	379,886	1.148	1,506	178,815	22,595	4,056	588,722	2.800	2.727	2,333	

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

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

n/a - Information not available as of printing.

**BEAVERTON SCHOOL DISTRICT**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
AS OF JUNE 30, 2019

<b>Governmental Unit</b>	<b>Net Property-tax Backed Debt Outstanding<sup>a</sup></b>	<b>Percent Within School District</b>	<b>Estimated Share of Direct and Overlapping Debt<sup>b</sup></b>
Beaverton School District	\$ 996,146,084	100.00 %	\$ 1,084,131,084 <sup>c</sup>
Washington County	228,769,717	48.21	110,292,854
Portland Community College	602,297,900	19.28	116,102,557
Tualatin Hills Park and Recreation District	76,498,613	97.00	74,203,042
City of Beaverton	34,133,680	98.34	33,565,969
Metro	819,020,000	15.33	125,571,327
Tualatin Valley Fire and Rescue	26,055,000	48.65	12,675,028
City of Hillsboro	39,605,000	12.43	4,923,812
City of Tigard	17,660,942	17.00	3,002,678
Multnomah County	330,220,117	0.10	345,740
City of Portland	300,122,106	0.09	282,115
Hillsboro School District	461,390,000	0.02	75,207
Hillsboro School District - Bond	1,682,551	0.02	276
Subtotal, overlapping debt			481,040,605
<b>Total direct and overlapping debt</b>			<b>\$ 1,565,171,689</b>

**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.

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

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

<sup>c</sup> Includes unamortized premium of \$ 87985000

**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 2019		
Real Market Value	\$	50,169,236,160
Debt Limit (7.95% of Real Market Value <sup>1</sup> )	\$	3,988,454,275
Debt Applicable to Limit		775,436,000
Legal Debt Margin	\$	3,213,018,275

Fiscal Year	Total Net Debt		Legal Debt Margin	Total Net Debt	
	Debt Limit	Applicable to Limit		Applicable to Limit	as a Percentage of Debt
2019	\$ 3,988,454,275	\$ 775,436,000	\$ 3,213,018,275	19.44	%
2018	3,688,284,883	800,970,000	2,887,314,883	21.72	
2017	3,317,437,849	832,135,000	2,485,302,849	25.08	
2016	2,962,274,360	563,109,000	2,399,165,360	19.01	
2015	2,758,652,050	589,344,000	2,169,308,050	21.36	
2014	2,496,451,137	233,560,000	2,262,891,137	9.36	
2013	2,355,607,716	272,895,000	2,082,712,716	11.58	
2012	2,388,350,916	307,620,000	2,080,730,916	12.88	
2011	2,489,994,115	341,575,000	2,148,419,115	13.72	
2010	2,631,443,095	370,250,000	2,261,193,095	14.07	

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

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

Allowable Percentage of Real Market Value:

<sup>A</sup> Kindergarten through eighth grade, 9 x .0055

<sup>B</sup> Ninth through twelfth grade, 4 x .0075

Allowable Percentage

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

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

Calendar Year	Population <sup>a</sup> <i>Estimated</i>	Personal Income <sup>b</sup> <i>(In Thousands)</i>		Per Capita Personal Income	Unemployment Rate <sup>c</sup> <i>(Washington County)</i>
2019	291,014	n/a		n/a	n/a
2018	286,013	n/a		n/a	3.5 %
2017	280,126	\$	33,765,596	\$ 57,331	3.5
2016	273,845		31,588,397	54,203	4.2
2015	269,023		29,812,561	51,909	4.8
2014	263,778		26,299,466	46,713	5.7
2013	258,199		24,839,911	44,757	6.3
2012	257,562		24,314,346	44,396	7.1
2011	254,914		23,042,656	42,639	7.7
2010	252,293		21,586,715	40,606	9.1

**Notes:**

n/a - Information not available as of printing.

<sup>a</sup> Bureau of Economic and Business Research and BSD estimates based on PSU Population Research Center data.

<sup>b</sup> U.S. Department of Commerce, Bureau of Economic Analysis.

<sup>c</sup> 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

	December 31, 2018			December 31, 2009		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
<b>Employer</b>						
Ten Largest Employers						
Intel Corp.	20,000	1	1.58 %	15,141	1	1.43 %
Providence Health System	18,286	2	1.45	13,825	2	1.31
Oregon Health & Science University	16,658	3	1.32	12,700	3	1.20
Kaiser Permanente Northwest	12,400	4	0.98	8,759	5	0.83
Nike Inc.	12,000	5	0.95	7,000	7	0.66
Legacy Health System	11,250	6	0.89	8,251	6	0.78
City of Portland	9,710	7	0.77			
Fred Meyer Stores	7,741	8	0.61	9,630	4	0.91
Portland Public Schools	7,600	9	0.60			
Beaverton School District	5,457	10	0.43			
Wells Fargo				5,010	8	0.47
US Bank				3,948	9	0.37
Daimler Trucks Northwest				2,850	10	0.27
Subtotal of Ten Largest Employers	121,102		9.60	87,114		8.26
All Other Employers	1,140,897		90.40	968,079		91.74
<b>Total Portland-Vancouver-Hillsboro PMSA<sup>1</sup> Employment</b>	<b>1,261,999</b>		<b>100.00 %</b>	<b>1,055,193</b>		<b>100.00 %</b>

<sup>1</sup> 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 QualityInfo.org



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

Instruction	2019 Salary Range	Full-time Equivalent Employees as of June 30										% Change 2018 to 2019	
		2019	2018	2017	2016	2015	2014	2013	2012	2011	2010		
Certified Support	\$ 44,936 29,873	\$ 92,214 61,954	1,728.72 124.95	1,767.53 136.08	1,763.45 131.70	1,730.90 127.28	1,569.59 103.02	1,446.03 109.28	1,319.92 98.51	1,578.05 77.65	1,582.68 76.30	1,572.87 78.03	(2.20) (8.18)
<b>Special Programs</b>													
Certified Support Administration	44,936 29,873 -	92,214 78,112 -	448.68 249.19 -	456.18 258.87 -	442.90 260.78 -	420.91 236.11 -	413.00 228.23 -	383.86 213.81 -	393.41 225.06 -	397.72 259.69 1.00	436.59 256.25 1.00	435.50 278.56 1.00	(1.65) (3.74) -
<b>Student Support Services</b>													
Certified Support Administration	44,936 27,430 111,431	92,214 135,607 281,139	235.26 120.74 7.00	222.68 112.60 7.00	219.85 98.23 6.00	213.77 85.94 5.00	192.58 73.55 4.00	176.58 66.59 3.97	170.80 64.44 3.89	183.67 76.72 2.97	188.86 76.00 3.47	196.46 69.22 5.00	5.65 7.23 -
<b>Instructional Staff Support</b>													
Certified Support Administration	44,936 29,873 111,431	92,214 71,578 281,139	68.28 48.15 3.00	62.25 45.94 4.00	67.78 47.03 3.81	52.11 47.76 2.94	31.99 45.51 3.00	20.34 43.60 2.96	16.27 43.58 2.96	71.82 32.82 2.00	101.09 32.80 2.00	99.01 36.36 3.00	9.68 4.82 (25.00)
<b>General Administration Support</b>													
Support Administration	29,873 111,431	167,283 281,139	4.99 3.75	5.27 3.54	5.72 3.63	5.31 3.71	5.30 2.75	5.03 2.75	1.53 2.75	5.03 3.00	5.00 3.00	5.17 3.00	(5.28) 5.87
<b>School Administration</b>													
Certified Support Administration	44,936 29,873 111,431	92,214 71,578 281,139	9.68 121.14 113.21	11.67 122.35 112.35	11.30 120.25 109.54	9.37 110.15 103.65	9.20 103.84 97.35	12.37 103.83 88.56	15.20 103.10 83.75	12.93 104.35 89.30	10.86 106.86 91.40	10.38 104.61 91.38	(17.05) (0.99) 0.77
<b>Business Support Services</b>													
<b>General Business</b>													
Support Administration	29,873 111,431	105,307 281,139	20.29 1.63	17.70 2.00	16.82 2.00	16.90 2.00	16.36 2.00	14.99 2.00	12.31 1.41	16.34 1.00	18.09 1.00	18.45 1.43	14.65 (18.39)
<b>Facilities</b>													
Support Administration	30,081 111,431	105,307 281,139	265.51 1.86	257.32 1.94	228.80 2.00	214.54 2.00	208.91 2.00	201.63 1.00	190.54 1.00	206.19 1.00	212.52 1.00	213.67 1.00	3.18 (4.05)
<b>Transportation</b>													
Support Administration	29,873 111,431	105,307 281,139	187.66 1.25	185.14 1.25	173.13 1.23	165.56 1.25	167.57 1.25	170.05 1.25	169.00 1.25	176.72 1.00	180.72 1.00	179.98 1.00	1.36 -

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

2019 Salary Range		2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	% Change 2018 to 2019
<b>Business Support Services (Continued)</b>												
<b>Other Administration Support</b>												
Support	\$ 29,873 \$ 90,650	9.92	10.57	9.79	8.40	7.70	8.78	8.00	9.67	10.00	9.75	(6.19) %
<b>Central Support Services</b>												
Certified	44,936 92,214	5.22	4.85	4.55	5.00	4.50	4.20	4.52	5.29	5.30	4.49	7.69
Support	29,873 109,516	100.18	101.70	99.14	87.69	69.50	67.09	60.00	60.87	66.87	68.44	(1.49)
Administration	111,431 281,139	9.71	9.88	9.00	8.13	7.82	7.00	7.00	6.51	7.00	7.90	(1.71)
<b>Food Services</b>												
Support	24,988 62,454	109.42	107.85	101.54	101.15	100.46	102.07	97.83	103.01	103.55	103.19	1.45
Administration	111,431 281,139	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-
<b>Community Services &amp; Custody and Care of Children Services</b>												
Certified		-	-	-	-	0.38	0.37	0.52	0.53	0.54	0.53	-
Support		-	-	-	-	-	1.35	1.11	1.69	1.55	2.49	-
<b>Facilities Acquisition and Construction</b>												
Certified	44,936 92,214	5.00	5.00	5.00	4.19	1.00	-	-	-	-	-	-
Support	70,519 105,307	30.98	29.41	33.55	29.48	17.05	4.50	3.57	3.14	10.49	14.20	5.34
Administration	111,431 281,139	1.12	1.00	1.00	0.99	1.00	1.91	1.16	1.00	1.81	2.00	11.76
<b>Total</b>		<b>4,037.48</b>	<b>4,064.93</b>	<b>3,980.55</b>	<b>3,803.21</b>	<b>3,491.42</b>	<b>3,268.75</b>	<b>3,105.39</b>	<b>3,493.68</b>	<b>3,596.78</b>	<b>3,619.24</b>	

	2019 Salary Range	Number of Teachers
Bachelor's Range	\$ 44,936 \$ 84,959	288
Master's Range	\$ 48,786 \$ 92,214	2,213
Average Teacher Salary	\$ 70,557	

**Notes:**

Full-time certified employees of the district are employed for 193 days, at eight hours per day or 1,544 hours per year. Total work hours by certified employees are divided by 1,544 to obtain full-time-equivalent employment. Full-time-equivalent employment for all other positions is determined based on 2,080 hours per year (260 days at eight hours).

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

Source: Beaverton School District records.

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

Fiscal Year	Enrollment	ADMw	Operating Expenditures <sup>a</sup>	Cost per Student	Percentage Change	Expenses <sup>b</sup>	Cost per Student	Percentage Change	Certified Staff <sup>c</sup>	Student-Certified Staff Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
2019	41,101	48,816.17	\$ 517,575,447	\$ 12,593	4.28 %	\$ 705,123,887	\$ 17,156	3.02 %	2,501	16.43	31.9 %
2018	41,016	48,419.61	495,318,283	12,076	8.29	683,035,022	16,653	(8.03)	2,530	16.21	35.7
2017	40,912	48,743.18	456,235,276	11,152	5.98	740,819,921	18,108	13.47	2,515	16.27	34.5
2016	40,725	48,668.62	428,525,301	10,522	5.57	649,870,910	15,958	25.28	2,436	16.72	37.3
2015	39,910	45,797.19	397,792,844	9,967	9.87	508,347,647	12,737	14.36	2,222	17.96	39.3
2014	39,509	45,087.84	358,429,992	9,072	7.92	440,034,576	11,138	8.93	2,044	19.33	38.7
2013	39,427	44,796.05	331,435,118	8,406	(5.62)	403,154,789	10,225	(4.21)	1,921	20.53	39.4
2012	39,054	44,823.44	347,848,421	8,907	1.64	416,879,439	10,674	(0.47)	2,250	17.36	40.6
2011	38,814	44,647.62	340,145,111	8,763	2.36	416,285,386	10,725	(4.24)	2,326	16.69	39.8
2010	38,090	43,933.45	326,089,678	8,561	(1.13)	426,620,290	11,200	(8.86)	2,319	16.43	38.8

**Notes:**

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

**Source:** Beaverton School District records.

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

	Fiscal Year											Average Age of Buildings (in years)
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010		
SCHOOLS												
Elementary												
Buildings	34	34	33	33	33	33	33	33	33	33	33	48
Square feet	2,213,863	2,173,164	2,039,682	2,012,047	2,012,047	2,012,047	2,012,047	2,012,047	2,012,047	2,012,047	2,012,047	
Capacity	22,795	22,609	21,417	21,377	21,312	21,189	21,207	21,207	21,207	21,225	21,140	
Enrollment	18,193	18,326	18,073	18,345	17,919	17,987	17,952	17,917	17,818	17,445	17,445	
Percent used	80%	81%	84%	86%	84%	85%	85%	84%	84%	84%	83%	
Middle												
Buildings	9	9	8	8	8	8	8	8	8	8	8	39
Square feet	1,192,231	1,182,538	1,016,538	1,016,538	1,016,538	1,016,538	1,016,538	1,016,538	1,016,538	1,016,538	1,016,538	
Capacity	8,373	8,366	8,394	8,520	8,394	8,254	8,254	8,254	8,247	8,247	8,225	
Enrollment	7,663	7,623	9,356	9,200	9,067	8,870	8,842	8,734	8,567	8,405	8,405	
Percent used	92%	91%	111%	108%	108%	107%	107%	106%	104%	102%	102%	
High												
Buildings	9	10	9	9	9	9	9	9	9	9	9	51
Square feet	1,929,408	1,999,292	1,669,292	1,653,308	1,653,308	1,653,308	1,665,108	1,665,108	1,665,108	1,664,726	1,664,726	
Capacity	14,994	15,508	12,428	12,322	12,306	12,302	12,374	12,374	12,354	12,351	12,351	
Enrollment	13,035	13,506	11,801	11,588	11,405	11,262	11,227	11,340	11,311	11,055	11,055	
Percent used	87%	87%	95%	94%	93%	92%	91%	92%	92%	90%	90%	
Other												
Buildings	2	2	2	2	2	2	2	2	2	2	2	35
Square feet	40,607	40,607	40,607	40,607	40,607	40,607	40,607	40,607	40,607	40,607	40,607	
ADMINISTRATIVE												
Buildings	1	1	1	1	1	1	1	1	1	1	1	48
Square feet	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	
TRANSPORTATION												
Garages/Buildings	4	4	4	4	4	4	4	4	4	4	4	43
Buses	291	299	310	311	357	318	317	317	317	317	300	

Source: Beaverton School District Annual District Statistics.

a Elementary Enrollment included all K-8

b High school enrollment includes all 6-12 and options schools, and excludes Early College

# SINGLE AUDIT SECTION









***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 (the District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 18, 2019.

***Internal Control over Financial Reporting***

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

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

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

***Compliance and Other Matters***

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

***Purpose of this Report***

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

  
CERTIFIED PUBLIC ACCOUNTANTS

November 18, 2019





***INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE  
UNIFORM GUIDANCE***

School Board  
Beaverton School District  
Beaverton, Oregon

***Report on Compliance for Each Major Federal Program***

We have audited Beaverton School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2019. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

***Opinion on Each Major Federal Program***

In our opinion, Beaverton School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

***Report on Internal Control over Compliance***

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could

have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

#### ***Purpose of this Report***

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



CERTIFIED PUBLIC ACCOUNTANTS

November 18, 2019

**BEAVERTON SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL, STATE, AND LOCAL AWARDS**  
**AUDIT AS OF JUNE 30, 2019**

Program Title	Federal CFDA Number	Pass Through Entity Number	Period Covered	Grant Amount	2018-19 Revenue and Expenditures
<b>U.S. Department of Education</b>					
Direct:					
Indian Education Grants to Local Education Agencies	84.060	S060A182500	07/01/18 - 06/30/19	\$ 31,220	\$ 31,194
					<u>31,194</u>
Beaverton Active Students Succeed (PEP)	84.215	S215F160097	10/01/16 - 09/30/19	669,484	115,085
					<u>115,085</u>
<b>Total Direct</b>					<u><u>146,279</u></u>
Passed through Oregon Department of Education:					
Title I					
Title I Grants to Local Educational Agencies	84.010	50345	07/01/18 - 09/30/19	6,276,391	4,801,429
Title I Grants to Local Educational Agencies	84.010	41009	07/01/16 - 09/30/18	6,348,852	10,954
Title I Grants to Local Educational Agencies	84.010	45546	07/01/17 - 09/30/19	6,345,329	1,307,077
Total Title I					<u>6,119,460</u>
Migrant Education					
Migrant Education - State Grant Program	84.011	49205	07/01/18 - 09/30/19	504,322	272,789
Migrant Education - State Grant Program	84.011	49224	07/01/18 - 09/30/19	28,264	28,264
Migrant Education - State Grant Program	84.011	52513	03/15/19 - 09/30/19	81,562	17,516
Migrant Education - State Grant Program	84.011	44977	07/01/17 - 09/30/19	434,439	101,896
Migrant Education - State Grant Program	84.011	44894	07/01/17 - 09/30/18	22,074	10,790
Migrant Education - State Grant Program	84.011	48622	04/01/18 - 09/30/18	67,700	63,698
Total Migrant Education Program					<u>494,953</u>
Supporting Effective Instruction					
Supporting Effective Instruction State Grants	84.367	41264	07/01/16 - 09/30/18	797,875	663
Supporting Effective Instruction State Grants	84.367	45760	07/01/17 - 09/30/19	978,788	636,353
Supporting Effective Instruction State Grants	84.367	49258	07/01/18 - 09/30/19	948,642	498,538
Total Supporting Effective Instruction					<u>1,135,554</u>
English Language Acquisition					
English Language Acquisition State Grants	84.365	44197	07/01/17 - 09/30/19	655,029	366,535
English Language Acquisition State Grants	84.365	50230	07/01/18 - 09/30/19	644,727	396,276
Total English Language Acquisition					<u>762,811</u>
Career and Technical Education					
Career and Technical Education - Basic Grants to States	84.048	44279	07/01/17 - 09/30/18	285,400	7,490
Career and Technical Education - Basic Grants to States	84.048	12073	07/01/18 - 01/31/19	677	677
Career and Technical Education - Basic Grants to States	84.048	48906	07/01/18 - 09/30/19	300,393	252,169
Total Career and Technical Education					<u>260,336</u>
Special Education Cluster					
Special Education Grants to States	84.027	49838	07/01/18 - 09/30/20	6,899,285	6,899,285
Special Education Grants to States	84.027	49112	07/01/18 - 06/30/19	9,890	9,890
Special Education Grants to States	84.027	44334	07/01/17 - 09/30/18	29,043	4,407
Special Education Grants to States	84.027	46379	10/01/17 - 09/30/18	21,218	15,688
Special Education Grants to States	84.027	52199	07/01/18 - 09/30/18	5,115	5,115
Special Education Grants to States	84.027	45134	07/01/17 - 09/30/19	6,793,364	200,040
Special Education Grants to States	84.027	51210	10/01/18 - 09/30/19	21,218	21,218
Special Education Grants to States	84.027	49459	07/01/18 - 06/30/19	29,186	29,186
Total Special Education					<u>7,184,829</u>
Special Education Preschool Grants	84.173	50036	07/01/18 - 09/30/19	26,003	26,003
Total Special Education Preschool					<u>26,003</u>
Total Special Education Cluster (IDEA)					<u>7,210,832</u>
Student Support and Academic Enrichment	84.424	47674	07/01/17 - 09/30/19	114,004	110,007
Student Support and Academic Enrichment	84.424	50674	07/01/18 - 09/30/19	421,128	294,663
Total Student Support and Academic Enrichment					<u>404,670</u>
Twenty-First Century Community Learning Centers	84.287	49085	07/01/18 - 06/30/19	499,936	316,005
Total Twenty-First Century Community Learning Centers					<u>316,005</u>
<b>Total Passed through Oregon Department of Education:</b>					<u><u>16,704,621</u></u>
<b>Total U.S. Department of Education</b>					<u><u>16,850,900</u></u>

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

**BEAVERTON SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL, STATE, AND LOCAL AWARDS (Continued)**  
**AUDIT AS OF JUNE 30, 2019**

Program Title	Federal CFDA Number	Pass Through Entity Number	Period Covered	Grant Amount	2018-19 Revenue and Expenditures
<b>U.S. Department of Health &amp; Human Services</b>					
Passed through Administration for Children and Families					
CCDF Cluster					
Child Care and Development Block Grant	93.575	156140	01/01/18 - 06/30/19	\$ 338,760	\$ 82,054
Total CCDF Cluster					82,054
Passed through Oregon Department of Education					
Foster Care Transportation Reimbursement	93.658	47364	07/01/17 - 06/30/19	64,808	64,808
Total Foster Care Transportation Reimbursement					64,808
Passed through Washington County					
PAX Training	93.667	CA 18-0691	10/10/17 - 06/30/19	15,000	4,144
Total PAX Training Reimbursement					4,144
<b>Total U.S. Department of Health &amp; Human Services</b>					<b>151,006</b>
<b>U.S. Department of Agriculture</b>					
Passed through Oregon Department of Education:					
Child Nutrition Cluster:					
School Breakfast Program	10.553	N/A	07/01/18 - 06/30/19	1,339,355	1,339,355
National School Lunch Program	10.555	N/A	07/01/18 - 06/30/19	5,618,784	5,618,784
National School Lunch Program Commodities	10.555	N/A	07/01/18 - 06/30/19	901,509	901,509
Summer Food Service Program for Children	10.559	N/A	07/01/18 - 06/30/19	348,844	348,844
Summer Food Service Program for Children Commodities	10.559	N/A	07/01/18 - 06/30/19	1,420	1,420
Total Child Nutrition Cluster					8,209,912
Child and Adult Food Care Program	10.558	N/A	07/01/17 - open	7,541	7,541
Child and Adult Food Care Program	10.558	N/A	07/01/18 - 06/30/19	480,504	480,504
Total Child and Adult Food Care Program					488,045
Fresh Fruits and Vegetable - Vose	10.582	46309	10/01/17 - 09/30/18	30,950	818
Fresh Fruits and Vegetable - Vose	10.582	50515	10/01/18 - 09/30/19	32,350	26,383
Fresh Fruits and Vegetable - William Walker	10.582	46352	10/01/17 - 09/30/18	24,650	571
Fresh Fruits and Vegetable - William Walker	10.582	50516	10/01/18 - 09/30/19	23,850	21,668
Total Fresh Fruits and Vegetable					49,440
Reallocation SAE	10.560	N/A	07/01/18 - 06/30/19	32,925	32,925
<b>Total U.S. Department of Agriculture</b>					<b>8,780,322</b>
<b>U.S. Department of Transportation</b>					
Passed through Metro					
Federal Transit Cluster					
Federal Transit - Formula Grants (Urbanized Area)	20.507	934625	10/01/17 - 07/31/19	75,000	45,943
Total Federal Transit Cluster					45,943
<b>Total U.S. Department of Transportation</b>					<b>45,943</b>
<b>U.S. Environmental Protection Agency</b>					
Passed through Oregon Department of Education					
Department of Environmental Quality					
State Clean Diesel Grant	66.040	094-18	02/26/18 - 09/30/18	60,000	58,734
Passed through Western Oregon University					
Department of Environmental Education					
Fish Eggs to Fry	66.951	NE-01J35601-0	10/02/18 - 06/30/19	1,800	1,796
<b>Total U.S. Environmental Protection Agency</b>					<b>60,530</b>
<b>Total Federal Awards</b>					<b>\$ 25,888,701</b>

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

**BEAVERTON SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL, STATE, AND LOCAL AWARDS (Continued)**  
**AUDIT AS OF JUNE 30, 2019**

Program Title	Federal CFDA Number	Pass Through Entity Number	Period Covered	Grant Amount	2018-19 Revenue and Expenditures
<b>State and local awards:</b>					
AHS Construction CTE	N/A	51497	10/01/18 - 06/30/19	\$ 6,345	\$ 6,334
BHS Health Diag CTE	N/A	51499	10/01/18 - 06/30/19	35,399	34,435
HS2 Health Professionals CTE	N/A	51501	10/01/18 - 06/30/19	5,009	5,009
ORPATS Autism Workshop	N/A	N/A	07/01/18 - 06/30/19	1,471	1,471
Confucius Classroom	N/A	N/A	03/01/14 - open	31,491	6,184
BEF: Innovation Expo iX19	N/A	N/A	02/20/19 - 06/30/19	9,800	1,327
AHS Building Construction Tech CTE	N/A	46909	07/01/17 - 09/30/18	7,829	3,218
HS2 Health Professionals CTE	N/A	46915	07/01/17 - 09/30/18	8,185	671
Washington County Kindergarten Partnership Innovation	N/A	BCC17-1148	07/01/17 - 06/30/19	131,780	8,403
WHS Child Development CTE	N/A	51509	10/01/18 - 06/30/19	7,013	6,045
WHS Marketing CTE	N/A	51511	10/01/18 - 06/30/19	2,000	2,000
WHS Restaruant CTE	N/A	51512	10/01/18 - 06/30/19	14,360	9,614
SRHS Computer Tech CTE	N/A	51503	10/01/18 - 06/30/19	3,340	3,318
SRHS Marketing CTE	N/A	51504	10/01/18 - 06/30/19	7,681	7,681
TSWCD TWIG Cedar Park	N/A	N/A	01/01/19 - 06/30/19	2,198	2,038
Outdoor School 2018-19	N/A	TQQ32243	09/06/17 - 06/30/23	827,957	658,536
Intel Science Fair	N/A	N/A	07/01/17 - open	12,960	5,497
ELWC Washington County Early Learning Community Hub	N/A	BCC18-0689	07/01/18 - 09/30/19	328,304	259,667
Nike School Innovation fund	N/A	N/A	02/05/18 - open	124,830	22,974
SRHS Marketing CTE	N/A	46917	07/01/17 - 09/30/18	10,320	161
Intel Science Fair	N/A	N/A	07/01/18 - open	13,460	7,808
AHS Automotive Mechanics	N/A	46911	07/01/17 - 09/30/18	40,569	26,435
Regional Data Warehouse 12-13	N/A	25099	05/01/12 - open	115,500	1,853
AHS Marketing CTE	N/A	46910	07/01/17 - 09/30/18	3,559	1,941
AHS Seismic Rehabilitation	N/A	N/A	07/01/18 - 09/30/20	2,500,000	474,717
BEF: Mt. View Extended Day	N/A	N/A	09/18/18 - 06/30/19	12,500	12,500
SRHS Nike Engineering Digital Filmmaking	N/A	N/A	11/17/16 - open	12,055	24
BEF: Stoller Extended Day	N/A	N/A	10/04/18 - 06/30/19	5,500	3,907
BEF: Cedar Park Extended Day	N/A	N/A	10/16/18 - 06/30/19	12,500	12,382
BEF: McKay, Raleigh Hills, Raleigh Park Summer School	N/A	N/A	03/01/18 - 09/30/18	30,000	29,490
BEF: Meadow Park Extended Day	N/A	N/A	10/23/18 - 06/30/19	11,800	9,768
BEF: Five Oaks Extended Day	N/A	N/A	09/19/18 - 06/30/19	12,500	12,097
BEF: Cedar Mill, Ridgewood, West TV Summer School	N/A	N/A	03/01/18 - 09/30/18	30,000	29,353
High School Success (Measure 98)	N/A	44610 & 50961	07/01/17 - 08/31/19	11,245,437	5,881,541
BEF: Pre-K Play	N/A	N/A	01/01/19 - 03/01/19	10,075	9,477
BEF: Middle School Band Festival	N/A	N/A	01/01/19 - 06/01/19	4,000	4,000
WAC: Mtn View Trauma Training	N/A	N/A	02/25/19 - 06/30/19	9,190	5,647
9th Grade Success support	N/A	N/A	03/01/19 - 06/30/19	35,000	10,717
BEF: Beaverton High Futbol Club	N/A	N/A	04/01/19 - 06/30/20	2,615	2,615
Nike AVID	N/A	N/A	04/01/19 - 06/30/20	82,500	4,274
AHS Automotive Mechanics CTE	N/A	51496	10/01/18 - 06/30/19	37,736	37,672
AHS Marketing CTE	N/A	51498	10/01/18 - 06/30/19	8,683	8,643
CEYP "Tax Credit" Donations	N/A	N/A	10/01/02 - open	114,300	12,352
State Dyslexia Training	N/A	47872	07/01/17 - 06/30/19	90,086	4,236
SHS Construction Engineering CTE	N/A	51505	10/01/18 - 06/30/19	9,351	9,351
Outdoor School OSU (Measure 99)	N/A	TQQ32243	09/06/17 - 06/30/23	691,660	34,433
SHS Marketing CTE	N/A	51506	10/01/18 - 06/30/19	34,063	31,031
City of Beaverton Safe Routes to School	N/A	N/A	07/01/18 - 06/30/19	70,125	43,564
WHS Restaurant/Food Services	N/A	46924	07/01/17 - 09/30/18	27,758	9,679
Mentor Grant	N/A	46167	09/01/17 - 06/30/19	1,079,800	564,067
WHS Digital Comm CTE	N/A	51510	10/01/18 - 06/30/19	5,343	5,204
SHS Nike Innovation	N/A	N/A	12/08/15 - open	20,000	767
Gray Family Foundation Outdoor School	N/A	N/A	07/01/16 - open	57,800	319
Intel Science Fair	N/A	N/A	07/01/14 - open	12,876	102
Child Care 3 Star Rating	N/A	N/A	04/01/16 - open	1,500	836
BHS Marketing CTE	N/A	46913	07/01/17 - 09/30/18	27,402	6,118
BEF: Future Bus	N/A	N/A	05/14/16 - open	82,836	37,649
BHS Health Diagnostic CTE	N/A	46912	07/01/17 - 09/30/18	36,655	12,738
Vose Aspiring Leaders	N/A	48713	05/01/18 - 06/30/19	35,000	33,746
ACT 10th grade testing	N/A	N/A	07/01/18 - 06/30/19	34,000	33,995
Farm to School	N/A	48125	07/01/17 - 06/30/19	146,796	76,237
McKinney Vento Consortium	N/A	N/A	07/01/17 - 06/30/19	12,000	2,164
West TV Aspiring Leaders	N/A	48715	05/01/18 - 06/30/19	35,000	20,898
Vose Aspiring Leaders Scholarship	N/A	48677	05/01/18 - 06/30/19	6,500	6,499
WHS CAD Drafting CTE	N/A	46922	07/01/17 - 09/30/18	8,541	2,261
BEF: Conestoga Extended Day	N/A	N/A	09/10/18 - 06/30/19	12,500	11,357
BEF: Bethany, Rock Creek, Terra Linda Summer School	N/A	N/A	03/01/18 - 09/30/18	30,000	29,705
Oregon Lions Vision Screening	N/A	48843	07/01/17 - 06/30/18	52,159	52,159

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

**BEAVERTON SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL, STATE, AND LOCAL AWARDS (Continued)**  
**AUDIT AS OF JUNE 30, 2019**

Program Title	Federal CFDA Number	Pass Through Entity Number	Period Covered	Grant Amount	2018-19 Revenue and Expenditures
<b>State and local awards (continued):</b>					
Cedar Mill Fence	N/A	N/A	10/21/17 - open	\$ 10,000	\$ 14,004
BEF: Whitford Rebound	N/A	N/A	01/01/19 - 06/30/19	2,000	554
BEF: Summer School Trades for MS	N/A	N/A	01/01/19 - 07/19/19	10,000	3,985
BEF: Whitford Extended Day	N/A	N/A	07/01/18 - 06/30/19	15,000	13,986
U of O CTL Fusion	N/A	226000-00938	11/01/17 - open	3,000	5,486
BHS Marketing CTE	N/A	51500	10/01/18 - 06/30/19	23,710	19,733
SRHS CTE Revitalization	N/A	46803	01/01/18 - 06/30/19	267,286	230,029
HS2 PreEngineering CTE	N/A	51502	10/01/18 - 06/30/19	33,061	31,015
WHS Digital Communication	N/A	46921	07/01/17 - 09/30/18	2,000	324
SHS Pre-Engineering CTE	N/A	51507	10/01/18 - 06/30/19	2,000	2,000
HS2 PreEngineering CTE	N/A	46914	07/01/17 - 09/30/18	29,537	4,917
SHS Computer Engineering CTE	N/A	46919	07/01/17 - 09/30/18	13,523	1,161
SRHS Computer Engineering CTE	N/A	46916	07/01/17 - 09/30/18	2,000	1,220
SHS Marketing CTE	N/A	46920	07/01/17 - 09/30/18	43,416	24,951
Hiteon Aspiring Leaders	N/A	48711	05/01/18 - 06/30/19	35,000	6,373
West TV Aspiring Leaders Scholarship	N/A	48679	05/01/18 - 06/30/19	5,000	5,000
NSIF Nike School Innovation Fund	N/A	N/A	03/01/17 - open	247,680	3,129
WAC: BHS Trauma Sensitivity	N/A	CA 19-0129	01/01/19 - 06/30/19	25,000	20,558
BEF: Highland Park Extended day	N/A	N/A	10/01/18 - 06/30/19	6,700	6,672
<b>Total State and Local Awards</b>					<b>\$ 9,068,008</b>
<b>Total Federal, State, and Local Awards</b>					<b>\$ 34,956,709</b>

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

**BEAVERTON SCHOOL DISTRICT**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL, STATE, AND LOCAL AWARDS**  
**YEAR ENDED JUNE 30, 2019**

**PURPOSE OF THE SCHEDULE**

The accompanying Schedule of Expenditures of Federal, State and Local Awards (the "Schedule") includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Indirect Cost Rate**

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

**Federal Financial Assistance**

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

**Major Programs**

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

**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, 2019.

**BEAVERTON SCHOOL DISTRICT**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL, STATE, AND LOCAL AWARDS (Continued)**

YEAR ENDED JUNE 30, 2019

**Revenue and Expenditure Recognition**

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



**BEAVERTON SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2019**

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**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 federal programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	No

Identification of major federal programs:

**CFDA Number(s)**

**Name of Federal Program or Cluster**

84.010	Title I Grants to Local Educational Agencies
84.367	Supporting Effective Instruction State Grants

Dollar threshold used to distinguish between type A and type B programs:	\$776,661
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Auditee qualified as low-risk auditee?	Yes
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**FINANCIAL STATEMENT FINDINGS**

None.

**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None.

**PRIOR YEAR FINANCIAL STATEMENT FINDINGS**

None.

**PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None.



# COMPLIANCE SECTION





**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, 2019, and have issued our report thereon dated November 18, 2019.

#### ***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, except that expenditures exceeded appropriations as described in the notes to the financial statements.


### ***Internal Control***

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

### ***Restriction on Use***

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

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

By:   
Larry E. Grant, A Shareholder  
November 18, 2019